

# Taiwan chipmaker TSMC posts record profits for 2015

January 14 2016

---

Chipmaking giant Taiwan Semiconductor Manufacturing Co. (TSMC) posted record profits for 2015 Thursday, despite a slowdown in the second half of the year due to weaker global demand.

The results came off the back of orders from Apple in the first half, analysts said.

Net profits in 2015 totalled Tw\$306.6 billion (\$9.2 billion), up 16.2 percent from the previous year, while revenues rose 10.6 percent to Tw\$843.5 billion, the firm said.

Chips used in telecommunications accounted for more than 60 percent of shipments and grew 16 percent year-on-year. Those used in computers fell 15 percent.

TSMC is the world's biggest contract microchip producer and is known to be a supplier to Apple.

It has declined to comment on its shipments to individual companies, but analysts estimate it provides about half of the A9 chips being used in Apple's iPhone 6s.

"The main driver of TSMC's robust growth last year was the orders from Apple," Mason Li of Taihsin Securities Investment Advisory Co, told AFP.

"But the demand for iPhones was on the decline in the second half of last year. That was a critical factor for the slowdown."

TSMC earnings slipped in the fourth quarter but still outstripped analysts' estimates.

The three months to December saw profits fall Tw\$72.8 billion, down 8.9 percent from a year ago and 3.3 percent from the previous quarter.

The results beat the Tw\$68.5 billion average of analysts' estimates compiled by Bloomberg News.

Revenues were also down in the fourth quarter, totalling Tw\$203.5 billion, a decline of 8.5 percent from a year ago.

"While the China smartphone market shows signs of recovery, customers remain cautious in general," said TSMC chief financial officer Lora Ho.

Although it has been boosted by Apple demand, TSMC is vying with regional rivals such as South Korea's Samsung as well as Chinese firms.

It has applied to build a more advanced plant in China to tap the mainland market. TSMC already has one plant there.

Concern in Taiwan is increasing over shrinking exports, traditionally the driver of the island's economy.

The government announced last week that exports saw their largest annual decline for six years in 2015, largely due to weak international demand.

Taiwan's economy shrank for the first time in six years in the July-

September quarter.

© 2016 AFP

Citation: Taiwan chipmaker TSMC posts record profits for 2015 (2016, January 14) retrieved 5 May 2024 from <https://phys.org/news/2016-01-taiwan-chipmaker-tsmc-profits.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.