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**Semiconductors****Nvidia supplier SK Hynix has already sold next year's chips on AI boom**

South Korean chipmaker points to difficulty in meeting demand as it posts record profits



Quarterly operating profit has surged due to soaring demand for memory chips used in AI data centres © Kim Hong-Ji/Reuters

**Song Jung-a** in Seoul

Published 6 HOURS AGO

Updated 08:51

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SK Hynix said it had already sold next year's production of semiconductors as the leading supplier of advanced memory chips to Nvidia posted record profits on the back of an artificial intelligence boom.

Operating profit in the third quarter jumped 62 per cent year on year to a record Won11.4tn (\$8bn), in line with analyst forecasts compiled by LSEG SmartEstimate. Revenue rose 39 per cent to Won22.4tn, driven by surging demand for memory chips used in AI data centres, the company said on Wednesday.

The South Korean chipmaker said in a statement that demand for its cutting-edge high-bandwidth memory (HBM) chips used in AI hardware would continue to outstrip supply as use of AI applications broadened.

Inventory for dynamic random-access memory (Dram) chips, which enable short-term data storage when a device is being used, was also “extremely tight”, said Kim Kyu-hyun, head of Dram marketing.

“Our Dram, Nand as well as HBM capacity [for next year] has been sold out,” said Kim, referring to SK Hynix’s main memory products. “Customers are buying even conventional memory chips for 2026 in advance.”

Optimism for SK Hynix’s business outlook intensified after the company, along with rival Samsung Electronics, signed a [preliminary agreement with OpenAI](#) this month to supply semiconductors for the ChatGPT maker’s \$500bn Stargate data centre project.

[SK Hynix](#) said its estimate for demand from the project was more than double the industry’s current HBM capacity and that it would set up a production system to meet OpenAI’s demand.

The chipmaker said it had completed HBM supply negotiations with other key customers for next year and would “substantially increase” capital expenditure as a result. It will begin supplying its most advanced HBM4 chips in the fourth quarter of this year.

“HBM demand continues to increase rapidly, so it will be difficult for supply to meet demand any time soon,” said Kim Ki-tae, head of HBM sales and marketing.

SK Hynix makes up more than half of the global HBM market, while Samsung accounts for just over a quarter, according to consultancy TrendForce. US-based Micron is another other leading company in the sector.

SK Hynix’s competitive edge in HBM has helped triple its share price this year, making it one of South Korea’s [best-performing stocks](#). Its shares rose 7 per cent on Wednesday.

SK Hynix said the AI market’s shift to inference — the process by which applications such as chatbots produce responses — had increased demand for high-performance AI server chips.

“We project AI inference memory demand to expand not only in the US but also in China as Chinese hyperscalers are expected to push for AI inference investment,” Citi analysts said in a recent report.

Samsung is expected to post its [biggest quarterly profit in three years](#) when it reports on Thursday.

“With AI as the major driver, we’re expecting the HBM market to continue growing steeply over the next few years to around \$43bn by 2027, giving strong earnings leverage to memory manufacturers like SK,” said MS Hwang, research director at Counterpoint Research.

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