

# Samsung forecasts Q1 operating profit up 50.3% year-on-year

April 7 2022, by Cat Barton, Kang Jin-Kyu



Samsung Electronics expects operating profits for the first quarter to rise 50.3 percent.

Samsung Electronics expects operating profits for the first quarter to rise 50.3 percent, the South Korean tech giant said in a statement Thursday, despite global supply chain woes.

The world's biggest smartphone maker forecast 2022 [first-quarter](#) operating profits of about 14.1 trillion won (\$11.6 billion), up from 9.4 trillion won in the same quarter last year.

Samsung did not provide details on the performance of its various divisions. The company is expected to release its full results on April 28.

Analysts said the forecast was likely driven by strong smartphone sales, but warned of an expected drop in profits in the memory [chip](#) division.

"Price decline in memory chips will be contained on the back of stronger than expected demand," Kim Un-ho, an analyst at IBK Investment & Securities, said in a report.

Profits in Samsung's [mobile business](#) are expected to soar by 55.8 percent compared with Q4 to over 4.1 trillion won, offsetting an anticipated six percent decline in profits from its memory chips division, the report said.

With [memory chips](#) now used in a wide-ranging array of devices and cloud servers—essential for remote working in the pandemic era—the sector has become less dependent on seasonally-driven demand for gadgets such as smartphones and laptops.

Last year saw a surge in chip prices amid strong demand for those used in personal devices and data centres, helping Samsung hit record annual sales.

Going forward, Kim forecast the conglomerate would make 60.5 trillion won in operating profits for 2022 overall, a 17 percent increase on-year.

## Smartphone app

But Samsung's smartphones division was in hot water in its native South Korea recently over a pre-installed app called Game Optimizations Service on the latest Galaxy S phone lineup.

Designed to fine-tune system performances, consumers claim it actually throttled the speed of thousands of non-gaming apps.

The issue forced Samsung's vice chairman, Han Jong-hee, to apologise at a shareholders' meeting last month, and prompted a [class action](#) by nearly 2,000 consumers seeking 300,000 won in compensation each.

But sales of its latest Galaxy S22 series are likely to exceed one million units in South Korea on Friday in the first six weeks of release, selling at a 20 percent faster pace than the previous S21 edition.

"It is a significant feat considering global supply chain woes," Samsung said in a press release Wednesday.

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

The shift to working from home during the pandemic has boosted demand for devices powered by Samsung's chips as well as [home appliances](#) such as televisions and washing machines.

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.

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.

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 about one-fifth of South Korea's gross domestic product.

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Citation: Samsung forecasts Q1 operating profit up 50.3% year-on-year (2022, April 7) retrieved 26 April 2024 from <https://techxplore.com/news/2022-04-samsung-q1-profit-year-on-year.html>

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