

Improving operating economics accompanied by greater capital intensity and execution exposure

1 | KEY RESULTS VS. CONSENSUS

Metric	Reported	Consensus	vs. Cons.
Revenue	\$1.9906 billion	\$2.04 billion	-2.4%
Diluted EPS (vs. Year Ago)	\$0.76	\$0.51	+49.0%

2 | GUIDANCE AND OUTLOOK

Q4 revenue of \$1.9 billion to \$2.0 billion is entirely below \$2.05 billion consensus; EPS is \$0.65 to \$0.75, gross margin 18% to 19%, and net income \$160 million to \$185 million. The 2026 CapEx estimate narrowed to approximately \$2.5 billion from \$2.5 billion to \$3.0 billion, primarily reflecting Arizona payment timing. Spending increases in 2027; Arizona investment is expected to peak in 2028 and 2029. The full-year tax-rate outlook moved from approximately 20% to a high-teens percentage.

3 | EARNINGS ANALYSIS

MIX IMPROVES, REVENUE DISAPPOINTS. Computing and Automotive & Industrial each grew 37% year over year, but Communications revenue declined 8% sequentially and Consumer weakness left consolidated revenue unchanged. Gross margin missed consensus by 70 basis points. R&D expense of \$39.8 million was approximately \$8.2 million below consensus, offsetting part of the gross-profit shortfall. Computing grew 25% sequentially versus the previous nearly 30% expectation because line loading took longer, not because of supply constraints. The reported 2.2% after-hours decline to \$36.01 is directionally consistent with weaker revenue guidance and a gross-margin miss offsetting positive strategic commentary.

OPERATING IMPROVEMENT SURVIVES NORMALIZATION. Q2 included a \$21 million property-sale gain and \$14 million of net discrete tax benefits. Excluding the property gain, Q3 operating income rose approximately 25.6% sequentially on stable underlying expenses. EBITDA retains approximately \$23.4 million of other income, so the full figure is not manufacturing earnings before depreciation. Q3 operating cash flow of approximately \$486.8 million included approximately \$110.5 million of favorable asset-and-liability changes, limiting conclusions about recurring cash conversion.

RICHER MIX, LIMITED PROFIT ACCELERATION. Management attributed gross-margin expansion primarily to richer high-value advanced-packaging mix. Lower materials intensity was partly offset by higher labor, depreciation and other manufacturing costs. Foreign exchange and the Kumamoto earthquake created an approximately 60-basis-point unfavorable sequential margin impact. Q4 midpoint gross margin improves to 18.5%, while gross profit and operating profit remain approximately flat to slightly lower sequentially.

FUNDING CAPACITY IS NOT RETURN. Q3 cash capital spending of approximately \$548.4 million absorbed all operating cash generation. Liquidity of \$3.4 billion is broader than balance-sheet cash; funding was described as solid through 2027. Net debt was approximately \$91 million before leases and other adjustments. Construction spending affects cash flow before the full depreciation and underutilization burden appears.

COMMITMENTS LEAVE CONTRACT RISK. Advance-payment arrangements with 12 customers since 2025 reduce speculative capacity risk. NVIDIA agreements across Arizona and South Korea total \$3 billion, including the new \$1.3 billion Korean agreement. These advances finance future services, not incremental lifetime revenue. Disclosed terms do not establish minimum volumes, cancellation penalties, refund rights or minimum returns. Equipment reuse does not guarantee replacement demand at sufficient scale.

THROUGHPUT MUST VALIDATE THE THESIS. New HDFO and 2 new 2.5D programs broaden the pipeline, but growth remains concentrated. Completed-product output, rather than WIP accumulation, should support growth. February 2027 guidance must clarify CapEx, customer advances and depreciation. Q3 establishes credible operating improvement, but does not yet establish sufficiently attractive through-cycle returns on the enlarged capital base.

4 | KEY READ-THROUGHS

PROCESS CONTROL HAS A STRONGER FUNDAMENTAL READ-THROUGH
Camtek (CAMT), Onto Innovation (ONTO) | Positive | High business-level relevance / meaningful relevance

Complex redistribution layers, interconnects and multi-die integration increase inspection and metrology requirements. Amkor’s HDFO CPU flow exceeds 300 manufacturing steps, while new programs broaden production. Camtek identified high-end advanced packaging as approximately 60% to 70% of its business. This supports investment-cycle durability, not immediate earnings upgrades: building expenditure is not tool orders, and process steps cannot be converted proportionally into inspection-tool demand. Onto’s OSAT orders cannot be assigned to Amkor.

VEHICLE COMPUTING CONTENT AND MAINSTREAM INVENTORY NORMALIZATION ARE IMPROVING TOGETHER
NXP (NXPI), Qualcomm (QCOM) | Positive | Substantial relevance / meaningful but smaller consolidated contribution

Amkor’s Automotive & Industrial revenue grew 37% year over year and 7% sequentially as ADAS, infotainment and mainstream automotive packages improved. Rising chip content and inventory normalization can support demand without stronger vehicle sales. NXP’s mix was approximately 55% Automotive and 22% Industrial & IoT. Qualcomm also benefits, but its larger handset exposure tempers the consolidated positive. Qualcomm’s reported automotive revenue already grew 61% year over year.

PREMIUM SMARTPHONES ARE NOT INSULATED FROM COMPONENT CONSTRAINTS
Apple (AAPL) | Negative | Moderately negative

Component shortages constrain premium smartphones and wearables into Q4, while higher memory costs pressure device economics. Management expects both Android and iOS to decline sequentially. Communications is guided down high-single digits and Consumer down mid-teens, worse than normal seasonality. Required-component shortages can limit finished-device shipments despite demand. Amkor’s SiP relocation and build schedules prevent translating its revenue decline directly into Apple shipment declines. Apple’s November 2 report tests holiday-quarter production availability and costs.

SCARCE PACKAGING CAPABILITY SUPPORTS BETTER COMMERCIAL TERMS
ASE Technology Holding (3711) | Positive | Moderate positive consolidated read-through
Customers prioritize securing qualified packaging capacity, improving manufacturers’ negotiating leverage and loading visibility. ASE’s Q2 ATM gross margin was 27.3%, so Amkor corroborates favorable conditions rather than disclosing a new ASE order or realized price increase. Material-cost pass-through can preserve profit dollars without raising margin percentages. Customer willingness to support returns is qualitative; no contractual margin floor or quantified industry-wide pricing increase was provided. Attractive accounting margins can coexist with weak free cash flow.