

**NOVEMBER 6, 2013**

## **IC Insights Expects Big Changes to 2013 Top 20 Semi Supplier Ranking**

*SK Hynix, MediaTek, Micron, and Qualcomm each forecast to show  $\geq 30\%$  year-over-year growth.*

Later this month, IC Insights' *November Update* to the *2013 McClean Report* will show a preliminary ranking of the top 25 semiconductor suppliers in 2013. 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 forecast for 2013 include nine suppliers headquartered in the U.S., three in Japan, three in Europe, three in Taiwan, and two in South Korea.

The top-20 ranking includes three pure-play foundries (TSMC, GlobalFoundries, and UMC) and five 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. Excluding the foundries of TSMC, GlobalFoundries, and UMC, from the top-20 ranking would bring Fujitsu (\$3,524 million), Marvell (\$3,205 million), and Sharp (\$3,078 million) into the 18th, 19th, and 20th positions, respectively.

There are numerous changes expected within the top-20 semiconductor ranking in 2013 as compared to the top 20 ranking of 2012. Some of the companies forecast to rise in the ranking include SK Hynix, which, despite a significant fire and production set-back at its largest memory fab in China, is taking full advantage of the surge in the DRAM market this year and is expected to move up three places and into the top 5. Also, Broadcom is forecast to edge into the top 10, Micron is expected to move up two spots, spurred by its acquisition of Elpida in 3Q13, and MediaTek is forecast to jump up six positions to 16th place and into the top-20 ranking for the first time. MediaTek is experiencing extremely strong demand for its devices in the booming low-end smartphone business in China and other Asia-Pacific locations. In fact, MediaTek expects its application processor shipments for smartphones to reach over 200 million units this year, about double the 108 million units the company shipped in 2012.

### **MORE INFORMATION CONTACT**

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In contrast to the companies moving up in the ranking, Fujitsu is expected to drop five places to fall out of the top-20 ranking in 2013, going from being ranked 16th in 2012 to 21st this year (the company sold its analog and MCU business to Spansion in August of this year). Renesas is another “casualty” expected in the top-20 ranking and is forecast to fall to 11th place in 2013 from the 7th position it held in 2012.

### 2013 Top 20 Semiconductor Sales Leaders Forecast (\$M, Including Foundries)

| 2013F Rank          | 2012 Rank | Company          | Headquarters | 2012 Tot Semi  | 1Q13 Tot Semi | 2Q13 Tot Semi | 3Q13 Tot Semi | 4Q13F Tot Semi | 2013F Tot Semi | 2013F/2012 % Change |
|---------------------|-----------|------------------|--------------|----------------|---------------|---------------|---------------|----------------|----------------|---------------------|
| 1                   | 1         | Intel            | U.S.         | 49,114         | 11,555        | 11,785        | 12,366        | 12,615         | 48,321         | -2%                 |
| 2                   | 2         | Samsung          | South Korea  | 32,251         | 7,946         | 7,769         | 8,805         | 9,070          | 33,590         | 4%                  |
| 3                   | 3         | TSMC*            | Taiwan       | 16,951         | 4,460         | 5,152         | 5,377         | 4,815          | 19,804         | 17%                 |
| 4                   | 4         | Qualcomm**       | U.S.         | 13,177         | 3,916         | 4,222         | 4,457         | 4,550          | 17,145         | 30%                 |
| 5                   | 8         | SK Hynix         | South Korea  | 9,057          | 2,577         | 3,521         | 3,692         | 3,250          | 13,040         | 44%                 |
| 6                   | 6         | Toshiba          | Japan        | 11,217         | 2,938         | 2,868         | 3,356         | 3,035          | 12,197         | 9%                  |
| 7                   | 5         | TI               | U.S.         | 12,081         | 2,718         | 2,872         | 3,064         | 2,820          | 11,474         | -5%                 |
| 8                   | 10        | Micron           | U.S.         | 8,002          | 2,158         | 2,493         | 2,900         | 3,000          | 10,551         | 32%                 |
| 9                   | 9         | ST               | Europe       | 8,364          | 1,994         | 2,033         | 2,077         | 2,080          | 8,184          | -2%                 |
| 10                  | 11        | Broadcom**       | U.S.         | 7,793          | 1,954         | 2,035         | 2,146         | 1,975          | 8,110          | 4%                  |
| 11                  | 7         | Renesas          | Japan        | 9,314          | 1,886         | 1,920         | 2,101         | 1,920          | 7,827          | -16%                |
| 12                  | 14        | Infineon         | Europe       | 4,928          | 1,208         | 1,327         | 1,390         | 1,340          | 5,265          | 7%                  |
| 13                  | 13        | AMD**            | U.S.         | 5,422          | 1,088         | 1,161         | 1,461         | 1,534          | 5,244          | -3%                 |
| 14                  | 12        | Sony             | Japan        | 5,709          | 1,247         | 1,144         | 1,203         | 1,295          | 4,889          | -14%                |
| 15                  | 15        | NXP              | Europe       | 4,325          | 1,085         | 1,188         | 1,249         | 1,265          | 4,787          | 11%                 |
| 16                  | 22        | MediaTek**       | Taiwan       | 3,366          | 817           | 1,115         | 1,308         | 1,275          | 4,515          | 34%                 |
| 17                  | 17        | GlobalFoundries* | U.S.         | 4,013          | 946           | 1,020         | 1,125         | 1,170          | 4,261          | 6%                  |
| 18                  | 19        | Freescale        | U.S.         | 3,803          | 925           | 987           | 1,030         | 1,000          | 3,942          | 4%                  |
| 19                  | 20        | UMC*             | Taiwan       | 3,730          | 898           | 1,016         | 1,060         | 945            | 3,919          | 5%                  |
| 20                  | 18        | Nvidia**         | U.S.         | 3,965          | 939           | 903           | 1,005         | 905            | 3,752          | -5%                 |
| <b>Top 20 Total</b> |           |                  |              | <b>216,582</b> | <b>53,255</b> | <b>56,531</b> | <b>61,172</b> | <b>59,859</b>  | <b>230,817</b> | <b>7%</b>           |

\*Foundry

\*\*Fabless

Source: IC Insights' Strategic Reviews Database

Figure 1

In total, the top 20 semiconductor companies' sales are forecast to increase by 7% in 2013 as compared to 2012, which would be two points better than the 5% forecast for the total worldwide semiconductor market this year. It is expected to take total semiconductor sales of over \$3.7 billion to make the top-20 ranking in 2013.

As shown in Figure 2, there is expected to be a 60-percentage-point range of growth rates among the worldwide top 20 semiconductor suppliers in 2013 (from +44% for SK Hynix to -16% for Sony). The continued success of the fabless/foundry business model and the strong growth of the memory market (especially the 29% DRAM market surge) this year is evident when examining the nine top-20 semiconductor suppliers that are forecast to log higher growth than the total worldwide semiconductor market (5%). As shown, the top nine performers in 2013 are forecast to include three memory

companies (SK Hynix, Micron, and Toshiba), two fabless companies (MediaTek and Qualcomm), and two pure-play foundries (TSMC and GlobalFoundries).

## 2013F Top 20 Semiconductor Sales Leaders Ranked by Growth (\$M, Including Foundries)

| 2013F Rank | Company          | Headquarters | 2012 Tot Semi | 1Q13 Tot Semi | 2Q13 Tot Semi | 3Q13 Tot Semi | 4Q13F Tot Semi | 2013F Tot Semi | 2013F/2012 % Change |
|------------|------------------|--------------|---------------|---------------|---------------|---------------|----------------|----------------|---------------------|
| 1          | SK Hynix         | South Korea  | 9,057         | 2,577         | 3,521         | 3,692         | 3,250          | 13,040         | 44%                 |
| 2          | MediaTek**       | Taiwan       | 3,366         | 817           | 1,115         | 1,308         | 1,275          | 4,515          | 34%                 |
| 3          | Micron           | U.S.         | 8,002         | 2,158         | 2,493         | 2,900         | 3,000          | 10,551         | 32%                 |
| 4          | Qualcomm**       | U.S.         | 13,177        | 3,916         | 4,222         | 4,457         | 4,550          | 17,145         | 30%                 |
| 5          | TSMC*            | Taiwan       | 16,951        | 4,460         | 5,152         | 5,377         | 4,815          | 19,804         | 17%                 |
| 6          | NXP              | Europe       | 4,325         | 1,085         | 1,188         | 1,249         | 1,265          | 4,787          | 11%                 |
| 7          | Toshiba          | Japan        | 11,217        | 2,938         | 2,868         | 3,356         | 3,035          | 12,197         | 9%                  |
| 8          | Infineon         | Europe       | 4,928         | 1,208         | 1,327         | 1,390         | 1,340          | 5,265          | 7%                  |
| 9          | GlobalFoundries* | U.S.         | 4,013         | 946           | 1,020         | 1,125         | 1,170          | 4,261          | 6%                  |
| 10         | UMC*             | Taiwan       | 3,730         | 898           | 1,016         | 1,060         | 945            | 3,919          | 5%                  |
| 11         | Samsung          | South Korea  | 32,251        | 7,946         | 7,769         | 8,805         | 9,070          | 33,590         | 4%                  |
| 12         | Broadcom**       | U.S.         | 7,793         | 1,954         | 2,035         | 2,146         | 1,975          | 8,110          | 4%                  |
| 13         | Freescale        | U.S.         | 3,803         | 925           | 987           | 1,030         | 1,000          | 3,942          | 4%                  |
| 14         | Intel            | U.S.         | 49,114        | 11,555        | 11,785        | 12,366        | 12,615         | 48,321         | -2%                 |
| 15         | ST               | Europe       | 8,364         | 1,994         | 2,033         | 2,077         | 2,080          | 8,184          | -2%                 |
| 16         | AMD**            | U.S.         | 5,422         | 1,088         | 1,161         | 1,461         | 1,534          | 5,244          | -3%                 |
| 17         | TI               | U.S.         | 12,081        | 2,718         | 2,872         | 3,064         | 2,820          | 11,474         | -5%                 |
| 18         | Nvidia**         | U.S.         | 3,965         | 939           | 903           | 1,005         | 905            | 3,752          | -5%                 |
| 19         | Sony             | Japan        | 5,709         | 1,247         | 1,144         | 1,203         | 1,295          | 4,889          | -14%                |
| 20         | Renesas          | Japan        | 9,314         | 1,886         | 1,920         | 2,101         | 1,920          | 7,827          | -16%                |

\*Foundry

\*\*Fabless

Source: IC Insights' Strategic Reviews Database

**Figure 2**

Figure 2 illustrates that the two top-20 ranked companies that are forecast to register double-digit sales declines in 2013 are headquartered in Japan (Renesas and Sony). As previously mentioned, Japan-based Fujitsu is also expected to register a double-digit decline (-15%) in 2013 and drop out of the top 20 ranking this year. However, it should be noted that the conversion of Japanese company semiconductor sales from yen to U.S. dollars, at 96.96 yen per dollar forecast for 2013 versus the 79.70 yen per dollar rate in 2012, is expected to have a significant impact on the sales figures for the Japanese companies. Using a constant 2012 U.S. dollar versus Japanese yen exchange rate for 2013, the forecasted 2013 semiconductor sales *increases* of Sony, Fujitsu, and Renesas would be 4%, 3%, and 2%, respectively.

More details on the forecasted 2013 top 25 semiconductor suppliers, as well as IC Insights' latest detailed forecast for the 2014 semiconductor market, will be provided in the *November Update to The McClean Report*.

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

Data in this research bulletin was excerpted from the upcoming *November 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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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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