

Infrastructure Platforms

The Infrastructure Platforms product category represents our core networking offerings related to switching, routing, wireless, and the data center. Infrastructure Platforms revenue increased by 7%, or \$1,869 million, with growth across the portfolio. Switching had solid growth, with strong revenue growth in campus switching driven by an increase in sales of our intent-based networking Catalyst 9000 Series, and with growth in data center switching driven by increased revenue from our ACI portfolio. Routing experienced modest revenue growth driven by an increase in sales of SD-WAN products, partially offset by weakness in the service provider market. We experienced double digit revenue growth from wireless products driven by increases across the portfolio. Revenue from data center increased driven by higher sales of HyperFlex and our server products.

Applications

The Applications product category includes our collaboration offerings (unified communications, Cisco TelePresence and conferencing) as well as IoT and AppDynamics analytics software offerings. Revenue in our Applications product category increased by 15%, or \$767 million, with double digit growth in unified communications, TelePresence, AppDynamics, and IoT software.

Security

Revenue in our Security product category increased 16%, or \$378 million, driven by higher sales of identity and access, advanced threat security, unified threat management and web security products. The Duo acquisition in the first quarter of fiscal 2019 also contributed to the revenue increase in this product category.

Other Products

The decrease in revenue from our Other Products category was primarily driven by a decrease in revenue from SPVSS business which we divested on October 28, 2018.

Service Revenue by Segment

The following table presents the breakdown of service revenue by segment (in millions, except percentages):

<u>Years Ended</u>	<u>Years Ended</u>			<u>2019 vs. 2018</u>	
	<u>July 27, 2019</u>	<u>July 28, 2018</u>	<u>July 29, 2017</u>	<u>Variance in Dollars</u>	<u>Variance in Percent</u>
Service revenue:					
Americas	\$ 8,173	\$ 7,982	\$ 7,864	\$ 191	2%
Percentage of service revenue	63.4%	63.3%	63.9%		
EMEA	2,854	2,754	2,635	100	4%
Percentage of service revenue	22.1%	21.8%	21.4%		
APJC	1,872	1,885	1,801	(13)	(1)%
Percentage of service revenue	14.5%	14.9%	14.7%		
Total	<u>\$ 12,899</u>	<u>\$ 12,621</u>	<u>\$ 12,300</u>	<u>\$ 278</u>	2%

Amounts may not sum and percentages may not recalculate due to rounding.

Service revenue increased 2%, driven by an increase in software and solution support offerings. Service revenue increased in the Americas and EMEA segments, partially offset by decreased revenue in our APJC segment.

Gross Margin

The following table presents the gross margin for products and services (in millions, except percentages):

<u>Years Ended</u>	<u>AMOUNT</u>			<u>PERCENTAGE</u>		
	<u>July 27, 2019</u>	<u>July 28, 2018</u>	<u>July 29, 2017</u>	<u>July 27, 2019</u>	<u>July 28, 2018</u>	<u>July 29, 2017</u>
Gross margin:						
Product	\$ 24,142	\$ 22,282	\$ 22,006	61.9%	60.7%	61.6%
Service	8,524	8,324	8,218	66.1%	66.0%	66.8%
Total	<u>\$ 32,666</u>	<u>\$ 30,606</u>	<u>\$ 30,224</u>	<u>62.9%</u>	<u>62.0%</u>	<u>63.0%</u>