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PRESENTATION

Operator

Good day, ladies and gentlemen. And welcome to the Amkor Technology Second 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 Second 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 record second quarter revenue of \$1.5 billion and EPS of \$0.51. Demand for advanced packaging remained strong and drove our revenue in the automotive and industrial market to 16% year-on-year growth and a new record. Revenue increased 14% year-on-year in the first half, and advanced packaging grew 18% despite the COVID-19 lockdown in our Shanghai factories.

While the industry is facing macroeconomic headwinds and market forecasts have weakened in some areas, we continue to see robust demand for our services, notably for advanced packaging. Amkor's strategic focus and leadership position in advanced packaging enable us to leverage the growth catalysts in 5G premium smartphones, automotive electronics, high-performance computing and IoT.

Now let me review the dynamics in our end markets. In the first half of this year, our communications business grew 10% compared to the first half of last year. Although overall forecasts for smartphone units have weakened to a mid-single-digit year-on-year decline, 5G unit volume is expected to grow and reach an estimated 50% penetration this year, up from around 35% in 2021. Semiconductor content for premium tier 5G phones continues to increase. And with our leading position in this market, we expect further growth through this transition to 5G. The density and size

advantages of our proven package on package technology for high-end processes and modems and the SiP technology for integration of RF, sensors and display components positions us well to capture this growth.

Solid performance in the automotive and industrial market drove first half growth of 16% versus last year. Although material constraints throughout the automotive supply chain persist, we observed improvement in lead times and anticipate a more balanced supply chain by the end of this year. We expect the automotive semiconductor market to outgrow the overall industry. Average semiconductor content per car is expected to increase 50% by 2025 from around \$500 in 2020, up to \$750 per car in 2025. Market forecast shows mid-teens CAGRs over the next several years, driven by adoption of ADAS, electrification, infotainment and telematics. These new and expanding features require the use of advanced packaging to obtain the required performance, quality and reliability needed in the automotive industry. As the leading automotive OSAT with a global manufacturing footprint and advanced packaging solutions throughout the vehicle, we are well positioned to profit from this market growth.

Amkor's 40-plus year track record as a trusted partner for leading automotive customers has built a solid foundation to enable technology innovations and to support the reliable automotive supply chain.

Continued strong momentum in the computing market drove revenue for the first half up by 27% compared to the first half of 2021. This robust growth was driven by datacenters, infrastructure and PCs. In datacenters, the introduction of AI is driving investments in high-performance computing utilizing advanced packaging technology. We see similar technology requirements in wire and wireless infrastructure markets, notably in support of 5G infrastructure. Although the PC market is softening, the trend to ARM-based PC architectures opens new business opportunities for Amkor. Besides the technology shift in the PC market, we observed a continued trend towards an outsourced semiconductor supply chain with the big data producing companies taking an active role in developing key semiconductors for hyperscale datacenters. These companies tend to utilize a fully outsourced supply chain and are partnering with foundries and OSATs like Amkor to accelerate innovation.

With our broad advanced packaging portfolio and established relationships with lead customers and foundries, we are well positioned to capitalize on opportunities in these growing computing applications, and we continue to invest in advanced technology and manufacturing scale for this market.

Our Consumer business increased 8% in the first half, supported by strength in traditional consumer products and a broad portfolio in IoT wearables. Our advanced SiP assembly and test platform offers a complete turnkey solution for the IT wearable market by enabling high levels of integration in a single SiP module with small form factor. IoT wearables continue to be an important driver for growth, although we expect that this emerging product category is more prone to quarterly variability due to supply constraints and varying product life cycles. With an advancing digital economy and increased proliferation of connected wearable devices, Amkor has the technology, scale and expertise to support these trends.

We continue to invest in our test business to broaden the scope, scale and capability of our test services. With increasing complexity and cost of our assembled products, multistage testing becomes an important part of our test portfolio. Amkor offers customers a broad range of test solutions from wafer probe and final test to system level test to ensure quality and reliability of the final product. Our ability to support full turnkey services from wafer fab to final product shipment reduces cycle time and customer resources to manage each individual service.

Our global manufacturing organization continued to demonstrate Amkor's commitment to operational excellence in support of our customers. Our Quality First program is widely deployed in the organization and close collaboration with our supply chain partners further improved supply reliability. In the supply chain, we observed improvements in lead times of substrates, lead frames and components, and we expect a more balanced supply chain towards the end of the year.

The mandated COVID-19 lockdown of our Shanghai factory required the utmost in flexibility of the team to return to normal output levels in the second quarter. Our team was focused on supporting our people and keeping them safe while closely cooperating with local government and customers to minimize the impact.

Now let me turn to our third quarter revenue outlook. Although market forecasts have weakened in some areas, we are expecting a strong third quarter with revenue of \$1.93 billion at the midpoint of our guidance. This would represent a sequential increase of 28% and a year-on-year increase

of 15%. We expect solid demand across all end markets, especially driven by new product ramps in support of 5G premium tier phone models and the continued strength in computing, automotive and consumer markets. 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 with record second quarter revenue of \$1.5 billion and solid bottom line EPS of \$0.51. Factory utilization, excluding Shanghai, remained high with revenue exceeding historical seasonal levels. First half revenue increased 14% versus first half 2021, a strong start to the year. All of our end markets are also showing robust first half growth, with most growing double digits compared to the prior year.

Our technology leadership position and focused execution drove first half revenue for advanced products up 18%, representing approximately 70% of our business. Our Shanghai factory returned to normal output levels late in the second half of the quarter. Regulatory approval to resume production was received later than expected, and therefore, the revenue impact for the second quarter was more than we estimated in May. We worked closely with our customers to mitigate the impact. In addition, upside demand, notably for advanced SiP supporting the communications and consumer end markets, resulted in Q2 revenue within 1% of our midpoint.

Gross margin for the second quarter was 16.6%, primarily due to underutilization of our Shanghai factory and related incremental costs. Operating expenses for the quarter were less than expected at \$106 million, benefiting from lower labor costs, favorable foreign currency movements and timing of new product introductions. Operating income margin for the quarter was 9.5%. Net income for the quarter was \$125 million, resulting in EPS of \$0.51. First half EPS of \$1.20 is 20% higher than first half of last year.

Q2 EBITDA was \$302 million, and EBITDA margin was 20%. Our balance sheet is solid. We ended the quarter with \$1.1 billion of cash and short-term investments and total liquidity of \$1.8 billion. Our total debt as of the end of the second quarter is \$1.1 billion, and our debt-to-EBITDA ratio is 0.8x.

Moving on to our third quarter outlook, we see continued solid demand into the third quarter, specifically in the communications market due to the launch of premium tier smartphones. We are expecting Q3 revenue between \$1.88 billion and \$1.98 billion. This represents a 28% sequential increase and a 15% year-over-year increase at the midpoint of guidance. Gross margin is expected to be between 19% and 21%, demonstrating the leverage in the financial model and an ability to execute a quick return to strong profitability. We expect Q3 operating expenses of around \$110 million. We expect our full year effective tax rate to be around 15%. Q3 net income is expected to be between \$200 million and \$250 million, resulting in EPS of \$0.82 to \$1.02.

Our forecast for capital expenditures for the year remains at \$950 million to support broad-based long-term demand and the expansion of our global factory footprint to Vietnam. Full year 2022 is tracking to be another record year with double-digit growth expected for revenue, operating income and EPS. All end markets are expected to set new annual records. We are monitoring macroeconomic and industry dynamics and the potential impact on near-term demand in the overall semi industry. We do not see a change in the secular trends and growth catalysts for advanced packaging, and we remain confident in our long-term outlook. Amkor holds a leading position in advanced packaging, and we expect that strategic focus to continue to drive long-term growth. 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*

The first question I just wanted to ask on the Shanghai operations, which resumed a bit later than expected. If you could, talk about how much impact in second quarter. And then for the shift, do you expect any or all of that to shift into third quarter, or some could continue into fourth quarter. If you could, discuss the timing, how that impacted the flow of revenue.

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

Let me start answering that question. For the Shanghai operation, Megan already indicated that the impact was slightly higher than we expected. And in our guidance, we indicated a number. We don't want to go further in specifics here when it comes to the recovery of that business. Part of that will be recovered in the third quarter. Part of it we recovered by utilizing our global manufacturing footprint. We have a strong partnership with our customers that we support out of the factory in Shanghai. We have long-term agreements in place, so we expect that the majority of that business will be recovered later in the year.

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

Great. Yes, it sounds like it's mostly third, but some of it could continue into fourth quarter. Okay. If I could ask on the -- you have the foundries and some of the backend companies are indicating some risk of a correction into fourth quarter/first half. It sounds like your markets are pretty robust, but are you anticipating factoring in or expecting some slowdown? Or do you see the strength continuing to yearend? Maybe an initial view if you think first quarter gets back to kind of the normal seasonal trend just factoring some of the macro.

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

Well, Randy, guiding into the first quarter will be very difficult. That's what we normally don't do. With respect to this year, we expect a strong second half of this year. As indicated, third quarter will be strong and also, we expect a solid fourth quarter. We see macroeconomic headwinds evolving into the first half of next year, although we also see still let's say a balanced, a more balanced supply chain. Than the key growth drivers in the markets that we're supporting, be it 5G, be it automotive electronics, high-performance computing and IoT, in our view, the fundamentals will continue to stay in place. There may be some corrections in some segments. But overall, I believe the foundation for the semiconductor industry and the growth drivers are still very strong also going into next year.

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

Good. And for the -- like you've seen a strong mix towards advanced packaging and highlighted that as a driver. For the mainstream business, how have you seen the wire bonding? I think traditionally, you've had more of an auto industrial footprint there versus some of the OSATs that are a little more leveraged to consumer and see more correction. How do you see your utilization holding in? And are you seeing any rising level of competition from some of your peers facing a bit more underutilization?

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

Yes. For our wire bond and lead frame business, we operate our factories at high utilization. That will continue for the major part of the year. Same thing as for our advanced packaging. We have long-term agreements in place with our customers. We have a strong position in the automotive domain. On the wire bond business, we see strength certainly in the automotive wire bond part. Automotive microcontrollers are a strong driver in that growth. Some pockets of inventory corrections, specifically in Japan, but we expect going into the fourth quarter and even further going into next year, we see strength in that business. Accelerated competition when there is open demand, the segments that we are supporting for the wire bond and lead frame business, it is not so easy for customers to switch. And we have, with our long-term agreements, we believe that we are well positioned there. It is not -- we don't cater to the commodity part of this business, so we don't believe that there is a risk there.

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

Right. I just had 2 other questions I wanted to ask. One on the gross margin might be more for Megan. It looked like second quarter materials, like the variable material costs, went up a few points as a percent of sales. Was that mix impact more SiP, or are there other factors like higher material costs, higher substrate costs?

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

Randy. Megan can answer that.

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

Yes. Randy, with respect to the material content increasing in the second quarter, really 2 factors. With the Shanghai impact, that factory tended to have a lower material content than our average and so that contributed to part of it. And the other is, as you've mentioned, the increase in advanced SiP for the quarter. The increase is not related to specifically increasing material cost as we are able to pass that through to our customers.

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

And a follow-up on that, with balanced supply chain, does that include the high-end substrate? There's been talk of multiyear shortage in some of the high-end, but does it look like with some of the shifts in the PC market by next year, and some of the efforts you're making, you'll be kind of in balance? Or do you see constraints there continuing on?

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

Yes. Specifically in the high-end substrates, materials, that's a good point, Randy. In the ABF substrates, we see continued shortages going into next year. That's mostly for the computing markets and some segments of the automotive markets. Although we see some improvements in the rest of the supply chain for the more lower-end substrate, but ABF substrates will be in short supply, although more capacity comes online. We also see that some of the capacity, specifically in the PC market, can be redirected in other segments. With some corrections in the PC market, that would bring some relief in other areas.

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

Great. The last question I wanted to ask on CHIPS Act, with Congress passing, but maybe the initial scenario, how you're thinking about expansion. You've announced some interest in U.S. capacity. And also, for the financials, how it could affect both the CapEx from an offset in R&D -- or sorry, the tax credits, like if it could benefit the tax rate from some of the investments?

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

Let me share -- open up the share answer here and then maybe Megan can give a little bit more details on the tax incentives. Well first of all, as a general statement, Randy, we're very happy that the CHIPS Act was approved. We see this as an important milestone of supporting the U.S. supply chain. Amkor is uniquely positioned to support that. And already for a while, we're looking what is the best scenario to engage in a more expanding U.S. supply chain. We're working on scenarios with different partners and customers, direct customers in the supply chain to see what is the best way to support the local supply chain. We see this as an opportunity. How the financials exactly work out, that is still to be shared, to be decided. Megan, can you take the tax incentive part?

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

Yes, sure. Randy, it's just too early to tell what that tax incentive that's included, how that would impact Amkor specifically. We're monitoring that, and to the extent we have updates, we'll include that in our upcoming guidance.

Operator

Our next question comes from Tom Diffely with D.A. Davidson.

Thomas Robert Diffely - D.A. Davidson & Co., Research Division - MD & Director of Institutional Research

First question is revolving around capital spending. It sounds like you're on plan here for \$950 million this year. Curious what the linearity is of adding the capacity through this year and when you see the impact of this on the balance sheet?

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

Okay. Let me start kicking this off. Yes, I think our CapEx plan, Tom -- by the way, good afternoon, is still targeted at \$950 million for the year. You have to keep in mind that \$100 million of that \$950 million is geared to our new Vietnam facility. We see a strong ramp in the second half of the year, so a large part of that capacity that was allocated to equipment expansion is already coming on board for the ramp in the third quarter and the fourth quarter. And that would hit the balance sheet, and I don't know the accounting details here, but Megan can probably add to that, probably in the second half of this year.

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

Yes. Sure, Tom. I can add to that. I would say Q3 is the peak adding to the balance sheet as far as supporting the Q3 surge. But as Giel mentioned, it is going to be second half weighted, specifically as it relates to our Vietnam activities. Those are going to be mainly concentrated in the fourth quarter. And just as a reminder, Tom, Vietnam won't actually, I mean that won't start depreciating until we complete those activities, which we're expecting to begin high-volume late in '23.

Thomas Robert Diffely - D.A. Davidson & Co., Research Division - MD & Director of Institutional Research

Okay. Great. Very helpful. And just in general, is there a rule of thumb where \$1 of CapEx gives you a \$1 per year revenue or \$0.50 per year revenue? Or how do you view capital spending on a holistic basis?

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

Megan, can you answer that question?

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

Yes, Tom, no specific rule of thumb at this point. I think it's tricky given the different dynamics, specifically with material content changes, to be able to have kind of a guideline for the capital spend.

Thomas Robert Diffely - D.A. Davidson & Co., Research Division - MD & Director of Institutional Research

Okay. And then final capital spending question, how fungible is the capacity between the different end markets?

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

Tom, let me try to answer that question. Fungibility for Amkor is very important and we invested significantly over the last couple of years to assure that the capacity that we install is fungible. Now not everything is of course fungible. If we take test and test equipment, which is a large part of our investment, generally we buy industry standard platforms, and they are fungible between business with customers. When it comes to assembly equipment, of course in the specific technology areas, the capacity is fungible. If we talk about SiP and SiP lines, these equipment are fungible. If we talk about flip chip, these are fungible, and wafer-level packaging is also fungible across markets. There are generally some dedications with respect to technology areas.

Thomas Robert Diffely - D.A. Davidson & Co., Research Division - MD & Director of Institutional Research

Okay. Very helpful. And then moving over to the end markets, a lot of the companies out there have seen some softness in consumer and mobility. You guys are not seeing that. And I'm curious, when you look at the strength in the third quarter, do you think that disparity is driven by share gains on your part? Or is it just the complexity of the chips this year around are such that it drives revenue growth even if the units aren't growing that high?

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

Yes. Let me start giving some comments on the consumer market. The consumer market for Amkor, our position in the consumer market is very much towards the variable IoT devices as well as more the traditional consumer markets. And we see that specifically the variable category this year is strong in the second half specifically. That makes us confident to see further growth. The mobility market, I don't exactly know. Can you give me an example where you see weakness in the mobility market? Is it automotive?

Thomas Robert Diffely - D.A. Davidson & Co., Research Division - MD & Director of Institutional Research

I think it was more driven by the softness in the unit growth from advanced handsets more than anything else.

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

Yes. I think on the mobility market, if you talk about the smartphone market, indeed, I think on a global volume basis, we expect let's say a mid-single-digit decline. Now Amkor is very much positioned towards the higher-end premium tier smartphones. There is still strength in that market. Specifically, when we talk about the transition into 5G premium smartphones, although the overall market is declining, we see the 5G unit volume increasing. Because last year there was about 35% of the market was 5G. This year is expected to be 50%. It's an increase in 5G and the premium tier market continues to stay strong on a global basis. With our position in that premium tier segment of the market, we see continued strength.

Thomas Robert Diffely - D.A. Davidson & Co., Research Division - MD & Director of Institutional Research

Okay. Great. No, good to hear. And the final question on the automotive front. Can you talk a little bit about the biggest driver near term? Is it just the increasing chips in normal cars? Or is it the EV market that's driving a lot of the growth near term? And then which of those segments do you think is the bigger long-term driver?

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

Yes, that's a good point. We see drivers for growth. Specifically, this year there is, on the automotive, the car unit volume this year, there's a single-digit increase, so that drives growth. And on top of that, we see the let's say penetration of features like driver assistance features, like ADAS, telematics,

digital displays proliferating deeper into that market. The semiconductor content per car is significantly increasing, and we're expecting that to continue. And this goes for both EVs as well as combustion engine cars.

On the EV side, there is an incremental semiconductor content that's increasing, and that relates to the electrical control of the transmission. There's a lot of, for example, power electronics there, power modules that increase transition from silicon into silicon carbide, into silicon nitride. And we also see that as a good driver for Amkor. We hold a very strong position in the silicon carbides assembly and test markets, so we believe that on the EV side there are incremental growth drivers on top of the electrification that I mentioned before that are across the board for the automotive markets. Does that answer your question, Tom?

Thomas Robert Diffely - *D.A. Davidson & Co., Research Division - MD & Director of Institutional Research*

Yes. No, absolutely.

Operator

(Operator Instructions) Our next question comes from Charles Shi with Needham & Company.

Yu Shi - *Needham & Company, LLC, Research Division - Senior Analyst*

Good afternoon, Giel and Megan. Thank you for allowing me to ask a question. Giel, I want to go back to your comment about automotive semiconductor content per car. You talked about 50% growth of content I believe you said 2026 or 2027 from 2020. I want to try to ask you to help us how to reconcile your comment with what ST Microelectronics said back in May. They basically said in 2022 they are seeing automotive semiconductor TAM expanded 50% compared to 2019 level, but that the auto production, as you also know that 2022 is not so different from 2019. So obviously, their number seems to be a lot more aggressive than yours and how do I reconcile the 2 views here? Maybe both of you are right, but I would like to hear your thought. Thank you.

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

Yes. Good point, Charles. I cannot comment on behalf of ST. We use different sources to reference here. We talk about average semiconductor content per car goes from \$500 in 2020 to \$750 in 2025. Again, I cannot comment to the ST part. It may relate to a certain transition from combustion engine cars into EVs. We see some acceleration there, certainly in the European market where the let's say participation of EV in the overall automotive market is increasing. And there, definitely on the power component side, that contributes significantly to the semiconductor content. That may be one of the elements. But yes, further, I cannot comment to that, Charles.

Yu Shi - *Needham & Company, LLC, Research Division - Senior Analyst*

Maybe a second question, maybe this is also my final question. What do you see in terms of the pricing environment today? I think your peer in Taiwan sort of commented at least for the mainstream packaging side, pricing has been stable so far this year quarter-over-quarter. But obviously, there's inflation and you've got to pass down some of the input costs. But what's the pricing outlook as you see going to Q3 and Q4? Thank you.

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

Yes. Pricing, that's an important point. I mean, first of all, your comment on inflation. So far this year, we work closely with our customer base to include inflation in our prices, so to increase prices where needed to make sure that our increase in cost is covered. Secondly, with respect to the second half of the year, we don't see an increased pricing environment or a deteriorating pricing environment. We have several long-term agreements

in place with customers and customers don't want to renegotiate these agreements. So far, I see a stable pricing environment in the businesses that we support.

Operator

And ladies and gentlemen, 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 solid first half results with overall revenue up 14% year-on-year and advanced packaging revenue up 18% year-on-year. We expect third quarter revenue of \$1.93 billion, reflecting another quarter of strong year-on-year growth of around 15%. Demand for our technology and services remains robust, driven by our leadership position in advanced packaging supporting 5G, automotive, high-performance computing and IoT.

Although we observed macroeconomic headwinds and some weaker market forecast in some segments, we believe the long-term growth drivers for the semiconductor industry remain in place, and we are confident our strategic focus and leadership position in key semiconductor markets will continue to drive future growth. I would like to close with a special thank you for our Shanghai factory team. Under difficult conditions they worked diligently through the mandated factory lockdown and enabled a successful return to normal output levels by the end of the second quarter. Thank you for joining the call today.

Operator

Thank you. This concludes today's conference. All parties may disconnect. Have a great day.

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