



Amkor Technology Reports Financial Results for the First Quarter 2024

TEMPE, Ariz. -- April 29, 2024 -- Amkor Technology, Inc. (Nasdaq: AMKR), a leading provider of semiconductor packaging and test services, today announced financial results for the first quarter ended March 31, 2024.

First Quarter 2024 Highlights

- Net sales \$1.37 billion
- Gross profit \$202 million, operating income \$73 million
- Net income \$59 million, earnings per diluted share \$0.24
- EBITDA \$233 million

“Amkor delivered first quarter results in line with expectations with revenue of \$1.37 billion dollars and EPS of \$0.24. After a multi-quarter industry downturn, we see the first quarter as the low point for our revenue and utilization,” said Giel Rutten, Amkor’s president and chief executive officer. “During the quarter we continued 2.5D capacity expansion efforts to increase AI device output, enhanced key partnerships to further strengthen the European semiconductor supply chain, progressed plans for our Advanced packaging and test facility in Arizona and focused on qualification in our Vietnam factory for production ramp in the second half of the year.”

Quarterly Financial Results

(\$ in millions, except per share data)	Q1 2024	Q4 2023	Q1 2023
Net sales	\$1,366	\$1,752	\$1,472
Gross margin	14.8%	15.9%	13.2%
Operating income	\$73	\$159	\$69
Operating income margin	5.4%	9.1%	4.7%
Net income attributable to Amkor	\$59	\$118	\$45
Earnings per diluted share	\$0.24	\$0.48	\$0.18
EBITDA (1)	\$233	\$326	\$229

(1) EBITDA is a non-GAAP measure. The reconciliation to the comparable GAAP measure is included below under “Selected Operating Data.”

At March 31, 2024, total cash and short-term investments was \$1.6 billion, and total debt was \$1.2 billion.

The company paid a quarterly dividend of \$0.07875 per share on April 1, 2024. The declaration and payment of future dividends, as well as any record and payment dates, are subject to the approval of the Board of Directors.

Business Outlook

The following information presents Amkor’s guidance for the second quarter 2024 (unless otherwise noted):

- Net sales of \$1.40 billion to \$1.50 billion
- Gross margin of 13.0% to 15.0%
- Net income of \$35 million to \$75 million, or \$0.14 to \$0.30 per diluted share
- Full year 2024 capital expenditures of approximately \$750 million

Conference Call Information

Amkor will conduct a conference call on Monday, April 29, 2024, at 5:00 p.m. Eastern Time. This call may include material information not included in this press release. To access the live audio webcast and the accompanying slide presentation, visit the Investor Relations section of Amkor's website, located at ir.amkor.com. The live call can also be accessed by dialing 1-877-407-4019 or 1-201-689-8337.

About Amkor Technology, Inc.

Amkor Technology, Inc. is the world's largest US headquartered OSAT (outsourced semiconductor assembly and test) service provider. Since its founding in 1968, Amkor has pioneered the outsourcing of IC packaging and test services and is a strategic manufacturing partner for the world's leading semiconductor companies, foundries, and electronics OEMs. Amkor provides turnkey manufacturing services for the communication, automotive and industrial, computing, and consumer industries, including but not limited to smartphones, electric vehicles, data centers, artificial intelligence and wearables. Amkor's operational base includes production facilities, research and development centers and sales and support offices located in key electronics manufacturing regions in Asia, Europe and the United States. For more information visit amkor.com.

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AMKOR TECHNOLOGY, INC.
Selected Operating Data

	Q1 2024	Q4 2023	Q1 2023
Net Sales Data:			
Net sales (in millions):			
Advanced products (1)	\$ 1,070	\$ 1,430	\$ 1,068
Mainstream products (2)	296	322	404
Total net sales	<u>\$ 1,366</u>	<u>\$ 1,752</u>	<u>\$ 1,472</u>
Packaging services	87 %	89 %	88 %
Test services	13 %	11 %	12 %
Net sales from top ten customers	70 %	71 %	66 %
End Market Distribution Data:			
Communications (smartphones, tablets)	47 %	56 %	45 %
Automotive, industrial and other (ADAS, electrification, infotainment, safety)	22 %	19 %	26 %
Computing (data center, infrastructure, PC/laptop, storage)	17 %	13 %	17 %
Consumer (AR & gaming, connected home, home electronics, wearables)	14 %	12 %	12 %
Total	<u>100 %</u>	<u>100 %</u>	<u>100 %</u>
Gross Margin Data:			
Net sales	100.0 %	100.0 %	100.0 %
Cost of sales:			
Materials	51.9 %	56.5 %	52.9 %
Labor	11.2 %	9.1 %	11.3 %
Other manufacturing	22.1 %	18.5 %	22.6 %
Gross margin	<u>14.8 %</u>	<u>15.9 %</u>	<u>13.2 %</u>

(1) Advanced products include flip chip, memory and wafer-level processing and related test services.

(2) Mainstream products include all other wirebond packaging and related test services.

AMKOR TECHNOLOGY, INC.
Selected Operating Data

In this press release, we refer to EBITDA, which is not defined by U.S. GAAP. We define EBITDA as net income before interest expense, income tax expense and depreciation and amortization. We believe EBITDA to be relevant and useful information to our investors because it provides additional information in assessing our financial operating results. Our management uses EBITDA in evaluating our operating performance, and our ability to service debt, and our ability to fund capital expenditures and pay dividends. However, EBITDA has certain limitations in that it does not reflect the impact of certain expenses on our consolidated statements of income, including interest expense, which is a necessary element of our costs because we have borrowed money in order to finance our operations, income tax expense, which is a necessary element of our costs because taxes are imposed by law, and depreciation and amortization, which is a necessary element of our costs because we use capital assets to generate income. EBITDA should be considered in addition to, and not as a substitute for, or superior to, operating income, net income or other measures of financial performance prepared in accordance with U.S. GAAP. Furthermore, our definition of EBITDA may not be comparable to similarly titled measures reported by other companies. Below is our reconciliation of EBITDA to U.S. GAAP net income.

Non-GAAP Financial Measure Reconciliation:

(in millions)	Q1 2024	Q4 2023	Q1 2023
EBITDA Data:			
Net income	\$ 60	\$ 119	\$ 45
Plus: Interest expense	16	15	16
Plus: Income tax expense	12	33	11
Plus: Depreciation & amortization	145	159	157
EBITDA	<u>\$ 233</u>	<u>\$ 326</u>	<u>\$ 229</u>

AMKOR TECHNOLOGY, INC.
CONSOLIDATED STATEMENTS OF INCOME
(In thousands, except per share data)
(Unaudited)

	For the Three Months Ended March 31,	
	2024*	2023
Net sales	\$ 1,365,511	\$ 1,471,539
Cost of sales	1,163,868	1,277,118
Gross profit	201,643	194,421
Selling, general and administrative	90,346	78,671
Research and development	38,171	47,047
Total operating expenses	128,517	125,718
Operating income	73,126	68,703
Interest expense	16,439	16,167
Other (income) expense, net	(15,295)	(3,552)
Total other expense, net	1,144	12,615
Income before taxes	71,982	56,088
Income tax expense	12,196	10,864
Net income	59,786	45,224
Net (income) loss attributable to non-controlling interests	(889)	127
Net income attributable to Amkor	\$ 58,897	\$ 45,351
Net income attributable to Amkor per common share:		
Basic	\$ 0.24	\$ 0.18
Diluted	\$ 0.24	\$ 0.18
Shares used in computing per common share amounts:		
Basic	246,008	245,330
Diluted	247,614	247,087

*We periodically assess the estimated useful lives of our property, plant and equipment. Based on our assessment of test equipment and its increased interchangeability enabling broader and longer use, we extended the estimated useful lives of test equipment from five years to seven years as of January 1, 2024. As a result, the reduction in depreciation expense of approximately \$15 million benefited net income and diluted earnings per share by approximately \$13 million and \$0.05 for the first quarter of 2024, respectively.

AMKOR TECHNOLOGY, INC.
CONSOLIDATED BALANCE SHEETS
(In thousands)
(Unaudited)

	<u>March 31, 2024</u>	<u>December 31, 2023</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 1,118,004	\$ 1,119,818
Short-term investments	454,669	474,869
Accounts receivable, net of allowances	1,093,960	1,149,493
Inventories	331,070	393,128
Other current assets	47,312	58,502
Total current assets	<u>3,045,015</u>	<u>3,195,810</u>
Property, plant and equipment, net	3,367,434	3,299,445
Operating lease right of use assets	106,873	117,006
Goodwill	18,641	20,003
Restricted cash	781	799
Other assets	146,322	138,062
Total assets	<u>\$ 6,685,066</u>	<u>\$ 6,771,125</u>
LIABILITIES AND EQUITY		
Current liabilities:		
Short-term borrowings and current portion of long-term debt	\$ 112,968	\$ 131,624
Trade accounts payable	618,378	754,453
Capital expenditures payable	234,762	106,368
Short-term operating lease liability	27,112	33,616
Accrued expenses	309,976	358,414
Total current liabilities	<u>1,303,196</u>	<u>1,384,475</u>
Long-term debt	1,038,346	1,071,832
Pension and severance obligations	79,647	87,133
Long-term operating lease liabilities	52,924	56,837
Other non-current liabilities	180,345	175,813
Total liabilities	<u>2,654,458</u>	<u>2,776,090</u>
Stockholders' equity:		
Preferred stock	—	—
Common stock	292	292
Additional paid-in capital	2,014,782	2,008,170
Retained earnings	2,199,300	2,159,831
Accumulated other comprehensive income (loss)	6,910	16,350
Treasury stock	(224,157)	(222,335)
Total Amkor stockholders' equity	<u>3,997,127</u>	<u>3,962,308</u>
Non-controlling interests in subsidiaries	33,481	32,727
Total equity	<u>4,030,608</u>	<u>3,995,035</u>
Total liabilities and equity	<u>\$ 6,685,066</u>	<u>\$ 6,771,125</u>

AMKOR TECHNOLOGY, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)
(Unaudited)

	For the Three Months Ended March 31,	
	2024	2023
Cash flows from operating activities:		
Net income	\$ 59,786	\$ 45,224
Depreciation and amortization	144,925	156,762
Other operating activities and non-cash items	14,100	(2,821)
Changes in assets and liabilities	(56,499)	(23,419)
Net cash provided by operating activities	<u>162,312</u>	<u>175,746</u>
Cash flows from investing activities:		
Payments for property, plant and equipment	(96,169)	(98,224)
Proceeds from sale of property, plant and equipment	3,439	652
Payments for short-term investments	(111,760)	(172,409)
Proceeds from sale of short-term investments	16,014	21,549
Proceeds from maturities of short-term investments	121,684	92,655
Other investing activities	(19,311)	73
Net cash used in investing activities	<u>(86,103)</u>	<u>(155,704)</u>
Cash flows from financing activities:		
Proceeds from revolving credit facilities	—	370,000
Payments of revolving credit facilities	—	(370,000)
Proceeds from short-term debt	5,012	11,042
Payments of short-term debt	(5,669)	(5,840)
Payments of long-term debt	(29,100)	(35,980)
Payments of finance lease obligations	(19,684)	(15,148)
Payments of dividends	(19,383)	(18,430)
Other financing activities	(1,053)	(1,850)
Net cash used in financing activities	<u>(69,877)</u>	<u>(66,206)</u>
Effect of exchange rate fluctuations on cash, cash equivalents and restricted cash	(8,164)	(2,943)
Net decrease in cash, cash equivalents and restricted cash	<u>(1,832)</u>	<u>(49,107)</u>
Cash, cash equivalents and restricted cash, beginning of period	<u>1,120,617</u>	<u>962,406</u>
Cash, cash equivalents and restricted cash, end of period	<u>\$ 1,118,785</u>	<u>\$ 913,299</u>

Forward-Looking Statement Disclaimer

This press release contains forward-looking statements within the meaning of the federal securities laws. You are cautioned not to place undue reliance on forward-looking statements, which are often characterized by terminology such as “may,” “will,” “should,” “expects,” “plans,” “anticipates,” “believes,” “estimates,” “predicts,” “potential,” “continue” or “intend,” by the negative of these terms or other comparable terminology or by discussions of strategy, plans or intentions. All forward-looking statements in this press release are made based on our current expectations, forecasts, estimates and assumptions. Because such statements include risks and uncertainties, actual results may differ materially from those anticipated in such forward-looking statements as a result of various factors, including, but not limited to, the following:

- dependence on the cyclical and volatile semiconductor industry and vulnerability to industry downturns and declines in global economic and financial conditions;
- dependence on key customers or concentration of customers in certain end markets, such as mobile communications and automotive;
- changes in costs, quality, availability and delivery times of raw materials, components and equipment;
- health conditions or pandemics, such as COVID-19, impacting labor availability and operating capacity, capital availability, the supply chain and consumer demand for our customers’ products and services;
- fluctuations in operating results and cash flows;
- our substantial indebtedness;
- dependence on international factories and operations and risks relating to trade restrictions and regional conflict;
- the effects of business, economic, political, legal and regulatory impacts or conflicts upon our global operations;
- fluctuations in interest rates and changes in credit risk;
- competition with established competitors in the packaging and test business, the internal capabilities of integrated device manufacturers and new competitors, including foundries;
- difficulty funding our liquidity needs, including as a result of disruptions to the banking system and capital markets;
- our substantial investments in equipment and facilities to support the demand of our customers;
- difficulty attracting, retaining or replacing qualified personnel;
- difficulty achieving the relatively high-capacity utilization rates necessary to realize satisfactory gross margins given our high percentage of fixed costs;
- maintaining an effective system of internal controls;
- the absence of backlog and the short-term nature of our customers’ commitments;
- our continuing development and implementation of changes to, and maintenance and security of, our information technology systems;
- the historical downward pressure on the prices of our packaging and test services;
- challenges with integrating diverse operations;

- fluctuations in our manufacturing yields;
- any changes in tax laws, taxing authorities not agreeing with our interpretation of applicable tax laws, including whether we continue to qualify for conditional reduced tax rates, or any requirements to establish or adjust valuation allowances on deferred tax assets;
- our ability to develop new proprietary technology, protect our proprietary technology, operate without infringing the proprietary rights of others and implement new technologies;
- environmental, health and safety liabilities and expenditures;
- warranty claims, product return and liability risks, and the risk of negative publicity if our products fail, as well as the risk of litigation incident to our business;
- natural disasters and other calamities, political instability, hostilities or other disruptions;
- restrictive covenants in the indentures and agreements governing our current and future indebtedness;
- the possibility that we may decrease or suspend our quarterly dividend;
- significant severance plan obligations associated with our manufacturing operations in Korea; and
- the ability of certain of our stockholders to effectively determine or substantially influence the outcome of matters requiring stockholder approval.

Other important risk factors that could affect the outcome of the events set forth in these statements and that could affect our operating results and financial condition are discussed in the company's Annual Report on Form 10-K for the year ended December 31, 2023 (the "Form 10-K") and from time to time in our other reports filed with or furnished to the Securities and Exchange Commission ("SEC"). You should carefully consider the trends, risks and uncertainties described in this press release, the Form 10-K and other reports filed with or furnished to the SEC before making any investment decision with respect to our securities. If any of these trends, risks or uncertainties continues or occurs, our business, financial condition or operating results could be materially and adversely affected, the trading prices of our securities could decline, and you could lose part or all of your investment. All forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by this cautionary statement. We assume no obligation to review or update any forward-looking statements to reflect events or circumstances occurring after the date of this press release except as may be required by applicable law.