

Q3 Data Center Trends

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Channel insights, market trends, scorecards, sales opportunities and pricing optimization

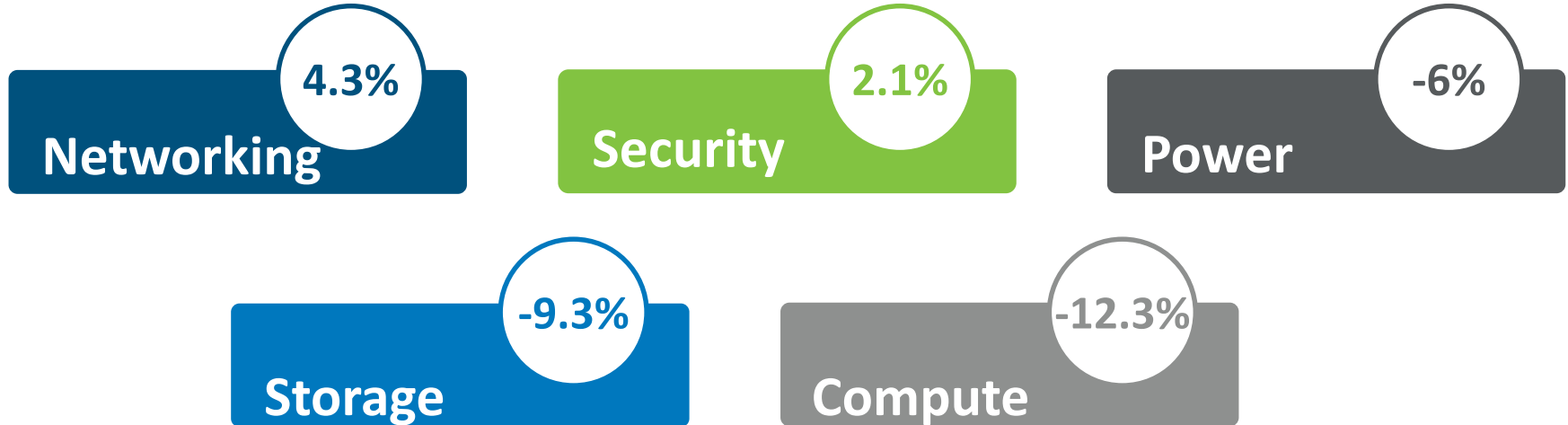
Data from more than **2000 brands** across **250+ categories** in the B2B tech space

Distribution sales information in **Canada, U.S.** and **Mexico** and Reseller Tracking Service information in the **U.S.**

Data Center Category Performance

After a decline of 5% during Q2, Networking revenue (HW and SW combined) through the indirect distribution channel increased more than 4% during Q3

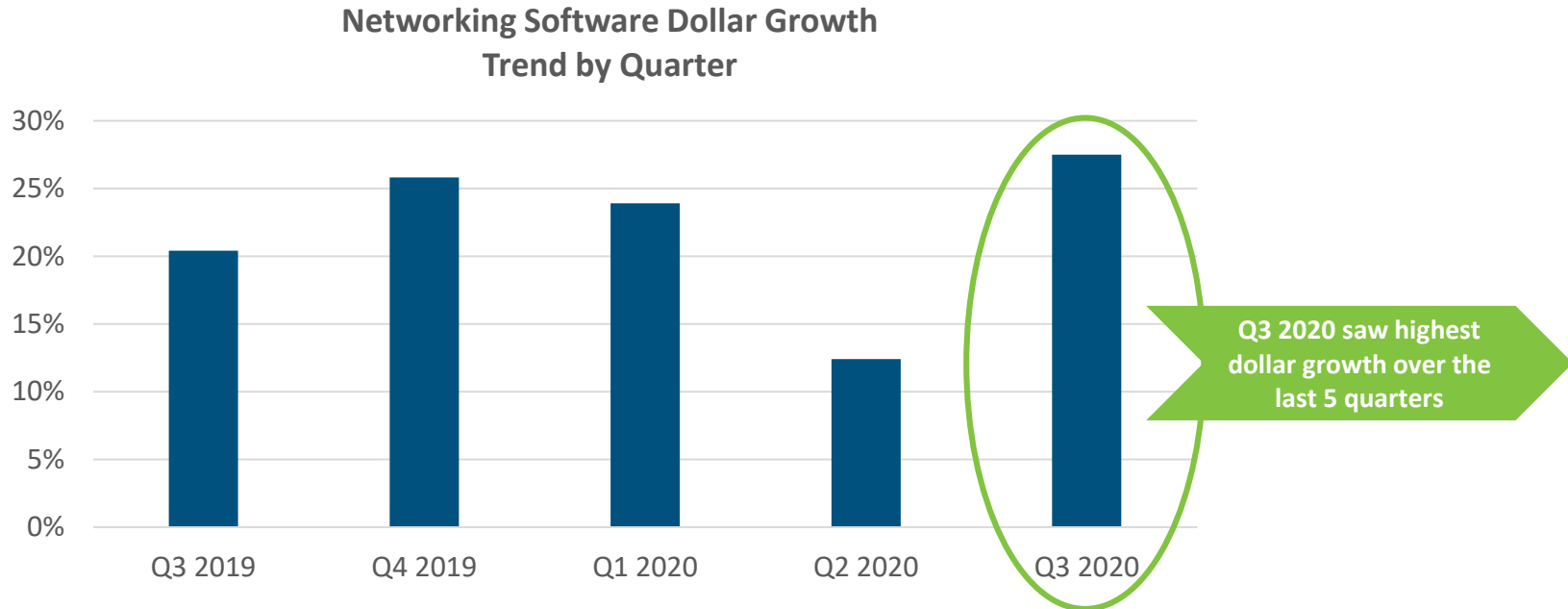
Q3 Data Center Category (Hardware and Software combined) Performance
Dollar Percent Change from YA



Source: The NPD Group/Data Center Report Q3

Growth in Q3 Networking Driven by Software

Software Q3 growth hit 27.5% vs. Hardware at -10.1%.



Source: The NPD Group/Data Center Report Q3

Google and Cradlepoint Drove Significant Q3 Growth within Networking Software

Cisco +23.1%

Cradlepoint +221.1%

F5 -4.6%

Google +134.2%

HPE +8.8%

IBM +4.6%

Riverbed +5.6%

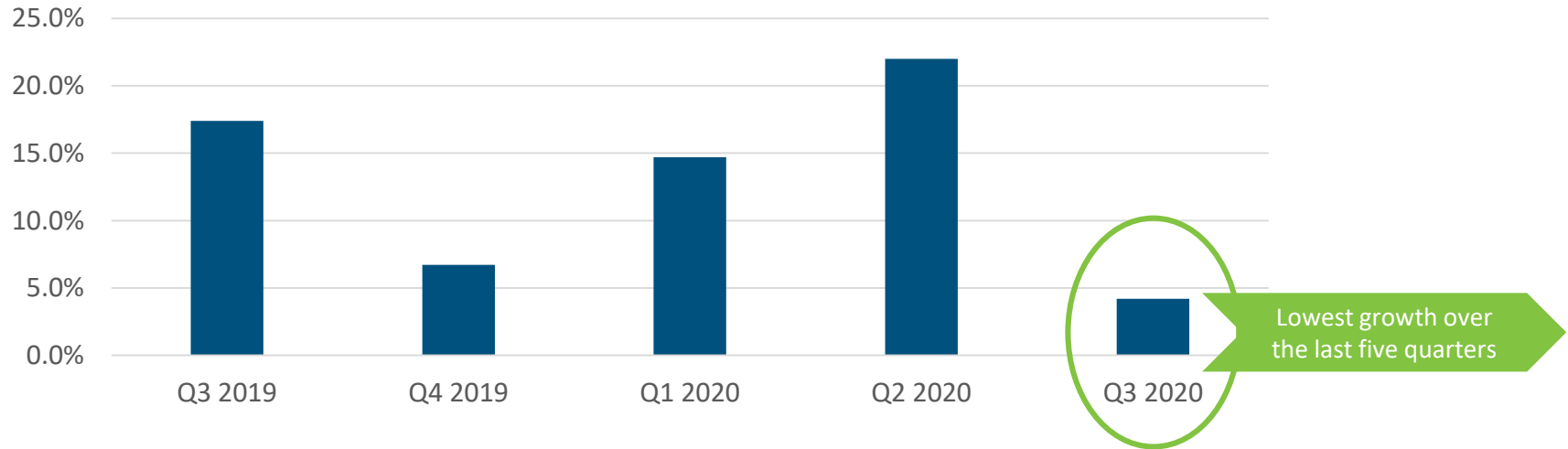
Solarwinds -18.9%

Source: The NPD Group/Data Center Report Q3

Growth in Security Software tapered from Q2

Q3 Software Security +4.3% vs. Hardware Security -6.3%. This compares with Q2 software security +22%, hardware security -12%.

Security Software Dollar Growth Trend by Quarter



Source: The NPD Group/Data Center Report Q3

Security Trends by Brand

Q3 Growth drivers include Palo Alto and Checkpoint

RSA, McAfee, and Symantec were down significantly

On the hardware side, Cisco, Sonicwall, F5, Watchguard and Check Point saw YOY growth.

Q3 Security Software - % Change

Checkpoint +17.5%

Cisco -6.5%

IBM +4.8%

McAfee -46.1%

Palo Alto +9.8%

RSA -39.6%

Sophos +4.3%

Symantec -54.8%



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resource in the U.S. channel
coupled with the industry
expertise to **help grow**
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QUESTIONS?



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