

# Cloud stories

Spring 2024



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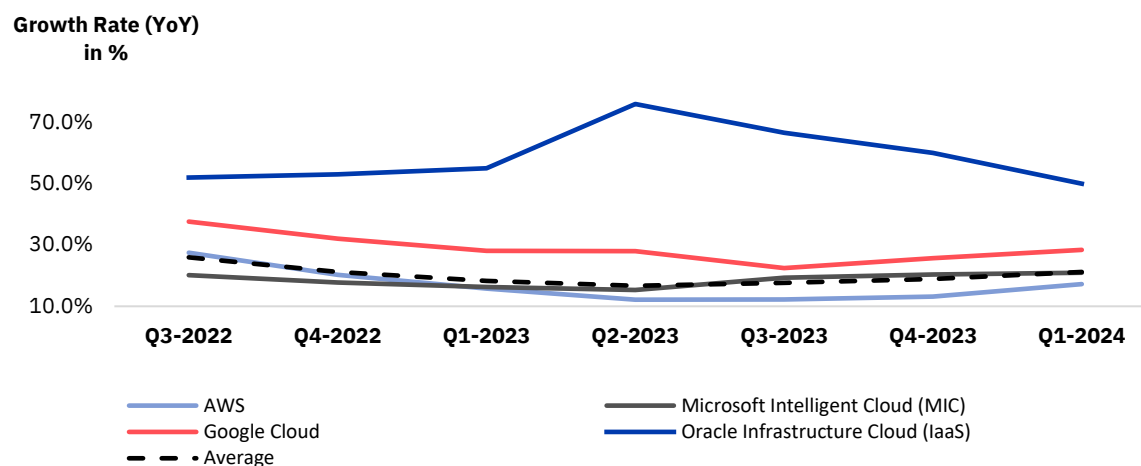
Twimbit is a research and advisory firm driven by a singular mission: to empower businesses that are making a difference. We specialise in providing invaluable industry intelligence to executives and teams, acting as a catalyst for innovation and growth.

## Key highlights

- The global cloud market witnessed a stellar Q1-2024. AWS, Microsoft, Google, and Oracle generated a combined USD 63.1 billion in revenue. This robust 21.2% YoY increase marks the highest YoY revenue growth rate in the past 5 quarters.
- Cloud revenue now constitutes a significant portion of these companies' overall revenues, averaging around 21% in Q1-2024 which is slightly higher as compared to 19.9% in Q1-2023.
- AI (Artificial Intelligence) emerged as a key driver of cloud spending in Q1-2024, propelling earnings growth for leading providers. This trend is evident over the past 3 quarters, fueled by increased AI adoption.
- Microsoft Intelligent Cloud (MIC), Google Cloud and Oracle Cloud reported impressive YoY growth due to advancements in AI.
- AWS achieved a solid 17.2% YoY growth, reaching USD 25 billion, driven by infrastructure modernisation contracts and surging demand for its AI offerings.
- Microsoft's cloud segment (MIC) reached USD 26.7 billion in Q1-2024, reflecting a strong 21% YoY increase primarily fueled by AI advancements within the cloud.
- Google Cloud delivered its highest revenue and profitability ever in Q1-2024, with USD 9.6 billion in revenue (28.4% YoY growth) and USD 900 million in operating income. Growth was driven by Google Cloud Platform (GCP) and Google Workspace, with a focus on infrastructure and platform services.
- Oracle Cloud Infrastructure (OCI) experienced exceptional YoY growth of approximately 50%, reaching USD 1.8 billion in revenue for Q1-2024. This surge is attributed to large contracts securing cloud infrastructure capacity for its Gen2 AI infrastructure.
- Tech giants like Google, AWS, and Microsoft compete for dominance in AI workloads, marking a fiercely competitive cloud computing market. Major players like Google, AWS and Microsoft eliminated egress fees which would enable them to attract customers and is likely to benefit organisations using hybrid/multi-cloud architectures. However, the long-term implications of this move remain unclear.
- Cloud strategic partnerships in Q1-2024 centred around AI, highlighting the rapid growth of Generative AI, which is expected to drive demand for global data centre capacity.
- Major players strategically expand their data centre footprints and launch new global cloud regions, focusing on Middle East & Africa and Latin American geographies.



## Exhibit 1: Revenue growth rate (YoY) of Cloud service providers, Q1-2024



## Exhibit 2: Revenue trends and growth of Cloud service providers, Q1-2024

Cloud Provider	Q2-2023 (USD bn)	Q3-2023 (USD bn)	Q4-2023 (USD bn)	Q1-2024 (USD bn)	% change QoQ	% change YoY	Cloud revenue % of total revenue (Q1-2024)
AWS	22.1	23.1	24.2	25.0	3.4%	17.2%	17.5%
Microsoft Intelligent Cloud*	24.0	24.3	25.9	26.7	3.2%	21.0%	43.2%
Google Cloud	8.0	8.4	9.2	9.6	4.2%	28.4%	11.9%
Oracle Cloud Infrastructure (IaaS)**	1.4	1.5	1.6	1.8	12.5%	50%	13.6%

This includes the Cloud Infrastructure segment revenue wherever it is distinctly reported by the Cloud service provider. Google does not provide a distinct breakup of revenue of Google Cloud Platform (GCP) and Google Workspace, and hence the overall Google Cloud revenue has been considered

\* Includes Azure and other cloud services, excluding Office 365, LinkedIn, Dynamics 365, etc

\*\*Revenue reporting for Oracle Cloud has been realigned from Q1-2023 onwards and now includes only Oracle Infrastructure Cloud (IaaS) revenue

Source: Company reports, Twimbit analysis

## Cloud Infrastructure providers

### A. Amazon Web Services (AWS)

#### Overview

- In Q1-2024, AWS generated revenues of USD 25 billion (17.5% of Amazon's total revenue) to achieve a 17.2% YoY (year-over-year) increase. This growth is attributed to:
  - Infrastructure modernisation contracts secured from risk-averse customers seeking to optimise their IT infrastructure.
  - Surge in demand for AWS AI offerings, indicating a growing embrace of AI solutions by enterprises.
- AWS is pivotal in Amazon's strategy to stay ahead in the highly competitive big-tech AI race. While the unit experienced a temporary revenue slowdown in 2023, effectively utilising its AI portfolio has reversed this trend, attracting new clients to its cloud platform.
- Amazon projects an annual revenue run rate of USD 100 billion for AWS, supported by the ongoing migration to the public cloud, which is still in its early stages of widespread adoption.
  - AWS's strong positioning in Generative AI is likely to translate into significant benefits as this technology gains wider traction.
- The robust demand for AI solutions prompts Amazon to plan strategically and increase capital investments in data centre capacity throughout 2024. This expansion will ensure sufficient resources to meet the growing needs of its cloud customers.



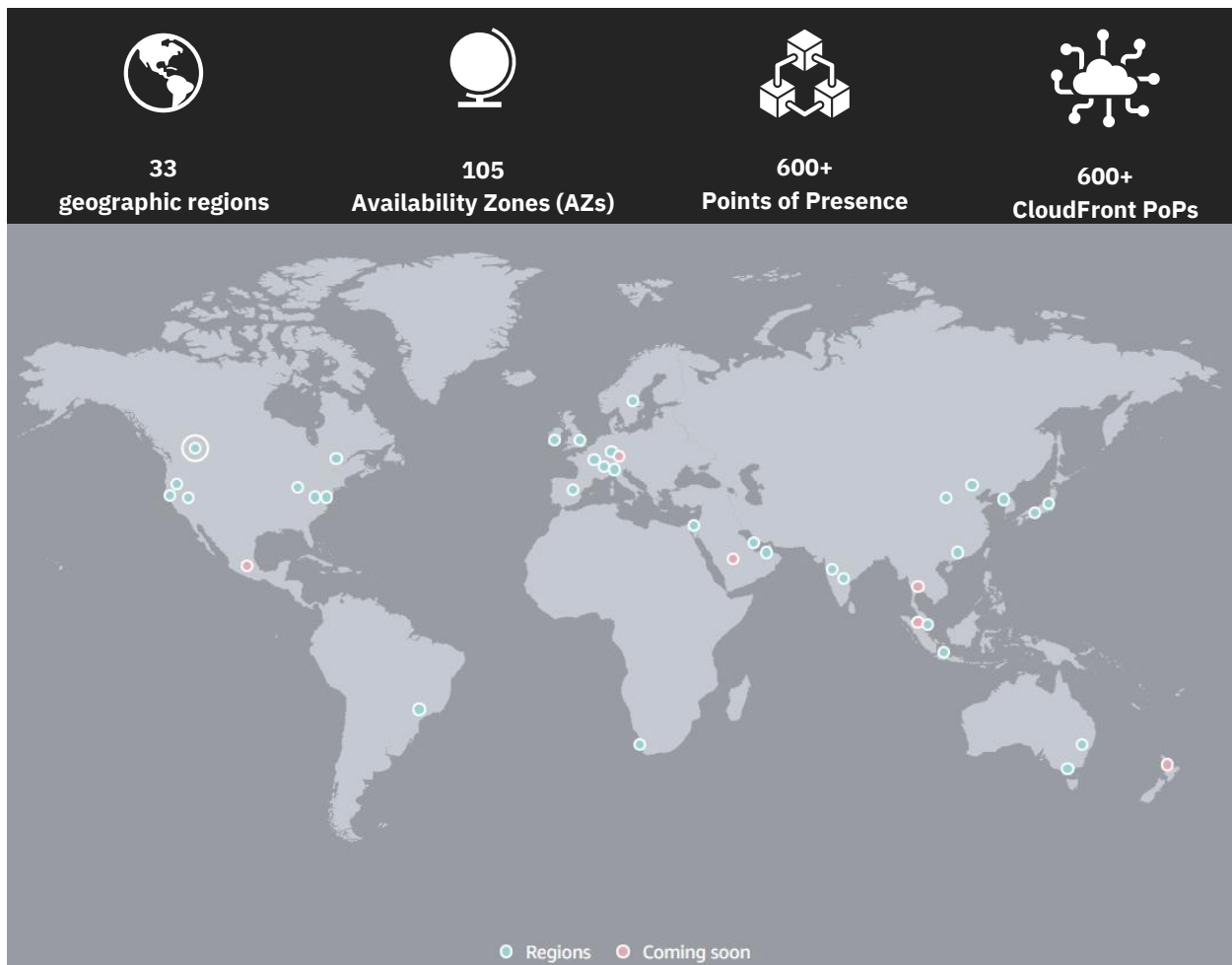
*"It was a good start to the year across the business, and you can see that in both our customer experience improvements and financial results. The combination of companies renewing their infrastructure modernisation efforts and the appeal of AWS's AI capabilities is reaccelerating AWS's growth rate (now at a USD 100 billion annual revenue run rate)."*

**- Andy Jassy, CEO, Amazon**

## AWS global footprint

- AWS Cloud has 105 Availability Zones across 33 geographic regions globally.
- Announced plans for 18 more Availability Zones and 6 more AWS Regions in Malaysia, Mexico, New Zealand, the Kingdom of Saudi Arabia, Thailand, and the AWS European Sovereign Cloud.
- AWS Local Zones are available in 16 US metropolitan areas and 17 outside the US, with a new Local Zone in Miami, Florida.

### Exhibit 3: AWS Cloud global capabilities



Source: Company website, Twimbit analysis

**Exhibit 4: AWS Cloud - Key launches and announcements**






AWS aims to expand its cloud presence globally with significant capability enhancements in the Middle East, Americas and APAC regions.

Period	Status	Location	Type	Details
Mar-2024	Announced	Saudi Arabia	Data centre	<ul style="list-style-type: none"><li>• AWS announced the establishment of a data centre in Saudi Arabia by 2026, with investments of over USD 5.3 million. This would Enable customers to execute workloads, store data securely within the region, and offer lower-latency services.</li></ul>
	Announced	Pennsylvania (USA)	Data centre	<ul style="list-style-type: none"><li>• AWS acquired a nuclear-powered data centre campus in Pennsylvania, USA, for USD 650 million, to bolster its data centre infrastructure and align with its renewable energy strategy.</li></ul>
	Announced	Mexico	Data centre	<ul style="list-style-type: none"><li>• AWS announced a USD 5 million+ investment to open a cluster of data centres in Mexico.<ul style="list-style-type: none"><li>- Aims to meet the rising demand for cloud services driven by new technology adoption.</li><li>- This facility with three availability zones is expected to be launched in early 2025.</li></ul></li></ul>

Feb-2024	Announced	Texas (USA)	AWS Local zone	<ul style="list-style-type: none"> <li>AWS announced the general availability of a new AWS Local Zone in Houston, Texas.</li> </ul>
Jan-2024	Announced	Mississippi (USA)	Data centre	<ul style="list-style-type: none"> <li>AWS plans to invest USD 10 billion to establish multiple data centre complexes within 2 Madison County industrial parks in Mississippi. <ul style="list-style-type: none"> <li>The project is slated to be completed by 2027.</li> </ul> </li> </ul>
	Announced	Chile	Data centre	<ul style="list-style-type: none"> <li>AWS announced the construction of a data centre in Chile, with an investment of ~ USD 205 million. <ul style="list-style-type: none"> <li>The two-stage project is expected to begin construction in March 2024.</li> </ul> </li> </ul>
	Announced	Japan	Cloud computing	<ul style="list-style-type: none"> <li>AWS plans to invest USD 15 billion (JPY 2.26 trillion) into its existing cloud infrastructure in Tokyo and Osaka by 2027. <ul style="list-style-type: none"> <li>Aims to address the growing demand for cloud services in Japan.</li> </ul> </li> </ul>



Source: Company sources, Industry reporting, Twimbit analysis

## Key partnerships


Period	Partner Name	Description
Mar-2024		<ul style="list-style-type: none"> <li>AWS partnered with Fujitsu to launch the Modernization Acceleration Joint Initiative to enable customers to modernise their legacy applications on the AWS Cloud.</li> </ul>
		<ul style="list-style-type: none"> <li>Wanclouds expanded its partnership with AWS by becoming a global delivery partner for its Rapid Migration Offer (RMO) within the Migration Acceleration Program (MAP).</li> </ul>
		<ul style="list-style-type: none"> <li>AWS signed an agreement with Etisalat Egypt to leverage the AWS Cloud platform and Etisalat's technology offerings to accelerate cloud transformation in the tech sector.</li> </ul>
Feb-2024		<ul style="list-style-type: none"> <li>du and AWS partnered to offer innovative cloud services to du's customers and drive faster cloud adoption in the United Arab Emirates.</li> </ul>
		<ul style="list-style-type: none"> <li>AWS expanded its relationship with Tyler Technologies to accelerate cloud adoption in the public sector.</li> </ul>

Source: Company sources, Industry reporting, Twimbit analysis

## Key contract wins

Period	Client Name	Description
Mar-2024		<ul style="list-style-type: none"> <li>AWS signed a multi-year strategic agreement with Indian cloud integrator Minfy.               <ul style="list-style-type: none"> <li>Minfy aims to leverage AWS capabilities to fuel its global business growth by USD 500 million through enhanced cloud services and AI utilization.</li> <li>Enable Minfy's customers to migrate workloads to AWS.</li> </ul> </li> </ul>
		<ul style="list-style-type: none"> <li>AWS signed an agreement with Omantel to establish sovereign cloud capabilities for Oman, with a view to address data residency and security requirements, particularly for government entities and regulated industries in the country.</li> </ul>



Feb-2024		<ul style="list-style-type: none"> <li>KT Corp signed an agreement with AWS to join its private wireless network. <ul style="list-style-type: none"> <li>The partnerships aims to develop Generative AI capabilities using Amazon Bedrock and integrate generative AI with applications.</li> </ul> </li> </ul>
		<ul style="list-style-type: none"> <li>CelcomDigi selected AWS to utilise its Amazon Bedrock offerings to develop generative AI solutions for its customers.</li> </ul>
		<ul style="list-style-type: none"> <li>Beyond One selected AWS to leverage a combination of its global regions and hybrid cloud offerings (including Outposts and Local Zone), to modernise its infrastructure and expand cloud adoption.</li> </ul>
		<ul style="list-style-type: none"> <li>Liberty Global announced a partnership with AWS to develop its Network-as-a-Service (NaaS) framework by leveraging AWS's cloud infrastructure and network infrastructure. <ul style="list-style-type: none"> <li>The telco aims to create new business services based on open network APIs.</li> </ul> </li> </ul>
		<ul style="list-style-type: none"> <li>Telus partnered with AWS and Samsung to house its network within AWS regions globally. <ul style="list-style-type: none"> <li>The telco plans to utilise virtualised roaming gateways to offer enhanced connectivity for customers travelling abroad.</li> </ul> </li> </ul>
		<ul style="list-style-type: none"> <li>TPG selected Amdocs to develop a consolidated monetisation platform deployed on the public cloud offered by AWS.</li> </ul>

Source: Company sources, Industry reporting, Twimbit analysis

## B. Microsoft Intelligent Cloud (MIC)

### Overview

- Microsoft achieved a 17% YoY revenue increase in Q1-2024, reaching USD 61.9 billion. This growth was driven by AI (Artificial Intelligence) advancements, particularly within the cloud segment.
- The MIC segment of Microsoft's revenue contributed 43.2% in Q1-2024. This marks the highest MIC contribution since 2021, with a 140 basis points YoY growth compared to 41.8% in Q1-2023.
- Microsoft's cloud segment, MIC, reached record revenue of USD 26.7 billion in Q1-2024, reflecting 21% YoY growth. MIC revenue surpassed the 16.3% growth achieved in Q1-2023, highlighting accelerated momentum.
  - The surge in revenue is attributed to the strong demand for Microsoft's consumption-based offerings, including server products, Azure, and a comprehensive suite of other cloud services.
- Server products and cloud service revenue increased 24% YoY to reach USD 24.8 billion in Q1-2024, driven primarily by the continued expansion of Azure and other cloud services, which witnessed a 31% growth.
  - Server product revenue also displayed a healthy 6% YoY increase, fueled by the growing demand for Microsoft's hybrid solutions in multi-cloud environments.
- Microsoft's management projects a stable outlook for Q2-2024, with MIC revenue estimated between USD 28.4 billion - USD 28.7 billion. Azure and other cloud services revenue are anticipated to maintain impressive growth, with a projected increase of 30% - 31% in constant currency.
- Microsoft's strategic decision to integrate AI technology from OpenAI across its products demonstrates a significant impact. Over 65% of Fortune 500 companies now leverage Microsoft's Azure OpenAI Service.

*"It was a record third quarter, powered by the continued strength of the Microsoft Cloud.... Microsoft Copilot and Copilot stack are orchestrating a new era of AI transformation, driving better business outcomes across every role and industry."*

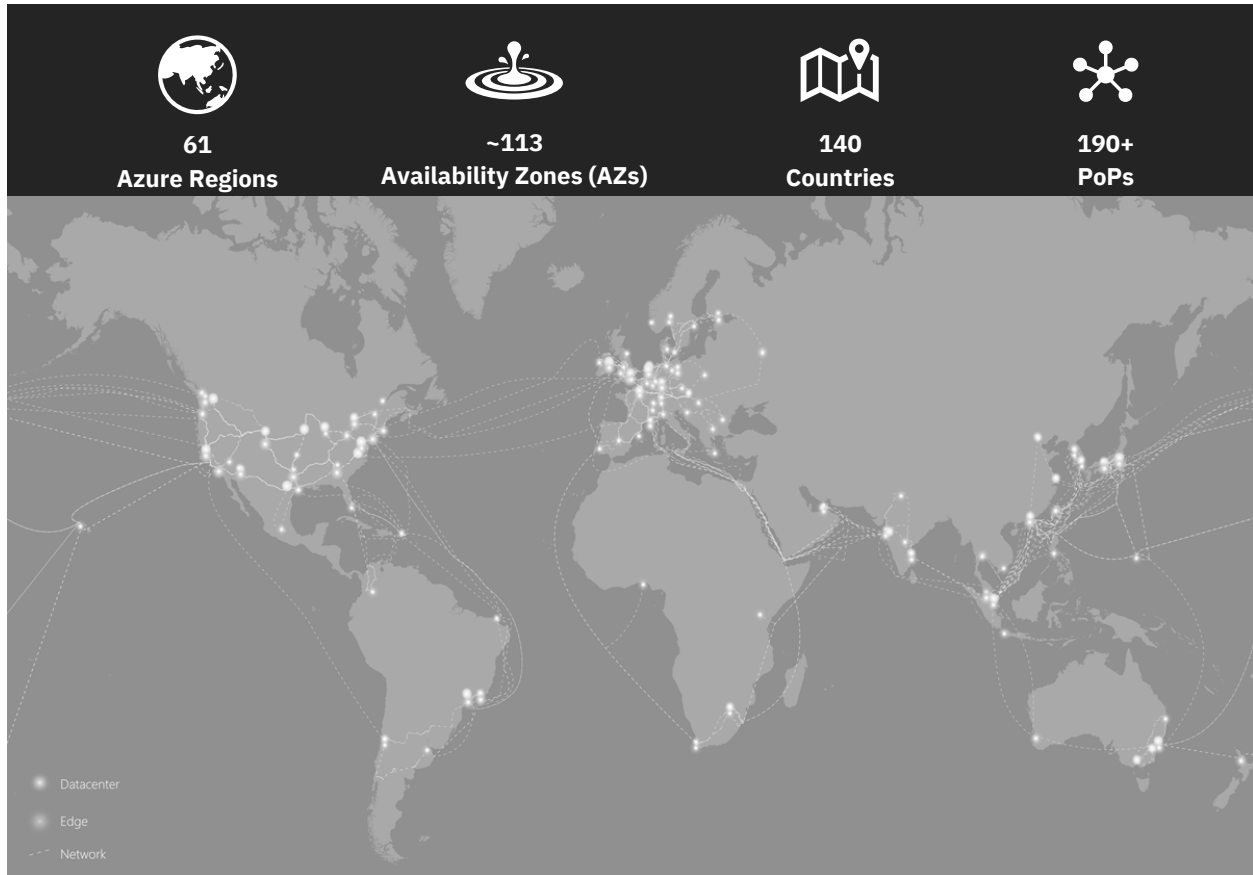
**- Satya Nadella, Chairman and CEO, Microsoft**



## Microsoft Cloud global footprint

- MIC has a presence across 61 regions, and its Azure infrastructure comprises 300+ physical data centres.

### Exhibit 5: Microsoft Cloud global capabilities



Source: Company website, Twimbit analysis




### Exhibit 6: Microsoft Cloud - Key launches and announcements


- In anticipation of surging demand for AI services, Microsoft is undertaking a strategic global expansion of its data centre network. This commitment is reflected in the significant capital expenditure of USD 14 billion allocated during the quarter.
- During Q1-2024, Microsoft announced plans to expand its cloud presence in the European, African and Latin American region by building new data centres and strengthening its cloud infrastructure capabilities.

Period	Status	Location	Type	Details
Feb-2024	Announced	Centurion (South Africa)	Data centre	<ul style="list-style-type: none"> <li>Microsoft announced a data centre campus in Centurion, South Africa for cloud and AI services.</li> </ul>
	Announced	São Paulo (Brazil)	Data centre	<ul style="list-style-type: none"> <li>Microsoft has started constructing two data centres in São Paulo state, Brazil.</li> </ul>
	Announced	Germany	AI and Cloud computing	<ul style="list-style-type: none"> <li>Announced a USD 3.4 billion (EUR 3.2 billion) investment over the next two years to double the country's AI infrastructure and cloud capacity.</li> </ul>
	Announced	Spain	AI and Cloud computing	<ul style="list-style-type: none"> <li>Plans to quadruple its investment in artificial intelligence (AI) and cloud infrastructure in Spain by spending USD 2.1 billion (EUR 1.95 billion) over the next two years.</li> </ul>

Source: Company sources, Industry reporting, Twimbit analysis

## Key partnerships


Period	Partner Name	Description
Mar-2024		<ul style="list-style-type: none"> <li>Accenture Federal Services partnered to launch a comprehensive Cloud Modernization and Migration Factory on Microsoft Azure Government.</li> </ul>
		<ul style="list-style-type: none"> <li>Expanded collaboration with NVIDIA for its Generative AI and Omniverse technologies across Microsoft Azure, Azure AI services, Microsoft Fabric, and Microsoft 365.</li> </ul>
		<ul style="list-style-type: none"> <li>Expanded its partnership with Oracle to meet the global demand for Oracle Database@Azure               <ul style="list-style-type: none"> <li>- Plans to expand the Oracle Database@Azure service to five more regions, reaching a 15-region multi-cloud footprint.</li> </ul> </li> </ul>


Mar-2024	<b>EVERFOX</b>	<ul style="list-style-type: none"> <li>Partnered with Everfox (formerly Forcepoint Federal) to integrate their cross-domain technology with Azure's cloud services.</li> <li>- Both companies will collaborate to develop innovative cloud products with built-in cybersecurity, prioritising on-demand secure cloud services.</li> </ul>
	<b>veeam</b>	<ul style="list-style-type: none"> <li>Signed a five-year strategic partnership with Veeam to co-market data protection for Microsoft 365 and Azure using Veeam Data Cloud.</li> </ul>
Feb-2024		<ul style="list-style-type: none"> <li>Orange Middle East and Africa partnered with Microsoft to provide nearly 15,000 small and medium-sized businesses (SMEs) across the Middle East and Africa.</li> <li>- Aims to provide them with access to Microsoft's productivity and cloud solutions, including Microsoft 365, Copilot, Azure, and Dynamics 365.</li> </ul>

Source: Company sources, Industry reporting, Twimbit analysis

## Key contract wins

- Microsoft's strategic decision to weave OpenAI technology across its product portfolio is yielding significant results. This is exemplified by over 65% of Fortune 500 companies leveraging Microsoft's Azure OpenAI Service.
- Customer adoption is surging, as evidenced by the more than 80% YoY increase in Azure deals exceeding USD 100 million and the doubling of deals exceeding USD 10 million.

Period	Client Name	Description
Jan-2024	<b>EVIDEN</b>	<ul style="list-style-type: none"> <li>Atos' cloud and data division, Eviden, signed a 5-year global strategic partnership to accelerate its Cloud &amp; AI strategies.</li> <li>- Aims to achieve a USD 2.8 billion USD Cloud Services business for Eviden by 2028.</li> <li>- Upskill its 50,000+ employees through 16,000+ Microsoft certifications and co-create GenAI-enabled industry solutions for four prioritised sectors.</li> </ul>
		<ul style="list-style-type: none"> <li>Vodafone signed a 10-year strategic partnership to provide digital services, Generative AI and cloud solutions to over 300 million businesses and consumers</li> </ul>

Jan-2024		<ul style="list-style-type: none"><li>- The telco would leverage Microsoft's Generative AI to enhance customer experience, accelerate digital transformation, and migrate virtual data centres to Microsoft Azure for improved operational efficiency.</li></ul>
		<ul style="list-style-type: none"><li>• NCS expanded its collaboration with Microsoft to enable clients accelerate the adoption of AI and Cloud solutions.</li><li>- Includes creating a dedicated Microsoft growth engine with expertise across all 6 Microsoft solution areas: Infrastructure, Data &amp; AI, Digital &amp; App Innovation, Modern Work, Security, and Business Applications.</li></ul>

Source: Company sources, Industry reporting, Twimbit analysis



## C. Google Cloud

### Overview

- Google Cloud segment revenue reached USD 9.6 billion in Q1-2024, growing by 28.4% YoY. This growth was driven by Google Cloud Platform (GCP) and Google Workspace, with infrastructure and platform services leading the way within GCP.
- Cloud revenue contribution to overall revenue reached 11.9% in Q1-2024, up from 10.7% in Q1-2023.
- Google Cloud reported its highest cloud revenue and profitability in Q1-2024, with an operating income of USD 900 million (as compared to USD 191 million in Q1-2023).
  - Accounted for ~9.4% of the overall Google Cloud revenue in Q1-2024, as compared to 2.6% in Q1-2023.
- Google's continued investment in AI and increased proliferation among enterprises continue to drive revenue growth.
- Nearly 60% of the funded GenAI startups and ~90% of GenAI unicorns are Google Cloud customers.
  - YouTube and Google's cloud business are projected to reach a combined annual run rate of over USD 100 billion by year-end 2024.

*"Our results in the first quarter reflect strong performance from Search, YouTube and Cloud. We are well underway with our Gemini era, and there's great momentum across the company. Our leadership in AI research and infrastructure and our global product footprint positions us well for the next wave of AI innovation."*

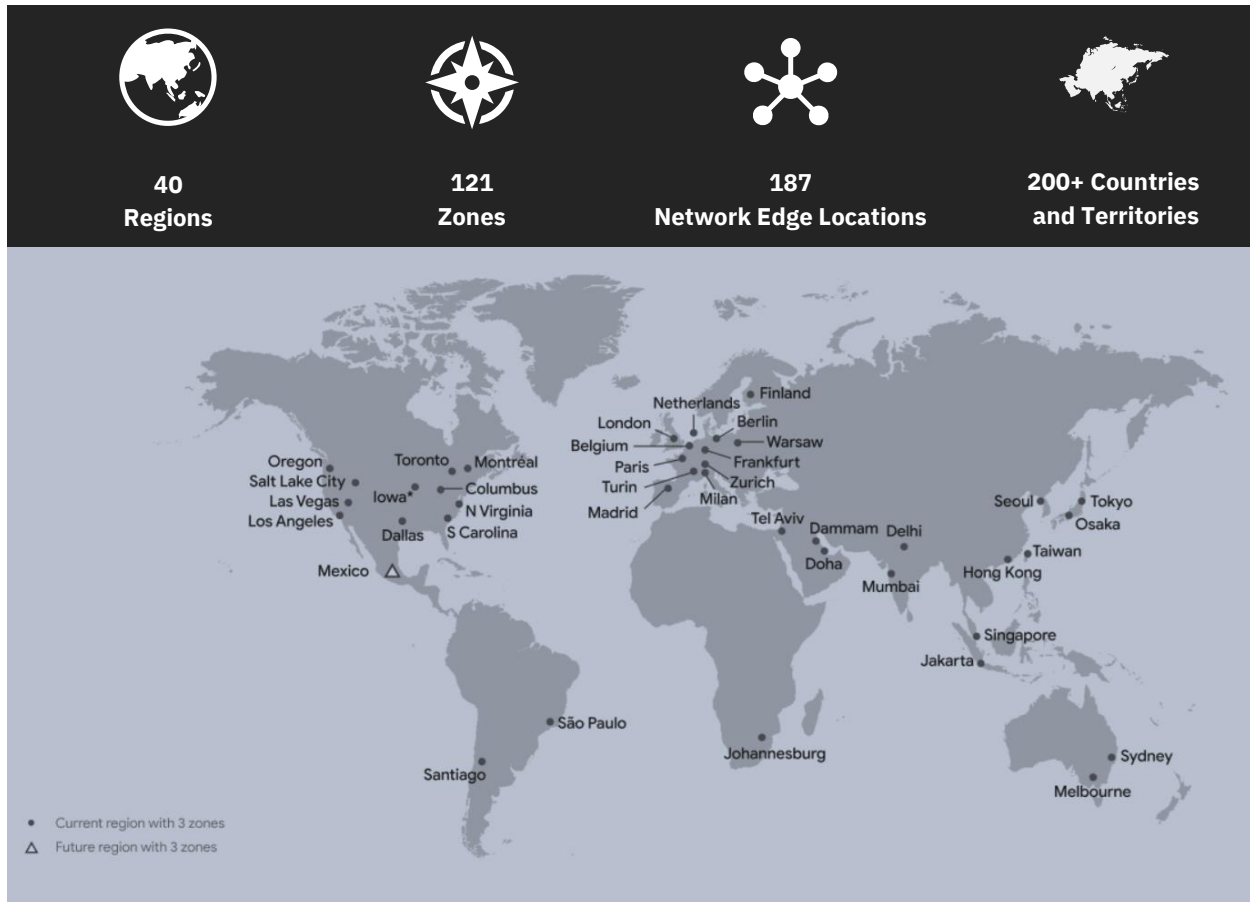
**- Sundar Pichai, CEO, Google**



## Google Cloud global footprint

- Google currently operates in 40 regions with 21 Zones across 200+ countries.
- Plans to operate in new regions, including Austria, Greece, Malaysia, Mexico, New Zealand, Norway, Sweden and Thailand.

### Exhibit 7: Google Cloud global capabilities



Source: Company website, Twimbit analysis

## Exhibit 8: Google Cloud - Key launches and announcements

During Q1-2024, Google expanded its presence in Africa through a new cloud region launch in South Africa and announced the opening of a data centre in the UK.

Period	Status	Location	Type	Details
Jan-2024	Launched	Johannesburg (South Africa)	Cloud Region	<ul style="list-style-type: none"> <li>Google opened its first African cloud region in Johannesburg, South Africa, solidifying its presence in the continent.</li> </ul>
	Announced	London (UK)	Data Centre	<ul style="list-style-type: none"> <li>Google announced a USD 1 billion (GBP 800m) investment in a new data centre campus outside London, Hertfordshire.                             <ul style="list-style-type: none"> <li>- This expansion aims to increase computing capacity, support AI development, and deliver reliable digital services for Google Cloud customers and users.</li> </ul> </li> </ul>






Source: Company sources, Industry reporting, Twimbit analysis

## Key product initiatives

Period	Description
Mar-2024	<ul style="list-style-type: none"> <li>Launched Security Command Center Enterprise, enabling customers to manage and mitigate risk across multi-cloud environments.</li> </ul>










Source: Company sources, Industry reporting, Twimbit analysis

## Key partnerships

Period	Partner Name	Description
Mar-2024		<ul style="list-style-type: none"> <li>Digital transformation solutions provider Incture joined the Google Cloud Partner Advantage Program for the Build Engagement Model.               <ul style="list-style-type: none"> <li>- This allows Google Cloud customers to leverage Incture's solutions.</li> </ul> </li> </ul>
		<ul style="list-style-type: none"> <li>World Wide Technology (WWT) was selected as the managed provider for Google Sovereign Distributed Cloud.</li> </ul>
		<ul style="list-style-type: none"> <li>Liquid C2 partnered with both Anthropic and Google to offer advanced cloud, cybersecurity solutions, and Generative AI (Gen AI) capabilities to businesses in the African region.</li> </ul>
		<ul style="list-style-type: none"> <li>Partnered with NVIDIA to offer technology which simplifies building, scaling, and managing Generative AI applications for the machine learning (ML) community.</li> </ul>
Jan-2024		<ul style="list-style-type: none"> <li>UiPath announced its availability on the Google Cloud Marketplace.               <ul style="list-style-type: none"> <li>- Enables Google Cloud customers to procure the UiPath Business Automation Platform directly.</li> <li>- Deploy and scale automation initiatives on Google Cloud infrastructure.</li> </ul> </li> </ul>

Source: Company sources, Industry reporting, Twimbit analysis

## Key contract wins

Period	Client Name	Description
Mar-2024		<ul style="list-style-type: none"> <li>NCSOFT, a South Korean gaming company, partnered with Google Cloud, to explore AI and cloud technologies for game development and build a platform for a robust gaming ecosystem.</li> </ul>
		<ul style="list-style-type: none"> <li>JK Tech partnered with Google Cloud to accelerate digital innovation and enhance its generative AI (GenAI) capabilities by integrating Google Cloud solutions across its offerings.</li> </ul>
Feb-2024		<ul style="list-style-type: none"> <li>Maxis partnered with Google Cloud to integrate Generative AI (GenAI) into its workflows and services <ul style="list-style-type: none"> <li>- To leverage Duet AI for Developers for AI-powered coding assistance and multimodal capabilities from Gemini models on Vertex AI.</li> </ul> </li> </ul>
		<ul style="list-style-type: none"> <li>Motorola Solutions signed a multi-year strategic agreement with Google Cloud to focus on cloud-based innovation for its security technologies by leveraging Google Cloud's infrastructure capabilities.</li> </ul>
		<ul style="list-style-type: none"> <li>Omantel announced to leverage Google's Distributed Cloud Edge service in the META region to enhance performance, reliability and efficiency for its customers.</li> </ul>
		<ul style="list-style-type: none"> <li>Telkomsel forged a strategic collaboration with Google Cloud to integrate enterprise-grade generative AI into core product offerings and operations.</li> </ul>
		<ul style="list-style-type: none"> <li>Ooredoo Qatar partnered with Google Cloud to leverage its advanced machine learning, AI solutions, and Smart Analytics offerings to transform its data analytics and AI capabilities.</li> </ul>
		<ul style="list-style-type: none"> <li>CoreLogic expanded its existing partnership with Google Cloud to leverage Vertex AI, Google Cloud's enterprise AI platform, to strengthen its AI capabilities.</li> </ul>
		<ul style="list-style-type: none"> <li>Kyndryl expanded its partnership with Google Cloud to leverage its combined expertise for developing responsible generative AI solutions and accelerate customer adoption.</li> </ul>

Source: Company sources, Industry reporting, Twimbit analysis

## D. Oracle Cloud

### Overview

- Oracle Cloud Infrastructure (OCI – IaaS segment) delivered exceptional YoY growth, surging by approximately 50% to reach USD 1.8 billion in revenue for Q1-2024.
- This impressive trajectory has propelled OCI's contribution to overall revenue to its highest point since 2021, reaching 13.6% in Q1-2024. This marks a significant increase from 9.7% in Q1-2023.
  - The surge in large cloud infrastructure contracts in Q1-2024 significantly boosted Oracle's total Remaining Performance Obligations (RPOs) by 29%, exceeding USD 80 billion.
- Despite data centre expansion, this robust demand for OCI's Gen2 AI infrastructure underscores the technology's leading-edge capabilities.
  - Consequently, Oracle anticipates that 43% of its current USD 80 billion RPOs will be recognised as revenue within the next 4 quarters, further solidifying OCI's sustained growth trajectory.
- Oracle has strategically positioned itself as a leader in Generative AI with the general availability of its OCI Generative AI offering. This advancement is expected to drive significant adoption and revenue contribution from AI services.
- Oracle plans a substantial investment increase of ~33% to solidify its global presence, allocating nearly USD 10 billion towards data centre construction and expansion initiatives between June 2024 and May 2025.

“We expect to continue receiving large contracts reserving cloud infrastructure capacity because the demand for our Gen2 AI infrastructure substantially exceeds supply — despite the fact we are opening new and expanding existing cloud data centres very, very rapidly.”

**- Safra Catz, CEO, Oracle**

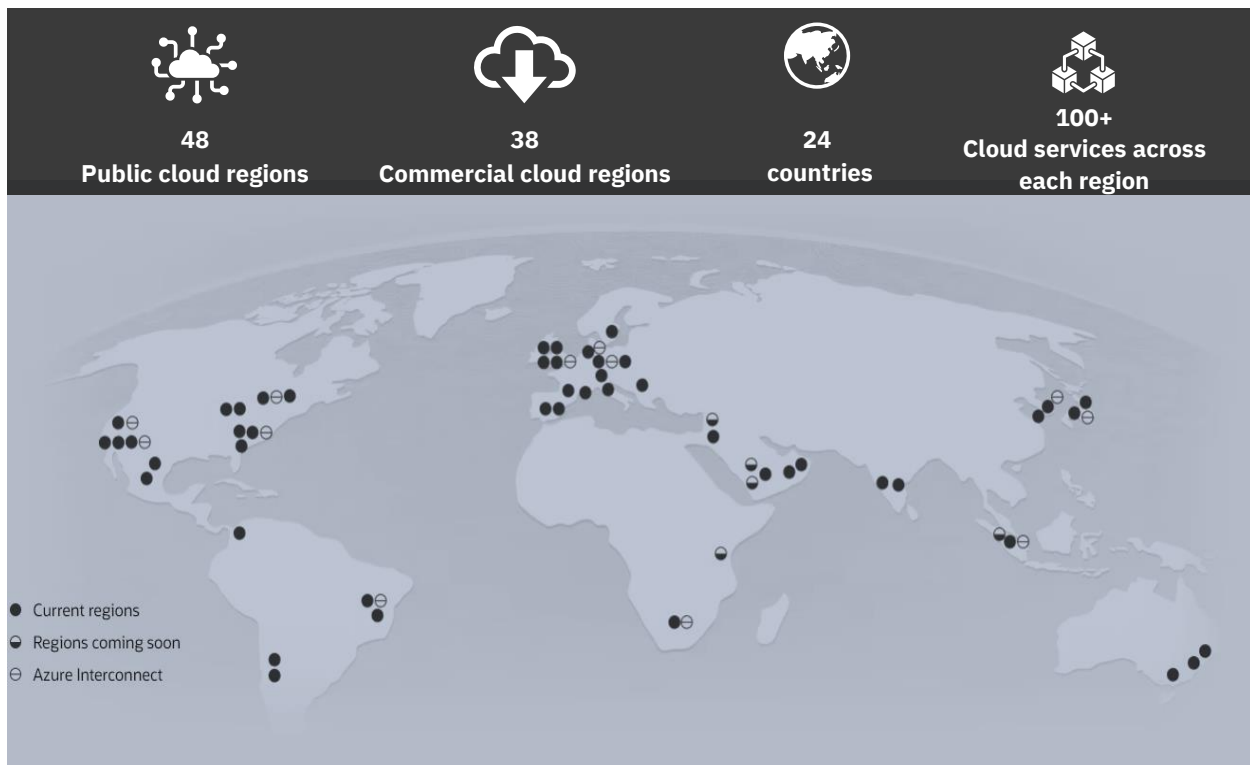




## Oracle Cloud global footprint

- Oracle offers 100+ cloud services across 48 Public cloud regions across 24 countries.
  - Offers dedicated EU Sovereign Cloud regions and distinct government clouds for the US, UK, and Australia to address regional data residency regulations.
  - Isolated cloud regions cater to US national security requirements.

### Exhibit 9: Oracle Cloud global capabilities



Source: Company website, Twimbit analysis

## Exhibit 10: Oracle Cloud - Key launches and announcements

- Oracle continues to strengthen its foothold in the Middle East and Africa (MEA) region during Q1-2024 through strategic data centre deployments.
- To further amplify its global presence, it intends to significantly ramp up investments by ~33% to nearly USD 10 billion on data centre construction and expansion initiatives between June 2024 - May 2025.
- This represents a substantial increase from the estimated spending of USD 7 billion - USD 7.5 billion for the previous period (June 2023 - May 2024).

Period	Status	Location	Type	Details
Mar-2024	Announced	Morocco	Cloud region	<ul style="list-style-type: none"> <li>• Oracle announced the launch of a cloud region in Morocco. <ul style="list-style-type: none"> <li>- The company will partner with data centre operator N+One to house its Oracle Cloud Infrastructure (OCI) within one of its facilities.</li> </ul> </li> </ul>
Jan-2024	Announced	Kenya	Data centre	<ul style="list-style-type: none"> <li>• Oracle announced plans to open a new data centre in Kenya, adding to its existing South African facility to strengthen its presence in Africa.</li> </ul>
	Announced	Dubai	Cloud computing	<ul style="list-style-type: none"> <li>• Oracle announced the expansion of its Dubai operations. <ul style="list-style-type: none"> <li>- Aims to address the growing demand for cloud services in the Middle East region, further solidifying its cloud presence.</li> </ul> </li> </ul>





Source: Company sources, Industry reporting, Twimbit analysis

## Key product initiatives

Period	Description
Jan-2024	<ul style="list-style-type: none"><li>Oracle announced its Oracle Cloud Infrastructure (OCI) Generative AI service alongside new advancements, empowering enterprises to leverage the latest breakthroughs in Generative AI technology.</li></ul>





Source: Company sources, Industry reporting, Twimbit analysis

## Key partnerships

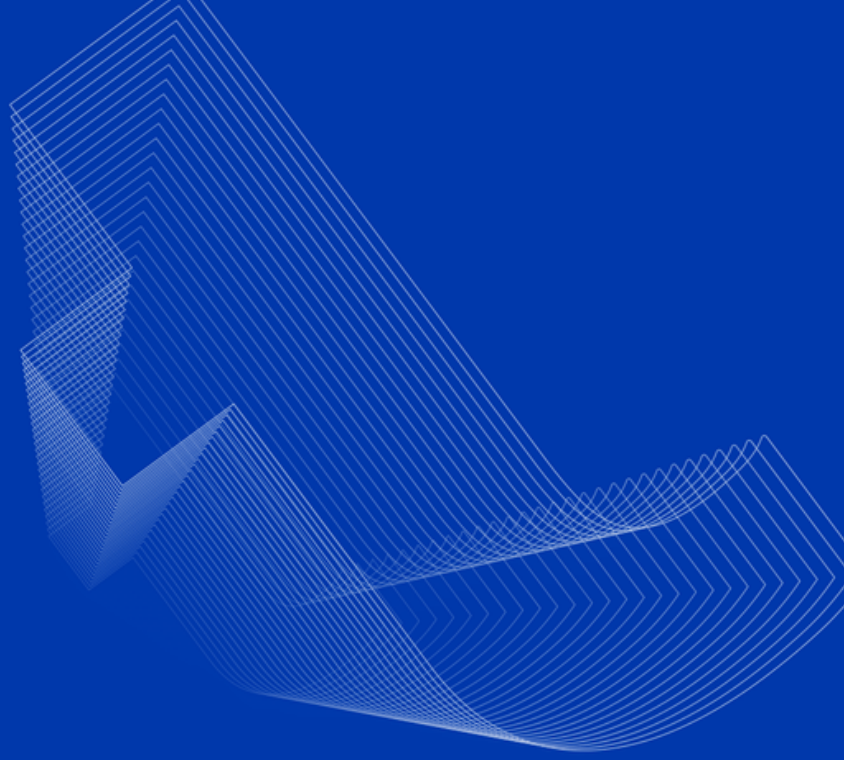
Period	Partner Name	Description
Mar-2024		<ul style="list-style-type: none"><li>Redington joined Oracle's Cloud Distribution Program to expand access to Oracle Cloud Infrastructure (OCI) for new and existing markets.<ul style="list-style-type: none"><li>Aims to target small and medium-sized enterprises (SMEs).</li></ul></li></ul>
		<ul style="list-style-type: none"><li>Partnered with NVIDIA to deliver sovereign AI solutions globally.<ul style="list-style-type: none"><li>Leverages Oracle's distributed cloud, AI infrastructure, and generative AI services alongside NVIDIA's generative AI software.</li></ul></li></ul>
Feb-2024		<ul style="list-style-type: none"><li>Kontron expanded its collaboration with Oracle Cloud by adding a 5G standalone core network product to Oracle Cloud Infrastructure (OCI), enhancing its cloud portfolio.</li></ul>
Jan-2024		<ul style="list-style-type: none"><li>Partnered with du to offer sovereign hyperscaler cloud services, including a new cloud platform that caters to specific regulatory and data sovereignty requirements.</li></ul>

Source: Company sources, Industry reporting, Twimbit analysis

## Key contract wins

Period	Client Name	Description
Mar-2024		<ul style="list-style-type: none"> <li>STC Group announced the deployment of Oracle Alloy in its subsidiary Center 3's data centres. This enables organisations to leverage hyperscale cloud services while maintaining data residency and sovereignty.</li> </ul>
Feb-2024		<ul style="list-style-type: none"> <li>Telenor's Research and Innovation arm conducted its first multi-vendor 5G standalone (SA) deployment in a hybrid cloud environment. <ul style="list-style-type: none"> <li>The deployment leverages the public cloud from Oracle Cloud Infrastructure (OCI) and a private component hosted at Telenor R&amp;I's data centre in Oslo.</li> </ul> </li> </ul>
		<ul style="list-style-type: none"> <li>KDDI announced the deployment of an integrated billing mediation system on Oracle Cloud Infrastructure (OCI) by this year.</li> </ul>
Jan-2024		<ul style="list-style-type: none"> <li>Etisalat partnered with Oracle to deploy Nvidia H100 GPU clusters within its Oracle Cloud Infrastructure (OCI) Dedicated Region hosted at Etisalat's data centres. <ul style="list-style-type: none"> <li>This collaboration aims to strengthen Etisalat's AI capabilities.</li> </ul> </li> </ul>

Source: Company sources, Industry reporting, Twimbit analysis



We help build and grow  
**purpose-driven businesses**

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