

IDC: Server Revenues Up 12.6% Y-o-Y in Q4 2018

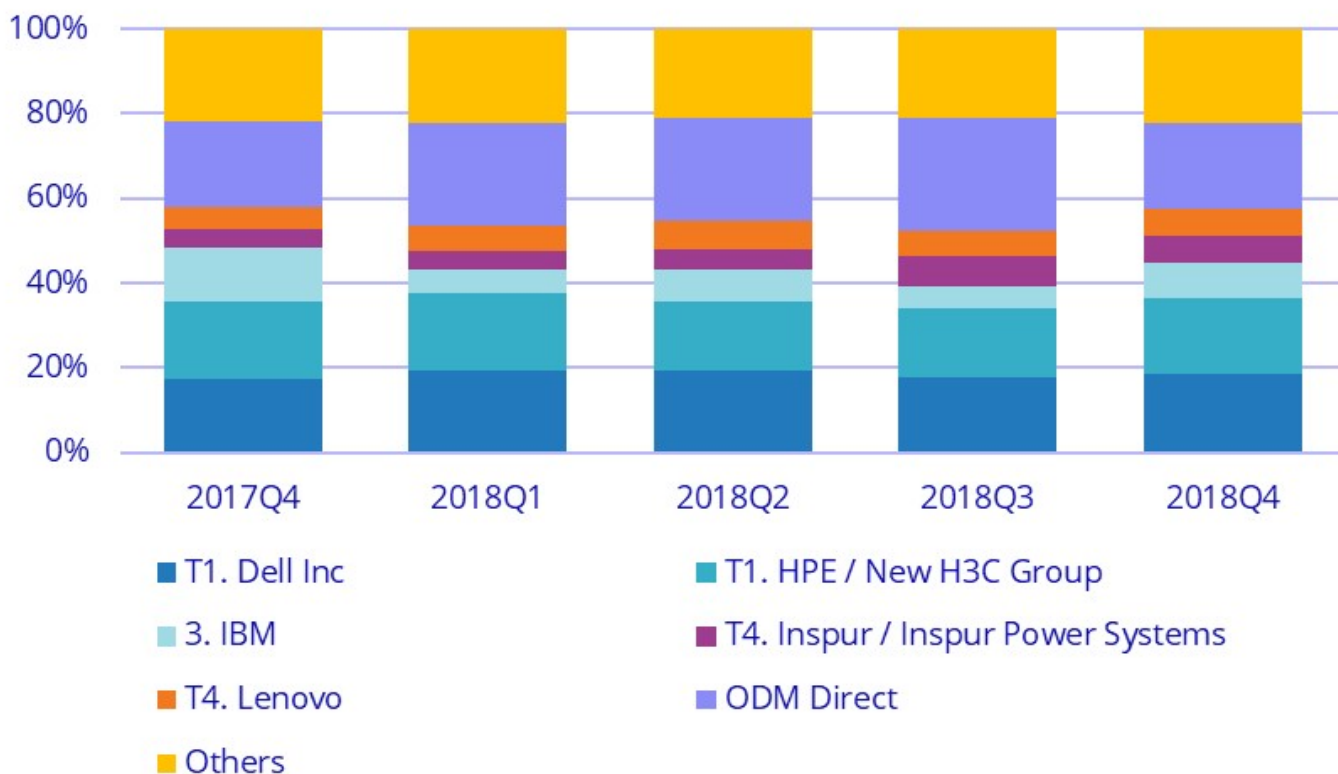
Written by Frederick Douglas
07 March 2019

According to IDC, global server revenues total \$23.6 billion in Q4 2018, a 12.6% Y-o-Y increase, marking a 5th consecutive quarter of double-digit growth. Shipment numbers are up by 5% Y-o-Y to reach 3 million units.

Volume server revenue sees a 17.8% Y-o-Y increase to \$19bn, while midrange server revenues are up by 30.3% Y-o-Y to \$2.5bn. High-end systems, however, are down by -28.3% Y-o-Y to \$2.1bn.



Worldwide Top 5 Server Companies, 2018Q4 Vendor Revenue Market Share



Source: IDC 2019

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"Reduced demand from hyperscale companies created downward pressure on worldwide server market growth rates during the quarter," the analyst says. "This was offset by increased server sales to enterprise customers and higher average selling prices (ASPs). Enterprises are buying richly configured servers to support resource intensive workloads, resulting in higher ASPs and pushing revenue growth higher than growth from unit shipments."

Dell and HPE/New H3C Group are tied for the #1 position in the Q4 2018 vendor rankings, with respective revenue share at 18.7% and 17.8%. Respective growth is at 20.4% and 10.5% Y-o-Y. IBM is #3, with 8.3% of total server revenues, but said performance excludes sales generated from the recent partnership with Inspur Power Systems.

Inspur/Inspur Power Systems and Lenovo tie for #4, with with revenue shares of 6.6% and 6.2% respectively. Inspur shows a 70.7% Y-o-Y revenue increase, while Lenovo revenues are up by 33.8% Y-o-Y. The ODM Direct group of vendors accounts for 20.1% of total revenues, up by 11.6% Y-o-Y to \$4.7bn, an uncharacteristically low growth rate for the group of companies.

Dell leads the global market in terms of shipments, accounting for 17.4% of units shipped on Q4 2018.

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