



# Enabling The Future

## Amkor Technology Investor Presentation

November 2023

# 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. All forward-looking statements in this presentation are made based on our current expectations, forecasts, estimates and assumptions. Because such statements include risks and uncertainties, actual results may differ materially from those anticipated in such forward-looking statements as a result of various factors, including those set forth in our Annual Report on Form 10-K for the year ended December 31, 2022 (the “Form 10-K”) and from time to time in our other reports filed with or furnished to the Securities and Exchange Commission (“SEC”). 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 these trends, risks or uncertainties continues or occurs, our business, financial condition or operating results could be materially and adversely affected, the trading prices of our securities could decline, and you could lose part or all of your investment. All forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by this cautionary statement. We assume 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 applicable law.

## 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.

# Amkor's Strong Track Record

## Trusted Partner

Founded in

**1968**

Engaged with Industry

**Leaders**

Broad geographic footprint

**12** / **12M** sq ft  
(1.1M sqm)

Countries

Manufacturing Space  
in 8 Countries

## Building the Future

**\$908M**

2022 CapEx

**700**

R&D Engineers

**30,000+**

Employees

## Leadership Position

**#1**

Automotive OSAT

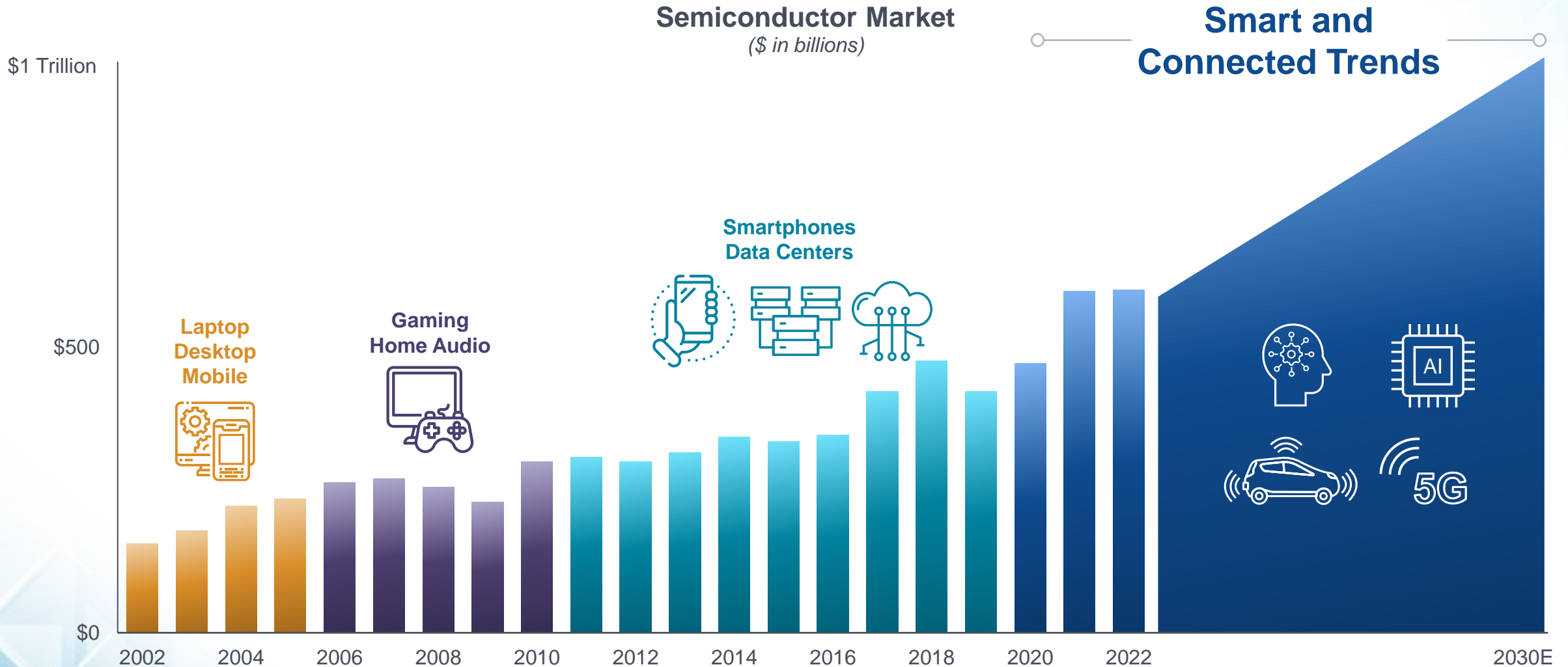
**\$7.1B**

Revenue in 2022

**76%**

2022 Advanced Packaging  
% of Revenue

# Megatrends Propel Semiconductor Growth



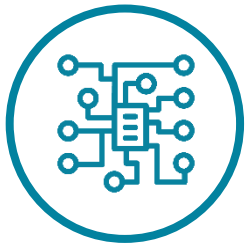
Source: Gartner, McKinsey

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# Packaging and Test Integral to Semiconductor Supply Chain

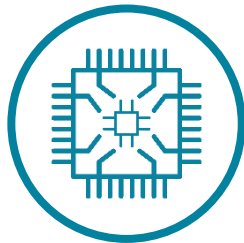
Early design engagement with OEMs and semiconductor companies enhances packaging innovation

Original Equipment  
Manufacturers



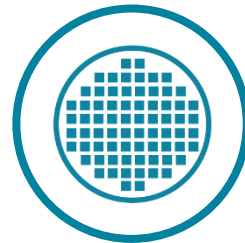
Smartphone & Tablet  
Automotive  
Consumer Electronics  
Hyperscalers, PC

Semiconductor  
Companies



Fabless  
IDM

Wafer  
Manufacturing



Wafer Foundry  
IDM Fab

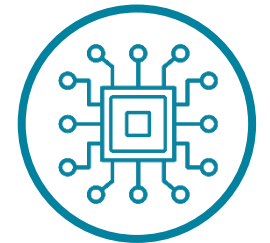
Packaging  
and Test



OSAT  
IDM Factory



Final Product  
Assembly



EMS

# Amkor's Turnkey Service Offering

Reduce Cycle Time, Increase Value



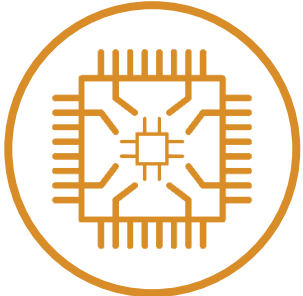
Design Innovation



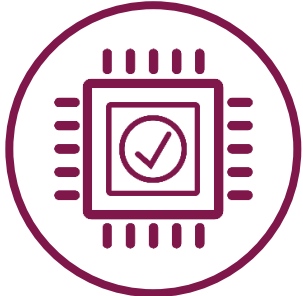
Materials Management



Wafer Bump, Probe, Dicing



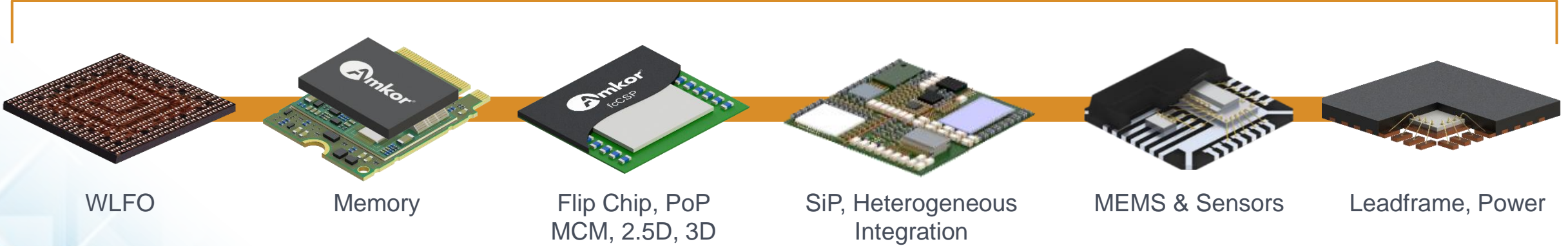
Package Assembly



Final Test SLT



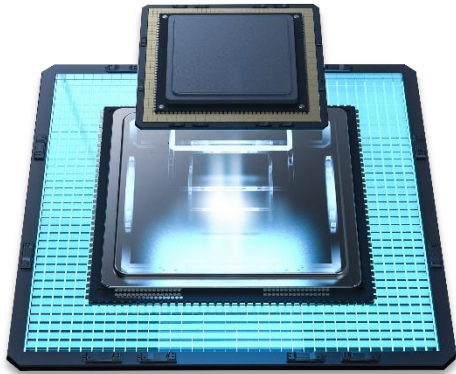
Drop Ship



# Strategic Focus Areas Leverage Our Key Differentiators

## Technology

Leverage Advanced Packaging Leadership



Tier 1 OSAT with complete Advanced packaging and test portfolio

Trusted innovation partner for industry leaders

Proven operational excellence track record

## Geographic Footprint

Support Global & Enable Local Supply Chains



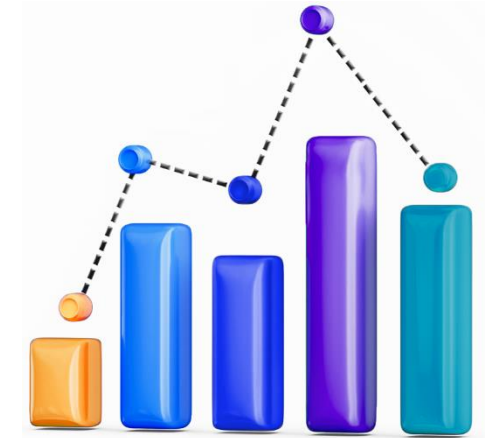
Broadest OSAT geographic footprint

Expanding in Vietnam

Well positioned to enable regional supply chains

## Markets

Focus on Industry Megatrends



5G communications  
Automotive electronics  
HPC and AI  
IoT devices

# Amkor is an Advanced Packaging Leader

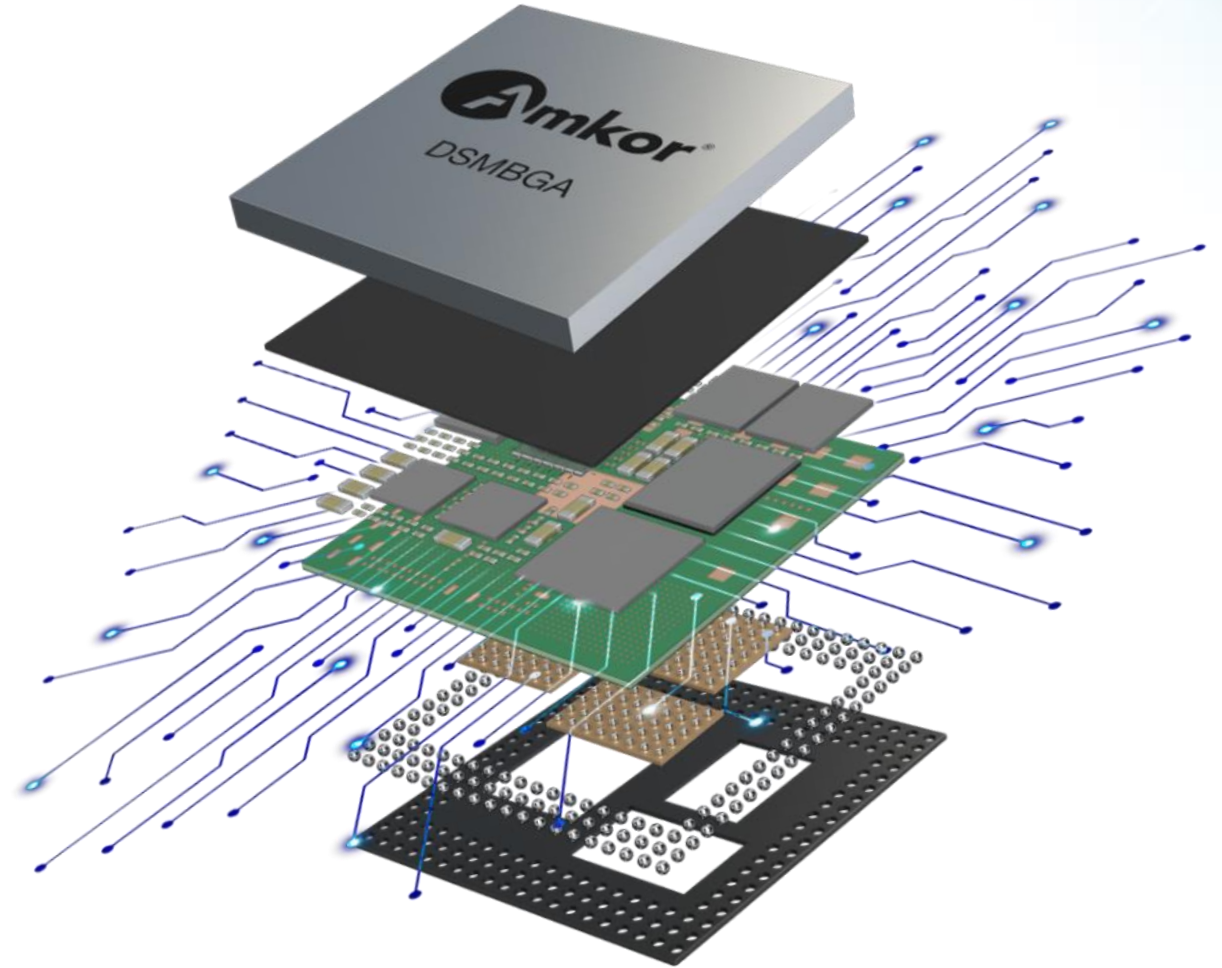
## Industry Megatrends Rely on Advanced Packaging Innovation

Heterogeneous Integration

Miniaturization

Power Management

Improved Performance





# Broad Geographic Footprint

12 Million Square Feet (1.1M sqm) of Manufacturing Space



 Amkor Headquarters

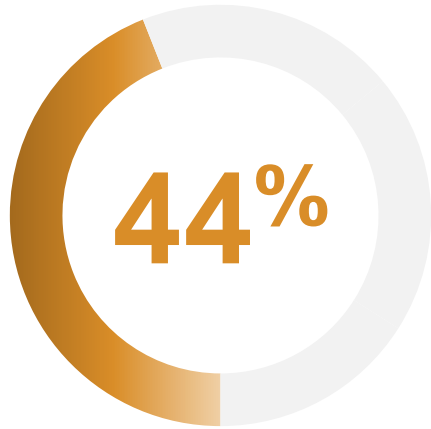
 Assembly & Test Facility

 Sales/Customer Support Center

# Diversified End Markets

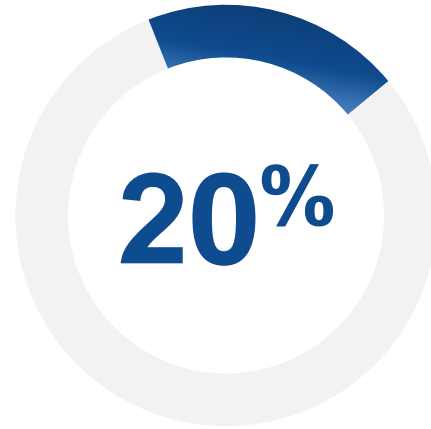
## Leveraged to Industry Megatrends

2022 Results



### Communications

Smartphones | Tablets



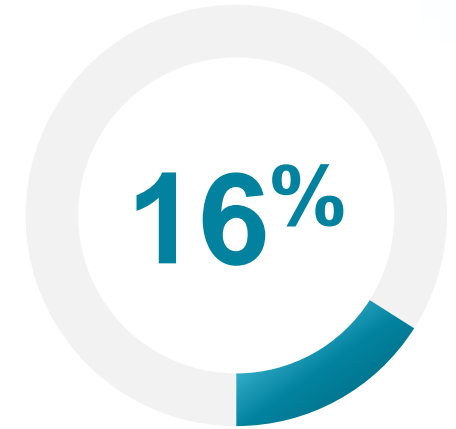
### Automotive & Industrial

ADAS | Safety  
Electrification | Infotainment



### Consumer

A/R & Gaming | Wearables  
Connected Home | Home Electronics

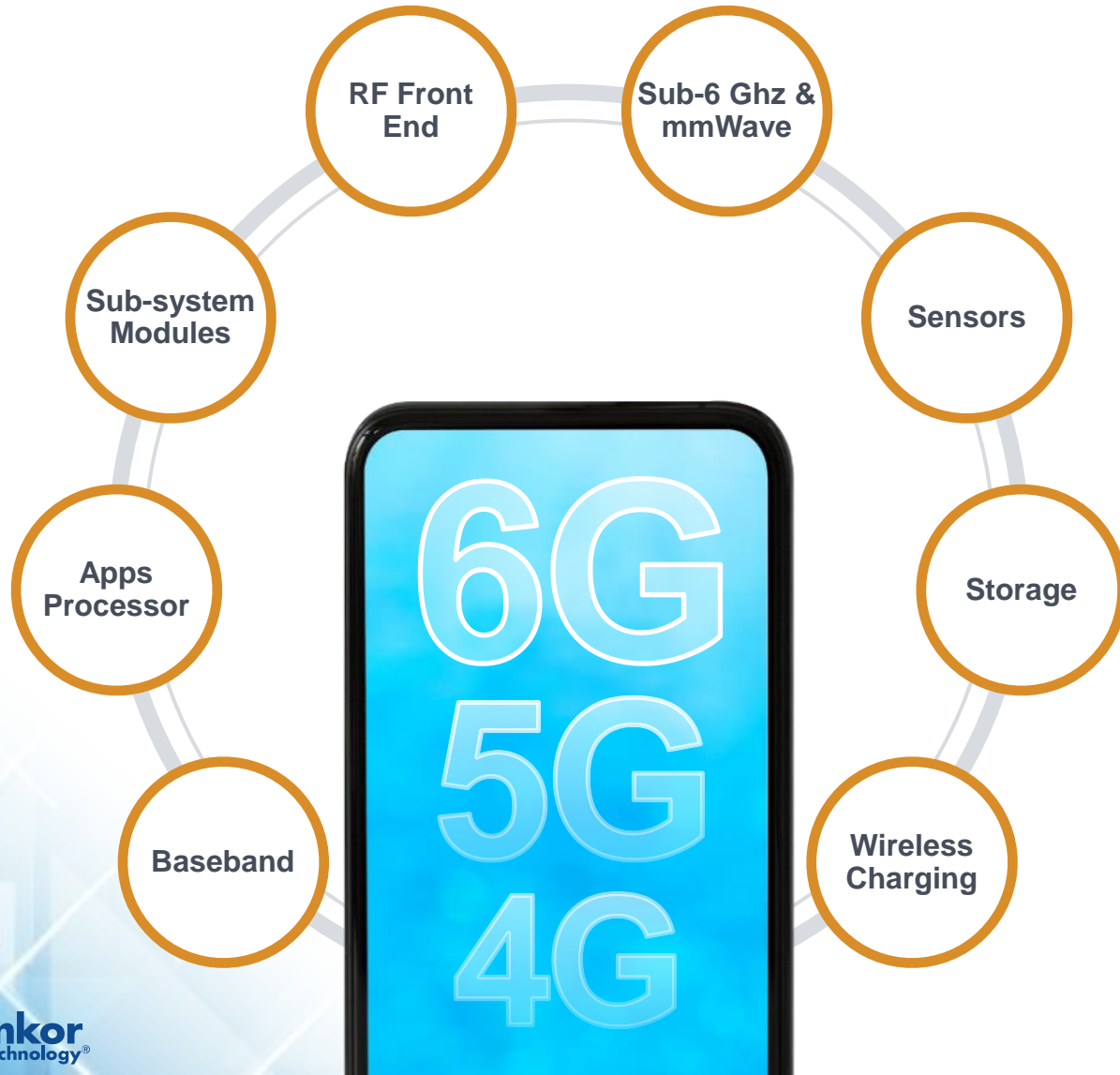


### Computing

Data Center | Storage  
Infrastructure | PC/Laptops

# Communications

## Amkor Supports All Smartphone Functions

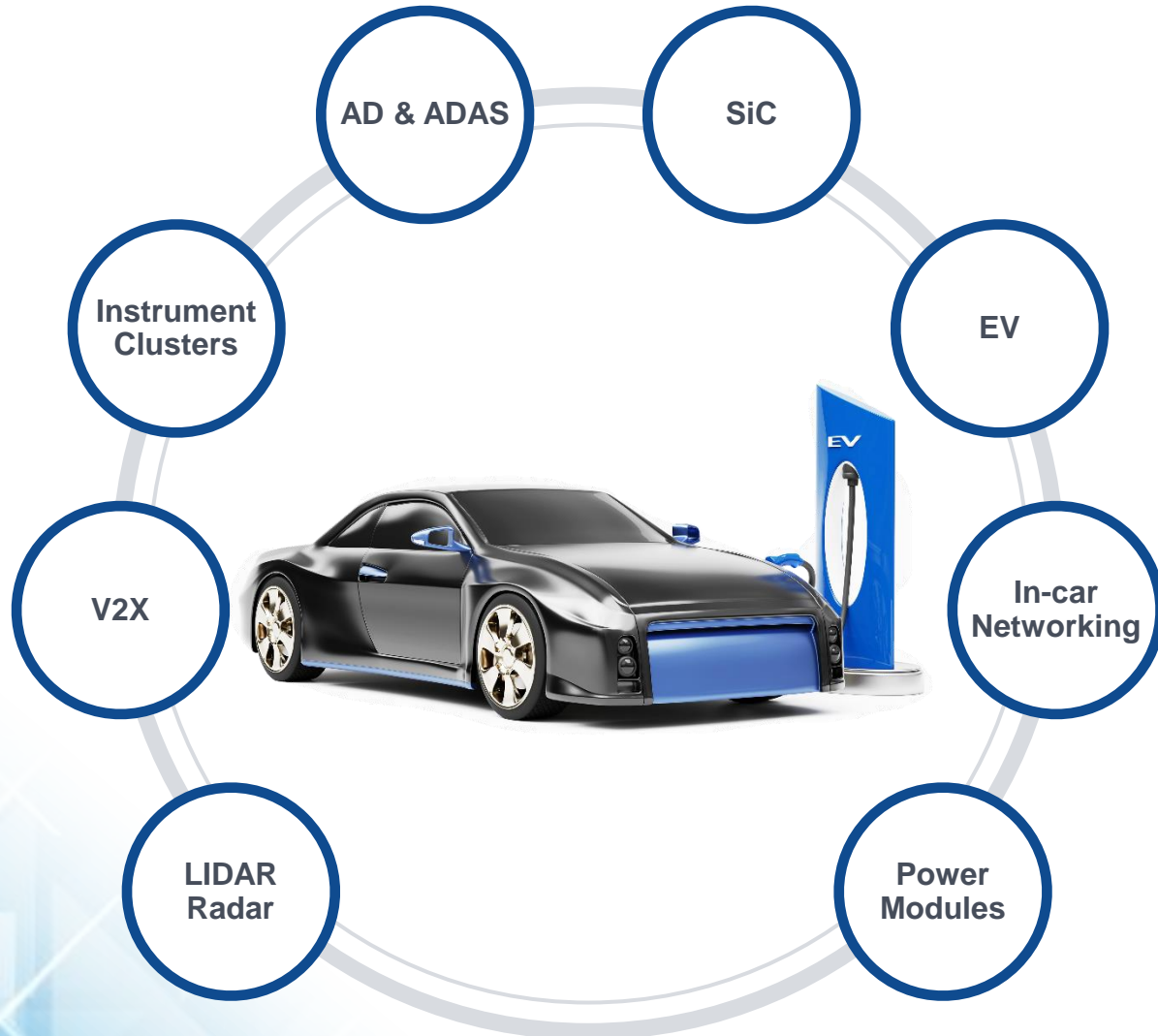


### Megatrend Drivers

- ✓ Enhanced 5G connectivity
- ✓ Increasing performance requirements
- ✓ Expanding features

# Automotive Electrification

Amkor is the Leading Automotive OSAT



## — Megatrend Drivers —

- ✓ Autonomous functionality
- ✓ Infotainment, telematics, digital cockpit
- ✓ Electrification

# IoT Consumer Products

Amkor is Enabling the Proliferation of IoT



## — Megatrend Drivers —

- ✓ Ultra small form factor with multiple functions
- ✓ Hearables, wearables, fitness and health, smart homes
- ✓ Connected everything

# High Performance Computing

Amkor's Capabilities Support All Big Data Requirements

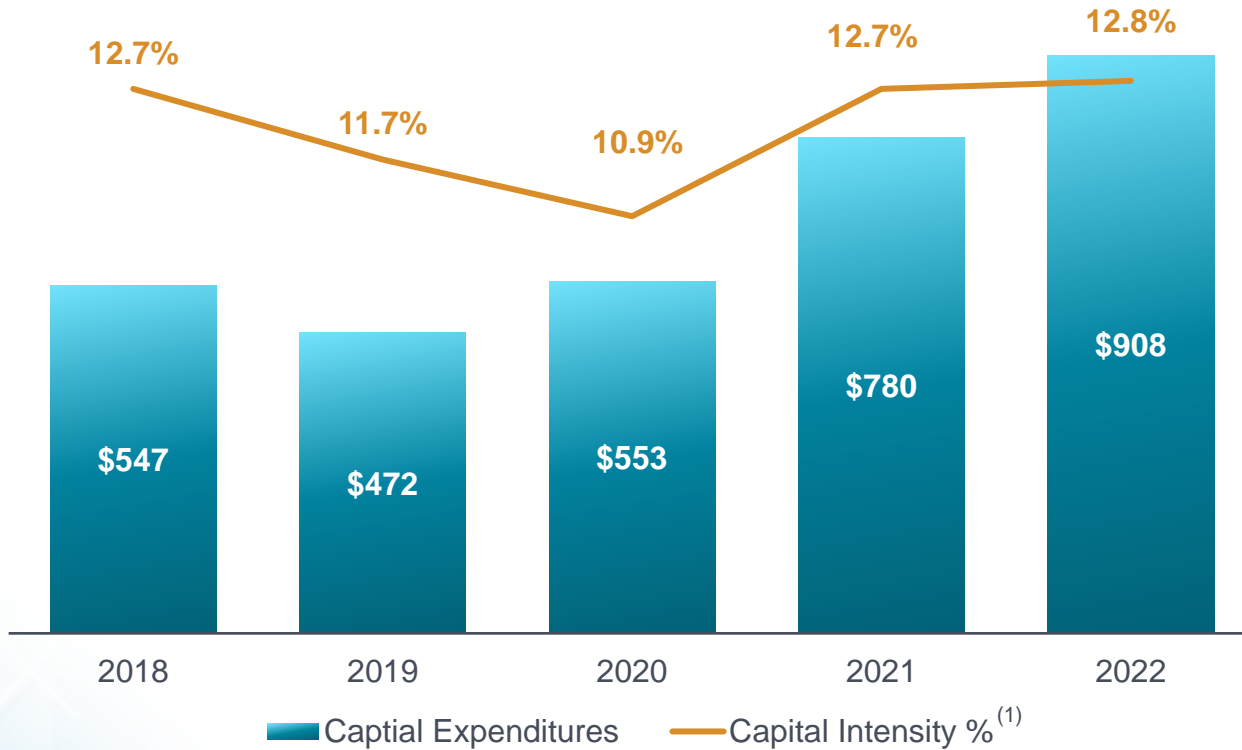


## — Megatrend Drivers —

- ✓ Expanding cloud requirements for data center and infrastructure
- ✓ Increased storage needs
- ✓ De-verticalization, new fabless entrants

# CapEx Supports Growth and Innovation

Capital Expenditures  
(\$ in millions)



Expect 2023  
Capital Expenditures<sup>(2)</sup>  
of Around

**\$750M**

## Key Areas of Investment

Advanced Technology: SiP, Flip  
Chip, Wafer Level Packaging

Test Capacity and Capability

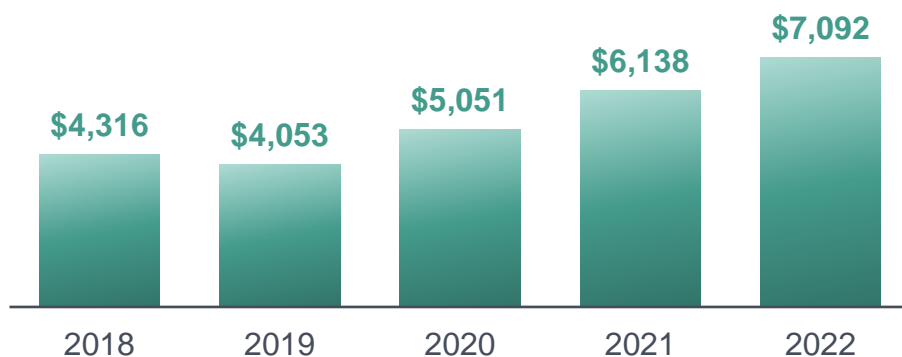
New Vietnam Factory

See corresponding endnotes on slide 25.

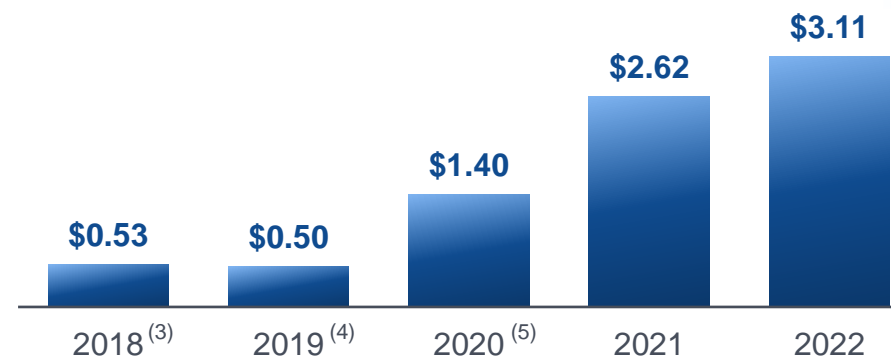
# Financial Results

(\$ in millions except for EPS)

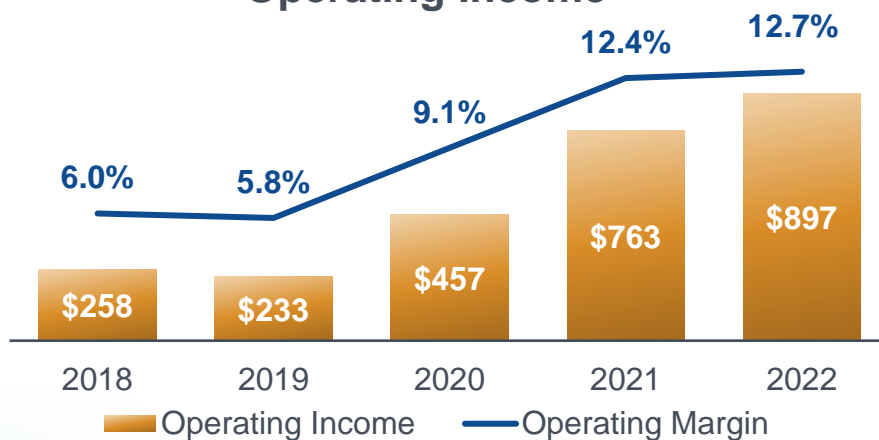
## Revenue



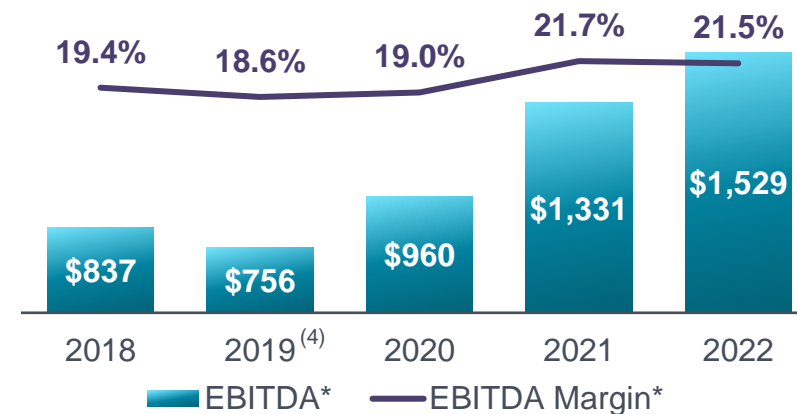
## EPS



## Operating Income



## EBITDA\*



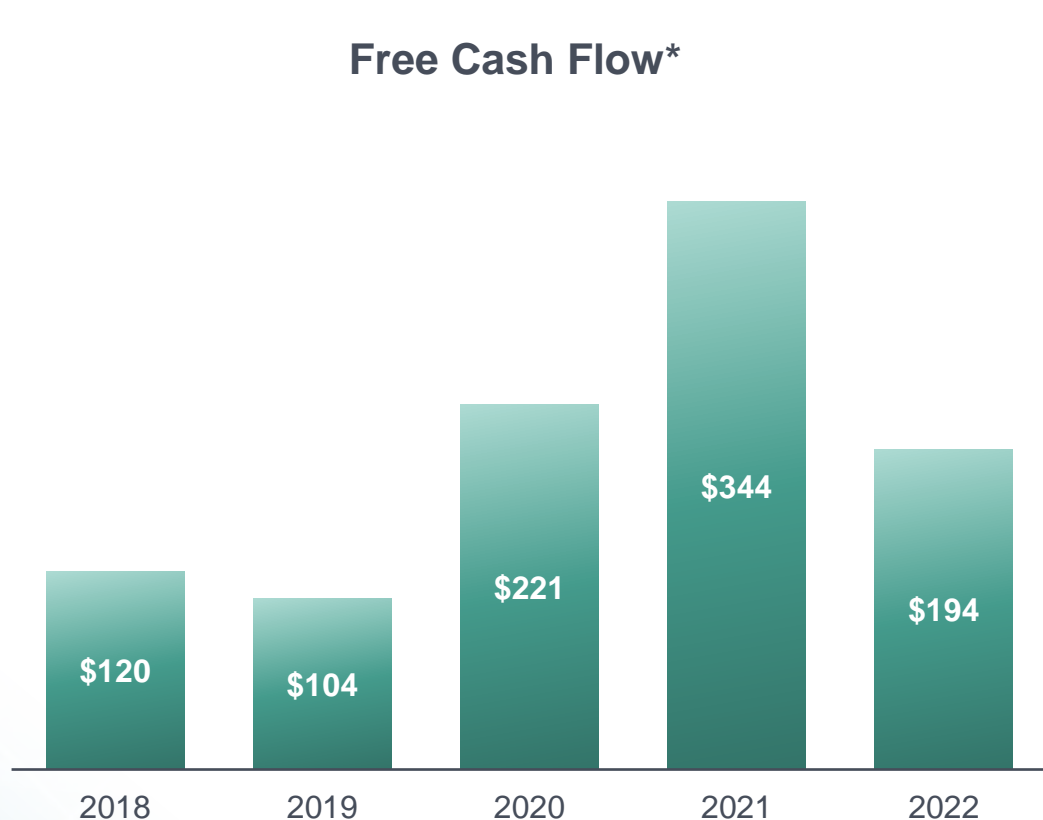
See corresponding endnotes on slide 25.

\*See discussion of Non-GAAP measures on slide 24 and the reconciliation to the most directly comparable GAAP measure on slide 22.

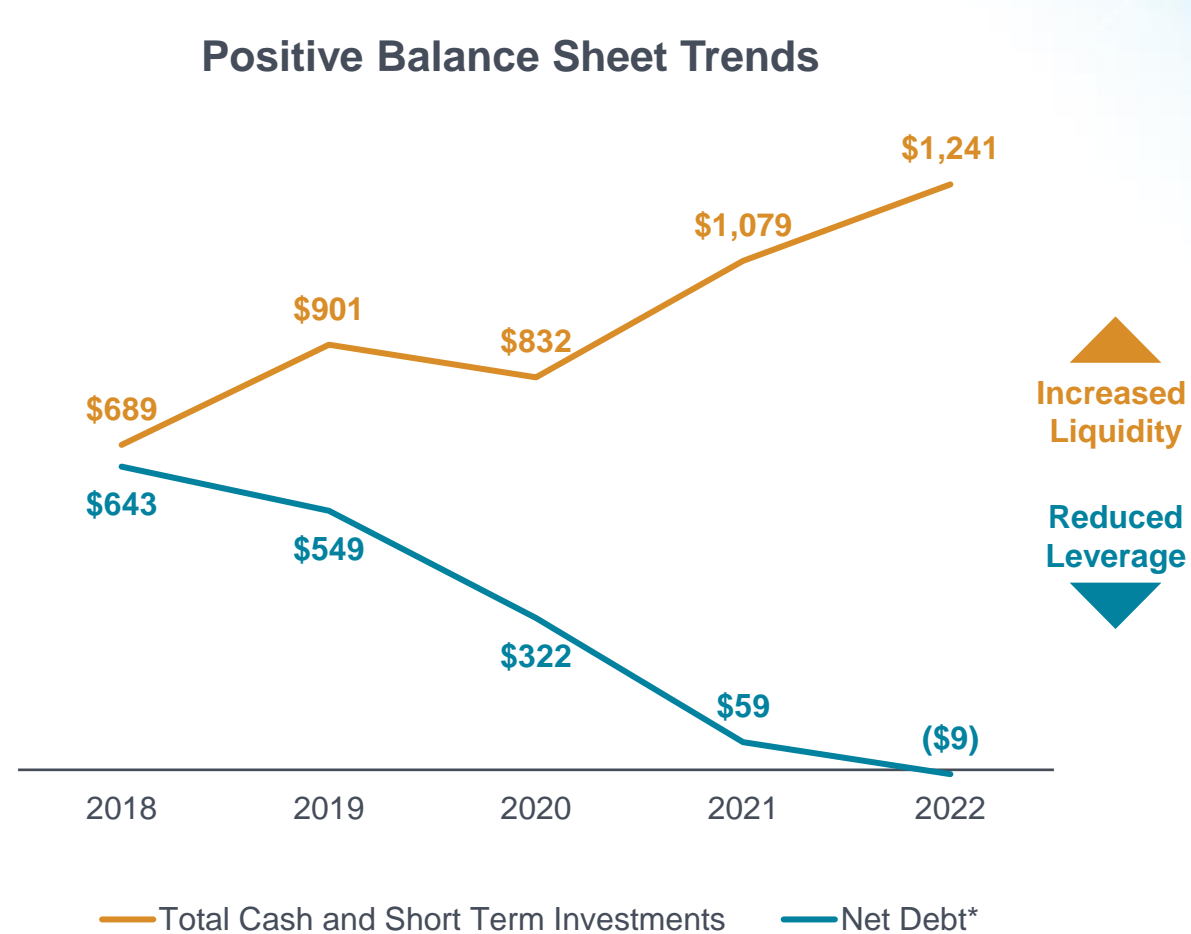
# Free Cash Flow and Balance Sheet Position

(\$ in millions)

### Free Cash Flow\*



### Positive Balance Sheet Trends



\*See discussion of Non-GAAP measures on slide 24 and the reconciliation to the most directly comparable GAAP measure on slides 22-23.

# Enhancing Shareholder Value

## Invest in Organic Growth

- ▶ Invest in manufacturing scale and in diversifying global footprint
- ▶ Invest in R&D to enhance technology in partnership with lead customers

## Maintain Balance Sheet Strength & Flexibility

- ▶ Gross debt leverage\* at or below 1.5X
- ▶ Maintain strong liquidity for maximum flexibility

## Strategic Investments

- ▶ Support regional semiconductor supply chains
- ▶ Selective M&A for strategic business growth

## Shareholder Returns

- ▶ Return 40%-50% of Free Cash Flow\* over time<sup>1</sup>
- ▶ Growth in regular quarterly dividend<sup>2</sup>

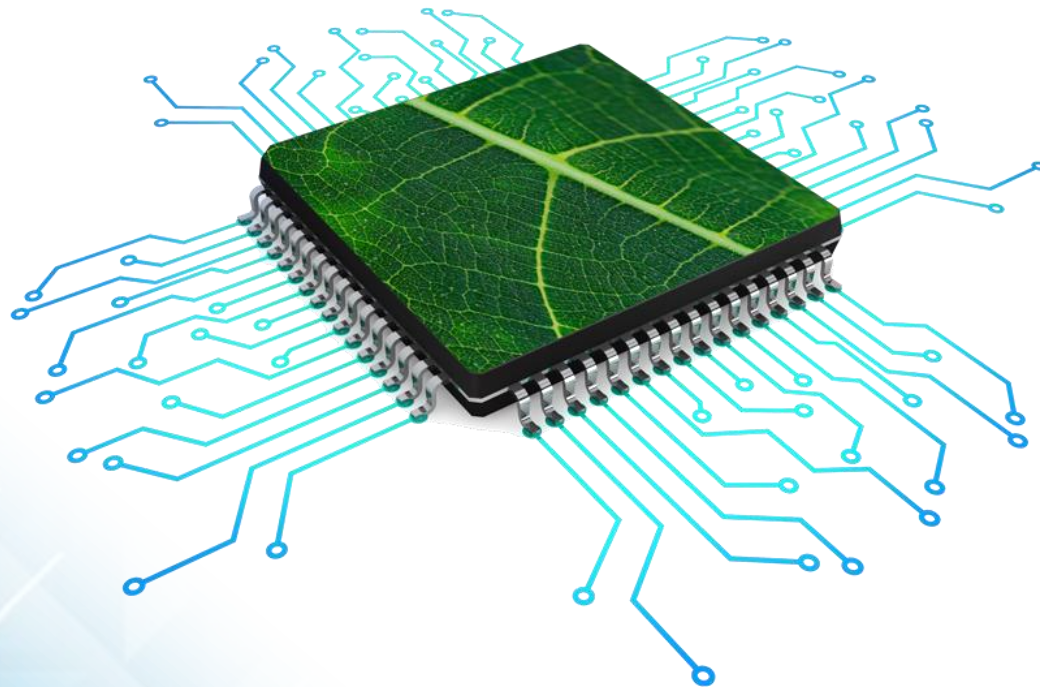
1 Cumulative free cash flow starting 2022; 2 Subject to Board approval

\*See discussion of Non-GAAP measures on slide 24 and the reconciliation to the most directly comparable GAAP measure on slides 22-23.

# Embedded ESG Commitment

## Mission

Pursue agile and dependable manufacturing that drives sustainable practices, aligns with our core values of reliability and trust and maintains our commitments to customers, suppliers, employees, business partners and shareholders



### Reporting Frameworks

- ▶ SASB Semiconductor Standard
- ▶ CDP (Carbon Disclosure Project)

### Governance

- ▶ Nominating and Governance Committee
- ▶ ESG Committee

### Industry Coalition

- ▶ Responsible Business Alliance
- ▶ Responsible Minerals Initiative

### Environmental Goals

- ▶ 20% reduction in GHG emissions, water usage and waste generation by 2030
- ▶ Committed to setting SBTi-aligned near term and net zero targets

# Investment Appeal

**Advanced packaging**  
technology focus and leadership

**Geographically diverse**  
manufacturing footprint

**Leveraged** to  
**industry megatrends**  
5G, Automotive, HPC, IoT

**Positioned to  
Outgrow the  
Semiconductor  
Market**



# Appendix

# Financial Reconciliation Tables

<i>(\$ in millions)</i>	2018 <sup>(3)</sup>	2019 <sup>(4),(6)</sup>	2020 <sup>(5)</sup>	2021	2022
<b>Net Income</b>	<b>\$130</b>	<b>\$123</b>	<b>\$340</b>	<b>\$646</b>	<b>\$767</b>
Plus: Interest Expense	79	72	64	52	59
Plus: Income Tax Expense	56	37	46	69	90
Plus: Depreciation & Amortization	572	524	510	564	613
<b>EBITDA*</b>	<b>\$837</b>	<b>\$756</b>	<b>\$960</b>	<b>\$1,331</b>	<b>\$1,529</b>
<b>Net Sales</b>	<b>\$4,316</b>	<b>\$4,053</b>	<b>\$5,051</b>	<b>\$6,138</b>	<b>\$7,092</b>
<b>Net Income Margin</b>	<b>3.0%</b>	<b>3.0%</b>	<b>6.7%</b>	<b>10.5%</b>	<b>10.8%</b>
<b>EBITDA Margin*</b>	<b>19.4%</b>	<b>18.6%</b>	<b>19.0%</b>	<b>21.7%</b>	<b>21.5%</b>
<b>Total Debt</b>	<b>\$1,332</b>	<b>\$1,450</b>	<b>\$1,154</b>	<b>\$1,138</b>	<b>\$1,232</b>
Less: Cash and Cash Equivalents	(682)	(895)	(698)	(827)	(959)
Less: Short Term Investment	(7)	(6)	(134)	(252)	(282)
<b>Net Debt*</b>	<b>\$643</b>	<b>\$549</b>	<b>\$322</b>	<b>\$59</b>	<b>(\$9)</b>
<b>Debt/Net Income Ratio</b>	<b>10.3</b>	<b>11.8</b>	<b>3.4</b>	<b>1.8</b>	<b>1.6</b>
<b>Gross Debt Leverage*</b>	<b>1.6</b>	<b>1.9</b>	<b>1.2</b>	<b>0.9</b>	<b>0.8</b>

See corresponding endnotes on slide 25.

\*See discussion of Non-GAAP measures on slide 24.

# Financial Reconciliation Tables

<i>(\$ in millions)</i>	2018	2019	2020	2021	2022
<b>Net Cash Provided by Operating Activities</b>	<b>\$663</b>	<b>\$564</b>	<b>\$770</b>	<b>\$1,121</b>	<b>\$1,099</b>
Less: Payments for Property, Plant and Equipment	(547)	(472)	(553)	(780)	(908)
Plus: Proceeds from Sale of and Insurance Recovery for Property, Plant and Equipment	4	12	4	3	3
<b>Free Cash Flow*</b>	<b>\$120</b>	<b>\$104</b>	<b>\$221</b>	<b>\$344</b>	<b>\$194</b>

\*See discussion of Non-GAAP measures on slide 24.

# 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 Gross Debt Leverage, 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 net sales for the period. Gross Debt Leverage is calculated by dividing Total Debt by EBITDA for the period. We believe EBITDA, EBITDA Margin, and Gross Debt Leverage to be relevant and useful information to our investors because they provide additional information in assessing our financial operating results. Our management uses EBITDA, EBITDA Margin and Gross Debt Leverage in evaluating our operating performance, our ability to service debt and our ability to fund capital expenditures. However, EBITDA, EBITDA Margin, and Gross Debt Leverage have certain limitations in that they do 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 Gross Debt Leverage should be considered in addition to, and not as a substitute for, or superior to, operating income, net income, net income margin, debt/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. Please see Slide 22 for the reconciliation of these non-GAAP measures to the most directly comparable U.S. GAAP measures.

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. Our management uses Net Debt to review our overall liquidity, financial flexibility, capital structure, and financial leverage. However, Net Debt has certain limitations, including that it should not be considered as an alternative to or in isolation from total debt or any other measure calculated in accordance with U.S. GAAP. 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. Please see Slide 22 for the reconciliation to the most directly comparable U.S. GAAP measure.

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, 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 23 for the reconciliation to the most directly comparable U.S. GAAP measure.

# Endnotes

1. Capital intensity is defined as capital expenditures as a percentage of net sales.
2. This financial guidance is from our October 30, 2023 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 2.
3. 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.
4. 2019 net income includes an \$8 million charge, or \$0.03 per share, related to the early redemption of \$525 million of senior notes due 2022 and a net \$11 million discrete income tax charge, or \$0.05 per diluted share, related to changes in the valuation of certain deferred tax assets.
5. 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.
6. 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.



Thank You