RESEARCH BULLETIN

IC Insights

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Intel to Keep Its Number One Semiconductor Supplier Ranking in 2020

Seven top-15 semiconductor suppliers forecast to show ≥22% growth this year with Nvidia expected to post a huge 50% increase.

IC Insights' *November Update* to the 2020 *McClean Report,* released later this month, includes a discussion of the forecasted top-25 semiconductor suppliers in 2020. This research bulletin covers the expected top-15 2020 semiconductor suppliers (Figure 1).

MORE INFORMATION CONTACT

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The *November Update* also includes a detailed five-year forecast through 2024 of the IC market by product type (including dollar volume, unit shipments, and average selling price) and a forecast of the major semiconductor industry capital spenders for 2020. A five-year outlook for total semiconductor industry capital spending is also provided.

2020F Top 15 Semiconductor Sales Leaders ($M, Including Foundries)

2020 Rank	2019 Rank	Company	Headquarters	2019 Total IC	2019 Total O-S-D	2019 Total Semi	2020F Total IC	2020F Total O-S-D	2020F Total Semi	2020/2019 % Change
1	1	Intel	U.S.	70,797	0	70,797	73,894	0	73,894	4%
2	2	Samsung	South Korea	52,486	3,223	55,709	56,899	3,583	60,482	9%
3	3	TSMC (1)	Taiwan	34,668	0	34,668	45,420	0	45,420	31%
4	4	SK Hynix	South Korea	22,578	607	23,185	25,499	971	26,470	14%
5	5	Micron	U.S.	22,405	0	22,405	21,659	0	21,659	-3%
6	7	Qualcomm (2)	U.S.	14,391	0	14,391	19,374	0	19,374	35%
7	6	Broadcom Inc. (2)	U.S.	15,521	1,722	17,243	15,362	1,704	17,066	-1%
8	10	Nvidia (2)	U.S.	10,618	0	10,618	15,884	0	15,884	50%
9	8	TI	U.S.	12,812	839	13,651	12,275	813	13,088	-4%
10	9	Infineon (3)	Europe	7,734	3,404	11,138	7,438	3,631	11,069	-1%
11	16	MediaTek (2)	Taiwan	7,972	0	7,972	10,781	0	10,781	35%
12	14	Kioxia	Japan	8,760	0	8,760	10,720	0	10,720	22%
13	15	Apple* (2)	U.S.	8,015	0	8,015	10,040	0	10,040	25%
14	11	ST	Europe	6,475	3,058	9,533	6,867	3,085	9,952	4%
15	18	AMD (2)	U.S.	6,731	0	6,731	9,519	0	9,519	41%
—	—	Top-15 Total		301,963	12,853	314,816	341,631	13,787	355,418	13%

(1) Foundry (2) Fabless (3) Includes aquired company's sales in 2019 and 2020 results.

Source: Company reports, IC Insights' *Strategic Reviews* database *Custom processors/devices for internal

Figure 1

The top-15 companies semiconductor sales are broken out into IC and O-S-D (optoelectronic, sensor, and discrete) device categories for 2019 and 2020. The forecasted 2020 top-15 semiconductor supplier ranking includes eight suppliers headquartered in the U.S., two each in South Korea, Taiwan, and Europe, and one in Japan.

The semiconductor industry has been one of the most resilient markets during this corona-virus plagued year. Although causing a deep global recession in 2020, the Covid-19 pandemic spurred an acceleration of the worldwide digital transformation resulting in remarkably robust semiconductor market growth. In total, the top-15 semiconductor companies' sales are forecast to jump by 13% in 2020 compared to 2019, slightly more than twice the expected total worldwide semiconductor industry increase of 6%. In contrast, in 2019, the top-15 semiconductor suppliers registered a collective 15% decline in sales. All of the top-15 companies are forecast to have semiconductor sales of at least $9.5 billion in 2020.

There are expected to be two new entrants into the top-15 semiconductor sales ranking for this year—MediaTek and AMD, with these companies forecast to register strong sales increases of 35% and 41%, respectively. As shown, MediaTek is expected to jump up five spots to 11th place while AMD is forecast to move up three positions to 15th this year.

Apple is an anomaly in the top-15 ranking with regards to major semiconductor suppliers. The company designs and uses its processors and other custom ICs only in its own products—there are no sales of the company's IC devices to other system makers. IC Insights believes that Apple's custom ICs will have an equivalent "sales value" of $10,040 million in 2020, which would place them in the 13th position in the top-15 ranking.

In order to make the year-over-year growth rate comparison more reflective of actual growth, the semiconductor sales figures for Infineon include Cypress' sales for 2019 and 2020. Although Infineon acquired Cypress on April 16, 2020, IC Insights added Cypress' 2019 IC sales of $2,205 million to Infineon's 2019 semiconductor sales of $8,933 for a total of $11,138 million. Moreover, $514 million was added to Infineon's 1Q20 sales to account for Cypress' 1Q20 revenue with another $87 million added to Infineon's 2Q20 sales to reflect Cypress' semiconductor sales in the first half of April before the acquisition was finalized on April 16, 2020. With these adjustments, Infineon's 2020/2019 semiconductor sales are forecast to decline by 1%.

The top-15 ranking includes pure-play foundry TSMC, which is forecast to register a strong 31% 2020/2019 jump in revenue. Much of TSMC's increase is due to a surge in sales of its 5nm and 7nm application processors to Apple and HiSilicon for their respective smartphones. If TSMC was excluded from the list, Sony, with $9,243 million in expected 2020 semiconductor sales, would be ranked 15th.

IC Insights includes foundries in the top-15 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-15 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.

Report Details: *The 2021 McClean Report*

The 2021 edition of *The McClean Report—A Complete Analysis and Forecast of the Integrated Circuit Industry,* will be released in January 2021. A subscription to *The McClean Report* includes **free** monthly updates from March through November (including a 180+ page *Mid-Year Update*), and **free** access to subscriber-only webinars throughout the year. An individual-user license to the 2021 edition of *The McClean Report* is priced at $5,390 and includes an Internet access password. A multi-user worldwide corporate license is available for $8,590.

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About IC Insights

IC Insights, Inc., based in Scottsdale, Arizona USA, is dedicated to providing high-quality, cost-effective market research for the semiconductor industry. Founded in 1997, IC Insights offers coverage of global economic trends, the semiconductor market forecast, capital spending and fab capacity trends, product market details, and technology trends, as well as complete IC company profiles and evaluations of end-use applications driving demand for ICs.

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