NEEDHAM, Mass., September 9, 2021 – According to the International Data Corporation (IDC) Worldwide Quarterly Enterprise Storage Systems Tracker, global market revenue for enterprise external OEM storage systems grew 9.7% year over year to $6.9 billion during the second quarter of 2021 (2Q21). Total external OEM storage capacity shipped was up 27.9% year over year to 22.1 exabytes during the quarter.

Revenue generated by the group of original design manufacturers (ODMs) selling directly to hyperscale datacenters declined by 7.7% year over year in 2Q21 to $6.4 billion, while capacity shipped grew 13.8% year over year to 88.7 exabytes. Enterprise storage capacity shipments for the entire market (External OEM + ODM Direct + Server-Based Storage) increased 25.2% to 156.1 exabytes.

"The external storage systems market recovery observed during first quarter of 2021 continued even stronger during the second quarter," said Zsofia Madi-Szabo, research manager, Infrastructure Platforms and Technologies at IDC. "The degree to which demand returned was highly influenced by the rate at which each regional economy has recovered from the difficulties associated with the global pandemic."

Enterprise External OEM Storage Systems Results, by Company

Dell Technologies(a) was the largest external enterprise storage systems supplier during the quarter, accounting for 26.8% of worldwide revenue. HPE/H3C(b) was the second largest supplier during the quarter with 10.9% of revenue. NetApp and Huawei tied* for third place with 9.9% and 8.9% of total revenues, respectively. Three vendors, Hitachi, IBM, and Pure Storage, tied* for fifth place in the market with shares of 4.9%, 4.7% and 4.1%, respectively.
<table>
<thead>
<tr>
<th>Company</th>
<th>2Q21 Revenue (US$ millions)</th>
<th>2Q21 Market Share (%)</th>
<th>2Q20 Revenue (US$ millions)</th>
<th>2Q20 Market Share (%)</th>
<th>2Q21/2Q20 Revenue Growth (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Dell Technologies(a)</td>
<td>$1,860.1</td>
<td>26.8%</td>
<td>$1,689.7</td>
<td>26.7%</td>
<td>10.1%</td>
</tr>
<tr>
<td>2. HPE/H3C(b)</td>
<td>$756.7</td>
<td>10.9%</td>
<td>$659.7</td>
<td>10.4%</td>
<td>14.7%</td>
</tr>
<tr>
<td>T3. NetApp*</td>
<td>$685.0</td>
<td>9.9%</td>
<td>$612.6</td>
<td>9.7%</td>
<td>11.8%</td>
</tr>
<tr>
<td>T3. Huawei*</td>
<td>$619.3</td>
<td>8.9%</td>
<td>$489.7</td>
<td>7.7%</td>
<td>26.7%</td>
</tr>
<tr>
<td>T5. Huawei*</td>
<td>$338.4</td>
<td>4.9%</td>
<td>$352.5</td>
<td>4.6%</td>
<td>-4.0%</td>
</tr>
<tr>
<td>T5. Hitachi*</td>
<td>$322.3</td>
<td>4.7%</td>
<td>$504.6</td>
<td>6.0%</td>
<td>-36.0%</td>
</tr>
<tr>
<td>T5. IBM*</td>
<td>$287.4</td>
<td>4.1%</td>
<td>$256.8</td>
<td>4.1%</td>
<td>12.0%</td>
</tr>
<tr>
<td>T5. Pure Storage*</td>
<td>$287.4</td>
<td>4.1%</td>
<td>$256.8</td>
<td>4.1%</td>
<td>12.0%</td>
</tr>
<tr>
<td>Rest of Market</td>
<td>$2,062.7</td>
<td>30.7%</td>
<td>$1,752.7</td>
<td>28.7%</td>
<td>17.6%</td>
</tr>
<tr>
<td>Total</td>
<td>$6,930.8</td>
<td>100.0%</td>
<td>$6,317.0</td>
<td>100.0%</td>
<td>9.7%</td>
</tr>
</tbody>
</table>


Notes:

* IDC declares a statistical tie in the worldwide enterprise external storage market when there is a difference of one percent or less in the share of revenues or 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 H3C, IDC is reporting external market share on a global level for HPE and H3C as "HPE/H3C" starting from 2Q 2016. Per the JV agreement, Tsinghua Holdings subsidiary, Unisplendour Corporation, through a wholly owned affiliate, purchased a 51% stake in H3C and HPE has a 49% ownership stake in the new company.

Figure 1

Flash-Based Storage Systems Highlights

The total All Flash Array (AFA) market surpassed $2.7 billion in revenue during the quarter, up 7.6% year over year. The Hybrid Flash Array (HFA) market surpassed $2.8 billion in revenue, up 13.3% from the year ago quarter.

Regional External Storage System Highlights

Storage revenue in China grew 33.3% year over year. Japan
declined 21.2% in 2Q21 compared to 2Q20, while Asia/Pacific (excluding Japan and China) was up 15.4%. Europe, the Middle East, and Africa (EMEA) grew 3.7% on a year-over-year basis with Central and Eastern Europe (CEE) showing double-digit growth of 26.0%. The United States was up 5.9% and Canada grew 29.5%. Latin America saw its first growth in external storage revenues this quarter since 1Q20, up 12.5%.

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.

The IDC Worldwide Quarterly Enterprise Storage Systems Tracker 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 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.

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