



Stationary Devices in Motion: Desktop Renewals Ahead of Windows 7 End of Life Drive EMEA PC Market in 2019Q2, Says IDC

LONDON, July 24, 2019 — The Europe, Middle East, and Africa (EMEA) traditional PC market (desktops, notebooks, and workstations) grew YoY in 2019Q2 (+1.1% YoY) and totaled 16.4 million units, according to International Data Corporation (IDC). Once again, the commercial space drove the overall market (+11.4% YoY), with solid growth for notebooks (+7.3% YoY) and an exceptional performance for desktops (+17.2% YoY). The consumer market remained weak (-11.3% YoY), as lack of innovation and longer product life cycles continue to impact demand.

The Western European traditional PC market expanded by 6.6% YoY, driven by the commercial sector (+16.1% YoY), although consumer struggled to follow suit, shrinking by 8.4% YoY.

The Windows 7 end-of-life cycle provides a significant boost for the commercial segment and had a particularly strong impact on the desktop figures. Desktops experienced their first year-on-year double-digit increase in five years, and the first solid increase since the end of support for Windows XP.

"This shows that OS upgrades are always the peak of demand for stationary device renewals, especially in the public sector where the transition tends to be slower and subject to greater constraints," said Daniel Goncalves, senior research analyst, IDC Western Europe Personal Computing. "Desktop shipments this quarter were to some extent also supported by backlogs stemming from the CPU shortages in previous quarters that restricted the supply of Coffee Lake i5 configurations in particular."

Weak sell-in shipments in the consumer space impacted by the high inventory among the largest countries in the CEMA region have negatively impacted the overall PC market, with results lower than forecast. The overall CEMA PC market declined by 7.9% YoY compared with a forecast decline of 4.3% YoY, and for the second consecutive quarter the CEE region reported a double-digit decrease (10.6% YoY) for the total PC market.

The consumer segment contracted by 16.4%, while the commercial segment declined by 1.3% YoY. The slight drop in the commercial space can be attributed to an unfavorable YoY comparison, as large education deals were not repeated, though the corporate segment saw good momentum thanks to the ongoing PC refresh ahead of Windows 7 EOS in January 2020.

"The Eastern subregion continues to be inhibited by weak demand in the consumer space, with Russia declining the most, at 27.5% YoY. The Central CEE subregion performed better than expected in both segments, particularly in commercial, posting 9.5% YoY growth," said Nikolina Jurisic, product manager, IDC CEMA. "Despite posting an overall negative result of 4.2% YoY, MEA is slowly showing improvements after three consecutive quarters of strong, double-digit declines. The PC market was cushioned by demand in the commercial segment, at 2.5% YoY, with a few large deals deployed in a few countries across the region. On the other hand, the consumer segment remains inhibited by economic issues and weak currencies and posted a decline of 11.7% YoY."

Vendor Highlights

Traditional PC market consolidation persisted, and the top 3 vendors' share continued to grow in 2019Q2. The top 3 players accounted for 68.8% of total market volume, compared with 65.1% in 2018Q2.

- **HP Inc.** secured the number 1 position in EMEA, reaching 28.8% market share, flat YoY. Growing at 1.2% YoY, the overall result was boosted by a strong commercial segment, offsetting the double-digit decline in consumer.
- **Lenovo (including Fujitsu)** took second spot, reporting 25.5% market share and increasing 2.9% YoY. A strong commercial performance combined with positive consumer shipments drove the overall solid results.
- **Dell Inc.** maintained third place with 14.4% market share (up 0.7% YoY). The vendor registered 6.1% growth YoY, the second highest among the top 3, again primarily driven by the commercial space.
- **Acer** ranked fourth with 8.1% market share (down 1.2% YoY). Its ongoing focus on the consumer market continued to impact Acer's results (down 12.4% YoY) as the segment remained overwhelmed by high inventory.
- **Apple** was in fifth place with a share of 6.0% (up 20% YoY). After declining for two consecutive quarters, the vendor returned to solid growth, thanks to the back-to-school season.

Figure 1

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

2019Q2 (Preliminary) (000 Units)

Company	2019Q2 Shipments	2019Q2 Share	2018Q2 Shipments	2018Q2 Share	YoY Growth
HP Inc.	4,745	28.8%	4,687	28.8%	1.2%
Lenovo (includes Fujitsu)	4,189	25.5%	3,674	22.6%	14.0%
Dell Inc.	2,376	14.4%	2,239	13.8%	6.1%
Acer	1,327	8.1%	1,514	9.3%	-12.4%
Apple	994	6.0%	826	5.1%	20.4%
Others	2,824	17.2%	3,337	20.5%	-15.4%
Total	16,454	100.0%	16,277	100.0%	1.1%

Source: IDC Quarterly PCD Tracker (PC Pivot) EMEA Preliminary, 2019Q2, July 2019

Table notes:

- Some IDC estimates were made prior to financial earnings reports.
- Shipments include shipments to distribution channels and 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

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.

All product and company names may be trademarks or registered trademarks of their respective holders.

For more information contact:

Daniel Goncalves
dgoncalves@idc.com
+44 (0) 20 8987 7142
Liam Hall
lhall@idc.com
+44 (0) 20 8987 7204
Nikolina Jurisic
njurisic@idc.com
+385 1 304 0050
Stefania Lorenz
slorenz@idc.com
+44 (0) 20 8987 7249