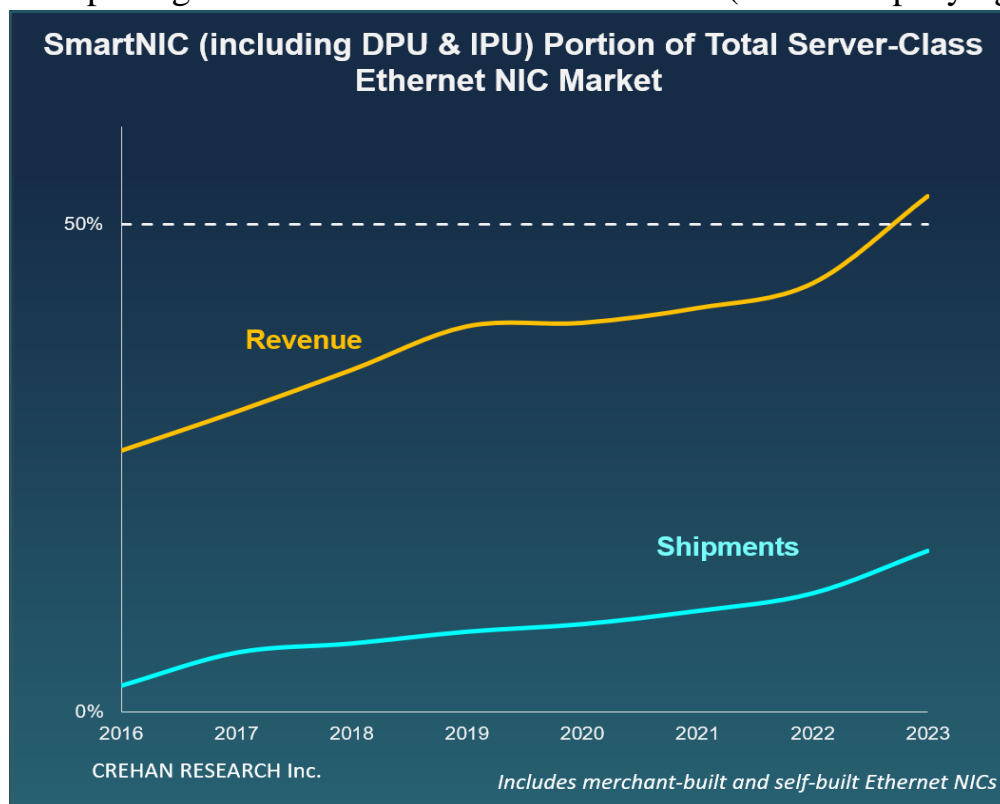


Annual Server-Class Ethernet NIC Revenue Reached \$6 Billion in 2023, Reports Crehan Research

SmartNIC Revenue, Including DPUs and IPU, Surpassed Foundational/Performance NIC Revenue

SAN FRANCISCO, CA, March 11, 2024 — During calendar-year 2023, data center customers invested significantly in server and storage networking, which drove total annual server-class Ethernet NIC market revenues to \$6 billion, according to a recent report from [Crehan Research](#). Spending on accelerated networking was particularly strong, resulting in SmartNIC revenue – including DPUs and IPU – surpassing foundational/performance NIC revenue during the year and now comprising more than half of the total revenue (see accompanying chart).



“Although foundational/performance NICs still account for most of the server-class Ethernet NIC shipments, broader adoption of SmartNICs coupled with their higher average selling price pushed these products to account for a majority of the total

server-class Ethernet NIC market revenue,” said Seamus Crehan, president of Crehan Research.

Crehan also reported that the SmartNIC revenue increase was much stronger for merchant-built SmartNICs, as opposed to the self-built proprietary SmartNICs that were the early driver of growth in this market. “Even before generative AI arrived, data center networking customers – especially the larger cloud service providers – were significantly deploying SmartNICs to offload, secure and accelerate the increased volume and complexity of their server and storage networking traffic,” 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.

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