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# Taiwan notebooks

DIGITIMES Research  
ICT Report – 4Q 2012

Original Chinese: Joanne Chien, DIGITIMES Research, January 2013

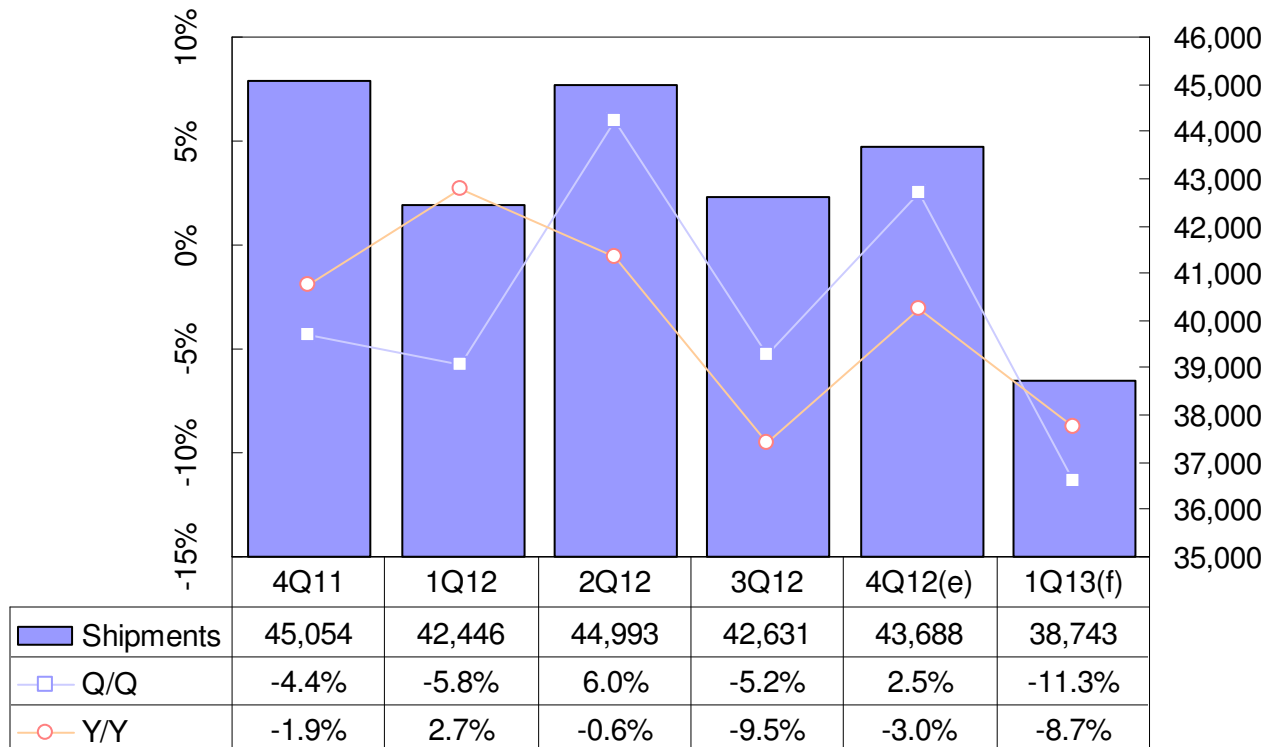
English edition: Joseph Tsai, DIGITIMES, January 2013

# Introduction

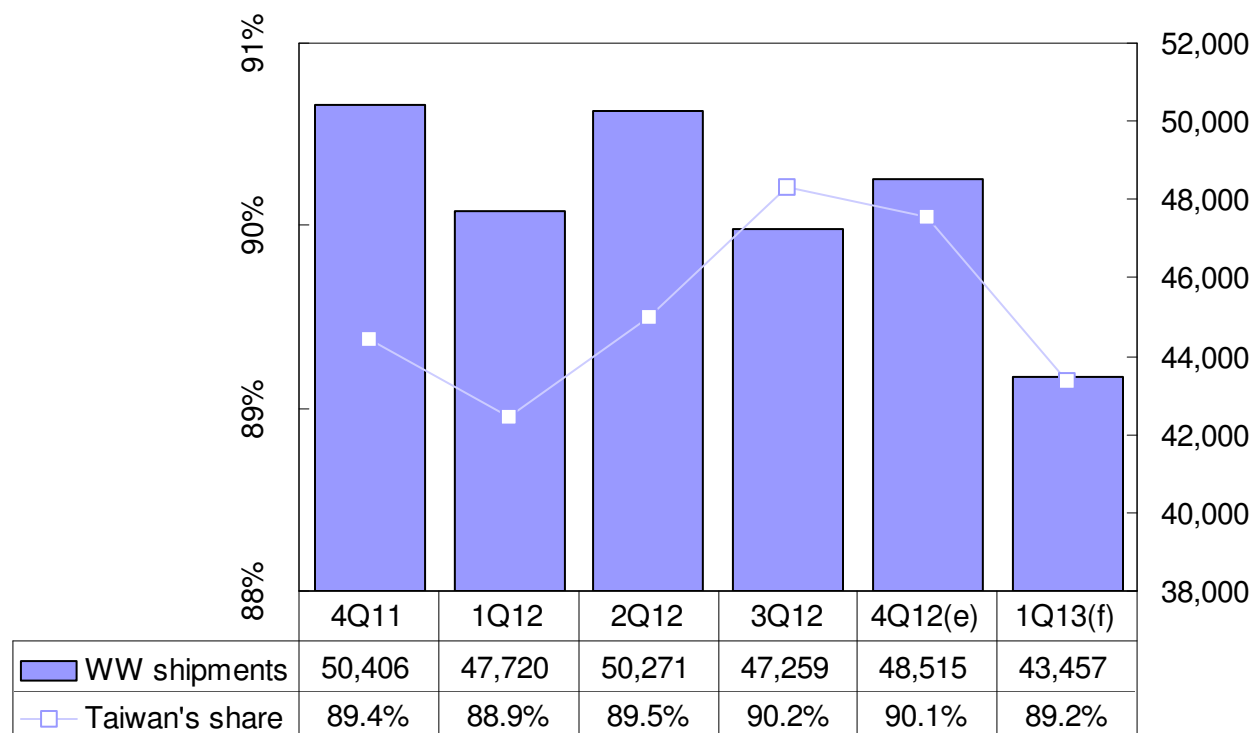
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- ✓ Taiwan notebook shipments increased 2.5% sequentially but decreased 3% on year to reach 43.69 million units in the fourth quarter of 2012.
- ✓ Taiwan makers are expected to ship 38.74 million notebooks in the first quarter of 2013, down 11.3% sequentially and 8.7% on year.
- ✓ *NOTE: Unless otherwise indicated, all figures and tables in this report refer to output from Taiwan makers. Traditional notebooks refer to notebook models with 12-inch and larger screens, while netbooks refer to notebook models with screens smaller than 12-inch.*

# Notebook shipments, 4Q11-1Q13 (k units)



# Taiwan's share of worldwide notebook shipments, 4Q11-1Q13 (k units)



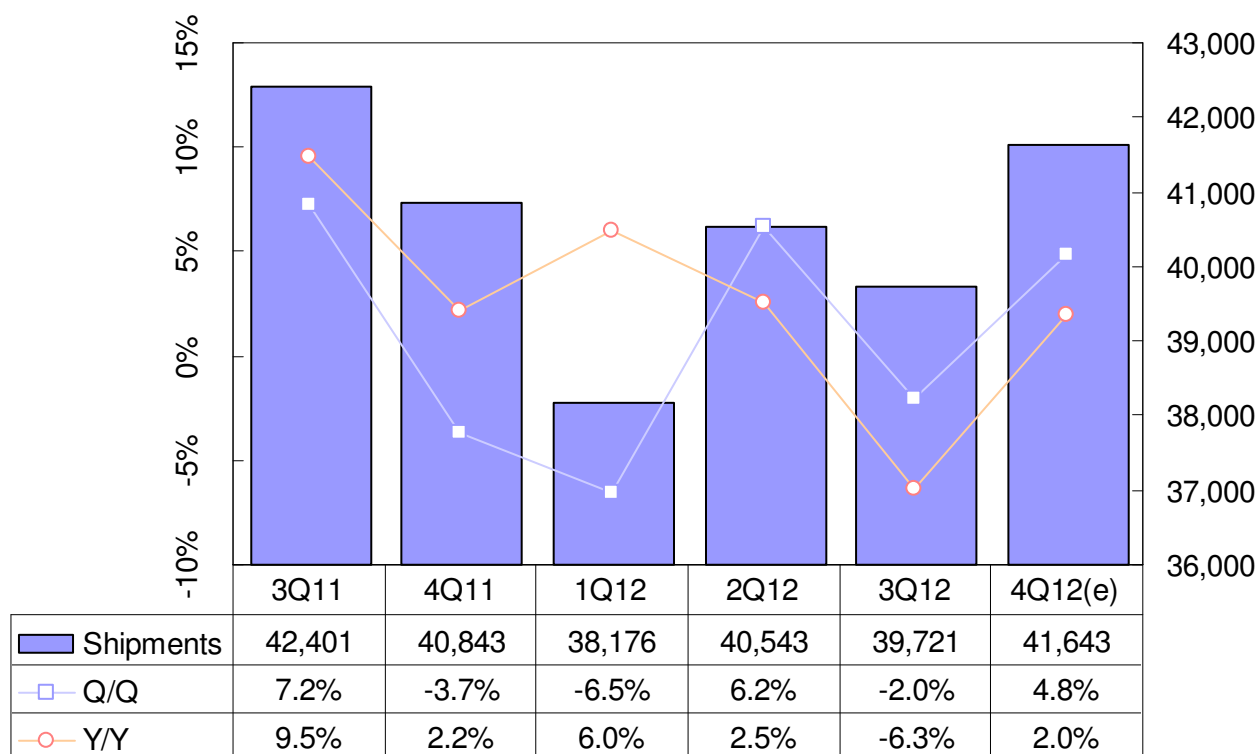
# Notebook shipments

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- ✓ Taiwan's notebook shipments dropped 3% on year in the fourth quarter of 2012 due to Windows 8's failure in attracting consumers, netbooks' quick disappearance from the retail channels, and growing competition from tablets, such as entry-level tablets from Google/Asustek Computer, Apple and Amazon. However, the shipment volume still represents a sequential growth, thanks to significant sales for entry-level Windows 7 notebook models and year-end shopping promotions.
- ✓ Weak notebook demand and seasonal factors will significantly impact Taiwan's notebook shipments in first-quarter 2013, with the volume expected to drop 11.3% sequentially.
- ✓ Worldwide notebook shipments will see a 10% drop sequentially in the first quarter of 2013.

# Traditional notebook shipments, 3Q11-4Q12

(k units)

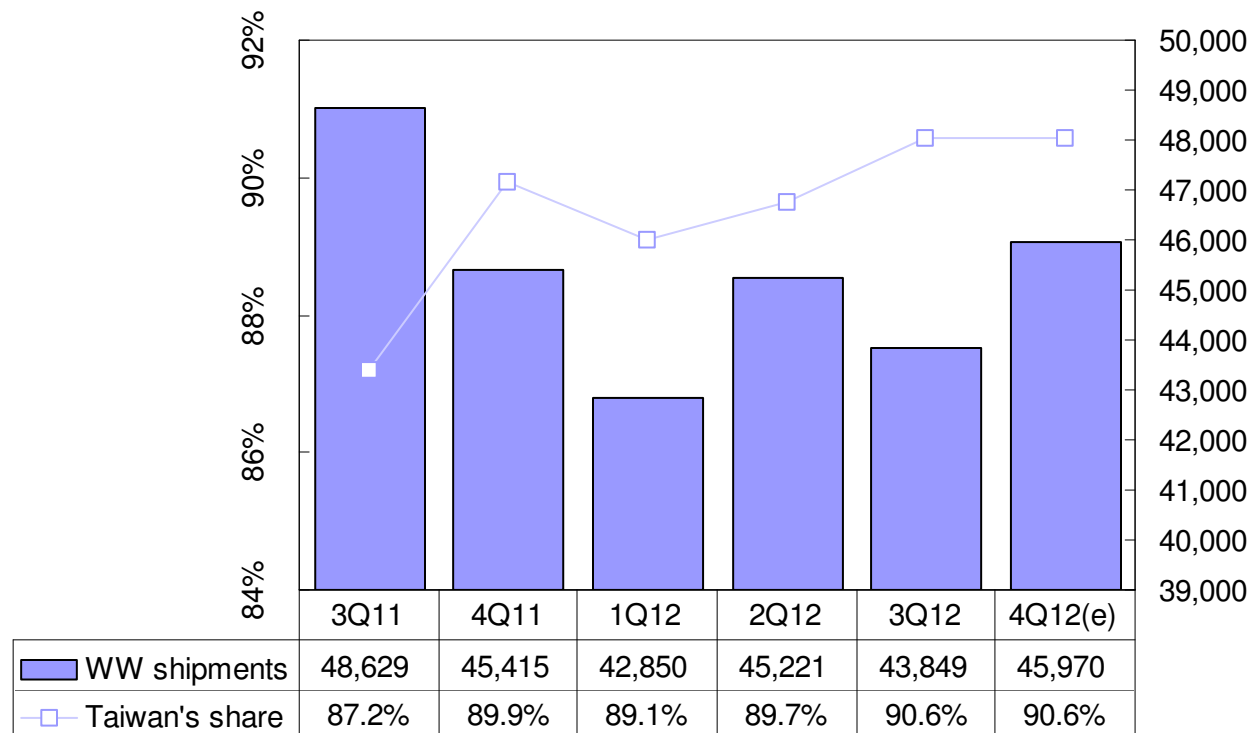


# Traditional notebook shipments

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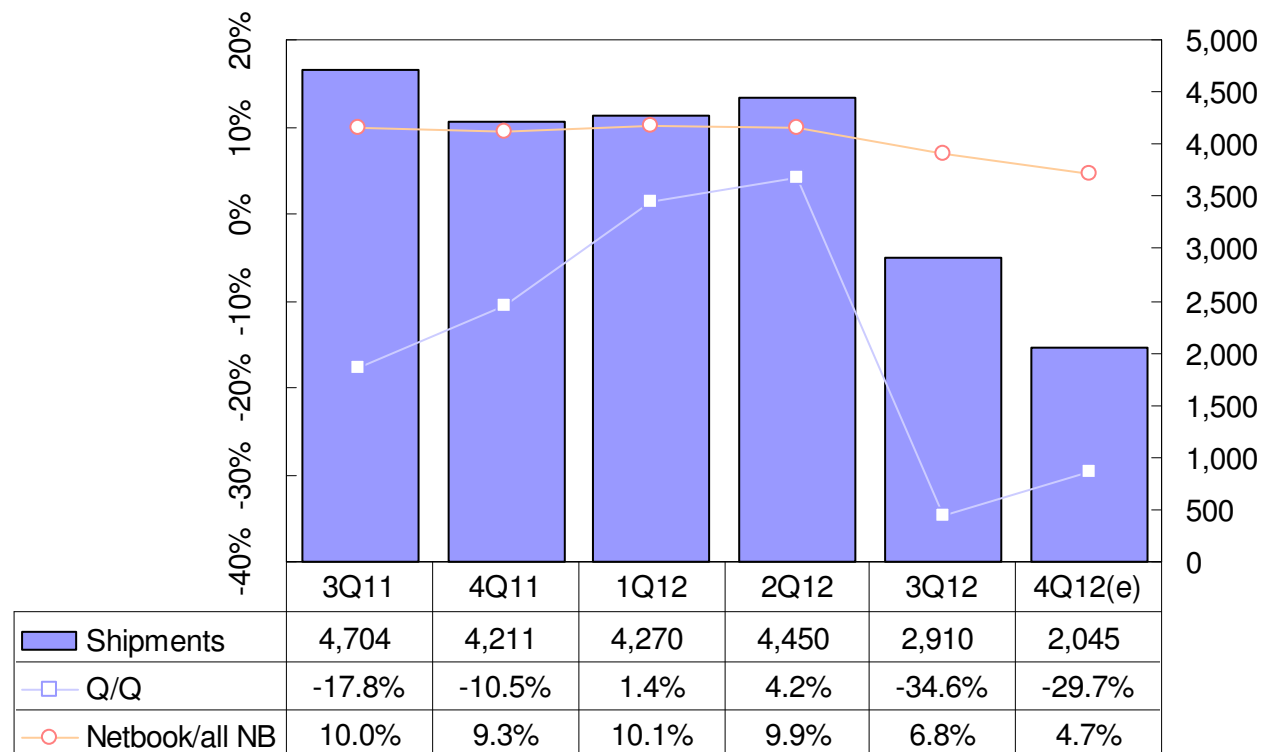
- ✓ Taiwan's traditional notebook shipments (the volume excluding netbooks) grew both on quarter and on year.
- ✓ As Samsung continued to increase its notebook outsourcing to Taiwan makers, Taiwan's share of global traditional notebook shipments remained above 90% in the fourth quarter of 2012
- ✓ *Note: Traditional notebooks are notebook models with screens larger than 12-inch.*

# Taiwan's share of worldwide traditional notebook shipments, 3Q11-4Q12 (k units)





# Netbook shipments, 3Q11-4Q12 (k units)

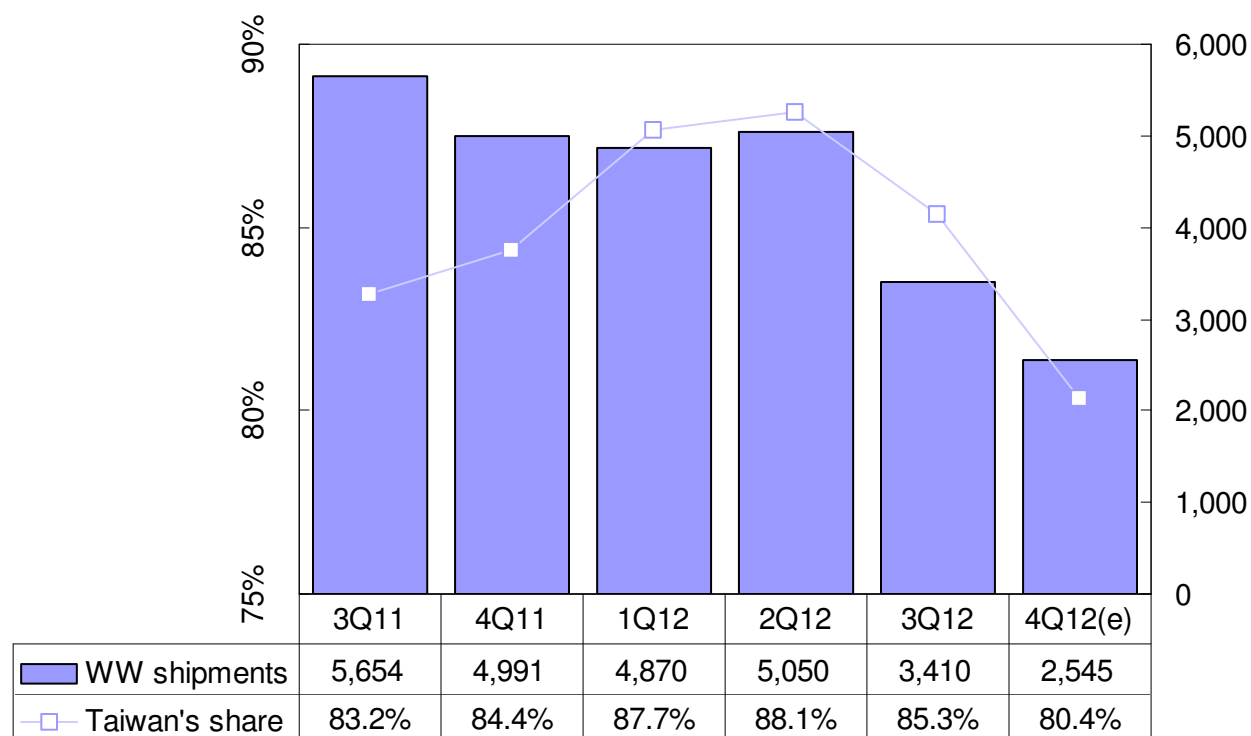


# Netbook shipments

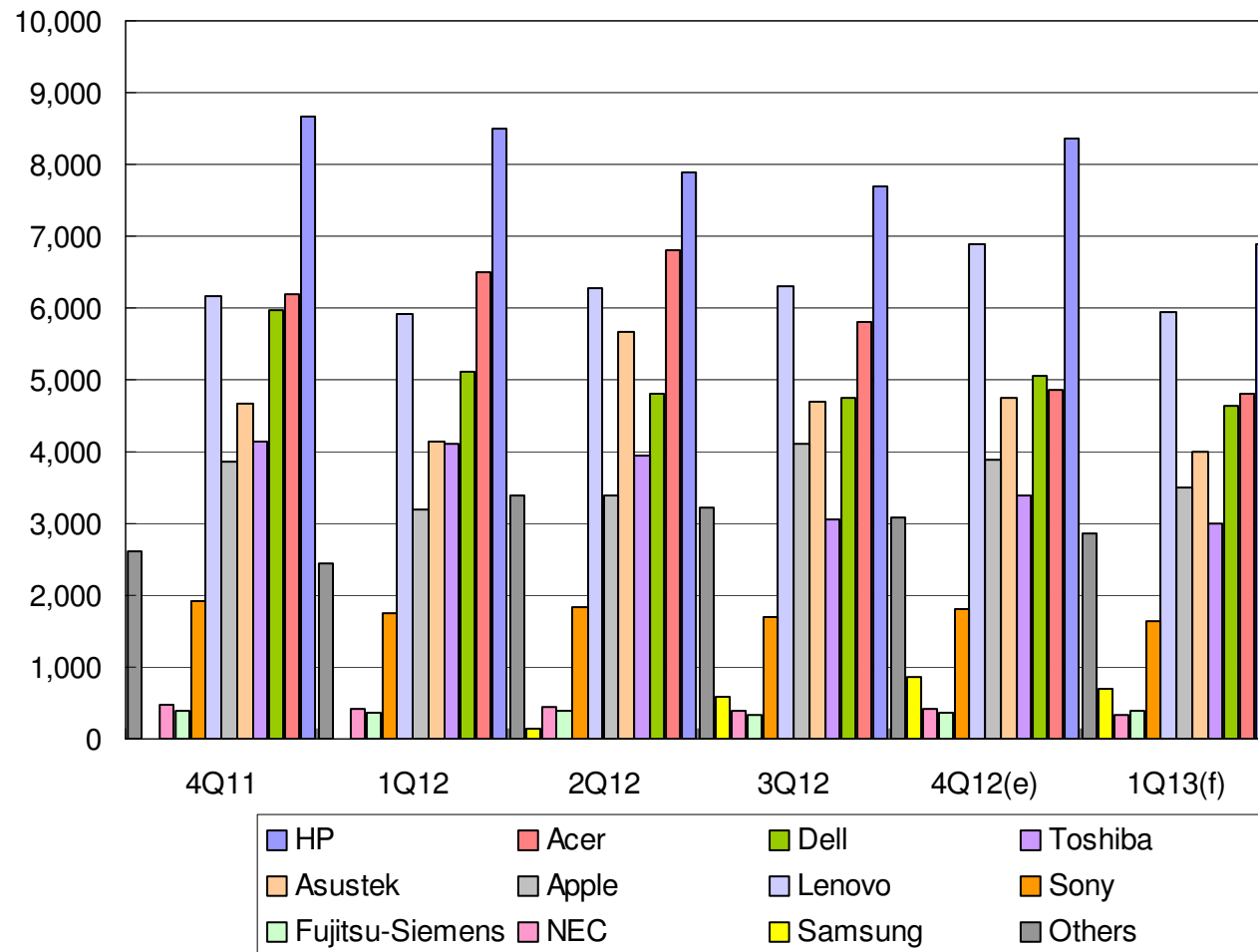
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- ✓ Taiwan's netbook shipments dropped further to only around two million units in the fourth quarter and major netbook brand vendors are all set to quit the netbook market.
- ✓ *Netbooks are notebook models with screens smaller than 12-inch.*

# Taiwan's share of worldwide netbook shipments, 3Q11-4Q12 (k units)



# Notebook shipments to top-11 brands, 4Q11-1Q13 (k units)



# Notebook shipments to top-11 brands, 4Q11-1Q13 (k units)

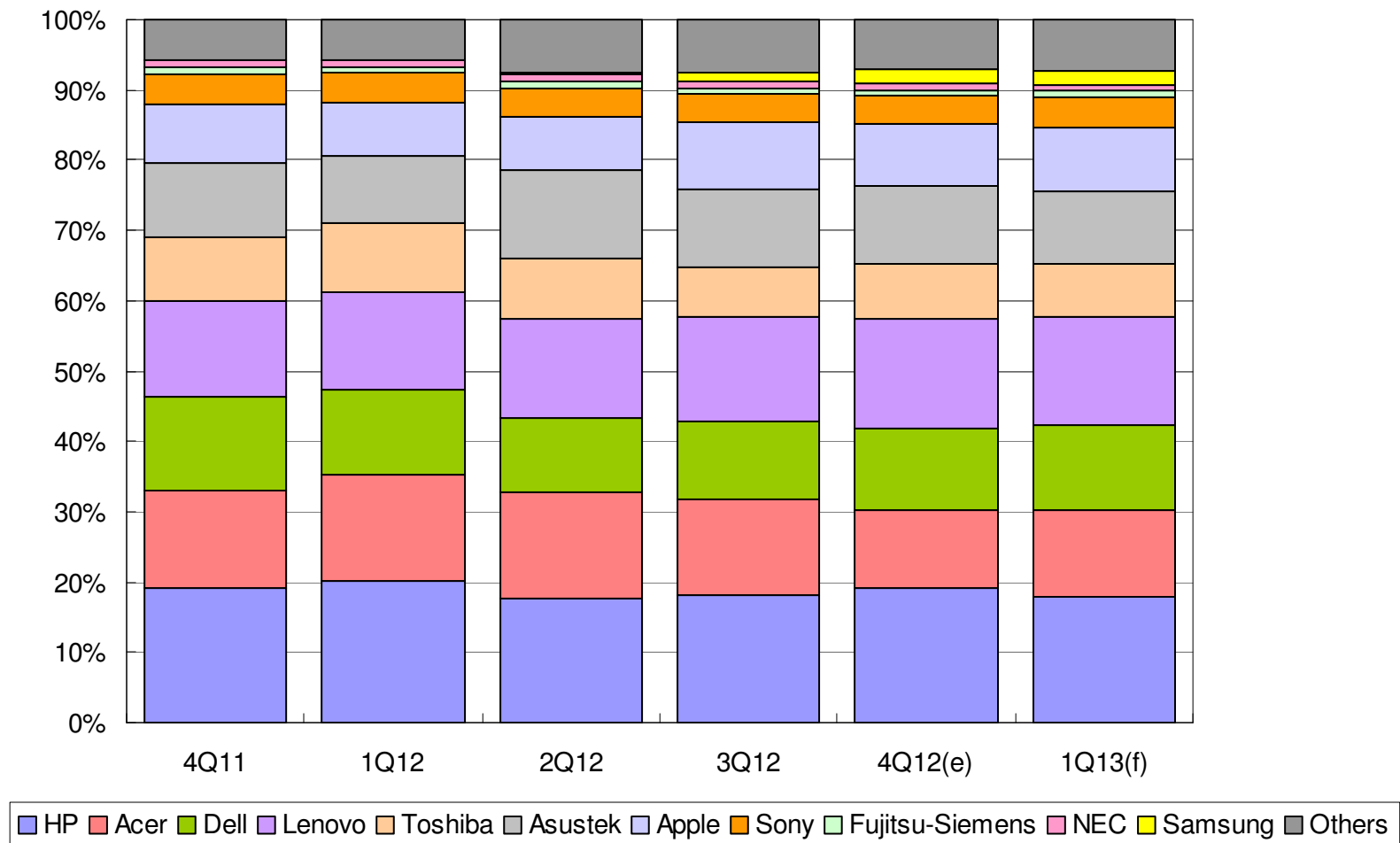
	HP	Acer	Dell	Toshiba	Asustek	Apple	Lenovo	Sony	Fujitsu-Siemens	NEC	Samsung	Others
1Q13(f)	6,900	4,800	4,650	3,000	4,000	3,500	5,950	1,650	390	330	700	2,873
4Q12(e)	8,350	4,850	5,050	3,400	4,760	3,900	6,880	1,800	350	410	850	3,088
3Q12	7,700	5,800	4,760	3,042	4,700	4,100	6,300	1,700	330	390	590	3,219
2Q12	7,900	6,800	4,800	3,950	5,660	3,400	6,290	1,820	385	450	140	3,398
1Q12	8,500	6,500	5,100	4,100	4,150	3,200	5,915	1,750	350	430	0	2,451
4Q11	8,660	6,200	5,975	4,130	4,680	3,850	6,160	1,930	380	465	0	2,624

# Brand vendors

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- ✓ Hewlett-Packard (HP) and Dell both increased their orders to Taiwan makers in the fourth quarter of 2012 in response to demand from year-end holiday shopping.
- ✓ Asustek is phasing out its netbook product line, devoting effort instead to its new low-price touchscreen-enabled VivoBook tablets. The new tablets are expected to squeeze demand for its other product lines.
- ✓ After aggressive adjustments to its inventory level, Toshiba expanded its orders to Taiwan makers in the fourth quarter of 2012 by about 12%.
- ✓ Demand for Apple's 15-inch Retina Display-based MacBook Pro started to slow down; the 13-inch MacBook Pro eroded some of the demand for the same-size MacBook Pro Air. Apple's overall notebook orders in the fourth quarter of 2012 were down slightly on quarter.
- ✓ Despite weak PC demand in China – Lenovo's domestic market on which it has long relied for sales growth – the vendor still raised its notebook orders in the fourth quarter of 2012 due to increased sales from other markets.
- ✓ In the first quarter of 2013, HP will significantly reduce its notebook orders to Taiwan makers due to its excessive inventory. The company's recent business reorganization is also expected to undermine its order placements.
- ✓ Rumors about Dell looking to delist from the US stock market may deter its enterprise clients from placing orders, and therefore the vendor's orders to Taiwan makers may be affected.

# Shipment share by brand, 4Q11-1Q13

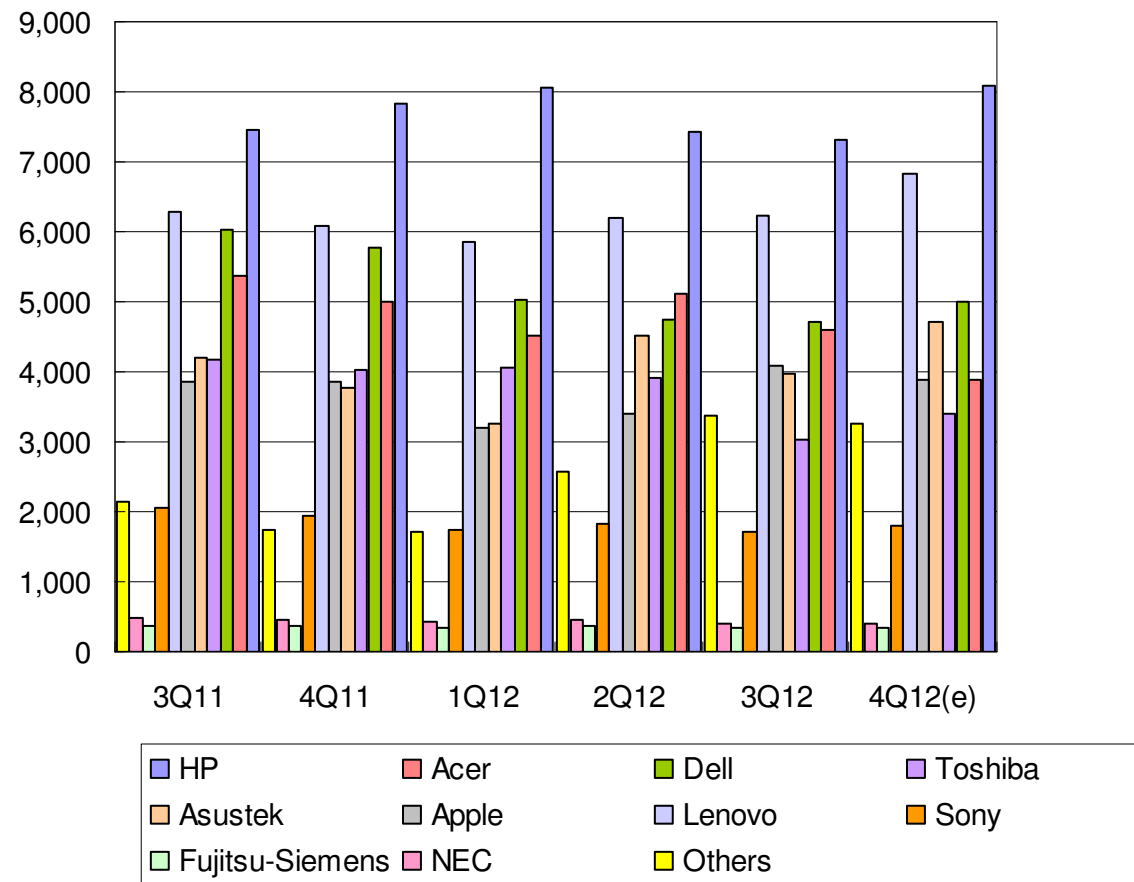


## Shipment share by brand, 4Q11-1Q13

	HP	Acer	Dell	Lenovo	Toshiba	Asustek	Apple	Sony	Fujitsu-Siemens	NEC	Samsung	Others
1Q13(f)	17.8%	12.4%	12.0%	15.4%	7.7%	10.3%	9.0%	4.3%	1.0%	0.9%	1.8%	7.4%
4Q12(e)	19.1%	11.1%	11.6%	15.7%	7.8%	10.9%	8.9%	4.1%	0.8%	0.9%	1.9%	7.1%
3Q12	18.1%	13.6%	11.2%	14.8%	7.1%	11.0%	9.6%	4.0%	0.8%	0.9%	1.4%	7.6%
2Q12	17.6%	15.1%	10.7%	14.0%	8.8%	12.6%	7.6%	4.0%	0.9%	1.0%	0.3%	7.6%
1Q12	20.0%	15.3%	12.0%	13.9%	9.7%	9.8%	7.5%	4.1%	0.8%	1.0%	0.0%	5.8%
4Q11	19.2%	13.8%	13.3%	13.7%	9.2%	10.4%	8.5%	4.3%	0.8%	1.0%	0.0%	5.8%



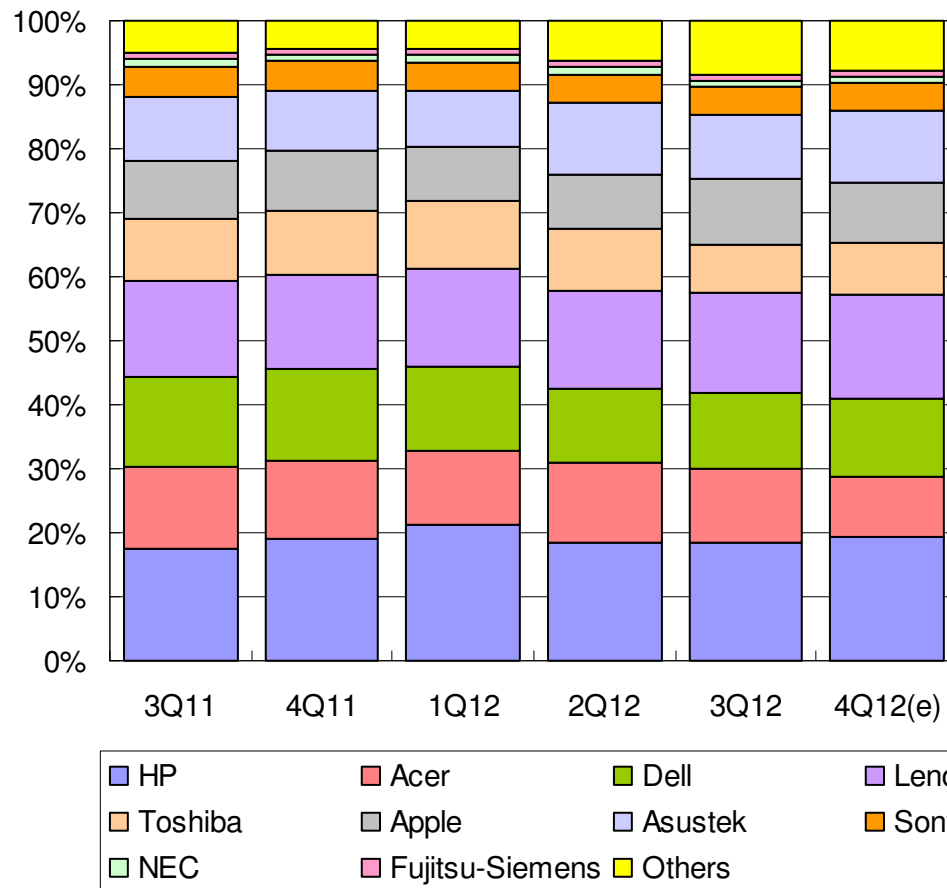
# Traditional notebook shipments to top-10 brands, 3Q11-4Q12 (k units)



# Traditional notebook shipments to top-10 brands, 3Q11-4Q12 (k units)

	HP	Acer	Dell	Toshiba	Asustek	Apple	Lenovo	Sony	Fujitsu-Siemens	NEC	Others
4Q12(e)	8,100	3,900	5,000	3,390	4,705	3,900	6,820	1,800	350	410	3,268
3Q12	7,300	4,600	4,700	3,022	3,980	4,100	6,240	1,700	330	390	3,359
2Q12	7,440	5,100	4,740	3,920	4,510	3,400	6,210	1,820	385	450	2,568
1Q12	8,065	4,500	5,015	4,070	3,250	3,200	5,845	1,750	350	430	1,701
4Q11	7,815	4,997	5,765	4,030	3,780	3,850	6,080	1,930	380	465	1,751
3Q11	7,450	5,375	6,030	4,160	4,200	3,850	6,280	2,050	370	500	2,136

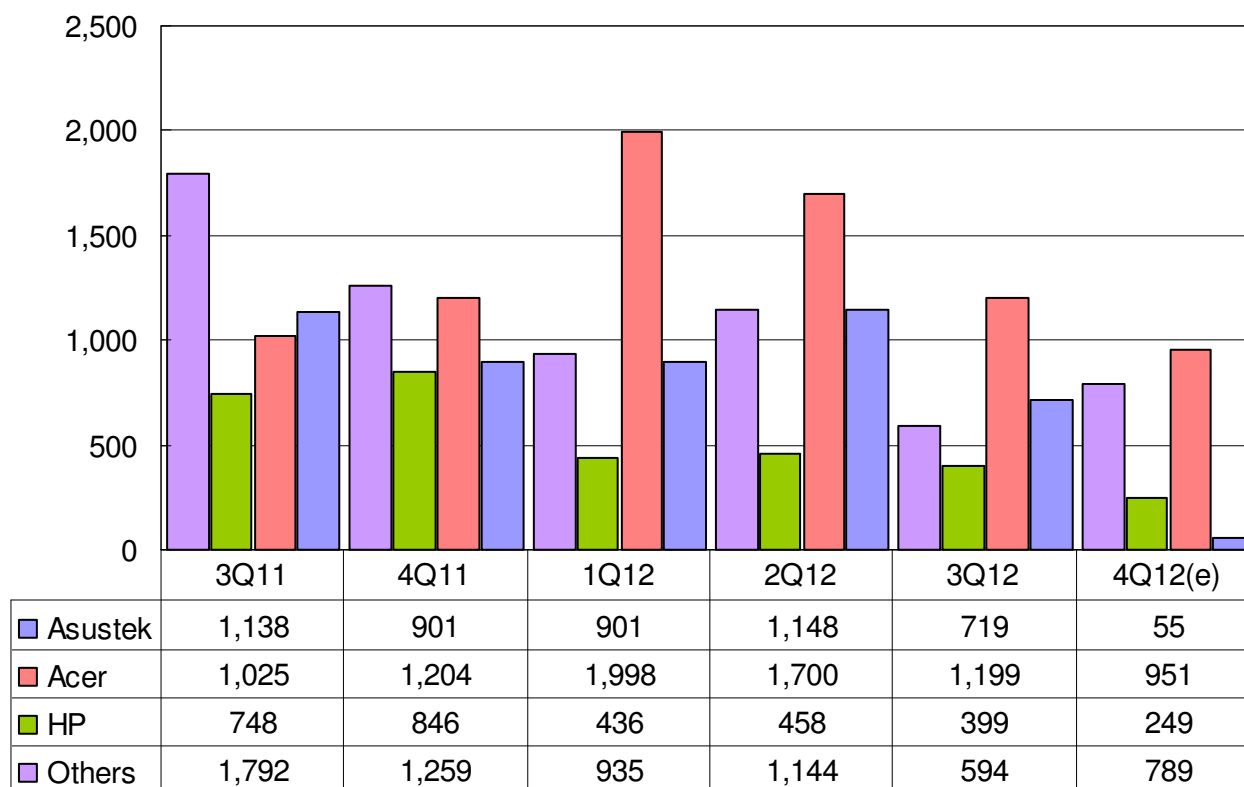
# Traditional notebook shipment share by brand, 3Q11-4Q12



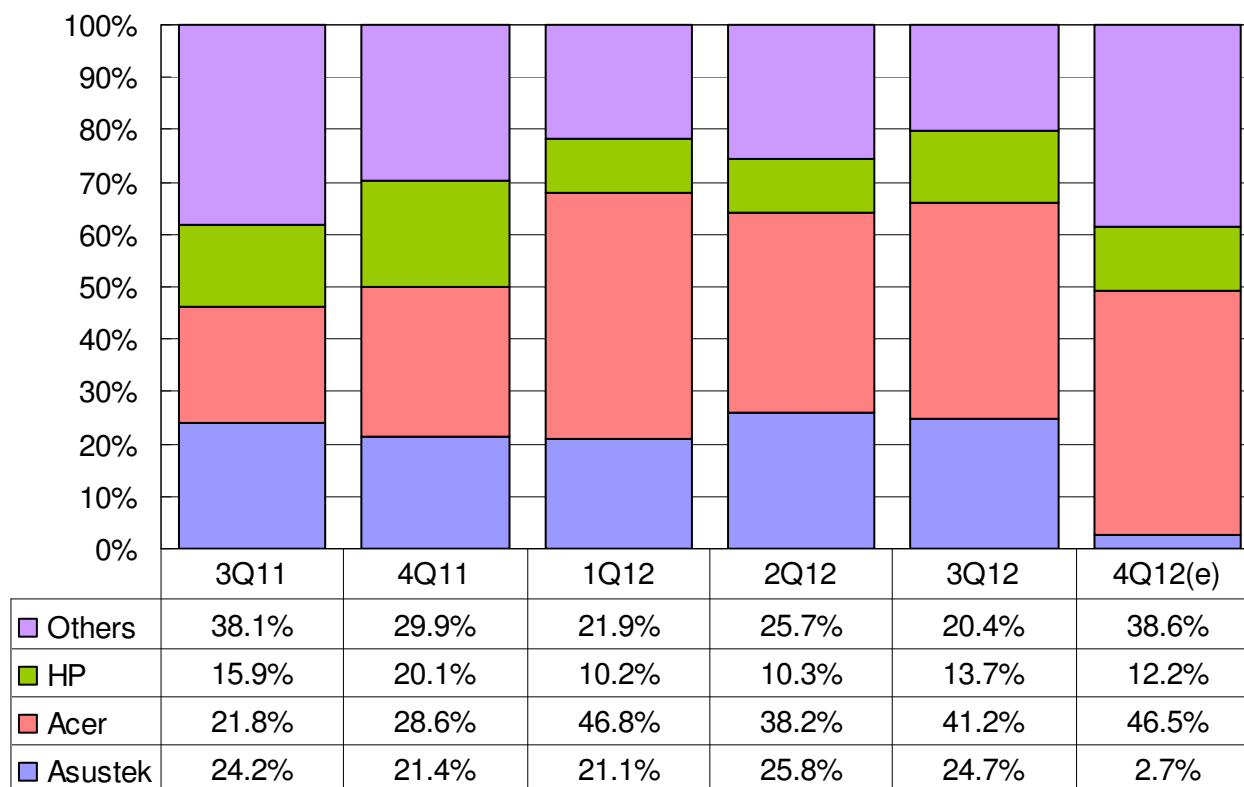
# Traditional notebook shipment share by brand, 3Q11-4Q12

	HP	Acer	Dell	Lenovo	Toshiba	Apple	Asustek	Sony	NEC	Fujitsu-Siemens	Others
4Q12(e)	19.5%	9.4%	12.0%	16.4%	8.1%	9.4%	11.3%	4.3%	1.0%	0.8%	7.8%
3Q12	18.4%	11.6%	11.8%	15.7%	7.6%	10.3%	10.0%	4.3%	1.0%	0.8%	8.5%
2Q12	18.4%	12.6%	11.7%	15.3%	9.7%	8.4%	11.1%	4.5%	1.1%	0.9%	6.3%
1Q12	21.1%	11.8%	13.1%	15.3%	10.7%	8.4%	8.5%	4.6%	1.1%	0.9%	4.5%
4Q11	19.1%	12.2%	14.1%	14.9%	9.9%	9.4%	9.3%	4.7%	1.1%	0.9%	4.3%
3Q11	17.6%	12.7%	14.2%	14.8%	9.8%	9.1%	9.9%	4.8%	1.2%	0.9%	5.0%

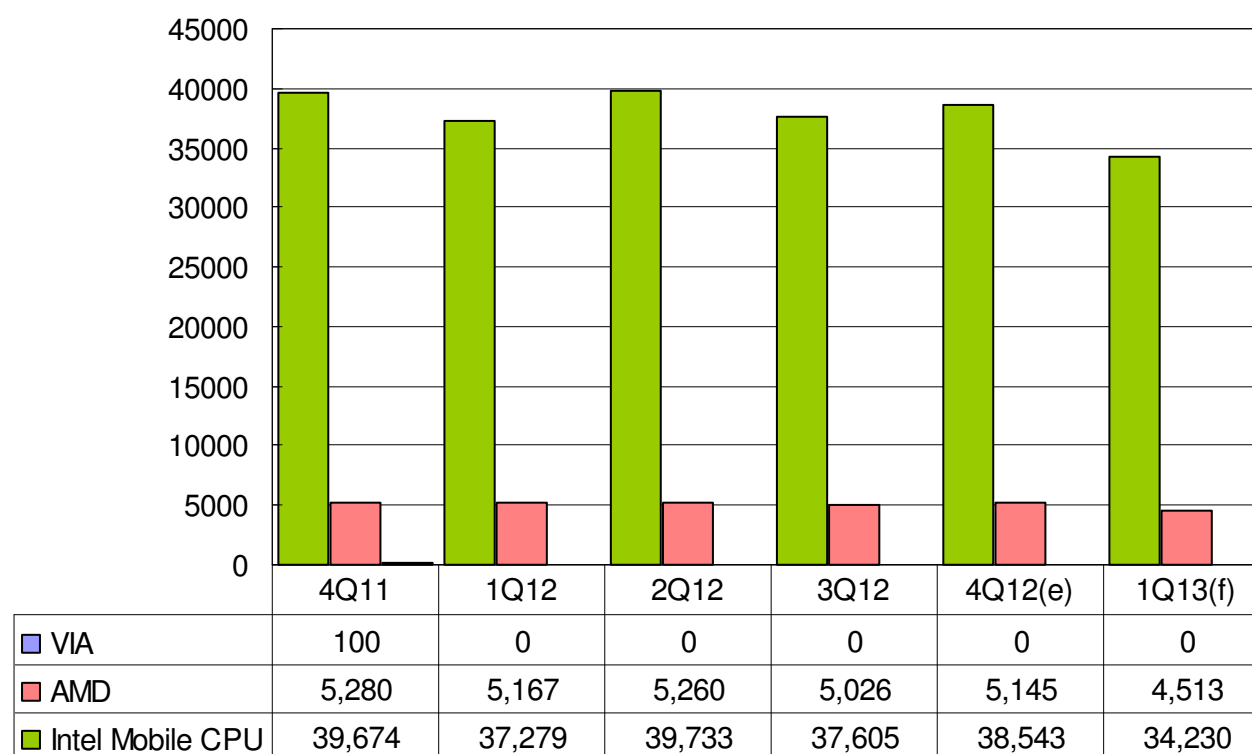
# Netbook shipments to major brands, 3Q11-4Q12 (k units)



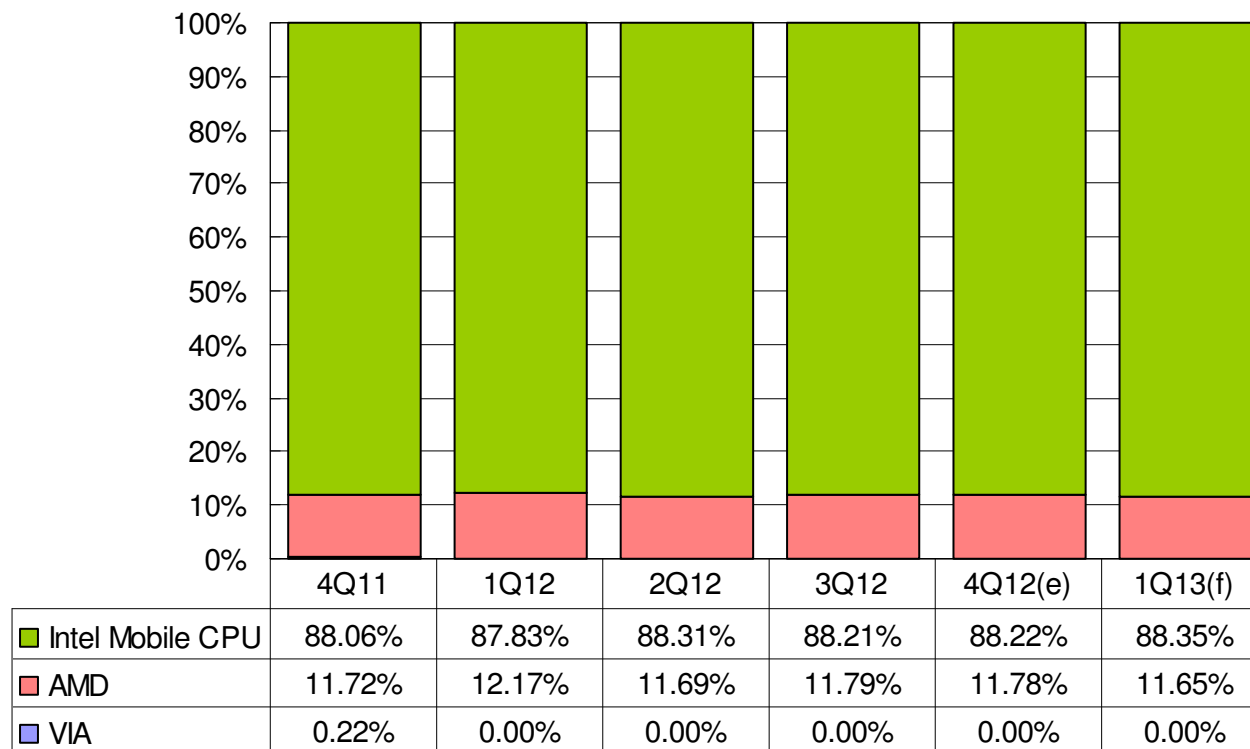
# Netbook shipment share by brand, 3Q11-4Q12



# Notebook shipments by CPU, 4Q11-1Q13 (k units)



# Notebook shipment share by CPU, 4Q11-1Q13



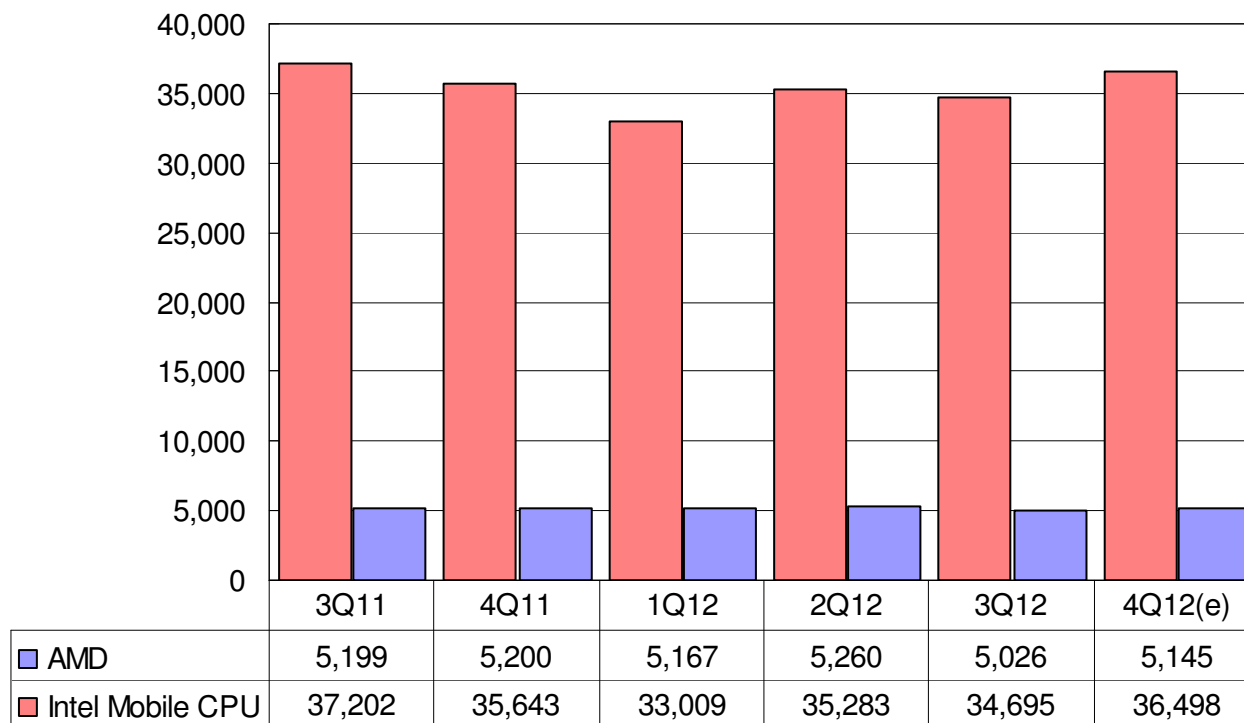


# CPU<sub>s</sub>

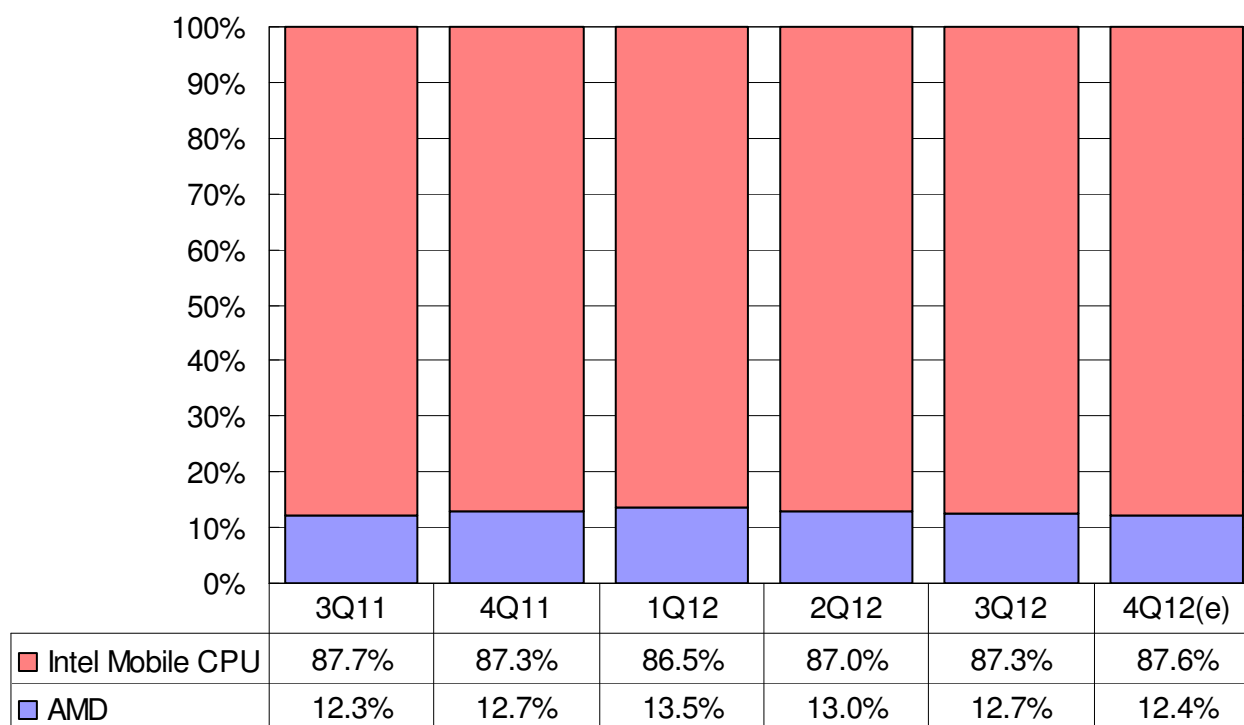
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- ✓ Since most brand vendors have no plan to release new notebook products in the first quarter of 2013, Intel- and AMD-based notebook models' shares of shipments will remain similar to those in previous quarters.

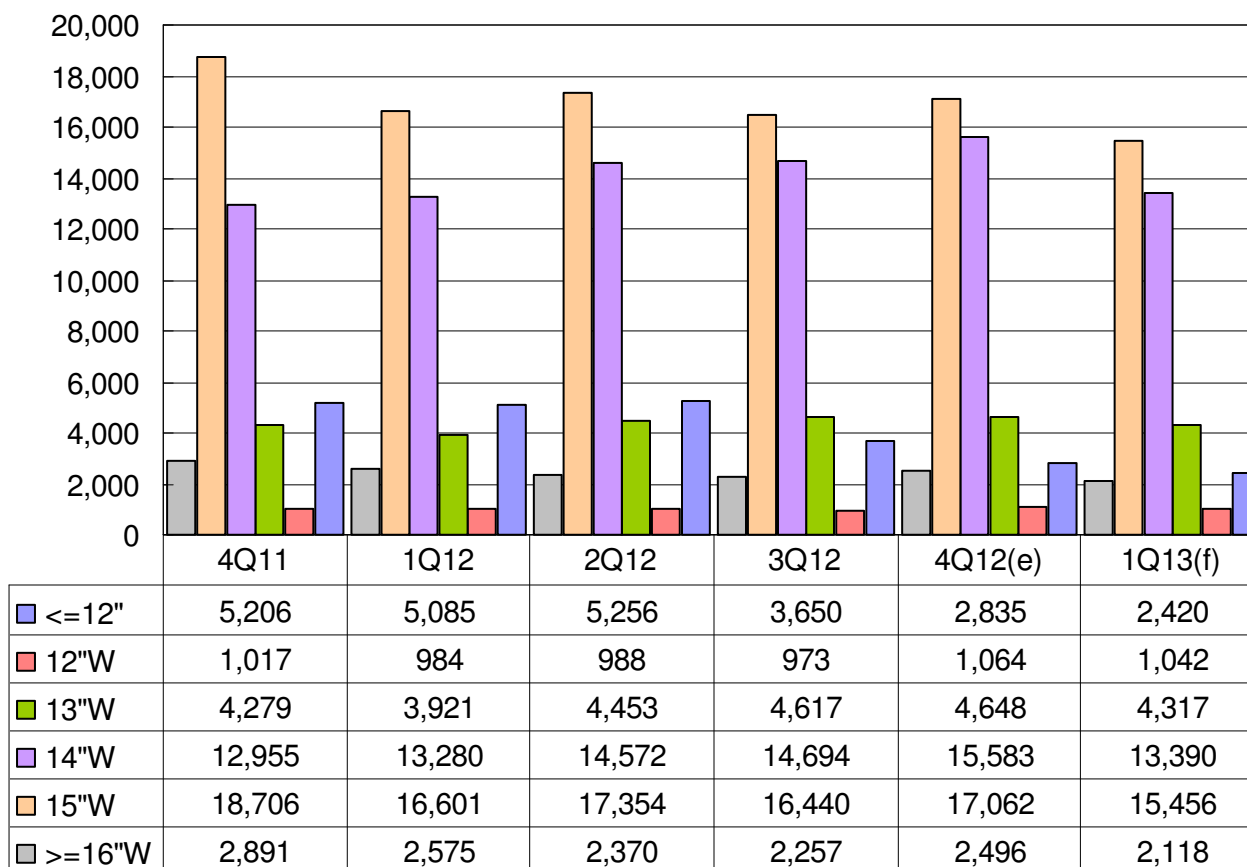
# Traditional notebook shipments by CPU, 3Q11-4Q12 (k units)



# Traditional notebook shipment share by CPU, 3Q11-4Q12



# Notebook shipments by screen size, 4Q11-1Q13 (k units)

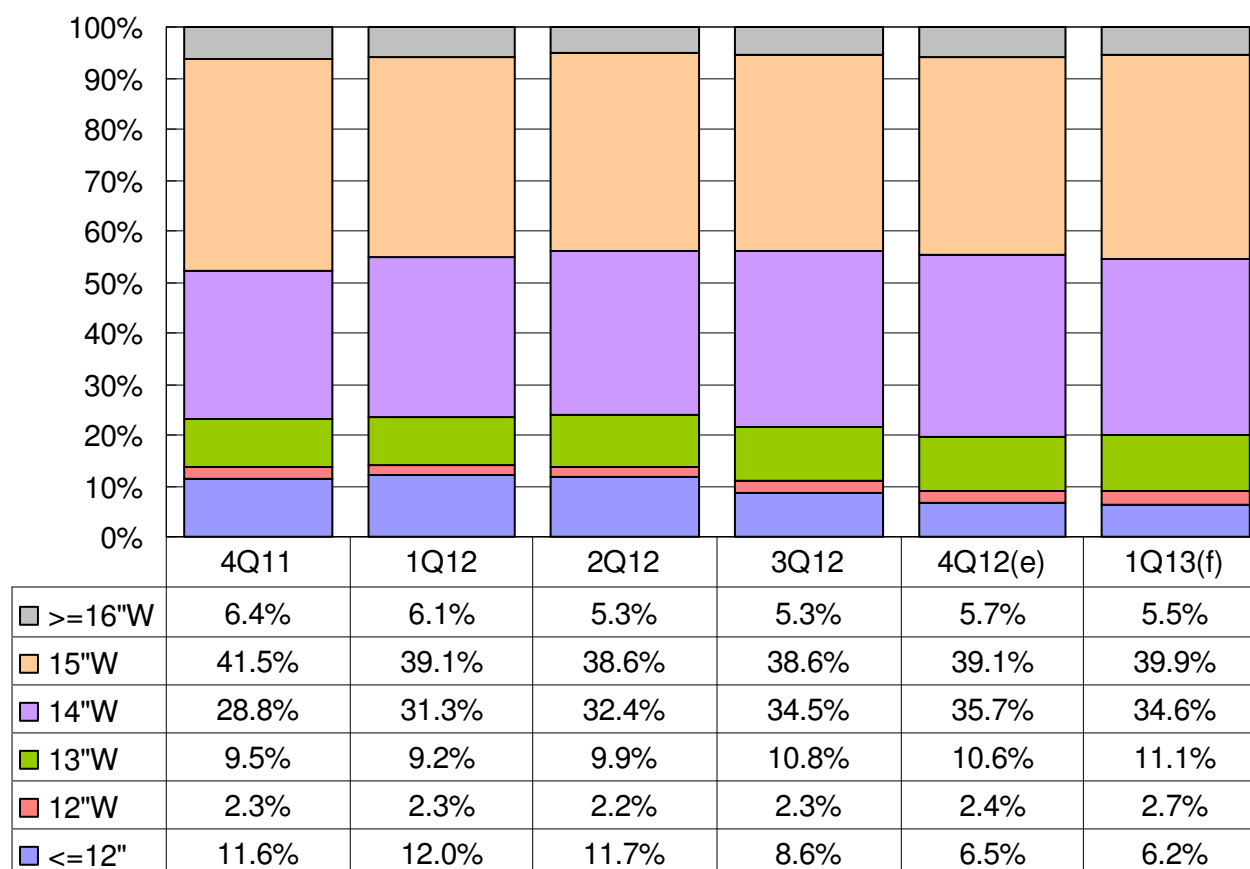


# Screen sizes

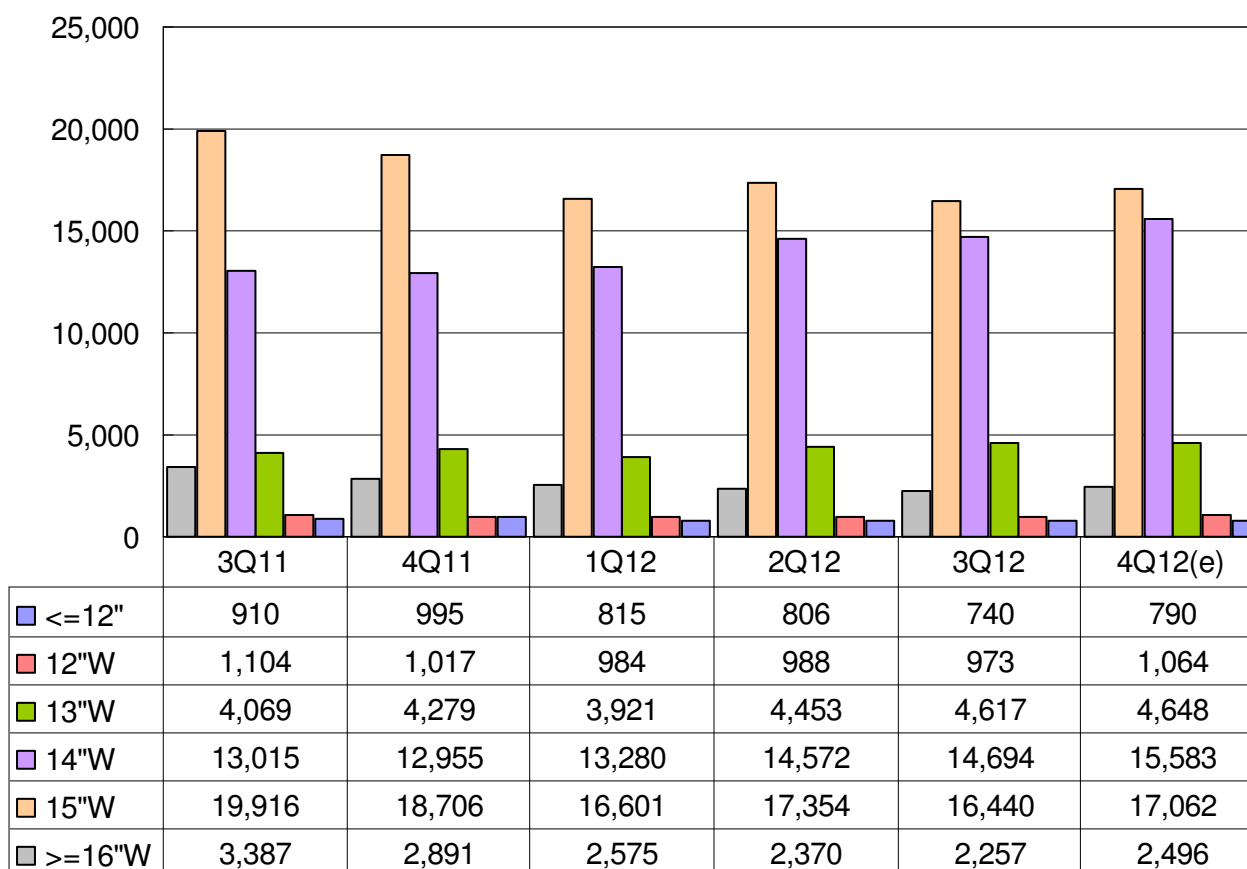
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- ✓ Taiwan's notebook shipments to the 12-inch and below segment will drop to only around 2.4 million units in the first quarter of 2013, much lower compared to the volumes in previous quarter, as vendors phase out netbook models.
- ✓ Strong entry-level notebook demand during year-end 2012 allowed Taiwan's notebook shipments to both the 14-inch and 15-inch segments to grow in the fourth quarter of 2012. The two sizes are the most popular specifications for entry-level models.
- ✓ Taiwan's shipments to the 13-inch segment will drop the least among mainstream-size segments in the first quarter of 2013 due to Apple's strong 13-inch notebook orders.

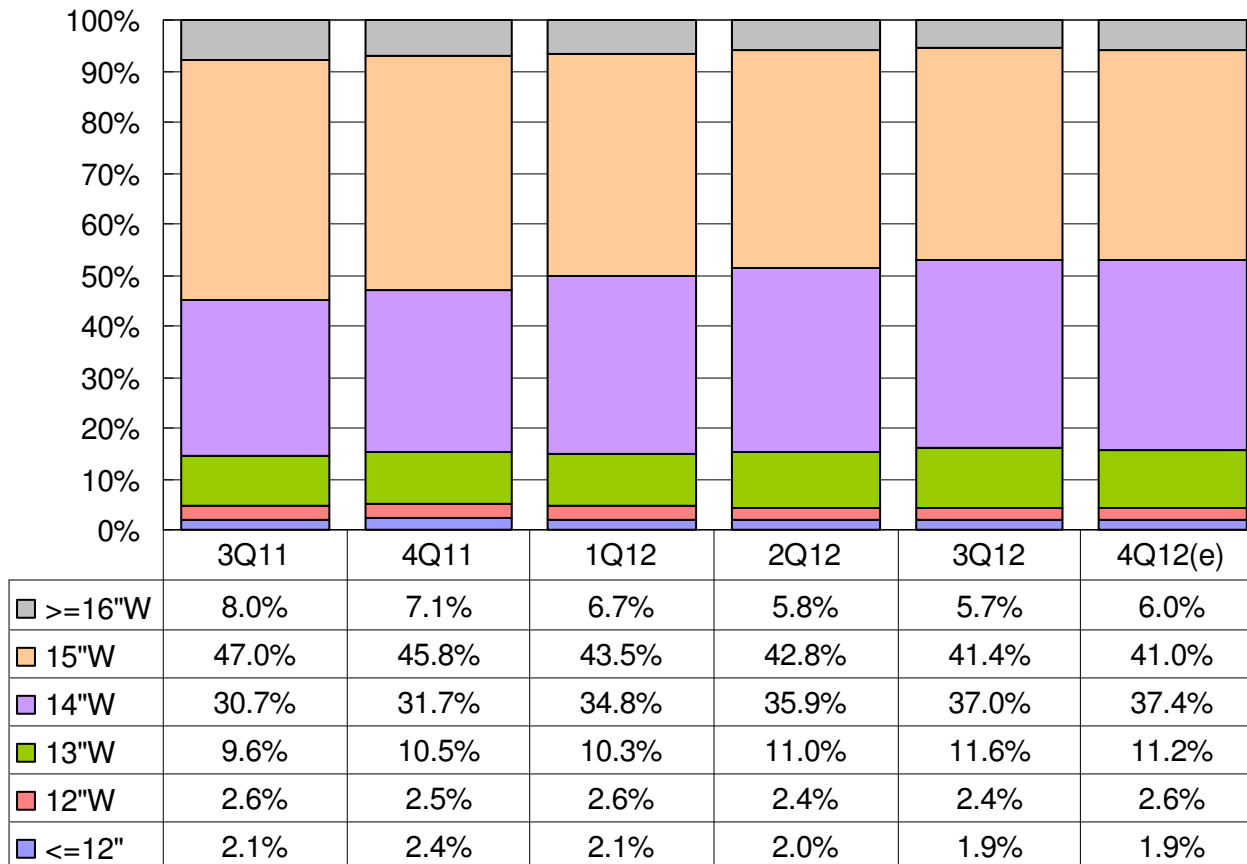
# Notebook shipment share by screen size, 4Q11-1Q13



# Traditional notebook shipments by screen size, 3Q11-4Q12 (k units)

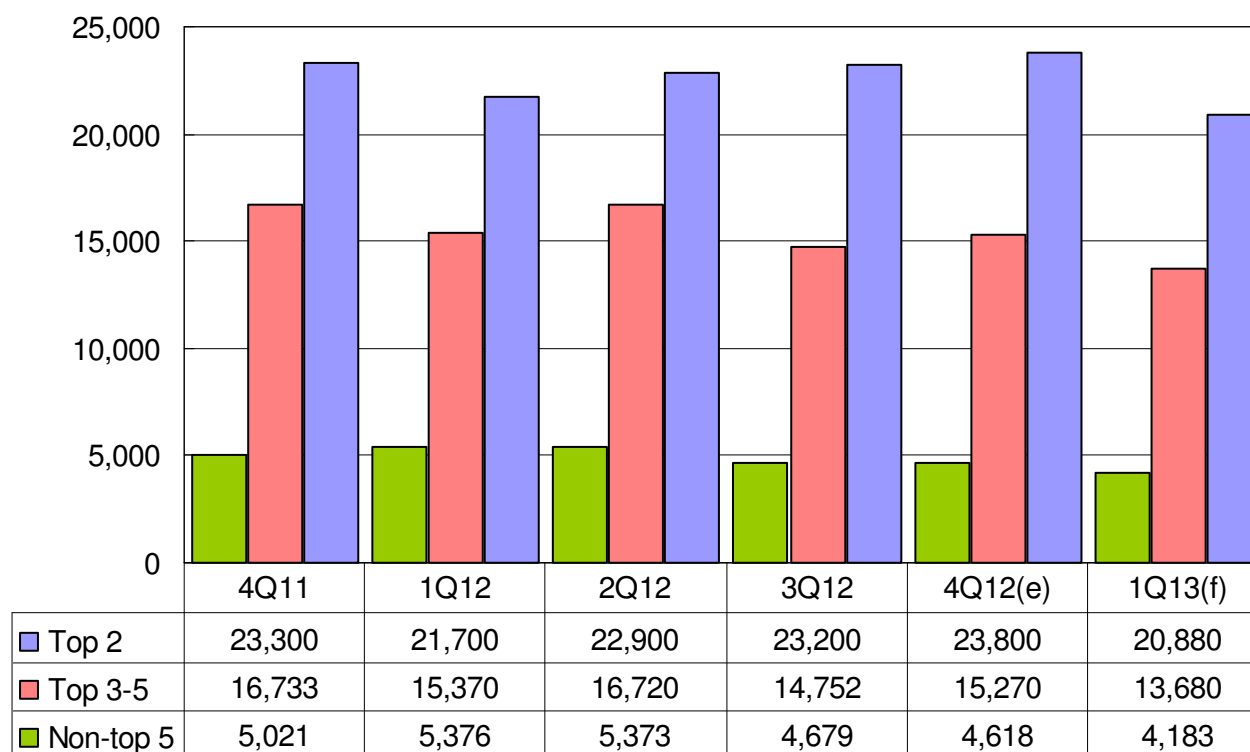


# Traditional notebook shipment share by screen size, 3Q11-4Q12

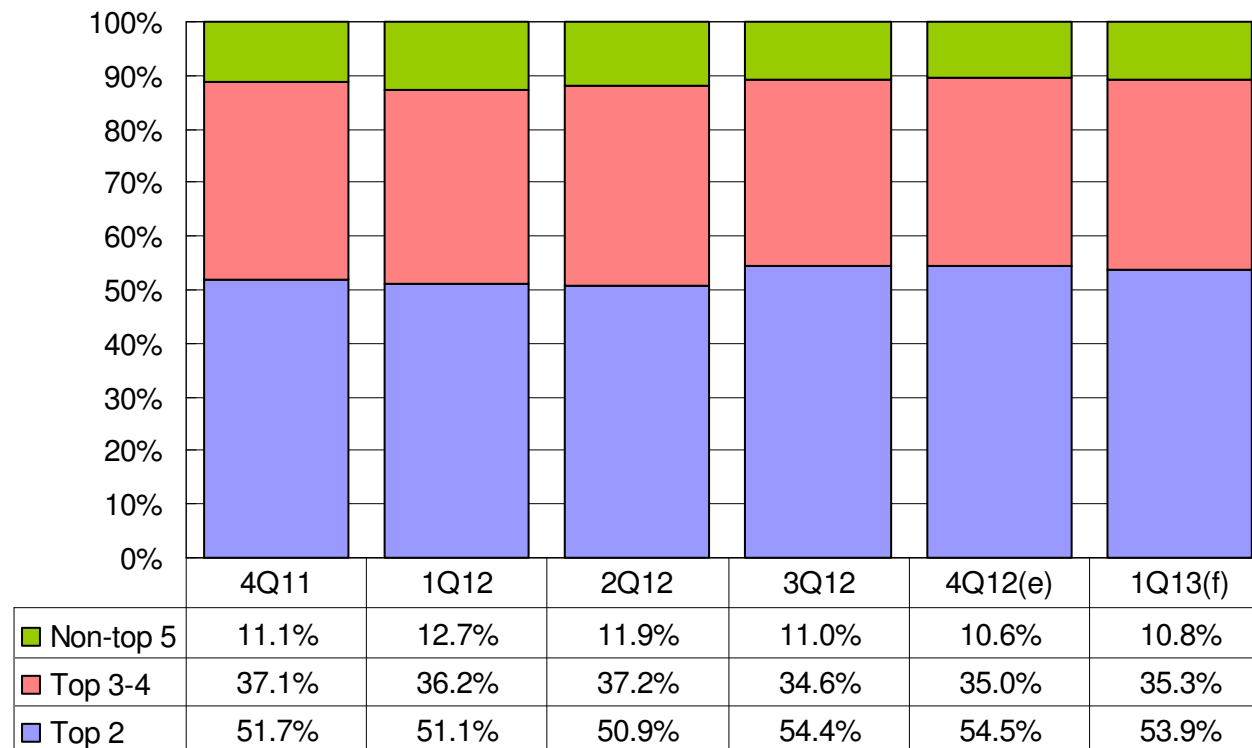




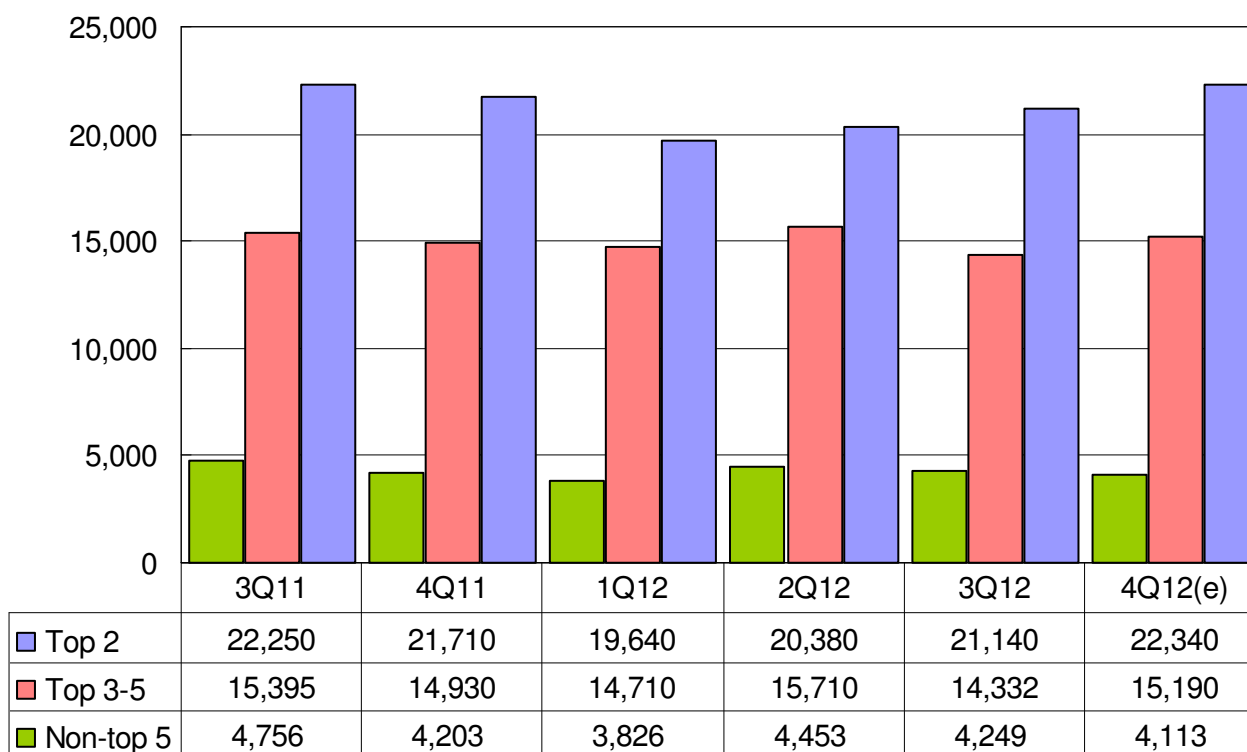
# Notebook shipments by maker tier, 4Q11-1Q13 (k units)



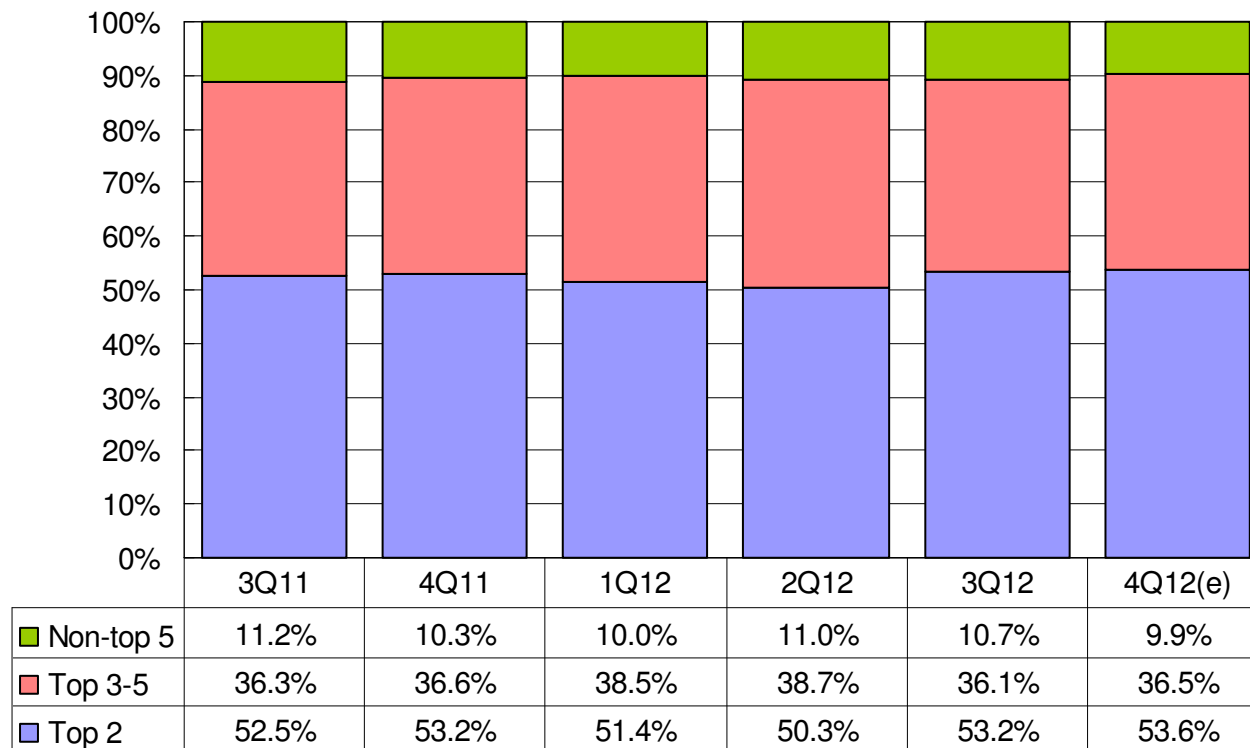
# Notebook shipment share by maker tier, 4Q11-1Q13



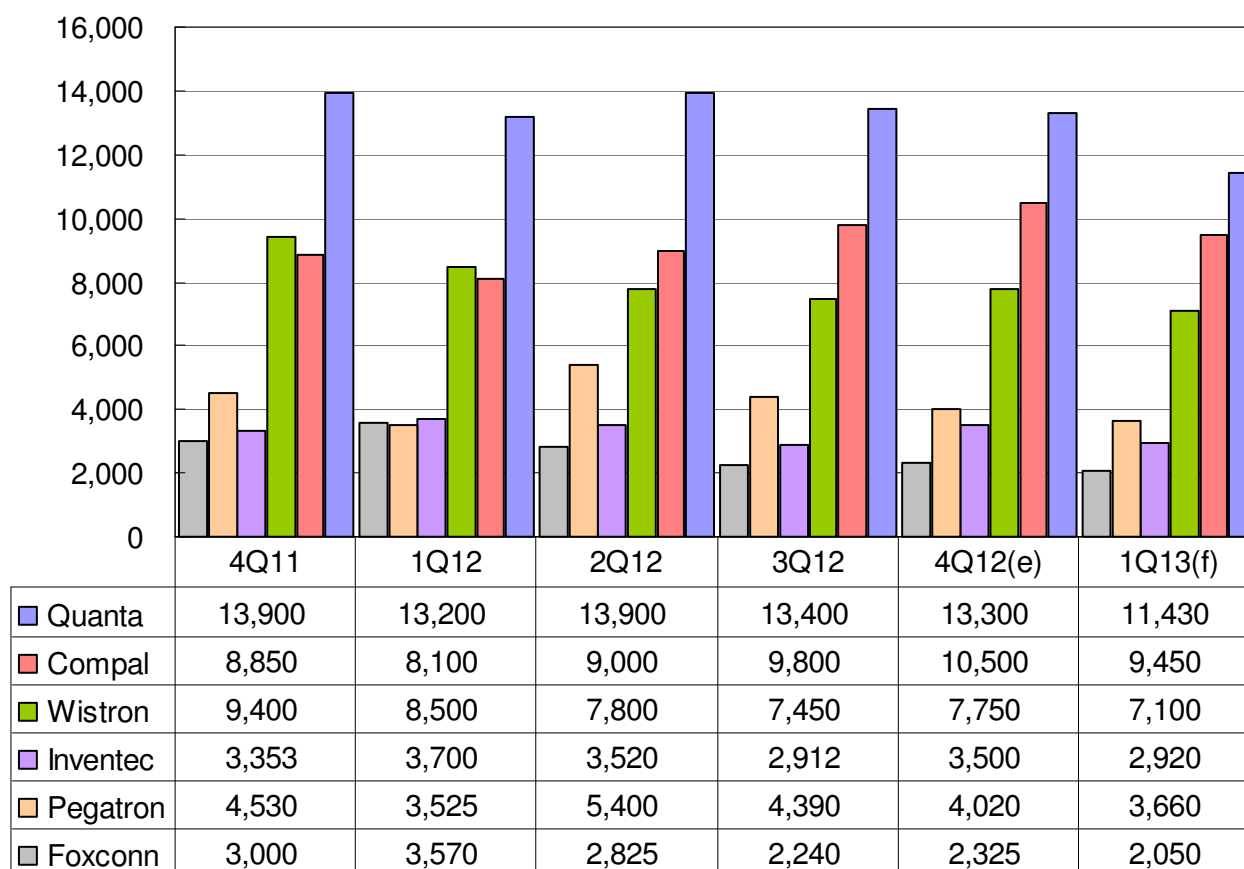
# Traditional notebook shipments by maker tier, 3Q11-4Q12 (k units)



# Traditional notebook shipment share by maker tier, 3Q11-4Q12



# Top-6 makers' shipments, 4Q11-1Q13 (k units)

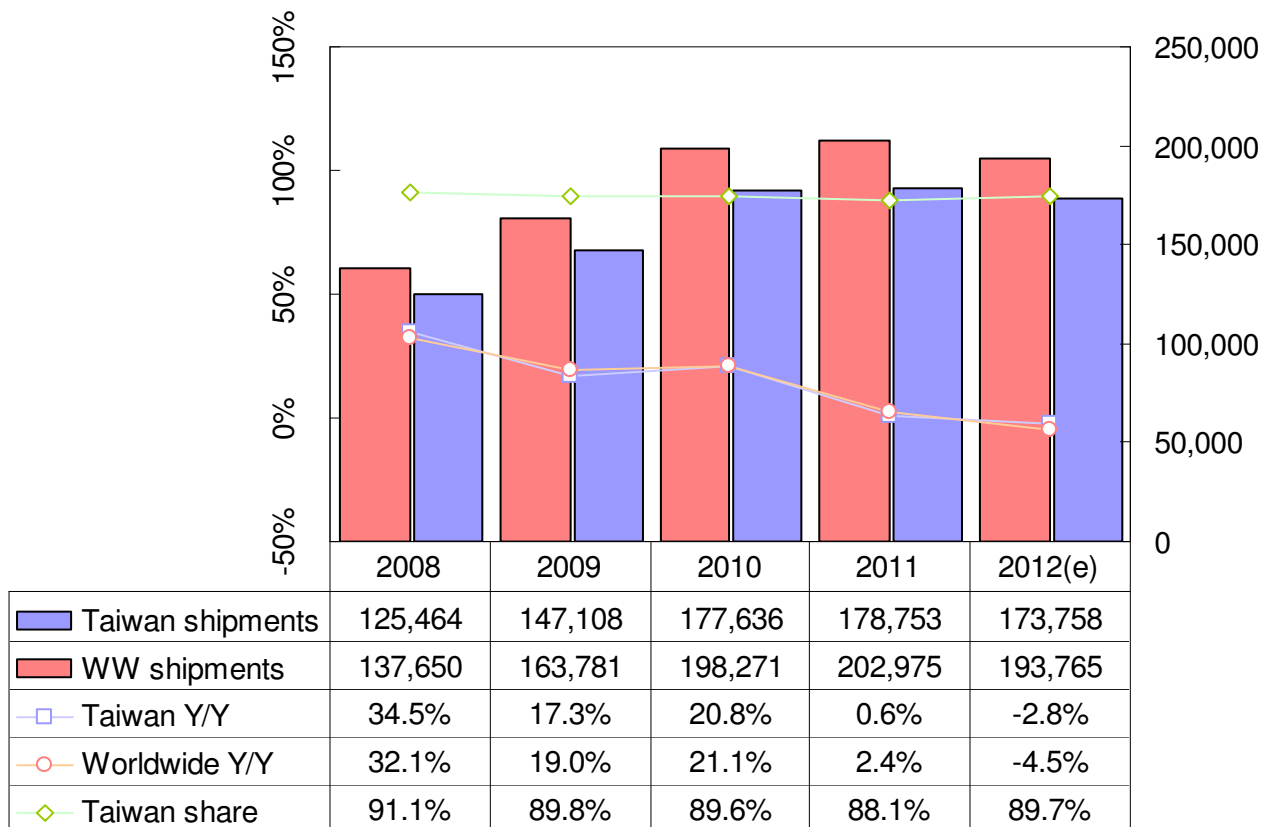


# Makers

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- ✓ Quanta Computer and Pegatron Technology were the only two top-six notebook makers that saw sequential shipment drops in the fourth quarter of 2012. Quanta's shipment dropped because of declines in orders from Apple, while Pegatron was impacted by weak orders from Asustek.
- ✓ Increases in orders from Dell, Lenovo and Samsung helped Compal Electronics achieve growth in the fourth quarter of 2012 despite declines in orders from HP, Acer and Asustek.
- ✓ Inventec had the strongest shipment growth among the top-6 makers at 20% thanks to expanded orders from HP and Toshiba.
- ✓ Although Dell placed less orders with Wistron in the fourth quarter of 2012, the ODM still achieved shipment growth due to slight increases in orders from HP, Lenovo and Sony.
- ✓ In the first quarter of 2013, Quanta's shipments will drop further because of weakening orders from Apple and Asustek.
- ✓ Meanwhile, both Inventec and Foxconn Electronics (Hon Hai Precision Industry) will be impacted by weaker orders from HP.

# Taiwan and worldwide notebook shipments, 2008-2012 (k units)



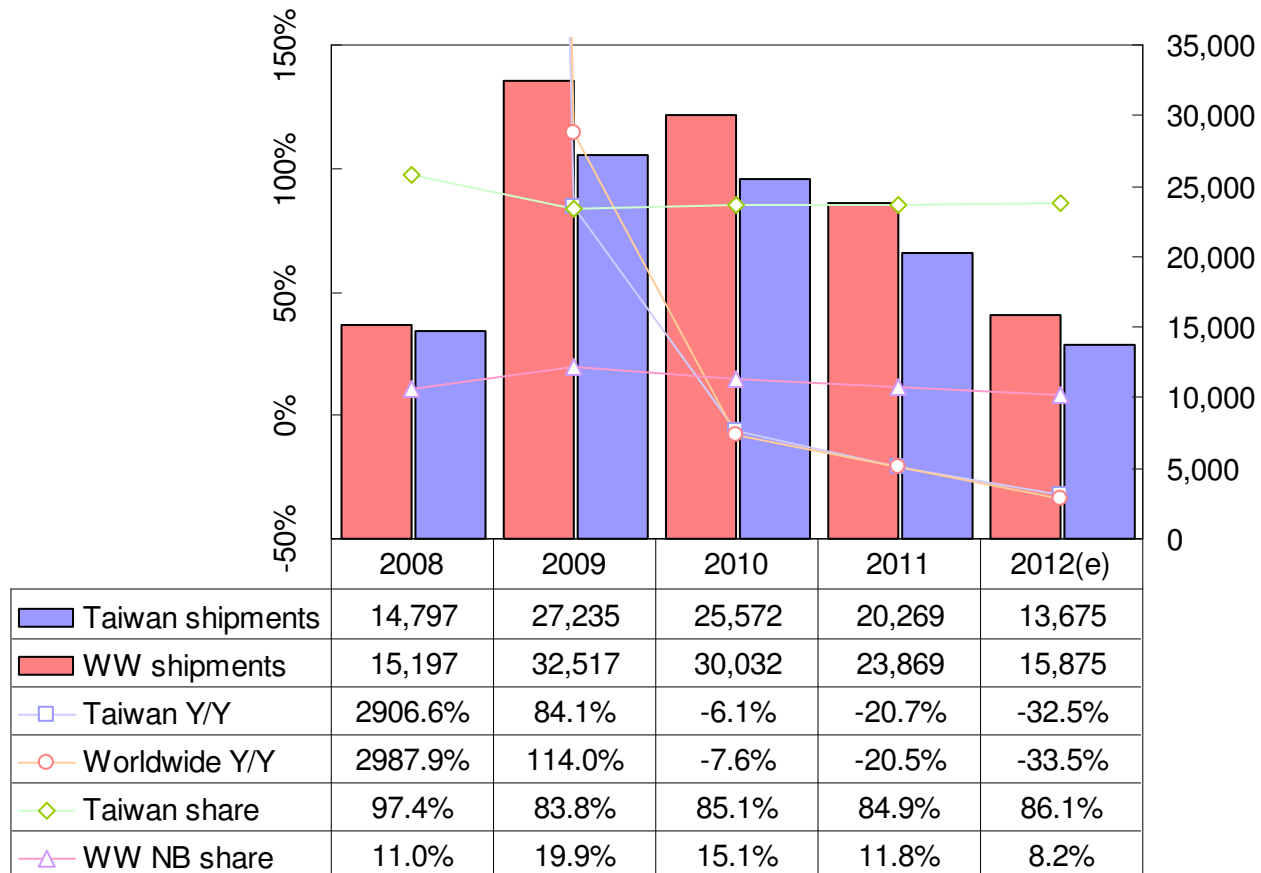
# Annual shipments

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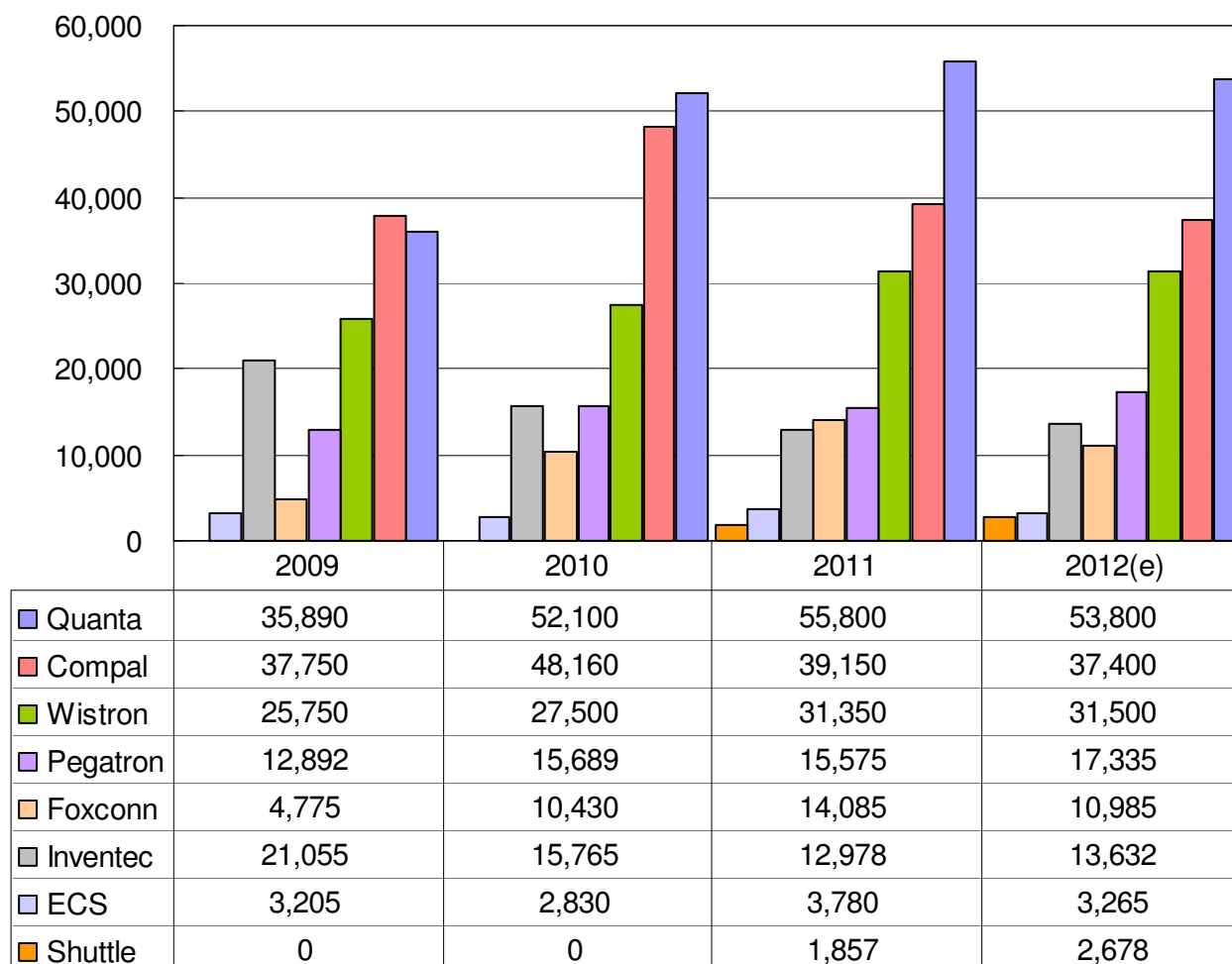
- ✓ Global netbook shipments reached around 16 million units in 2012, dropping to a level similar to that of 2008 due to competition from tablets.



# Taiwan and worldwide netbook shipments, 2008-2012 (k units)



# Notebook shipments by maker, 2009-2012 (k units)

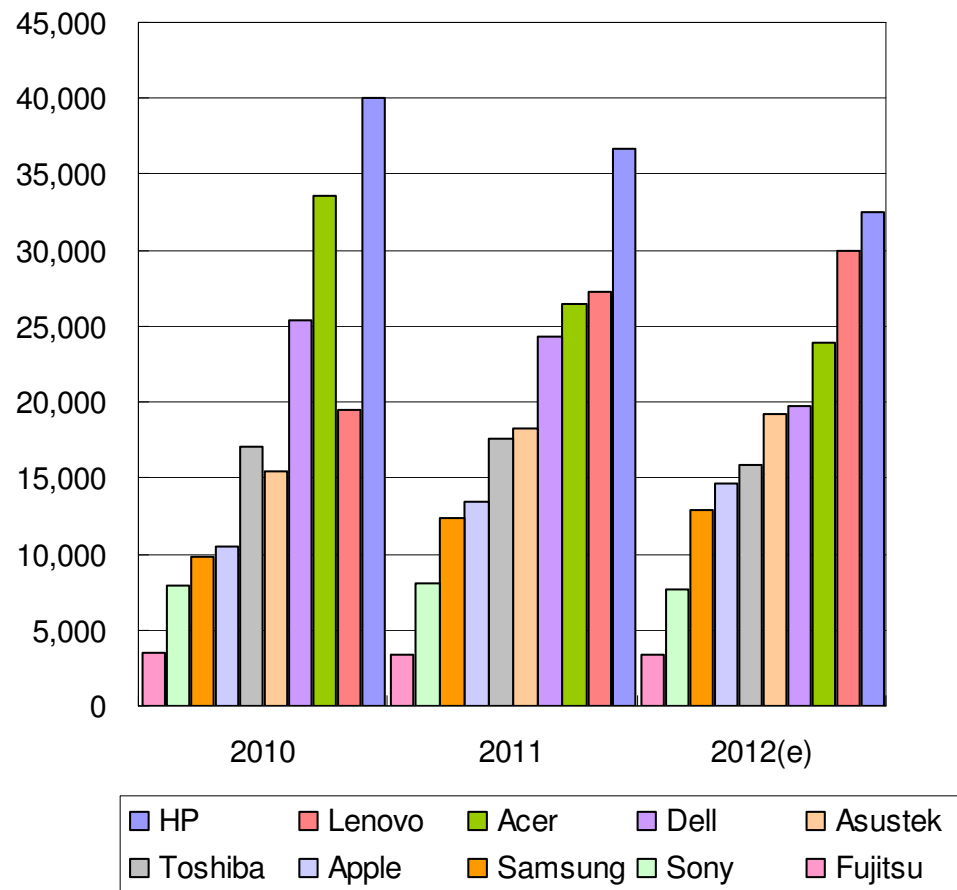


# Makers

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- ✓ Pegatron enjoyed an 11.3% on-year shipment growth in 2012 mainly due to new orders from Toshiba and it had the best performance among the Taiwan-based makers.

# Worldwide notebook shipments to top-10 brands, 2010-2012 (k units)



## Worldwide notebook shipments to top-10 brands, 2010-2012 (k units)

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	HP	Lenovo	Acer	Dell	Asustek	Toshiba	Apple	Samsung	Sony	Fujitsu
2012(e)	32,450	30,010	23,950	19,710	19,270	15,824	14,600	12,900	7,685	3,380
2011	36,713	27,285	26,415	24,265	18,270	17,663	13,400	12,300	8,041	3,350
2010	39,967	19,491	33,587	25,337	15,449	16,995	10,475	9,800	7,883	3,440

# Top-10 brands

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- ✓ Taiwan's shipments to Lenovo were only about two million units less than those to HP in 2012, showing the China-based vendor's ambition to become the number-one vendor.
- ✓ Acer remained as the third-largest client of Taiwan makers in 2012, helped mainly by its strong orders in the first half.
- ✓ Dell still stayed at fourth and led Asustek by only less than 500,000 units.