

RESEARCH BULLETIN

MAY 1, 2017

Samsung Poised to Become World’s Largest Semi Supplier in 2Q17 *Intel could yield the #1 position it has held since 1993.*

After nearly a quarter of a century, the semiconductor industry could see a new #1 supplier in 2Q17. If memory market prices continue to hold or increase through 2Q17 and the balance of this year, Samsung could charge into the top spot and displace Intel, which has held the #1 ranking since 1993. Using the mid-range sales guidance set by Intel for 2Q17, and a modest, yet typical, 2Q sales increase of 7.5% for Samsung, the South Korean supplier would unseat Intel as the world’s leading semiconductor supplier in 2Q17 (Figure 1). If achieved, this would mark a milestone achievement not only for Samsung, specifically, but for all other competing semiconductor producers who have tried for years to supplant Intel as the world’s largest supplier. In 1Q16, Intel’s sales were 40% greater than Samsung’s, but in just over a year’s time, that lead may be erased and Intel may find itself trailing in quarterly sales.

MORE INFORMATION CONTACT

Bill McClean
 President
 Phone: +1-480-348-1133
 Email: bill@icinsights.com

Samsung Could Displace Intel in Top Spot in 2Q17

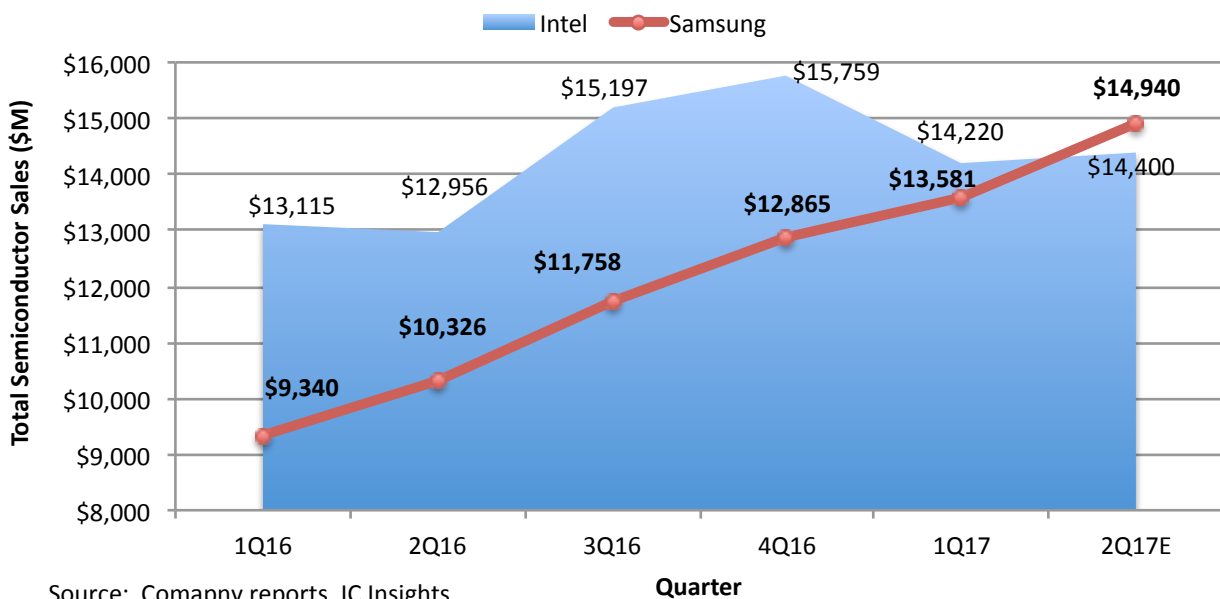


Figure 1

Samsung's big increase in sales has been driven by an amazing rise in DRAM and NAND flash average selling prices (Figure 2). IC Insights expects that the tremendous gains in DRAM and NAND flash pricing experienced through 2016 and into the first quarter of 2017 will begin to cool in the second half of the year, but there remains solid upside potential to IC Insights' current forecast of 39% growth for the 2017 DRAM market and 25% growth in the NAND flash market.

ASPs Propel Memory Market

DRAM	1Q17	4Q16	1Q17/4Q16	1Q16	1Q17/1Q16
	\$3.82	\$3.02	26%	\$2.63	45%
NAND Flash	1Q17	4Q16	1Q17/4Q16	1Q16	1Q17/1Q16
	\$3.79	\$3.50	8%	\$2.79	40%

Source: WSTS, IC Insights

Figure 2

As shown in Figure 3, Intel has been locked in as the world's top semiconductor manufacturer since 1993 when it introduced its x486 processor and soon thereafter, its revolutionary Pentium processor, which sent sales of personal computers soaring to new heights.

Top 10 Worldwide Semiconductor Sales Leaders (Excluding Foundries, \$B)

Rank	1993		2000		2006		2016	
1	Intel	7.6	Intel	29.7	Intel	31.6	Intel	57.0
2	NEC	7.1	Toshiba	11.0	Samsung	19.7	Samsung	44.3
3	Toshiba	6.3	NEC	10.9	TI	13.7	Qualcomm (1)	15.4
4	Motorola	5.8	Samsung	10.6	Toshiba	10.0	Broadcom (1)	15.2
5	Hitachi	5.2	TI	9.6	ST	9.9	SK Hynix	14.9
6	TI	4.0	Motorola	7.9	Renesas	8.2	Micron	13.5
7	Samsung	3.1	ST	7.9	Hynix	7.4	TI	12.5
8	Mitsubishi	3.0	Hitachi	7.4	Freescale	6.1	Toshiba	10.9
9	Fujitsu	2.9	Infineon	6.8	NXP	5.9	NXP	9.5
10	Matsushita	2.3	Philips	6.3	NEC	5.7	MediaTek (1)	8.8
Top 10 Total (\$B)		47.2	108.1		118.2		202.1	
Semi Market (\$B)		108.8	218.6		265.5		365.6	
Top 10 % of Total Semi		43%	49%		45%		55%	

Source: IC Insights

(1) Fabless

Figure 3

Over the past 24 years, some companies have narrowed the sales gap between themselves and Intel, but never have they surpassed the MPU giant. If memory prices don't tank in the second half of this year, it's quite possible that Samsung could displace Intel in full-year semiconductor sales results as well. Presently, both companies are headed for about \$60.0 billion in 2017 semiconductor sales.

Report Details: *The 2017 McClean Report*

Further details and rankings of top semiconductor suppliers as well as overall market trends within the IC industry are provided in the 2017 edition of *The McClean Report—A Complete Analysis and Forecast of the Integrated Circuit Industry*, which is IC Insights' flagship report covering the IC market. A subscription to *The McClean Report* includes **free** monthly updates from March through November (including a 250+ page *Mid-Year Update*), and **free** access to subscriber-only webinars throughout the year. An individual-user license to the 2017 edition of *The McClean Report* is priced at \$4,090 and includes an Internet access password. A multi-user worldwide corporate license is available for \$7,090.

To review additional information about IC Insights' new and existing market research reports and services please visit our website: www.icinsights.com

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.

Web Site: www.icinsights.com • **Phone:** +1-480-348-1133 • **E-mail:** info@icinsights.com