

Press Release

Desktop GPU Shipments Show First On-Year Growth Since 2013; Large Inventory Correction in Notebook GPU and Desktop CPU Shipments

05/19/2016

Mercury Research announced this week the results of its analysis of the first-quarter, 2016 PC graphics market.

Overall unit shipments of PC graphics fell by 10.2 percent in the first quarter of 2016, and were down 4.6 percent compared to a year ago. The quarterly decline was driven by a worse-than-seasonal downturn in nearly all PC graphics segments, particularly in notebook GPUs. The exception was discrete desktop GPUs, which departed from normal seasonal patterns and increased shipments in the first quarter – and indeed this growth resulted in the first on-year increase in desktop GPU shipments since 2013. Both AMD and Nvidia experienced positive growth in their discrete desktop GPU shipments compared to the prior quarter. In general the declines this quarter were due to seasonal downturn in demand coupled with inventory corrections in notebook GPUs and desktop integrated CPUs due to shipments exceeding demand in prior quarters.

Desktop GPU attach rates increased in the quarter due to higher desktop GPU shipments and lower CPU shipments. Mobile GPU attach rates fell significantly in the quarter due to lower GPU shipments, confirming our belief that last quarter's rise in rates was inventory-related.

Market share highlights include:

- ◆ Intel once again gained share overall, and also set a new record for total share of graphics held.
- ◆ AMD experienced a one-point rise in mobile discrete market share, as the company's decline in mobile GPU sales was smaller than Nvidia's. AMD's mobile share has increased in four of the past five quarters and is up on-year.
- ◆ Nvidia maintained share in the discrete desktop market, and discrete desktop GPU share is up nearly 8 points on year.

Market shares for the overall graphics market, and discrete and mobile GPU markets for past five quarters are shown below. Mercury Research is reporting the shares as a four-quarter volume-weighted average to smooth the noise of seasonal inventory cycles and reveal ongoing share trends. Additional details are available in the full report supplied to clients earlier this week.

Total Market Share 4QMA	2015Q1	2015Q2	2015Q3	2015Q4	2016Q1
Intel	69.0%	70.1%	70.6%	71.1%	71.7%
Nvidia	15.5%	15.7%	16.1%	16.4%	16.3%
AMD	15.3%	14.0%	13.1%	12.4%	11.8%

Desktop Discrete 4QMA	2015Q1	2015Q2	2015Q3	2015Q4	2016Q1
Nvidia	71.9%	76.4%	78.8%	79.7%	79.7%
AMD	28.1%	23.6%	21.2%	20.3%	20.3%

Mobile Discrete 4QMA	2015Q1	2015Q2	2015Q3	2015Q4	2016Q1
Nvidia	65.7%	65.4%	64.9%	65.1%	64.1%
AMD	34.3%	34.6%	35.1%	34.9%	35.9%

About Mercury Research

Mercury Research is a small, focused research firm providing clear, concise, and detailed quantitative analysis of PC-related semiconductor and components markets. The company was founded in 1994.

Contact

Dean McCarron, Mercury Research, Inc.
Phone 480.922.9364
service@mercuryresearch.com