

MAY 13, 2013

Eleven Companies Move Up in 1Q13 Top 20 Semi Supplier Ranking

Qualcomm, TSMC, and SK Hynix each register greater than 20% year-over-year growth.

Later this month, IC Insights' *May Update to The 2013 McClean Report* will show a ranking of the top 25 semiconductor suppliers in 1Q13. A preview of the top 20 companies is listed in Figure 1. The top 20 worldwide semiconductor (IC and O-S-D—optoelectronic, discrete, and sensor) sales leaders for 1Q13 include nine suppliers headquartered in the U.S., four in Japan, three in Europe, and two each in South Korea and Taiwan, a relatively broad representation of geographic regions. The top-20 ranking also includes three pure-play foundries (TSMC, GlobalFoundries, and UMC) and four fabless companies.

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IC foundries are included in the top-20 semiconductor supplier ranking because IC Insights has always viewed the ranking as a top supplier list, not as a marketshare ranking, and realizes that in some cases 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. Foundries and fabless companies are each clearly identified in Figure 1. Overall, the 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.

It should be noted that not all foundry sales should be excluded when attempting to create marketshare data. For example, although Samsung has a large amount of foundry sales, most of its sales are to Apple. Since Apple does not re-sell these devices, counting these foundry sales as Samsung semiconductor sales does not introduce double counting.

In total, the top 20 semiconductor companies' sales increased by 2% in 1Q13 as compared to 1Q12, one point better than the total 1Q13/1Q12 worldwide semiconductor market increase of 1%. It took semiconductor sales of almost \$900 million in 1Q13 to make the top-20 ranking.

Intel remained firmly in control of the number one spot in the 1Q13 ranking. However, Intel lost some of its lead over second-ranked Samsung by registering 45% greater semiconductor sales than Samsung in

1Q13 as compared to a 68% margin in 1Q12. The only movement with regard to the top five spots in the 1Q13 ranking was that fabless supplier Qualcomm, riding the continued success of the smartphone market, reported a 28% surge in sales (highest among the top 20 companies) and moved up one position to replace Toshiba as the fourth-largest semiconductor supplier.

1Q13 Top 20 Semiconductor Sales Leaders (\$M)

1Q13 Rank	1Q12 Rank	Company	Headquarters	1Q12 Tot Semi	1Q13 Tot Semi	2012/2011 % Change
1	1	Intel	U.S.	11,874	11,555	-3%
2	2	Samsung	South Korea	7,067	7,952	13%
3	3	TSMC*	Taiwan	3,526	4,460	26%
4	5	Qualcomm**	U.S.	3,059	3,916	28%
5	4	Toshiba	Japan	3,255	2,938	-10%
6	6	TI	U.S.	2,934	2,718	-7%
7	8	SK Hynix	South Korea	2,115	2,577	22%
8	9	Micron	U.S.	2,102	2,185	4%
9	10	ST	Europe	1,999	1,977	-1%
10	11	Broadcom**	U.S.	1,770	1,954	10%
11	7	Renesas	Japan	2,363	1,886	-20%
12	16	GlobalFoundries*	U.S.	1,170	1,240	6%
13	14	Infineon	Europe	1,292	1,212	-6%
14	12	AMD**	U.S.	1,585	1,088	-31%
15	17	NXP	Europe	969	1,085	12%
16	13	Sony	Japan	1,514	1,049	-31%
17	18	Nvidia**	U.S.	935	1,006	8%
18	19	Freescale	U.S.	910	917	1%
19	20	UMC*	Taiwan	804	898	12%
20	15	Fujitsu	Japan	1,216	894	-26%
Top 20 Total				52,459	53,507	2%

*Foundry

**Fabless

Source: IC Insights' Strategic Reviews Database

Figure 1

Micron's acquisition of Elpida is expected to be completed sometime in 2Q13. It is interesting to note that if Micron and Elpida's 1Q13 sales were combined, the "new" company would have had \$3,060 million in total sales and would have been ranked as the fifth-largest semiconductor supplier.

As shown in Figure 2, there was a wide range of growth rates among the worldwide top 20 semiconductor suppliers in 1Q13. The continued success of the fabless/foundry business model is evident when examining the top 20 semiconductor suppliers ranked by growth rate. As shown, the top nine performers included three fabless companies (Qualcomm, Broadcom, and Nvidia) and three pure-play foundries (TSMC, UMC, and GlobalFoundries).

Figure 2 illustrates that four of the five top-20 ranked companies that registered a double-digit sales decline in 1Q13 were headquartered in Japan (Toshiba, Renesas, Fujitsu, and Sony). However, it should be noted that the conversion of Japanese company semiconductor sales from yen to U.S. dollars, at 79.26 yen per dollar in 1Q12 versus 92.19 yen per dollar in 1Q13, had a big impact on the sales figures for the Japanese semiconductor suppliers. Thus, while Sony and Fujitsu would have logged a double-digit semiconductor sales decline even if their sales results were not converted to U.S. dollars, Toshiba would have posted a 5% increase in semiconductor sales if the figures were expressed in yen. Unfortunately for AMD, it cannot attribute its extremely poor performance to currency conversion issues.

1Q13 Top 20 Semiconductor Sales Leaders Ranked by Growth (\$M)

1Q13 Rank	Company	Headquarters	1Q12 Tot Semi	1Q13 Tot Semi	2012/2011 % Change
1	Qualcomm**	U.S.	3,059	3,916	28%
2	TSMC*	Taiwan	3,526	4,460	26%
3	SK Hynix	South Korea	2,115	2,577	22%
4	Samsung	South Korea	7,067	7,952	13%
5	NXP	Europe	969	1,085	12%
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16	Toshiba	Japan	3,255	2,938	-10%
17	Renesas	Japan	2,363	1,886	-20%
18	Fujitsu	Japan	1,216	894	-26%
19	Sony	Japan	1,514	1,049	-31%
20	AMD**	U.S.	1,585	1,088	-31%

*Foundry **Fabless

Source: IC Insights' Strategic Reviews Database

Figure 2

Report Details: *The 2013 McClean Report and Strategic Reviews*

Data in this research bulletin was excerpted from this month's *May Update* to the 2013 edition of IC Insights' flagship report, *The McClean Report—A Complete Analysis and Forecast of the Integrated Circuit Industry*, which features more than 400 tables and graphs in the main report alone. A subscription to *The McClean Report* includes **free** monthly updates from March through November (including a 250+ page

Mid-Year Report), and **free** access to subscriber-only webinars throughout the year. An individual-user subscription to the 2013 edition of *The McClean Report* is priced at \$3,390 and includes an Internet access password. A multi-user worldwide corporate license is available for \$6,390.

IC Insights' *Strategic Reviews* database includes extensive profiles of more than 200 IC companies, including those companies with a fabrication facility as well as fabless IC suppliers. The profiles include financial highlights, company strategy, key personnel, products and services offered, process technologies employed, important strategic alliances, detailed fab data when applicable, and contact information. Over 2,000 hours a year are expended to keep this database current. An individual-user password to *Strategic Reviews* is available for \$2,995 and is good for access to the database for one full year after the start of the subscription. A multi-user corporate-wide password is available for \$4,995.

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