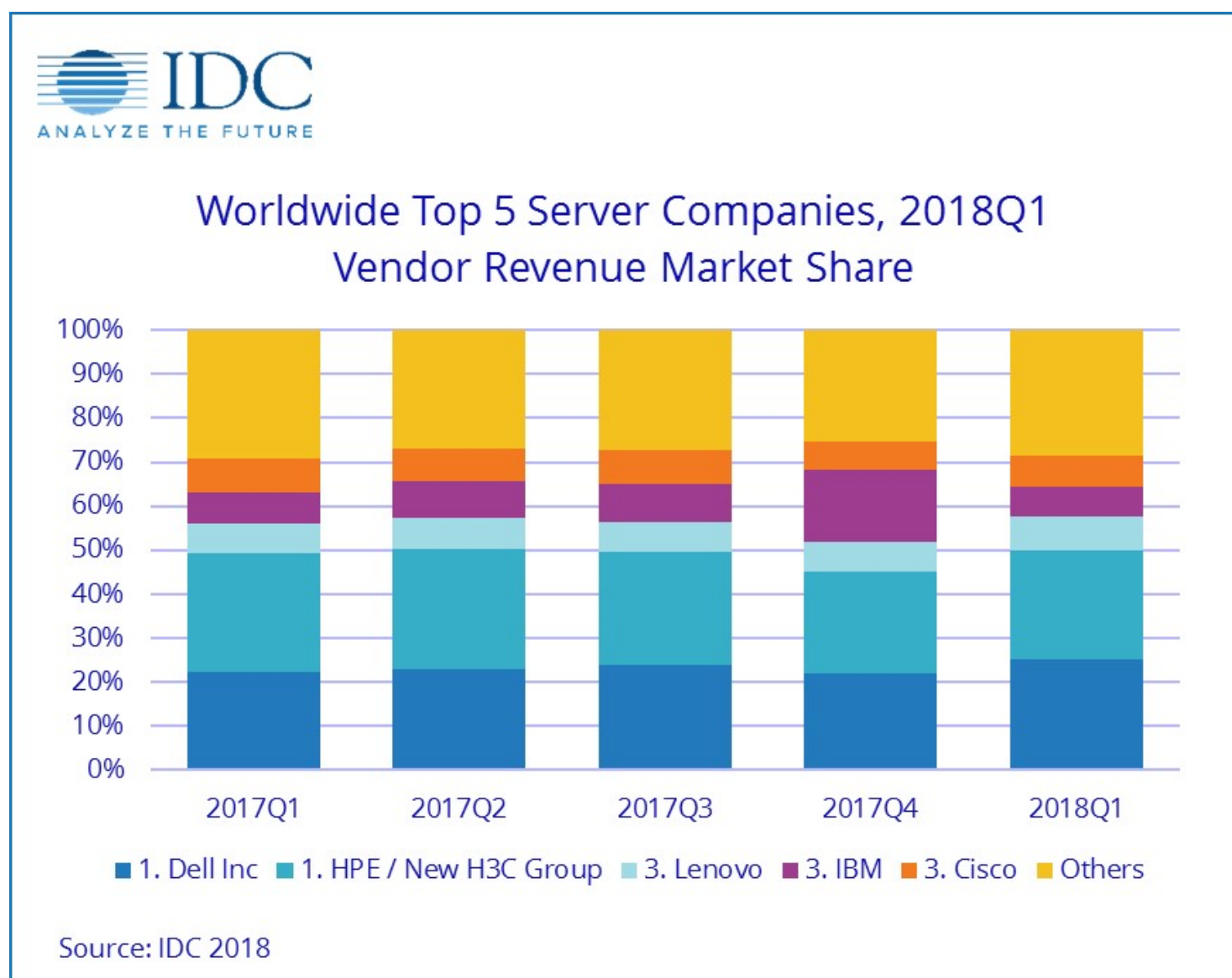**IDC: Q1 2018 Server Revenues up 38.6%**

Written by Marco Attard
01 June 2018

Global server revenues are up by 38.6% Y-o-Y in Q1 2018, IDC reports, reaching $18.8 billion and marking a 3rd consecutive quarter of double-digit growth. Shipments total 2.7 million, a 20.7% Y-o-Y increase.

EMEA revenues show 35% Y-o-Y growth.

Such "historic" server demand is the result of a market-wide enterprise refresh cycle, strong

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demand from cloud service providers, increased server use as "core building blocks" of software-defined infrastructure, broad demand for new CPUs (such as the Intel Purely platform) and growing next generation workload deployments. ASPs are also on the up during Q1 2018 thanks to richer configurations and increased component costs, further driving revenue growth.

Volume server revenues are up by 40.9% Y-o-Y to $15.9bn, while midrange server revenues total $1.7bn, a 34% Y-o-Y increase. High-end systems show 20.1% Y-o-Y growth to $1.2bn.

"Hyperscale growth continued to drive server volume demand in Q1 2018," the analyst says. "While various OEMs are finding success in this space, ODMs remain the primary beneficiary from the quickly growing hyperscale server demand, now accounting for roughly a quarter of overall server market revenue and shipments."

Dell and HPE are in a statistical tie (as in having a difference of 1% or less), with 19.1% and 18.6% share of the Q1 2018 market respectively. Dell is the fastest growing vendor, with revenue increasing by 50.6% Y-o-Y to $3.6bn through strong performance in all major regions. HPE on the other hand, shows 22.6% Y-o-Y revenue growth to $3.5bn, as combined with the revenues from the H3C joint venture started back in May 2016.

Lenovo, IBM and Cisco are tied for 3rd position in Q1 2018, with respective shares of 5.8%, 5.3% and 5.2%. The ODM Direct group of vendors has revenue growth of 57.1% Y-o-Y to $4.6bn. Dell leads the market in terms of shipments, accounting for 20.6% of all units shipped in the quarter.

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