



# Internet for the Future

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## Forward-looking Statements

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# The Internet is **the Backbone** for Economies, Industry, and Daily Life

Adding **\$13T\*** to equity market capitalizations globally

Internet traffic spiked **25% to 45%\*** around the globe during the Pandemic

Internet traffic continues to **grow at a rate of 35%\* annually**



# The Digital Divide

**3+ billion people**

with very limited or  
NO broadband access

**29 countries**

with affordable broadband

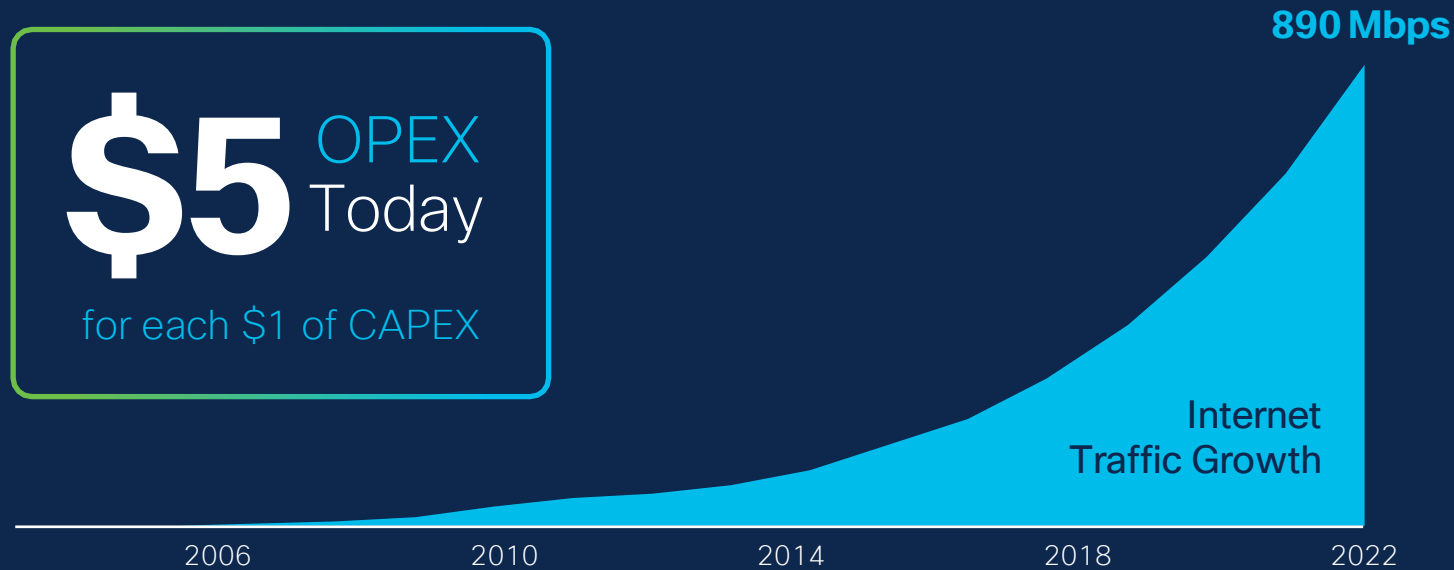
**\$6.7 trillion**

added to global economy  
by connecting the unconnected

August 2020  
Salinas, California  
60 miles south  
of San Jose



# Current Economics Are Beginning to Break





Q4'21 RESULTS

# Momentum is Building

Service Provider Business

**double digit** growth y/y

Webscale Business

**>160%** order growth y/y

Trailing Four Quarter Basis

**>80%** total order growth y/y

# Growth Opportunity

**\$14B**  
Expansion

- Private 5G
- Carrier Edge
- Hyperscalers
- Components

**\$36B**  
Current

By 2025

- Routing
- Optical
- Cable
- Public 4G/5G
- Mobile IoT
- Automation



# Innovation to Transform Networking



# A World Class Portfolio for the Next Decade



## Cisco Silicon One

10 devices  
**3.2T** to **25.6T**



## Cisco 8000 Series

**>2X** more density and **>3X** more power efficient than the competition

# Routed Optical Networking

SIMPLICITY IS THE ULTIMATE SOPHISTICATION - LEONARDO DA VINCI



**35%**

CapEx  
Savings\*

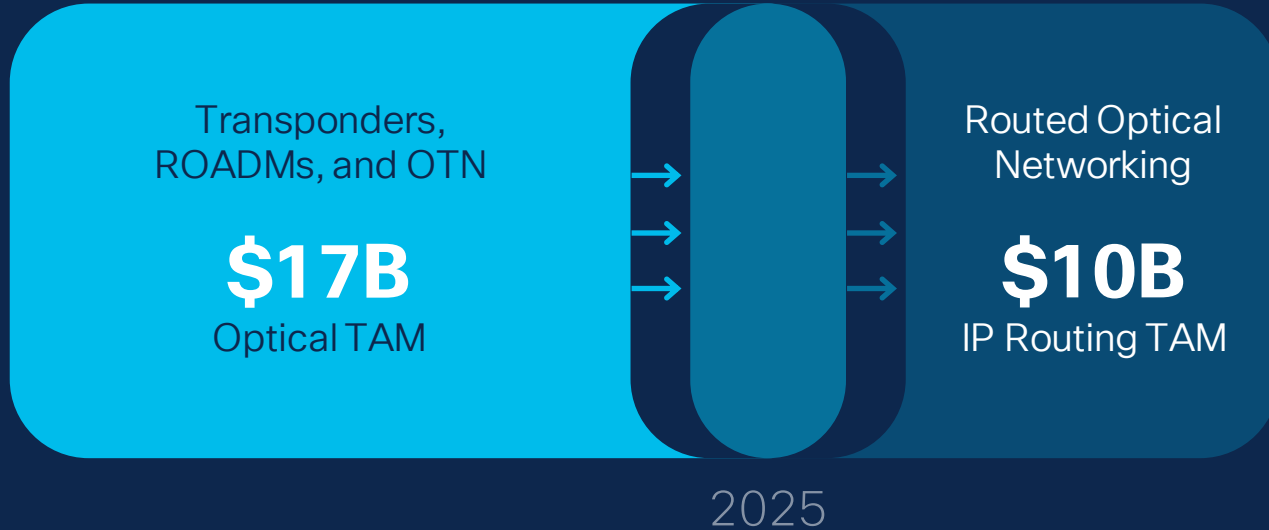
**57%**

OpEx  
Savings\*

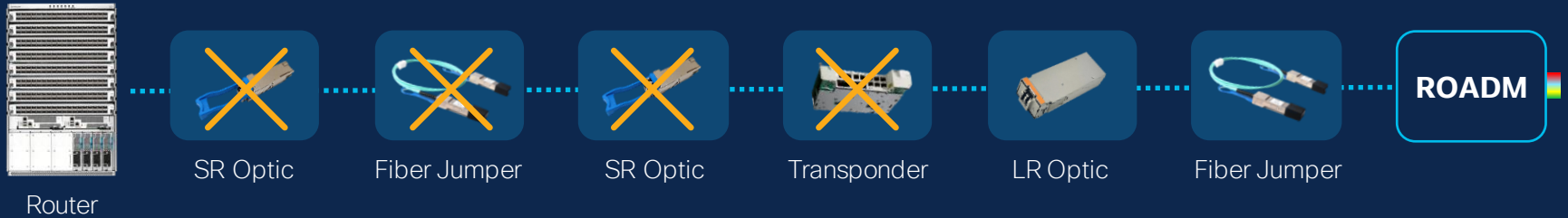
**46%**

TCO  
Savings\*

# Shifting Optical TAM to Routing TAM



# The Twilight of Transponders



Phase 1



THE JOURNEY

# Shifting Billions in Optical TAM to Routing TAM

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## Today

Integrate transponders and enable multi-vendor

## Over Time

Replace ROADM with router

## Going Forward

Converge private line services



“Colt is committed to ensuring its network is at the forefront of technological innovation, and this latest investment is the next step in our network optimization strategy, as we continue to leverage next-generation optical and packet technologies.”

Vivek Gaur  
Vice President, Network Engineering

**colt**

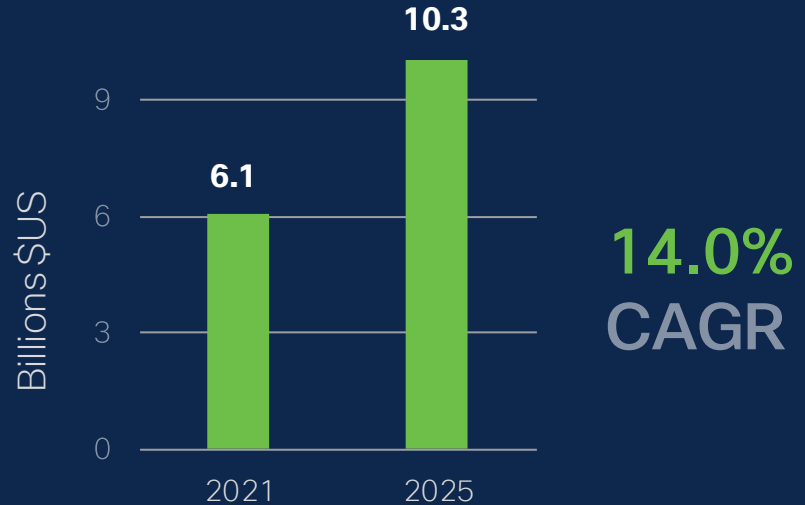




MASSIVE SCALE | OPERATIONAL AGILITY

# 6 of the Top Hyperscalers

generate **half** of all  
internet traffic in the  
United States



**Hyperscaler Data Center  
Networking Spend**

# Flexible Purchasing Models



## Silicon and Optics Components

Silicon and optics components to build 3rd party systems



## Software-Only

Cisco IOS XR flexibly runs on both Cisco routers and switches as well as 3rd party systems



## Systems-Only

Cisco hardware that runs 3rd party operating system software



## Integrated Systems

Complete router or switch with Cisco silicon, optics, software, and hardware



# Strong Hyperscaler Traction

Of the Top 6 Global  
Webscale Companies...

## 4 Hyperscalers

Use Cisco Silicon One and Cisco 8000 systems

## 2 Hyperscalers

Use Cisco 8000 and Cisco Silicon One with  
their own choice of OS

## 2 Hyperscalers

Use Cisco Silicon One on a component level

## 3 Hyperscalers

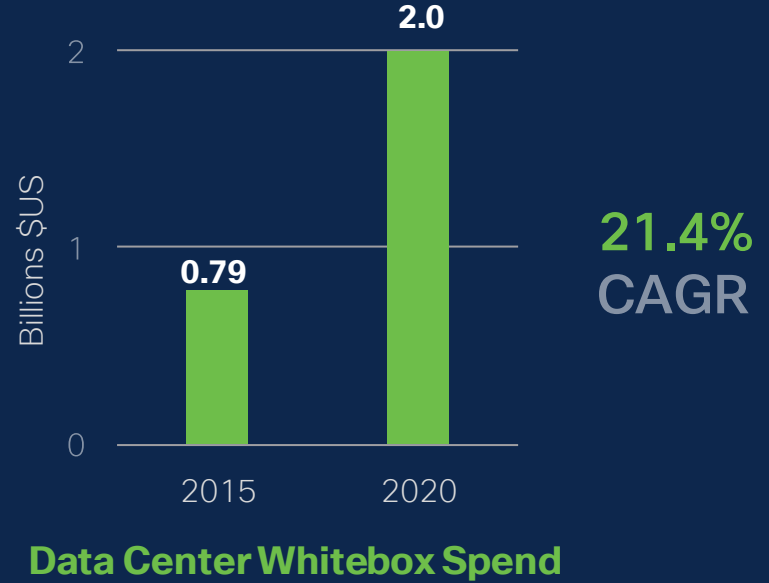
Use at least two of the flexible consumption  
models simultaneously

NEW RELEVANCE

# White Box Opportunities



Cisco  
Investor Day  
2021



Source: Dell'Oro Group



“Cisco’s latest innovation across silicon and optics offers us expanded options to provide our customers a high-powered private data center experience at low cost.”

Dave Maltz  
Technical Fellow, Corporate Vice President

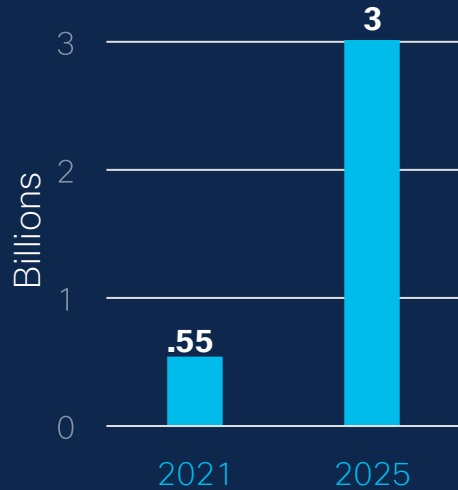


# 5G and IoT Opportunity

FIRST 5G STANDALONE NETWORK; >1 BILLION SUBSCRIBERS

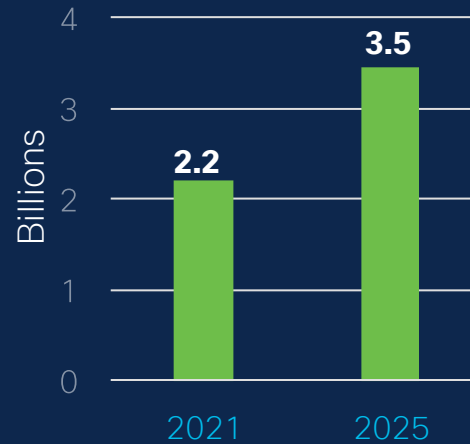


## 5G Mobile Subscribers



**53%**  
CAGR

## Cellular IoT Connections



**12%**  
CAGR



# High Value **5G Monetization**



Mobile IoT Services



Private 5G Networks



Fixed Wireless Access

5G IoT

# Control Center



Growing 2x faster than industry



#1 in Connected Car



50+ Communication Service Providers



82 Countries

“Working with Cisco, we continue to help businesses deploy IoT devices and applications faster and more securely and get more value out of devices they use. This is an important first step toward the IoT massive connectivity that will eventually create opportunities for enterprises to realize the full potential of IoT.”

William Stovall  
Vice President, Mobility, IoT and 5G



# Private 5G and WiFi-6 Opportunity



## WHY WE WIN

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### **Transformative Innovation to Redefine Economics**

Cisco Silicon One and Optics

Routed Optical Networking

Public 5G

Automation

### **Cross-Domain Leadership to Help Grow New Revenue**

Private 5G and WiFi-6

Fixed Wireless Access

Mobile IoT

Carrier Edge

### **Flexible Models to Provide Quality and Choice**

Components

Software-Only

System-Only

Integrated Systems



# Forward-looking Statements

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# Cisco Investor Day 2021

