RESEARCH BULLETIN

IC Insights

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HiSilicon First China-Based Semi Supplier to be Ranked in Top-10

Top-10 semiconductor suppliers log strong 16% jump in 1Q20/1Q19 sales.

IC Insights will release its *May Update* to the 2020 *McClean Report* later this month. This *Update* includes a discussion of the 1Q20 IC industry market results, an updated quarterly forecast for the remainder of this year, and a look at the top-25 1Q20 semiconductor suppliers. The top-10 1Q20 semiconductor suppliers are covered in this research bulletin.

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The top-10 worldwide semiconductor (IC and O-S-D—optoelectronic, sensor, and discrete) sales ranking for 1Q20 is shown in Figure 1. It includes six suppliers headquartered in the U.S., two in South Korea, and one each in Taiwan and China. The ranking includes four fabless companies (Broadcom, Qualcomm, Nvidia, and HiSilicon) and one pure-play foundry (TSMC).

1Q20 Top 10 Semiconductor Sales Leaders ($M, Including Foundries)

1Q20 Rank	1Q19 Rank	Company	Headquarters	1Q19 Total IC	1Q19 Total O-S-D	1Q19 Total Semi	1Q20 Total IC	1Q20 Total O-S-D	1Q20 Total Semi	1Q20/1Q19 % Change
1	1	Intel	U.S.	15,799	0	15,799	19,508	0	19,508	23%
2	2	Samsung	South Korea	11,992	875	12,867	13,939	858	14,797	15%
3	3	TSMC (1)	Taiwan	7,096	0	7,096	10,319	0	10,319	45%
4	4	SK Hynix	South Korea	5,903	120	6,023	5,829	210	6,039	0%
5	5	Micron	U.S.	5,465	0	5,465	4,795	0	4,795	-12%
6	6	Broadcom Inc. (2)	U.S.	3,764	419	4,183	3,700	410	4,110	-2%
7	7	Qualcomm (2)	U.S.	3,753	0	3,753	4,050	0	4,050	8%
8	8	TI	U.S.	3,199	208	3,407	2,974	190	3,164	-7%
9	11	Nvidia (2)	U.S.	2,215	0	2,215	3,035	0	3,035	37%
10	15	HiSilicon (2)	China	1,735	0	1,735	2,670	0	2,670	54%
—	—	Top-10 Total		60,921	1,622	62,543	70,819	1,668	72,487	16%

(1) Foundry (2) Fabless

Source: Company reports, IC Insights' *Strategic Reviews* database

Figure 1

In total, the top-10 semiconductor companies' sales surged by 16% in 1Q20 compared to 1Q19, more than twice the total worldwide semiconductor industry 1Q20/1Q19 increase of 7%. Nine of the top-10 companies had sales of at least $3.0 billion in 1Q20, one company more than in 1Q19. As shown, it took almost $2.7 billion in quarterly sales just to make it into the 1Q20 top-10 semiconductor supplier list.

There were two new entrants into the top-10 ranking in 1Q20, HiSilicon and Nvidia. These two companies replaced Infineon and Kioxia in the top-10 listing. HiSilicon is the semiconductor design division of China-based telecommunications giant Huawei and over 90% of HiSilicon's sales go to its parent company.

As shown, China-based fabless IC supplier HiSilicon jumped up five spots in the ranking to 10th place, making it the first China-based semiconductor supplier to be ranked in the worldwide top-10 listing. HiSilicon's year-over-year sales surged 54% in 1Q20. Nvidia also posted a solid year-over-year sales increase of 37% in 1Q20.

The top-10 ranking includes one pure-play foundry, TSMC, which registered a strong 45% 1Q20/1Q19 jump in revenue. Much of this increase was due to a surge in sales of 7nm application processors to Apple and HiSilicon for their respective smartphones. As shown in Figure 2, HiSilicon has become an increasingly important customer for TSMC and represented 14% of its sales last year, up from holding only a 5% share in 2017. It is interesting to note that HiSilicon and Apple combined to represent 37% of TSMC's total sales in 2019.

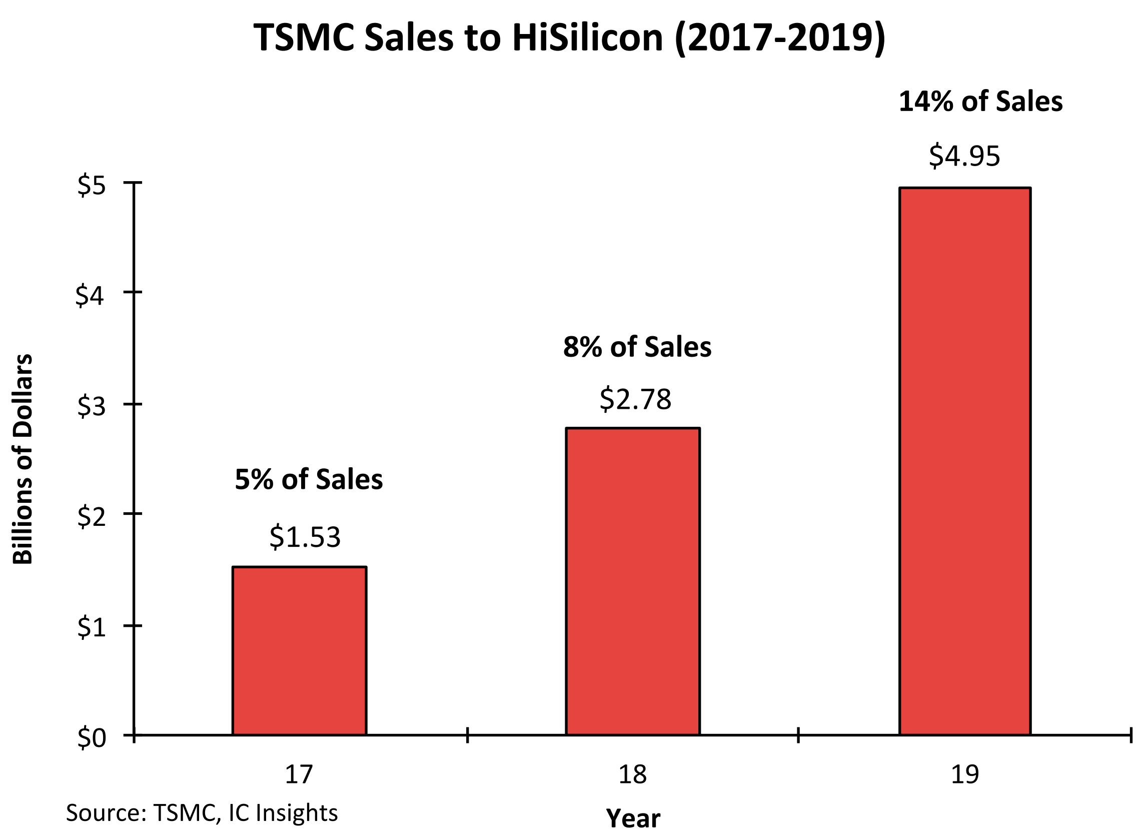

Figure 2

IC Insights includes foundries in the top-10 semiconductor supplier ranking since it has always viewed the ranking as a top supplier list, not a marketshare ranking, and realizes that in some cases the semiconductor sales are double counted. With many of our clients being vendors to the semiconductor industry (supplying equipment, chemicals, gases, etc.), excluding large IC manufacturers like the foundries would leave significant "holes" in the list of top semiconductor suppliers. As shown in the listing, the foundries and fabless companies are identified. In the *April Update* to *The McClean Report*, marketshare rankings of IC suppliers by product type were presented and foundries were excluded from these listings.

Overall, the top-10 list shown in Figure 1 is provided as a guideline to identify which companies are the leading semiconductor suppliers, whether they are IDMs, fabless companies, or foundries.

Many of the major semiconductor companies' have provided their sales guidance for 2Q20, which will be presented and discussed in the *May Update*. Overall, the 2Q20 semiconductor revenue expectations vary widely by company, as would be expected during the height of the current pandemic, and currently span a range of 17 percentage points. As part of the *May Update*, IC Insights will also discuss its expectations for worldwide *quarterly* IC market growth for the remainder of this year.

Report Details: *The 2020 McClean Report*

Additional details on IC market trends are provided in the 2020 edition of *The McClean Report—A Complete Analysis and Forecast of the Integrated Circuit Industry.* A subscription to *The McClean Report* includes **free** monthly updates from March through November (including a 200+ page *Mid-Year Update*), and **free** access to subscriber-only webinars throughout the year. An individual-user license to the 2020 edition of *The McClean Report* is priced at $4,990 and includes an Internet access password. A multi-user worldwide corporate license is available for $7,990.

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