

Press Release

Strong Integrated CPU and Discrete Notebook Shipments Drive Fourth Quarter Graphics Growth; All Major Graphics Segments Remain Down v. Year-Ago Quarter

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

Overall unit shipments of PC graphics grew by 5.6 percent in the fourth quarter of 2015, and were down 10.6 percent compared to a year ago. The quarterly growth was driven by a significant increases in desktop integrated CPU shipments by Intel and in discrete mobile shipments by Nvidia. This is the second quarter in a row of significant increases in discrete mobile GPU shipments, likely from the early ramp of notebooks using Intel's Sky Lake processor.

Desktop GPU attach rates fell in the quarter due to a higher percentage of integrated CPUs diluting the attach rate. Mobile GPU attach rates increased dramatically in the quarter, suggesting some inventory build, most probably related to filling the pipeline for new Intel Sky Lake notebooks expected this spring.

Market share highlights include:

- ◆ Intel once again gained share overall, and set a new record for total share of graphics held.
- ◆ Nvidia gained share and set a new record for its volume-weighted share over the past four quarters in desktop discrete GPUs. Nvidia also saw a small increase in volume-weighted notebook share.
- ◆ AMD experienced small average share losses in both segments, though it's notable that the company has seen an increase in single-quarter desktop discrete GPU share for the second quarter in a row; it was not enough, however, to offset losses from prior quarters, hence the decline in the moving average share.

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	2014Q4	2015Q1	2015Q2	2015Q3	2015Q4
Intel	68.5%	69.0%	70.1%	70.6%	71.1%
Nvidia	15.5%	15.5%	15.7%	16.1%	16.4%
AMD	15.8%	15.3%	14.0%	13.1%	12.4%

Desktop Discrete 4QMA	2014Q4	2015Q1	2015Q2	2015Q3	2015Q4
Nvidia	68.7%	71.9%	76.4%	78.8%	79.7%
AMD	31.3%	28.1%	23.6%	21.2%	20.3%

Mobile Discrete 4QMA	2014Q4	2015Q1	2015Q2	2015Q3	2015Q4
Nvidia	66.5%	65.7%	65.4%	64.9%	65.1%
AMD	33.5%	34.3%	34.6%	35.1%	34.9%

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.

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