

# Samsung Electronics forecasts 52.5% jump in Q4 profits on record sales

January 7 2022, by Kang Jin-Kyu



South Korean tech giant Samsung Electronics is the world's biggest smartphone maker.

Samsung Electronics expects operating profits for the fourth quarter to soar 52.5 percent, the South Korean tech giant said in a statement on

Friday, spurred by record sales.

The world's biggest smartphone maker forecast 2021 [fourth-quarter](#) operating profits at around 13.8 trillion won (\$11.5 billion), up from 9.05 trillion won in the same quarter last year.

The firm was boosted by record sales in the quarter, estimated at 76 trillion won, up 23.5 percent on-year, according to the statement, which added that the forecast reflected a one-time bonus payment to employees.

A spokeswoman told AFP annual sales in 2021 were also expected to be the highest ever.

The operating profit estimate was below analysts' estimate of 15.2 trillion won, according to Bloomberg News.

"A continued price growth in [memory chips](#) that ran three consecutive quarters until October last year has boosted Samsung's profit margins," said Park Sung-soon, an analyst at Cape Investment & Securities.

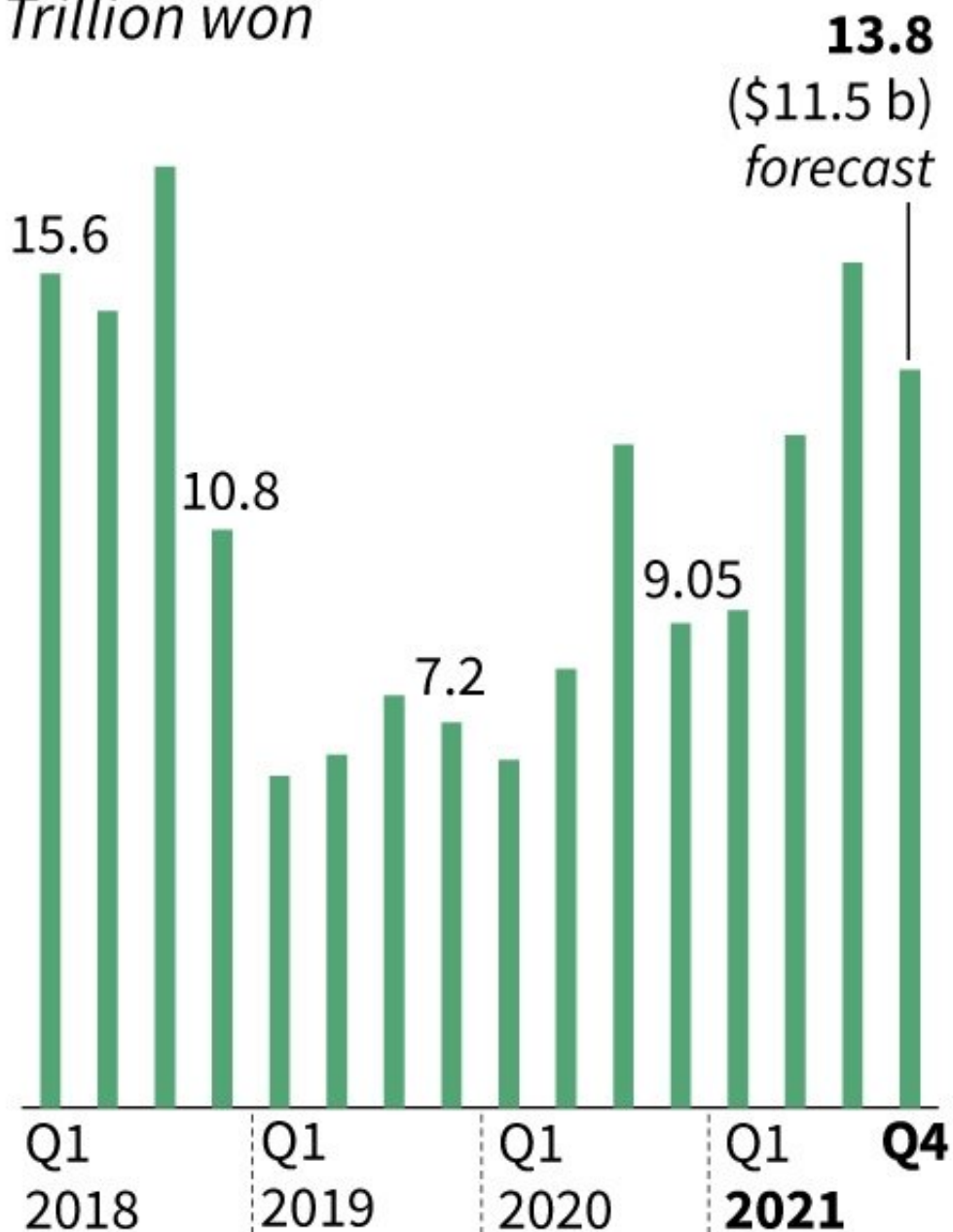
"The most significant source of income for Samsung lies in the memory chip business."

Samsung Electronics did not provide details Friday on the performance of its various divisions. The firm is expected to release its full results on January 27.

# Samsung Electronics

## Operating profit

Trillion won



Source: Samsung.com



Chart showing Samsung Electronics quarterly operating profits.

Analysts and investors are also keeping an eye on the impact of the citywide Covid lockdown in Xi'an, China, which is home to a Samsung semiconductor plant.

Samsung said last week that it had to "temporarily adjust operations" at the Xi'an facilities, without detailing how that would impact production.

## **Pandemic boom**

While the coronavirus pandemic has wreaked havoc on the [world economy](#), it has helped many tech companies boom.

Pandemic-driven working from home has boosted demand for devices powered by Samsung's chips, as well as [home appliances](#) such as televisions and washing machines.

Analysts had also expected the firm to benefit from the traditionally lucrative holiday season.

The world's biggest memory chip maker, Samsung Electronics has aggressively stepped up investment in its semiconductor business as the world battles chip shortages that have hit everything from cars and home appliances to smartphones and gaming consoles.



Samsung Electronics is the flagship subsidiary of the giant Samsung group.

In November, it announced a new microchip factory in Texas, a \$17 billion investment. The plant is expected to be operational by the end of 2024.

It joined rivals TSMC from Taiwan and US firm Intel in expanding chip manufacturing capacity in the United States, which sees the sector as an area of strategic competition with China.

The firm is also investing in the development of advanced technologies such as artificial intelligence, robotics and 5G/6G communications.

Samsung Electronics is the flagship subsidiary of the giant Samsung

group, by far the largest of the family-controlled empires known as chaebols that dominate business in South Korea.

The conglomerate's overall turnover is equivalent to around one-fifth of South Korea's gross domestic product.

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