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TrendForce Reports Global DRAM Module Industry in 2014 Saw 21% Revenue Growth at US$8.8 Bln with Kingston in Lead

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The latest DRAM module maker ranking by DRAMeXchange, a division of TrendForce, reports that the gross sales of the global DRAM module market for 2014 was US$8.8 billion. This amount represented a 21% increase over the 2013 gross sales of US$7.3 billion. This dramatic growth was attributed to the stabilization of prices for PC DRAM and the rise of contract transactions relative to spot trades. The top five module manufacturers remained dominant, accounting for 81% of the 2014 gross sales. Moreover, the top ten companies made up 92% of the market revenue for that year. Kingston firmly established itself as the industry leader with an annual revenue growth of 44%. Ramaxel and ADATA took the second and third place with impressive performances as well.

DRAMeXchange's research shows 2014 was a very profitable year for the DRAM industry as the market consolidated into an oligopoly that brought the supply-demand situation under control. With the right product mix strategies, manufacturers also benefitted from the brisk sales of smartphones and the steadily growing server market. As a result, DRAM prices was steady throughout the entire 2014, with the average contract price of DDR3 4Gb staying at US$3.65. This was an 18% increase over the 2013's contract price of US$3.1. The spot market for 2014 had also been strong with the average price hanging around US$4. This was a 17% jump compared with the spot price of US$3.43 during 2013. The price difference between the contract and spot market was roughly 10% in 2014, so the module companies enjoyed a significant increase over 2013 in their annual revenue. The leading companies also became stronger than ever.

Kingston sat at top of industry during 2014 and is expected to focus on contract trades this year

Kingston held on to the title of No. 1 DRAM module maker due to the rising proportion of contract trades and the price stability in the spot market. Kingston Solution Inc. (KSI), which is responsible Kingston's eMCP products, reaped much rewards for its efforts in China and has inserted itself into the supply chains of local smartphone vendors. Overall, KSI is on its way to become a top-tier eMCP manufacturer. Ramaxel followed Kingston at No. 2 and posted a 13% annual revenue growth owing to its businesses with Lenovo and the increase of server DRAM in its product mix. ADATA, which was No. 3 in the 2014 ranking, had adjusted its strategy and reduced the share of DRAM in its product mix. It nonetheless remained the leader among Taiwanese module companies. Micron Consumer Products Group stayed at the the fourth place and saw a 6.19% annual revenue growth. Transcend, which gained from the continuing market growth of industrial memory products, came in at No. 5.

DRAMeXchange moreover finds that with the DRAM spot market shrinking this year, module manufacturers must look to new markets to sustain their revenue growth. Kingston offers the best case scenario as it has effectively made inroads into the contract market. While smaller manufacturers may have difficulty emulate Kingston's success, there are alternatives to the contract market. The industrial and gaming applications, for examples, are important markets that demand high-margin products. Capitalizing on these opportunities and increasing the proportions of flash and other strategic products in the product mix are some of the ways manufacturers can survive in the changing business market environment.

Figure-1 2014 Global Module Manufacturer Revenue Ranking

Company	Country	DRAM Ranking		DRAM Revenue (USD Millions)			DRAM Market Share (%)	
		2014	2013	2014	2013	YoY %	2014	2013
Kingston Technology	US	1	1	5,200	3,594	44.69%	59.00%	49.20%
Ramaxel	China	2	3	675	598	12.88%	7.66%	8.19%
ADATA Technology	Taiwan	3	2	525	632	-16.96%	5.96%	8.66%
Micron Consumer Products Group	US	4	4	515	485	6.19%	5.84%	6.64%
Transcend Information	Taiwan	5	5	227	226	0.67%	2.58%	3.09%
MA Labs	US	6	6	225	222	1.35%	2.55%	3.04%
tigo 金泰克	China	7	8	212	202	4.95%	2.41%	2.77%
Apacer Technology	Taiwan	8	9	199	173	15.03%	2.26%	2.37%
Corsair Memory	US	9	7	185	214	-13.55%	2.10%	2.93%
Team Group	Taiwan	10	10	145	131	10.86%	1.65%	1.79%
Others				705	828	-14.86%	8.00%	11.34%
Total DRAM Revenue				8,813	7,305	20.65%	100.00%	100.00%

Source：DRAMeXchange, June, 2015

NOTE: As the Module Manufacturers' operations are becoming increasingly diverse, the ranking is based solely on their annual DRAM revenue.

About TrendForce

TrendForce is a global provider of the latest development, insight, and analysis of the technology industry. Having served businesses for over a decade, the company has built up a strong base membership base of 435,000 subscribers. TrendForce has established a reputation as an organization that offers insightful and accurate analysis of the technology industry through five major research divisions: DRAMXchange, WitsView, LEDinside, EnergyTrend and Topology. Founded in Taipei, Taiwan in 2000, TrendForce has extended its presence in China since 2004 with offices in Shenzhen and Beijing. For more details about TrendForce, please visitwww.trendforce.com

Major research divisions:

DRAMeXchange focuses on memory, storage and the consumer electronics industry including PC DRAM, Mobile DRAM, Server DRAM, NAND Flash, SSD and smartphone.

WitsView offers comprehensive coverage of the display industry from upstream components, midstream panels/touch modules to downstream system integrators, brands and channels.

LEDinside covers all aspects of the LED supply chain from upstream equipment/materials, midstream chip/packaging to the downstream backlight and lighting market.

EnergyTrend specializes in green energy research, such as solar energy, lithium battery, energy storage systems and xEVs.

Topology studies structural trends of technology industries in the Greater China Region and beyond, focusing on semiconductors, photovoltaic technology, telecommunications, and IA.

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