



Amkor Technology, Inc. Investor Presentation

February 2018

Connecting People
and Technology

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 “Endnotes” in the Appendix.

Amkor

- Trusted OSAT partner since 1968
- A leader in advanced packaging
- #1 OSAT for Automotive ICs
- \$4.2 billion sales in 2017
- Recent acquisitions: J-Devices and Nanium

The Amkor Value Proposition



Economies
of Scale



Broad Geographic
Footprint



World Class
Service

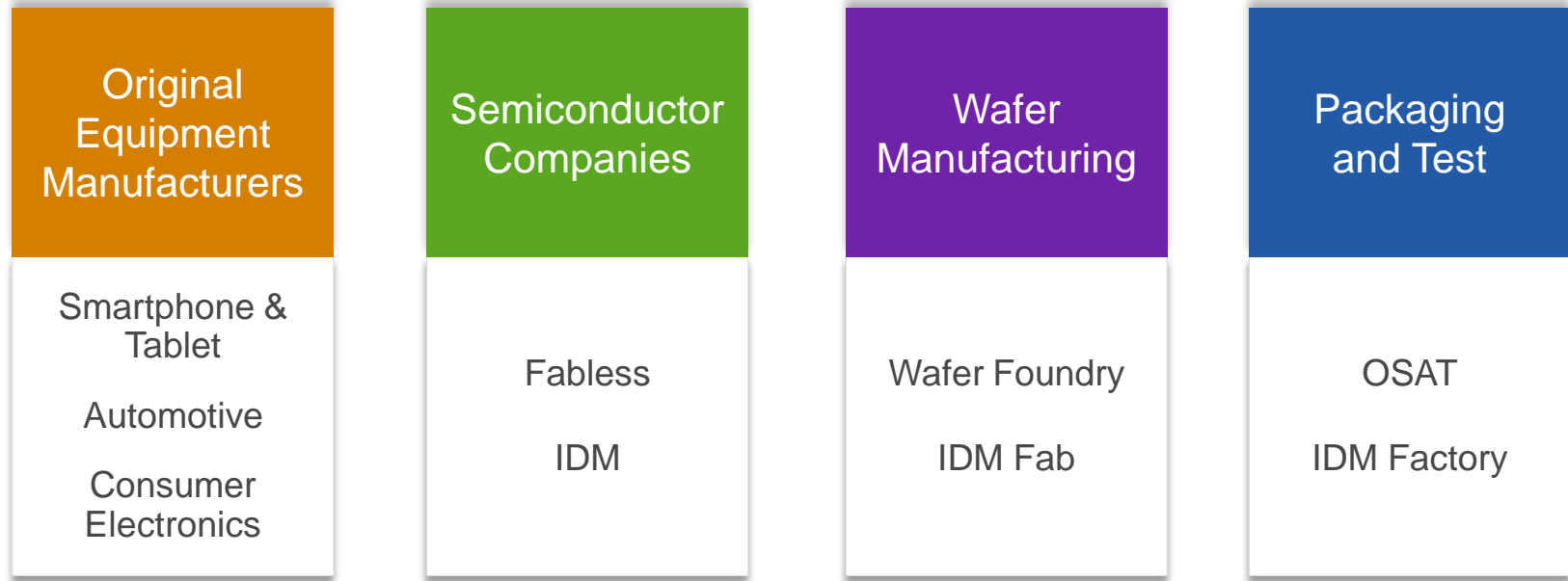


Quality Oriented
Operation



Technology
Leadership

Amkor in the Semiconductor Supply Chain



Balanced Growth Strategy

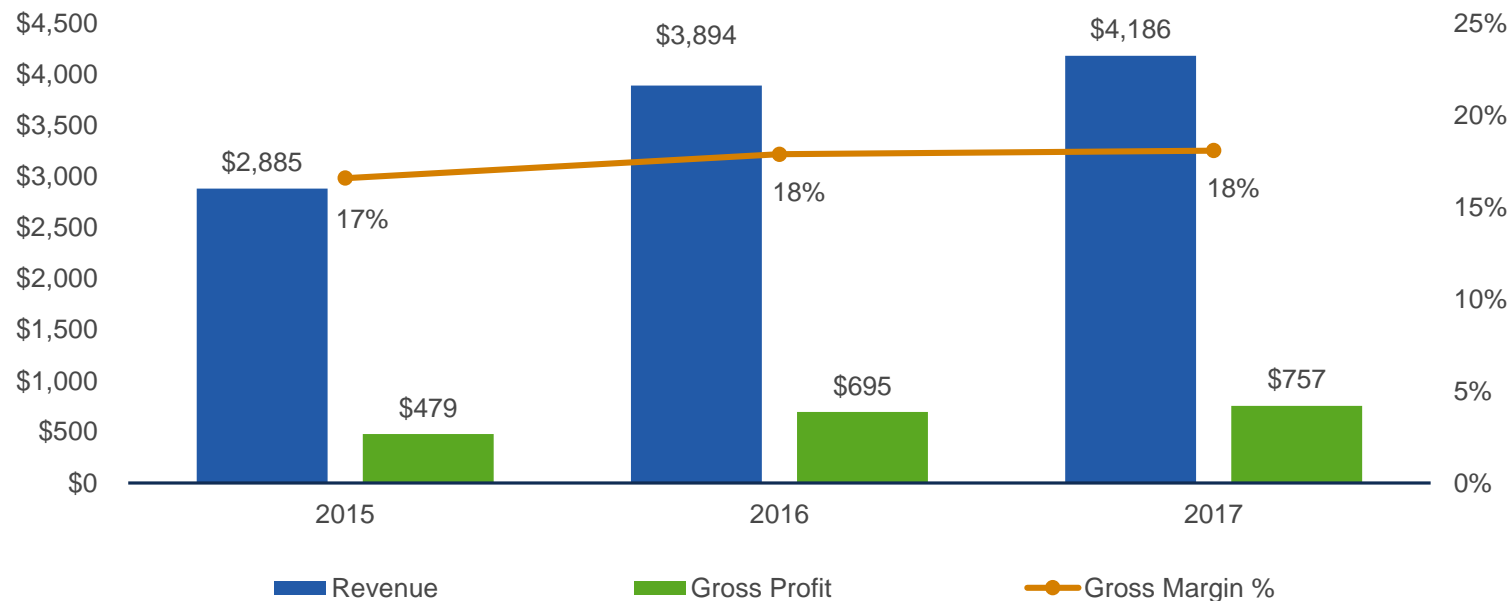
- Increase revenues in markets other than smartphone (e.g. Automotive)
- Expand smartphone customer base
 - Greater China
 - Multiple tiers
- Gain share in iOS and Android
 - Advanced SiP
 - Wafer-level packaging
- Focus on flexible manufacturing lines, better planning, higher efficiency



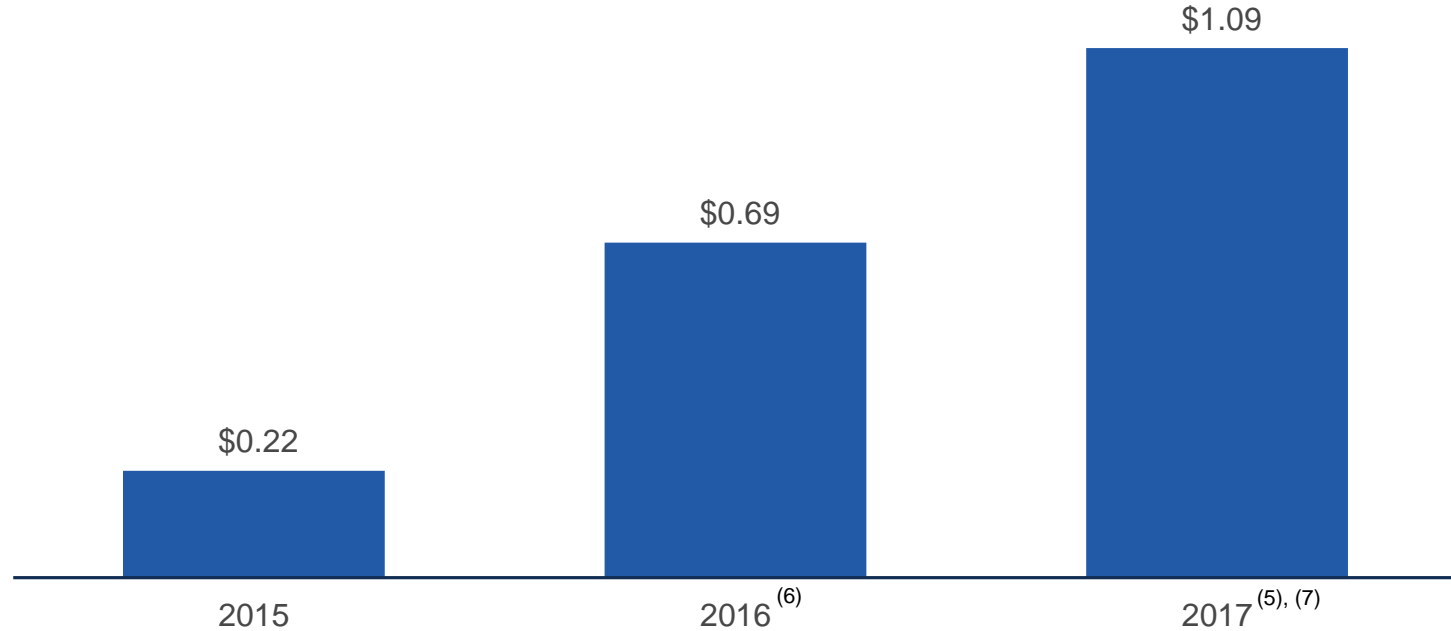
Profitability Trends

Revenue, Gross Profit and Gross Margin

\$ in Millions



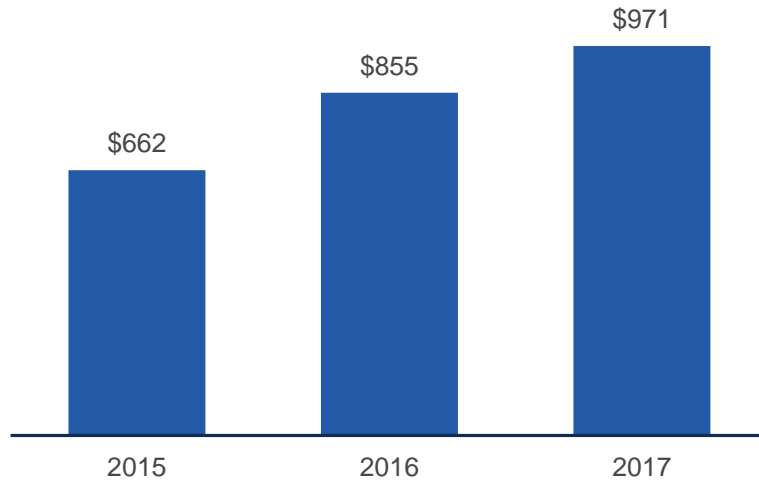
EPS Trends



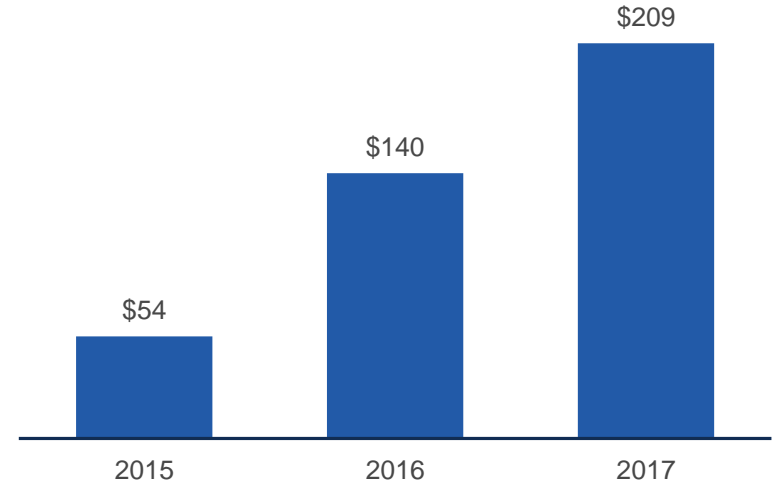
(5), (6), and (7): See notes on page 28

EBITDA and Free Cash Flow Trends

EBITDA⁽¹⁾
\$ in Millions

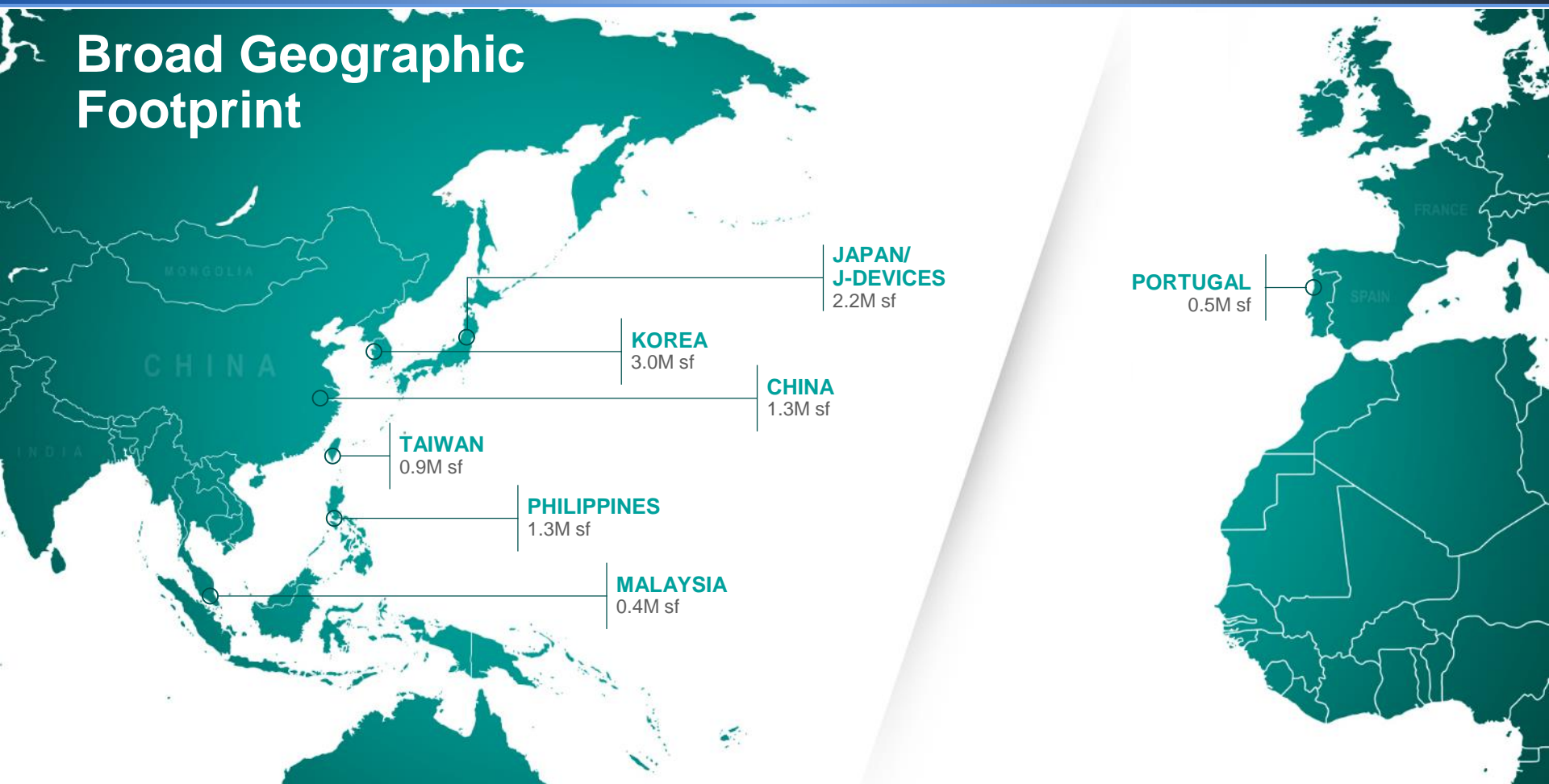


Free Cash Flow⁽²⁾
\$ in Millions



(1) and (2): See notes on page 28

Broad Geographic Footprint



Greater China Expansion

- Cumulative CapEx of \$1.2B in Amkor Shanghai factory
- Expansion of Shanghai factory to 1.3M sq. ft. of manufacturing space
- Shipping 3.1 billion units per year from Shanghai factory
- Most advanced OSAT factory in China
 - Advanced SiP
 - WLCSP, 8" and 12" bumping
 - MEMS



2017 End Markets



43%

COMMUNICATIONS

Smartphone
Tablet
Handheld Device



26%

**AUTOMOTIVE &
INDUSTRIAL**

Driver Assist
Infotainment
Safety
Performance



18%

COMPUTING

Data Center
PC/Laptop
Infrastructure
Storage



13%

CONSUMER

Television
Set-Top Box
Personal Electronics

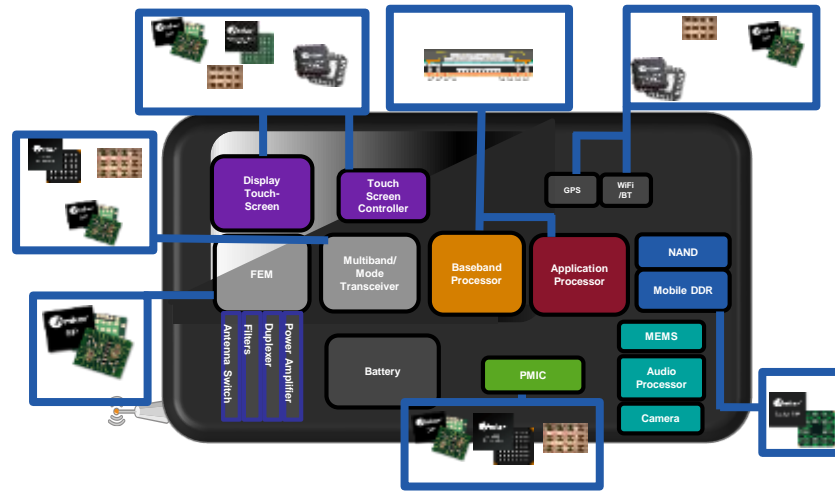
High Amkor Content in Smartphones & Tablets

Applications Processor

Digital Baseband

Power Management

MEMS & Fingerprint Sensors



Memory

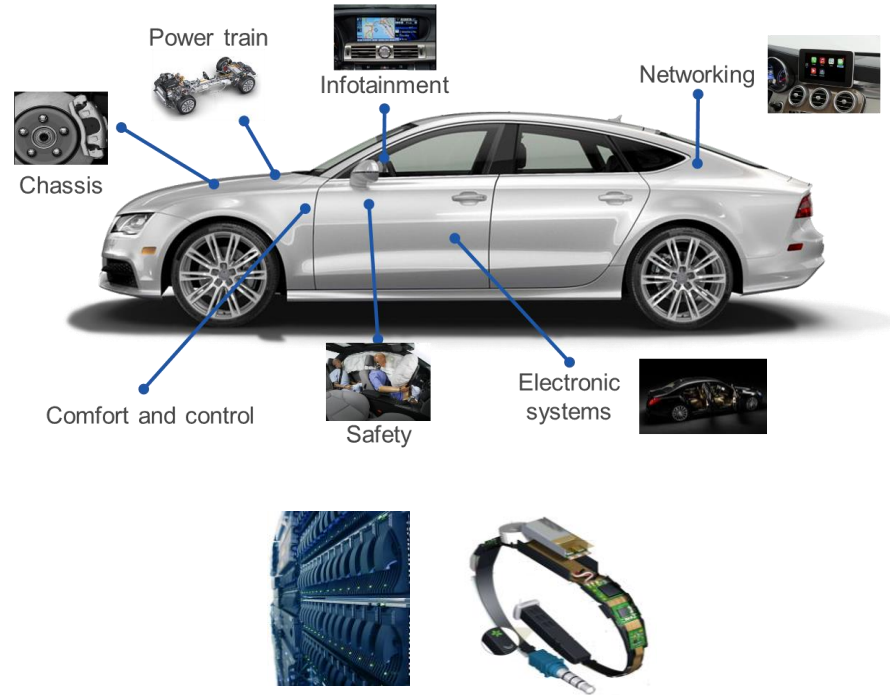
Connectivity
(WiFi, Bluetooth, FM Radio)

RF and FE Modules

Touch Screen Controller

Adjacent Markets Benefit from Advances in the Smartphone & Tablet Market

- Automotive
- Networking
- Wearables



World's Largest OSAT for Automotive ICs

Over \$1 billion in Sales in 2017



1

Camera Modules

2

Body Systems

3

Info-Center

4

MEMS & Sensors

5

Safety Systems

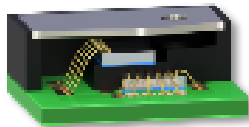
Advanced System-in-Package (SiP)

\$825 million Sales in 2017

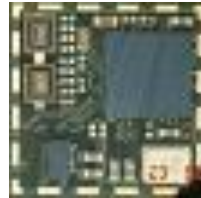
Radio Modules



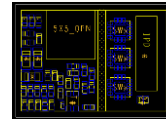
Sensory Modules



Connectivity Modules



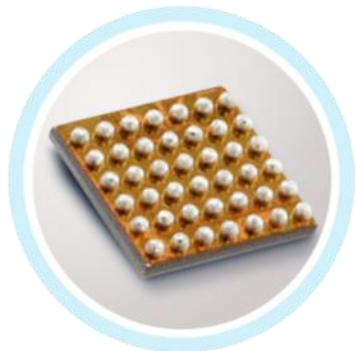
Automotive Modules



Mobile Device Modules

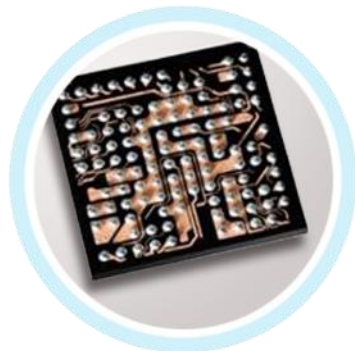


Wafer-level Packaging Platforms



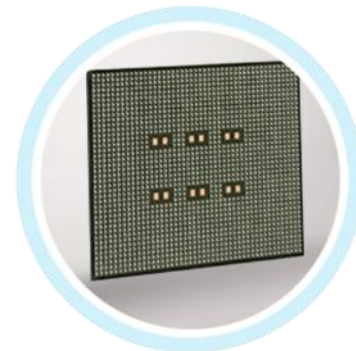
WLCSP
Wafer-level Chip Scale
Package
(Fan-In)

Eliminates substrate
Common form factor for flagship
smartphones



WLFO
Wafer-level Fan-out
(Low density fan out)

“Stretch” small die to
accommodate bond pads
Nanium acquisition



SWIFT®
Silicon Wafer Integrated
Fan-out Technology
(High density fan-out)

Ideal for high pin count and SiP
applications

Advanced SiP and WLP: Key Success Factors

- Portfolio of key technologies
- Capital investment
- Engineering expertise
- Service infrastructure



Research & Development

Technology Leader



- Low-cost Flip Chip
- Wafer-level Packaging
- Advanced SiP

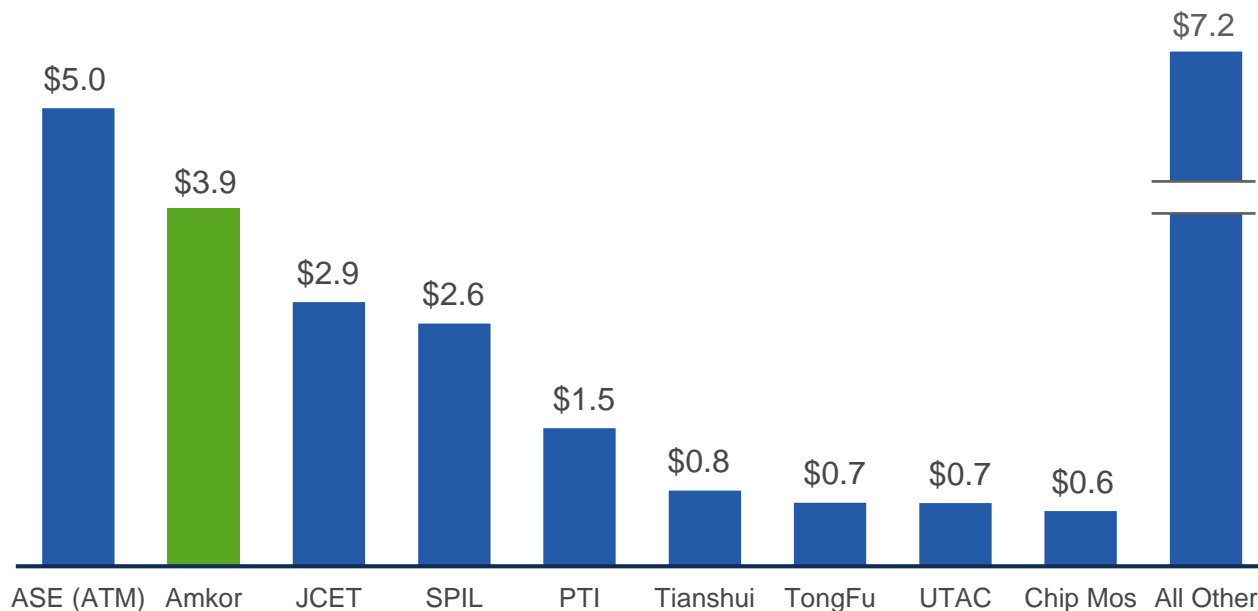
Cost Innovator



- Engineering lower cost materials
- New low cost manufacturing methods
- Innovating lower cost package structures

2016 OSAT Revenue

\$ in Billions



Amkor
15%
Share

Top 5
61%
Share

Source: Company press releases. Gartner Market Share Analysis. Semiconductor Packaging and Test Services, Worldwide, December 2016

Appendix

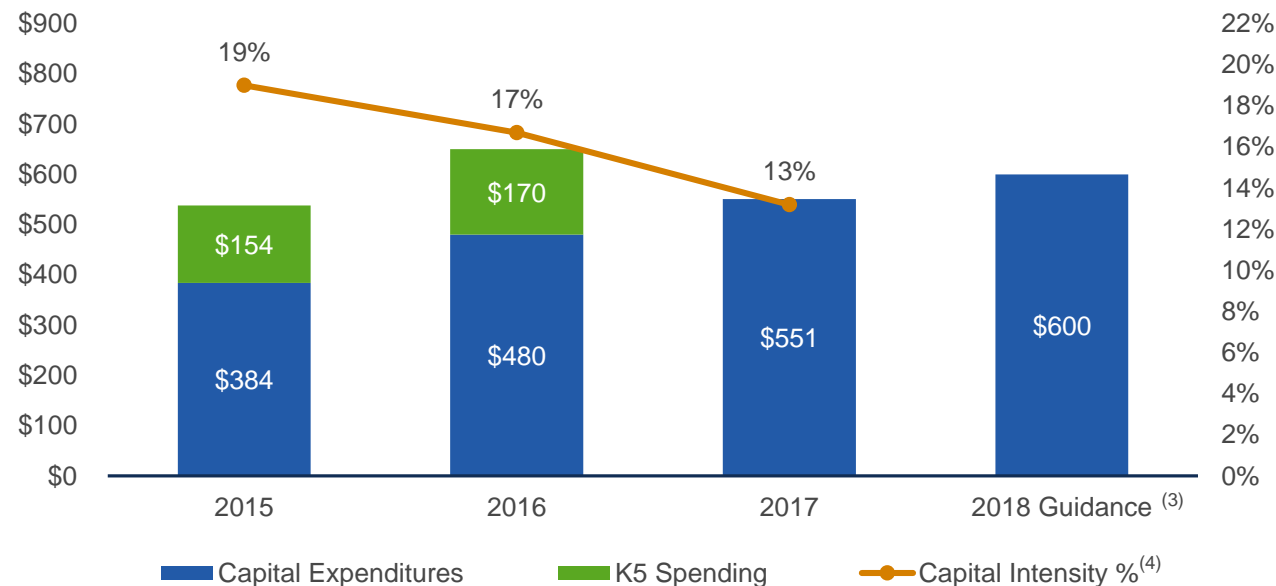
4Q17 and 1Q18 Summary

<i>(In Millions, Except per Share Data)</i>	1Q 2018 Guidance As of February 12, 2018 ⁽³⁾	4Q 2017⁽⁵⁾	3Q 2017	4Q 2016⁽⁶⁾
Net Sales	\$980 - \$1,060	\$1,148	\$1,135	\$1,022
Gross Margin	14% - 16%	19.6%	19.1%	22.2%
Net Income attributable to Amkor	(\$5) – \$25	\$101	\$54	\$100
Earnings per Diluted Share	(\$0.02) – \$0.11	\$0.42	\$0.23	\$0.42
EBITDA ⁽¹⁾	-	\$256	\$243	\$281
Net Cash Provided by Operating Activities	-	\$204	\$214	\$238
Free Cash Flow ⁽²⁾	-	\$76	\$74	\$117

(1), (2), (3), (5), and (6): See notes on page 28

Capital Expenditures and Capital Intensity

\$ in Millions



Expect 2018 Capital Expenditures⁽³⁾ of Around

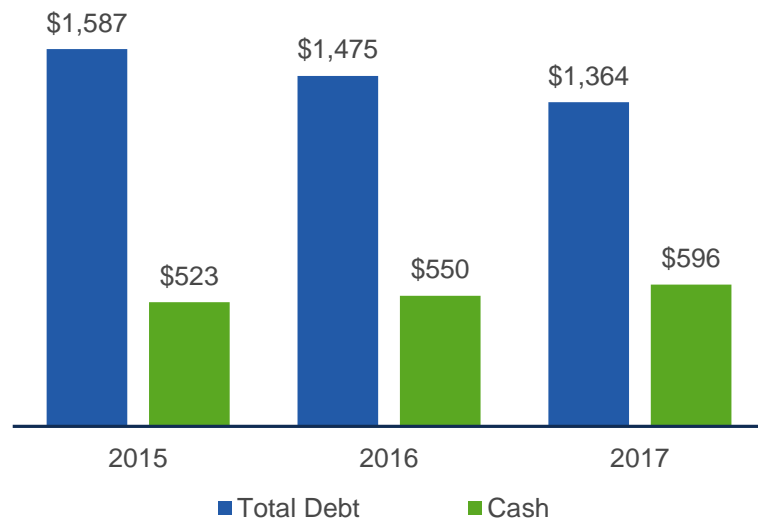
\$600M

(3) and (4): See notes on page 28

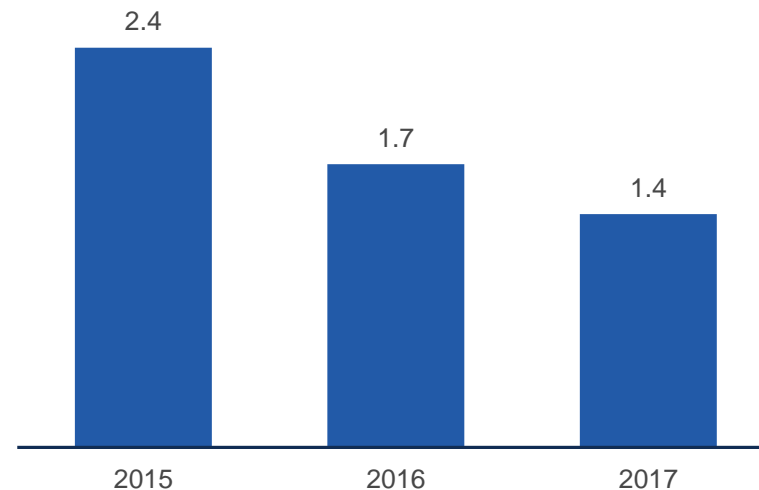
Credit Profile

Total Debt and Cash

\$ in Millions



Debt/EBITDA⁽¹⁾

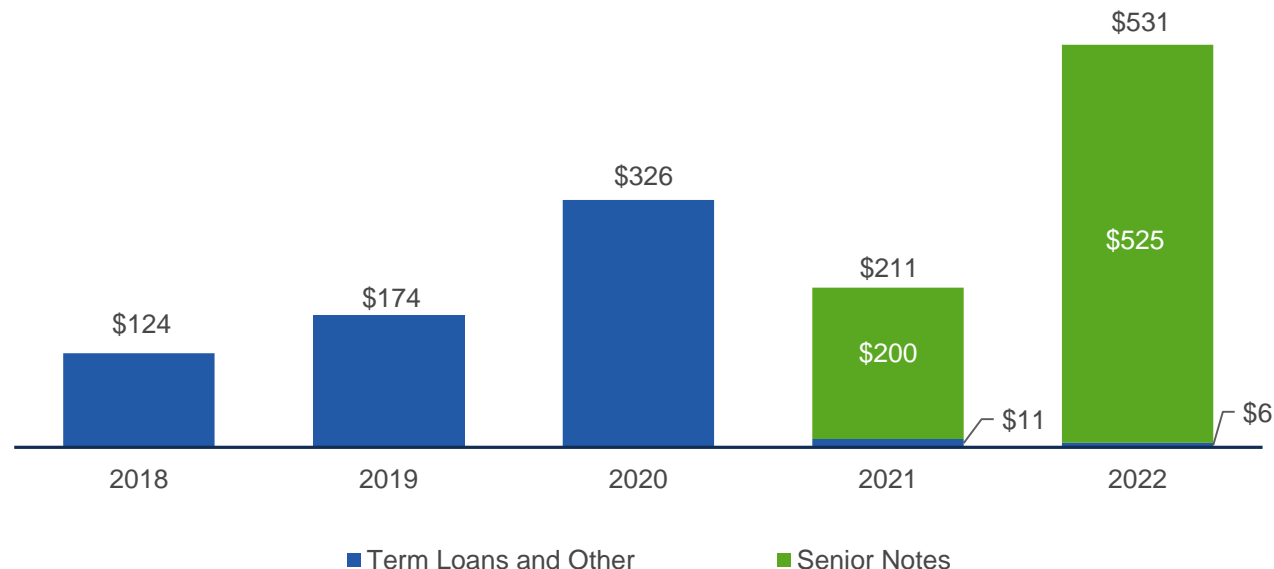


(1): See note on page 28

Debt Maturities

Maturity Profile as of December 31, 2017

\$ in Millions



\$600M
Cash

\$290M
In Available
Credit Lines

Financial Reconciliation Tables

<i>\$ in Millions</i>	2017	2016	2015	4Q17	3Q17	4Q16
Net Income	\$265	\$167	\$54	\$102	\$56	\$101
Plus: Interest Expense (including Related Party)	85	85	86	20	20	22
Plus: Income Tax Expense	39	48	28	(13)	19	19
Plus: Depreciation & Amortization	582	555	494	147	148	139
EBITDA*	\$971	\$855	\$662	\$256	\$243	\$281
Debt	\$1,364	\$1,475	\$1,587	-	-	-
Debt / EBITDA*	1.4	1.7	2.4	-	-	-
Net Cash Provided by Operating Activities	\$618	\$729	\$585	\$204	\$214	\$238
Less: Payments for Property, Plant and Equipment	(551)	(650)	(538)	(137)	(142)	(168)
Plus: Proceeds from Sale of and Insurance Recovery for Property, Plant and Equipment	142	61	7	9	2	47
Free Cash Flow*	\$209	\$140	\$54	\$76	\$74	\$117

* See discussion of non-GAAP measures on page 27

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 26.
- 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 26.
- 3) This financial guidance is from our February 12, 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 as a result of the enactment of the Tax Act.
- 6) In Q4 2016, we received approximately \$26 million of insurance proceeds related to the second quarter 2016 Japan earthquakes which contributed 250 basis points to gross margin and \$0.08 to earnings per diluted share.
- 7) 2017 earnings per diluted share included an after tax gain of \$0.34 per share from sale of K1 factory in Korea.