Increased Firewall Demand and Strong Regional Trends Drive Security Appliance Growth in Q4 2019, According to IDC

FRAMINGHAM, Mass., March 5, 2020 – According to the International Data Corporation (IDC) Worldwide Quarterly Security Appliance Tracker, the total security appliance market experienced positive unit shipment and revenue growth in the fourth quarter of 2019 (4Q19). Worldwide revenue increased 9.4% year over year in 4Q19 to $4.8 billion. Unit shipments experienced similar growth, increasing 21.1% year over year to nearly 1.3 million units.

The traditional firewall market segment accounted for the most significant worldwide revenue growth. This segment accounted for over $192 million more in revenue for 4Q19 than in 4Q18. Despite being the largest overall segment, unified threat management (UTM) grew by 5.8% year over year and represented 57.1% of the worldwide security appliance market in 4Q19. The Web security and messaging security segments continued to show strong signs of growth, increasing by 6.8% and 24.6% year over year, respectively. Intrusion detection and prevention (IDP) joined hybrid VPN and IPsec VPN as the only market segments to experience declining revenue this quarter. Declining hybrid VPN and IPsec VPN growth was offset by positive SSL VPN growth, resulting in flat VPN market growth year over year.

Regional Highlights

The United States accounted for 38.2% of total security appliance market revenue in 4Q19, which is down from 40.6% in 3Q19 but up from 37.0% in 4Q18. Western Europe grew 11.1% year over year, while the Middle East and Africa (MEA) region grew 14.5% year over year. UTM, Web security, and a renewed interest in messaging security are pushing growth in North America and Europe, while traditional firewall and messaging security remain important for Asia/Pacific (excluding Japan) and MEA.
"The fourth quarter capped 2019 with double-digit sequential and strong annual growth, largely stemming from increased UTM penetration worldwide and strong regional trends driving firewall growth in the Asia/Pacific and Middle East regions," said Pete Finalle, senior analyst, Security Products.

<table>
<thead>
<tr>
<th>Vendor</th>
<th>4Q19 Revenue (US$ millions)</th>
<th>4Q19 Market Share (%)</th>
<th>4Q18 Revenue (US$ millions)</th>
<th>4Q18 Market Share (%)</th>
<th>4Q19/4Q18 Growth (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Cisco</td>
<td>$757.5</td>
<td>15.8%</td>
<td>$627.5</td>
<td>14.3%</td>
<td>20.7%</td>
</tr>
<tr>
<td>2. Palo Alto Networks</td>
<td>$644.7</td>
<td>13.4%</td>
<td>$569.6</td>
<td>13.0%</td>
<td>13.2%</td>
</tr>
<tr>
<td>3. Fortinet</td>
<td>$528.3</td>
<td>11.0%</td>
<td>$441.4</td>
<td>10.0%</td>
<td>19.7%</td>
</tr>
<tr>
<td>4. Check Point</td>
<td>$450.5</td>
<td>9.4%</td>
<td>$426.2</td>
<td>9.7%</td>
<td>5.7%</td>
</tr>
<tr>
<td>5. Symantec</td>
<td>$183.5</td>
<td>5.8%</td>
<td>$175.9</td>
<td>4.0%</td>
<td>4.3%</td>
</tr>
<tr>
<td>Others</td>
<td>$2,240.3</td>
<td>46.6%</td>
<td>$2,151.7</td>
<td>49.0%</td>
<td>4.1%</td>
</tr>
<tr>
<td>Total</td>
<td>$4,804.9</td>
<td>100%</td>
<td>$4,392.3</td>
<td>100%</td>
<td>9.4%</td>
</tr>
</tbody>
</table>

Source: IDC Worldwide Quarterly Security Appliance Tracker Q4 2019, Mar 05, 2020

Figure 1
About IDC Trackers

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