

Press Release

Gaming Sustains Fourth Quarter Desktop GPU Market, Nvidia Cements Desktop GPU Share Record

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Mercury Research announced this week the results of its fourth-quarter, 2014 analysis of the PC graphics market.

The overall PC graphics market declined by 3.0 percent in the fourth quarter, and was flat compared to a year ago. The only major graphics segment to not decline in the quarter was desktop standalone GPUs, which maintained their strength with shipments flat with the third quarter. The strength in desktop standalone GPUs was driven by strong growth in the PC gaming market.

While desktop graphics attach rates were higher, this was driven due to a decline in CPU shipments due to AMD restricting sales to purge the channel of inventory. Mercury Research believes the sell-through attach rate was largely unchanged from last quarter. Mobile attach rates were also essentially unchanged.

Average GPU prices were up strongly in the fourth quarter, driven by a greater mix of high-end graphics, again likely due to strong gaming results relative to other segments, and a higher desktop share for Nvidia, which raised the average as Nvidia had slightly higher median GPU price than AMD.

Market share highlights include:

- ◆ Nvidia gained substantial share in the desktop standalone segment, breaking the record set last quarter by a wide margin, and gained share overall as well. On a quarterly basis, Nvidia's shipments exceeded AMD's due to AMD's inventory correction, resulting in Nvidia moving up to the second-largest supplier of PC graphics overall for the quarter.
- ◆ AMD gained a slight amount of share in integrated mobile processor shipments due to growth in the segment.
- ◆ Intel lost share overall, breaking a six-quarter growth streak, as CPU shipments declined in the quarter.

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 | 2013Q4 | 2014Q1 | 2014Q2 | 2014Q3 | 2014Q4 |
|-------------------------|--------|--------|--------|--------|--------|
| Intel | 63.2% | 64.3% | 65.8% | 67.5% | 68.5% |
| Nvidia | 16.7% | 16.4% | 15.9% | 15.7% | 15.5% |
| AMD | 19.8% | 19.0% | 18.0% | 16.6% | 15.8% |

| Desktop Discrete 4QMA | 2013Q4 | 2014Q1 | 2014Q2 | 2014Q3 | 2014Q4 |
|-----------------------|--------|--------|--------|--------|--------|
| Nvidia | 63.6% | 63.7% | 63.8% | 65.8% | 68.7% |
| AMD | 36.4% | 36.3% | 36.2% | 34.2% | 31.3% |

| Mobile Discrete 4QMA | 2013Q4 | 2014Q1 | 2014Q2 | 2014Q3 | 2014Q4 |
|----------------------|--------|--------|--------|--------|--------|
| Nvidia | 66.5% | 66.8% | 66.8% | 66.5% | 66.5% |
| AMD | 33.5% | 33.2% | 33.2% | 33.5% | 33.5% |

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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