

Press Release

PC Gaming Drives Record Average GPU Prices; Nvidia, Intel Set New Records for Market Share; Weak PC OEM demand causes worst on-year Graphics Unit Decline Since 2008 Financial Crisis.

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

Overall unit shipments of PC graphics declined by 8.0 percent in the second quarter of 2015, and were down 21.0 percent compared to a year ago. While the quarterly decline was less severe than that seen in the first quarter, the on-year decline is the worst since the first quarter of 2009, when shipments fell due to the deep recession and inventory correction caused by the 2008 financial crisis more than six years ago.

The decline seen in the past few quarters has been primarily due to reduced demand for low-cost GPUs purchased by PC OEMs for notebook PCs and low-cost desktop computers due to a weaker PC market. The PC gaming market, however, continues to grow rapidly and as a result average GPU prices set record and board mix was the richest measured in the past 10 years. This growth in gaming is reflected in the fact that the only vendor and product combination to show an on-year increase in shipments was Nvidia's discrete desktop GPUs.

Both desktop and mobile GPU attach rates fell in the quarter, with mobile GPU attach rates down steeply. The declines were caused by lower OEM GPU shipments, likely due to inventory adjustments ahead of new product launches in the second half of 2015.

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 gained share and set a new record in desktop discrete GPUs, The company shipped more than three-quarters of all desktop discrete GPUs in the past year.
- ◆ AMD continued its share gains that began last quarter in the mobile discrete GPU segment. AMD's share is also higher 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	2014Q2	2014Q3	2014Q4	2015Q1	2015Q2
Intel	65.8%	67.5%	68.5%	69.0%	70.1%
Nvidia	15.9%	15.7%	15.5%	15.5%	15.7%
AMD	18.0%	16.6%	15.8%	15.3%	14.0%

Desktop Discrete 4QMA	2014Q2	2014Q3	2014Q4	2015Q1	2015Q2
Nvidia	63.8%	65.8%	68.7%	71.9%	76.4%
AMD	36.2%	34.2%	31.3%	28.1%	23.6%

Mobile Discrete 4QMA	2014Q2	2014Q3	2014Q4	2015Q1	2015Q2
Nvidia	66.8%	66.5%	66.5%	65.7%	65.4%
AMD	33.2%	33.5%	33.5%	34.3%	34.6%

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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