

Press Release

Cryptocurrency Mining Helps Fuel Record GPU Revenues; Average Selling Prices Set Record for Third Quarter; Discrete Desktop GPU Shipments Up On-Year

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Mercury Research announced this week the results of its analysis of the third-quarter, 2017 PC graphics market.

Overall unit shipments of PC graphics increased 3.8 percent compared to a year ago, with significant volumes of desktop GPUs sold into the cryptocurrency mining market inflating the growth rate. Without these shipments, Mercury Research estimates the desktop standalone GPU market was flat on year, and the overall GPU market was up less than one percent. Average desktop GPU prices were at record highs for a third quarter, but were down from the record set in the second quarter of 2017. All major graphics segments in both desktops and notebook PCs increased on-quarter in unit terms, however mobile standalone GPUs did decline slightly on-year. Higher prices and modest unit growth resulted in a new record high for GPU revenues being set in the third quarter, at \$1.7 billion.

Desktop GPU attach rates were higher in the quarter, but artificially inflated relative to the PC market due to cryptocurrency mining related sales; Mercury Research anticipates much lower impact from the mining market in upcoming quarters. Mobile GPU attach rates were also up in the quarter due to seasonal demand.

Market share highlights include:

- ◆ Nvidia's overall GPU share increased eight-tenths of a point compared to a year ago, and mobile share grew as well.
- ◆ AMD's average selling prices increased strongly, resulting in record GPU revenue and strong gains in revenue share in the quarter. The company's desktop unit share is up more than two points on year due primarily to strong sales of Polaris GPUs, some of which are going into the cryptocurrency mining market, combined with sales of the newer Vega GPUs.
- ◆ Intel's share is down slightly on year, in part due to the integrated market share being diluted by mining GPU shipments. We noted that after nearly ten years of sequential gains, Intel's share growth largely halted starting in mid-2016.

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 unit 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 last week.

Total Market Share 4QMA	2016Q3	2016Q4	2017Q1	2017Q2	2017Q3
Intel	71.2%	70.4%	70.5%	70.3%	70.1%
Nvidia	16.1%	16.2%	16.0%	16.4%	16.9%
AMD	12.6%	13.3%	13.4%	13.2%	13.0%

Desktop Discrete 4QMA	2016Q3	2016Q4	2017Q1	2017Q2	2017Q3
Nvidia	74.5%	72.4%	71.3%	71.4%	72.1%
AMD	25.5%	27.6%	28.7%	28.6%	27.9%

Mobile Discrete 4QMA	2016Q3	2016Q4	2017Q1	2017Q2	2017Q3
Nvidia	64.1%	63.3%	63.7%	63.9%	64.4%
AMD	35.9%	36.7%	36.3%	36.1%	35.6%

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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