# Company Thesis

Cisco Systems, Inc. (NASDAQ CSCO) has a rich history dating back to its founding in 1984 by Leonard Bosack and Sandy Lerner, who were instrumental in connecting computers at Stanford University. Headquartered in San Jose, California, Cisco has grown from a small startup into a global technology leader, renowned for its networking hardware, software, and telecommunications equipment. The company played a pivotal role in the development of the internet, providing the infrastructure that has enabled the digital age.

Ciscos mission has always been to shape the future of the internet by creating unprecedented value and opportunity for its customers, employees, investors, and ecosystem partners. This philosophy is evident in its continuous innovation and strategic acquisitions aimed at expanding its technological capabilities and market reach. Over the years, Cisco has diversified its portfolio beyond networking hardware to include cybersecurity, cloud computing, and software-as-a-service (SaaS) solutions.

A significant milestone in Ciscos evolution was its recent acquisition of Splunk for 28 billion in cash. This acquisition enhances Ciscos cybersecurity solutions and strengthens its position in the SaaS market, aligning with its strategic goal of increasing recurring revenue from subscription-based services. The integration of Splunks data analytics and cybersecurity capabilities is expected to drive growth and provide customers with advanced threat detection and prevention solutions.

Ciscos commitment to innovation is further demonstrated by its focus on artificial intelligence (AI) and cloud computing. The company has recorded substantial AI-related orders and is poised to benefit from the growing demand for AI infrastructure. Additionally, Ciscos partnership with Nvidia to develop AI-driven IT infrastructure underscores its strategic vision to capitalize on emerging technologies.

Financially, Cisco remains robust, with a market capitalization of approximately 189 billion and a strong balance sheet that includes 23.3 billion in cash and equivalents. This financial strength enables Cisco to invest in growth opportunities and return value to shareholders through dividends and share buybacks. The companys dividend yield of over 3 is attractive, particularly in the technology sector, and reflects its commitment to providing consistent returns to investors.

Ciscos resilience and adaptability are evident in its ability to navigate market challenges and capitalize on new opportunities. The companys strategic shift towards software and services, coupled with its strong legacy in networking hardware, positions it well for sustained growth. As Cisco continues to innovate and expand its offerings, it remains a compelling investment opportunity for those seeking exposure to a leading technology company with a proven track record and a forward-looking strategy.

# Company Basics

## CEO (Tenure) and Market Cap

* CEO Chuck Robbins (since July 2015)
* Market Cap 189 billion

## Multiples (Current Year)

* PE 15.8x
* 12-mo. dividend yield 3.4

## 1, 3-Year, 5-Year Return (Ann. Through 2024)

* TBD, TBD, TBD
* TBD from 52-week high and TBD from ATH

## Business Mix (of 2023 Sales)

* Networking hardware TBD
* Cybersecurity TBD
* Software-as-a-Service TBD
* Other TBD

## Geographic Mix (of Sales)

* TBD

Cisco Systems, Inc., headquartered in San Jose, California, is a global technology leader known for its networking hardware, software, and telecommunications equipment. The company has diversified into cybersecurity and cloud computing, enhancing its market position.