



Amkor Technology, Inc. Investor Presentation

August 2020

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 2019 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, except as may be required by law

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.

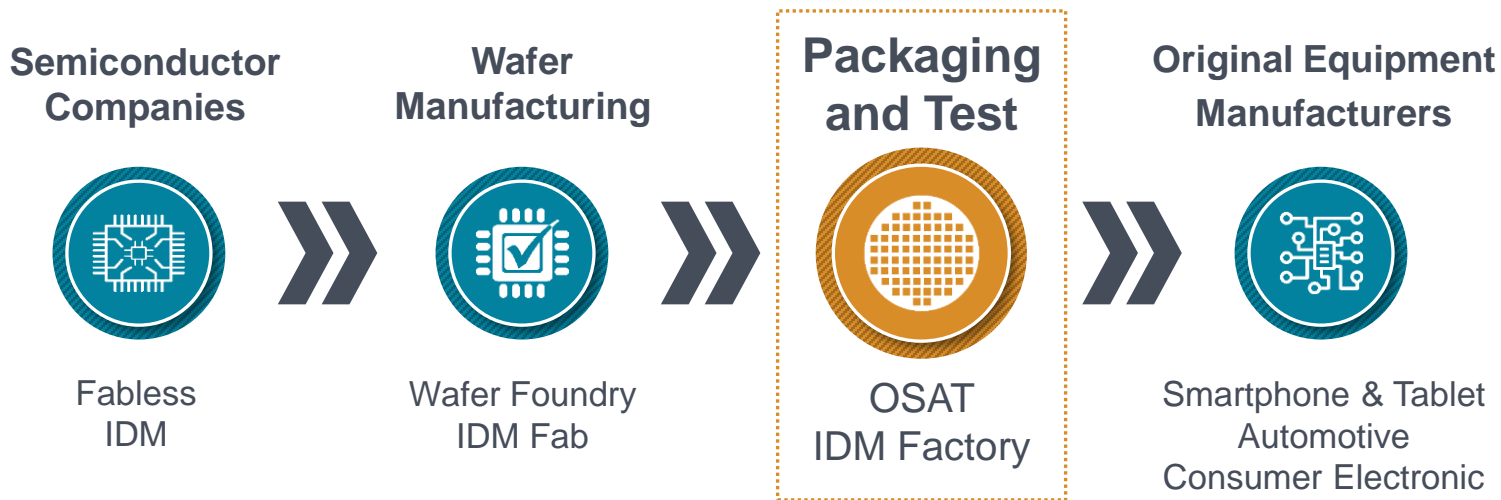
Amkor Technology

- ▶ Trusted Outsourced Semiconductor Assembly and Test (OSAT) partner since 1968
- ▶ Advanced packaging leader
- ▶ #1 OSAT for Automotive ICs
- ▶ \$4.1B sales in 2019



Amkor in the Supply Chain

Amkor's packaging and test services are an integral part of the worldwide semiconductor supply chain



Amkor's Differentiators



Technology

- ▶ Advanced Packaging Leadership
- ▶ Engineering Services
- ▶ Broad Portfolio



Quality

- ▶ QualityFIRST Culture
- ▶ Execution
- ▶ Automation



Service

- ▶ Design Through Drop Ship
- ▶ Manufacturing Footprint
- ▶ Local Sales & Support

Best-In-Class R&D

- ▶ 600+ R&D engineers
- ▶ Design services in 8 countries
- ▶ Fast time to market
- ▶ Complete toolbox of engineering services

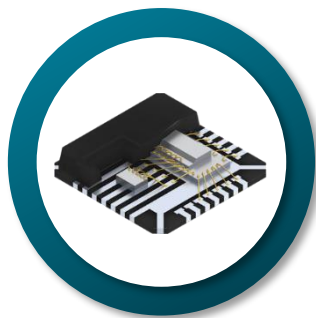


Complete Package and Test Portfolio

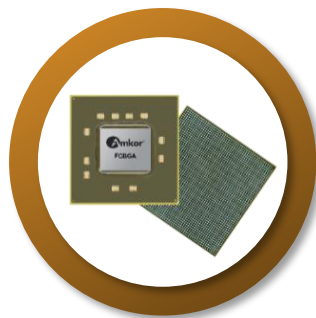
Turnkey services from wafer sort through drop ship



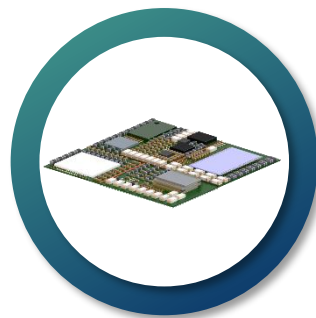
Leadframe/
Power



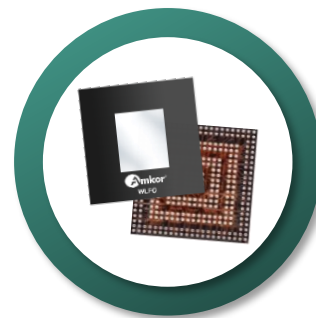
MEMS



Flip Chip



SiP



Wafer Level

Broad Geographic Footprint

Supporting Global Customer Base and Their Supply Chains



Growth Catalysts Rely on Advanced Packaging

5G



- ▶ Mobile comms
- ▶ Connected devices
- ▶ Speed, streaming

IoT



- ▶ Connected home
- ▶ Wearables
- ▶ Industrial automation

Automotive



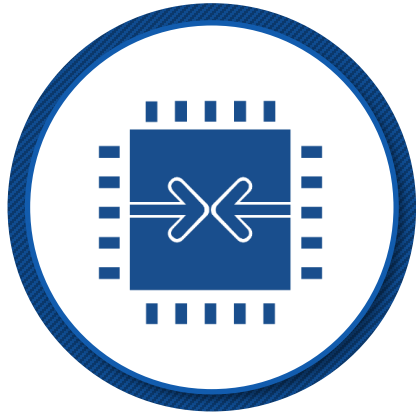
- ▶ ADAS
- ▶ Safety
- ▶ Infotainment
- ▶ Electrification

HPC/ Networking



- ▶ AI/AR
- ▶ Data center

Advanced Packaging Value Proposition



Minimize
Footprint



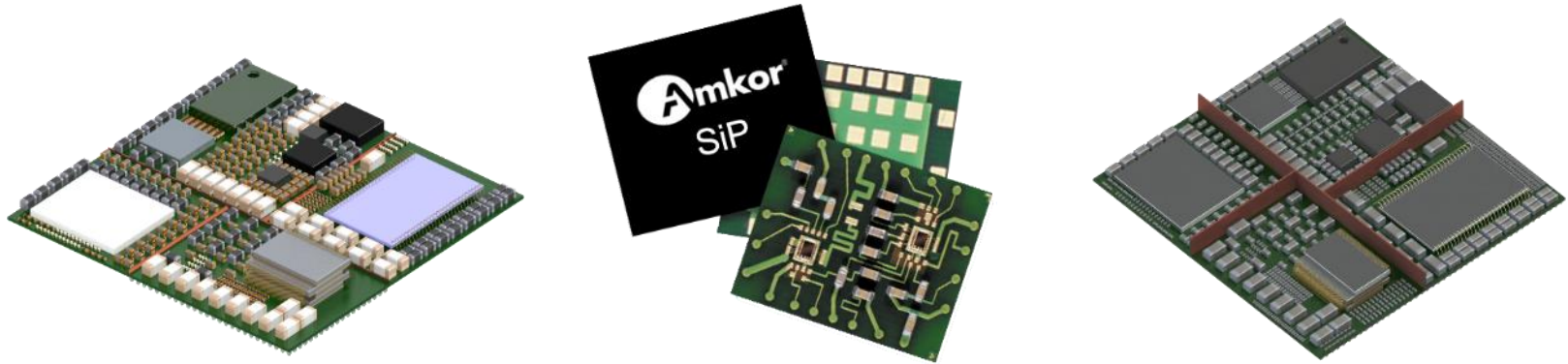
Manage
Power



Improve
Performance

Advanced System in Package (SiP)

Integrates multiple IC's of different functionalities into a single package



Wafer Level Packaging

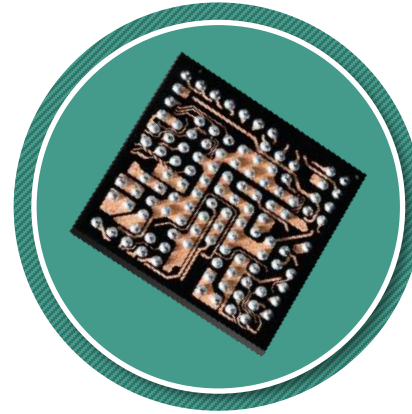


WLCSP

Wafer Level Chip Scale Package

(Fan-In)

Eliminates substrate



WLFO

Wafer Level Fan-Out

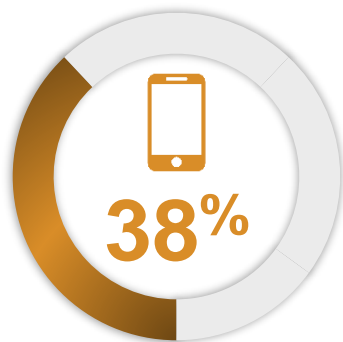
“Stretch” small die to
accommodate bond pads

Flip Chip

- ▶ A proven technology
 - ▷ High reliability
 - ▷ Single and multi-die solutions
- ▶ Applications in smartphones, automotive and high-performance computing

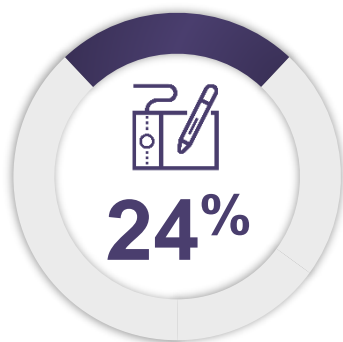


LTM 2Q 2020 End Markets



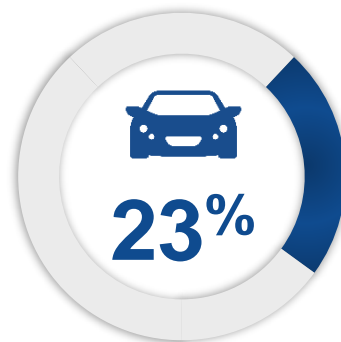
Communications

Handheld Devices
Smartphones
Tablets



Consumer

Connected Home
Set-Top Box
Televisions
Visual Imaging
Wearables



Automotive & Industrial

Driver Assist
Infotainment
Performance
Safety



Computing

Data Center
Infrastructure
PC/Laptop
Storage

Amkor Throughout the Smartphone Communications

Value Propositions

- ▶ Recognized technology leader
- ▶ Diverse packaging solutions
- ▶ Large scale manufacturing in multiple geographies

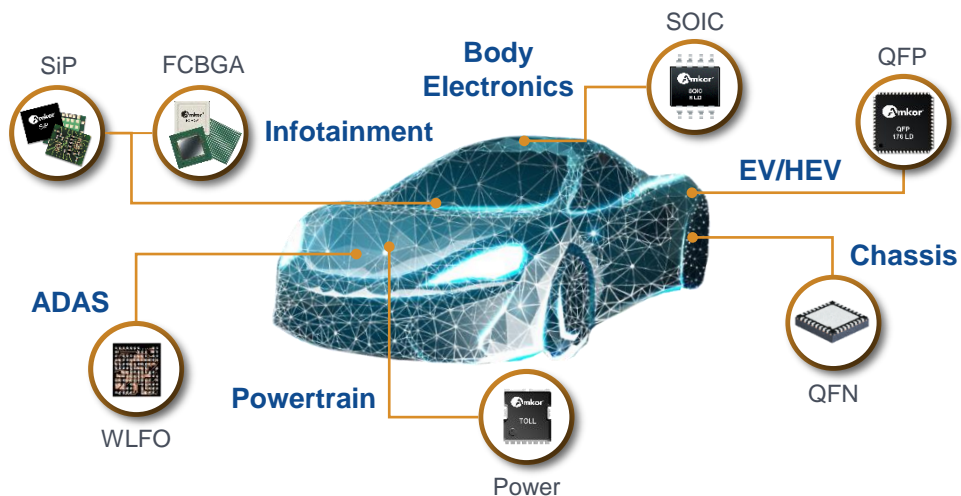


Amkor Enabling New Applications in the Car

Largest Automotive OSAT

Advanced Packages

Wirebond Packages



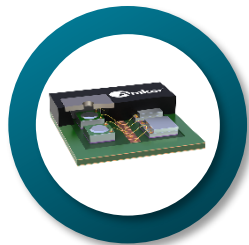
Value Propositions

- ▶ >40 yrs of Automotive experience
- ▶ QualityFIRST mindset
- ▶ Leader in advanced Automotive packaging

Amkor Makes IoT Possible

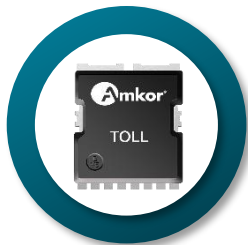
Consumer

Multiple Applications



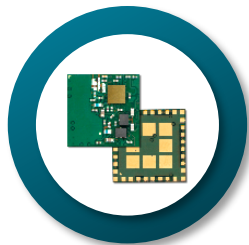
Connectivity
Sensing
Computing
Storage

Diverse Requirements



Power
Bandwidth
Integration
Security

Scale



Amkor ships
billions of IoT
devices per year!



Amkor Supports All Big Data Requirements

Computing



Data Center

HPC, AI, ML
Performance
FCBGA, HDFO, SiP



Networking

Switch, SerDes
Integration
SiP, HDFO, 2.5D



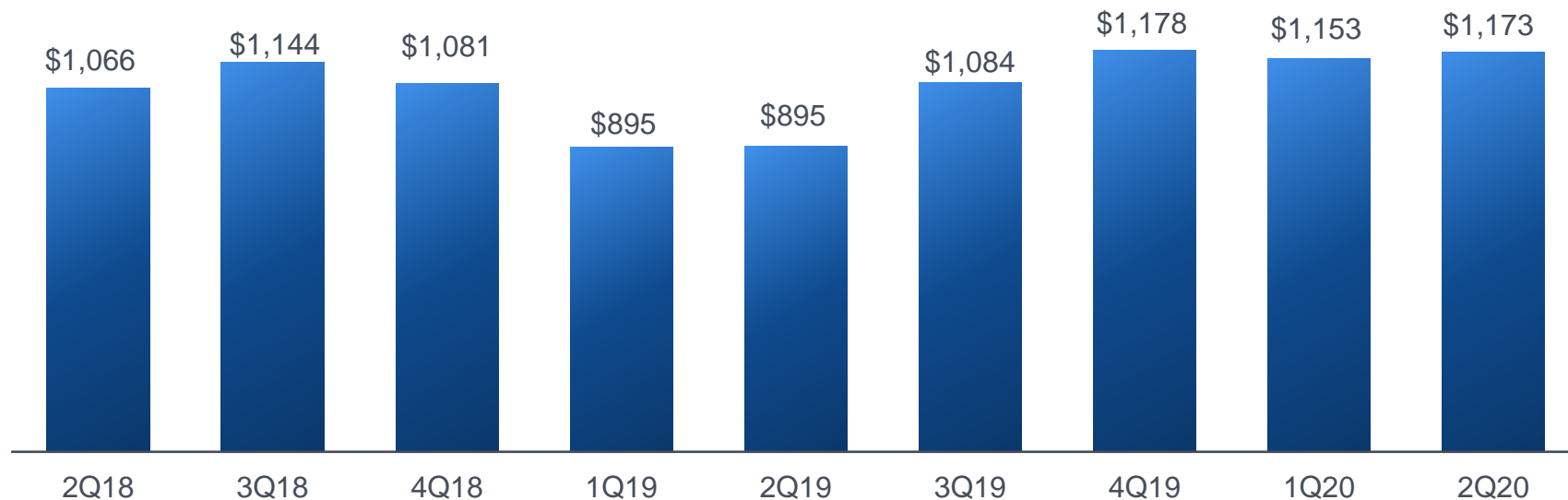
Storage

Solid State Drive
Die Stacking
Stack CSP, WBBGA, SiP

Revenue Trend

(\$ in millions)

+ 31% YoY

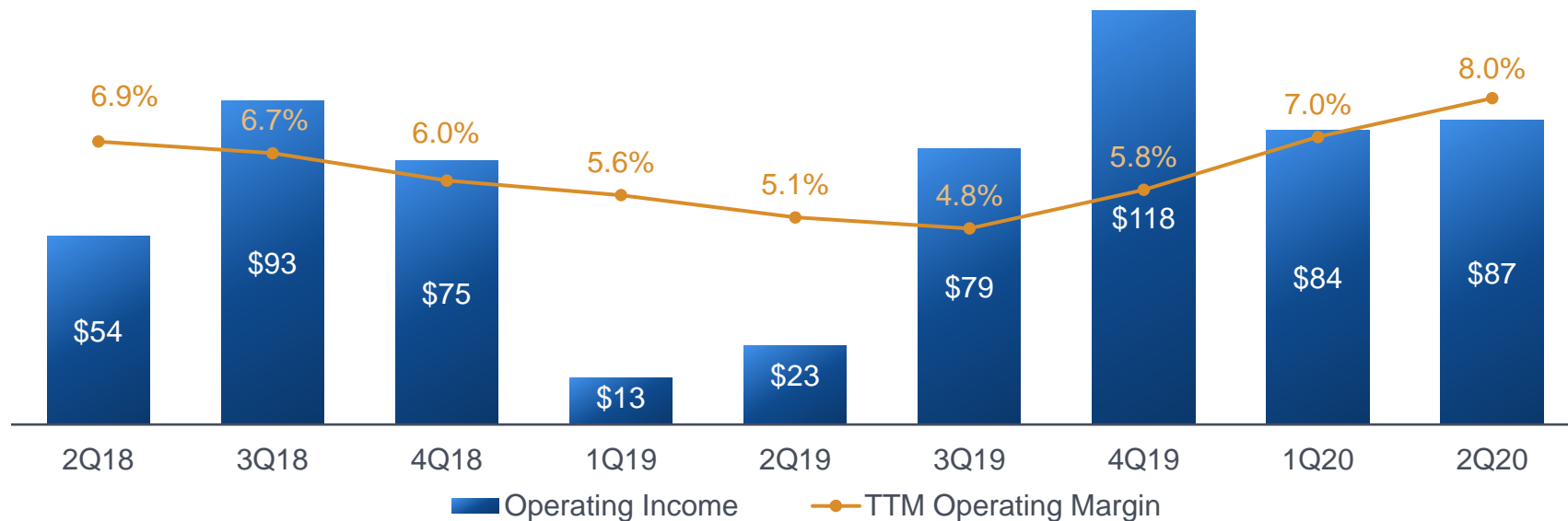


TTM Revenue

\$4,390	\$4,386	\$4,316	\$4,186	\$4,016	\$3,955	\$4,053	\$4,310	\$4,588
---------	---------	---------	---------	---------	---------	---------	---------	---------

Operating Income Trends

(\$ in millions)

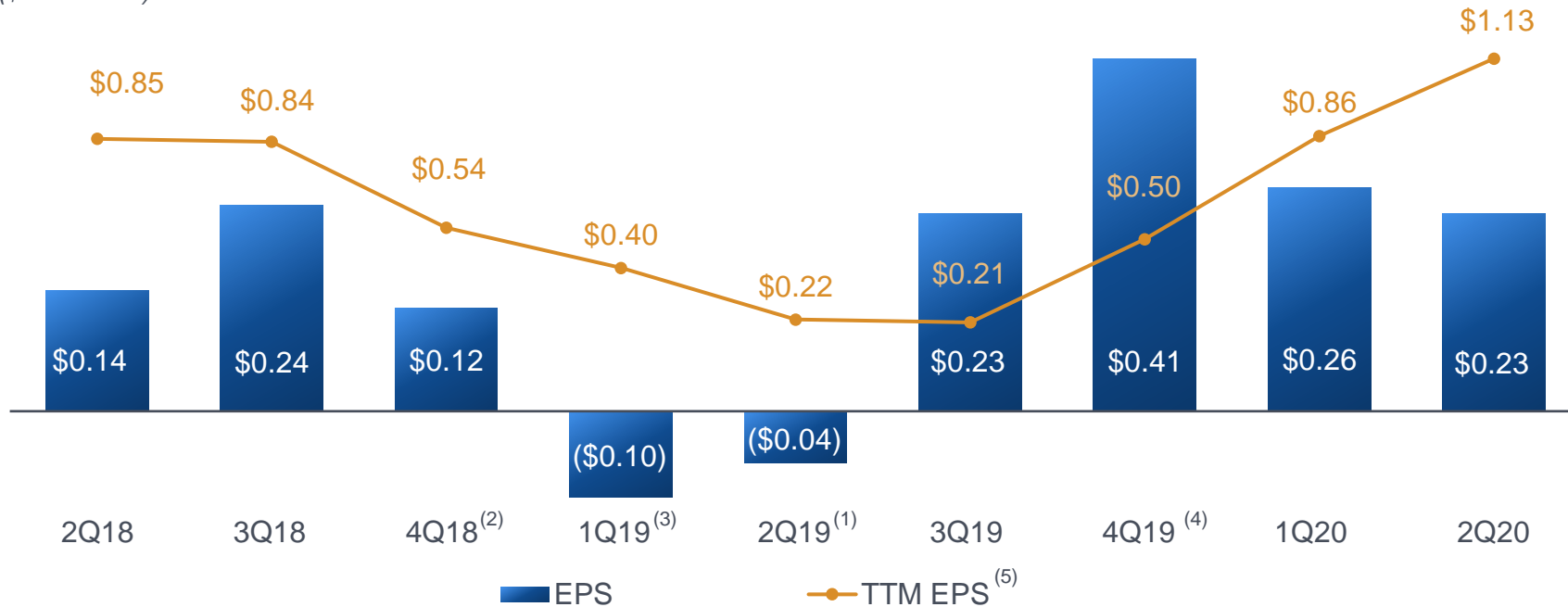


TTM Operating Income

\$305	\$292	\$258	\$235	\$204	\$190	\$233	\$304	\$368
-------	-------	-------	-------	-------	-------	-------	-------	-------

EPS Trends

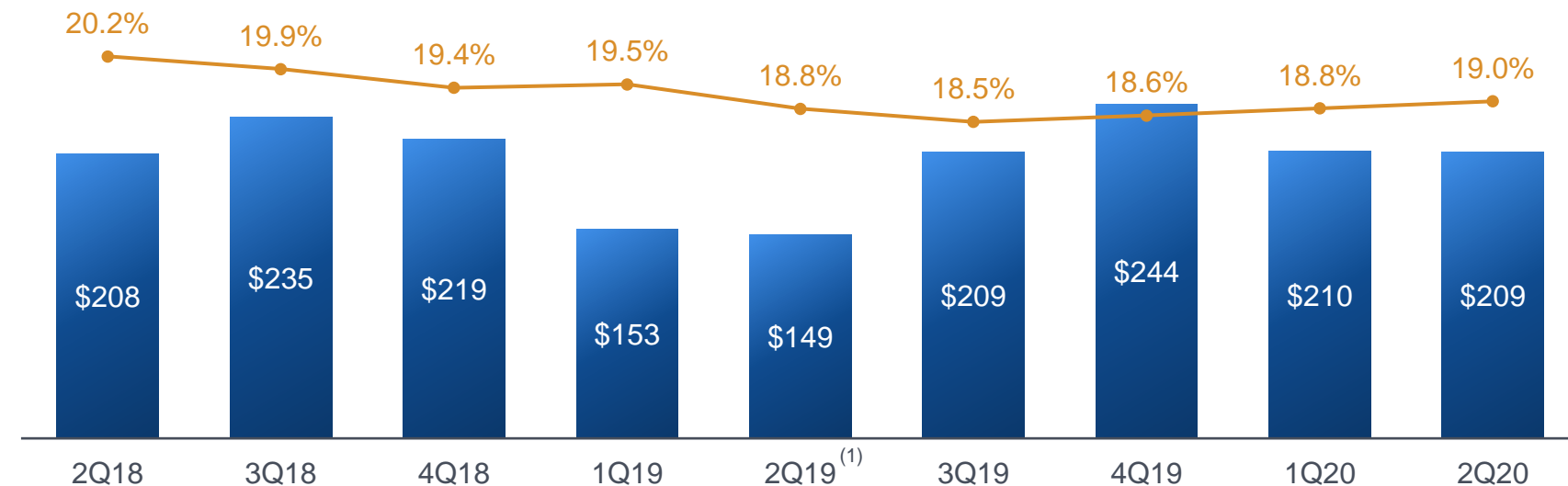
(\$ in millions)



(1), (2), (3), (4), and (5): See notes on page 33.

EBITDA Trends

(\$ in millions)



TTM EBITDA⁽⁶⁾

■ EBITDA —●— TTM EBITDA Margin

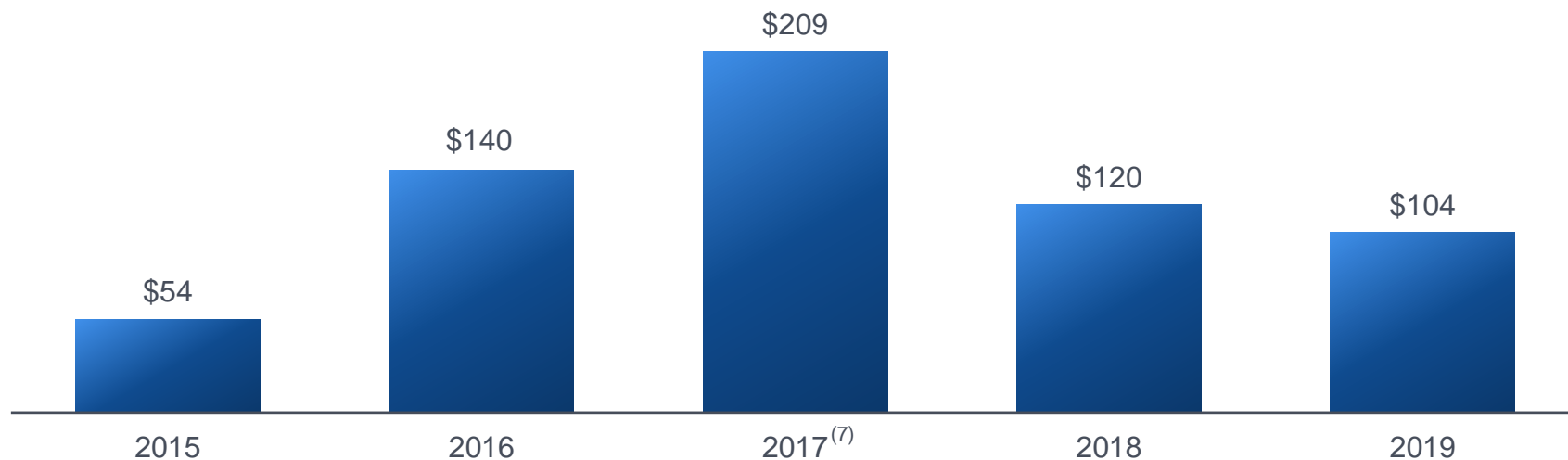
\$888	\$872	\$837	\$815	\$756	\$730	\$755	\$812	\$872
-------	-------	-------	-------	-------	-------	-------	-------	-------

(1) and (6): See notes on page 33.

See discussion of Non-GAAP measures on page 32.

Consistent Free Cash Flow

(\$ in millions)

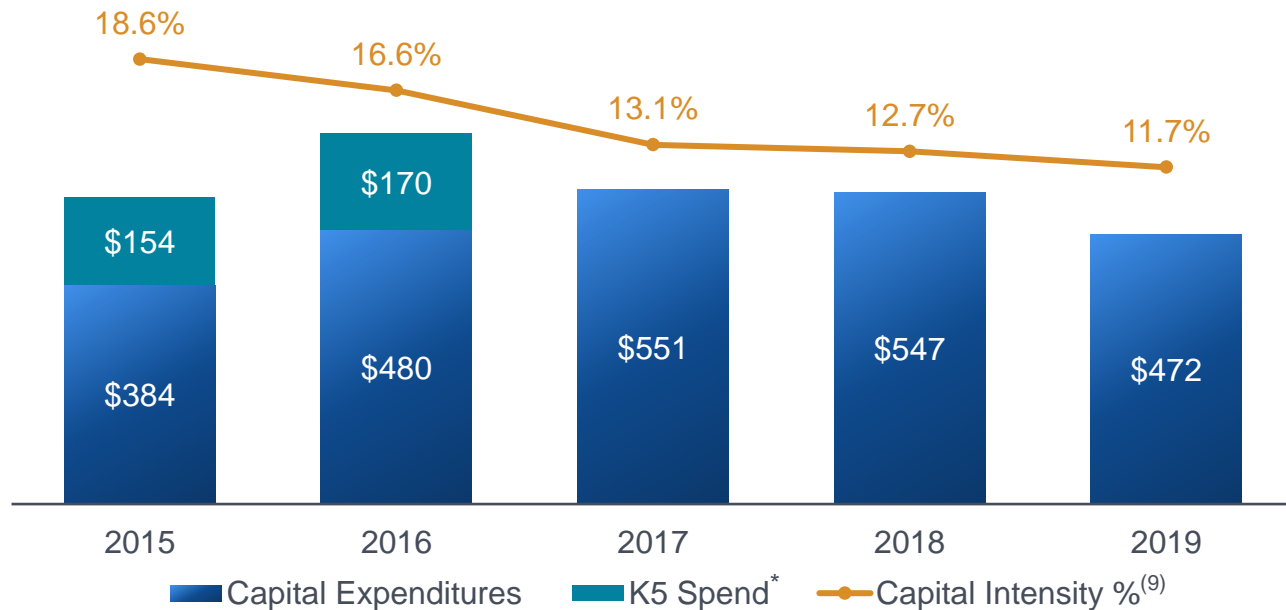


(7) and (8) Free Cash Flow definition: See notes on page 33.

See discussion of Non-GAAP measures on page 32.

Capital Expenditures and Capital Intensity

(\$ in millions)



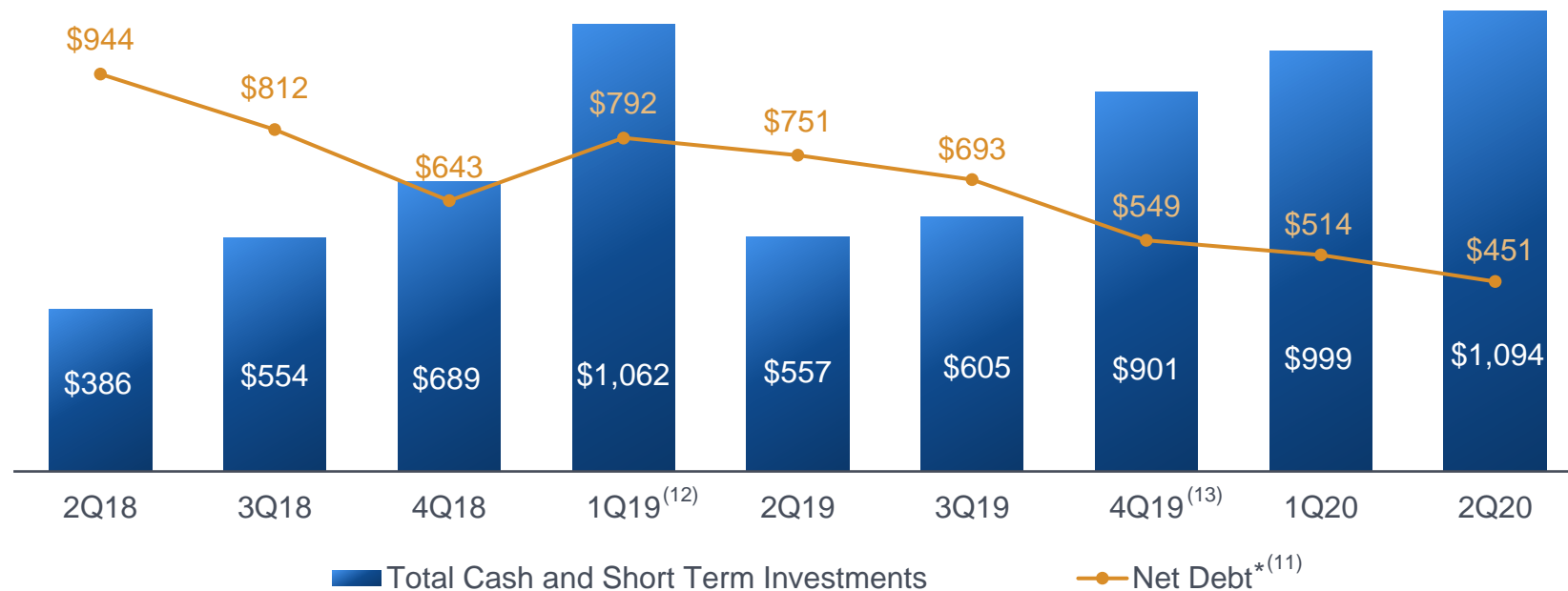
Expect 2020 Capital Expenditures⁽¹⁰⁾ of Around
\$550M

(9) and (10): See notes on page 33.

*K5 Spend refers to the construction of our K5 facility in Korea, which started operations in 2017.

Balance Sheet Profile

(\$ in millions)



(11), (12), and (13): See notes on page 33.

*See discussion of Non-GAAP measures on page 32.

Amkor Summary

- ▶ Industry leader
- ▶ Multiple long-term growth drivers
 - ▷ 5G, IoT, Automotive, HPC
- ▶ Strongest balance sheet in Amkor's history
- ▶ Well-positioned for growth
 - ▷ Capitalizing on Amkor's position in the highest-growth semiconductor markets



A world map is shown in the background, rendered in shades of blue and teal. The map is overlaid with a pattern of semi-transparent geometric shapes, including triangles and squares, creating a modern, abstract look. The word "Appendix" is written in a dark blue, sans-serif font on the left side of the map.

Appendix

2Q20 Highlights

<i>(In millions, except per share data)</i>	2Q 2020	2Q 2019⁽¹⁾	YoY
Net Sales	\$1,173	\$895	31%
Gross Margin	16.4%	13.8%	260 bps
Operating Expense	\$106	\$101	5%
Operating Income	\$87	\$23	284%
Operating Margin	7.4%	2.5%	485 bps
Net Income attributable to Amkor	\$55	(\$9)	\$65
Earnings per Diluted Share	\$0.23	(\$0.04)	\$0.27

- ▶ Record second quarter revenue
- ▶ YoY growth driven by strength in Consumer and Communications
- ▶ Operating income margin increased 485 bps YoY

(1): See note on page 33.

3Q20 Guidance

<i>(In millions, except per share data)</i>	3Q 2020 Guidance As of July 27, 2020 ⁽¹⁰⁾
Net Sales	\$1,200 - \$1,300
Gross Margin	15.0% - 18.0%
Net Income attributable to Amkor	\$42 - \$85
Earnings per Diluted Share	\$0.17 - \$0.35

(10): See note on page 33.

Financial Reconciliation Tables

(\$ in millions)	3Q17	4Q17 ⁽⁵⁾	1Q18	2Q18	3Q18	4Q18 ⁽²⁾	1Q19 ^{(3), (12)}	2Q19 ⁽¹⁾	3Q19	4Q19 ^{(4), (13)}	1Q20	2Q20
Net Income	\$60	\$101	\$10	\$33	\$57	\$29	(\$23)	(\$9)	\$54	\$100	\$64	\$56
Plus: Interest Expense (including Related Party)	21	20	20	21	20	18	19	19	17	17	17	16
Plus: Income Tax Expense	21	(14)	2	11	14	29	21	6	9	1	5	13
Plus: Depreciation & Amortization	149	147	143	143	144	143	136	133	129	126	124	124
EBITDA*	\$251	\$254	\$175	\$208	\$235	\$219	\$153	\$149	\$209	\$244	\$210	\$209
TTM EBITDA*	-	-	-	\$888	\$872	\$837	\$815	\$756	\$730	\$755	\$812	\$872
TTM Net Sales	-	-	-	\$4,390	\$4,386	\$4,316	\$4,186	\$4,016	\$3,955	\$4,053	\$4,310	\$4,588
TTM EBITDA Margin*	-	-	-	20.2%	19.9%	19.4%	19.5%	18.8%	18.5%	18.6%	18.8%	19.0%
Total Debt	-	-	-	\$1,330	\$1,366	\$1,332	\$1,854	\$1,308	\$1,298	\$1,450	\$1,513	\$1,545
Less: Cash and Cash Equivalents	-	-	-	(380)	(548)	(682)	(1,055)	(551)	(599)	(895)	(941)	(783)
Less: Short Term Investment	-	-	-	(6)	(6)	(7)	(7)	(6)	(6)	(6)	(58)	(311)
Net Debt*	-	-	-	\$944	\$812	\$643	\$792	\$751	\$693	\$549	\$514	\$451

(1), (2), (3), (4), (5), (12), and (13): See notes on page 33.

*See discussion of Non-GAAP measures on page 32.

Financial Reconciliation Tables

(\$ in millions)	2015	2016	2017 ⁽⁷⁾	2018	2019
Net Cash Provided by Operating Activities	\$585	\$729	\$618	\$663	\$564
Less: Payments for Property, Plant and Equipment	(538)	(650)	(551)	(547)	(472)
Plus: Proceeds from Sale of and Insurance Recovery for Property, Plant and Equipment	7	61	142	4	12
Free Cash Flow*	\$54	\$140	\$209	\$120	\$104

(7): See note on page 33.

*See discussion of Non-GAAP measures on page 32.

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.

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.

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.

Net Debt is not defined by U.S. GAAP. We define net debt as total debt as reported on the consolidated balance sheet less the sum of cash and cash equivalents, and short-term investments. We believe net debt to be relevant and useful information to our investors because it provides them with additional information in assessing our capital structure, financial leverage, and our ability to reduce debt and to fund investing and financing activities. This measure should be considered in addition to, and not as a substitute for, or superior to, total debt, prepared in accordance with U.S. GAAP. Furthermore, our definition of net debt may not be comparable to similarly titled measures reported by other companies.

Endnotes

- 1) Q2 2019 net income includes an \$8 million charge, or \$0.03 per share, related to the early redemption of \$525 million of our 6.375% Senior Notes due 2022.
- 2) Q4 2018 net income includes a \$17 million discrete income tax charge, or \$0.07 per diluted share, driven by finalizing the accounting for U.S. tax reform.
- 3) Q1 2019 net income includes a \$15 million non-cash discrete income tax charge, or \$0.06 per diluted share, to reduce the value of certain deferred tax assets.
- 4) Q4 2019 net income includes a \$4 million discrete income tax benefit, or \$0.01 per diluted share, primarily related to changes in the valuation of certain deferred tax assets
- 5) Q4 2017 net income includes an estimated one-time 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 U.S. tax reform.
- 6) EBITDA is defined as net income before interest expense, income tax expense and depreciation and amortization. In addition, we define EBITDA Margin as EBITDA as a percentage of Net Sales. Please see reconciliation of non-GAAP measures on page 30.
- 7) In Q2 2017, we sold the land and buildings comprising our K1 factory for \$142 million, which resulted in a pre-tax gain of \$108 million, or \$0.34 per diluted share. During 2017, we received \$128 million of the proceeds.
- 8) 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 31.
- 9) Capital intensity is defined as capital expenditures as a percentage of net sales.
- 10) This financial guidance is from our July 27, 2020 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.
- 11) Net debt is defined as total debt as reported on the consolidated balance sheet less the sum of cash and cash equivalents, and short-term investments. Please see reconciliation of non-GAAP measures on page 30.
- 12) In Q1 2019, we issued \$525 million of our 6.625% Senior Notes due September 2027 and used the proceeds to redeem our \$525 million aggregate principal amount of 6.375% Senior Notes due 2022. The redemption of the 2022 Notes occurred in April 2019, thus increasing our outstanding debt at Q1 2019 period end.
- 13) In Q1 2020, we repaid \$120 million of our term loan due December 2023 with proceeds from a term loan entered into in December 2019, thus increasing our outstanding debt at Q4 2019 period end.