## Worldwide Server Market Revenue Increased 4.4% Year Over Year in the First Quarter of 2019, According to IDC

**FRAMINGHAM, Mass., June 5, 2019 –** According to the International Data Corporation (IDC) Worldwide Quarterly Server Tracker, vendor revenue in the worldwide server market increased 4.4% year over year to $19.8 billion during the first quarter of 2019 (1Q19). Worldwide server shipments declined 5.1% year over year to just under 2.6 million units in 1Q19.

The overall server market slowed in 1Q19 after experiencing six consecutive quarters of double-digit revenue growth although pockets of robust growth remain. Volume server revenue increased by 4.2% to $16.7 billion, while midrange server revenue grew 30.2% to $2.1 billion. High-end systems contracted steeply for a second consecutive quarter, declining 24.7% year over year to $976 million.

"Demand from both enterprise buyers and hyperscale companies purchasing through ODMs was less voracious than in previous quarters; coupled with a difficult compare period from a year ago, this impacted the pace of market growth during the first quarter," said Sebastian Lagana, research manager, Infrastructure Platforms and Technologies at IDC. "This was most evident in declining unit shipments during the quarter, although year-to-year average selling price (ASP) increases supported revenue growth for many vendors. As long as demand for richly configured servers supports further ASP growth, the market will offset slight declines in unit volume."

### *Overall Server Market Standings, by Company*

The number 1 position in the worldwide server market during 1Q19 was Dell Technologies with 20.2% revenue share, followed by HPE/New H3C Group, with 17.8% revenue share. Dell Technologies grew revenues 8.9% year over year while HPE/New H3C Group increased revenues 0.2%. Tied* for the number 3 position during the quarter were Inspur/Inspur Power Systems, Lenovo, and Cisco, generating 6.2%, 5.7%, and 5.3% share total server revenues, respectively. Inspur/Inspur Power Systems increased its revenue 36.4% year over year; Lenovo grew its revenue 3.9% year over year; and Cisco increased its revenue 6.9% year over year. The ODM Direct group of vendors accounted for 23.0% of total market revenue and declined -1.0% year over year to $4.55 billion.

| **Top 5 Companies, Worldwide Server Vendor Revenue, Market Share, and Growth, First Quarter of 2019** *(Revenues are in US$ Millions)* | | | | | |
|---|---|---|---|---|---|
| **Company** | **1Q19 Revenue** | **1Q19 Market Share** | **1Q18 Revenue** | **1Q18 Market Share** | **1Q19/1Q18 Revenue Growth** |
| 1. Dell Technologies | $3,993.2 | 20.2% | $3,666.0 | 19.3% | 8.9% |
| 2. HPE/New H3C Group[a] | $3,518.3 | 17.8% | $3,509.9 | 18.5% | 0.2% |
| T3. Inspur/ Inspur Power Systems* [b] | $1,219.9 | 6.2% | $894.4 | 4.7% | 36.4% |
| T3. Lenovo* | $1,131.8 | 5.7% | $1,088.9 | 5.7% | 3.9% |
| T3. Cisco* | $1,047.7 | 5.3% | $980.1 | 5.2% | 6.9% |
| ODM Direct | $4,549.3 | 23.0% | $4,594.5 | 24.2% | -1.0% |
| Rest of Market | $4,344.3 | 21.9% | $4,229.8 | 22.3% | 2.7% |
| **Total** | **$19,804.5** | **100%** | **$18,963.7** | **100%** | **4.4%** |
| Source: IDC Worldwide Quarterly Server Tracker, June 5, 2019 | | | | | |

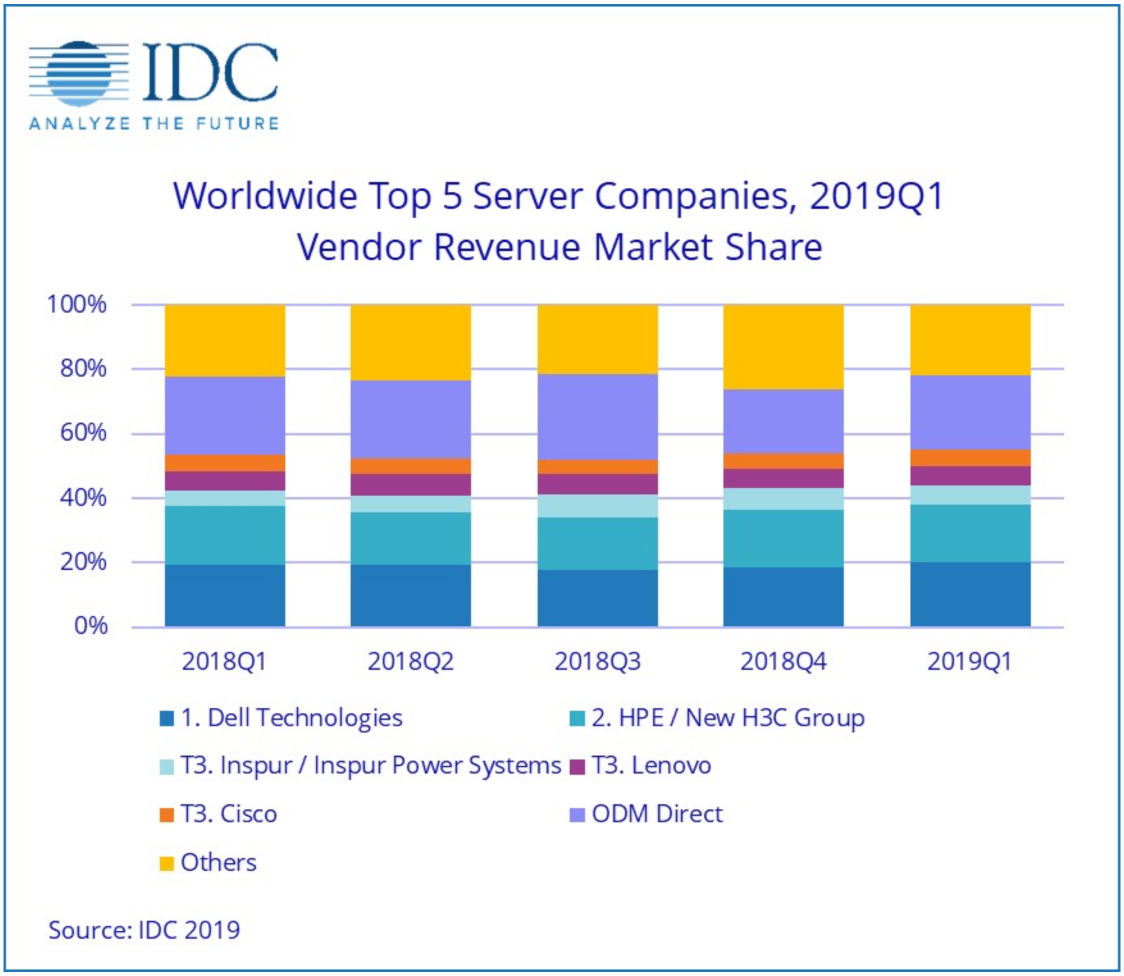
**Notes**:

***** IDC declares a statistical tie in the worldwide server market when there is a difference of one percent or less in the share of revenues or shipments among two or more vendors.

[a] Due to the existing joint venture between HPE and the New H3C Group, IDC will be reporting external market share on a global level for HPE and New H3C Group as "HPE/New H3C Group" starting from 2Q 2016.

[b] Due to the existing joint venture between IBM and Inspur, IDC will be reporting external market share on a global level for Inspur and Inspur Power Systems as "Inspur/Inspur Power Systems" starting from 3Q 2018.

Figure 1




Dell Technologies led the worldwide server market in terms of unit shipments, accounting for 20.0% of all units shipped during the quarter.

| **Top 5 Companies, Worldwide Server Unit Shipments, Market Share, and Growth, First Quarter of 2019** *(Shipments are in thousands)* | | | | | |
|---|---|---|---|---|---|
| **Company** | **1Q19 Unit Shipments** | **1Q19 Market Share** | **1Q18 Unit Shipments** | **1Q18 Market Share** | **1Q19/1Q18 Unit Growth** |
| 1. Dell Technologies | 517.0 | 20.0% | 555.8 | 20.4% | -7.0% |
| 2. HPE/New H3C Group[a] | 406.0 | 15.7% | 455.8 | 16.7% | -10.9% |
| 3. Inspur/ Inspur Power Systems[b] | 204.9 | 7.9% | 175.0 | 6.4% | 17.0% |
| T4. Super Micro* | 138.1 | 5.3% | 156.2 | 5.7% | -11.6% |
| T4. Lenovo* | 135.8 | 5.3% | 160.7 | 5.9% | -15.5% |
| T4. Huawei* | 125.5 | 4.9% | 128.1 | 4.7% | -2.1% |
| ODM Direct | 651.4 | 25.2% | 691.1 | 25.4% | -5.7% |
| Rest of Market | 403.4 | 15.6% | 398.7 | 14.7% | 1.2% |
| **Total** | **2,582.0** | **100%** | **2,721.4** | **100%** | **-5.1%** |
| Source: IDC Worldwide Quarterly Server Tracker, June 5, 2019 | | | | | |

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***Top Server Market Findings***

On a geographic basis, Japan was the fastest growing region in 1Q19 with 9.8% year-over-year revenue growth. Asia/Pacific (excluding Japan) grew 7.4% during the quarter, while Europe, the Middle East and Africa (EMEA) grew 4.1% on aggregate. The United States grew 3.5%; Canada declined 9.6%; and Latin America contracted 14.9%. China saw its 1Q19 vendor revenues grow 11.4% year over year.

Demand for x86 servers increased 6.0% in 1Q19 to $18.5 billion in revenue. Non-x86 servers contracted -13.7% year over year to $1.3 billion.

***IDC's Server Taxonomy***

IDC's Server Taxonomy maps the eleven price bands within the server market into three price ranges: volume servers, midrange servers and high-end servers. The revenue data presented in this release is stated as vendor revenue for a server system. IDC presents data in vendor revenue to determine market share position. Vendor revenue represents those dollars recognized by multi-user system and server vendors for ISS (initial server shipment) and upgrade units sold through direct and indirect channels and includes the following embedded server components: Frame or cabinet and all cables, processors, memory, communications boards, operating system software, other bundled software and initial internal and external disk shipments.

IDC's Quarterly Server Tracker is a quantitative tool for analyzing the global server market on a quarterly basis. The Tracker includes quarterly unit shipments and revenues (both vendor revenue and value of shipments), segmented by vendor, family, model, region, operating system, price band, CPU type, and architecture.

For more information about IDC's Worldwide Quarterly Server Tracker, please contact Lidice Fernandez at 305-351-3057 or lfernandez@idc.com.

**About IDC Trackers**

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