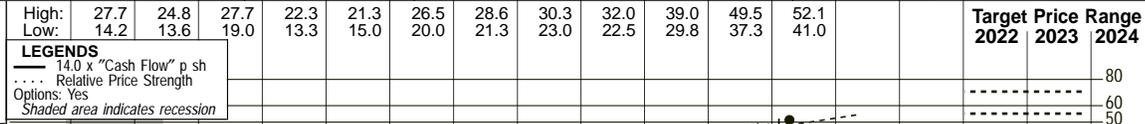


CISCO SYSTEMS NDQ-CSCO

RECENT PRICE **51.30** P/E RATIO **16.3** (Trailing: 18.1, Median: 12.0) RELATIVE P/E RATIO **0.95** DIV'D YLD **2.7%** **VALUE LINE**

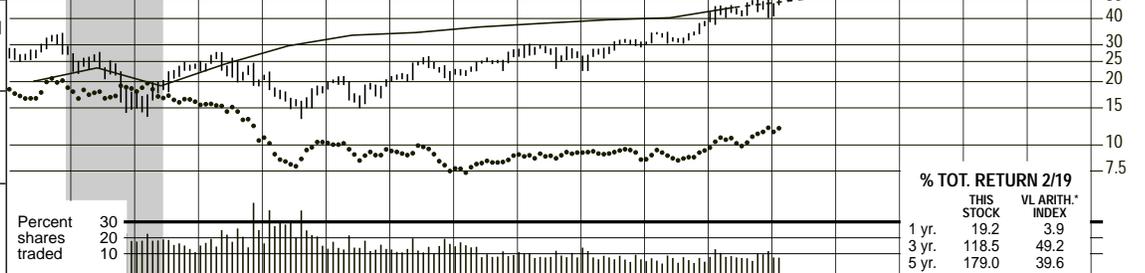
TIMELINESS 1 Raised 11/9/18
SAFETY 1 Raised 12/16/16
TECHNICAL 3 Lowered 2/8/19
BETA 1.10 (1.00 = Market)



2022-24 PROJECTIONS
 Price Gain Ann'l Total
 High 70 (+35%) 11%
 Low 55 (+5%) 5%

Insider Decisions
 M J J A S O N D J
 to Buy 0 0 0 0 0 0 0 0
 Options 1 1 1 0 8 0 0 8
 to Sell 0 1 0 0 4 0 3 2

Institutional Decisions
 2Q2018 3Q2018 4Q2018
 to Buy 915 923 1069
 to Sell 1071 1076 1088
 Hld's(000) 346234433645483294695



2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	© VALUE LINE PUB. LLC	22-24
2.70	3.31	3.95	4.70	5.73	6.71	6.24	7.08	7.95	8.69	9.02	9.23	9.67	9.79	9.63	10.69	11.75	12.30	Revenues per sh ^A	14.25
.77	.95	1.08	1.13	1.43	1.66	1.37	1.73	2.12	2.38	2.45	2.60	2.71	2.82	2.88	3.23	3.50	3.90	"Cash Flow" per sh	4.60
.59	.76	.87	.89	1.17	1.31	1.05	1.33	1.62	1.85	2.02	2.06	2.21	2.36	2.39	2.60	3.05	3.40	Earnings per sh ^B	3.90
--	--	--	--	--	--	--	--	.12	.28	.62	.72	.80	.94	1.10	1.24	1.36	1.50	Div'ds Decl'd per sh ^E	2.00
.10	.09	.11	.13	.21	.22	.17	.18	.22	.21	.22	.25	.24	.23	.19	.18	.25	.30	Cap'l Spending per sh	.35
4.01	3.88	3.69	3.95	5.16	5.83	6.68	7.83	8.69	9.68	10.97	11.09	11.74	12.64	13.27	9.36	8.45	8.35	Book Value per sh	11.90
6998.0	6650.4	6274.7	6059.0	6100.0	5893.0	5785.0	5655.0	5435.0	5298.0	5389.0	5107.0	5085.0	5029.0	4983.0	4614.0	4390.0	4350.0	Common Shs Outst'g ^C	4200.0
24.3	29.6	21.6	21.3	22.0	20.6	17.7	17.9	11.9	9.7	10.3	11.3	12.3	11.5	13.3	15.1	15.1	15.1	Avg Ann'l P/E Ratio	16.0
1.39	1.56	1.15	1.15	1.17	1.24	1.18	1.14	.75	.62	.58	.59	.62	.60	.67	.81	.81	.81	Relative P/E Ratio	.90
--	--	--	--	--	--	--	--	.6%	1.6%	3.0%	3.1%	2.9%	3.5%	3.5%	3.5%	3.5%	3.2%	Avg Ann'l Div'd Yield	3.2%

CAPITAL STRUCTURE as of 1/26/19
 Total Debt \$25.6 bill. Due in 5 years \$17.2 bill.
 LT Debt \$15.9 bill. LT Interest \$880 mill.
 (28% of Cap'l)
 Leases, Uncapitalized Annual rentals \$392 mill.
 No Defined Benefit Pension Plan
 Pfd Stock None
 Common Stock 4,402,027,716 shs.
 as of 2/14/19
 MARKET CAP: \$226 billion (Large Cap)

36117	40040	43218	46061	48607	47142	49161	49247	48005	49330	51650	53450	Revenues (\$mill) ^A	59800
25.2%	28.0%	32.0%	33.3%	31.0%	31.4%	31.6%	33.4%	32.1%	34.0%	35.5%	35.5%	Operating Margin	35.5%
1768.0	2030.0	2486.0	2602.0	2351.0	2432.0	2442.0	2150.0	2286.0	2192.0	1950	2000	Depreciation (\$mill)	2850
6134.0	7767.0	9033.0	10017	10866	10863	11354	12022	12067	12703	13500	14910	Net Profit (\$mill)	16400
20.3%	17.5%	21.3%	21.9%	20.8%	20.8%	21.7%	21.8%	22.1%	21.0%	19.0%	19.0%	Income Tax Rate	21.0%
17.0%	19.4%	20.9%	21.7%	22.4%	23.0%	23.1%	24.4%	25.1%	25.8%	26.1%	27.9%	Net Profit Margin	27.4%
30522	32188	39725	44202	43329	47305	52660	53808	56120	34802	25000	27000	Working Cap'l (\$mill)	49550
10295	12188	16234	16297	12928	20401	21457	24483	25725	20331	16000	16000	Long-Term Debt (\$mill)	15500
38647	44267	47226	51286	59120	56654	59698	63586	66137	43204	37120	36380	Shr. Equity (\$mill)	49980
12.9%	14.3%	14.7%	15.3%	15.5%	14.5%	14.3%	14.0%	13.6%	20.7%	26.0%	28.0%	Return on Total Cap'l	25.0%
15.9%	17.5%	19.1%	19.5%	18.4%	19.2%	19.0%	18.9%	18.2%	29.4%	36.5%	41.0%	Return on Shr. Equity	33.0%
15.9%	17.5%	17.7%	16.6%	12.8%	12.5%	12.2%	11.4%	9.9%	15.6%	20.0%	23.0%	Retained to Com Eq	16.0%
--	--	7%	15%	30%	35%	36%	40%	46%	47%	45%	44%	All Div'ds to Net Prof	51%

CURRENT POSITION	2017	2018	1/26/19
Cash Assets ^D	70492	46548	40383
Receivables	5146	5554	3745
Inventory (FIFO)	1616	1846	1701
Other	6449	7889	7288
Current Assets	83703	61837	53117
Accts Payable	1385	1904	1655
Debt Due	7992	5238	9737
Other	18206	19893	18087
Current Liab.	27583	27035	29479

BUSINESS: Cisco Systems, Inc. is a leading provider of Internet Protocol-based networking and other products for transporting data, voice, and video across geographically dispersed local-area networks, metropolitan-area networks, and wide-area networks. Devices are primarily integrated by Cisco IOS Software and include Routers, Switches, New Products, and Other. Provides services as

sociated with these products. Foreign business accounted for 41.1% of 2018 revenues. R&D, 12.8% of revenues. Has about 74,200 employees. Officers/Directors hold less than 1.0% of stock; BlackRock, 7.3%, Vanguard, 7.8% (9/18 proxy). Chmn. & CEO: Chuck Robbins. Inc.: CA. Address: 170 W. Tasman Drive, San Jose, CA 95134-1706. Tele.: 408-526-4000. Web: www.cisco.com.

ANNUAL RATES	Past 10 Yrs.	Past 5 Yrs.	Est'd '16-'18 to '22-'24
of change (per sh)	10 Yrs.	5 Yrs.	to '22-'24
Revenues	6.0%	3.5%	6.5%
"Cash Flow"	8.0%	5.0%	7.5%
Earnings	8.0%	6.0%	8.0%
Dividends	--	26.5%	11.5%
Book Value	9.0%	4.0%	NMF

Cisco Systems continues to execute at a high level. January-quarter revenue of \$12.4 billion rose 7% year over year, matching our estimate, while adjusted earnings per share grew 16%, beating our call by a penny. Core infrastructure sales increased a healthy 6%. The switching category grew at a double-digit pace owing to demand from enterprises and the general success of the flagship *Catalyst 9000* product line. One area of weakness was the routing business, which had fewer sales to service provider and data center customers. We attribute this to a cyclical downturn in their respective technology upgrade cycles. Elsewhere, Application revenue grew 24%, owing to solid demand for Unified Communications, TelePresence, and AppDynamics products. Finally, the Security division grew revenue a relatively strong 18%. Management is calling for third-quarter revenue to grow 4%-6%, and adjusted earnings per share are expected to range from \$0.76 to \$0.78. **The company is very optimistic about the transition to 5G infrastructure.** In its Global Mobile Data Traffic Forecast Update report the company forecast that

by 2022 there will be more than 400 million 5G connections and the standard will comprise 11.8% of total traffic. The technology will enable self-driving cars to communicate with other vehicles and smart cities. The education and healthcare applications also appear robust. There has been a lot of media attention recently surrounding the 5G arms race between China and the U.S., as the U.S. government has banned Huawei infrastructure products and has told European allies it may not be able to communicate with them in certain regards if they do not follow suit. Cisco has seen little impact from those actions thus far. Too, Cisco's CEO doesn't seem that concerned about a threat from Huawei, saying "I would put our innovation against theirs or anyone else in the world." He also recently said he expects the overall geographical market share in 5G to be quite similar to that of 4G. **These shares receive our Highest ranking for Timeliness (1).** Cisco's one-stop-shopping experience and sophisticated security solutions should ensure demand remains strong.

Fiscal Year Ends	Q1	Q2	Q3	Q4	Full Fiscal Year
2016	12682	11927	12000	12638	49247
2017	12352	11580	11940	12133	48005
2018	12136	11887	12463	12844	49330
2019	13072	12446	12850	13282	51650
2020	13525	12880	13300	13745	53450

Update report the company forecast that

Kevin Downing March 15, 2019

Fiscal Year Ends	Q1	Q2	Q3	Q4	Full Fiscal Year
2016	.59	.57	.57	.63	2.36
2017	.61	.57	.60	.61	2.39
2018	.61	.63	.66	.70	2.60
2019	.75	.73	.76	.81	3.05
2020	.84	.81	.85	.90	3.40

(A) Fiscal year ends on last Saturday in July (four 13-week quarters). (B) Diluted earnings. Excludes nonrecurring items: '03, (9c); '04, (14c). May not sum due to rounding. Next egs. report due mid-May. GAAP egs. prior to 2011, pro-forma thereafter. (C) In millions, adjusted for stock splits. (D) Long- and short-term investments in current assets beginning in fiscal

2006. (E) Dividend commenced March 29, 2011, paid in late Jan., April, July, and Oct.

Company's Financial Strength	A++
Stock's Price Stability	85
Price Growth Persistence	45
Earnings Predictability	100