



# Amkor Technology, Inc. Investor Presentation

March 2021

# 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 2020 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

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## 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
- ▶ \$5.1B sales in 2020



# 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

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

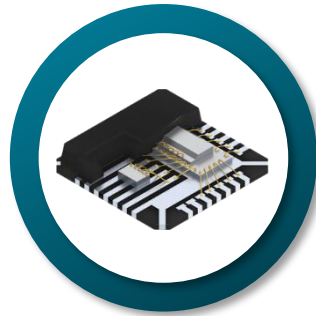


# Complete Package and Test Portfolio

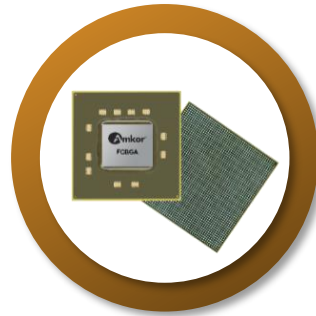
Turnkey services from wafer sort through drop ship



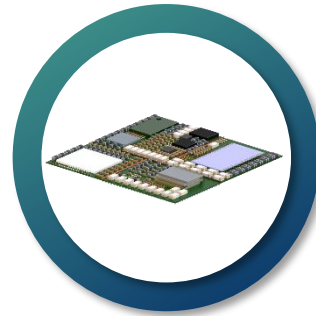
Leadframe/  
Power



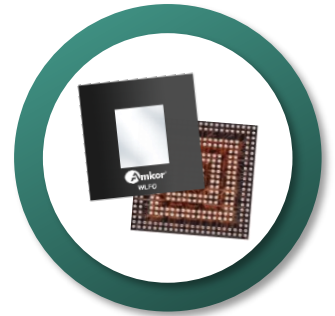
MEMS



Flip Chip



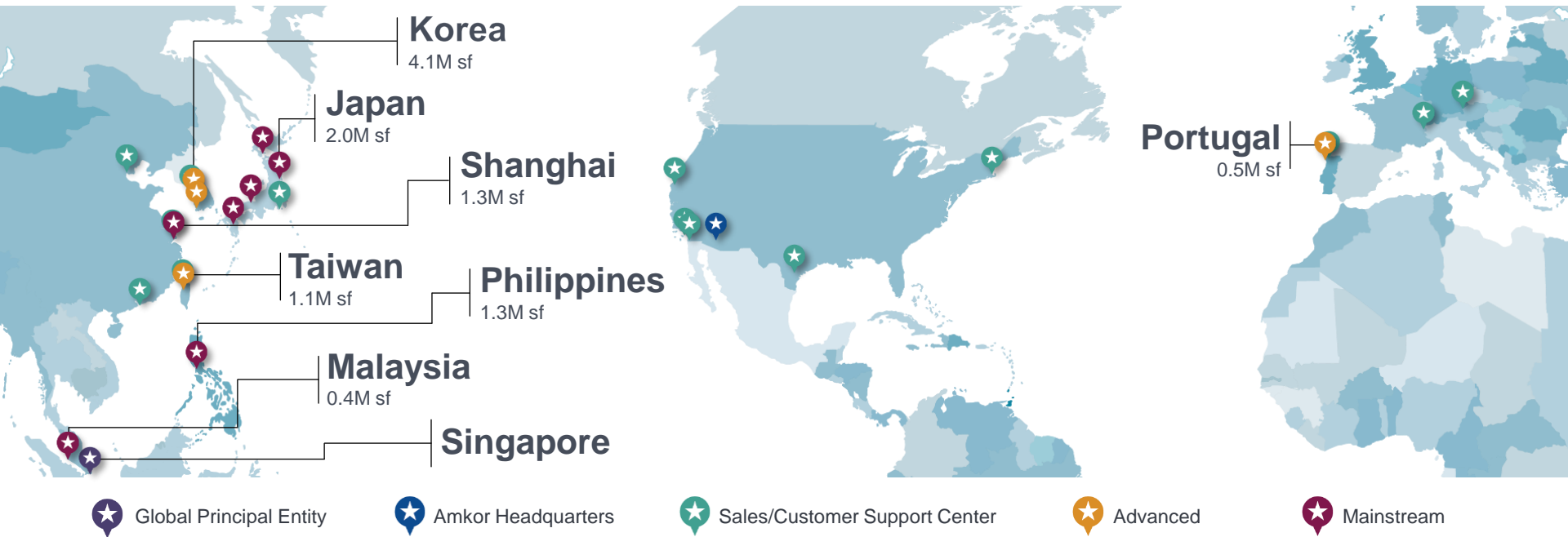
SiP



Wafer Level

# Broad Geographic Footprint

11 million square feet of manufacturing space





# Growth Catalysts Rely on Advanced Packaging

## 5G



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

## IoT



- ▶ Connected home
- ▶ Wearables
- ▶ Industrial automation

## Automotive



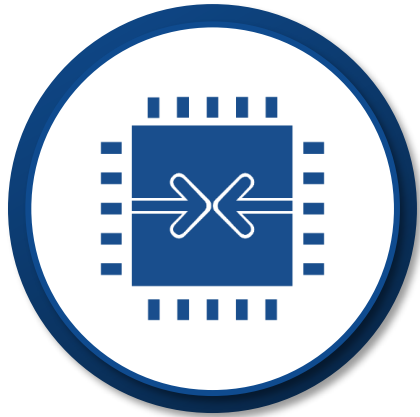
- ▶ ADAS
- ▶ Safety
- ▶ Infotainment
- ▶ Electrification

## HPC/ Networking



- ▶ AI/AR
- ▶ Data center

# Advanced Packaging Value Proposition



Minimize  
Footprint

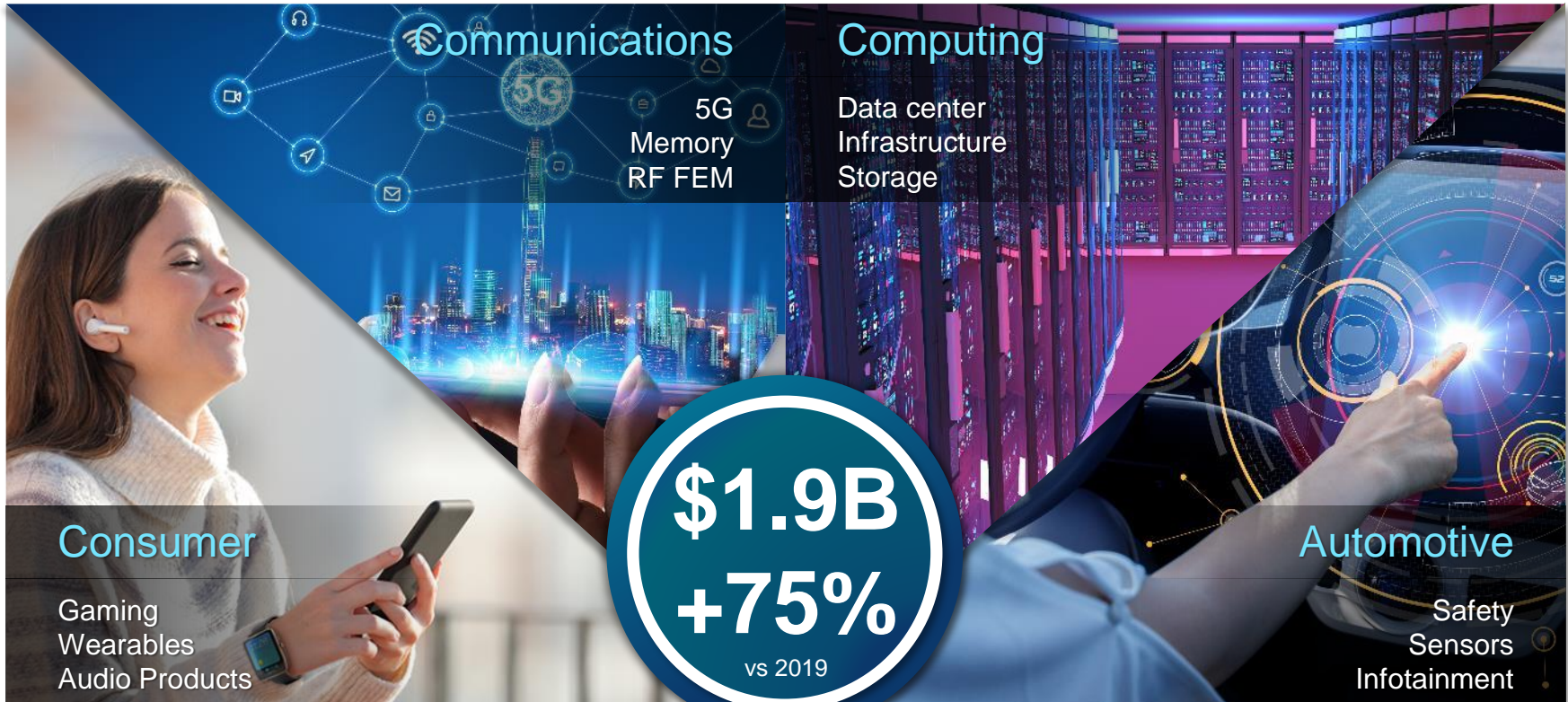


Manage  
Power

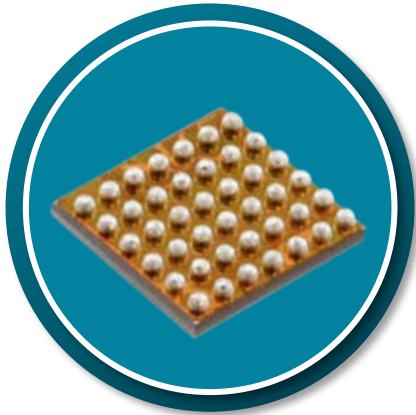


Improve  
Performance

# Advanced SiP Adopted by Multiple Applications



# Wafer Level Packaging

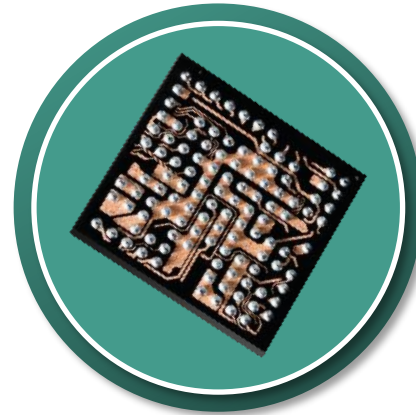


**WLCSP**

**Wafer Level Chip Scale Package**

(Fan-In)

Eliminates substrate



**WLFO**

**Wafer Level Fan-Out**

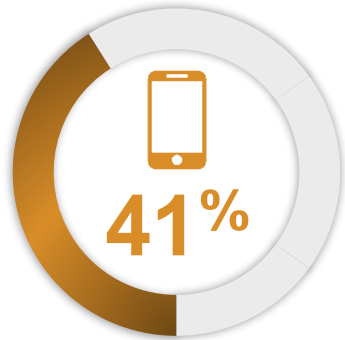
“Stretch” small die to accommodate bond pads

# Flip Chip

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

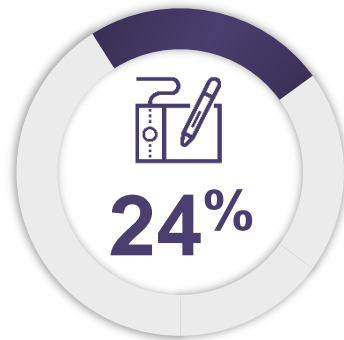


# 2020 End Markets



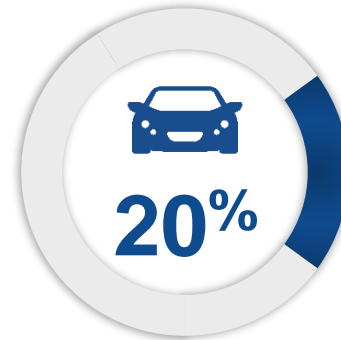
## Communications

Handheld Devices  
Smartphones  
Tablets



## Consumer

Connected Home  
Set-Top Boxes  
Televisions  
Visual Imaging  
Wearables



## Automotive & Industrial

Driver Assist  
Infotainment  
Performance  
Safety



## Computing

Datacenter  
Infrastructure  
PC/Laptops  
Storage

# Amkor Throughout the Smartphone

## Communications

### Value Propositions

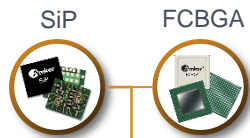
- ▶ Recognized technology leader
- ▶ Diverse packaging solutions
- ▶ Large scale manufacturing in multiple geographies



# Amkor Enabling New Applications in the Car

## Largest Automotive OSAT

### Advanced Packages



Infotainment

### Wirebond Packages

SOIC

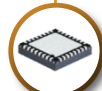


QFP



EV/HEV

Chassis



QFN

ADAS

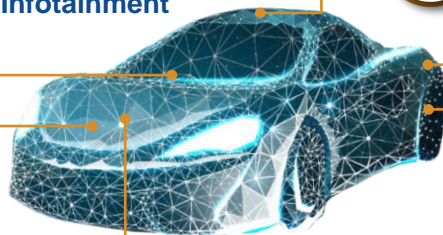


WLFO

Powertrain



Power



### Value Propositions

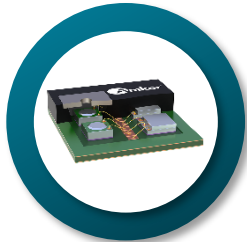
- ▶ >40 yrs of Automotive experience
- ▶ QualityFIRST mindset
- ▶ Leader in advanced Automotive packaging



# Amkor Makes IoT Possible

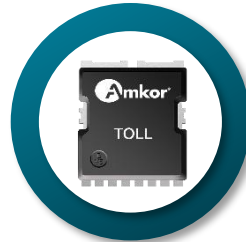
## Consumer

### Multiple Applications



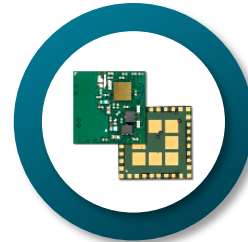
Connectivity  
Sensing  
Computing  
Storage

### 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

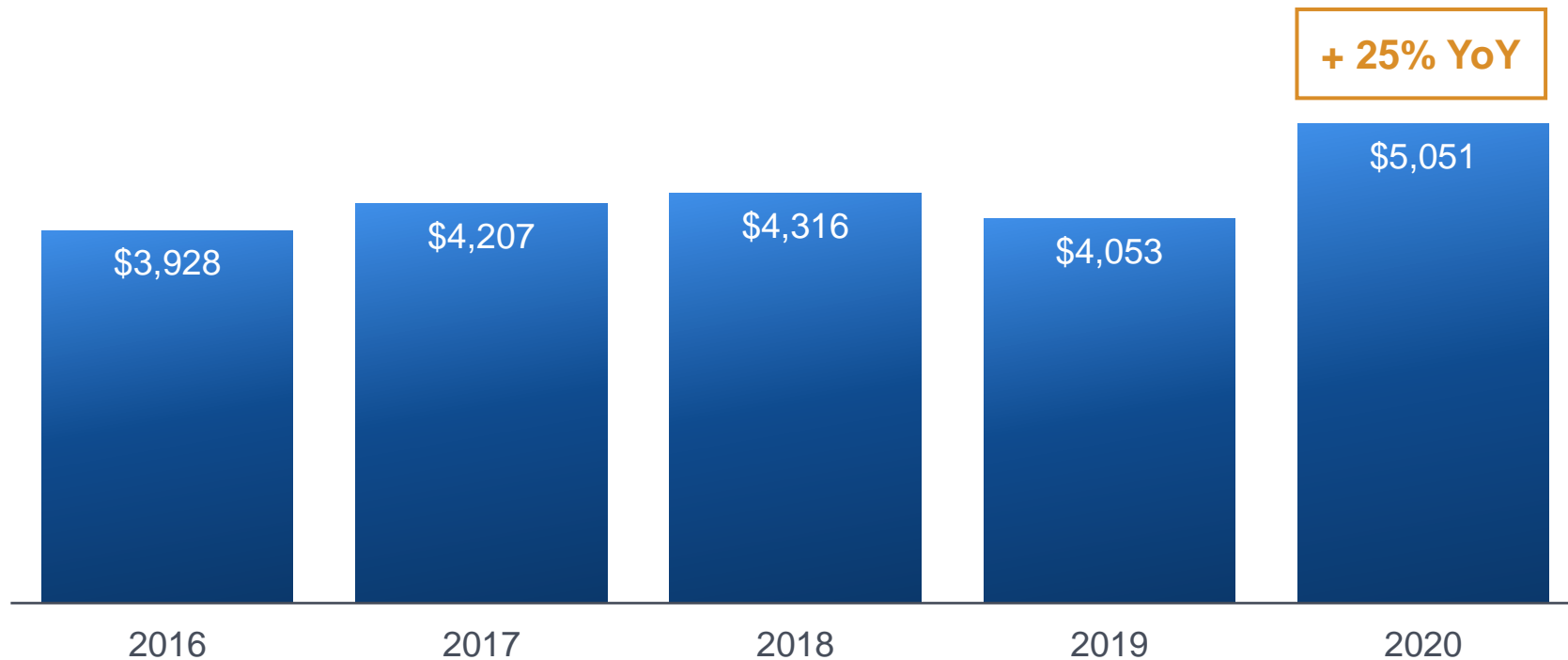


### Storage

Solid State Drive  
Die Stacking  
Stack CSP, WBBGA, SiP

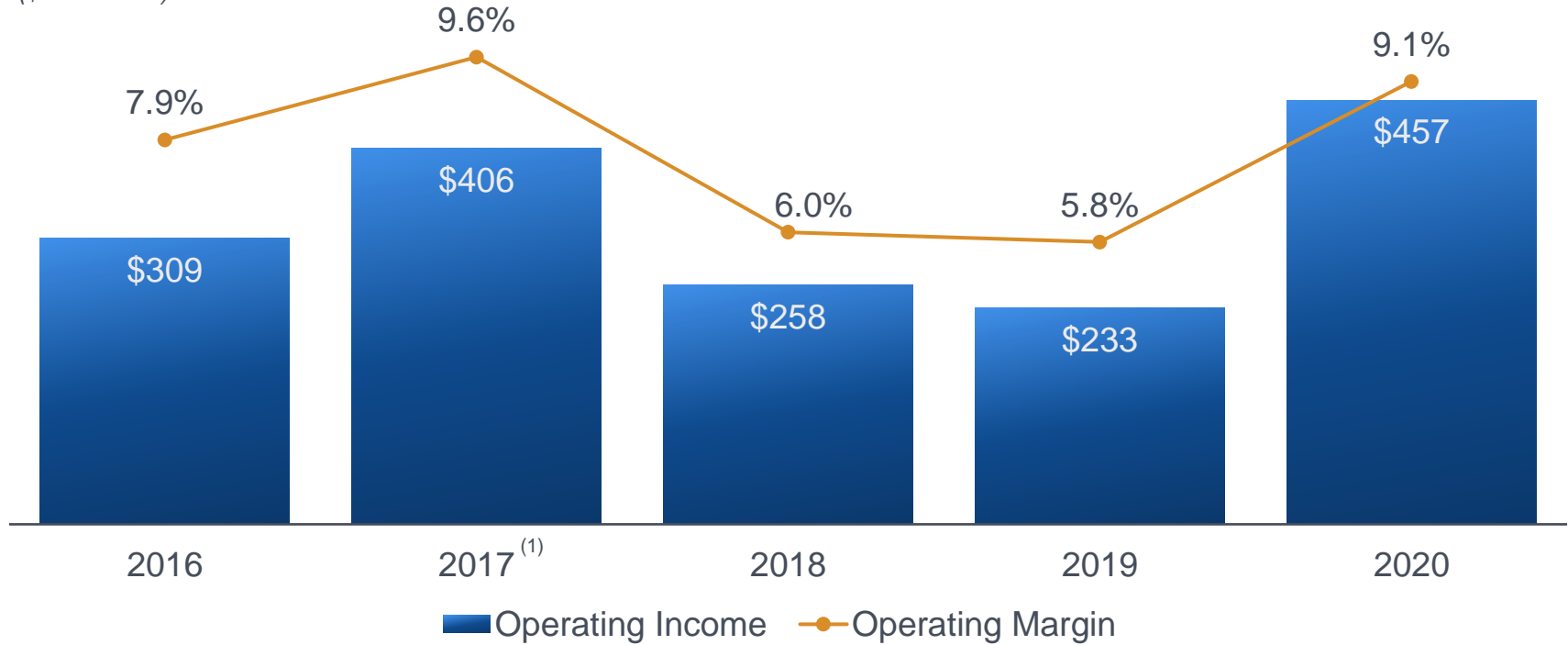
# Revenue Trends

(\$ in millions)



# Operating Income Trends

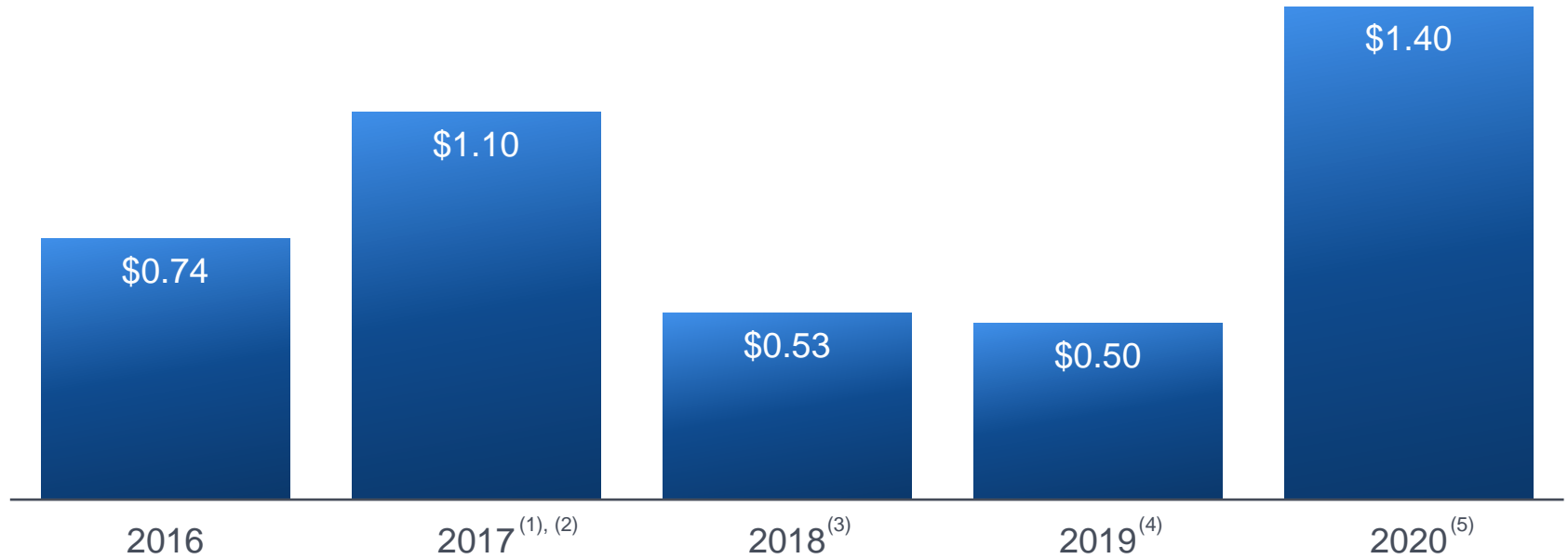
(\$ in millions)



(1): See note on page 33.

# EPS Trends

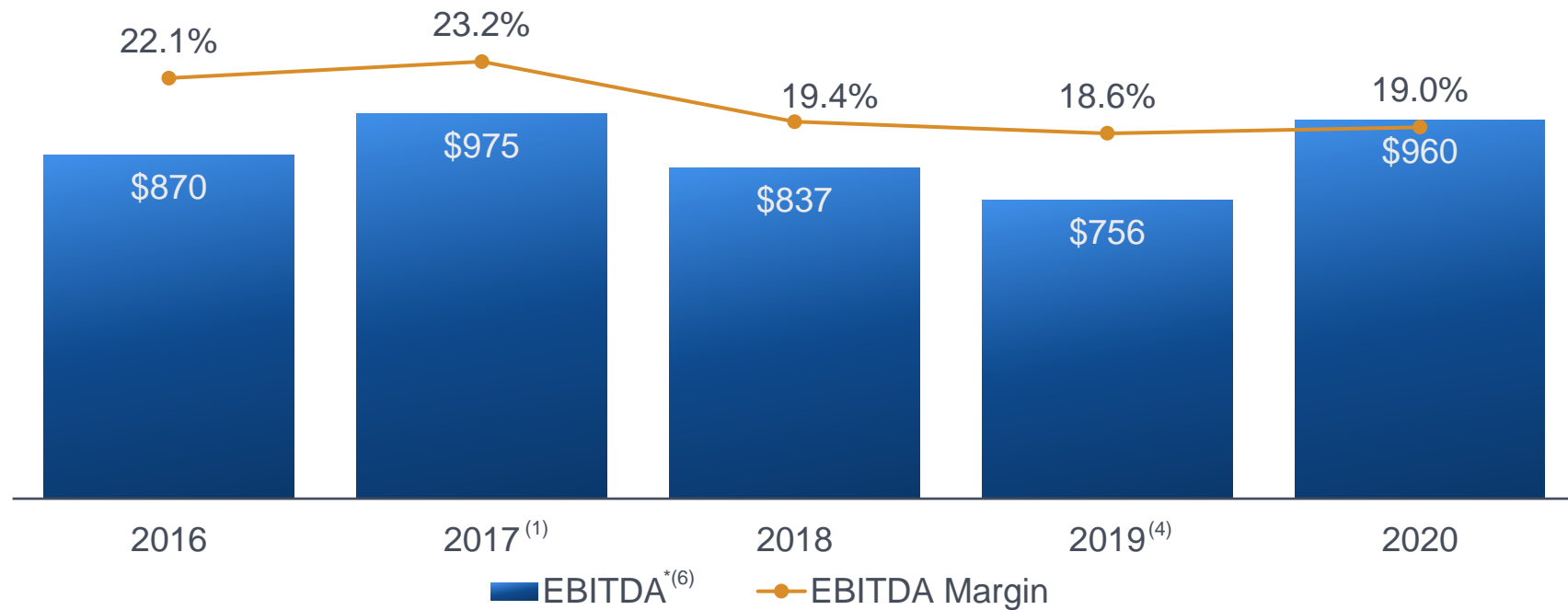
(\$ in millions)



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

# EBITDA Trends

(\$ in millions)

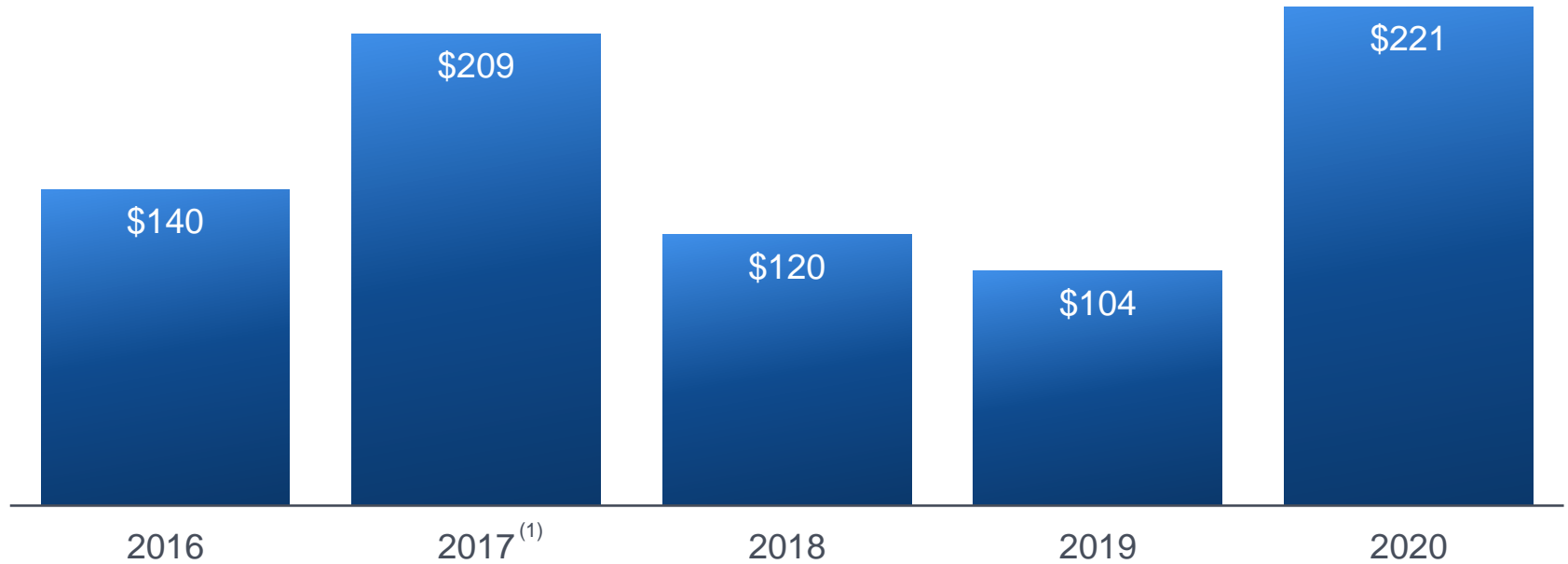


(1), (4), and (6): See notes on page 33.

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

# Free Cash Flow<sup>(7)</sup>

(\$ in millions)

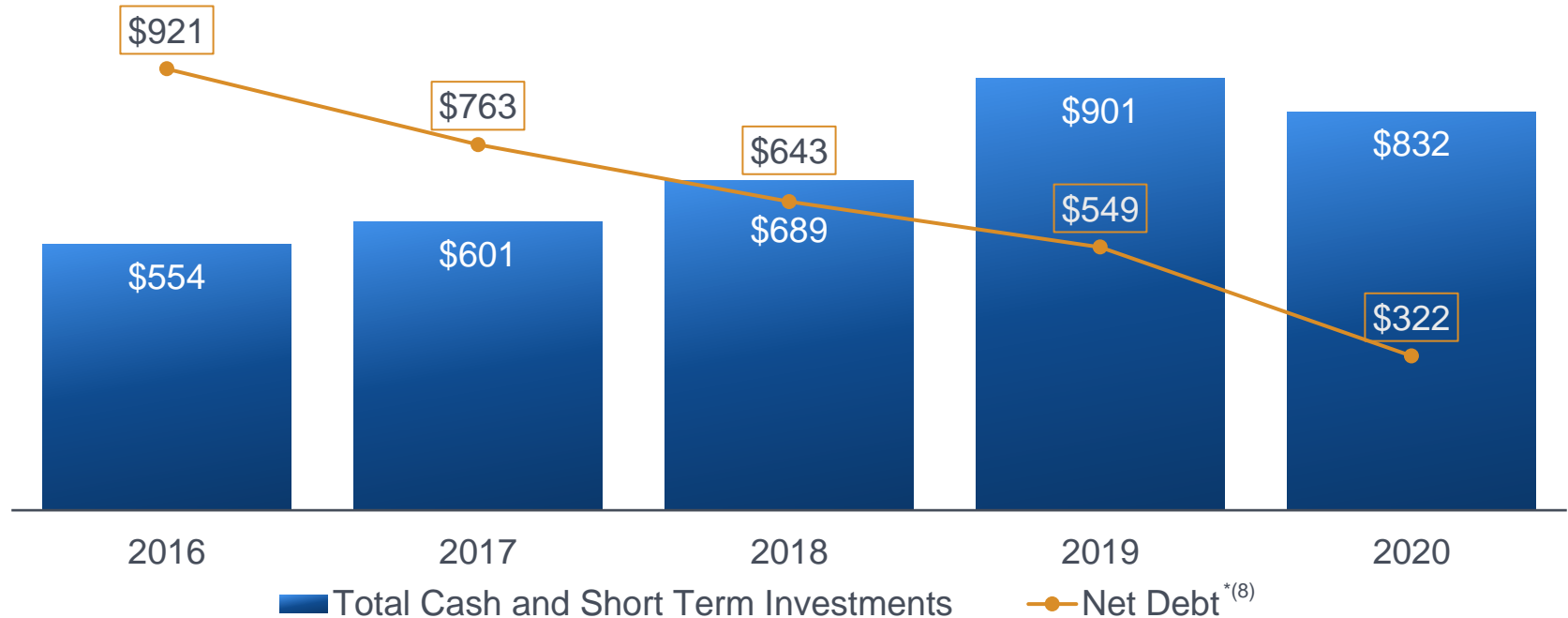


(1) and (7): See notes on page 33.

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

# Balance Sheet Trends

(\$ in millions)



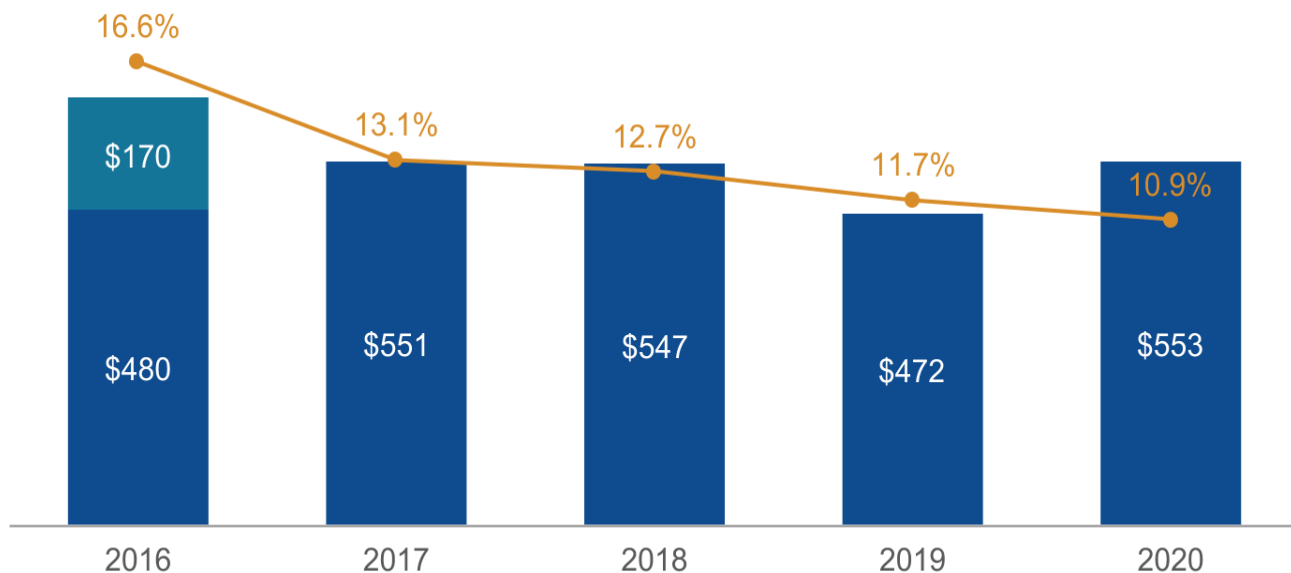
(8): See note on page 33.

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



# Capital Expenditures and Capital Intensity

(\$ in millions)



Expect 2021  
Capital  
Expenditures<sup>(10)</sup>  
of Around  
**\$700M**

■ Capital expenditures ■ K5 Spend\* — Capital Intensity %<sup>(9)</sup>

(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.

# 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 with a light blue and white color scheme. The map is overlaid with a semi-transparent teal and blue geometric pattern consisting of various triangles and polygons. The word "Appendix" is written in a dark blue, sans-serif font on the left side of the map.

# Appendix

# 4Q20 Highlights

<i>(In millions, except per share data)</i>	4Q 2020 <sup>(5)</sup>	4Q 2019 <sup>(11)</sup>	YoY
Net Sales	\$1,371	\$1,178	16%
Gross Margin	20.3%	18.9%	140 bps
Operating Expense	\$119	\$105	14%
Operating Income	\$159	\$118	34%
Operating Margin	11.6%	10.0%	160 bps
Net Income attributable to Amkor	\$127	\$99	\$28
Earnings per Diluted Share	\$0.52	\$0.41	\$0.11

- ▶ All time record revenue
- ▶ YoY growth driven by strength in Computing and Communications
- ▶ Operating income margin increased 160 bps YoY

(5) and (11): See notes on page 33.

# 1Q21 Guidance

As of February 8, 2021<sup>(10)</sup>

*(\$ in millions, except per share data)*



**\$1,270-\$1,370**

Net Sales



**17.0%-20.0%**

Gross Margin



**\$70-\$118**

Net Income  
Attributable to  
Amkor



**\$0.29-\$0.48**

Earnings per  
Diluted Share

(10): See note on page 33.

# Financial Reconciliation Tables

<i>(\$ in millions)</i>	2016	2017 <sup>(1), (2)</sup>	2018 <sup>(3)</sup>	2019 <sup>(4), (12)</sup>	2020 <sup>(5)</sup>
<b>Net Income</b>	<b>\$179</b>	<b>\$268</b>	<b>\$130</b>	<b>\$123</b>	<b>\$340</b>
Plus: Interest Expense (including Related Party)	85	85	79	72	64
Plus: Income Tax Expense	51	40	56	37	46
Plus: Depreciation & Amortization	555	582	572	524	510
<b>EBITDA*<sup>(6)</sup></b>	<b>\$870</b>	<b>\$975</b>	<b>\$837</b>	<b>\$756</b>	<b>\$960</b>
<b>Total Debt</b>	<b>\$1,475</b>	<b>\$1,364</b>	<b>\$1,332</b>	<b>\$1,450</b>	<b>\$1,154</b>
Less: Cash and Cash Equivalents	(550)	(596)	(682)	(895)	(698)
Less: Short Term Investment	(4)	(5)	(7)	(6)	(134)
<b>Net Debt*<sup>(8)</sup></b>	<b>\$921</b>	<b>\$763</b>	<b>\$643</b>	<b>\$549</b>	<b>\$322</b>

(1), (2), (3), (4), (5), (6), (8), and (12): See notes on page 33.

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

# Financial Reconciliation Tables

<i>(\$ in millions)</i>	2016	2017 <sup>(1)</sup>	2018	2019	2020
<b>Net Cash Provided by Operating Activities</b>	<b>\$729</b>	<b>\$618</b>	<b>\$663</b>	<b>\$564</b>	<b>\$770</b>
Less: Payments for Property, Plant and Equipment	(650)	(551)	(547)	(472)	(553)
Plus: Proceeds from Sale of and Insurance Recovery for Property, Plant and Equipment	61	142	4	12	4
<b>Free Cash Flow*<sup>(7)</sup></b>	<b>\$140</b>	<b>\$209</b>	<b>\$120</b>	<b>\$104</b>	<b>\$221</b>

(1) and (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. 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.
2. 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 U.S. tax reform.
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. 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.
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. 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.
8. 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.
9. Capital intensity is defined as capital expenditures as a percentage of net sales.
10. This financial guidance is from our February 8, 2021 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. 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.
12. 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.