

SK Hynix reports Q4 profit jump on rising chip prices

January 26 2017

South Korean chipmaker SK Hynix saw Q4 profits leap nearly 90 percent, it said Thursday, fuelled by a pickup in global demand from smartphone manufacturers coupled with rising chip prices.

In a statement, SK Hynix said it posted 1.63 trillion won (\$1.41 billion) in net profits during the October to December period, up 87 percent from the same period a year earlier.

"Stronger demand and a rise in prices created favourable market conditions" since the second half of last year, the company said.

Its annual net profit stood at 2.96 trillion won, down 32 percent from 2015.

Analysts say memory [chip prices](#) have been driven up by rising demand as Chinese smartphone makers release devices with [high resolution cameras](#) and bigger storage capacity in a bid to catch up with Samsung and Apple.

Earlier this week, Samsung Electronics also reported a 50 percent jump in quarterly profits, led by its semiconductor business.

SK Hynix said its shipments of DRAM chips—commonly used for smartphones—were up 13 percent in the fourth quarter from the previous three months, with sale prices 14 percent higher.

A major supplier of memory chips for US smartphone giant Apple, SK Hynix forecast favourable market conditions to continue this year.

The earnings statement sent the company's share price climbing 2.13 percent in early morning trading.

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Citation: SK Hynix reports Q4 profit jump on rising chip prices (2017, January 26) retrieved 23 April 2024 from <https://phys.org/news/2017-01-sk-hynix-q4-profit-chip.html>

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