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OVERVIEW:

Company Summary

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PRESENTATION

Operator

Good day, ladies and gentlemen, and welcome to the Amkor Technology third-quarter 2025 earnings 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 - Vice President, Investor Relations and Finance

Good afternoon, and welcome to Amkor's third-quarter 2025 earnings conference call. Joining me today are CEO, Giel Rutten; and CFO, Megan Faust.

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 comparable GAAP financial measures in the slides.

We will make forward-looking statements today based on our current beliefs, assumptions, and expectations. Such statements are subject to risks and uncertainties that may cause actual results to differ materially. Please refer to our press release and SEC filings for a discussion on the risk factors and uncertainties that may affect our future results.

We assume no obligation to update any forward-looking statements to reflect events or circumstances occurring after the date of this presentation, except as may be required by applicable law.

With that, I will now turn the call over to Giel.

Giel Rutten - Amkor Technology Inc - President, Chief Executive Officer, Director

Thank you, Jennifer. Good afternoon, everyone, and thank you for joining the call today.

I'd like to begin today on a personal note and to share that I have decided to retire from Amkor at the end of 2025. It has been an honor and privilege to be President and CEO of Amkor for over five years, and I'm excited to see what the future holds. I will remain on the Board of Directors to provide continuity and to support our long-term strategy.

I would like to congratulate Kevin Engel as my successor and will support this transition over the next couple of months. Kevin has been with Amkor for over 20 years and brings deep experience that will benefit the company during this next growth phase. You'll hear more from Kevin at upcoming investor events and on the next earnings call.

With that, I will now provide updates on the quarter. Amkor delivered a strong third quarter with revenue of \$1.99 billion and EPS of \$0.51, both exceeding the high end of our guidance. Revenue increased 31% sequentially driven by a robust demand for advanced packaging.

We executed steep production ramps and achieved record revenue in both the communications and computing end markets, demonstrating our ability to scale quickly and support our customers' product launch cycles.

Communications revenue increased 67% sequentially and 5% year on year, driven by the latest iOS product ramp and a 17% year-on-year growth in Android. We expect Q4 to decline sequentially with some slowdown in iOS, partially offset by continued strength in Android. On a year-on-year basis, communication is expected to be up more than 20% in the fourth quarter.

Edge AI expands into edge devices, we are collaborating closely with customers on next-generation products, and we are confident this will drive future demand for advanced packaging.

Computing revenue increased 12% sequentially and 23% year on year. We anticipate modest sequential decline in Q4 on product mix changes but expect continued year-on-year growth. Our high-density fan-out technology is ramping as expected with another product moving into production in Q4.

Our long-term computing outlook remains robust as innovation in AI and high-performance computing fuels investments across data centers, infrastructure, and personal computing; areas where Amkor has a strong customer pipeline.

Automotive and Industrial revenue increased 5% sequentially and 9% year on year driven by growth in advanced products for ADAS applications together with improvements in our mainstream portfolio. Fourth-quarter revenue is expected to be stable sequentially and grow around 20% year on year, supported by broad-based customer demands.

Consumer revenue increased 5% sequentially, but was down 5% year on year reflecting the product life cycle of a wearable product introduced in the second half of last year. We expect a further decrease of this product in Q4 and anticipate a slight decline in traditional consumer applications. Year on year, Consumer is expected to be down mid-teens percent.

Overall, our fourth-quarter guidance reflects positive trends of returning to a more normal seasonal pattern and for continued year-on-year growth in both our advanced and mainstream portfolio.

Now let me share an update on our strategic initiatives. The semiconductor industry is rapidly evolving as accelerated AI proliferation drives market expansion, technology transitions, and increased requirements for a resilient manufacturing base. Within this dynamic landscape, Amkor remains focused on its three strategic pillars: investing in our technology leadership, building supply chain resilience in our manufacturing footprint, and deepening partnerships with lead customers.

Earlier this month, we marked a major milestone with the groundbreaking of our new advanced packaging and test campus in Arizona. Working closely with our foundry partner, this campus will be a cornerstone of US semiconductor manufacturing, delivering a full turnkey supply chain with advanced packaging and test capabilities to leading customers in the industry. The Arizona investment represents a bold step forward in our strategic journey.

We've increased the total projected investment to \$7 billion, reflecting additional clean room space and a second facility. Once complete, the campus will include 750,000 square feet of clean room, space and create up to 3,000 high-quality jobs. Construction of Phase 1 is expected to be completed in mid-2027 with production beginning in early 2028.

The Arizona campus will feature smart factory technologies and scalable production lines to meet evolving market demands for AI, high-performance computing, mobile communication, and advanced automotive applications. It will focus on advanced packaging and testing technologies and will complement domestic foundry manufacturing, enabling a full end-to-end semiconductor supply chain in the US.

Our expanding geographic footprint with facilities in Asia, Europe, and now the US distinguishes Amkor in the OSAT industry. It allows us to partner more closely with customers and deliver innovative packaging and test solutions aligned with their technology roadmap needs.

In summary, Amkor delivered a strong quarter, advanced our strategic initiatives, and remains well positioned for long-term growth.

With that, I will now turn the call over to Megan to provide more details on our third-quarter performance and near-term outlook.

Megan Faust - Amkor Technology Inc - Chief Financial Officer, Executive Vice President

Thank you, Giel, and good afternoon, everyone.

Third-quarter results were better than expected with revenue of \$1.99 billion. This represents 31% sequential growth and 7% year-on-year growth. All end markets grew sequentially, and we achieved record revenue in the communications and computing end markets, driven by robust demand for advanced packaging. Given the leverage in our financial model, profitability metrics expanded more than revenue sequentially.

Gross profit was \$284 million and gross margin was 14.3%, up 230 basis points as the flow-through benefit from higher volume was partially offset by an increase in material content due to a higher proportion of advanced SiP.

Operating expenses came in as expected, higher sequentially, primarily due to a nonroutine benefit in Q2. Operating income was \$159 million, and operating income margin was 8% compared with 6.1% in Q2. As a result of higher operating income and favorable foreign currency, net income more than doubled at \$127 million, driving EPS to \$0.51 for the quarter.

And finally, EBITDA was \$340 million and EBITDA margin was 17.1%.

Turning now to operational efficiency. We are taking steps to optimize our manufacturing footprint in Japan. We are actively working with our customers to align factory capacity to market demand to assure supply is guaranteed for this broad portfolio of automotive products.

Near-term focus is on reducing manufacturing costs, as well as working with customers to adjust terms to cover costs for underutilized production lines. We expect to begin to see results from these actions in Q4 2025 while additional adjustments will take effect in the first half of 2026.

With the full effect of these actions, we see a path to improving corporate gross margins by around 100 basis points exiting 2027. Japan continues to be a key region for Amkor, supporting the automotive end market and offering geographic flexibility to a global customer portfolio.

Over the same time period, we also expect margin improvement from Vietnam ramp-up efficiencies, mainstream recovery, and scaling of leading-edge advanced packaging. We are currently refining our long-term financial targets, and I'm pleased to announce that we plan to host an Investor Day in mid-2026, where we will share these targets and deeper insights into our long-term strategy.

Now moving on to the balance sheet. This year, we took proactive steps to position our balance sheet and enhance liquidity for the upcoming investment cycle, particularly for our Arizona campus. We replaced our \$600 million Singapore-based revolver with a new \$1 billion US-based revolver. We executed a \$500 million term loan. We issued \$500 million of senior notes due in 2033, and redeemed \$525 million of senior notes due in 2027, significantly extending our maturity profile.

As of September 30, we held \$2.1 billion in cash and short-term investments, and total liquidity was \$3.2 billion. Total debt as of Q3 was \$1.8 billion, and our debt-to-EBITDA ratio was 1.7 times.

Now turning to our fourth-quarter guidance. Revenue is expected to be between \$1.775 billion and \$1.875 billion, representing an 8% sequential decline at the midpoint and a 12% year-on-year increase. We are pleased to see forecasts for both advanced and mainstream are up double-digit percent year on year.

Gross margin is projected to be between 14% and 15% which includes an anticipated benefit from asset sales of around \$30 million. Year on year, gross margins are constrained due to product mix concentrated in higher material content products and higher manufacturing costs as we scale and invest in leading-edge advanced packaging.

Operating expenses are expected to be around \$120 million, and our full year effective tax rate is expected to be around 20%, excluding discrete items. Net income is forecasted to be between \$95 million and \$120 million, resulting in EPS between \$0.38 and \$0.48, which includes the anticipated asset sale benefit.

Our 2025 CapEx forecast has increased to \$950 million, up from \$850 million to support expanded investment in our Arizona campus. In addition to investment in our geographic footprint, our focus remains on scaling capacity and capability for leading-edge technologies, including high-density fan-out, advanced SiP, and test solutions.

We will provide more details on our CapEx spend levels and timing for our new Arizona facility when we give 2026 CapEx guidance at our next earnings call.

In closing, our third-quarter results reflect the effectiveness of our strategy, strengthening our technology leadership, building supply chain resilience by expanding our broad geographic footprint, and deepening partnerships with lead customers in growth markets. With the upcoming CEO transition, we remain committed to investing in our long-term growth and our capital allocation strategy, positioning Amkor to deliver sustainable value for our shareholders.

This concludes our prepared remarks, and I'll now turn the call over to the operator for Q&A.

QUESTIONS AND ANSWERS

Operator

(Operator Instructions) Ben Reitzes, Melius Research.

Ben Reitzes - Melius Research LLC - Equity Analyst

Yes. I appreciate it, and Giel wish you the best of luck. Look forward to talking to you later, but enjoyed you on these calls. I got two questions. First of all, with regard to the gross margin guidance in the fourth quarter, if you take out the asset sale, I believe it's 160 basis points lower which puts you below what we were expecting a bit.

You mentioned some higher manufacturing costs. Could you just elaborate on that? And what the pressures are that kind of puts you without the sale below 14%?

Megan Faust - Amkor Technology Inc - Chief Financial Officer, Executive Vice President

Ben, this is Megan. I'll take that one. So normalizing for that asset sale, you've got the math right. So that sequential incremental flow-through is actually in line with our financial model. You'll see it's probably about 30% incremental.

What's happening there probably compared to last Q4 is we do have a higher material content in Q4. If you look at last year, we actually had over 350 basis points drop in the material content between Q3 and Q4. That was related to a deeper communications drop last year. So that's effectively what's impacting margin in our Q4 guidance.

And then you had a follow-up?

Ben Reitzes - Melius Research LLC - Equity Analyst

Yes. Just wondering if you could talk a little bit more about the communications segment. I'm sorry if you said this, but we're picking up indications that there's upside into 4Q with one of -- with your biggest customer at least. And I was wondering about the dynamics there on the consumer guide, if you can elaborate, are you seeing it? Or is there an offset in Android?

Or is there a conservatism in your guidance for communications in particular?

Giel Rutten - Amkor Technology Inc - President, Chief Executive Officer, Director

Thanks, Ben. Let me try to answer that question. Overall, I think the Communications segment, we're guiding down slightly into Q4, we see continued strength in Android, and that's also reflected in our guide. We see a slight tapering off in the iOS ecosystem, how that exactly reflects into end product outlook is difficult to say. I think we're a little bit deeper into the supply chain where we supply our services.

I think for now, this is the exposure that we have, and we take that forecast in our guidance.

Operator

Randy Abrams, UBS.

Randy Abrams - UBS AG - Analyst

Yes. I wanted to also congratulate you, Giel, just on the next chapter. It has been good working with you. I wanted to ask the first question on the compute opportunities, where you mentioned the start of shipping the high-density fan-out. If you could go how you see the pipeline for AI and networking and also for the first tranche of CoWoS-S capacity, if you see opportunity to utilize that with some of the new products coming out.

Giel Rutten - Amkor Technology Inc - President, Chief Executive Officer, Director

Let me take that, Randy. Well, first of all, thanks, with your congrats. With respect to the high-density fan-out opportunities, I mean we start shipping the first product in the quarter. We have two more products lined up, one with the same customer and the other with an external party. So we believe that, that high-density fan-out technologies, and I reiterate the question the, let's say, the outlook that we shared last time, is a solid foundation of future growth for Amkor.

And it was good to see the ramp going into this quarter and also winter next quarter. So we expect that to continue. I think we see a strong outlook there. With respect to the 2.5D, I mean short term, we see a slight moderation there. Longer term, we see, let's say, a stronger potential pipeline coming up.

And I think we had a review last couple of weeks with our customers on that specific technology, and that's signaled positive trends going forward. It may take a few more quarters before these products are going to be released but it's encouraging to see that, that technology will continue to be a solid foundation also going forward.

Randy Abrams - UBS AG - Analyst

Okay. Good. And then my follow-up question on the system and package pipeline. This year, you gained back a key socket. It looks like two different things going on that improving, but the consumer pulled back.

If you could talk broadly about SiP, how you see the pipeline into next year, continuing on the communication gain and then maybe what's happening on the consumer side.

Giel Rutten - Amkor Technology Inc - President, Chief Executive Officer, Director

Yes. I think the sockets on the communication side that is performing as expected. We're executing the ramp going into Q3 and Q4. And also there, I think the outlook for the full year is in line with what we shared in February, including the socket ramp. So we're pretty positive on the communication side.

With respect to the consumer side, I mean the end product goes through a predicted and forecasted sequential decline. It's a cyclicity of that product portfolio. We're encouraged with next products that are being launched going forward in that same portfolio but we expect that Q4, as guided, will be a correction and a further slowdown of that existing product.

Operator

Steven Fox, Fox Advisors.

Steven Fox - Fox Advisors LLC - Analyst

I had a couple of questions as well. First, Megan, can you just round out some of the margin to, you mentioned in the prepared remarks also that manufacturing costs were weighing year over year. So I was curious how much that is and where you are relative to sort of peak pressures on that?

And the same thing for the material content mix. How do we think about that sort of ongoing pressures into next year? If there's any way to give clues on that.

And I need a follow-up.

Megan Faust - Amkor Technology Inc - Chief Financial Officer, Executive Vice President

Sure, Steve. So with respect to the Q4 gross margin, year over year, there's really two things constraining flow through. One is the higher manufacturing costs, and that's really attributable to our leading-edge advanced technology, most of which Giel just mentioned, but having higher overhead and CapEx to support that ahead of scale.

So as we build scale with those leading-edge advanced technologies, which we see that scaling well into 2026, that will not be a headwind. The other half is related to, what I would say, year-over-year unfavorable product mix.

So the decline in our peak material content we had in Q3 to Q4 will probably be around 100 basis points compared to last year, which was over 300 basis points. And that's really attributable to a more stable SiP and a more normal seasonal pattern with regards to that sequential behavior.

Steven Fox - *Fox Advisors LLC - Analyst*

Great. That's helpful. And then just bigger picture on the \$7 billion investment for Arizona now. I guess if you can comment a little bit further than what has been described so far and like public comments about why the increase in investment, what does it signal about Amkor's opportunities longer term?

And then I was curious, does it create any near-term opportunities like stamp of approval for winning near-term business in other parts of the world?

Giel Rutten - *Amkor Technology Inc - President, Chief Executive Officer, Director*

Steve, let me comment to that. I mean, over the last, let's say, 12 months, we see an increased interest in US manufacturing and that comes from multiple customers that is driving up local investments, not only in scale for silicon to be manufactured in the US, but also an increased demand for advanced packaging.

So we're working very closely with these lead customers, but also with our foundry partner to scale the capacity that we put in place in line with demand of our lead customers. And that's the basis of the increased investment to \$7 billion.

You have to keep in mind that this investment is coming in different phases, and we stepped that up through two important phases with the two additional -- or a second additional building. And also, of course, we only put equipment then based on real market demand.

But overall, we expect that the \$7 billion is justified given the increased interest in the US. But also given the alignment that we have with lead customers here on to require capacity for US manufacturing.

Operator

Craig Ellis, B. Riley Securities.

Craig Ellis - *B. Riley Securities Holdings Inc - Equity Analyst*

Yes. and I'll start just by thanking you and wishing you well, Giel, for all the help. And then Kevin, look forward to working with you more intensely next year. On to the question, I think there was an indication that within the automotive and industrial end market, we saw broad strength that sounds like ADAS is starting to improve, as I think you expected three months ago against what's been a pretty tepid automotive market.

Could you give us a sense for the potential for ADAS and some of your other programs to continue to benefit that segment as we look beyond 4Q into 2026?

Giel Rutten - *Amkor Technology Inc - President, Chief Executive Officer, Director*

Thanks, Craig. Yes, let me try to answer that. I mean we expect, going forward, that advanced packaging in the automotive domain will continue to increase and will continue to drive growth. ADAS, it's a broad range of technology going into automotive, and we expect that, that will continue

to grow certainly because of the proliferation of that functionality deeper into the car range but also further electrification of the automotive market.

So we expect that to continue over the next, let's say, a couple of years, and that will step-by-step move to a more self-driving functionality into the car, more connectivity into the automotive domain. We're well positioned there. I mean, we're working with the leaders in the semiconductor area that deliver products in this functionality, and we're very pleased with our opportunities and pipeline there.

The other positive elements in the automotive domain is the recovery of our mainstream portfolio. We saw the second quarter of this year reaching a trough and going into the third quarter, we see improvement, and we expect that to continue into the fourth quarter. And our customers signaling a strong, let's say, improvement of the overall inventory in the supply chain with a more balance there and that ultimately will drive a more balanced revenue base in the automotive domain for Amkor.

Craig Ellis - *B. Riley Securities Holdings Inc - Equity Analyst*

That's really helpful, Giel. And then I wanted to follow up with a clarification for Megan. Megan, Nice to see the significant gross margin improvement coming from the facility rationalization in Japan. The question is, per the 100 basis points gross margin improvement by end next year, what's our baseline? Is it the adjusted fourth-quarter level after taking out that \$30 million benefit or were you pointing back to the third quarter as the baseline?

Megan Faust - *Amkor Technology Inc - Chief Financial Officer, Executive Vice President*

Thanks, Craig. Yes. So I would use our Q3 as our baseline, given we are going to begin seeing benefits moving into Q4. I did want to clarify the 100 basis point benefit. We had stated the full impact of that would be seen by the end of 2027 and that marks a two-year activity, which is, for us, very standard as we're managing through rationalizations of this sort in Japan supporting mainly an automotive customer base.

Operator

Joe Moore, Morgan Stanley.

Joseph Moore - *Morgan Stanley - Analyst*

I wonder if you could just address the overall cyclical environment for the OSAT business. Are you seeing customers starting to get concerned about potential tightness and any impact that you could see -- haven't seen on like-for-like pricing and may see in the future on like-for-like pricing?

Giel Rutten - *Amkor Technology Inc - President, Chief Executive Officer, Director*

Well, good question, Joe. Thanks for that. Across our portfolio of mainstream and advanced packaging, we see on the advanced packaging side in some pockets, tightness of supply that over lines are filling up quite significantly that holds, for example, a flip-chip portfolio or some wafer-level packaging.

So I don't see tightness still occurring in the next quarter, but we see that in some pockets that has tightness of supply not only with respect to overcapacity, but there's also some limitations in certain areas, for example, substrates where we're working closely with suppliers to make sure that we have a continued supply base there.

Joseph Moore - Morgan Stanley - Analyst

Okay. Great. And then in terms of the strength that you've seen in the smartphone business, any indication that any of that could be pull forward, tariff related, anything like that, I mean it seems like there's a pretty solid demand, but I just wanted you to address that because we get the question a lot.

Giel Rutten - Amkor Technology Inc - President, Chief Executive Officer, Director

I mean, it's difficult to say what next year will bring on the smartphone base. I mean, for Amkor, it's important to reconfirm our position in this domain, both on the Android side as well as on the iOS side where we can confirm that we are convinced that we have a very strong footprint on both sides of certainly the premium tier smartphones.

We also see an increased evaluation of next-generation products in that supply chain enabling future phones for more AI functionality as edge devices when that will materialize and then change or increase semiconductor content, it's difficult to share with you at this moment, Joe.

But overall, we're confident that we have a solid position in the market, difficult to predict how the individual phone segments will develop into next year.

Operator

Peter Peng, JPMorgan Chase & Company.

Peter Peng - JPMorgan Chase & Co - Analyst

I want to echo my peers' comments as well and best of luck in your next chapter. Just on your CoWoS-L, there's increasingly more and more of your hyperscale customers and merchant transitioning to CoWoS-L in their technology road maps. I know you guys have something equivalent to your S-Connect.

Maybe you can share some update on the progress there with your S-Connect and how do you believe you're positioned in this area?

Giel Rutten - Amkor Technology Inc - President, Chief Executive Officer, Director

Well, it's difficult to comment on CoWoS-L. We're working very closely with our foundry partner to make sure that we have a complementary supply chain in place. Current focus is very much on what we share, what we label high-density fan-out, an equivalent of CoWoS-R and we see significant opportunities there.

With respect to the other CoWoS-L, I think we're currently evaluating the on substrate part of that technology in Asia as well as to make sure that we have a complementary supply chain put in place in the US. So overall, that's our approach there, Peter.

But overall, I think the computing market has multiple opportunities for Amkor. I think we're working closely, both with customers as well as with a foundry partner going forward on the different technology domains.

Peter Peng - JPMorgan Chase & Co - Analyst

Got it. Okay. And then maybe just -- you talked about some new ramps in your -- the CoWoS-R equivalent, high density fan out. How is that going to impact seasonality as we think about the first half of next year? Is that anything significant that would alter seasonal?

Or do you think those are like less beneficial until later on. Maybe just talk about seasonality and how you think about those products ramping?

Giel Rutten - Amkor Technology Inc - President, Chief Executive Officer, Director

Well, seasonality for Amkor in the past and also now is, to a large extent, driven by our exposure to the communication market. I think there was a strong and there is a strong seasonality in the communication market. If you look to our other markets, be it automotive, computing and also consumer, there is less pronounced seasonality.

So the product launches that we are referring to, we expect them to show significantly less seasonality and with more growth in the computer domain that was ultimately level out the significant seasonality that we have, although we foresee, of course, that for the time to come the communications segment will be our biggest segment.

Operator

Tom Diffely, D.A. Davidson.

Thomas Diffely, CFA - DA Davidson & Co - Analyst

Congratulations, Giel, on your next chapter. So maybe just one more question on the new facility in Arizona. When you think about the \$7 billion -- the increase to \$7 billion, how much of that is because of the extra capacity you're adding versus the increase in costs that we've seen kind of across the board these days in construction?

Giel Rutten - Amkor Technology Inc - President, Chief Executive Officer, Director

Well, Tom, I think I can be short on that. This is exclusively related to the increased capacity that we are planning for. You may have been informed that we also moved the location of the factory to a different location, a location closer to the TSMC location that gives us twice the land area with an additional option to further expand 50 acres for, potentially, a third facility. So that offers opportunity to grow.

We're in close cooperation and close alignment between the different partners and customers to make sure that we scale the facility correctly when it comes to scale, but also make sure that we ramp that facility with the right technologies in line with what customers need in the US.

So it is not related to the increased investment, it is not related to the higher cost. It is strictly related to the share capacity expansion.

Thomas Diffely, CFA - DA Davidson & Co - Analyst

Okay. Great. That's very encouraging. And then as a follow-up, when you think about the CapEx of \$950 million for next year, how much of that is specifically for Arizona?

Megan Faust - Amkor Technology Inc - Chief Financial Officer, Executive Vice President

So Tom, I can take that. So we had increased our CapEx guide for 2025 to \$950 million and that was really driven by having more visibility in what we would need to spend in 2025. We have not yet given guide for CapEx for 2026. So we will give that at our next earnings call along with more visibility on the timing and expense for the Arizona facility.

Thomas Diffely, CFA - *DA Davidson & Co - Analyst*

Okay. But the increase in '25 was all driven by Arizona, the incremental?

Megan Faust - *Amkor Technology Inc - Chief Financial Officer, Executive Vice President*

Correct.

Operator

Steve Barger, KeyBanc Capital Markets.

Steve Barger - *KeyBanc Capital Markets Inc - Analyst*

Thanks. I had another compute question. Giel, I think RDL formats are replacing silicon interposer to some degree, which should be good for OSAT. How much of your CapEx has been to support RDL? And does that shift drive higher value add that translates to unit margins? Or would the primary benefit be the volume?

Giel Rutten - *Amkor Technology Inc - President, Chief Executive Officer, Director*

Steve, with respect to the relative CapEx that goes into the expansion of high-density fan-out, the RDL based technology, it's a significant, I would say, the majority of our CapEx. I want to reiterate there that a large part of our capital investments when it comes to individual equipment is highly fungible. Fungible between standard wafer-level packaging, even bumping into the high-density fan-out.

But if we look to the ramp that we're preparing for, and I have to correct myself, I think we're ramping up the -- with our lead customers, three individual products and with the second customer another product in the early part of the year. So there is a significant ramp expected and we made a significant commitment to our customers to support that ramp where we are working in close cooperation with our lead customers there.

So that's how we see the investment in high-density fan-out.

Steve Barger - *KeyBanc Capital Markets Inc - Analyst*

And I know it's being driven by compute right now, but what are the gating factors to the higher volume applications like PC or mobile? Are there technology challenges for those applications? Or is it just really a function of customers making the decision to go that direction?

Giel Rutten - *Amkor Technology Inc - President, Chief Executive Officer, Director*

Yes. Good question, Steve. From our perspective, this technology will be applied in multiple domains. One is the data center domain as we just discussed, but it definitely will go into the more higher volume PCs and ultimately, also in the mobile communication domain. The technology is basically the same.

I think we use the same production lines for that technology. Of course, the individual specification of the technology is slightly different for each application, but the basic capacity that we won in place -- will put in place is supporting products into -- in the PC domain as well as in the data center and communication domain.

Operator

Denis Pyatchanin, Needham & Company.

Denis Pyatchanin - *Needham & Company LLC - Analyst*

Great. Well, we'd like to mirror everyone's congratulations as well. And for a quick question about computing. So computing looks like it was over 20% year over year. Can you discuss the key drivers of this growth?

And if you will see these persisting into Q4, even with revenue guided down somewhat quarter-over-quarter?

Giel Rutten - *Amkor Technology Inc - President, Chief Executive Officer, Director*

Yes, Denis. I mean computing in the last quarter showed broad-based strength. I think all applications in the computing domain from PCs as well as networking as well as data center products were up in the quarter. And we expect that, that will continue. May we see on the more consumer products on the PC product, we still see strength, and that's also what the market predicts but definitely also on the networking and data center product side, we see continued strength.

So overall, we're optimistic. We had a good quarter and a good year in computing. We had a record in the third quarter. I have to remind you that the AI and the AI proliferation is just started. So there will be more products being developed going into the edge and edge devices as well as into networking and data centers.

So we stay -- and we remain very optimistic there, and we're confident that we are applying there.

Denis Pyatchanin - *Needham & Company LLC - Analyst*

Great. And then for my follow-up for communications, I think you mentioned strength in Android persisting into next quarter. Can you provide some more color on that, maybe perhaps by geography?

Giel Rutten - *Amkor Technology Inc - President, Chief Executive Officer, Director*

That is difficult to say. I mean, we believe that there is a trend in the Android market. And I also mentioned that last quarter is there -- is a trend to higher-end devices for the premium tier smartphones, and that's a global trend. And I cannot go to individual customers there, Denis, we saw that there was inventory in that supply chain. But overall, we believe that currently that inventory is digested.

So overall, we are very positive on the Android players.

Operator

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

Giel Rutten - *Amkor Technology Inc - President, Chief Executive Officer, Director*

Thank you. Now let me recap our key messages. Amkor delivered a strong third quarter with record revenue in both the communications and computing end markets. Fourth-quarter revenue is expected to increase 12% year on year at the midpoint. We are focused on enhancing operational efficiencies and optimizing our manufacturing footprint in Japan.

And we look forward to hosting an Investor Day in mid-2026 where we will share financial targets and deeper insight in our long-term strategy. 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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