

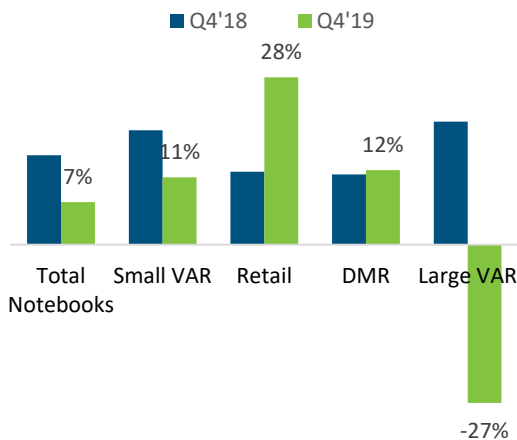
Notebooks Growth in Canada

In the last quarter of the year, we witnessed 7% growth in the total notebook category. Notably, half of the growth came from fulfillment of the retail channel. This channel grew 28% from a year ago, gaining 5 points of share to reach 29% share of distributor notebook revenue. The holiday shopping season impacted distribution revenue through retail more significantly in 2019 than in 2018. NPD's Distributor Track® Weekly data shows fulfillment to retail growing by double digits from five weeks to one week prior to Black Friday. The peak growth was recorded four weeks before Black Friday, posting 224% growth.

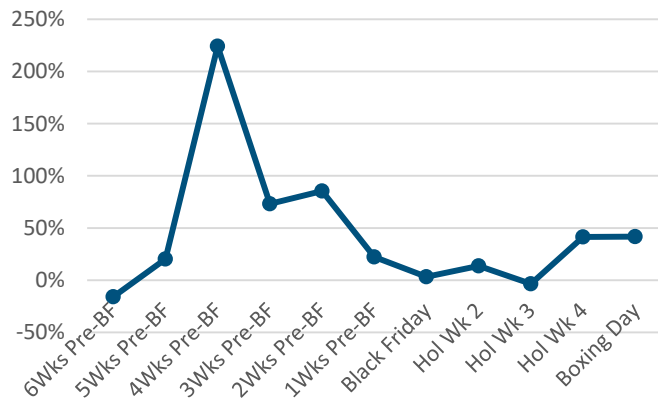
The other channels that drove the category growth were small VAR, DMR, and OEM. Small VAR, the second fastest-growing channel, gained 11% in Q4'19 compared to the year before. As the most important channel for total notebooks, it accounted for 30% of the category revenue, up 1 point in share. BTO notebooks, +69%, drove all of the category growth in small VAR.

As Windows 7 support ended on January 14, 2020, enterprises are expected to migrate to Windows 10 for security reasons. Older devices may not be compatible with Windows 10, forcing enterprises to upgrade their devices within the next couple of years.

Top Destination Channels: YOY Growth in Q4'19



Weekly Revenue: YOY Growth



Source: The NPD Group/Distributor Track® Weekly, Canada

