

Westcon International divisional review



Westcon  **Comstor**

Partner Success. It's what we do.

David Grant
Chief Executive Officer

Callum McGregor
Chief Financial Officer

Westcon International enables vendors of high-tech enterprise solutions to increase their channel and market penetration by supporting and developing an extensive channel of IT systems integrators, service providers and resellers.

Highlights

Continued excellent execution with revenue up 8%

(Constant currency: 8%)

EBITDA improves by 150% to US\$121.0 million

(FY23: US\$48.4 million)

Demand for cyber security and cloud infrastructure remains strong across all markets.

EcoVadis expansion into Asia-Pacific (Bronze rating achieved)

Highest employee approval rating – 91% of employees would recommend joining Westcon International

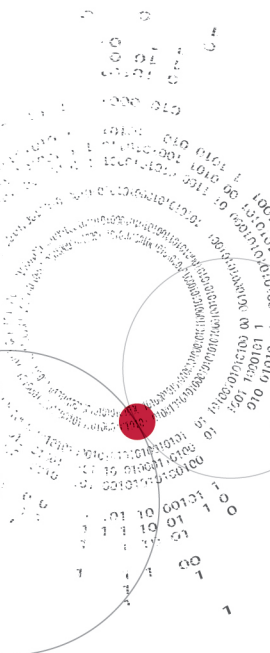
Adjusted EBITDA increased by 26% to US\$120.2 million

(FY23: US\$95.1 million)

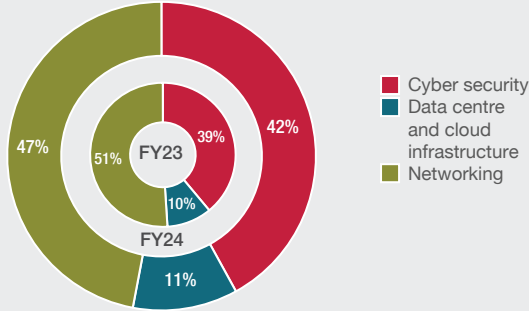
Strong cash collections throughout the period

Climate strategy includes five-year roadmap towards decarbonisation.

ISO14001 certification for European logistics centres

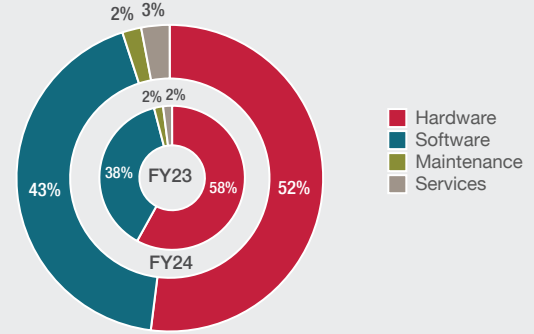


Revenue by technology category



Over **3 500** employees
40% female

Revenue by segment



Over **50** countries worldwide

Corporate overview Purpose

Global value-added technology provider and specialist distributor of industry-leading world-class cyber security, network infrastructure, cloud computing and data centre solutions and channel support services



Global network of service providers, systems integrators and speciality resellers



Operating globally with major presence in Asia-pacific, Europe, Middle East and Africa



Provides solutions from a broad portfolio of world-class, market-leading high-tech vendors



Goes to market under the **Westcon** and **Comstor** brands



Westcon International's purpose is to drive partner success, to maximise sales and market penetration of emerging and core vendor solutions in the cyber security, networking infrastructure and cloud computing sectors, by transforming the distribution channel. This is achieved through its people, relationships, marketplace, digital and data-driven marketing strategies and innovation.

Westcon International divisional review continued

Westcon

Westcon has expertise with vendors in the following technology solution segments:

- **Cyber security:** Broadcom, Check Point, CrowdStrike, Efficient IP, F5 Networks, Infoblox, Ivanti, Netscout, Palo Alto Networks, Proof Point, Splunk, Tenable, TrendMicro and Zscaler
- **Networking infrastructure:** Ciena, Extreme Networks, Juniper, Nokia, Ruckus
- **Cloud collaboration and mobility:** Audiocodes, Avaya, Microsoft
- **Cloud computing and infrastructure:** AWS, Microsoft, NetApp, Pure Storage and VMware

Comstor

The world's only Cisco-dedicated global distributor provides the full line of Cisco technologies to a wide range of customers in over 100 countries. Comstor specialises in the following architectures/technologies:

- **Cisco security:** providing highly secure firewall, web and email threat detection, SASE and management services for network and mobile device protection
- **Cisco collaboration:** empowering people to engage and innovate through multiple endpoints and truly collaborative software; anywhere, any time, on any device
- **Cisco software:** flexible software licensing across the hardware estate combined with profitable annuity revenue
- **Cisco data centre:** allowing data to be analysed, simplified, automated and protected for operational efficiency through storage of digital information on mission-critical applications
- **Cisco enterprise networking:** covering SMB and enterprise solutions across core switching, wireless and routing technologies – without the enterprise costs
- **Cisco services:** providing customer support on Cisco solutions through its global support and solutions team of experts, serving over 180 countries and responding in 17 languages

Westcon International

Westcon International also has capability practices and specialities that it offers globally under its Westcon-Comstor brand:

- **Cloud:** AWS, Microsoft Azure and Microsoft Office 365
- **Flex:** Funding solutions that blend software billing and traditional distribution with flexible payment schemes to overcome budget constraints and accelerate the adoption of the latest technology
- **Marketing and business generation services** including the award-winning Intelligent Demand programme and Partner Insights
- **Support and technical services:** Education, network and security operating centres, technical support and professional services installation
- **Global supply chain services:** logistics, staging, strategic stocking, configuration, project coordination, VAT recoverability; global contracting and global credit management for international deployments and contracts

How Westcon International creates value

Westcon International's people are dedicated to delivering outstanding performance, customer and vendor satisfaction. Westcon International provides a wealth of industry insight, industry-leading marketplace capability, innovative financing, marketing and business generation tools, technical expertise and decades of distribution experience for hybrid solutions.

Westcon International has established long-lasting and strategic vendor engagements and contracts. These relationships are leveraged to ensure its partners can access established and emerging technology solutions. With over 30 years' distribution success as a strategic partner to the world's leading IT brands, Westcon International combines global reach, digital capability, technology capability and scale with a personalised, local footprint to provide capabilities and services that vastly exceed the traditional distribution experience.

Westcon International selects market-leading vendor solutions and delivers outstanding propositions. It remains focused on process improvement, automation, both front office sales automation and back office efficiency with an emphasis on accuracy, quality and urgency in all functions.

Westcon International offers employees rewarding and challenging work in an inspiring, fast-moving environment. It has established an inclusive culture where people are valued and respected and where everyone can contribute, thrive, collaborate and reach their full potential.

Impacts of Westcon International's external environment on its ability to create value

Numerous factors, such as global macroeconomic and political conditions, global supply chain disruptions, the ongoing impact of raised interest rates on prices and inflation pressures could all impact Westcon International's ability to create value.

Ongoing global semiconductor shortages and supply chain constraints have eased significantly in recent months resulting in a decrease to Westcon International's product backlog. Headwinds from current levels of interest rates, compounded by geopolitical issues like the ongoing war in Ukraine and global inflationary pressures could negatively impact demand for the foreseeable future.



Opportunities

Trends in the technology segments in which Westcon International participates are forecast to remain positive in the short to medium term. The business is well-positioned to benefit from continuing demand for software and services in networking, cyber security, and cloud infrastructure. Cyber security threats remain a strategic risk for all organisations across the global with a growing number of sophisticated cyber-attacks. Westcon International helps address these risks by making it easier for Channel Partners to procure and manage an increasingly complex range of products and solutions.

The multi-year investments in advanced systems and business automation, expansion of a class-leading vendor portfolio, professional and financial services with the focus on portfolio expansion of software and subscription-based solutions make it easy for Channel Partners to engage with Westcon and assist them navigating this complex environment. During FY24 Westcon International completed the roll-out of its global Sales Process Automation platform MS Dynamics, as part of the "Sales Process Optimisation" initiative. Combined with the division's highly evolved data and analytics platform, the division is primed to deliver a significantly enhanced digital experience for the entire sales force and its partners. This data-driven sales motion is expected to enable the division to deliver incremental growth and enhanced productivity in the short term.

Markets

Solid growth was experienced during FY24 for the division overall. The Westcon Europe division achieved a third consecutive year of double-digit revenue growth of 19% but was offset by a decline in the Comstor Europe business of 9%.

Sustained demand for cyber security and networking technologies continues to drive all markets with Asia-Pacific revenue growing by 13% with strong growth in Australia (15%) and Asia (12%) in particular. MEA overall growth rate was 3% with strong growth in Africa offset by slower performance in the Middle East and South Africa.

Outlook

The multi-year investments in advanced systems and business automation and focus on portfolio expansion positions the division well to take advantage of the underlying growth of our vendors in the networking, cyber security and cloud infrastructure segments the division participates in.

Current levels of interest rates may continue to have a negative impact on costs and will continue to contribute to inflationary pressures. The geopolitical challenges in the Middle East and Ukraine could negatively impact demand in the short term.

Westcon International will continue to prioritise exemplary financial and operating performance while investing in advanced systems and business automation. These investments are bearing fruit and are helping to drive the division on its mission to being the most admired data-driven technology provider and specialist distributor of cyber security and networking solutions.

Awards and recognition

Westcon International's leadership, vision, programmes and performance continue to draw the attention of the technology market it serves. Its relentless commitment to excellence transcends all facets of the organisation. Most recent accolades include:

Vendor awards

Check Point – EMEA Distributor of the Year

Check Point – On Point Marketing Partner of the Year, North Africa

Cisco – Distributor of the Year, Singapore

Cisco – Distributor of the Year, Indonesia

Cisco – Distributor of the Year, Spain

Cisco – Distributor of the Year, Netherlands

Cisco – Distributor of the Year, North Europe

Cisco – Distributor of the Year, Norway

Cisco – Distributor of the Year, Sweden

Cisco – FY23 Meraki Distributor of the Year, Singapore

Cisco – FY23 Meraki Distributor of the Year, Indonesia

Clarity – EMEA Distributor of the Year

Extreme Networks – EMEA Distributor of the Year

Extreme Networks – Regional Distributor of the Year, Germany

Extreme Networks – Regional Distributor of the Year, UKI

Gigamon – Value Added Distributor of the Year, Singapore

Gigamon – Innovation Distributor of the Year, Indonesia

Palo Alto Networks – EMEA & LATAM Distributor of the Year

Palo Alto Networks – EMEA & LATAM SASE Distributor of the Year

Palo Alto Networks – EMEA & LATAM Cortex Distributor of the Year

Palo Alto Networks – EMEA & LATAM Marketing Distributor of the Year

Palo Alto Networks – EMEA & LATAM Western Europe Distributor of the Year

Palo Alto Networks – EMEA & LATAM Germany Distributor of the Year

Palo Alto Networks – Top Performing CPSP Partner 2023, JPAC

Ribbon – Distributor of the Year, EMEA & APAC

Ruckus – Distributor of the Year, MEA

SolarWinds – APJ Excellence in Enablement, APAC

Spectralink – Largest Services Partner, UK

Splunk – Distribution Partner of the Year, APAC

Tenable – APJ Distributor of the Year, Australia

Vectra – Distributor of the Year, Netherlands

Vectra – Distributor of the Year, Portugal

Industry awards

TMI Awards for Innovation & Excellence – Best Risk Management Solution

Software – Distributor Innovation Excellence Software, New Zealand

CRN Impact Awards – Best medium sized distributor, Australia

IT-Business Channel Awards – Distri Award 2024 - Gold - Category Networking, Germany

CRN Channel Awards – Best ESG Programme of the Year, UK&I

CRN Channel Awards – Networking and Comms Distributor of the Year, UK&I

CONTEXT ChannelWatch – Best Unified Communications Distributor 2023, Europe