

CISCO SYSTEMS, INC.
Consolidated Balance Sheets
(in millions, except par value)

	July 29, 2023	July 30, 2022
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 10,123	\$ 7,079
Investments	16,023	12,188
Accounts receivable, net of allowance of \$85 at July 29, 2023 and \$83 at July 30, 2022	5,854	6,622
Inventories	3,644	2,568
Financing receivables, net	3,352	3,905
Other current assets	4,352	4,355
Total current assets	43,348	36,717
Property and equipment, net	2,085	1,997
Financing receivables, net	3,483	4,009
Goodwill	38,535	38,304
Purchased intangible assets, net	1,818	2,569
Deferred tax assets	6,576	4,449
Other assets	6,007	5,957
TOTAL ASSETS	\$ 101,852	\$ 94,002
LIABILITIES AND EQUITY		
Current liabilities:		
Short-term debt	\$ 1,733	\$ 1,099
Accounts payable	2,313	2,281
Income taxes payable	4,235	961
Accrued compensation	3,984	3,316
Deferred revenue	13,908	12,784
Other current liabilities	5,136	5,199
Total current liabilities	31,309	25,640
Long-term debt	6,658	8,416
Income taxes payable	5,756	7,725
Deferred revenue	11,642	10,480
Other long-term liabilities	2,134	1,968
Total liabilities	57,499	54,229
Commitments and contingencies (Note 14)		
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; 4,066 and 4,110 shares issued and outstanding at July 29, 2023 and July 30, 2022, respectively	44,289	42,714
Retained earnings (Accumulated deficit)	1,639	(1,319)
Accumulated other comprehensive loss	(1,575)	(1,622)
Total equity	44,353	39,773
TOTAL LIABILITIES AND EQUITY	\$ 101,852	\$ 94,002

See Notes to Consolidated Financial Statements.

CISCO SYSTEMS, INC.			
Consolidated Statements of Operations			
(in millions, except per-share amounts)			
Years Ended	July 29, 2023	July 30, 2022	July 31, 2021
REVENUE:			
Product	\$ 43,142	\$ 38,018	\$ 36,014
Service	13,856	13,539	13,804
Total revenue	56,998	51,557	49,818
COST OF SALES:			
Product	16,590	14,814	13,300
Service	4,655	4,495	4,624
Total cost of sales	21,245	19,309	17,924
GROSS MARGIN	35,753	32,248	31,894
OPERATING EXPENSES:			
Research and development	7,551	6,774	6,549
Sales and marketing	9,880	9,085	9,259
General and administrative	2,478	2,101	2,152
Amortization of purchased intangible assets	282	313	215
Restructuring and other charges	531	6	886
Total operating expenses	20,722	18,279	19,061
OPERATING INCOME	15,031	13,969	12,833
Interest income	962	476	618
Interest expense	(427)	(360)	(434)
Other income (loss), net	(248)	392	245
Interest and other income (loss), net	287	508	429
INCOME BEFORE PROVISION FOR INCOME TAXES	15,318	14,477	13,262
Provision for income taxes	2,705	2,665	2,671
NET INCOME	\$ 12,613	\$ 11,812	\$ 10,591
Net income per share:			
Basic	\$ 3.08	\$ 2.83	\$ 2.51
Diluted	\$ 3.07	\$ 2.82	\$ 2.50
Shares used in per-share calculation:			
Basic	4,093	4,170	4,222
Diluted	4,105	4,192	4,236

See Notes to Consolidated Financial Statements.

CISCO SYSTEMS, INC.			
Consolidated Statements of Comprehensive Income			
(in millions)			
Years Ended	July 29, 2023	July 30, 2022	July 31, 2021
Net income	\$ 12,613	\$ 11,812	\$ 10,591
Available-for-sale investments:			
Change in net unrealized gains and losses, net of tax benefit (expense) of \$35, \$174, and \$46 for fiscal 2023, 2022, and 2021, respectively	(78)	(557)	(95)
Net (gains) losses reclassified into earnings, net of tax expense (benefit) of \$(4), \$5, and \$15 for fiscal 2023, 2022, and 2021, respectively	17	(4)	(38)
	(61)	(561)	(133)
Cash flow hedging instruments:			
Change in unrealized gains and losses, net of tax benefit (expense) of \$(7), \$(20), and \$(4) for fiscal 2023, 2022, and 2021, respectively	22	67	16
Net (gains) losses reclassified into earnings, net of tax (benefit) expense of \$15, \$7, and \$3 for fiscal 2023, 2022, and 2021, respectively	(48)	(22)	(11)
	(26)	45	5
Net change in cumulative translation adjustment and actuarial gains and losses, net of tax benefit (expense) of \$19, \$(44), and \$(2) for fiscal 2023, 2022, and 2021, respectively	134	(689)	230
Other comprehensive income (loss)	47	(1,205)	102
Comprehensive income	\$ 12,660	\$ 10,607	\$ 10,693

See Notes to Consolidated Financial Statements.

CISCO SYSTEMS, INC. Consolidated Statements of Cash Flows (in millions)			
Years Ended	July 29, 2023	July 30, 2022	July 31, 2021
Cash flows from operating activities:			
Net income	\$ 12,613	\$ 11,812	\$ 10,591
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation, amortization, and other	1,726	1,957	1,862
Share-based compensation expense	2,353	1,886	1,761
Provision (benefit) for receivables	31	55	(6)
Deferred income taxes	(2,085)	(309)	(384)
(Gains) losses on divestitures, investments and other, net	206	(453)	(354)
Change in operating assets and liabilities, net of effects of acquisitions and divestitures:			
Accounts receivable	734	(1,009)	(107)
Inventories	(1,069)	(1,030)	(244)
Financing receivables	1,102	1,241	1,577
Other assets	5	(1,615)	(797)
Accounts payable	27	(55)	(53)
Income taxes, net	1,218	(690)	(549)
Accrued compensation	651	(427)	643
Deferred revenue	2,326	1,328	1,560
Other liabilities	48	535	(46)
Net cash provided by operating activities	19,886	13,226	15,454
Cash flows from investing activities:			
Purchases of investments	(10,871)	(6,070)	(9,328)
Proceeds from sales of investments	1,054	2,660	3,373
Proceeds from maturities of investments	5,978	5,686	8,409
Acquisitions, net of cash and cash equivalents acquired and divestitures	(301)	(373)	(7,038)
Purchases of investments in privately held companies	(185)	(186)	(175)
Return of investments in privately held companies	90	237	194
Acquisition of property and equipment	(849)	(477)	(692)
Proceeds from sales of property and equipment	3	91	28
Other	(26)	(15)	(56)
Net cash provided by (used in) investing activities	(5,107)	1,553	(5,285)
Cash flows from financing activities:			
Issuances of common stock	700	660	643
Repurchases of common stock - repurchase program	(4,293)	(7,689)	(2,877)
Shares repurchased for tax withholdings on vesting of restricted stock units	(597)	(692)	(636)
Short-term borrowings, original maturities of 90 days or less, net	(602)	606	(5)
Issuances of debt	—	1,049	—
Repayments of debt	(500)	(3,550)	(3,000)
Dividends paid	(6,302)	(6,224)	(6,163)
Other	(32)	(122)	(59)
Net cash used in financing activities	(11,626)	(15,962)	(12,097)
Effect of foreign currency exchange rate changes on cash, cash equivalents, restricted cash and restricted cash equivalents	(105)	(180)	58
Net increase (decrease) in cash, cash equivalents, restricted cash and restricted cash equivalents	3,048	(1,363)	(1,870)
Cash, cash equivalents, restricted cash and restricted cash equivalents, beginning of fiscal year	8,579	9,942	11,812
Cash, cash equivalents, restricted cash and restricted cash equivalents, end of fiscal year	\$ 11,627	\$ 8,579	\$ 9,942
Supplemental cash flow information:			
Cash paid for interest	\$ 376	\$ 355	\$ 438
Cash paid for income taxes, net	\$ 3,571	\$ 3,663	\$ 3,604
See Notes to Consolidated Financial Statements.			

CISCO SYSTEMS, INC.
Consolidated Statements of Equity
(in millions, except per-share amounts)

	Shares of Common Stock	Common Stock and Additional Paid-In Capital	Retained Earnings (Accumulated Deficit)	Accumulated Other Comprehensive Income (Loss)	Total Equity
BALANCE AT JULY 25, 2020	4,237	\$ 41,202	\$ (2,763)	\$ (519)	\$ 37,920
Net income			10,591		10,591
Other comprehensive income (loss)				102	102
Issuance of common stock	58	643			643
Repurchase of common stock	(64)	(625)	(2,277)		(2,902)
Shares repurchased for tax withholdings on vesting of restricted stock units and other	(14)	(636)			(636)
Cash dividends declared (\$1.46 per common share)			(6,166)		(6,166)
Effect of adoption of accounting standard			(38)		(38)
Share-based compensation		1,761			1,761
Other		1	(1)		—
BALANCE AT JULY 31, 2021	4,217	\$ 42,346	\$ (654)	\$ (417)	\$ 41,275
Net income			11,812		11,812
Other comprehensive income (loss)				(1,205)	(1,205)
Issuance of common stock	54	660			660
Repurchase of common stock	(146)	(1,490)	(6,244)		(7,734)
Shares repurchased for tax withholdings on vesting of restricted stock units and other	(13)	(692)			(692)
Cash dividends declared (\$1.50 per common share)			(6,224)		(6,224)
Share-based compensation		1,886			1,886
Other	(2)	4	(9)		(5)
BALANCE AT JULY 30, 2022	4,110	\$ 42,714	\$ (1,319)	\$ (1,622)	\$ 39,773
Net income			12,613		12,613
Other comprehensive income (loss)				47	47
Issuance of common stock	57	700			700
Repurchase of common stock	(88)	(930)	(3,341)		(4,271)
Shares repurchased for tax withholdings on vesting of restricted stock units and other	(13)	(551)			(551)
Cash dividends declared (\$1.54 per common share)			(6,302)		(6,302)
Share-based compensation		2,353			2,353
Other		3	(12)		(9)
BALANCE AT JULY 29, 2023	4,066	\$ 44,289	\$ 1,639	\$ (1,575)	\$ 44,353

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