FOR DISTRIBOUTIQUE

Isabel Aranda// 25TH February 2015

CONTEXT Key Facts

// **Over 30 years experience in tracking the international ICT Distribution markets**

// **We work with the world's leading IT vendors and channel partners**

// **CONTEXT collect and process well over $2bn of sales per week**

// **Tracking competitive sales data in 18 EMEA countries, 68 globally for BPO, and pricing in 35**

// **Adding 7,000 resellers every month to our database of 5,000,000+ raw resellers and cleansing to 320,000+ resellers purchasing from:**

- 150+ unique distributors including GTDC members (CONTEXT Market Research panel)
- 300+ unique distributors (CONTEXT Channel Management panel)
- Total of 450+ data feeds across 68 countries, 90% of which is collected either weekly or daily, and the rest monthly

// **Over 200 staff with 95 based in UK and representation in USA, France, Italy, Spain, Poland, Dubai, India, Japan, Sri Lanka…. with recent additions in Brazil and Turkey**

- Multilingual staff from 31 countries
- Ensure local language support
- Distribution Sales Database for Western Europe and Russia is well established
- Middle East, Brazil, Turkey launches in 2014
- Offshore teams carry out specialist data processing and programming

CONTEXT Value Chain Analytics

CONTEXT tracks the total **IT market** across the Value Chain:

// **MONITOR** the supply of goods sold into the Channel by Vendors with CONTEXT Vendor Shipments™

// **TRACKING** trade sales through Wholesale Distribution with CONTEXT SalesWatchDistribution™

// **MEASURING** consumption of all sales out to the final customer with CONTEXT MarketWatch™

// **UNDERSTANDING** reseller segmentation with CONTEXT ResellerMetrics™

// **RECORDING** prices, margins and discounts at each stage of the process with CONTEXT PriceWatch™

CONTEXT

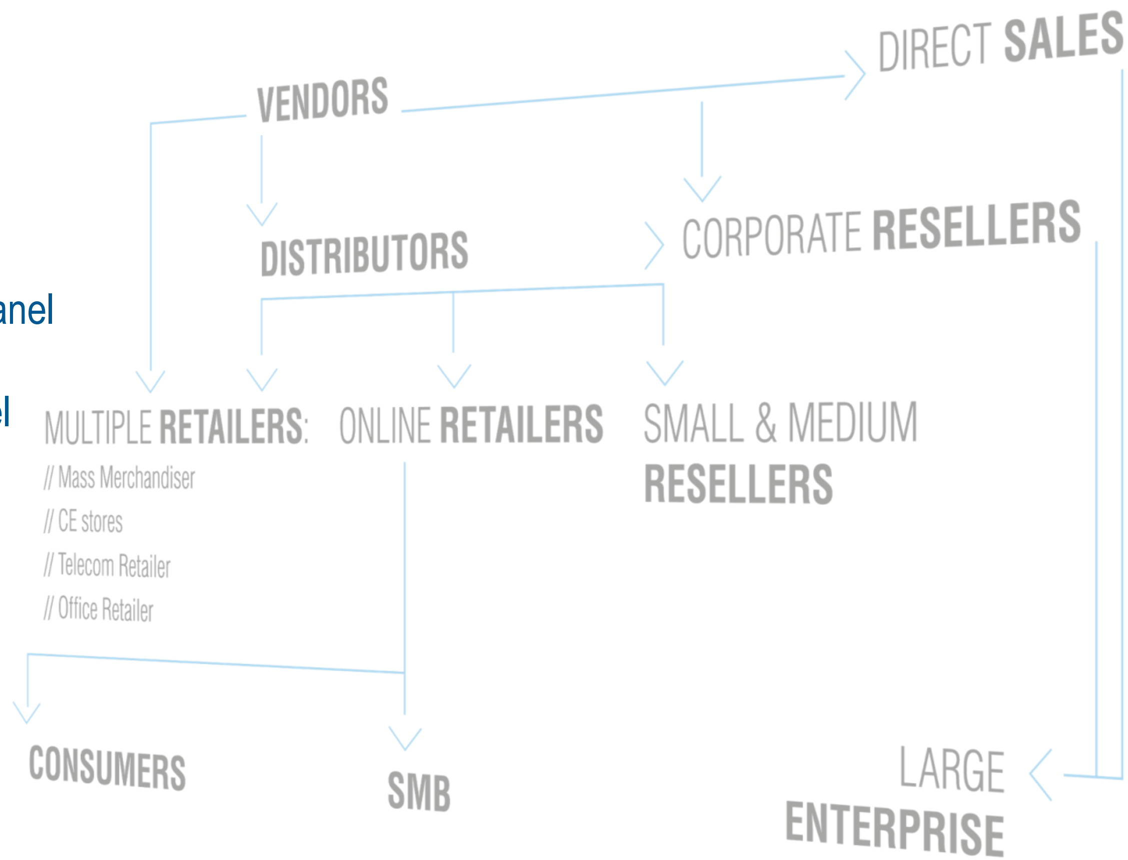
OVERVIEW 2014 &

EARLY INDICATORS 2015

CONTEXT | SalesWatchDistribution™

CONTEXT data is provided by a Distribution Panel

Vendor Shipments (Sell-in)	1. Vendor Panel
Distributor Sales (Sell-through)	2. Distributor Panel
VAR "Sell-Out"	3. Corporate Reseller Panel
Retail "Sell-Out"	4. Multiple Retailer Panel
Reseller Performance Metrics	5. Online Retailer Panel
CONTEXT ResellerMetrics™	6. Reseller Panel
CONTEXT ChannelWatch™	



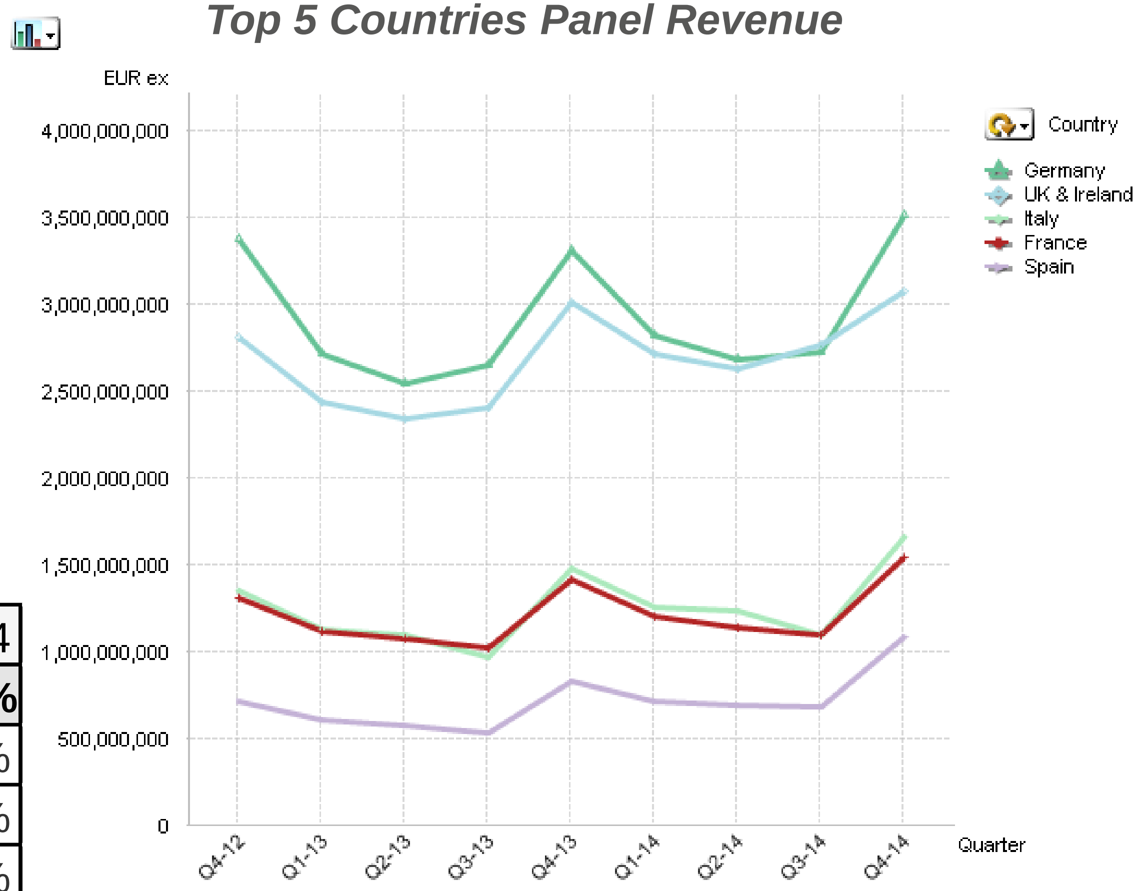
CONTEXT's Distribution Panel in **Italy**

Altinia
Attiva
Avnet
Brevi
Cometa
Computer Gross
Datamatic
Esprinet
Executive
Ingram Micro
Il Triangolo
Runner Computer
Sidin
SNT
Tech Data
Westcon

CONTEXT European* Distribution Panel grew 4.1% in 2014 vs. 2013

- **60 billion Euro tracked by CONTEXT European * Distribution Panel in 2014 with a 4.1% year-o-year growth.**
- **The Top 5 economies registered a year-on-year growth of 9.3 % with 36.3 billion revenues, of which 5,246 million in Italy.**
- **Distribution panel in Italy grew by 12.5% in 2014 compared to 2013, thanks to a double-digit growth trend in 2014.**

Top 5 Countries Panel Revenue



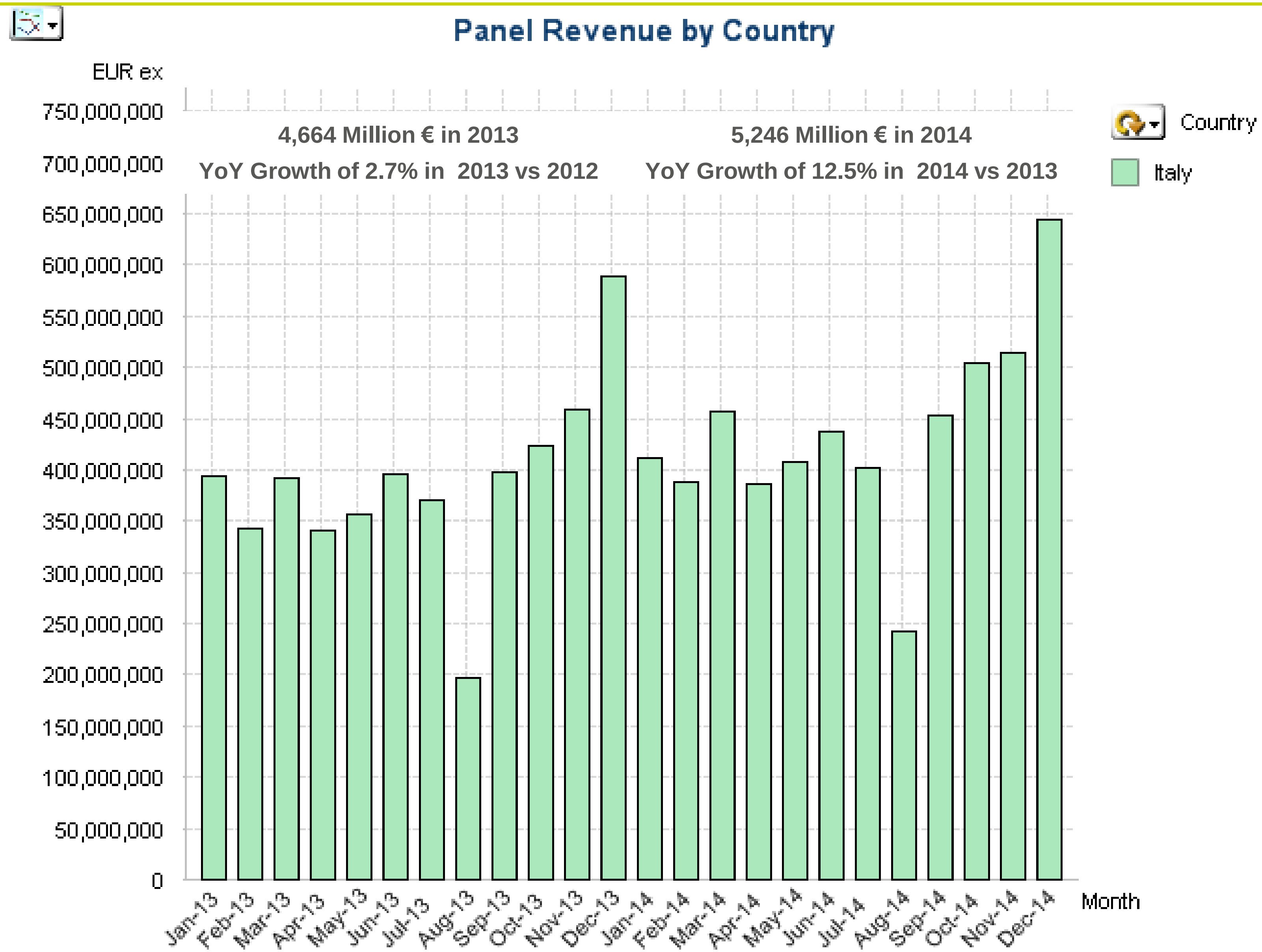
Panel Revenue Growth by Country

Country	Q1-14	Q2-14	Q3-14	Q4-14	2014
Total	**9%**	**10%**	**10%**	**8%**	**9%**
Germany	4%	6%	3%	6%	5%
UK & Ireland	11%	12%	15%	2%	10%
Italy	11%	12%	14%	13%	13%
France	7%	7%	7%	9%	8%
Spain	17%	21%	28%	30%	24%

Source: CONTEXT Panel Report 2015

*** Countries included in the panel : Austria, Czech Republic, Denmark, Finland, France, Germany, Italy, Norway, Poland, Rest of Europe, Russia, Spain, Sweden, Switzerland, UK& Ireland**

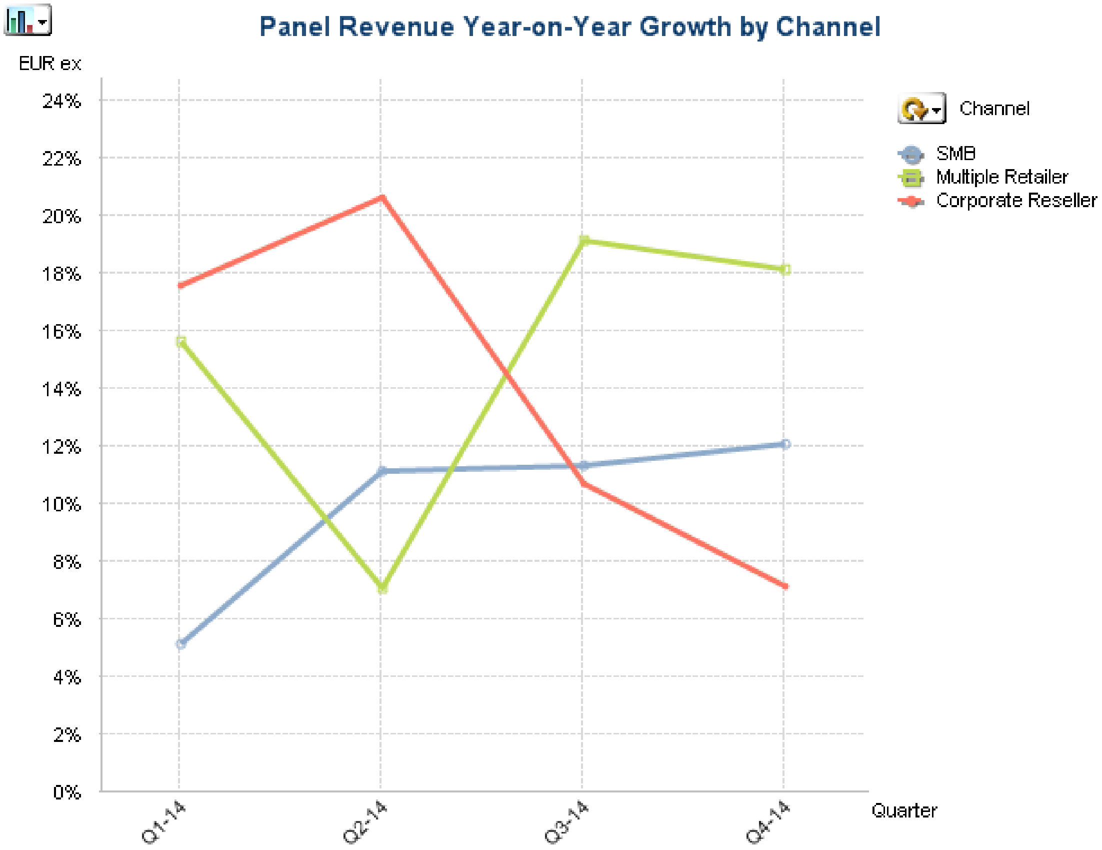
5,246 million € Revenues through CONTEXT Italian Distribution Panel in 2014

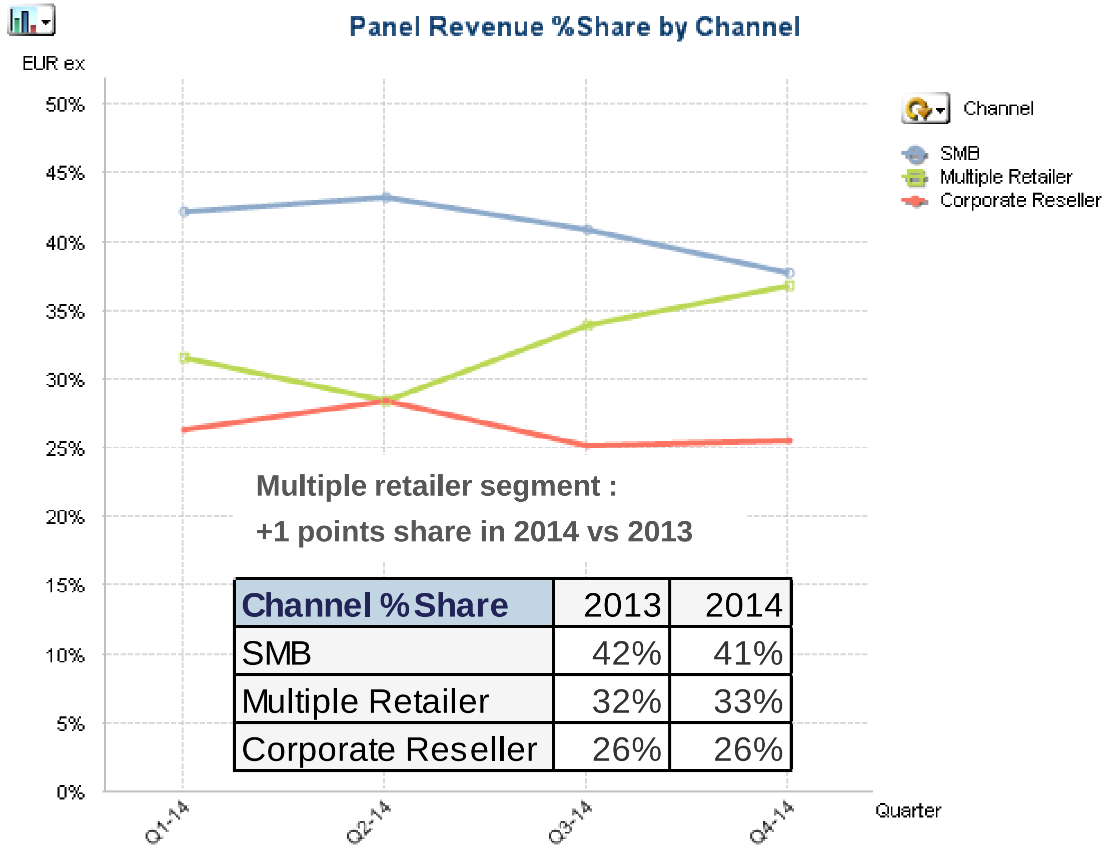


© CONTEXT 2015

Source: CONTEXT Panel Report 2015

Panel Customers in 2014:
41% SMB, 33% Retailers & 26% Corporate Resellers





Multiple retailer segment :
+1 points share in 2014 vs 2013

Channel %Share	2013	2014
SMB	42%	41%
Multiple Retailer	32%	33%
Corporate Reseller	26%	26%

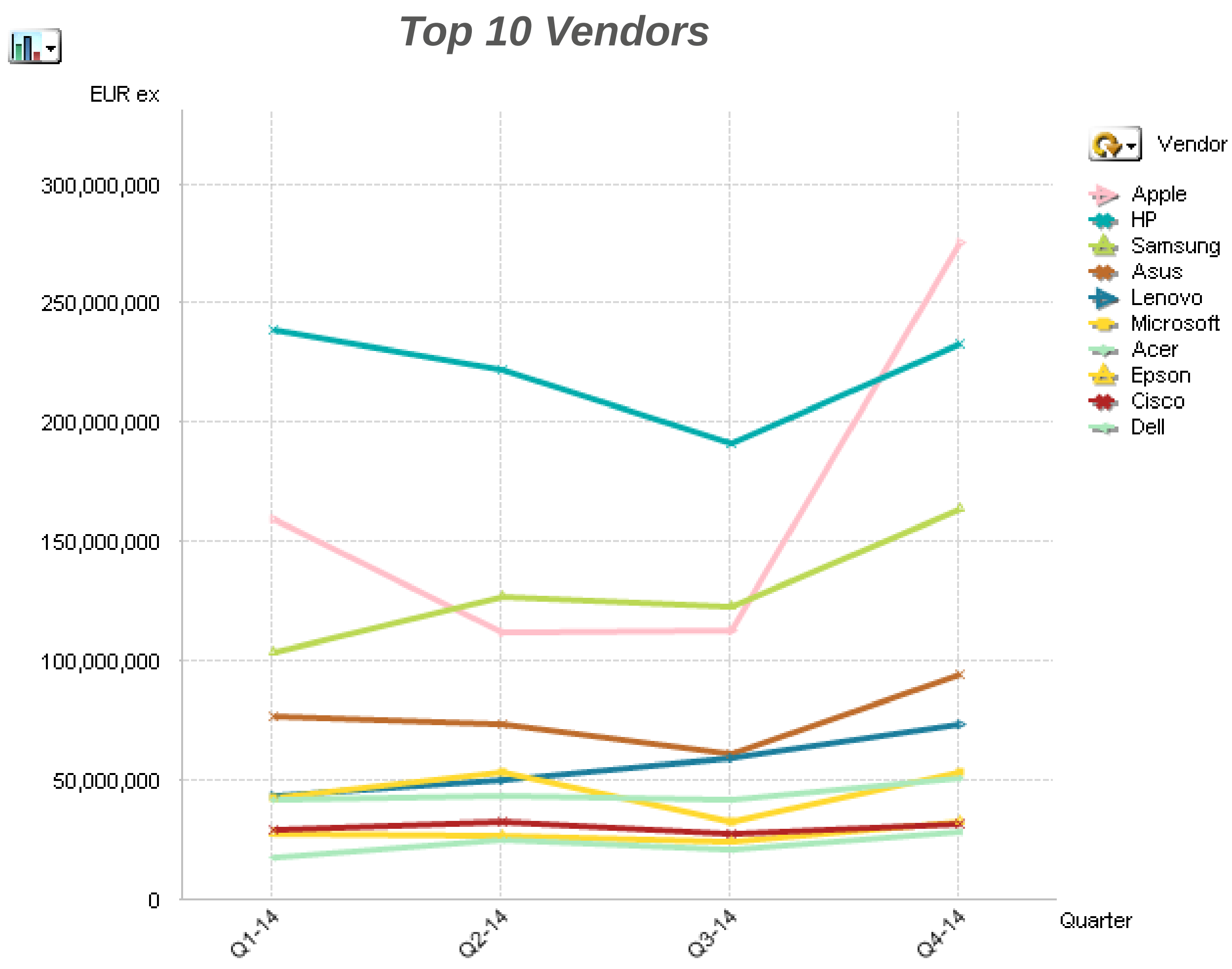
Source: CONTEXT Panel Report 2015

The Top Vendors in the Distribution Channel in Italy

CONTEXT

Vendor	Panel Share 2014	YoY Growth 2014
		12,5%
HP	17%	8%
Apple	13%	25%
Samsung	10%	13%
Asus	6%	-6%
Lenovo	4%	81%
Microsoft	3%	15%
Acer	3%	-6%
Cisco	2%	10%
Epson	2%	6%
Dell	2%	52%
Fujitsu	2%	8%
EMC	1%	11%
Canon	1%	0%
Oracle	1%	102%
Toshiba	1%	-17%
Xerox	1%	18%
VMware	1%	28%
Lexmark	1%	-1%
Symantec	1%	-19%
Intel	1%	9%

Source: CONTEXT Panel Report 2015



A look at the major Industry Sectors in Italy in 2014

Industry Sector	% Share 2014
Mobile Computing	23%
Telecommunications	11%
Software & Licences	11%
Printing Consumables	10%
Desktop Computing	9%
Printing	5%
Displays	4%
Disk Storage	4%
Warranties & Services	4%
Computing Components	3%

10 Top Industry Sectors accounted for 84% of Distribution sales in 2014

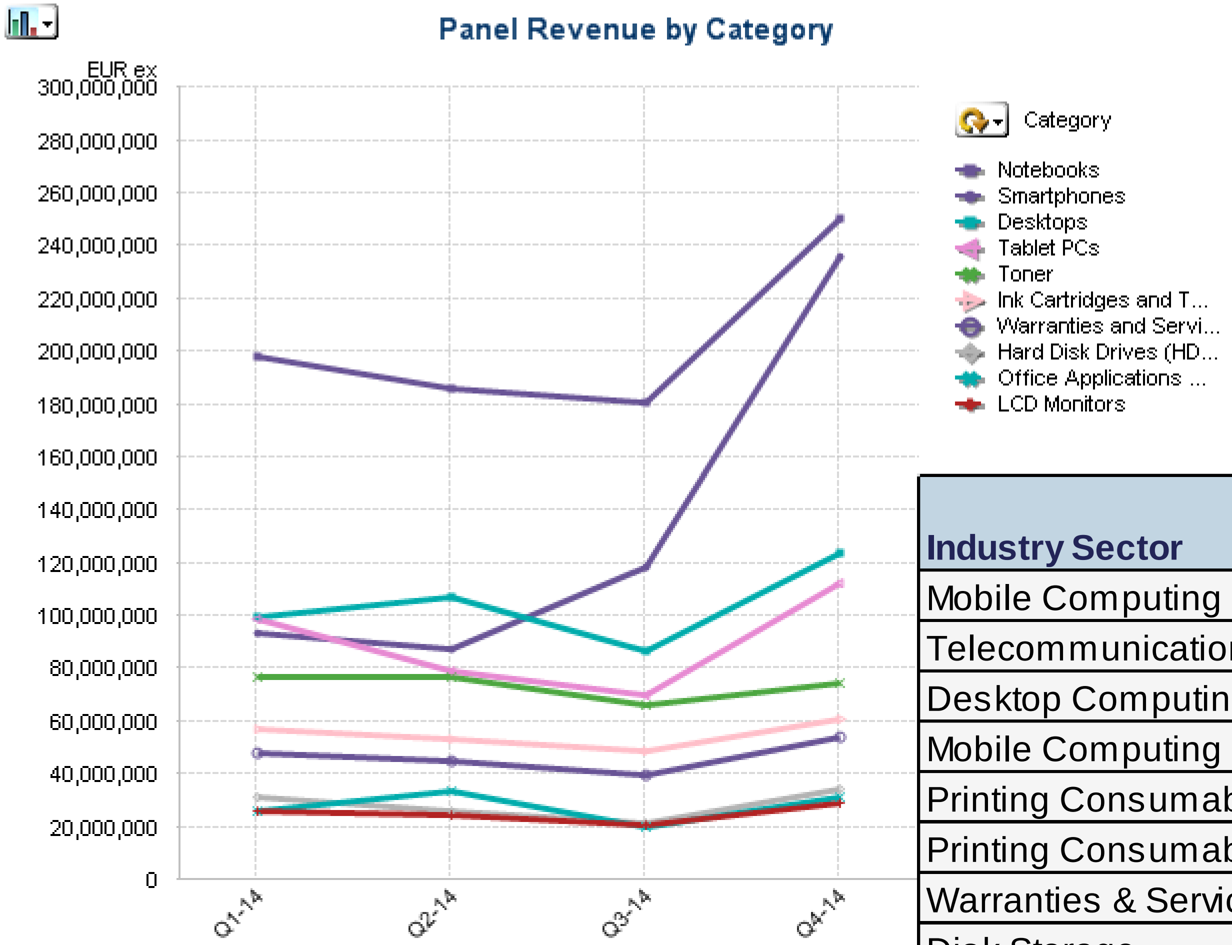
Industry Sectors with Positive Growth

Industry Sector	YoY Growth 2014
Mobile Computing	2%
Telecommunications	**69%**
Software & Licences	**14%**
Printing Consumables	3%
Desktop Computing	**28%**
Printing	7%
Displays	11%
Disk Storage	5%
Warranties & Services	12%
Computing Components	5%
Networking Systems	4%
Data Center Networking & Security	5%
Audio-Video Systems	**18%**
Wireless Networking	3%
Other Networking Equipment	9%
Removable Storage	2%
Unified Communications	2%
Connectivity	2%
Terminals, Thin Clients & Points of Sales	**45%**

- **10 Top Industry Sectors registered a positive year-on-year growth in 2014.**
- **Telecommunications continued to show an important year-on-year growth rate +69%.**
- **Desktop growth following overall European trend due to XP migration, the need for refreshes and additionally by weak sales last year.**

Source: CONTEXT Panel Report 2015

The Top 10 Product Categories accounted for 60% of total revenues



Industry Sector	Category	% Share 2014	YoY Growth 2014
Mobile Computing	Notebooks	16%	6%
Telecommunications	Smartphones	10%	**88%**
Desktop Computing	Desktops	8%	**27%**
Mobile Computing	Tablet PCs	7%	-6%
Printing Consumables	Toner	6%	3%
Printing Consumables	Ink Cartridges and Tanks	4%	5%
Warranties & Services	Warranties and Services	4%	12%
Disk Storage	Hard Disk Drives (HDDs)	2%	-8%
Software & Licences	Office Applications Software	2%	**14%**
Displays	LCD Monitors	2%	5%

Source: CONTEXT Panel Report 2015

Enterprise Industries represented 18% of total Distribution sales with 941million € and year-on-year growth of 9%

Industry Sector	Category	Revenue 2014	YoY Growth 2014
		941.412.303	**9%**
Software & Licences	Office Applications Software	104.561.525	**16%**
Disk Storage	Hard Disk Drives (HDDs)	100.882.872	-7%
Software & Licences	Data Management Software	87.526.104	**33%**
Server Computing	Servers (PC/Mac)	78.195.501	-3%
Software & Licences	Operating Systems Software	76.119.214	9%
Software & Licences	Other Software & Licences	67.410.722	**32%**
Networking Systems	Network Switches	60.287.141	9%
Software & Licences	Security Software	59.543.791	7%
Software & Licences	Graphics & Design Software	46.241.469	6%
Disk Storage	Disk Arrays	42.493.472	12%
Disk Storage	Solid State Drives (SSDs)	37.164.540	**48%**
Software & Licences	Virtualisation Software	33.684.246	-10%
Data Center Networking & Security	VPN/Firewalls & Security Appliances	29.343.717	**20%**
Networking Systems	Network Routers	23.082.514	-4%
Software & Licences	Network Management Software	20.993.423	8%
Wireless Networking	Wireless Access Points	19.581.694	6%
Power Equipment	Uninterruptable Power Supplies (UPS)	19.561.125	-8%
Disk Storage	NAS Devices	18.222.323	**16%**
Data Center Networking & Security	Network Expansion Modules	16.516.909	-8%

Source: CONTEXT Panel Report 2015

Early Indicators in Q1 2015:
European CONTEXT Panel Pulse- Week 7

Country	Revenue Euro - Weekly	Revenue 13-Week - Weekly	ASP Euro - Weekly	ASP 13-Week - Weekly	Revenue YTD - Monthly	ASP YTD - Monthly
Total	945.439.490	4,91%	54,55	-9,94%	-1,73%	-15,57%
UK & Ireland	191.652.366	-0,80%	54,32	-8,73%	-7,00%	-22,51%
Germany	198.232.132	-1,34%	56,26	-17,62%	-12,20%	-25,87%
Italy	107.640.529	9,28%	64,96	2,77%	5,97%	-15,80%
France	99.291.600	8,49%	54,42	-11,25%	3,75%	-6,25%
Rest of W Europe	92.530.034	5,00%	66,09	-8,38%	1,91%	-19,58%
Poland	43.746.360	2,56%	47,52	5,10%	3,22%	6,76%
Spain	48.653.920	19,92%	43,32	-3,39%	6,22%	-16,57%
Switzerland	25.073.158	0,78%	42,50	-20,39%	4,15%	-0,22%
Denmark	36.703.429	23,60%	73,32	-10,35%	1,64%	-18,93%
Czech Republic	19.843.099	14,93%	55,97	17,39%	22,68%	18,84%
Sweden	34.229.725	16,52%	33,51	8,13%	15,31%	14,96%
Austria	23.287.745	11,76%	52,15	-14,92%	3,11%	9,39%
Finland	13.190.059	-2,64%	48,49	-43,43%	-18,86%	-48,44%
Norway	11.365.333	6,45%	67,19	12,64%	3,85%	12,61%

13-week = last 13 weeks this year versus the same weeks last year

YTD = January 2015 vs January 2014

Source: CONTEXT Panel Report 2015

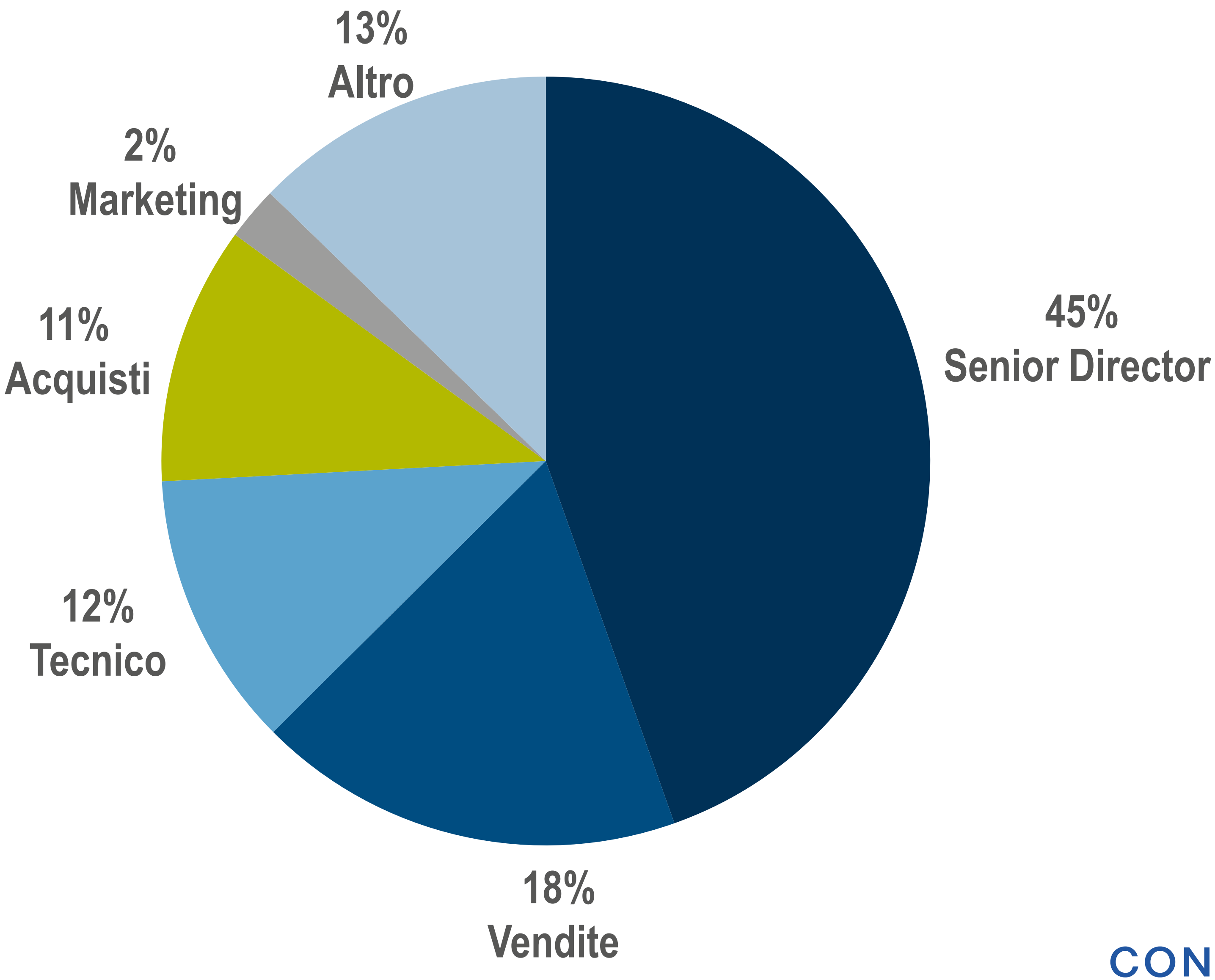
WHAT RESELLERS REALLY THINK

CONTEXT ChannelWatch™

- CONTEXT ChannelWatch 2014 è la più completa indagine on-line per rivenditori e retailer dell'IT in Europa.
- I rivenditori e i retailer fanno sentire la loro voce a distributori e vendor cogliendo l'occasione per informarli sulle sfide e sulle opportunità che stanno traguardando.
- In Italia i principali distributori, associazioni retailer e riviste specializzate hanno collaborato all'invio della survey.
- L'indagine è stata condotta da ottobre a dicembre 2014 in Italia.
- 267 risposte complete in Italia.

Senior Manager e Vendite, i principali partecipanti

Per favore, confermi il Suo ruolo all'interno dell'impresa

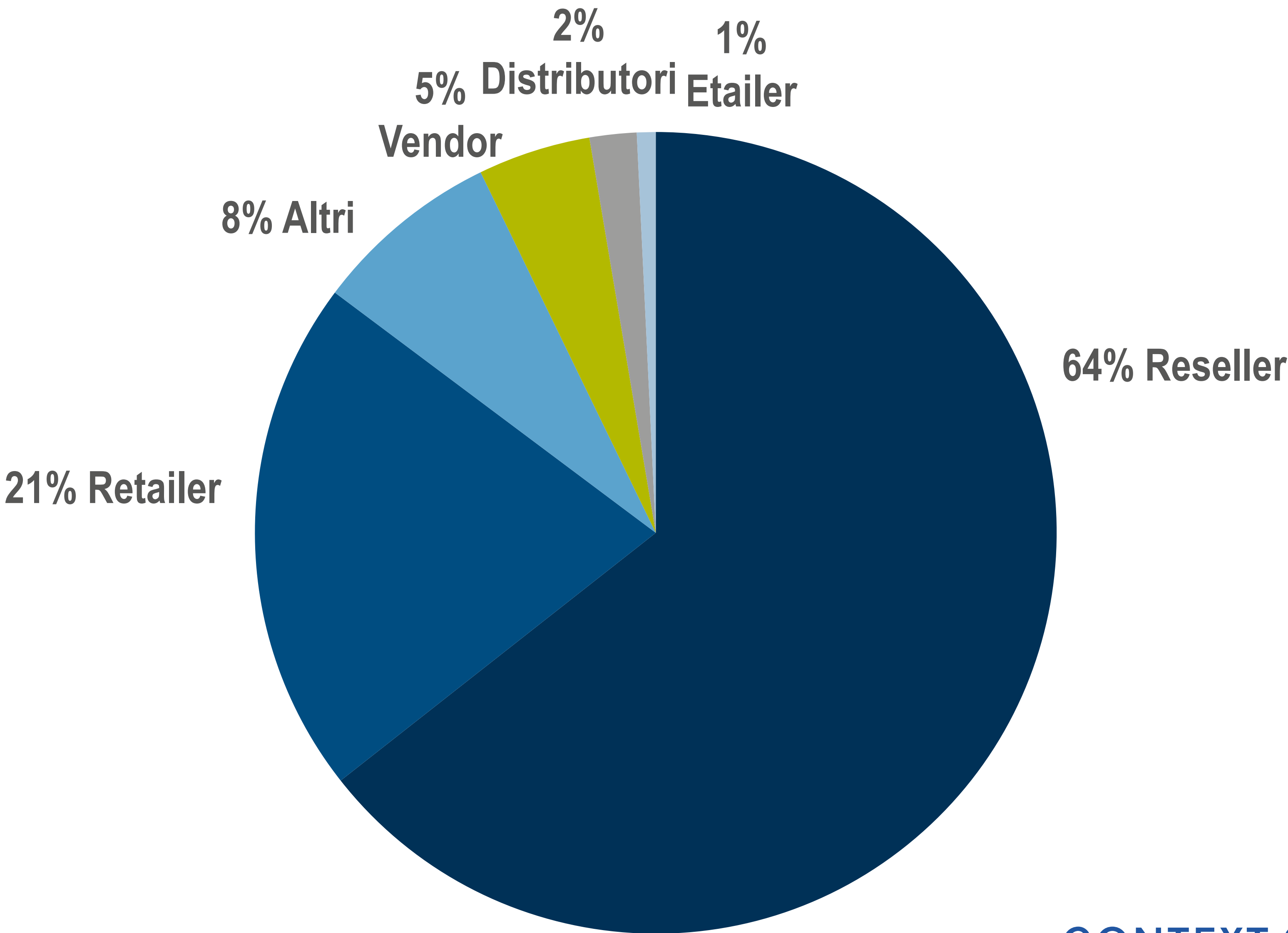


Fonte: CONTEXT ChannelWatch 2015

CONTEXT ChannelWatch™

A proposito della Sua Azienda

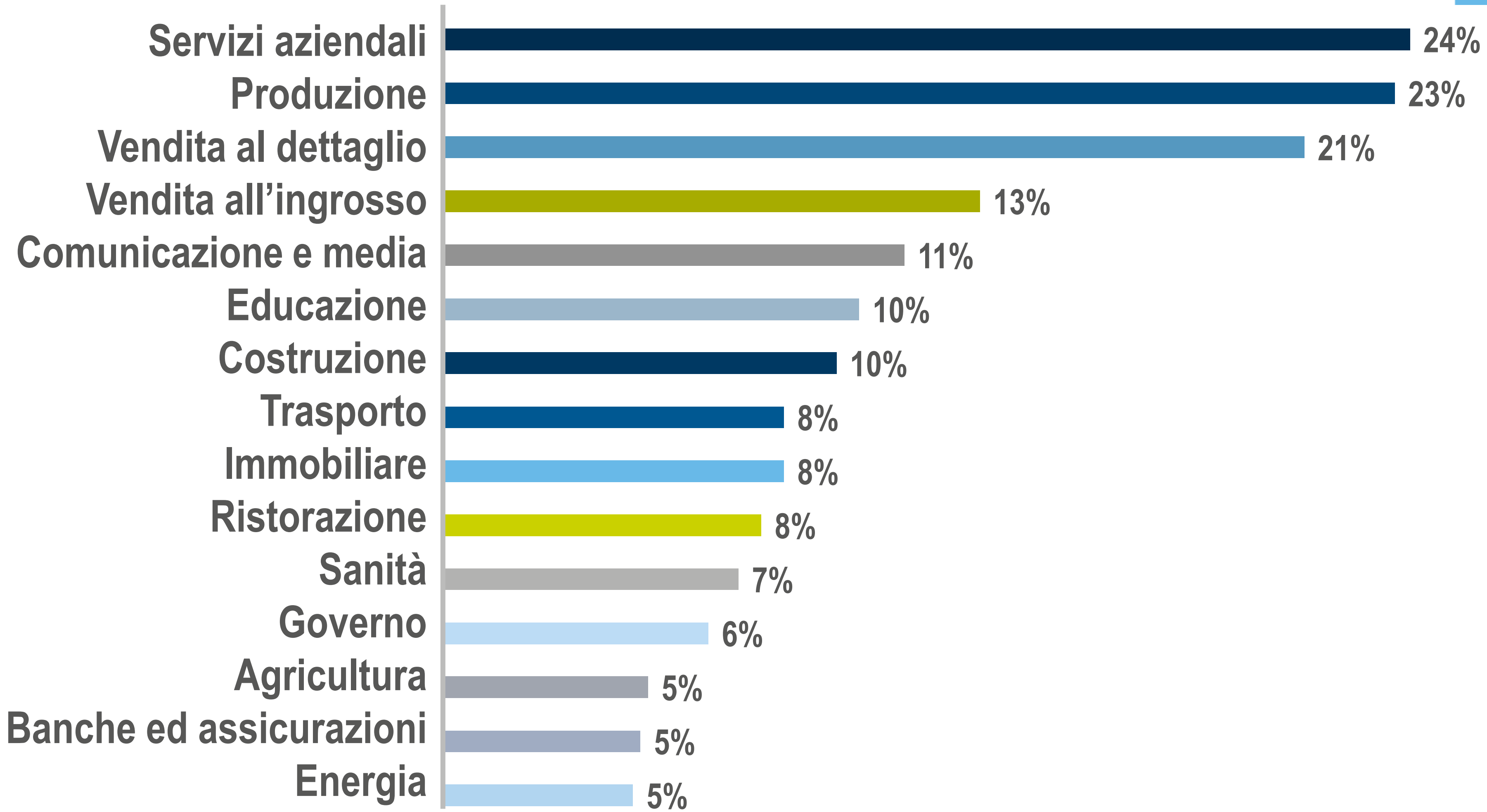
In che modo Lei descriverebbe la Sua azienda?



Fonte: CONTEXT ChannelWatch 2015

Principali mercati verticali: Servizi, Produzione e Retail

Quali sono i principali mercati verticali che Lei sta attualmente fornendo?

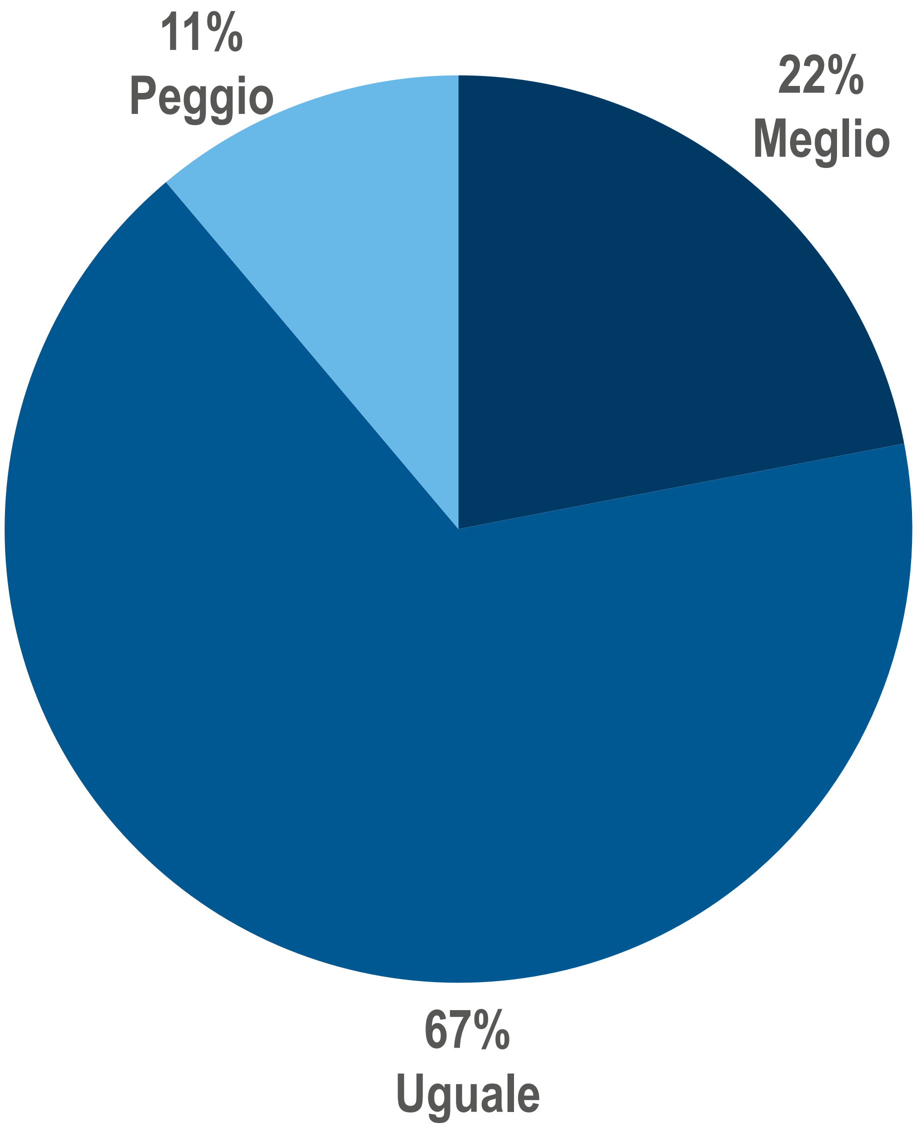


CONTEXT ChannelWatch™

Fonte: CONTEXT ChannelWatch 2015

Buone aspettative per il 2015

Come si aspetta che performi il Suo business nel 2015 rispetto al 2014?

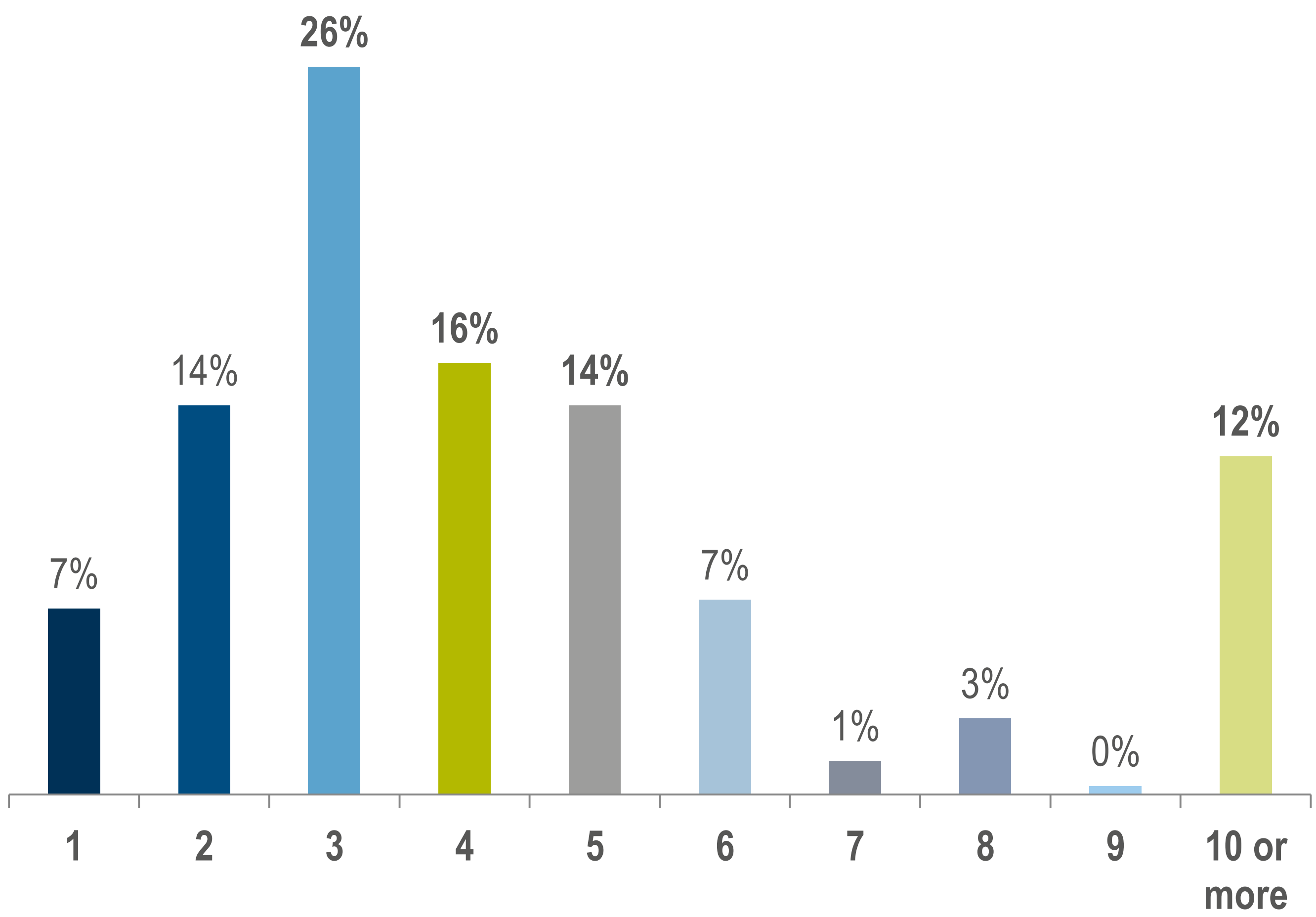


Fonte: CONTEXT ChannelWatch 2015

CONTEXT ChannelWatch™

A proposito dei Suoi distributori

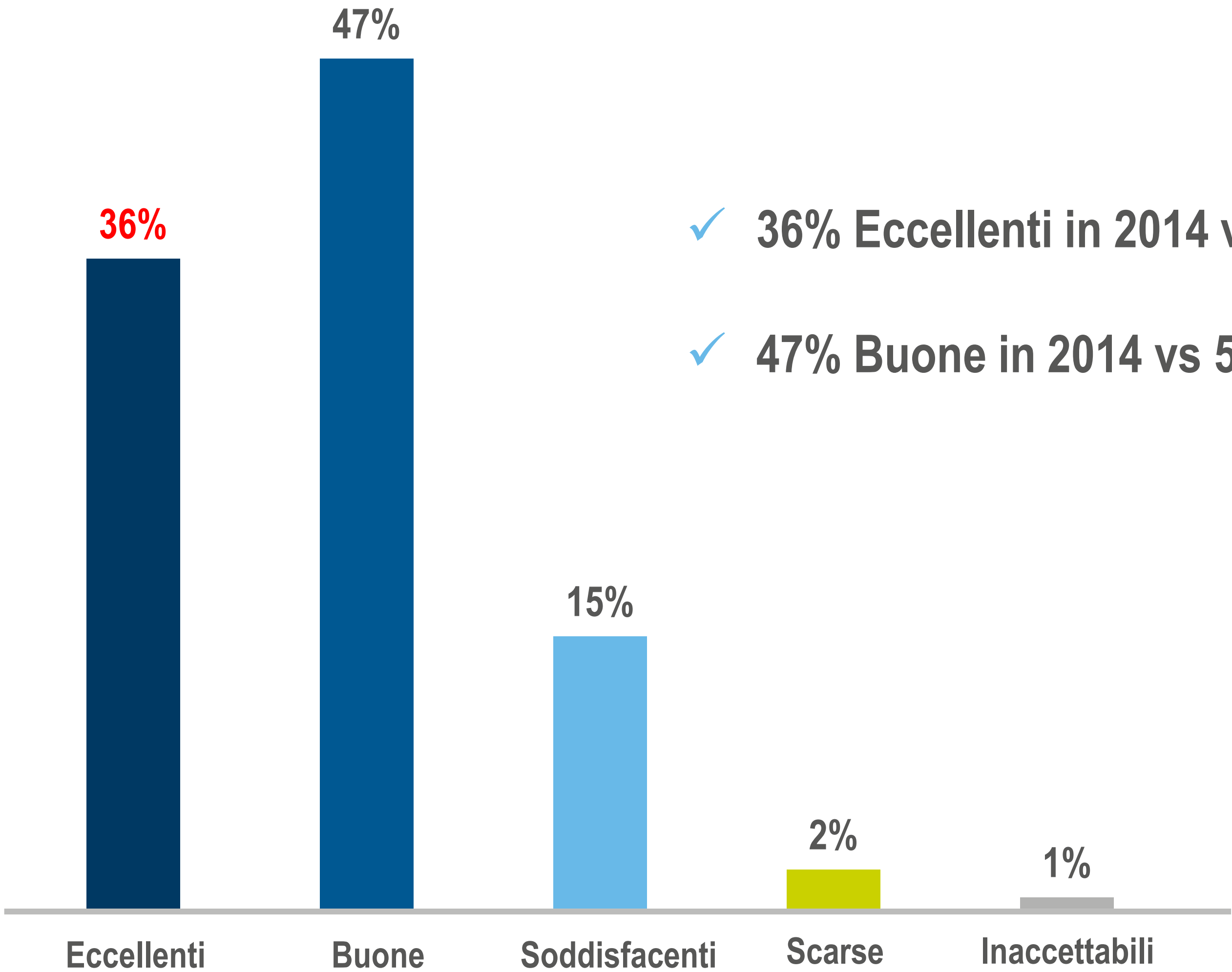
Da quanti distributori ha comprato quest'anno?



Fonte: CONTEXT ChannelWatch 2015

Migliorate le prestazioni del distributore principale

Come valuterebbe le prestazioni complessive del Suo distributore principale?



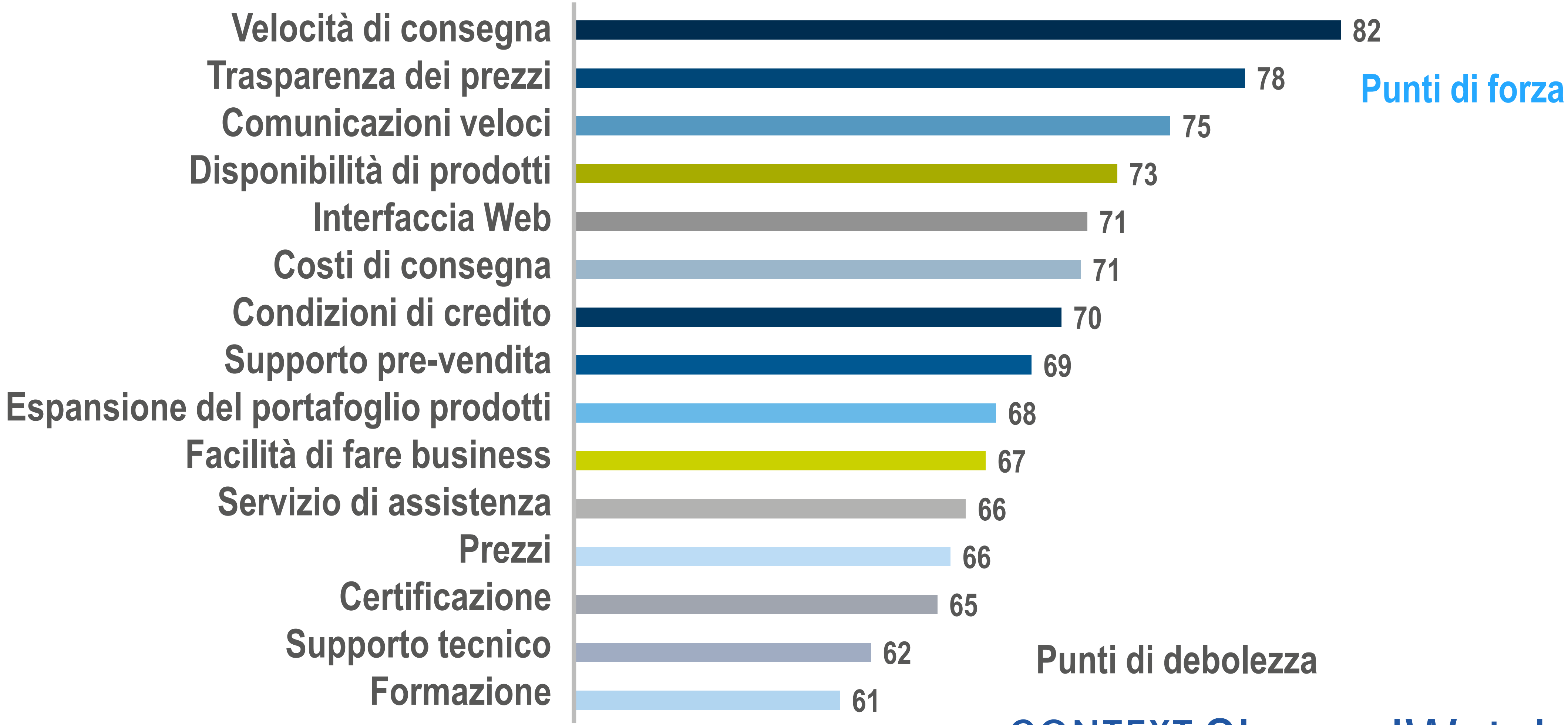
- ✓ 36% Eccellenti in 2014 vs 14% Eccellenti in 2013
- ✓ 47% Buone in 2014 vs 53% Buone in 2013

CONTEXT ChannelWatch™

Fonte: CONTEXT ChannelWatch 2015

Punti di forza e di debolezza dei distributori

Valuti le performance del Suo distributore principale per ciascuna delle seguenti aree (punteggio massimo=100)



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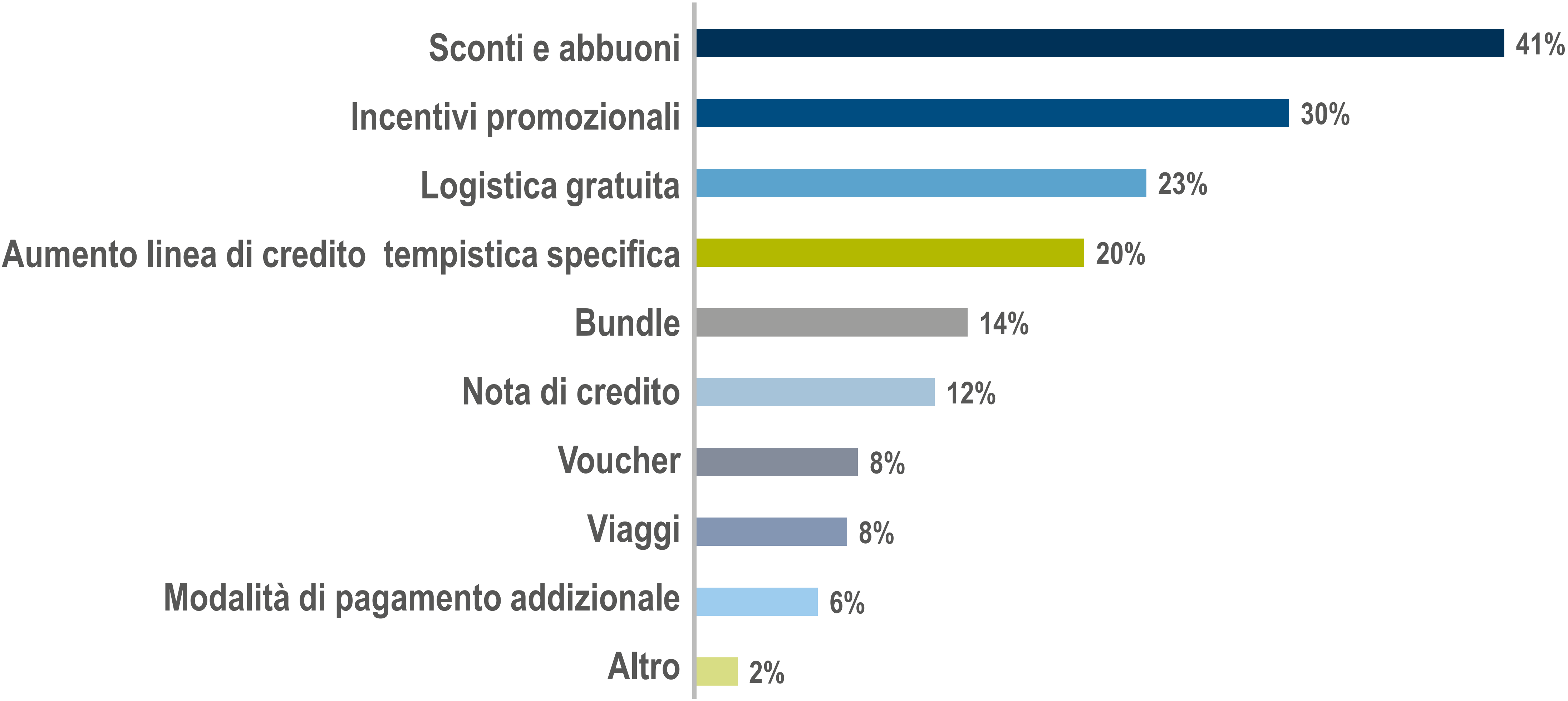
Fonte: CONTEXT ChannelWatch 2015

Gli incentivi di vendita più motivanti: Sconti e abbuoni

Quali incentivi di vendita sono considerati più attraenti/motivanti?



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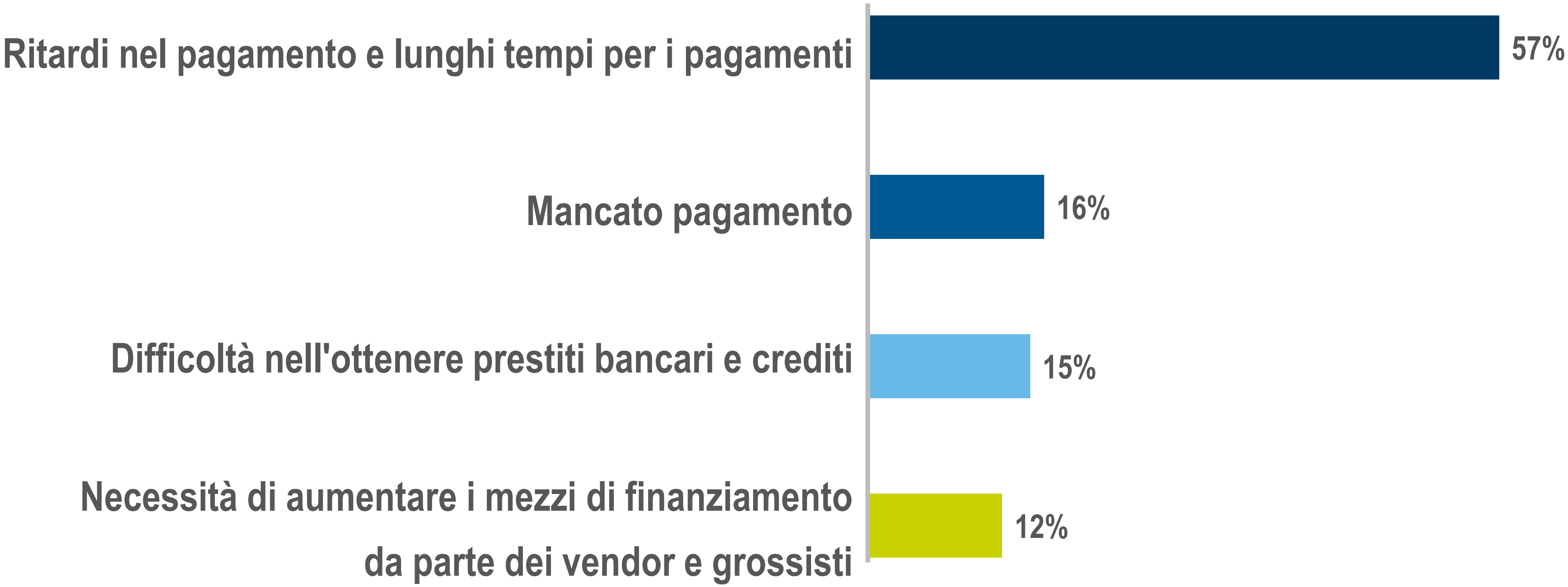
Fonte: CONTEXT ChannelWatch 2015

Termini di finanziamento

Quali sono le Vostre principali preoccupazioni riguardo ai termini di finanziamento?



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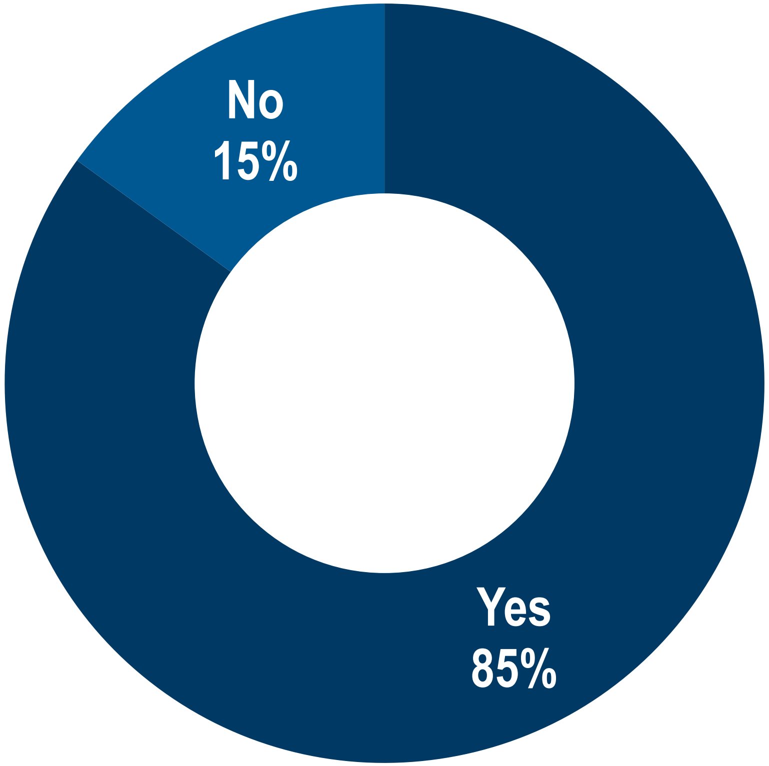
Fonte: CONTEXT ChannelWatch 2015

Per quanto riguarda la Mobilità

Vendete o sareste interessati a vendere prodotti di mobile computing?



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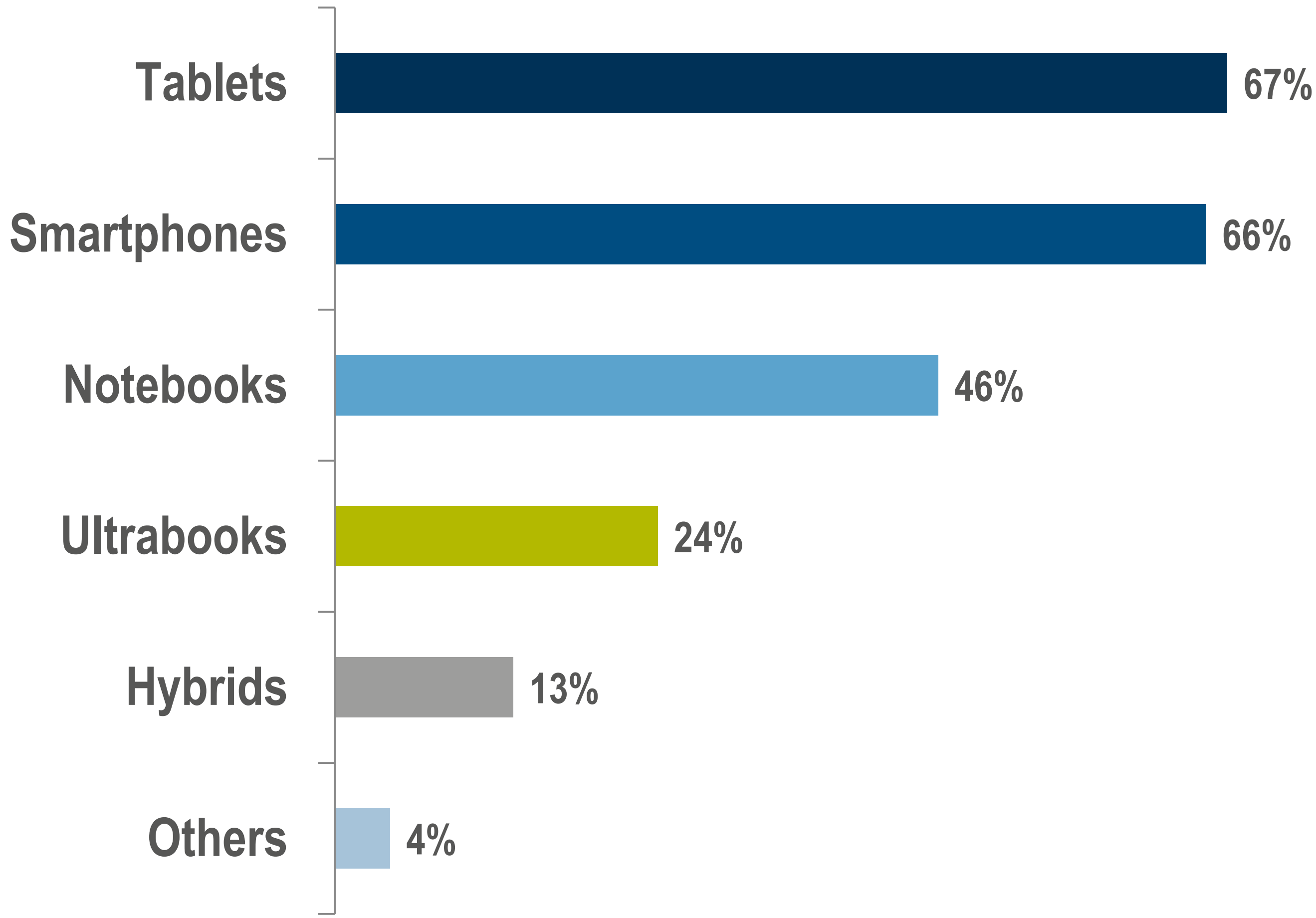
Fonte: CONTEXT ChannelWatch 2015

Tablet e Smartphone guidano le vendite nel Canale

Quali tipi di dispositivi mobili stanno guidando la parte più significativa di vendite nel Canale?



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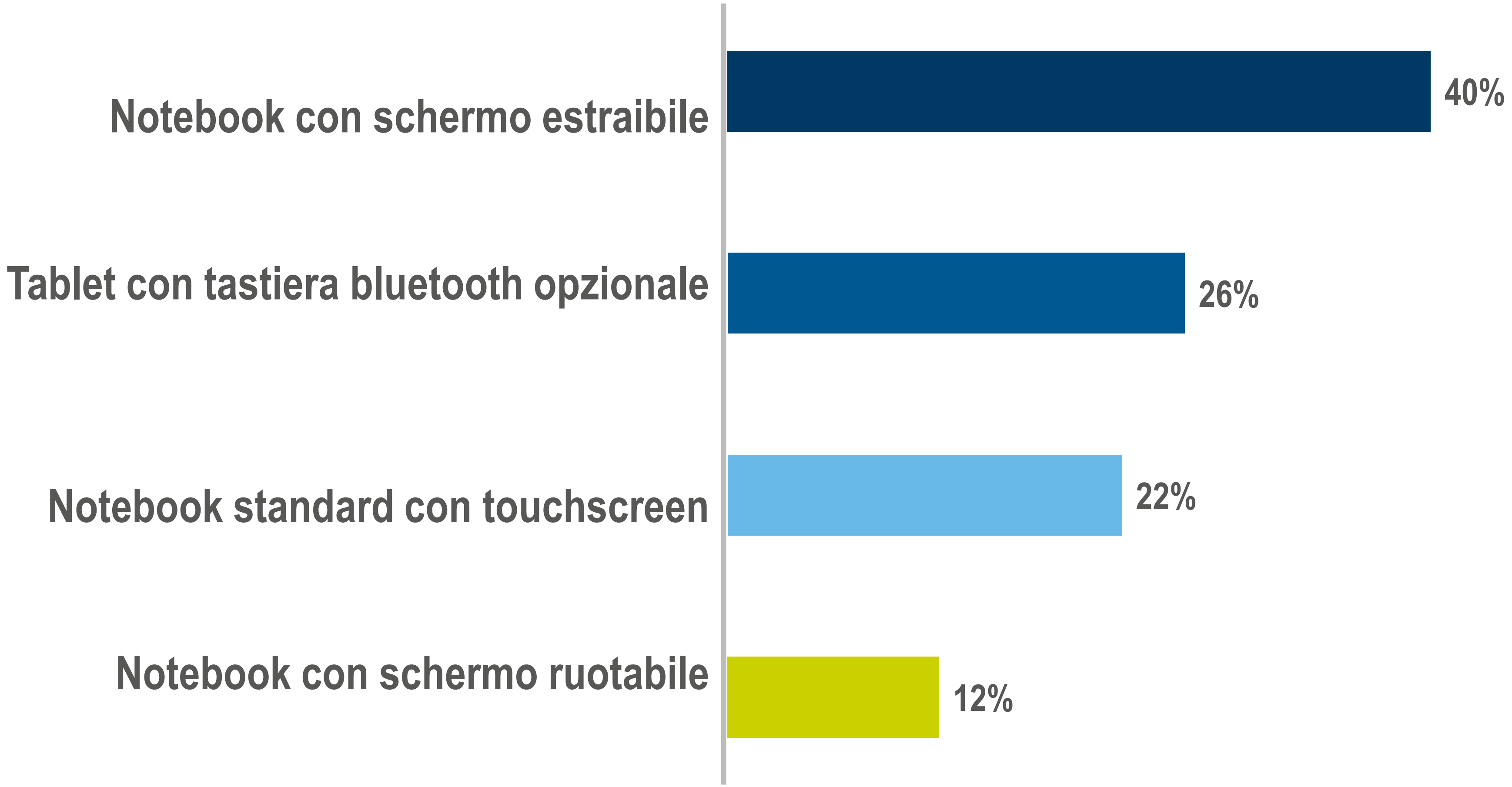
Fonte: CONTEXT ChannelWatch 2015

I notebook con schermo estraibile sono i form factor con più futuro nel segmento business

Quale tecnologia mobile touch-based verrà adottata dal segmento business nel prossimo futuro?



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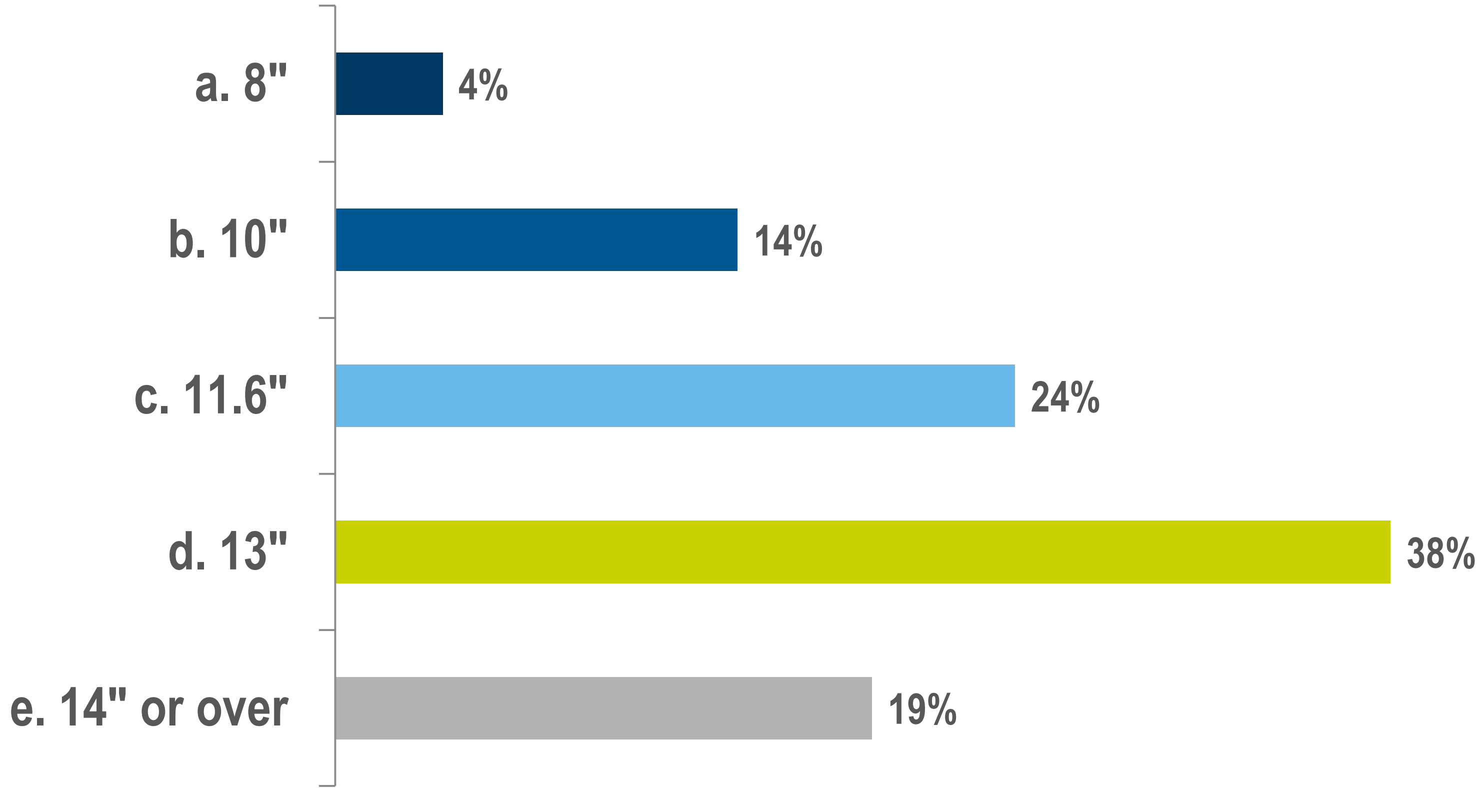
Fonte: CONTEXT ChannelWatch 2015

13 pollici la dimensione di schermo per le aziende

Quale dimensione di schermo sarà adottata dal settore business nel prossimo futuro?



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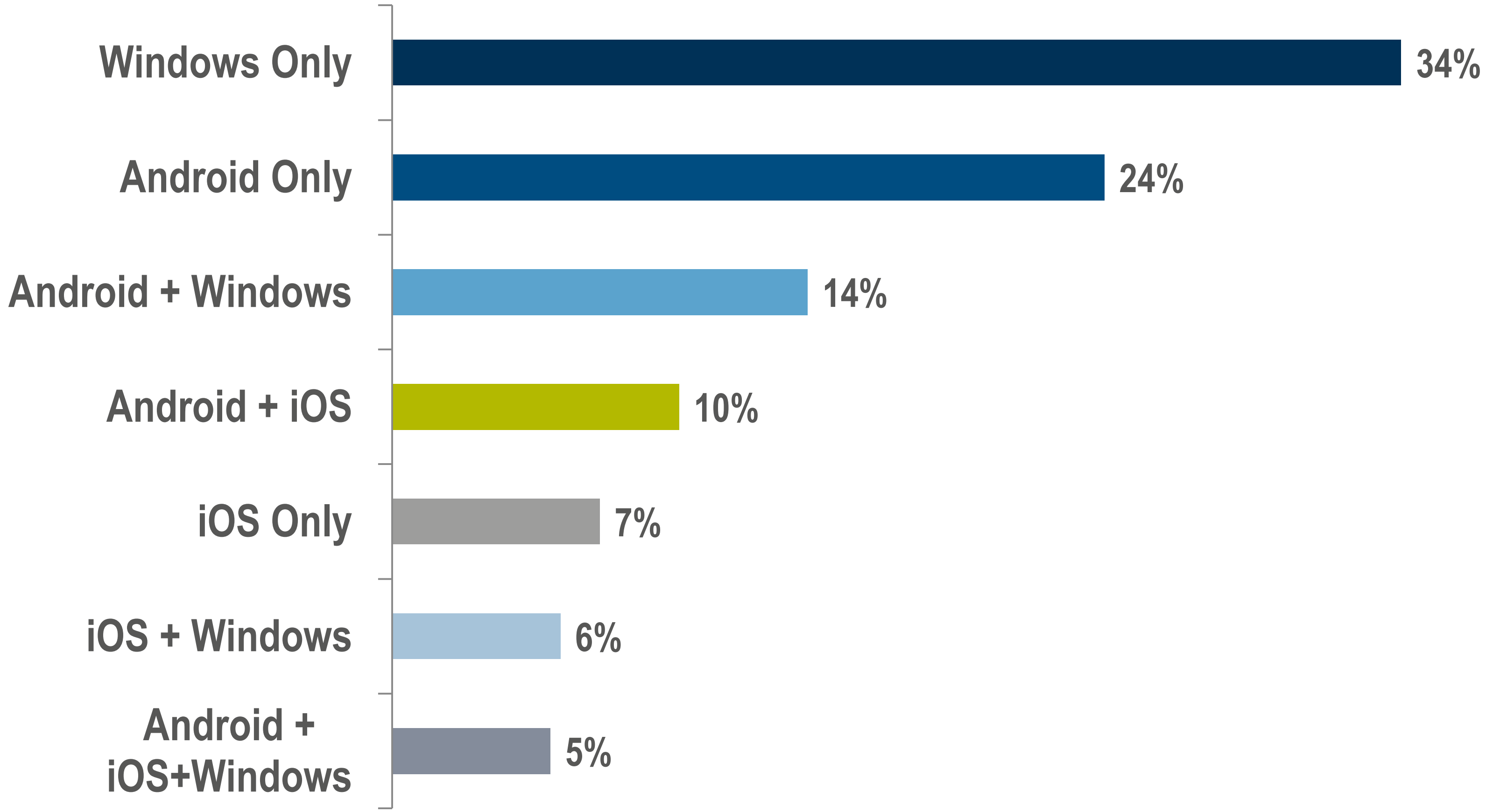
Fonte: CONTEXT ChannelWatch 2015

Windows, il sistema operativo mobile vincente per le aziende

Quale sistema operativo mobile sarà installato dalle aziende nel futuro prossimo?



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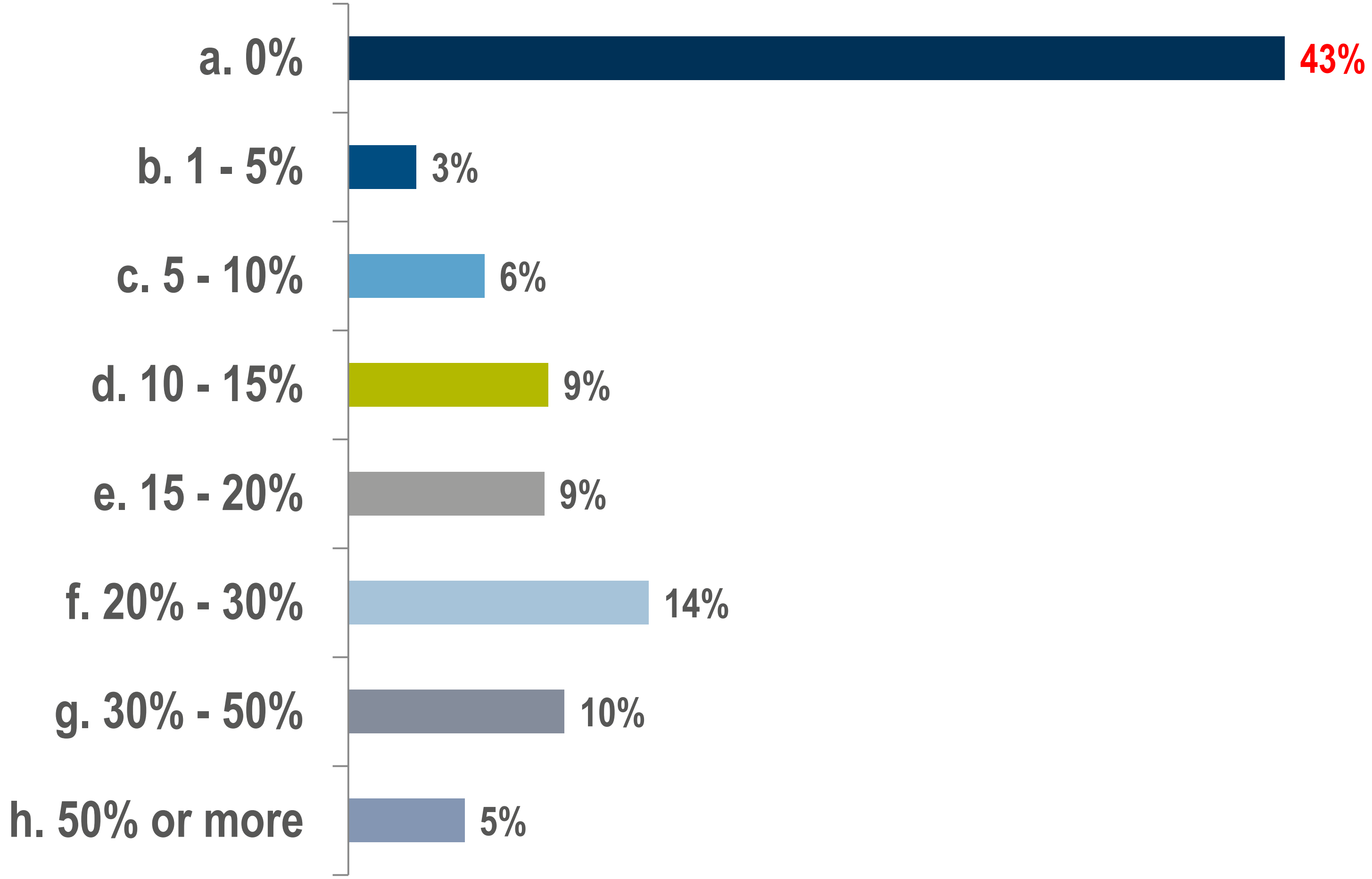
Fonte: CONTEXT ChannelWatch 2015

Aspettative limitate sui ricavi originati dalla tecnologia mobile da parte dei rivenditori italiani

Quale percentuale dei Suoi ricavi si aspetta che sia originata dalla tecnologia mobile nei prossimi 2 anni?



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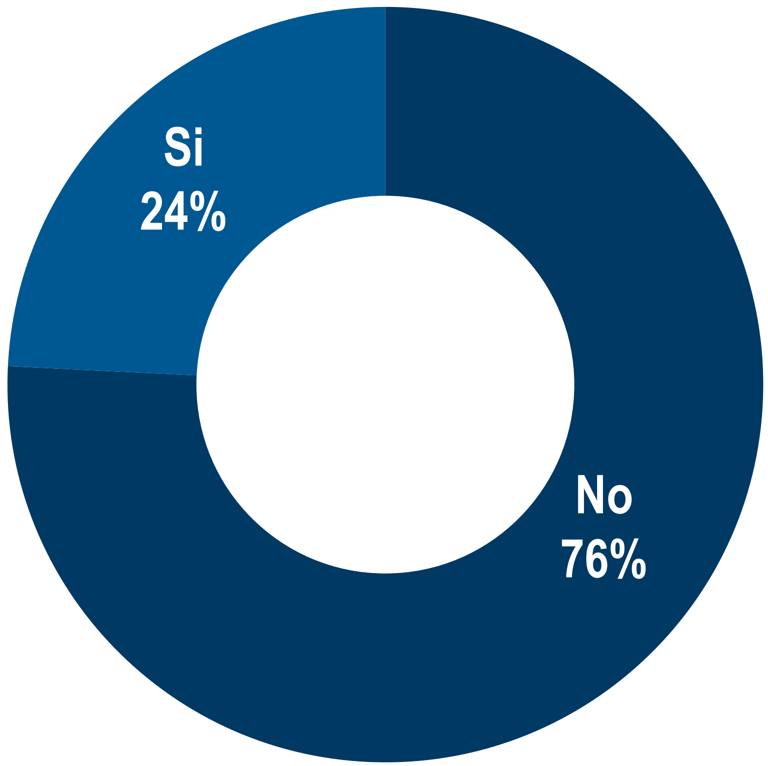
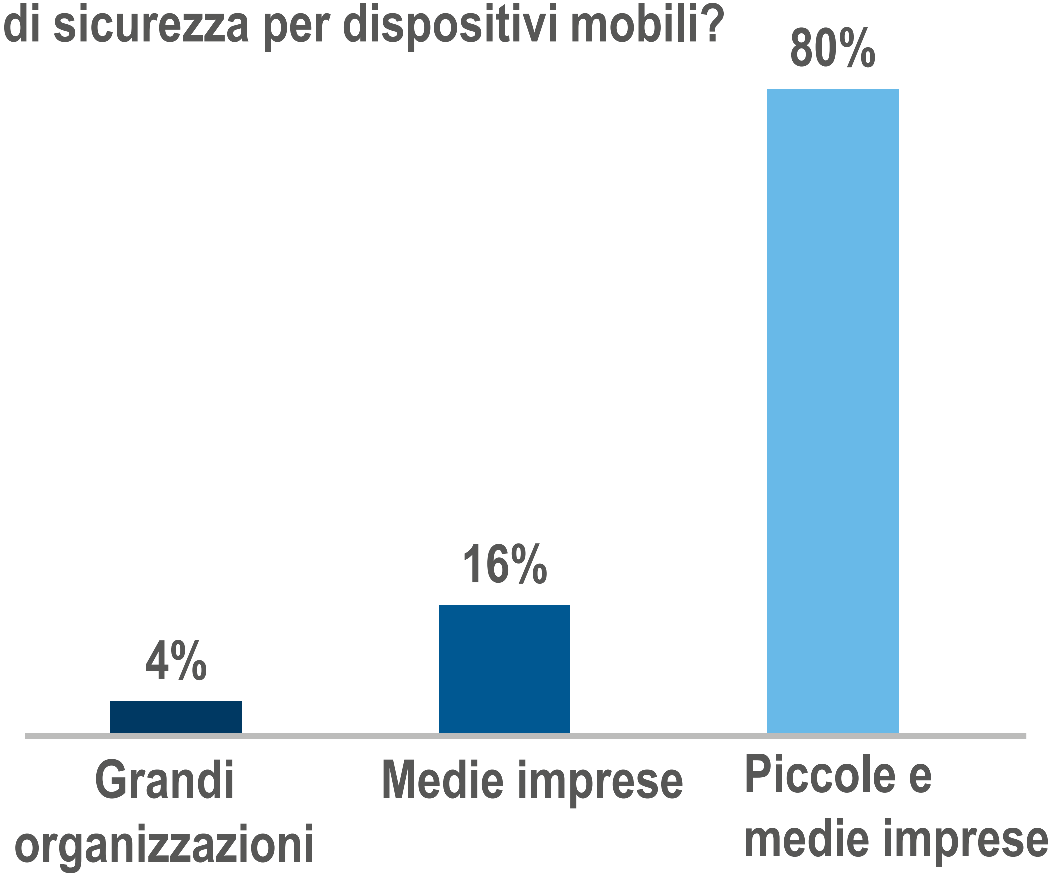
Fonte: CONTEXT ChannelWatch 2015

Soltanto il 24% sta sviluppando progetti di sicurezza per dispositivi mobili

Sta sviluppando progetti di sicurezza per dispositivi mobili per organizzazioni aziendali?



Per che tipo di aziende sta indirizzando i progetti di sicurezza per dispositivi mobili?

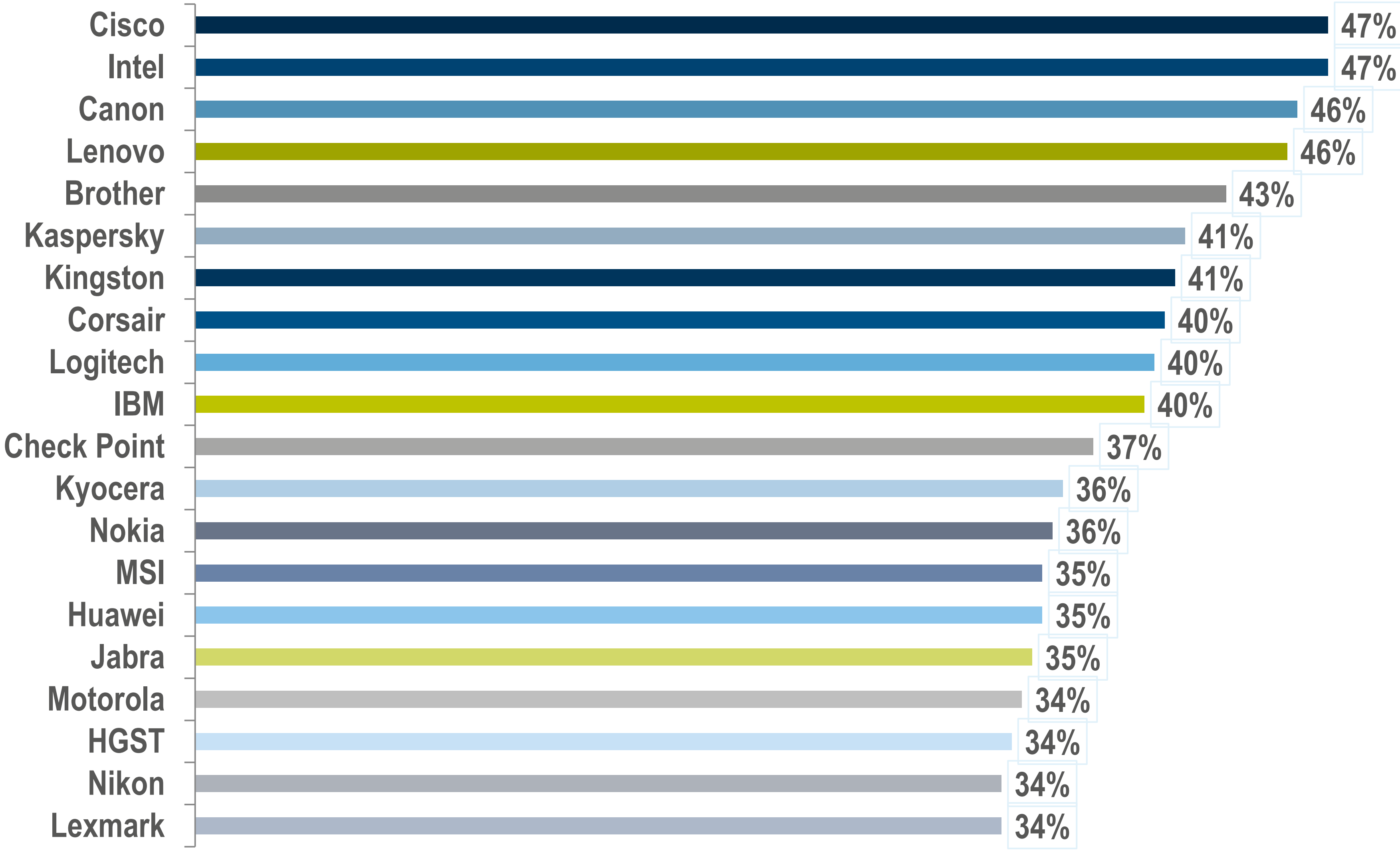


CONTEXT ChannelWatch™

Fonte: CONTEXT ChannelWatch 2015

Programmi di canale di marketing dei vendor

I programmi di canale di marketing dei vendor ai quali Lei è affiliato



CONTEXT ChannelWatch™

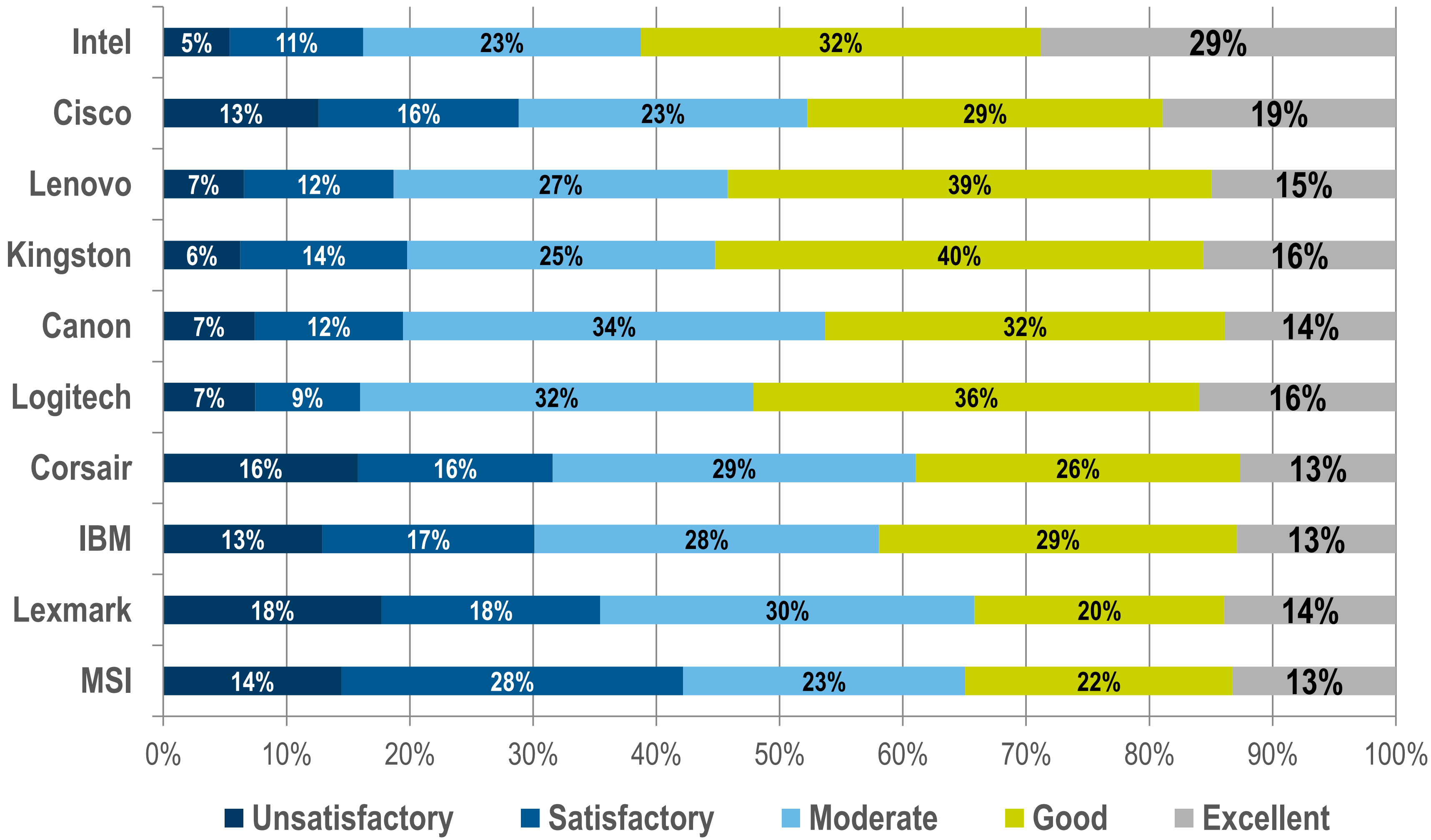
Fonte: CONTEXT ChannelWatch 2015

Programmi di canale di marketing dei vendor

CONTEXT

Valuti i programmi di canale di marketing dei vendor ai quali Lei è affiliato

Top 10



CONTEXT ChannelWatch™

Fonte: CONTEXT ChannelWatch 2015

Key Takeaways

Key Takeaways

- Good news for Distribution panel: the **Top 5 European economies** registered **positive growth rates** in the course of 2014.

- 5,246 million € **Revenues** tracked in **Italy through Distribution** in 2014 with a solid **double-digit year-on-year growth** of +12.5%, thanks to a double-digit growth trend in all the quarters of the year.

- **Panel Customers** in the Italian Distribution is split by 41% SMB, 33% Retailers & 26% Corporate Resellers. Multiple retailer segment gained +1 share point in 2014 driven by the good growth rates in the last 2 quarters of the year for this segment.

- The Top 10 **Industry Sectors** accounted for 84% of revenues sales in 2014. TheTop 5 were: Mobile Computing (23%), Telecomunications (11%), Software & Licences (11%), Printing Consumables (10%), Desktop Computing (9%). Remarkable **Sector Growth perfomance** for Telecomunications (69%), Desktops (+28%) and Software and Licences (+14%) .

- Italian Resellers and Retailers confirmed the **good prospects for 2015**, 89% expect that their business perfomance will be better or the same as 2014.

- The perfomance of the **main distributor strongly improved** in 2014, 36% rated as excellent vs 14% in 2013. The main strengths of the distributors are the speed delivery and price transparency.

- **Late payment** and long payment gaps are still the **main concerns** in term of financing for 57% respondents.

- Tablets and smartphones drove the sales in the Channel, however **revenues driven by mobile technology** could significantly decrease in the next 2 years.

Contacts

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