



Rank	Company	Country of HQ location	Public	Software +Services 2012 (m€)	Total revenue 2012 (m€)	R&D employees 2012
1	SAP	DE	🏠	15 930.0	16 222.0	18 012
2	Dassault Systemes	FR	🏠	1 853.4	2 038.5	4 500
3	Sage	UK	🏠	1 591.4	1 675.1	1 391
4	Hexagon	SE	🏠	1 282.8	2 380.0	3 000
5	Wincor Nixdorf	DE	🏠	1 257.3	2 390.3	781
6	Asseco Group	PL	🏠	1 002.1	1 320.1	3 180
7	Software AG	DE	🏠	922.2	1 047.3	887
8	DATEV	DE		736.7	759.5	1 312
9	Wolters Kluwer	NL	🏠	733.4	3 597.0	2 312
10	SWIFT	BE		594.9	597.0	465
11	Acision	UK		516.4	516.4	486
12	Unit4	NL	🏠	469.8	469.8	1 325
13	Misys	UK		454.3	454.3	1 100
14	Swisslog	CH	🏠	403.7	540.9	79
15	Visma	NO		392.1	768.2	303
16	Northgate Information Solutions	UK		389.7	1 008.5	761
17	Sopra Group	FR	🏠	350.7	1 216.7	700
18	Temenos	CH	🏠	350.4	350.4	589
19	GAD	DE		343.7	467.9	233
20	Fidessa	UK	🏠	343.4	343.4	456
21	Compugroup Holding	DE	🏠	324.6	450.6	1 126
22	Micro Focus	UK	🏠	323.1	323.1	318
23	Murex	FR		318.0	318.0	300
24	Sophos	UK		315.2	315.2	550
25	Cegedim	FR	🏠	315.0	921.8	1 055
26	IFS	SE	🏠	307.2	307.2	387
27	Avaloq	CH		306.1	306.1	250
28	Gemalto	NL	🏠	304.2	2 245.5	1 700
29	Invensys	UK	🏠	304.1	3 108.2	564
30	QlikTech	SE	🏠	302.4	302.4	228
31	Centric	NL	🏠	292.0	524.7	150
32	AVG Technologies	CZ		277.0	277.0	329
33	AVEVA Group	UK	🏠	264.1	264.1	392
34	ESET	SK		256.4	256.4	332
35	Zucchetti	IT		247.0	285.0	1 000
36	Reply	IT	🏠	239.0	494.8	358
37	Cegid	FR	🏠	226.0	258.0	561
38	Axway	FR	🏠	224.3	224.3	540
39	Exact	NL	🏠	217.1	217.1	471
40	Civica	UK		211.0	249.0	310
41	SimCorp	DK	🏠	209.2	209.2	326
42	Kofax	UK	🏠	200.6	200.6	292
43	Nemetschek	DE	🏠	175.1	175.1	572
44	RM	UK	🏠	166.2	350.5	218
45	PSI	DE	🏠	162.4	180.9	149
46	F-Secure Corp.	FI	🏠	157.2	157.2	391
47	Total Specific Solutions	NL	🏠	155.7	201.1	279
48	Comarch	PL	🏠	150.3	211.0	389
49	SDL International	UK	🏠	146.0	331.9	192
50	IRIS Software	UK		145.3	145.3	177

Rank	Company	Country of HQ location	Public	Software +Services 2012 (m€)	Total revenue 2012 (m€)	R&D employees 2012
51	Linedata Services	FR	🏠	144.0	144.0	370
52	Panda Security	SP		142.3	142.3	210
53	COR&FJA	DE	🏠	132.8	136.7	125
54	Affecto	FI	🏠	122.9	133.4	25
55	Prodware	FR	🏠	119.0	142.2	245
56	Anite	UK	🏠	116.6	159.5	151
57	Advanced Computer Software	UK	🏠	112.7	144.4	300
58	ESI Group	FR	🏠	109.0	109.0	285
59	BasWare	FI	🏠	106.6	113.7	351
60	Aditro	SE		102.0	167.3	240
61	Avanquest Software	FR	🏠	101.3	101.3	119
62	Digia	FI	🏠	100.5	100.5	143
63	Vizrt	NO	🏠	94.8	94.8	100
64	Lumesse	UK		90.0	90.0	180
65	ISAGRI	FR		86.0	132.0	250
66	Avast Software	CZ		84.9	84.9	183
67	ReadSoft	SE	🏠	84.4	89.7	108
68	Comptel	FI	🏠	82.4	82.4	222
69	ERI Bancaire	CH		81.7	81.7	110
70	Seeburger	DE		81.5	81.5	120
71	GFI Informatique	FR	🏠	81.0	667.3	200
72	IBS	SE		80.4	80.4	200
73	Berger-Levrault	FR		80.3	99.8	192
74	Smartfocus	FR		78.2	78.2	80
75	Buhl Data Service	DE		78.0	78.0	115
76	Sitecore	DK		77.8	77.8	180
77	Personal & Informatik	DE	🏠	74.9	79.2	134
78	Kewill Systems	UK		73.1	73.1	130
79	Gruppo Engineering	IT		71.3	754.5	276
80	Elca	CH		66.2	72.9	70
81	Generix Group	FR	🏠	64.3	64.3	92
82	ISIS Papyrus	AT		64.3	64.3	70
83	AFAS ERP Software	NL	🏠	64.0	64.0	84
84	Smartstream	UK		62.8	84.8	90
85	AUTOMIC	AT		62.0	62.0	70
86	SSP Holding	UK		61.2	87.4	66
87	ENEA	SE	🏠	60.8	60.8	148
88	Opera Software	NO	🏠	58.0	125.2	133
89	proALPHA	DE		57.7	57.7	91
90	Meta4	SP		56.1	56.1	112
91	Symphony EYC	FI		55.5	57.8	100
92	Lectra	FR	🏠	55.3	198.4	213
93	ORC Software	SE	🏠	54.6	54.6	92
94	Delcam	UK	🏠	54.4	58.1	201
95	Thunderhead.com	UK		52.9	52.9	50
96	Hogia Group	SE		52.0	52.0	100
97	intershop Communications	DE	🏠	51.8	51.8	126
98	Efront	FR		48.0	48.0	58
99	Fiducial Informatique	FR		48.9	59.8	122
100	Talentia Software	FR		46.2	46.2	80

The European software industry is thriving. Revenue and growth figures in the sector show the importance of its contribution to the European economy at a time of fierce global competition.

We should all the more commend the achievements of the software industry, and acknowledge that the impact of those achievements go much beyond the sector itself. When looking at the bigger picture, we realise that software, has become a key enabling technology underlying all economic sectors and activities. Software services and applications are a major contributor to competitiveness: it greatly improves operations and services, and it also allows for the creation of new businesses and activities that would not exist without it.

The conclusions of the European Council meeting on 24-25 October 2013 call Europe to boost digital, data-driven innovation in all sectors of the economy and specifically identify cloud computing as a strategic technology enabling increased productivity and better services.

The software industry is heavily investing in the development of infrastructure, platforms and applications as cloud services. Cloud computing is expected to bring significant changes, not only in the way the software industry itself operates, but also in the way the other sectors, including the public sector, take advantage of software technologies to enhance and optimise their activities.

The European Commission contributes to supporting those changes at the policy level through the Digital Agenda for Europe, in particular through the implementation of the European Cloud Strategy and enhanced investment at the research & innovation level in the Horizon 2020 Programme.

The European Cloud Strategy is articulated along three axes: application interoperability and data portability standards for reducing the risks of lock-in; safe and fair contract terms and conditions for easing the take-up of cloud services; and the European



**Neelie Kroes**  
 European Commissioner  
 for the Digital Agenda

Cloud Partnership for defining common cloud procurement requirements for the public sector.

Software & Services and Cloud Computing research and innovation was already part of the Information and Communication Technologies theme of the 7<sup>th</sup> EU Framework

Programme of the Commission. The forthcoming Horizon 2020 Work Programme 2014-2015 expands those activities significantly, so that Europe can be at the forefront in the field and drive the changes. New instruments, like the Public Procurement for Innovative solutions and Pre-Commercial Procurements of innovative cloud computing solutions are intended to facilitate and foster the take-up of cloud computing services by the public sector.

You can count on me to bring continued Commission support to entrepreneurship and further developments in the software sector, especially at a time where major technological changes like the cloud are creating new challenges and opportunities. ■

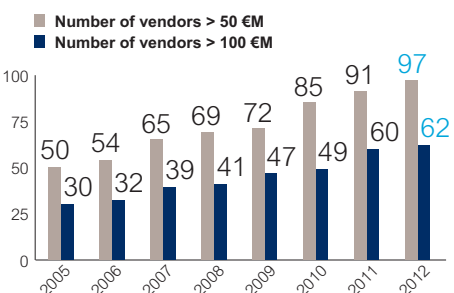
## Sustainable growth

### 11% growth in software revenues at 41.1 €B

Total revenues for the Truffle 100 are 57.8 €B

More concentration, 76% of revenues come from Top 25 (77 % last year)

% Revenues	2010	2011	2012
SAP	31	38	39
TOP 3	40	46	47
TOP 5	44	53	53
TOP 10	52	63	63
TOP 50	84	90	90



### All Truffle 100 have revenues > 46 €M

#### 97 vendors have revenues > 50 €M

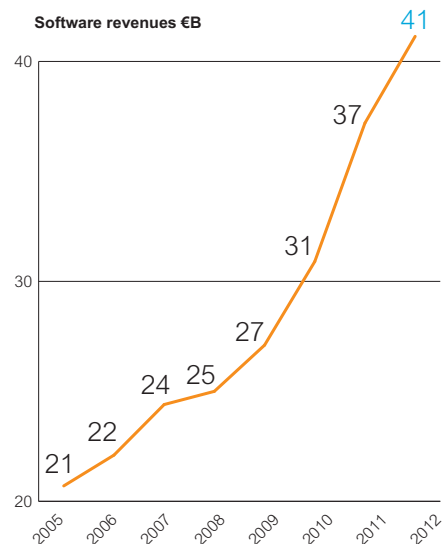
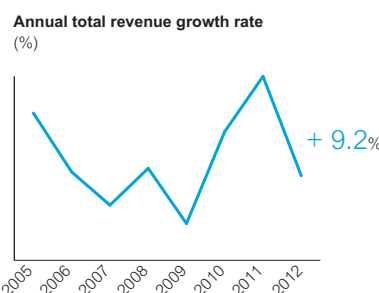
They account for 99 % of Truffle 100 revenues

#### 62 vendors have revenues > 100 €M

They account for 94 % of Truffle 100 revenues

#### 42 vendors have revenues > 200 €M

They account for 87 % of Truffle 100 revenues





**Bernard-Louis Roques**  
General Partner  
& co-Founder,  
Truffle Capital

This latest edition of the Truffle 100 Europe, the 8<sup>th</sup>, shows that the European software sector remains a force to be reckoned with, regardless of the economic environment. Despite an 8.7% decline in profits, vendors invested more than they earned, showing faith and optimism in the future. As a result, R&D investments went up 20% and the number of R&D jobs rose by 6%. With 63,000 qualified jobs, low outsourcing numbers and 6.8 billion€ invested for development works on future products, the software industry remains an unwavering catalyst for innovation, a key driver of European economic growth, and plays a critical role in job creation policies for generations to come.

Due to rising global competitiveness, the software industry needs more support from public authorities especially through tax relief, tax incentives for venture capital and the famous yet ignored «European Small Business Act»\*.

European software entrepreneurs foresee a 5 to 15% growth in 2014 versus 10% last year, an optimistic view despite changing business models that push vendors to perpetually reinvent themselves in the age of cloud computing, Saas and Mobility. ■

\*The Small Business Act was voted by the United States Congress on July 30, 1953, and is the founding text of US governmental policy in favour of SMEs. This legislative framework (which has been modified many times since then) affirmed the need to preferentially channel state aid to small companies, which were seen to be the most dynamic elements of the economy.

## Profitability under pressure

### Lower profits

5.8 €B aggregated net profits, down from 6.6 B€B last year

Profits €B	2006	2007	2008	2009	2010	2011	2012
	2.8	3.2	3.6	3.7	5.8	6.6	5.8

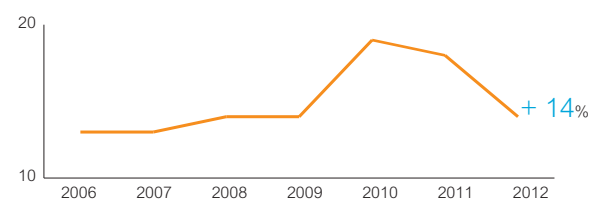
  

	Profits						% of revenues T 100
	2007	2008	2009	2010	2011	2012	
SAP	60%	51%	46%	31%	52%	48%	39%
TOP 3	73%	62%	58%	40%	60%	58%	47%
TOP 5	75%	67%	66%	44%	66%	65%	53%
TOP 10	75%	67%	66%	52%	79%	79%	63%
TOP 50	95%	92%	91%	84%	96%	95%	90%

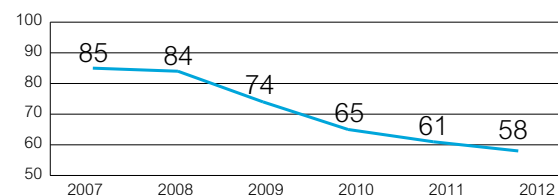
### The bigger, the more profitable

Profitability	2010	% of revenues 2011	2012	Profits €M 2012
Top 3	15.2%	22.9%	17.0%	3 386
Top 25			12.0%	4 846
Top 50	12.2%	13.5%	10.8%	5 591
Bottom 50	10.6%	5.2%	4.6%	266
Bottom 25	13.4%	6.9%	6.8%	166

### Profit rate



### Publicly traded



## Strong exposition to capital markets

Public or non-public	#	Software Revenues (€M)	% of Truffle 100	R&D Spend (€M)	% of Truffle 100	Profits (€M)	% of Truffle 100
Publicly traded	58	33 702.4	81.9%	5 465.4	79.9%	5 575.6	95.2%
Private	42	7 445.3	18.1%	1 375.6	20.1%	282.4	4.8%
	100	41 147.7	100 %	6 841.1	100 %	5 858.0	100 %

**Bo Lykkegaard**

Research Director, European Enterprise Applications, IDC

The European software industry is in growth mode despite the difficult economic climate in the region. The combined software revenue of the Truffle 100 companies grew 11% in 2012 over 2011. This is encouraging given that IDC measured growth rate of European domestic software demand of approximately 4% in 2012. This difference shows that European ISVs are tapping into spending growth outside Europe, particularly in the US, but also in emerging markets in Middle East and Africa, Latin America, and Asia Pacific. During first half of 2013, software demand in Europe has increased by 4%, driven in particular, by new technologies such as cloud computing, big data analytics, and social/collaborative applications. In reality, we are seeing a boost in demand for a new breed of enterprise software, which is inspired by Google, Apple, and Facebook. These new paradigms for the software user experience are not only changing the look and feel of enterprise software, but are enabling new business models and business processes inside and between organizations. Employees can engage with customers via social communities, companies can make complex decisions on what to offer in real-time, and employees can use business application that resemble consumer applications on a smart phone or tablet.

This technology shift represents a major opportunity for European ISVs. New or recent entrants in the Truffle 100, such as Emailvision and Thunderhead.com, are completely cloud-based and are seeing strong growth rates as European organizations are starting to embrace the idea of subscription-based business solutions delivered over the Internet. Many of the established European ISVs are also investing significant resources in developing and selling cloud-based solutions. IDC believes that the ability for European ISVs to transform their offerings and align them with what IDC calls the «Third Platform» (a new technology platform for growth and innovation characterized by technologies such as cloud computing, smart mobile devices, social networks, and real-time analytics) will be the number one determinant of the future viability of Europe's software industry. ■



**Top 5 countries in Europe represent 86.4% of software revenues**

Country	2010	2011	SW revenues (€M) 2012	% of total	# SW companies
Germany	15 578.0	18 145.7	20 328.6	49.4%	14
UK	5 752.0	5 497.3	5 994.6	14.6%	22
France	3 482.0	4 040.9	4 348.9	10.6%	19
Sweden	977.0	2 163.5	2 326.5	5.7%	9
Netherlands	1 093.0	2 187.9	2 236.2	5.4%	7
Norway	436.0	1 110.8	1 208.2	2.9%	3
Finland	661.0	1 005.5	1 152.4	2.8%	6
Italy	522.0	618.1	625.0	1.5%	3
Switzerland	881.0	530.1	594.9	1.4%	5
Belgium	511.0	516.5	557.3	1.4%	1
Poland	562.0	486.2	544.8	1.3%	2
Denmark	185.0	248.5	361.9	0.9%	2
Czech Republic	166.0	194.4	287.0	0.7%	2
Spain	117.0	149.1	256.4	0.6%	2
Slovakia	-	176.7	198.4	0.5%	1
Austria	62.0	116.4	126.3	0.3%	2
<b>Total</b>	<b>30 985.0</b>	<b>37 187.7</b>	<b>41 147.7</b>	<b>100.0%</b>	<b>100</b>

## World-class national champions

Vendor	Country	Revenues (€M)	% of Truffle 100
SAP	DE	15 930	38.7%
Dassault Systemes	FR	1 853	4.5%
Sage	UK	1 591	3.9%
Hexagon	SE	1 283	3.1%
Wincor Nixdorf	DE	1 257	3.1%



**Laurent Calot**  
CEO,  
CXP Group

## SaaS/Cloud: The great opportunity for European Software Vendors

We are currently experiencing a historical turning point: the global adoption of SaaS, a revolutionary software marketing model. SaaS is now riding the wave of Cloud and forms the third pillar alongside infrastructure service (IaaS) and the development service (PaaS): it constitutes the information system's application layer. The entire reasoning behind the construction of information systems is questioned with this new model.

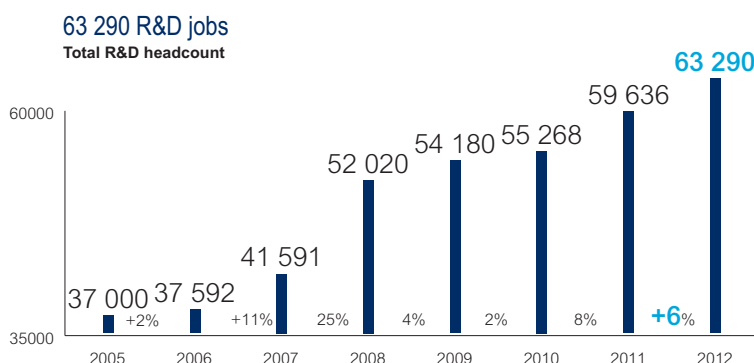
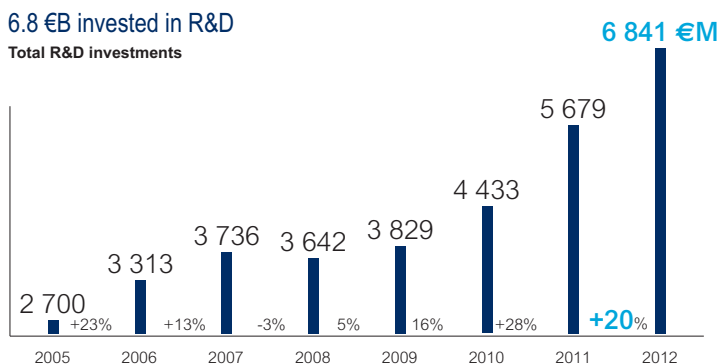
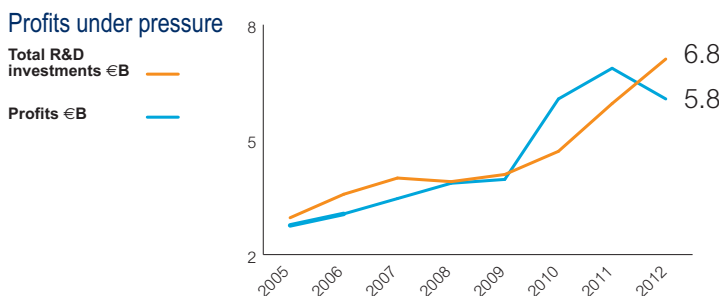
As cost-efficiency is now inevitable, the concept of outsourcing has spread to all companies, including key accounts who no longer consider SaaS as a mere experiment but who are looking to apply it to their most commonly-used management applications which will hopefully become the future's most strategic applications.

Software Vendors are becoming more aware that the SaaS/cloud phenomenon is a real chance for economic growth, which has led to the model's upward trend. Thanks to Cloud, promising new markets are being conquered, especially on an international level. For vendors who may not have the means to cover all areas of management or to meet repurchasing requirements, the cloud model is in fact an extraordinary lever for creating and developing new business opportunities, supported by an entire network of partners - either specialists in new functional areas or well-established local stakeholders in specific geographical zones throughout the world. Our developers would not be able to ensure sufficient growth to reach international markets without the cloud system, but if they seize this opportunity, the world could become their oyster. ■

## Exceptional commitment to innovation

Top 5 countries represent 84% of total R&D jobs

Countries	Number R&D employees	% of total	R&D investment (€M)	% of total
Germany	23 783	37.6%	2 837.7	41.5%
France	9 962	15.7%	960.6	14.0%
UK	8 375	13.2%	1 043.4	15.3%
Netherlands	6 321	10.0%	713.2	10.4%
Sweden	4 503	7.1%	438.2	6.4%
Poland	3 569	5.6%	75.2	1.1%
Italy	1 634	2.6%	99.4	1.5%
Finland	1 232	1.9%	59.9	0.9%
Switzerland	1 098	1.7%	65.1	1.0%
Norway	536	0.8%	244.4	3.6%
Czech Republic	512	0.8%	70.8	1.0%
Denmark	506	0.8%	56.3	0.8%
Belgium	465	0.7%	91.7	1.3%
Slovakia	332	0.5%	32.4	0.5%
Spain	322	0.5%	33.2	0.5%
Austria	140	0.2%	19.6	0.3%
<b>Total</b>	<b>63 290</b>	<b>100 %</b>	<b>6 841.1</b>	<b>100 %</b>





## Trends

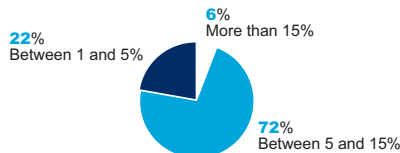
R&D investment budget 2014 ?



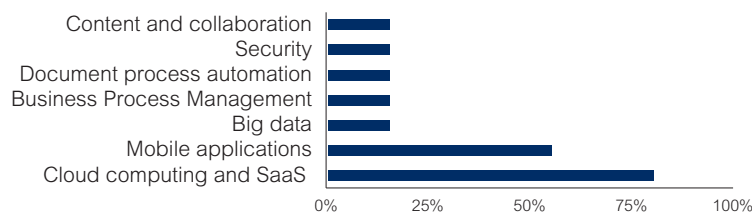
Headcount plans 2014 ?



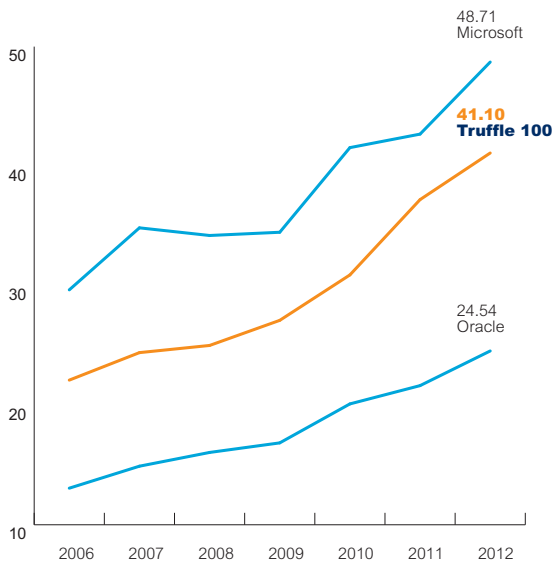
Expected growth rate 2014 ?



Key technology trends 2014 ?



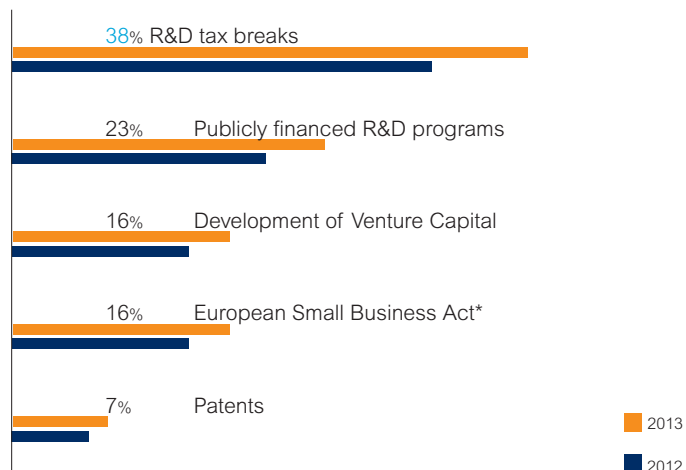
## Fierce global competition



## Expected improvement

### Critical measures

What measures should be adopted to stimulate the European software industry ?



\*The Small Business Act was voted by the United States Congress on July 30, 1953, and is the founding text of US governmental policy in favour of SMEs. This legislative framework (which has been modified many times since then) affirmed the need to preferentially channel state aid to small companies, which were seen to be the most dynamic elements of the economy.

## M&A highlight

- 2012
  - Alcatel-Lucent divested Genesys Labs
  - Battery Ventures acquired Jeeves
  - CGI acquired Logica
  - ENEA divested its consultancy to Xdin
  - EQT Private Equity acquired UC4 from Carlyle Group
  - Ericsson acquired Telcordia
  - Francisco Partners acquired Kewill
  - HgCapital acquired IRIS Software in 2011 and subsequently split up the company into two units
  - KANA acquired Sword-Ciboodle from Sword Group
  - IFS acquired Metrix
  - MICROS Systems acquired Torex
  - SAP acquired Successfactors
  - SAP acquired Ariba
  - SDL acquired Alterian
  - Sopra Group acquired Callataj & Wouters
  - Thomas Bravo acquired InfoVista
  - Vista Equity Partners acquired Misys. Misys was later merged with Turaz.
- 2013
  - Adobe acquired Neolane
  - Advanced Computer Software Group acquired Computer Software Holdings
  - Kewill acquired Four Soft
  - Lefebvre Software acquired Cezanne Software
  - Lefebvre Software changed name to Talentia
  - OMERS Private Equity acquired Civica
  - Opentext acquired Cordys
  - R12 Kapital acquired Aditro from Nordic Capital Fund
  - Sage divested Act! And SalesLogix
  - SAP acquired Hybris
  - SAP acquired KXEN
  - Sopra acquired HR Access
  - Symphony acquired Aldata Solution and merged it with EYC

The Truffle 100 is compiled from survey & research conducted by IDC & CXP Group.

Europe is defined as: EU 25 countries + Switzerland + Norway.

The companies taking part have certified that they operate Under European law and that their headquarters and R&D are based in Europe (as defined above). The ranking was made exclusively on the basis of the data declared and submitted by each company taking part and, at the exception of Italy, validated in some cases by external sources.

We have aligned all data gathering to include all software related professional services and training services. The double digit growth in software revenues in 2011 compared to 2010 is partly attributable to this alignment of methodology. Furthermore, we have included acquisitions from the date of acquisition as opposed to a full-year proforma addition.

Information of a confidential nature (e.g. net income), are only presented on an aggregated basis. The authors are not responsible for any content or error, omission or inaccuracy related to content communicated by third parties.

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