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MarketLine Industry Profile

Global Software & Services

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EXECUTIVE SUMMARY

Market value

The global software & services industry grew by 6.5% in 2015 to reach a value of \$1,606.1 billion.

Market value forecast

In 2020, the global software & services industry is forecast to have a value of \$2,156.3 billion, an increase of 34.3% since 2015.

Category segmentation

It services is the largest segment of the global software & services industry, accounting for 58.3% of the industry's total value.

Geography segmentation

Asia-Pacific accounts for 35.8% of the global software & services industry value.

Market rivalry

Competition within the software & services market is boosted by constant advances in technology, by the presence of large international incumbents and a regular supply of new entrants with alternative business models forcing players to operate increasingly competitive pricing strategies.

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MARKET OVERVIEW

Market definition

The software and services market consists of two separate segments. The software segment includes systems and application software. The IT services segment includes IT outsourcing & processing, IT consulting & support, and cloud computing. Market value figures are assessed at manufacturer selling price (MSP), based on revenues accrued from software sales, licenses and IT services agreements. Any currency conversions used in the creation of this report have been calculated using constant 2014 annual average exchange rates.

For the purposes of this report, North America consists of Canada, Mexico, and the United States.

South America comprises Argentina, Brazil, Chile, Colombia, and Venezuela.

Europe comprises Austria, Belgium, the Czech Republic, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Netherlands, Norway, Poland, Portugal, Russia, Spain, Sweden, Switzerland, Turkey, and the United Kingdom.

Scandinavia comprises Denmark, Finland, Norway, and Sweden.

Asia-Pacific comprises Australia, China, Hong Kong, India, Indonesia, Kazakhstan, Japan, Malaysia, New Zealand, Pakistan, Philippines, Singapore, South Korea, Taiwan, Thailand, and Vietnam.

Middle East comprises Egypt, Israel, Saudi Arabia, and United Arab Emirates.

Market analysis

The global software & services market is made up of a mixture of booming markets such as China and India and markets with low growth such as Japan. Fluctuating growth in recent years is expected to turn to stable but slow deceleration over the forecast period to 2020, with strong growth overall.

The IT services segment is fragmented despite the presence of large, international incumbents (IBM, HP, First Data Corporation and Accenture), who together account for around 15% of the segment's global revenues. These larger players drive the widespread adoption of more advanced service offerings. The export-led nature of many IT services in developing countries has allowed skilled workforces to build up and given firms the opportunity to begin to place more focus on domestic markets.

The global software & services industry group had total revenues of \$1,606.1bn in 2015, representing a compound annual growth rate (CAGR) of 6.6% between 2011 and 2015. In comparison, the Asia-Pacific and US industry groups grew with CAGRs of 10.7% and 5.3% respectively, over the same period, to reach respective values of \$575.3bn and \$482.8bn in 2015.

China and the US are by far the biggest markets in terms of software segment revenues, together accounting for over two thirds of the segment's global market value.

The IT services segment was the industry group's most lucrative in 2015, with total revenues of \$935.7bn, equivalent to 58.3% of the industry group's overall value. The software segment contributed revenues of \$670.4bn in 2015, equating to 41.7% of the industry group's aggregate value.

Cloud computing services are expected to achieve dynamic growth over the next few years as buyers expand the use of data centers and advanced analytics in order to manage the vast amounts of data being produced in the connected world. The positive impact of this transition on the overall market could be balanced by a decline in outsourcing & processing services as many more tasks become automated through the use of artificial intelligence-based algorithms.

The performance of the industry group is forecast to decelerate, with an anticipated CAGR of 6.1% for the five-year period 2015 - 2020, which is expected to drive the industry group to a value of \$2,156.3bn by the end of 2020. Comparatively, the Asia-Pacific and US industry groups will grow with CAGRs of 8.1% and 5.2% respectively, over the same period, to reach respective values of \$847.8bn and \$621.3bn in 2020.

MARKET DATA

Market value

The global software & services industry grew by 6.5% in 2015 to reach a value of \$1,606.1 billion.

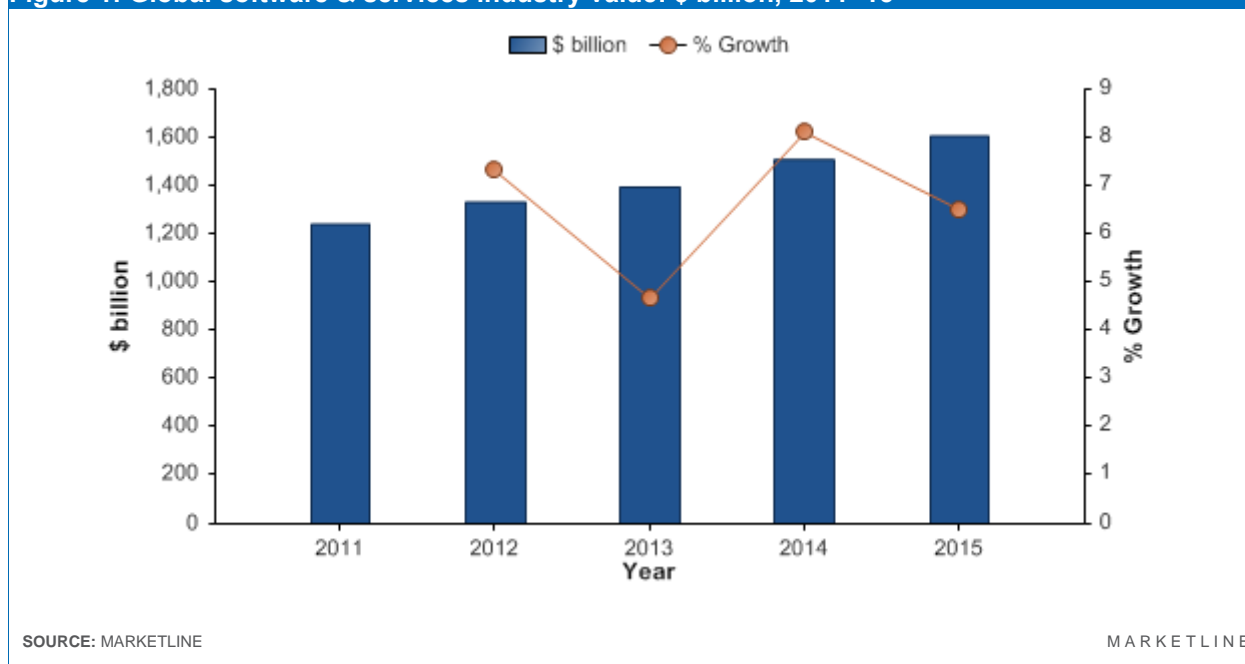
The compound annual growth rate of the industry in the period 2011–15 was 6.6%.

Table 1: Global software & services industry value: \$ billion, 2011–15

Year	\$ billion	€ billion	% Growth
2011	1,241.9	934.5	
2012	1,332.7	1,002.8	7.3%
2013	1,394.9	1,049.6	4.7%
2014	1,507.9	1,134.6	8.1%
2015	1,606.1	1,208.5	6.5%
CAGR: 2011–15			6.6%

SOURCE: MARKETLINE MARKETLINE

Figure 1: Global software & services industry value: \$ billion, 2011–15



MARKET SEGMENTATION

Category segmentation

IT services is the largest segment of the global software & services industry, accounting for 58.3% of the industry's total value.

The Software segment accounts for the remaining 41.7% of the industry.

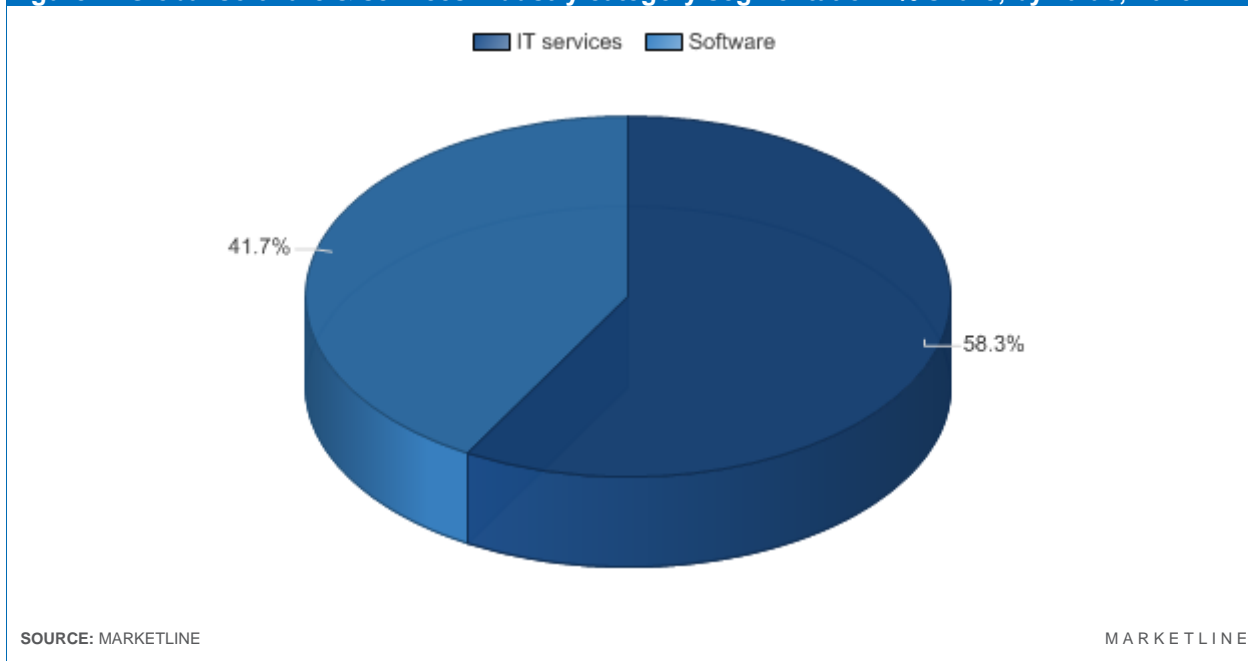
Table 2: Global software & services industry category segmentation: \$ billion, 2015

Category	2015	%
IT services	935.7	58.3%
Software	670.4	41.7%
Total	1,606.1	100%

SOURCE: MARKETLINE

MARKETLINE

Figure 2: Global software & services industry category segmentation: % share, by value, 2015



SOURCE: MARKETLINE

MARKETLINE

Geography segmentation

Asia-Pacific accounts for 35.8% of the global software & services industry value.

United States accounts for a further 30.1% of the global industry.

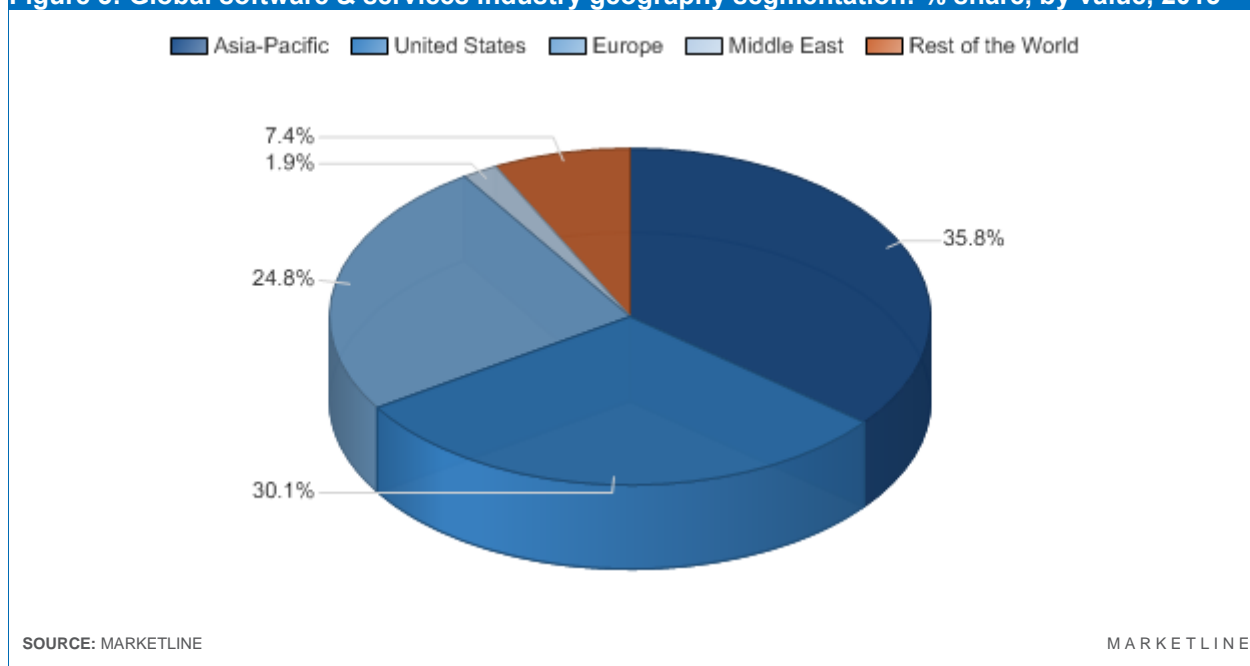
Table 3: Global software & services industry geography segmentation: \$ billion, 2015

Geography	2015	%
Asia-Pacific	575.3	35.8
United States	482.8	30.1
Europe	398.9	24.8
Middle East	30.5	1.9
Rest of the World	118.5	7.4
Total	1,606	100%

SOURCE: MARKETLINE

MARKETLINE

Figure 3: Global software & services industry geography segmentation: % share, by value, 2015



SOURCE: MARKETLINE

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MARKET OUTLOOK

Market value forecast

In 2020, the global software & services industry is forecast to have a value of \$2,156.3 billion, an increase of 34.3% since 2015.

The compound annual growth rate of the industry in the period 2015–20 is predicted to be 6.1%.

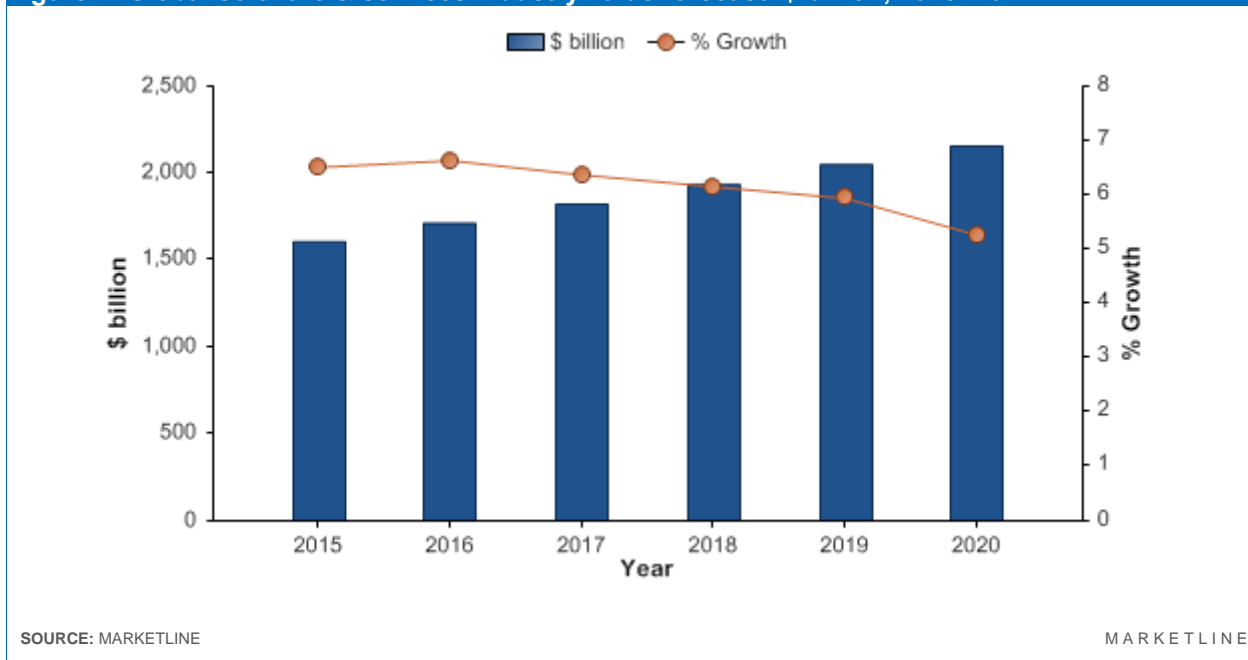
Table 4: Global software & services industry value forecast: \$ billion, 2015–20

Year	\$ billion	€ billion	% Growth
2015	1,606.1	1,208.5	6.5%
2016	1,712.6	1,288.7	6.6%
2017	1,821.7	1,370.7	6.4%
2018	1,933.7	1,455.0	6.2%
2019	2,048.5	1,541.4	5.9%
2020	2,156.3	1,622.5	5.3%
CAGR: 2015–20			6.1%

SOURCE: MARKETLINE

MARKETLINE

Figure 4: Global software & services industry value forecast: \$ billion, 2015–20

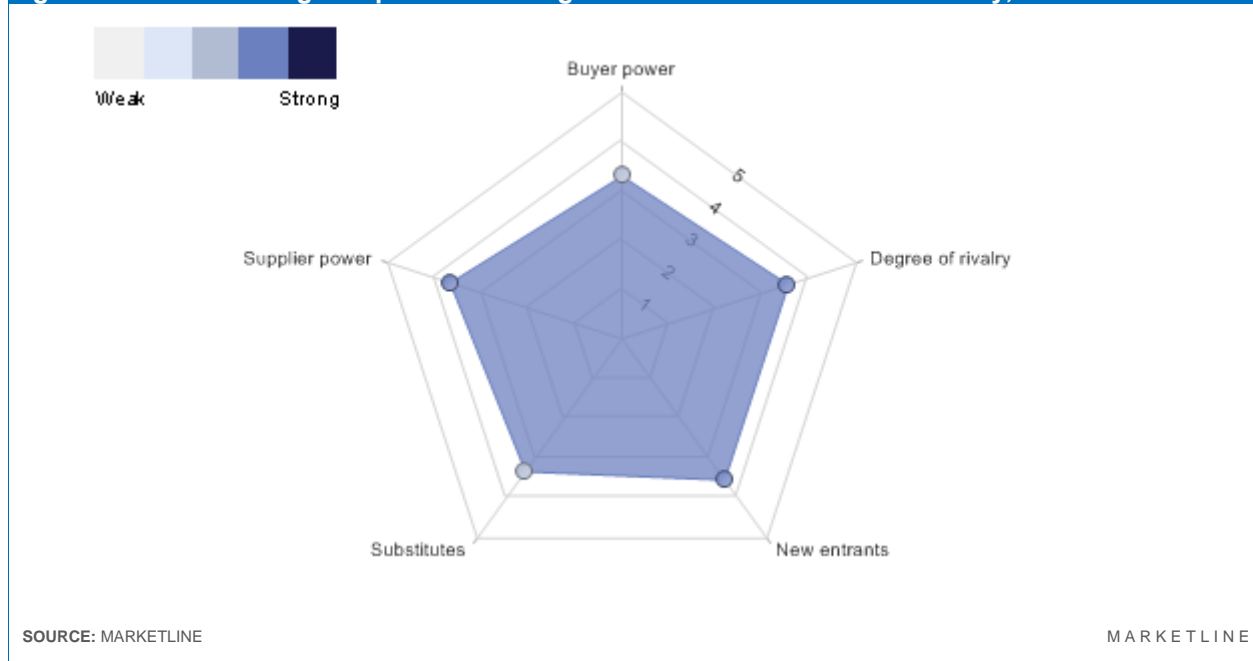


FIVE FORCES ANALYSIS

The software & services market will be analyzed taking software publishers and providers of it services as players. The key buyers will be taken as individual consumers, businesses and government agencies, and skilled employees as well as providers of hardware and software as the key suppliers.

Summary

Figure 5: Forces driving competition in the global software & services industry, 2015



Competition within the software & services market is boosted by constant advances in technology, by the presence of large international incumbents and a regular supply of new entrants with alternative business models forcing players to operate increasingly competitive pricing strategies.

Market players within the software segment tend to be acquisitive and often enter into partnerships with other players, with niche players needing to rely on the underlying infrastructure and middleware software of competitors. The IT services segment is evolving from offering services that improve productivity and efficiency such as outsourcing, to providing value-added services such as analytics consulting; this increases rivalry as players seek to capture market share in higher margin sectors.

Brand recognition is likely to be of significant importance to customers and they therefore often look to a reputable company. This is particularly the case for players involved in IT outsourcing and data processing, where consistent quality and security are key factors in winning contracts.

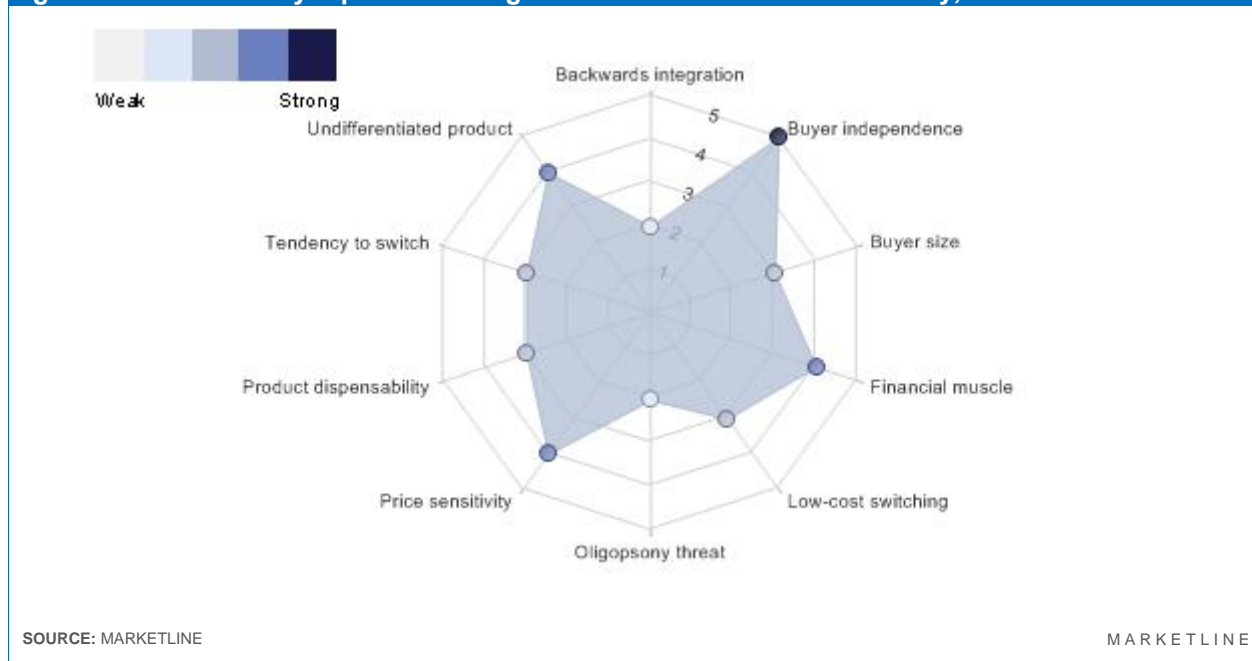
Market players require skilled programmers or consulting staff and powerful hardware to develop and maintain software and up to date services. Some companies, such as Microsoft and IBM, are more diversified with their training and certification, which allows them to produce a variety of software, services and hardware products. Hardware components tend to be purchased from a sole supplier, thus increasing their power. On the other hand, some companies show some backwards integration with software companies having hardware divisions and IT services companies having software capabilities, which reduces their reliance on external suppliers.

The positive outlook of the market, combined with easy access to the Internet as a distribution channel appeals to new entrants. Strong market growth also helps to ease competition amongst incumbent players, together with a certain level of diversification between players in the type of end-user and product portfolio.

The threat of substitutes is strong in the software segment, with IT services spreading into traditional software license based territory, especially with respect to readily available, free open-source software applications. Open-source software is becoming an increasingly credible service-backed business model, with companies such as US-based Red Hat doing well and Google's Android platform paving the way for the widespread acceptance of open-source code. High level of piracy in certain countries has had a significant effect on the software & services industry in terms of business models and routes to market.

Buyer power

Figure 6: Drivers of buyer power in the global software & services industry, 2015



The software & services market has many buyers: individual consumers, businesses of all sizes, and government institutions. Business buyers come from a very wide range of industries, including but not limited to banking, retail, logistics, telecommunications and healthcare. Buyers may be reliant on particular players as software is often industry-specific and service contracts can last several years, and thus switching costs can be high. Larger buyers, with greater financial muscle, exert more buyer power. The software segment benefits from the fact that software is now an indispensable aspect of many businesses, reducing buyer power.

Brand recognition is likely to be of significant importance to customers, particularly when it comes to electronic data processing. Buyers will often look to a reputable company for such services; this is especially so for government contracts, which have heightened media scrutiny in terms of IT failures. The services offered by industry players can often be highly important to the successful operation of a business, which reduces buyer power considerably.

Switching costs for software buyers may be lowered by players partnering up to deliver applications that foster interoperability. For example, SAP's business processes can be accessed by customers through Microsoft Office using 'Duet' or through IBM's Lotus Notes using 'Alloy'.

In addition, software buyers may choose freely available open-source products, which offer similar functionality to closed source software. For example, OpenOffice can be used instead of Microsoft Office in the office applications market and Linux can be used instead of Windows in the operating system market. There is also a concurrent move to software-as-a-service (SaaS) where buyers pay through regular subscriptions or as and when they use the software, which is hosted and managed remotely by the SaaS provider and can be accessed via the Internet. This software variant requires lower upfront costs and may be more accessible, thus also increasing buyer power. Major players are increasingly switching to SaaS business models due to the march towards cloud computing and open source software.

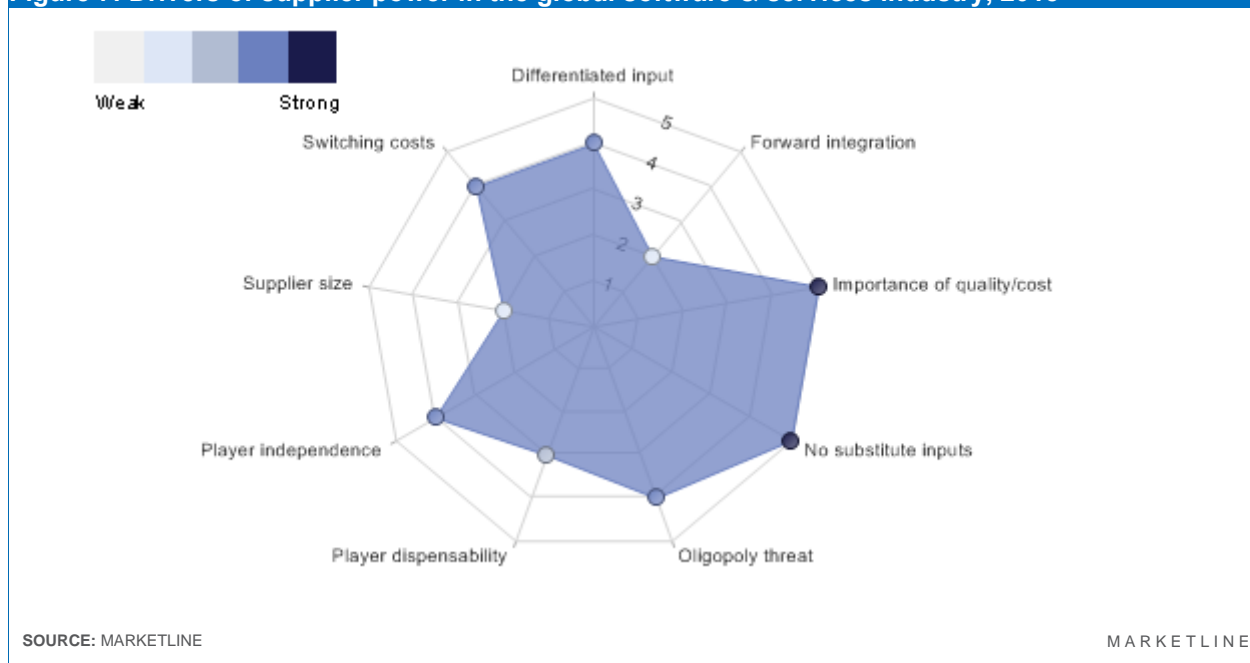
Full backwards integration by buyers is rather unlikely even where in-house IT services and software development may exist. This may decrease buyer power, however, it is mitigated by the fact that players are reluctant to integrate forwards into the buyer area of operation as buyers tend to operate in completely different business areas.

IT services in particular are becoming increasingly undifferentiated, which has given rise to strong price competition and driven reductions in labor costs and the subsequent relocation of multinational providers to low-cost locations. This shows the power that buyers have in influencing player practice.

Overall buyer power is assessed as moderate.

Supplier power

Figure 7: Drivers of supplier power in the global software & services industry, 2015



The software & services market requires employees with specific technical knowledge and adaptable know-how, as well as the most up-to-date hardware devices. Industry players rely on the continued service of qualified employees, and high rates of staff turnover can be detrimental to the business. This can be regarded as a high switching cost, with employees viewed as suppliers of such expertise. Competition for talented developers and consultants is strong amongst the major players. In the software segment for example, Microsoft's Developer Training and Certification initiative specifically promotes investment in this key factor. Equally, there is a large available workforce and strong competition amongst employees to develop innovations and get noticed by employers, which reduces their power to some extent.

Suppliers of technological infrastructure play an important role in developing markets, as their progress is closely linked to the ability of players to expand.

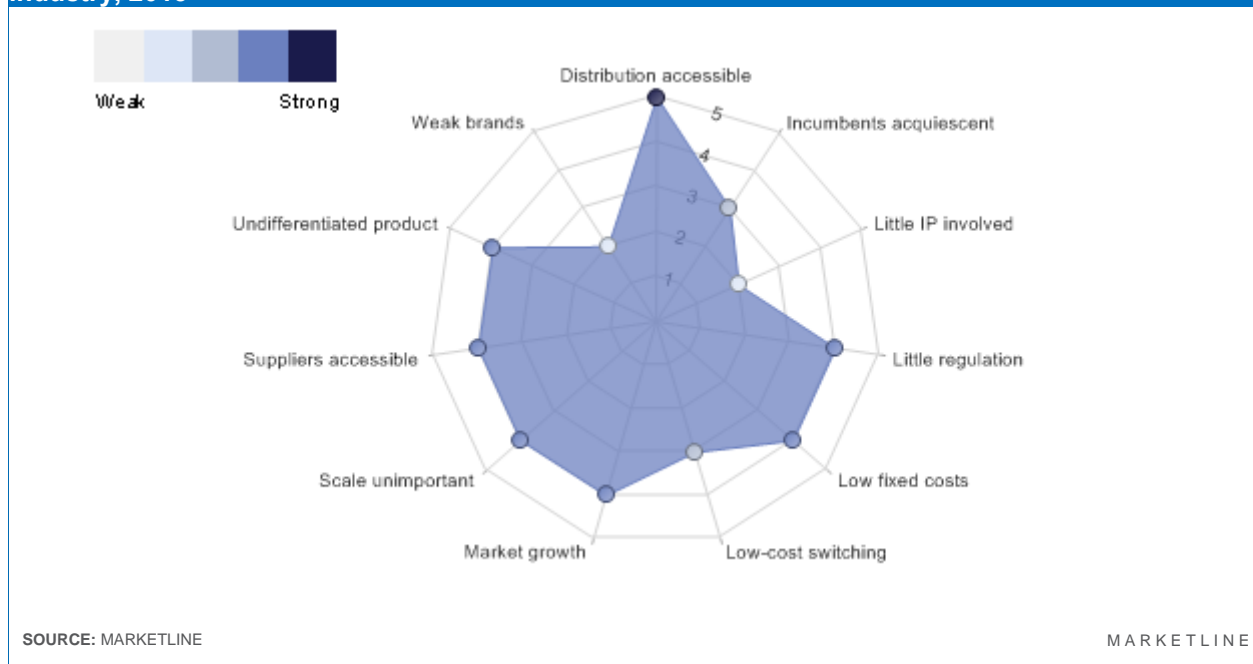
Inputs such as hardware components are often purchased from sole suppliers. Such suppliers are often large companies offering differentiated products with high quality, resulting in significant supplier power. Forward integration from suppliers has been historically rare, as software production entails a highly complicated process with large amounts of proprietary knowledge and IT services require a very different infrastructure to hardware manufacturing, which directly weakens supplier power. On the other hand, companies such as IBM cover the full industry value chain with its own hardware, software and services capabilities, which reduces its reliance on external suppliers significantly.

Further highlighting the tight links between each segment in this industry group, suppliers of software to IT services players may begin to forwards integrate once more complex software is required to provide IT services linked to powerful computers, offering parallel processing and advanced analytical techniques, which will increase supplier power. Microsoft - a software focused company for example, announced a predictive analytics service based around its Azure cloud platform in 2014.

Supplier power in this industry is strong overall.

New entrants

Figure 8: Factors influencing the likelihood of new entrants in the global software & services industry, 2015



Software development and IT consultancy services are labor intensive, since ultimately they depend on skilled employees. Relatively low capital requirements mean that market entry is eased in terms of hardware and a widening labor market means good access to skilled personnel. Furthermore, access to distribution channels has been made easier in recent years through the development and uptake by end-users of broadband Internet access. This allows software and services to be purchased, delivered, and updated without the need for physical media or conventional distribution channels, allowing good software and services to spread rapidly. Distribution is often limited by technological infrastructure meaning new entrants to developing markets will find difficulties in expanding. The World Economic Forum ranks the United States 7th (9th in 2013), Brazil 69th (60th in 2013), Germany 12th (13th in 2013), China 62nd (58th in 2013), and India 83rd (68th in 2013) out of 148 (144 in 2013) countries in terms of network readiness, which suggests that the global market has very varied levels of development in terms of IT infrastructure.

Newcomers must choose their market segment carefully, as certain areas have very strong incumbents. For example, Microsoft is dominant in the PC operating system segment and Symantec in the paid PC security space. Although major players, such as Microsoft, have been embroiled in anti-trust lawsuits in the US, and patent wars are common between major players, there are few specific regulatory requirements for software companies. Nonetheless, regulation in this industry group is varied and is largely dependent on the service or product offered and the buyers involved. For example, data processing services for financial institutions are often stringently regulated. In the US, they are subject to examination by the Federal Financial Institutions Examination Council, an interagency body comprised of the federal bank and thrift regulators and the National Credit Union Association. Restrictions on data flows between different countries, with data centers often needing to be located within a particular country may restrict the expansion capabilities of new entrants.

In a market where new products, and new kinds of products and services, are frequently launched, R&D investment is important. Alternatively, a large company can obtain intellectual property through acquisition of the company that originally generated it (such as Oracle's acquisition of Java technology as a result of its takeover of Sun Microsystems, or Google's purchase of Android Inc). In the IT services segment, IBM stated in its 2014 annual report that it has spent \$17bn to date on more than 30 acquisitions relating to Big Data and analytics. Whilst either approach requires significant funds, new entrants are likely to be more dynamic and may be able to offer rapid progression and share capital to talented individuals.

The position of incumbents may be strengthened by knowledge of their customers' business needs and associated long-term relationships, their ownership of key intellectual property, and potentially high switching costs for buyers in certain sectors. The operating system software segment is particularly affected by the power of incumbents with Microsoft Windows being purchased by original equipment manufacturers to be pre-installed on devices prior to sale; the Google Android platform needed the creation of entirely new computer devices such as tablets and smartphones before it was able to compete effectively in the operating system market.

Entry on a small scale is achievable in the IT consultancy market. Similarly, buyers seek to cut costs wherever possible and data processing and other business processes have increasingly been outsourced to specialists, allowing clients to focus on core activities. Newly developing niche markets will offer opportunities for smaller players in areas such as green IT and the 'Internet of Things'. Equally, industry specialists operating in key markets such as healthcare and finance have significant opportunities.

Growth is expected to continue, which continues to offer an attractive prospect to potential new entrants.

The likelihood of new entrants to this industry is assessed as strong.

Threat of substitutes

Figure 9: Factors influencing the threat of substitutes in the global software & services industry, 2015



There are few substitutes for software and services as such, yet each segment has the tendency to provide a substitute for the other.

An alternative to a number of the IT services offered in this industry group is to employ and train in-house staff to provide such services. In times of economic difficulty, some companies may rely on existing staff rather than third-party service providers. However, services offered by industry players provide businesses with several key advantages. Key employees may be released from performing non-core or administrative processes, allowing a company to concentrate wholly on its core activities. The increasing automation of IT services will pose difficulties for many players as buyers seek to bring more and more services in-house. This will also allow the service arms of hardware and software suppliers to act as substitutes for traditional IT services players. Equally, professional services firms such as KPMG are increasingly offering IT services due to the relative ease of replicating service models.

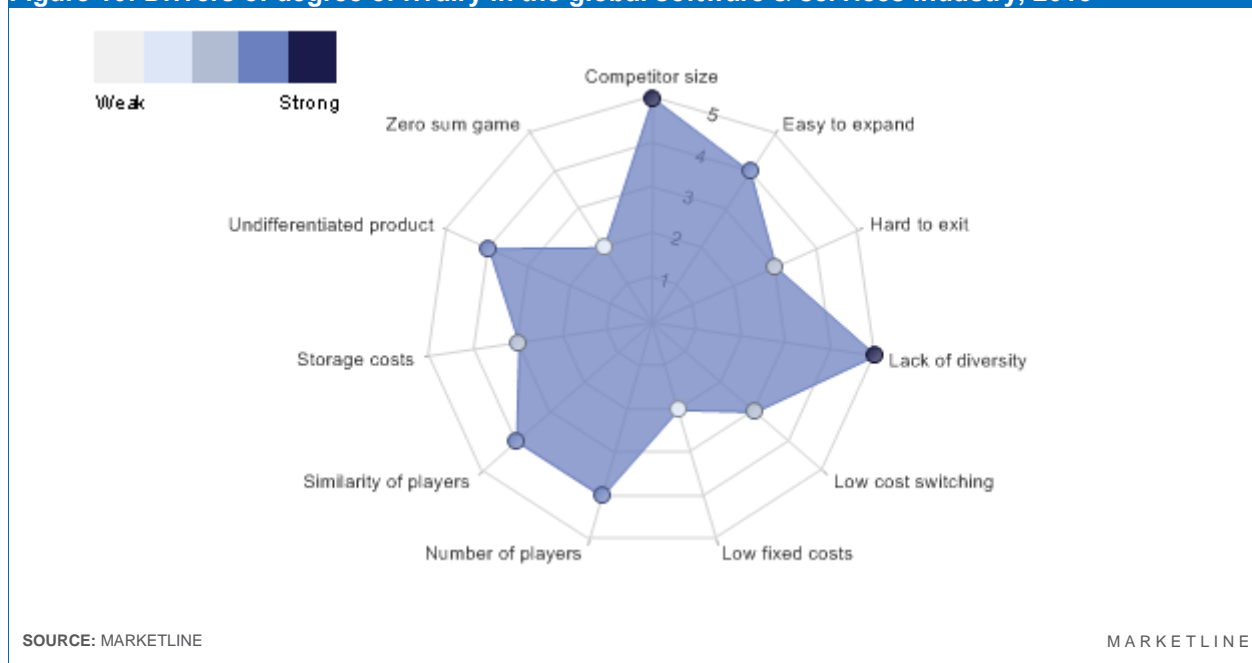
From the perspective of the major software players, substitutes in this segment are open-source software products and IT services, free web-based applications, and pirated versions of existing products. Rather than fund their business on big-ticket license contracts, open-source companies, such as Red Hat, receive revenues from services and maintenance. Open-source software is a beneficial alternative for many end-users. This is because most allow users to redistribute the software and adapt it themselves. Also, it has been argued that because the source code for open-source software is accessible to a large community of users and developers (in fact these two groups overlap in open-source development), bugs and security weaknesses can be identified and corrected more quickly than for closed-source products. It is often a lower cost alternative and has been particularly successful in website and web application development, with coding platforms such as Ruby on Rails and Twitter's Bootstrap code being used by many websites. The advent of websites such as GitHub and Stack Overflow give open-source programmers access to a wealth of information that is unavailable to users of dominant software, such as Microsoft's products. However, open-source products in general may present difficulties with compatibility and the expertise required to use them.

The availability of applications on the Internet has also caused major piracy issues. The most recent Global Unlicensed Software Study, published by the Business Software Alliance in 2013, estimates that the worldwide piracy rate is around 43% compared to 42% in 2012. Software security and the use of alternative service based business models have therefore become important for players combating free substitutes.

Overall, the threat of substitutes is moderate.

Degree of rivalry

Figure 10: Drivers of degree of rivalry in the global software & services industry, 2015



The industry is fragmented despite the presence of large, international incumbents (Microsoft, IBM, HP, and Oracle). The number of competitors varies between countries with the US, for example, having more than 100,000 software and IT services companies with over 99% being SMEs, which increases rivalry in comparison to somewhere like Brazil, which has around 2,930 IT services companies.

Companies may dominate in particular areas, such as Oracle, which focuses on databases and middleware. However, the largest companies offer a broad portfolio of products; IBM provides a variety of services, develops software and makes mainframe computers for instance, while Microsoft also makes consumer electronics. In addition, Microsoft and IBM sell to individual consumers as well as businesses. Diversification, which helps to defend revenues from decline in a particular segment, tends to decrease rivalry, whereas the large size of major players increases competition. In addition, developments in social network, mobile, analytic and cloud technologies have begun to allow players to offer more value-added services, which has increased rivalry in terms of intellectual property and the need for perpetual innovation.

Since international expansion can be relatively fast with distribution over the Internet, competition over profit margins is likely to increase rivalry, which is epitomized by the development of the open-source software market. Oracle now offers some database software, such as MySQL, as open-source in order to make sure it is not bypassed by the likes of MongoDB. The globalized nature of the industry also increases rivalry with regard to cost reduction, which has driven the rapid expansion of export services in countries such as India, where competitive contractual terms are key success factors. This has historically been linked to labor costs but may develop into data storage costs as increasing amounts of data are being created and restrictions on data flows mean that data centers will proliferate. Having said that, security and secrecy are also key factors in terms of data storage, which is perhaps why traditional tax havens top the list of countries with the most secure internet servers per 1 million people (Liechtenstein, Monaco, Switzerland, Luxembourg, the Isle of Man and the Cayman Islands are all in the top ten).

The software segment is well known for pursuing patent litigation, particularly among the major players. For example, Oracle has had lawsuits against Google and SAP claiming patent and copyright infringement. Due to the high profits that can be made on a global basis, the technology industry is also subject to patent 'trolls', who seek to purchase patents rather than develop and sell software, simply to file lawsuits and obtain license fees.

Rivalry within this industry group is alleviated to an extent by good growth in recent years, which helps to prevent zero-sum gains.

Overall, rivalry is strong.

LEADING COMPANIES

Hewlett Packard Company

Table 5: Hewlett Packard Company: key facts

Head office:	3000 Hanover Street, Palo Alto, California 94304 1185, USA
Telephone:	1 650 857 1501
Fax:	1 650 857 5518
Website:	www.hp.com
Financial year-end:	October
Ticker:	HPQ
Stock exchange:	New York
SOURCE: COMPANY WEBSITE	
MARKETLINE	

Hewlett-Packard Company (HP or "the company") offers information technology (IT) products spanning printing, personal systems, software, services and IT infrastructure. The company's offerings include personal computing and other access devices; imaging and printing-related products and services; enterprise IT infrastructure, including enterprise server and storage technology, networking products and solutions, technology support and maintenance; multi-vendor customer services, including technology consulting, outsourcing and support services across infrastructure, applications and business process domains; and IT management software, application testing and delivery software, information management solutions, big data analytics, security intelligence and risk management solutions. The company has operations in the Americas, Europe, Middle East, Africa (EMEA) and Asia-Pacific.

HP's operations span across seven business segments: Personal Systems, Enterprise Group, Printing, Enterprise Services, Software, HP Financial Services (HPFS), and Corporate Investments.

The Personal Systems segment offers commercial personal computers (PCs), consumer PCs, workstations, thin client PCs, tablets, retail point-of-sale (POS) systems, calculators and other related accessories, software, and support and services for the commercial and consumer markets. The company's commercial and consumer PCs and tablets are based on the Windows operating system and uses processors from Intel and Advanced Micro Devices (AMD). Commercial PCs cater to the commercial markets including, enterprise and, small and medium business (SMB) customers. The company's commercial PCs include workstations and consumer PCs include multi-media consumer notebooks, consumer tablets, hybrids and desktops, as well as the touch-enabled notebooks and all-in- one desktops.

The company's Enterprise Group provides a portfolio of enterprise technology infrastructure solutions for several operating environments. The enterprise technology infrastructure offers a portfolio of servers, storage, networking, and technology services. The Enterprise Group offers industry standard servers, business critical systems, storage, networking, and technology services. The industry standard servers include microservers, towers, traditional rack, density-optimized rack and blades, as well as solutions for large, distributed computing companies. The company delivers business critical systems with a portfolio of HP Integrity servers as well as HP Integrity NonStop solutions and mission-critical x86 ProLiant servers. The storage offerings include storage platforms for enterprise and SMB environments. Traditional storage solutions include tape, storage networking and legacy external disk products. It also offers converged storage solutions, including 3PAR StoreServ, StoreOnce and StoreVirtual products.

Enterprise Group's networking solutions include switches, routers, wireless local area network (WLAN), and network management products used in solutions for data center, campus and branch networks. The company's unified wired and wireless networking offerings include WLAN access points, controllers and switches, which are based on FlexNetwork architecture. HP's software-defined networking (SDN) offers an end-to-end solution for automation of network from data center to campus and branch. The technology services offered by this segment include support services and technology consulting, focused on cloud, mobility and big data. The support services include HP Foundation Care, a portfolio of reactive hardware and software support services; HP Proactive Care, which combines remote support technology for real-time monitoring; HP Datacenter Care, an end-to-end support for HP and multi-vendor systems that enables customers to build and operate IT in traditional, cloud or hybrid cloud environments; and Lifecycle Event services, which are event-based services offering consulting for each phase of the technology life cycle.

The company's Printing segment provides consumer and commercial printer hardware, supplies, media, software and services, as well as scanning devices. It also offers imaging solutions in the commercial markets. The imaging solutions encompass managed print services (MPS) for industrial applications, outdoor signage, and the graphic arts businesses. Printing segment's Laserjet and Enterprise solutions offer LaserJet and enterprise products, services and solutions to the SMBs and enterprise segments including LaserJet printers and supplies (toner), Officejet Pro X inkjet enterprise products and supplies, multi-function devices, scanners, web-connected hardware, managed services, and enterprise software solutions. The MPS offered by the company include printing equipment, supplies, support, workflow optimization and security features for SMBs and enterprise customers, utilizing proprietary HP tools and fleet management solutions, as well as third-party software. Inkjet and printing solutions deliver inkjet solutions; and single function and all-in-one inkjet printers for consumer and SMBs. The graphic solutions offered by the Printing segment include large format printers, specialty printing, digital press solutions, supplies and services to print service providers. Graphic solutions cover a range of printing applications such as technical design, photos, sign and display, direct mail, marketing collateral, labels and packaging, and publishing. The Printing segment's software and web services deliver a suite of offerings, including photo-storage and printing offerings, document storage, entertainment services, web-connected printing, and PC back-up and related services.

HP's Enterprise Services segment provides technology consulting, outsourcing and support services across infrastructure, applications and business process domains. The segment includes infrastructure technology outsourcing, and application and business services. Infrastructure technology outsourcing services encompass the management of data centers, IT security, cloud computing, workplace technology, networks, unified communications, and enterprise service management. It also offers a set of managed services that provide infrastructure services for smaller, discrete engagements. The application and business services encompass application development, testing, modernization, system integration, maintenance and management for both packaged and custom-built applications and cloud offerings. The service portfolio of application and business services also includes intellectual property-based industry solutions, services and technologies to help clients better manage critical business processes, such as customer relationship management, finance and administration, human resources, payroll and document processing.

HP's Software segment provides IT management, application testing and delivery, information management, big data analytics, security intelligence and risk management solutions for businesses and enterprises. Its software offerings include licenses, support, professional services and software-as-a-service (SaaS). The company's global business capabilities within the Software segment include application delivery management, big data, enterprise security, IT operations management, and marketing optimization.

Application delivery management which is part of HP's IT management offerings, provides software that enables organizations to deliver performance applications by automating and testing the processes required to ensure the quality and scalability of desktop, web, mobile and cloud-based applications. Big data provides a suite of software designed to help organizations store, explore, govern, protect and serve information and insights. Its big data suite includes HP Vertica, an analytics platform for machine, structured and semi-structured data; HP IDOL, an analytics platform for human information from Autonomy, as well as solutions for archiving, data protection, eDiscovery, information governance and enterprise content management. Enterprise security software is designed to disrupt fraud, hackers and cyber criminals by scanning software and websites for security vulnerabilities, improving network defenses and providing real-time warning of threats as they emerge. IT operations management which is part of HP's IT management offerings provides software required to automate routine IT tasks and to pinpoint IT problems. HP's marketing optimization provides solutions for augmented reality, contact center analytics, customer communications management and digital experience management.

HPFS offers investment solutions such as leasing, financing, utility programs, and asset management services for large enterprise customers and channel partners, along with an array of financial options to SMBs, educational and governmental entities.

The Corporate Investments segment of the company includes HP Labs, and certain cloud-related business incubation projects among others.

On October 6, 2014, HP declared its intention to split its business and form two independent, publicly traded companies, one with a focus on personal systems and printing, the other on enterprise services. Hewlett-Packard Enterprise will consist of the existing Enterprise Group, Enterprise Services, Software, HP Financial Services, and Corporate Investments segments, which combined accounted for 51.5% of Hewlett-Packard's total revenues in FY2013. HP Inc. will comprise the existing Personal Systems and Printing segments and will therefore target the laptop, desktop PC, tablet, and printing markets.

Key Metrics

The company recorded revenues of \$111,454 million in the fiscal year ending October 2014, a decrease of .8% compared to fiscal 2013. Its net income was \$5,013 million in fiscal 2014, compared to a net income of \$5,113 million in the preceding year.

Table 6: Hewlett Packard Company: key financials (\$)

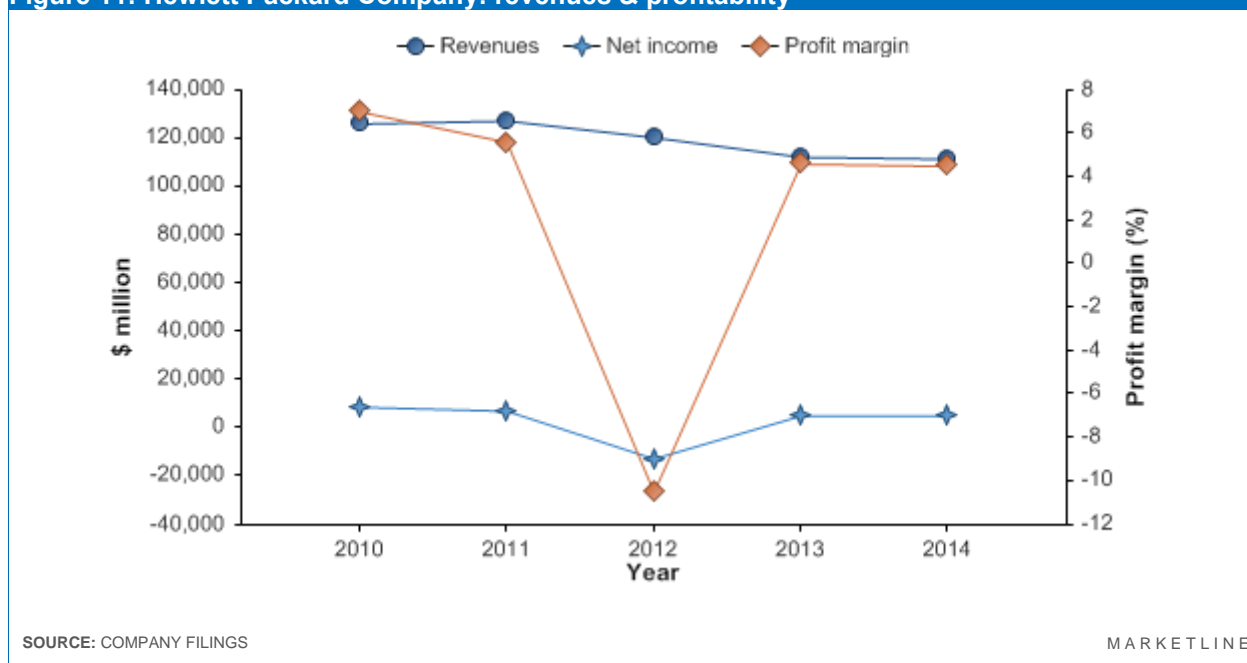
\$ million	2010	2011	2012	2013	2014
Revenues	126,003.0	127,245.0	120,357.0	112,298.0	111,454.0
Net income (loss)	8,761.0	7,074.0	(12,650.0)	5,113.0	5,013.0
Total assets	124,503.0	129,517.0	108,768.0	105,676.0	103,206.0
Total liabilities	83,722.0	90,513.0	85,935.0	78,020.0	76,079.0
Employees	324,600	349,600	331,800	317,500	302,000
SOURCE: COMPANY FILINGS				MARKETLINE	

Table 7: Hewlett Packard Company: key financial ratios

Ratio	2010	2011	2012	2013	2014
Profit margin	7.0%	5.6%	(10.5%)	4.6%	4.5%
Revenue growth	10.0%	1.0%	(5.4%)	(6.7%)	(0.8%)
Asset growth	8.5%	4.0%	(16.0%)	(2.8%)	(2.3%)
Liabilities growth	13.1%	8.1%	(5.1%)	(9.2%)	(2.5%)
Debt/asset ratio	67.2%	69.9%	79.0%	73.8%	73.7%
Return on assets	7.3%	5.6%	(10.6%)	4.8%	4.8%
Revenue per employee	\$388,179	\$363,973	\$362,740	\$353,694	\$369,053
Profit per employee	\$26,990	\$20,235	(\$38,125)	\$16,104	\$16,599

SOURCE: COMPANY FILINGS

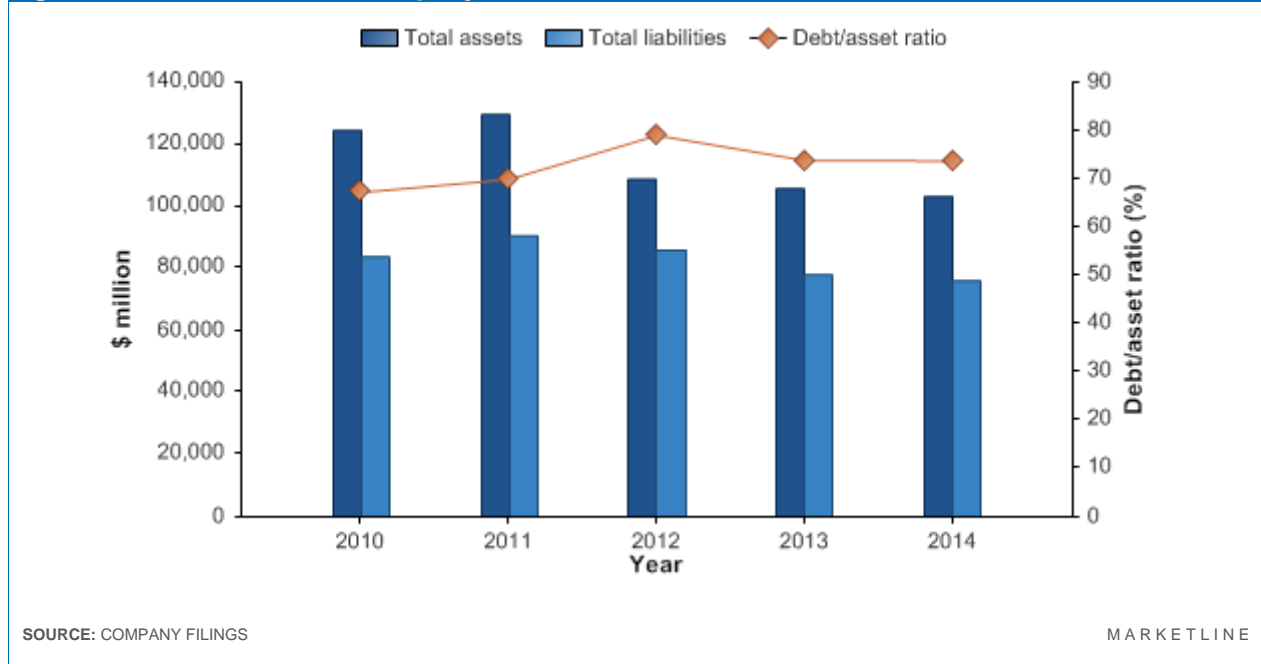
MARKETLINE

Figure 11: Hewlett Packard Company: revenues & profitability

SOURCE: COMPANY FILINGS

MARKETLINE

Figure 12: Hewlett Packard Company: assets & liabilities



International Business Machines Corporation

Table 8: International Business Machines Corporation: key facts

Head office:	1 New Orchard Road, Armonk, New York 10504, USA
Telephone:	1 914 499 1900
Website:	www.ibm.com
Financial year-end:	December
Ticker:	IBM
Stock exchange:	New York
SOURCE: COMPANY WEBSITE	
MARKETLINE	

International Business Machines Corporation (IBM or "the company") is a global information technology (IT) company, which provides a range of services, software, systems and fundamental research services. The company also offers related financing services for its clients. The company has a global presence, operating in countries across Americas, Europe, Middle East, Africa and Asia Pacific.

The company's operations span across five business segments: Global Technology Services (GTS), Software, Global Business Services (GBS), Systems and Technology (STG), and Global Financing.

The GTS segment primarily provides IT infrastructure and business process services, including strategic outsourcing services, global process services, integrated technology services, cloud services, and technology support services. Strategic outsourcing services include the delivery of comprehensive IT outsourcing services dedicated to transforming clients' existing infrastructures. Global process services deliver a range of transformational solutions including processing platforms and business process outsourcing (BPO). Integrated technology services include a portfolio of project-based and managed services that enable clients to transform and optimize their IT environments. IBM's cloud services portfolio includes private clouds, customized dedicated managed clouds, and standardized cloud infrastructure services. IBM offers a line of support services from product maintenance through solution support.

The Software segment consists primarily of middleware and operating systems software. The company's key software capabilities include WebSphere, information management software, Watson solutions, Tivoli, workforce solutions, rational software, and mobile software.

WebSphere software which is built on services-oriented architecture (SOA) and open standards support for cloud, mobile and social interactions, is designed to enable organizations to integrate and manage business processes across their organizations. IBM's information management software enables clients to integrate, manage and analyze data from a variety of sources. Its middleware and integrated solutions include advanced database management, information integration, data governance, enterprise content management, data warehousing, business analytics and intelligence, predictive analytics and big data analytics. The Watson solution is a cognitive computing platform that can interact in natural language and process large amounts of big data to deliver insights with high speed and accuracy. Tivoli provides clients visibility, control and automation across their end-to-end business operations. The company's social workforce solutions enable effective communication between people and processes through collaboration, messaging and social networking software. Rational software supports software development for both IT and complex embedded system solutions, with a portfolio of products and solutions supporting DevOps and Smarter Product Development. IBM's mobile software spans middleware and offers end-to-end mobile solutions across platform and application development, mobile security, and mobile device management.

The GBS segment provides consulting and application management services. The company's consulting and systems integration business provides solutions in strategy and transformation, application innovation services, enterprise applications and smarter analytics. The application management services portfolio includes application testing and modernization, cloud application services, globally integrated capability model, industry knowledge and the standardization and automation of application management.

IBM's STG segment provides clients with infrastructure technologies to help meet the new requirements of data, cloud and engagement from deploying advanced analytics, to moving to digital service delivery with the cloud, and securing mobile transaction processing. In addition, the segment provides semiconductor technology, products and packaging solutions for IBM's own advanced technology needs. The segment's capabilities include servers which comprise System z, an enterprise platform for integrating data, transactions and insight; and Power Systems, a system designed from the ground up for big data, optimized for scale-out cloud and Linux, and delivering open innovation with OpenPOWER. STG's data storage products and solutions are designed to address critical client requirements for information retention and archiving, security, compliance and storage optimization including data deduplication, availability and virtualization. The portfolio consists of a range of software defined storage solutions; disk and tape storage systems; and Flash storage solutions.

IBM's Global Financing segment facilitates clients' acquisition of IBM systems, software and services. The segment invests in financing assets, leverages with debt and manages the associated risks. The capabilities of the segment include client financing, commercial financing, and remanufacturing and remarketing. Client financing includes lease and loan financing to end users and internal clients for terms generally between one and seven years. Commercial financing is short-term inventory and accounts receivable financing to dealers and remarketers of IT products. The company also remanufactures and remarkets equipment, which is returned at the conclusion of a lease transaction after refurbishment to new or existing clients both externally and internally.

Key Metrics

The company recorded revenues of \$92,793 million in the fiscal year ending December 2014, a decrease of 5.7% compared to fiscal 2013. Its net income was \$15,751 million in fiscal 2014, compared to a net income of \$16,881 million in the preceding year.

Table 9: International Business Machines Corporation: key financials (\$)

\$ million	2010	2011	2012	2013	2014
Revenues	99,870.0	106,916.0	102,874.0	98,368.0	92,793.0
Net income (loss)	14,833.0	15,855.0	16,999.0	16,881.0	15,751.0
Total assets	113,452.0	116,433.0	119,213.0	126,223.0	117,532.0
Total liabilities	90,280.0	96,197.0	100,229.0	103,294.0	105,518.0
Employees	426,751	433,362	434,246	431,212	379,592

SOURCE: COMPANY FILINGS

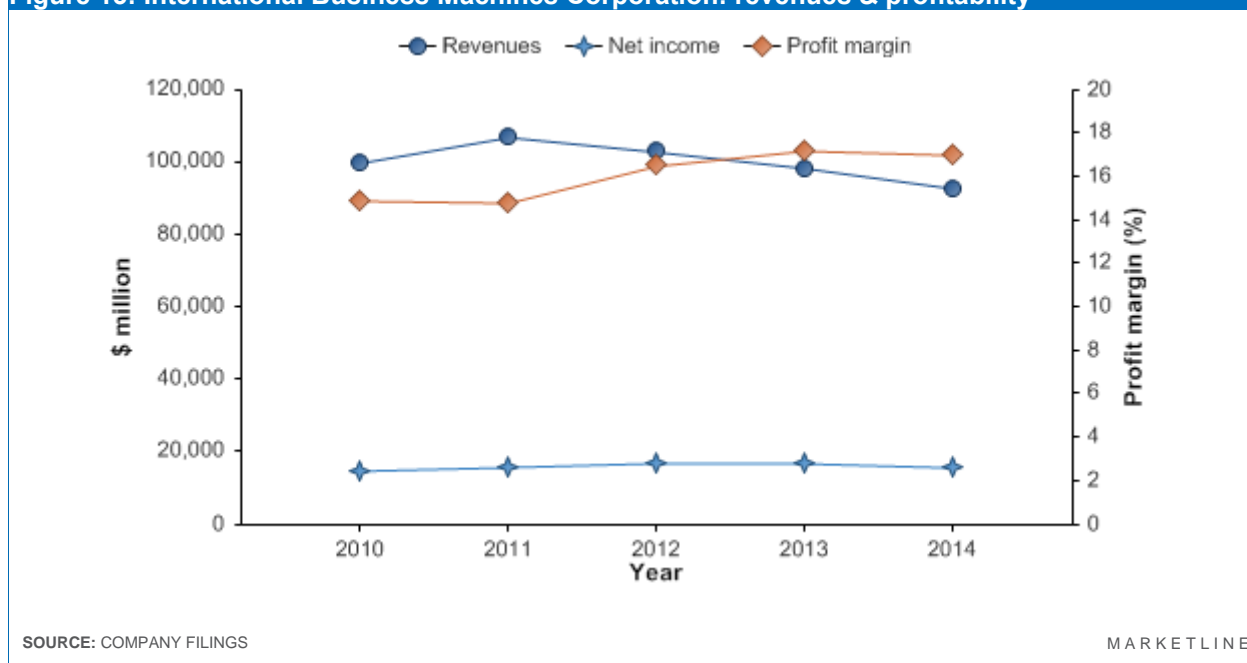
MARKETLINE

Table 10: International Business Machines Corporation: key financial ratios

Ratio	2010	2011	2012	2013	2014
Profit margin	14.9%	14.8%	16.5%	17.2%	17.0%
Revenue growth	4.3%	7.1%	(3.8%)	(4.4%)	(5.7%)
Asset growth	4.1%	2.6%	2.4%	5.9%	(6.9%)
Liabilities growth	4.7%	6.6%	4.2%	3.1%	2.2%
Debt/asset ratio	79.6%	82.6%	84.1%	81.8%	89.8%
Return on assets	13.3%	13.8%	14.4%	13.8%	12.9%
Revenue per employee	\$234,024	\$246,713	\$236,903	\$228,120	\$244,455
Profit per employee	\$34,758	\$36,586	\$39,146	\$39,148	\$41,495

SOURCE: COMPANY FILINGS

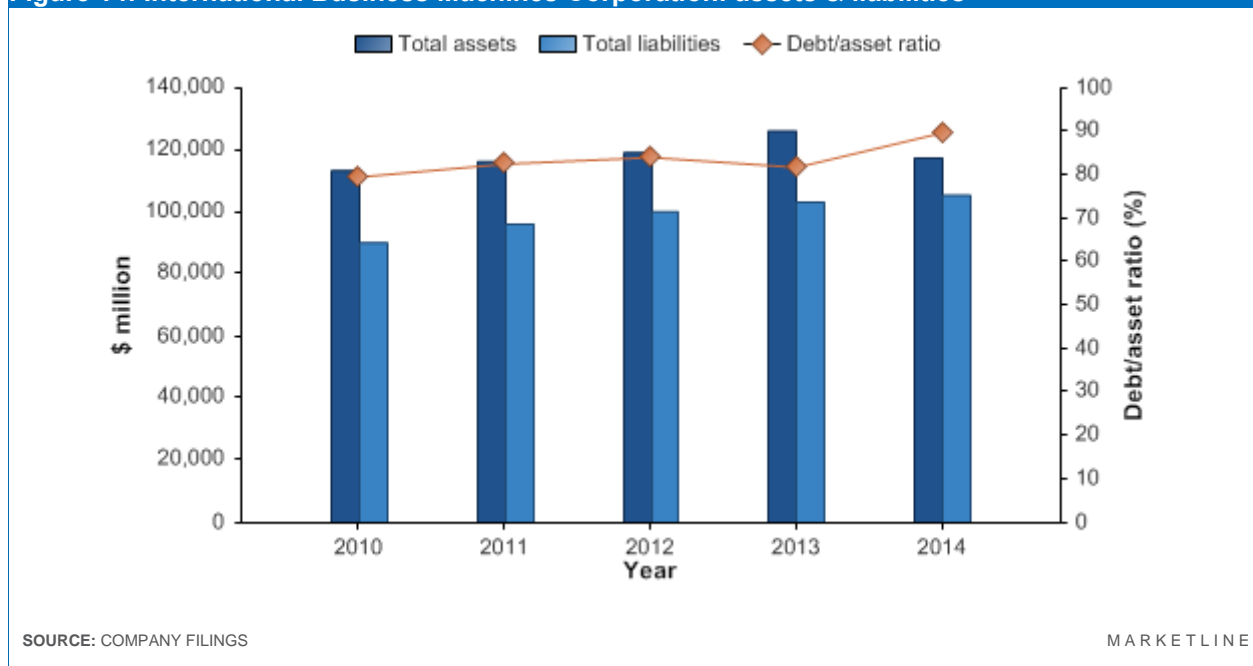
MARKETLINE

Figure 13: International Business Machines Corporation: revenues & profitability

SOURCE: COMPANY FILINGS

MARKETLINE

Figure 14: International Business Machines Corporation: assets & liabilities



Microsoft Corporation

Table 11: Microsoft Corporation: key facts

Head office:	One Microsoft Way, Redmond, Washington 98052 6399, USA
Telephone:	1 425 882 8080
Website:	www.microsoft.com
Financial year-end:	June
Ticker:	MSFT
Stock exchange:	NASDAQ
<p>SOURCE: COMPANY WEBSITE</p> <p>MARKETLINE</p>	

Microsoft Corporation (Microsoft or "the company") is engaged in the development and marketing of software, services, and hardware devices. The company's products include operating systems for computing devices, servers, phones, and other intelligent devices; server applications for distributed computing environments; productivity applications; business solution applications; desktop and server management tools; software development tools; video games; and online advertising. It also designs and sells hardware including personal computers (PCs), tablets, gaming and entertainment consoles, phones, other intelligent devices, and related accessories. The company operates globally and has offices in more than 100 countries.

The company operates its business through two business segments: Device and Consumer (D&C) and Commercial. These segments are further classified into six segments.

Microsoft's D&C business segment develops, manufactures, markets and supports products and services designed to increase personal productivity, help people simplify tasks and make more informed decisions online, entertain and connect people, and help advertisers connect with audiences. The D&C segment is made up of three operating segments D&C Licensing, Computing and Gaming Hardware, Phone Hardware, and D&C Other.

The D&C Licensing segment's principal products and services include Windows, including original equipment manufacturer (OEM) licensing (Windows OEM), and other non-volume licensing and academic volume licensing of the Windows operating system and related software; non-volume licensing of Microsoft Office, comprising the core Office product set, for consumers (Office Consumer); Windows Phone operating system, including related patent licensing; and certain other patent licensing. The products and services offered by Computing and Gaming Hardware segment include Xbox gaming and entertainment consoles and accessories, second-party and third-party video game royalties, and Xbox Live subscriptions (Xbox Platform); Surface devices and accessories; and Microsoft PC accessories. D&C Phone Hardware segment is engaged in manufacturing and selling Lumia Smartphones and other non-Lumia phones.

The D&C Other segment is engaged in the resale of Windows Store, X-box transactions, and Windows Phone store; advertising services, including search and display advertising; Office 365 Consumer, comprising Office 365 Home and Office 365 Personal; and Studios that comprise of first-party video games; and retail stores. Windows Store and Windows Phone Store are online application marketplaces that are designed to benefit the company's developers and partner ecosystems by providing access to a large customer base and benefit users by providing centralized access to certified applications. Xbox Live transactions consist of online entertainment content, such as games, music, movies, and TV shows, accessible on Xbox consoles and other devices. Search and display advertising includes Bing, Bing Ads, MSN, Windows Services, and Xbox ads. Office 365 Consumer is designed to increase personal productivity through a range of Microsoft Office programs and services delivered across multiple platforms via the cloud. Studios designs and markets games for Xbox consoles, Windows-enabled devices, and online.

Microsoft's Commercial segment develops, markets, and supports software and services designed to increase individual, team, and organization productivity and efficiency, and to simplify everyday tasks through seamless operations across the user's hardware and software. It includes Commercial Licensing and Commercial Others segments.

The principal products offered by the Commercial Licensing segment include Windows Server, Microsoft SQL Server, Visual Studio, System Center, and related Client Access Licenses (CAL); Windows Embedded; volume licensing of the Windows operating system, excluding academic (Windows Commercial); Microsoft Office for business, including Office, Exchange, SharePoint, Lync, and related CAL (Office Commercial); Skype; and Microsoft Dynamics business solutions, excluding Dynamics CRM Online. The company's server products are designed to make information technology (IT) professionals and developers and their systems more productive. Server software is integrated server infrastructure and middleware designed to support software applications built on the Windows Server operating system. This includes the server platform, database, business intelligence, storage, management and operations, virtualization, service-oriented architecture platform, security, and identity software. It also licenses standalone and software development lifecycle tools for software architects, developers, testers, and project managers. CAL provides access rights to certain server and Office products, including Windows Server, Microsoft SQL Server, Exchange, SharePoint, and Lync. Windows Embedded is designed to extend the cloud to intelligent systems, including the Internet of Things (IoT), by delivering specialized operating systems, tools, and services. Skype is designed to connect friends, family, clients, and colleagues through a variety of devices. The company's Microsoft Dynamics offers business solutions for financial management, customer relationship management, supply chain management, and analytics applications for small and mid-size businesses, large organizations, and divisions of global enterprises.

The Commercial Other segment offers enterprise services, including premier product support services and Microsoft consulting services; commercial cloud, comprising Office 365 Commercial, other Microsoft Office online offerings, Dynamics CRM Online, and Microsoft Azure. Enterprise services, including Premier product support services and Microsoft Consulting Services are designed to assist customers in developing, deploying, and managing Microsoft server and desktop solutions and provide training and certification to developers and IT professionals on various Microsoft products. Office 365 Commercial is an online services offering that includes Microsoft Office, Exchange, SharePoint, and Lync, and is available across a variety of devices and platforms. Dynamics CRM Online is designed to provide customer relationship management (CRM) and supply chain management for small and mid-size businesses, large organizations, and divisions of global enterprises. Microsoft Azure is an operating system with computing, storage, database, and management, along with comprehensive cloud solutions, from which customers can build, deploy, and manage enterprise workloads and web applications. These services also include a platform that helps developers build and connect applications and services in the cloud.

Key Metrics

The company recorded revenues of \$93,580 million in the fiscal year ending June 2015, an increase of 7.8% compared to fiscal 2014. Its net income was \$12,193 million in fiscal 2015, compared to a net income of \$22,074 million in the preceding year.

Table 12: Microsoft Corporation: key financials (\$)

\$ million	2011	2012	2013	2014	2015
Revenues	69,943.0	73,723.0	77,849.0	86,833.0	93,580.0
Net income (loss)	23,150.0	16,978.0	21,863.0	22,074.0	12,193.0
Total assets	108,704.0	121,271.0	142,431.0	172,384.0	176,223.0
Total liabilities	51,621.0	54,908.0	63,487.0	82,600.0	96,140.0
Employees	90,412	94,290	99,139	99,000	118,000

SOURCE: COMPANY FILINGS

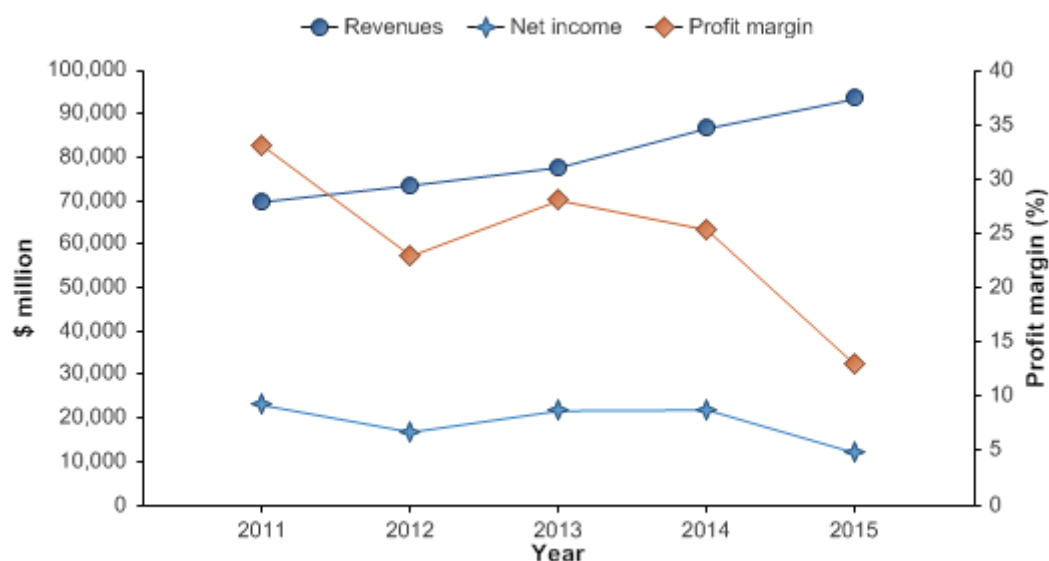
MARKETLINE

Table 13: Microsoft Corporation: key financial ratios

Ratio	2011	2012	2013	2014	2015
Profit margin	33.1%	23.0%	28.1%	25.4%	13.0%
Revenue growth	11.9%	5.4%	5.6%	11.5%	7.8%
Asset growth	26.2%	11.6%	17.4%	21.0%	2.2%
Liabilities growth	29.3%	6.4%	15.6%	30.1%	16.4%
Debt/asset ratio	47.5%	45.3%	44.6%	47.9%	54.6%
Return on assets	23.8%	14.8%	16.6%	14.0%	7.0%
Revenue per employee	\$773,603	\$781,875	\$785,251	\$877,101	\$793,051
Profit per employee	\$256,050	\$180,062	\$220,529	\$222,970	\$103,331

SOURCE: COMPANY FILINGS

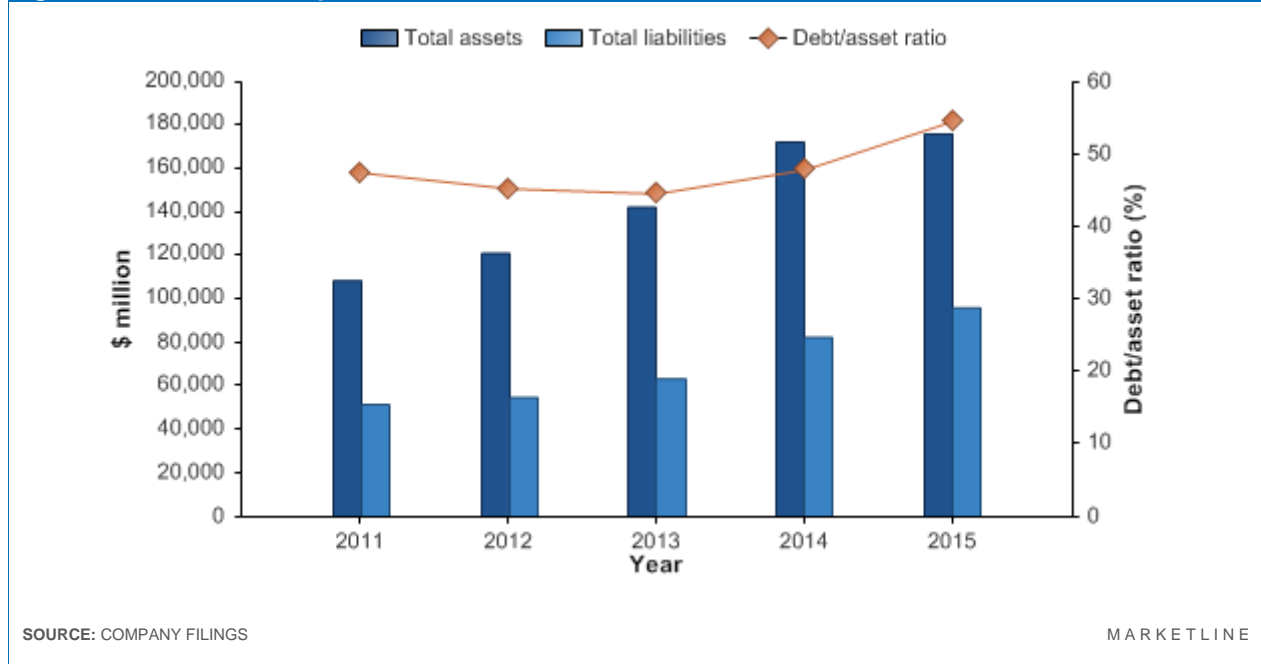
MARKETLINE

Figure 15: Microsoft Corporation: revenues & profitability

SOURCE: COMPANY FILINGS

MARKETLINE

Figure 16: Microsoft Corporation: assets & liabilities



Oracle Corporation

Table 14: Oracle Corporation: key facts

Head office:	500 Oracle Parkway, Redwood Shores, California 94065, USA
Telephone:	1 650 506 7000
Website:	www.oracle.com
Financial year-end:	May
Ticker:	ORCL
Stock exchange:	NASDAQ
<p>SOURCE: COMPANY WEBSITE</p> <p>MARKETLINE</p>	

Oracle Corporation (Oracle or "the company") is one of the leading providers of enterprise technology solutions. The company offers software and computer hardware products and services, including database and middleware software, application software, cloud infrastructure, hardware systems such as computer server, storage and networking products and related services. It also offers a range of cloud computing technologies, including database and middleware software as well as web-based applications, virtualization, clustering, large-scale systems management and related infrastructure. The company operates in the Americas, Europe, Middle East and Africa, and Asia Pacific.

Oracle operates through three businesses: software and cloud; hardware systems; and services. These businesses are further divided into six operating segments which include software license updates and product support, new software licenses and cloud software subscriptions, services business, hardware systems products, hardware systems support, and cloud infrastructure-as-a-service (IaaS).

The company's software licenses updates and product support segment offers personalized support services, including Oracle Lifetime Support and product enhancements and upgrades. Software license updates provide customers with rights to software product upgrades and maintenance releases and patches released during the term of the support period. Product support includes internet and telephone access to technical support personnel located in the company's global support centers, as well as internet access to technical content. Software license updates and product support contracts are generally priced as a percentage of the net new software license fees. Oracle's customers purchase software license updates and product support contracts when they acquire new software licenses and renew their software license updates and product support contracts annually.

Oracle's new software licenses and cloud software subscriptions segment includes database, middleware and applications software licenses, as well as cloud software-as-a-service (SaaS) and platform-as-a-service (PaaS). Oracle's software products are designed to operate on both single server and clustered server configurations for cloud or on-premise information technology (IT) environments and to support a choice of operating systems including Oracle Solaris, Oracle Linux, Microsoft Windows and third party UNIX products, among others.

The company's database and middleware software includes a range of license and subscription based offerings that provide a platform for running and managing business applications for midsize businesses, as well as large, global enterprises. The company's database software is designed to enable storage, retrieval and manipulation of all forms of data, including transactional data, business information and analytics; semi-structured and unstructured data in the form of weblogs, text, social media feeds, extensible markup language (XML) files, office documents, images, video and spatial images; and other specialized forms of data, such as graph data. The company also offers Oracle Multitenant software option in the areas of cloud computing and consolidation; Oracle Real Application Clusters, Oracle In-Memory Database Cache, Oracle Advanced Compression and Oracle Partitioning software options in the areas of performance and scalability; and Oracle Advanced Security, Oracle Database Vault, Oracle Audit Vault and Database Firewall software options in the area of data security. Oracle also offers a portfolio of specialized database software products, including MySQL; Oracle TimesTen In-Memory Database; Oracle Berkeley DB, a family of open source, embeddable, relational, XML and key-value (NoSQL) databases; and Oracle NoSQL Database, a distributed key-value database.

The company's Oracle Fusion Middleware software offers a range of integrated application infrastructure software products via license and subscription based arrangements. This software is designed to enable customers to integrate Oracle and non-Oracle business applications, automate business processes, scale applications, simplify security and compliance, manage lifecycles of documents and get targeted business intelligence on their existing IT systems. It is offered as various software products and suites, including Oracle WebLogic Server and Oracle Cloud Application Foundation; Oracle SOA Suite of software products; Oracle Data Integration software products; Oracle Business Process Management Suite software products; Oracle WebCenter software products; Oracle Business Intelligence Suite; Oracle Identity Management software; and Development Tools for application development, database development and business intelligence.

Oracle's management software include Oracle Enterprise Manager which provides an integrated enterprise IT management and cloud management family of products. Oracle Enterprise Manager is designed to provide a complete IT lifecycle management approach, including configuring elements of an IT environment, monitoring service levels, diagnosing and troubleshooting problems, patching and provisioning IT environments, managing compliance reporting and providing change management across physical and virtualized IT environments.

The company's application software is designed to manage and automate core business functions across the enterprise, as well as to enable them to differentiate and innovate in those processes. Oracle offers industry-specific solutions for customers in a number of different industries including communications, engineering and construction, financial services, healthcare, manufacturing, public sector, retail and utilities, among others. In addition, the company offers a suite of modular, next-generation cloud software applications spanning core business functions, including sales, marketing, social, service, supply chain management, human capital, talent management, enterprise resource planning, enterprise planning, and financial reporting, among others. The company's suite of human capital management application software delivers core human resource transactions, workforce service delivery and complete enterprise talent management via its Oracle Cloud SaaS offerings and on-premise solutions.

Oracle offers customer experience and customer relationship management (CRM) solutions for delivering core human resource transactions, workforce service delivery and complete enterprise talent management via its Oracle Cloud SaaS offerings and on-premise solutions. It offers integrated financial management software solutions for finance operations, risk management and advanced financial controls. The company's procurement software suites are designed to provide packaged integration to back-office applications and support source-to-settle process. In addition, the company offers project portfolio management application software for project-intensive industries such as oil and gas, utilities, engineering and construction, aerospace and defense and public sector. The company offers a portfolio of supply chain management software application offerings, including value chain planning, value chain execution, product lifecycle management (PLM), asset lifecycle management (ALM), order orchestration and fulfillment and manufacturing solutions.

Oracle also offers business analytics software solutions that include enterprise performance management and analytic applications, which work with both Oracle and non-Oracle transactional systems and supports strategic planning and goal setting, financial and operational planning, financial close and reporting and profitability management. In addition, the company offers packaged business intelligence applications that support business functions and industry-specific processes. The company offers industry-specific applications across various industries, including communications, consumer goods, education, energy, engineering and construction, financial services, healthcare, life sciences, manufacturing, professional services, public sector, retail, travel, transportation and utilities.

The company's services business segment offers consulting services, advanced customer support services, and education services. Consulting services offered by Oracle include business and IT strategy alignment, enterprise architecture planning and design, initial product implementation and integration, and ongoing product enhancements and upgrades. Education services include training and certification programs offered to customers, partners and employees regarding the adoption and use of its software and hardware products.

Oracle's hardware systems products segment provide a selection of hardware systems and related services, including servers, storage, networking, virtualization software, operating systems, and management software to support diverse IT environments, including cloud computing environments. The company offers a range of server systems using its SPARC microprocessor, which run the Oracle Solaris OS. SPARC servers are also a core component of the Oracle SuperCluster, one of the company's Oracle Engineered Systems. The company's storage products manage, protect, archive and restore customers' mission critical data assets and consist of tape, disk, flash and hardware-related software including file systems software, back-up and archive software and storage management software and networking for mainframe and open systems environments. Oracle's tape storage product line includes Oracle StorageTek libraries, drives, virtualization systems, media and associated software packages that provide data lifecycle management, deep analytics, and file access. The company's networking and data center fabric products include Oracle Virtual Networking, and Oracle InfiniBand and Ethernet technologies. The company also offers hardware and software networking products for the communications industry. Its communications networks solutions for service providers include signaling, policy, and subscriber data management solutions. The OS offered by the company includes Oracle Solaris and Oracle Linux. The company's portfolio of virtualization solutions range from the desktop to data center, including Oracle VM, a server virtualization software. In addition, Oracle develops a range of other hardware-related software, including development tools, compilers, management tools for servers and storage, diagnostic tools and file systems.

The company's hardware systems support segment provides software updates for software components that are essential to the functionality of its server and storage products, such as Oracle Solaris. The segment also offers product repairs, maintenance services and technical support services.

Oracle's cloud IaaS segment provides deployment and management offerings for its software and hardware and related IT infrastructure, including virtual machine instance services, hardware and related support services offerings and software and hardware management and maintenance services.

Key Metrics

The company recorded revenues of \$38,226 million in the fiscal year ending May 2015, a decrease of .1% compared to fiscal 2014. Its net income was \$9,938 million in fiscal 2015, compared to a net income of \$10,955 million in the preceding year.

Table 15: Oracle Corporation: key financials (\$)

\$ million	2011	2012	2013	2014	2015
Revenues	35,622.0	37,121.0	37,180.0	38,275.0	38,226.0
Net income (loss)	8,547.0	9,981.0	10,925.0	10,955.0	9,938.0
Total assets	73,535.0	78,327.0	81,812.0	90,266.0	110,903.0
Total liabilities	33,290.0	34,240.0	36,667.0	42,819.0	61,805.0
Employees	108,000	115,000	120,000	122,000	132,000

SOURCE: COMPANY FILINGS

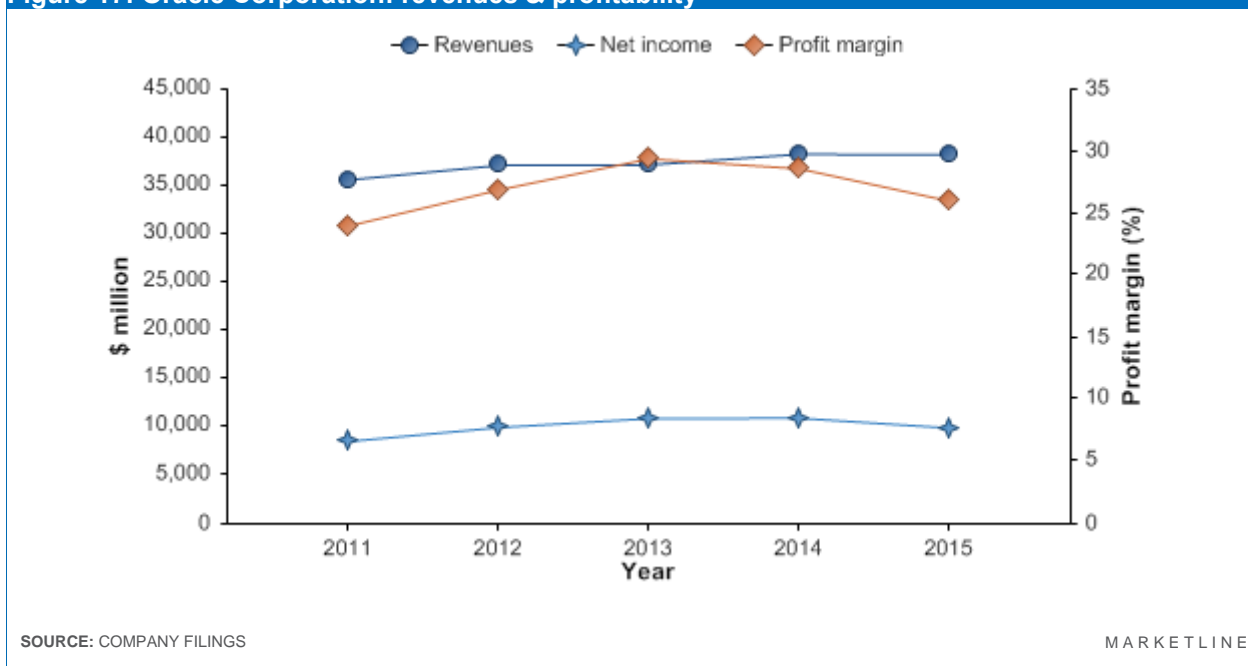
MARKETLINE

Table 16: Oracle Corporation: key financial ratios

Ratio	2011	2012	2013	2014	2015
Profit margin	24.0%	26.9%	29.4%	28.6%	26.0%
Revenue growth	32.8%	4.2%	0.2%	2.9%	(0.1%)
Asset growth	19.4%	6.5%	4.4%	10.3%	22.9%
Liabilities growth	9.6%	2.9%	7.1%	16.8%	44.3%
Debt/asset ratio	45.3%	43.7%	44.8%	47.4%	55.7%
Return on assets	12.7%	13.1%	13.6%	12.7%	9.9%
Revenue per employee	\$329,833	\$322,791	\$309,833	\$313,730	\$289,591
Profit per employee	\$79,139	\$86,791	\$91,042	\$89,795	\$75,288

SOURCE: COMPANY FILINGS

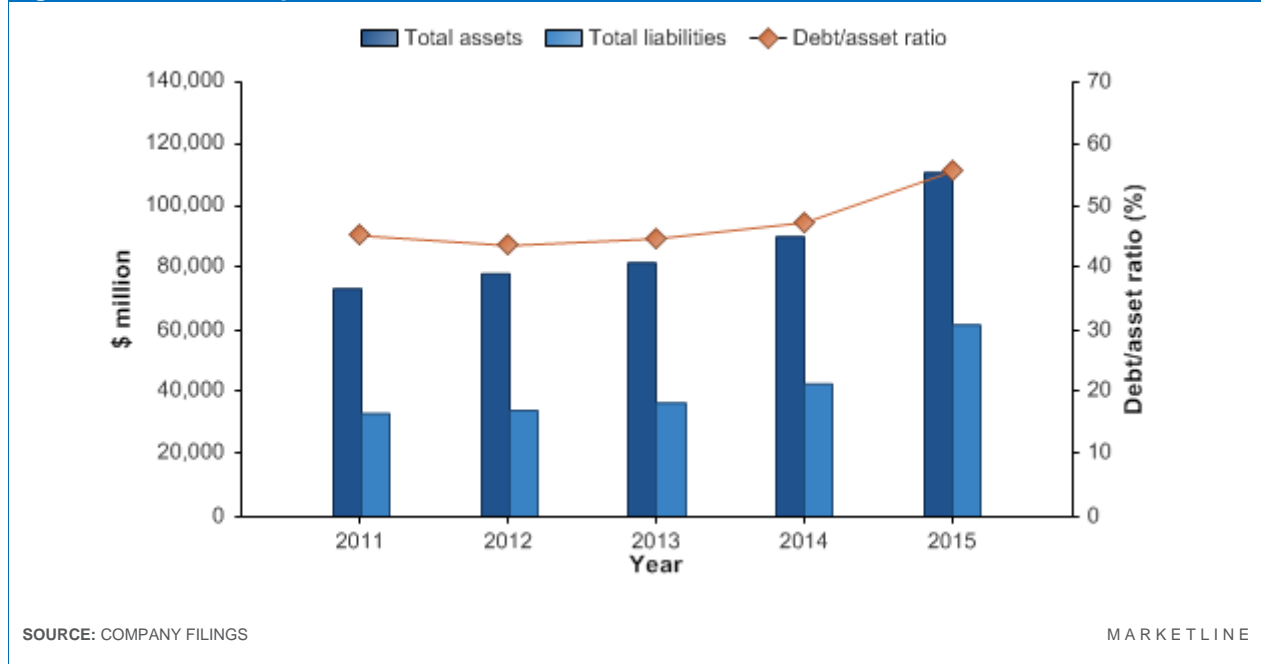
MARKETLINE

Figure 17: Oracle Corporation: revenues & profitability

SOURCE: COMPANY FILINGS

MARKETLINE

Figure 18: Oracle Corporation: assets & liabilities



METHODOLOGY

MarketLine Industry Profiles draw on extensive primary and secondary research, all aggregated, analyzed, cross-checked and presented in a consistent and accessible style.

Review of in-house databases – Created using 250,000+ industry interviews and consumer surveys and supported by analysis from industry experts using highly complex modeling & forecasting tools, MarketLine's in-house databases provide the foundation for all related industry profiles

Preparatory research – We also maintain extensive in-house databases of news, analyst commentary, company profiles and macroeconomic & demographic information, which enable our researchers to build an accurate market overview

Definitions – Market definitions are standardized to allow comparison from country to country. The parameters of each definition are carefully reviewed at the start of the research process to ensure they match the requirements of both the market and our clients

Extensive secondary research activities ensure we are always fully up-to-date with the latest industry events and trends

MarketLine aggregates and analyzes a number of secondary information sources, including:

- National/Governmental statistics
- International data (official international sources)
- National and International trade associations
- Broker and analyst reports
- Company Annual Reports
- Business information libraries and databases

Modeling & forecasting tools – MarketLine has developed powerful tools that allow quantitative and qualitative data to be combined with related macroeconomic and demographic drivers to create market models and forecasts, which can then be refined according to specific competitive, regulatory and demand-related factors

Continuous quality control ensures that our processes and profiles remain focused, accurate and up-to-date

Industry associations

World Information Technology and Services Alliance (WITSA)

8300 Boone Boulevard, Suite 450, Vienna, VA, 22182, USA

Tel.: 1 571 265 5964

Fax: 1 703 893 1269

www.witsa.org

European Information Technology Observatory (EITO)

Hahnstraße 70, 60528 Frankfurt, Germany

Tel.: 49 69 242416 0

Fax: 49 69 242416 16

www.eito.com

Software & Information Industry Association

1090 Vermont Ave NW Sixth Floor, Washington DC 20005-4095

Tel.: 1 202 289 7442

Fax: 1 202 289 7097

www.siiia.net

Related MarketLine research

Industry Profile

Software & Services in Europe

Software & Services in the United States

Software & Services in Asia-Pacific

Software & Services in China

Software & Services in Germany

APPENDIX

About MarketLine

In an information-rich world, finding facts you can rely upon isn't always easy. MarketLine is the solution.

We make it our job to sort through the data and deliver accurate, up-to-date information on companies, industries and countries across the world. No other business information company comes close to matching our sheer breadth of coverage.

And unlike many of our competitors, we cut the 'data padding' and present information in easy-to-digest formats, so you can absorb key facts in minutes, not hours.

What we do

Profiling all major companies, industries and geographies, MarketLine is one of the most prolific publishers of business information today.

Our dedicated research professionals aggregate, analyze, and cross-check facts in line with our strict research methodology, ensuring a constant stream of new and accurate information is added to MarketLine every day.

With stringent checks and controls to capture and validate the accuracy of our data, you can be confident in MarketLine to deliver quality data in an instant.

For further information about our products and services see more at: <http://www.marketline.com/overview/>

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