

SK Hynix posts big jump in Q1 net profit

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SK Hynix is reporting a big jump in net profit year-on-year thanks to strong global demand

South Korea's SK Hynix, the world's second-largest memory chip maker, on Tuesday announced a big jump in first-quarter net profit thanks to strong global demand.

Net profit surged 64 percent year-on-year to 3.1 trillion won (\$2.9

billion) in the three months to March, its second-best performance following the previous quarter's 3.22 trillion won.

"Favourable [prices](#) were maintained in the first quarter even if it is a low season" for the industry, the company said in a statement.

Shipment of DRAM products fell five percent from the previous quarter but their average price rose nine percent from three months earlier.

Shipment of NAND flash products fell 10 percent on-quarter, with prices edging down one percent.

The company said global demand for DRAM chips was likely to remain strong throughout this year, with internet data centres expanding facilities worldwide.

"Despite the industry's efforts to introduce new production methods and increase shipments, supply will remain insufficient," it said.

SK Hynix will complete a new factory in Cheongju in South Korea and expand its Chinese lines to cope with the rising demand.

Operating profit jumped 77 percent year-on-year to 4.36 trillion won, while sales rose 39 percent to 8.72 trillion won.

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