LIGHTVIEW INSIGHT · SEMICONDUCTORS

Solidigm, Tied to Dalian: SK hynix's Next Move

The NAND business bought from Intel turned from a drag into a star. Then its IPO, a US fab and its China fab licenses all stalled at once

By **LightView** **Nov 8, 2026** **9** figures

Key takeaways

1. **Solidigm is Intel's former NAND business.** SK hynix agreed to buy it for about $9bn in 2020 and paid in two stages; the unit lost more than 7 tn won in its first two years.
2. **AI data centers changed the picture.** Demand for high-capacity enterprise SSDs pushed it back into profit in 2024, and it earned 5.8 tn won in net income in the first half of this year alone.
3. **Its weak spot is where it makes chips.** Its only NAND fab is in Dalian, China, and every shipment of US-made tools needs a US license. On November 3, Reuters reported that licenses for expansion tools had not been approved (not a formal denial).
4. **The IPO, a US fab and the Dalian licenses were tied together.** The US listing review was halted on October 23 amid a dual-listing row, and the New York fab investment is still undecided.
5. **The ball is now in SK hynix's court.** How it splits about 99 tn won in net cash and a roughly 100 tn won shareholder-return pledge between a US fab and NAND expansion looks set to shape its next move.

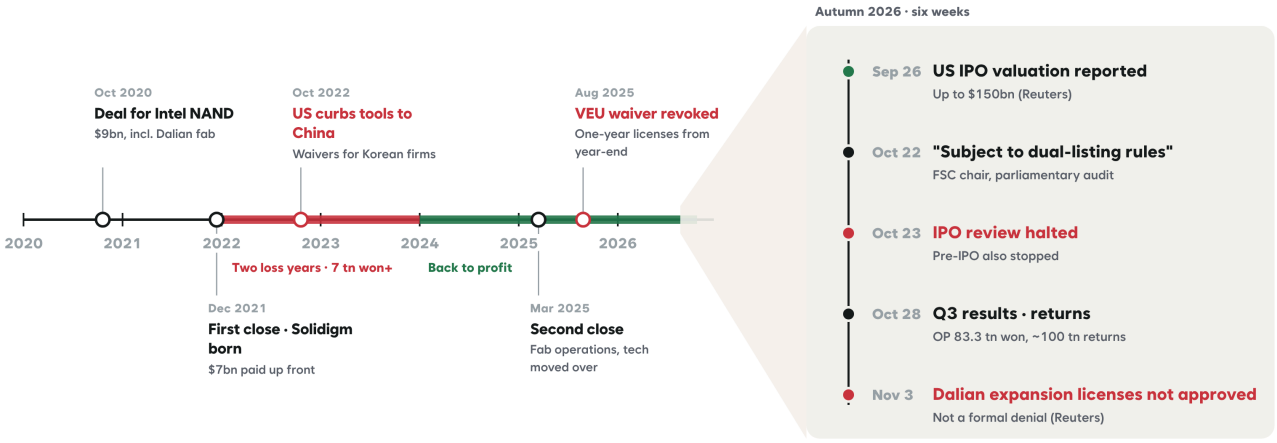
HOW THIS COLUMN FLOWS

01 Deal & turnaround
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03 Narrowing licenses
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05 Wallet & paths

LIGHTVIEW · An analytical column based on company filings and public reporting. It is not an assessment of any government's policy or a recommendation to buy or sell any security; investors are responsible for their own decisions.

1 A $9 billion decision

In October 2020, SK hynix agreed to buy Intel's NAND flash business for $9bn. It was then the largest overseas acquisition by a Korean company, and a bold bet to bulk up in NAND, where SK hynix was far weaker than in DRAM.



Sources: Intel SEC filings (Oct 2020, Dec 2021, Mar 2025), US Commerce BIS (Oct 2022, Aug 2025), BizWatch and MTN (Solidigm P&L), Reuters (Sep 26, Nov 3), Financial News (Oct 22), SK hynix filings (Oct 23, Oct 28) LIGHTVIEW

Figure 1 · Six-year timeline Bought, battered, and now tied down. The six weeks of autumn 2026 are enlarged on the right

The deal closed in two stages. In December 2021, SK hynix paid $7bn for the SSD business and the Dalian fab assets, and Solidigm was launched as a US company. The balance was paid at the second closing in March 2025, which brought over fab operations and related technology. The contractual second payment was about $2.2bn, but Intel's filing shows it received about $1.9bn after adjustments, putting total payments a little under $9bn, or 12-plus tn won.

The logic was simple. Around the time of the deal (4Q 2020), SK hynix held a low-teens share of NAND revenue; adding Intel's share would lift it to around 20% and into the race for second place behind Samsung. Intel's strength in data-center SSDs and controller technology was another draw.

The timing was poor. The memory cycle turned down right after the first closing, and in October 2022 the US began restricting advanced chipmaking tools bound for China. Solidigm lost more than 7 tn won across 2022 and 2023 and became known as SK hynix's "sore finger". This autumn, though, its story moved at breakneck pace: an IPO review, a halt and a license non-approval, all within six weeks.

Intel NAND, bought in two stages

Stage	When	What moved	Paid
Agreement	Oct 2020	Whole NAND business (SSD, Dalian fab, technology)	$9bn (contract)
First close	Dec 2021	SSD business, Dalian fab assets → Solidigm launched	$7bn
Second close	Mar 2025	Dalian fab operations, NAND wafer technology and staff	~$1.9bn (after adjustments)
Total			**~$8.9bn · 12-plus tn won**

Sources: Intel SEC filings (Oct 2020, Dec 2021, Mar 27 2025) · the contractual second payment was about $2.2bn

2 From drag to star

~$8.9bn	–7.4 tn won	+5.84 tn won
Actually paid to Intel (2021, 2025; 12-plus tn won)	Net losses in 2022–2023	Net income, 1H 2026 (47.7% margin)

AI data centers turned things around. As AI data exploded, demand for high-capacity enterprise SSDs (eSSDs) to replace hard drives grew fast, and Solidigm, which had staked out early ground in QLC drives that store four bits per cell, found itself at the front of the wave. Net income swung from a loss of more than 4 tn won in 2023 to a profit in 2024, and in the first half of this year it earned 5.8 tn won on 12.25 tn won of revenue (a 47.7% net margin).

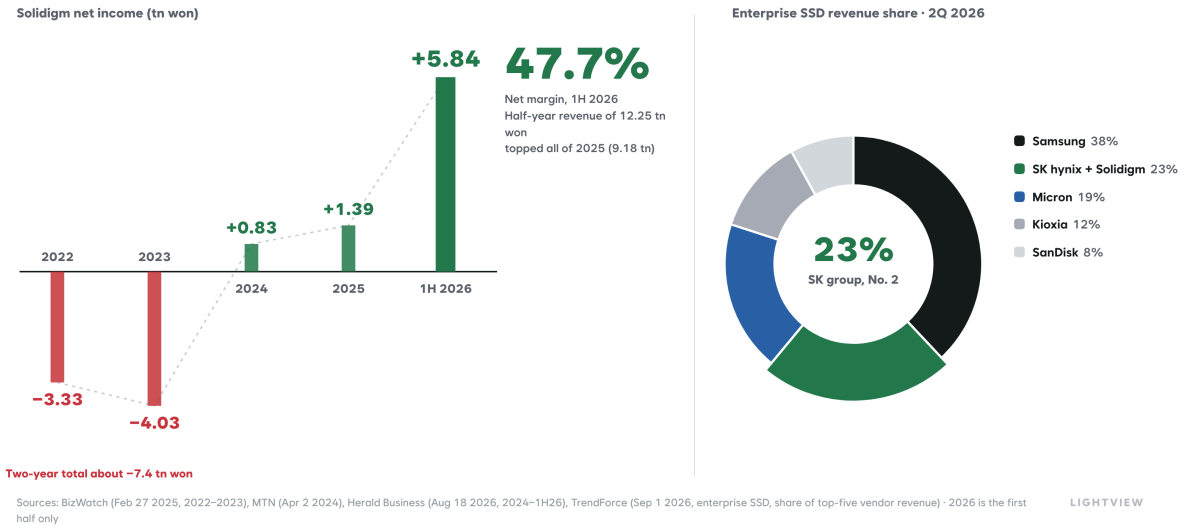


Figure 2 · Earnings and enterprise SSDs Half-year profit nearing half the purchase price; No. 2 in enterprise SSDs behind Samsung

This turnaround did not come from market share. By TrendForce's count, the SK group's share of NAND revenue slipped from 20.2% at the time of the deal (4Q 2020) to 18.1% in the second quarter. What changed was the center of gravity: in enterprise SSDs alone, the group holds 23% of top-five vendor revenue, second only to Samsung (38%). Solidigm's value has grown as a channel for the most expensive NAND going into AI servers.

NAND revenue share, then and now

Company	4Q 2020	2Q 2026	Change
Samsung	32.9%	29.3%	–3.6pt
SK hynix + Solidigm	20.2%	18.1%	**–2.1pt**
Kioxia	19.5%	13.6%	–5.9pt
Micron	11.2%	15.1%	+3.9pt
WD·SanDisk	14.4%	11.4%	–3.0pt

Sources: TrendForce (Mar 3 2021, Aug 18 2026) · 2020 SK figure combines SK hynix and Intel NAND; some shares computed from vendor revenue

3 A finished building with empty bays

Intel opened the Dalian fab in 2010 and later converted it to NAND; today it is Solidigm's only NAND production site. TrendForce estimates it accounts for 35–40% of SK hynix's total NAND output.

Fab 1 runs at about 100,000 wafers a month and, according to Reuters, makes 192-layer NAND. The Fab 2 (Mod B) shell next door was completed in 2023, but it has waited for tools ever since. According to Korean reports, the company planned to start moving tools in this November and add 40,000–60,000 wafers a month from the first half of 2027.

The obstacle is where the tools come from. Many of the etch, deposition and inspection tools in a NAND fab are made by US companies such as Lam Research, Applied Materials and KLA, and shipping them to China requires a US license. Meanwhile YMTC has grown fast on the same soil: by Omdia's count it held 38.5% of China's NAND market in the second quarter, ahead of Samsung (33.5%). Empty bays buy time for rivals.

Samsung faces the same rules. Its Xi'an fab, which makes about 40% of its NAND, sits under the same licensing regime, but Samsung's larger production base in Korea gives it more breathing room. SK hynix, which relies on one Chinese fab for nearly half its NAND, is naturally more exposed.



Figure 3 · The Dalian fab Fab 1 full, Fab 2 not yet fully tooled. Meanwhile YMTC rose to No. 1 in China

The Dalian fab at a glance

Item	Detail	Source
Fab 1	100,000 wafers a month · 192-layer NAND	Seoul Economic Daily, Reuters
Fab 2 (Mod B)	Shell finished 2023 · plan for +40,000–60,000 wafers a month (1H27 target)	Seoul Economic Daily, TrendForce
Weight	About 35–40% of SK hynix NAND output	TrendForce
Obstacle	**Every US tool shipment needs a US license · expansion licenses not approved (Nov 3 report)**	Reuters

4 A door that narrowed every year

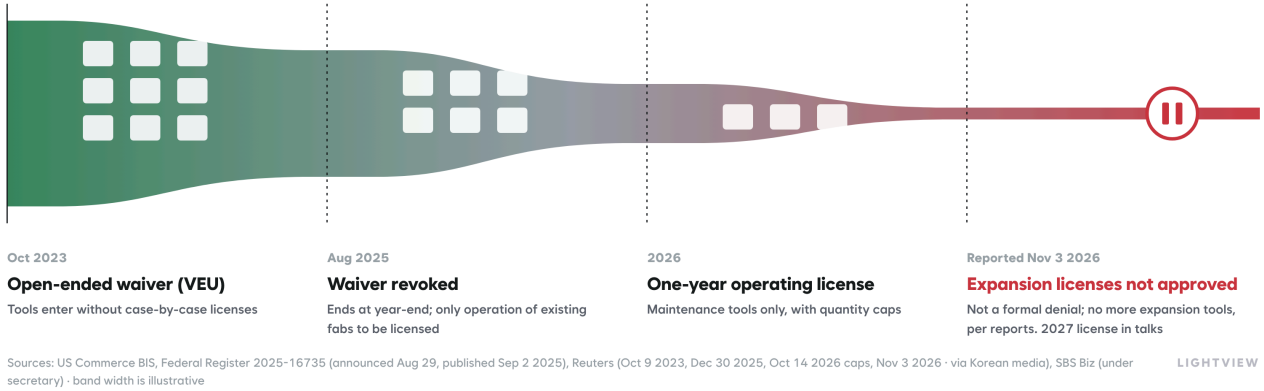


Figure 4 · US equipment controls From an open-ended waiver to a one-year operating license, and then non-approval of expansion tools

When the US blocked advanced chip tools bound for China in October 2022, it gave Korean companies' China fabs one-year grace periods. In October 2023 it went further, designating Samsung's and SK hynix's China fabs as "validated end users" (VEU) so they could bring in tools without case-by-case licenses. At that point the door was wide open.

The door began to close in late August 2025. The Commerce Department said it would revoke the VEU status at year-end and license only the operation of existing fabs; from this year, one-year operating licenses allow only maintenance tools, within set quantities. Then on November 3, Reuters reported that the US had not approved new licenses for tools needed to expand and upgrade the Dalian fab.

"Not approved", not "banned". The Reuters report says the US has not issued licenses for expansion tools; it is not a formal denial. The 2027 operating license is under negotiation, and the company is reported to say that previously approved equipment is still arriving normally. SK hynix has also argued that filling a cleanroom built in 2023 is not a capacity expansion, and that Mod B tool installation has been under way since the first half with US government approval.

Even so, the plan to fill Fab 2 appears to have hit a wall. And these licenses were tied to Solidigm's US listing and US fab plans.

What changed at each stage

Stage	When	What can come in	License
One-year grace	Oct 2022–	Korean fabs in China import without licenses for a year	Waived
Open-ended waiver (VEU)	Oct 2023–Dec 2025	Tools enter without case-by-case licenses	Not needed
One-year operating license	2026	Maintenance tools, within quantity caps	Annual license
Expansion licenses	**Reported Nov 3 2026**	**Tools for expansion and upgrades not approved**	**Not a formal denial**

5 Three links across three countries

Talk of a Solidigm listing began with August reports of a pre-IPO and Nasdaq listing push, and on September 26 Reuters reported the valuation could reach $150bn. Market talk then put the valuation at $100–150bn and the raise at $10–15bn.

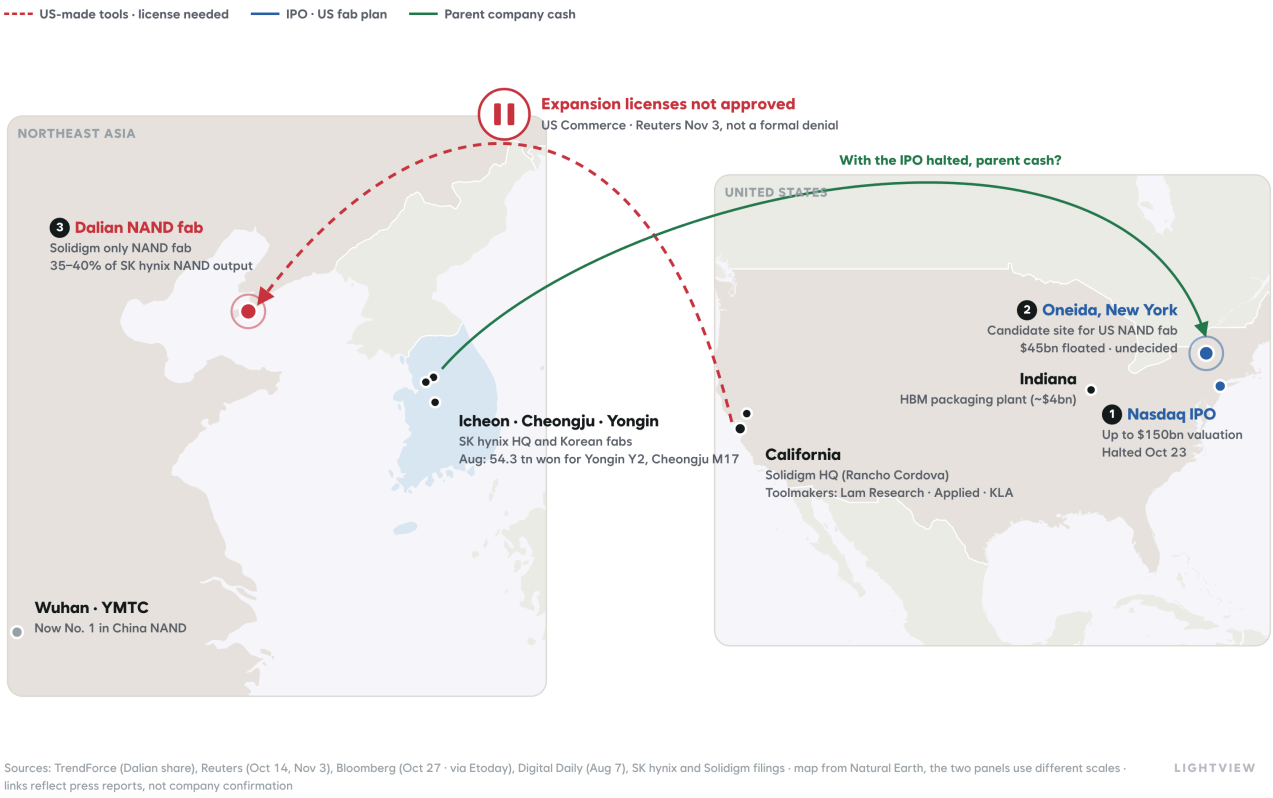


Figure 5 · The map around Solidigm The IPO (1), the US fab (2) and the Dalian licenses (3) were floated together; all have stalled. Links are based on press reports

Piecing the reports together, the logic was this: raise money on a US exchange, build a NAND fab in America, and use that investment as leverage to win tool licenses for Dalian. The idea that IPO proceeds would fund the US fab, however, is an interpretation stitched together from several reports, not something the company has confirmed. Reuters reported on October 14 that a US fab investment was being discussed alongside the Dalian licenses, and Bloomberg reported that a $45bn (about 60 tn won) fab in New York State, up to roughly $100bn over time, was under consideration.

Right now, all three links have stalled. The IPO review was halted on October 23, and Solidigm says "no decision has been made" on a US fab. Some in the industry say directly linking Dalian and the US fab reads too much into it. Still, Oneida County, the candidate site in New York, expects an answer within weeks, and since the 35% US investment tax credit requires construction to start by year-end, the decision cannot be put off forever.

The scale is not small either. The $45bn floated is about five times Solidigm's first-half revenue this year, too much for Solidigm to shoulder alone without outside money from a listing. Halting the IPO effectively shifted the weight of the US fab plan onto the parent.

6 The dual-listing row and the halt

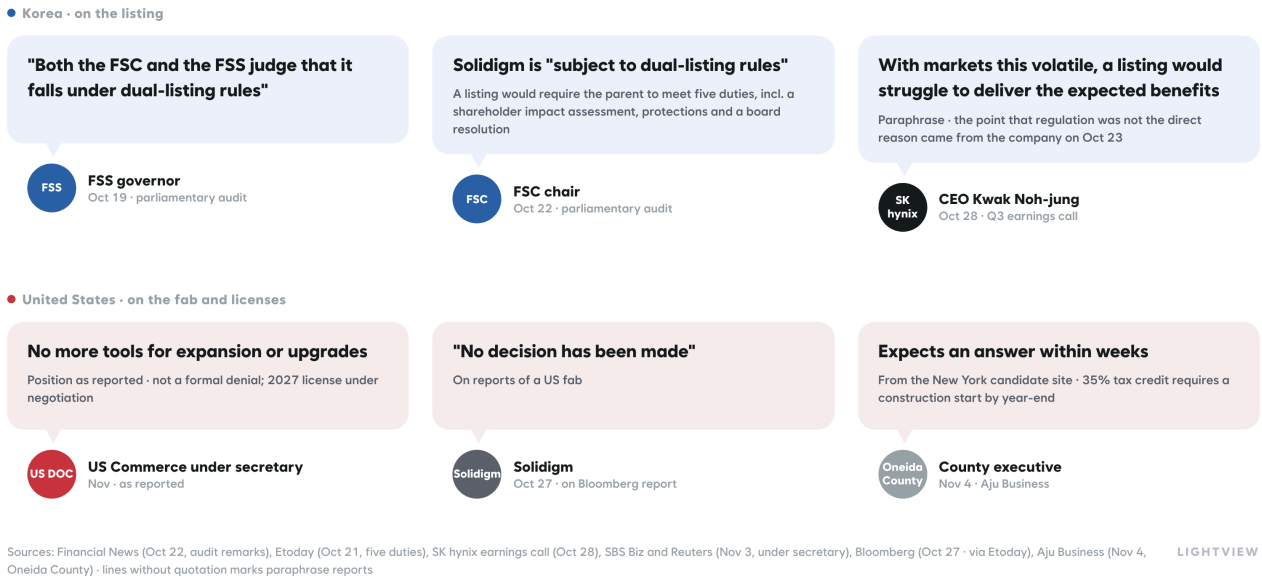


Figure 6 · Who said what On the listing in Korea, and on the fab and licenses in the US. Lines without quotation marks paraphrase reports

What tripped up the listing was at home: the old "dual-listing" problem, where a subsidiary's separate listing dilutes the parent's shareholders. On October 19, the head of the Financial Supervisory Service told a parliamentary audit that both the FSS and the Financial Services Commission judged a Solidigm listing to fall under dual-listing rules. Three days later the FSC chair said that even an overseas listing was "subject to dual-listing rules", meaning the parent would face five obligations, including a shareholder impact assessment, protection measures and a board resolution.

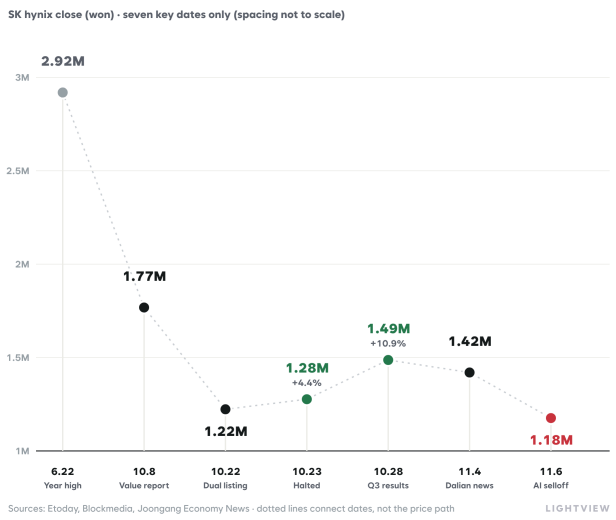


Figure 7 · SK hynix close Seven key dates (spacing not to scale)

Behind that reaction lies Korean investors' long experience with the holding-company discount. When a prized subsidiary lists separately, its value tends to be reflected less in the parent's share price; the weak parent share price after a battery unit, split off in 2020, listed in 2022, is often cited as a case in point.

About 3,000 minority shareholders also campaigned against the plan. On October 23, before the open, SK hynix disclosed that it was halting its pre-IPO and IPO review, citing capital market conditions, and the stock rose 4.4% that day. The company said regulation was not the direct reason, and CEO Kwak Noh-jung said on the earnings call that, with markets volatile, a listing would struggle to deliver the expected benefits. Five days later, when Q3 results and the return plan came out, the stock climbed another 10.9%, but an AI selloff in November pushed it back to around 1.18 million won.

7 Money from the same wallet

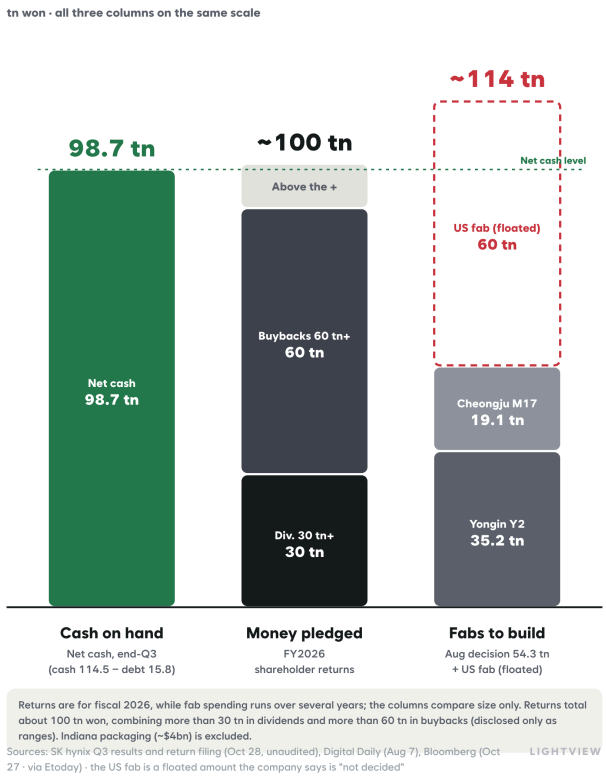


Figure 8 · One wallet Cash on hand, money pledged and fabs to build, on the same scale

With the IPO halted, the money for Solidigm's US fab is more likely to come from the parent's cash and earnings. Fortunately, that wallet is thick. SK hynix earned 104.6 tn won in revenue and 83.3 tn won in operating profit in the third quarter alone, and ended the quarter with 114.5 tn won in cash, or 98.7 tn won after subtracting 15.8 tn won of debt.

> **Net cash of 98.7 tn won, pledged returns of about 100 tn won, fabs to build of about 114 tn won**
>
> The three cover different time frames and cannot simply be added, but the need to set priorities is clear

But that cash already has claims on it. The company has pledged to return about 100 tn won to shareholders for fiscal 2026, including more than 30 tn won in dividends and more than 60 tn won in buybacks and cancellations, and large investments are lined up, including the 54.3 tn won approved in August for Yongin Y2 (35.2 tn won) and Cheongju M17 (19.1 tn won). Add a US fab floated at around 60 tn won, and even with strong annual earnings the company has to decide what comes first. That is likely why it says investment and funding will be "aligned with corporate and shareholder value".

The earnings base is solid. The company says it has long-term supply agreements with 14 customers covering more than half of its 2027–2028 capacity, and has flagged a significant increase in capex next year. In the third quarter it also announced a dividend of 20,000 won per share and a new 20 tn won buyback (10 tn won for cancellation and 10 tn won for employee compensation).

SK hynix in Q3 2026 (Jul–Sep)

Item	Amount	Item	Amount
Revenue	104.6 tn won	Cash, end-Q3	114.5 tn won
Operating profit	83.3 tn won (80% margin)	Debt	15.8 tn won
Net income	39.8 tn won	Net cash	98.7 tn won
Q3 dividend per share	20,000 won (10,000 special)	New buyback	20 tn won (10 cancel, 10 staff pay)

8 Three paths and six signals

The company says nothing has been decided, so based on filings and reports so far we sketch three paths. In the first (A), SK hynix invests in a US fab itself and uses that pledge to renegotiate the Dalian expansion licenses. In the second (B), Dalian stays at its current level within its operating license, and new output moves to fabs in Korea or another site.

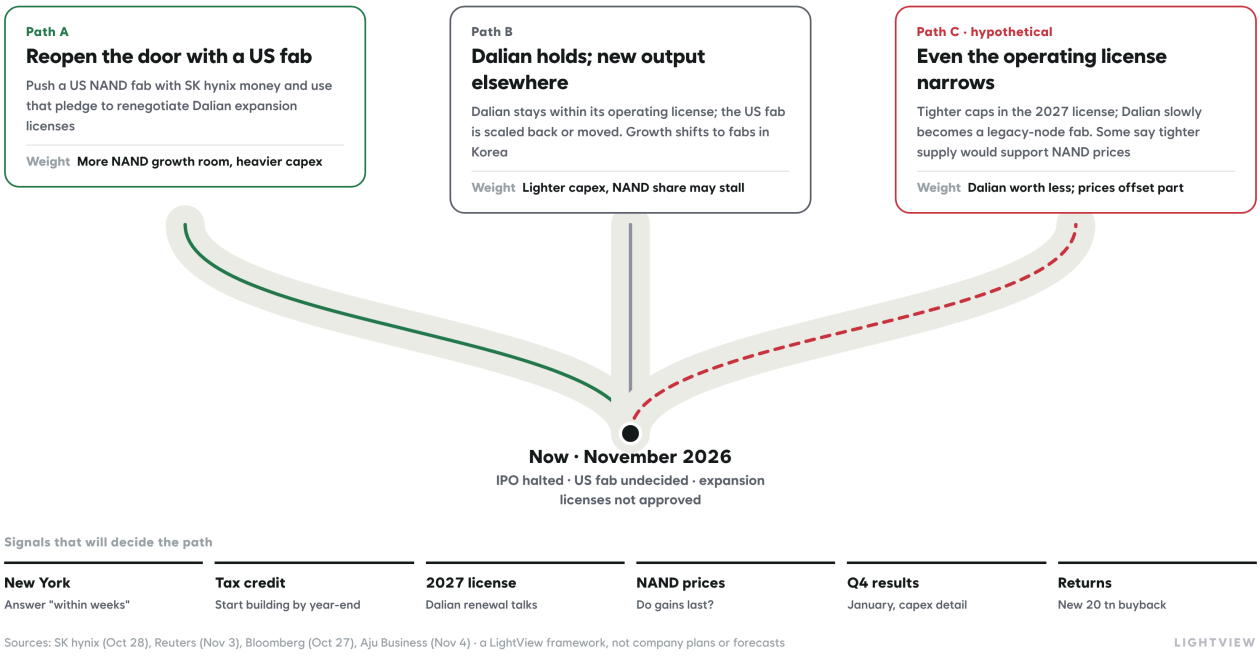


Figure 9 · The road ahead A LightView framework built from filings and reports, not a forecast with odds

In the third (C), even the 2027 operating license narrows and Dalian gradually becomes a legacy-node fab; for now this is closer to a hypothesis. Interestingly, some argue that even this case could support NAND prices as industry supply tightens. The pace would differ by path, but Dalian's share could shrink slowly as the center of NAND production moves toward Korea and the US.

The near-term checkpoints are New York's decision, the year-end expiry of the tax credit and the talks on Dalian's 2027 operating license. Six years after it was bought, Solidigm has become the company that ties down SK hynix's next move. How that knot is untied will likely shape the next decade of its NAND business.

+ Terms and sources

Glossary

NAND flash — memory that keeps data when power is off; used in SSDs and phone storage.

QLC — storing four bits per cell, packing more capacity into the same area.

Dual listing — a listed parent's subsidiary listing separately, often criticized for diluting parent shareholders.

Net cash — cash minus borrowings.

eSSD — enterprise SSDs used in data-center servers.

VEU — validated end user; designated facilities can receive controlled items without case-by-case licenses.

Pre-IPO — selling part of a company to investors before its listing.

Investment tax credit — a tax deduction equal to a share of capital spending.

Deal and results

SK hynix filing (Oct 2020 Intel NAND acquisition) · Intel SEC filings (Dec 2021 and Mar 27 2025 closings, payments) · SK hynix annual reports (Solidigm results, payments) · SK hynix 2026 half-year report (Solidigm revenue, net income)

TrendForce (NAND revenue share 4Q20 and 2Q26, eSSD share 2Q26, Dalian output share) · Seoul Economic Daily (Aug 11 2026, Dalian Fab 1 and 2) · Reuters (Oct 21, Omdia China NAND share, via Korean media)

Export controls and licenses

US Commerce BIS, Federal Register 2025-16735 (announced Aug 29, published Sep 2 2025) · Reuters (Oct 9 2023 VEU; Dec 30 2025 annual license; Oct 14 2026 quantity caps and US fab link; Nov 3 2026 non-approval) · SBS Biz (under secretary remarks) · News Tomato (Nov 4), Economist Korea (Nov 4), HuffPost Korea (company position)

IPO and US fab

Korea Economic Daily (Aug 5 pre-IPO push) · Reuters (Sep 26 valuation) · Bloomberg (Oct 7 valuation, via Blockmedia) · Bloomberg (Oct 27 US fab, via Etoday) · Aju Business (Nov 4 Oneida County, tax credit) · Financial News (Oct 22 audit) · MTN (Oct 21 shareholders) · SK hynix filing (Oct 23 IPO review halted)

SK hynix results, returns, investment

SK hynix Q3 results and shareholder return filing (Oct 28, unaudited) · Digital Daily (Aug 7, Yongin Y2 and Cheongju M17 decision) · Etoday, Joongang Economy News (share prices)

The flow of this column drew on public market commentary; every figure was checked directly against the sources above. It reflects information published through November 7, 2026.

This column's topic and analytical direction are set by the editor, who reviews and revises it before publication. AI tools were used for research, drafting and infographics, and every figure was checked against its source.