



## EMEA Purpose-Built Backup Appliances Return to Growth in 1Q18, Says IDC

**LONDON, June 22, 2018** — EMEA purpose-built backup appliance (PBBA) vendor revenues increased 24.8% year over year to reach \$243.2 million in the first quarter of 2018, according to International Data Corporation's (IDC) *Worldwide Quarterly Purpose-Built Backup Appliance Tracker*.

Total EMEA PBBA open systems vendor revenue increased 29.3% year on year, with revenues of \$234.8 million. Mainframe system sales decreased 36% year on year in 1Q18.

"The PBBA market picked up in 2018 where it left off in 2017, posting solid year-over-year growth in the first quarter. The greater emphasis on meeting recovery objectives, ease of use, the ability to tier to the cloud, and the desire of organizations in EMEA to be compliant with GDPR requirements have helped to drive the focus on PBBA systems," said Jimena Sisa, senior research analyst, EMEA Storage Systems, IDC.

### EMEA PBBA Vendor Revenue by Product, 1Q18 (Revenues in \$M)

| Vendor revenues (\$M) | 1Q17 Revenue   | 1Q17 Market Share | 1Q18 Revenue   | 1Q18 Market Share | 1Q18/1Q17 Growth |
|-----------------------|----------------|-------------------|----------------|-------------------|------------------|
| Mainframe systems     | \$13.2         | 6.8%              | \$8.4          | 3.5%              | -36.0%           |
| Open systems          | \$181.6        | 93.2%             | \$234.8        | 96.5%             | 29.3%            |
| <b>Total</b>          | <b>\$194.8</b> | <b>100.0%</b>     | <b>\$243.2</b> | <b>100.0%</b>     | <b>24.8%</b>     |

### Open Systems

| <b>Vendor revenues (\$M)</b> | <b>1Q17 Revenue</b> | <b>1Q17 Market Share</b> | <b>1Q18 Revenue</b> | <b>1Q18 Market Share</b> | <b>1Q18/1Q17 Growth</b> |
|------------------------------|---------------------|--------------------------|---------------------|--------------------------|-------------------------|
| Integrated system            | \$60.6              | 33.3%                    | \$82.9              | 35.3%                    | 36.9%                   |
| Target system                | \$121.0             | 66.7%                    | \$151.9             | 64.7%                    | 25.5%                   |
| <b>Total</b>                 | <b>\$181.6</b>      | <b>100.0%</b>            | <b>\$234.8</b>      | <b>100.0%</b>            | <b>29.3%</b>            |

## **Regional Highlights**

### **Western Europe**

Vendor revenue in Western Europe increased 19.5% year on year in 1Q18 to \$181.6 million. This growth came mainly from open integrated systems, which reported a 39.4% rise year on year. There was robust PBBA spending in France and the U.K., with year-on-year growth of 56.6% and 30.1% respectively.

"European organizations have opted to invest not only in innovative data quality and validation solutions that help them make the data more accurate and compliant, but also to incorporate data management solutions to give enterprises agile and unified access to the various data formats across multiple platforms. This has helped boost the PBBA market in Western Europe as some vendors have incorporated data control and management solutions into their product portfolio," said Sisa.

### **CEMA**

The PBBA market was particularly strong in Central and Eastern Europe, the Middle East, and Africa (CEMA) in 1Q18, showing an increase of 46.1% in vendor revenue compared with the same period a year ago. This growth came on the back of open target systems, as most vendors recorded double-digit increases in this segment.

At a subregional level, both Central and Eastern Europe (CEE) and the Middle East and Africa (MEA) grew in revenue, but MEA was the main driver, with a 64.2% share of a nearly \$57 million CEMA market. This came from datacenter optimization projects and the growth in initial datacenter investments in more advanced data management and storage solutions, as well as GDPR enforcement in Europe.

"As GDPR came into force in May, the reality is that many organizations are still not compliant," said Marina Kostova, research manager, IDC CEMA. "The investments in backup and recovery are not only part of a long-planned strategy but are also fast 'backup' solutions for many end users trying to catch up with the deadline."

### **Taxonomy Notes**

IDC defines a purpose-built backup appliance as a standalone disk-based solution that utilizes software, disk arrays, server engines, or nodes that are used for backup data and specifically for data coming from a backup application (e.g., NetWorker, NetBackup, TSM, and Backup Exec) or can be tightly integrated with the backup software to catalog, index, schedule, and perform data movement. PBBAs are deployed in standalone configurations or as gateways. PBBA solutions deployed in a gateway configuration connect to and store backup data on general-purpose storage. Here, the gateway device serves as the component that is purpose built solely for backup and not to support any other workload or application. Regardless of packaging (as an appliance or gateway), PBBAs can have multiple interfaces or protocols. They can also provide and receive replication to or from remote sites and a secondary PBBA for disaster recovery.

IDC's *Worldwide Quarterly Purpose-Built Backup Appliance Tracker* provides vendor share, market size, and forecasts for purpose-built backup appliances. IDC provides key market insights and growth for vendors active in the PBBA market and for those looking to introduce new products into the market. Revenue and capacity for disk systems behind PBBA gateways are included in the PBBA market sizing and forecast. Some PBBA solutions integrate the data movement engine (backup application) with the appliance, while others serve only as a target for incoming backup application data. Both solutions are included in the PBBA market sizing, although segmentation between the two product categories is provided.

Major companies covered in this tracker include Dell Inc., Veritas, HPE, IBM, Quantum, Barracuda, Oracle, Fujitsu, Exagrid, HDS, Unitrends, and Falconstor Software.

## **About IDC**

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