Q1 Fiscal Year 2024

Conference Call

November 15, 2023

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 2024 Highlights

- **Strongest Q1 in Cisco's history in terms of revenue and profitability**
  - $14.7B in revenue, up 8% y/y; Non-GAAP EPS of $1.11, up 29% y/y

- **Non-GAAP gross margin of 67.1%; highest in 17 years** due to disciplined expense management and business model transformation tailwinds

- **Total Product Orders decreased 20% y/y;** customers taking time to onboard and deploy heightened product deliveries… we expect product order growth rates to increase in 2H FY24

- **Announced intent to acquire Splunk;** combination of Cisco and Splunk will create an end-to-end data platform to enhance our customers' digital resiliency with our complementary capabilities in AI, security, and observability

- **Working with key GPU and storage partners to create solutions to help advance AI**, including ethernet technologies, GPU-enabled infrastructure, and joint tested and validated reference architectures

- **$2.8B returned to shareholders** delivering on our capital return commitments

- **Focused on extending our technology leadership** and capitalizing on the significant opportunities ahead in Cloud, Security, Observability, and AI

Financial Overview

Q1 FY 2024 Revenue and Total Gross Margin

$M (except percentages)	Revenue			Total Gross Margin %		
	Q1 FY’23	Q4 FY'23	Q1 FY’24	Q1 FY’23	Q4 FY'23	Q1 FY’24
Americas	$7,914	$9,075	$9,022	63.0%	65.0%	66.2%
EMEA	3,675	3,926	3,664	63.3%	68.4%	69.5%
APJC	2,043	2,203	1,982	62.3%	65.3%	67.0%
Geographic Total	$13,632	$15,203	$14,668	63.0%	65.9%	67.1%

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

Q1 FY 2024 Revenue Highlights

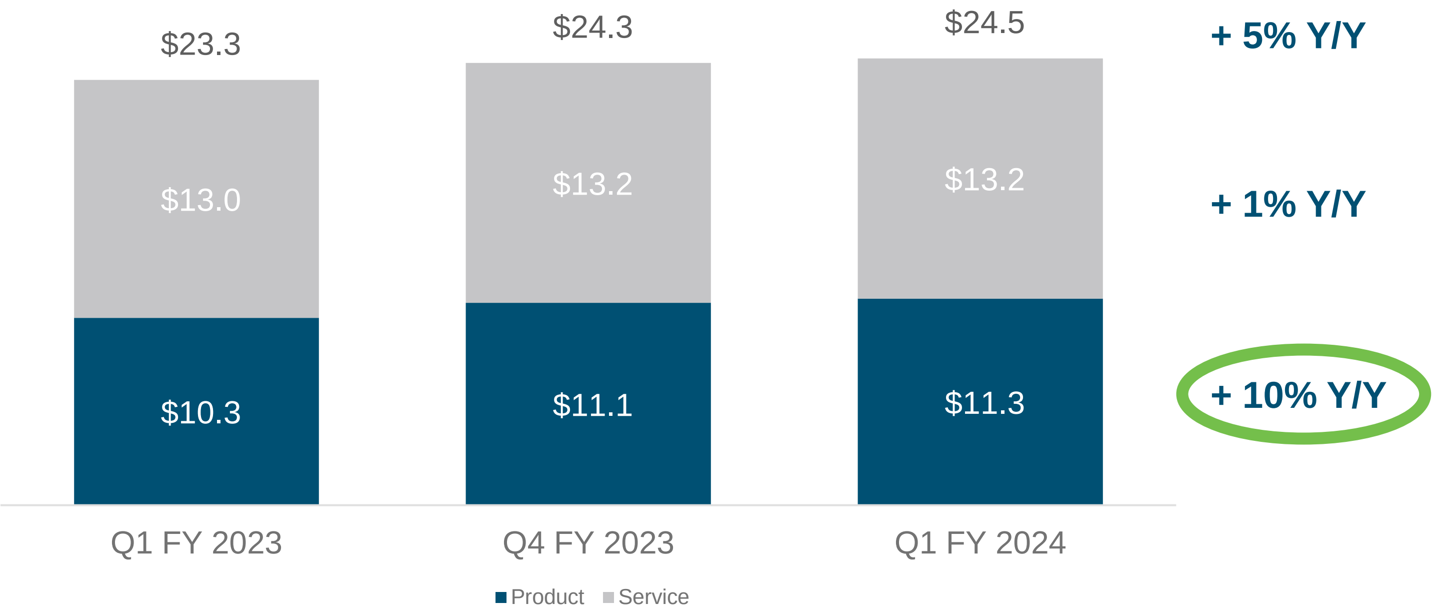
Product Category	$M	Y/Y
Networking	$8,822	10%
Security	1,010	4%
Collaboration	1,117	3%
Observability	190	21%
Services	3,529	4%
Total Cisco	$14,668	8%

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

Effective Q1 FY 2024, we began reporting our revenue in the following categories: Networking, Security, Collaboration, Observability and Services. The reclassified product category revenue by quarter for fiscal 2021 through fiscal 2023, as well as other information is available on Cisco's Investor Relations website at https://investor.cisco.com/investor-relations/financial-information/Financial-Results/default.aspx.

Q1 FY 2024 Annualized Recurring Revenue (ARR)

$B (except percentages)



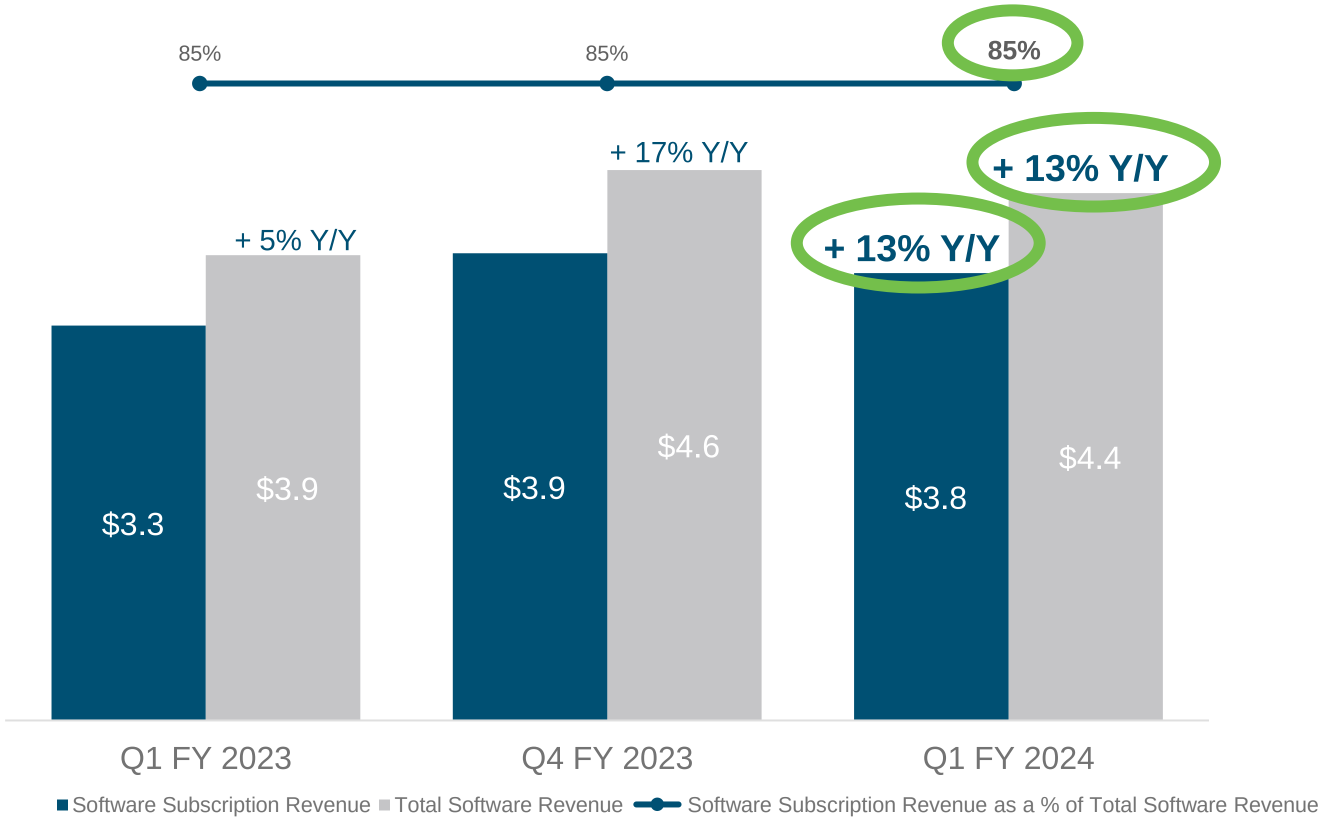
Amounts may not sum and percentages may not recalculate due to rounding.

Annualized Recurring Revenue ("ARR") represents the annualized revenue run-rate of active subscriptions, term licenses, operating leases 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.

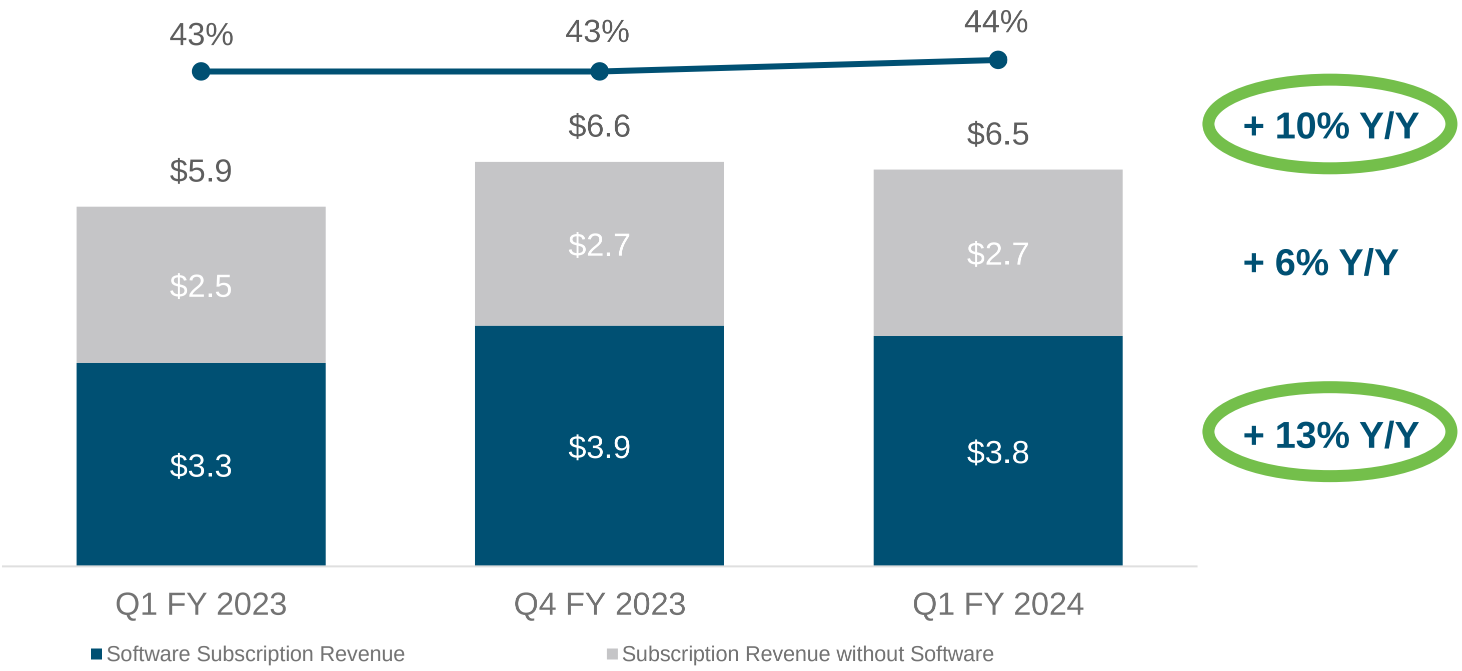
Q1 FY 2024 Software Revenue

$B (except percentages)



Q1 FY 2024 Subscriptions as a % of Total Revenue

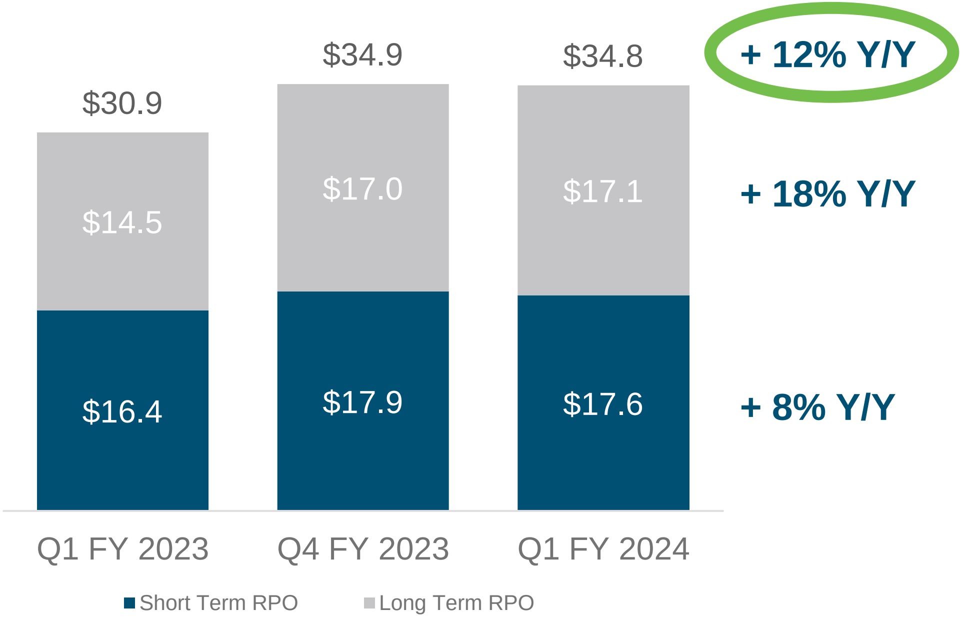
$B (except percentages)



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

Q1 FY 2024 Remaining Performance Obligations

$B (except percentages)



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Short term RPO of $17.6B, up 8% year over year

Product RPO up 14% year over year and Service RPO up 11% 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 2024 Product Orders

Total Cisco: (20%) Y/Y

Geographic Segment	Y/Y
Americas	(19%)
EMEA	(13%)
APJC	(38%)

Customer Market	Y/Y
Enterprise	(26%)
Public Sector	2%
Service Provider & Cloud	(38%)

Effective Q1 FY 2024, we began reporting our customer markets in the following categories: Enterprise, Public Sector and Service Provider & Cloud.

Q1 FY 2024 GAAP Income Statement Highlights

$M (except per-share amounts and percentages)	Q1 FY 2023	Q4 FY 2023	Q1 FY 2024
Revenue	$13,632	$15,203	$14,668
Year/Year Change	*6%*	*16%*	*8%*
Product	$10,245	$11,650	$11,139
Service	$3,387	$3,553	$3,529
Gross Margin	61.2%	64.1%	65.2%
Product Gross Margin	59.2%	63.6%	64.5%
Service Gross Margin	67.3%	65.7%	67.3%
Operating Expenses	$4,806	$5,495	$5,281
OPEX (% of Revenue)	35.3%	36.1%	36.0%
Operating Income (% of Revenue)	26.0%	28.0%	29.2%
Net Income	$2,670	$3,958	$3,638
Year/Year Change	*(10%)*	*41%*	*36%*
Earnings per Share (diluted)	$0.65	$0.97	$0.89
Year/Year Change	*(7%)*	*43%*	*37%*

Q1 FY 2024 Non-GAAP Income Statement Highlights

$M (except per-share amounts and percentages)	Q1 FY 2023	Q4 FY 2023	Q1 FY 2024
Revenue	$13,632	$15,203	$14,668
Year/Year Change	*6%*	*16%*	*8%*
Product	$10,245	$11,650	$11,139
Service	$3,387	$3,553	$3,529
Gross Margin	63.0%	65.9%	67.1%
Product Gross Margin	61.0%	65.5%	66.5%
Service Gross Margin	68.8%	67.5%	69.0%
Operating Expenses	$4,244	$4,646	$4,468
OPEX (% of Revenue)	31.1%	30.6%	30.5%
Operating Income (% of Revenue)	31.8%	35.4%	36.6%
Net Income	$3,549	$4,680	$4,528
Year/Year Change	*2%*	*36%*	*28%*
Earnings per Share (diluted)	$0.86	$1.14	$1.11
Year/Year Change	*5%*	*37%*	*29%*

Q1 FY 2024 Key Financial Measures

$M	Q1 FY 2023	Q4 FY 2023	Q1 FY 2024
Cash, Cash Equivalents and Investments	$19,784	$26,146	$23,523
Operating Cash Flow	$3,962	$5,966	$2,371
Accounts Receivable	$5,439	$5,854	$4,833
Inventory	$2,664	$3,644	$3,342
Deferred Revenue:	$23,019	$25,550	$25,659
Product Deferred Revenue	$10,404	$11,505	$11,689
Service Deferred Revenue	$12,615	$14,045	$13,970

Operating cash flow for Q1 FY2024 was down 40% primarily due to the $2.8 billion tax payment related to prior quarters which was associated with the IRS tax relief due to the California floods

Q1 FY 2024 Capital Allocation

Total Capital Allocation	
Share Repurchases ($M)	$1,252
Dividends Paid ($M)	1,580
Total ($M)	$2,832
Quarterly Dividends Per Share	$0.39

Share Repurchases	
Amount Purchased ($M)	$1,252
Number of Shares (M)	23
Avg. Price Per Share	$54.53

Approximately $9.7B remaining authorized funds in repurchase program as of the end of Q1 FY 2024.

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 confidence in the strength of our business, future growth opportunities in AI, Security, Cloud, and Observability, product order growth rates, and our commitment to delivering operating leverage and increasing capital returns to our shareholders) 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: 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; our development and use of artificial intelligence; 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 Networking and services; the timing of orders and manufacturing and customer lead times; 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 other incidents; vulnerabilities and critical security defects; our ability to protect personal data; evolving regulatory uncertainty; terrorism; natural catastrophic events (including as a result of global climate change); any 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 7, 2023. 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 28, 2023 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.