

## Global Top Ten IC Design Companies for 2Q19 Ranked by Revenue Released, with Top Five Registering Revenue Fall, Says TrendForce

2019-08-29 [CY Yao](#)

According to the newest statistics by [TrendForce](#), the global top ten IC design companies for 2Q19 ranked by revenue have just been released, in which we see revenues of the top five all falling YoY. This was due to the US-China trade war, mounting inventory levels along the supply chain and less-than-satisfactory global demand for consumer electronics, including smartphones, tablets, notebooks, LCDs, TVs, servers etc. NVIDIA registered the largest decline among the five: 20.1%. This is also the first time in three years that Nvidia's seen YoY revenue declines for three consecutive quarters.

TrendForce Analyst Chia-Yang, Yao says that weak Chinese demand, crippled by the US-China trade war and leading China's systems suppliers to reduce pull-ins for components, put the revenues of Broadcom and Qualcomm, for whom China forms the main market, on a YoY slide in 2Q19. Qualcomm is facing intensifying competition from pace-gathering competitors Mediatek and China smartphone chip supplier UNISOC. Mediatek had been using the 12nm process for its mobile processor product line since 2018, greatly enhancing cost structure and adding more value to the product, whereas UNISOC implemented Cortex-A55 and A75 CPUs in its low-mid range processors, effectively presenting a wider choice of products for clients and subsequently placing pressure on Qualcomm, who now has a new competitor to deal with in the low-mid range market.

As for the top ten, Nvidia saw the greatest decline. Despite having still enjoyed growths in automotive and professional visual applications and having actively managed the high inventory levels it originally faced, these were still not enough to prevent a consecutive three-quarter YoY fall in revenue, pulled down by the weight of the large declines seen in its graphic cards and datacenter products. However, Nvidia's declines in 2Q19 narrowed somewhat compared to 1Q19, and may continue to narrow in 3Q19 thanks to effectively reduced inventory levels.

Mediatek's revenue for 2Q19 came to NT\$61.567 billion, a 1.8% growth over 2Q18, while its gross profit margin continued to recover, yet this growth actually turns into a 2.7% YoY decline after conversion into USD due to conversion rates. Although Mediatek and Qualcomm were both likewise affected by the weakened global demand for smartphones, Mediatek continued to manufacture its line of good value processor products for cell phone applications with its 12nm process. These products have already entered the low-mid range markets, further constricting Qualcomm's cell phone chip shipment performance.

As for AMD, despite performing excellently in the processor and datacenter segments, the weak sales for GPU products, blockchain and semi-customized products dragged down revenue performance. And while being a US chip giant, Xilinx boasts a highly diversified clientele, and saw growths in the industrial, telecommunications and automotive segments, even though it was slightly affected in the datacenter segment. Marvell, on the other hand, benefitted from the increasing demand in the telecommunications market, and grew together with Xilinx against the falling revenue trend as many US based IC design companies gave less-than-satisfactory performances.

Taiwanese IC design companies Novatek and Realtek gave a stellar performance in 2Q19. Novatek, with its TDDI solutions, received considerable interest by China's smartphone suppliers. Adding the feverish demand for AMOLED driver chips, revenue grew by 18% YoY. Realtek's revenue grew on the strength of the market demand for PCs, consumer products and telecom products and surged by 30.2% YoY.

As for Synaptics, its poor performance in the mobile segment dragged down overall revenues, whereas Dialog gave growths in customized mixed-signals, connection and audio applications, putting Dialog back at tenth place in overall revenue.

Despite entering the traditional peak season of the semiconductor market, the US-China trade dispute runs its

course without any signs of slowing down in 3Q19 looking forward, and whether major IC design companies may maintain growth will still depend on whether their sales strategies will be able to distribute market risks presented by the US-China trade dispute.

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Source URL: Trendforce - Press Center [Global Top Ten IC Design Companies for 2Q19 Ranked by Revenue Released, with Top Five Registering Revenue Fall, Says TrendForce](#)