

Press Release

Weak PC Market Drives Largest Decline in Graphics Since Financial Crisis; Gaming Drives Record Average GPU Prices; Nvidia, Intel Set New Records for Market Share.

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Mercury Research announced this week the results of its analysis of the first-quarter, 2015 PC graphics market.

The overall PC graphics market declined by 15.8 percent in the first quarter of 2015, and was down 6.9 percent compared to a year ago. This was the worst quarterly decline since the 2008 financial crisis six years ago. All major graphics segments were down on quarter, and only mobile integrated CPUs showed stability compared to a year ago. The decline is due primarily to a weaker PC market, likely related to ongoing currency issues in Europe, combined with seasonal declines, and disproportionately affected OEM graphics shipments.

Much as was the case last quarter, desktop graphics attach rates were higher but this was due to a decline in CPU shipments caused by inventory corrections, and not strength in GPU shipments. Mobile attach rates were slightly lower.

Average GPU prices were strongly up once again in the first quarter, driven by a greater mix of high-end gaming graphics relative to the weaker shipments of lower-cost OEM GPUs, and were also due to Nvidia's share gains and higher average pricing relative to AMD making a contribution.

Market share highlights include:

- ◆ Intel gained share overall, and set a new record for total share of graphics held over the past four quarters.
- ◆ Nvidia continued to gain share in desktop discrete GPUs, reaching a the highest level of desktop GPU share the company has ever held.
- ◆ AMD gained share in the mobile discrete GPU segment, and share has increased both on-quarter and 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	2014Q1	2014Q2	2014Q3	2014Q4	2015Q1
Intel	64.3%	65.8%	67.5%	68.5%	69.0%
Nvidia	16.4%	15.9%	15.7%	15.5%	15.5%
AMD	19.0%	18.0%	16.6%	15.8%	15.3%

Desktop Discrete 4QMA	2014Q1	2014Q2	2014Q3	2014Q4	2015Q1
Nvidia	63.7%	63.8%	65.8%	68.7%	71.9%
AMD	36.3%	36.2%	34.2%	31.3%	28.1%

Mobile Discrete 4QMA	2014Q1	2014Q2	2014Q3	2014Q4	2015Q1
Nvidia	66.8%	66.8%	66.5%	66.5%	65.7%
AMD	33.2%	33.2%	33.5%	33.5%	34.3%

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.

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