

**AUGUST 2, 2013**

## IC Insights Reveals Big Changes to 1H13 Top 20 Semiconductor Supplier Ranking

*SK Hynix, Qualcomm, MediaTek, and TSMC each registered >20% year-over-year growth.*

Later this month, IC Insights' *August Update* to the *2013 McClean Report* will show a ranking of the top 25 semiconductor suppliers in 1H13. 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 1H13 include eight suppliers headquartered in the U.S., four in Japan, three in Europe, three in Taiwan, and two in South Korea.

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The top-20 ranking includes three pure-play foundries (TSMC, GlobalFoundries, and UMC) and four fabless companies. 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. Overall, the list shown in Figure 1 provides a guideline to identify which companies are the leading semiconductor suppliers, whether they are IDMs, fabless companies, or foundries.

There were numerous changes within the top-20 semiconductor ranking in 1H13 as compared to the top 20 ranking of 2012. Some of the companies rising in the ranking included SK Hynix, which moved up three places and into the top 5; Broadcom, which edged into the top 10; Elpida, which was officially purchased by Micron on July 31, 2013, shot up seven places to 17th place; and MediaTek, which jumped up four positions to make it into the top 20 (now ranked 18th). In contrast, Fujitsu dropped five places and fell out of the top 20 ranking, going from being ranked 17th in 2012 to 22nd in 1H13. The other company to fall out of the top 20 ranking was fabless supplier Nvidia, which went from being ranked 18th in 2012 to 21st in 1H13, even though the company posted a 2% increase in year-over-year sales. Another "casualty" in the top 20 ranking was Sony, which fell to 16th place in 1H13 from the 12th position in 2012.

Micron's acquisition of Elpida was completed on July 31, 2013. It is interesting to note that if Micron and Elpida's 1H13 sales were combined, the "new" company would have had \$6,699 million in total sales in 1H13 and would have been ranked as the fifth-largest semiconductor supplier worldwide. Now that the two companies are officially combined, look for Micron to move up in the ranking of top suppliers over the remainder of 2013 and in 2014.

## 1H13 Top 20 Semiconductor Sales Leaders (\$M, Including Foundries)

1H13 Rank	2012 Rank	Company	Headquarters	2012 Tot Semi	1H12 Tot Semi	1Q13 Tot Semi	2Q13 Tot Semi	1H13 Tot Semi	1H13/1H12 % Change
1	1	Intel	U.S.	49,114	24,296	11,555	11,785	23,340	-4%
2	2	Samsung	South Korea	32,251	15,101	7,952	7,771	15,723	4%
3	3	TSMC*	Taiwan	16,951	7,810	4,460	5,152	9,612	23%
4	4	Qualcomm**	U.S.	13,177	5,928	3,916	4,222	8,138	37%
5	8	SK Hynix	South Korea	9,057	4,406	2,577	3,521	6,098	38%
6	6	Toshiba	Japan	11,217	5,659	2,938	2,868	5,806	3%
7	5	TI	U.S.	12,081	6,077	2,718	2,922	5,640	-7%
8	10	Micron	U.S.	8,002	4,204	2,144	2,450	4,594	9%
9	9	ST	Europe	8,364	4,126	1,994	2,033	4,027	-2%
10	11	Broadcom**	U.S.	7,793	3,687	1,954	2,035	3,989	8%
11	7	Renesas	Japan	9,314	4,480	1,886	1,920	3,806	-15%
12	15	GlobalFoundries*	U.S.	4,560	2,340	1,240	1,325	2,565	10%
13	14	Infineon	Europe	4,928	2,564	1,208	1,327	2,535	-1%
14	16	NXP	Europe	4,325	2,053	1,085	1,188	2,273	11%
15	13	AMD**	U.S.	5,422	2,998	1,088	1,161	2,249	-25%
16	12	Sony	Japan	5,709	2,986	1,049	1,148	2,197	-26%
17	24	Elpida***	Japan	3,075	1,997	945	1,160	2,105	5%
18	22	MediaTek**	Taiwan	3,366	1,457	817	1,115	1,932	33%
19	20	UMC*	Taiwan	3,730	1,804	898	1,015	1,913	6%
20	19	Freescale	U.S.	3,803	1,892	917	988	1,905	1%
<b>Top 10 Total</b>				<b>168,007</b>	<b>81,294</b>	<b>42,208</b>	<b>44,759</b>	<b>86,967</b>	<b>7%</b>
<b>Top 20 Total</b>				<b>216,239</b>	<b>105,865</b>	<b>53,341</b>	<b>57,106</b>	<b>110,447</b>	<b>4%</b>

\*Foundry

\*\*Fabless

\*\*\*Purchased by Micron on July 31, 2013

Source: IC Insights' Strategic Reviews Database

**Figure 1**

In total, the top 20 semiconductor companies' sales increased by 4% in 1H13 as compared to 1H12, one point better than the total 1H13/1H12 worldwide semiconductor market increase of 3%. It took semiconductor sales of just over \$1.9 billion in 1H13 to make the top-20 ranking.

As shown in Figure 2, there was a 64-percentage-point range of growth rates among the worldwide top 20 semiconductor suppliers in 1H13 (from +38% for SK Hynix to -26% for Sony). 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 10 performers included three fabless companies (Qualcomm, MediaTek, and Broadcom) and three pure-play foundries (TSMC, GlobalFoundries, and UMC).

## 1H13 Top 20 Semiconductor Sales Leaders Ranked by Growth (\$M, Including Foundries)

1H13 Rank	Company	Headquarters	2012 Tot Semi	1H12 Tot Semi	1Q13 Tot Semi	2Q13 Tot Semi	1H13 Tot Semi	1H13/1H12 % Change
1	SK Hynix	South Korea	9,057	4,406	2,577	3,521	6,098	38%
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\*Foundry

\*\*Fabless

\*\*\*Purchased by Micron on July 31, 2013

Source: IC Insights' Strategic Reviews Database

**Figure 2**

Figure 2 illustrates that two of the three top-20 ranked companies that registered a double-digit sales decline in 1H13 were headquartered in Japan (Renesas and Sony). Japan-based Fujitsu also registered a double-digit decline (-19%) in 1H13 to drop out of the top 20 ranking. However, it should be noted that the conversion of Japanese company semiconductor sales from yen to U.S. dollars, at 95.47 yen per dollar in 1H13 versus 79.70 yen per dollar in 1H12, had a significant impact on the sales figures for the Japanese companies. Still, Sony would have logged a double-digit (12%) semiconductor sales decline even if its sales results were not converted to U.S. dollars while Renesas would have posted a 2% increase in semiconductor sales if the numbers were expressed in yen.

Unfortunately for AMD, it cannot attribute its extremely poor 1H13 sales performance (-25%) to currency conversion issues. However, the company's 3Q13/2Q13 guidance is for a 22% surge in sales, a significant rebound but one that still may not prevent the company from posting another full-year decline in sales in 2013 (AMD registered a steep 17% sales decline in 2012).

More details on the 1H13 top 25 semiconductor suppliers, including a look at the companies' 3Q13 expectations and guidance, will be provided in the *August Update* to *The McClean Report*.

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

Data in this research bulletin was excerpted from the upcoming *August 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 the recently released 250+ page *Mid-Year Update*), 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 \$3,195 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 \$5,195.

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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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