



# Amkor Technology, Inc. Financial Information

October 2018

# Disclaimer

## Forward-Looking Statement Disclaimer

All information and other statements contained in this presentation, other than statements of historical fact, constitute forward-looking statements within the meaning of federal securities laws. These forward-looking statements involve a number of risks, uncertainties, assumptions and other factors that could affect our future results and cause actual results and events to differ materially from our historical and expected results and those expressed or implied in these forward-looking statements. Our historical financial information, and the risks and other important 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 contained in our filings with the Securities and Exchange Commission, including our Form 10-K for the 2017 year and subsequent filings. We undertake no obligation to review or update any forward-looking statements to reflect events or circumstances occurring after this presentation.

## Policy Regarding Prior Guidance and Forward-Looking Statements

From time to time we may provide financial guidance in our earnings releases and make other forward-looking statements. Our financial guidance and other forward-looking statements are effective only on the date given. In accordance with our policy, we will not update, reaffirm or otherwise comment on any prior financial guidance or other forward-looking statements in connection with this presentation. No reference made to any prior financial guidance or other forward-looking statements in connection with this presentation should be construed to update, reaffirm or otherwise comment on such prior financial guidance or other forward-looking statements.

## Non-GAAP Measures

This presentation contains certain measures that are not defined terms under U.S. generally accepted accounting principles (“U.S. GAAP”). These non-GAAP measures should not be considered in isolation or as a substitute for, or superior to, measures of liquidity or performance prepared in accordance with U.S. GAAP, and may not be comparable to calculations of similarly titled measures by other companies. See “Financial Reconciliation Tables”, “Non-GAAP Measures” and “End Notes” in the Appendix.

# 3Q18 and 4Q18 Summary

<i>(In Millions, Except per Share Data)</i>	<b>4Q 2018 Guidance</b> As of October 29, 2018 <sup>(3)</sup>	<b>3Q 2018</b>	<b>2Q 2018</b>	<b>3Q 2017</b>
Net Sales	\$1,020 - \$1,100	\$1,144	\$1,066	\$1,149
Gross Margin	13% - 15%	17.5%	15.9%	19.5%
Net Income attributable to Amkor	\$5 – \$34	\$57	\$33	\$59
Earnings per Diluted Share	\$0.02 – \$0.14	\$0.24	\$0.14	\$0.25
EBITDA <sup>(1)</sup>	-	\$235	\$208	\$251
Net Cash Provided by Operating Activities	-	\$221	\$59	\$214
Free Cash Flow <sup>(2)</sup>	-	\$133	(\$100)	\$74

(1), (2), and (3): See notes on page 14

# LTM 3Q18 End Markets



**45%**

**COMMUNICATIONS**

Smartphone  
Tablet  
Handheld Device



**25%**

**AUTOMOTIVE &  
INDUSTRIAL**

Driver Assist  
Infotainment  
Safety  
Performance



**18%**

**COMPUTING**

Data Center  
PC/Laptop  
Infrastructure  
Storage



**12%**

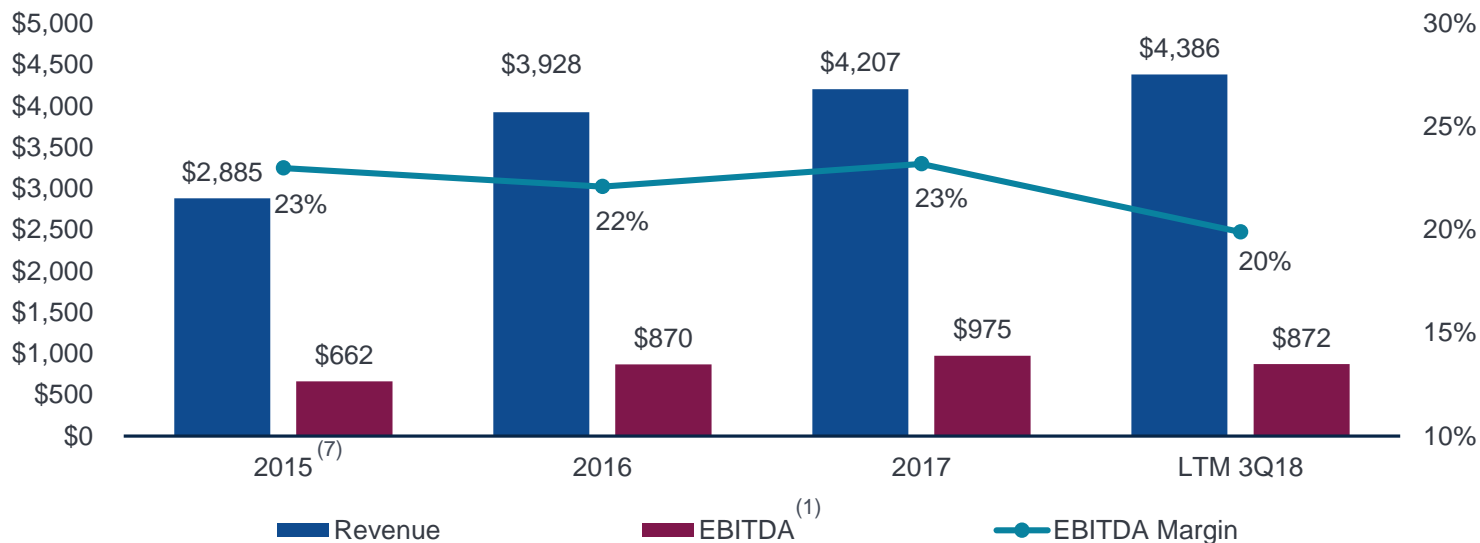
**CONSUMER**

Television  
Set-Top Box  
Personal Electronics  
Connected Home  
Visual Imaging

# Profitability Trends

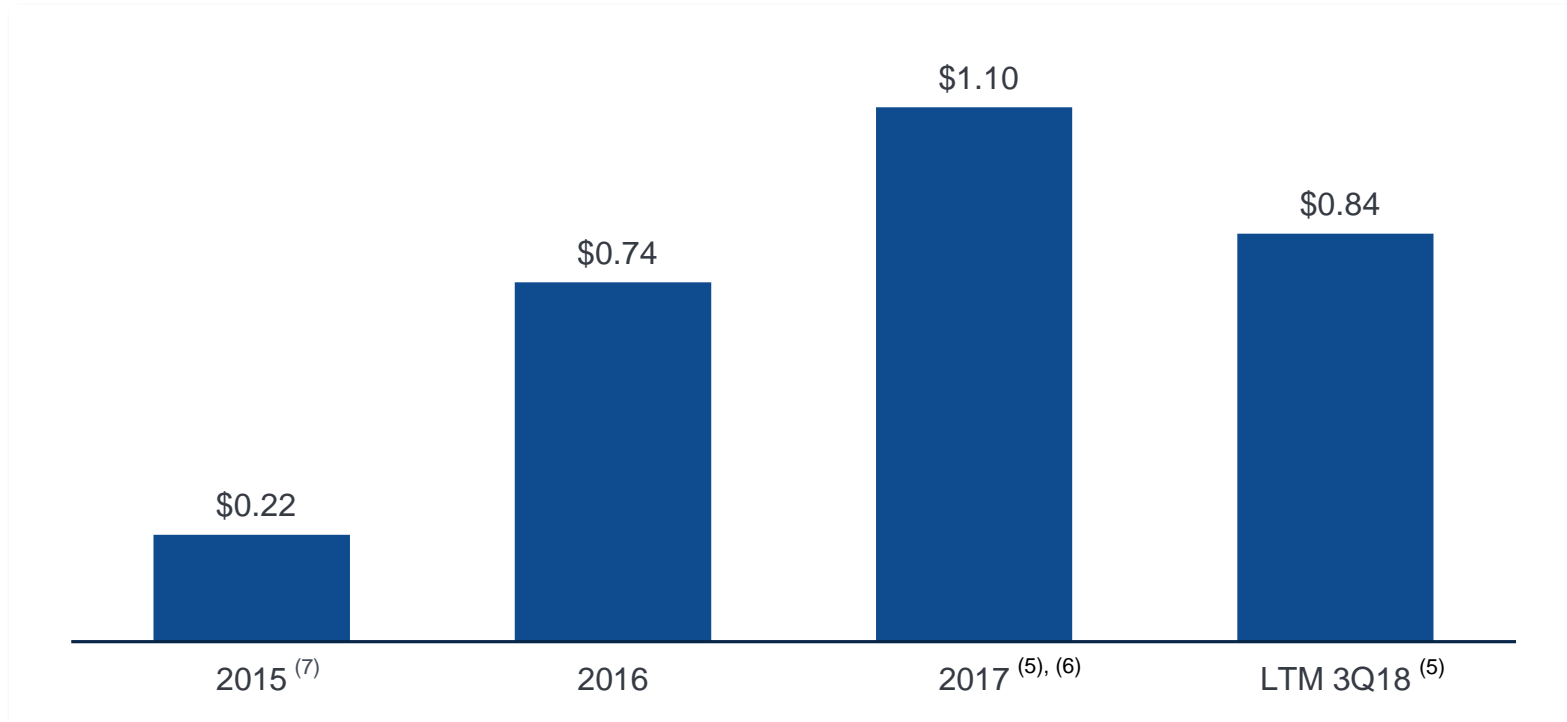
## Revenue, EBITDA and EBITDA Margin

\$ in Millions



(1) and (7): See notes on page 14.

# EPS Trends

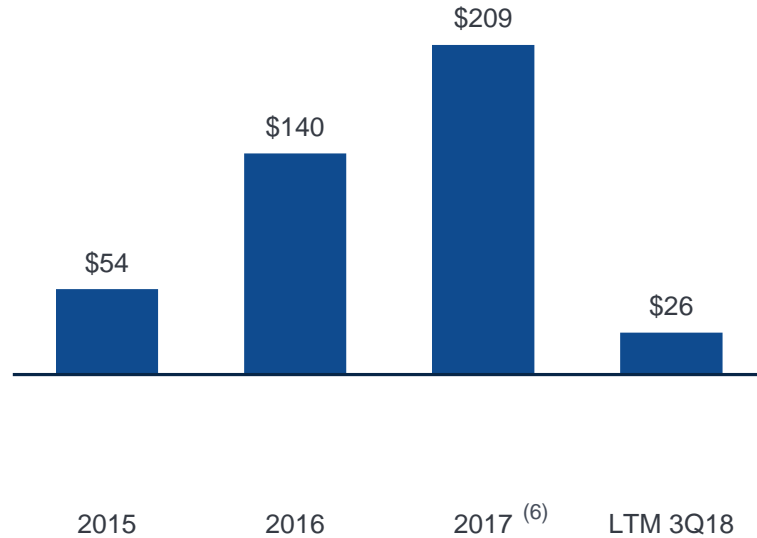


(5), (6) and (7): See notes on page 14.

# Free Cash Flow and EBITDA

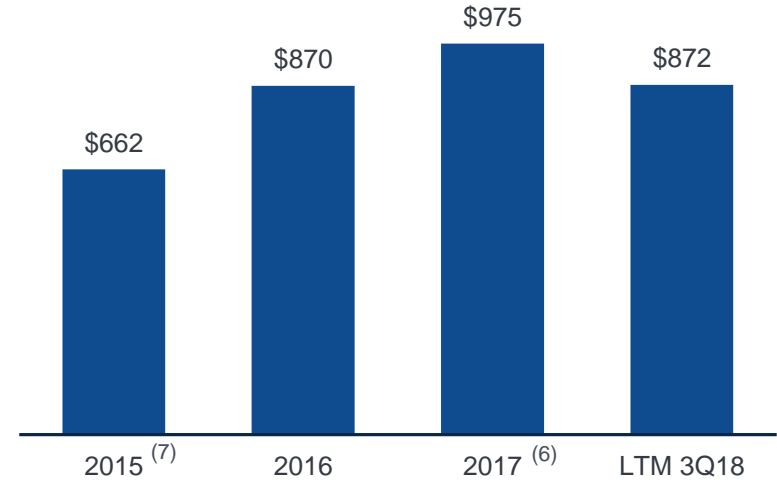
## Free Cash Flow<sup>(2)</sup>

\$ in Millions



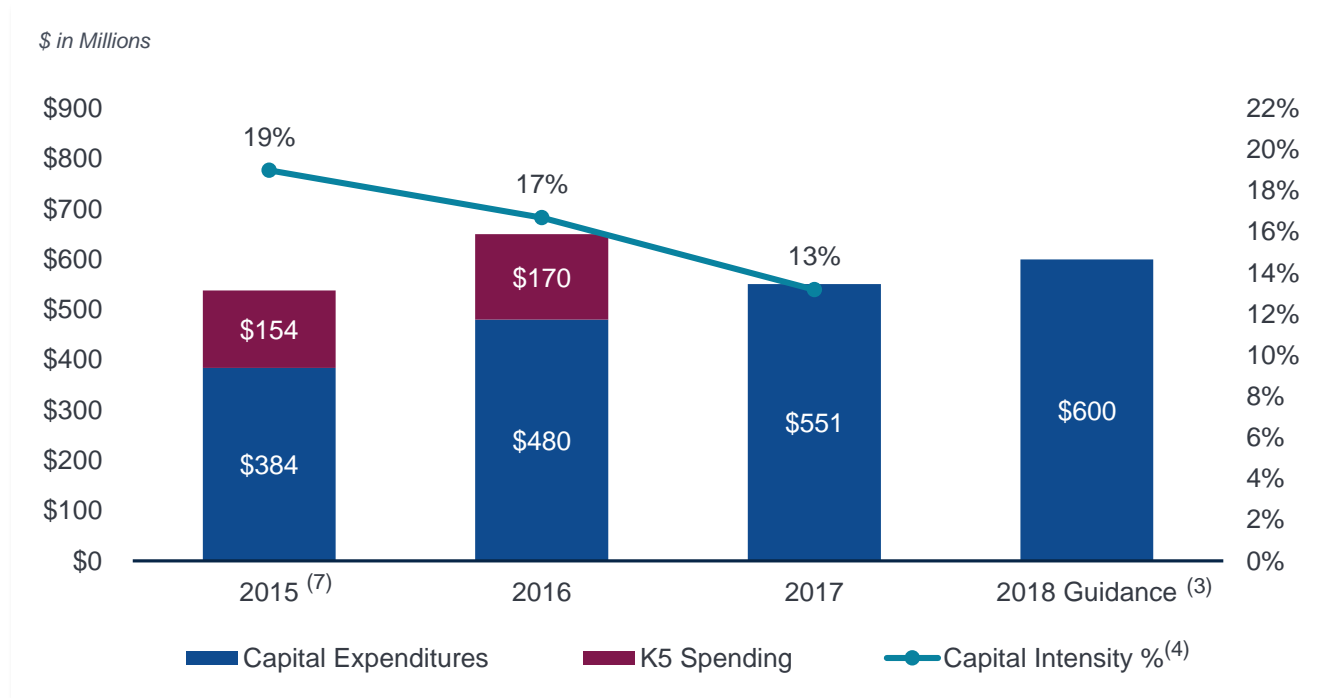
## EBITDA<sup>(1)</sup>

\$ in Millions



(1), (2), (6), and (7): See notes on page 14.

# Capital Expenditures and Capital Intensity



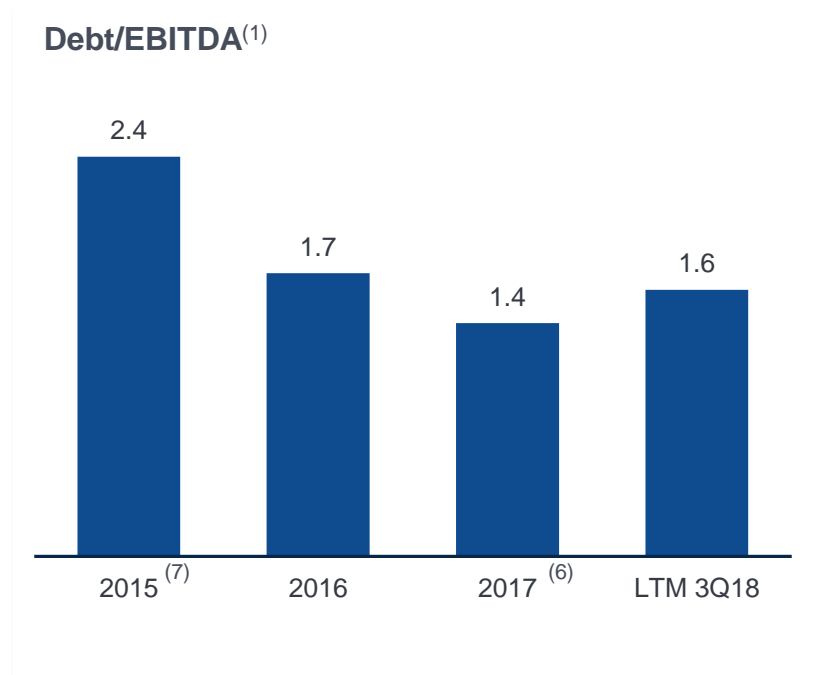
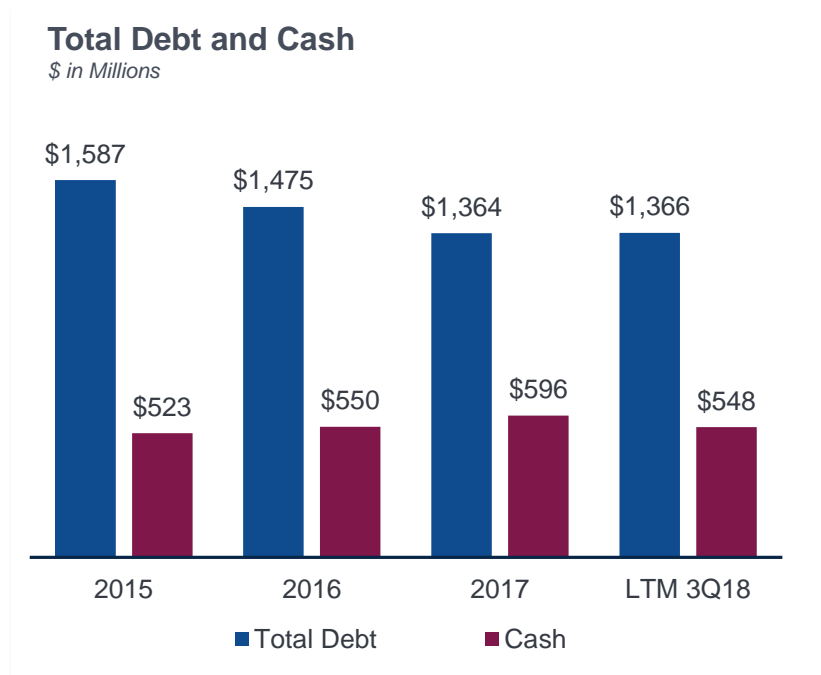
Expect 2018 Capital Expenditures<sup>(3)</sup> of Around

**\$600M**

(3), (4), and (7): See notes on page 14.



# Credit Profile

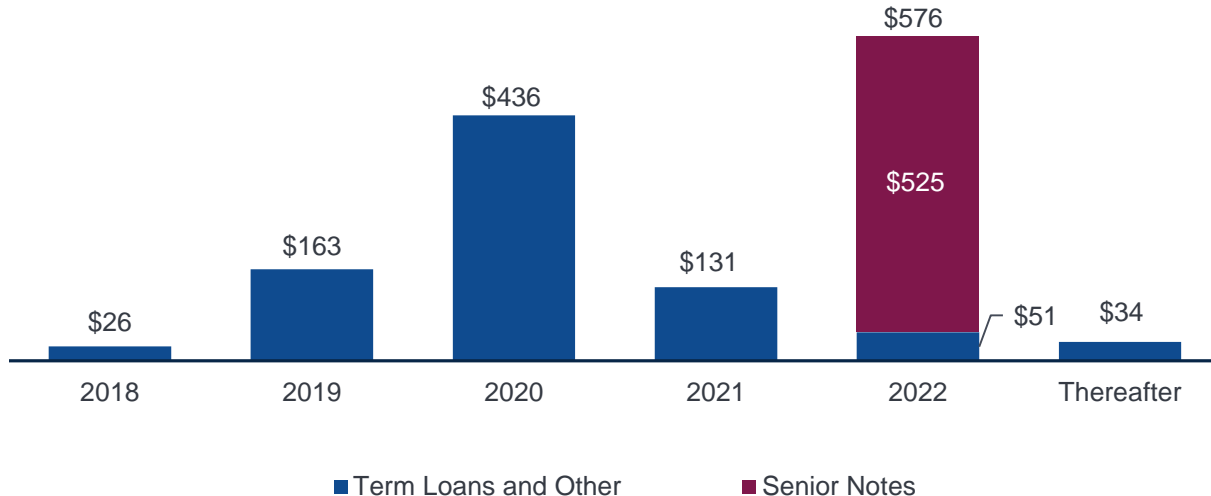


(1), (6), and (7): See notes on page 14.

# Debt Maturities

## Maturity Profile as of September 30, 2018

\$ in Millions



**\$550M**  
Cash

**\$275M**  
In Available  
Credit

# Financial Reconciliation Tables

<i>\$ in Millions</i>	LTM 3Q18	2017 <sup>(6)</sup>	2016	2015 <sup>(7)</sup>	3Q18	2Q18	3Q17
<b>Net Income</b>	<b>\$202</b>	<b>\$268</b>	<b>\$179</b>	<b>\$54</b>	<b>\$57</b>	<b>\$33</b>	<b>\$60</b>
Plus: Interest Expense (including Related Party)	81	85	85	86	20	21	21
Plus: Income Tax Expense	14	40	51	28	14	11	21
Plus: Depreciation & Amortization	575	582	555	494	144	143	149
<b>EBITDA*</b>	<b>\$872</b>	<b>\$975</b>	<b>\$870</b>	<b>\$662</b>	<b>\$235</b>	<b>\$208</b>	<b>\$251</b>
Debt	\$1,366	\$1,364	\$1,475	\$1,587	-	-	-
<b>Debt / EBITDA*</b>	<b>1.6</b>	<b>1.4</b>	<b>1.7</b>	<b>2.4</b>	-	-	-
<b>Net Cash Provided by Operating Activities</b>	<b>\$632</b>	<b>\$618</b>	<b>\$729</b>	<b>\$585</b>	<b>\$221</b>	<b>\$59</b>	<b>\$214</b>
Less: Payments for Property, Plant and Equipment	(615)	(551)	(650)	(538)	(88)	(159)	(142)
Plus: Proceeds from Sale of and Insurance Recovery for Property, Plant and Equipment	9	142	61	7	0	0	2
<b>Free Cash Flow*</b>	<b>\$26</b>	<b>\$209</b>	<b>\$140</b>	<b>\$54</b>	<b>\$133</b>	<b>(\$100)</b>	<b>\$74</b>

(6) and (7): See notes on page 14.

\* See discussion of non-GAAP measures on page 13

# Revision to Previously Reported Financial Information\*

<i>\$ in Millions</i>	2016	2017	1Q17	2Q17	3Q17	4Q17
<b>Net Sales – As Previously Reported</b>	<b>\$3,894</b>	<b>\$4,186</b>	<b>\$914</b>	<b>\$989</b>	<b>\$1,135</b>	<b>\$1,148</b>
Adjustments	34	21	(15)	19	14	2
<b>Net Sales – As Revised</b>	<b>\$3,928</b>	<b>\$4,207</b>	<b>\$899</b>	<b>\$1,008</b>	<b>\$1,149</b>	<b>\$1,150</b>
<b>Gross Profit - As Previously Reported</b>	<b>\$695</b>	<b>\$757</b>	<b>\$143</b>	<b>\$172</b>	<b>\$217</b>	<b>\$225</b>
Adjustments	15	4	(7)	5	7	(1)
<b>Gross Profit - As Revised</b>	<b>\$710</b>	<b>\$761</b>	<b>\$136</b>	<b>\$177</b>	<b>\$224</b>	<b>\$224</b>
<b>Gross Margin – As Previously Reported</b>	<b>17.9%</b>	<b>18.1%</b>	<b>15.6%</b>	<b>17.4%</b>	<b>19.1%</b>	<b>19.6%</b>
<b>Gross Margin – As Revised</b>	<b>18.1%</b>	<b>18.1%</b>	<b>15.1%</b>	<b>17.5%</b>	<b>19.5%</b>	<b>19.5%</b>
<b>Net Income attributable to Amkor – As Previously Reported</b>	<b>\$164</b>	<b>\$261</b>	<b>(\$10)</b>	<b>\$116</b>	<b>\$54</b>	<b>\$101</b>
Adjustments	12	3	(5)	3	5	(1)
<b>Net Income attributable to Amkor – As Revised</b>	<b>\$176</b>	<b>\$264</b>	<b>(\$15)</b>	<b>\$119</b>	<b>\$59</b>	<b>\$100</b>
<b>Earnings per Diluted Share – As Previously Reported</b>	<b>\$0.69</b>	<b>\$1.09</b>	<b>(\$0.04)</b>	<b>\$0.48</b>	<b>\$0.23</b>	<b>\$0.42</b>
<b>Earnings per Diluted Share – As Revised</b>	<b>\$0.74</b>	<b>\$1.10</b>	<b>(\$0.06)</b>	<b>\$0.50</b>	<b>\$0.25</b>	<b>\$0.42</b>

\* Effective January 1, 2018, we adopted Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*, utilizing the full retrospective transition method. The financial information contained in this presentation has been revised accordingly for the impacted periods. Due to rounding, the sum of the quarters may not aggregate to the full year results.

# Non-GAAP Measures

Generally, a non-GAAP financial measure is a numerical measure of a company's performance, financial position or cash flows that either excludes or includes amounts that are not normally excluded or included in the most directly comparable measure calculated and presented in accordance with U.S. GAAP.

Free cash flow is not defined by U.S. GAAP. We define free cash flow as net cash provided by operating activities less payments for property, plant and equipment, plus proceeds from the sale of and insurance recovery for property, plant and equipment, if applicable. We believe free cash flow to be relevant and useful information to our investors because it provides them with additional information in assessing our liquidity, capital resources and financial operating results. Our management uses free cash flow in evaluating our liquidity, our ability to service debt and our ability to fund capital expenditures. However, free cash flow has certain limitations, including that it does not represent the residual cash flow available for discretionary expenditures since other, non-discretionary expenditures, such as mandatory debt service, are not deducted from the measure. The amount of mandatory versus discretionary expenditures can vary significantly between periods. This measure should be considered in addition to, and not as a substitute for, or superior to, other measures of liquidity or financial performance prepared in accordance with U.S. GAAP, such as net cash provided by operating activities. Furthermore, our definition of free cash flow may not be comparable to similarly titled measures reported by other companies.

EBITDA 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, our ability to service debt and our ability to fund capital expenditures. 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.

# Endnotes

- 1) EBITDA is defined as net income before interest expense, income tax expense and depreciation and amortization. Please see reconciliation of non-GAAP measures on page 11.
- 2) Free cash flow is defined as net cash provided by operating activities less payments for property, plant and equipment, plus proceeds from the sale of and insurance recovery for property, plant and equipment, if applicable. Please see reconciliation of non-GAAP measures on page 11.
- 3) This financial guidance is from our October 29, 2018 earnings release and is reproduced here for convenience of reference only. This reference is not intended, and should not be relied upon, as a reaffirmation or other commentary with respect to such financial guidance. Please see page 2.
- 4) Capital intensity is defined as capital expenditures as a percentage of net sales.
- 5) Q4 2017 net income includes an estimated one-time net tax benefit of \$42 million, or \$0.17 per diluted share, primarily due to the reversal of a valuation allowance on certain U.S. deferred tax assets related to U.S. tax reform.
- 6) In May 2017, we sold the land and buildings comprising our K1 factory for \$142.4 million which resulted in a pre-tax gain of \$108.1 million, and \$0.34 per diluted share.
- 7) Effective January 1, 2018, we adopted Topic 606 with full retrospective transition for periods after January 1, 2016. Periods prior to January 1, 2016 are not revised for this new standard.