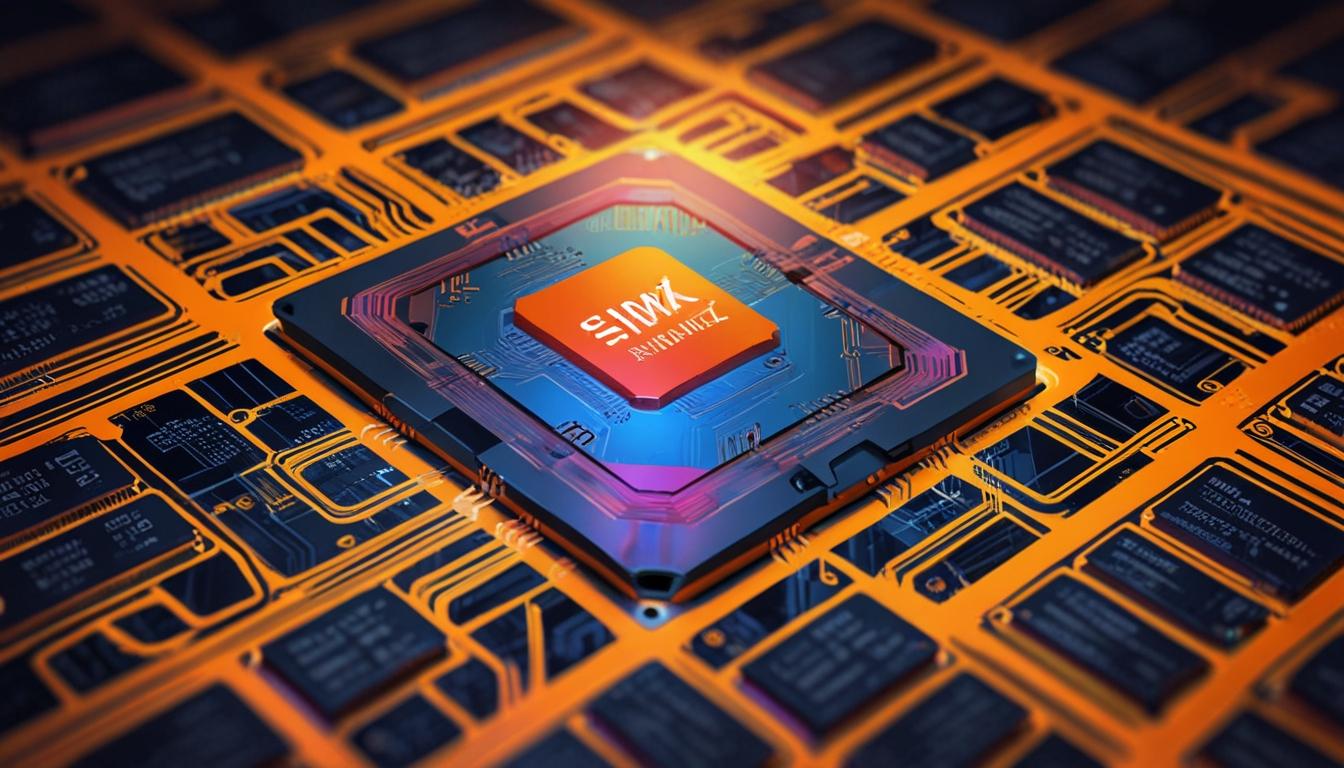
# SK hynix reports record profits driven by AI demand despite tariff concerns



South Korean semiconductor manufacturer SK hynix has reported record quarterly profits, buoyed by rising global demand for artificial intelligence (AI) technologies. The company, which is the world's second-largest memory chip maker and a dominant supplier of high-bandwidth memory (HBM) semiconductors to US-based tech giant Nvidia, revealed its financial figures for the first quarter of the year on Thursday.

SK hynix recorded an operating profit of 7.44 trillion won (approximately $5.19 billion), representing an impressive year-on-year increase of nearly 158 percent. The company's revenues for the period reached 17.64 trillion won, marking the second-highest quarterly revenue in its history, surpassed only by the previous quarter’s results. Additionally, net income quadrupled compared to the same period last year, hitting 8.11 trillion won ($5.67 billion). The firm attributes this surge to faster-than-expected growth in the memory market, driven by competitive pressures to develop AI systems and increased demand for inventory accumulation.

The company also forecasts that its annual sales of HBM are set to double compared to the previous year. Despite these strong results, SK hynix’s shares declined by over one percent during morning trading on the Seoul stock exchange.

SK hynix's performance stands out amidst growing concerns about the impact of US tariffs on global trade. South Korea, a key exporter to the United States with significant semiconductor and automotive industries, faces potential challenges under tariffs proposed by the US administration. However, the firm’s resilience is partially credited to its strong position in the Dynamic Random-Access Memory (DRAM) market. According to specialist research firm Counterpoint, SK hynix recently overtook Samsung in DRAM revenues, securing a 36 percent market share for the first time in over 40 years.

MS Hwang, research director at Counterpoint, commented on the situation, saying, "Right now the world is focused on the impact of tariffs, so the question is: what’s going to happen with HBM DRAM? At least in the short term, the segment is less likely to be affected by any trade shock as AI demand should remain strong. More significantly, the end product for HBM is AI servers, which—by definition—can be borderless."

During a conference call, SK hynix acknowledged the growing uncertainty in semiconductor demand but assured that sales plans for key clients remain intact. An SK hynix official stated, "Global customers are, overall, maintaining their previously discussed memory demand levels with us. Additionally, some clients are pulling forward demand by requesting short-term supply advances."

Regarding concerns over US tariffs, the company noted that approximately 60 percent of its sales are to customers based in the United States, but tariffs only apply to products shipped directly to the US. An official explained, "Even when our clients are headquartered in the US, memory products are often shipped to locations outside the US, meaning the actual proportion of direct exports to the US is not particularly high."

The strong first-quarter results from SK hynix come shortly after Taiwanese chipmaker TSMC declared a significant net profit increase and a positive outlook for AI-driven demand, despite similar tariff concerns affecting the sector.

The news highlights SK hynix’s strategic position in a dynamically evolving technology landscape, with AI applications continuing to drive robust memory chip demand globally.

Source: [Noah Wire Services](https://www.noahwire.com)

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