



Amkor Technology, Inc. Investor Presentation

November 2018

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 2017 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.

Policy Regarding Prior Guidance and Forward-Looking Statements

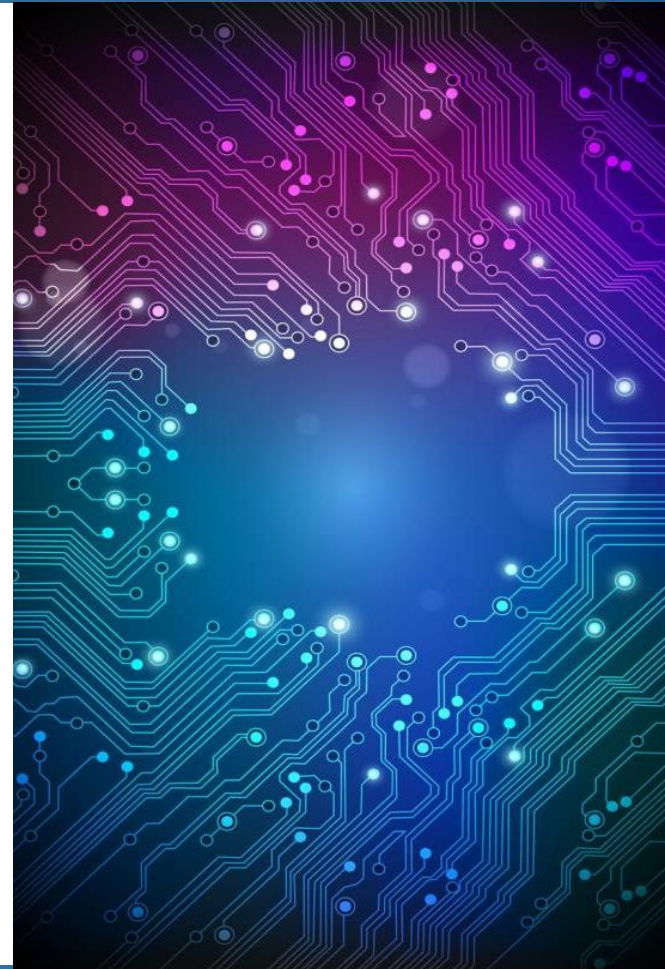
From time to time we may provide financial guidance in our earnings releases and make other forward-looking statements. Our financial guidance and other forward-looking statements are effective only on the date given. In accordance with our policy, we will not update, reaffirm or otherwise comment on 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

- ▶ Trusted OSAT partner since 1968
- ▶ A leader in advanced packaging
- ▶ #1 OSAT for Automotive ICs
- ▶ \$4.2 billion sales in 2017
- ▶ Recent acquisitions: J-Devices and Nanium



The Amkor Value Proposition



Economies
of Scale



Broad Geographic
Footprint



World Class
Service

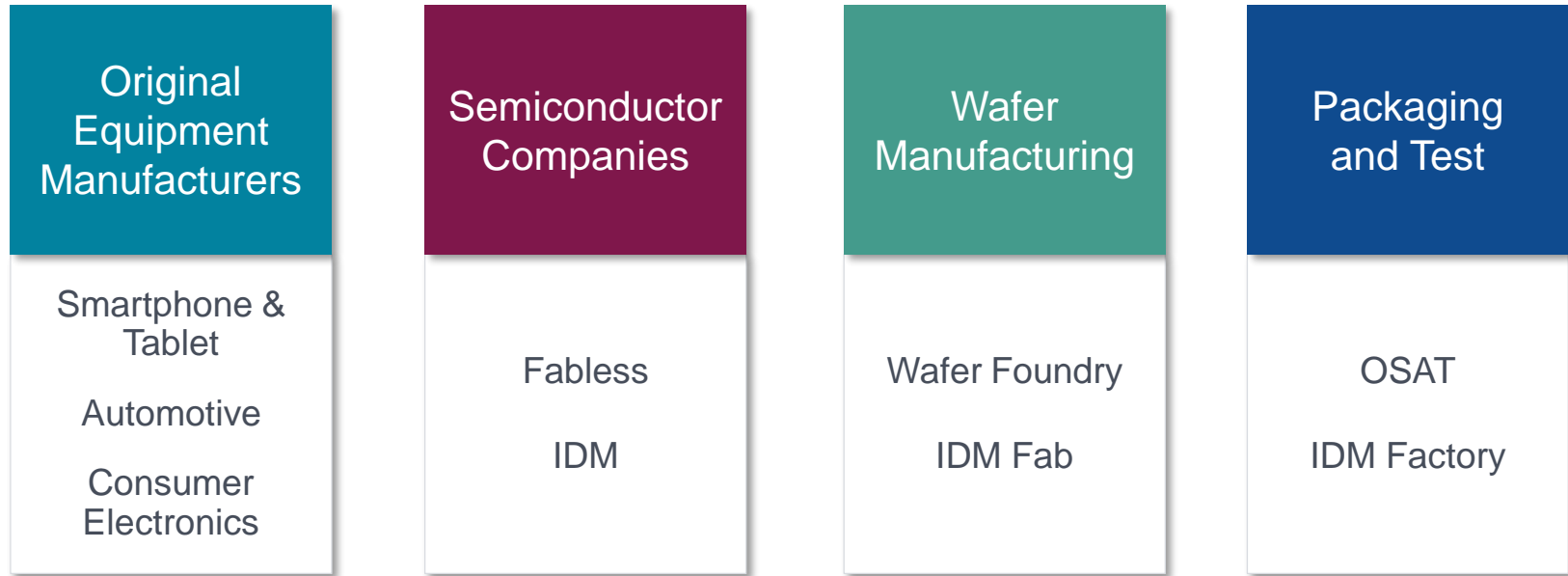


Quality Oriented
Operation



Technology
Leadership

Amkor in the Semiconductor Supply Chain



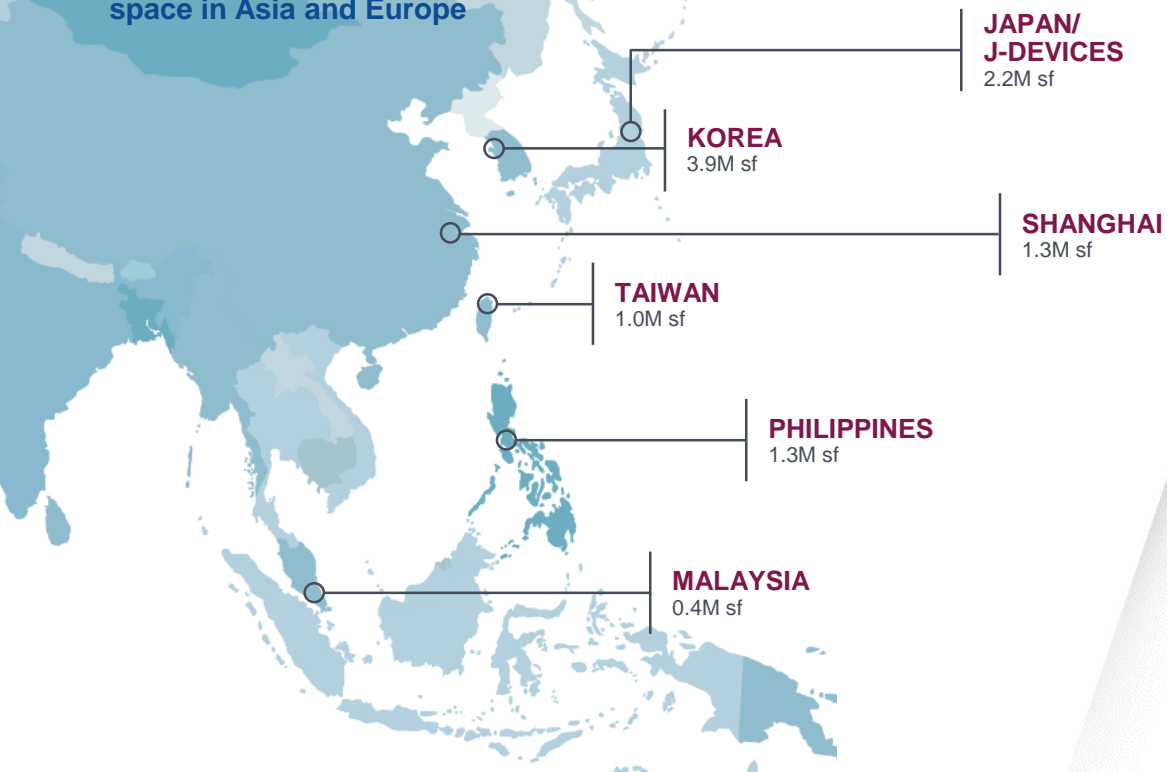
Balanced Growth Strategy

- ▶ Increase revenues in markets other than smartphone (e.g. Automotive)
- ▶ Expand smartphone customer base
 - ▷ Greater China
 - ▷ Multiple tiers
- ▶ Gain share in iOS and Android
 - ▷ Advanced SiP
 - ▷ Wafer-level packaging
- ▶ Focus on flexible manufacturing lines, better planning, higher efficiency



Broad Geographic Footprint

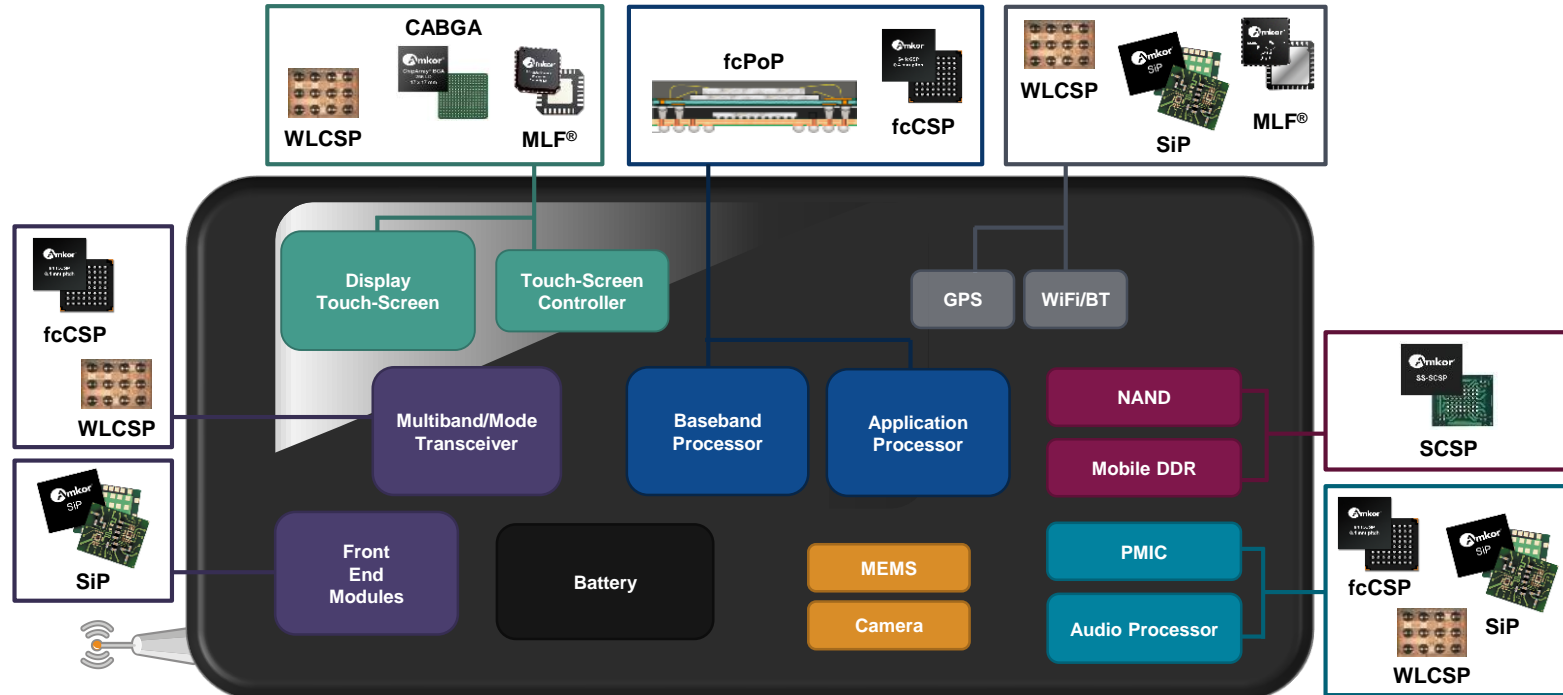
10 million square feet of manufacturing space in Asia and Europe



A map of Europe with a callout to a manufacturing location. The location and its manufacturing space are as follows:

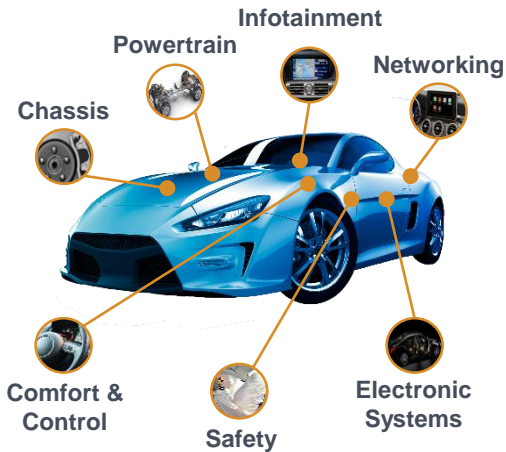
Location	Manufacturing Space
PORTUGAL	0.5M sf

High Amkor Content in Smartphones & Tablets



Adjacent Markets Benefit from Advances in the Smartphone & Tablet Market

Automotive



Networking

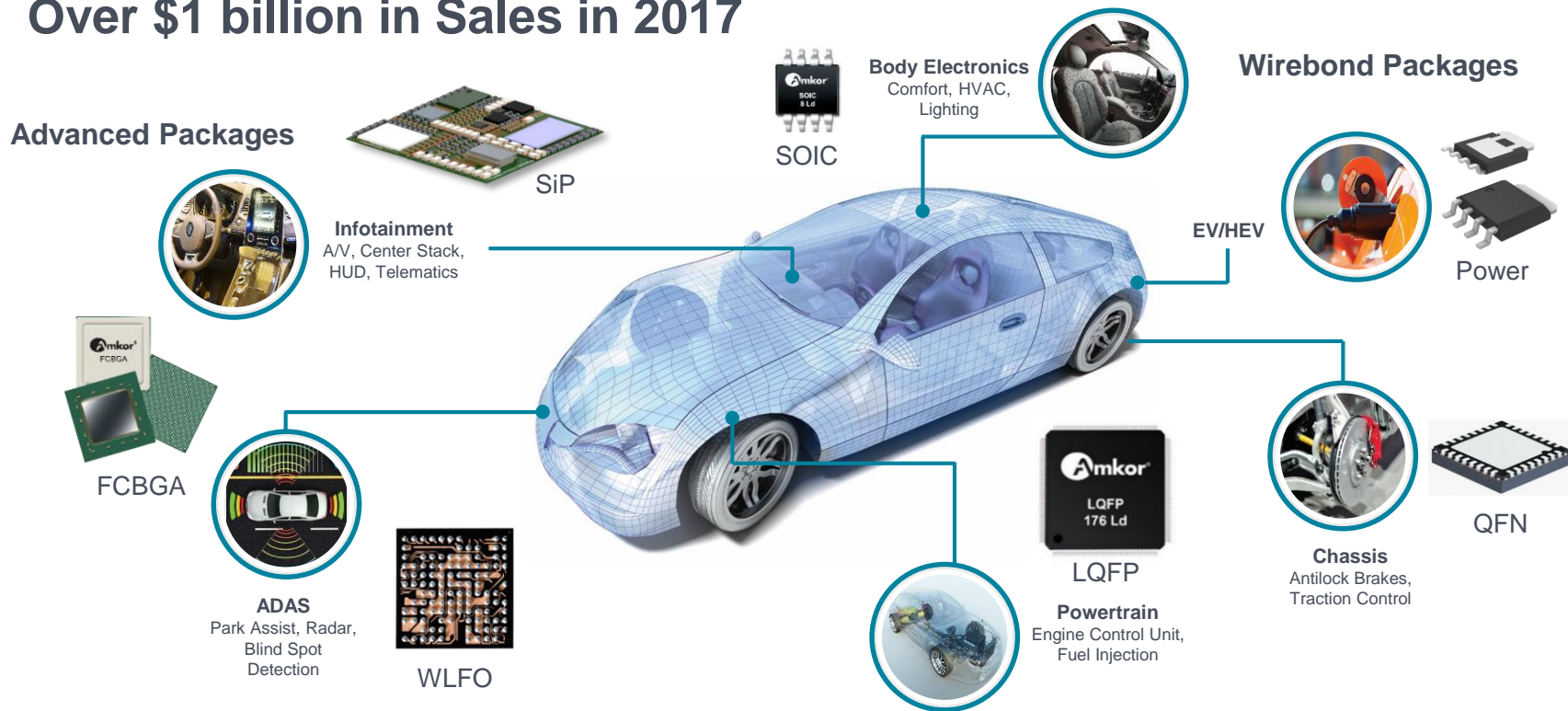


Wearables



Automotive Packaging

Over \$1 billion in Sales in 2017



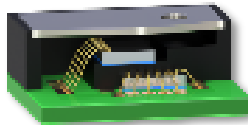
Advanced System-in-Package (SiP)

\$825 million in Sales in 2017

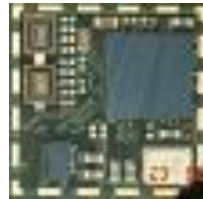
Radio Modules



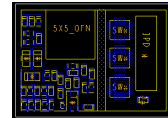
Sensory Modules



Connectivity Modules



Automotive Modules



Mobile Device Modules

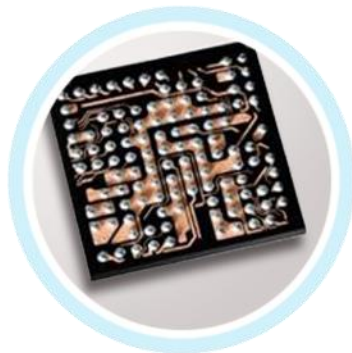


Wafer-level Packaging Platforms



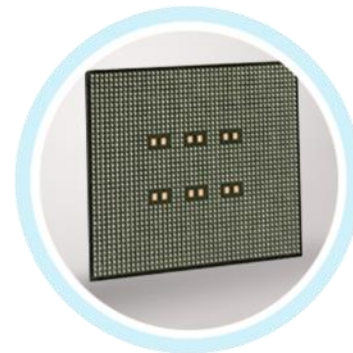
WLCSP
Wafer Level Chip
Scale Package
(Fan-In)

Eliminates substrate
Common form factor for flagship
smartphones



WLFO
Wafer Level Fan-out
(Low density fan out)

“Stretch” small die to
accommodate bond pads
Nanium acquisition



SWIFT®
Silicon Wafer Integrated
Fan-out Technology
(High density fan-out)

Ideal for high pin count and
SiP applications

Advanced SiP and WLP: Key Success Factors

- ▶ Portfolio of key technologies
- ▶ Capital investment
- ▶ Engineering expertise
- ▶ Service infrastructure



Research & Development

Technology Leader



- Low-cost Flip Chip
- Wafer-level Packaging
- Advanced SiP

Cost Innovator



- Engineering lower cost materials
- New low cost manufacturing methods
- Innovating lower cost package structures

2017 End Markets



43%

COMMUNICATIONS

Smartphone
Tablet
Handheld Device



26%

**AUTOMOTIVE &
INDUSTRIAL**

Driver Assist
Infotainment
Safety
Performance



18%

COMPUTING

Data Center
PC/Laptop
Infrastructure
Storage



13%

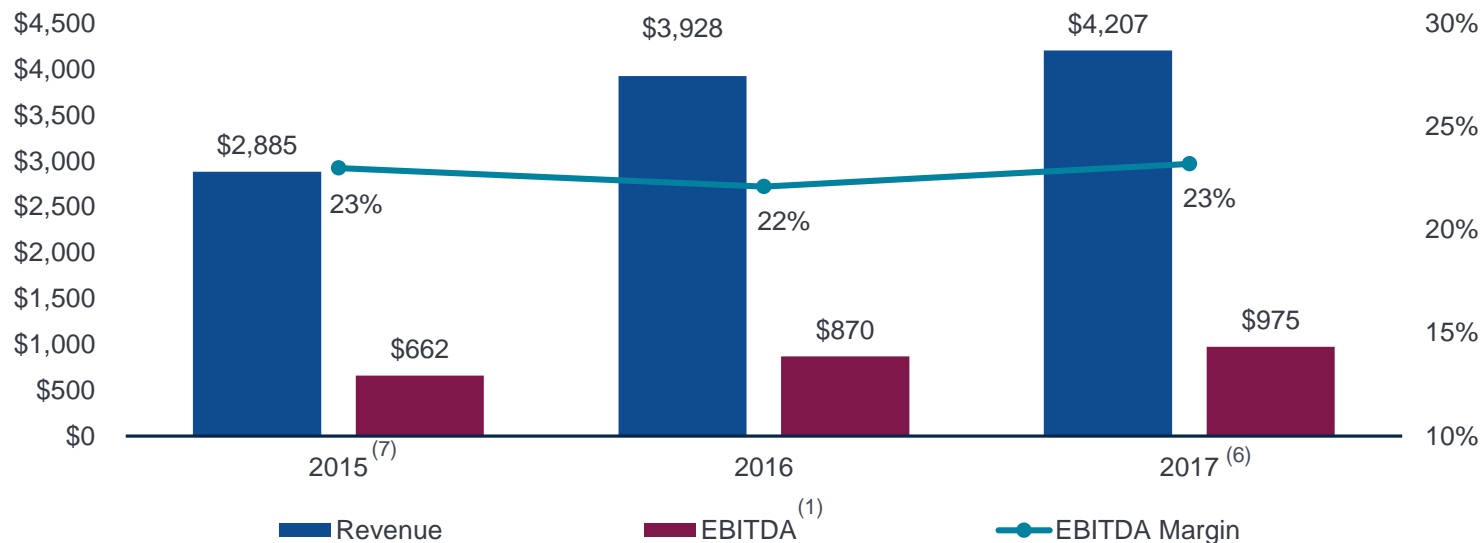
CONSUMER

Television
Set-Top Box
Personal Electronics
Connected Home
Visual Imaging

Profitability Trends

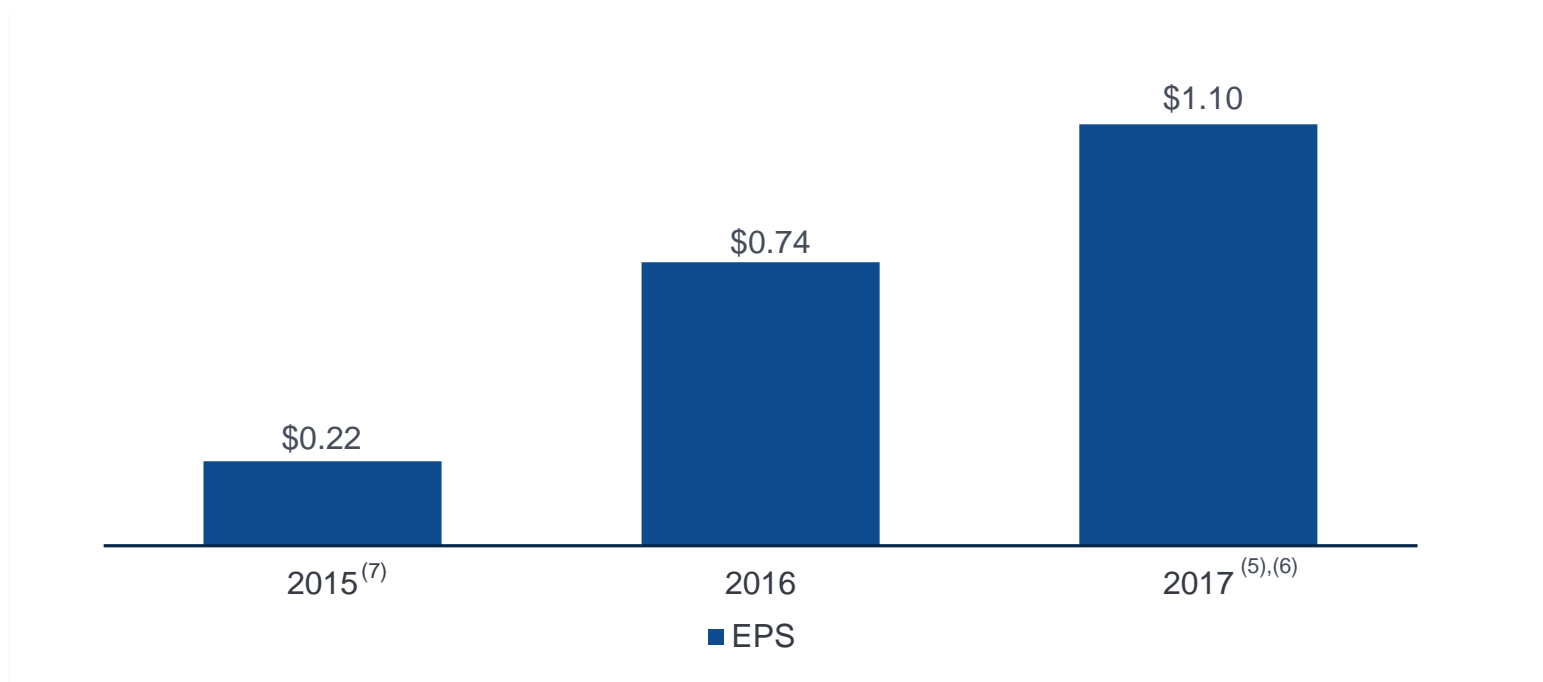
Revenue, EBITDA and EBITDA Margin

\$ in Millions



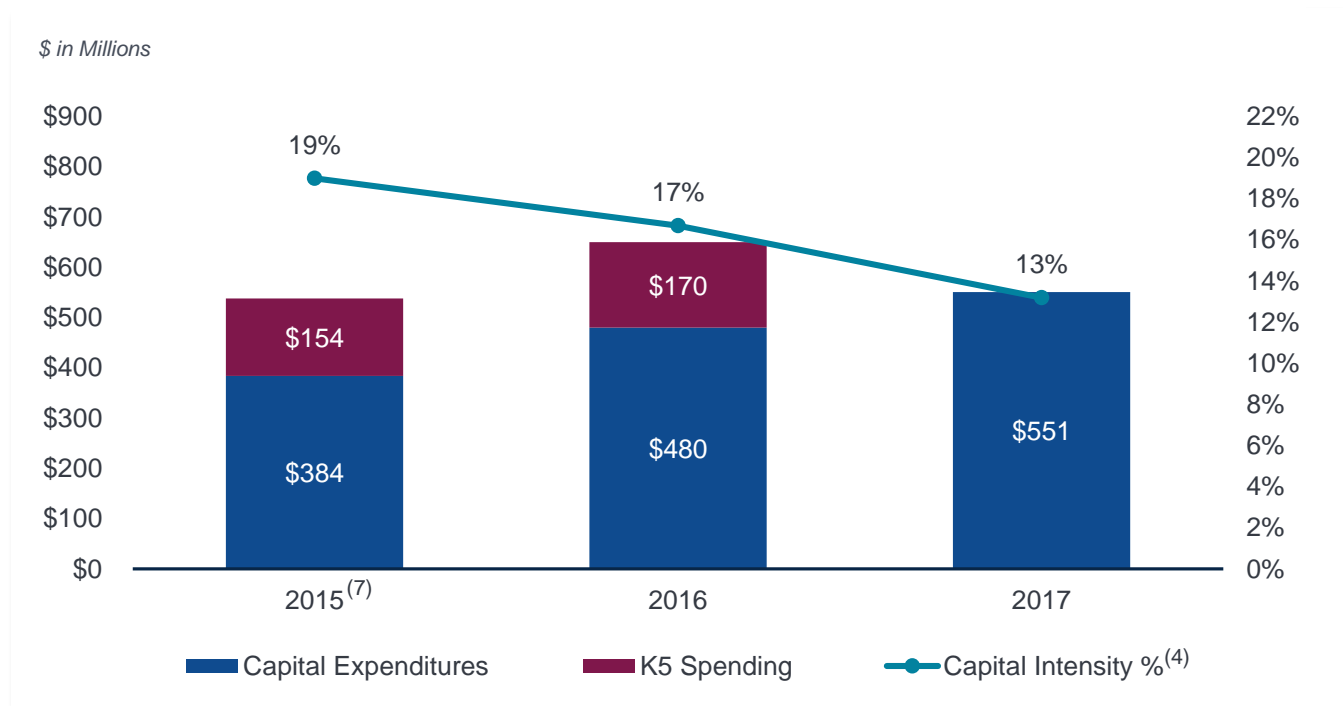
(1), (6), and (7): See notes on page 28.

EPS Trends



(5), (6) and (7): See notes on page 28.

Capital Expenditures and Capital Intensity



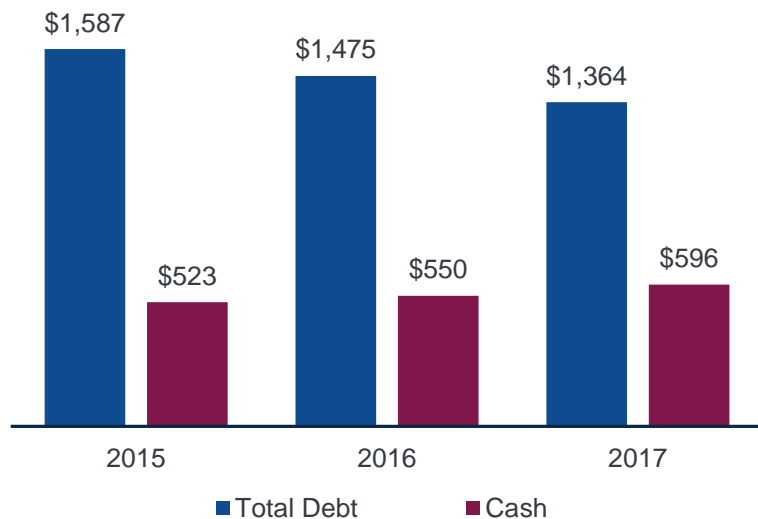
Expect 2018 Capital Expenditures⁽³⁾ of Around
\$600M

(3), (4) and (7): See notes on page 28.

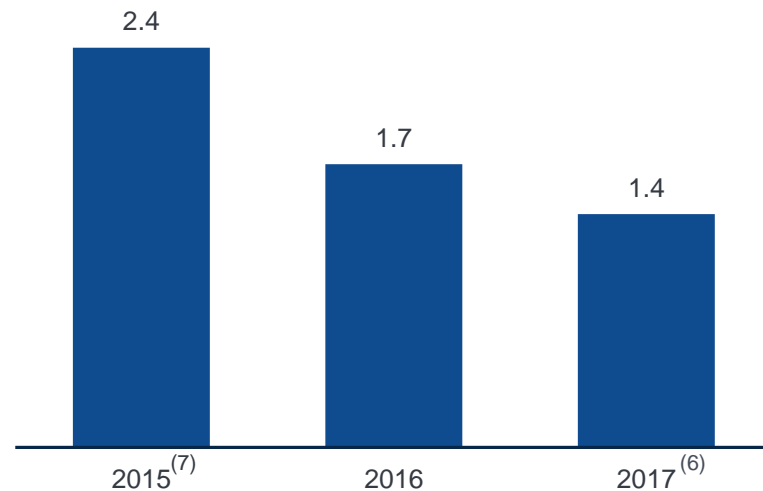
Credit Profile

Total Debt and Cash

\$ in Millions



Debt/EBITDA⁽¹⁾



(1), (6) and (7): See notes on page 28.

3Q18 and 4Q18 Summary

<i>(In Millions, Except per Share Data)</i>	4Q 2018 Guidance As of October 29, 2018 ⁽³⁾	3Q 2018	2Q 2018	3Q 2017
Net Sales	\$1,020 - \$1,100	\$1,144	\$1,066	\$1,149
Gross Margin	13% - 15%	17.5%	15.9%	19.5%
Net Income attributable to Amkor	\$5 – \$34	\$57	\$33	\$59
Earnings per Diluted Share	\$0.02 – \$0.14	\$0.24	\$0.14	\$0.25
EBITDA ⁽¹⁾	-	\$235	\$208	\$251
Net Cash Provided by Operating Activities	-	\$221	\$59	\$214
Free Cash Flow ⁽²⁾	-	\$133	(\$100)	\$74

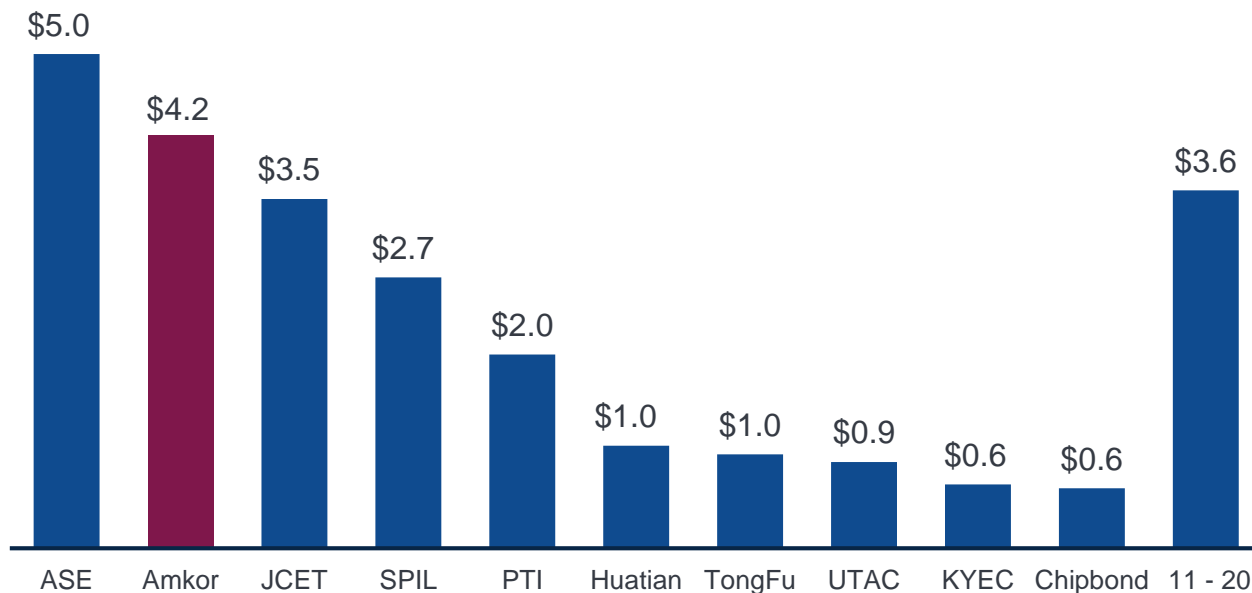
(1), (2), and (3): See notes on page 28.



Appendix

2017 OSAT Sales – Top 20

\$ in Billions



Top 20
+\$25B
Revenue

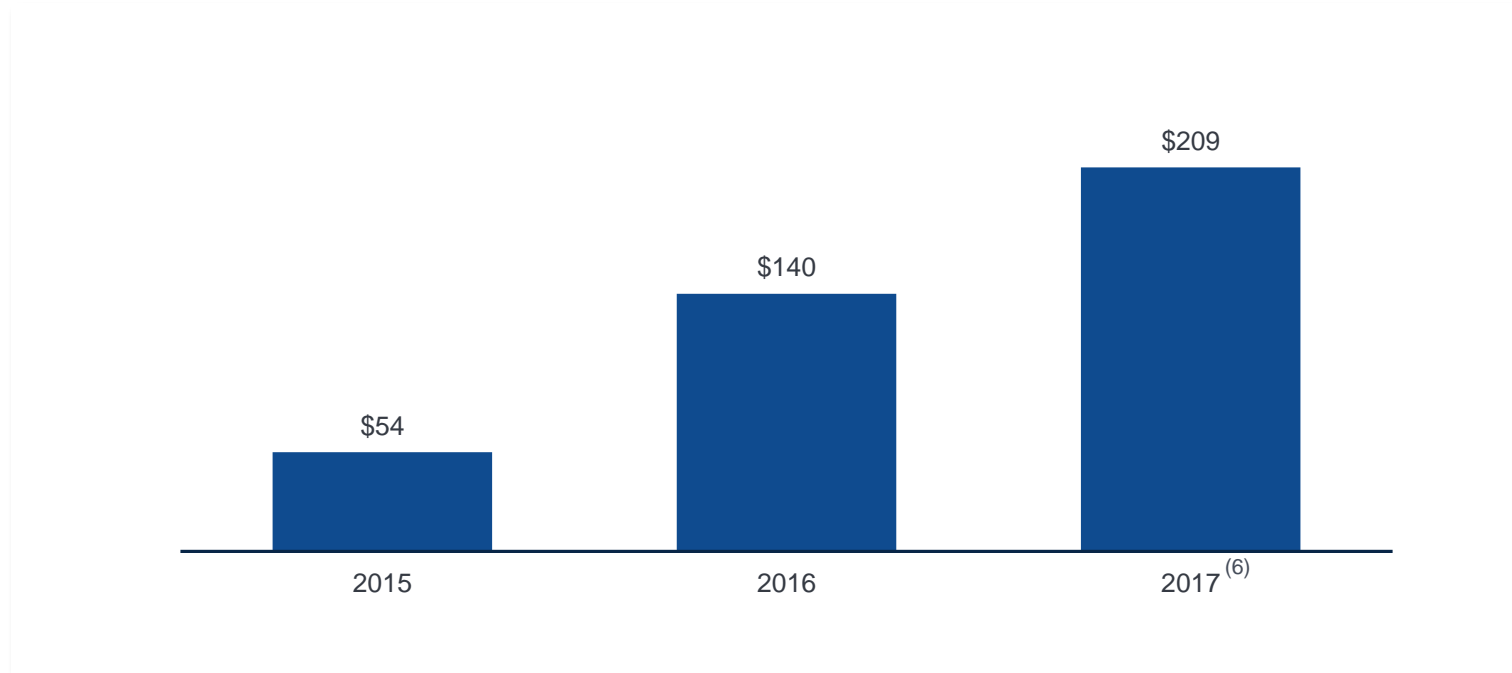
Amkor
17%
Share*

Source: IC Insights, April 2018

*Share of Top 20 OSATS

Free Cash Flow⁽²⁾

\$ in Millions

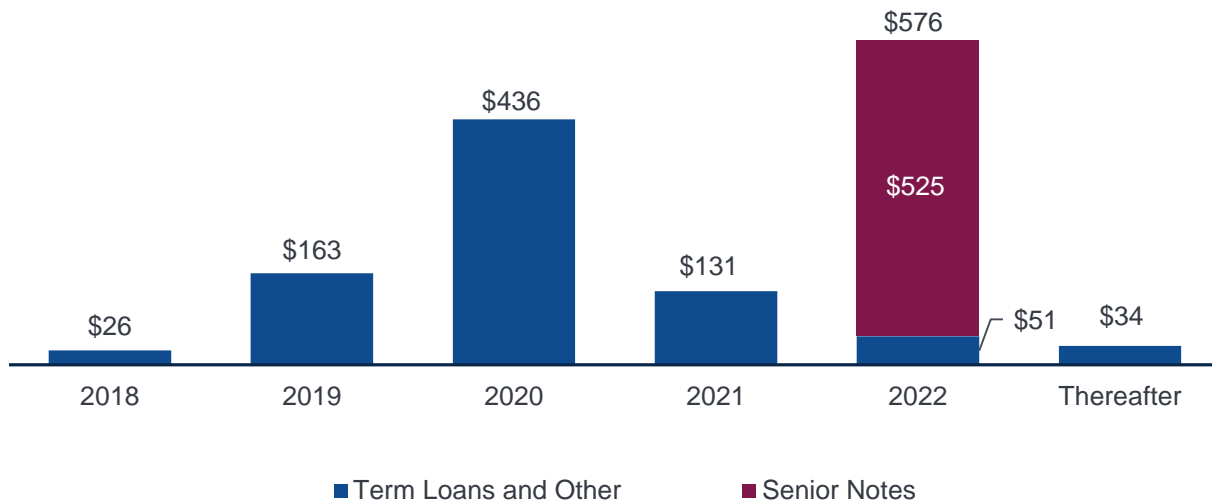


(2) and (6) : See notes on page 28.

Debt Maturities

Maturity Profile as of September 30, 2018

\$ in Millions



\$550M

Cash

\$275M

In Available
Credit

Financial Reconciliation Tables

<i>\$ in Millions</i>	2017 ⁽⁶⁾	2016	2015 ⁽⁷⁾	3Q18	2Q18	3Q17
Net Income	\$268	\$179	\$54	\$57	\$33	\$60
Plus: Interest Expense (including Related Party)	85	85	86	20	21	21
Plus: Income Tax Expense	40	51	28	14	11	21
Plus: Depreciation & Amortization	582	555	494	144	143	149
EBITDA*	\$975	\$870	\$662	\$235	\$208	\$251
Debt	\$1,364	\$1,475	\$1,587	-	-	-
Debt / EBITDA*	1.4	1.7	2.4	-	-	-
Net Cash Provided by Operating Activities	\$618	\$729	\$585	\$221	\$59	\$214
Less: Payments for Property, Plant and Equipment	(551)	(650)	(538)	(88)	(159)	(142)
Plus: Proceeds from Sale of and Insurance Recovery for Property, Plant and Equipment	142	61	7	0	0	2
Free Cash Flow*	\$209	\$140	\$54	\$133	(\$100)	\$74

(6) and (7): See notes on page 28.

* See discussion of non-GAAP measures on page 27

Revision to Previously Reported Financial Information*

<i>\$ in Millions</i>	2016	2017	1Q17	2Q17	3Q17	4Q17
Net Sales – As Previously Reported	\$3,894	\$4,186	\$914	\$989	\$1,135	\$1,148
Adjustments	34	21	(15)	19	14	2
Net Sales – As Revised	\$3,928	\$4,207	\$899	\$1,008	\$1,149	\$1,150
Gross Profit - As Previously Reported	\$695	\$757	\$143	\$172	\$217	\$225
Adjustments	15	4	(7)	5	7	(1)
Gross Profit - As Revised	\$710	\$761	\$136	\$177	\$224	\$224
Gross Margin – As Previously Reported	17.9%	18.1%	15.6%	17.4%	19.1%	19.6%
Gross Margin – As Revised	18.1%	18.1%	15.1%	17.5%	19.5%	19.5%
Net Income attributable to Amkor – As Previously Reported	\$164	\$261	(\$10)	\$116	\$54	\$101
Adjustments	12	3	(5)	3	5	(1)
Net Income attributable to Amkor – As Revised	\$176	\$264	(\$15)	\$119	\$59	\$100
Earnings per Diluted Share – As Previously Reported	\$0.69	\$1.09	(\$0.04)	\$0.48	\$0.23	\$0.42
Earnings per Diluted Share – As Revised	\$0.74	\$1.10	(\$0.06)	\$0.50	\$0.25	\$0.42

* Effective January 1, 2018, we adopted Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*, utilizing the full retrospective transition method. The financial information contained in this presentation has been revised accordingly for the impacted periods. Due to rounding, the sum of the quarters may not aggregate to the full year results.

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.

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.

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.

Endnotes

- 1) EBITDA is defined as net income before interest expense, income tax expense and depreciation and amortization. Please see reconciliation of non-GAAP measures on page 25.
- 2) 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 25.
- 3) This financial guidance is from our October 29, 2018 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.
- 4) Capital intensity is defined as capital expenditures as a percentage of net sales.
- 5) Q4 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 related to U.S. tax reform.
- 6) In May 2017, we sold the land and buildings comprising our K1 factory for \$142.4 million which resulted in a pre-tax gain of \$108.1 million, and \$0.34 per diluted share.
- 7) Effective January 1, 2018, we adopted Topic 606 with full retrospective transition for periods after January 1, 2016. Periods prior to January 1, 2016 are not revised for this new standard.