# I. Company Thesis

## Cisco Systems, Inc. (CSCO)

Cisco Systems, Inc. (CSCO) has been a cornerstone of the technology industry since its inception in 1984. Founded by Leonard Bosack and Sandy Lerner, two Stanford University computer scientists, Cisco initially focused on building routers that facilitated communication between disparate computer networks. This pioneering work laid the foundation for the modern internet, positioning Cisco as a leader in networking hardware and software solutions.

Over the decades, Cisco has evolved from its core business of selling network switches and routers to becoming a diversified technology conglomerate. The companys strategic acquisitions have played a significant role in this transformation. Notable acquisitions include the recent 28 billion purchase of Splunk, a data analytics and cybersecurity firm, which bolsters Ciscos capabilities in cybersecurity and software-as-a-service (SaaS) offerings. This acquisition aligns with Ciscos broader strategy to increase recurring revenue from subscription-based services, thereby reducing its reliance on the cyclical nature of hardware sales.

Ciscos mission is to shape the future of the internet by creating unprecedented value and opportunity for its customers, employees, investors, and ecosystem partners. This mission is evident in its continuous innovation and adaptation to emerging technologies. The company has made significant strides in artificial intelligence (AI) and cloud computing, areas that are expected to drive future growth. Ciscos partnership with Nvidia to develop AI infrastructure and its efforts to enhance its Webex video conferencing platform are examples of its forward-thinking approach.

Financially, Cisco remains robust, with a market capitalization of approximately 189 billion and a strong balance sheet featuring 23.3 billion in cash and equivalents. The company offers a dependable dividend yield of over 3, making it an attractive option for income-focused investors. Ciscos commitment to returning at least 50 of its free cash flow to shareholders annually underscores its shareholder-friendly approach.

Ciscos legacy as a networking giant, combined with its strategic pivot towards software and services, positions it well for sustained long-term growth. The companys ability to adapt to technological shifts and its focus on high-growth areas like AI and cybersecurity make it a compelling investment. With a solid financial foundation and a clear vision for the future, Cisco Systems, Inc. stands as a resilient and innovative leader in the technology sector.

# II. Company Basics

## a) CEO (Tenure) and Market Cap

* CEO Chuck Robbins (Tenure Since July 2015)
* Market Cap Approximately 189 billion

## b) Multiples (Current year)

* PE Ratio 15.8x
* Dividend Yield 3.4

## c) 1, 3-Year, 5-Year Return (Ann. Through 72524)

* YTD -2.10
* 1-Year 4.2
* 3-Year and 5-Year returns Not specified

## d) Business Mix (of 2023 Sales)

* Not specified

## e) Geographic Mix (of Sales)

* Not specified

Cisco Systems, Inc. (CSCO) is a leading technology conglomerate known for its networking hardware, software, and telecommunications equipment. The company has recently expanded its portfolio with the acquisition of Splunk, enhancing its cybersecurity and SaaS capabilities. Cisco aims to increase its recurring revenue from subscription-based services, moving away from its traditional hardware sales. The company maintains a strong financial position with a significant cash reserve, supporting its ongoing strategic initiatives and shareholder returns.