Cisco Systems (CSCO)

Technology / Communication Equipment

StockRover
Stock Report | September 17, 2022

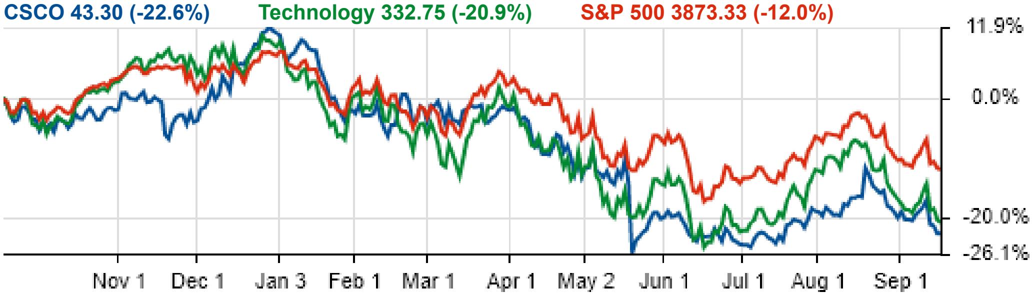
$43.30 $0.01 (0.02%) as of Friday's close

Cap ($M USD)	P/E	EPS (1Y)	Dividend	Last Filing
$177,912	**15.4**	**12.8%**	**$1.52**	**07/31/22**
Sales ($M)	Forward P/E	Sales (1Y)	Div. Yield	Next Earnings
51,557	**11.4**	**3.5%**	**3.5%**	**11/16/22**

52-wk Range
$40.82 $64.28

Dividend Adjusted Return *Sep 16, 2021 - Sep 16, 2022*

CSCO 43.30 (-22.6%) **Technology 332.75 (-20.9%)** **S&P 500 3873.33 (-12.0%)**



CSCO has underperformed the S&P 500 by -10.7% in the past year.

CSCO has performed nearly in line with its sector over the past year.

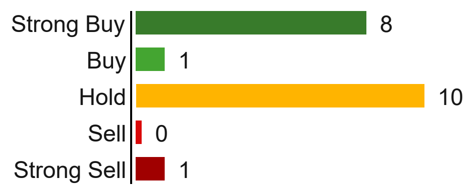
The Technology sector has underperformed the market by -8.9% in the past year.

ANALYST CONSENSUS

Buy

The consensus rating is unchanged from 1 month ago.

Strong Buy	Buy	Hold	Sell	Strong Sell



QUANTITATIVE SCORES

Fair Value $53.01

Margin of Safety 22%

The Margin of Safety is the difference between a company's Fair Value and the current price. See more on page 8.

3 warnings
Details on Page 8

Value Score 84

Value Score: Our value score looks at EV/EBITDA, P/E, P/S, P/TB (Price/Tangible Book) and EPS Predictability. P/S and P/TB are compared within a sector. Other metrics are compared across all stocks

Quality Score 98

Quality Score: Our quality score compares profitability and balance sheet metrics to find high quality companies using ROIC, Net Margin, Gross Margin, Interest Coverage, and Debt / Equity metrics.

Growth Score 78

Growth Score: Our growth score looks at the 5 year history and the forward estimates for EBITDA, Sales, and EPS growth, ranking the best companies across all stocks.

Sentiment Score 70

Sentiment Score: Our sentiment score finds stocks in favor by analyzing Short Interest, returns in key periods over the last year, Price vs. 52-wk High, Days Since 52-wk High and MACD signals.

BUSINESS SUMMARY

Cisco Systems is the largest provider of networking equipment in the world and one of the largest software companies in the world. Its largest businesses are selling networking hardware and software (where it has leading market shares) and cybersecurity software like firewalls. It also has collaboration products, like its Webex suite, and observability tools. It primarily outsources its manufacturing to third parties and has a large sales and marketing staff25,000 strong across 90 countries. Overall, Cisco employees 80,000 employees and sells its products globally.

Employees 83,300 **Homepage** www.cisco.com **Headquarters** San Jose, CA

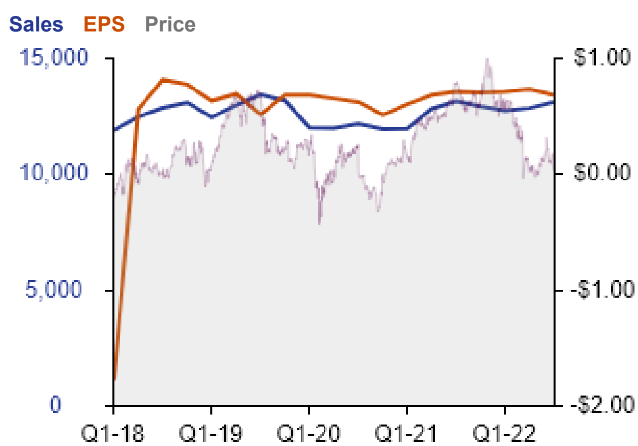
VALUATION SUMMARY

	CSCO	Industry	S&P 500
Value Score	84	54	75
Price / Earnings	15.4	17.6	20.4
Price / Sales	3.5	1.8	2.3
Price / Free Cash Flow	14.3	18.7	20.7
Price / Book	4.5	2.8	4.1
Price / Tangible Book	-	-	100+
EV / EBITDA	10.0	10.0	17.2
EPS Predict. Pctl.	88	38	70
Piotroski F Score	7	8	8

	Low	High
5-Year P/E Range	13.2	-
5-Year P/B Range	2.5	6.4
5-Year P/S Range	2.8	5.4

GROWTH SUMMARY

	CSCO	Industry	S&P 500
Growth Score	78	53	78
Sales Growth			
Sales Growth Next Year	4.0%	3.9%	7.6%
Sales 1-Year Chg (%)	3.5%	-0.5%	15.2%
Sales 3-Year Avg (%)	-0.2%	-4.4%	16.9%
Sales 5-Year Avg (%)	1.4%	-0.7%	14.3%
EPS Growth			
Next Yr. Growth Est.	7.6%	11.5%	10.1%
EPS 1-Year Chg (%)	12.8%	-9.1%	16.6%
EPS 3-Year Avg (%)	2.6%	10.6%	13.1%
EPS 5-Year Avg (%)	8.2%	18.1%	13.4%



PEERS ANALYSIS SUMMARY

Ticker	Company	Cap ($M USD	P/E	Div. Yield	1M Return	1Y Return	Margin of Safety	Value Score	Growth Score	Quality Score
CSCO	Cisco Systems	$177,912	15.4	3.5%	-7.4%	-22.3%	22%	84	78	98
APH	Amphenol	$43,142	25.7	1.1%	-8.6%	-3.9%	-8%	75	95	88
MSI	Motorola Solns	$39,918	34.4	1.3%	-6.5%	0.1%	3%	68	86	83
TEL	TE Connectivity	$39,253	16.1	1.8%	-10.3%	-13.3%	-1%	78	86	92
HPQ	HP	$28,159	4.9	3.7%	-20.4%	0.0%	0%	97	54	81
DELL	Dell Technologies	$27,823	5.7	3.5%	-21.9%	-24.9%	15%	89	55	72
NOK	Nokia	$25,885	16.0	0.9%	-10.4%	-16.9%	34%	82	64	82
CAJ	Canon	$23,571	16.1	-	-9.7%	-7.4%	23%	91	58	86
ERIC	Telefonaktiebolage…	$22,767	10.3	3.4%	-11.6%	-40.4%	39%	92	68	91
HPE	Hewlett Packard	$16,804	4.7	3.7%	-11.9%	-1.3%	27%	91	60	85
SNX	TD Synnex	$8,634	15.8	1.3%	-14.0%	-23.5%	36%	88	97	61
ARW	Arrow Electronics	$6,167	4.8	-	-16.2%	-16.7%	-	89	62	80

PROFITABILITY SUMMARY

	CSCO	Industry	S&P 500
Quality Score	98	57	77
Gross Margin	62.6%	43.3%	30.2%
Operating Margin	27.1%	12.7%	14.8%
Net Margin	22.9%	10.3%	11.8%
Return on Assets	12.6%	11.3%	8.7%
Return on Equity	29.7%	27.7%	35.2%
ROIC	23.0%	19.2%	20.1%

RETURNS SUMMARY

	CSCO	Industry	S&P 500
Sentiment Score	70	48	54
5-Day Return	-5.4%	-4.8%	-4.4%
1-Month Return	-7.4%	-8.5%	-9.7%
YTD Return	-30.2%	-27.4%	-17.8%
1-Year Return	-22.3%	-22.5%	-11.8%
3-Year Return	-5.0%	-0.9%	36.2%
5-Year Return	55.2%	17.3%	68.9%
Beta 1-Year	0.83	0.82	0.99

Dividend Adjusted Return *Sep 16, 2021 - Sep 16, 2022*

DIVIDEND

	CSCO	Industry
Dividend Yield	3.5%	2.4%
Payout Ratio	53.0%	46.4%
TTM Yield	3.5%	-
Dividend Per Share	$1.52	$1.14
Div. 1Y Chg (%)	2.7%	12.8%
Div. 3Y Avg (%)	2.8%	6.9%
Div. 5Y Avg (%)	5.6%	10.6%
Cons. Growth Years	10+	10+
Div. Coverage Ratio	1.9	2.2

DEBT & EQUITY

Current Ratio	1.4
Quick Ratio	1.3
Price	$43.30
Net Cash Per Share	$2.31
Equity Per Share	$9.68
Debt / Equity	0.2
Solvency Ratio	40%
Interest Coverage	41.2
Short % of Float	1.0%
Altman Z-Score	3.1

ANALYST REVISIONS

Current Quarter EPS	
# Up Last 30 days	1.00
# Down Last 30 days	0.00
Mean Estimate	0.85
% Change (30 Days)	-

Next Quarter EPS	
# Up Last 30 days	1.00
# Down Last 30 days	0.00
Mean Estimate	0.84
% Change (30 Days)	-

MEAN ESTIMATE TREND

	Cur Qtr	Next Qtr	Cur Year	Next Year
Latest	$0.84	$0.85	$3.53	$3.80
30 Days Ago	$0.84	$0.85	$3.53	$3.76
90 Days Ago	$0.84	$0.86	$3.55	$3.81
% Change (90 Days)	0.0%	-1.2%	-0.6%	-0.3%

EARNINGS SURPRISES

Earnings surprise is the difference between a company's announced earnings and the average analyst estimated value. Surprises typically causes the stock price to jump and are often followed by more of the same surprise type.

Surprise Summary (Last 12 Quarters)

Surprise Type	Amount	Percent
Positive Quarters (> 2%)	8	66.7%
Negative Quarters (< 2%)	2	16.7%
In-Line Quarters (within 2%)	2	16.7%

Surprise Detail (Last 6 Quarters)

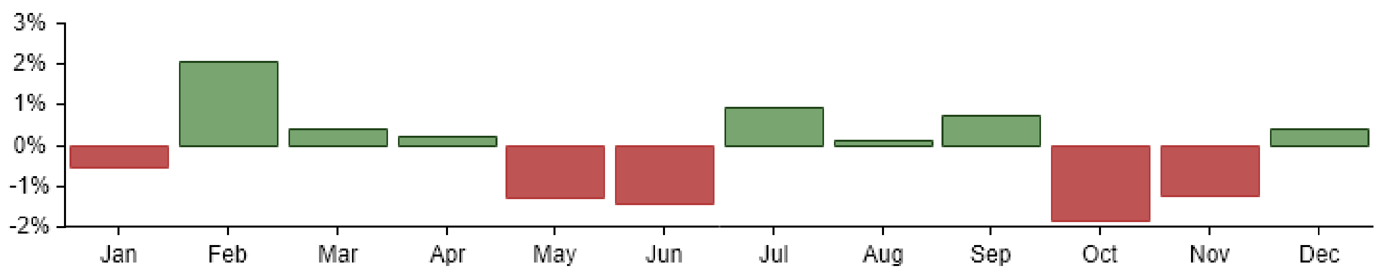
Surprise Type	Announce Date	Period End Date	Actual EPS	Est. EPS	Surprise (%)
Negative	08/17/22	07/31/22	$0.74	$0.82	-9.6%
Negative	05/18/22	04/30/22	$0.78	$0.86	-9.6%
Positive	02/08/22	01/31/22	$0.77	$0.73	5.5%
In-Line	11/17/21	10/31/21	$0.73	$0.72	1.4%
Positive	08/18/21	07/31/21	$0.76	$0.74	2.7%
In-Line	05/19/21	-	$0.75	$0.74	1.4%

RISK

	CSCO	Industry	S&P 500
Best Monthly Return (5Y)	19.8%	16.2%	17.9%
Worst Monthly Return (5Y)	-15.5%	-12.5%	-16.4%
Beta 1-Year	0.83	0.82	0.99
Volatility 1-Year	0.29	0.21	0.21
Volatility 1Y Pctl.	26	-	-
Max Drawdown 1-Year	-34.8%	-36.2%	-23.5%
Max Drawdown 3-Year	-34.8%	-42.6%	-33.9%
Max Drawdown 5-Year	-42.8%	-48.3%	-33.9%

SEASONALITY

Ten-Year Seasonal Performance vs the S&P 500



5-YEAR RELATIVE PERFORMANCE VS S&P 500

Relative to the S&P 500 baseline, CSCO has underperformed the S&P 500 by -13.7% in the past 5 Years.

CSCO has underperformed its sector by -75.0% in the past 5 Years.

The Technology sector has outperformed the market by 61.3% in the past 5 Years.

Dividend Adjusted Return *Sep 15, 2017 - Sep 16, 2022*

Overall Rating vs. Peers **82**

Ratings scores are relative to industry groups. They compare key metrics to rank stocks vs. their competitors.
For example, higher growth than peers will score high even when the absolute growth is below the market average.

Growth vs Peers

Ticker	Company	Growth Rating vs. Peers	Sales QoQ Chg.	Eps QoQ Chg.	Sales Growth Next Y.	Sales 1Y Chg (%)	Sales 3Y Avg (%)	Sales 5Y Avg (%)
SNX	TD Synnex	93	160.7%	-12.9%	4.3%	92.2%	30.8%	26.9%
APH	Amphenol	90	18.2%	28.8%	2.6%	22.0%	12.7%	12.9%
HPQ	HP	57	-4.1%	17.4%	-4.1%	4.5%	3.4%	5.1%
CSCO	Cisco Systems	43	-0.2%	-4.2%	4.0%	3.5%	-0.2%	1.4%
DELL	Dell Technologies	40	9.2%	-15.0%	-1.4%	6.7%	5.3%	-

Valuation vs Peers

Ticker	Company	Valuation Rating vs. Peers	P/E	Forward P/E	PEG Trailing	P/S	P/B	5Y P/E Range
DELL	Dell Technologies	95	5.7	5.4	0.2	0.3	-	5.4 - -
HPQ	HP	86	4.9	7.2	0.2	0.5	-	4.8 - 17.2
SNX	TD Synnex	73	15.8	7.1	-	0.2	1.1	6.3 - 19.7
CSCO	Cisco Systems	39	15.4	11.4	1.9	3.5	4.5	13.2 - -
APH	Amphenol	32	25.7	23.8	1.9	3.8	6.7	17.9 - 44.3

Efficiency vs Peers

Ticker	Company	Efficiency Rating vs. Peers	Gross Margin	Operating Margin	Net Margin	5Y ROE Range	5Y ROA Range
CSCO	Cisco Systems	100	62.6%	27.1%	22.9%	-2.8% - 35.9%	-1.1% - 13.6%
HPQ	HP	95	19.9%	8.5%	9.7%	-833.6% - -54.3%	7.4% - 16.8%
APH	Amphenol	93	31.5%	20.3%	15.0%	16.3% - 30.0%	6.5% - 12.0%
DELL	Dell Technologies	76	20.9%	5.1%	5.1%	-488.5% - 1098.4%	-2.5% - 6.5%
SNX	TD Synnex	53	6.2%	2.0%	1.0%	4.9% - 23.3%	1.4% - 6.5%

Financial Strength vs Peers

Ticker	Company	Financial Strength Rating vs. Peers	Debt / Equity	Interest Coverage	Quick Ratio	Intangibles %	Solvency Ratio	Short % of Float
CSCO	Cisco Systems	93	0.2	41.2	1.3	43.5%	40%	1.0%
APH	Amphenol	71	0.8	20.7	1.7	46.9%	30%	1.1%
SNX	TD Synnex	38	0.5	4.0	0.7	30.4%	5%	2.7%
HPQ	HP	20	-	26.2	0.6	18.9%	19%	5.4%
DELL	Dell Technologies	9	-	6.1	0.7	29.8%	12%	2.6%

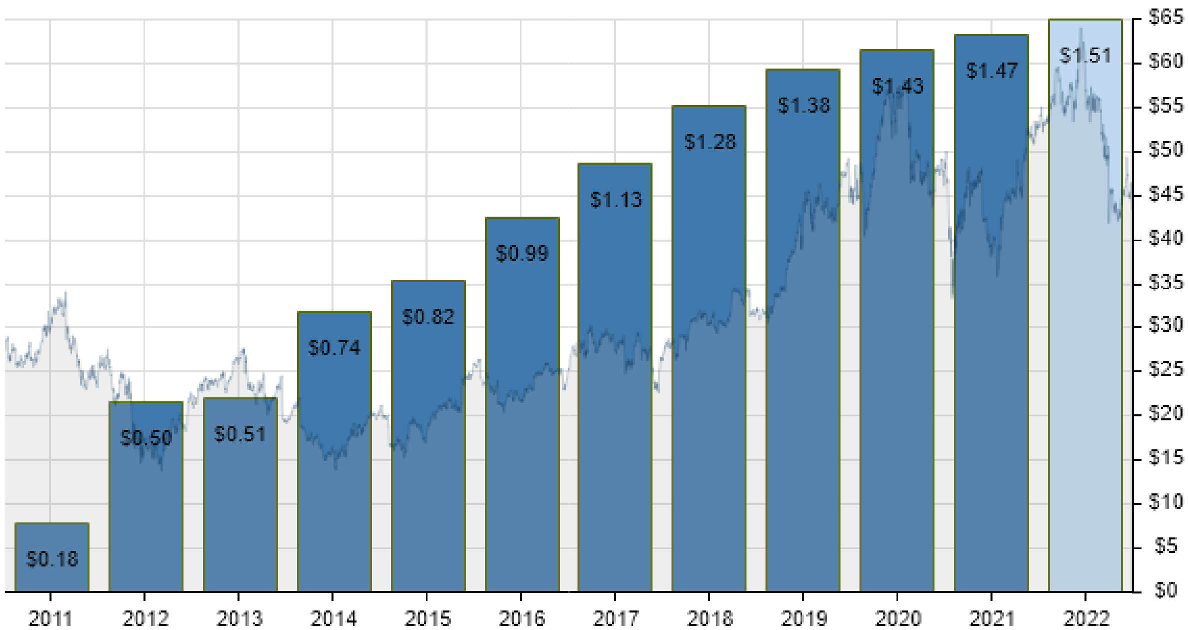
Dividends vs Peers

Ticker	Company	Dividends Rating vs. Peers	Div. Yield	TTM Yield	Price	Div. Per Share	Consecutive Div. Growth Years	Payout Ratio
HPQ	HP	93	3.7%	3.7%	$27.23	$1.00	5	16.7%
CSCO	Cisco Systems	85	3.5%	3.5%	$43.30	$1.52	10+	53.0%
DELL	Dell Technologies	80	3.5%	1.7%	$37.96	$1.32	0	9.2%
SNX	TD Synnex	78	1.3%	1.2%	$90.09	$1.20	1	17.5%
APH	Amphenol	58	1.1%	1.0%	$72.53	$0.80	10+	24.9%

Momentum vs Peers

Ticker	Company	Momentum Rating vs. Peers	1M Return	3M Return	6M Return	YTD Return	1Y Return	Beta 1Y	Volatility 1Y	Price vs 52-wk High (%)
APH	Amphenol	77	-8.6%	16.7%	-2.8%	-16.4%	-3.9%	1.09	0.27	82.2%
CSCO	Cisco Systems	42	-7.4%	0.9%	-21.2%	-30.2%	-22.3%	0.83	0.29	67.4%
SNX	TD Synnex	24	-14.0%	0.2%	-19.5%	-20.5%	-23.5%	1.11	0.33	75.5%
HPQ	HP	22	-20.4%	-16.0%	-22.8%	-26.1%	0.0%	1.20	0.41	65.7%
DELL	Dell Technologies	11	-21.9%	-16.6%	-25.9%	-31.4%	-24.9%	1.09	0.38	61.7%

DIVIDEND DETAIL



CALENDAR YEAR DIVIDEND HISTORY

Year	Date	Pay Date	Text	Amount
2022 Dividends				**$1.51**
	10/04/22	10/26/22	Regular	$0.38
	07/05/22	07/27/22	Regular	$0.38
	04/05/22	04/27/22	Regular	$0.38
	01/04/22	01/26/22	Regular	$0.37
2021 Dividends				**$1.47**
	10/04/21	10/27/21	Regular	$0.37
	07/02/21	07/28/21	Regular	$0.37
	04/05/21	04/28/21	Regular	$0.37
	01/04/21	01/20/21	Regular	$0.36
2020 Dividends				**$1.43**
	10/01/20	10/21/20	Regular	$0.36
	07/02/20	07/22/20	Regular	$0.36
	04/02/20	04/22/20	Regular	$0.36
	01/02/20	01/22/20	Regular	$0.35
2019 Dividends				**$1.38**
	10/03/19	10/23/19	Regular	$0.35
	07/03/19	07/24/19	Regular	$0.35
	04/04/19	04/24/19	Regular	$0.35
	01/03/19	01/23/19	Regular	$0.33
2018 Dividends				**$1.28**
	10/04/18	10/24/18	Regular	$0.33
	07/05/18	07/25/18	Regular	$0.33
	04/04/18	04/25/18	Regular	$0.33

UPCOMING DIVIDEND

Ex-Dividend Date	10/04/22
Payment Date	10/26/22
Amount	$0.38
Type	Regular

DIVIDEND RATE

Regular Dividend	$0.38
Annual Dividend Rate	$1.52
Annual Dividend Yield	3.5%
Trailing 12 Months Dividends	$1.50
Trailing 12 Months Yield	3.5%

STATISTICS

Payout Ratio	53.0%
Dividend Coverage Ratio	188.7%
Consecutive Growth Years	10+
3 Year Growth Rate	2.8%
5 Year Growth Rate	5.6%
10 Year Growth Rate	16.9%

FINANCIAL STATEMENT SUMMARY

USD in Millions	Chart	2017	2018	2019	2020	2021	TTM	CAGR
Income Statement								
Revenue		47,789	50,266	51,991	48,071	50,789	51,557	1.6%
Operating Income		12,349	13,642	14,421	13,510	13,990	13,975	2.7%
Net income		9,681	1,265	10,998	10,462	11,397	11,812	4.3%
Earnings per share diluted		$1.92	$0.31	$2.52	$2.47	$2.69	$2.82	8.5%
Average shares diluted		5,031	4,786	4,368	4,247	4,236	4,192	-3.8%
P/E Ratio		20.2	2,367.8	18.4	18.1	23.5	15.4	-5.6%
Balance Sheet								
Cash		71,588	42,593	28,035	30,012	23,346	19,267	-24.3%
Current assets		84,080	55,686	41,716	42,989	37,588	36,717	-16.1%
Net Property, Plant and Equipm…		3,202	2,956	2,669	2,412	2,238	1,997	-9.5%
Working Capital		54,796	29,272	17,119	15,998	14,350	11,077	-28.8%
Net Debt		-35,665	-17,029	-9,538	-15,446	-13,844	-9,752	-24.1%
Stockholders' Equity		65,550	43,848	34,423	38,157	42,701	39,773	-10.1%
Cash Flow								
Operating Cash Flow		14,226	14,349	15,655	15,935	14,785	13,226	-1.5%
Cap Ex		-857	-878	-899	-739	-643	-477	-11.7%
Free Cash Flow		13,369	13,471	14,756	15,196	14,142	12,749	-1.0%
Free Cash Flow per share		$2.66	$2.81	$3.38	$3.58	$3.34	$3.04	2.9%
Profitability								
Operating Margin		25.8%	27.1%	27.7%	28.1%	27.5%	27.1%	1.0%
Return on Assets		7.4%	1.2%	11.9%	11.0%	11.9%	12.6%	11.8%
Return on Equity		14.8%	2.9%	31.9%	27.4%	26.7%	29.7%	16.0%
Return on Invested Capital		10.4%	3.2%	22.3%	20.8%	22.6%	23.0%	18.2%
Dividends								
Dividends Per Share		$1.13	$1.28	$1.38	$1.43	$1.47	$1.52	6.5%
Dividend Yield		3.0%	3.1%	2.9%	3.2%	2.3%	3.5%	3.2%
Dividend Growth		-	13.3%	7.8%	3.6%	2.8%	4.1%	-27.1%
Dividend Coverage		1.7x	0.3x	1.8x	1.7x	1.8x	1.9x	2.0%

VALUATION & PROFITABILITY HISTORY

Date →		TTM	1 Yr Ago	2 Yrs. Ago	3 Yrs. Ago	4 Yrs. Ago
Price / Earnings		15.4	22.9	16.0	17.4	-
Price / Cash Flow		13.7	15.7	11.1	14.4	17.2
Price / Book		4.5	5.9	4.8	5.8	4.7
Price / Tangible B…		-	-	100+	100+	17.7
Price / Sales		3.5	4.9	3.4	4.5	4.8
EV / EBITDA		10.0	14.8	10.3	12.8	13.6
Dividend Yield		3.5%	2.6%	3.6%	2.8%	2.8%
Shareholder Yield		7.9%	3.8%	5.1%	11.8%	9.9%
Gross Margin		62.6%	64.0%	64.3%	62.9%	62.0%
Net Margin		22.9%	21.3%	22.8%	22.4%	0.2%
Return on Assets		12.6%	10.9%	11.8%	11.9%	0.1%
Return on Equity		29.7%	25.7%	29.6%	34.6%	0.3%
ROIC		23.0%	19.8%	19.8%	17.7%	-0.4%

WARNINGS

Name	Severity	Details
High Goodwill	Medium	Goodwill %: 40.7%
Goodwill on a company's balance often results from over-paying to acquire other firms. A high percentage here can turn into impairment charges that weigh down future earnings for the company.		
Negative Sales Growth Years	Low	Number of Years: 5; Sales 1Y Chg (%): 3.5%
In the last decade this company has had several years with negative revenue growth. If the top-line sales are shrinking this company could be a value trap that looks inexpensive on some measures but never outperforms the market.		
High Stock Based Compensat…	Low	Compensation Yield: 1.1%
Stock based compensation is a drag on the return to investors. The Compensation Yield metric shows the percent of the market cap that has been given to managers and employees over the last year alone. This dilutes the value of all other shareholders.		

REPORT TIPS

Metric Definitions

Metric descriptions are available at stockrover.com/help/metrics/metric-overview

Quantitative Scores

Our scores analytics is to offer our concise analysis of a stock in powerful, but easy to digest format. Each of the composite score metrics are designed to use the best available accounting practices as well as source data from SEC filings. The scores are computed for a company vs. the market as a whole.

Fair Value

Fair value performs a forecasted discounted cash flow analysis of a company to determine the company's intrinsic value based on the expected future cash flows the company will produce. It basically determines what a company is worth based on how much cash flow it is expected to generate for you in the future, taking into account the time value of money and the predictability of those forecasted cash flows.

Peers

Peer ratings are computed from raking companies in the same

DISCLAIMER

Additional data provided by Zacks, Intrinio, Quandl, Yodlee, IEX Cloud