

SK Hynix Q2 profit misses analyst estimates as chip prices fall

July 23 2015

South Korean chipmaker SK Hynix reported a 65 percent on-year increase in second quarter net profit on Thursday, missing analyst estimates, as slowing demand for personal computers and smartphones dampened memory chip prices.

But its shares jumped more than five percent in early morning trade after the company announced a buyback of 22 million shares worth 859.1 billion won (\$742 million).

SK Hynix—which is Apple's second largest chip supplier—is one of the world's largest makers of [memory chips](#) used for personal computers, servers and [mobile devices](#).

Net [profit](#) came to 1.1 trillion won (US\$954 million) in the April-June period, up from 674 billion won a year earlier, the company said in a regulatory filing.

The result fell short of the 1.16 trillion-won average of 23 analysts' estimates compiled by Bloomberg.

Revenue rose 18 percent on-year to 4.64 trillion won in the same period as operating profit surged 27 percent to 1.4 trillion won.

"A steep price decline of memory chips for personal computers was the biggest culprit," Jay Yoo, an analyst at Korea Investment & Securities Co. in Seoul, told Bloomberg before the earnings announcement.

"Demand for PCs will continue to remain tepid throughout the year," Yoo said.

Apple Inc., which is estimated to account for about nine percent of SK Hynix's total sales, reported sales of 47.5 million iPhones last quarter, missing analysts' estimates.

© 2015 AFP

Citation: SK Hynix Q2 profit misses analyst estimates as chip prices fall (2015, July 23) retrieved 23 June 2024 from <https://phys.org/news/2015-07-sk-hynix-q2-profit-analyst.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.