



Supercomputer Growth Drives Record HPC Revenue in 2016, Hyperion Research Reports

Sales of HPC Servers Priced At \$500,000 and Up Expand 26.2% Over 2015

FRAMINGHAM, Mass., April 5, 2017 – Worldwide factory revenue for the high-performance computing (HPC) technical server market grew 4.4% in full-year 2016 to a record \$11.2 billion, up from \$10.7 billion in 2015 and from the previous record of \$11.1 billion in exceptionally strong 2012, according to the newly released Hyperion Research Worldwide High Performance Technical Server QView. Hyperion Research is the new name for the former IDC HPC group.

Each quarter for the last 27 years, Hyperion Research analysts have conducted interviews with major hardware original equipment manufacturers (OEMs) in the technical computing space to gather information on their quarterly sales. Specifically, Hyperion collects data on the number of HPC systems sold, system revenue, system average selling price (ASP), the price band segment that a system falls into, architecture of the system, average number of processor packages per system, average number of nodes for each system sold, system revenue distribution by geographical regions, the use of coprocessors, and system revenue distribution by operating systems. We complement this supply-side data with extensive and intensive worldwide demand-side surveys of HPC user organizations to verify their HPC resources and purchasing plans in detail.

The 2016 year-over-year market gain was driven by strong revenue growth in high-end and midrange HPC server systems, partially offset by declines in sales of lower-priced systems.

- The Supercomputers segment for HPC server systems priced at \$500,000 and up grew 26.2% to \$4.0 billion in 2016, compared with \$3.2 billion in 2015.
- The Divisional segment for systems priced between \$250,000 and \$499,000 expanded 18.2%, from \$1.9 billion in 2015 to \$2.3 billion in 2016.
- The Departmental HPC segment for HPC systems in the \$100,000 to \$249,000 price range declined by 19.3% to \$3.1 billion, compared with \$3.8 billion in 2015.
- The Workgroup HPC segment for sub-\$100,000 systems dropped 6.9% to \$1.7 billion, from \$1.8 billion in 2015.

Fourth Quarter 2016

2016 fourth-quarter revenues for the whole market grew 7.4% over the prior-year fourth quarter to reach \$3.1 billion, while Supercomputers segment fourth-quarter revenues were up 45.6% over the same period in 2015. Hyperion Research expects the worldwide HPC server market to grow at a healthy 7.8% rate (CAGR) to reach \$15.1 billion in 2020.

“HPC servers have been closely linked not only to scientific advances but also to industrial innovation and economic competitiveness. For this reason, nations and regions across the world, as well as businesses and universities of all sizes, are increasing their investments in high performance computing,” said Earl Joseph, CEO of Hyperion Research. “In addition, the global race to achieve exascale performance will drive growth in high-end supercomputer sales.”

“Another important factor driving growth is the market for big data needing HPC, which we call high performance data analysis, or HPDA,” according to Steve Conway, Hyperion Research senior vice president for research. “HPDA challenges have moved HPC to the forefront of R&D for machine learning, deep learning, artificial intelligence, and the Internet of Things.”

Vendor Highlights

- The 2016 revenue leaders in the worldwide HPC server system market were HP Enterprise (34.6% share), followed by Dell (17.9% share) and Lenovo (8.1% share).
- Notable year-over-year growth was shown by Fujitsu (43.2%) and Atos Bull (22.0%).

The Hyperion Research Worldwide High-Performance Technical Server QView presents the HPC market from various perspectives, including by competitive segment, vendor, cluster versus non-cluster, geography, and operating system. It also contains detailed revenue and shipment information by HPC models.

For more information about the Hyperion Research Worldwide High Performance Technical Server QView, contact Kevin Monroe at kmonroe@hyperionres.com.

About Hyperion Research

Hyperion Research is the new name for the former IDC high performance computing (HPC) analyst team. IDC agreed with the U.S. government to divest the HPC team before the recent sale of IDC to Chinese firm Oceanwide. As Hyperion Research, the team continues all the worldwide activities that have made it the world's most respected HPC industry analyst group for more than 25 years, including HPC and HPDA market sizing and tracking, subscription services, custom studies and papers, and operating the HPC User Forum. For more information, see www.hpcuserforum.com.

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