



Amkor Technology, Inc. Q4 and Full Year 2021 Earnings Call

February 14, 2022

Presenter Introductions



Jennifer Jue
Senior Director,
Investor Relations



Giel Rutten
President and
Chief Executive
Officer



Megan Faust
Executive Vice
President and
Chief Financial
Officer

Disclaimer

Forward-Looking Statement Disclaimer

This presentation 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. These forward-looking statements include risks, uncertainties, assumptions and other factors that could affect future results or cause actual results and events to differ materially from historical and expected results and those expressed or implied in the forward-looking statements. 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, 2020 (the “Form 10-K”) and in the company’s subsequent reports filed with or furnished to the Securities and Exchange Commission (“SEC”) prior to or after the date hereof. You should carefully consider the trends, risks and uncertainties described in this presentation, 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 the trends, risks or uncertainties described in this presentation or elsewhere in our SEC reports actually occurs or continues, our business, financial condition or operating results could be materially adversely affected, the trading prices of our securities could decline, and you could lose part or all of your investment. All forward-looking statements in this presentation are made based on our current expectations, forecasts, estimates and assumptions. Amkor undertakes no obligation to review or update any forward-looking statements to reflect events or circumstances occurring after the date of this presentation except as may be required by law. All forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by this cautionary statement.

Non-GAAP Measures

This presentation contains certain measures that are not defined terms under U.S. generally accepted accounting principles (“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 the Appendix for a description of these financial measures and a reconciliation of all such non-GAAP financial measures to the most directly comparable U.S. GAAP financial measures.

Business Highlights and Industry Trends

Giel Rutten | President and Chief Executive Officer

Q4 2021 Highlights



\$1.72B
Revenue



Record revenue, up 26% YoY



Record EPS of \$0.88



Continued momentum drove excellent performance in all end markets

2021: Another Record Year for Amkor



Record revenue
\$6.1B



Record EPS
\$2.62

Record Revenue
in all end markets



Increased
dividend by
25%



Successfully
navigated
challenges

Q4 2021 End Markets



Communications

- ▶ Q4 revenue flat sequentially
- ▶ Full year 2021 revenue up 22%
- ▶ Smartphone market strength
- ▶ Leadership in 5G



Automotive and Industrial

- ▶ Q4 revenue up 3% sequentially
- ▶ Full year 2021 revenue up 28%
- ▶ Market recovery
- ▶ New product ramps



Consumer

- ▶ Q4 revenue up 1% sequentially
- ▶ Full year 2021 revenue up 12%
- ▶ New product ramps in IoT wearables
- ▶ Strength across all product categories



Computing

- ▶ Q4 revenue up 14% sequentially
- ▶ Full year 2021 revenue up 28%
- ▶ Solid performance in all applications
- ▶ Opportunities in HPC

Amkor and Industry Trends



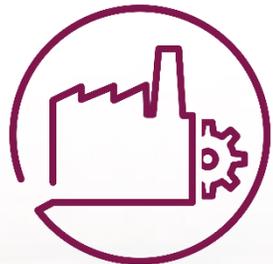
Manufacturing Organization

- ▶ Factory execution
- ▶ Securing supply for customers
- ▶ High factory utilization



Capacity Expansion

- ▶ Advanced SiP expansion in Vietnam
- ▶ Continuing to monitor policies to incentivize U.S. semi manufacturing



Capital Expenditures⁽¹⁾

- ▶ Full year 2022 CapEx target of \$950M
- ▶ Investing for advanced packaging
- ▶ Construction of new Vietnam factory



Outlook⁽¹⁾

- ▶ Q1 revenue of \$1.55B
- ▶ Up 17% YoY
- ▶ FY 2022 another growth year

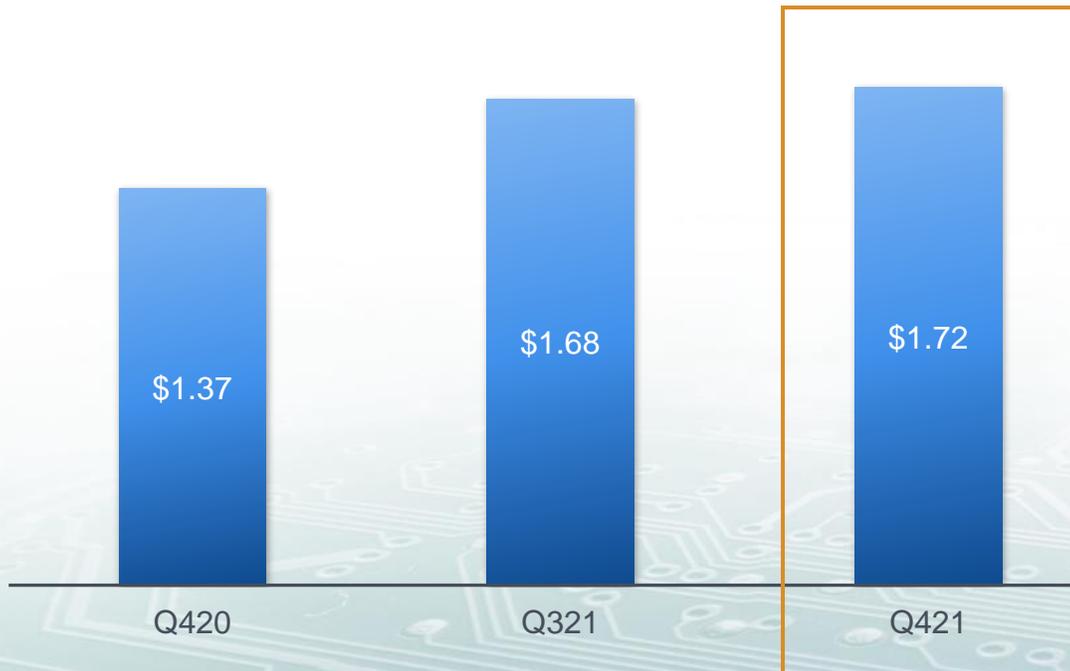
(1) See corresponding endnotes on slide 22.

Financial Results and Outlook

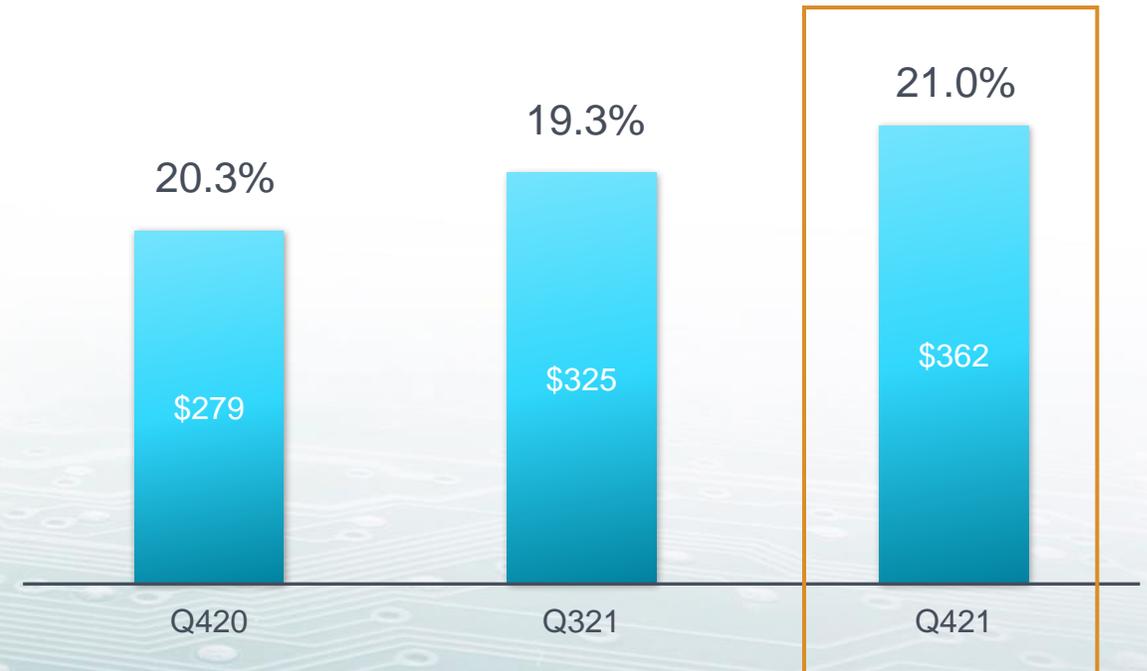
Megan Faust | Executive Vice President and Chief Financial Officer

Record Revenue and Record Gross Profit

Revenue
(\$ in billions)



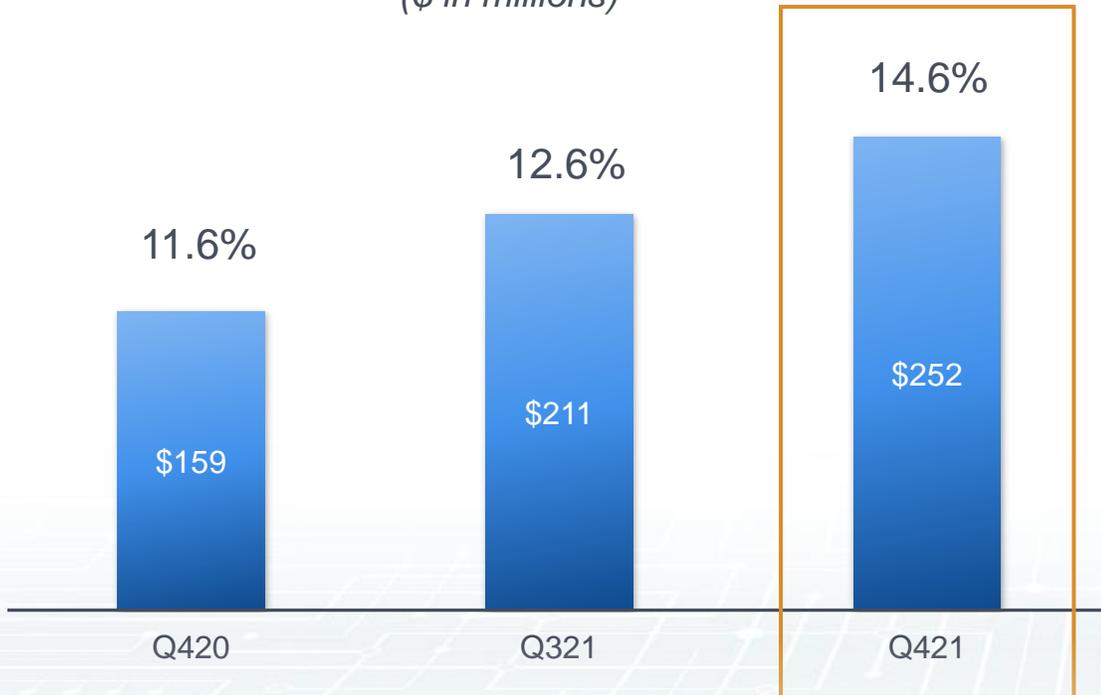
Gross Profit and Margin %
(\$ in millions)



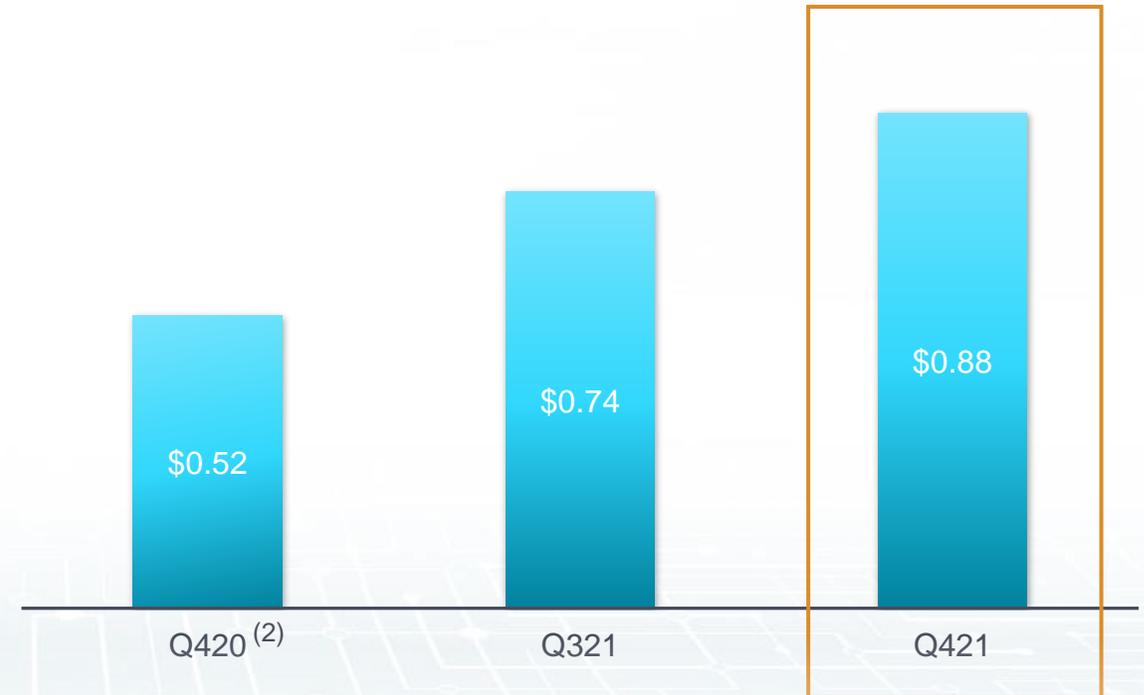
High Utilization Drives Record Profitability

Operating Income and Margin %

(\$ in millions)



Earnings Per Share



(2) See corresponding endnotes on slide 22.

Financial Flexibility

As of and for the quarter ended December 31, 2021



EBITDA*

- ▶ \$398 million
- ▶ EBITDA margin 23.1%



Cash & Short-Term Investments

- ▶ \$1.1 billion
- ▶ Invest in the business



Liquidity⁽³⁾

- ▶ \$1.6 billion
- ▶ Solid financial position



Total Debt

- ▶ \$1.1 billion
- ▶ Debt to EBITDA* 0.9x

(3) See corresponding endnotes on slide 22.

*See discussion of non-GAAP measures on slide 21 and the reconciliation to the most directly comparable GAAP measure on slide 19.

2021 Outstanding Financial Performance



Revenue growth
of **\$1.1B** or
22% YoY



Gross
Margin
20%



Operating
Income Margin
12.4%



EPS growth over
85% YoY to
\$2.62



\$780M CapEx
12.7% Capital
Intensity



Generated
\$344M in **FCF***

*See discussion of non-GAAP measures on slide 21 and the reconciliation to the most directly comparable GAAP measure on slide 20.

Q1 2022 Guidance

As of February 14, 2022⁽¹⁾



\$1.50B-\$1.60B

Revenue



17.5%-20.0%

Gross Margin



\$115M-\$165M

Net Income



\$0.45-\$0.65

Earnings per
Diluted Share

(1) See corresponding endnotes on slide 22.

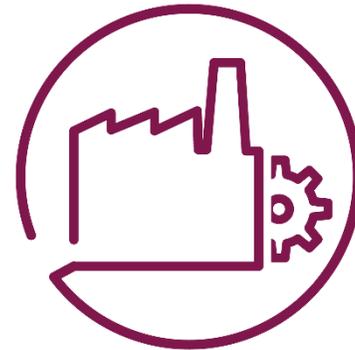
Q+A

Amkor in Strong Position for Continued Growth



Key Messages

- ▶ Amkor delivered outstanding results in 2021
- ▶ Robust YoY growth expected in Q1 2022
- ▶ Supply chain challenges throughout 2022
- ▶ FY 2022 another growth year



\$950M

FY 2022
CapEx⁽¹⁾



\$1.50B-\$1.60B

Q1 2022 Revenue
Guidance⁽¹⁾

(1) See corresponding endnotes on slide 22.



Enabling the Future

Visit us at [amkor.com](https://www.amkor.com)



Appendix

Financial Reconciliation Tables

<i>(\$ in millions)</i>	Q4 21	2021
Net Income	\$217	\$646
Plus: Interest Expense	13	52
Plus: Income Tax Expense	25	69
Plus: Depreciation & Amortization	143	564
EBITDA*	\$398	\$1,331
Revenue	\$1,725	
Net Income Margin	12.6%	
EBITDA Margin*	23.1%	
Total Debt		\$1,138
EBITDA*		\$1,331
Debt/EBITDA Ratio*		0.9

*See discussion of Non-GAAP measures on slide 21.

Financial Reconciliation Tables

<i>(\$ in millions)</i>	2021
Net Cash Provided by Operating Activities	\$1,121
Less: Payments for Property, Plant and Equipment	(780)
Plus: Proceeds from Sale of and Insurance Recovery for Property, Plant and Equipment	3
Free Cash Flow*	\$344

*See discussion of Non-GAAP measures on slide 21.

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.

In this presentation we refer to EBITDA, EBITDA Margin, and a Debt/EBITDA ratio, which are not defined by U.S. GAAP. We define EBITDA as net income before interest expense, income tax expense and depreciation and amortization. EBITDA Margin is calculated by dividing EBITDA by Revenue for the period. We define the Debt/EBITDA ratio as total debt divided by the trailing twelve months EBITDA. We believe EBITDA, EBITDA Margin, and Debt/EBITDA to be relevant and useful information to our investors because they provide 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, EBITDA Margin, and Debt/EBITDA should be considered in addition to, and not as a substitute for, or superior to, operating income, net income, net income margin 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. Please see Slide 19 for the reconciliation of all non-GAAP measures to the most directly comparable U.S. GAAP measures.

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 and pay dividends. 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. Please see Slide 20 for the reconciliation to the most directly comparable U.S. GAAP measure.

Endnotes

1. This financial guidance is from our February 14, 2022 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 slide 3.
2. Q4 2020 net income includes a \$20 million discrete income tax benefit, or \$0.08 per diluted share, primarily related to changes in the valuation of certain deferred tax assets.
3. Liquidity is defined as the sum of cash and cash equivalents, short-term investments and availability under our debt arrangements.