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Forecasts and High Growth Areas to Keep an Eye on

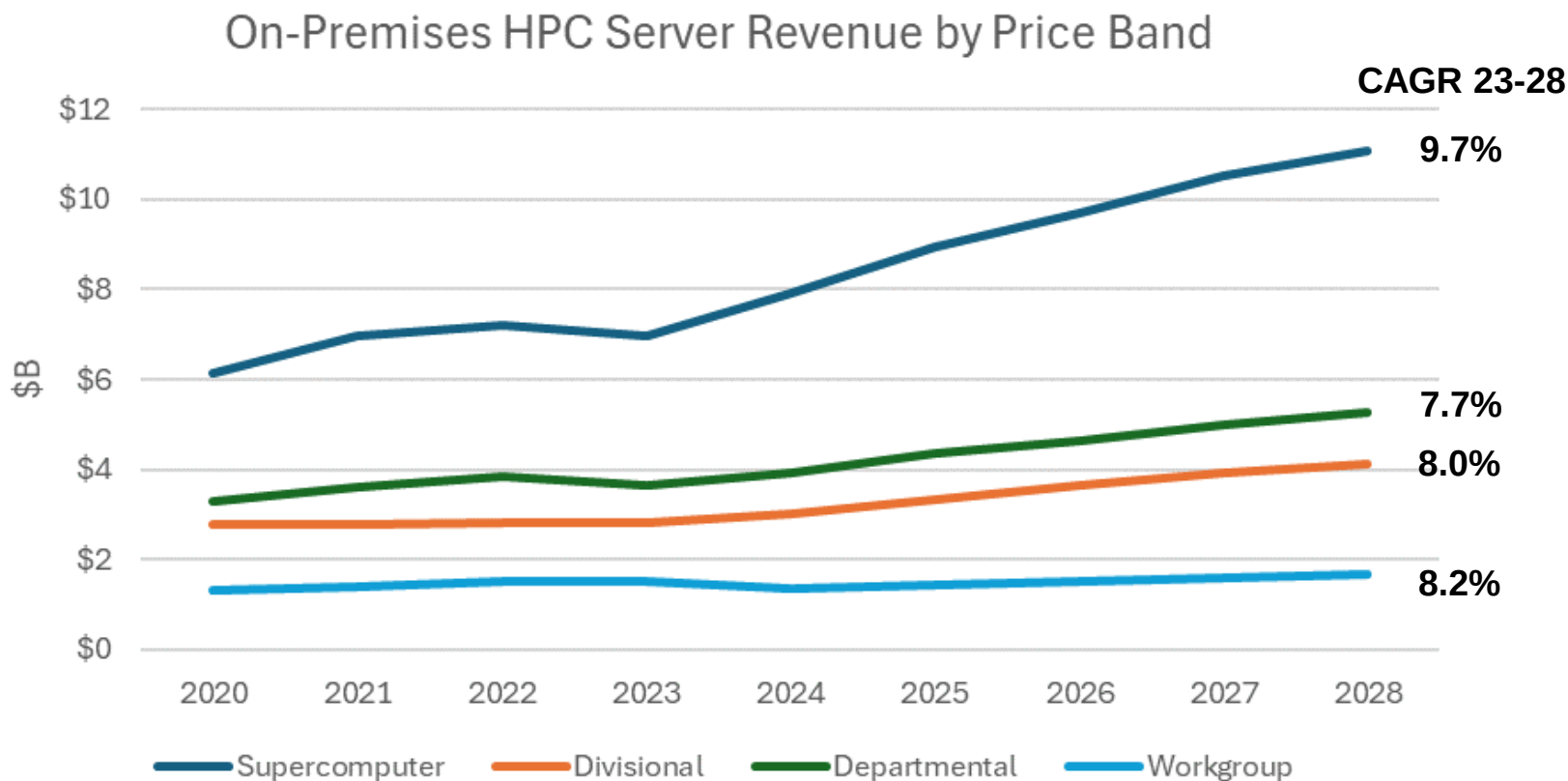
ISC24 Market Update Briefing
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www.HyperionResearch.com
www.hpcuserforum.com

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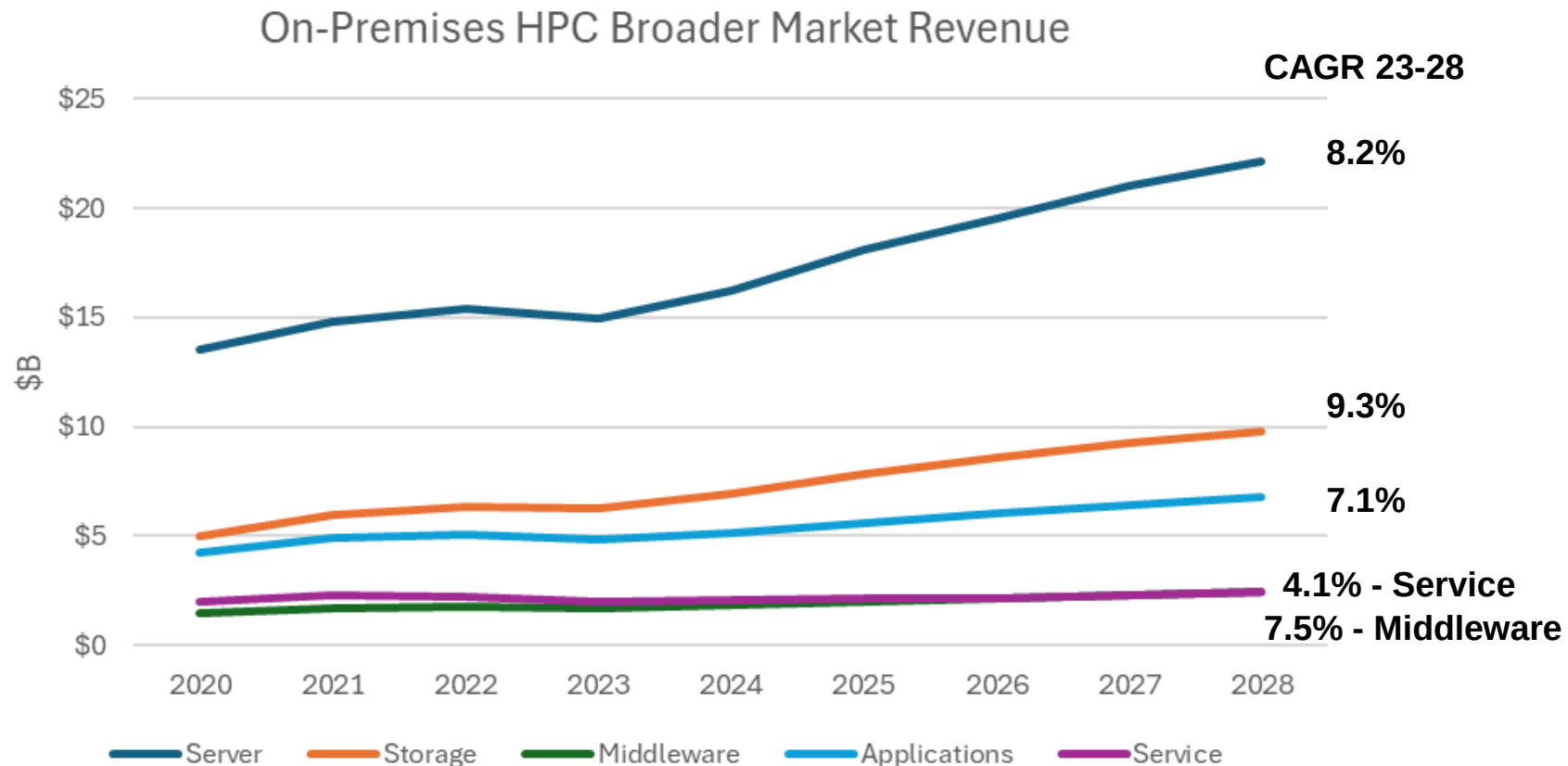
Supercomputers Fastest Growing Server Price Band

Supercomputers are expected to drive the bulk of the growth within the on-premises HPC server market



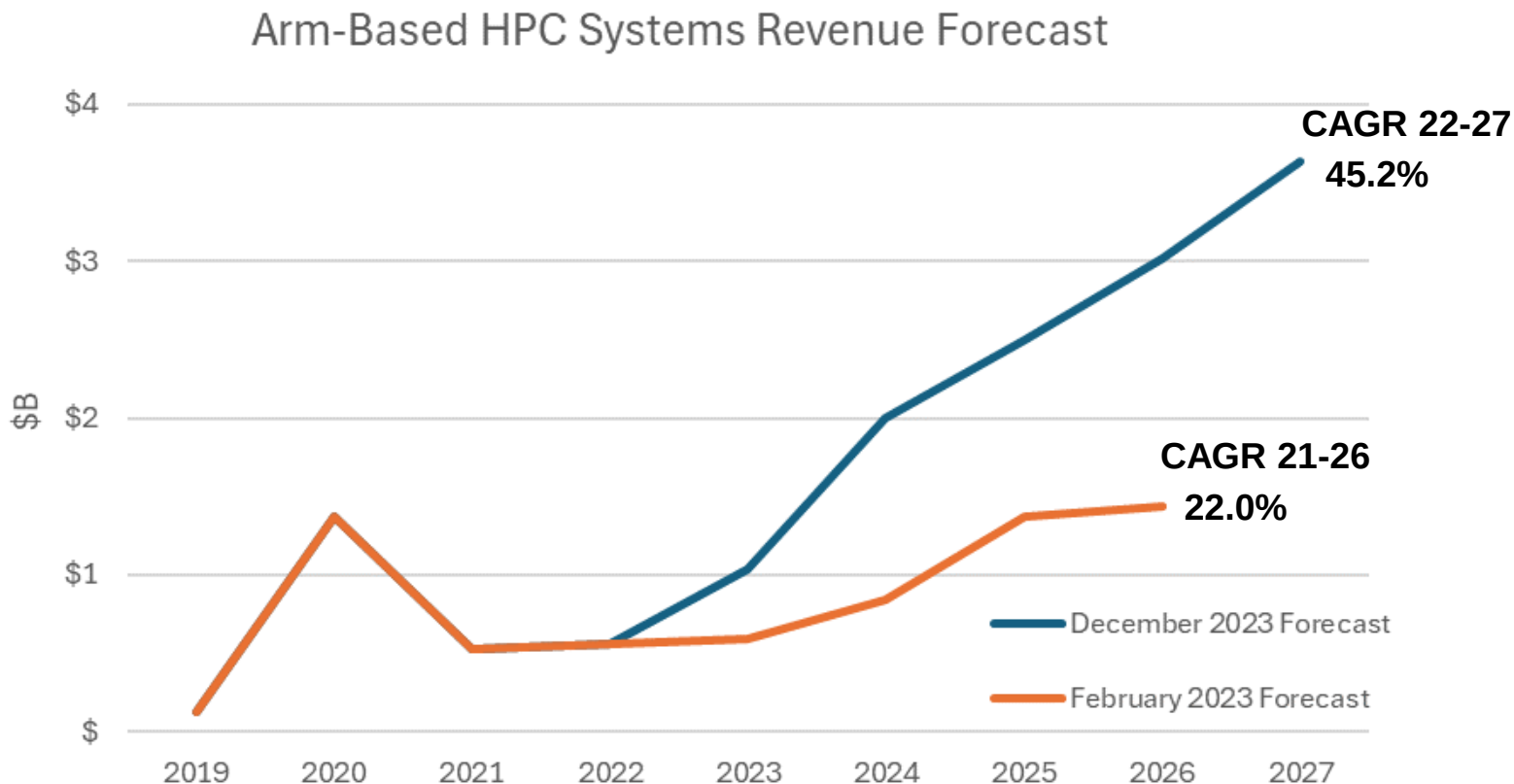
Storage Fastest Growing Broader Market Area On-Premises

Storage is expected to be the fastest growing segment, while HPC servers will provide the bulk of revenues and also drive market growth.



Arm-Based HPC Systems Revenues Expected to More than Triple by 2027

The Arm-based on-premises HPC server market forecast has been dramatically increased since last year due to increased optimism about Arm HPC adoption and expanding scale



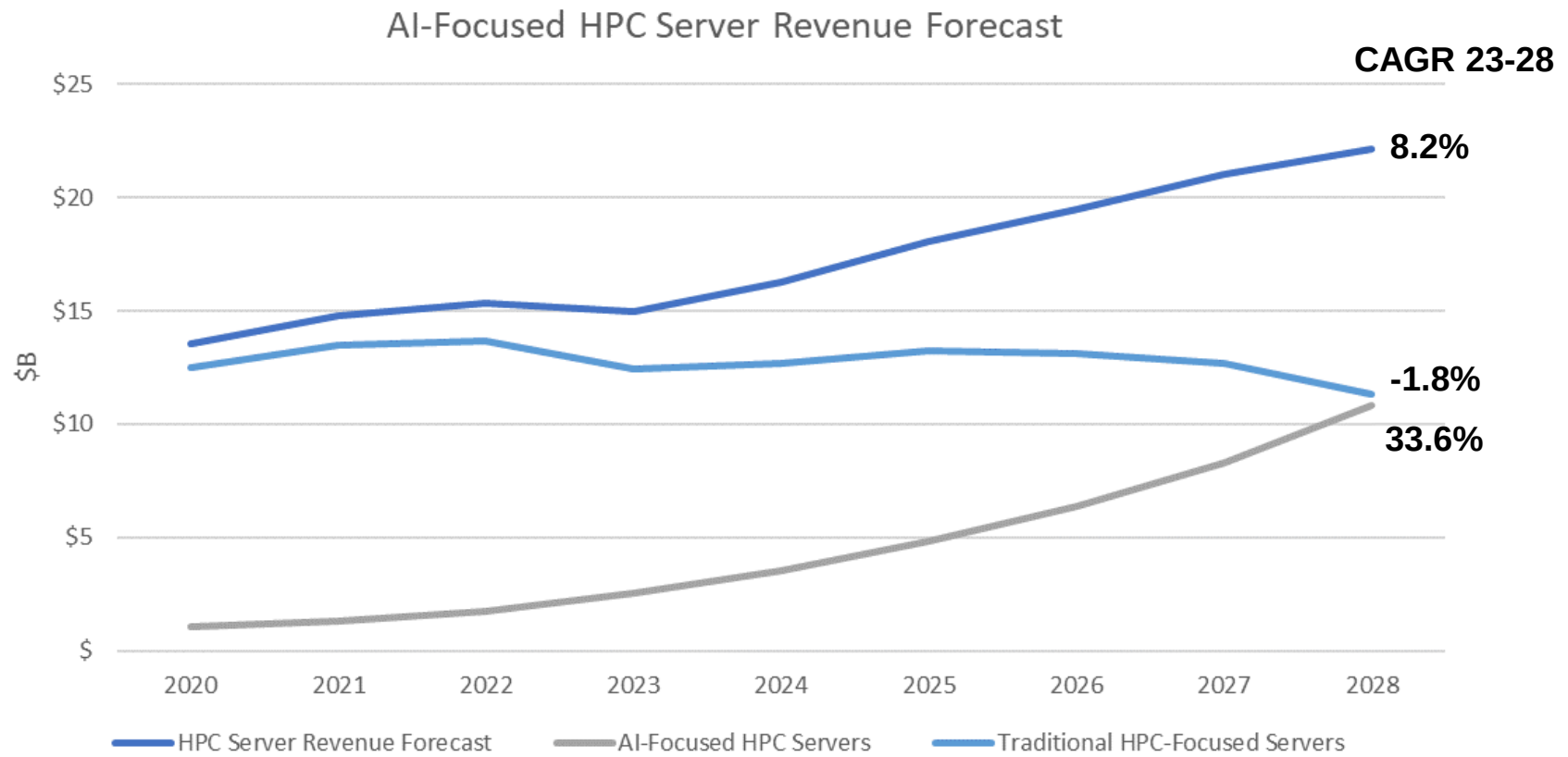
Arm-Based HPC Systems Revenue to Double in 2024

11. Arm-based processors will rise sharply in adoption, with expected revenues for Arm-based HPC systems doubling compared with the previous year

- **This reflects growth in many areas of the Arm ecosystem:**
 - More HPC users are starting to adopt Arm processors into their systems
 - Existing Arm users are increasing the number, size, and complexity of Arm-based HPC systems
 - There is an ongoing expansion of available Arm-based products and vendors
 - E.g., The burgeoning interest in Arm-based superchips incorporating GPUs (e.g., NVIDIA's Grace Hopper)
 - The resulting overall rising cost of Arm-based offerings
 - Pricing inelasticity with respect to Arm-based GPUs has allowed system prices to rise without a normally expected corresponding drop in demand

On-Premises AI-Focused HPC Servers Experiencing High Growth

The AI-focused subset of HPC servers is expected to quadruple between 2023 and 2028



Note: AI systems may still run some traditional HPC jobs (<50% of workload). Likewise, traditional HPC systems may still run some AI jobs (<50% of workload).

AI Training and Inferencing to Accelerate Utilization of Cloud HPC Resource

1. Utilization of HPC resources in the cloud will experience accelerating growth as users augment their AI focus from training to inferencing

- **Training models**

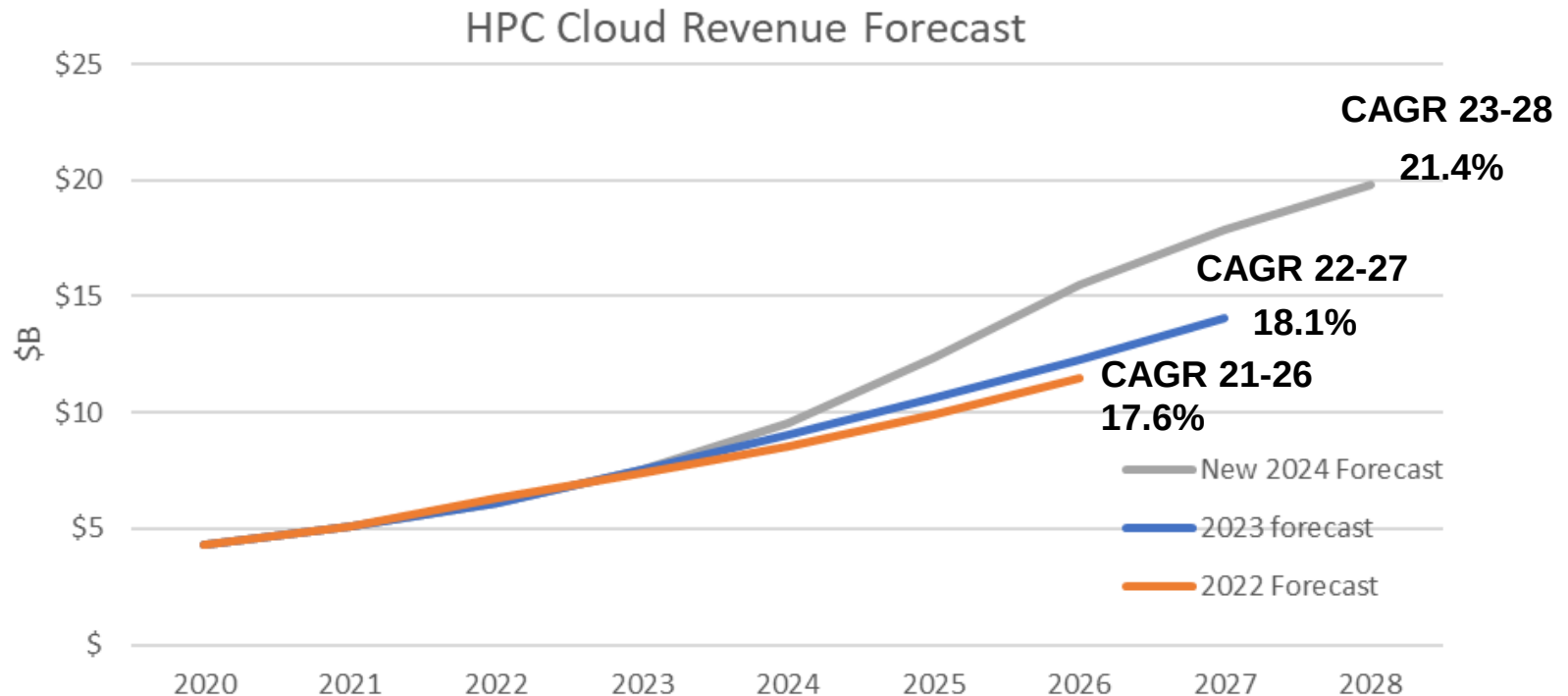
- Often requires light-dimming amounts of computational resources
- Approaching full utilization for extended lengths of time per training run (e.g., days or weeks)
- Relatively small number of users and jobs

- **Inferencing**

- Less computationally intensive
- Less utilization per job over much shorter time periods (e.g., microseconds, milliseconds)
- Orders of magnitudes greater # of users and jobs

HPC Cloud Revenue Expected to Experience Even Higher Growth

The HPC cloud revenue forecast has been increased substantially over last year's predictions due to strong market drivers



Questions?



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