



Desktop Grows for the Fourth Consecutive Quarter in EMEA as Demand for Windows 10 Refresh Remains Robust Across the Region, Says IDC

LONDON, January 24, 2020 — The Europe, Middle East, and Africa (EMEA) traditional PC market (desktops, notebooks, and workstations) grew YoY in 2019Q4 (+5.7% YoY) and totaled 20.0 million units, according to International Data Corporation (IDC). Commercial demand remained strong as Windows 10 refresh continued to roll out, boosting the commercial segment despite component shortages, while consumer demand for more mobile devices with attractive form factors softened the strong YoY declines that have been seen in recent quarters.

The Western European traditional PC market grew 5.4% YoY, as another soft consumer performance (-5.9% YoY) was offset by exceptional strength in the commercial sector (+14.1% YoY), with a comparably strong performance against both product categories, but with desktops (+14.1% YoY) just able to clinch a stronger growth rate than notebooks (+14.0% YoY).

"Commercial strength secured desktop its fourth quarter of consecutive growth in 2019Q4, driven by sustained demand for Windows 10 refresh and Q4 'use-it-or-lose-it' budgets in the public sector," said Liam Hall, senior research analyst, IDC Western Europe Personal Computing. "Intel CPU shortage primarily affected the notebook space; however, vendors were largely able to mitigate its impact on the overall notebook performance through better supply chain and customer expectation management and by offering alternative configurations where possible."

Conversely, on the consumer side, Desktops had a particularly weak quarter as stationary devices remain a weak area in the consumer market, with limited growth prospects beyond the pocket offered by gaming. Notebooks remained negative, but posted stronger results, as consumers continue to value gaming, attractive form factors and the increased portability these new designs can afford. Earlier inventory pull-in to meet demand for Black Friday and Christmas occurred in 2019Q3, resulting in a more negative consumer picture in 2019Q4.

Both regions in CEMA performed above expectation. The commercial and consumer segments, contrary to the expected CPU shortage supply chain that would have inhibited the overall demand, posted positive results.

The CEE region reported growth of 5.4% YoY, and the MEA 7.1% YoY, with consumer growth of 5.0% and 5.7% YoY, respectively.

"Healthy stock levels at the end of 19Q3, with holiday season and Black Friday promotions as well as continued transition to AMD platforms, drove the consumer rise in CEE region," said Nikolina Jurisic, product manager, IDC CEMA. "As expected, the commercial sector performed well, and the regions reported 6.0% and 8.6% growth YoY respectively. The growth can be attributed by the continual renewals taking place across the region and the ongoing Windows 10 transition/"

The Russian PC market maintained a strong momentum and reported growth of 9.0%, with the commercial segment increasing a staggering 24.5% YoY compared to a soft 1.0% YoY growth from the consumer segment. Turkey regained its leading position in the overall MEA region, recording good momentum in the consumer and commercial spaces.

Vendor Highlights

Traditional PC market consolidation persisted, and the top 3 vendors' share continued to grow in 2019Q4. The top 3 players accounted for 67.7% of total market volume, compared with 65.5% in 2018Q4.

- **HP Inc** continued to lead the EMEA PC market, with 28.3% market share (up 0.4 percentage points YoY). The vendor recorded shipment growth of 7.2% YoY, thanks to solid commercial results, stemming from both desktops and notebooks.
- **Lenovo (including Fujitsu)** stood second, recording 25.5% market share (up 1.5 percentage points YoY). Once again strength in commercial space enabled the vendor to reach closer to the first spot in the segment, while boosting the overall result.
- **Dell Inc.** achieved 13.8% market share (up 0.2 percentage points YoY), securing third place. For the 14th quarter in a row, the vendor grew, registering unit growth of 7.5% YoY in 2019Q4. Strong commercial results, supported by solid desktop growth, was the prime driver, closely followed by notebooks with a mid-single-digit growth rate YoY in the segment.
- **Acer** maintained fourth position with 7.6% market share (-0.4 percentage points YoY). The vendor grew 1.4% YoY after declining for 4 quarters in a row, thanks to strong results in Russia.
- **Asus** rose to fifth position with a share of 7.1% (0.5 percentage points YoY). After 12 consecutive quarters of strong decline, the vendor returned to positive growth territory (14.1% YoY), supported by solid notebook results across all the three sub-regions.

Figure 1

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

2019Q3 (Preliminary) (000 Units)

| Company | 2019Q4 Shipments | 2019Q4 Share | 2018Q4 Shipments | 2018Q4 Share | YoY Growth |
|------------------------------|------------------|---------------|------------------|---------------|-------------|
| HP Inc. | 5,867 | 28.3% | 5,474 | 27.9 | 7.2% |
| Lenovo (includes Fujitsu) | 5,273 | 25.5% | 4,701 | 24.0% | 12.2% |
| Dell Inc. | 2,865 | 13.8% | 2,665 | 13.6% | 7.5% |
| Acer | 1,581 | 7.6% | 1,560 | 8.0% | 1.4% |
| ASUS | 1,470 | 7.1% | 1,289 | 6.6% | 14.1% |
| Others | 3,644 | 17.6% | 3,903 | 19.9% | -6.7% |
| Total | 20,700 | 100.0% | 19,592 | 100.0% | 5.7% |

Source: IDC Quarterly PCD Tracker (PC Pivot) EMEA Preliminary, 2019Q4, January 2020

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.

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