



Worldwide Enterprise Storage Systems Market Revenue Declined 0.6% During the First Quarter of 2019, According to IDC

FRAMINGHAM, Mass., June 6, 2019 – According to the International Data Corporation ([IDC](#)) [Worldwide Quarterly Enterprise Storage Systems Tracker](#), vendor revenue in the worldwide enterprise storage systems market decreased 0.6% year over year to \$13.4 billion during the first quarter of 2019 (1Q19). Total capacity shipments were up 14.1% year over year to 114.2 exabytes during the quarter.

Revenue generated by the group of original design manufacturers (ODMs) selling directly to hyperscale datacenters declined 5.3% year over year in 1Q19 to \$2.95 billion. This represents 22.1% of total enterprise storage investments during the quarter. Sales of server-based storage decreased 6.6% year over year to just over \$3.6 billion in revenue. This represents 26.6% of total enterprise storage investments. The external storage systems market revenue totaled nearly \$6.9 billion during the quarter, up 5.0% from 1Q18.

"First quarter 2019 results are an acceleration of the slowdown we noted last quarter, with declining ODM and internal (server-based) storage the primary drivers of market contraction." said [Sebastian Lagana](#), research manager, Infrastructure Platforms and Technologies. "OEM vendors selling dedicated storage arrays still generated growth during the quarter, although slowing flash-centric array growth indicates that the opportunity for existing install-base upgrades is beginning to wane."

Total Enterprise Storage Systems Market Results, by Company

Dell Technologies was the largest supplier for the quarter, accounting for 22.2% of total worldwide enterprise storage systems revenue and declining 1.0% year over year. HPE/New H3C Group was the second largest supplier with an 17.3% share of revenue on a year-to-year contraction of 1.6%. NetApp generated a 6.7% share of total revenue, holding the number 3 position during the quarter. Hitachi held the fourth position at 3.6% of the market, while Lenovo, IBM, Pure Storage, Huawei, Fujitsu and Inspur all statistically tied* for the number 5 position with shares of 2.5%, 2.5%, 2.2%, 2.1%, 1.9%, and 1.9% respectively. As a single group, storage systems sales by ODMs directly to hyperscale datacenter customers accounted for 22.1% of global spending during the quarter, down 5.3% against 1Q18.

Top 5 Companies, Worldwide Total Enterprise Storage Systems Market, 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 ^a	\$2,964.9	22.2%	\$2,995.8	22.3%	-1.0%
2. HPE/New H3C Group ^b	\$2,318.5	17.3%	\$2,356.7	17.5%	-1.6%
3. NetApp	\$894.9	6.7%	\$890.1	6.6%	0.5%
4. Hitachi	\$486.2	3.6%	\$464.4	3.5%	4.7%
T5. Lenovo*	\$337.0	2.5%	\$293.9	2.2%	14.6%
T5. IBM*	\$334.1	2.5%	\$388.2	2.9%	-13.9%
T5. Pure Storage*	\$289.5	2.2%	\$236.4	1.8%	22.4%
T5. Huawei*	\$283.5	2.1%	\$247.4	1.8%	14.6%
T5. Fujitsu*	\$257.7	1.9%	\$263.9	2.0%	-2.3%
T5. Inspur*	\$250.3	1.9%	\$236.4	1.8%	5.9%
ODM Direct	\$2,948.1	22.1%	\$3,112.6	23.1%	-5.3%
Rest of Market	\$2,004.3	15.0%	\$1,968.3	14.6%	1.8%
Total	\$13,369.0	100.0%	\$13,454.1	100.0%	-0.6%

Source: IDC Worldwide Quarterly Enterprise Storage Systems Tracker, June 6, 2019.

Notes:

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

^a Dell Technologies represents the combined revenues for Dell and EMC.

^b Due to the existing joint venture between HPE and the New H3C Group, IDC will be reporting market share on a global level for HPE as "HPE/New H3C Group" starting from Q2 2016.

External Enterprise Storage Systems Results, by Company

Dell Technologies was the largest external enterprise storage systems supplier during the quarter, accounting for 34.4% of worldwide revenue. NetApp was second with 13.0% of the market, followed by HPE/New H3C Group with 10.9%. Hitachi held the fourth position with 6.6% of the external storage market, while IBM and Pure Storage finished in a statistical tie* for fifth with 4.7% and 4.2% market share, respectively.

Top 5 Companies, Worldwide External Enterprise Storage Systems Market, 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 ^a	\$2,355.9	34.4%	\$2,219.6	34.0%	6.1%
2. NetApp	\$894.9	13.0%	\$890.1	13.6%	0.5%
3. HPE/New H3C Group ^b	\$745.4	10.9%	\$652.2	10.0%	14.3%
4. Hitachi	\$452.7	6.6%	\$457.9	7.0%	-1.1%
T5. IBM*	\$320.0	4.7%	\$364.1	5.6%	-12.1%
T5. Pure Storage*	\$289.5	4.2%	\$236.4	3.6%	22.4%
Rest of Market	\$1,800.3	26.2%	\$1,709.0	26.2%	5.3%
Total	\$6,858.6	100.0%	\$6,529.3	100.0%	5.0%
Source: IDC Worldwide Quarterly Enterprise Storage Systems Tracker, June 6, 2019.					

Notes:

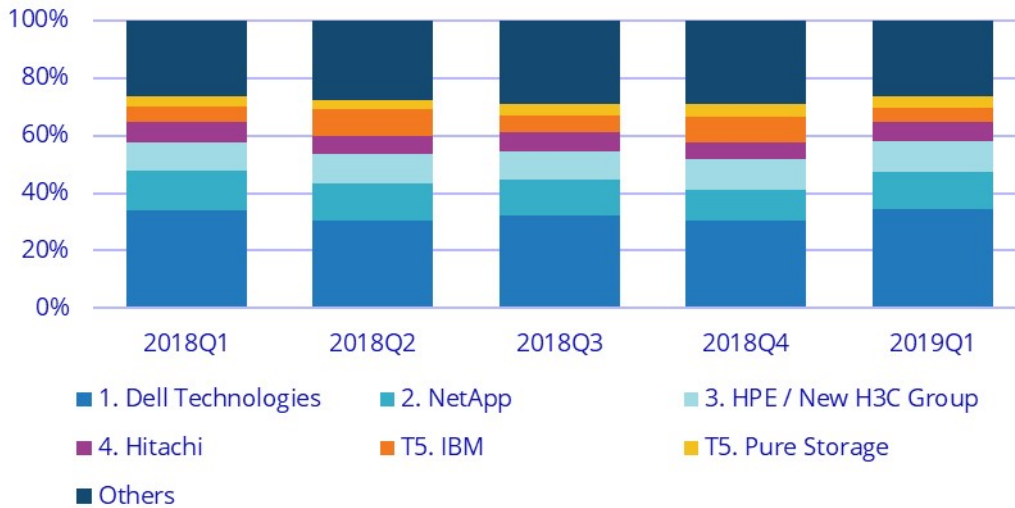
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Figure 1

Worldwide Top 5 External Enterprise Storage Systems Companies, 2019Q1 Vendor Revenue Market Share



Source: IDC 2019

Flash-Based Storage Systems Highlights

The total All Flash Array (AFA) market generated just over \$2.47 billion in revenue during the quarter, up 17.5% year over year. The Hybrid Flash Array (HFA) market was worth slightly more than \$2.81 billion in revenue, up 8.6% from 1Q18.

Taxonomy Notes

IDC defines an Enterprise Storage System as a set of storage elements, including controllers, cables, and (in some instances) host bus adapters, associated with three or more disks. A system may be located outside of or within a server cabinet and the average cost of the disk storage systems does not include infrastructure storage hardware (i.e. switches) and non-bundled storage software.

The information in this quantitative study is based on a branded view of the enterprise storage systems sale. Revenue associated with the products to the end user is attributed to the seller (brand) of the product, not the manufacturer. Original equipment manufacturer (OEM) sales are not included in this study.

IDC's is a quantitative tool for analyzing the global disk storage market on a quarterly basis. The Tracker includes quarterly shipments and revenues (both customer and factory), Terabytes, \$/Gigabyte, Gigabyte/Unit, and Average Selling Value. Each criteria can be segmented by location, installation base, operating system, company, family, model, and region.

For more information about IDC's Worldwide Enterprise Storage Systems Quarterly Tracker, please contact Lidice Fernandez at 305-351-3051 or lfernandez@idc.com.

About IDC Trackers

[IDC Tracker](#) products provide accurate and timely market size, vendor share, and forecasts for hundreds of technology markets from more than 100 countries around the globe. Using proprietary tools and research processes, IDC's Trackers are updated on a semiannual, quarterly, and monthly basis. Tracker results are delivered to clients in user-friendly Excel deliverables and on-line query tools.

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