
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported)

July 31, 2017

AMKOR TECHNOLOGY, INC.

(Exact name of registrant as specified in its charter)

DELAWARE

(State or Other Jurisdiction of Incorporation)

000-29472

(Commission File Number)

23-1722724

(IRS Employer Identification No.)

2045 EAST INNOVATION CIRCLE
TEMPE, AZ 85284

(Address of principal executive offices, including zip code)

(480) 821-5000

(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 2.02. Results of Operations and Financial Condition.

Attached hereto as Exhibit 99.1 and incorporated by reference herein is financial information for Amkor Technology, Inc. for the three and six months ended June 30, 2017, and forward-looking statements relating to the third quarter and full year 2017 as presented in a press release dated July 31, 2017. The information in this Form 8-K and the exhibit attached hereto is being furnished and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”) or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, regardless of any general incorporation language in such filing.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

99.1 Text of Press Release dated July 31, 2017, which is furnished (not filed) herewith.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

AMKOR TECHNOLOGY, INC.

By: /s/ Megan Faust

Megan Faust

Corporate Vice President and Chief Financial Officer

Date: July 31, 2017

EXHIBIT INDEX:

| Exhibit | Description |
|---------|---|
| 99.1 | Text of Press Release dated July 31, 2017, which is furnished (not filed) herewith. |

**Amkor Technology Reports Financial Results for the Second Quarter 2017****Second Quarter Highlights**

- Net sales \$989 million, sequential and year-on-year growth 8%
- Net income \$116 million and earnings per diluted share \$0.48 (includes after-tax gain of \$82 million, or \$0.34 per diluted share, from sale of K1 factory)
- EBITDA \$316 million
- Completed Nanium acquisition

TEMPE, Ariz. - July 31, 2017 - Amkor Technology, Inc. (NASDAQ: AMKR), a leading provider of semiconductor packaging and test services, today announced financial results for the second quarter ended June 30, 2017.

"Second quarter revenues were up 8% sequentially," said Steve Kelley, Amkor's president and chief executive officer. "Our growth in the quarter reflected solid demand across most end markets."

"In late May, we completed our acquisition of Nanium. This acquisition enhances Amkor's leadership position in wafer-level packaging, a critical technology for smartphones, tablets and other small form-factor applications," continued Kelley.

| Results | Q2 2017 | Q1 2017 | Q2 2016 |
|---|---|----------|---------|
| | (\$ in millions, except per share data) | | |
| Net sales | \$989 | \$914 | \$917 |
| Gross margin | 17.4% | 15.6% | 14.3% |
| Net income (loss) | \$116 | (\$10) | \$5 |
| Earnings per diluted share | \$0.48 | (\$0.04) | \$0.02 |
| EBITDA** | \$316 | \$154 | \$168 |
| Net cash provided by operating activities | \$97 | \$103 | \$135 |
| Free cash flow** | \$43 | \$17 | (\$22) |

**EBITDA and free cash flow are non-GAAP measures. The reconciliations to the comparable GAAP measures are included below under "Selected Operating Data."

Cash and cash equivalents were \$658 million and total debt was \$1.6 billion, at June 30, 2017.

"As expected, we completed the sale of our K1 factory in Korea in Q2," said Megan Faust, Amkor's corporate vice president and chief financial officer. "The sale price was \$142 million, and we recognized an after-tax gain of \$82 million (\$0.34 per diluted share)."

"We also issued a redemption notice for \$200 million of the outstanding \$400 million of our Senior Notes due 2021," added Faust. "The redemption was completed in July using cash on hand. The redemption will result in annualized interest savings of approximately \$13 million."

Business Outlook

"Looking ahead to Q3, we expect that revenues will increase around 9% sequentially, driven by the launch of flagship mobile devices," said Kelley.

Third quarter 2017 outlook (unless otherwise noted):

- Net sales of \$1.04 billion to \$1.12 billion, up 5% to 13% from the prior quarter
- Gross margin of 17% to 20%
- Net income of \$24 million to \$64 million, or \$0.10 to \$0.27 per share
- Full year capital expenditures of around \$525 million, up \$25 million from our previous forecast

Conference Call Information

Amkor will conduct a conference call on Monday, July 31, 2017, at 5:00 p.m. Eastern Time. This call may include material information not included in this press release. This call is being webcast and can be accessed at Amkor's website: www.amkor.com. You may also access the call by dialing 1-877-645-6380 or 1-404-991-3911. A replay of the call will be made available at Amkor's website or by dialing 1-855-859-2056 or 1-404-537-3406 (conference ID 59359701). The webcast is also being distributed over NASDAQ OMX's investor distribution network to both institutional and individual investors. Institutional investors can access the call via NASDAQ OMX's password-protected event management site, Street Events (www.streetevents.com).

About Amkor Technology, Inc.

Amkor Technology, Inc. is one of the world's largest providers of outsourced semiconductor packaging and test services. Founded in 1968, Amkor pioneered the outsourcing of IC packaging and test, and is now a strategic manufacturing partner for more than 250 of the world's leading semiconductor companies, foundries and electronics OEMs. Amkor's operating base includes 10 million square feet of floor space, with production facilities, product development centers, and sales and support offices located in key electronics manufacturing regions in Asia, Europe and the U.S. For more information, visit www.amkor.com.

Contacts:

Amkor Technology, Inc.
Megan Faust
Corporate Vice President & Chief Financial Officer
480-786-7707
megan.faust@amkor.com

Greg Johnson
Vice President, Finance and Investor Relations
480-786-7594
greg.johnson@amkor.com

AMKOR TECHNOLOGY, INC.
Selected Operating Data

| | Q2 2017 | Q1 2017 | Q2 2016 |
|--|---------------|---------------|---------------|
| Net Sales Data: | | | |
| Net sales (in millions): | | | |
| Advanced products* | \$ 431 | \$ 383 | \$ 394 |
| Mainstream products** | 558 | 531 | 523 |
| Total net sales | <u>\$ 989</u> | <u>\$ 914</u> | <u>\$ 917</u> |
| Packaging services | 81% | 81% | 83% |
| Test services | 19% | 19% | 17% |
| Net sales from top ten customers | 67% | 67% | 67% |
| End Market Distribution Data (an approximation including representative devices and applications based on a sampling of our largest customers): | | | |
| Communications (smart phones, tablets, handheld devices, wireless LAN) | 42% | 41% | 44% |
| Automotive and industrial (infotainment, safety, performance, comfort) | 26% | 26% | 25% |
| Consumer (televisions, set top boxes, gaming, portable media, digital cameras) | 14% | 14% | 14% |
| Networking (servers, routers, switches) | 10% | 11% | 11% |
| Computing (PCs, hard disk drives, printers, peripherals, servers) | 8% | 8% | 6% |
| 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 | 35.3% | 35.4% | 37.7% |
| Labor | 16.4% | 16.5% | 16.0% |
| Other manufacturing | 30.9% | 32.5% | 32.0% |
| Gross margin | <u>17.4%</u> | <u>15.6%</u> | <u>14.3%</u> |

* Advanced products include flip chip and wafer-level processing and related test services

** Mainstream products include wirebond packaging and related test services

AMKOR TECHNOLOGY, INC.
Selected Operating Data

In the press release above we provide 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, 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. Below is our reconciliation of EBITDA to U.S. GAAP net income.

Non-GAAP Financial Measure Reconciliation:

| | Q2 2017 | Q1 2017 | Q2 2016 |
|-----------------------------------|---------------|---------|---------|
| | (in millions) | | |
| EBITDA Data: | | | |
| Net income attributable to Amkor | \$ 116 | \$ (10) | \$ 5 |
| Plus: Interest expense | 22 | 22 | 22 |
| Plus: Income tax expense | 33 | — | 3 |
| Plus: Depreciation & amortization | 145 | 142 | 138 |
| EBITDA | \$ 316 | \$ 154 | \$ 168 |

In the press release above we refer to free cash flow, which 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. Below is our reconciliation of free cash flow to U.S. GAAP net cash provided by operating activities.

Non-GAAP Financial Measures Reconciliation:

| | Q2 2017 | Q1 2017 | Q2 2016 |
|---|---------------|---------|---------|
| | (in millions) | | |
| Free Cash Flow Data: | | | |
| Net cash provided by operating activities | \$ 97 | \$ 103 | \$ 135 |
| Less: Purchases of property, plant and equipment | (183) | (88) | (157) |
| Plus: Proceeds from sale of property, plant and equipment | 129 | 2 | — |
| Free cash flow | \$ 43 | \$ 17 | \$ (22) |

AMKOR TECHNOLOGY, INC.
CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)

| | For the Three Months Ended June 30, | | For the Six Months Ended June 30, | |
|--|--|------------|--------------------------------------|--------------|
| | 2017 | 2016 | 2017 | 2016 |
| (In thousands, except per share data) | | | | |
| Net sales | \$ 989,447 | \$ 917,326 | \$ 1,903,047 | \$ 1,786,008 |
| Cost of sales | 817,212 | 785,720 | 1,587,906 | 1,531,518 |
| Gross profit | 172,235 | 131,606 | 315,141 | 254,490 |
| Selling, general and administrative | 67,783 | 70,896 | 144,478 | 144,531 |
| Research and development | 44,268 | 30,168 | 85,824 | 57,323 |
| Gain on sale of real estate | (108,109) | — | (108,109) | — |
| Total operating expenses | 3,942 | 101,064 | 122,193 | 201,854 |
| Operating income | 168,293 | 30,542 | 192,948 | 52,636 |
| Interest expense | 22,158 | 20,816 | 43,412 | 37,008 |
| Interest expense, related party | 293 | 1,242 | 1,535 | 2,484 |
| Other (income) expense, net | (3,190) | (242) | 7,674 | 2,950 |
| Total other expense, net | 19,261 | 21,816 | 52,621 | 42,442 |
| Income before taxes | 149,032 | 8,726 | 140,327 | 10,194 |
| Income tax expense | 32,573 | 3,360 | 33,012 | 5,233 |
| Net income | 116,459 | 5,366 | 107,315 | 4,961 |
| Net income attributable to non-controlling interests | (952) | (653) | (1,814) | (1,123) |
| Net income attributable to Amkor | \$ 115,507 | \$ 4,713 | \$ 105,501 | \$ 3,838 |
| Net income attributable to Amkor per common share: | | | | |
| Basic | \$ 0.48 | \$ 0.02 | \$ 0.44 | \$ 0.02 |
| Diluted | \$ 0.48 | \$ 0.02 | \$ 0.44 | \$ 0.02 |
| Shares used in computing per common share amounts: | | | | |
| Basic | 238,863 | 237,090 | 238,774 | 237,058 |
| Diluted | 239,679 | 237,434 | 239,601 | 237,297 |

AMKOR TECHNOLOGY, INC.
CONSOLIDATED BALANCE SHEETS
(Unaudited)

| | June 30, 2017 | December 31, 2016 |
|---|------------------|----------------------|
| | (In thousands) | |
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 657,627 | \$ 549,518 |
| Restricted cash | 2,000 | 2,000 |
| Accounts receivable, net of allowances | 604,366 | 563,107 |
| Inventories | 295,750 | 267,990 |
| Other current assets | 36,889 | 27,081 |
| Total current assets | 1,596,632 | 1,409,696 |
| Property, plant and equipment, net | 2,645,810 | 2,564,648 |
| Goodwill | 25,161 | 24,122 |
| Restricted cash | 4,225 | 3,977 |
| Other assets | 112,303 | 89,643 |
| Total assets | \$ 4,384,131 | \$ 4,092,086 |
| LIABILITIES AND EQUITY | | |
| Current liabilities: | | |
| Short-term borrowings and current portion of long-term debt | \$ 313,004 | \$ 35,192 |
| Current portion of long-term debt, related party | 17,546 | — |
| Trade accounts payable | 477,191 | 487,430 |
| Capital expenditures payable | 231,481 | 144,370 |
| Accrued expenses | 348,869 | 338,669 |
| Total current liabilities | 1,388,091 | 1,005,661 |
| Long-term debt | 1,220,236 | 1,364,638 |
| Long-term debt, related party | 17,454 | 75,000 |
| Pension and severance obligations | 170,554 | 166,701 |
| Other non-current liabilities | 60,842 | 76,682 |
| Total liabilities | 2,857,177 | 2,688,682 |
| Stockholders' equity: | | |
| Preferred stock | — | — |
| Common stock | 285 | 284 |
| Additional paid-in capital | 1,899,970 | 1,895,089 |
| Accumulated deficit | (198,056) | (303,557) |
| Accumulated other comprehensive income (loss) | 19,263 | 6,262 |
| Treasury stock | (215,868) | (214,490) |
| Total Amkor stockholders' equity | 1,505,594 | 1,383,588 |
| Non-controlling interests in subsidiaries | 21,360 | 19,816 |
| Total equity | 1,526,954 | 1,403,404 |
| Total liabilities and equity | \$ 4,384,131 | \$ 4,092,086 |

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

| | For the Six Months Ended June 30, | |
|--|--------------------------------------|------------|
| | 2017 | 2016 |
| | (In thousands) | |
| Cash flows from operating activities: | | |
| Net income | \$ 107,315 | \$ 4,961 |
| Depreciation and amortization | 287,068 | 275,241 |
| Gain on sale of real estate | (108,109) | — |
| Other operating activities and non-cash items | (3,787) | (6,177) |
| Changes in assets and liabilities | (82,528) | (826) |
| Net cash provided by operating activities | 199,959 | 273,199 |
| Cash flows from investing activities: | | |
| Payments for property, plant and equipment | (271,651) | (355,974) |
| Proceeds from sale of property, plant and equipment | 130,962 | 593 |
| Acquisition of business, net of cash acquired | (43,771) | — |
| Other investing activities | (2,117) | (830) |
| Net cash used in investing activities | (186,577) | (356,211) |
| Cash flows from financing activities: | | |
| Proceeds from revolving credit facilities | 75,000 | 115,000 |
| Payments of revolving credit facilities | — | (100,000) |
| Proceeds from short-term debt | 41,228 | 24,630 |
| Payments of short-term debt | (32,110) | (23,035) |
| Proceeds from issuance of long-term debt | 215,086 | 34,000 |
| Payments of long-term debt | (207,653) | (8,582) |
| Payment of deferred consideration for purchase of facility | (3,890) | — |
| Payments of capital lease obligations | (2,665) | (887) |
| Other financing activities | 561 | (604) |
| Net cash provided by financing activities | 85,557 | 40,522 |
| Effect of exchange rate fluctuations on cash, cash equivalents and restricted cash | 9,418 | 18,782 |
| Net increase (decrease) in cash, cash equivalents and restricted cash | 108,357 | (23,708) |
| Cash, cash equivalents and restricted cash, beginning of period | 555,495 | 527,348 |
| Cash, cash equivalents and restricted cash, end of period | \$ 663,852 | \$ 503,640 |

Forward-Looking Statement Disclaimer

This press release contains forward-looking statements within the meaning of federal securities laws. All statements other than statements of historical fact are considered forward-looking statements including, without limitation, statements regarding our position in wafer-level packaging as a result of the Nanium acquisition, the amount of interest savings generated by the redemption of \$200 million of our 2021 Senior Notes, and all of the statements made under "Business Outlook" above. These forward-looking statements involve a number of risks, uncertainties, assumptions and other factors that could affect future results and cause actual results and events to differ materially from historical and expected results and those expressed or implied in the forward-looking statements, including, but not limited to, the following:

- there can be no assurance regarding when our new K5 factory and research and development center in Korea will be fully utilized, or that the actual scope, costs, timeline or benefits of the project will be consistent with our current expectations;
- the highly unpredictable nature, cyclical nature, and rate of growth of the semiconductor industry;
- timing and volume of orders relative to production capacity and the inability to achieve high capacity utilization rates, control costs and improve profitability;
- volatility of consumer demand, double booking by customers and deterioration in forecasts from our customers for products incorporating our semiconductor packages, including any slowdown in demand or changes in customer forecasts for smartphones or other mobile devices and generally soft end market demand for electronic devices;
- delays, lower manufacturing yields and supply constraints relating to wafers, particularly for advanced nodes and related technologies;
- dependence on key customers, the impact of changes in our market share and prices for our services with those customers and the business and financial condition of those customers;
- the performance of our business, economic and market conditions, the cash needs and investment opportunities for the business, the need for additional capacity and facilities to service customer demand and the availability of cash flow from operations or financing;
- the effect of the global economy on credit markets, financial institutions, customers, suppliers and consumers, including the uncertain macroeconomic environment;
- the highly unpredictable nature and costs of litigation and other legal activities and the risk of adverse results of such matters and the impact of other legal proceedings;
- changes in tax rates and taxes as a result of changes in U.S. or foreign tax law or the interpretations thereof (including possible tax reforms proposed by new administrations), changes in our organizational structure, changes in the jurisdictions in which our income is determined to be earned and taxed, the outcome of tax reviews, audits and ruling requests, our ability to realize deferred tax assets and the expiration of tax holidays;
- curtailment of outsourcing by our customers;
- our substantial indebtedness and restrictive covenants;
- failure to realize sufficient cash flow or access to other sources of liquidity to fund capital expenditures;
- the effects of an economic slowdown in major economies worldwide, particularly the recent slowdown in China;
- disruptions in our business or deficiencies in our controls resulting from the integration of newly acquired operations, particularly J-Devices, or the implementation and security of, and changes to, our enterprise resource planning, factory shop floor systems and other management information systems;
- economic effects of terrorist attacks, political instability, natural disasters and military conflict;
- competition, competitive pricing and declines in average selling prices;

- fluctuations in manufacturing yields;
- dependence on international operations and sales and fluctuations in foreign currency exchange rates, particularly in Japan;
- dependence on raw material and equipment suppliers and changes in raw material and precious metal costs;
- dependence on key personnel;
- enforcement of and compliance with intellectual property rights;
- environmental and other governmental regulations, including regulatory efforts by foreign governments to support local competitors; and
- technological challenges.

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, 2016 and in the company's subsequent filings with the Securities and Exchange Commission made prior to or after the date hereof. Amkor undertakes no obligation to review or update any forward-looking statements to reflect events or circumstances occurring after the date of this press release.