



Worldwide Converged Systems Market Posts Strong Results in the First Quarter of 2019 with 19.3% Year-Over-Year Revenue Growth, According to IDC

FRAMINGHAM, Mass., June 25, 2019 – According to the International Data Corporation (IDC) [Worldwide Quarterly Converged Systems Tracker](#), worldwide converged systems market revenue increased 19.3% year over year to \$3.75 billion during the first quarter of 2019 (1Q19).

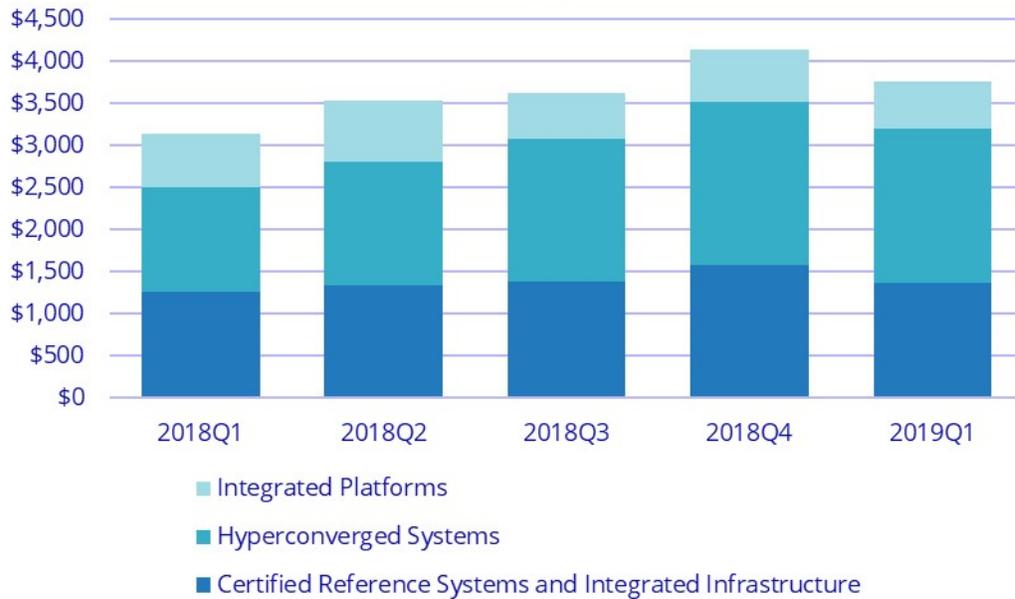
"Hyperconverged infrastructure remains the primary growth driver in the converged systems market," said [Sebastian Lagana](#), research manager, Infrastructure Platforms and Technologies at IDC. "Reduced operating complexity, ease of deployment, and excellent fit within hybrid cloud environments continue to drive HCI adoption across a broad range of customers and workloads."

Converged Systems Segments

IDC's converged systems market view offers three segments: certified reference systems & integrated infrastructure, integrated platforms, and hyperconverged systems. The certified reference systems & integrated infrastructure market generated nearly \$1.4 billion in revenue during the first quarter, which represents 9.0% year-over-year growth and 36.6% of total converged systems revenue. Integrated platforms sales declined 13.3% year over year during the first quarter of 2019, generating revenues of \$556 million. This amounted to 14.8% of the total converged systems market revenue. Revenue from hyperconverged systems sales grew 46.7% year over year during 1Q19, generating \$1.8 billion worth of sales. This amounted to 48.6% of the total converged systems market.

Figure 1

Worldwide Converged Systems Market by Product Category, 2019Q1



Source: IDC 2019

IDC offers two ways to rank technology suppliers within the hyperconverged systems market: by the brand of the hyperconverged solution or by the owner of the software providing the core hyperconverged capabilities. Rankings based on a branded view of the market can be found in the first table of this press release and rankings based on the owner of the hyperconverged software can be found in the second table within this press release. Both tables include all the same software and hardware, summing to the same market size.

As it relates to the branded view of the hyperconverged systems market, Dell Technologies was the largest supplier with \$586.7 million in revenue and a 32.2% share. Nutanix generated \$255.7 million in branded revenue. This represented 14.0% of the total HCI market during the quarter. Hewlett Packard Enterprise, Cisco, and Lenovo finished the quarter in a statistical tie* for third place with \$83.5 million, \$82.26 million, and \$72.40 million in revenue respectively. This translates to 4.6%, 4.5%, and 4.0% market share for these firms respectively.

Top 3 Companies, Worldwide Hyperconverged Systems as Branded, Q1 2019 (\$M)					
Company	1Q19 Revenue	1Q19 Market Share	1Q18 Revenue	1Q18 Market Share	1Q19/1Q18 Revenue Growth
1. Dell Technologies ^a	\$586.7	32.2%	\$357.7	28.8%	64.0%
2. Nutanix	\$255.7	14.0%	\$250.9	20.2%	1.9%
3. Hewlett Packard Enterprise*	\$83.5	4.6%	\$61.0	4.9%	37.0%
3. Cisco*	\$82.3	4.5%	\$59.9	4.8%	37.3%
3. Lenovo*	\$72.4	4.0%	\$32.1	2.6%	125.4%
Rest of Market	\$743.9	40.8%	\$482.4	38.8%	54.2%
Total	\$1,824.5	100.0%	\$1,244.0	100.0%	46.7%
Source: IDC Worldwide Quarterly Converged Systems Tracker, June 25, 2019					

Notes:

^a – Dell Technologies represents the combined revenues for Dell and EMC sales for all quarters shown.

* – IDC declares a statistical tie in the worldwide converged systems market when there is a difference of one percent or less in the share of revenues or unit shipments among two or more vendors.

From the software ownership view of the market, systems running VMware hyperconverged software represented \$750.7 million in total first quarter vendor revenue, or 41.1% of the total market. Systems running Nutanix hyperconverged software represented \$526.5 million in first quarter vendor revenue, or 28.9% of the total market. Both amounts represent sales of all HCI software and hardware, regardless of how it was branded.

Top 3 Companies, Worldwide Hyperconverged Systems Based on Owner of HCI Software, Q1 2019 (\$M)					
Company	1Q19 Revenue	1Q19 Market Share	1Q18 Revenue	1Q18 Market Share	1Q19/1Q18 Revenue Growth
1. VMware	\$750.7	41.1%	\$451.4	36.3%	66.3%
2. Nutanix	\$526.5	28.9%	\$400.7	32.2%	31.4%
3. Hewlett Packard Enterprise*	\$83.5	4.6%	\$61.3	4.9%	36.2%
3. Cisco*	\$82.3	4.5%	\$59.9	4.8%	37.3%
3. Dell Technologies ^a *	\$66.8	3.7%	\$53.4	4.3%	25.1%
Rest of Market	\$314.7	17.2%	\$217.3	17.5%	44.9%
Total	\$1,824.5	100.0%	\$1,244.0	100.0%	46.7%
Source: IDC Worldwide Quarterly Converged Systems Tracker, June 25, 2019					

Notes:

^a – Dell Technologies represents the combined revenues for Dell and EMC sales for all quarters shown.

* – IDC declares a statistical tie in the worldwide converged systems market when there is a difference of one percent or less in the share of revenues or unit shipments among two or more vendors.

Taxonomy Notes

Beginning with this release, IDC has expanded its definition of the hyperconverged systems market segment to include a new breed of systems called Disaggregated HCI (hyperconverged infrastructure). Such systems are designed from the ground up to only support distinct/separate compute and storage nodes. An example of such a system in the market today is NetApp's HCI solution. They offer non-linear scaling of the hyperconverged cluster to make it easier to scale compute and storage resources independent of each other while offering crucial functions such as quality of service. For these disaggregated HCI solutions, the storage nodes may not have a hypervisor at all, since they don't have to run VMs or applications.

IDC defines converged systems as pre-integrated, vendor-certified systems containing server hardware, disk storage systems, networking equipment, and basic element/systems management software. Systems not sold with all four of these components are not counted within this tracker. Specific to management software, IDC includes embedded or integrated management and control software optimized for the auto discovery, provisioning and pooling of physical and virtual compute, storage and networking resources shipped as part of the core, standard integrated system. Numbers in this press release may not sum due to rounding.

Certified reference systems & integrated infrastructure are pre-integrated, vendor-certified systems containing server hardware, disk storage systems, networking equipment, and basic element/systems management software. Integrated platforms are integrated systems that are sold with additional pre-integrated packaged software and customized system engineering optimized to enable such functions as application development software, databases, testing, and integration tools. Hyperconverged systems collapse core storage and compute functionality into a single, highly virtualized solution. A key characteristic of hyperconverged systems that differentiate these solutions from other integrated systems is their scale-out architecture and their ability to provide all compute and storage functions through the same x86 server-based resources. Market values for all three segments includes hardware and software but excludes services and support.

IDC considers a unit to be a full system including server, storage, and networking. Individual server, storage, or networking "nodes" are not counted as units. Hyperconverged system units are counted at the appliance (aka chassis) level. Many hyperconverged appliances are deployed on multinode servers. IDC will count each appliance, not each node, as a single system.

For more information about IDC's Worldwide Quarterly Converged Systems Tracker, please contact Lidice Fernandez at 305-351-3057 or lfernandez@idc.com.

About IDC Trackers

[IDC Tracker](#) products provide accurate and timely market size, vendor share, and forecasts for hundreds of technology markets from more than 100 countries around the globe. Using proprietary tools and research processes, IDC's Trackers are updated on a semiannual, quarterly, and monthly basis. Tracker results are delivered to clients in user-friendly excel deliverables and on-line query tools.

About IDC

International Data Corporation (IDC) is the premier global provider of market intelligence, advisory services, and events for the information technology, telecommunications, and consumer technology markets. With more than 1,100 analysts worldwide, IDC offers global, regional, and local expertise on technology and industry opportunities and trends in over 110 countries. IDC's analysis and insight helps IT professionals, business executives, and the investment community to make fact-based technology decisions and to achieve their key business objectives. Founded in 1964, IDC is a wholly-owned subsidiary of International Data Group ([IDG](#)), the world's

leading media, data and marketing services company. To learn more about IDC, please visit www.idc.com. Follow IDC on Twitter at [@IDC](#) and [LinkedIn](#).

All product and company names may be trademarks or registered trademarks of their respective holders.

About IDC

IDC is the premier global provider of market intelligence, advisory services, and events for the information technology and telecommunications industries. IDC helps IT professionals, business executives, and the investment community make fact-based decisions on technology purchases and business strategy. Over 775 IDC analysts in 50 countries provide global, regional, and local expertise on technology and industry opportunities and trends. For more than 40 years, IDC has provided strategic insights to help our clients achieve their key business objectives. IDC is a subsidiary of IDG, the world's leading technology media, research, and events company. You can learn more about IDC by visiting <http://www.idc.com/>.

IDC is a subsidiary of IDG, the world's leading technology media, research, and events company. Additional information can be found at www.idc.com.

All product and company names may be trademarks or registered trademarks of their respective holders.

For more information contact:

Michael Shirer
press@idc.com
508-935-4200
Eric Sheppard
esheppard@idc.com
508-988-7925
Sebastian Lagana
slagana@idc.com
508-935-4585