IDC

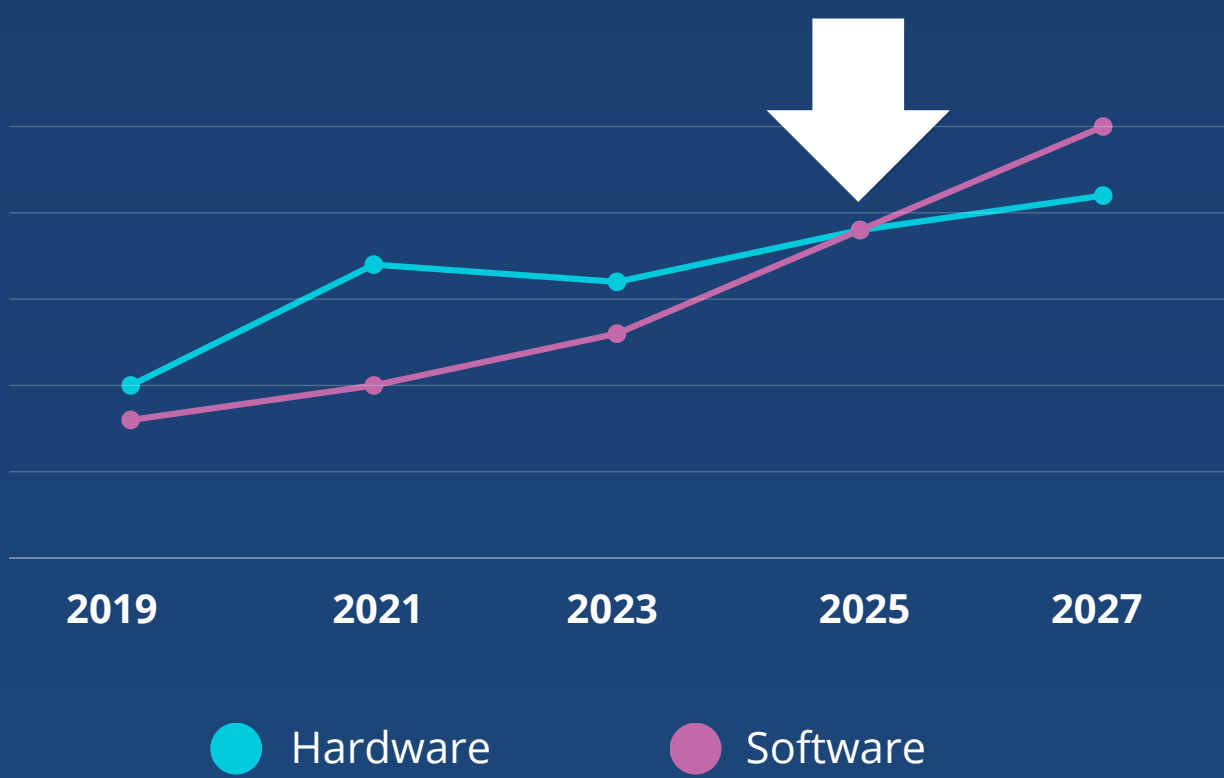# SOFTWARE SUPREMACY: EUROPE'S TECHNOLOGICAL TRANSFORMATION

80% by 2028

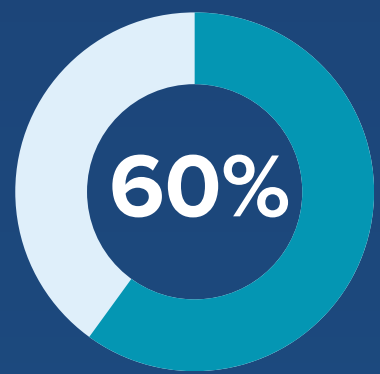The software market in Europe is predicted to grow by more than **80%** by 2028.

It is forecasted to grow by **13.6%** in 2024 YoY. Compared to expected 1.2% YoY GDP growth.

13.6%

The Software market is predicted to overcome Hardware by 2025, and become the largest technology market.

2019   2021   2023   2025   2027

● Hardware   ● Software

European software market increased by 60% in last 5 years, mainly boosted by high demand for Public Cloud applications

60%

70%

More than 70% of European Enterprise software will be deployed in public cloud environment by 2028.
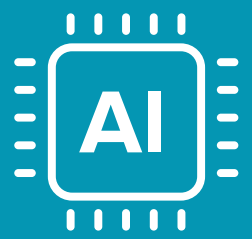
Tech investment remains a priority in Europe

€1.88bn
MOST GROWTH
Investments in AI have increased by €1.88bn

320x
MOST DISRUPTIVE
GenAI software spend has grown x320 in the last 12 months

AI

26% CAGR
MOST DOMINANT
Public Cloud applications became dominant deployment option in 2023 recording more than 150% increase from 2019, translating to 26% CAGR

28% YoY
MOST MATURE
Collaborative Applications peaked during COVID-19 and are now growing less aggressively compared to Security Software, driven primarily by Identity and Access Management growing by 28% y-o-y.

The UK

Top 5 secondary software markets: fastest growth in the UK in 2023

- Artificial Intelligence Platforms
- Software Quality and Life Cycle Tools
- Security Software
- Integration and Orchestration Middleware
- System and Service Management Software

These 5 software markets combined are going to triple its market size by 2028 compared to 2023 in UK reaching nearly €25B in revenues.

France, Germany and the UK account for over 50% of the European software market

France

Top 5 secondary software markets: fastest growth in France in 2023

- Artificial Intelligence Platforms
- Security Software
- Integration and Orchestration Middleware
- Software Quality and Life Cycle Tools
- System and Service Management Software

These 5 software markets combined grew almost 2x faster than overall software sales in France in 2023.

Germany

Top 5 secondary software markets: fastest growth in Germany in 2023

- Artificial Intelligence Platforms
- Integration and Orchestration Middleware
- Software Quality and Life Cycle Tools
- Security Software
- Application Platforms

These 5 software markets combined are going to increase its market size 3.5x by 2028 compared to 2023 in Germany.

To explore more about the trends and opportunities of the European software market

[Find out more]

IDC