

SK Hynix posts 'best-ever' quarterly profit

July 25 2017

South Korean chipmaker SK Hynix posted record profits in the second quarter of the year, the company said Tuesday, as strong demand for its memory chips used in PCs and computer servers drove up prices.

The Apple supplier's best-ever quarterly figures were boosted by the growth in cloud computing services and high-end PCs for gamers, which continue to create demand for its popular DRAM chips.

The firm's net profit for the April to June period leapt 763 percent from a year ago to 2.47 trillion won (\$2.21 billion), while operating profit also jumped 574 percent to 3.05 trillion won—both of which figures broke company records.

SK Hynix is the world's second-biggest maker of DRAM chips, after Samsung. Shipments of the chips rose three percent from the previous quarter with prices up 11 percent, thanks to strong demand from the server sector, the firm said in a statement.

Separately, demand for NAND flash [memory chips](#) used in smartphones and other mobile devices slowed due to "sluggish demand growth in smartphones", SK Hynix said, adding it expects performance to pick up in the latter half of the year.

"The launch of new smartphones using high capacity NAND [flash memory chips](#) will boost demand," it said.

The firm said it will increase production of both DRAM and NAND

chips in the second half to meet growing global demand for memory chips.

"We are planning partial expansions of our manufacturing facilities for both DRAM and NAND chips by the end of the year," a company official said in a conference call.

"The market demand can only be met through new manufacturing plants," the official said, adding the firm plans to speed up the construction of plants in the Chinese city of Wuxi and Cheongju in South Korea.

The firm's overall sales jumped 70 percent from a year ago to 6.69 trillion won, also a record-high.

Despite the strong figures, SK Hynix shares were down 3.56 percent at closing on the Seoul stock market, as investors locked in profit by using the robust results as an occasion to start selling.

SK Hynix is seeking to take over the semiconductor unit of troubled Japanese tech giant Toshiba, with a consortium led by the firm reportedly offering to pay more than \$9 billion.

If the deal goes through, it could make SK Hynix the global number two maker of NAND memory chips, up from its current fifth place.

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