Desktop Renewals in the Commercial Space Drive Stabilization in the EMEA PC Market, Says IDC

LONDON, April 23, 2018 — The Europe, Middle East, and Africa (EMEA) traditional PC market (desktops, notebooks, and workstations) recorded slight growth in the first quarter of 2018, with the market going positive (+0.6%) and totaling 17.5 million units, according to International Data Corporation (IDC). The commercial space grew +6.2% due to enterprise renewals, while the consumer space declined 5.2% as market saturation in Western Europe led to heavy declines across the region. Notebooks posted a slight decline for EMEA (-0.5%) as continued demand for mobility and security drove strong commercial growth, offsetting the weak consumer performance in Western Europe. Desktops were the real drivers this quarter, posting an overall growth in EMEA of +2.9% YoY, as ongoing traction in the gaming market aided the overall consumer performance, while enterprise renewals contributed to the strong commercial outlook.

In Western Europe, the overall traditional PC market contracted by 4.3% YoY. Notebooks came in as expected, with demand for mobility and security continuing to act as strong drivers of growth in the commercial space. On the other side, desktops made a resurgence and showed clear signs toward stabilization, very nearly breaking flat. Commercial traditional PC shipments in Western Europe increased by +6.3% YoY. Solid growth was registered transversely across both product categories, but the strongest results came from desktops, which posted their first annual growth in 14 quarters.

"In Western Europe the commercial segment had an outstanding quarter, with certain subregions such as UKI and Benelux posting double-digit growth," said Laura Llames, research analyst, IDC Western Europe Personal Computing. "As recent data breaches and the looming influence of the GDPR compliance mandate have caused growing security concerns, both the public and private sectors are ramping up to renew their devices."

The consumer PC market in Western Europe declined by 16.7% YoY. Gaming is still maintaining healthy traction in the market, with casual gaming at the forefront, but its low base volume rendered it insufficient to shift the market trend.

"In the first quarter of 2018 the PC market recorded excellent YoY results in CEMA, boosted by stronger demand in the CEE region. The overall PC market in CEE reported a YoY increase of 14.3%. This unexpected growth was driven by both the consumer and commercial segments.

Most countries across the CEE region recorded sound growth, with Russia reporting the strongest performances in both desktops and notebooks," said Stefania Lorenz, associate VP CEMA. "Despite all the imposed sanctions on Russia since last year, the PC demand in 2018Q1 has seen the best YoY growth for a long time, reaching total PC volumes of 1.2 million. The foreseen economic stability and the ruble improvement at the end of 2017 have influenced the top vendors to push PC products to the channel, possibly creating inventory for the upcoming quarters."

"The central part of the region also saw notable growth in key countries with Hungary, Czech Republic, and Poland reporting better results than forecast," said Nikolina Jurisic, product manager, IDC CEMA. "The notebook market, in the mentioned countries, reported strong increases thanks to the improved consumer confidence on the back of stabile economic growth, which remains mostly driven by private consumption and boosted by foreign and domestic investments. The commercial PC market was driven by small-scale and medium projects in the public and corporate sectors." She added that the MEA region also performed above expectations, reporting YoY growth of 6.2% thanks to good results from the largest countries. "Turkey and Saudi Arabia have both applied aggressive retail promotions and in Saudi Arabia, after the VAT tax implementation at the beginning of 2018, a few vendors have offered a VAT discount campaign to boost consumer demand," she said.

Vendor Highlights

Traditional PC market consolidation has continued, and the top 3 vendors' share continued to grow in 2018Q1. The top 3 players accounted for 63.6% of total market volume, compared with 58.3% in 2017Q1.

- HP Inc. held on to the top spot in EMEA, gaining +3.1% market share YoY to reach 28.8%. Strong performance both in notebooks and desktops boosted its results.
- Lenovo retained its second spot, reporting 21.4% market share (up by +0.8% YoY). Solid performance in the commercial space, both desktops and notebooks, drove its overall results.
- Dell Inc. secured the third position with a market share of 13.4% (up +1.4% YoY). A strong notebook performance combined with even stronger desktop results, both in the consumer and commercial space, contributed to its overall growth in the region.
- Acer was fourth in the overall ranking with 7.9% market share, dropping 1.9% YoY, primarily due to a poor performance in Western Europe. However, it maintained its strong foothold in CEMA, reporting positive YoY growth.
- ASUS finished fifth with 7.5% market share (down 1.8% YoY). The vendor had another challenging quarter, except in CEMA where it maintained positive YoY growth in the notebook space.

Figure 1

Top 5 Companies: Europe, the Middle East, and Africa (EMEA) Traditional PC Shipments*

2018Q1 (Preliminary) (000 Units)

Company	2017Q1 Shipments	2018Q1 Shipments	2017Q1 Share	2018Q1 Share	YoY Growth
HP Inc.	4,477	5,038	25.7%	28.8%	12.5%
Lenovo	3,592	3,754	20.6%	21.4%	4.5%
Dell Inc.	2,086	2,343	12.0%	13.4%	12.3%
Acer	1,700	1,383	9.8%	7.9%	-18.6%
ASUS	1,617	1,313	9.3%	7.5%	-18.8%
Others	3,938	3,679	22.6%	21.0%	-6.6%
Total	**17,410**	**17,510**	**100.0%**	**100.0%**	**1.2%**

Source: *IDC Quarterly PCD Tracker (PC Pivot) EMEA Preliminary*, 2018Q1, April 2018

Table Notes:

- Some IDC estimates were made prior to financial earnings reports.
- Shipments include shipments to distribution channels or end users. OEM sales are counted under the vendor/brand under which they are sold.
- Traditional PCs include desktops, notebooks, and workstations, and do not include tablets or x86 servers. Detachable tablets and slate tablets are part of the Personal Computing Device Tracker, but are not addressed in this press release.
- Data for all vendors is reported for calendar periods.

For more information on IDC's EMEA Quarterly Personal Computing Device Tracker or other IDC research services, please contact Vice President Karine Paoli on +44 (0) 20 8987 7218 or at kpaoli@idc.com. Alternatively, contact your local IDC office or visit www.idc.com.

About IDC

International Data Corporation (IDC) is the premier global provider of market intelligence, advisory services, and events for the information technology, telecommunications, and consumer technology markets. IDC helps IT professionals, business executives, and the investment community to make fact-based decisions on technology purchases and business strategy. More than 1,000 IDC analysts provide global, regional, and local expertise on technology and industry opportunities and trends in over 110 countries worldwide. For more than 50 years, IDC has provided strategic insights to help our clients achieve their key business objectives. IDC is a subsidiary of IDG, the world's leading technology media, research, and events company. You can learn more about IDC by visiting www.idc.com.

For more information, contact:

Nikolina Jurisic

+385 1 304 0050

njuririsc@idc.com

Liam Hall

+44 (0) 208 987 7204

lhall@idc.com

Laura Llames

+44 (0) 20 8987 7195

lllames@idc.com

Malini Paul

+44 (0) 20 8987 7118

mpaul@idc.com

Stefania Lorenz

+44 (0) 20 8987 7249

slorenz@idc.com

About IDC

IDC is the premier global provider of market intelligence, advisory services, and events for the information technology and telecommunications industries. IDC helps IT professionals, business executives, and the investment community make fact-based decisions on technology purchases and business strategy. Over 775 IDC analysts in 50 countries provide global, regional, and local expertise on technology and industry opportunities and trends. For more than 40 years, IDC has provided strategic insights to help our clients achieve their key business objectives. IDC is a subsidiary of IDG, the world's leading technology media, research, and events company. You can learn more about IDC by visiting http://www.idc.com/.

IDC is a subsidiary of IDG, the world's leading technology media, research, and events company. Additional information can be found at www.idc.com.

For more information contact:

Stefania Lorenz
slorenz@idc.com
+44 (0) 20 8987 7249
Laura Llames
lllames@idc.com
+44 (0) 20 8987 7195