

Westcon-Comstor announces record annual revenue, driven by strong cybersecurity and networking growth

FY23 total revenue up 18.3%, as unique data-driven approach drives sales growth in key domains and shift to software and subscription-based model accelerates

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/EINPresswire.com/ -- [Westcon-](#)

[Comstor](#) (Westcon International), a global technology provider and specialist distributor, today announced an 18.3% year-on-year increase in total revenue to a record US \$3.42 billion for FY23, driven by strong demand for its cybersecurity and networking offerings and an acceleration in its shift to a software and subscription-based recurring revenue model.



Partner Success. It's what we do.



These results ... accelerate our journey to becoming the world's leading data-driven technology provider and specialist distributor of cybersecurity and networking solutions and services."

David Grant, CEO, Westcon-Comstor

With its unique data-driven approach driving sales growth in key domains, this is the second consecutive year that Westcon-Comstor, which connects the world's leading IT vendors with a channel of technology resellers, systems integrators and service providers, has reported double-digit growth in total revenue. It is also the first time that revenue has exceeded US \$3 billion, with CAGR of 8% demonstrating the success of the five-year strategic planning cycle introduced in FY18.

The company's earnings results for the year ending 28 February 2023 also show a 21% year-on-year increase in

Adjusted EBITDA* profit to US \$95.1 million (FY22: US \$78.6 million), with a five-year CAGR of more than 30% since FY18. Gross margins for FY23 averaged 9.6% globally.

Revenue from cybersecurity solutions was up 17% year-on-year to US \$1.33 billion as Westcon-Comstor continues to exhibit leadership in this high-growth sector (FY22: US \$1.14 billion). Similarly, revenue from Westcon-Comstor's networking portfolio increased by 19% from US \$1.48 billion in FY22 to US \$1.76 billion.

The FY23 earnings also demonstrate Westcon-Comstor's ongoing shift to software, services and subscription-based recurring revenues, which now account for 42% of revenue (FY19: 31%). This trend has been accelerating in recent years and puts the company on track to achieve its target of software and services accounting for a majority of revenue.

Both the Westcon and Comstor business units continue to deliver excellent results for vendor partners, taking home 36 awards across the globe in FY23.

"We're thrilled to report an outstanding financial and operational performance for FY23," said David Grant, CEO at Westcon-Comstor. "These results demonstrate our ability to thrive amid challenging macro-economic conditions, while accelerating our journey to becoming the world's leading data-driven technology provider and specialist distributor of cybersecurity and networking solutions and services. Our data-driven approach, combined with our commitment to Partner Success and environmental and social responsibility, means we are uniquely positioned to bring real value to our partners and vendors - enabling them to drive their digital transformation and navigate the increasingly rapid evolution of the technology distribution landscape."

Grant added: "We're delighted to have reached so many new milestones in 2023, including accelerating our own digital transformation with the recent successful launch of our [PartnerCentral](#) marketplace. We're particularly pleased to have seen industry-beating performance in cybersecurity and networking, while our growth in software and services underlines our position at the forefront of the shift to a subscription-based, recurring revenue XaaS future. These results are testament to the hard work, dedication and creativity of our 3,500-plus colleagues around the world, without whom our success wouldn't be possible."

*Adjusted EBITDA excludes restructuring, share-based compensation expense and from FY23 only, one-off tax items impacting EBITDA

About Westcon-Comstor

Westcon-Comstor is a global technology provider and specialist distributor, operating in more than 70 countries. It delivers business value and opportunity by connecting the world's leading IT vendors with a channel of technology resellers, systems integrators and service providers. It combines industry insight, technical know-how and more than 30 years of distribution experience to deliver value and accelerate vendor and partner business success. It goes to market through two lines of business: Westcon and Comstor.

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