Hardware & Networking

Industry Model: Solid Revisions on Display Across Servers, DC Switch, DCI & AEC TAM

02 July 2026

We are updating our industry model for the Hardware and Networking sector, spanning markets like Server, Storage, Switch, Wireless LAN, DCI, Router, Broadband Access, and AEC, including TAMs as well as growth outlook from 2026 through 2030..

The industry model continues to highlight expectations from third-party analysts for a robust growth outlook for product markets linked to AI infrastructure investments , including strong 2026-2030 CAGRs for: 1) Servers of +31%; 2) Ethernet Data Center Switching of +29%; 3) DCI of +26% ; and 4) AEC of +28%. Growth outlooks across most other traditional end-markets continue to be in the low-to-mid single digit range.

In relation to revisions to the market outlook relative to prior forecasts from Mar-26: 1) Server market for 2026/27/28 was revised higher by +9%/+12%/+20%; 2) Ethernet Data Center Switch market for for 2026/27/28 was revised higher by +2%/+12%/+7%; 3) DCI market for 2026/27/28 was revised higher by +15%/+22%/+28%; 4) External Storage market for 2026/27/28 was largely unchanged; 5) AEC market for 2026/27/28 was revised higher by +5%/+19%/+5%.

We go through the key product market outlooks below, while detailed market share trends by vendors in each category are discussed later in the report.

- **Servers: Robust +31% growth outlook through 2030 supported by investments into AI compute infrastructure.** The global Server market is estimated to expand to $473 bn in 2026 from $284 bn in 2025, implying +67% y/y growth, while the long term CAGR from 2026 through 2030 is expected to track to +31%. Market growth is primarily driven by investments into compute infrastructure to support AI, with the AI server market (*75% of total*) expected to track to +37% CAGR through the same period. ***Quarterly Share Dynamics:*** DELL's market share rose to 21% in 1Q26 (vs. 15% in 4Q25 and 10% in 1Q25) vs. SMCI of 9% (vs. 13% in 4Q25 and 6% in 1Q25) and HPE of 4% (vs. 4% in 4Q25 and 6% in 1Q25).

- **Data Center Ethernet Switch: Robust double-digit growth supported by demand for high-speed interconnects across AI compute .** The Data Center Ethernet market is estimated to expand to $46 bn in 2026 from $32 bn in 2025, implying +43% y/y growth, while the long-term CAGR from 2026 through 2030 is expected to track to +29%. Near-term growth is driven by the 1.6T ramp in 2026-2028, followed by 3.2T becoming a bigger driver towards the end of the decade . Robust growth in data center networking is supported by AI/accelerator cluster buildouts requiring denser, faster interconnect fabrics. ***Quarterly Share Dynamics :*** ANET's market share rose to 22% in 1Q26 (vs. 20% in 4Q25 and 24% in 1Q25) vs. CSCO of 19% (vs. 17% in 4Q25 and 19% in 1Q25) and CLS of 15% (vs. 12% in 4Q25 and 13% in 1Q25).

- **AI Data Center Switch: Growth outlook of +40% supported by Ethernet.** The AI Data Center Switch market is estimated to expand to $24 bn in 2026 from $11 bn in 2025, implying +116% y/y growth, while the long-term CAGR from 2026 through 2030 is expected to track to +40%. With respect to technology segments, the bulk of the growth is expected to be driven by Ethernet (*Backend CAGR of +45% through 2030; and Frontend of +55%*), while InfiniBand Switches are expected to slightly contract at a rate of -1%

CAGR through 2030. ***Quarterly Share Dynamics:*** NVDA's market share rose to 50 % in 1Q26 (vs. 43% in 4Q25 and 49% in 1Q25) vs. CLS of 18% (vs. 16% in 4Q25 and 15% in 1Q25) and ANET of 16% (vs. 18% in 4Q25 and 16% in 1Q25).

- **Data Center Interconnect: Accelerating growth through end of decade as market shifts from Systems to Pluggable Optics.** The Data Center Interconnect market is estimated to expand to $13 bn in 2026 from $9 bn in 2025, implying +40% y/y growth, while the long-term CAGR from 2026 through 2030 is expected to track to +26%. With respect to platform types, market outlook embeds a market share shift from Optical Systems (Line Systems/Transponders) to standard Switch/Routers with Pluggable optics. Robust growth in the aggregate market is driven by expanding use cases across connecting AI data centers - which are disaggregated due to power constraints. ***Quarterly Share Dynamics:*** CSCO's market share rose to 20% in 1Q26 (vs. 17% in 4Q25 and 17% in 1Q25) vs. CIEN of 19% (vs. 18% in 4Q25 and 22% in 1Q25) and HPE of 8% (vs. 9% in 4Q25 and 10% in 1Q25).

- **External Storage: Modest mid-single-digit outlook led by cloud-driven growth as enterprises shift workloads to cloud.** The External Storage market is estimated to expand to $82 bn in 2026 from $71 bn in 2025, implying +15% y/y growth, while the long-term CAGR from 2026 through 2030 is expected to track at +4%. As enterprises continue to shift workloads to cloud, Private Cloud / Hybrid Cloud is expected to track to a CAGR of +14% from 2026 through 2030, while Tier 2/3 Cloud Providers and US Top 5 Cloud Providers are expected to grow at +6% and +2% CAGRs, respectively, and Enterprise is expected to track to a -3% decline over the same period. ***Quarterly Share Dynamics:*** DELL's market share fell to 7% in 1Q26 (vs. 9% in 4Q25 and 13% in 1Q25) vs. NTAP of 4% (vs. 3% in 4Q25 and 4% in 1Q25) and HPE of 3% (vs. 4% in 4Q25 and 4% in 1Q25).

- **Campus Switch: Mid-to-high single digit growth outlook, with SMB expected to track ahead of aggregate market.** The Campus Switch market is estimated to expand to $22 bn in 2026 from $20 bn in 2025, implying +7% y/y growth, while the long-term CAGR from 2026 through 2030 is expected to track to a similar +7%. With respect to end-market segments, Medium Business is expected to track to a CAGR of +9% from 2026 through 2030, while Small Business and Large Business are expected to grow at +7% and +5% CAGRs, respectively, over the same period. ***Quarterly Share Dynamics:*** CSCO's market share rose to 53% in 1Q26 (vs. 46% in 4Q25 and 54% in 1Q25) vs. HPE of 13% (vs. 12% in 4Q25 and 14% in 1Q25).

- **Wireless LAN: Low-to-mid single digit growth outlook driven by Consumer WLAN and Cloud Managed Services.** The Wireless LAN market is estimated to expand to $22 bn in 2026 from $19 bn in 2025, implying +12% y/y growth, while the long-term CAGR from 2026 through 2030 is expected to track at +4%. With respect to segments, growth is led by Cloud-Managed Services and Enterprise AP WLAN. ***Quarterly Share Dynamics:*** CSCO's market share rose to 23% in 1Q26 (vs. 19% in 4Q25 and 22% in 1Q25) vs. HPE of 13% (vs. 10% in 4Q25 and 13% in 1Q25).

- **Router: Mature market with mid-to-high single digit growth outlook.** The Router market is estimated to expand to $19 bn in 2026 from $18 bn in 2025, implying +7% y/y growth, with the long-term CAGR from 2026 through 2030 expected to track in a similar +7% range. With respect to customer types, Telco Cloud is expected to track to a CAGR of +5% from 2026 through 2030, while US Top 5 Cloud Providers are expected to drive solid growth at +32% CAGR over the same period. ***Quarterly Share Dynamics:*** CSCO's market share rose to 32% in 1Q26 (vs. 29% in 4Q25 and 30% in 1Q25) vs. NOK of 14% (vs. 14% in 4Q25 and 14% in 1Q25) and HPE of 11% (vs. 9% in 4Q25 and 10% in 1Q25).

- **Broadband Access: Expect mid-single digit growth across the market.** The Broadband Access market is estimated to expand to $18 bn in 2026 from $17 bn in 2025, implying +7% y/y growth, with the long-term CAGR from 2026 through 2030 is expected

to track to +6%. ***Quarterly Share Dynamics :*** NOK 's market share was largely unchanged at 12% in 1Q26 (vs. 11% in 4Q25 and 13% in 1Q25) vs. CALX of 4% (vs . 3% in 4Q25 and 3% 1Q25).

- **AEC: Rapidly expanding market with healthy double-digit growth outlook.** The Active Electrical Cable market is estimated to expand to $1.4 bn in 2026, from $0.6 bn in 2025, implying +121% y/y growth, while the long-term CAGR from 2026 through 2030 is expected to track to +28%. ***Quarterly Share Dynamics :*** Credo 's market share remained largely unchanged from 4Q25 to 1Q26 at 82% vs. 73% in 1Q 25.

Table Of Contents

Summary View of Hardware & Networking Product Groups. 5
Snapshot of Market Forecast Revisions. 8
Annual Trends and Forecasts 10

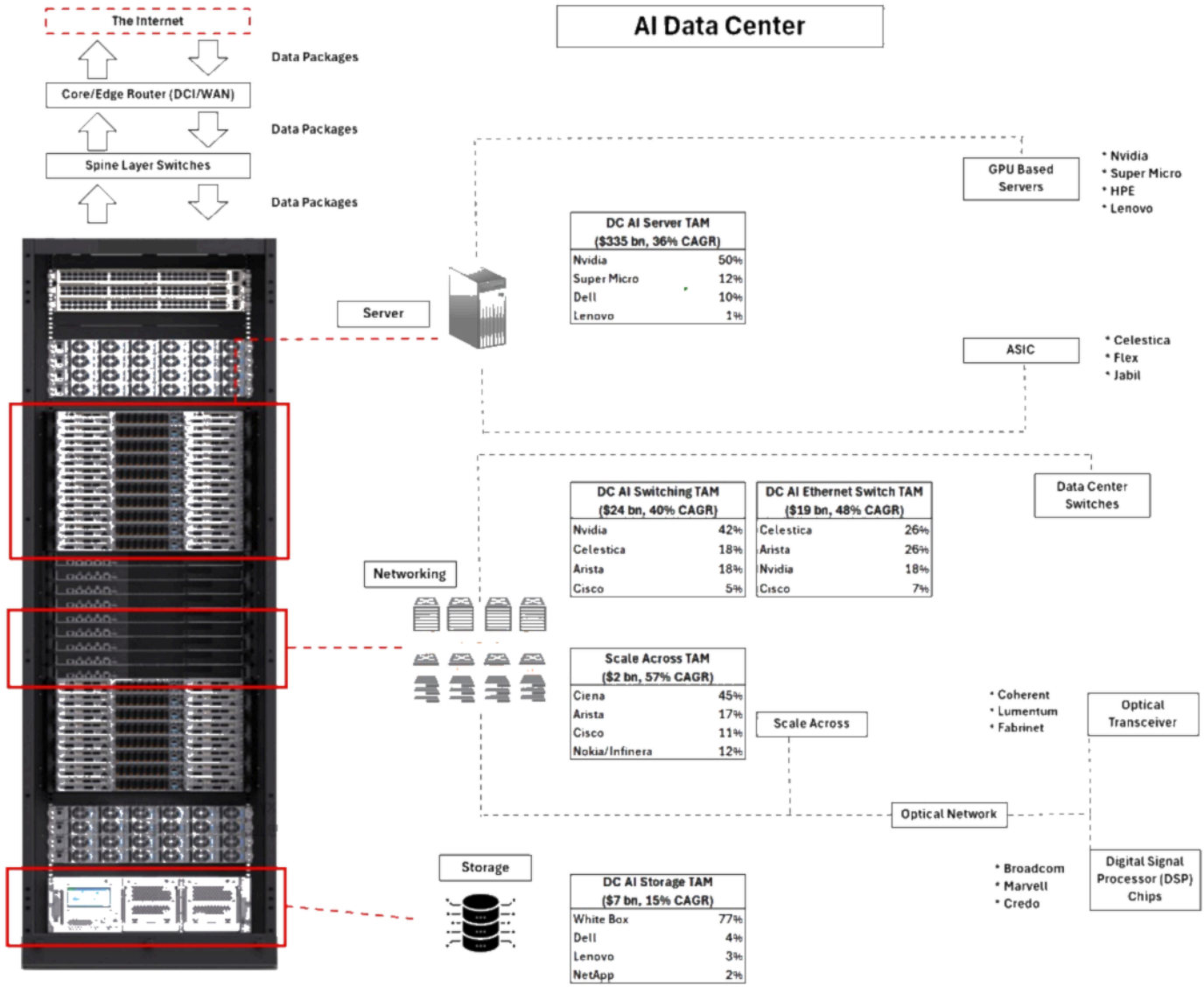
Server Market Outlook and Market Share Trends 10
External Storage Outlook and Market Share Trends 13
Campus Switch Growth Outlook and Market Share Trends. 14
Wireless LAN Growth Outlook and Market Share Trends 15
Data Center Ethernet Growth Outlook and Market Share Trends 16
AI Data Center Switch Market Growth Outlook and Market Share Trends . 18
Data Center Interconnect Growth Outlook and Market Share Trends 19
Router Market Growth Outlook and Market Share Trends. 20
Broadband Access Growth Outlook and Market Share Trends 22
AEC Industry Growth Outlook and Market Share Trends. 23

Summary View of Hardware & Networking Product Groups

In the infographic below we present a summary view of the vendor landscape of the hardware and networking industry.

Figure 1 is a presentation of product markets relevant to AI Data centers, Figure 2 is a presentation of product markets relevant to traditional data centers (non-AI), and Figure 3 is a depiction of non-data center networking markets. Figure 4 is a summary of the growth outlook for the different product markets.

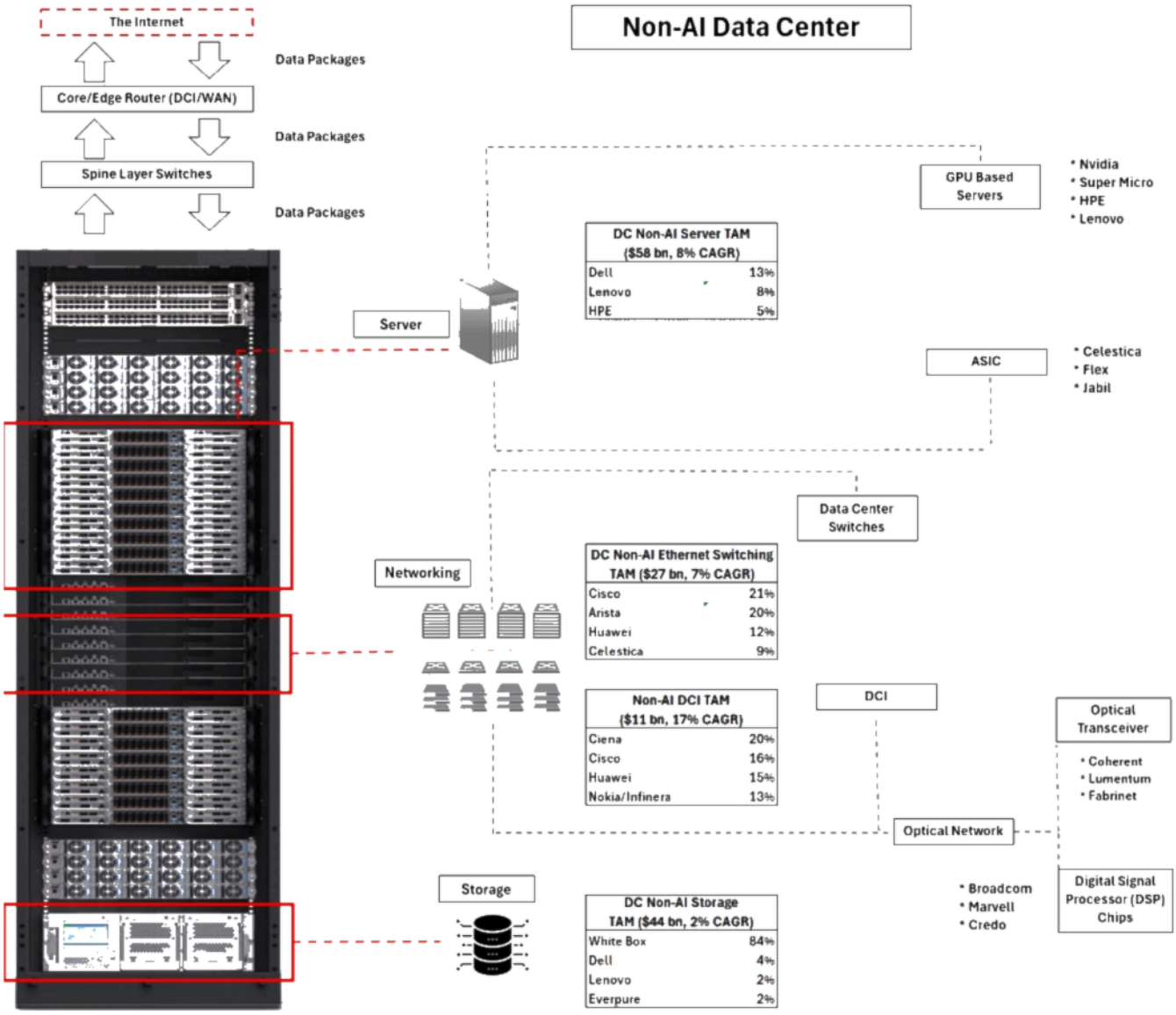
Figure 1: AI Data Center Infographic



Note: 1) Market size is based on 2026E; 2) CAGR is for 2026 through 2030; and 3) Market shares are based on 2025.
Source: 650 Group and J.P. Morgan.

5

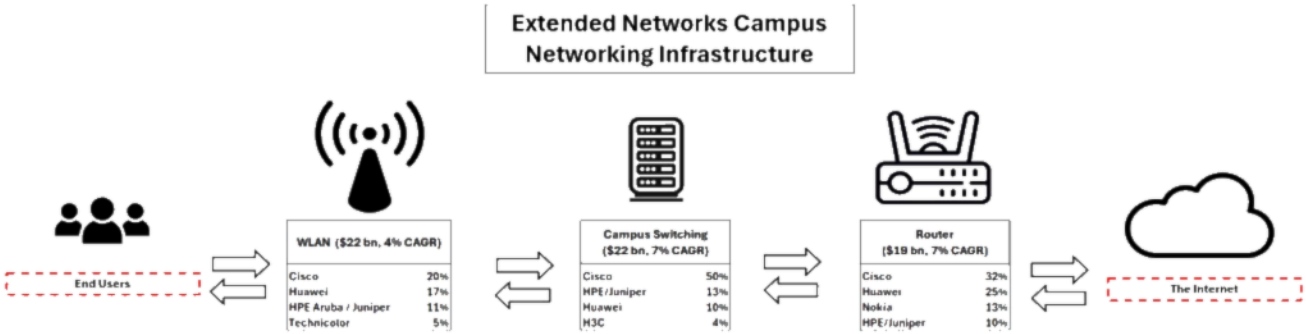
Figure 2: Traditional Data Center Infographic



Note: 1) Market size is based on 2026E; 2) CAGR is for 2026 through 2030; and 3) Market shares are based on 2025.
Source: 650 Group and J.P. Morgan.

6

Figure 3: Non-Data Center Infographic



Note: 1) Market size is based on 2026E; 2) CAGR is for 2026 through 2030; and 3) Market shares are based on 2025.
Source: 650 Group and J.P. Morgan.

Figure 4: Market Size Across Different Product Categories

$ in Billions

Market Size in $ bn	2022	2023	2024	2025	2026E	2027E	2028E	2029E	2030E	CAGR '26-'30
Server	$99	$111	$196	$284	$473	$666	$899	$1139	$1407	31%
AI Server	$15	$37	$115	$195	$356	$539	$760	$987	$1244	37%
Server Ex. AI	$84	$74	$81	$89	$117	$128	$140	$152	$164	9%
External Storage	$52	$52	$57	$71	$82	$88	$92	$94	$96	4%
Campus Switch	$18	$23	$19	$20	$22	$23	$24	$26	$28	7%
WLAN	$20	$20	$18	$19	$22	$23	$24	$25	$25	4%
DC Ethernet	$20	$22	$24	$32	$46	$66	$80	$102	$125	29%
AI DC Switch	$1	$3	$5	$11	$24	$41	$55	$75	$94	40%
Data Center Interconnect	$8	$8	$9	$9	$13	$16	$21	$27	$33	26%
Routers	$19	$19	$16	$18	$19	$20	$21	$23	$25	7%
Broadband Access	$18	$18	$17	$17	$18	$20	$20	$21	$22	6%
AEC	$0	$0	$0	$1	$1	$3	$3	$4	$4	28%

Source: 650 Group.

Snapshot of Market Forecast Revisions

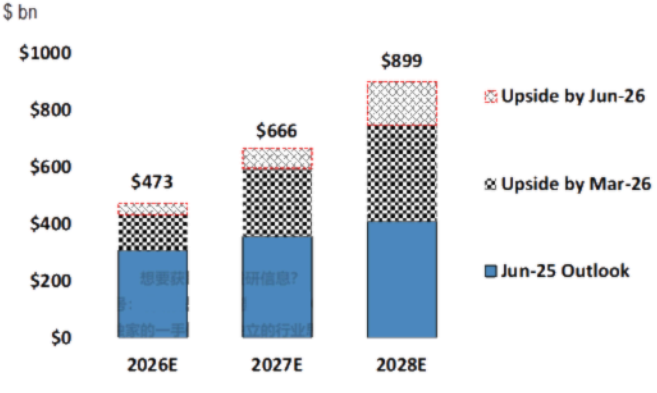
The **Server market** forecast rose to : 1) $473 bn in **2026** (+9% higher vs. Mar-26 outlook, +54% higher vs. Jun-25 outlook); 2) $666 bn in **2027** (+12% higher vs. Mar-26 outlook , +87% higher vs. Jun-25 outlook); and 3) $899 bn in **2028** (+20% higher vs. Mar-26 outlook,
+119% higher vs. Jun-25 outlook)..

The **DC Ethernet Switch market** forecast rose to : 1) $46 bn in **2026** (+2% higher vs. Mar- 26 outlook, +22% higher vs. Jun-25 outlook); 2) $66 bn in **2027** (+12% higher vs. Mar-26 outlook, +58% higher vs. Jun-25 outlook); and 3) $80 bn in **2028** (+7% higher vs. Mar-26 outlook, +76% higher vs. Jun-25 outlook).

The **DCI market** forecast rose to: 1) $13 bn in **2026** (+15% higher vs. Mar-26 outlook); 2) $16 bn in **2027** (+22% higher vs. Mar-26 outlook); and 3) $21 bn in **2028** (+28% higher vs. Mar-26 outlook). *Note : DCI data was revised , making comparisons to forecasts prior to Mar-26 not comparable.*

The **External Storage market** forecast was largely unchanged relative to Mar-26, and tracked to $82 bn, $88 bn and $92 bn, for 2026, 2027, and 2028, respectively (+25%/+ 32%/ +38% higher vs. Jun-25 outlook).

Figure 5: Server Market Forecast - Revisions



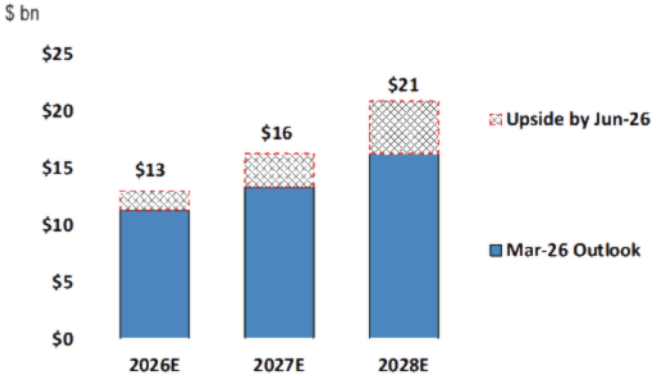
Source: 650 Group.

Figure 6: DC Ethernet Switch Market Forecast - Revisions



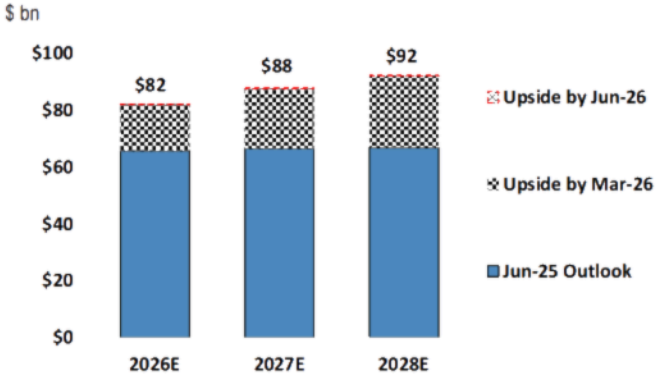
Source: 650 Group.

Figure 7: DCI Market Forecast - Revisions



Source: 650 Group.

Figure 8: Storage Market Forecast - Revisions



Source: 650 Group.

Annual Trends and Forecasts

Server Market Outlook and Market Share Trends

Growth forecast continues to stay at robust double-digits

The Server market, including AI and non-AI, is estimated to expand to $473 bn in 2026 from $284 bn in 2025, implying +67% y/y growth, while the long term CAGR from 2026 through 2030 is expected to track to +31%. With respect to customer verticals, Top 5 Cloud Providers are expected to track to a CAGR of +26% from 2026 through 2030, while the Chinese Top 3 Cloud Providers and the Rest of Cloud are expected to drive stronger growth, at +50% and +42% CAGR, respectively.

Figure 9: Server Market By Deployment - Yearly

$ in Millions, % Y/Y Change

Breakdown By Deployment	2022	2023	2024	2025	2026E	2027E	2028E	2029E	2030E
US Top 5 Cloud Providers	$32,032	$50,026	$110,010	$156,325	$254,199	$332,930	$431,840	$537,116	$646,827
Chinese Top 3 Cloud Providers	$3,403	$2,648	$3,163	$4,558	$6,836	$10,255	$15,382	$23,073	$34,610
Rest of Cloud	$12,590	$16,166	$36,015	$63,655	$132,093	$222,540	$325,392	$421,123	$534,720
Legacy Telco SP	$2,235	$1,872	$1,647	$1,512					
Telco Cloud	$2,721	$2,664	$4,037	$5,023	$8,990	$10,335	$13,042	$17,507	$24,700
Hybrid/Private Cloud	$22,290	$21,090	$29,328	$39,780	$71,072	$90,438	$113,795	$139,697	$166,315
Enterprise and SMB	$23,235	$16,702	$12,100	$13,220					
Total	**$98,506**	**$111,167**	**$196,300**	**$284,073**	**$473,190**	**$666,497**	**$899,452**	**$1,138,516**	**$1,407,171**

% Y/Y Change	2022	2023	2024	2025	2026E	2027E	2028E	2029E	2030E
US Top 5 Cloud Providers	20%	56%	120%	42%	63%	31%	30%	24%	20%
Chinese Top 3 Cloud Providers	-28%	-22%	19%	44%	50%	50%	50%	50%	50%
Rest of Cloud	3%	28%	123%	77%	108%	68%	46%	29%	27%
Legacy Telco SP	-6%	-16%	-12%	-8%					
Telco Cloud	24%	-2%	52%	24%	79%	15%	26%	34%	41%
Hybrid/Private Cloud	14%	-5%	39%	36%	79%	27%	26%	23%	19%
Enterprise and SMB	-10%	-28%	-28%	9%					
Total	**5%**	**13%**	**77%**	**45%**	**67%**	**41%**	**35%**	**27%**	**24%**

Source: 650 Group.

Nvidia is the market leader with reference designs via their rack scale solutions followed by Dell

In the year 2025, Nvidia tracked to the highest market share at 33%, followed by Dell at 14%, Super Micro at 9%, and HPE at 5%, with the top three vendors collectively accounting for 56% of the market, indicating a moderately concentrated competitive landscape. Over the 2023 to 2025 period, the most notable shift was Nvidia gaining 15% pts of share vs. HPE which ceded 8% pts.



10

Figure 10: Server Market Share - Yearly

%

Vendor Share - Total Market	2023	2024	2025
Nvidia Total	18%	34%	33%
Dell	13%	12%	14%
Super Micro	6%	9%	9%
HPE	13%	7%	5%
Lenovo	5%	4%	4%
IBM	4%	2%	2%
Oracle	2%	1%	1%
Cisco	2%	1%	1%
Others	36%	29%	32%
Total	**100%**	**100%**	**100%**

Source: 650 Group.

AI Servers are driving robust growth for the market

The AI Server market is estimated to expand to $356 bn in 2026 from $195 bn in 2025, implying +83% y/y growth, while the long-term CAGR from 2026 through 2030 is expected to track at +37%. With respect to customer types, Hyperscalers are expected to track to a CAGR of +28% from 2026 through 2030, while Enterprise and Rest of Cloud are expected to drive faster growth at +47% and +49% CAGRs, respectively, over the same period.

Figure 11: AI Server Market By Customer Type - Yearly

$ in Millions, % Y/Y Change

AI Server Market ($ mn)	2022	2023	2024	2025	2026E	2027E	2028E	2029E	2030E
Hyperscaler	$8,090	$28,314	$87,212	$135,444	$228,439	$305,084	$401,698	$504,537	$611,663
Rest of Cloud	$820	$4,472	$18,485	$44,260	$107,033	$198,349	$303,056	$403,893	$526,459
Enterprise	$5,751	$4,071	$9,127	$14,430	$19,430	$33,293	$50,941	$70,940	$91,472
SP	$118	$179	$467	$949	$1,379	$1,943	$3,948	$7,622	$14,022
Total	**$14,779**	**$37,036**	**$115,292**	**$195,083**	**$356,281**	**$538,670**	**$759,644**	**$986,992**	**$1,243,616**

% Y/Y Change	2022	2023	2024	2025	2026E	2027E	2028E	2029E	2030E
Hyperscaler	62%	250%	208%	55%	69%	34%	32%	26%	21%
Rest of Cloud	23%	446%	313%	139%	142%	85%	53%	33%	30%
Enterprise	17%	-29%	124%	58%	35%	71%	53%	39%	29%
SP	110%	51%	162%	103%	45%	41%	103%	93%	84%
Total	**39%**	**151%**	**211%**	**69%**	**83%**	**51%**	**41%**	**30%**	**26%**

Source: 650 Group.

Highly competitive landscape of AI Servers is dominated by Nvidia

In the year 2025, Nvidia tracked to the largest AI server market share at 47%, followed by Dell and Super Micro at 11% each, and HPE at 2%, with the top three vendors collectively accounting for 70% of the market, indicating a highly concentrated competitive landscape. Over the 2023 to 2025 period, Nvidia was the largest player, followed by Dell, *which expanded its share after a slow start*, and Super Micro.

Figure 12: AI Server Market Share - Yearly

%

Vendor Share - AI Servers	2023	2024	2025
Nvidia Total	55%	58%	47%
Dell	5%	8%	11%
Super Micro	13%	11%	11%
HPE	4%	4%	2%
Lenovo	1%	1%	1%
Cisco	0%	0%	0%
Others	22%	18%	27%
Total	**100%**	**100%**	**100%**

Source: 650 Group.

External Storage Outlook and Market Share Trends

Long-term growth forecasts remains at mid-single digit on average

The External Storage market is estimated to expand to $82 bn in 2026 from $71 bn in 2025, implying +15% y/y growth, while the long-term CAGR from 2026 through 2030 is expected to track to +4%. With respect to customer/deployment types, Private Cloud /Hybrid Cloud is expected to track to a CAGR of +14% from 2026 through 2030, while Tier 2 and 3 Cloud Providers and US Top 5 Cloud Providers are expected to grow at +6% and +2% CAGRs, respectively, and Enterprise is expected to track to -3% decline over the same period.

Figure 13: External Storage Market By Deployment - Yearly

$ in Millions, % Y/Y Change

Breakdown By Deployment	2022	2023	2024	2025	2026E	2027E	2028E	2029E	2030E
US Top 5 Cloud Providers	$14,078	$13,512	$14,647	$21,591	$25,909	$27,205	$27,477	$27,751	$28,029
Chinese Tier 1 Cloud Providers	$901	$804	$1,084	$1,765	$2,118	$2,394	$2,633	$2,817	$2,986
Tier 2 and 3 Cloud Providers	$9,112	$10,635	$13,055	$18,341	$23,293	$25,622	$27,672	$28,779	$29,354
Legacy Telco	$1,515	$1,389	$1,329	$1,229	$934	$785	$667	$567	$482
Telco Cloud	$2,690	$3,217	$3,934	$4,768	$5,245	$5,717	$6,180	$6,631	$7,066
Private Cloud / Hybrid Cloud	$4,980	$4,897	$5,484	$6,460	$7,364	$8,395	$9,570	$10,910	$12,437
Enterprise	$19,091	$17,602	$17,228	$17,199	$17,543	$17,898	$18,263	$16,802	$15,458
Total	**$52,368**	**$52,057**	**$56,760**	**$71,353**	**$82,407**	**$88,015**	**$92,462**	**$94,257**	**$95,812**

% Y/Y Change	2022	2023	2024	2025	2026E	2027E	2028E	2029E	2030E
US Top 5 Cloud Providers	3%	-4%	8%	47%	20%	5%	1%	1%	1%
Chinese Tier 1 Cloud Providers	-37%	-11%	35%	63%	20%	13%	10%	7%	6%
Tier 2 and 3 Cloud Providers	42%	17%	23%	40%	27%	10%	8%	4%	2%
Legacy Telco	12%	-8%	-4%	-8%	-24%	-16%	-15%	-15%	-15%
Telco Cloud	40%	20%	22%	21%	10%	9%	8%	7%	7%
Private Cloud / Hybrid Cloud	22%	-2%	12%	18%	14%	14%	14%	14%	14%
Enterprise	14%	-8%	-2%	0%	2%	2%	2%	-8%	-8%
Total	**15%**	**-1%**	**9%**	**26%**	**15%**	**7%**	**5%**	**2%**	**2%**

Source: 650 Group.

Market leader Dell continues to cede share

In 2025, Dell tracked to the largest storage market share at 11%, followed by Lenovo at 7%, HPE and Huawei each at 4%, and NetApp at 4%, with the top three vendors collectively accounting for only 22% and the top five accounting for 30% of the market, indicating a highly fragmented competitive landscape where the "Others" category alone represented 61% of the total. Over the 2022 to 2025 period, the most notable shift was Dell ceding 7 % pts of share, while Lenovo gained 3 % pts.

Figure 14: External Storage Market Share - Yearly

%

Vendor Share - Total	2022	2023	2024	2025
Dell	18%	17%	14%	11%
Lenovo	4%	5%	7%	7%
HPE	6%	6%	6%	4%
Huawei	4%	5%	5%	4%
NetApp	6%	5%	5%	4%
Hitachi	4%	4%	4%	3%
Everpure	3%	3%	3%	3%
IBM	4%	4%	4%	3%
Others	50%	51%	53%	61%
Total	**100%**	**100%**	**100%**	**100%**

Source: 650 Group.

13

Campus Switch Growth Outlook and Market Share Trends

Market to grow at a mid-to-high single digit CAGR

The Campus Switch market is estimated to expand to $22 bn in 2026 from $20 bn in 2025, implying +7% y/y growth, while the long-term CAGR from 2026 through 2030 is also expected to track to a similar +7%. With respect to end-market segments, Medium Business is expected to track to a CAGR of +9% from 2026 through 2030, while Small Business and Large Business are expected to grow at +7% and +5% CAGRs, respectively, over the same period.

Figure 15: Campus Switch Market by Business - Yearly

$ in Millions, % Y/Y Change

Breakdown by Business	2022	2023	2024	2025	2026E	2027E	2028E	2029E	2030E
Small Business	$2,266	$3,094	$2,786	$3,092	$3,314	$3,488	$3,736	$4,054	$4,392
Medium Business	$6,714	$8,676	$7,134	$7,826	$8,305	$8,783	$9,549	$10,516	$11,564
Large Business	$9,066	$11,529	$9,075	$9,479	$10,135	$10,508	$10,995	$11,644	$12,305
Total	**$18,046**	**$23,299**	**$18,996**	**$20,398**	**$21,755**	**$22,779**	**$24,280**	**$26,214**	**$28,261**

% Y/Y Change	2022	2023	2024	2025	2026E	2027E	2028E	2029E	2030E
Small Business	19%	37%	-10%	11%	7%	5%	7%	9%	8%
Medium Business	21%	29%	-18%	10%	6%	6%	9%	10%	10%
Large Business	19%	27%	-21%	4%	7%	4%	5%	6%	6%
Total	**19%**	**29%**	**-18%**	**7%**	**7%**	**5%**	**7%**	**8%**	**8%**

Source: 650 Group.

Market leader Cisco continues to cede share, but pace has moderated

In 2025, Cisco tracked to the highest campus switch market share at 50%, followed by HPE/Juniper at 13%, Huawei at 10%, and H3C at 4%, with the top three vendors collectively accounting for 73% of the market, indicating a concentrated competitive landscape dominated by Cisco despite a long tail of smaller players comprising 22% of share. Over the 2022 to 2025 period, the most notable shift was Cisco ceding 5% pts of share, while HPE/Juniper was a modest beneficiary, gaining 1 % pt (from 12% to 13%).

Figure 16: Campus Switch Market Share - Yearly

%

Vendor Share - Total Market	2022	2023	2024	2025
Cisco	55%	56%	51%	50%
HPE/Juniper	12%	15%	13%	13%
Huawei	10%	9%	11%	10%
H3C	6%	5%	6%	4%
Other Vendors	17%	16%	19%	22%
Total	**100%**	**100%**	**100%**	**100%**

Source: 650 Group.

14

Wireless LAN Growth Outlook and Market Share Trends

Market to expand at mid single digit CAGR

The WLAN market is estimated to expand to $22 bn in 2026 from $19 bn in 2025, implying +12% y/y growth, while the long-term CAGR from 2026 through 2030 is expected to track to+ 4%. With respect to segments, Cloud-Managed Services and Enterprise markets are expected to track to a CAGR of +5%, each, from 2026 through 2030, while Consumer mar- ket is expected to track to +1% CAGR over the same period

Figure 17: WLAN Market by Segment - Yearly

$ in Millions, % Y/Y Change

Breakdown by Segment	2022	2023	2024	2025	2026E	2027E	2028E	2029E	2030E
Enterprise	$9,049	$9,679	$8,116	$8,975	$9,690	$10,309	$10,827	$11,361	$11,964
Cloud Managed Services	$1,067	$1,290	$1,476	$1,611	$1,834	$1,941	$2,039	$2,142	$2,250
Consumer	$9,739	$9,035	$8,293	$8,759	$10,150	$10,714	$10,931	$11,076	$10,743
Total	**$19,854**	**$20,004**	**$17,885**	**$19,345**	**$21,674**	**$22,964**	**$23,797**	**$24,580**	**$24,957**

% Y/Y Change	2022	2023	2024	2025	2026E	2027E	2028E	2029E	2030E
Enterprise	29%	7%	-16%	11%	8%	6%	5%	5%	5%
Cloud Managed Services	33%	21%	14%	9%	14%	6%	5%	5%	5%
Consumer	11%	-7%	-8%	6%	16%	6%	2%	1%	-3%
Total	**20%**	**1%**	**-11%**	**8%**	**12%**	**6%**	**4%**	**3%**	**2%**

Source: 650 Group.

Cisco leads WLAN market; albeit with less dominance than in Campus switching

In the year 2025, Cisco tracked to the highest WLAN market share at 20%, followed by Huawei at 17%, HPE Aruba/Juniper at 11%, and Technicolor at 5%, with the top three ven-

dors collectively accounting for 48% of the market and the top five accounting for 55%, indicating a moderately fragmented competitive landscape. Over the 2022 to 2025 period, the most notable shift was Huawei gaining 6% pts of share, HPE Aruba gaining 2% pts (from 9% to 11%), while Cisco modestly contracted by 1% pt but still maintaining its leading position in a fragmented market.

Figure 18: WLAN Market Share - Yearly

%

Vendor Share - Total Market	2022	2023	2024	2025
Cisco	21%	23%	21%	20%
Huawei	11%	12%	16%	17%
HPE Aruba / Juniper	9%	10%	11%	11%
Technicolor	7%	5%	5%	5%
RUCKUS (fka Commscope)	9%	7%	2%	2%
Extreme	2%	2%	2%	2%
Other	42%	40%	43%	42%
Total	**100%**	**100%**	**100%**	**100%**

Source: 650 Group.

15

Data Center Ethernet Growth Outlook and Market Share Trends

Growth driven by adoption of high-speed applications

The Data Center Ethernet market is estimated to expand to $46 bn in 2026 from $32 bn in 2025, implying +43% y/y growth, while the long-term CAGR from 2026 through 2030 is expected to track to +29%, with near-term growth driven by 800G and 1.6T ramp in 2026-2028, followed by 3.2T becoming a bigger driver towards the end of the decade. Important-ly, 800G is expected to peak at $27 bn in 2027, and decline beyond 2027, while 1.6T and
3.2T are expected to drive the most differentiated growth given their nascent ramp, with. 1.6T scaling from $1 bn in 2026 to $55 bn in 2030 and 3.2T scaling from $2 bn in 2027 to $39 bn in 2030. Robust growth in the data center networking is supported by AI/ accelerator cluster buildouts requiring denser, faster interconnect fabrics.

Figure 19: Data Center Ethernet Market by Speed - Yearly

$ in Millions, % Y/Y Change

Breakdown by Speed (Fixed + Modular)	2022	2023	2024	2025	2026E	2027E	2028E	2029E	2030E
≤ 50 Gbps	$6,188	$6,070	$5,253	$5,394	$5,478	$4,772	$3,816	$3,026	$2,272
100 Gbps	$8,581	$9,270	$8,591	$7,437	$7,624	$7,651	$7,537	$6,924	$5,537
200 Gbps	$755	$944	$1,163	$1,041	$394	$222	$178	$145	$107
400 Gbps	$2,728	$3,928	$6,770	$9,958	$12,017	$11,955	$7,966	$5,640	$3,825
800 Gbps	$12	$173	$899	$6,584	$16,981	$26,503	$22,494	$19,868	$14,897
1.6 Tbps					$1,168	$10,644	$30,108	$48,998	$55,462
3.2 Tbps						$1,632	$5,262	$14,610	$39,261
Total	**$18,264**	**$20,385**	**$22,677**	**$30,415**	**$43,663**	**$63,378**	**$77,362**	**$99,210**	**$121,362**
Software	$1,272	$1,284	$1,358	$1,373	$1,876	$2,328	$2,697	$2,976	$3,176
Total (incl. software)	**$19,537**	**$21,669**	**$24,035**	**$31,788**	**$45,539**	**$65,706**	**$80,059**	**$102,186**	**$124,538**

% Y/Y Change	2022	2023	2024	2025	2026E	2027E	2028E	2029E	2030E
≤ 50 Gbps	1%	-2%	-13%	3%	2%	-13%	-20%	-21%	-25%
100 Gbps	21%	8%	-7%	-13%	3%	0%	-1%	-8%	-20%
200 Gbps	374%	25%	23%	-11%	-62%	-44%	-20%	-19%	-26%
400 Gbps	82%	44%	72%	47%	21%	-1%	-33%	-29%	-32%
800 Gbps		1315%	419%	633%	158%	56%	-15%	-12%	-25%
1.6 Tbps						811%	183%	63%	13%
3.2 Tbps							222%	178%	169%
Total	**22%**	**12%**	**11%**	**34%**	**44%**	**45%**	**22%**	**28%**	**22%**
Software	29%	1%	6%	1%	37%	24%	16%	10%	7%
Total (incl. software)	**23%**	**11%**	**11%**	**32%**	**43%**	**44%**	**22%**	**28%**	**22%**

Source: 650 Group.

Broad-based growth across different Cloud verticals

With respect to customer verticals, Hyperscalers are the key growth driver, with growth with US Top 5 Cloud Providers expected to track to +34% CAGR from 2026 to 2030. Revenues from Rest of Cloud (*currently 19% of market*) and Chinese Top 3 Cloud companies (*current-ly 6% of market*) are also expected to expand materially with +36% and +26% CAGRs, respectively, over the same period.

16

Figure 20: Data Center Ethernet Market by Customer - Yearly

$ in Millions, % Y/Y Change

Breakdown by Customer	2022	2023	2024	2025	2026E	2027E	2028E	2029E	2030E
US Top 5 Cloud Providers	$5,913	$6,840	$8,871	$12,656	$18,855	$28,566	$36,546	$48,979	$60,289
Chinese Top 3 Providers	$1,309	$1,341	$1,414	$1,990	$2,794	$3,951	$4,717	$5,901	$7,047
Rest of Cloud	$3,967	$4,229	$4,465	$6,109	$10,758	$18,496	$22,723	$29,012	$36,277
Legacy Telco SP	$770	$853	$777	$606					
Telco Cloud	$626	$606	$645	$914	$1,786	$2,319	$2,544	$2,987	$3,422
Hybrid/Private Cloud	$5,653	$6,861	$7,172	$8,771	$11,346	$12,374	$13,529	$15,308	$17,503
Enterprise and SMB	$1,298	$939	$691	$742					
Total	**$19,537**	**$21,669**	**$24,035**	**$31,788**	**$45,539**	**$65,706**	**$80,059**	**$102,186**	**$124,538**

% Y/Y Change	2022	2023	2024	2025	2026E	2027E	2028E	2029E	2030E
US Top 5 Cloud Providers	61%	16%	30%	43%	49%	52%	28%	34%	23%
Chinese Top 3 Providers	17%	2%	5%	41%	40%	41%	19%	25%	19%
Rest of Cloud	15%	7%	6%	37%	76%	72%	23%	28%	25%
Legacy Telco SP	21%	11%	-9%	-22%					
Telco Cloud	9%	-3%	6%	42%	95%	30%	10%	17%	15%
Hybrid/Private Cloud	25%	21%	5%	22%	29%	9%	9%	13%	14%
Enterprise and SMB	-32%	-28%	-26%	7%					
Total	**23%**	**11%**	**11%**	**32%**	**43%**	**44%**	**22%**	**28%**	**22%**

Source: 650 Group.

Arista climbed to become the new market leader in 2024 and continues to hold position In 2025, Arista tracked to the largest market share in the data center Ethernet market at 22%, followed by Cisco at 18%, Celestica at 13%, and Huawei at 9%, with the top three vendors collectively accounting for 53% and the top five accounting for 68 % of the market, indicat- ing a moderately concentrated competitive landscape. Over the 2022 to 2025 period, the most notable shift was Cisco ceding 9% pts of share, while Celestica was the largest benefi-
ciary, gaining 7% pts, followed by Arista adding 4% pts, Nvidia gaining 5% pts..

Figure 21: Data Center Ethernet Market Share - Yearly

%

Vendor Share - Total Market	2022	2023	2024	2025
Arista	18%	21%	22%	22%
Cisco	27%	26%	20%	18%
Celestica	6%	6%	8%	13%
Huawei	8%	8%	8%	9%
Accton	5%	4%	5%	6%
Nvidia	2%	3%	6%	7%
Other Vendors	34%	32%	31%	26%
Total	**100%**	**100%**	**100%**	**100%**

Source: 650 Group.

AI Data Center Switch Market Growth Outlook and Market Share Trends

AI DC Switch market growth is expected to be driven by Ethernet

The AI Data Center Switch market is estimated to expand to $24 bn in 2026 from $11 bn in 2025, implying +116% y/y growth, while the long-term CAGR from 2026 through 2030 is expected to track to +40%. With respect to technology segments, Ethernet - Backend is expected to track to a CAGR of +45% from 2026 through 2030, while Ethernet - Frontend is expected to grow at a +55% CAGR, and InfiniBand Switches are expected to decline at a -1% CAGR over the same period, implying bulk of the growth being driven by Ethernet.

Figure 22: AI Data Center Switch Market by Technology - Yearly

$ in Millions, % Y/Y Change

Breakdown by Technology	2022	2023	2024	2025	2026E	2027E	2028E	2029E	2030E
Ethernet - Frontend	$288	$815	$1,458	$2,704	$5,043	$9,611	$15,068	$22,971	$29,263
Ethernet - Backend	$175	$570	$1,855	$5,403	$13,617	$25,632	$34,019	$46,106	$59,636
InfiniBand Switches	$245	$1,408	$2,124	$3,174	$5,677	$6,182	$6,035	$5,803	$5,518
Total	**$708**	**$2,792**	**$5,436**	**$11,281**	**$24,336**	**$41,425**	**$55,123**	**$74,879**	**$94,416**

% Y/Y Change	2022	2023	2024	2025	2026E	2027E	2028E	2029E	2030E
Ethernet - Frontend	50%	183%	79%	86%	86%	91%	57%	52%	27%
Ethernet - Backend	158%	225%	226%	191%	152%	88%	33%	36%	29%
InfiniBand Switches	298%	475%	51%	49%	79%	9%	-2%	-4%	-5%
Total	**120%**	**294%**	**95%**	**108%**	**116%**	**70%**	**33%**	**36%**	**26%**

Source: 650 Group.

Nvidia's InfiniBand driven leadership continues to moderate with adoption of Ethernet

In the year 2025, Nvidia tracked to the largest market share in the AI Data Center Switch market at 42%, followed by Arista and Celestica at 18% each, and Cisco at 5%, with the top three vendors collectively accounting for 78% of the market, indicating a highly concentrated competitive landscape. Over the 2022 to 2025 period, the most notable shift was Celestica gaining 17% pts of share, while Nvidia ceded 14% pts despite retaining the leading position; market share shift away from Nvidia is driven by increasing adoption of Ethernet vs. InfiniBand.

Figure 23: AI Data Center Switch Market Share - Yearly

%

Vendor Share - Total Market	2022	2023	2024	2025
NVidia	56%	60%	53%	42%
Nvidia - Ethernet	*8%*	*6%*	*12%*	*13%*
Nvidia - Infiniband	*48%*	*54%*	*41%*	*30%*
Arista	17%	12%	15%	18%
Celestica	1%	8%	13%	18%
Cisco	8%	3%	2%	5%
Super Micro	0%	1%	1%	1%
Other	18%	15%	16%	16%
Total	**100%**	**100%**	**100%**	**100%**

Source: 650 Group.

18

Data Center Interconnect Growth Outlook and Market Share Trends

Robust DCI growth to be driven by Pluggable optics while Systems to track to only modest growth

The Data Center Interconnect market is estimated to expand to $13 bn in 2026 from $9 bn in 2025, implying +40% y/y growth, while the long-term CAGR from 2026 through 2030 is expected to track at +26%. With respect to platform types, market outlook embeds a share shift from Optical Systems (Line Systems/Transponders) to standard Switch/Routers with Pluggable optics. Switching/Routing Systems are expected to track to a CAGR of +51% /+17% from 2026 through 2030, and ZR/ZR+/Coherent Lite Optics are expected to drive strong a strong CAGR of +40%, while Optical Systems are expected to grow at a +21% CAGR over the same period. Robust growth in the aggregate market is driven by expanding use cases across connecting AI data centers, which are disaggregated due to power constraints.

Figure 24: Data Center Interconnect Market by Speed - Yearly

%

Breakdown By Platform Type	2022	2023	2024	2025	2026E	2027E	2028E	2029E	2030E
Optical Line Systems	$2,992	$3,223	$3,108	$3,215	$4,410	$5,394	$6,731	$8,046	$9,476
Optical Transponders	$2,085	$2,047	$1,930	$2,226	$3,305	$3,749	$4,126	$4,701	$5,276
Routing Systems	$1,462	$1,561	$1,722	$1,949	$2,210	$2,533	$3,008	$3,497	$4,102
Switching Systems	$733	$813	$836	$877	$1,321	$2,012	$3,082	$4,732	$6,932
ZR/ZR+/Coherent Lite Optics	$274	$550	$1,000	$1,044	$1,766	$2,603	$3,930	$5,590	$6,843
Total	**$7,546**	**$8,194**	**$8,595**	**$9,311**	**$13,012**	**$16,291**	**$20,876**	**$26,567**	**$32,629**

% Y/Y Change	2022	2023	2024	2025	2026E	2027E	2028E	2029E	2030E
Optical Line Systems	9%	8%	-4%	3%	37%	22%	25%	20%	18%
Optical Transponders	3%	-2%	-6%	15%	48%	13%	10%	14%	12%
Routing Systems	33%	7%	10%	13%	13%	15%	19%	16%	17%
Switching Systems	25%	11%	3%	5%	51%	52%	53%	54%	46%
ZR/ZR+/Coherent Lite Optics		101%	82%	4%	69%	47%	51%	42%	22%
Total	**17%**	**9%**	**5%**	**8%**	**40%**	**25%**	**28%**	**27%**	**23%**

Source: 650 Group

Ciena and HPE (Juniper) lead Optical Systems and Switching/Routing segments of DCI, respectively

In 2025, Ciena tracked to the largest market share in the Optical Systems (Line Systems & Transponders) market for DCI applications at 34%, followed by Huawei at 22% and Nokia/Infinera at 17%, with the top three vendors collectively accounting for 73% of the market, indicating a concentrated competitive landscape. In relation to Switching & Routing market for DCI applications, HPE Aruba/Juniper tracked to the largest market share at 30%, fol- lowed by Cisco at 27% and Arista at 24%, with the top three vendors collectively accounting for 81% of the market , indicating a highly concentrated competitive landscape.

Figure 25: DCI Market Share - Yearly

%

Vendor Share - Total Market	2022	2023	2024	2025
Optical Systems (Line Systems & Transponders)				
Ciena	12%	24%	27%	34%
Huawei	17%	12%	20%	22%
Nokia/Infinera	18%	19%	16%	17%
Other	53%	45%	37%	27%
Total	**100%**	**100%**	**100%**	**100%**
Switching & Routing				
HPE Aruba/Juniper	38%	31%	29%	30%
Cisco	27%	28%	28%	27%
Arista	20%	24%	25%	24%
Others	16%	17%	19%	19%
Total	**100%**	**100%**	**100%**	**100%**

Source: 650 Group.

Router Market Growth Outlook and Market Share Trends

Market to track to mid- to high-single digit growth post 2025 recovery

The Router market is estimated to expand to $18.7 bn in 2026 from $17.5 bn in 2025, imply - ing +7% y/y growth , with the long -term CAGR from 2026 through 2030 is expected to track to +7% a range . With respect to customer types , Telco Cloud is expected to track to +45% growth in 2026, before slowing down to a +5% CAGR from 2026 through 2030 , while US Top 5 Cloud Providers are expected to drive a solid CAGR of +32% over the same period.

Figure 26: Router Market by Customer - Yearly

$ in Millions, % Y/Y Change

Breakdown by Customer	2022	2023	2024	2025	2026E	2027E	2028E	2029E	2030E
US Top 5 Cloud Providers	$780	$856	$763	$897	$1,166	$1,530	$2,020	$2,685	$3,579
Chinese Top 3 Providers	$431	$454	$367	$393	$423	$458	$496	$525	$601
Rest of Cloud	$1,184	$1,210	$1,000	$1,159	$1,417	$1,578	$1,756	$1,957	$2,176
Legacy Telco SP	$6,662	$5,378	$3,503	$3,106					
Telco Cloud	$4,718	$6,367	$5,970	$7,507	$10,912	$11,586	$12,207	$12,754	$13,073
Hybrid/Private Cloud	$2,381	$3,220	$3,199	$3,509	$4,766	$4,846	$4,928	$5,016	$5,095
Enterprise and SMB	$2,546	$1,793	$1,169	$963					
Total	**$18,700**	**$19,276**	**$15,971**	**$17,534**	**$18,684**	**$19,997**	**$21,408**	**$22,937**	**$24,524**

% Y/Y Change	2022	2023	2024	2025	2026E	2027E	2028E	2029E	2030E
US Top 5 Cloud Providers	25%	10%	-11%	18%	30%	31%	32%	33%	33%
Chinese Top 3 Providers	-1%	5%	-19%	7%	8%	8%	8%	6%	15%
Rest of Cloud	9%	2%	-17%	16%	22%	11%	11%	11%	11%
Legacy Telco SP	-23%	-19%	-35%	-11%					
Telco Cloud	71%	35%	-6%	26%	45%	6%	5%	4%	3%
Hybrid/Private Cloud	58%	35%	-1%	10%	36%	2%	2%	2%	2%
Enterprise and SMB	-18%	-30%	-35%	-18%					
Total	**3%**	**3%**	**-17%**	**10%**	**7%**	**7%**	**7%**	**7%**	**7%**

Source: 650 Group.

Cisco leads the market; Stable market share across vendors

In 2025, Cisco tracked to the largest market share in the Router market at 32%, followed by Huawei at 25%, Nokia at 13%, and HPE/Juniper at 10%, with the top three vendors collectively accounting for 70% of the market and the top five accounting for 85%, indicating a concentrated competitive landscape dominated by a handful of established networking incumbents. Over the 2022 to 2025 period, share movements in the market have been relatively modest.

20

Figure 27: Router Market Share - Yearly

%

Vendor Share - Total Market	2022	2023	2024	2025
Cisco	34%	35%	32%	32%
Huawei	26%	27%	26%	25%
Nokia	13%	11%	13%	13%
HPE/Juniper	10%	9%	9%	10%
ZTE	3%	4%	4%	4%
Other	14%	14%	16%	17%
Total	**100%**	**100%**	**100%**	**100%**

Source: 650 Group

Broadband Access Growth Outlook and Market Share Trends

Modest mid-single-digit growth driven by Optical and Cable

The Broadband Access market is estimated to expand to $18 bn in 2026 from $17 bn in 2025, implying +7% y/y growth, with the long-term CAGR from 2026 through 2030 expected to track to a +6% range. With respect to connection types, Cable is expected to track to a CAGR of +10% from 2026 through 2030, Optical is expected to drive steady growth at a +8% CAGR, FWA is expected to be down -1%, and Multi-Service is expected to decline meaningfully at a -25% CAGR over the same 2026 through 2030 period.

Figure 28: Broadband Access Market by Connection Type - Yearly

$ in Millions, % Y/Y Change

Breakdown by Connection Type	2022	2023	2024	2025	2026E	2027E	2028E	2029E	2030E
Optical	$10,040	$10,775	$10,909	$10,449	$11,174	$12,341	$13,479	$14,331	$15,307
MultiService	$1,785	$1,344	$986	$891	$706	$538	$402	$296	$222
Cable	$3,711	$3,375	$1,806	$1,913	$2,467	$3,409	$3,361	$3,347	$3,597
FWA	$2,648	$2,824	$2,993	$3,316	$3,342	$3,281	$3,248	$3,216	$3,190
Total	**$18,185**	**$18,319**	**$16,694**	**$16,569**	**$17,690**	**$19,569**	**$20,491**	**$21,189**	**$22,316**

% Y/Y Change	2022	2023	2024	2025	2026E	2027E	2028E	2029E	2030E
Optical	29%	7%	1%	-4%	7%	10%	9%	6%	7%
MultiService	2%	-25%	-27%	-10%	-21%	-24%	-25%	-26%	-25%
Cable	7%	-9%	-46%	6%	29%	38%	-1%	0%	7%
FWA	24%	7%	6%	11%	1%	-2%	-1%	-1%	-1%
Total	**20%**	**1%**	**-9%**	**-1%**	**7%**	**11%**	**5%**	**3%**	**5%**

Source: 650 Group.

Market share is shifting towards optical; Huawei remains market leader

In 2025, Huawei tracked to the largest market share in the Broadband Access market at 25%, followed by Nokia at 13%, Fiberhome at 13%, Technicolor at 7% and ZTE at 6%, with the top three vendors collectively accounting for 51% of the market and the top five accounting for 64%, indicating a moderately fragmented competitive landscape where a sizable 30% "Other" tail remains. Over the 2022 to 2025 period, the most notable shift was Huawei gaining 7% pts of share and Nokia gaining 2% pts, primarily at the expense of Arris (CommScope/Vistance), which ceded 7% pts, and Technicolor, which lost 2% pts. Market share has shifted to optical access vendors and away from cable-centric players.

Figure 29: Broadband Access Market Share - Yearly

Vendor Share - Total Market	2022	2023	2024	2025
Huawei	18%	22%	26%	25%
Fiberhome	14%	15%	15%	13%
Nokia	11%	8%	10%	13%
Technicolor	8%	7%	6%	7%
ZTE	6%	5%	7%	6%
Calix	3%	4%	3%	4%
Arris	10%	9%	2%	3%
Other	30%	30%	31%	30%
Total	**100%**	**100%**	**100%**	**100%**

Source: 650 Group.

22

AEC Industry Growth Outlook and Market Share Trends

Robust growth driven by AI data center demand and increasing customer penetration The Active Electrical Cable market is expected to expand to $1.4 bn in 2026 from $622mn in 2025, implying +121% y/y growth, with the long-term CAGR from 2026 through 2030 expected to track to +28% with the market reaching $3.7 bn in 2030. Meanwhile, Chip ship-ments are expected to see steady growth with a long-term CAGR of +9% over the same.
period, while cable shipments are expected to expand at a solid +21% CAGR.

Figure 30: Overall AEC Market Growth - Yearly

$ in Millions, % Y/Y Change

Overall AEC Market	2022	2023	2024	2025	2026E	2027E	2028E	2029E	2030E
Chip Revenue	$62	$68	$175	$622	$1,375	$2,875	$3,336	$3,637	$3,655
Chips (K)	1,924	2,186	5,943	19,967	24,368	29,963	30,237	31,392	30,930
Cables (K)	663	611	1,504	5,225	8,116	11,089	11,779	12,873	13,351

% Y/Y Change	2022	2023	2024	2025	2026E	2027E	2028E	2029E	2030E
Chip Revenue	264%	10%	157%	256%	121%	109%	16%	9%	0%
Chips (K)	918%	14%	172%	236%	22%	23%	1%	4%	-1%
Cables (K)	251%	-8%	146%	247%	55%	37%	6%	9%	4%

Source: 650 Group.

Credo dominates the market with the vast majority of share. In 2025, Credo maintained the largest market share in the AEC chip market at 78%, with Credo's chip revenue reaching $487 mn against $135mn for the rest of the market.

Figure 31: AEC Market Share - Yearly

%

Chip Market Vendor Share	2022	2023	2024	2025
Credo	100%	84%	70%	78%
Others	0%	16%	30%	22%
Total	**100%**	**100%**	**100%**	**100%**

Cable Shipments Share	2022	2023	2024	2025
Credo	100%	94%	79%	81%
Others	0%	6%	21%	19%
Total	**100%**	**100%**	**100%**	**100%**

Source: 650 Group.