Q1 Fiscal Year 2023

Conference Call

November 16, 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 filing on Form 10-K, 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

Q1 FY 2023 Highlights

- **Delivered the largest quarterly revenue and second highest quarterly non-GAAP earnings per share in our history reflecting solid execution and disciplined management**

- **Continued progress on business transformation:**
  - Annualized Recurring Revenue (ARR) of $23.2B, up 7% y/y; Product ARR up 12% y/y
  - Software revenue of $3.9B, up 5% y/y; Software subscription revenue up 11% y/y
  - Remaining Performance Obligations (RPO) of $30.9B, up 3% y/y; Product RPO up 5% y/y

- **Significant backlog, strong RPO and easing supply constraints, provides more visibility and predictability which underpins our confidence in the business**

- **Strong cash flow generation of $4B and over $2B returned to stockholders**

- **Portfolio in great shape with demand for our technologies led by digital transformation, hybrid cloud, AI and ML workloads**

Financial Overview

Q1 FY 2023 Revenue and Total Gross Margin

$M (except percentages)	Revenue			Total Gross Margin %		
	Q1 FY’22	Q4 FY'22	Q1 FY’23	Q1 FY’22	Q4 FY'22	Q1 FY’23
Americas	$7,561	$7,470	$7,914	64.5%	62.6%	63.0%
EMEA	3,303	3,577	3,675	64.4%	64.4%	63.3%
APJC	2,036	2,055	2,043	64.7%	63.6%	62.3%
Geographic Total	$12,900	$13,102	$13,632	64.5%	63.3%	63.0%

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

Q1 FY 2023 Revenue Highlights

Product Category	$M	Y/Y
Secure, Agile Networks	$6,684	12%
Internet for the Future	1,310	(5%)
Collaboration	1,086	(2%)
End-to-End Security	971	9%
Optimized Application Experiences	193	7%
Other Products	2	(47%)
Services	3,387	0%
Total Cisco	$13,632	6%

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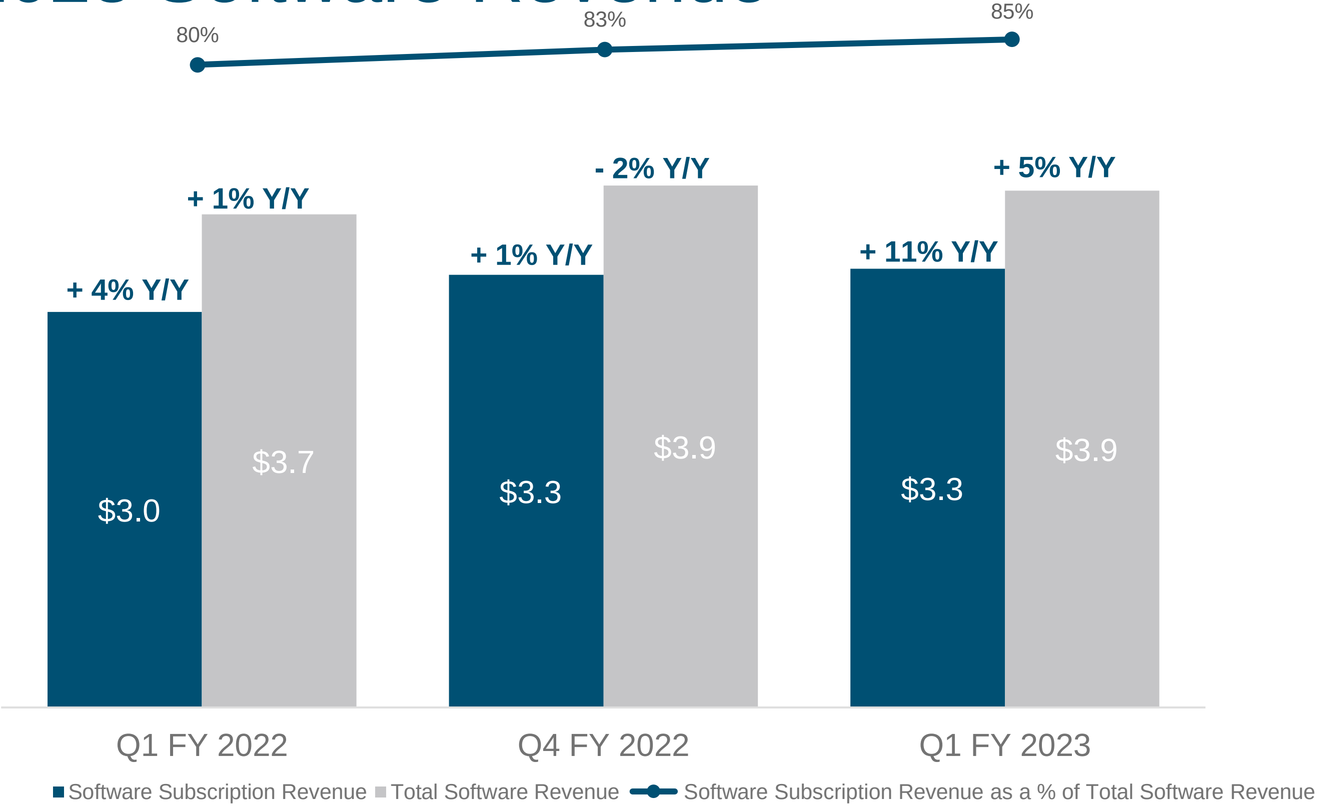
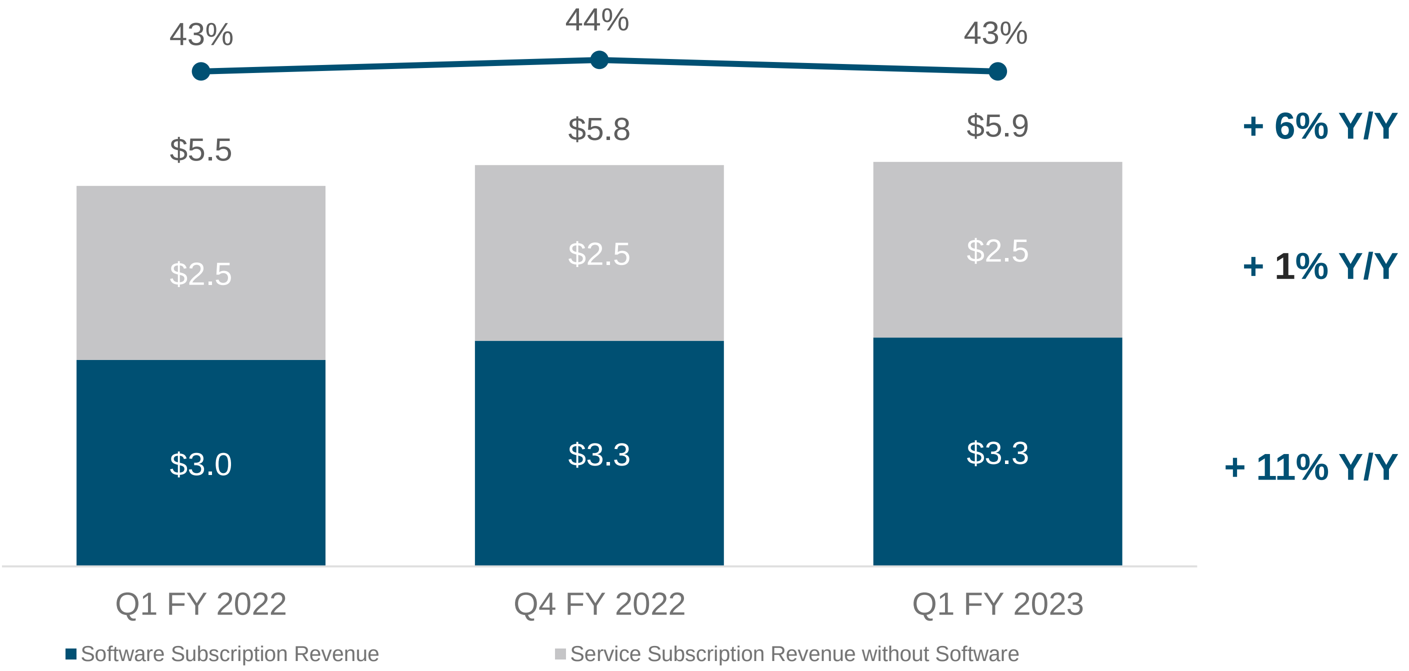
Q1 FY 2023 Software Revenue

$B (except percentages)



Q1 FY 2023 Subscriptions as a % of Total Revenue

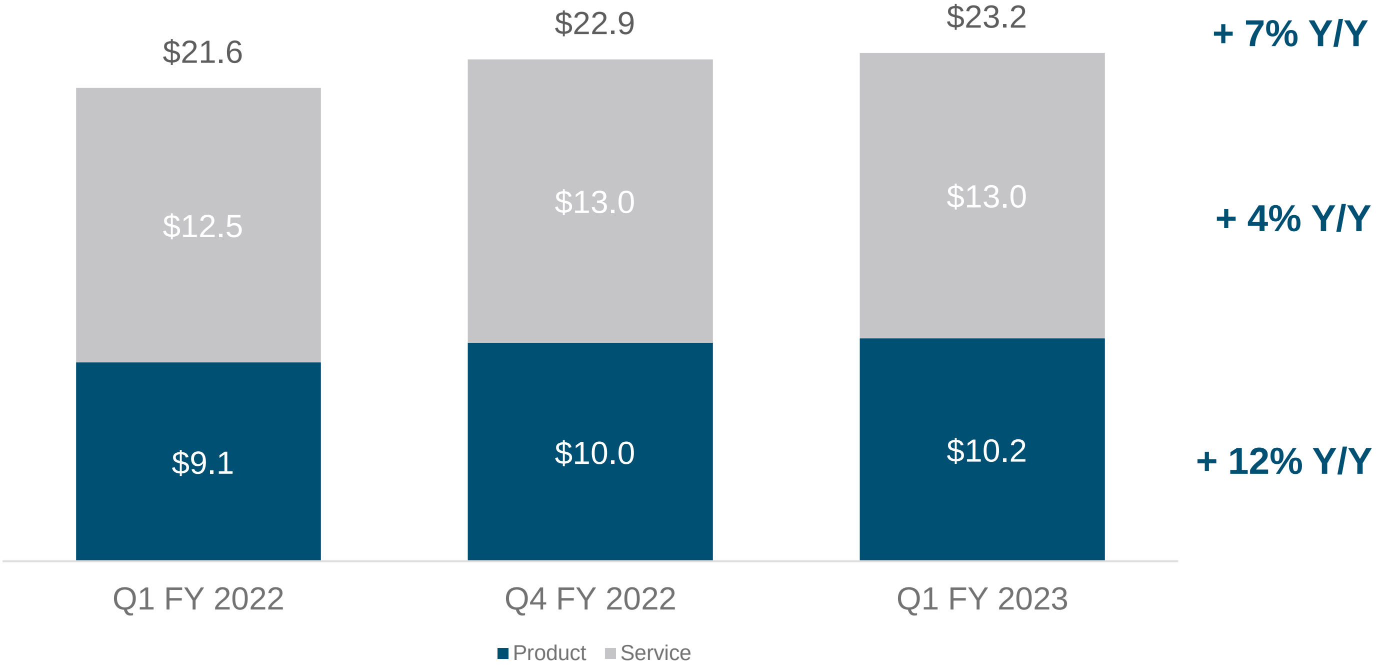
$B (except percentages)



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.

Q1 FY 2023 Annualized Recurring Revenue (ARR)

$B (except percentages)



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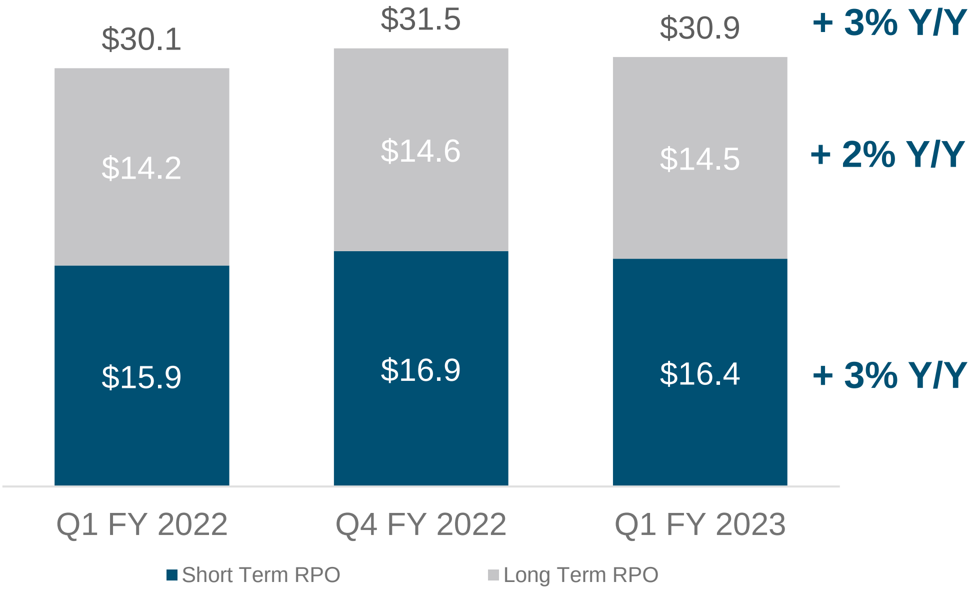
Annualized Recurring Revenue ("ARR") represents the annualized revenue run-rate of active subscriptions, term licenses, and maintenance contracts at the end of a reporting period, net of rebates to customers and partners as well as certain other revenue adjustments. Includes both revenue recognized ratably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

Q1 FY 2023 Remaining Performance Obligations

$B (except percentages)



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Short term RPO of $16.4B, up 3% year over year, represents 53% of total RPO

Product RPO up 5% year over year and Service RPO up 1% year over year

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

Q1 FY 2023 Product Orders

Total Cisco: (14%) Y/Y

Geographic Segment	Y/Y
Americas	(10%)
EMEA	(23%)
APJC	(10%)

Customer Market	Y/Y
Enterprise	(13%)
Public Sector	(7%)
Commercial	(14%)
Service Provider	(23%)

Q1 FY 2023 GAAP Income Statement Highlights

$M (except per-share amounts and percentages)	Q1 FY 2022	Q4 FY 2022	Q1 FY 2023
Revenue	$12,900	$13,102	$13,632
Year/Year Change	*8%*	*0%*	*6%*
Product	$9,529	$9,688	$10,245
Service	$3,371	$3,414	$3,387
Gross Margin	62.4%	61.3%	61.2%
Product Gross Margin	61.5%	59.1%	59.2%
Service Gross Margin	65.2%	67.5%	67.3%
Operating Expenses	$4,615	$4,591	$4,806
OPEX (% of Revenue)	35.8%	35.0%	35.3%
Operating Income (% of Revenue)	26.7%	26.2%	26.0%
Net Income	$2,980	$2,815	$2,670
Year/Year Change	*37%*	*(6%)*	*(10%)*
Earnings per Share (diluted)	$0.70	$0.68	$0.65
Year/Year Change	*37%*	*(4%)*	*(7%)*

Q1 FY 2023 Non-GAAP Income Statement Highlights

$M (except per-share amounts and percentages)	Q1 FY 2022	Q4 FY 2022	Q1 FY 2023
Revenue	$12,900	$13,102	$13,632
Year/Year Change	*8%*	*0%*	*6%*
Product	$9,529	$9,688	$10,245
Service	$3,371	$3,414	$3,387
Gross Margin	64.5%	63.3%	63.0%
Product Gross Margin	63.8%	61.3%	61.0%
Service Gross Margin	66.5%	69.0%	68.8%
Operating Expenses	$4,031	$4,052	$4,244
OPEX (% of Revenue)	31.2%	30.9%	31.1%
Operating Income (% of Revenue)	33.3%	32.4%	31.8%
Net Income	$3,475	$3,439	$3,549
Year/Year Change	*8%*	*(3%)*	*2%*
Earnings per Share (diluted)	$0.82	$0.83	$0.86
Year/Year Change	*8%*	*(1%)*	*5%*

Q1 FY 2023 Key Financial Measures

$M	Q1 FY 2022	Q4 FY 2022	Q1 FY 2023
Cash, Cash Equivalents and Investments	$23,346	$19,267	$19,784
Operating Cash Flow	$3,427	$3,677	$3,962
Accounts Receivable	$5,306	$6,622	$5,439
Inventory	$1,832	$2,568	$2,664
Deferred Revenue:	$22,072	$23,264	$23,019
Product Deferred Revenue	$9,681	$10,427	$10,404
Service Deferred Revenue	$12,391	$12,837	$12,615

Q1 FY 2023 Capital Allocation

Total Capital Allocation	
Share Repurchases ($M)	$502
Dividends Paid ($M)	1,560
Total ($M)	$2,062
Quarterly Dividends Per Share	$0.38

Share Repurchases	
Amount Purchased ($M)	$502
Number of Shares (M)	12
Avg. Price Per Share	$43.76

Approximately $14.7B remaining authorized funds in repurchase program as of the end of Q1 FY 2023.

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 the relevance of our strategy, our differentiated innovation, our ability to help our customers become more resilient, our continued progress on our business model transformation, and the visibility and predictability provided by backlog, RPO, easing of the supply situation and the growth of annualized recurring revenue) 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 report on Form 10-K filed on September 8, 2022. 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 report on Form 10-K as it may be amended from time to time. Cisco's results of operations for the three months ended October 29, 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.