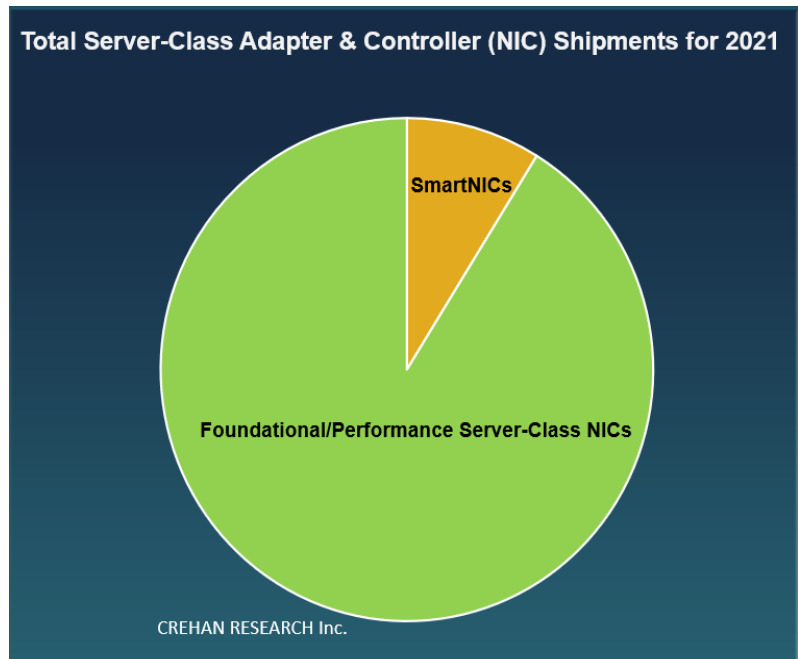**SmartNIC Revenue Reached $1.5 Billion in 2021, Reports Crehan Research**

Factors Now in Place for Much Broader SmartNIC Customer Adoption

SAN FRANCISCO, CA, February 14, 2022 — Customer spending on smartNICs grew strongly during full-year 2021, resulting in revenues reaching $1.5 billion, according to a recent report from [Crehan Research Inc](#). The report further shows that smartNIC shipments comprised about 10 percent of total server-class NIC volumes (see accompanying chart).

"SmartNICs have an outsize revenue impact relative to shipments, due to their price premiums over the foundational and performance NICs that currently comprise the vast majority of data center server and storage network connections," said Seamus Crehan, president of Crehan Research. "The smartNIC price premium is a result of the advanced functionality and programmability enabled by processors, FPGAs, and acceleration engines to handle more complex networking tasks and offload CPUs."

Looking forward, Crehan expects that smartNICs are about to see much broader customer adoption due to a combination of factors, including:

- VMware leveraging smartNIC technology as a key enabler of its next-generation infrastructure platform (Project Monterey).

- SmartNIC adoption now, by the world's three largest server-class NIC customers, in conjunction with recent traction of smartNICs outside of the large hyper-scalers, particularly in the service provider segment.

- Central smartNIC strategies and significant investments by most of the current incumbent server-class NIC vendors.

- The arrival of specialized data and infrastructure processor engines for smartNICs that are explicitly designed to securely and efficiently handle the offloading of networking and storage-related tasks – namely, DPUs and IPUs.

- The volume and complexity of data traffic has reached a tipping point resulting in the need for new approaches and architectures, especially as networking moves into the era of artificial intelligence, machine learning, and virtual and augmented reality.

"Given their expected increase in market adoption and associated price premiums, customer spending on smartNICs will likely exceed spending on foundational and performance server-class NICs within three years," Crehan said.

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 (NIC) markets. The company's reports are supported with rich insights and context to deliver increased value. For more information about Crehan Research Inc. email info@CrehanResearch.com, phone 650-273-8400, or visit www.CrehanResearch.com.

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