RESEARCH BULLETIN

IC Insights

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MediaTek, AMD, and SK Hynix's 1H14 Sales Surge by ≥20%!

In total, the Top 20 semiconductor suppliers' 1H14 sales jumped by 10%.

Later this month, IC Insights' *August Update* to *The 2014 McClean Report* will show a ranking of the 2Q14 top 25 semiconductor suppliers as well as their expected sales for 3Q14. A preview of the top 20 companies 1H14 sales results is presented in Figure 1. The top 20 worldwide semiconductor (IC and O-S-D—optoelectronic, sensor, and discrete) sales ranking for 1H14 includes nine suppliers headquartered in the U.S., three in Japan, three in Europe, two in South Korea, two in Taiwan, and one in Singapore, a relatively broad representation of geographic regions.

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The top-20 ranking includes two pure-play foundries (TSMC and GlobalFoundries) and six fabless companies. Pure-play IC foundry UMC was replaced in the top 20 ranking by Nvidia. It is interesting to note that the top four semiconductor suppliers all have different business models. Intel is essentially a pure-play IDM, Samsung a vertically integrated IC supplier, TSMC a pure-play foundry, and Qualcomm a fabless company.

IC foundries are included in the top 20 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 clearly identified in Figure 1. 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.

It should be noted that not all foundry sales should be excluded when attempting to create marketshare data. For example, although Samsung had a large amount of foundry sales in the first quarter, most of its sales were still to Apple. Apple does not re-sell these devices so counting these foundry sales as Samsung semiconductor sales does not introduce double counting.

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.

1H14 Top 20 Semiconductor Sales Leaders
($M, Including Foundries)

1H14 Rank	1H13 Rank	Company	Headquarters	1Q13 Tot Semi	2Q13 Tot Semi	1H13 Tot Semi	1Q14 Tot Semi	2Q14 Tot Semi	1H14 Tot Semi	1H14/1H13 % Change	1H14/1H13 Ranking Change
1	1	Intel	U.S.	11,555	11,785	23,340	11,666	12,766	24,432	5%	0
2	2	Samsung	South Korea	7,946	7,769	15,715	8,797	9,516	18,313	17%	0
3	3	TSMC*	Taiwan	4,470	5,162	9,632	4,852	6,030	10,882	13%	0
4	4	Qualcomm**	U.S.	3,916	4,222	8,138	4,243	4,957	9,200	13%	0
5	5	Micron + Elpida	U.S.	3,300	3,465	6,765	4,019	4,020	8,039	19%	0
6	6	SK Hynix	South Korea	2,577	3,521	6,098	3,507	3,817	7,324	20%	0
7	8	TI	U.S.	2,717	2,872	5,589	2,792	3,078	5,870	5%	1
8	7	Toshiba	Japan	2,939	2,868	5,807	2,793	2,485	5,278	-9%	-1
9	10	Broadcom**	U.S.	1,962	2,047	4,009	1,984	2,041	4,025	0%	1
10	11	Renesas	Japan	1,886	1,920	3,806	1,865	1,970	3,835	1%	1
11	9	ST	Europe	1,994	2,033	4,027	1,801	1,857	3,658	-9%	-2
12	13	MediaTek + MStar**	Taiwan	1,083	1,391	2,474	1,608	1,798	3,406	38%	1
13	12	Infineon	Europe	1,208	1,327	2,535	1,440	1,521	2,961	17%	-1
14	16	AMD**	U.S.	1,088	1,161	2,249	1,397	1,441	2,838	26%	2
15	15	NXP	Europe	1,085	1,188	2,273	1,246	1,349	2,595	14%	0
16	14	Avago + LSI**	Singapore	1,136	1,206	2,342	1,272	1,275	2,547	9%	-2
17	17	Sony	Japan	990	1,185	2,175	947	1,325	2,272	4%	0
18	19	Freescale	U.S.	931	987	1,918	1,071	1,132	2,203	15%	1
19	18	GlobalFoundries*	U.S.	946	1,021	1,967	1,010	1,120	2,130	8%	-1
20	21	Nvidia**	U.S.	940	905	1,845	1,050	1,050	2,100	14%	1
—	—	Top 20 Total		54,669	58,035	112,704	59,360	64,548	123,908	10%	—

*Foundry **Fabless

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

Figure 1

As shown, it took total semiconductor sales of $2.1 billion to make the 1H14 top 20 ranking. In total, the top 20 semiconductor companies' sales increased by 10% in 1H14 as compared to 1H13, three points higher than IC Insights' current 7% forecast for total worldwide semiconductor market growth this year.

Outside of the top six spots, there were numerous changes within the 1H14 top-20 semiconductor supplier ranking. In fact, of the 14 companies ranked 7th through 20th, 12 of them changed positions in 1H14 as compared with 1H13 (with AMD jumping up two spots).

As a result of its top-20 leading 38% 1H14 sales surge, MediaTek moved up one position in 1H14 as compared to 1H13 into 12th place. MediaTek continues to experience extremely strong demand for its devices in the booming low-end smartphone business in China and other Asia-Pacific locations. Moreover, MediaTek and MStar finalized their merger on February 1, 2014. Annual post-merger sales for MediaTek are now expected to be over $7 billion this year.

Avago purchased LSI Corp. on May 6, 2014. The combined annual semiconductor sales run-rate of the two companies is currently over $5 billion. Also, last year's Micron/Elpida merger essentially created a new "giant" semiconductor company with Micron's total sales this year on pace to be over $16 billion!

It should be noted that the sales of Micron and Elpida, MediaTek and MStar, and Avago and LSI use the combined sales of the two companies for both 1H13 and 1H14, regardless of when the merger actually occurred. This was done in an attempt to make the company's 1H14/1H13 sales growth rates more directly comparable and give a clearer picture of the merged company's sizes going forward.

More details on the 1H14 top 25 semiconductor suppliers, including estimates for their 3Q14 sales, will be provided in the *August Update* to *The McClean Report.*

Report Details: *The 2014 McClean Report*

The McClean Report—A Complete Analysis and Forecast of the Integrated Circuit Industry 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 2014 edition of *The McClean Report* is priced at $3,490 and includes an Internet access password. A multi-user worldwide corporate license is available for $6,490.

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