UNITED STATES SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended October 24, 2026

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission file number 001-39940

CISCO SYSTEMS, INC.

(Exact name of registrant as specified in its charter)

Delaware	**77-0059951**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification Number)**

170 West Tasman Drive
San Jose, California 95134
(Address of principal executive office and zip code)

(408) 526-4000
(Registrant's telephone number, including area code)

Not Applicable
(Former name, former address and formal fiscal year, if changed since last report.)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value $0.001 per share	CSCO	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Number of shares of the registrant's common stock outstanding as of November 12, 2026: 3,942,448,184

Cisco Systems, Inc.
Form 10-Q for the Quarter Ended October 24, 2026

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements (Unaudited)

CISCO SYSTEMS, INC.
CONSOLIDATED BALANCE SHEETS
(in millions, except par value)
(Unaudited)

	October 24, 2026	July 25, 2026
ASSETS		
Current assets:		
Cash and cash equivalents	$ 7,778	$ 7,218
Investments	8,067	8,700
Accounts receivable, net of allowance of $71 at October 24, 2026 and $78 at July 25, 2026	5,928	7,470
Inventories	6,384	5,694
Financing receivables, net	3,623	3,392
Other current assets	6,141	6,191
Total current assets	37,921	38,665
Property and equipment, net	3,091	2,760
Financing receivables, net	5,118	4,940
Goodwill	59,541	59,477
Purchased intangible assets, net	7,182	7,557
Deferred tax assets	7,152	7,109
Other assets	9,453	9,129
TOTAL ASSETS	$ 129,458	$ 129,637
LIABILITIES AND EQUITY		
Current liabilities:		
Short-term debt	$ 10,425	$ 10,161
Accounts payable	3,295	3,366
Accrued compensation	3,277	4,057
Deferred revenue	16,854	16,988
Other current liabilities	5,611	6,953
Total current liabilities	39,462	41,525
Long-term debt	19,374	19,372
Income taxes payable	2,480	2,339
Deferred revenue	13,204	12,793
Other long-term liabilities	3,331	3,323
Total liabilities	77,851	79,352
Commitments and contingencies (Note 13)		
Equity:		
Cisco stockholders' equity:		
Preferred stock, $0.001 par value: 5 shares authorized; none issued and outstanding	—	—
Common stock and additional paid-in capital, $0.001 par value: 20,000 shares authorized; 3,935 and 3,946 shares issued and outstanding at October 24, 2026 and July 25, 2026, respectively	49,929	49,676
Retained earnings	2,678	1,565
Accumulated other comprehensive loss	(1,000)	(956)
Total equity	51,607	50,285
TOTAL LIABILITIES AND EQUITY	$ 129,458	$ 129,637

See Notes to Consolidated Financial Statements.

CISCO SYSTEMS, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(in millions, except per-share amounts)
(Unaudited)

	Three Months Ended	
	October 24, 2026	October 25, 2025
REVENUE:		
Product	$ 14,667	$ 11,077
Services	3,850	3,806
Total revenue	18,517	14,883
COST OF SALES:		
Product	5,610	3,934
Services	1,119	1,204
Total cost of sales	6,729	5,138
GROSS MARGIN	11,788	9,745
OPERATING EXPENSES:		
Research and development	2,423	2,400
Sales and marketing	2,831	2,871
General and administrative	717	733
Amortization of purchased intangible assets	191	231
Restructuring and other charges	28	147
Total operating expenses	6,190	6,382
OPERATING INCOME	5,598	3,363
Interest income	234	222
Interest expense	(368)	(350)
Other income (loss), net	31	156
Interest and other income (loss), net	(103)	28
INCOME BEFORE PROVISION FOR INCOME TAXES	5,495	3,391
Provision for income taxes	943	531
NET INCOME	$ 4,552	$ 2,860
Net income per share:		
Basic	$ 1.15	$ 0.72
Diluted	$ 1.14	$ 0.72
Shares used in per-share calculation:		
Basic	3,948	3,956
Diluted	3,978	3,993

See Notes to Consolidated Financial Statements.

CISCO SYSTEMS, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(in millions)
(Unaudited)

	Three Months Ended	
	October 24, 2026	October 25, 2025
Net income	$ 4,552	$ 2,860
Available-for-sale investments:		
Change in net unrealized gains and losses	(20)	38
Net (gains) losses reclassified into earnings	2	3
Net change, net of tax benefit (expense) of $7 and $(11) for the first quarter of fiscal 2027 and 2026, respectively	(18)	41
Cash flow hedging instruments:		
Change in unrealized gains and losses	(16)	32
Net (gains) losses reclassified into earnings	(9)	(7)
Net change, net of tax benefit (expense) of $8 and $(8) for the first quarter of fiscal 2027 and 2026, respectively	(25)	25
Net change in cumulative translation adjustment and actuarial gains and losses, net of tax benefit (expense) of $0 and $(1) for the first quarter of fiscal 2027 and 2026, respectively	(1)	(42)
Other comprehensive income (loss)	(44)	24
Comprehensive income	$ 4,508	$ 2,884

See Notes to Consolidated Financial Statements.

CISCO SYSTEMS, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in millions)
(Unaudited)

	Three Months Ended	
	October 24, 2026	October 25, 2025
Cash flows from operating activities:		
Net income	$ 4,552	$ 2,860
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation, amortization, and other	548	606
Share-based compensation expense	911	1,055
Provision (benefit) for receivables	4	(3)
Deferred income taxes	(38)	25
(Gains) losses on investments and other, net	(64)	(178)
Change in operating assets and liabilities, net of effects of acquisitions:		
Accounts receivable	1,570	1,857
Inventories	(686)	(234)
Financing receivables	(420)	(312)
Other assets	(246)	(592)
Accounts payable	(71)	(108)
Income taxes, net	356	(128)
Accrued compensation	(778)	(539)
Deferred revenue	217	(723)
Other liabilities	(1,498)	(374)
Net cash provided by operating activities	4,357	3,212
Cash flows from investing activities:		
Purchases of investments	(2,463)	(1,984)
Proceeds from sales of investments	224	1,269
Proceeds from maturities of investments	2,879	1,222
Acquisitions, net of cash and cash equivalents acquired	(113)	(7)
Purchases of non-marketable equity securities	(117)	(18)
Return of investments in non-marketable equity securities	142	19
Acquisition of property and equipment	(502)	(323)
Other	(79)	(22)
Net cash provided by (used in) investing activities	(29)	156
Cash flows from financing activities:		
Repurchases of common stock—repurchase program	(1,997)	(1,992)
Shares repurchased for tax withholdings on vesting of restricted stock units	(414)	(284)
Short-term borrowings, original maturities of 90 days or less, net	1,107	1,260
Issuances of debt	5,186	1,559
Repayments of debt	(6,013)	(2,788)
Dividends paid	(1,654)	(1,617)
Other	(1)	(1)
Net cash used in financing activities	(3,786)	(3,863)
Effect of foreign currency exchange rate changes on cash, cash equivalents, restricted cash and restricted cash equivalents	18	(14)
Net increase (decrease) in cash, cash equivalents, restricted cash and restricted cash equivalents	560	(509)
Cash, cash equivalents, restricted cash and restricted cash equivalents, beginning of period	7,227	8,910
Cash, cash equivalents, restricted cash and restricted cash equivalents, end of period	$ 7,787	$ 8,401
Supplemental cash flow information:		
Cash paid for income taxes, net	$ 624	$ 634

See Notes to Consolidated Financial Statements.

CISCO SYSTEMS, INC.
CONSOLIDATED STATEMENTS OF EQUITY
(in millions, except per-share amounts)
(Unaudited)

Three Months Ended October 24, 2026	Shares of Common Stock	Common Stock and Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total Equity
Balance at July 25, 2026	3,946	$ 49,676	$ 1,565	$ (956)	$ 50,285
Net income			4,552		4,552
Other comprehensive income (loss)				(44)	(44)
Issuance of common stock	10	—			—
Repurchase of common stock	(18)	(225)	(1,777)		(2,002)
Shares repurchased for tax withholdings on vesting of restricted stock units and other	(3)	(433)	(8)		(441)
Cash dividends declared ($0.42 per common share)			(1,654)		(1,654)
Share-based compensation		911			911
Balance at October 24, 2026	3,935	$ 49,929	$ 2,678	$ (1,000)	$ 51,607

Three Months Ended October 25, 2025	Shares of Common Stock	Common Stock and Additional Paid-In Capital	Retained Earnings (Accumulated Deficit)	Accumulated Other Comprehensive Loss	Total Equity
Balance at July 26, 2025	3,960	$ 47,747	$ 50	$ (954)	$ 46,843
Net income			2,860		2,860
Other comprehensive income (loss)				24	24
Issuance of common stock	12	—			—
Repurchase of common stock	(29)	(354)	(1,647)		(2,001)
Shares repurchased for tax withholdings on vesting of restricted stock units and other	(5)	(281)	(10)		(291)
Cash dividends declared ($0.41 per common share)			(1,617)		(1,617)
Share-based compensation		1,055			1,055
Balance at October 25, 2025	3,938	$ 48,167	$ (364)	$ (930)	$ 46,873

See Notes to Consolidated Financial Statements.

CISCO SYSTEMS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. Organization and Basis of Presentation

The fiscal year for Cisco Systems, Inc. (the "Company," "Cisco," "we," "us," or "our") is the 52 or 53 weeks ending on the last Saturday in July. Fiscal 2027 is a 53-week fiscal year and fiscal 2026 was a 52-week fiscal year. The Consolidated Financial Statements include our accounts and those of our subsidiaries and other entities in which we hold a controlling financial interest. All intercompany accounts and transactions have been eliminated. We conduct business globally and are primarily managed on a geographic basis in the following three geographic segments: the Americas; Europe, Middle East, and Africa (EMEA); and Asia Pacific, Japan, and China (APJC).

We have prepared the accompanying financial data as of October 24, 2026 and for the first quarter of fiscal 2027 and 2026, without audit, pursuant to the rules and regulations of the U.S. Securities and Exchange Commission (SEC). Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles in the United States (GAAP) have been condensed or omitted pursuant to such rules and regulations. The July 25, 2026 Consolidated Balance Sheet was derived from audited financial statements, but does not include all disclosures required by accounting principles generally accepted in the United States. However, we believe that the disclosures are adequate to make the information presented not misleading. These Consolidated Financial Statements should be read in conjunction with the Consolidated Financial Statements and the notes thereto included in our Annual Report on Form 10-K for the fiscal year ended July 25, 2026.

In the opinion of management, all normal recurring adjustments necessary to state fairly the consolidated balance sheet as of October 24, 2026, the results of operations, the statements of comprehensive income, the statements of cash flows and the statements of equity for the first quarter of fiscal 2027 and 2026, as applicable, have been made. The results of operations for the first quarter of fiscal 2027 are not necessarily indicative of the operating results for the full fiscal year or any future periods.

Certain reclassifications have been made to the amounts in prior periods in order to conform to the current period's presentation.

2. Recent Accounting Pronouncements

(a) Recent Accounting Standards or Updates Not Yet Effective

Disaggregation of Income Statement Expenses In November 2024, the FASB issued an accounting standard update expanding the disclosure requirements about specific expense categories, primarily through disaggregated information on income statement line items. The accounting standard update will be effective for our fiscal 2028 Form 10-K, and early adoption is permitted. We are currently evaluating the impact of this accounting standard update on our Consolidated Financial Statements.

Targeted Improvements to the Accounting for Internal-Use Software In September 2025, the FASB issued an accounting standard update to modernize the accounting for internal-use software costs and clarify the criteria for capitalization. The accounting standard update will be effective for our interim and annual reporting periods of fiscal 2029, with early adoption permitted. We are currently evaluating the impact of this accounting standard update on our Consolidated Financial Statements.

3. Revenue

We enter into contracts with customers that can include various combinations of products and services which are generally distinct and accounted for as separate performance obligations, resulting in contracts that may contain multiple performance obligations. We determine whether arrangements are distinct based on whether the customer can benefit from the product or service on its own or together with other resources that are readily available and whether our commitment to transfer the product or service to the customer is separately identifiable from other obligations in the contract. We classify our hardware, perpetual software licenses, and software-as-a-service (SaaS) as distinct performance obligations. Term software licenses represent multiple obligations, which include software licenses and software maintenance. In transactions where we deliver hardware or software, we are typically the principal and we record revenue and costs of goods sold on a gross basis. We refer to our term software licenses, security software licenses, SaaS, and associated service arrangements as subscription offers. Revenue from subscription offers includes revenue recognized over time as well as upfront.

We recognize revenue upon transfer of control of promised goods or services in a contract with a customer in an amount that reflects the consideration we expect to receive in exchange for those products or services. Transfer of control occurs once the customer has the contractual right to use the product, generally upon shipment, electronic delivery (or when the software is available for download by the customer), or once title and risk of loss have transferred to the customer. Transfer of control can

also occur over time for software maintenance and services as the customer receives the benefit over the contract term. Our hardware and perpetual software licenses are distinct performance obligations where revenue is recognized upfront upon transfer of control. Term software licenses include multiple performance obligations where the term licenses are recognized upfront upon transfer of control, with the associated software maintenance revenue recognized ratably over the contract term as services and software updates are provided. SaaS arrangements do not include the right for the customer to take possession of the software during the term, and therefore have one distinct performance obligation which is satisfied over time with revenue recognized ratably over the contract term as the customer consumes the services. On our product sales, we record consideration from shipping and handling on a gross basis within net product sales. We record our revenue net of any associated sales taxes.

Significant Judgments

Revenue is allocated among these performance obligations in a manner that reflects the consideration that we expect to be entitled to for the promised goods or services based on standalone selling prices (SSP). SSP is estimated for each distinct performance obligation and judgment may be required in its determination. The best evidence of SSP is the observable price of a product or service when we sell the goods separately in similar circumstances and to similar customers. In instances where SSP is not directly observable, we determine SSP using information that may include market conditions and other observable inputs.

We assess relevant contractual terms in our customer contracts to determine the transaction price. We apply judgment in identifying contractual terms and determining the transaction price as we may be required to estimate variable consideration when determining the amount of revenue to recognize. Variable consideration includes potential contractual penalties and various rebate, cooperative marketing and other incentive programs that we offer to our distributors, channel partners and direct sale customers. When determining the amount of revenue to recognize, we estimate the expected usage of these programs, applying the expected value or most likely estimate and update the estimate at each reporting period as actual utilization becomes available. We also consider the customers' right of return in determining the transaction price, where applicable.

We assess certain software licenses, such as for security software, that contain critical updates or upgrades which customers can download throughout the contract term. Without these updates or upgrades, the functionality of the software would diminish over a relatively short time period. These updates or upgrades provide the customer the full functionality of the purchased security software licenses and are required to maintain the security license's utility as the risks and threats in the environment are rapidly changing. In these circumstances, the revenue from these software arrangements is recognized as a single performance obligation satisfied over the contract term.

(a) Disaggregation of Revenue

We disaggregate our revenue into groups of similar products and services that depict the nature, amount, and timing of revenue and cash flows for our various offerings. The sales cycle, contractual obligations, customer requirements, and go-to-market strategies differ for each of our product categories, resulting in different economic risk profiles for each category. The following table presents this disaggregation of revenue (in millions):

	Three Months Ended	
	October 24, 2026	October 25, 2025
Product revenue:		
Networking	$ 11,132	$ 7,768
Security	2,120	1,980
Collaboration	1,136	1,055
Observability	279	274
Total Product	14,667	11,077
Services	3,850	3,806
Total revenue	$ 18,517	$ 14,883

Amounts may not sum due to rounding.

Networking consists of our core networking technologies of switching, routing, wireless, and servers. These technologies consist of both hardware and software offerings, including software licenses and SaaS. Our hardware and perpetual software in this category are distinct performance obligations where revenue is recognized upfront upon transfer of control. Term software licenses are multiple performance obligations where the term license is recognized upfront upon transfer of control with the associated software maintenance revenue recognized ratably over the contract term. SaaS arrangements in this category have one distinct performance obligation which is satisfied over time with revenue recognized ratably over the contract term.

Security consists of our Network Security, Identity and Access Management, Secure Access Service Edge (SASE), and Identity and Agentic Security offerings. These products consist of both hardware and software offerings, including software licenses and SaaS. Updates and upgrades for the term software licenses are critical for our software to perform its intended commercial purpose because of the continuous need for our software to secure our customers' network environments against frequent threats. Therefore, security software licenses are generally represented by a single distinct performance obligation with revenue recognized ratably over the contract term. Our hardware and perpetual software in this category are distinct performance obligations where revenue is recognized upfront upon transfer of control. SaaS arrangements in this category have one distinct performance obligation which is satisfied over time with revenue recognized ratably over the contract term.

Collaboration consists of our Webex Suite, Collaboration Devices, Contact Center and Communication Platform as a Service (CPaaS) offerings. These products consist primarily of software offerings, including software licenses and SaaS, as well as hardware. Our perpetual software and hardware in this category are distinct performance obligations where revenue is recognized upfront upon transfer of control. Term software licenses are multiple performance obligations where the term license is recognized upfront upon transfer of control with the associated software maintenance revenue recognized ratably over the contract term. SaaS arrangements in this category have one distinct performance obligation which is satisfied over time with revenue recognized ratably over the contract term.

Observability consists of our observability suite and network assurance offerings. These products consist primarily of software offerings, including software licenses and SaaS. Our perpetual software licenses in this category are distinct performance obligations where revenue is recognized upfront upon transfer of control. Term software licenses are multiple performance obligations where the term license is recognized upfront upon transfer of control with the associated software maintenance revenue recognized ratably over the contract term. SaaS arrangements in this category have one distinct performance obligation which is satisfied over time with revenue recognized ratably over the contract term.

In addition to our product offerings, we provide a broad range of service and support options for our customers, including technical support services and professional services. Technical support services represent the majority of these offerings which are distinct performance obligations that are satisfied over time with revenue recognized ratably over the contract term. Professional services are distinct performance obligations that are satisfied over time with revenue recognized as services are delivered.

The sales arrangements as discussed above are typically made pursuant to customer purchase orders based on master purchase or partner agreements. Cash is received based on our standard payment terms, which are typically 30 days. We provide financing arrangements to end users for our hardware, software and service offerings. Refer to Note 9 for additional information. For these arrangements, cash is typically received over time.

Subscription revenue includes revenue recognized from our term software licenses, security software licenses, SaaS, and associated service arrangements. Our subscription revenue is recorded in product and services revenue in our Consolidated Statements of Operations as follows (in millions):

	Three Months Ended	
	October 24, 2026	October 25, 2025
Product	$ 4,648	$ 4,500
Services	3,533	3,500
Total	$ 8,181	$ 8,000

The majority of our product subscription revenue is recognized over time and the remainder is recognized upfront. Substantially all of our services subscription revenue is recognized over time based on the contract term.

(b) Contract Balances

Accounts Receivable

Accounts receivable, net was $5.9 billion as of October 24, 2026 compared with $7.5 billion as of July 25, 2026, as reported on the Consolidated Balance Sheets.

The allowances for credit loss for our accounts receivable are summarized as follows (in millions):

	Three Months Ended	
	October 24, 2026	October 25, 2025
Allowance for credit loss at beginning of period	$ 78	$ 69
Provisions (benefits)	(4)	(4)
Write-offs, net of recoveries	(3)	(3)
Allowance for credit loss at end of period	$ 71	$ 62

Contract Assets and Liabilities

Gross contract assets by our internal risk ratings are summarized as follows (in millions):

	October 24, 2026	July 25, 2026
1 to 4	$ 1,368	$ 1,355
5 to 6	2,091	2,015
7 and Higher	115	99
Total	$ 3,574	$ 3,469

Contract assets consist of unbilled receivables and are recorded when revenue is recognized in advance of scheduled billings to our customers. These amounts are primarily related to software and service arrangements where transfer of control has occurred but we have not yet invoiced. Our contract assets for these unbilled receivables, net of allowances, were $3.5 billion as of October 24, 2026 and $3.4 billion as of July 25, 2026, of which $1.9 billion in each period was included in other current assets, with remaining balances included in other assets.

Contract liabilities consist of deferred revenue. Deferred revenue was $30.1 billion as of October 24, 2026 compared with $29.8 billion as of July 25, 2026. We recognized approximately $5.6 billion of revenue during the first quarter of fiscal 2027 that was included in the deferred revenue balance at July 25, 2026.

(c) Capitalized Contract Acquisition Costs

We capitalize direct and incremental costs incurred to acquire contracts, primarily sales commissions, for which the associated revenue is expected to be recognized in future periods. We incur these costs in connection with both initial contracts and renewals. These costs are initially deferred and typically amortized over the term of the customer contract which corresponds to the period of benefit. Capitalized contract acquisition costs were $1.5 billion as of each of October 24, 2026 and July 25, 2026, and were included in other current assets and other assets. The amortization expense associated with these costs was $214 million and $234 million for the first quarter of fiscal 2027 and 2026, respectively, and was included in sales and marketing expenses.

4. Acquisitions

Allocation of the total purchase consideration for an acquisition we completed during the first quarter of fiscal 2027 is summarized as follows (in millions):

	Purchase Consideration	Net Tangible Assets Acquired (Liabilities Assumed)	Purchased Intangible Assets	Goodwill
Allocation of purchase consideration	$ 121	$ —	$ 40	$ 81

The total purchase consideration related to the completed acquisition consisted primarily of cash consideration. Total transaction costs related to acquisition activities were $2 million and $3 million for the first quarter of fiscal 2027 and 2026, respectively. These transaction costs were expensed as incurred in general and administrative expenses (“G&A”) in the Consolidated Statements of Operations.

The purchase price allocation for acquisitions completed during recent periods is preliminary and subject to revision as additional information about fair value of assets and liabilities becomes available. Additional information that existed as of the acquisition date but is currently unknown to us may become known during the remainder of the measurement period, a period not to exceed 12 months from the acquisition date.

The goodwill generated from the acquisition completed during the first quarter of fiscal 2027 is primarily related to expected synergies. Goodwill is generally not deductible for income tax purposes.

The Consolidated Financial Statements include the operating results of the acquisition from the date of acquisition. Pro forma results of operations and the revenue and net income subsequent to the acquisition date for the acquisition completed during the first quarter of fiscal 2027 have not been presented because the effects of the acquisition were not material to our financial results.

Compensation Expense Related to Acquisitions

In connection with our acquisitions, we have agreed to pay certain additional amounts contingent upon the continued employment with Cisco of certain employees of the acquired entities.

The following table summarizes the compensation expense related to acquisitions (in millions):

	Three Months Ended	
	October 24, 2026	October 25, 2025
Compensation expense related to acquisitions	$ 56	$ 110

As of October 24, 2026, we estimated that future cash compensation expense of up to $290 million may be required to be recognized pursuant to applicable acquisition agreements.

5. Goodwill and Purchased Intangible Assets

(a) Goodwill

The following table presents the goodwill allocated to our reportable segments as of October 24, 2026 and changes to goodwill during the first quarter of fiscal 2027 (in millions):

	Balance at July 25, 2026	Acquisitions	Foreign Currency Translation and Other	Balance at October 24, 2026
Americas	$ 36,686	$ 52	$ (11)	$ 36,727
EMEA	14,482	19	(4)	14,497
APJC	8,309	10	(2)	8,317
Total	$ 59,477	$ 81	$ (17)	$ 59,541

(b) Purchased Intangible Assets

The following table presents details of our intangible assets acquired through the acquisition completed during the first quarter of fiscal 2027 (in millions, except years):

	FINITE LIVES	
	TECHNOLOGY	
	Weighted-Average Useful Life (in Years)	Amount
Total	3.0	$ 40

The following tables present details of our purchased intangible assets with finite lives (in millions):

October 24, 2026	Gross	Accumulated Amortization	Net
Customer related	$ 5,496	$ (1,470)	$ 4,026
Technology	5,058	(2,301)	2,757
Trade name	510	(111)	399
Total	$ 11,064	$ (3,882)	$ 7,182

July 25, 2026	Gross	Accumulated Amortization	Net
Customer related	$ 6,243	$ (2,038)	$ 4,205
Technology	5,067	(2,124)	2,943
Trade name	510	(101)	409
Total	$ 11,820	$ (4,263)	$ 7,557

Purchased intangible assets include intangible assets acquired through acquisitions as well as through direct purchases or licenses.

The following table presents the amortization of purchased intangible assets, including impairment charges (in millions):

	Three Months Ended	
	October 24, 2026	October 25, 2025
Amortization of purchased intangible assets:		
Cost of sales	$ 229	$ 240
Operating expenses	191	231
Total	$ 420	$ 471

The estimated future amortization expense of purchased intangible assets with finite lives as of October 24, 2026 is as follows (in millions):

Fiscal Year	Amount
2027 (remaining nine months)	$ 1,129
2028	1,465
2029	1,343
2030	1,041
2031	587
Thereafter	1,617
Total	$ 7,182

6. Restructuring and Other Charges

In the fourth quarter of fiscal 2026, we announced a restructuring plan (the "Fiscal 2026 Plan") to allow us to invest in key growth opportunities including silicon, optics, security and artificial intelligence (AI). The total pre-tax charges are estimated to be approximately $1 billion consisting of severance and other one-time termination benefits, and other costs. In connection with the Fiscal 2026 Plan, we incurred charges of $28 million in the first quarter of fiscal 2027 and have incurred cumulative charges of $538 million to date. The aggregate pre-tax charges are primarily cash-based and consist of severance and other one-time termination benefits, and other costs. We expect this plan to be substantially completed by the end of fiscal 2027.

The following table summarizes the activities related to our restructuring liability, which was included in other current liabilities on our Consolidated Balance Sheets (in millions):

	FISCAL 2026 PLAN		
	Employee Severance	Other	Total
Liability as of July 25, 2026	$ 296	$ 6	$ 302
Charges	17	11	28
Cash payments	(257)	(2)	(259)
Non-cash and other	(1)	(8)	(9)
Liability as of October 24, 2026	$ 55	$ 7	$ 62

7. Balance Sheet and Other Details

The following tables provide details of selected balance sheet and other items (in millions, except percentages):

Cash, Cash Equivalents, Restricted Cash and Restricted Cash Equivalents

	October 24, 2026	July 25, 2026
Cash and cash equivalents	$ 7,778	$ 7,218
Restricted cash and restricted cash equivalents included in other current assets	9	9
Total	$ 7,787	$ 7,227

Inventories

	October 24, 2026	July 25, 2026
Raw materials	$ 3,480	$ 2,796
Work in process	1,134	1,140
Finished goods	1,514	1,525
Service-related spares	247	224
Demonstration systems	9	9
Total	$ 6,384	$ 5,694

Property and Equipment, Net

	October 24, 2026	July 25, 2026
Gross property and equipment:		
Land, buildings, and building and leasehold improvements	$ 4,145	$ 4,093
Production, engineering, computer and other equipment and related software	5,921	5,441
Operating lease assets	52	51
Furniture, fixtures and other	288	287
Total gross property and equipment	10,406	9,872
Less: accumulated depreciation and amortization	(7,315)	(7,112)
Total	$ 3,091	$ 2,760

Remaining Performance Obligations (RPO)

	October 24, 2026	July 25, 2026
Product	$ 23,396	$ 23,436
Services	22,773	23,298
Total	$ 46,169	$ 46,734
Short-term RPO	$ 22,324	$ 22,776
Long-term RPO	23,845	23,958
Total	$ 46,169	$ 46,734
Deferred revenue	$ 30,058	$ 29,781
Unbilled contract revenue	16,111	16,953
Total	$ 46,169	$ 46,734

RPO is comprised of deferred revenue plus unbilled contract revenue. Unbilled contract revenue represents noncancelable contracts, primarily subscription arrangements, for which we have not invoiced, have an obligation to perform, and revenue has not yet been recognized in the financial statements.

As of October 24, 2026, we expect to recognize approximately 48% of total remaining performance obligations as revenue over the next 12 months, approximately 40% between one year and three years, and approximately 12% after three years.

Deferred Revenue

	October 24, 2026	July 25, 2026
Product	$ 14,012	$ 13,817
Services	16,046	15,964
Total	$ 30,058	$ 29,781
Reported as:		
Current	$ 16,854	$ 16,988
Noncurrent	13,204	12,793
Total	$ 30,058	$ 29,781

8. Leases

(a) Lessee Arrangements

The following table presents our operating lease balances (in millions):

	Balance Sheet Line Item	October 24, 2026	July 25, 2026
Operating lease right-of-use assets	Other assets	$ 1,411	$ 1,395
Operating lease liabilities	Other current liabilities	$ 420	$ 404
Operating lease liabilities	Other long-term liabilities	1,243	1,248
Total operating lease liabilities		$ 1,663	$ 1,652

The components of our lease expenses were as follows (in millions):

	Three Months Ended	
	October 24, 2026	October 25, 2025
Operating lease expense	$ 137	$ 131
Short-term lease expense	28	25
Variable lease expense	95	72
Total lease expense	$ 260	$ 228

Supplemental information related to our operating leases is as follows (in millions):

	Three Months Ended	
	October 24, 2026	October 25, 2025
Cash paid for amounts included in the measurement of lease liabilities — operating cash flows	$ 139	$ 131
Right-of-use assets obtained in exchange for operating lease liabilities	$ 130	$ 123

The weighted-average lease term was 5.6 years and 5.7 years as of October 24, 2026 and July 25, 2026, respectively. The weighted-average discount rate was 4.0% as of each of October 24, 2026 and July 25, 2026.

The maturities of our operating leases (undiscounted) as of October 24, 2026 are as follows (in millions):

Fiscal Year	Amount
2027 (remaining nine months)	$ 378
2028	365
2029	284
2030	232
2031	188
Thereafter	437
Total lease payments	1,884
Less: interest	(221)
Total	$ 1,663

(b) Lessor Arrangements

Our leases primarily represent sales-type leases with terms of four years on average. We provide leasing of our equipment and complementary third-party products primarily through our channel partners and distributors, for which the income arising from these leases is recognized through interest income. Interest income was $12 million and $16 million for the first quarter of fiscal 2027 and 2026, respectively, and was included in interest income in the Consolidated Statements of Operations. The net investment of our lease receivables is measured at the commencement date as the gross lease receivable, residual value less unearned income and allowance for credit loss. For additional information, see Note 9.

Future minimum lease payments on our lease receivables as of October 24, 2026 are summarized as follows (in millions):

Fiscal Year	Amount
2027 (remaining nine months)	$ 306
2028	381
2029	154
2030	163
2031	135
Total lease receivables, gross	1,139
Less: Unearned income	(81)
Present value of lease payments	$ 1,058

Actual cash collections may differ from the contractual maturities due to early customer buyouts, refinancings, or defaults.

9. Financing Receivables

(a) Financing Receivables

Financing receivables primarily consist of loan receivables and lease receivables. Loan receivables represent financing arrangements related to the sale of our hardware, software, and services (including technical support and professional services), and also may include additional funding for other costs associated with network installation and integration of our products and services. Loan receivables have terms of one year to three years on average. Lease receivables represent sales-type leases resulting from the sale of Cisco's and complementary third-party products and are typically collateralized by a security interest in the underlying assets. Lease receivables consist of arrangements with terms of four years on average.

A summary of our financing receivables is presented as follows (in millions):

October 24, 2026	Loan Receivables	Lease Receivables	Total
Gross	$ 7,674	$ 1,139	$ 8,813
Residual value	—	67	67
Unearned income	—	(81)	(81)
Allowance for credit loss	(47)	(11)	(58)
Total, net	$ 7,627	$ 1,114	$ 8,741
Reported as:			
Current	$ 3,217	$ 406	$ 3,623
Noncurrent	4,410	708	5,118
Total, net	$ 7,627	$ 1,114	$ 8,741

July 25, 2026	Loan Receivables	Lease Receivables	Total
Gross	$ 7,457	$ 941	$ 8,398
Residual value	—	67	67
Unearned income	—	(83)	(83)
Allowance for credit loss	(40)	(10)	(50)
Total, net	$ 7,417	$ 915	$ 8,332
Reported as:			
Current	$ 3,024	$ 368	$ 3,392
Noncurrent	4,393	547	4,940
Total, net	$ 7,417	$ 915	$ 8,332

The fair value of our short-term loan receivables and financed service contracts approximates their carrying value due to their short duration. The aggregate carrying value of our long-term loan receivables and financed service contracts was $4.4 billion as of each of October 24, 2026 and July 25, 2026. The estimated fair value of our long-term loan receivables and financed service contracts approximates their carrying value. We use significant unobservable inputs in determining discounted cash flows to estimate the fair value of our long-term loan receivables and financed service contracts, and therefore they are categorized as Level 3 in the fair value hierarchy.

(b) Credit Quality of Financing Receivables

The tables below present our gross financing receivables, excluding residual value, less unearned income, categorized by our internal credit risk rating by period of origination (in millions):

October 24, 2026		Fiscal Year				Three Months Ended	
Internal Credit Risk Rating	Prior	July 29, 2023	July 27, 2024	July 26, 2025	July 25, 2026	October 24, 2026	Total
Loan Receivables:							
1 to 4	$ 18	$ 108	$ 500	$ 951	$ 1,957	$ 1,568	$ 5,102
5 to 6	4	45	149	543	1,330	457	2,528
7 and Higher	1	1	7	14	7	14	44
Total Loan Receivables	$ 23	$ 154	$ 656	$ 1,508	$ 3,294	$ 2,039	$ 7,674
Lease Receivables:							
1 to 4	$ 5	$ 67	$ 165	$ 211	$ 181	$ 90	$ 719
5 to 6	5	34	63	71	111	39	323
7 and Higher	—	1	4	1	2	8	16
Total Lease Receivables	$ 10	$ 102	$ 232	$ 283	$ 294	$ 137	$ 1,058
Total	$ 33	$ 256	$ 888	$ 1,791	$ 3,588	$ 2,176	$ 8,732

July 25, 2026	Fiscal Year						
Internal Credit Risk Rating	Prior	July 30, 2022	July 29, 2023	July 27, 2024	July 26, 2025	July 25, 2026	Total
Loan Receivables:							
1 to 4	$ 5	$ 39	$ 164	$ 681	$ 1,282	$ 2,479	$ 4,650
5 to 6	8	8	79	226	760	1,685	2,766
7 and Higher	—	1	2	8	16	14	41
Total Loan Receivables	$ 13	$ 48	$ 245	$ 915	$ 2,058	$ 4,178	$ 7,457
Lease Receivables:							
1 to 4	$ —	$ 7	$ 63	$ 139	$ 176	$ 158	$ 543
5 to 6	—	7	39	69	76	115	306
7 and Higher	—	—	1	4	1	3	9
Total Lease Receivables	$ —	$ 14	$ 103	$ 212	$ 253	$ 276	$ 858
Total	$ 13	$ 62	$ 348	$ 1,127	$ 2,311	$ 4,454	$ 8,315

The following tables present the aging analysis of gross receivables as of October 24, 2026 and July 25, 2026 (in millions):

	DAYS PAST DUE (INCLUDES BILLED AND UNBILLED)							
October 24, 2026	31-60	61-90	91+	Total Past Due	Current	Total	120+ Still Accruing	Nonaccrual Financing Receivables
Loan receivables	$ 86	$ 16	$ 19	$ 121	$ 7,553	$ 7,674	$ 4	$ 1
Lease receivables	12	6	11	29	1,029	1,058	1	—
Total	$ 98	$ 22	$ 30	$ 150	$ 8,582	$ 8,732	$ 5	$ 1

	DAYS PAST DUE (INCLUDES BILLED AND UNBILLED)							
July 25, 2026	31-60	61-90	91+	Total Past Due	Current	Total	120+ Still Accruing	Nonaccrual Financing Receivables
Loan receivables	$ 31	$ 14	$ 12	$ 57	$ 7,400	$ 7,457	$ 7	$ 1
Lease receivables	9	2	3	14	844	858	1	—
Total	$ 40	$ 16	$ 15	$ 71	$ 8,244	$ 8,315	$ 8	$ 1

Past due financing receivables are those that are 31 days or more past due according to their contractual payment terms. The data in the preceding tables is presented by contract, and the aging classification of each contract is based on the oldest outstanding receivable, and therefore past due amounts also include unbilled and current receivables within the same contract.

(c) Allowance for Credit Loss Rollforward

The allowances for credit loss and the related financing receivables are summarized as follows (in millions):

Three Months Ended October 24, 2026	CREDIT LOSS ALLOWANCES		
	Loan Receivables	Lease Receivables	Total
Allowance for credit loss as of July 25, 2026	$ 40	$ 10	$ 50
Provisions (benefits)	7	1	8
Allowance for credit loss as of October 24, 2026	$ 47	$ 11	$ 58

Three Months Ended October 25, 2025	CREDIT LOSS ALLOWANCES		
	Loan Receivables	Lease Receivables	Total
Allowance for credit loss as of July 26, 2025	$ 37	$ 13	$ 50
Provisions (benefits)	—	1	1
Allowance for credit loss as of October 25, 2025	$ 37	$ 14	$ 51

10. Investments

Investments Measured on a Recurring Basis

The following tables summarize our cash equivalents, available-for-sale debt investments and marketable equity securities measured at fair value on a recurring basis (in millions):

		October 24, 2026							
						Reported as			
	Fair Value Level	Cost or Amortized Cost	Gross Unrealized Gains	Gross Unrealized and Credit Losses	Fair Value	Cash Equivalents	Investments	Other Current Assets	Other Assets
U.S. government securities	Level 2	$ 1,568	$ —	$ (22)	$ 1,546	$ —	$ 1,546	$ —	$ —
U.S. government agency securities	Level 2	48	—	—	48	—	48	—	—
Non-U.S. government and agency securities	Level 2	293	—	(2)	291	36	255	—	—
Corporate debt securities	Level 2	2,186	—	(66)	2,120	—	2,120	—	—
Mortgage- and asset-backed securities	Level 2	124	—	(2)	122	—	122	—	—
Commercial paper	Level 2	4,873	—	—	4,873	1,828	3,045	—	—
Certificates of deposit	Level 2	749	—	—	749	45	671	9	24
Money market funds	Level 1	3,948	—	—	3,948	3,948	—	—	—
Marketable equity securities	Level 1				260	—	260	—	—
Total		$ 13,789	$ —	$ (92)	$ 13,957	$ 5,857	$ 8,067	$ 9	$ 24

		July 25, 2026					
						Reported as	
	Fair Value Level	Cost or Amortized Cost	Gross Unrealized Gains	Gross Unrealized and Credit Losses	Fair Value	Cash Equivalents	Investments
U.S. government securities	Level 2	$ 1,627	$ 1	$ (15)	$ 1,613	$ —	$ 1,613
U.S. government agency securities	Level 2	41	—	—	41	—	41
Non-U.S. government and agency securities	Level 2	452	—	(1)	451	126	325
Corporate debt securities	Level 2	2,493	1	(48)	2,446	45	2,401
Mortgage- and asset-backed securities	Level 2	156	—	(4)	152	—	152
Commercial paper	Level 2	3,285	—	—	3,285	533	2,752
Certificates of deposit	Level 2	1,080	—	—	1,080	25	1,055
Money market funds	Level 1	4,868	—	—	4,868	4,868	—
Marketable equity securities	Level 1				361	—	361
Total		$ 14,002	$ 2	$ (68)	$ 14,297	$ 5,597	$ 8,700

For more discussion on the fair value measurement of our non-marketable equity securities, see below.

Available-for-sale Debt Investments

The following table presents the gross realized gains and gross realized losses related to available-for-sale debt investments (in millions):

	Three Months Ended	
	October 24, 2026	October 25, 2025
Gross realized gains	$ —	$ 10
Gross realized losses	(3)	(14)
Total	$ (3)	$ (4)

The following tables present the breakdown of the available-for-sale debt investments with gross unrealized losses and the duration that those losses had been unrealized at October 24, 2026 and July 25, 2026 (in millions):

	UNREALIZED LOSSES LESS THAN 12 MONTHS		UNREALIZED LOSSES 12 MONTHS OR GREATER		TOTAL	
October 24, 2026	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
U.S. government securities	$ 1,446	$ (22)	$ —	$ —	$ 1,446	$ (22)
U.S. government agency securities	38	—	—	—	38	—
Non-U.S. government and agency securities	244	(2)	—	—	244	(2)
Corporate debt securities	1,730	(38)	190	(2)	1,920	(40)
Mortgage- and asset-backed securities	122	(2)	—	—	122	(2)
Commercial paper	115	—	—	—	115	—
Total	$ 3,695	$ (64)	$ 190	$ (2)	$ 3,885	$ (66)

	UNREALIZED LOSSES LESS THAN 12 MONTHS		UNREALIZED LOSSES 12 MONTHS OR GREATER		TOTAL	
July 25, 2026	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
U.S. government securities	$ 1,449	$ (15)	$ 52	$ —	$ 1,501	$ (15)
U.S. government agency securities	38	—	—	—	38	—
Non-U.S. government and agency securities	227	(1)	—	—	227	(1)
Corporate debt securities	1,549	(20)	547	(2)	2,096	(22)
Mortgage- and asset-backed securities	129	(1)	20	(3)	149	(4)
Commercial paper	99	—	—	—	99	—
Total	$ 3,491	$ (37)	$ 619	$ (5)	$ 4,110	$ (42)

The following table summarizes the maturities of our available-for-sale debt investments as of October 24, 2026 (in millions):

	Amortized Cost	Fair Value
Within 1 year	$ 4,871	$ 4,843
After 1 year through 5 years	2,789	2,731
After 5 years through 10 years	115	111
Mortgage- and asset-backed securities with no single maturity	124	122
Total	$ 7,899	$ 7,807

Actual maturities may differ from the contractual maturities because borrowers may have the right to call or prepay certain obligations.

Marketable Equity Securities

We held marketable equity securities of $260 million and $361 million as of October 24, 2026 and July 25, 2026, respectively. We recognized net unrealized losses of $6 million during the first quarter of fiscal 2027 and net unrealized gains of $30 million during the first quarter of fiscal 2026 on our marketable securities still held as of the reporting date.

Non-Marketable Equity Securities

Our non-marketable equity securities are investments in privately held entities, venture funds, and publicly traded entities that do not have readily determinable fair value (RDFV). The carrying value of these investments is summarized below (in millions):

	October 24, 2026	July 25, 2026
Initial cost of non-marketable equity securities measured under the measurement alternative	$ 1,135	$ 1,106
Cumulative upward adjustments	866	893
Cumulative downward adjustments, including impairments	(614)	(637)
Non-marketable equity securities under measurement alternative	1,387	1,362
Restricted equity securities	753	731
Consolidated investments	808	857
Non-marketable equity securities under net asset value (NAV), equity method and other	1,128	1,080
Total	$ 4,076	$ 4,030

Our non-marketable equity securities measured using the measurement alternative are recorded to fair value on a non-recurring basis. The carrying value of these securities is adjusted for observable transactions for identical or similar investments of the same issuer or impairment. These securities are classified as Level 3 in the fair value hierarchy because we estimate the value based on valuation methods using the observable transaction price at the transaction date and other unobservable inputs such as volatility, rights, and obligations of the securities we hold.

The gross upward adjustments and downward adjustments, including impairments, on our non-marketable equity securities measured under the measurement alternative are summarized below (in millions):

	Three Months Ended	
	October 24, 2026	October 25, 2025
Upward adjustments	$ —	$ 82
Downward adjustments, including impairments	(4)	(2)
Net adjustments	$ (4)	$ 80

Restricted equity securities are measured at fair value on a recurring basis and are classified as Level 2 in the fair value hierarchy, as they are valued based on pricing models that use observable market inputs reduced by a discount for lack of marketability (“DLOM”). The fair value of these restricted equity securities was $753 million and $731 million as of October 24, 2026 and July 25, 2026, respectively. We recognized unrealized gains of $22 million during the first quarter of fiscal 2027.

Our non-marketable equity securities classified as consolidated investments include venture funds that qualified for investment company specific accounting, the accounts of which are consolidated within our financial statements under the voting interest entity model. The noncontrolling interest attributed to these investments was $365 million and $354 million as of October 24, 2026 and July 25, 2026, respectively, and is included in the equity section of the Consolidated Balance Sheets. The share of earnings attributable to the noncontrolling interest attributed to these investments is not material for any of the periods presented and is included in other income (loss), net in the Consolidated Statements of Operations.

Of the total carrying value of our non-marketable equity securities as of October 24, 2026, $1.1 billion of such investments are considered to be in variable interest entities which are unconsolidated.

11. Borrowings

(a) Short-Term Debt

The following table summarizes our short-term debt (in millions, except percentages):

	October 24, 2026		July 25, 2026	
	Amount	Effective Rate	Amount	Effective Rate
Current portion of senior fixed-rate notes	$ 1,999	4.90 %	$ 3,498	3.89 %
Commercial paper	8,424	4.13 %	6,661	3.84 %
Current portion of other debt	2	1.13 %	2	1.13 %
Total	$ 10,425		$ 10,161	

We have a short-term debt financing program of up to $15.0 billion through the issuance of commercial paper notes. We use the proceeds from the issuance of commercial paper notes for general corporate purposes.

The effective rates for the short- and long-term debt include the interest on the notes, the accretion of the discount, the issuance costs, and, if applicable, adjustments related to hedging.

(b) Long-Term Debt

The following table summarizes our long-term debt (in millions, except percentages):

		October 24, 2026		July 25, 2026	
	Maturity Date	Amount	Effective Rate	Amount	Effective Rate
Senior fixed-rate notes:					
2.50%	September 20, 2026	$ —	—	$ 1,500	2.55%
4.80%	February 26, 2027	2,000	4.90%	2,000	4.90%
4.55%	February 24, 2028	1,000	4.61%	1,000	4.61%
4.85%	February 26, 2029	2,500	4.91%	2,500	4.91%
4.75%	February 24, 2030	1,000	4.73%	1,000	4.73%
4.95%	February 26, 2031	2,500	5.04%	2,500	5.04%
4.95%	February 24, 2032	1,000	4.94%	1,000	4.94%
5.05%	February 26, 2034	2,500	4.97%	2,500	4.97%
5.10%	February 24, 2035	1,250	5.11%	1,250	5.11%
5.90%	February 15, 2039	2,000	6.11%	2,000	6.11%
5.50%	January 15, 2040	2,000	5.67%	2,000	5.67%
5.30%	February 26, 2054	2,000	5.28%	2,000	5.28%
5.50%	February 24, 2055	750	5.49%	750	5.49%
5.35%	February 26, 2064	1,000	5.42%	1,000	5.42%
Other debt		2	1.13%	2	1.13%
Total		21,502		23,002	
Unaccreted discount/issuance costs		(127)		(130)	
Total		$ 21,375		$ 22,872	
Reported as:					
Current portion of long-term debt		$ 2,001		$ 3,500	
Long-term debt		19,374		19,372	
Total		$ 21,375		$ 22,872	

As of October 24, 2026 and July 25, 2026, the estimated fair value of our short-term debt approximates its carrying value due to the short maturities. As of October 24, 2026, the fair value of our senior notes was $20.8 billion, with a carrying amount of $21.4 billion. This compares to a fair value of $22.7 billion and a carrying amount of $22.9 billion as of July 25, 2026. The fair value of the senior notes was determined based on observable market prices in a less active market and was categorized as Level 2 in the fair value hierarchy.

Our cash paid for interest was $0.6 billion for the first quarter of each of fiscal 2027 and 2026. Interest is payable semiannually on each class of the senior fixed-rate notes. Each of the senior fixed-rate notes is redeemable by us at any time, subject to a make-whole premium. The senior fixed-rate notes rank at par with the commercial paper notes that have been issued pursuant to our short-term debt financing program, as discussed above under "(a) Short-Term Debt." As of October 24, 2026, we were in compliance with all debt covenants.

As of October 24, 2026, future principal payments for long-term debt, including the current portion, are summarized as follows (in millions):

Fiscal Year	Amount
2027 (remaining nine months)	$ 2,002
2028	1,000
2029	2,500
2030	1,000
2031	2,500
Thereafter	12,500
Total	$ 21,502

(c) Credit Facility

On February 2, 2024, we entered into an amended and restated 5-year $5.0 billion unsecured revolving credit agreement. The interest rate for the credit agreement is determined based on a formula using certain market rates. The credit agreement requires that we comply with certain covenants, including that we maintain an interest coverage ratio (defined in the agreement as the ratio of consolidated EBITDA to consolidated interest expense) of not less than 3.0 to 1.0. As of October 24, 2026, we were in compliance with all associated covenants and we had not borrowed any funds under our credit agreement.

12. Derivative Instruments

(a) Summary of Derivative Instruments

We use derivative instruments primarily to manage exposures to foreign currency exchange rate, interest rate, and equity price risks. Our primary objective in holding derivatives is to reduce the volatility of earnings and cash flows associated with changes in foreign currency exchange rates, interest rates, and equity prices. Our derivatives expose us to credit risk to the extent that the counterparties may be unable to meet the terms of the agreement. We seek to mitigate such risks by limiting our counterparties to major financial institutions and requiring collateral in certain cases. In addition, the potential risk of loss with any one counterparty resulting from credit risk is monitored. Management does not expect material losses as a result of defaults by counterparties.

The fair values of our derivative instruments and the line items on the Consolidated Balance Sheets to which they were recorded are summarized as follows (in millions):

	DERIVATIVE ASSETS			DERIVATIVE LIABILITIES		
	Balance Sheet Line Item	October 24, 2026	July 25, 2026	Balance Sheet Line Item	October 24, 2026	July 25, 2026
Derivatives designated as hedging instruments:						
Foreign currency derivatives	Other current assets	$ 40	$ 49	Other current liabilities	$ 3	$ 2
Foreign currency derivatives	Other assets	20	43	Other long-term liabilities	2	—
Total		60	92		5	2
Derivatives not designated as hedging instruments:						
Foreign currency derivatives	Other current assets	7	7	Other current liabilities	41	48
Foreign currency derivatives	Other assets	2	1	Other long-term liabilities	20	43
Total		9	8		61	91
Total		$ 69	$ 100		$ 66	$ 93

Our derivative instruments are primarily classified as Level 2 in the fair value hierarchy, as they are not actively traded and are valued using pricing models that use observable market inputs.

The effect on the Consolidated Statements of Operations of derivative instruments not designated as hedges is summarized as follows (in millions):

		GAINS (LOSSES) FOR THE THREE MONTHS ENDED	
Derivatives Not Designated as Hedging Instruments	Line Item in Statements of Operations	October 24, 2026	October 25, 2025
Foreign currency derivatives	Other income (loss), net	$ 14	$ (46)
Total return swaps—deferred compensation	Operating expenses and other	(11)	54
Total		$ 3	$ 8

The notional amounts of our outstanding derivatives are summarized as follows (in millions):

	October 24, 2026	July 25, 2026
Foreign currency derivatives	$ 9,051	$ 8,686
Total return swaps—deferred compensation	1,367	1,307
Total	$ 10,418	$ 9,993

(b) Offsetting of Derivative Instruments

We present our derivative instruments at gross fair values in the Consolidated Balance Sheets. However, our master netting and other similar arrangements with the respective counterparties allow for net settlement under certain conditions, which are designed to reduce credit risk by permitting net settlement with the same counterparty.

(c) Foreign Currency Exchange Risk

We conduct business globally in numerous currencies. Therefore, we are exposed to adverse movements in foreign currency exchange rates. To limit the exposure related to foreign currency changes, we enter into foreign currency contracts. We do not enter into such contracts for speculative purposes.

We may hedge forecasted foreign currency transactions related to certain revenues, operating expenses and service cost of sales with currency options and forward contracts. These currency options and forward contracts, designated as cash flow hedges, generally have maturities of less than 24 months. The derivative instrument's gain or loss is initially reported as a component of accumulated other comprehensive income (AOCI) and subsequently reclassified into earnings when the hedged exposure affects earnings.

We enter into foreign exchange forward and option contracts to reduce the short-term effects of foreign currency fluctuations on assets and liabilities such as foreign currency receivables, long-term customer financings and payables. These derivatives are not designated as hedging instruments. Gains and losses on the contracts are included in other income (loss), net, and substantially offset foreign exchange gains and losses from the remeasurement of monetary assets and liabilities denominated in currencies other than the functional currency of the reporting entity.

We hedge certain net investments in our foreign operations with forward contracts to reduce the effects of foreign currency fluctuations on our net investment in those foreign subsidiaries. These derivative instruments generally have maturities of up to six months.

(d) Interest Rate Risk

We periodically enter into treasury lock agreements, designated as cash flow hedges, in order to hedge the impact of changes in the U.S. benchmark interest rate on future interest payments in anticipation of future debt offerings. Changes in the fair value of treasury lock agreements are recorded to AOCI and reclassified into earnings when the hedged exposure affects earnings.

(e) Equity Price Risk

We are exposed to variability in compensation charges related to certain deferred compensation obligations to employees and directors. Although not designated as accounting hedges, we utilize derivatives such as total return swaps to economically hedge this exposure and offset the related compensation expense.

13. Commitments and Contingencies

(a) Purchase Commitments with Contract Manufacturers and Suppliers

We purchase components from a variety of suppliers and use several contract manufacturers to provide manufacturing services for our products. During the normal course of business, in order to manage manufacturing lead times and help ensure adequate component supply, we enter into agreements with contract manufacturers and suppliers that allow them to procure inventory based upon criteria as defined by us or establish the parameters defining our requirements. A significant portion of our reported purchase commitments arising from these agreements consists of firm, noncancelable, and unconditional commitments.

Certain of these inventory purchase commitments are directly with suppliers, and relate to fixed-dollar commitments to secure supply and pricing for certain product components for multi-year periods. In addition, certain of these inventory purchase commitments are related to long-term supply agreements for fixed quantities of certain memory components for which pricing is variable based on current market values. In certain instances, these agreements allow us the option to cancel, reschedule, and adjust our requirements based on our business needs prior to firm orders being placed.

The following table summarizes our inventory purchase commitments with contract manufacturers and suppliers by period (in millions):

	October 24, 2026	July 25, 2026
Less than 1 year	$ 16,510	$ 14,341
1 to 3 years	4,272	2,558
3 to 5 years	1,101	266
Total	$ 21,883	$ 17,165

A significant portion of these commitments supports products sold to hyperscalers and other large customers. Purchase commitments with contract manufacturers and suppliers related to orders from these customers are based on our current demand forecasts and orders from these customers may sometimes be canceled, rescheduled, or modified with limited notice. Certain committed components are qualified to a specific customer design and have limited alternative use; others, including certain memory components, are more readily deployable across our product portfolio.

We record a liability for firm, noncancelable, and unconditional purchase commitments for quantities in excess of our future demand forecasts, and for commitments related to components that can no longer be used in a salable product, consistent with the valuation of our excess and obsolete inventory. As of October 24, 2026 and July 25, 2026, the liability for these purchase commitments was $351 million and $294 million, respectively, and was included in other current liabilities.

(b) Other Commitments

We have certain funding commitments, primarily related to our non-marketable equity securities. The funding commitments were $0.3 billion and $0.4 billion as of October 24, 2026 and July 25, 2026, respectively. The funding commitments and the carrying value of our non-marketable equity securities, collectively, represent our maximum exposure related to non-marketable equity securities.

(c) Product Warranties

The following table summarizes the activity related to the product warranty liability (in millions):

	Three Months Ended	
	October 24, 2026	October 25, 2025
Balance at beginning of period	$ 372	$ 399
Provisions for warranties issued	96	104
Adjustments for pre-existing warranties	6	—
Settlements	(98)	(111)
Balance at end of period	$ 376	$ 392

We accrue for warranty costs as part of our cost of sales based on associated material product costs, labor costs for technical support staff, and associated overhead. Our products are generally covered by a warranty for periods ranging from 90 days to five years, and for some products we provide a limited lifetime warranty.

(d) Financing and Other Guarantees

In the normal course of business, third parties may provide financing arrangements to our channel partners and end users under financing programs. Payments under these financing guarantee arrangements were not material for the periods presented.

We facilitate arrangements for third-party financing extended to channel partners, consisting of revolving short-term financing, with payment terms generally ranging from 60 to 90 days. These financing arrangements facilitate the working capital requirements of the channel partners, and, in some cases, we guarantee a portion of these arrangements. The volume of channel partner financing was $9.0 billion and $6.7 billion for the first quarter of fiscal 2027 and 2026, respectively. The balance of the channel partner financing subject to guarantees was $1.4 billion and $1.2 billion as of October 24, 2026 and July 25, 2026, respectively. The aggregate amounts of channel partner financing guarantees outstanding, representing the total maximum potential future payments under financing arrangements with third parties, was $131 million and $127 million as of October 24, 2026 and July 25, 2026, respectively.

(e) Indemnifications

In the normal course of business, we have indemnification obligations to other parties, including customers, lessors, and parties to other transactions with us, with respect to certain matters. We have agreed to indemnify against losses arising from a breach of representations or covenants or out of intellectual property infringement or other claims made against certain parties. These agreements may limit the time or circumstances within which an indemnification claim can be made and the amount of the claim.

It is not possible to determine the maximum potential amount for claims made under the indemnification obligations due to uncertainties in the litigation process, coordination with and contributions by other parties and the defendants in these types of cases, and the unique facts and circumstances involved in each particular case and agreement. Historically, indemnity payments made by us have not had a material effect on our Consolidated Financial Statements.

In addition, we have entered into indemnification agreements with our officers and directors, and our Amended and Restated Bylaws contain similar indemnification obligations to our agents.

(f) Legal Proceedings

Brazil Brazilian authorities have investigated our Brazilian subsidiary and certain of its former employees, as well as a Brazilian importer of our products, and its affiliates and employees, relating to alleged evasion of import taxes and alleged improper transactions involving the subsidiary and the importer. Brazilian tax authorities have assessed claims against our Brazilian subsidiary based on a theory of joint liability with the Brazilian importer for import taxes, interest, and penalties. In addition to claims asserted by the Brazilian federal tax authorities in prior fiscal years, tax authorities from the Brazilian state of Sao Paulo have asserted similar claims on the same legal basis in prior fiscal years. The remaining asserted claims by Brazilian federal tax authorities are for calendar years 2004 through 2007, and the remaining asserted claims by the tax authorities from the state of Sao Paulo are for calendar years 2005 through 2007. The total remaining asserted claims by Brazilian state and federal tax authorities aggregate to $155 million for the alleged evasion of import and other taxes, $994 million for interest, and $319 million for various penalties, all determined using an exchange rate as of October 24, 2026.

We have completed a thorough review of the matters and believe the asserted claims against our Brazilian subsidiary are without merit, and we are defending the claims vigorously. While we believe there is no legal basis for the alleged liability, due to the complexities and uncertainty surrounding the judicial process in Brazil and the nature of the claims asserting joint liability with the importer, we are unable to determine the likelihood of an unfavorable outcome against our Brazilian subsidiary and are unable to reasonably estimate a range of loss, if any. We do not expect a final judicial determination for several years.

Centripetal Centripetal Networks, Inc. (“Centripetal”) filed various patent litigations in the U.S., Germany, and France. These cases have either concluded with findings of non-infringement or invalidity or are in various stages of appeals. In the U.S., there was an appeal from our win in the Eastern District of Virginia that was pending in the Federal Circuit Court of Appeals, and on April 29, 2026, the Federal Circuit affirmed the District Court’s non-infringement decision, and one Patent Trial and Appeal Board (“PTAB”) inter partes review decision that was remanded to the PTAB for further proceedings in which the PTAB found all claims unpatentable. On September 18, 2026, Centripetal filed a petition for writ of certiorari in the U.S. Supreme Court challenging the Federal Circuit’s April 29, 2026 affirmance and those proceedings are ongoing. In Germany, there was an infringement hearing on one patent on April 2, 2026, during which the German Court announced its preliminary opinion that Cisco does not infringe, and the Court dismissed an appeal in a related validity proceeding following a hearing on November 10, 2026. In France, Centripetal also filed an infringement case alleging infringement of the French counterpart to U.S. and German patents previously found to not be infringed. The final hearing took place on October 8, 2026, and the Paris Court indicated that it will issue its decision as to the liability on January 8, 2027.

Ramot On June 12, 2019 and on February 26, 2021, Ramot at Tel Aviv University Ltd. ("Ramot") asserted patent infringement claims against Cisco and Acacia in the U.S. District Court for the Eastern District of Texas ("E.D. Tex.") and in the District of Delaware ("D. Del."), respectively. Ramot is seeking damages, including enhanced damages, and a royalty on future sales. Ramot alleges that certain optical transceiver modules and line cards infringe three patents. We challenged the validity of the patents in the U.S. Patent and Trademark Office ("PTO") and the pending District Court cases have been stayed. On September 28, 2021 and May 24, 2022, Cisco and Acacia filed two declaratory judgment actions of noninfringement against Ramot in D. Del. on other Ramot patents. The Court rescheduled the trial date in the D. Del. cases for December 1, 2025. Prior to trial, the D. Del. Court granted our motion for summary judgment of non-infringement of all patents-in-suit. Ramot appealed that decision to the Federal Circuit and those proceedings are ongoing.

While we believe that we have strong non-infringement and invalidity arguments in these litigations, and that Ramot's damages theories in such cases are not supported by prevailing law, we are unable to reasonably estimate the ultimate outcome of these litigations at this time due to uncertainties in the litigation processes. If we do not prevail in court in these litigations, we believe any damages ultimately assessed would not have a material effect on our Consolidated Financial Statements.

In addition to the above matters, we are subject to other legal proceedings, claims, and litigation arising in the ordinary course of business, including intellectual property litigation. While the outcome of these matters is currently not determinable, we do not believe that the ultimate costs to resolve these matters will have a material effect on our Consolidated Financial Statements.

For additional information regarding intellectual property litigation, see "Part II, Item 1A. Risk Factors—We may be found to infringe on intellectual property rights of others" herein.

14. Stockholders' Equity

(a) Stock Repurchase Program

In September 2001, our Board of Directors authorized a stock repurchase program. As of October 24, 2026, the remaining authorized amount for stock repurchases under this program was approximately $6.1 billion, with no termination date. Our stock repurchase activity for fiscal 2027 and 2026 under the stock repurchase program, reported based on the trade date, is summarized as follows (in millions, except per-share amounts):

Quarter Ended	Shares	Weighted-Average Price per Share	Amount
Fiscal 2027			
October 24, 2026	18	$ 112.38	$ 2,002
Fiscal 2026			
July 25, 2026	13	$ 111.53	$ 1,502
April 25, 2026	16	$ 80.28	$ 1,252
January 24, 2026	18	$ 76.29	$ 1,351
October 25, 2025	29	$ 68.28	$ 2,001

Amounts may not recalculate due to rounding.

(b) Dividends Declared

On November 12, 2026, our Board of Directors declared a quarterly dividend of $0.42 per common share to be paid on January 20, 2027, to all stockholders of record as of the close of business on January 4, 2027. Future dividends will be subject to the approval of our Board of Directors.

(c) Preferred Stock

Under the terms of our Amended and Restated Certificate of Incorporation, the Board of Directors is authorized to issue preferred stock in one or more series and, in connection with the creation of such series, to fix by resolution the designation, powers (including voting powers (if any)), preferences and relative, participating, optional or other special rights, if any, of such series, and any qualifications, limitations or restrictions thereof, of the shares of such series. As of October 24, 2026, we have not issued any shares of preferred stock.

15. Employee Benefit Plans

(a) Employee Stock Incentive Plans

We have one stock incentive plan: the 2005 Stock Incentive Plan (the "2005 Plan"). In addition, we have, in connection with our acquisitions of various companies, assumed the share-based awards granted under stock incentive plans of the acquired companies or issued share-based awards in replacement thereof. Share-based awards are designed to reward employees for their long-term contributions to us and provide incentives for them to remain with us. The number and frequency of share-based awards are based on competitive practices, our operating results, government regulations, and other factors.

The 2005 Plan provides for the granting of stock options, stock grants, stock units and stock appreciation rights (SARs), the vesting of which may be time-based or upon satisfaction of performance goals, or both, and/or other conditions. Time-based and performance-based RSUs generally vest over three years with certain awards containing retirement eligible provisions. Employees (including employee directors and executive officers) and consultants of Cisco and its subsidiaries and affiliates and non-employee directors of Cisco are eligible to participate in the 2005 Plan. The 2005 Plan may be terminated by our Board of Directors at any time and for any reason, and is currently set to terminate at the 2030 Annual Meeting unless re-adopted or extended by our stockholders prior to or on such date.

Under the 2005 Plan's share reserve feature, a distinction is made between the number of shares in the reserve attributable to (i) stock options and SARs and (ii) "full value" awards (i.e., stock grants and stock units). Shares issued as stock grants, pursuant to stock units or pursuant to the settlement of dividend equivalents are counted against shares available for issuance under the 2005 Plan on a 1.5-to-1 ratio. For each share awarded as restricted stock or a restricted stock unit award under the 2005 Plan, 1.5 shares were deducted from the available share-based award balance. If awards issued under the 2005 Plan are forfeited or terminated for any reason before being exercised or settled, then the shares underlying such awards, plus the number of additional shares, if any, that counted against shares available for issuance under the 2005 Plan at the time of grant as a result of the application of the share ratio described above, will become available again for issuance under the 2005 Plan. As of October 24, 2026, 124 million shares were authorized for future grant under the 2005 Plan.

(b) Employee Stock Purchase Plan

We have an Employee Stock Purchase Plan under which eligible employees are offered shares through a 24-month offering period, which consists of four consecutive 6-month purchase periods. Employees may purchase a limited amount of shares of our stock at a discount of up to 15% of the lesser of the fair market value at the beginning of the offering period or the end of each 6-month purchase period. The Employee Stock Purchase Plan is scheduled to terminate on the earlier of (i) January 3, 2030 and (ii) the date on which all shares available for issuance under the Employee Stock Purchase Plan are sold pursuant to exercised purchase rights. No shares were issued under the Employee Stock Purchase Plan during the first quarter of each of fiscal 2027 and 2026. As of October 24, 2026, 31 million shares were available for issuance under the Employee Stock Purchase Plan.

(c) Summary of Share-Based Compensation Expense

Share-based compensation expense consists of expenses for RSUs and stock purchase rights, granted to employees or assumed from acquisitions. The following table summarizes share-based compensation expense and the income tax benefit for share-based compensation (in millions):

	Three Months Ended	
	October 24, 2026	October 25, 2025
Cost of sales—product	$ 59	$ 68
Cost of sales—services	75	82
Share-based compensation expense in cost of sales	134	150
Research and development	419	484
Sales and marketing	246	269
General and administrative	110	131
Restructuring and other charges	2	21
Share-based compensation expense in operating expenses	777	905
Total share-based compensation expense	$ 911	$ 1,055
Income tax benefit for share-based compensation	$ 312	$ 241

As of October 24, 2026, the total compensation cost related to unvested share-based awards not yet recognized was $4.8 billion which is expected to be recognized over approximately 1.6 years on a weighted-average basis.

(d) Restricted Stock Unit Awards

A summary of the restricted stock and stock unit activity, which includes time-based and performance-based or market-based RSUs, is as follows (in millions, except per-share amounts):

	Restricted Stock/ Stock Units	Weighted-Average Grant Date Fair Value per Share	Aggregate Fair Value
Unvested balance at July 25, 2026	97	$ 65.51	
Granted and assumed	8	106.30	
Vested	(10)	53.88	$ 1,231
Canceled/forfeited/other	(1)	67.27	
Unvested balance at October 24, 2026	94	$ 70.39	

16. Accumulated Other Comprehensive Income (Loss)

The components of AOCI, net of tax, and the other comprehensive income (loss), for the first quarter of fiscal 2027 and 2026 are summarized as follows (in millions):

	Net Unrealized Gains (Losses) on Available-for-Sale Investments	Net Unrealized Gains (Losses) Cash Flow Hedging Instruments	Cumulative Translation Adjustment and Actuarial Gains (Losses)	Accumulated Other Comprehensive Income (Loss)
Balance at July 25, 2026	$ (31)	$ 113	$ (1,038)	$ (956)
Other comprehensive income (loss) before reclassifications	(28)	(21)	(1)	(50)
(Gains) losses reclassified out of AOCI	3	(12)	—	(9)
Tax benefit (expense)	7	8	—	15
Balance at October 24, 2026	$ (49)	$ 88	$ (1,039)	$ (1,000)

	Net Unrealized Gains (Losses) on Available-for-Sale Investments	Net Unrealized Gains (Losses) Cash Flow Hedging Instruments	Cumulative Translation Adjustment and Actuarial Gains (Losses)	Accumulated Other Comprehensive Income (Loss)
Balance at July 26, 2025	$ (57)	$ 65	$ (962)	$ (954)
Other comprehensive income (loss) before reclassifications	48	42	(41)	49
(Gains) losses reclassified out of AOCI	4	(9)	—	(5)
Tax benefit (expense)	(11)	(8)	(1)	(20)
Balance at October 25, 2025	$ (16)	$ 90	$ (1,004)	$ (930)

17. Income Taxes

The following table provides details of income taxes (in millions, except percentages):

	Three Months Ended	
	October 24, 2026	October 25, 2025
Income before provision for income taxes	$ 5,495	$ 3,391
Provision for income taxes	943	531
Effective tax rate	17.2 %	15.7 %

As of October 24, 2026, we had $2.5 billion of unrecognized tax benefits, of which $1.8 billion, if recognized, would favorably impact the effective tax rate.

18. Segment Information and Major Customers

(a) Revenue and Gross Margin by Segment

We conduct business globally and are primarily managed on a geographic basis consisting of three segments: the Americas, EMEA, and APJC. Our chief executive officer is the chief operating decision maker (CODM). The CODM reviews certain financial information for each segment, to evaluate performance and allocate resources by comparing actual performance to our annual targets. Performance of each segment is measured based on segment revenue and segment gross margin. Sales are attributed to a segment based on the location of the customer. Our CODM does not use assets to measure performance of our operating segments.

We do not allocate research and development, sales and marketing, or general and administrative expenses to our segments because the CODM does not include this information in our measurement of performance of the operating segments. In addition, we do not allocate amortization and impairment of acquisition-related intangible assets, share-based compensation expense, significant litigation settlements and other contingencies, charges related to asset impairments and restructurings, and certain other charges to the cost of sales and gross margin for each segment because the CODM does not include this information in the measurement of the performance of our operating segments.

The following summarizes our revenue and gross margin by segment and the significant expenses by each segment (in millions):

	Three Months Ended	
	October 24, 2026	October 25, 2025
Revenue:		
Americas	$ 11,506	$ 8,989
EMEA	4,456	3,784
APJC	2,556	2,111
Total	$ 18,517	$ 14,883
Gross margin:		
Americas	$ 7,376	$ 6,001
EMEA	3,072	2,722
APJC	1,699	1,413
Segment total	12,147	10,136
Unallocated corporate items	(359)	(391)
Total	$ 11,788	$ 9,745
Supplemental information about our significant expenses:		
Americas:		
Cost of sales — product	$ 3,560	$ 2,349
Cost of sales — services	571	639
Segment total	$ 4,130	$ 2,988
EMEA:		
Cost of sales — product	$ 1,092	$ 768
Cost of sales — services	292	294
Segment total	$ 1,384	$ 1,062
APJC:		
Cost of sales — product	$ 676	$ 514
Cost of sales — services	181	184
Segment total	$ 857	$ 698

Amounts may not sum due to rounding.

Revenue in the United States was $10.5 billion and $8.1 billion for the first quarter of fiscal 2027 and 2026, respectively.

(b) Revenue for Groups of Similar Products and Services

We design and sell Internet Protocol (IP)-based networking and other products related to the communications and IT industry and provide services associated with these products and their use.

The following table presents revenue for groups of similar products and services (in millions):

	Three Months Ended	
	October 24, 2026	October 25, 2025
Revenue:		
Networking	$ 11,132	$ 7,768
Security	2,120	1,980
Collaboration	1,136	1,055
Observability	279	274
Total Product	14,667	11,077
Services	3,850	3,806
Total	$ 18,517	$ 14,883

Amounts may not sum due to rounding.

19. Net Income per Share

The following table presents the calculation of basic and diluted net income per share (in millions, except per-share amounts):

	Three Months Ended	
	October 24, 2026	October 25, 2025
Net income	$ 4,552	$ 2,860
Weighted-average shares—basic	3,948	3,956
Effect of dilutive potential common shares	30	37
Weighted-average shares—diluted	3,978	3,993
Net income per share—basic	$ 1.15	$ 0.72
Net income per share—diluted	$ 1.14	$ 0.72
Antidilutive employee share-based awards, excluded	7	—

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Forward-Looking Statements

This Quarterly Report on Form 10-Q, including this Management's Discussion and Analysis of Financial Condition and Results of Operations, contains forward-looking statements regarding future events and our future results that are subject to the safe harbors created under the Securities Act of 1933, as amended (the "Securities Act"), and the Securities Exchange Act of 1934, as amended (the "Exchange Act"). All statements other than statements of historical facts are statements that could be deemed forward-looking statements. These statements are based on current expectations, estimates, forecasts, and projections about the industries in which we operate and the beliefs and assumptions of our management. Words such as "expects," "anticipates," "targets," "goals," "projects," "intends," "plans," "believes," "momentum," "seeks," "estimates," "continues," "endeavors," "strives," "may," variations of such words, and similar expressions are intended to identify such forward-looking statements. In addition, any statements that refer to projections of our future financial performance, our anticipated growth and trends in our businesses, and other characterizations of future events or circumstances are forward-looking statements. Readers are cautioned that these forward-looking statements are only predictions and are subject to risks, uncertainties, and assumptions that are difficult to predict, including those identified below under "Part II, Item 1A. Risk Factors," and elsewhere herein. Therefore, actual results may differ materially and adversely from those expressed in any forward-looking statements. We undertake no obligation to revise or update any forward-looking statements for any reason.

OVERVIEW

Cisco designs and sells a broad range of technologies including hardware, software, and artificial intelligence (AI)-powered digital infrastructure to power, help secure, and draw insights from the Internet. We are incorporating AI into our product portfolios across networking, security, collaboration and observability, as well as integrating our products more tightly together into a platform. We are simplifying how our technology is delivered, managed and optimized and helping customers maximize the business value of their technology investments.

A summary of our results is as follows (in millions, except percentages and per-share amounts):

	Three Months Ended		
	October 24, 2026	October 25, 2025	% Variance
Revenue	$ 18,517	$ 14,883	24 %
Gross margin percentage	63.7 %	65.5 %	(1.8) pts
Research and development	$ 2,423	$ 2,400	1 %
Sales and marketing	$ 2,831	$ 2,871	(1)%
General and administrative	$ 717	$ 733	(2)%
Total research and development, sales and marketing, general and administrative	$ 5,971	$ 6,004	(1)%
Total as a percentage of revenue	32.2 %	40.3 %	(8.1) pts
Restructuring and other charges included in operating expenses	$ 28	$ 147	(81)%
Operating income as a percentage of revenue	30.2 %	22.6 %	7.6 pts
Income tax percentage	17.2 %	15.7 %	1.5 pts
Net income	$ 4,552	$ 2,860	59 %
Net income as a percentage of revenue	24.6 %	19.2 %	5.4 pts
Earnings per share—diluted	$ 1.14	$ 0.72	58 %

Percentages may not recalculate due to rounding.

Three Months Ended October 24, 2026 Compared with Three Months Ended October 25, 2025

In the first quarter of fiscal 2027, we delivered strong revenue growth, operating margin and profitability as we continued to experience a positive demand environment. Total revenue was $18.5 billion, an increase of 24% compared with the first quarter of fiscal 2026. Within total revenue, product revenue increased by 32% and services revenue increased by 1%. In the first quarter of fiscal 2027, total software revenue was $6.1 billion across all product areas and services, an increase of 8%, and total subscription revenue increased 2%.

We continued to see strong demand in the first quarter of fiscal 2027 for AI infrastructure offerings from our hyperscaler customers. We expect this demand to remain a significant driver of our results in fiscal 2027, and we discuss the related customer concentration and supply risk in "Part II, Item 1A. Risk Factors."

Total gross margin decreased by 1.8 percentage points, primarily driven by a decline in product gross margin, partially offset by an increase in services gross margin. Product gross margin decreased by 2.7 percentage points, primarily driven by a product mix shift toward hardware and higher memory costs, partially offset by productivity improvements (excluding memory costs), positive impacts from pricing and lower amortization of purchased intangible assets. As a percentage of revenue, research and development, sales and marketing, and general and administrative expenses, collectively, decreased by 8.1 percentage points. Operating income as a percentage of revenue increased by 7.6 percentage points, primarily driven by revenue growth, partially offset by a gross margin percentage decrease in the first quarter of fiscal 2027. Diluted earnings per share increased 58%, driven by revenue growth and operating margin improvement.

In terms of our geographic segments, revenue from the Americas increased by $2.5 billion, EMEA revenue increased by $0.7 billion and APJC revenue increased by $0.4 billion. From a customer market perspective, we experienced product revenue growth across all of our customer markets.

From a product category perspective, the product revenue increase of 32% was driven by growth in Networking of 43%, particularly within our AI Infrastructure and Campus Networking solutions. We also saw product revenue growth in Security of 7%, Collaboration of 8% and Observability of 2%.

We continue to operate in a highly competitive and complex environment, especially as it relates to memory constraints and costs, and trade policy. Notwithstanding these challenges, we believe that we are making progress on our strategic priorities. We continue to invest in key priority areas with the objective of driving profitable growth over the long term, and we remain focused on delivering innovation across our technologies to assist our customers in executing on their digital transformations.

Strategy and Priorities

In today's fast-paced world shaped by AI, businesses and organizations globally are deploying technology to pursue their strategic objectives, from accelerating growth to enhancing operational efficiency and fostering innovation. Our strategy is to securely connect everything to make those desired outcomes possible.

For additional discussion of our strategy and priorities, see "Item 1. Business" in our Annual Report on Form 10-K for the fiscal year ended July 25, 2026.

Other Key Financial Measures

The following is a summary of our other key financial measures for the first quarter of fiscal 2027 (in millions):

	October 24, 2026	July 25, 2026
Cash and cash equivalents and investments	$ 15,845	$ 15,918
Remaining performance obligations	$ 46,169	$ 46,734
Inventories	$ 6,384	$ 5,694
Total debt	$ 29,799	$ 29,533

	Three Months Ended	
	October 24, 2026	October 25, 2025
Cash provided by operating activities	$ 4,357	$ 3,212
Repurchases of common stock—stock repurchase program	$ 2,002	$ 2,001
Dividends paid	$ 1,654	$ 1,617

CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements and related disclosures in conformity with accounting principles generally accepted in the United States requires us to make judgments, assumptions, and estimates that affect the amounts reported in the Consolidated Financial Statements and accompanying notes. Note 2 to the Consolidated Financial Statements in our Annual Report on Form 10-K for the fiscal year ended July 25, 2026, as updated as applicable in Note 2 to the Consolidated Financial Statements herein, describes the significant accounting policies and methods used in the preparation of the Consolidated Financial Statements. The accounting policies described below are significantly affected by critical accounting estimates. Such accounting policies require significant judgments, assumptions, and estimates used in the preparation of the Consolidated Financial Statements, and actual results could differ materially from the amounts reported based on these policies.

Revenue Recognition

We enter into contracts with customers that can include various combinations of products and services which are generally distinct and accounted for as separate performance obligations, resulting in contracts that may contain multiple performance obligations. We determine whether arrangements are distinct based on whether the customer can benefit from the product or service on its own or together with other resources that are readily available and whether our commitment to transfer the product or service to the customer is separately identifiable from other obligations in the contract. We classify our hardware, perpetual software licenses, and SaaS as distinct performance obligations. Term software licenses represent multiple obligations, which include software licenses and software maintenance. In transactions where we deliver hardware or software, we are typically the principal and we record revenue and costs of goods sold on a gross basis.

We recognize revenue upon transfer of control of promised goods or services in a contract with a customer in an amount that reflects the consideration we expect to receive in exchange for those products or services. Transfer of control occurs once the customer has the contractual right to use the product, generally upon shipment, electronic delivery (or when the software is available for download by the customer), or once title and risk of loss have transferred to the customer. Transfer of control can also occur over time for software maintenance and services as the customer receives the benefit over the contract term. Our hardware and perpetual software licenses are distinct performance obligations where revenue is recognized upfront upon transfer of control. Term software licenses include multiple performance obligations where the term licenses are recognized upfront upon transfer of control, with the associated software maintenance revenue recognized ratably over the contract term as services and software updates are provided. SaaS arrangements do not include the right for the customer to take possession of the software during the term, and therefore have one distinct performance obligation which is satisfied over time with revenue recognized ratably over the contract term as the customer consumes the services. On our product sales, we record consideration from shipping and handling on a gross basis within net product sales. We record our revenue net of any associated sales taxes.

Revenue is allocated among these performance obligations in a manner that reflects the consideration that we expect to be entitled to for the promised goods or services based on standalone selling prices (SSP). SSP is estimated for each distinct performance obligation and judgment may be required in its determination. The best evidence of SSP is the observable price of a product or service when we sell the goods separately in similar circumstances and to similar customers. In instances where SSP is not directly observable, we determine SSP using information that may include market conditions and other observable inputs.

We assess relevant contractual terms in our customer contracts to determine the transaction price. We apply judgment in identifying contractual terms and determining the transaction price as we may be required to estimate variable consideration when determining the amount of revenue to recognize. Variable consideration includes potential contractual penalties and various rebate, cooperative marketing and other incentive programs that we offer to our distributors, channel partners and direct sale customers. When determining the amount of revenue to recognize, we estimate the expected usage of these programs, applying the expected value or most likely estimate and update the estimate at each reporting period as actual utilization becomes available. We also consider the customers' right of return in determining the transaction price, where applicable. If actual credits received by customers under these programs were to deviate significantly from our estimates, which are based on historical experience, our revenue could be adversely affected.

See Note 3 to the Consolidated Financial Statements for more details.

Inventory Valuation and Liability for Purchase Commitments with Contract Manufacturers and Suppliers

Inventory is written down based on excess and obsolete inventories, determined primarily by future demand forecasts. Inventory write-downs are measured as the difference between the cost of the inventory and net realizable value, based upon assumptions about future demand, and are charged to the provision for inventory. At the point of the loss recognition, a new, lower cost basis for that inventory is established, and subsequent changes in facts and circumstances do not result in the restoration or increase in that newly established cost basis.

We record a provision for firm, noncancelable, and unconditional purchase commitments with contract manufacturers and suppliers for quantities in excess of our future demand forecasts consistent with the valuation of our excess and obsolete inventory. Both provisions are a component of cost of sales.

Our total provisions for inventory and the liability related to purchase commitments with contract manufacturers and suppliers were $112 million and $63 million for the first quarter of fiscal 2027 and 2026, respectively. Inventories were $6.4 billion as of October 24, 2026 compared with $5.7 billion as of July 25, 2026, reflecting the impact of memory. If there were to be a sudden and significant decrease in demand for our products, or a higher incidence of inventory obsolescence because of rapidly changing technology or customer requirements, then we could be required to increase our inventory write-downs and our liability for purchase commitments with contract manufacturers and suppliers, and accordingly our profitability could be adversely affected. We regularly evaluate our exposure for inventory write-downs and the adequacy of our liability for purchase commitments. For further discussion around the supply chain impacts and risks, see "—Results of Operations—Product Gross Margin—Supply Chain Impacts and Risks" and "—Liquidity and Capital Resources—Inventory Supply Chain."

Loss Contingencies

We are subject to the possibility of various losses arising in the ordinary course of business. We consider the likelihood of the incurrence of a liability, as well as our ability to reasonably estimate the amount of loss, in determining loss contingencies. An estimated loss contingency is accrued when it is probable that a liability has been incurred and the amount of loss can be reasonably estimated. We regularly evaluate information available to us to determine whether such accruals should be made or adjusted and whether new accruals are required. See Note 13 to the Consolidated Financial Statements for further discussion.

Valuation of Goodwill and Purchased Intangible Assets

The assessment of fair value for goodwill and purchased intangible assets is based on factors that market participants would use in an orderly transaction in accordance with the guidance for the fair value measurement of nonfinancial assets.

Goodwill

Our methodology for allocating the purchase price relating to purchase acquisitions is determined through established valuation techniques. Goodwill represents a residual value as of the acquisition date, which in most cases results in measuring goodwill as an excess of the purchase consideration transferred plus the fair value of any noncontrolling interest in the acquired company over the fair value of net assets acquired, including contingent consideration. We perform goodwill impairment tests on an annual basis in the fourth fiscal quarter and between annual tests in certain circumstances for each reporting unit.

Goodwill as of October 24, 2026 was $59.5 billion. There was no impairment of goodwill in the first quarter of each of fiscal 2027 and 2026.

Purchased Intangible Assets

The accounting for acquisitions requires significant estimates and judgments in the valuation of purchased intangible assets. Critical estimates used in the valuation of purchased intangible assets include, but are not limited to, the amount and timing of expected future cash flows, useful lives and discount rates. While our estimates of fair value are based on assumptions that are believed to be reasonable, these assumptions are inherently uncertain and unpredictable and may not reflect unanticipated events and circumstances that may occur.

We make judgments about the recoverability of purchased intangible assets with finite lives whenever events or changes in circumstances indicate that an impairment may exist. Recoverability of purchased intangible assets with finite lives is measured by comparing the carrying amount of the asset group to the future undiscounted cash flows the asset group is expected to generate. We review indefinite-lived intangible assets for impairment annually or whenever events or changes in circumstances indicate that the asset might be impaired. If the asset is considered impaired, the amount of any impairment is measured as the difference between the carrying value and the fair value of the impaired asset. Assumptions and estimates about future values and remaining useful lives of our purchased intangible assets are complex and subjective. They can be affected by a variety of factors, including external factors such as industry and economic trends, and internal factors such as changes in our business strategy and our internal forecasts. Our ongoing consideration of all the factors described previously could result in impairment charges in the future, which could adversely affect our net income.

Income Taxes

We are subject to income taxes in the United States and numerous foreign jurisdictions. Our effective tax rates differ from the statutory rate, primarily due to the tax impact of state taxes, foreign operations, R&D tax credits, foreign-derived intangible and deduction eligible income, global intangible low-taxed and net Controlled Foreign Corporation (CFC) tested income, tax audit

settlements, nondeductible compensation, and international realignments. Our effective tax rate was 17.2% and 15.7% in the first quarter of fiscal 2027 and 2026, respectively.

Significant judgment is required in evaluating our uncertain tax positions and determining our provision for income taxes. Although we believe our reserves are reasonable, no assurance can be given that the final tax outcome of these matters will not be different from that which is reflected in our historical income tax provisions and accruals. We adjust these reserves due to changing facts and circumstances, such as the closing of a tax audit or the refinement of an estimate. To the extent that the final tax outcome of these matters is different than the amounts recorded, such differences will impact the provision for income taxes in the period in which such determination is made. The provision for income taxes includes the impact of reserve provisions and changes to reserves that are considered appropriate, and the related net interest and penalties.

Significant judgment is also required in determining any valuation allowance recorded against deferred tax assets. In assessing the need for a valuation allowance, we consider all available evidence, including past operating results, estimates of future taxable income, and the feasibility of tax planning strategies. If we change our determination as to the amount of deferred tax assets that can be realized, we will adjust our valuation allowance with a corresponding impact to the provision for income taxes in the period in which such determination is made.

Our provision for income taxes is subject to volatility and could be negatively impacted by earnings being lower than anticipated in countries that have lower tax rates and higher than anticipated in countries that have higher tax rates; changes in the valuation of deferred tax assets and liabilities; changes to foreign-derived intangible and deduction eligible income, global intangible low-taxed and net CFC tested income, base erosion and anti-abuse tax, research and development capitalization and amortization, and corporate alternative minimum tax laws, regulations, or interpretations thereof; expiration of or lapses in tax incentives; transfer pricing adjustments, including those resulting from acquisitions or changes to our legal structure; tax effects of nondeductible compensation; tax costs related to intercompany realignments; by changes in accounting principles; or by changes in tax laws and regulations, treaties, or interpretations thereof, including changes to the taxation of earnings of our foreign subsidiaries, the deductibility of expenses attributable to foreign income, and the foreign tax credit rules. Significant judgment is used in determining our provision for income taxes and evaluating tax positions. In certain countries, our income has benefited from reduced tax rates associated with employment and capital investment actions and commitments. If we do not meet the requirements for these reduced rates, our provision for income taxes could be adversely affected. In addition, we are subject to the continuous examination of our income tax returns by the IRS and other tax authorities. We regularly assess the likelihood of adverse outcomes resulting from these examinations to determine the adequacy of our provision for income taxes. There can be no assurance that the outcomes from these continuous examinations will not have an adverse impact on our results of operations and financial condition.

RESULTS OF OPERATIONS

Revenue

The following table presents the breakdown of revenue between product and services (in millions, except percentages):

	Three Months Ended			
	October 24, 2026	October 25, 2025	Variance in Dollars	Variance in Percent
Revenue:				
Product	$ 14,667	$ 11,077	$ 3,590	32 %
Percentage of revenue	*79.2 %*	*74.4 %*		
Services	3,850	3,806	44	1 %
Percentage of revenue	*20.8 %*	*25.6 %*		
Total	$ 18,517	$ 14,883	$ 3,634	24 %

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

We manage our business primarily on a geographic basis, organized into three geographic segments. Our revenue, which includes product and services for each segment, is summarized in the following table (in millions, except percentages):

	Three Months Ended			
	October 24, 2026	October 25, 2025	Variance in Dollars	Variance in Percent
Revenue:				
Americas	$ 11,506	$ 8,989	$ 2,517	28 %
Percentage of revenue	*62.1 %*	*60.4 %*		
EMEA	4,456	3,784	672	18 %
Percentage of revenue	*24.1 %*	*25.4 %*		
APJC	2,556	2,111	445	21 %
Percentage of revenue	*13.8 %*	*14.2 %*		
Total	$ 18,517	$ 14,883	$ 3,634	24 %

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

Three Months Ended October 24, 2026 Compared with Three Months Ended October 25, 2025

Total revenue increased by 24%. Product revenue increased by 32% and services revenue increased by 1%. Our total revenue reflected growth across each of our geographic segments.

In addition to the impact of macroeconomic factors, including the IT spending environment and the level of spending by government entities, revenue by segment in a particular period may be significantly impacted by the timing of revenue recognition for complex transactions with multiple performance obligations. In addition, certain customers tend to make large and sporadic purchases, and the revenue related to these transactions may also be affected by the timing of revenue recognition, which in turn would impact the revenue of the relevant segment.

Product Revenue by Segment

The following table presents the breakdown of product revenue by segment (in millions, except percentages):

	Three Months Ended			
	October 24, 2026	October 25, 2025	Variance in Dollars	Variance in Percent
Product revenue:				
Americas	$ 9,257	$ 6,706	$ 2,551	38 %
Percentage of product revenue	*63.1 %*	*60.5 %*		
EMEA	3,463	2,846	617	22 %
Percentage of product revenue	*23.6 %*	*25.7 %*		
APJC	1,948	1,525	423	28 %
Percentage of product revenue	*13.3 %*	*13.8 %*		
Total	$ 14,667	$ 11,077	$ 3,590	32 %

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

Three Months Ended October 24, 2026 Compared with Three Months Ended October 25, 2025

Americas

Product revenue in the Americas segment increased by 38%, with growth across each of our customer markets, led by the Service Provider and Cloud customer market, which was largely driven by revenue from our AI Infrastructure offerings. From a country perspective, product revenue increased in the United States, Canada, Mexico and Brazil by 40%, 16%, 19% and 10%, respectively.

EMEA

Product revenue in the EMEA segment increased by 22%, driven by growth across each of our customer markets. From a country perspective, product revenue increased in the United Kingdom, Germany and France by 26%, 9% and 9%, respectively.

APJC

Product revenue in the APJC segment increased by 28%, with growth across each of our customer markets. From a country perspective, product revenue increased in Japan, Australia, India and China by 26%, 47%, 18% and 48%, respectively.

Product Revenue by Category

In addition to the primary view on a geographic basis, we also prepare financial information related to product categories and customer markets for various purposes.

The following table presents product revenue by category (in millions, except percentages):

	Three Months Ended			
	October 24, 2026	October 25, 2025	Variance in Dollars	Variance in Percent
Product revenue:				
Networking	$ 11,132	$ 7,768	$ 3,364	43 %
Security	2,120	1,980	140	7 %
Collaboration	1,136	1,055	81	8 %
Observability	279	274	5	2 %
Total	$ 14,667	$ 11,077	$ 3,590	32 %

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

Three Months Ended October 24, 2026 Compared with Three Months Ended October 25, 2025

Networking

The Networking product category consists of our core networking technologies of switching, routing, wireless, and servers. Revenue from the Networking product category increased by 43%, or $3.4 billion, with growth across the portfolio, led by triple digit growth in our AI Infrastructure offerings, which include Cisco Silicon One based systems and optics, and double digit revenue growth in our Data Center Switching and Campus Networking solutions.

Security

The Security product category consists of our Network Security, Identity and Access Management, SASE, and Identity and Agentic Security solutions. Revenue in our Security product category increased by 7%, or $140 million, primarily driven by growth in our Splunk, Network Security and SASE offerings.

Collaboration

The Collaboration product category consists of our Webex Suite, Collaboration Devices, Contact Center and CPaaS offerings. Revenue in our Collaboration product category increased by 8%, or $81 million, primarily driven by growth in Collaboration Devices and Cloud Contact Center offerings.

Observability

The Observability product category consists of our observability suite and network assurance offerings. Revenue in our Observability product category increased by 2%, or $5 million, primarily due to growth in our network assurance offerings, partially offset by a decline in our observability suite offerings.

Services Revenue by Segment

The following table presents the breakdown of services revenue by segment (in millions, except percentages):

	Three Months Ended			
	October 24, 2026	October 25, 2025	Variance in Dollars	Variance in Percent
Services revenue:				
Americas	$ 2,249	$ 2,283	$ (34)	(1)%
Percentage of services revenue	*58.4 %*	*60.0 %*		
EMEA	993	938	55	6 %
Percentage of services revenue	*25.8 %*	*24.6 %*		
APJC	608	586	22	4 %
Percentage of services revenue	*15.8 %*	*15.4 %*		
Total	$ 3,850	$ 3,806	$ 44	1 %

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

Services revenue increased by 1% in the first quarter of fiscal 2027 compared with the first quarter of fiscal 2026, reflecting higher revenue from support services. Services revenue increased in the EMEA and APJC segments, partially offset by a decrease in the Americas segment for the first quarter of fiscal 2027.

Gross Margin

The following table presents the gross margin for products and services (in millions, except percentages):

	Three Months Ended			
	AMOUNT		PERCENTAGE	
	October 24, 2026	October 25, 2025	October 24, 2026	October 25, 2025
Gross margin:				
Product	$ 9,057	$ 7,143	61.8 %	64.5 %
Services	2,731	2,602	70.9 %	68.4 %
Total	$ 11,788	$ 9,745	63.7 %	65.5 %

Product Gross Margin

The following table summarizes the key factors that contributed to the change in product gross margin percentage for the first quarter of fiscal 2027, as compared with the corresponding prior year period:

	Product Gross Margin Percentage
Fiscal 2026	64.5 %
Productivity [(1)]	(1.9)%
Product pricing	2.6 %
Mix of products sold	(4.2)%
Amortization of purchased intangible assets	0.6 %
Other	0.2 %
Fiscal 2027	61.8 %

[(1)] Productivity includes overall manufacturing-related costs, such as component costs (including memory), warranty expense, provisions for inventory and the liability related to the purchase commitments with contract manufacturers and suppliers, freight, logistics, shipment volume, and other items not categorized elsewhere.

Three Months Ended October 24, 2026 Compared with Three Months Ended October 25, 2025

Product gross margin decreased by 2.7 percentage points primarily driven by a product mix shift toward hardware and higher memory costs, partially offset by productivity improvements (excluding memory costs), positive impacts from pricing and lower amortization of purchased intangible assets. For a discussion of our risks associated with gross margin, see "Item 1A. Risk Factors," including the risk factor entitled "We expect gross margin to vary over time, and our level of product gross margin may not be sustainable."

Supply Chain Impacts and Risks

We regularly enter into purchase commitments with contract manufacturers and suppliers and in recent periods have increased such commitments related to manufacturing products to meet demand from hyperscalers and other customers. We expect to continue entering into these additional purchase commitments in future periods, including purchase commitments to secure supply and pricing for memory and certain components. We have also increased inventory deposits and advance payments with certain suppliers in connection with these arrangements. These purchase commitments and advance payments have in turn significantly increased our supply chain exposure.

This exposure includes potential material excess and obsolete or other charges if product demand significantly decreases, if customers cancel or reschedule orders or change product architecture, design specifications, or qualification requirements, if we are unable to generate demand for certain products, or if we are otherwise unable to mitigate this exposure. Because we commit to purchasing components based on our current demand forecasts, hyperscalers or other large customers may change their orders or buying patterns with us with limited advance notice, which could result in amounts that we have prepaid or deposited with contract manufacturers and suppliers for such commitments not being fully recoverable if the related orders are not fulfilled.

Additionally, while we are exposed to new and proposed tariffs and other trade policies, the extent of such exposure is uncertain but could be significant if the exposure remains and we are unable to mitigate it.

Services Gross Margin

Three Months Ended October 24, 2026 Compared with Three Months Ended October 25, 2025

Our services gross margin percentage increased by 2.5 percentage points primarily driven by productivity benefits in our support services and cost efficiencies.

Our services gross margin normally experiences some fluctuations due to various factors such as the timing of contract initiations and renewals, our strategic investments in headcount, and the resources we deploy to support the overall services business. Other factors include the mix of service offerings, as the gross margin from our professional services is typically lower than the gross margin from technical support services.

Gross Margin by Segment

The following table presents the total gross margin for each segment (in millions, except percentages):

	Three Months Ended			
	AMOUNT		PERCENTAGE	
	October 24, 2026	October 25, 2025	October 24, 2026	October 25, 2025
Gross margin:				
Americas	$ 7,376	$ 6,001	64.1 %	66.8 %
EMEA	3,072	2,722	68.9 %	71.9 %
APJC	1,699	1,413	66.5 %	66.9 %
Segment total	12,147	10,136	65.6 %	68.1 %
Unallocated corporate items [(1)]	(359)	(391)		
Total	$ 11,788	$ 9,745	63.7 %	65.5 %

[(1)] The unallocated corporate items include the effects of amortization and impairments of acquisition-related intangible assets, share-based compensation expense, significant litigation settlements and other contingencies, charges related to asset impairments and restructurings, and certain other charges. We do not allocate these items to the gross margin for each segment because management does not include such information in measuring the performance of the operating segments.

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

Three Months Ended October 24, 2026 Compared with Three Months Ended October 25, 2025

The Americas segment had a gross margin percentage decrease primarily driven by negative impacts from product mix and productivity, partially offset by favorable services gross margin and positive impacts from pricing.

The EMEA segment had a gross margin percentage decrease primarily driven by negative impacts from productivity and product mix, partially offset by positive impacts from pricing and favorable services gross margin.

The APJC segment had a gross margin percentage decrease primarily driven by negative impacts from productivity and product mix, partially offset by positive impacts from pricing.

Research and Development ("R&D"), Sales and Marketing, and General and Administrative ("G&A") Expenses

R&D, sales and marketing, and G&A expenses are summarized in the following table (in millions, except percentages):

	Three Months Ended			
	October 24, 2026	October 25, 2025	Variance in Dollars	Variance in Percent
Research and development	$ 2,423	$ 2,400	$ 23	1 %
Percentage of revenue	*13.1 %*	*16.1 %*		
Sales and marketing	2,831	2,871	(40)	(1)%
Percentage of revenue	*15.3 %*	*19.3 %*		
General and administrative	717	733	(16)	(2)%
Percentage of revenue	*3.9 %*	*4.9 %*		
Total	$ 5,971	$ 6,004	$ (33)	(1)%
Percentage of revenue	*32.2 %*	*40.3 %*		

Three Months Ended October 24, 2026 Compared with Three Months Ended October 25, 2025

R&D Expenses

R&D expenses increased primarily due to higher discretionary spending, partially offset by lower acquisition-related costs.

Sales and Marketing Expenses

Sales and marketing expenses decreased primarily due to lower acquisition-related costs and lower contracted services spending, partially offset by higher headcount-related expenses and higher discretionary spending.

G&A Expenses

G&A expenses decreased primarily due to lower discretionary spending, lower headcount-related expenses and lower acquisition-related costs.

Effect of Foreign Currency

In the first quarter of fiscal 2027, foreign currency fluctuations, net of hedging, decreased the combined R&D, sales and marketing, and G&A expenses by approximately $17 million, or 0.3%, compared with the first quarter of fiscal 2026.

Amortization of Purchased Intangible Assets

The following table presents the amortization of purchased intangible assets including impairment charges (in millions):

	Three Months Ended	
	October 24, 2026	October 25, 2025
Amortization of purchased intangible assets:		
Cost of sales	$ 229	$ 240
Operating expenses	191	231
Total	$ 420	$ 471

For the first quarter of fiscal 2027, the decrease in amortization of purchased intangible assets was primarily due to certain purchased intangible assets that became fully amortized, partially offset by amortization of purchased intangibles from our recent acquisitions.

Restructuring and Other Charges

In the fourth quarter of fiscal 2026, we announced a restructuring plan to allow us to invest in key growth opportunities including silicon, optics, security and AI. The total pre-tax charges are estimated to be approximately $1 billion, with the plan expected to be substantially completed by the end of fiscal 2027. In connection with this restructuring plan, we incurred charges of $28 million in the first quarter of fiscal 2027 and have incurred cumulative charges of $538 million to date. We expect to reinvest substantially all of the cost savings from this restructuring plan in our key growth opportunities. As a result, the overall cost savings from this restructuring plan are not expected to be material.

Operating Income

The following table presents our operating income and our operating income as a percentage of revenue (in millions, except percentages):

	Three Months Ended	
	October 24, 2026	October 25, 2025
Operating income	$ 5,598	$ 3,363
Operating income as a percentage of revenue	30.2 %	22.6 %

Three Months Ended October 24, 2026 Compared with Three Months Ended October 25, 2025

Operating income increased by 66%, and as a percentage of revenue operating income increased by 7.6 percentage points. These changes primarily resulted from revenue growth, partially offset by a gross margin percentage decrease in the first quarter of fiscal 2027.

Interest and Other Income (Loss), Net

Interest Income (Expense), Net The following table summarizes interest income and interest expense (in millions):

	Three Months Ended		
	October 24, 2026	October 25, 2025	Variance in Dollars
Interest income	$ 234	$ 222	$ 12
Interest expense	(368)	(350)	(18)
Interest income (expense), net	$ (134)	$ (128)	$ (6)

Three Months Ended October 24, 2026 Compared with Three Months Ended October 25, 2025

The increase in interest income was driven by a higher asset base from our Cisco Capital financing arrangements with end users. The increase in interest expense was driven by a higher average balance of debt outstanding.

Other Income (Loss), Net The components of other income (loss), net, are summarized as follows (in millions):

	Three Months Ended		
	October 24, 2026	October 25, 2025	Variance in Dollars
Gains (losses) on investments, net:			
Available-for-sale debt investments	$ (3)	$ (4)	$ 1
Marketable equity securities	(4)	31	(35)
Non-marketable equity securities	74	163	(89)
Net gains (losses) on investments	67	190	(123)
Other gains (losses), net	(36)	(34)	(2)
Other income (loss), net	$ 31	$ 156	$ (125)

Three Months Ended October 24, 2026 Compared with Three Months Ended October 25, 2025

The change in our other income (loss), net was primarily driven by lower unrealized gains on our non-marketable equity securities and gains on our marketable equity securities in the first quarter of fiscal 2026. The unrealized gains or losses on our

non-marketable equity securities may be affected by future observable financing rounds at varying valuations or changes in market prices.

Provision for Income Taxes

Three Months Ended October 24, 2026 Compared with Three Months Ended October 25, 2025

The provision for income taxes resulted in an effective tax rate of 17.2% for the first quarter of fiscal 2027, compared with an effective tax rate of 15.7% for the first quarter of fiscal 2026. The increase in effective tax rate was primarily driven by a larger net charge for unrecognized tax benefits in the first quarter of fiscal 2027 compared with the first quarter of fiscal 2026.

LIQUIDITY AND CAPITAL RESOURCES

The following sections discuss the effects of changes in our balance sheet, our capital allocation strategy including stock repurchase program and dividends, our contractual obligations, and certain other commitments and activities on our liquidity and capital resources.

Balance Sheet and Cash Flows

Cash and Cash Equivalents and Investments The following table summarizes our cash and cash equivalents and investments (in millions):

	October 24, 2026	July 25, 2026	Increase (Decrease)
Cash and cash equivalents	$ 7,778	$ 7,218	$ 560
Available-for-sale debt investments	7,807	8,339	(532)
Marketable equity securities	260	361	(101)
Total	$ 15,845	$ 15,918	$ (73)

The net decrease in cash and cash equivalents and investments in the first quarter of fiscal 2027 was primarily driven by repurchases of common stock of $2.0 billion, cash returned to stockholders in the form of cash dividends of $1.7 billion, repayment of debt of $1.5 billion, capital expenditures of $0.5 billion, shares repurchased for tax withholdings on vesting of restricted stock units of $0.4 billion and net cash paid for acquisitions of $0.1 billion. These uses of cash were partially offset by net cash provided by operating activities of $4.4 billion and net issuance of commercial paper of $1.8 billion.

We maintain an investment portfolio of various holdings, types, and maturities. We classify our investments as short-term investments based on their nature and their availability for use in current operations. We believe the overall credit quality of our portfolio is strong, with our cash equivalents and our available-for-sale debt investment portfolio consisting primarily of high quality investment-grade securities. We believe that our strong cash and cash equivalents and investments position allows us to use our cash resources for strategic investments to gain access to new technologies, for acquisitions, for end-user financing activities, for working capital needs, and for the repurchase of shares of common stock and payment of dividends as discussed below.

Free Cash Flow and Capital Allocation As part of our capital allocation strategy, we target to return a minimum of 50% of our free cash flow annually to our stockholders through cash dividends and repurchases of common stock.

We define free cash flow as net cash provided by operating activities less cash used to acquire property and equipment. The following table reconciles our net cash provided by operating activities to free cash flow (in millions):

	Three Months Ended	
	October 24, 2026	October 25, 2025
Net cash provided by operating activities	$ 4,357	$ 3,212
Acquisition of property and equipment	(502)	(323)
Free cash flow	$ 3,855	$ 2,889

Our net cash provided by operating activities in the first quarter of fiscal 2027 increased by 36% compared with the first quarter of fiscal 2026, primarily driven by growth in revenue and net income.

We expect that cash provided by operating activities may fluctuate in future periods as a result of a number of factors, including fluctuations in our operating results, the rate at which products are shipped during the quarter (which we refer to as shipment linearity), the timing and collection of accounts receivable and financing receivables, inventory and supply chain management, deferred revenue and the timing and amount of tax and other payments. For additional discussion, see "Part II, Item 1A. Risk Factors" in this report.

We consider free cash flow to be a liquidity measure that provides useful information to management and investors because of our intent to return a stated percentage of free cash flow to stockholders in the form of dividends and stock repurchases. We further regard free cash flow as a useful measure because it reflects cash that can be used to, among other things, invest in our business, make strategic acquisitions, repurchase common stock, and pay dividends on our common stock, after deducting capital investments. A limitation of the utility of free cash flow as a measure of financial performance and liquidity is that free cash flow does not represent the total increase or decrease in our cash balance for the period. In addition, we have other required uses of cash, including repaying the principal of our outstanding indebtedness. Free cash flow is not a measure calculated in accordance with U.S. generally accepted accounting principles and should not be regarded in isolation or as an alternative to net cash provided by operating activities or any other measure calculated in accordance with such principles, and other companies may calculate free cash flow in a different manner than we do.

The following table summarizes the dividends paid and stock repurchases (in millions, except per-share amounts):

	DIVIDENDS		STOCK REPURCHASE PROGRAM			
Quarter Ended	Per Share	Amount	Shares	Weighted-Average Price per Share	Amount	TOTAL
Fiscal 2027						
October 24, 2026	$ 0.42	$ 1,654	18	$ 112.38	$ 2,002	$ 3,656
Fiscal 2026						
July 25, 2026	$ 0.42	$ 1,659	13	$ 111.53	$ 1,502	$ 3,161
April 25, 2026	$ 0.42	$ 1,660	16	$ 80.28	$ 1,252	$ 2,912
January 24, 2026	$ 0.41	$ 1,617	18	$ 76.29	$ 1,351	$ 2,968
October 25, 2025	$ 0.41	$ 1,617	29	$ 68.28	$ 2,001	$ 3,618

On November 12, 2026, our Board of Directors declared a quarterly dividend of $0.42 per common share to be paid on January 20, 2027, to all stockholders of record as of the close of business on January 4, 2027. Future dividends will be subject to the approval of our Board of Directors.

As of October 24, 2026, the remaining authorized amount for stock repurchases under this program is approximately $6.1 billion, with no termination date.

Accounts Receivable, Net The following table summarizes our accounts receivable, net (in millions):

	October 24, 2026	July 25, 2026	Increase (Decrease)
Accounts receivable, net	$ 5,928	$ 7,470	$ (1,542)

Our accounts receivable, net, as of October 24, 2026 decreased by approximately 21%, compared with the end of fiscal 2026, primarily due to product billings being more linear in the first quarter of fiscal 2027 compared with the fourth quarter of fiscal 2026.

Inventory Supply Chain The following table summarizes our inventories and balances with contract manufacturers and suppliers (in millions):

	October 24, 2026	July 25, 2026	Increase (Decrease)
Inventories	$ 6,384	$ 5,694	$ 690
Inventory purchase commitments	$ 21,883	$ 17,165	$ 4,718
Inventory deposits and advance payments	$ 1,380	$ 1,104	$ 276

Inventory deposits and advance payments represent amounts paid to suppliers in advance of delivery, principally under arrangements to secure supply and pricing for memory and certain components. These amounts are included in other current assets and other assets on our Consolidated Balance Sheets, and are assessed for recoverability.

Inventory as of October 24, 2026 increased by 12% and inventory purchase commitments with contract manufacturers and suppliers increased by 27% from our balances at the end of fiscal 2026. The combined increase of 24% in our inventory and inventory purchase commitments compared with the end of fiscal 2026 was primarily related to commitments with certain suppliers to help secure supply of memory and certain components and the impact of higher memory prices. The increase was

also driven by commitments with contract manufacturers and suppliers to meet the demand from hyperscalers and other customers. We expect our inventory balances will increase in future quarters as we work to fulfill this demand.

The following table summarizes our inventory purchase commitments with contract manufacturers and suppliers by period (in millions):

	October 24, 2026	July 25, 2026	Increase (Decrease)
Less than 1 year	$ 16,510	$ 14,341	$ 2,169
1 to 3 years	4,272	2,558	1,714
3 to 5 years	1,101	266	835
Total	$ 21,883	$ 17,165	$ 4,718

In recent periods, we have increased our levels of inventory and purchase commitments with contract manufacturers and suppliers. The increases were primarily due to arrangements to secure supply and pricing for certain product components, including memory, and commitments with contract manufacturers to meet customer demand and help manage lead times. Our risks of future material excess and obsolete inventory and related losses are further outlined in the Results of Operations—Product Gross Margin section.

We purchase components from a variety of suppliers and use several contract manufacturers to provide manufacturing services for our products. During the normal course of business, in order to manage manufacturing lead times and help ensure adequate component supply, we enter into agreements with contract manufacturers and suppliers that allow them to procure inventory based upon criteria as defined by us or that establish the parameters defining our requirements and our commitment to securing manufacturing capacity.

Our inventory purchase commitments are for short-term product manufacturing requirements as well as for commitments to suppliers to secure manufacturing capacity. Certain of our inventory purchase commitments are entered into directly with suppliers and relate to fixed-dollar commitments to secure supply and pricing for certain product components for multi-year periods. In addition, certain of these inventory purchase commitments are related to long-term supply agreements for fixed quantities of certain memory components for which pricing is variable based on current market values. A significant portion of our reported purchase commitments arising from these agreements consists of firm, noncancelable, and unconditional commitments. In certain instances, these agreements allow us the option to cancel, reschedule, and adjust our requirements based on our business needs prior to firm orders being placed.

Inventory and supply chain management remain areas of focus as we balance the need to maintain supply chain flexibility to help ensure competitive lead times with the risk of inventory obsolescence because of supply constraints, rapidly changing technology and customer requirements. We believe the amount of our inventory and inventory purchase commitments is appropriate for our current and expected customer demand and revenue levels. Because a significant portion of these balances are based on our current demand forecasts, actual requirements may differ, and a significant reduction in or change to those forecasts could result in material excess and obsolete inventory or purchase commitment charges.

Financing Receivables and Guarantees The following table summarizes our financing receivables (in millions):

	October 24, 2026	July 25, 2026	Increase (Decrease)
Loan receivables, net	$ 7,627	$ 7,417	$ 210
Lease receivables, net	1,114	915	199
Total, net	$ 8,741	$ 8,332	$ 409

Financing Receivables Our financing arrangements include loans and leases. Our loan receivables include financing for purchases of our hardware, software and services (including technical support and professional services), and also may include additional funds for other costs associated with network installation and integration of our products and services. Lease receivables include sales-type leases. Arrangements related to leases are generally collateralized by a security interest in the underlying assets. Financing receivables increased by 5% as compared with the end of fiscal 2026, primarily due to an increase in loan and lease receivables reflecting higher customer demand for financing of hardware, software and services.

Financing Guarantees In the normal course of business, third parties may provide financing arrangements to our channel partners and end users under financing programs. The financing arrangements to channel partners consist of revolving short-term financing provided by third parties, with payment terms generally ranging from 60 to 90 days. In certain instances, these financing arrangements result in a transfer of our receivables to the third party. The receivables are derecognized upon transfer,

as these transfers qualify as true sales, and we receive payments for the receivables from the third party based on our standard payment terms. The financing arrangements provided by third parties to end users are related to leases and loans and typically have terms of up to three years. In some cases, we provide guarantees to third parties for these lease and loan arrangements.

The volume of channel partner financing was $9.0 billion and $6.7 billion for the first quarter of fiscal 2027 and 2026, respectively. These financing arrangements facilitate the working capital requirements of the channel partners, and in some cases, we guarantee a portion of these arrangements. The balance of the channel partner financing subject to guarantees was $1.4 billion and $1.2 billion as of October 24, 2026 and July 25, 2026, respectively. As of October 24, 2026, the total maximum potential future payments related to these guarantees was approximately $131 million, or approximately 10% of the guaranteed balance. We could be called upon to make payments under these guarantees in the event of nonpayment by the channel partners. Historically, our payments under these arrangements have been immaterial. Where we provide a guarantee, we defer the revenue associated with the channel partner financing arrangement in accordance with revenue recognition policies, or we record a liability for the fair value of the guarantees. In either case, the deferred revenue is recognized as revenue when the guarantee is removed.

Borrowings

Senior Fixed-Rate Notes The following table summarizes the principal amount of our senior fixed-rate notes (in millions):

	Maturity Date	October 24, 2026	July 25, 2026
Senior fixed-rate notes:			
2.50%	September 20, 2026	$ —	$ 1,500
4.80%	February 26, 2027	2,000	2,000
4.55%	February 24, 2028	1,000	1,000
4.85%	February 26, 2029	2,500	2,500
4.75%	February 24, 2030	1,000	1,000
4.95%	February 26, 2031	2,500	2,500
4.95%	February 24, 2032	1,000	1,000
5.05%	February 26, 2034	2,500	2,500
5.10%	February 24, 2035	1,250	1,250
5.90%	February 15, 2039	2,000	2,000
5.50%	January 15, 2040	2,000	2,000
5.30%	February 26, 2054	2,000	2,000
5.50%	February 24, 2055	750	750
5.35%	February 26, 2064	1,000	1,000
Total		$ 21,500	$ 23,000

Interest is payable semiannually on each class of the senior fixed-rate notes, each of which is redeemable by us at any time, subject to a make-whole premium. We were in compliance with all debt covenants as of October 24, 2026.

Commercial Paper We have a short-term debt financing program in which up to $15.0 billion is available through the issuance of commercial paper notes. We use the proceeds from the issuance of commercial paper notes for general corporate purposes. We had $8.4 billion and $6.7 billion in commercial paper notes outstanding as of October 24, 2026 and July 25, 2026, respectively.

Credit Facility On February 2, 2024, we entered into an amended and restated 5-year $5.0 billion unsecured revolving credit agreement. The interest rate for the credit agreement is determined based on a formula using certain market rates. The credit agreement requires that we comply with certain covenants, including that we maintain an interest coverage ratio (defined in the agreement as the ratio of consolidated EBITDA to consolidated interest expense) of not less than 3.0 to 1.0. As of October 24, 2026, we were in compliance with all associated covenants and we had not borrowed any funds under our credit agreement.

Remaining Performance Obligations The following table presents the breakdown of remaining performance obligations (in millions):

	October 24, 2026	July 25, 2026	Increase (Decrease)
Product	$ 23,396	$ 23,436	$ (40)
Services	22,773	23,298	(525)
Total	$ 46,169	$ 46,734	$ (565)
Short-term RPO	$ 22,324	$ 22,776	$ (452)
Long-term RPO	23,845	23,958	(113)
Total	$ 46,169	$ 46,734	$ (565)

Total remaining performance obligations as of October 24, 2026 decreased 1% compared with the end of fiscal 2026. Remaining performance obligations for product were flat and remaining performance obligations for services decreased 2% compared with the end of fiscal 2026.

Deferred Revenue The following table presents the breakdown of deferred revenue (in millions):

	October 24, 2026	July 25, 2026	Increase (Decrease)
Product	$ 14,012	$ 13,817	$ 195
Services	16,046	15,964	82
Total	$ 30,058	$ 29,781	$ 277
Reported as:			
Current	$ 16,854	$ 16,988	$ (134)
Noncurrent	13,204	12,793	411
Total	$ 30,058	$ 29,781	$ 277

Total deferred revenue increased 1% compared with the end of fiscal 2026. The increase in deferred product revenue of 1% was primarily due to increased deferrals related to our recurring software offerings. The increase in deferred services revenue of 1% was driven by higher business volume, partially offset by ongoing amortization of deferred services revenue.

Contractual Obligations

The impact of contractual obligations on our liquidity and capital resources in future periods should be analyzed in conjunction with the factors that impact our cash flows from operations discussed herein. In addition, we plan for and measure our liquidity and capital resources through an annual budgeting process. Our contractual obligations consist of operating leases, purchase commitments with contract manufacturers and suppliers, other purchase obligations, long-term debt, and other long-term liabilities. For additional information on our contractual obligations see our Annual Report on Form 10-K for the fiscal year ended July 25, 2026.

Other Commitments

In connection with our acquisitions, we have agreed to pay certain additional amounts contingent upon the continued employment with us of certain employees of the acquired entities. See Note 4 to the Consolidated Financial Statements.

Of the total carrying value of our non-marketable equity securities as of October 24, 2026, $1.1 billion of such investments are considered to be in variable interest entities which are unconsolidated. We have total funding commitments of $0.3 billion related to non-marketable equity securities. The carrying value of these investments and the additional funding commitments, collectively, represent our maximum exposure related to non-marketable equity securities. See Note 10 to the Consolidated Financial Statements.

We provide financing guarantees, which are generally for various third-party financing arrangements extended to our channel partners. We could be called upon to make payments under these guarantees in the event of nonpayment by the channel partners. See the previous discussion of these financing guarantees under "Financing Receivables and Guarantees."

Liquidity and Capital Resource Requirements

Based on past performance and current expectations, we believe our cash and cash equivalents, investments, cash generated from operations, and ability to access capital markets and committed credit lines will satisfy, through at least the next 12 months, our liquidity requirements, both in total and domestically, including the following: working capital needs (including inventory and other supply related payments), capital expenditures, investment requirements, stock repurchases, cash dividends, contractual obligations, commitments, principal and interest payments on debt, pending acquisitions, future and committed customer financings, and other liquidity requirements associated with our operations. There are no other transactions, arrangements, or relationships with unconsolidated entities or other persons that are reasonably likely to materially affect the liquidity and the availability of, as well as our requirements for, capital resources.

Available Information

We intend to announce material information to the public through our Investor Relations website at https://investor.cisco.com, SEC filings, press releases, public conference calls, and public webcasts, including those made available or broadcast on our Investor Relations website and through third-party websites, such as our LinkedIn page and YouTube channel. We use these channels, as well as social media (including certain X and LinkedIn accounts held and/or managed by us or our executive officers) and our blog, to communicate with our investors, customers, and the public about us, our products and services, and other matters. It is possible that the information we post on social media and our blog could be deemed to be material information. As such, we encourage investors, the media, and others to follow the channels listed above, including the social media channels listed at the bottom of our Investor Relations website, and to review the information disclosed through such channels.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Our financial position is exposed to a variety of risks, including interest rate risk, equity price risk, and foreign currency exchange risk.

Interest Rate Risk

Available-for-Sale Debt Investments We maintain an investment portfolio of various holdings, types, and maturities. Our primary objective for holding available-for-sale debt investments is to achieve an appropriate investment return consistent with preserving principal and managing risk. At any time, a sharp rise in market interest rates could have a material adverse impact on the fair value of our available-for-sale debt investment portfolio. Conversely, declines in interest rates, including the impact from lower credit spreads, could have a material adverse impact on interest income for our investment portfolio. Our available-for-sale debt investments are held for purposes other than trading. Our available-for-sale debt investments are not leveraged as of October 24, 2026. We monitor our interest rate and credit risks, including our credit exposures to specific rating categories and to individual issuers. We believe the overall credit quality of our portfolio is strong.

Financing Receivables Our financing receivables had a carrying value of $8.7 billion and $8.3 billion as of October 24, 2026 and July 25, 2026. As of October 24, 2026, a hypothetical 50 basis points ("BPS") increase or decrease in market interest rates would change the fair value of our financing receivables by a decrease or increase of approximately $0.1 billion, respectively.

Debt As of October 24, 2026, we had $21.5 billion in principal amount of senior fixed-rate notes outstanding. The carrying amount of the senior fixed-rate notes was $21.4 billion, and the related fair value based on market prices was $20.8 billion. As of October 24, 2026, a hypothetical 50 BPS increase or decrease in market interest rates would change the fair value of the fixed-rate debt by a decrease or increase of approximately $0.6 billion, respectively. However, this hypothetical change in interest rates would not impact the interest expense on the fixed-rate debt.

As of October 24, 2026, we had $8.4 billion in commercial paper outstanding, compared with $6.7 billion as of July 25, 2026. Because these borrowings are short-term and are refinanced on a recurring basis, our interest expense on commercial paper reprices with market interest rates. A sharp rise in market interest rates could cause us to incur additional interest expense to the extent we issue additional commercial paper or other debt.

Equity Price Risk

Marketable Equity Investments The fair value of our marketable equity investments is subject to market price volatility. We hold equity securities for strategic purposes or to diversify our overall investment portfolio. These equity securities are held for purposes other than trading. The total fair value of our marketable equity securities was $260 million and $361 million as of October 24, 2026 and July 25, 2026, respectively.

Non-Marketable Equity Securities These investments are recorded in other assets in our Consolidated Balance Sheets. The total carrying amount of our non-marketable equity securities was $4.1 billion and $4.0 billion as of October 24, 2026 and July 25, 2026, respectively. The increase was primarily due to net additional investments and net unrealized gains recognized in the first quarter of fiscal 2027 based on observable price changes. Some of these companies in which we invested are in the startup or development stages. These investments are inherently risky because the markets for the technologies or products these companies are developing are typically in the early stages and may never materialize. We could lose our entire investment in these companies. Because gains and losses on these investments are recognized based on observable price changes in orderly transactions for identical or similar investments of the same issuer, the carrying amount may decrease in future periods if such transactions occur at lower valuations, and any resulting losses could be material. Our evaluation of non-marketable equity securities is based on the fundamentals of the businesses invested in, including, among other factors, the nature of their technologies and potential for financial return.

Foreign Currency Exchange Risk

Our foreign exchange forward contracts outstanding as of the respective period-ends are summarized in U.S. dollar equivalents as follows (in millions):

	October 24, 2026		July 25, 2026	
	Notional Amount	Fair Value	Notional Amount	Fair Value
Forward contracts:				
Purchased	$ 4,355	$ (56)	$ 4,088	$ (88)
Sold	$ 4,696	$ 59	$ 4,598	$ 95

Movement in foreign currency exchange rates would change the fair value of our foreign exchange forward contracts. Because we enter into these contracts to offset exposures on underlying forecasted transactions and on foreign currency denominated receivables and payables, we would expect any such change to be substantially offset by an opposite change in the value of those underlying exposures.

We conduct business globally in numerous currencies. The direct effect of foreign currency fluctuations on revenue has not been material because our revenue is primarily denominated in U.S. dollars. However, if the U.S. dollar strengthens relative to other currencies, such strengthening could have an indirect effect on our revenue to the extent it raises the cost of our products to non-U.S. customers and thereby reduces demand. A weaker U.S. dollar could have the opposite effect. However, the precise indirect effect of currency fluctuations is difficult to measure or predict because our revenue is influenced by many factors in addition to the impact of such currency fluctuations.

Approximately 70% of our operating expenses are U.S.-dollar denominated. In the first quarter of fiscal 2027, foreign currency fluctuations, net of hedging, decreased our combined R&D, sales and marketing, and G&A expenses by approximately $17 million, or 0.3%, compared with the first quarter of fiscal 2026. To reduce variability in operating expenses and service cost of sales caused by non-U.S.-dollar-denominated operating expenses and costs, we may hedge certain forecasted foreign currency transactions with currency options and forward contracts. These hedging programs are not designed to provide foreign currency protection over long time horizons. In designing a specific hedging approach, we consider several factors, including offsetting exposures, significance of exposures, costs associated with entering into a particular hedge instrument, and potential effectiveness of the hedge. The gains and losses on foreign exchange contracts mitigate the effect of currency movements on our operating expenses and service cost of sales.

We also enter into foreign exchange forward and option contracts to reduce the short-term effects of foreign currency fluctuations on receivables and payables that are denominated in currencies other than the functional currencies of the entities. The market risks associated with these foreign currency receivables and payables relate primarily to variances from our forecasted foreign currency transactions and balances. We do not enter into foreign exchange forward or option contracts for speculative purposes.

Item 4. Controls and Procedures

Evaluation of disclosure controls and procedures. Based on our management's evaluation (with the participation of our principal executive officer and principal financial officer), as of the end of the period covered by this report, our principal executive officer and principal financial officer have concluded that our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) are effective to ensure that information required to be disclosed by us in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission rules and forms and is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure.

Changes in internal control over financial reporting. There was no change in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during our first quarter of fiscal 2027, that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

For a description of our pending legal proceedings, see Note 13, "Commitments and Contingencies—(f) Legal Proceedings" in the Notes to Consolidated Financial Statements.

Item 1A. Risk Factors

Set forth below and elsewhere in this report and in other documents we file with the SEC are descriptions of the risks and uncertainties that could cause our actual results to differ materially from the results contemplated by the forward-looking statements contained in this report. The descriptions below include any material changes to and supersede the description of the risk factors affecting our business previously disclosed in "Part I, Item 1A. Risk Factors" of our Annual Report on Form 10-K for the fiscal year ended July 25, 2026.

Risks Related to our Business and Industry

Our operations can be difficult to predict because our results of operations may fluctuate in future periods.

Our results of operations have been in the past, and will continue to be, subject to quarterly and annual fluctuations as a result of numerous factors, some of which may contribute to more pronounced fluctuations in an uncertain global economic environment. Consequently, our results of operations are not a reliable indicator of future results. These factors include:

- Customer patterns, such as fluctuating demand for our products and services, especially with respect to service providers and cloud customers; the timing, size, and mix of orders from customers; and changes in sales and implementation cycles for our products and reduced visibility into our customers' spending plans and associated revenue
- Our ability to maintain appropriate inventory levels and purchase commitments and manage manufacturing and customer lead times
- Price and product competition in the communications and networking industries, which can change rapidly due to technological innovation and different business models from various geographic regions
- Industry trends such as consolidation among our competitors and our customers, and the introduction and market acceptance of new technologies, products and technology standards, and our success in these new and evolving markets and with emerging technologies, including AI
- Variations in sales channels, product costs, or mix of products sold (e.g., hardware and software sales, including mix of cloud-based and on-premise software sales)
- Fluctuations in our gross margins, and the factors that contribute to such fluctuations
- The ability of our direct sale customers, channel partners, contract manufacturers and suppliers to obtain financing, to fund capital expenditures, or withstand financial problems
- Actual events, circumstances, outcomes, and amounts differing from judgments, assumptions, and estimates used in determining the values of certain assets (including the amounts of related valuation allowances), liabilities, and other items reflected in our Consolidated Financial Statements
- How well we execute on our strategy and operating plans and the impact of changes in our business model that could result in significant restructuring charges
- Our ability to achieve targeted cost reductions and anticipated benefits from our investments
- Changes in tax laws or accounting rules, or interpretations thereof

Any of these factors, or others discussed in this report, could materially harm our business, results of operations, or financial condition.

Our results of operations may be negatively impacted by unfavorable economic and market conditions and the uncertain geopolitical environment.

The global macroeconomic environment can be challenging and uncertain. Challenging global economic conditions, including tariffs or other trade barriers or disruptions, rising inflation, or other changes, have contributed, and may continue to contribute, to slowdowns in the markets in which we operate, resulting in: reduced demand for our products due to constrained IT-related spending by customers, particularly service provider, cloud, enterprise and other customer markets; increased price competition for our products, not only from our competitors but also as a consequence of customers disposing of unutilized products; risk of excess and obsolete inventories; risk of supply constraints; risk of excess facilities and manufacturing capacity; and higher overhead costs as a percentage of revenue and higher interest expense.

Furthermore, the impact of uncertainty regarding global central bank monetary policy, the instability in the geopolitical environment in many parts of the world (including as a result of the ongoing Russia and Ukraine war, Middle East conflicts and wars, and China-Taiwan relations), government-related disruptions or shutdowns, and other disruptions may continue to put pressure on global economic conditions.

Additionally, challenging economic or market conditions specific to one or more segments or customer markets have affected, and may in the future, affect our results of operations in those segments. If global economic and market conditions were to deteriorate, we may experience material harm to our business, results of operations, or financial condition.

Our revenue for a particular period is difficult to predict, and a shortfall in revenue may harm our results of operations.

Our quarterly revenue is difficult to predict, which can be exacerbated during challenging global macroenvironments and resulting market uncertainty. As in prior periods, we may experience a decline or slower revenue growth rate on a year-over-year basis. Our ability to meet financial expectations could also be negatively impacted if nonlinear sales or shipping patterns seen in prior quarters occur again in future periods. Nonlinear shipping patterns have occurred when shipments have exceeded net bookings or manufacturing or other issues have delayed shipments, making it difficult to predict revenue for a particular period. Furthermore, nonlinear or irregular shipping patterns can increase costs, due to resulting periods of underutilized capacity, overtime expenses, and potential additional inventory management-related costs. In addition, delayed shipments arising from manufacturing, component shortages, or any other issues, particularly in periods in which our contract manufacturers are operating at higher levels of capacity, could negatively impact revenue for a quarter if such matters occur and are not remediated within the same quarter.

The timing of large orders can also have a significant impact on our business and results of operations from quarter to quarter. From time to time, we receive large orders that have a significant effect on our results of operations in the period in which the order is recognized as revenue. The timing of such orders is difficult to predict, and the timing of revenue recognition from such orders may affect period to period changes in revenue. As a result, our results of operations could vary materially from quarter to quarter based on the receipt of such orders and their ultimate recognition as revenue. Additionally, longer than normal manufacturing lead times in the past have caused, and in the future could cause, some customers to place multiple orders within our various sales channels and to cancel the duplicative orders upon shipment or receipt of the product, or to also place orders with other vendors with shorter manufacturing lead times. Such multiple ordering (along with other factors) or risk of order cancellation may cause difficulty in predicting our revenue. Further, our efforts to improve manufacturing lead-time performance may result in more variability and less predictability in our revenue and results of operations. In addition, when managing component supply-related challenges, we have in the past, and may in the future, increase efforts in procuring components to meet customer expectations, which in turn contributes to an increase in inventory and purchase commitments. Product demand conditions for future periods can be difficult to predict or may persist longer than anticipated. Because we plan our operating expenses primarily based on forecasted revenue levels and these costs and the impact of long-term commitments are relatively fixed in the short term, a revenue shortfall from short-term business changes or otherwise, may prevent us from adjusting these fixed expenses quickly enough to meet financial expectations. Any of the above factors could materially harm our operations and financial results.

Supply chain issues, including financial problems of contract manufacturers or component suppliers, or a shortage of adequate component supply or manufacturing capacity that increase our costs or cause a delay in our ability to fulfill orders, could have an adverse impact on our business and results of operations, and our failure to estimate customer demand properly or significant purchase commitments made in anticipation of such demand may result in excess or obsolete component supply or other charges, which could negatively impact our gross margins.

The fact that we do not own or operate the bulk of our manufacturing facilities and that we are reliant on our extended supply chain could have an adverse impact on the supply of our products and on our business and results of operations. Financial problems of either contract manufacturers or component suppliers, reservation of manufacturing capacity at our contract manufacturers by other companies, and industry consolidation occurring within one or more component supplier markets, such as the semiconductor market, in each case, could either limit supply or increase costs.

A reduction or interruption in supply, including disruptions on our global supply chain, caused in part by geopolitical tensions; public health emergencies; significant natural disasters (including as a result of climate change); tariffs or other trade barriers or disruptions; a significant increase in the price of components (including as a result of inflation); a failure to adequately authorize procurement of inventory by our contract manufacturers; a failure by suppliers to deliver on our contracts; IT-related failure or disruption; a failure to appropriately cancel, reschedule, or adjust our requirements based on our business needs; or a decrease in demand for our products could materially harm our business, results of operations, or financial condition and could materially damage customer relationships. Furthermore, as a result of binding price or purchase commitments with suppliers, we may be obligated to purchase components at prices that are higher than those available in the current market or in quantities that exceed our actual requirements if customer demand is lower than anticipated, delayed or shifts to different products or technologies. If we are committed to purchase components at prices in excess of the current market price when the components are actually used, or in quantities in excess of our needs, our gross margins could decrease and we could incur excess or obsolete inventory, losses on purchase commitments or other charges. In addition, vendors may prioritize other customers for business, regulatory, or political reasons or demand price adjustments as a condition of supply. Although we have generally

secured additional supply or taken other mitigation actions when significant disruptions have occurred, if similar situations occur in the future, they could materially harm our business, results of operations or financial condition.

Our growth and ability to meet customer demands depend in part on our ability to obtain timely component deliveries from our suppliers and contract manufacturers. We have experienced past component shortages, including those caused by manufacturing process issues, that have affected our operations, including extended lead times. Additionally, we may in the future experience a shortage of certain component parts as a result of our own manufacturing issues, manufacturing issues or capacity problems at our suppliers or contract manufacturers, including cost problems resulting from industry consolidation or otherwise, or strong demand for those parts. Growth in the economy is likely to create greater pressures on us and our suppliers to accurately project component demand and optimize component levels and manufacturing capacity, especially for labor-intensive components, components for which we purchase a substantial portion of the supply, or the re-ramping of manufacturing capacity for highly complex products. During periods of shortages or delays, including delays resulting from us not accurately forecasting our needs, component prices may increase, or components may not be available at all. For these or other reasons, we may not be able to secure enough components at reasonable prices or of acceptable quality to build new products in a timely manner in the quantities or configurations needed. Accordingly, our revenue and gross margins could suffer until other sources can be developed.

Although in many cases we use standard parts and components for our products, certain components are presently available only from limited or single sources, and a global economic downturn and related market uncertainty could negatively impact the availability of components from one or more of these sources, especially during times when there are supplier constraints based on labor and other actions taken during economic downturns. We may not be able to diversify sources in a timely manner, which could harm our ability to deliver products to customers and seriously impact present and future sales.

We believe future supply chain challenges may include: rapid growth in new markets in which we participate, which may make it difficult to quickly obtain significant component capacity; dependency on unfamiliar supply chains or relatively small supply partners for the companies and new technologies we acquire; and competition for certain components that are supply-constrained from existing competitors and companies in other markets.

Manufacturing capacity and supply constraints, such as the memory shortages experienced in fiscal 2026 and first quarter of fiscal 2027 and expected to continue in fiscal 2027, remain significant risks, and we expect to continue to be adversely impacted by the rising costs of currently constrained memory components. We have implemented, and may continue to implement, price increases to help offset these higher costs; however, such price increases may negatively impact demand for our products and may not be sufficient or timely enough to offset rising component costs, which could adversely affect our gross margins. We purchase components from a variety of suppliers and use several contract manufacturers to provide manufacturing services for our products. During the normal course of business, in order to improve manufacturing lead-time performance and to help ensure adequate component supply, we enter into agreements with contract manufacturers and suppliers that either allow them to procure inventory based upon criteria as defined by us or that establish the parameters defining our requirements. In certain instances, these agreements allow us the option to cancel, reschedule, and adjust our requirements based on our business needs prior to firm orders being placed. In recent periods, we have increased our efforts in procuring components to meet customer expectations, as we have historically done due to supply constraints, which has contributed to an increase in inventory and purchase commitments. For example, in fiscal 2025 and 2026, we entered into additional purchase commitments with contract manufacturers and suppliers related to manufacturing Cisco Silicon One, memory components and other products to meet expected demand from hyperscalers and other customers. We have entered and expect to continue entering into these additional purchase commitments in fiscal 2027. We have also increased inventory deposits and prepayments with certain contract manufacturers and suppliers in connection with these arrangements. These past efforts and additional purchase commitments and prepayments significantly increased our supply chain exposure, which resulted in negative impacts to our product gross margin in recent periods and may result in further negative impacts in future periods. These supply chain exposures include potential material excess and obsolete inventory, losses on purchase commitments or other charges if product demand significantly decreases or is delayed for a sustained duration, we are unable to generate demand for certain products planned for development, customer requirements or technology architectures change or we are otherwise unable to mitigate these supply chain exposures. Product demand conditions for future periods can be difficult to predict, particularly in rapidly evolving sectors such as AI infrastructure. For additional information and a further discussion of impacts and risks related to our inventory commitments and our purchase commitments with contract manufacturers and suppliers, see “Results of Operations —Product Gross Margin—Supply Chain Impacts and Risks”, “Liquidity and Capital Resources—Inventory Supply Chain” and Note 13 to the Consolidated Financial Statements.

We expect gross margin to vary over time, and our level of product gross margin may not be sustainable.

Our level of product gross margins has declined in certain prior periods, including in the first quarter of fiscal 2027, and could decline in future periods due to adverse impacts from various factors, including:

- Changes in customer, geographic, or product mix, including the mix of hardware and software sales (and the mix of cloud-based and on-premise software sales)
- Increases in material, labor or other manufacturing-related costs (i.e., component costs, broker fees, expedited freight and overtime) or higher supply chain logistics costs, any of which could be significant, especially during periods of supply constraints for certain costs, such as those that we have seen impact the market for components in prior periods, including semiconductors and memory (as we saw in fiscal 2026 and the first quarter of fiscal 2027 and expect to continue seeing), and which costs have in the past and may continue to be exacerbated by inflation
- Introduction of new products, including products with price-performance advantages, and new business models (including further increasing the use of business models where revenue is recognized over multiple periods)
- Entry into new markets or growth in lower margin markets, including markets with different pricing and cost structures, through acquisitions or internal development
- Sales discounts, changes in distribution channels, or changes in shipment volume
- Excess inventory, inventory holding charges, and obsolescence charges
- The timing of revenue recognition and revenue deferrals or increased amortization of purchased intangible assets, especially from acquisitions
- Increased costs (such as costs from inflation, warranty and royalty costs, and costs caused by tariffs or other geopolitical conditions), loss of cost savings or dilution of savings due to changes in component pricing or charges incurred due to inventory holding periods if parts ordering does not correctly anticipate product demand or if the financial health of either contract manufacturers or suppliers deteriorates
- Lower than expected benefits from value engineering and our ability to reduce production costs
- Increased price competition, including competitors from Asia, especially from China
- How well we execute on our strategy and operating plans

Changes in service gross margin may result from various factors such as changes in the mix between technical support services and professional services, as well as the timing of technical support service contract initiations and renewals, the addition of personnel and other related costs, and other resources to support higher levels of service business in future periods.

Sales to the service provider and cloud market, including sales of AI infrastructure solutions to large cloud and hyperscaler customers, are especially volatile and increasingly concentrated among a limited number of customers, and weakness in orders from this industry may harm our results of operations or financial condition.

Sales to the service provider and cloud market are often characterized by large and sporadic purchases. Our sales of AI infrastructure solutions to cloud and hyperscaler customers may similarly involve large and concentrated purchases, and demand may depend on a limited number of customers' capital spending levels, the timing and scale of AI infrastructure deployments, technology and network architecture decisions, and decisions regarding whether to purchase solutions from us or other vendors or develop certain technologies internally. These customers may delay, reduce or cancel planned deployments or purchases for a variety of reasons, including, among others, as a result of budgetary constraints, funding limitations or concerns and changes in anticipated demand for AI infrastructure, available capacity, technology requirements, competitive offerings or investment priorities. Although service provider and cloud product orders increased in recent quarters, in the past we have experienced significant weakness in product orders from the service provider and cloud market. These orders could decline in the future and, as has been the case in the past, such weakness could persist over extended periods given fluctuating market conditions. Products in the service provider and cloud market could also face a high degree of customer concentration, with bespoke product designs and features that would be difficult to sell to alternate customers should the primary customer reduce its product orders. As our business with large cloud and hyperscaler customers grows and to the extent sales of AI infrastructure offerings to a limited number of hyperscaler customers represent a larger portion of our revenue, changes in the timing or size of purchases by a limited number of customers could have a greater impact on our revenue, gross margins and results of operations from period to period. Sales activity in this industry depends upon the stage of completion of expanding network infrastructures; the availability of funding; the expected returns from investments in AI and other infrastructure; customer decisions regarding network architecture, silicon, optics and other technologies; and the extent to which service provider and cloud customers are affected by regulatory, economic, and business conditions in the country of operations. Weakness in orders from this industry, including as a result of any slowdown in capital expenditures by service providers (which may be more prevalent during a global economic downturn, or periods of economic, political or regulatory uncertainty), could materially harm our business, results of operations, or financial condition. Such slowdowns may continue or recur in future periods.

Orders from this industry could decline for many reasons other than the competitiveness of our products and services within their respective markets. For example, in the past, many of our service provider and cloud customers have been negatively impacted by: slowdowns in the general economy; overcapacity; changes in the service provider and cloud market; regulatory developments; and constraints on capital availability, resulting in business failures and substantial reductions in spending and expansion plans. Changes in expectations regarding future demand for AI infrastructure or other network capacity could similarly result in reductions, delays or changes in customer investment plans. These conditions have negatively impacted our business and results of operations in the past, and could materially harm our business and results of operations in any future period. Finally, service provider and cloud customers typically have longer implementation cycles; require a broader range of services, including design services; demand that vendors take on a larger share of risks; may require customized products or significant commitments of supply or capacity; often require acceptance provisions, which can lead to a delay in revenue recognition; and expect financing from vendors. All these factors can add further risk to business conducted with service providers and cloud customers.

Disruption of or changes in our distribution model could harm our sales and margins.

If we fail to manage distribution of our products and services properly, or if our distributors' financial condition or operations weaken, our revenue and gross margins could be negatively impacted. A substantial portion of our products and services is sold through our channel partners, and the remainder is sold through direct sales. Our channel partners include systems integrators, service providers, other third-party resellers, and distributors. Systems integrators and service providers typically sell directly to end users and often provide system installation, technical support, professional services, and other support services in addition to network equipment sales. Systems integrators also typically integrate our products into an overall solution. A number of service providers are also systems integrators. Distributors stock inventory and typically sell to systems integrators, service providers, and other third-party resellers. We refer to sales through distributors as our two-tier system of sales to the end user. If sales through indirect channels increase, this may lead to greater difficulty in forecasting the mix of our products and, to a degree, the timing of orders from our customers.

Historically, we have seen fluctuations in our gross margins based on changes in the balance of our distribution channels. There can be no assurance that future changes in the balance of our distribution model would not have an adverse effect on our gross margins and profitability. Some factors could result in disruption of or changes in our distribution model, which could harm our sales and margins, including the following: competition with some of our channel partners, including through our direct sales, which may lead these channel partners to use other suppliers that do not sell directly or compete with them; some of our channel partners may demand that we absorb a greater share of the risks that their customers may ask them to bear; some of our channel partners may have insufficient financial resources to withstand changes and challenges in business conditions; and revenue from indirect sales could suffer if our distributors' financial condition or operations weaken. In addition, we depend on our channel partners globally to comply with applicable regulatory requirements. To the extent that they fail to do so, that could materially harm our business, results of operations, or financial condition. Further, sales of our products outside of agreed territories can result in disruption to our distribution channels.

The markets in which we compete are intensely competitive, which could negatively impact our achievement of revenue growth.

The markets in which we compete are characterized by rapid change, converging technologies, and a migration to networking and communications solutions that offer relative advantages, all of which are factors that pose competitive threats. We compete with numerous vendors across our product categories, and the number, identity, and composition of our competitors, including those providing niche product solutions, may change as we expand into newer products, technologies, and key priority areas. For example, as products related to network programmability, such as software-defined networking (SDN) products, have become more prevalent, we have faced increased competition from companies that develop networking products based on commoditized hardware, referred to as "white box" hardware. Similar dynamics apply in the markets supporting AI and cloud infrastructure, where customers select among competing network architectures before they select individual products. To the extent customers adopt architectures that are not designed to include the type of products and solutions we provide, our opportunities may be limited even if our products are superior. The competitors in these markets include semiconductor companies, systems providers, cloud providers and other technology companies in addition to traditional networking vendors. In addition, the growth in demand for technology delivered as a service enables new competitors to enter the market. Providers of cloud-based services also compete with us directly in certain of our product categories. As we continue to expand globally, we may see new competition in different geographic regions. In particular, we have experienced price-focused competition from competitors in Asia, especially from China, and we anticipate this will continue.

Some competitors compete across many of our product lines, while others focus in a specific product area. Barriers to entry are relatively low, and new ventures to create products that do or could compete with our products are regularly formed. In addition, some of our competitors may have greater resources, including technical and engineering resources, than we do. As we expand into new markets, we will face competition not only from our current competitors but also from other competitors,

including established companies with strong technological, marketing, and sales positions in those markets. We also face competition from resellers and distributors of our products. Companies with which we have strategic alliances in some areas may be competitors in other areas, and this trend may increase and we may have to cooperate and at the same time compete with companies. For example, the enterprise data center is undergoing a fundamental transformation arising from the convergence of technologies, including computing, networking, storage, and software, that previously were segregated. Due to several factors, including the availability of highly scalable and general purpose microprocessors, application specific integrated circuits offering advanced services, standards based protocols, cloud computing and virtualization, the convergence of technologies within the enterprise data center is spanning multiple, previously independent, technology segments. Also, some of our current and potential competitors have made acquisitions, or announced strategic alliances, designed to position them to provide end-to-end technology solutions. As a result of these developments, we face greater competition in the development and sale of enterprise data center technologies, including competition from entities that are among our long-term strategic alliance partners. Companies that are strategic alliance partners in some areas of our business may acquire or form alliances with our competitors, thereby reducing their business with us. To remain competitive, we may be required to reduce prices, increase discounts or offer more favorable terms, and we may need to increase research and development and sales and marketing spending in response to competitive pressures, any of which could reduce our revenue and gross margins. If we do not compete successfully in the markets in which we participate, we could lose market share.

We also face competition from customers to which we license or supply technology and suppliers from which we transfer technology. Certain of our largest customers, including hyperscalers, have the technical and financial resources to design their own networking equipment, semiconductors and software, or to purchase directly from contract manufacturers, rather than purchase these technologies from us. The inherent nature of networking requires interoperability and any inability to effectively manage these complicated relationships with customers, suppliers, and strategic alliance partners could materially harm our business, results of operations, or financial condition and accordingly affect our chances of success.

Inventory management relating to our sales to our two-tier distribution channel is complex, and excess inventory may harm our gross margins.

We must manage inventory relating to sales of our distributors effectively, as inventory held by them could affect our results of operations. Distributors may increase orders during periods of product shortages, cancel orders if their inventory is too high, or delay orders in anticipation of new products. They also may adjust their orders in response to the supply of our products and competing products that are available to them, as well as seasonal fluctuations in end-user demand. Our distributors generally have business terms that allow them to return a portion of inventory, receive credits for changes in selling price, and participate in cooperative marketing programs. Inventory management remains an area of focus as we balance the need to maintain strategic inventory levels to ensure competitive lead times against the risk of inventory obsolescence resulting from rapidly changing technologies and customer requirements. If we ultimately determine that we have excess inventory, we may reduce our prices and write down inventory, which could result in lower gross margins.

Issues related to the development and use of artificial intelligence (AI) could give rise to legal and/or regulatory action, damage our reputation or otherwise materially harm our business.

We incorporate AI technology in certain of our commercial offerings and in our business operations. Our research and development of AI technology remains ongoing. AI presents risks and challenges and may result in unintended consequences, including inadvertent disclosure or misuse of intellectual property, confidential, personal, and/or competitive information, that could affect our reputation, our further AI development or our and our customers' adoption and use of this technology. Agentic AI systems, which operate with autonomous decision-making capabilities and access to multiple tools and data sources, may also introduce unique risks such as unauthorized actions, privilege escalation, and potential exploitation by malicious actors. AI algorithms and training methodologies may be flawed. Additionally, AI technologies are complex and rapidly evolving, and we face significant competition in the market and from other companies regarding such technologies. We also rely on third-party AI models and technologies in certain of our offerings, which makes us dependent on the continued availability, performance and improvement of those technologies. Leveraging AI to potentially improve our internal functions and operations also presents risks, costs, and challenges. While we aim to develop and use AI responsibly and attempt to identify and mitigate ethical and legal issues and risks presented by its use, we may be unsuccessful in identifying or resolving issues and risks before they arise. The AI-related legal and regulatory landscape is complex and constantly evolving and therefore remains uncertain and may be inconsistent from jurisdiction to jurisdiction. Our obligations to comply with this complex and evolving legal and regulatory landscape could entail significant compliance or other costs or limit our ability to incorporate certain AI capabilities into our offerings. Because of increased complexity and autonomy, the use of agentic AI increases the difficulty of monitoring and controlling AI behavior, potentially resulting in unintended actions that could cause legal, regulatory, or reputational harm. AI-related issues, deficiencies and/or failures could also give rise to legal and/or regulatory action (including with respect to proposed legislation regulating AI in jurisdictions such as the European Union and others, and as a result of new and different

applications of existing and new data protection, privacy, cybersecurity, intellectual property, and other laws and regulations); damage our reputation; or otherwise materially harm our business.

Our financial performance may be negatively impacted by demand for, and costs to deliver, our software subscription offerings; and interruptions or performance problems associated with these offerings, including interruptions or performance problems caused by third-party providers on which we rely, may negatively impact our business and financial results.

In recent years, we have shifted our business model to deliver more recurring software and subscription offerings. This shift in our business model was accelerated by acquisitions, including our acquisition of Splunk. Market acceptance of our software subscription offerings, which includes our as-a-service solutions, can be affected by a variety of factors, including: security, reliability, performance, terms of service, support terms, customer preference, community engagement, concerns regarding data privacy or data protection, and the enactment of laws or regulations in jurisdictions in which we operate. To generate sales growth for our software subscription offerings, we need to convince potential customers to purchase new licenses or subscriptions and generate timely renewals and additional purchases from existing customers. Any failure to do so could result in decreased revenue, reduced sales, increased churn or otherwise negatively impact our results of operations or financial condition. Further, growth of our software subscription offerings depends, in part, on the ability of customers to use and access these solutions. We have experienced, and may in the future experience, interruptions in service, storage failures, and other performance-related problems due to a variety of factors, such as infrastructure and software changes, human or software errors, capacity constraints, unauthorized access, denial of service or other cyber attacks, and our exposure to these risks is growing as increasingly powerful AI capabilities emerge and are widely disseminated among threat actors. In some instances, we may not be able to timely identify the cause or causes of these performance problems and, even if timely identified, we may be unable to timely remediate the underlying cause. It may become increasingly difficult to maintain and improve our performance for our software subscription offerings, especially during peak usage times and as our solutions become more complex and our user traffic increases. Performance-related issues with our software subscription offerings may result in increased operational costs, delays in new feature rollouts, customer loss, reputational damage, and legal or regulatory liability, including liability under customer contracts or for losses suffered by our customers.

To deliver our software subscription offerings, we have incurred and will continue to incur substantial costs to implement and maintain this business. We also make significant investments to increase or maintain capacity and to develop and implement new technologies in our infrastructure and operations, including those provided by third-party providers on which we rely. We may not be successful in developing or implementing these technologies. To the extent that costs associated with software subscription offerings significantly increase or we do not effectively scale our operations to meet the needs of our customers or to maintain performance as our customers expand their use of our solutions, we may not be able to grow this business as quickly as we anticipate, our customers may reduce or cancel use of our solutions, and our results of operations may be harmed. Additionally, we are also subject to the risk of performance-related problems or interruption of the services provided by third-party providers on which we rely, which could cause revenues to decline, damage to our reputation, legal liability exposure, and/or increased expenses, all of which could negatively impact our business, results of operations, or financial condition.

We depend upon the development of new products and services, and enhancements to existing products and services, and if we fail to predict and respond to emerging technological trends and customers' changing needs, our results of operations and market share may suffer.

The markets for our products and services are characterized by rapidly changing technology, evolving industry standards, new product and service introductions, and evolving methods of building and operating networks. Our results of operations depend on our ability to develop and introduce new products and services into existing and emerging markets and reduce production costs of existing products. If customers do not purchase and/or renew our offerings our business could be harmed.

Developing new technologies, including more programmable, flexible and virtual networks, and technology related to other market transitions—such as AI, security, observability, and cloud—is complex and uncertain, and if we fail to deliver on our customers' changing needs, including our hyperscaler and other customers' performance, cost and power efficiency requirements, or accurately predict emerging technology trends our business could be harmed. We commit significant resources, including investments in strategic priorities such as silicon (Cisco Silicon One) and optics, including for AI infrastructure, to develop new products and services before knowing whether our investments will result in products and services the market will accept. In particular, if our model of the evolution of networking, security, or observability does not emerge as we believe it will, or these industries do not evolve as we believe they will, or if our strategy for addressing this evolution is not successful, many of our strategic initiatives and investments may be of no or limited value. For example, if we do not timely introduce products related to these markets, or if such products or offerings that ultimately succeed in these markets are based on technology, or an approach to technology, that differs from ours, our business could be harmed. In addition, our business could be negatively impacted if customers delay purchasing decisions to qualify or otherwise evaluate our new product offerings. We seek to offer our products and solutions in the manner in which customers wish to consume

them and as a part of these efforts, we continue to make changes to our organizational structure and how we build and deliver our technology, including changes in our business models with customers. If our strategy for addressing evolving customer needs, or the architectures and solutions we develop do not meet those needs, or the changes we are making in our organizational structure and how we build and deliver our technology is incorrect or ineffective, our business could be harmed.

Furthermore, we may not execute successfully on our strategy because of challenges with regard to product planning and timing, technical hurdles that we fail to overcome in a timely fashion, including keeping pace with evolving semiconductor and optical design and manufacturing technologies, or a lack of appropriate resources. This could result in competitors, some of which may also be our strategic alliance partners, providing those solutions before we do and decreased market share, revenue, and earnings. In addition, the growth in demand for technology delivered as a service enables new competitors to enter the market. Additionally, there can be no assurance that we will successfully identify new product and services opportunities, develop and bring new products and services to market in a timely manner, or achieve market acceptance of our products and services or that products, services and technologies developed by others will not render our products, services or technologies obsolete or noncompetitive. The products and technologies in our other product categories and key priority areas may not prove to have the market success we anticipate, and we may not successfully identify and invest in other emerging or new products and services.

Changes in industry structure and market conditions could lead to charges related to discontinuances of certain of our products or businesses, asset impairments and workforce reductions or restructurings.

In response to changes in industry and market conditions, we may be required to strategically realign our resources and to consider restructuring, disposing of, or otherwise exiting businesses. Any resource realignment, or decision to limit investment in or dispose of or otherwise exit businesses, may result in the recording of special charges, such as inventory and technology-related write-offs, workforce reduction or restructuring costs, charges relating to consolidation of excess facilities, or claims from third parties who were resellers or users of discontinued products. Our estimates with respect to the useful life or ultimate recoverability of our carrying basis of assets, including purchased intangible assets, could change as a result of such assessments and decisions. Although in certain instances our supply agreements allow us the option to cancel, reschedule, and adjust our requirements based on our business needs prior to firm orders being placed, our loss contingencies may include liabilities for contracts that we cannot cancel with contract manufacturers and suppliers. Further, our estimates relating to the liabilities for excess facilities are affected by changes in real estate market conditions. Additionally, we are required to perform goodwill impairment tests on an annual basis and between annual tests in certain circumstances, and future goodwill impairment tests may result in a charge to earnings. From time to time we initiate restructuring plans. For example, we initiated a restructuring plan in the fourth quarter of fiscal 2026, which we expect to be substantially completed by the end of fiscal 2027. Our business may not be more efficient or effective than prior to implementation of such plans. Our restructuring activities, including any related charges and the impact of the related headcount restructurings, could materially harm our business, results of operations, or financial condition.

Over the long term we intend to invest in engineering, sales, service and marketing activities, and in key priority areas, and these investments may achieve delayed, or lower than expected, benefits which could harm our results of operations.

While we intend to focus on managing our costs and expenses, over the long term, we also intend to invest in personnel and other resources related to our engineering, sales, service and marketing functions as we realign and dedicate resources on key priority areas, such as AI, cloud, and cybersecurity. We also intend to focus on maintaining leadership in core networking and services. We are likely to recognize the costs associated with these investments earlier than some of the anticipated benefits, and the return on these investments may be lower, or may develop more slowly, than we expect. If we do not achieve the benefits anticipated from these investments (including if our selection of areas for investment does not play out as we expect), or if the achievement of these benefits is delayed, our results of operations may be negatively impacted.

We have made and expect to continue to make acquisitions that could disrupt our operations and harm our results of operations.

Our growth depends on market growth, our ability to enhance existing products, and our ability to introduce new products on a timely basis. We expect to continue developing new products and enhancing existing products through acquisitions of companies, product lines, technologies, and personnel. Acquisitions involve numerous risks, including:

- Difficulties or delays integrating the operations, including IT security, systems, technologies, products, and personnel of acquired companies, particularly companies with large global operations or complex products
- Diversion of management’s attention from day-to-day operations and the challenges of managing larger and more complex operations following acquisitions
- Difficulties completing projects related to acquired in-process research and development
- Challenges entering markets where we have limited experience and competitors have stronger positions

- Dependence on unfamiliar supply chains or smaller supply partners
- Insufficient revenue to offset acquisition-related costs
- The potential loss of key employees, customers, distributors, vendors and other business partners of the companies we acquire following and continuing after announcement of acquisition plans

Acquisitions have in the past and may in the future also cause us to:

- Issue common stock that would dilute our current stockholders' percentage ownership
- Use significant cash resources, incur debt, or increase interest expense, leverage, and debt service obligations
- Assume liabilities, become subject to intellectual property or other litigation, and incur significant write-offs, restructuring charges, and related expenses
- Record goodwill and intangible assets subject to impairment testing, potential impairment charges, and amortization expense
- Incur tax expense related to the effect of acquisitions on our legal structure

Mergers and acquisitions of technology companies are inherently risky and subject to factors outside our control, and there can be no assurance that past or future acquisitions will be successful or will not materially harm our business, results of operations, or financial condition. Failure to successfully manage and integrate acquisitions could materially harm our business and results of operations. Prior acquisitions have produced mixed results, ranging from successful new products and technologies to failures to achieve expected benefits. Even where an acquired company has existing products, there can be no assurance that product enhancements will be completed on a timely basis or that pre-acquisition due diligence has identified all potential issues. In addition, mergers and acquisitions could affect our future effective tax rate. Risks associated with new product development also apply to acquisitions.

Entrance into new or developing markets exposes us to additional competition and will likely increase demands on our service and support operations.

As we pursue new market opportunities and key priority areas, including AI, cloud, and cybersecurity, we compete with companies of all sizes, some of which may have greater resources than we do. As customers complete infrastructure deployments, they may require greater levels of service, support, and financing, especially in emerging markets, and demand for these offerings may increase. We may not be able to provide products, services, support, or financing necessary to effectively compete for these markets. Expansion into other markets also subjects us to additional operational, legal, regulatory, and market risks, including adverse economic conditions and reduced customer spending. In addition, expanding our direct selling capabilities globally to meet changing customer demands subjects us to additional legal and regulatory requirements. If we are unable to manage these risks effectively, our business, results of operations, or financial condition could be harmed.

If we do not successfully manage our strategic alliances, we may not realize the expected benefits from such alliances, and we may experience increased competition or delays in product development.

We have strategic alliances with large and complex organizations and other companies to offer complementary products and services. These arrangements are generally limited to specific projects intended to facilitate product compatibility and the adoption of industry standards. We may not realize the expected benefits from these strategic alliances or joint ventures, and if successful, these relationships may also increase competition in certain business areas. Strategic alliances and joint ventures involve risks because we may compete with a company in some business areas while cooperating with that same company in others. In addition, if our strategic alliance partners or joint venture partners fail to perform or if these relationships do not develop as expected, we could experience delays in product development or other operational difficulties. Joint ventures can also be difficult to manage due to the potentially different interests of the parties involved.

Product quality problems could lead to reduced revenue, gross margins, and net income.

We produce highly complex hardware and software products that incorporate leading-edge technology. Software typically contains bugs or other quality or reliability issues that can unexpectedly disrupt the intended operations of the product or the systems in which it is installed. Our pre-release testing programs may not detect all isolated or systemic defects, either ones in individual products or ones that could affect numerous shipments, which might interfere with customer satisfaction, reduce sales opportunities, or affect gross margins. From time to time, we have had to replace components and remediate defects or bugs in shipped products. There can be no assurance that such remediation would be successful or, depending on the product involved, have a material impact. An inability to cure a product defect or bug could result in the failure of a product line, temporary or permanent withdrawal from a product or market, damage to our reputation, inventory costs, product reengineering expenses or legal liability, any of which could materially harm our revenue, margins, and net income.

Due to the global nature of our operations, political or economic changes or other factors in a specific country or region could harm our results of operations or financial condition.

We conduct significant sales and customer support operations in countries around the world. As such, our growth depends in part on our increasing sales into emerging countries. We also depend on non-U.S. operations of our contract manufacturers, component suppliers and distribution partners. Our business in emerging countries in the aggregate experienced a decline in orders in certain prior periods. We continue to assess the sustainability of any improvements in our business in these countries and there can be no assurance that our investments in these countries will be successful. Our future results could be negatively impacted by a variety of political, economic or other factors relating to our operations inside and outside the United States, any or all of which could materially harm our results of operations or financial condition, including the following:

- Challenging and uncertain global macroeconomic environments, central bank policies, currency exchange rates, and regional economic instability (including economic challenges in China and their resulting global ramifications)
- International tensions (including China-Taiwan relations), U.S. foreign relations impacting customer willingness to buy U.S. products or our ability to procure components, trade protection measures such as tariffs, and government disruptions or shutdowns
- Import/export restrictions, environmental regulations (including climate change laws), and adverse tax consequences (such as withholding taxes)
- Natural disasters, pandemics, political or social unrest
- Difficulties managing international operations

We are exposed to the credit risk of some of our customers and to credit exposures in weakened markets, which could result in material losses.

Most of our sales are on an open credit basis, and, in addition to varying payment terms globally, we provide financing and facilitation of leasing arrangements for our products, services, and related installation costs. Our exposure to credit risks relating to our financing activities may increase if our customers are negatively impacted by global economic downturn or uncertainty. There can be no assurance that programs we have in place to monitor and mitigate credit risks will be effective. In the past, there have been significant bankruptcies of customers on open credit or with financing arrangements that have caused financial losses. There can be no assurance that additional losses will not be incurred. Although these losses have not been material to date, future losses could materially harm our business, results of operations, or financial condition. Furthermore, if credit market turmoil restricts our customers' ability to obtain financing, their ability to pay could be impaired, adversely affecting our business, results of operations, or financial condition.

We are exposed to fluctuations in the market values of our portfolio investments and in interest rates; impairment of our investments could harm our earnings.

We maintain an investment portfolio with various holdings, investment types, and maturities, including available-for-sale debt and equity investments, the values of which are subject to market volatility. If the market value of these investments declines, as has occurred in the past, we may be required to recognize impairment charges or other losses in our results of operations for the period. Our non-marketable equity securities are subject to the risk of loss of investment capital. These investments are inherently risky because the markets for the technologies or products under development by these companies are typically in the early stages and may never materialize. As a result, we could lose all or part of our investments in these companies. For information regarding market risks associated with the fair value of portfolio investments and interest rates, refer to "Part I, Item 3. Quantitative and Qualitative Disclosures About Market Risk" herein.

We are exposed to fluctuations in currency exchange rates that could negatively impact our financial results and cash flows.

Because a significant portion of our business is conducted outside the United States, we are exposed to adverse movements in foreign currency exchange rates, including in emerging markets where currencies may be extremely volatile. A stronger U.S. dollar could increase the real cost of our products in markets outside the United States where we sell in dollars, while a weaker dollar could increase local operating expenses and the cost of components or raw materials purchased in foreign currencies. These exposures may change over time as our business practices evolve and could materially harm our financial results and cash flows.

Failure to retain and recruit key personnel would harm our ability to meet key objectives.

Our success depends in large part on our ability to attract and retain highly skilled technical, managerial, sales, and marketing personnel. Competition for qualified personnel is intense, especially in Silicon Valley and other major United States locations. Our stock incentive plan is designed to reward employees for their long-term contributions and provide incentives for them to remain with us. Volatility or lack of positive performance in our stock price or equity incentive awards, or changes to our

overall compensation program, including our stock incentive program, resulting from the management of share dilution or share-based compensation expense, may negatively affect our ability to retain key employees. As a result of one or more of these factors, we may increase hiring in locations outside the United States, which could increase our exposure to geopolitical and foreign currency risks. The loss of key personnel, difficulty attracting or retaining qualified employees, or delays in hiring, particularly in engineering and sales roles, could impair our ability to meet key objectives, including timely and effective product introductions. In addition, companies in our industry whose employees accept positions with competitors sometimes assert claims related to alleged improper hiring practices. We have received such claims in the past and may receive additional claims in the future.

Adverse resolution of claims, litigation or governmental investigations may harm our results of operations or financial condition.

We are a party to a variety of claims, litigation and governmental investigations arising in the normal course of business. These matters may arise from a wide range of business activities and initiatives, including new product releases, significant business transactions, warranty or product claims, employment practices, and regulatory matters. Claims, litigation or governmental investigations can be costly, time-consuming, and disruptive to our business operations, and their outcomes are inherently difficult to predict. In addition, management's assessment of these matters may change over time. An unfavorable resolution of claims, litigation or governmental investigations could materially harm our business, results of operations, or financial condition. For additional information regarding certain matters in which we are involved, see Note 13 to the Consolidated Financial Statements, subsection (f) "Legal Proceedings."

Our results of operations may be negatively impacted and damage to our reputation may occur due to the production and sale of counterfeit versions of our products.

Our products are subject to efforts by third parties to manufacture and sell counterfeit versions. We work diligently with law enforcement authorities in various countries to prevent the manufacture and sale of counterfeit products, detect counterfeit products in customer networks, and pursue enforcement actions against counterfeiters and their distributors. Although these efforts have resulted in fines, imprisonment and restitution, there can be no guarantee that such efforts will succeed and, in certain cases, they may not be successful. Counterfeiters often target customers who may not otherwise purchase our products due to the lack of verified origin or service support associated with counterfeit products. To the extent counterfeit sales displace legitimate sales, our results of operations and reputation could be negatively impacted.

Changes in our provision for income taxes or adverse outcomes resulting from examination of our income tax returns could negatively impact our results.

Our provision for income taxes is subject to volatility and could be negatively impacted by earnings being lower than anticipated in countries that have lower tax rates and higher than anticipated in countries that have higher tax rates; changes in the valuation of deferred tax assets and liabilities; changes to foreign-derived intangible and deduction eligible income, global intangible low-tax and net CFC tested income, base erosion and anti-abuse tax, research and development capitalization and amortization, and corporate alternative minimum tax laws, regulations, or interpretations thereof; expiration of or lapses in tax incentives; transfer pricing adjustments, including those resulting from acquisitions or changes to our legal structure; tax effects of nondeductible compensation; tax costs related to intercompany realignments; by changes in accounting principles; or by changes in tax laws and regulations, treaties, or interpretations thereof, including changes to the taxation of earnings of our foreign subsidiaries, the deductibility of expenses attributable to foreign income, and the foreign tax credit rules. Significant judgment is used in determining our provision for income taxes and evaluating tax positions. In certain countries, our income has benefited from reduced tax rates associated with employment and capital investment actions and commitments. If we do not meet the requirements for these reduced rates, our provision for income taxes could be adversely affected. In addition, we are subject to the continuous examination of our income tax returns by the Internal Revenue Service and other tax authorities. We regularly assess the likelihood of adverse outcomes resulting from these examinations to determine the adequacy of our provision for income taxes. There can be no assurance that the outcomes from these continuous examinations will not have an adverse effect on our results of operations and financial condition.

Our business and operations are especially subject to the risks of earthquakes, floods, and other natural catastrophic events (including as a result of global climate change).

Our corporate headquarters, including certain research and development operations, are located in Silicon Valley, a region known for seismic activity. Additionally, some of our facilities are located near rivers that have experienced flooding in the past. Certain of our customers, suppliers, and logistics centers are located in areas that have experienced or may experience earthquakes, tsunamis, flooding, wildfires, storms, drought, sea-level rise, changing precipitation patterns, or other weather-related events. These events have disrupted, or could in the future disrupt, the supply of components, the manufacture and delivery of products, and other business operations. Global climate change may increase the frequency or severity of certain

natural disasters and related disruptions. Although to date we have not experienced a material event resulting from these types of natural disasters, future events could materially harm our business, results of operations, or financial condition.

Terrorism, war, and other events may harm our business, results of operations or financial condition.

The continued threat of terrorism and heightened security and military action in response thereto, or any other current or future acts of terrorism, war (such as the ongoing Russia-Ukraine war and Middle East conflicts and wars), and other events (such as economic sanctions, trade restrictions or disruptions and reactions of the governments, markets and the general public, including the sanctions and restrictions related to the ongoing Russia-Ukraine war or arising out of the current conflicts and wars in the Middle East) may cause further disruptions to the economies of the United States and other countries and create further uncertainties or could otherwise negatively impact our business, results of operations, or financial condition. Likewise, events such as loss of infrastructure and utilities services such as energy, transportation, or telecommunications could have similar negative impacts. To the extent that such disruptions or uncertainties result in delays or cancellations of customer orders or the manufacture or shipment of our products, our business, results of operations, or financial condition could be materially harmed.

There can be no assurance that our results of operations or financial condition will not be negatively impacted by our incurrence of debt.

As of the end of the first quarter of fiscal 2027, we have senior unsecured notes outstanding in an aggregate principal amount of $21.5 billion that mature at specific dates from calendar year 2027 through 2064. We have also established a commercial paper program under which we may issue short-term, unsecured commercial paper notes on a private placement basis up to a maximum aggregate amount outstanding at any time of $15.0 billion, and we had $8.4 billion in commercial paper notes outstanding under this program as of October 24, 2026. There can be no assurance that our incurrence of this debt or any future debt, including any additional debt to refinance maturing debt, will be a better means of providing liquidity to us than would our use of our existing cash resources. Further, we cannot be assured that our maintenance of this indebtedness or incurrence of future indebtedness will not negatively impact our results of operations or financial condition. In addition, changes by any rating agency to our credit rating can negatively impact the value and liquidity of both our debt and equity securities, as well as the terms upon which we may borrow under our commercial paper program or future debt issuances.

Our reputation and/or business could be negatively impacted by matters relating to environmental, social, and governance and/or our reporting of such matters.

We are subject to evolving and sometimes conflicting laws, regulations, policies, and investor and other stakeholder expectations concerning environmental, social, and governance matters both in the United States and internationally. Any initiatives, goals, or commitments we disclose in this regard involve risks and uncertainties and could be difficult to achieve and costly to implement. For example, in September 2021, we announced our goal to achieve net zero across all scopes of greenhouse gas emissions by 2040, the achievement of which relies, in large part, on the accuracy of our estimates and assumptions around the energy consumption and efficiency of our products, the integration of clean energy into electric grids globally, and the procurement of certain products and services by our customers. We could fail to achieve, or be perceived to fail to achieve, our 2040 net zero goal or other initiatives, goals, or commitments. In addition, in a climate where there are changing and increasingly divergent views on where our focus should be on these matters, our initiatives, goals, or commitments, or any revisions to them, are often criticized and the accuracy, adequacy, or completeness of such disclosures challenged. Our actual or perceived failure to achieve our initiatives, goals, or commitments, or otherwise successfully manage investor or other stakeholder expectations on these matters, could negatively impact our reputation or otherwise harm our business.

Risks Related to Intellectual Property

Our proprietary rights may prove difficult to enforce.

We generally rely on patents, copyrights, trademarks, trade secrets, and other intellectual property laws to establish and maintain proprietary rights in our technology and products. Although we have been issued numerous patents and have pending patent applications, our patents and other proprietary rights may be challenged, invalidated, circumvented or found insufficient to provide competitive advantages. In addition, many key aspects of our technology are governed by industry-wide standards that are available to market participants generally. We also may not obtain patents from pending applications, and any issued patent claims may not be sufficiently broad to protect our technology. Furthermore, some U.S. governmental entities and courts have taken the position that U.S. copyright and patent protection should apply only to inventions and works of authorship created by humans. Therefore, U.S. copyright or patent protection for inventions or works developed in part or entirely using generative AI tools may be limited or unavailable. The laws of some foreign countries may not protect our proprietary rights to the same extent as U.S. law, and the outcome of enforcement actions in those jurisdictions may differ from those in the United States. Although we are not dependent on any individual patent or group of patents, if we are unable to adequately protect the

proprietary rights to the totality of the features of our products and technologies, including features protected by means other than patents, we may be placed at a competitive disadvantage compared to competitors that do not incur the same costs and effort to develop innovative products that have enabled us to be successful.

We may be found to infringe on intellectual property rights of others.

Third parties, including customers, have asserted and may in the future assert claims or initiate litigation relating to patents, copyrights, trademarks, and other intellectual property rights covering technologies or standards relevant to our business. Such claims have increased over time due to our growth, developments in patent policy and practice, including at the United States Patent and Trademark Office, and increased intellectual property litigation activity, particularly in the United States. Because of the existence of a large number of patents in the information technology field, the secrecy of some pending patents, and the rapid rate of issuance of new patents, it is not economically practical or even possible to determine in advance whether a product or any of its components infringes or will infringe on the patent rights of others. The asserted claims and/or initiated litigation can include claims against us or our manufacturers, suppliers, or customers, alleging infringement of their proprietary rights with respect to our existing or future products or components of those products. Regardless of the merit of these claims, they can be time-consuming, result in costly litigation and diversion of technical and management personnel, or require us to develop a non-infringing technology or enter into license agreements. Where claims are made by customers, resistance even to unmeritorious claims could damage customer relationships. There can be no assurance that licenses will be available on acceptable terms and conditions, if at all, or that our indemnification by our suppliers will be adequate to cover our costs if a claim were brought directly against us or our customers. Furthermore, because intellectual property litigation may involve significant and unpredictable damages or injunctive relief, claims may be settled for substantial amounts, even when arguably unmeritorious. Our exposure to risks associated with the use of intellectual property may increase as a result of acquisitions because we may have more limited visibility into the development processes or infringement risk management practices associated with acquired technologies. Further, third parties have in some cases asserted infringement and similar claims relating to acquired technologies that had not been asserted before the acquisition. Additionally, if we are found to infringe the intellectual property rights of others, are required to indemnify customers, are unable to develop non-infringing technologies, or cannot obtain necessary licenses on commercially reasonable terms, our business, results of operations, or financial condition could be materially harmed. For additional information regarding our indemnification obligations, see Note 13(e) to the Consolidated Financial Statements contained in this report.

We rely on the availability of third-party licenses.

Many of our commercial offerings include software or other intellectual property licensed from third parties. We may need to obtain or renew licenses relating to various aspects of these products in the future, and such licenses may not be available on acceptable terms, or at all. The inability to obtain or renew necessary licenses or other rights, the inability to obtain such licenses or rights on favorable terms, or the need to litigate these matters could materially harm our business, results of operations, or financial condition. Moreover, the inclusion in our commercial offerings of software or other intellectual property licensed from third parties on a nonexclusive basis could limit our ability to protect the proprietary rights associated with our products.

Risks Related to Cybersecurity, Privacy, and Regulatory Requirements

Cyber attacks, data breaches or other incidents impacting our solutions and IT environment may disrupt our operations, harm our results of operations or financial condition, and damage our reputation or otherwise materially harm our business; and cyber attacks, data breaches or other incidents on our customers' or third-party providers' networks, or in third-party products we use, could result in claims of liability against us, give rise to legal and/or regulatory action, damage our reputation or otherwise materially harm our business.

We experience cyber attacks and other attempts to gain unauthorized access on a regular basis to (i) our products and services (together, our "solutions") and (ii) the servers, data centers, networks, systems, and cloud-based services operated or enabled by us, or by third parties upon which we rely, on or through which our and third-party data are stored, processed, or can be accessed (collectively, our "IT environment"). We anticipate continuing to be increasingly subject to such attempts as cyber attacks become more sophisticated, numerous, and difficult to predict and protect against. Furthermore, the rapid emergence, widespread dissemination, and maturation of AI capabilities have led to increases in the speed, scale, and effectiveness of cyber attacks or other attempts to gain unauthorized access. Such increases are expected to continue, further reducing the time to identify and mitigate threats. Despite our active implementation of security and other measures, our solutions and IT environment have been, and continue to be, vulnerable to cyber attacks, incidents, data breaches, malware, inadvertent error, disruptions, failures, physical security breaches, tampering or other theft or misuse, including by malicious actors (including criminals and activists) and by insider threats (including employees and contingent workers). Additionally, nation-state actors or their agents have in the past successfully attacked our solutions and IT environment and have also exploited vulnerabilities in our solutions to carry out attacks, and we anticipate that these attacks and the exploitation of vulnerabilities in our solutions will

continue and may intensify. Further, a cyber attack, vulnerability exploitation, or other incident could go undetected and persist in our solutions and IT environment, or those of our customers or third-party providers upon which we rely, for extended periods. Cyber-related events have caused, and in the future could result in, compromise to, or the disruption of access to, the operation of our solutions and IT environment or those of our customers or third-party providers upon which we rely, or result in confidential, private or otherwise sensitive information stored on our systems or our customers' or other third-party systems being improperly accessed, processed, disclosed now (or in the future), or being lost or stolen. Efforts to limit the ability of malicious actors to disrupt the operations of the Internet or undermine our security efforts are costly and may not be successful. Breaches of security in our solutions or IT environment, our customers' or third-party providers' networks, or in third-party products we use, regardless of whether the breach is attributable to a vulnerability in our solutions, a failure by us to timely mitigate or apply a security fix for products we use that are found vulnerable, or a failure to maintain the digital security infrastructure or security tools that protect the integrity of our solutions and IT environment, could, in each case, result in claims of legal and/or regulatory action against us, damage our reputation or otherwise materially harm our business. The occurrence of a cyber attack, data breach or other incident could subject us to direct or indirect liability to our customers, data subjects, suppliers, business partners, employees, and others, give rise to legal and/or regulatory action, could damage our reputation or could otherwise negatively impact our business, any of which could materially harm our business, results of operations, or financial condition.

Vulnerabilities and critical security defects, prioritization decisions regarding remedying vulnerabilities or security defects, failure of third-party providers to remedy vulnerabilities or security defects, or customers not deploying security updates in a timely manner or deciding not to upgrade our solutions to those with security updates or security enhancements applied could result in claims of liability against us, damage our reputation, or otherwise materially harm our business.

The solutions we sell to customers, the third-party products and components that we integrate into our solutions and use in our operations, and the cloud-based services operated or enabled by us, or by third parties upon which we rely, inevitably contain vulnerabilities or security defects (despite our efforts to prevent and detect them through secure development lifecycle practices, testing, or other means), which have not been remedied or cannot be disclosed without compromising security. We make prioritization decisions in determining which vulnerabilities or security defects to fix and the timing of these fixes. Even when we prioritize a vulnerability or security defect, in certain instances it has taken, and in the future could take, time for us to develop and test a remedy and the remedy may ultimately be insufficient to fully fix the issue or may be found to create other issues. Rapidly accelerating advances in AI technology are enabling threat actors, or autonomous systems, to identify and exploit vulnerabilities across both software and hardware with little or no delay between discovery and exploitation, including so-called "zero-minute" vulnerabilities, increasing the likelihood and speed of successful cyber attacks. These advances also show AI technology can rapidly chain otherwise low-severity, unrelated vulnerabilities into more severe combined exploits, complicating prioritization of security updates. As a result of these advances in AI technology, the time available to detect, assess and remediate vulnerabilities before exploitation has been significantly reduced or eliminated, increasing the risk of unauthorized access to, or compromise of, solutions we sell to customers, the third-party products and components that we integrate into our solutions and use in our operations, and the cloud-based services operated or enabled by us or by third parties upon which we rely. In addition, workarounds or other mitigation efforts with our solutions and in our and customer environments in certain instances have not been, and in the future may not be, available, sufficient, or timely to protect customers prior to a security update being made available. Vulnerabilities can persist even after we have issued or deployed security updates if we have not identified and addressed the root cause of a particular vulnerability, if we are required to issue incomplete or preliminary mitigations as new threats rapidly emerge, if customers have not installed the most recent updates, if the attackers exploited the vulnerabilities before a security update is applied (such as to install additional malware to further compromise customers' systems), or if a previously patched vulnerability is inadvertently reintroduced due to a security regression during future development or a changed deployment. Additionally, customers may also desire to test security updates before they can be deployed which can delay implementation. When customers do not deploy security updates in a timely manner, use solutions that are end of life and no longer receive security updates, decide not to upgrade to the latest versions of our solutions containing security updates or security enhancements, configure our solutions in insecure ways, or fail to sufficiently monitor activity on those solutions, they are left vulnerable. In addition, we rely on third-party providers of software (including open source) and cloud-based services on which our and third-party data is stored or processed, and we cannot control the timing at which third-party providers remedy vulnerabilities, which could leave us vulnerable. Further, any failure by us to timely implement, or by our customers to timely adopt, post-quantum cryptography in our solutions or IT systems as it becomes available could render existing cryptographic protections ineffective upon the emergence of viable quantum computing, exposing pre-quantum encrypted data and systems to compromise. Failure to comply with internal security policies and standards, including secure development lifecycle practices, failure to prevent or promptly mitigate vulnerabilities and security defects, failure of companies that we have acquired to have adequate organizational security practices, prioritization errors in remedying vulnerabilities or security defects, failure of third-party providers to remedy vulnerabilities or security defects, or customers not deploying security updates in a timely manner, deciding not to upgrade solutions, or

configuring our solutions in insecure ways, could, in each case, result in claims of legal and/or regulatory action against us, damage our reputation, or otherwise materially harm our business.

Our actual or perceived failure to adequately protect and appropriately use data could result in claims of legal and/or regulatory action against us, damage our reputation, or otherwise materially harm our business.

Global privacy, data, and cybersecurity laws are extensive, complex, and constantly evolving, making compliance both difficult and costly. In addition, evolving legal requirements restricting or controlling the collection, processing, use, sharing, access, or cross-border transmission of data, including regulation of cloud-based services, could materially affect our customers' ability to use, and our ability to sell, our products and services. The interpretation and application of these laws in some instances are uncertain, and our legal obligations and customer requirements are subject to frequent changes. For example, the European Union's ("EU") General Data Protection Regulation ("GDPR") and Data Act apply to our activities conducted from an establishment in the EU or related to products and services offered in the EU and imposes a range of compliance obligations regarding the handling of personal and industrial data for both ourselves and our customers. Additionally, we are subject to the California Privacy Rights Act, Singapore's Personal Data Protection Act, and other laws, regulations, and obligations around the world that govern the handling of data and cybersecurity. Our actual or perceived failure to comply with applicable laws and regulations or other obligations relating to the use of data and protecting data from unauthorized access, use, or other processing, could subject us to claims of liability, give rise to legal and/or regulatory action, damage our reputation, and/or otherwise negatively impact our business, any of which could materially harm our results of operations or financial condition.

Our business, results of operations, or financial condition could be materially harmed by evolving regulatory uncertainty or obligations applicable to our products and services.

Changes in global regulatory requirements applicable to the industries and sectors in which we operate could materially affect our operations and the sales and use of our products and services. In particular, economic sanctions and changes to export and import control requirements have impacted and may continue to impact our ability to sell and support our products and services in certain jurisdictions. In addition, changes in telecommunications regulations could impact our service provider customers' purchase and use of our products and services, and they could also impact sales of our own regulated offerings. Government and other customers' procurement policies, priorities, technology initiatives and/or other obligations often give rise to evolving privacy, cybersecurity, operational resilience, data governance, sourcing, or other requirements; the failure or delay in meeting and maintaining compliance with such requirements could negatively impact our business, including by limiting our ability to sell products and services, directly or indirectly, to public sector, critical infrastructure, and other customers. Additional areas of uncertainty that could impact sales of our products and services include laws, regulations, or customer procurement requirements related to encryption technology, data, AI, privacy, cybersecurity, sovereignty, localization, operational resilience, environmental sustainability (including climate change), human rights, product certification, product and digital accessibility, country of origin, sourcing, national security, and other security controls applicable to our offerings and supply chain. Changes in regulatory requirements or our actual or perceived failure to comply (or to enable our customers to comply when using our offerings) with applicable laws, regulations, or other obligations could materially harm our business, results of operations, or financial condition.

Risks Related to Ownership of Our Stock

Our stock price may be volatile.

Historically, our common stock has experienced substantial price volatility, particularly as a result of variations between our actual financial results and the published expectations of analysts and as a result of announcements by our competitors and us. Furthermore, speculation in the press or investment community about our strategic position, financial condition, results of operations, business, security of our products, or significant transactions can cause changes in our stock price. In addition, the stock market has experienced extreme price and volume fluctuations that have affected the market price of many technology companies, in particular, and that have often been unrelated to the operating performance of these companies. These factors, as well as general economic and political conditions and the announcement of proposed and completed acquisitions or other significant transactions, or any difficulties associated with such transactions, by us or our current or potential competitors, may materially harm the market price of our common stock in the future. Additionally, volatility, lack of positive performance in our stock price, or changes to our overall compensation program, including our stock incentive program, may negatively impact our ability to retain key employees, virtually all of whom are compensated, in part, based on the performance of our stock price.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

(a) None.

(b) None.

(c) Issuer Purchases of Equity Securities (in millions, except per-share amounts):

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares That May Yet Be Purchased Under the Plans or Programs
July 26, 2026 to August 22, 2026	8	$ 115.51	8	$ 7,182
August 23, 2026 to September 19, 2026	4	$ 110.16	4	$ 6,699
September 20, 2026 to October 24, 2026	6	$ 109.89	6	$ 6,066
Total	18	$ 112.38	18	

Amounts may not recalculate due to rounding.

On September 13, 2001, we announced that our Board of Directors had authorized a stock repurchase program. As of October 24, 2026, the remaining authorized amount for stock repurchases under this program is approximately $6.1 billion with no termination date.

For the majority of restricted stock units granted, the number of shares issued on the date the restricted stock units vest is net of shares withheld to meet applicable tax withholding requirements. Although these withheld shares are not issued or considered common stock repurchases under our stock repurchase program, and therefore are not included in the preceding table, they are treated as common stock repurchases in our financial statements as they reduce the number of shares that would have been issued upon vesting.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

Rule 10b5-1 Trading Arrangements

None of our directors or officers, as defined in Rule 16a-1(f) of the Securities Exchange Act of 1934, adopted, modified, or terminated a "Rule 10b5-1 trading arrangement" or a "non-Rule 10b5-1 trading arrangement," each as defined in Item 408 of Regulation S-K, during the three months ended October 24, 2026.

Item 6. Exhibits

The following documents are filed as exhibits to this report:

Exhibit Number	Exhibit Description	Incorporated by Reference				Filed Herewith
		Form	File No.	Exhibit	Filing Date	
31.1	Rule 13a-14(a)/15d-14(a) Certification of Principal Executive Officer					X
31.2	Rule 13a-14(a)/15d-14(a) Certification of Principal Financial Officer					X
32.1	Section 1350 Certification of Principal Executive Officer					X
32.2	Section 1350 Certification of Principal Financial Officer					X
101.INS	Inline XBRL Instance - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.					X
101.SCH	Inline XBRL Taxonomy Extension Schema Document					X
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document					X
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document					X
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document					X
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document					X
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)					X

Signature

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Cisco Systems, Inc.

Date: November 17, 2026

By /S/ Mark Patterson

Mark Patterson
Executive Vice President and
Chief Financial Officer
(Principal Financial Officer and duly authorized signatory)

Exhibit 31.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER PURSUANT TO EXCHANGE ACT RULE 13a-14(a)/15d-14(a) AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Charles H. Robbins, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Cisco Systems, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 17, 2026

/S/ Charles H. Robbins

Charles H. Robbins
Chair and Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER PURSUANT TO EXCHANGE ACT RULE 13a-14(a)/15d-14(a) AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Mark Patterson, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Cisco Systems, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 17, 2026

/S/ Mark Patterson

Mark Patterson

Executive Vice President and Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Charles H. Robbins, do hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

- the Quarterly Report on Form 10-Q of the Company for the quarter ended October 24, 2026, as filed with the Securities and Exchange Commission (the "Report"), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 17, 2026

/S/ Charles H. Robbins

Charles H. Robbins
Chair and Chief Executive Officer
(Principal Executive Officer)

Exhibit 32.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Mark Patterson, do hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

- the Quarterly Report on Form 10-Q of the Company for the quarter ended October 24, 2026, as filed with the Securities and Exchange Commission (the "Report"), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 17, 2026

/S/ Mark Patterson

Mark Patterson

Executive Vice President and Chief Financial Officer
(Principal Financial Officer)