

Press Release

PC Gaming, Inventory Recovery Drives Highest On-Quarter increase in Desktop GPU Shipments in 14 years; 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 third-quarter, 2015 PC graphics market.

Overall unit shipments of PC graphics grew by 9.3 percent in the third quarter of 2015, and were down 17.8 percent compared to a year ago. The quarterly increase was driven by a significant increase in PC gaming GPU sales, with a small increase in OEM shipments after last quarter's steep downturn due to inventory corrections and OEM migration to integrated-only graphics solutions. The mobile discrete PC graphics market also increased significantly, but much less than desktop, likely on the early ramp of notebooks using Intel's Sky Lake processor. Both discrete and integrated graphics in both desktops and notebooks remain down on-year, though desktop discrete GPU shipments were nearly flat with shipments of a year ago.

The rapid growth of gaming continued this quarter, however due to the launch of new products in the midrange segment and a slight recovery in OEM shipments which consist of low-priced GPUs, the average GPU price declined slightly compared to last quarter

Both desktop and mobile GPU attach rates increased in the quarter, which was not unexpected due to seasonally normal increases and the recovery from the steep declines of last quarter.

Market share highlights include:

- ◆ Intel gained share overall, and set a new record for total share of graphics held over the past four quarters, as it had last quarter.
- ◆ Nvidia gained share and set a new record for its volume-weighted share over the past four quarters in desktop discrete GPUs.
- ◆ AMD posted its third consecutive quarter of share gains 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	2014Q3	2014Q4	2015Q1	2015Q2	2015Q3
Intel	67.5%	68.5%	69.0%	70.1%	70.6%
Nvidia	15.7%	15.5%	15.5%	15.7%	16.1%
AMD	16.6%	15.8%	15.3%	14.0%	13.1%

Desktop Discrete 4QMA	2014Q3	2014Q4	2015Q1	2015Q2	2015Q3
Nvidia	65.8%	68.7%	71.9%	76.4%	78.8%
AMD	34.2%	31.3%	28.1%	23.6%	21.2%

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

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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