Worldwide Enterprise External OEM Storage Systems Market Revenue Declined 0.1% During the Fourth Quarter of 2019, According to IDC

FRAMINGHAM, Mass., March 12, 2020 – According to the International Data Corporation (IDC) Worldwide Quarterly Enterprise Storage Systems Tracker, global spending on enterprise external OEM storage systems declined 0.1% year over year to $7.9 billion during the fourth quarter of 2019 (4Q19). Total external OEM storage capacity shipments were up 9.4% year over year to 21.2 exabytes during the quarter. Revenue generated by the group of original design manufacturers (ODMs) selling directly to hyperscale datacenters grew rapidly at 38.2% year over year to $6.5 billion in 4Q19 while capacity shipped increased 64.5% year over year to 70.8 exabytes. Total capacity shipments for the market (External OEM + ODM Direct + Server-Based Storage) grew 30.8% to 120.2 exabytes.

"The external OEM market remained essentially flat this quarter while ODM Direct achieved its strongest growth in five quarters," said Paul Maguranis, senior research analyst, Infrastructure Platforms and Technologies at IDC. "ODMs witnessed double-digit year-over-year growth this quarter for revenue, units, and capacity shipped and accounted for 58.9% of capacity shipped for the entire storage market, up from 46.8% this time last year."

Enterprise External OEM Storage Systems Results, by Company

Dell Technologies was the largest external enterprise storage systems supplier during the quarter, accounting for 27.6% of worldwide revenue. HPE/New H3C Group and IBM tied* for second with revenue shares of 10.1% and 9.1%, respectively. NetApp and Huawei captured the fourth and fifth positions with market shares of 8.9% and 7.8% respectively, edging Hitachi and Pure Storage out of the top 5.

Top 5 Companies, Worldwide Enterprise External OEM Storage Systems Market, Fourth Quarter of 2019 (Revenues are in US$ millions)					
Company	4Q19 Revenue	4Q19 Market Share	4Q18 Revenue	4Q18 Market Share	4Q19/4Q18 Revenue Growth
1. Dell Technologies[a]	$2,184.9	27.6%	$2,335.1	29.4%	-6.4%
T2. HPE/ New H3C Group[b]*	$802.5	10.1%	$840.3	10.6%	-4.5%
T2. IBM*	$721.8	9.1%	$681.4	8.6%	5.9%
4. NetApp	$704.8	8.9%	$842.3	10.6%	-16.3%
5. Huawei	$616.2	7.8%	$480.5	6.1%	28.2%
Rest of Market	$2,897.7	36.6%	$2,757.4	34.7%	5.1%
Total	$7,927.8	100.0%	$7,937.1	100.0%	-0.1%
Source: IDC Worldwide Quarterly Enterprise Storage Systems Tracker, March 12, 2020.					

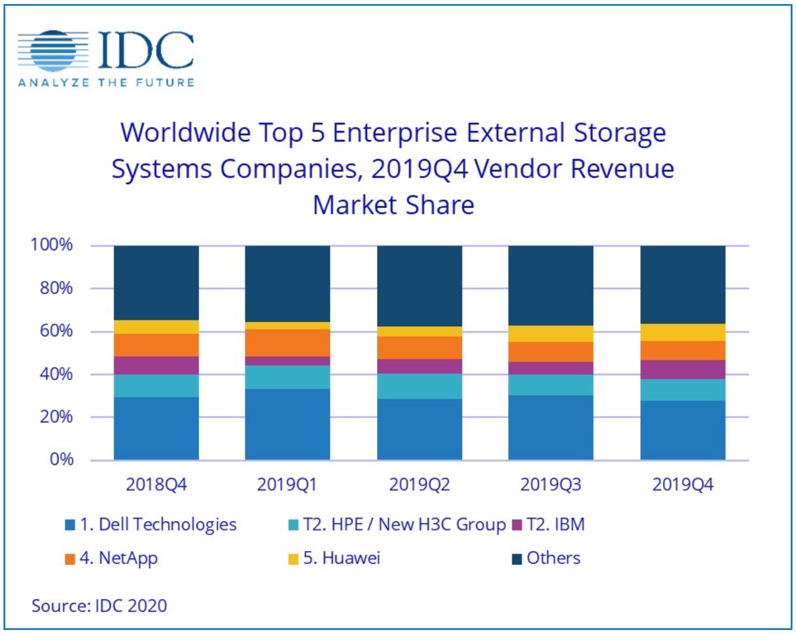
Notes:

* IDC declares a statistical tie in the worldwide enterprise storage 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.

[a] Dell Technologies represents the combined revenues for Dell and EMC.

[b] Due to the existing joint venture between HPE and the New H3C Group, IDC is reporting market share on a global level for HPE as "HPE/New H3C Group" starting from Q2 2016.

Figure 1



Flash-Based Storage Systems Highlights

The total All Flash Array (AFA) market generated $3.23 billion in revenue during the quarter, up 8.4% year over year. The Hybrid Flash Array (HFA) market was worth a little more than $3.04 billion in revenue, down 2.8% from 4Q18.

Regional External Storage System Highlights

On a geographic basis, Japan grew the fastest of any region, up 13.1% year over year in 4Q19. Asia/Pacific (excluding Japan) also saw double-digit growth (10.8%), led by China's 14.6% year-over-year growth. Europe, the Middle East, and Africa (EMEA) and the Americas were both down 4.2% year over year.

Taxonomy Notes

IDC defines an Enterprise Storage System as a set of storage elements, including controllers, cables, and (in some instances) host bus adapters, associated with three or more disks. A system may be located outside of or within a server cabinet and the average cost of the disk storage systems does not include infrastructure storage hardware (i.e. switches) and non-bundled storage software.

The information in this quantitative study is based on a branded view of the enterprise storage systems sale. Revenue associated with the products to the end user is attributed to the seller (brand) of the product, not the manufacturer. Original equipment manufacturer (OEM) sales are not included in this study.

IDC's is a quantitative tool for analyzing the global disk storage market on a quarterly basis.
The Tracker includes quarterly shipments and revenues (both customer and factory), Terabytes, $/Gigabyte, Gigabyte/Unit, and Average Selling Value.
Each criteria can be segmented by location, installation base,

operating system, company, family, model, and region.

The IDC Worldwide Quarterly Enterprise Storage Systems Tracker is part of the Worldwide Quarterly Enterprise Infrastructure Tracker, which provides a holistic total addressable market view of the five key enabling infrastructure technologies for the datacenter (servers, external enterprise storage systems, purpose-built appliances: HCI and PBBA, and datacenter switches).

For more information about IDC's Worldwide Enterprise Storage Systems Quarterly Tracker, please contact Lidice Fernandez at 305-351-3051 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.

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