Q4 Fiscal Year 2022

Conference Call

August 17, 2022

Forward-Looking Statements

This presentation contains projections and other forward-looking statements regarding future events or the future financial performance of Cisco, including future operating results. These projections and statements are only predictions. Actual events or results may differ materially from those in the projections or other forward-looking statements. Please see Cisco's filings with the SEC, including its most recent filings on Forms 10-K and 10-Q, for a discussion of important risk factors that could cause actual events or results to differ materially from those in the projections or other forward-looking statements.

GAAP Reconciliation

During this presentation references to financial measures of Cisco will include references to non-GAAP financial measures. Cisco provides a reconciliation between GAAP and non-GAAP financial information on the Cisco Investor Relations website https://investor.cisco.com/financial-information/financial-results/default.aspx

Business Momentum & Key Trends

Q4 FY 2022 Highlights

- **Strong demand reflected by record full year product orders and backlog**
  - Q4 product orders up greater than 15% sequentially
- **Delivered revenue above our guidance range and non-GAAP EPS at the high end, resulting in record EPS for the full year**
- **Continued progress on business transformation:**
  - Annualized Recurring Revenue (ARR) up 8% y/y; Product ARR up 13% y/y
  - Remaining Performance Obligations (RPO) up 2% y/y; Product RPO up 6% y/y
- **Record backlog and RPO give substantial visibility and confidence in future revenue**
- **Solid cash flow generation and nearly $4B returned to stockholders**
- **Competitive position remains strong driven by continued investments in innovation across networking, security, collaboration and optimized applications portfolios**

Financial Overview

Q4 FY 2022 Revenue and Total Gross Margin

$M (except percentages)	Revenue			Total Gross Margin %		
	Q4 FY'21	Q3 FY’22	Q4 FY’22	Q4 FY'21	Q3 FY’22	Q4 FY’22
Americas	$7,731	$7,638	$7,470	66.2%	64.8%	62.6%
EMEA	3,297	3,271	3,577	65.0%	65.9%	64.4%
APJC	2,098	1,926	2,055	64.4%	66.4%	63.6%
Geographic Total	$13,126	$12,835	$13,102	65.6%	65.3%	63.3%

Amounts may not sum and percentages may not recalculate due to rounding.

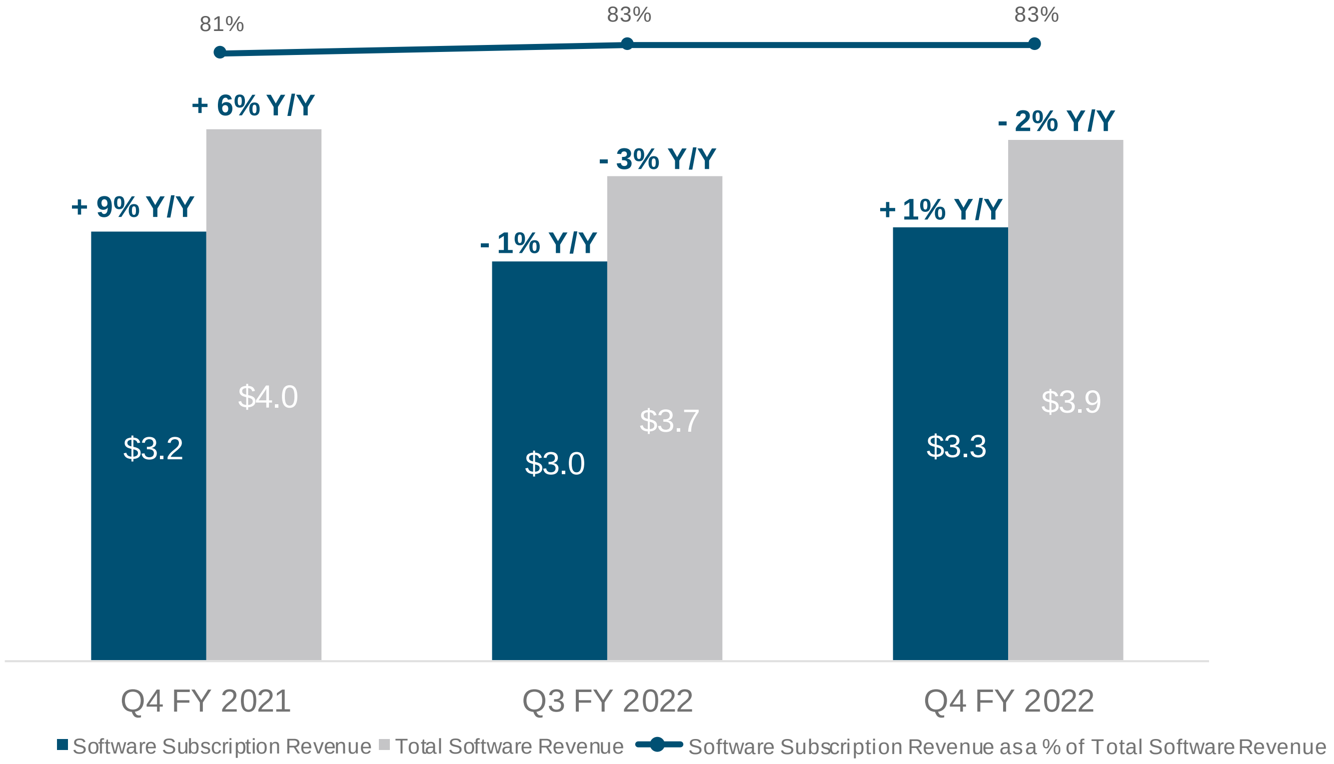
Q4 FY 2022 Revenue Highlights

Product Category	$M	Y/Y
Secure, Agile Networks	$6,094	(1%)
Internet for the Future	1,257	(10%)
Collaboration	1,164	2%
End-to-End Security	984	20%
Optimized Application Experiences	185	8%
Other Products	3	(22%)
Services	3,414	0%
Total Cisco	$13,102	0%

Amounts may not sum and percentages may not recalculate due to rounding.

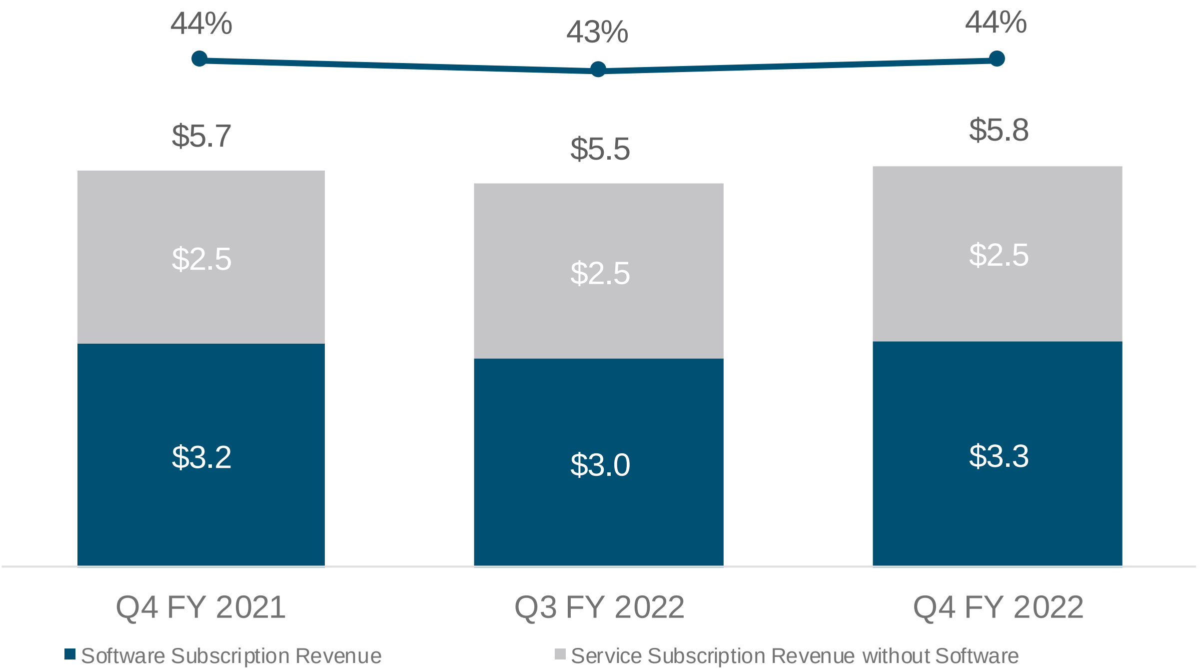
Q4 FY 2022 Software Revenue

$B (except percentages)



Q4 FY 2022 Subscriptions as a % of Total Revenue

$B (except percentages)



+ 2% Y/Y

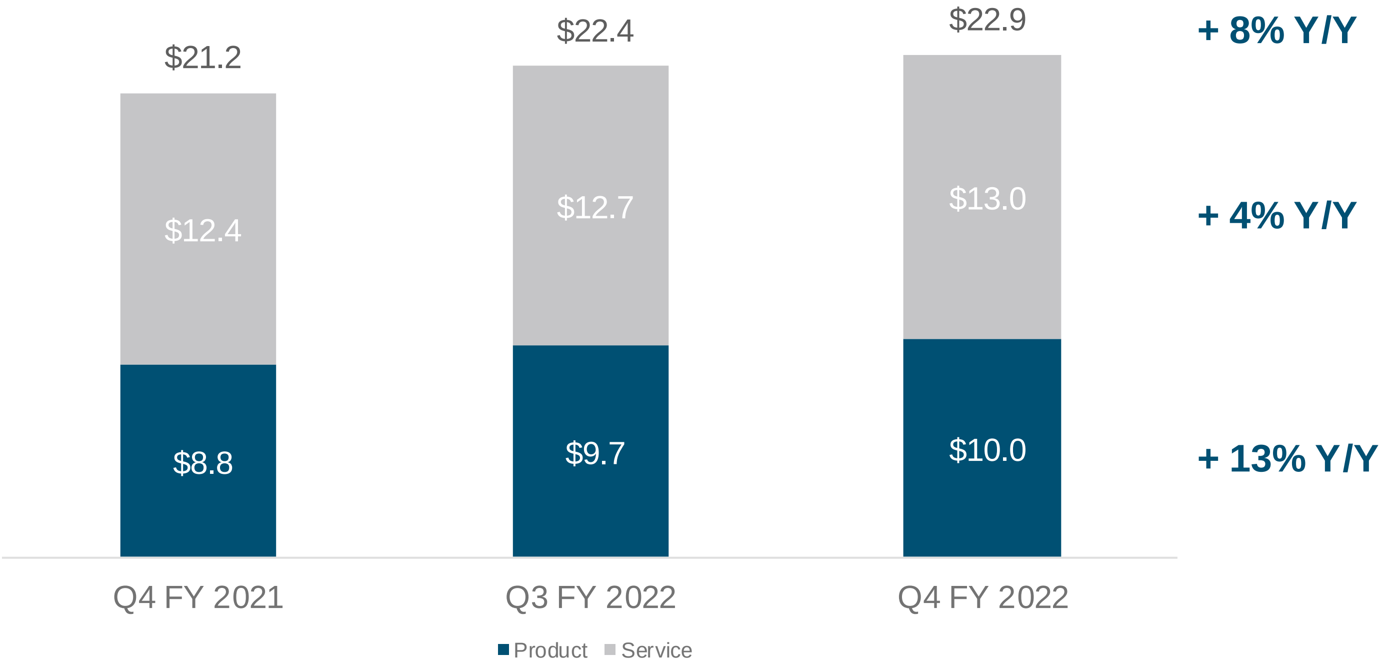
+ 2% Y/Y

+ 1% Y/Y

Amounts may not sum and percentages may not recalculate due to rounding.
Subscriptions are comprised of term software licenses, security software licenses, SaaS, and service arrangements.

Q4 FY 2022 Annualized Recurring Revenue (ARR)

$B (except percentages)



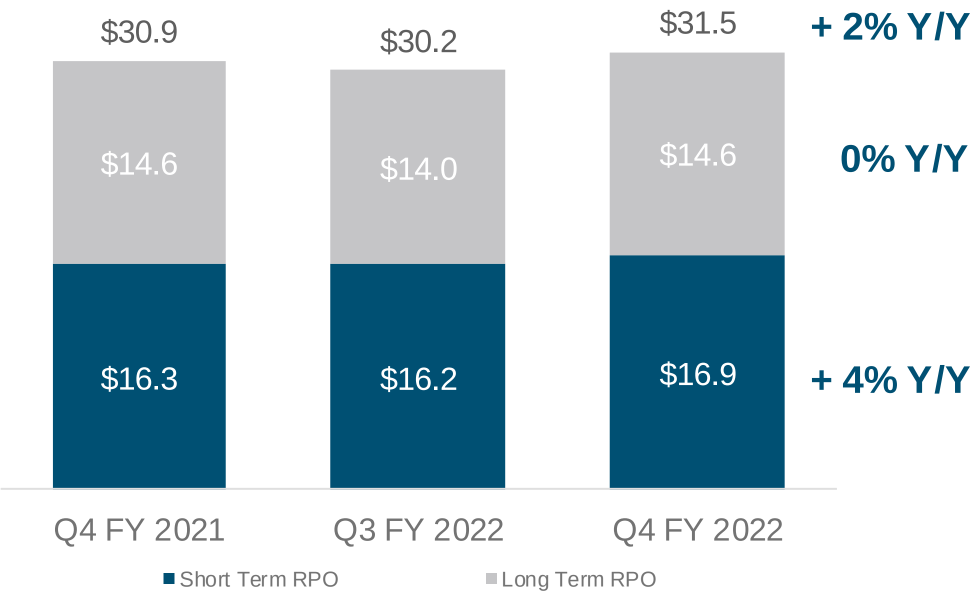
Amounts may not sum and percentages may not recalculate due to rounding.

Annualized Recurring Revenue ("ARR") represents the annualized revenue run-rate of active subscriptions, term licenses, and maintenance contracts at the end of a reporting period, net of rebates to customers and partners as well as certain other revenue adjustments. Includes both revenue recognized ratably as well as upfront on an annualized basis.

ARR should be viewed independently of revenue, deferred revenue and remaining performance obligation as ARR is a management operational performance metric and is not intended as a substitute for any of these items.

Q4 FY 2022 Remaining Performance Obligations

$B (except percentages)



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Short term RPO of $16.9B, up 4% year over year, represents 54% of total RPO

Remaining Performance Obligations (RPO)

RPO is an indicator of future revenue

Future Revenue

Represents revenue for non-cancellable contracts that will be recognized in future periods

Deferred and Contract Revenue

Comprised of total deferred revenue plus unbilled contract revenue

Short term

Will be recognized in the next 12 months

Q4 FY 2022 Product Orders

Total Cisco: (6%) Y/Y

Geographic Segment	Y/Y
Americas	(9%)
EMEA	(4%)
APJC	1%

Customer Market	Y/Y
Enterprise	(15%)
Public Sector	(3%)
Commercial	1%
Service Provider	(7%)

Q4 FY 2022 GAAP Income Statement Highlights

$M (except per-share amounts and percentages)	Q4 FY 2021	Q3 FY 2022	Q4 FY 2022
Revenue	$13,126	$12,835	$13,102
Year/Year Change	*8%*	*0%*	*0%*
Product	$9,716	$9,448	$9,688
Service	$3,410	$3,387	$3,414
Gross Margin	63.6%	63.3%	61.3%
Product Gross Margin	62.7%	61.8%	59.1%
Service Gross Margin	66.2%	67.3%	67.5%
Operating Expenses	$4,769	$4,511	$4,591
OPEX (% of Revenue)	36.3%	35.1%	35.0%
Operating Income (% of Revenue)	27.2%	28.1%	26.2%
Net Income	$3,009	$3,044	$2,815
Year/Year Change	*14%*	*6%*	*(6%)*
Earnings per Share (diluted)	$0.71	$0.73	$0.68
Year/Year Change	*15%*	*7%*	*(4%)*

Q4 FY 2022 Non-GAAP Income Statement Highlights

$M (except per-share amounts and percentages)	Q4 FY 2021	Q3 FY 2022	Q4 FY 2022
Revenue	$13,126	$12,835	$13,102
Year/Year Change	*8%*	*0%*	*0%*
Product	$9,716	$9,448	$9,688
Service	$3,410	$3,387	$3,414
Gross Margin	65.6%	65.3%	63.3%
Product Gross Margin	65.0%	64.1%	61.3%
Service Gross Margin	67.4%	68.9%	69.0%
Operating Expenses	$4,216	$3,934	$4,052
OPEX (% of Revenue)	32.1%	30.7%	30.9%
Operating Income (% of Revenue)	33.5%	34.7%	32.4%
Net Income	$3,552	$3,632	$3,439
Year/Year Change	*5%*	*3%*	*(3%)*
Earnings per Share (diluted)	$0.84	$0.87	$0.83
Year/Year Change	*5%*	*5%*	*(1%)*

Q4 FY 2022 Key Financial Measures

$M	Q4 FY 2021	Q3 FY 2022	Q4 FY 2022
Cash, Cash Equivalents and Investments	$24,518	$20,108	$19,267
Operating Cash Flow	$4,504	$3,661	$3,677
Accounts Receivable	$5,766	$5,783	$6,622
Inventory	$1,559	$2,231	$2,568
Deferred Revenue:	$22,164	$22,293	$23,264
Product Deferred Revenue	$9,416	$9,835	$10,427
Service Deferred Revenue	$12,748	$12,458	$12,837

Q4 FY 2022 Capital Allocation

Total Capital Allocation	
Share Repurchases ($M)	$2,402
Dividends Paid ($M)	1,567
Total ($M)	$3,969
Quarterly Dividends Per Share	$0.38

Share Repurchases	
Amount Purchased ($M)	$2,402
Number of Shares (M)	54
Avg. Price Per Share	$44.02

Approximately $15.2B remaining authorized funds in repurchase program as of the end of Q4 FY 2022.

FY 2022 GAAP Income Statement Highlights

$M (except per-share amounts and percentages)	FY 2021	FY 2022
Revenue	$49,818	$51,557
Year/Year Change	*1%*	*3%*
Product	$36,014	$38,018
Service	$13,804	$13,539
Gross Margin	64.0%	62.5%
Product Gross Margin	63.1%	61.0%
Service Gross Margin	66.5%	66.8%
Operating Expenses	$19,061	$18,279
OPEX (% of Revenue)	38.3%	35.5%
Operating Income (% of Revenue)	25.8%	27.1%
Net Income	$10,591	$11,812
Year/Year Change	*(6%)*	*12%*
Earnings per Share (diluted)	$2.50	$2.82
Year/Year Change	*(5%)*	*13%*

FY 2022 Non-GAAP Income Statement Highlights

$M (except per-share amounts and percentages)	FY 2021	FY 2022
Revenue	$49,818	$51,557
Year/Year Change	*1%*	*3%*
Product	$36,014	$38,018
Service	$13,804	$13,539
Gross Margin	66.1%	64.6%
Product Gross Margin	65.4%	63.3%
Service Gross Margin	67.8%	68.3%
Operating Expenses	$16,212	$15,981
OPEX (% of Revenue)	32.5%	31.0%
Operating Income (% of Revenue)	33.5%	33.6%
Net Income	$13,636	$14,094
Year/Year Change	*0%*	*3%*
Earnings per Share (diluted)	$3.22	$3.36
Year/Year Change	*0%*	*4%*

Q&A

FORWARD-LOOKING STATEMENTS

These presentation slides and the related conference call contain forward-looking statements, which are subject to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements include, among other things, statements regarding future events (such as our ability to execute in an incredibly dynamic environment, the success of numerous initiatives we have taken to reduce the impact of the global supply situation, the success of our strategy and confidence in our long-term growth, the fundamental drivers across our business being strong, strong demand for our innovation and the solutions we bring to our customers as they accelerate their digital transformation resulting in record backlogs, continued progress on our business model transformation shifting to more software and subscriptions, and our commitment to returning excess capital to our shareholders and confidence in our ongoing cash flows) and the future financial performance of Cisco that involve risks and uncertainties. Readers are cautioned that these forward-looking statements are only predictions and may differ materially from actual future events or results due to a variety of factors, including: the impact of the COVID-19 pandemic and related public health measures; business and economic conditions and growth trends in the networking industry, our customer markets and various geographic regions; global economic conditions and uncertainties in the geopolitical environment; overall information technology spending; the growth and evolution of the Internet and levels of capital spending on Internet-based systems; variations in customer demand for products and services, including sales to the service provider market and other customer markets; the return on our investments in certain priorities, key growth areas, and in certain geographical locations, as well as maintaining leadership in Secure, Agile Networks and services; the timing of orders and manufacturing and customer lead times; significant supply constraints; changes in customer order patterns or customer mix; insufficient, excess or obsolete inventory; variability of component costs; variations in sales channels, product costs or mix of products sold; our ability to successfully acquire businesses and technologies and to successfully integrate and operate these acquired businesses and technologies; our ability to achieve expected benefits of our partnerships; increased competition in our product and service markets, including the data center market; dependence on the introduction and market acceptance of new product offerings and standards; rapid technological and market change; manufacturing and sourcing risks; product defects and returns; litigation involving patents, other intellectual property, antitrust, stockholder and other matters, and governmental investigations; our ability to achieve the benefits of restructurings and possible changes in the size and timing of related charges; cyber-attacks, data breaches or malware; vulnerabilities and critical security defects; terrorism; natural catastrophic events (including as a result of global climate change); any other pandemic or epidemic; our ability to achieve the benefits anticipated from our investments in sales, engineering, service, marketing and manufacturing activities; our ability to recruit and retain key personnel; our ability to manage financial risk, and to manage expenses during economic downturns; risks related to the global nature of our operations, including our operations in emerging markets; currency fluctuations and other international factors; changes in provision for income taxes, including changes in tax laws and regulations or adverse outcomes resulting from examinations of our income tax returns; potential volatility in operating results; and other factors listed in Cisco's most recent reports on Forms 10-Q and 10-K filed on May 25, 2022 and September 9, 2021, respectively. The financial information contained in these presentation slides and the related conference call should be read in conjunction with the consolidated financial statements and notes thereto included in Cisco's most recent reports on Forms 10-Q and 10-K as each may be amended from time to time. Cisco's results of operations for the three months and the year ended July 30, 2022 are not necessarily indicative of Cisco's operating results for any future periods. Any projections in these presentation slides and the related conference call are based on limited information currently available to Cisco, which is subject to change. Although any such projections and the factors influencing them will likely change, Cisco will not necessarily update the information, since Cisco will only provide guidance at certain points during the year. Such information speaks only as of the date of these presentation slides and the related conference call.

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