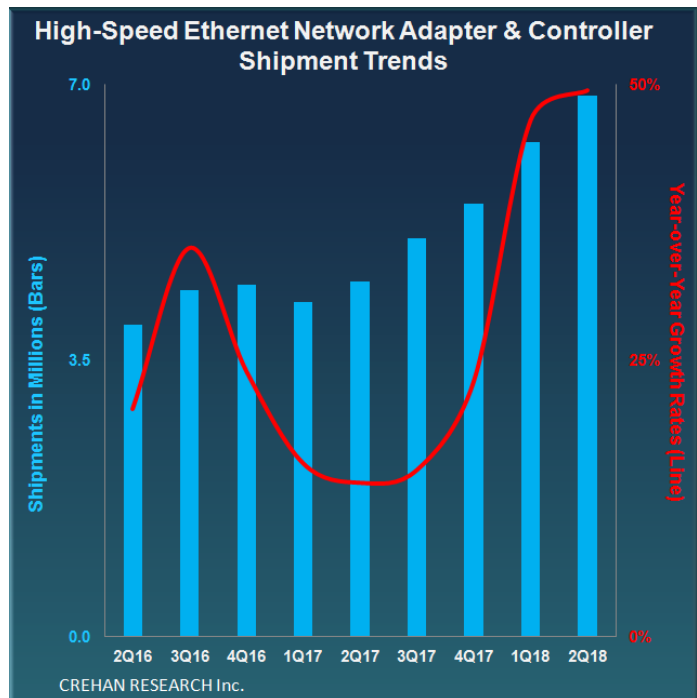# Adoption Rate of High-Speed Ethernet Server Networking Is Significantly Accelerating, Reports Crehan Research

Resurgence in Server Shipment Growth Plus More Networking per Server Drives Close to 50 Percent Year-Over-Year Increases

SAN FRANCISCO, CA, August 27, 2018 — Deployments of high-speed Ethernet adapter and controller shipments are significantly increasing and posted almost 50 percent year-over-year growth for the second quarter in a row, according to the most recent Server-Class Adapter & LAN-on-Motherboard (LOM) Report from Crehan Research Inc. –

see accompanying figure. The report furthermore shows that every high-speed Ethernet technology – 10GbE, 25GbE, 40GbE, 50GbE and 100GbE – individually posted year-over-year year growth in excess of 30 percent for the second calendar quarter of 2018, and all speeds except 50GbE posted record quarterly shipments.

"In addition to the resurgence of server shipment growth, as well as more networking per server, the network adapter and controller market is in the midst of numerous concurrent

upgrades," said Seamus Crehan, president of Crehan Research. "For example, the hyper-scale cloud segment was a major driver of the 2Q18 exponential growth in 25GbE adapters, while the enterprise segment was a major driver of the continued strong growth in 10GbE. Meanwhile, the telco segment was a strong contributor to the quarter's strength in both 40GbE and 100GbE."

Other noteworthy results from Crehan's Server-Class Adapter & LAN-on-Motherboard (LOM) report include:

- Vendor-built 25GbE shipments almost tripled in 2Q18, approaching a three-million port annualized run-rate.
- 40GbE continued to show surprisingly strong growth despite the recent arrival, and now material volumes, of 25GbE, 50GbE and 100GbE.

- 10GbE remains the largest high-speed Ethernet growth contributor in absolute volume, comprising over half of all the 2Q18 shipment increase. Within 10GbE, 10GBASE-T saw the strongest growth rate, with an almost 80% year-over-year increase in shipments.

- Intel remained the market share leader for 10GbE as well as for total high-speed Ethernet adapter and controller shipments, accounting for over 60% of total 2Q18 volumes.

- In network adapter and controller speeds above 10GbE, Mellanox accounted for more than 70% of ports shipped. This combined segment of 25GbE, 40GbE, 50GbE and 100GbE saw shipments more than double year-over-year in 2Q18.

"The strong increase in customer deployments of high-speed Ethernet adapters is putting enormous pressure on the switches connecting servers to the data center network, which is driving a need for higher capacity switches," Crehan said. "We expect to see strong adoption of higher capacity data center Ethernet switches to meet this swell of demand."

About Crehan Research Inc.
Crehan Research Inc. produces reports with very detailed statistics and information on the data center switch and server-class adapter & LOM/controller markets. The company's reports are supported with rich insights and context to deliver increased value. For more information about Crehan Research Inc. visit www.CrehanResearch.com.

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