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AMKR.OQ - Q1 2022 Amkor Technology Inc Earnings Call

EVENT DATE/TIME: MAY 02, 2022 / 9:00PM GMT

CORPORATE PARTICIPANTS

Giel Rutten *Amkor Technology, Inc. - President, CEO & Director*

Jennifer Jue *Amkor Technology, Inc. - Senior Director of IR and Finance*

Megan Faust *Amkor Technology, Inc. - Executive VP, CFO & Treasurer*

CONFERENCE CALL PARTICIPANTS

Krish Sankar *Cowen and Company, LLC, Research Division - MD & Senior Research Analyst*

Randy Abrams *Crédit Suisse AG, Research Division - MD and Head of Taiwan Research in the Equity Research Department*

Thomas Robert Diffely *D.A. Davidson & Co., Research Division - MD & Senior Research Analyst*

PRESENTATION

Operator

Good day, ladies and gentlemen, and welcome to the Amkor First Quarter 2022 Earnings Conference Call. My name is Diego, and I will be your conference facilitator today. (Operator Instructions) As a reminder, this conference is being recorded. I would now like to turn the call over to Jennifer Jue, Head of Investor Relations. Ms. Jue, please go ahead.

Jennifer Jue - *Amkor Technology, Inc. - Senior Director of IR and Finance*

Thank you, operator. Good afternoon, everyone, and thank you for joining us for Amkor's First Quarter 2022 Earnings Conference Call. Joining me today are Giel Rutten, our Chief Executive Officer; and Megan Faust, our Chief Financial Officer.

Our earnings press release was filed with the SEC this afternoon and is available on the Investor Relations page of our website, along with the presentation slides that accompany today's call.

During this presentation, we will use non-GAAP financial measures, and you can find the reconciliation to the U.S. GAAP equivalent on our website. We will make forward-looking statements about our expectations for Amkor's future performance based on the environment as we currently see it. Of course, actual results could differ. Please refer to our press release and other SEC filings for information on risk factors, uncertainties and exceptions that could cause actual results to differ materially from these expectations.

Please note that the financial results discussed today are preliminary, and final data will be included in our Form 10-Q. And now I would like to turn the call over to Giel.

Giel Rutten - *Amkor Technology, Inc. - President, CEO & Director*

Thanks, Jennifer. Good afternoon, everyone, and thank you for joining the call today. Amkor delivered solid results in the first quarter, with both revenue and profitability at the high end of guidance. Revenue of \$1.6 billion and EPS of \$0.69 are first quarter records, reflecting year-on-year increases of 20% and 40%, respectively. Continued strong demand for our advanced packaging solutions, particularly in the communication end market, drove better-than-expected results.

Now let me review the current dynamics in our end markets. Our Communications business grew 22% year-on-year, driven by demand for advanced SiP and flip chip technology for the latest 5G processors and peripheral devices in new smartphone models. Some weakness in the China market was offset by strength in the high-end smartphones as well as the spring launch of new models.

With Amkor's leadership position across multiple semiconductor devices and 5G phones, we expect the ongoing proliferation of 5G to remain an important growth driver.

Solid performance in the automotive and industrial markets drove 15% growth compared to first quarter 2021. In the automotive supply chain, we observe an increased attention to risk management. Both semiconductor suppliers as well as Tier 1 companies are exploring multiple sourcing arrangements as well as options to establish regional supply chains. With Amkor's manufacturing lines in the main automotive geographies, we are well positioned to support our customers in implementing these changes.

In Korea, we have a strong automotive manufacturing hub for advanced packaging. In Japan, we offer a well-established manufacturing base, supporting a broad range of automotive solutions, including emerging silicon carbide power products for EV. And in Europe, we are expanding our technology portfolio in our Portugal factory, where we have started production of automotive sensors using wafer-level fan-out and MEMS technology.

In all locations, we are working with lead automotive customers on their next-generation products, and we have multiple new product introductions ramping this year. With our global manufacturing footprint and broad technology offering, we expect ongoing strength in this market. ADAS, electrification and infotainment and telematics will drive continued expansion of semiconductor content per car.

As the leading automotive OSAT, Amkor has a strong track record of partnering with customers, who demand automotive-grade quality and supply reliability. Automotive-qualified manufacturing lines are a critical differentiator, and we are proud to have received recognition from top automotive companies for our commitment to quality and supply reliability.

Our Consumer business increased 11% year-on-year, supported by strength in traditional consumer products and a broad portfolio of IoT wearables. Our advanced SiP assembly and test platform offers a turnkey solution for the IoT wearable market, and our high-volume, cost-effective flip chip technology offers excellent value to customers for traditional consumer applications. We expect the consumer market to further expand and overall product and customer pipeline remains strong.

IoT wearables continues to be an important driver for growth. Although we expect that this emerging product category is more prone to quarterly variability due to supply chain constraints and varying product life cycles.

Continued strong momentum in the computing market drove year-on-year growth of 36%, the tenth consecutive quarter of sequential growth. We achieved robust growth in all compute applications. In data centers, introduction of AI, as well as the trends of increased data traffic, is driving investments in high-performance computing, utilizing the latest silicon nodes with advanced packaging technology.

We see similar technology requirements in the wired and wireless infrastructure market, notably in support of 5G infrastructure. Although the PC market is softening, we observed the trend to ARM-based PC architectures. In this emerging PC segment, Amkor is able to support our customers with a proven multichip modular solution.

With our broad advanced packaging portfolio and established partnerships with lead customers and foundries, we believe we are well positioned to capitalize on opportunities in these growing computing applications. And we continue investing in advanced technology and manufacturing scale for these markets.

Finally, our test business grew 14% compared to first quarter 2021. We have established a broad test expertise by supporting both industry leaders as well as emerging companies in new application areas. Through early engagement in customers' product life cycles, we are able to define test strategies and intelligent equipment selection to provide differentiated test solutions. We are broadening the scope of our test services in areas like 5G communications, computing and system-level testing to enhance this turnkey support to our customers.

Our manufacturing organization continues to demonstrate Amkor's commitment to quality and supply reliability to our customers. The ongoing semiconductor supply challenges require diligence and flexibility from our global organization to meet customer requirements, while maintaining industry-leading quality standards and high factory utilization.

In late March, the Chinese government mandated a COVID-19 lockdown of our Shanghai factory. Demonstrating the utmost in flexibility, our manufacturing team is closely cooperating with local authorities and customers to minimize the impact and resume regular operations. We anticipate that our Shanghai factory will return to normal production during the second half of the quarter.

Our guidance reflects this. And as we work through this dynamic situation, we are doing what we can to support our people and keep them safe. We are leveraging our global factory network to support our customers, and we work with authorities to enable a controlled restart of production.

In addition to managing the supply chain challenges, the Amkor team continues to expand our global manufacturing footprint to ensure we can capture future growth opportunities and meet expanding customer requirements. Besides supporting a changing automotive supply chain, we are also expanding our footprint to offer customers a broader geographical diversification.

In November 2021, we announced our plans to expand our global factory footprint by building a state-of-the-art factory in Bac Ninh, Vietnam. The project is on schedule to start pilot production in the second half of 2023. When completed, our Bac Ninh manufacturing campus will offer our customers an attractive large-scale, cost-effective manufacturing location with a diversified technology portfolio.

Now let me turn to our second quarter revenue outlook. We have included an estimated revenue impact for the Shanghai lockdown of around \$120 million in our guidance, assuming that the situation continues to improve. Including this impact, we are expecting second quarter revenue of \$1.52 billion at the midpoint of our guidance. This would represent a year-on-year increase of 8%.

Megan will now provide more detailed financial information.

Megan Faust - Amkor Technology, Inc. - Executive VP, CFO & Treasurer

Thank you, Giel, and good afternoon, everyone. Amkor delivered strong financial results in Q1, setting first quarter records for revenue, gross profit, operating income, EPS and EBITDA. First quarter revenue of \$1.6 billion was up 20% year-on-year and down 7% sequentially.

The communications end market led the strong performance versus guidance, with strength in both the iOS and Android ecosystems. All of our end markets grew double digits year-on-year and computing achieved another quarter of record revenue.

While we were able to exceed our Q1 expectations, this did not come without challenges. We continue to successfully manage the ongoing supply chain constraints on wafers, substrates, lead frames and components to support robust customer demand.

Revenue for advanced products grew 26% year-on-year in the first quarter and represents approximately 70% of our business. Demand for our advanced SiP and flip chip solutions within the computing, automotive and industrial and communications end markets is strong and is driving this significant growth. Our mainstream products make up around 30% of our business, and demonstrate continued strength with a year-on-year increase of 9% in the first quarter.

Gross margin of 20.4% exceeded the high end of our guidance, driven by disciplined cost control. Gross profit of \$325 million is a first quarter record.

Operating expenses for the quarter were in line with expectations at \$115 million, resulting in operating income margin for the quarter of 13.2%. Net income for the quarter was \$171 million, resulting in record Q1 EPS of \$0.69. Q1 EBITDA increased 30% year-on-year to \$363 million and EBITDA margin was 23%.

Our balance sheet is solid. We ended the quarter with \$1.2 billion of cash and short-term investments. During the first quarter, we executed a new \$600 million revolving credit facility, replacing a \$250 million revolving credit facility. Total liquidity increased to \$1.9 billion, providing us with financial flexibility. Our total debt as of the end of the first quarter is \$1.2 billion, and our debt-to-EBITDA ratio is 0.9x.

Moving on to our second quarter outlook. As Giel mentioned, a government-mandated COVID-19 lockdown impacted our Shanghai facility beginning in late March. Our factory team has been working closely with local authorities to resume regular operations, and we anticipate our Shanghai factory will return to normal production during the second half of Q2.

Market demand continues to remain strong across our portfolio and geographic footprint, and we don't expect the short-term disruption to have a material effect on our mid- and long-term results. With the reduced Shanghai factory output included and assuming that the lockdown ends as currently anticipated, we expect revenue to be between \$1.47 billion and \$1.57 billion.

Gross margin is expected to be between 16.5% and 18.5%. The Shanghai lockdown is estimated to have an approximately 300 basis point impact on gross margin, reflecting underutilization and incremental COVID lockdown costs. We expect Q2 operating expenses of around \$115 million. We expect our full year effective tax rate to be around 15%. Q2 net income is expected to be between \$90 million and \$140 million, resulting in EPS of \$0.37 to \$0.57. Our forecast for capital expenditures for the year remains at \$950 million to support strong demand expected in 2022 and beyond.

With that, we will now open the call up for your questions. Operator?

QUESTIONS AND ANSWERS

Operator

(Operator Instructions) Our first question comes from Randy Abrams with Credit Suisse.

Randy Abrams - *Crédit Suisse AG, Research Division - MD and Head of Taiwan Research in the Equity Research Department*

And good result for first quarter. I wanted to just go into the Shanghai factory impact, and just have a few follow-ups to that. I think, first, just it seems like it's been different by supplier. Some suppliers have kept going or operating partial utilization. So was there a factor that mandated the total shutdown?

And in terms of what you're seeing on the timing, like the date you expect to get the production back up or if you're still waiting that clearance. And given the loss impact, I think you mentioned \$120 million, how much do you see as a makeup that in the third quarter it would supplement where normally you have a seasonal ramp? But how much do you anticipate incremental revenue versus some of that production may have shifted to other non-China sites at competitors that might be lost revenue?

Giel Rutten - *Amkor Technology, Inc. - President, CEO & Director*

Randy, this is Giel. Let me try to answer your questions here. First of all, on the lockdown in Shanghai and why this is different across multiple companies. What we experienced in Shanghai was very much that the location where the factory is situated depends on the local measures that are taken. I mean, currently, we see that, for example, we are in Pudong that there are very strict measures in the Pudong area, and it's actually within Pudong's region by region. And that forced actually the local authorities to go to a lockdown of most of the manufacturing locations in Pudong. They kept it very strict also in the Hi-Tech Park where we are situated. Other areas in the Shanghai area may experience slightly different measures, although we see that similar things are proliferating there.

With respect to the impact. We do a couple of things. Of course, we work with customers very closely, because with many of the customers, we have long-term supply agreements where we utilize our global manufacturing footprint to shift volume to other factories in areas outside of Shanghai. It is also a relative low season for the business. So we have a bit of excess capacity, and our customers have a bit more flexibility there.

So we expect that, on an annual basis, the impact will be able to compensate for a large extent, Randy. Maybe not to the full extent, but to a large extent.

Randy Abrams - *Crédit Suisse AG, Research Division - MD and Head of Taiwan Research in the Equity Research Department*

And just to recall for the status. Do you have a date for resuming production or it's still set to how the conditions go in the coming weeks?

Giel Rutten - *Amkor Technology, Inc. - President, CEO & Director*

Yes, there are a couple of strict conditions that you need to apply. Currently, we're working with customers, and we feel that we have a way forward where we meet all of the conditions. So it would be a matter of days before we can start again.

Randy Abrams - *Crédit Suisse AG, Research Division - MD and Head of Taiwan Research in the Equity Research Department*

And if we think in a worst case, the \$120 million for -- it's about first half of the quarter. In worst case, if it is extended, is that the way to think about it like half a quarter that much revenue impact if say another -- the outbreak gets worse again? Or as we move on over time, you have more time to ship orders so you'll try to manage it to a lesser impact if it were to extend on further?

Giel Rutten - *Amkor Technology, Inc. - President, CEO & Director*

Yes. I think the longer it would take, the more, let's say, options that open up to utilize other factories. But we are fairly confident that there is a way forward where we are back to normal operations definitely before the second half of this month.

Randy Abrams - *Crédit Suisse AG, Research Division - MD and Head of Taiwan Research in the Equity Research Department*

I just wanted to ask on the demand side then. If you could talk to -- since we last had the results with the Russia-Ukraine, there's been the demand side in China from these lockdowns and inflation has been persistent. Have you witnessed in certain applications demand change that affects your view or how customers if they're slowing down their order rates?

Giel Rutten - *Amkor Technology, Inc. - President, CEO & Director*

Well, that's a good question, Randy. I mean, currently, we are very alert on-demand changes. But we have not seen demand changes. Actually, we still see upsides that we cannot fulfill because of hiccups in the supply chain, material supplies or certain component supplies. So we still believe that the end markets are strong, even in the communication market where there is some weakness in the China communication market. But on the other hand, we see upside on the premium tier Android smartphones where we hold a strong position.

So all in all, we believe that the demand side is still very strong. But we are watching it. Clearly, we're also watching the inventory in the chain when it comes to distributors or inventory at our customers. And so far, we don't see any indications of concern.

Randy Abrams - *Crédit Suisse AG, Research Division - MD and Head of Taiwan Research in the Equity Research Department*

Just a follow up on the inventory. It seems like the IDMs are still relatively okay or a bit low. Fabless have built up some in the past couple of quarters like from some mismatch, but the absolute level is a bit higher. Are you witnessing it more on a wafer bank level, like waiting for a substrate? Or is it your view, it's already finished packaging test chips that they're carrying a bit elevated inventory?

Giel Rutten - Amkor Technology, Inc. - President, CEO & Director

Well, on the wafer bank in the foundry share side, we have limited exposure what the inventory level is there, Randy, on the finished products, so the packages and tested products, we have a bit more insight. I mean, on the distributor side, we see a slight increase, but still below their target level on the IDM side. We believe that the inventory levels at both our fabless customers as well as the IDM customers is still below their targets. That is at least our observation at this point in time.

Randy Abrams - Crédit Suisse AG, Research Division - MD and Head of Taiwan Research in the Equity Research Department

And final question I want to ask it is just a little bit of a preview into second half given the comments on demand side. Is it rough expectation to your catch-up and could see above seasonal quarter? Or is it difficult to make it up given the relative tightness? And then the way to think about the margin where you hit a bit over 20%, if we start to pass that, if you see the leverage, we could start pushing back into low 20s again.

Giel Rutten - Amkor Technology, Inc. - President, CEO & Director

Yes. From the revenue perspective and also from the margin perspective, we should be very positive that we can make up the loss in the second quarter in the remaining part of the year. Maybe not in the exact portfolio elements, but we believe that the market is strong. We see upsides for the third and the fourth quarter. So we are definitely confident that we can make up for the Q2 correction due to the lockdown.

Randy Abrams - Crédit Suisse AG, Research Division - MD and Head of Taiwan Research in the Equity Research Department

Actually, I want to ask one final question. Just on the advanced versus mature. Is the bottleneck more advanced side, but on just your capacity for the flip chip test and substrate? Or do you have -- do you see also some bottlenecks on mainstream where you're running full capacity or have the lead frame constraint?

Giel Rutten - Amkor Technology, Inc. - President, CEO & Director

Yes. I think you already mentioned it, Randy. I think on the mainstream side, we still see constraints on the lead frame side. A little bit on the substrate side, but that's the lower end of substrates. So less than the advanced side. So mainly it's lead frame on the mainstream side, which is still a significant impact if we look to the revenue and the forecast that we cannot deliver upon.

On the advanced product side, it is a couple of things. Now if we look to SiP, it is still the more mature silicon nodes and the related components that are a bottleneck in the industry, and that force end customers to make decisions on their portfolio. Then when it comes to substrates, specifically in the high-end substrates side, we see constraints in the compute segment certainly on the infrastructure side as well as on certain parts of the automotive market where we're still constrained on high-end substrates.

Randy Abrams - Crédit Suisse AG, Research Division - MD and Head of Taiwan Research in the Equity Research Department

And one word I may have missed, in mainstream, do you say significant or insignificant impact?

Giel Rutten - Amkor Technology, Inc. - President, CEO & Director

Significant. Significantly.

Operator

Our next question comes from Krish Sankar with Cowen and Company.

Krish Sankar - Cowen and Company, LLC, Research Division - MD & Senior Research Analyst

I had a few of them. First one, a clarification, Giel. You mentioned the Shanghai lockdown impact is \$120 million, and you expect it to come back online in the second half of the quarter. Just simplistically speaking, if Shanghai was shut down for the whole quarter, would it be a \$240 million impact or lesser or higher?

Giel Rutten - Amkor Technology, Inc. - President, CEO & Director

Well, I mean, we don't quote the revenue per factory, Krish. But the mathematics add up to about that level, yes. I think the Shanghai factory on a revenue basis is about 15% of Amkor revenue.

Krish Sankar - Cowen and Company, LLC, Research Division - MD & Senior Research Analyst

Got it. Very helpful. And then you mentioned about the China smartphone has been offset by high-end smartphones. Having more high end in the mix, is that positive, negative or a near-term impact of the gross margin?

Giel Rutten - Amkor Technology, Inc. - President, CEO & Director

Let me try to repeat the question, Krish. So your question is related to the premium tier smartphones and our position there and strength in that segment, whether that would be a positive impact to our gross margin -- our average gross margin. Is that correct reflection of your...

Krish Sankar - Cowen and Company, LLC, Research Division - MD & Senior Research Analyst

Yes. Exactly. Yes, exactly. And it's impact is like positive, negative or neutral.

Giel Rutten - Amkor Technology, Inc. - President, CEO & Director

Yes. I think we hold a strong position in the premium tier smartphones, and we already have that for multiple years in a row. So I would consider that a positive because we deliver their full turnkey solutions that includes both the bump, the probe, the assembly and the final test. And if we add that business up, that would be a positive contribution to our average gross margin.

Krish Sankar - Cowen and Company, LLC, Research Division - MD & Senior Research Analyst

Got it. Got it. And then you mentioned about auto and the diversifying supply chain there. I'm kind of curious on the auto side, your exposure, if I'm right, it's more on the wire bonder side. Is that correct? And how do you see auto through the second half of this year?

Giel Rutten - Amkor Technology, Inc. - President, CEO & Director

Yes. Let me first try to answer the first question with respect to the diversification of the supply chain in auto. Actually, we see that more pronounced on the advanced package side. I mean the driver behind the diversification of the supply chain in automotive is driven by security of supplies, IP protection and more control on the factory base by Tier 1 semiconductor companies, but also end customers.

So if we look to where that's most prominently available, then that will be in the advanced product side. With respect to -- and then specifically, that is very broad. So that also includes automotive sensors, which is a very broad product category. And there, we see that customers want to have more control on their supply chain.

Then with respect to automotive in the second half of the year, I mean, we're very confident that the automotive market will go through a strong year, the volumes in the produced cars. And I understand there are some hiccups because of the Ukraine disruption. But overall, the industry expects that 6% more cars being built this year versus last year. Also, the EV penetration and the hybrid car penetration is faster than expected. So with that, we expect that this will be a solid year, with a good second half of the year, and that's what we factor into our numbers, Krish.

Krish Sankar - *Cowen and Company, LLC, Research Division - MD & Senior Research Analyst*

Got it. Very helpful. And then a final question for Megan. The \$950 million CapEx has kind of maintained for this year. I remember last year, we said \$100 million goes into Vietnam. So the rest goes into advanced SiP packaging, wire bonders. Is there any color you can give on the remaining \$850 million? How to think about what goes into SiP's advanced packaging, wire bonders, et cetera?

Megan Faust - *Amkor Technology, Inc. - Executive VP, CFO & Treasurer*

Sure. I can do that, Krish. So out of our \$950 million, there's about 30% of that is for infrastructure, and that does include the incremental \$100 million for Vietnam that you mentioned. So then there's about 5% -- 3% to 5% for quality and R&D, leaving about 65% for capacity and capability that you just mentioned. And the majority of that, I would say, 90% of that equipment CapEx is geared towards advanced SiP, flip chip, wafer services. And about 10% is allocated for wirebond mainstream business.

Operator

(Operator Instructions) Our next question comes from Tom Diffely with D.A. Davidson.

Thomas Robert Diffely - *D.A. Davidson & Co., Research Division - MD & Senior Research Analyst*

Maybe just a quick clarification on the Shanghai facility. Did that completely close? The doors were closed essentially to 0 production when it closed? Or is there such a thing as a central business that would allow you to rent some capacity through there?

Giel Rutten - *Amkor Technology, Inc. - President, CEO & Director*

Tom, let me try to answer that. I mean, completely closed, no. I think we still maintain about 1,000 people on site, facilities keep on running. We make sure that equipment is maintained. All of that continues. But there is no effective production going through. So no shipments leaving the facility, but a significant number of people on site. And currently, we go through a process where we bring more people in to ramp up while we're ramping production that more people get on board.

Thomas Robert Diffely - *D.A. Davidson & Co., Research Division - MD & Senior Research Analyst*

Okay. Okay. That's helpful. And you mentioned that there's a little bit of slowing in the PC market. I'm curious, is that more of a seasonal trend? Is the weakness in end-market demand or supply chain? How would you characterize the softness?

Giel Rutten - *Amkor Technology, Inc. - President, CEO & Director*

Tom, I missed the first part of your question. Which market are you referring to?

Thomas Robert Diffely - D.A. Davidson & Co., Research Division - MD & Senior Research Analyst

The PC market.

Giel Rutten - Amkor Technology, Inc. - President, CEO & Director

The PC market. Yes. On the PC market, we see a broader weakness more than the traditional PC markets. The point we're making is that within the PC market, where there's a little bit slowness in this part of the year, I think that's public knowledge, we see a trend from the traditional PC architecture to an ARM-based architecture. In the traditional PC market, it is very much for a large part, a vertically integrated supply chain. If the market moves to an ARM-based architecture than the companies that are playing there are actually utilizing an outsource of supply chain, which is good for Amkor.

Thomas Robert Diffely - D.A. Davidson & Co., Research Division - MD & Senior Research Analyst

Okay. And then last question. When you look at the supply chain, is there any way to quantify the impact either on the results or output either in the revenue or a margin point of view?

Giel Rutten - Amkor Technology, Inc. - President, CEO & Director

Megan, can you comment to that?

Megan Faust - Amkor Technology, Inc. - Executive VP, CFO & Treasurer

Yes, Tom. So when we look at the constraints that we've had in the quarter, it's very difficult to quantify, one, on the top line, because both Amkor and our customers are working to refine their forecasts, both with our material supply and their downstream. So it's very difficult to quantify that.

So without having that, it's also difficult to quantify the margin impact. That being said, I would say that the impact from a margin perspective is not significant given that we've still been able to deliver especially in Q1 upside results. We were able to more than offset that constraints with other demand.

Thomas Robert Diffely - D.A. Davidson & Co., Research Division - MD & Senior Research Analyst

Okay. That's very helpful. Maybe I'll sneak in just one more. Has there been any COVID outbreaks or impacts in any other regions besides your Shanghai facility?

Giel Rutten - Amkor Technology, Inc. - President, CEO & Director

Tom, no. Of course, the COVID, let's say, pandemic is already ongoing for well over 2 years. And in these 2 years, we put very strict procedures in place in all of our global factories where there were flare-ups in areas like Malaysia, like the Philippines and other jurisdictions. We were able to manage that very well in our manufacturing organization with strict procedures. The Shanghai situation, in our case, is an exception. But currently, we don't see any other locations that see COVID impacts.

Operator

And at this time, I'm showing no further questions. I would like to turn the call back over to Giel for closing remarks.

Giel Rutten - Amkor Technology, Inc. - President, CEO & Director

Thank you. Before closing the call, I would like to recap our key messages. Amkor delivered strong first quarter results, with revenue of \$1.6 billion and EPS of \$0.69. Both first quarter records, and up 20% and 40% year-on-year, respectively.

Including the anticipated effect of the Shanghai factory lockdown, we expect revenue of \$1.52 billion, reflecting year-on-year growth of 8%. Demand for our technology and services remain strong, and Amkor is well positioned within key growth markets of 5G, IoT, automotive and high-performance computing.

And finally, I would like to thank our global Amkor team for delivering an excellent first quarter. Special thanks to the factory management team and employees in our Shanghai factory for their diligence in managing the mandated factory lockdown and the continued focus on bringing the factory back to regular operations. Thank you for joining the call today.

Operator

Ladies and gentlemen, this concludes today's conference call. You may now disconnect.

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