

## Cisco System, Inc. (NYSE: CSCO)

### Sector: TeleCommunications

Target Price	Current Price	52 Week High	52 Week Low	P/E	Market Cap	Dividend Yield	Beta
\$50.92	\$48.24	\$58.26	\$43.40	17.75	204.70B	2.90%	1.17

### Business Description:

Cisco is a global software and hardware technology company, generating revenues through its service and product divisions. Cisco caters to both consumers and businesses. It's product division consists of infrastructure platforms, applications, security, and other products.

### Industry Outlook:

Growth in the security industry is expected to increase over the next few years with an increase in cyber attack frequency. In addition, the industry corporate application software is expected to grow due to an increased trend of firms going digital. Cisco looks to serve both these business demands through their recent acquisition of Duo Security and their proprietary software AppDynamics.

### Management:

- Chuck Robbins - Chief Executive Officer
- Kelly A. Kramer - Chief Financial Officer
- Mark Patterson - CEO & SVP

Management sees the growth of Cisco correlating with the growth of technology in the future. Cisco management prides themselves on being able to take advantage of technological trends and being the first to market. Additionally, no salary in management is heavily dependent on stock-based incentives, allowing them to focus on the long-term growth of Cisco.

### 5-Year Stock Performance vs. S&P & TeleComm Sector



### Risks:

Cisco's business model is semi-dependant upon acquisitions, which fuel inorganic growth for the company. As a result, there is an increased risk, more than other companies, that these acquisitions will fail to integrate well into the overall business model. However, out of the 73 acquisitions in the last decade, Cisco noted that some fail, most do not. Moreover, Cisco is reliant on the growth of the internet and internet-based systems. If, for some reason, the technological landscape sees a major shift in technology, Cisco's top line would be dramatically affected. Lastly, the industry is highly competitive and very fragmented. However, Cisco's brand name and the difficulty of customers to switch internet systems mitigates this risk.

### Corporate and Social Responsibility / ESG:

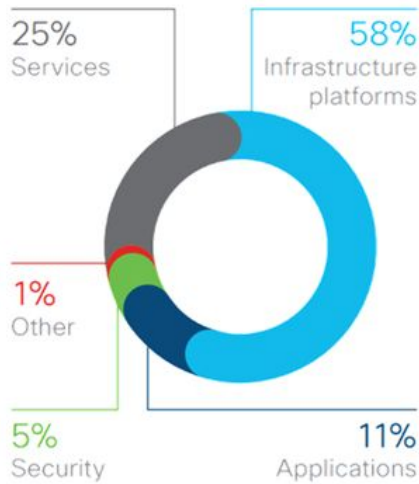
- 45% reduction in greenhouse gas emissions
- 96% reduction in rhino poaching at a South Africa game reserve through partnership with Dimension Data

- 13,946 metric tonne of products return to Cisco for reuse, refurbishing, or recycling last fiscal year
- Ranked #2 on Barron's 100 Most Sustainable Companies ranking for second year in a row
- Recognized by Corporate Knights as part of CDP's A-List for excellence in sustainability

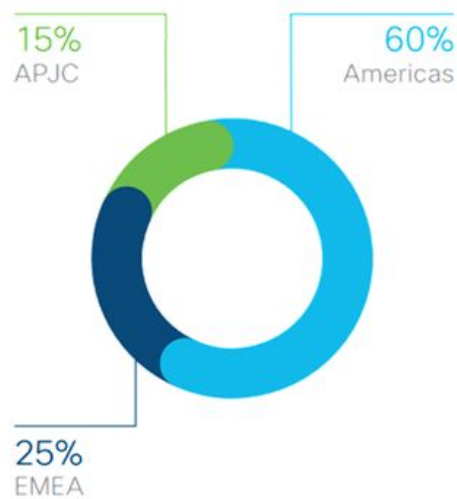
## Revenue Breakdown

### Revenue

by product category and services



by geographical segment



## Comparable Metrics

Name	Ticker	Mkt Cap	ROIC 5Y Avg	Dil EPS 5 Yr CAGR	Revenue 5 Yr CAGR	ROE Avg. 5yr	EBITDA to Net Sales:Y	OPM:Y	Debt/Assets LF	Total Asset Turnover
Median		7,576M	9.98%	11.03%	3.05%	16.06%	20.43%	15.78%	21.04%	59.78%
CISCO SYSTEMS INC	CSCO	197,392M	13.19%	11.03%	1.45%	20.11%	31.05%	27.89%	21.24%	52.54%
EXTREME NETWORKS INC	EXTR	694M	-1.72%	--	12.69%	-5.99%	3.83%	-0.32%	43.59%	118.87%
JUNIPER NETWORKS INC	JNPR	7,748M	8.97%	18.30%	1.86%	12.01%	14.68%	11.16%	20.84%	48.85%
NETGEAR INC	NTGR	777M	7.26%	-5.19%	-5.53%	7.71%	5.44%	3.95%	3.19%	83.57%
BROADCOM INC	AVGO	121,418M	10.99%	27.80%	29.43%	20.60%	40.94%	20.40%	48.59%	38.42%