Q1 2025: Enterprise Technology Partner Monitor

Tracking Financial and Strategic Performance of Leading Enterprise Technology Partners

+16.0%*

Q1'25 YoY revenue Growth

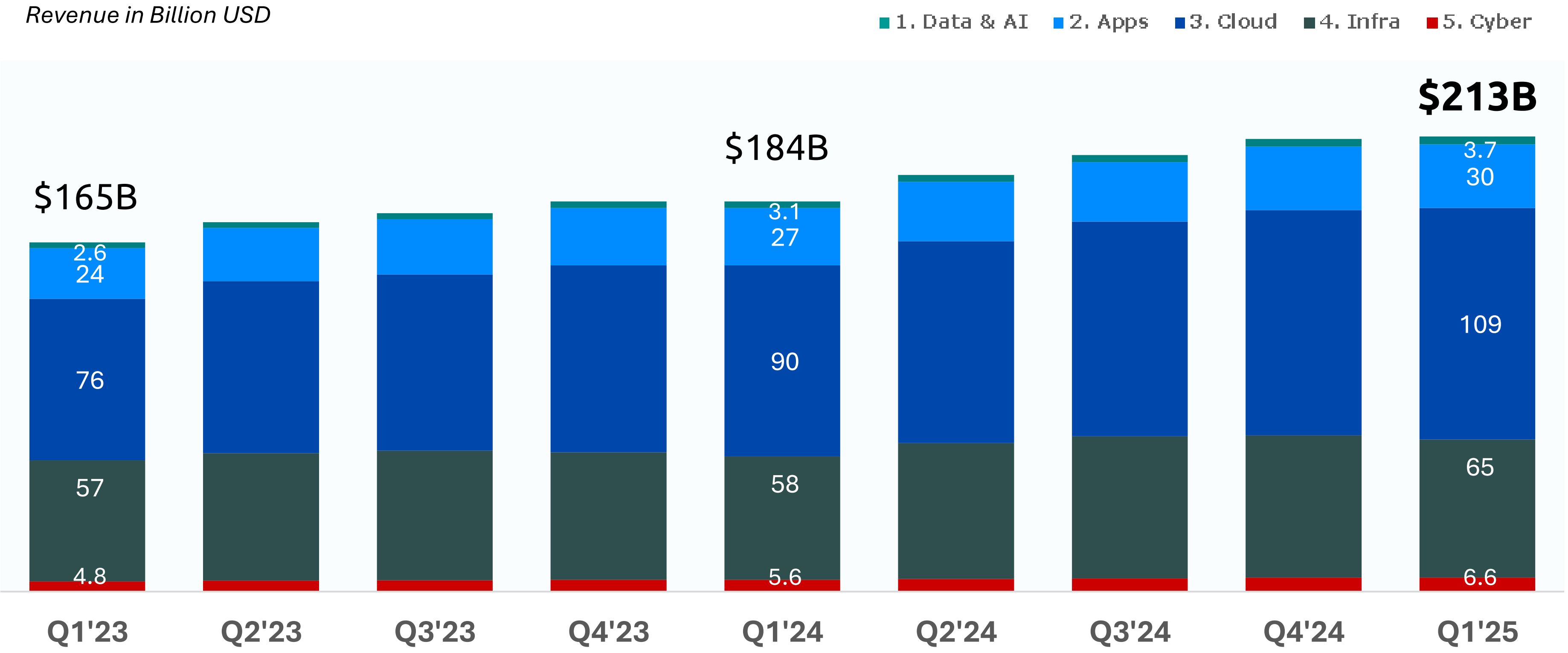
vs 3.0% of Top 20 IT services providers

Focus this Quarter:

- Operating Profit%
- Rule of 40

1. Data & AI	snowflake	Palantir	Informatica	teradata.	MongoDB.	elastic
2. Apps	SAP	salesforce	Microsoft Dynamics 365	ORACLE ERP	workday.	servicenow.
3. Cloud	aws	Google Cloud	Microsoft Azure	ORACLE CLOUD	Alibaba Cloud	NVIDIA. *
4. Infra	DELL Technologies	Hewlett Packard Enterprise	CISCO	Lenovo	NetApp	NUTANIX
5. Cyber	paloalto NETWORKS	FORTINET	CROWDSTRIKE	CYBERARK	CHECK POINT	zscaler

Total Quarterly Revenue $ 213B in Q1’25, +29B vs Q1’24 +16.0%

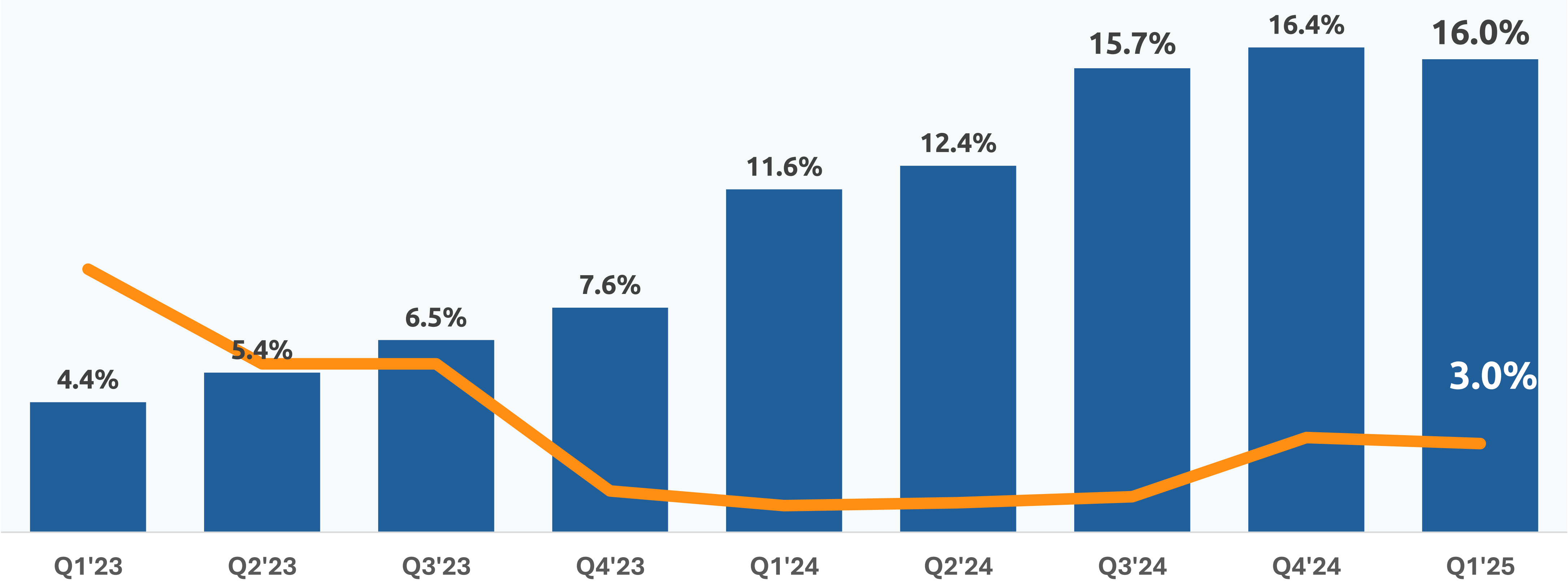


The 3-year CAGR for Total Technology Partners stands at 11% compared to 6% CAGR for IT Services companies.

Microsoft last year revised its segment classifications. Productivity and Business Processes is Included in Apps, and Intelligent Cloud in Cloud.
To avoid distortion in growth rates due to this re-classification, Microsoft is included in Cloud category, when looking at growth rates.

Year-over-Year Quarterly Growth Comparison: Technology Partners vs Top 20 IT Services

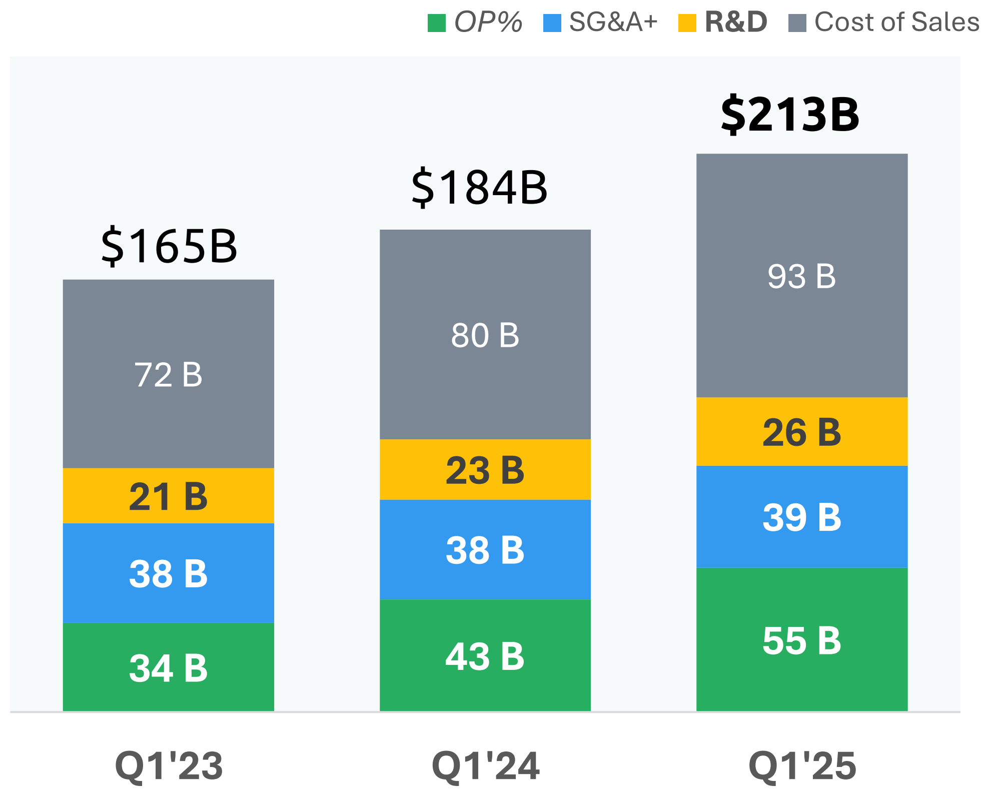
Technology Partners achieved +16% YoY growth in Q4’24, with the Top 20 IT Services companies recorded early signs of recovery with +3.0% YoY Q1’25 growth rate.



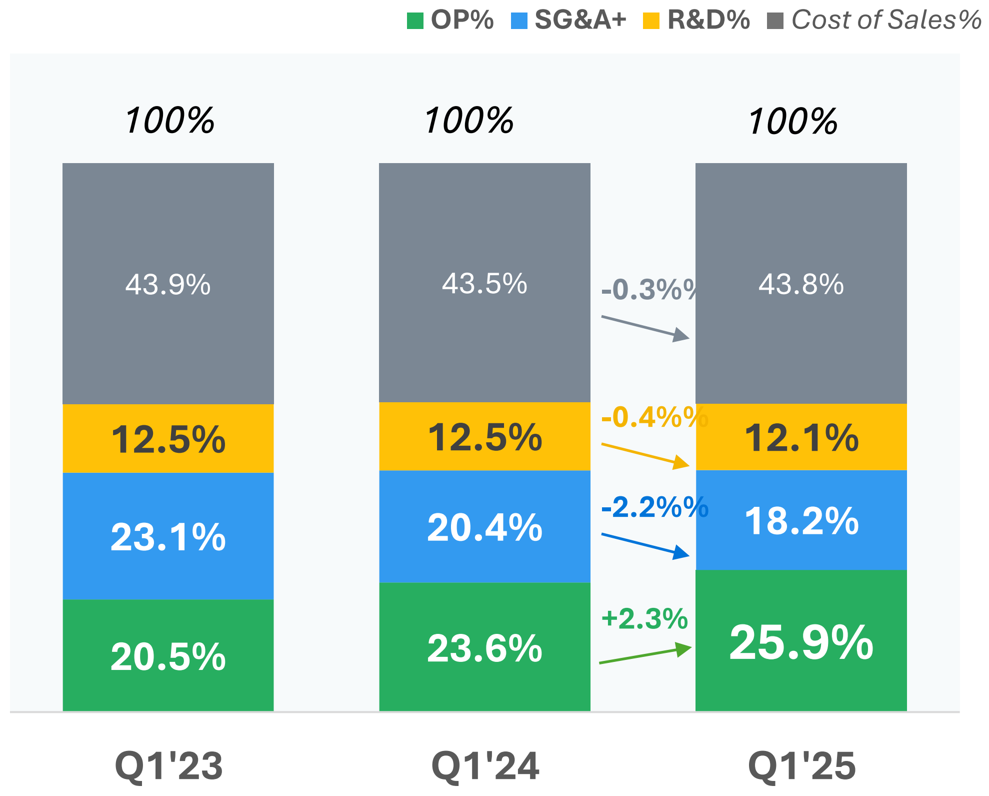
Q1’25 Operating Profit average at 25.9%, +2.3% pts versus last year.

Main driver YoY growth +16%, versus R&D +13% (23B to 26B) -0.4%pts and SG&A +3% (38B to39B) -2.2% pts

Total Revenue split in Cost of Revenue, R&D, SG&A and OP



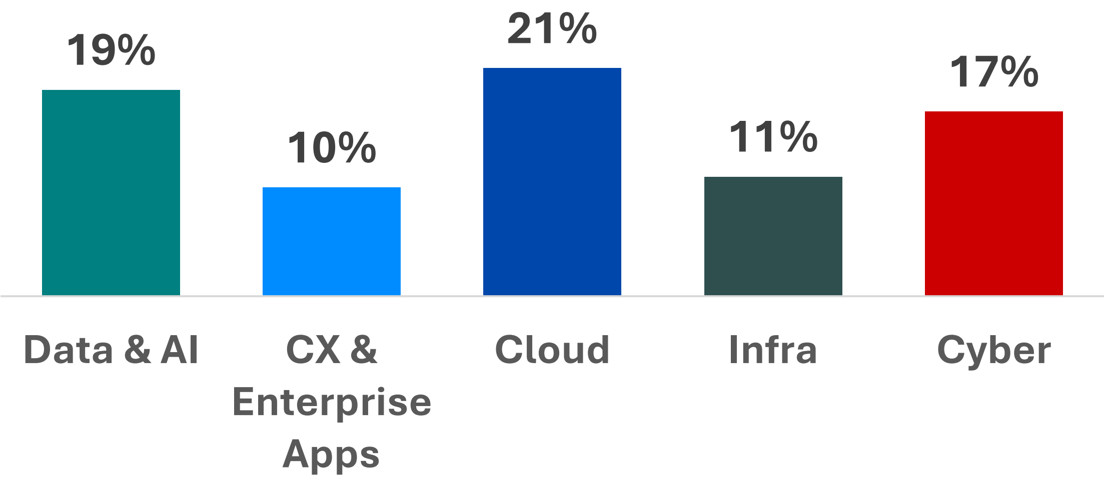
Cost of Sales, R&D, SG&A and OP as % of Revenue



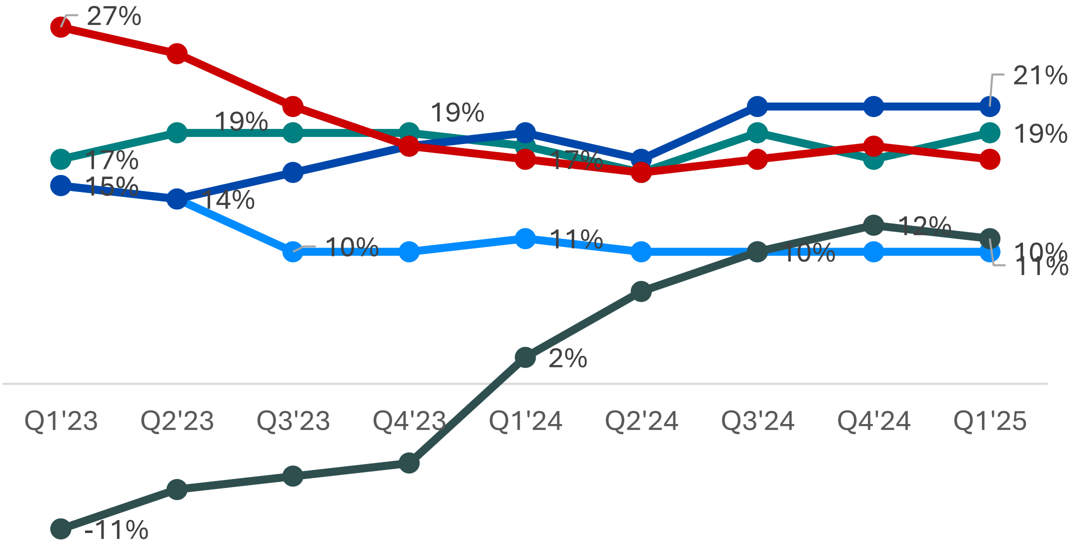
OP% varies by category, but all show similar SG&A% improvements. Next quarter: focus on SG&A evolution.

Growth by *Category : Cloud, Data, Cyber continue to achieve high Growth rates – Infra has seen remarkable return to growth, driven by AI linked investments*

In Q1'25, Cloud, Data, and Cyber categories achieved ~20% YoY growth. Infra maintained +10% YoY growth rate, and Apps remained weakest growth area at 10% YoY



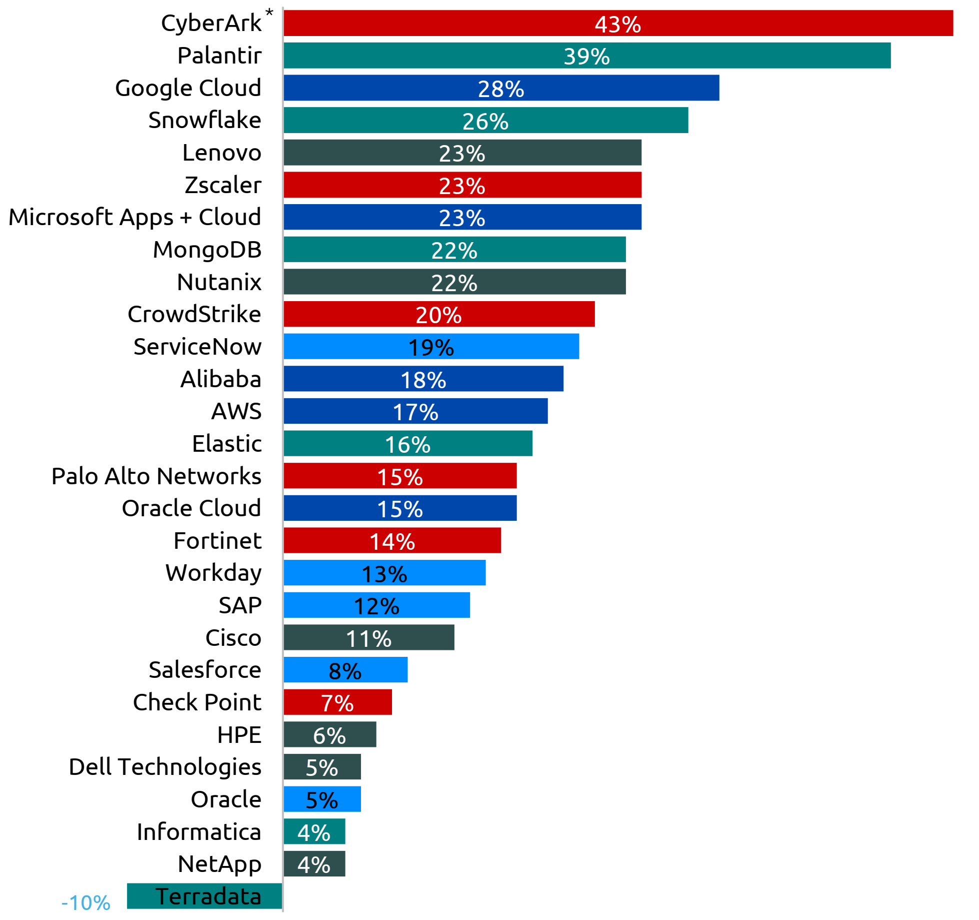
Looking at the trend overtime, Infra continued its remarkable upward trend in last quarters, with Cloud achieving highest growth rate, and Apps area achieving lowest growth rate.



Microsoft recently revised its segment classifications; to exclude the distortion in trend impact it is included in the Cloud category (combined Apps + Cloud).

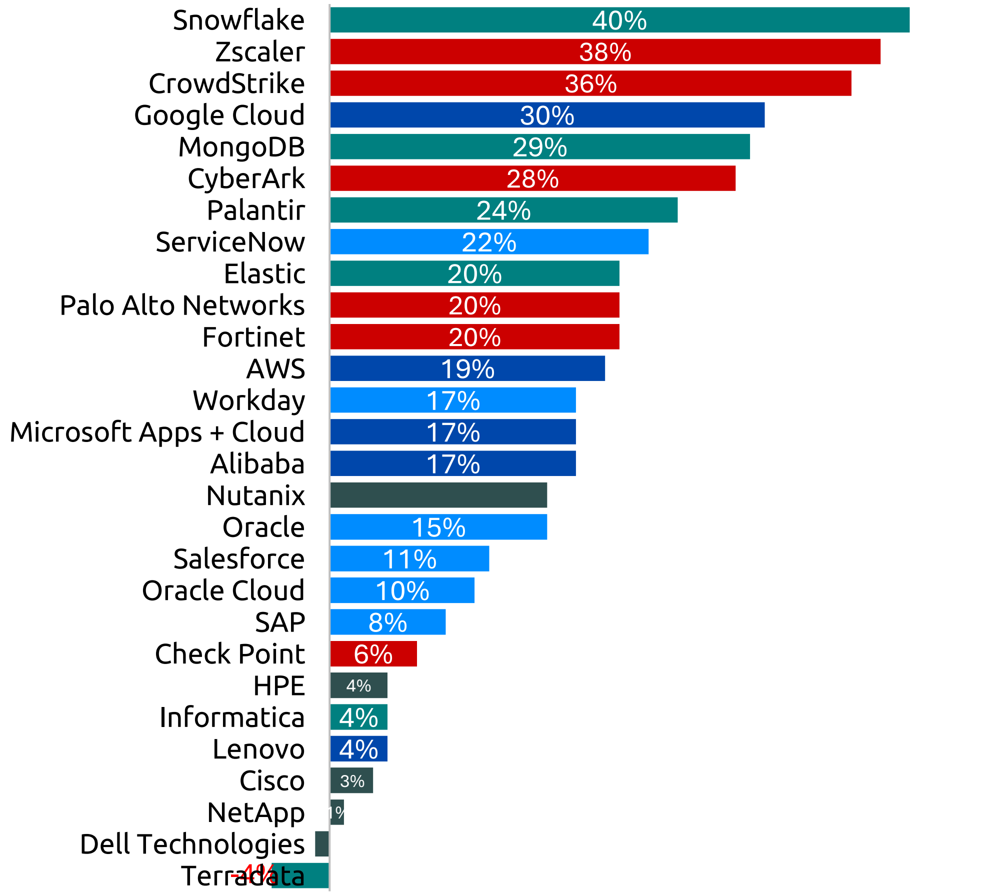
Q1’25 Growth by IT company CyberArk (+43% / +20% organic*), Palantir (+39%), and GCP (+28%) Lead, while Teradata (-10%), NetApp(+4%) and Informatica (+4%) Trail.

Q1’25 CAGR by Technology Partner (%)



*CyberArk, YoY impacted by Venafi acquisition not included last year, assumed to have had a +20%pts impact on YoY growth%.

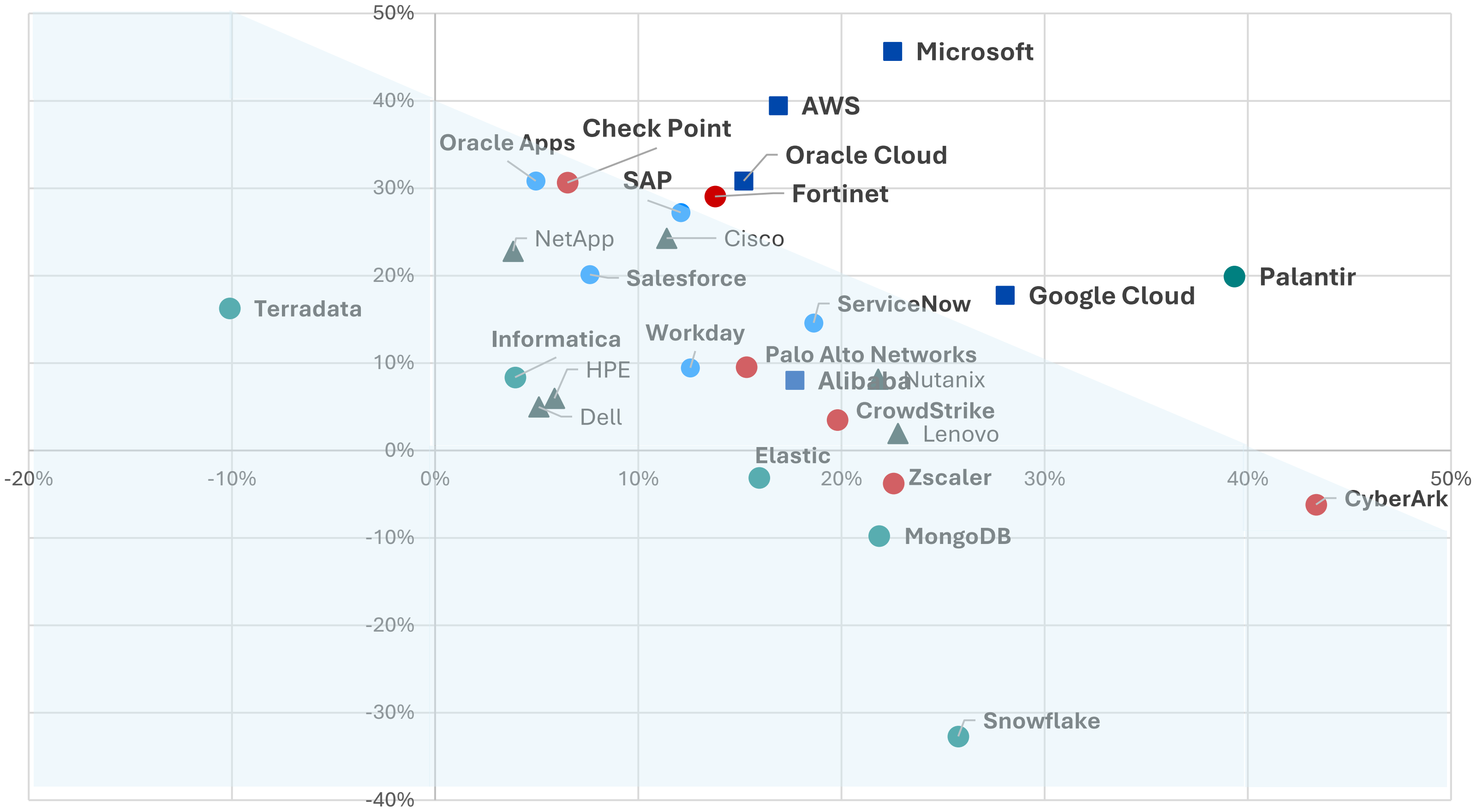
3-Year CAGR by Technology Partner (%)



1. Data & AI 2. Apps 3. Cloud 4. Infra 5. Cyber

Rule of 40: **Microsoft, AWS, GCP, Palantir, Oracle Cloud, Fortinet** exceed the Benchmark SAP, CyberArk and Check Point are close (+35%)

Shaded area: Vendors not meeting Rule of 40 (Growth% + Op Margin% < 40)



Comment:
AWS (Amazon), GCP (Alphabet), and Alibaba Cloud Intelligence Group are business units; their reported operating profit percentages do not include all allocated costs, but this does not materially change the overall conclusions.

Open to new perspectives and collaboration opportunities

Q1'25 Enterprise Technology Partner Monitor

Find the related report: **Q1 2025 - Top 20 - IT Services Company Monitor** and other publications o*n our website:*

https://boschcg.com/reports-1

At Bosch CG, we support Australian IT services and Technology Partner companies through growth transitions, prepare owners for successful exits, and advise buyers on effective acquisition integration.

Feel free to connect and discuss IT services trends. Reach me at **Gerben@BoschCG.com.**