Cisco System, Inc. (NYSE: CSCO)
Sector: TeleCommunications

<table>
<thead>
<tr>
<th>Target Price</th>
<th>Current Price</th>
<th>52 Week High</th>
<th>52 Week Low</th>
<th>P/E</th>
<th>Market Cap</th>
<th>Dividend Yield</th>
<th>Beta</th>
</tr>
</thead>
<tbody>
<tr>
<td>$50.92</td>
<td>$48.24</td>
<td>$58.26</td>
<td>$43.40</td>
<td>17.75</td>
<td>204.70B</td>
<td>2.90%</td>
<td>1.17</td>
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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

- 25% Services
- 58% Infrastructure platforms
- 11% Applications
- 5% Security
- 1% Other

#### Revenue by geographical segment

- 25% EMEA
- 60% Americas
- 15% APJC

### Comparable Metrics

<table>
<thead>
<tr>
<th>Name</th>
<th>Ticker</th>
<th>Mkt Cap</th>
<th>ROIC 5 yr Avg</th>
<th>Dil EPS 5 yr CAGR</th>
<th>Revenue 5 yr CAGR</th>
<th>ROE Avg. 5yr</th>
<th>OBITDA to Net Sales %</th>
<th>OPM %</th>
<th>Debt/Assets LF</th>
<th>Total Asset Turnover</th>
</tr>
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<tbody>
<tr>
<td>Median</td>
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<tr>
<td>CISCO SYSTEMS INC</td>
<td>CISCO</td>
<td>$177,302M</td>
<td>13.1%</td>
<td>11.03%</td>
<td>1.65%</td>
<td>20.11%</td>
<td>31.6%</td>
<td>27.9%</td>
<td>21.24%</td>
<td>52.64%</td>
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<tr>
<td>EXTREME NETWORKS INC</td>
<td>EXTR</td>
<td>$694M</td>
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<td>–</td>
<td>12.62%</td>
<td>-5.99%</td>
<td>3.03%</td>
<td>-0.32%</td>
<td>43.56%</td>
<td>119.87%</td>
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<tr>
<td>JUNIPER NETWORKS INC</td>
<td>JNPR</td>
<td>$7,488M</td>
<td>8.07%</td>
<td>18.30%</td>
<td>1.66%</td>
<td>12.01%</td>
<td>14.68%</td>
<td>11.16%</td>
<td>20.84%</td>
<td>48.95%</td>
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<tr>
<td>NETGEAR INC</td>
<td>NTGR</td>
<td>$777M</td>
<td>7.2%</td>
<td>-5.19%</td>
<td>-5.53%</td>
<td>7.71%</td>
<td>5.44%</td>
<td>3.95%</td>
<td>3.19%</td>
<td>83.57%</td>
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<tr>
<td>BROADCOM INC</td>
<td>AVGO</td>
<td>$121,418M</td>
<td>10.99%</td>
<td>27.80%</td>
<td>29.43%</td>
<td>20.60%</td>
<td>40.94%</td>
<td>20.40%</td>
<td>40.59%</td>
<td>38.42%</td>
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