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PRESENTATION

Operator

Good day, ladies and gentlemen, and welcome to the Amkor Technology Fourth Quarter and Full Year 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 fourth quarter and full year 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 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-K.

And now I would like to turn the call over to Giel.

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

Thank you, Jennifer. Good afternoon, everyone, and thank you for joining the call today. Following an all-time record third quarter, Amkor delivered a record fourth quarter revenue of \$1.9 billion. Resilience in the automotive and industrial markets and higher-than-expected premium tier smartphone demand offset weakening demand in other markets. In the automotive and industrial markets, we set a new quarterly revenue record driven by demand for advanced packaging and infotainment systems.

2022 was another great year for Amkor, marking the third consecutive year of growing revenue by \$1 billion. We delivered revenue of \$7.1 billion and EPS of \$3.11, setting new records for the company. Revenue from advanced packaging grew 22% for the year and accounted for 76% of our revenue. We set new records in all of our end markets by executing on our advanced packaging strategy in support of the industry mega trends of 5G, automotive, IoT and high-performance computing.

We continued the strategic investments in our global manufacturing footprint. In close cooperation with lead customers and suppliers, we aim to support capacity and technology needs to strengthen evolving regional semiconductor supply chains. In 2022, Amkor outperformed the semiconductor markets, and for 2023, we are well positioned to continue to outperform the market. Demonstrating confidence in our business outlook and reflecting our strong financial position, we increased our quarterly dividend by 50% in November and announced our goal to return 40% to 50% of free cash flow over time to shareholders.

Now let me review the dynamics in each of our end markets. Our communications business grew 23% for the full year and represents 44% of overall revenue. Although total smartphone units were down around 10% in 2022, 5G units increased around 20%. Semiconductor content and premium-tier 5G phones continues to increase and an ongoing innovation, improved performance and add functionality. Our technology solutions support a wide range of applications in multiple package formats throughout the phone. Solutions utilizing our advanced SiP for camera and RF applications and package-on-package flip chip technology for apps processes and modems drove most of the growth in 2022. Amkor holds a leadership position in these markets, built on technology expertise and a strong track record as a trusted partner for innovative solutions and operational excellence.

Revenue from the automotive and industrial market increased 14% for the year and represents 20% of overall revenue. Market reports project automotive electronics to grow at a mid-teens CAGR for the next several years, one of the highest growth areas for semiconductors. Semiconductor content per car is expected to further increase due to accelerated proliferation of driver assistance electronics, infotainment and telematics together with the electrification of more car models.

Amkor has built a strong track record of partnering with lead customers to develop innovative solutions. With our broad technology portfolio and large body size flip chip, advanced SiP and assembly platforms for sensors and high-power solutions, we are well positioned to support our customer base in this growing market. Our advanced packaging technology supporting ADAS and infotainment grew nearly 40% for the year.

Additionally, we saw a steep growth in high-power silicon carbide solutions for electrical vehicles, requiring unique manufacturing technology. We are strategically expanding our capacity and technology base for automotive solutions, notably in our factories in Europe, Japan and Korea in support of regional supply chains for critical automotive semiconductors. Establishing automotive qualified manufacturing lines and strategic geographic locations is an important differentiator, and we are proud to have received recognition from top automotive companies for our commitment to supply reliability and quality.

Amkor's multi-decade automotive experience together with our advanced packaging leadership, global manufacturing footprint and trusted partnership with leading automotive customers positions us well to capture growth from the acceleration of semiconductor content in cars.

Our Consumer business increased 3% for the year. It represents 20% of overall revenue and consists of a broad portfolio of solutions for IoT wearables and more traditional consumer products. Our high-volume, cost-effective flip chip technology offers excellent value to customers for traditional consumer applications. Our advanced SiP platform enables a high level of integration within a small form factor, and we are working with lead customers to integrate more sensors and connectivity functionality.

We expect IoT wearable markets will continue to diversify and grow, and we are expanding capacity and investing in our advanced SiP technologies to drive manufacturing scale and innovation. To support future customer demand, we are expanding our footprint to Vietnam, where we expect to start high-volume manufacturing in late 2023. With the advancing digital economy, and increased proliferation of connected wearable devices, Amkor has the technology, the scale and expertise to support this trend and has the financial strength to continue to invest for the future.

Our computing business increased 15% for the year and represents 16% of overall revenue. Increasing data traffic across networks and data centers require high-performance solutions, utilizing the latest silicon nodes enabled by advanced packaging technology. With growing demand for high-performance package technology, we have established a proven technology portfolio with the required manufacturing scale. With a technology base ranging from larger body size flip chip, multichip modules, 2.5D and high-density fan-out, we are able to offer customers a range of solutions for computing applications from PCs and tablets to networking and data centers.

In addition to performance requirements driving demand, we continue to observe a growing adoption of an outsourced manufacturing supply chain driven by new entrants and OEMs with in-house silicon design. Amkor is well positioned to capitalize on these opportunities in the computing

market with our broad advanced packaging portfolio and established relationships with lead customers and foundries. In October, Amkor was honored to join TSMC's 3DFabric Alliance. This enhances our ability to work with other leaders in the supply chain to accelerate innovation of next-generation, high-performance solutions for our customers.

Test revenue increased to a record \$925 million. Amkor offers a broad range of test services from wafer probe and final test to fully automated system-level testing. Customers value the test capability in our full turnkey service offering to ensure quality, reliability and reduce cycle time. We will continue to invest in broadening the scope, scale and capability of our test services throughout our global factory footprint.

Amkor's global manufacturing organization continued to demonstrate our commitment to operational excellence and supply reliability across our factories. Working through a COVID lockdown and managing supply chain constraints for materials, components and equipment required extraordinary diligence and flexibility to meet customer requirements and support growth. Amkor's quality first program is fully deployed throughout the organization and is being extended to our supply chain partners to further improve supply reliability and quality. We are proud of the customer endorsements that recognize this continuous quality improvement program.

We anticipate that geopolitical dynamics will continue to impact the semiconductor supply chain. Our customers are evaluating their supply chain strategy to reduce risk and secure a reliable and cost-effective manufacturing base. With our diversified geographic footprint, Amkor is uniquely positioned to support our customers' changing requirements. Standardization of manufacturing processes enables the team to effectively transfer technologies across factories.

This accelerated our support of growing European automotive supply chain by our Portugal factory where we are expanding our technology offerings for MEMS, wafer-level fan-out, flip chip and power Solutions. In Vietnam, construction of our new state-of-the-art manufacturing campus is progressing as planned and will offer our customers a large-scale, cost-effective advanced packaging and test location. In the U.S., we are actively engaged in discussions with customers, partners and economic development agencies to establish a semiconductor supply chain.

Now let me turn to our first quarter outlook. We expect first quarter revenue of \$1.45 billion at the midpoint of guidance. This represents a year-on-year decline of 9%.

Going into 2023, we anticipate that the overall macroeconomic conditions will remain challenging, and we expect softening of demands beyond the already weak PC and low-end smartphone market. Current market forecasts indicate that the semiconductor market will decline mid-single-digit percentages in 2023. We believe the industry is already taking measures to reduce excess inventory in the PC and smartphone market to return to a more balanced supply chain in the second half of 2023.

While the consumer wearables and high-performance computing markets are also challenged, the automotive market appears more resilient, and we expect continued strength in this market in 2023. We are monitoring the semiconductor market for signs of improvement and are poised to accelerate as the market recovers. We believe that the secular growth drivers for the semiconductor industry remain in place, and with our leading technology portfolio, scale and global footprint, Amkor is well positioned to outgrow the markets.

With that, I will now turn the call over to Megan to provide more detailed financial information.

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

Thank you, Giel, and good afternoon, everyone. Amkor wrapped up another outstanding double-digit year with record fourth quarter revenue of over \$1.9 billion, outperforming the high end of our guidance. Our communications market drove the outperformance with over 30% growth year-on-year due to strong demand for premium-tier smartphones utilizing our advanced SiP technology. This was partially offset by weakness in the broader smartphone market that is expected to persist into 2023.

Automotive and industrial revenue also contributed to the outperformance with growth of over 10% year-on-year, setting a new quarter record. Amkor's technology leadership position in advanced packaging and multi-decade automotive expertise are recognized by leading customers. In the fourth quarter, we observed a further weakening of the market beyond low-end smartphones, resulting in inventory increases in supply chains.

Amkor is not immune to the impacts of these industry-wide inventory corrections, and in the fourth quarter, we experienced a year-on-year decline in both our computing and consumer markets.

Gross margin for the fourth quarter was 17.5%. We experienced a product mix shift towards higher material content products, such as advanced SiP, driven by the outperformance in our communications end market. Fourth quarter gross profit was \$334 million. Operating expenses were in line with expectations at \$109 million. Operating income was \$225 million, and operating income margin for the quarter was 11.8%.

During the fourth quarter, there were significant swings in foreign currency rates, causing a foreign currency loss of \$10 million. In addition, the remeasurement of U.S. dollar monetary liabilities into local currencies increased tax expense as we recognized foreign currency gains in local jurisdictions. This pushed our effective tax rate up to 22% for the fourth quarter, higher than expected. Our effective tax rate for the full year remained in line with expectations.

The foreign currency loss and higher taxes caused our Q4 net income and EPS to come in just below the midpoint of guidance at \$164 million and \$0.67, respectively. Q4 EBITDA was \$382 million, and EBITDA margin was 20%.

Now let's review our full year 2022 performance. Our strategic focus on advanced packaging, our strong position in key growth markets and our broad geographic footprint yielded another year of records and significant accomplishments. We achieved \$7.1 billion in revenue, built with new records in all of our end markets. We overcame significant challenges in 2022 to grow the top line by 16%, well above the semiconductor industry growth rate of low single digits.

We achieved record profitability, gross profit of \$1.3 billion, operating income of \$897 million, net income of \$766 million and EPS over the \$3 mark at \$3.11. We continued investing in our advanced packaging technology and began construction of our factory in Vietnam. Our CapEx spend for the full year was \$908 million for a 12.8% capital intensity. We believe that these investments will strengthen our leadership position in the high-growth markets of 5G, automotive, IoT and high-performance computing. Even with over \$125 million more in CapEx spend during 2022 compared to 2021, we generated approximately \$200 million in free cash flow.

Given our outstanding financial performance, confidence in our long-term outlook and sustainable cash flow generation, we increased our quarterly cash dividend by 50% in November. In addition, we announced a shareholder return framework with the goal of returning 40% to 50% of free cash flow over time. We ended the year with \$1.2 billion of cash and short-term investments and total liquidity of \$1.9 billion. Our total debt as of the end of the year is \$1.2 billion, and our debt-to-EBITDA ratio is 0.8x.

Our financial strength enables us to continue to invest for the future even as we enter what we expect to be a short-term inventory correction cycle. We are seeing supply chain regionalization activities among our customers despite a market slowdown, and Amkor is investing in our diversified geographic footprint to support these efforts, specifically in Europe, Japan and Vietnam.

As we enter 2023, we expect overall macroeconomic conditions to be challenged. We anticipate our business to improve in the second half, driven by advanced packaging demand in support of premium-tier smartphone launches and continued strength in the automotive and industrial market. Building on our leadership position in advanced packaging, our broad global footprint and the market share gains we made in 2022, we expect to outgrow the semiconductor market in 2023.

For our first quarter outlook, we are expecting a more than seasonal decline in revenue to between \$1.4 billion and \$1.5 billion, representing a year-on-year decline of 9% at the midpoint. With lower utilization, profitability will be constrained, and we expect gross margin to be between 10.5% and 13.5%. We expect Q1 operating expenses of around \$120 million. We expect our full year effective tax rate to be around 17%. First quarter net income is expected to be between \$15 million and \$55 million, resulting in EPS of \$0.06 to \$0.22.

Our CapEx forecast for 2023 is around \$800 million. The reduction in CapEx spend from 2022 represents timing alignment of capacity expansion with projected customer needs. We are continuing our factory construction in Vietnam as planned to support our customers' shifting supply chain strategies and expect production to begin by the end of 2023. With decades of semiconductor industry experience, a strong balance sheet and

confidence in our technology leadership position and long-term outlook supported by secular growth trends, we remain poised to outperform the semiconductor market.

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 Crédit Suisse.

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

Okay. Yes. I wanted to ask actually the first question relating to -- I think Megan made a comment about expecting a short downturn. I think to those lines, given the correction in the first quarter, I'm curious if you're seeing any of the areas correcting earlier like the consumer, low-end smartphone, any signs of stabilization? And for the overall business, do you expect first quarter to mark the low? Or are you seeing it continuing to be generally soft throughout first half and then picking up in the second half?

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

So let me comment to that, Randy. This is Giel. The way that we look at the market is, if you go through the individual market segments, then we expect that the automotive market will stay resilient also going into the first and second quarter. The pickup in the second quarter is still uncertain. It depends on how the inventory is burned off and how certain market drivers will develop. So we believe more than a scenario of a weaker first half and strength in the second half. That's our current anticipated 2023 scenario.

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

Okay. Actually, if I can take the comment about the full year growth where you expect to outperform industry. If you could give a view, if you have it on full year growth and then the Amkor, some of the drivers you see -- I think you mentioned auto as one, but the -- like for the outperformance, what you see as Amkor specific that could help you relative to industry in the coming year?

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

Okay. Let me comment to that, Randy. I mean the biggest revenue generator for us is the communication market where we have a strong position in the high end of the market, both on the iOS as well as on the Android side. Although we see some weakness also now in the first half of this year, we anticipated in the second half of 2023, this market will continue to grow and will pick up growth again by the launch of new phone types.

Now automotive, I already covered. We are well positioned definitely on the high-end advanced packaging side of that market. Last year 2022, we saw a 40% growth there, and we expect that, that will continue moving forward. On the computing side, the PC market, if you look at the terminal, aside PC and tablets, we expect that in the first half, most of the inventory will be digested and that will normalize in the second half of the year as well as the networking and data center side, where we still see some strength, some hold back on investment. But overall, there, we also see a normalization of the market.

And last but not least, the IoT part, specifically the wearable market, clearly linked to consumer dynamics. We expect there going into the third, but certainly, the fourth quarter pickup of the market. So basically, across our markets, we will see improvements centered around new product launches around positions that we hold for our advanced packaging portfolio.

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

Okay. If you could address on the AI accelerators. There's a bit of hype around it recently. For your business, does it have a bit more content that would be a full turnkey like at IDM or foundry? Or do you see, I guess, more like any pickup or incremental demand from things like the AI accelerator? And is that an opportunity set for the high end flip chip? Like so what you are seeing in that subsegment?

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

Yes. That's -- before I answer that question, Randy, I mean maybe the first part is that I can refer to an increasing outsourced trend in the computing market, where computing traditionally was a vertically integrated market by new entrants entering that market, we see a larger percentage of that market being outsourced. That's good for Amkor. With respect to specifically AI accelerators and the companies that drive that they -- the company that drive that are mostly part of that outsourced supply chain. So these are newcomers. Either these are semiconductor divisions of existing hyperscalers. And I think you know the names or companies that are closely related to some of these companies.

Now last year, we already saw a significant pickup, and we expect that to continue. The technology base is basically large body size flip chip or multichip modules depending on the configuration. But yes, it's definitely an area where we believe that for the next couple of years, there will be growth.

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

Okay. Great. And the last question I actually wanted to ask on the geographic diversification where it sounds like a bit more investment in Japan, Europe, and then you're considering the U.S. project. If you could talk the plans, like how quickly you see the CapEx and the mix shifting? And from a return perspective, if you see it where you can maintain the returns, I guess, factoring some potential subsidies relative to the existing footprint?

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

Yes. Good question, Randy. Let me scan through the regional expansions that we have. To start with Asia where, of course, we have our manufacturing -- a new manufacturing campus in Vietnam, and we believe that offers customers an alternative to their -- or to a balanced alternative to their current presence in China. And we see that we will start production by the end of this year. So we expect revenue in 2024.

Now in Japan, we see a motivation from the Japan government to localize some of the critical technologies. We participate there mostly when it comes to automotive components. We're investing specifically in high-power components in Japan for the automotive industry, and we expect that to continue.

And then we go broader to Europe. There is, I would say, a significant interest in our Portugal factory, where we signed a couple of long-term contracts with key automotive, semiconductor companies to expand capacity and capability in the high-power as well as sensors and MEMS areas. And although that time to revenue in automotive takes longer than, for example, in the communications business, we're optimistic that over the next couple of years, that will grow significantly.

Now the U.S., we are a little bit earlier stage. We're not building yet, but we made significant progress, I have to say, talking to customers, talking to other partners to establish a U.S.-based supply chain. It becomes more specific. I see increased interest now, specifically also the wafer manufacturing becomes more real. And so we hope to make a step there definitely in 2023 to make this a more specific.

So all in all, I think across the globe, we have very specific initiatives to build these regional supply chains, and there is a significant drive not only from semiconductor customers, but actually, most of the drivers coming from the end customers in these industries, both in automotive as well as in the other industries like the computing industry. And either that's national securities or safeguard unique technologies in certain jurisdictions.

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

And Randy, this is Megan. To add to the CapEx investment you mentioned, as Giel outlined our strategy in the different regions, Vietnam right now is the only greenfield and that's included in our '22 as well as our '23 guide. And you can see that we're managing that very carefully. The investments Giel mentioned in Japan and Europe are at existing facilities. So the capital required to expand is much more moderate than compared to a greenfield. And then as we look at different scenarios in the U.S. as that develops, we would also be looking for an option where we could manage that investment carefully, so that there wouldn't be a step function in capital investment.

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

Okay. Actually, Megan, a quick follow-up. With the CapEx a bit lower, how's your depreciation for this year relative to last year?

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

For 2022, we had about a 9% increase in depreciation, and I'm anticipating that to be much lower in '23, given the lower additions that we're anticipating on the machinery and equipment as well as seeing some roll-off from some prior year investments.

Operator

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

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

Yes. Just following up on the last CapEx question. How much of your capital spending is related to new capital expansion either in existing or new facilities versus what you'd call the maintenance level of capital spending?

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

Okay. I hand this over to Megan.

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

So with respect to '22, specifically, there was about 75% of our capital was spent on machinery and equipment. As far as capacity expansion, it's difficult to quantify how much of that expands when you think about the variety of products, et cetera and the diversified markets that they support. When we think about '23, lowering that CapEx spend by \$100 million, but the equipment portion of that has been lowered significantly more than the \$100 million, because we do have additional facilities expense that were -- or capital for '23.

So just to give you a cut on that, we're anticipating out of that \$800 million about 45% of that is geared towards our facilities expansion. So that leaves quite a lower investment for machinery and equipment, given the market demand doesn't require it.

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

Okay. But I guess just to confirm, the lower CapEx does not mean you're slowing down your expansion into Vietnam?

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

Correct. We are maintaining that. We see that as a midterm, long-term need given the advanced packaging growth that's expected. So we are maintaining that investment on track.

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

Okay. And from some earlier comments, it sounds like that was mainly for the consumer market?

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

For Vietnam, Tom, you referred to?

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

Yes.

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

I mean, yes, we will launch with products for -- mainly for the consumer market, but very quickly thereafter, we are introducing a broader product portfolio there. Memory products are the second generation and that will be introduced only one quarter after the launch with consumer SiP products.

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

Okay. Great. And Giel, just to confirm the statement you made earlier, you said that you expected the industry to be down mid-single digits, but then you expected Amkor to outperform that this year.

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

Yes, that's correct, Tom. I think we are well prepared to outperform the industry and to accelerate out of this downturn.

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

Great. And then maybe a quick question on the last couple of quarters. Obviously, your spectacular record results, but curious how much of that was driven by the delays you had in China earlier in the year? And how much of it was reflective of true-end market demand?

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

Let me make a first comment and then Megan can give more specific. I think we don't believe that there was any revenue upside in the second half related to the China lockdown in the second quarter, Tom. So no corrections there. And so it was mainly driven also by business in the communication and automotive markets, so not out of a recovery of China.

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

Okay. And maybe just sticking on China right now, how much impact you're having from just a soft environment in China today? And then at what point do you think you really benefit from the move from a lot of your customers to the regions around the world? Have you already seen a lot of that? Or is it still to come?

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

Well, Tom, the -- let's say, the transformation into more regional supply chains is a multiyear process. It's a very gradual process like the previous transformation to a globalization of the supply chain was also a very slow process, but it started already. I think, definitely in some areas, specifically automotive, we see that transformation starting and that was part of the motivation for customers to move more volume into Japan and into Europe.

So it has been started, and it starts step-by-step depending on the industries that our customers are active in. And of course, this goes with qualification, requalification of products, end customers need to buy in. But what we observe is that it's ongoing, and it's actually accelerating.

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

Okay. Great. And then just 2 final questions for Megan. When you look at the gross margin guidance for the first quarter, is that just overhead absorption with a lower revenue level? Or is there something else going on?

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

Yes, Tom. So the decline in Q1 and then the respective decline in gross margin is purely a utilization. We've given general guidelines that our incremental gross profit flow-through is around 40% to 50%, and our guide is actually a little bit better than that. So really, that's -- it's just the drop in utilization. There's no other structural changes.

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

Okay. Great. And then you mentioned that tax rate for some one-off reasons was up to 22% in the quarter. On a go-forward basis, is 15% still a good number? Or should we raise that a little bit?

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

We're raising that to 17% for an annual effective tax rate estimate.

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. Let me recap the key messages. Amkor delivered excellent financial results in 2022. We achieved record revenue of \$7.1 billion and a record EPS of \$3.11. We are expecting first quarter revenue of \$1.45 billion. Going into 2023, we expect macroeconomic conditions to remain challenging. We anticipate our business to improve in the second half, and Amkor is poised to accelerate when the market recovers.

We believe the long-term growth drivers for the semiconductor industry remain in place. Amkor is well positioned to continue to execute on its 3 strategic pillars of leveraging our advanced packaging technology leadership, focusing on industry makeup trends and strengthening our broad geographic footprint. We are confident that our strategic focus will enable us to continue to outgrow the semiconductor market.

Thank you for joining the call today.

Operator

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

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