

NGEABT Study Group

January 15 Market Update

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Version 3

Background

- This deck presents some updated analyst forecasts:
 - Look back at the data presented during the CFI
 - Show new data from January 2015

CFI Slide using June 14 Data



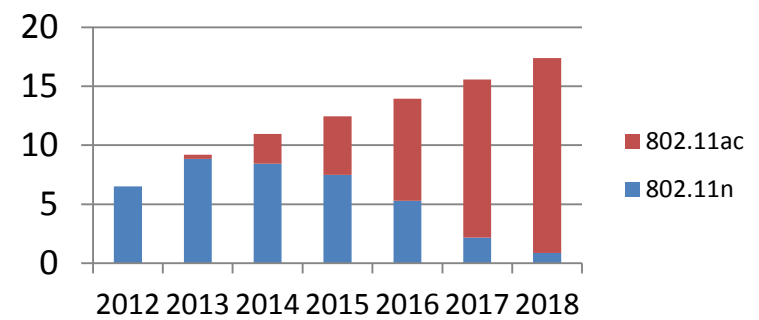
Enterprise 802.11 Market Forecast

- Enterprise 802.11ac AP adoption rate is growing faster than 802.11n did
 - 21% in 5th quarter of shipments
- 802.11ac Wave 2 APs will offer significant performance improvements for campus deployments
- BYOD devices (e.g., the latest smart phone, the newest tablet) are driving technology adoption in the enterprise
 - Within 5 years >95% of shipping 802.11 devices will support 802.11ac.
 - Lots of devices drives multi-user MIMO adoption

Enterprise AP types as % of Unit Shipments



Enterprise AP Volumes (units, millions)



Source: Dell'Oro June 2014

January 15 Data



Dell'Oro January 15 Press Release & Reports

- In January (2 months after our successful CFI), Dell'Oro released the following reports of interest (used as source data for this presentation)
 - Dell'Oro Group Wireless LAN 5-year Forecast Jan 2015
 - Dell'Oro Group Enterprise Edge 5-year Forecast Jan 2015
 - Dell'Oro Group Ethernet Switch 5-year Forecast Jan 2015
- The press release for the Wireless LAN 5-year Forecast ([link](#)) included the following statements:
 - *We expect 2015 to be a pivotal year for the Enterprise-class WLAN market with the introduction of higher speed 802.11ac Wave 2 systems*
 - *This will drive a need for greater Ethernet speeds, opening the door for an upgrade cycle to 2.5 and 5 Gbps Ethernet, which will drive a potential upgrade cycle for Campus Switching as well.*
- These reports now include forecasts for
 - Wave 1 and Wave 2 802.11ac for Enterprise-class devices (Wireless LAN)
 - 2.5 Gbps and 5 Gbps Ethernet switch ports (Enterprise Edge)

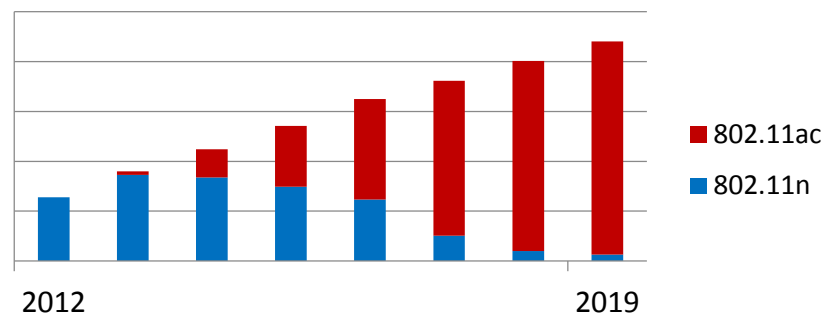
What's changing in 802.11?

- Rapid transition from 11n to 802.11ac

- Wave 2 shipments start ramping in 2016
 - Assuming Wave 2 at premium

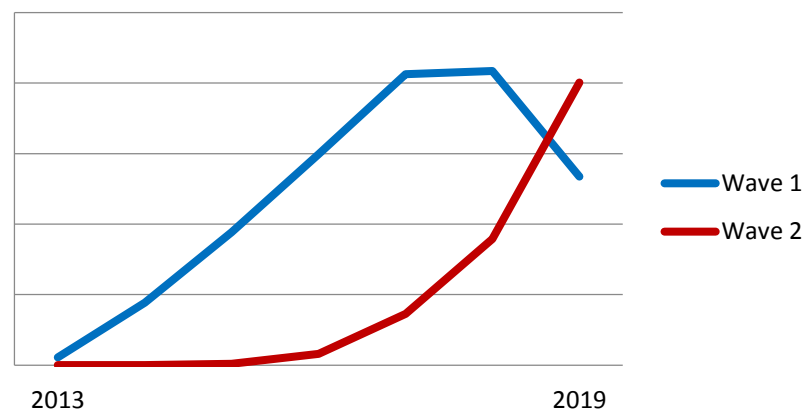
Enterprise AP Volume Split

Source: Dell'Oro Group Wireless LAN 5-year Forecast Jan 2015



Enterprise 802.11AC AP Transition

Source: Dell'Oro Group Wireless LAN 5-year Forecast Jan 2015

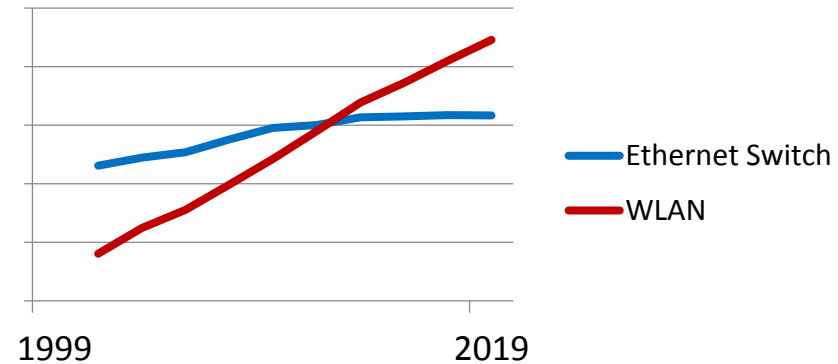


Impact on Ethernet?

- In 2015 it's expected that there are more Enterprise users connecting to WiFi than direct to Ethernet
- Given the expectation for 11ac Wave 2, 2.5 & 5 Gbps Ethernet is expected to have rapid adoption

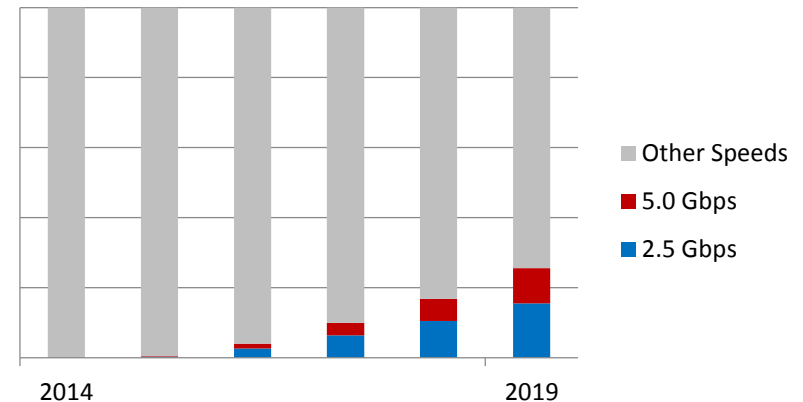
Enterprise Edge: Switch & WLAN active connections

Source: Dell'Oro Group Enterprise Edge 5-year Forecast Jan 2015



Enterprise Edge: 2.5G/5G Ethernet transition

Source: Dell'Oro Group Enterprise Edge 5-year Forecast Jan 2015



Conclusion

- What we are doing is already changing expectations.
- The market is expecting us to succeed.

Thank you.