Cisco Q2 2021 Earnings

Stagnating revenue, margins up.

Q2 FY 2021 Revenue and Total Gross Margin

		Revenue	Total Gross Margin %					
\$M (except percentages)	Q2 FY'20	Q1 FY'21	Q2 FY'21	Q2 FY'20	Q1 FY'21	Q2 FY'21		
Americas	\$7,013	\$7,198	\$6,969	66.9%	67.3%	67.5%		
EMEA	3,134	2,964	3,207	65.8%	63.9%	66.9%		
APJC	1,859	1,767	1,784	65.6%	63.0%	64.8%		
Geographic Total	\$12,005	\$11,929	\$11,960	66.4%	65.8%	66.9%		

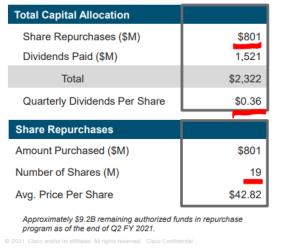
Certain reclassifications have been made to the amounts for prior periods in order to conform to the current period's presentation. Historical revenue and gross margin by segment is available on our website at https://investor.cisco.com under "Financial Information" in the "Investor Relations" section. Amounts may not sum and percentages may not recalculate due to rounding.

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Dividends and buybacks

Capital Allocation

Q2 FY 2021 Results



Going Forward

Increased quarterly dividend \$0.01, up 3% y/y.

I have modelled 5% dividend growth, 3% organic and 2% from buybacks, thus the market cap ends up being a bit higher than intrinsic value for a 4% terminal dividend. Given the industry, I feel volatility ahead, so that is the key to watch. For the rest, business as usual.

Cisco		LINK													
STOCK VALUE	E LIST'!A1												Terminal Value	Growth rate	
Scenario 1	Dividend in billions	202	21 20	22	2023	2024	2025	2026	2027	2028	2029	2030	2030	6%	next 5 years
normal case	6	.00 6.3	6 6.	74	7.15	7.57	8.03	8.51	9.02	9.56	10.14	10.75	253.42	6%	5 to 10 years
in EUR	10%)	5.7	8 5.	57	5.37	5.17	4.99	4.80	4.63	4.46	4.30	4.14	97.71	10%	Discount rate
	INTRINSIC VALUE	146	92											25.0	Terminal multiple