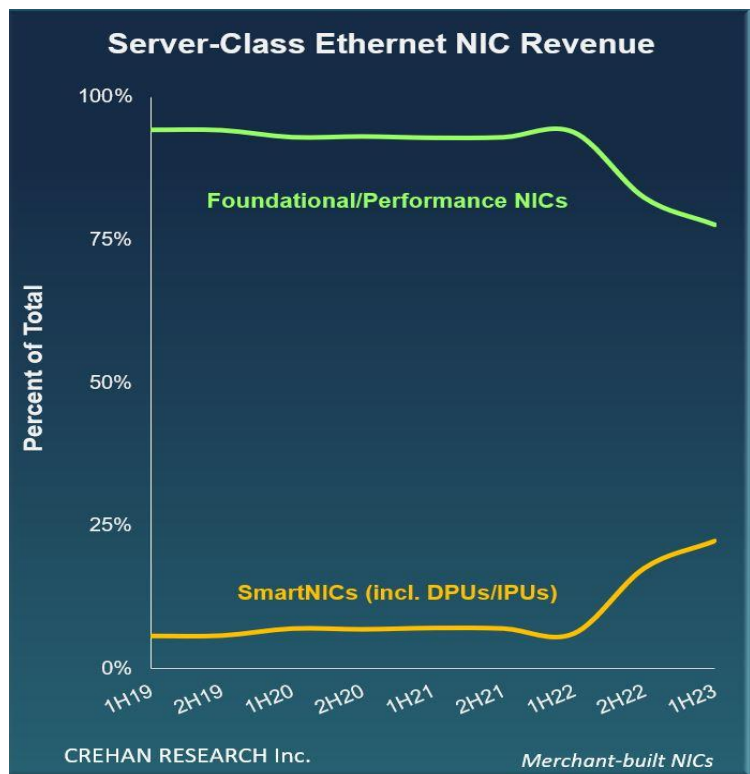


## Merchant-Built Ethernet SmartNIC Revenues – including DPUs and IPU – Tripled in the First Half of 2023, Reports Crehan Research

### *IPUs Drive Market Growth*

SAN FRANCISCO, CA, October 16, 2023 — Revenues for the merchant-built Ethernet smartNIC market, which includes Data Processing Units (DPUs) and Infrastructure Process Units (IPUs), more than tripled year-over-year in the first half of calendar-year 2023, according to a recent report from [Crehan Research Inc.](#) This is the second consecutive half-year period in which revenues have more than tripled, resulting in merchant-built Ethernet SmartNICs now comprising over 20% of total merchant-built server-class Ethernet NIC market revenue (see accompanying chart).



“Up until recently, the SmartNIC market ramp was driven by a couple of the largest hyper-scale cloud service providers building their own proprietary SmartNICs for in-house deployments,” said Seamus Crehan, president of Crehan Research. “But now, with the ramp of merchant-built SmartNICs, we are moving toward broader market and customer adoption of these products.”

Crehan’s report shows that Intel’s IPU were the largest single contributor to the SmartNIC market increase, helped by Google Cloud deployments of these products

in its C3 instances for VMS and hyperdisk block storage and, more recently, in its A3 GPU supercomputer for generative AI and large language models. Intel's strong IPU growth helped propel its total server-class Ethernet NIC revenue market share (Foundational/Performance NICs and SmartNICs) to the top position for merchant-built server-class Ethernet NICs. AMD/Pensando has also experienced strong growth in existing and new DPU deployments, from customers including Goldman Sachs, IBM Cloud, Microsoft Azure, NetApp, and Oracle Cloud. Nvidia was another vendor with a robust DPU increase, but instead of Ethernet, most of that increase resulted from the company's InfiniBand DPUs supporting very strong growth in its HGX Hopper and Ampere GPU-based systems.

"Despite the recent big increase in merchant-built Ethernet SmartNIC/DPU/IPU revenues, we are still in the early stages of this market, with many different competing vendors and architectures," Crehan said. "Consequently, market shares can change significantly in a short amount of time, as evidenced by Intel's IPU share gains."

**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](mailto:info@CrehanResearch.com), phone 650-273-8400, or visit [www.CrehanResearch.com](http://www.CrehanResearch.com).

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