Amcor Technology, Inc. (AMKR)

Updated August 31st, 2025 by Prakash Kolli

Key Metrics

Current Price:	$24	**5 Year CAGR Estimate:**	-2.2%	**Market Cap:**	$5.98B
Fair Value Price:	$16	**5 Year Growth Estimate:**	5.0%	**Ex-Dividend Date:**	09/03/25
% Fair Value:	156%	**5 Year Valuation Multiple Estimate:**	-8.5%	**Dividend Payment Date:**	09/23/25
Dividend Yield:	1.4%	**5 Year Price Target**	$20	**Years Of Dividend Growth:**	5
Dividend Risk Score:	C	**Sector:**	Information Technology	**Rating:**	Hold

Overview & Current Events

Amkor Technology Inc. was founded in 1968 and is headquartered in the U.S. The company provides outsourced semiconductor packaging and test services globally, including design, materials management, wafer dicing, package assembly, final test, and drop shipping. Amkor has approximately 13 million square feet of manufacturing space, with the majority located in Asia. Its end markets are Communications (48% of revenue), Computing (19% of revenue), Automotive & Industrial (18% of revenue), and Consumer (15% of revenue). From the viewpoint of services, revenue is 88% packaging and 12% testing. Total revenue was $6,318M in 2024.

Amkor Technology reported solid Q2 FY2025 results on July 28, 2025. Companywide revenue increased 14% to $1,511M from $1,461M, while diluted earnings per share declined to $0.22 from $0.27 on a year-over-year basis. Earnings were impacted by 250 bps lower gross margins. Revenue from Advanced products increased to $1,228M from $1,064M, while revenue from Mainstream products grew to $283M from $258M.

The firm is expanding its packaging and test facilities in the United States, Korea, and Portugal.

The company set 3Q 2025 guidance at approximately $1.875 to $1.975 billion in revenue and diluted EPS of $0.34 to $0.38.

Growth on a Per-Share Basis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
EPS	$0.34	$0.69	$0.58	$0.60	$0.57	$1.40	$2.62	$3.11	$1.46	$1.43	***$1.11***	***$1.42***
DPS	-	-	-	-	-	$0.04	$0.17	$0.23	$0.30	$0.32	***$0.33***	***$0.40***
Shares[1]	237.2	238.1	239.7	239.7	240.1	242.3	245.7	246.2	247.2	247.8	***248.4***	***251.6***

Amkor Technology's revenue has trended upward over the past decade with a few interruptions, primarily driven by organic growth. Semiconductor usage and, consequently, demand for packaging and testing facilities have grown over time. Growth drivers have been the increasing use of laptops, home gaming and audio, smartphones, datacenters, automotive electronics, and now generative AI. We do not expect these trends to subside. Additionally, more firms are designing their own semiconductors, which requires outsourced packaging and testing facilities. However, earnings per share have exhibited inconsistent growth because of demand cyclicality, high fixed costs, and inflation. Currently, tariffs and the resulting economic uncertainty represent risks.

We expect earnings per share to grow at ~5% annually on average due to organic growth driven by rising semiconductor production and the need for outsourced services. However, growth will be volatile.

The company primarily returns cash to shareholders through dividends. It has a 5-year streak of increasing the dividend. The payout ratio is conservative at about 30%, leaving room for future increases. It also provides investors with reasonable confidence about the dividend safety in a cyclical business. We estimate a growth rate of ~4% per year, slightly lower than the earnings growth rate due to year-to-year earnings volatility. The firm is not conducting share repurchases, and the annual number increases slightly each year.

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[1] Share count in millions.

Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.

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Valuation Analysis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Now	2030
Avg. P/E	16.8	14.3	16.2	10.2	21.4	10.1	9.0	7.4	22.0	17.8	***21.8***	***14.0***
Avg. Yld.	-	-	-	-	-	0.3%	0.7%	1.0%	0.9%	1.3%	***1.4%***	***2.0%***

Amkor Technology's share price is up after beating estimates and providing a positive outlook. We set our fiscal year 2025 earnings estimate at the consensus. We set our fair value multiple at 14 times earnings, which is slightly below the 10-year average, taking into account tariffs, inflation, and economic uncertainty. Our fair value estimate is now $16. Our 5-year price target is now $20.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
Payout	-	-	-	-	-	3%	6%	7%	21%	22%	***30%***	***28%***

Amkor Technology's competitive advantages are its scale, history, and expertise in supplying outsourced packaging and testing services to global semiconductor firms. They rely on Amkor for innovation to address increasingly complex chip designs and optimized performance and power. Amkor's expertise is not easily recreated.

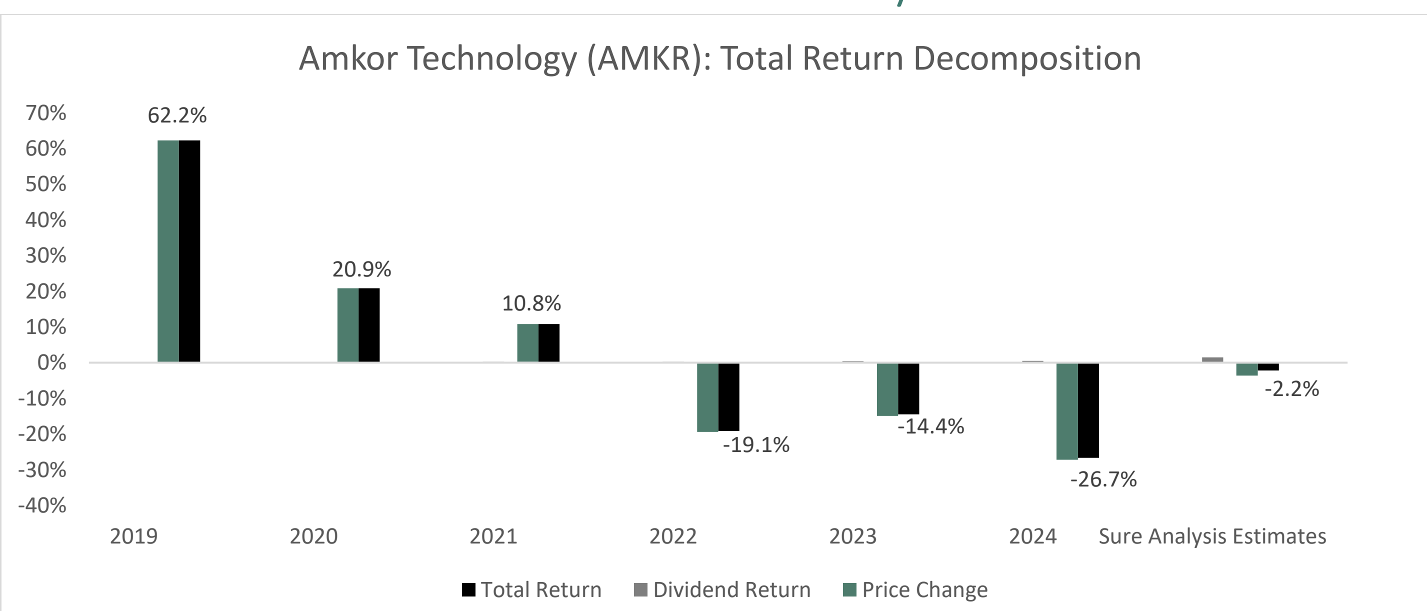
The company is not recession resistant. Many of Amkor Technology's end markets are cyclical, and thus, demand for its outsourced services has been affected. A future recession would likely result in lower revenue and earnings.

The company has a net cash position. It has $375M in current long-term debt and $1,198M in long-term debt that is offset by $2,044M in cash and equivalents. Interest coverage is about 6.14X.

Final Thoughts & Recommendation

Currently, we are forecasting a -2.2% annualized total return over the next five years, based on a dividend yield of 1.4%, 5% EPS growth, and a -8.5% contraction in the P/E multiple. Despite market leadership in the U.S. and growing revenue, Amkor has not successfully translated this into consistent earnings per share growth. This is mainly due to the cyclical nature of its end markets. That said, the firm is growing and paying a rising dividend. However, the current share price discounts the gains we envision over the next five years. Our rating for this equity is a hold.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenue	2,885	3,894	4,207	4,316	4,053	5,051	6,138	7,092	6,503	6,318
Gross Profit	479	669	761	711	649	901	1,226	1,330	943	933
Gross Margin	16.6%	17.2%	18.1%	16.5%	16.0%	17.8%	20.0%	18.8%	14.5%	14.8%
SG&A Exp.	232	284	297	295	282	303	296	283	295	-
D&A Exp.	494	555	582	572	524	510	564	613	632	595
Operating Profit	165	267	297	258	230	475	766	897	470	438
Op. Margin	5.7%	6.9%	7.1%	6.0%	5.7%	9.4%	12.5%	12.7%	7.2%	6.9%
Net Profit	54	167	268	130	123	340	646	767	362	356
Net Margin	1.9%	4.3%	6.4%	3.0%	3.0%	6.7%	10.5%	10.8%	5.6%	5.6%
Free Cash Flow	47	79	67	116	91	217	342	190	521	345
Income Tax	28	48	40	56	37	46	69	90	82	75

Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Assets	4,026	4,092	4,508	4,495	4,696	5,022	6,039	6,822	6,771	6,944
Cash & Equivalents	525	552	598	684	896	833	1,079	1,241	1,595	1,647
Acc. Receivable	526	563	798	724	851	963	1,259	1,366	1,149	1,055
Inventories	238	268	214	231	221	297	485	630	393	311
Goodwill & Int.	23	24	25	26	26	27	25	22	20	18
Total Liab.	2,809	2,689	2,789	2,640	2,705	2,668	3,066	3,122	2,776	2,761
Accounts Payable	434	487	569	530	571	636	829	899	754	713
Long-Term Debt	1,587	1,475	1,364	1,332	1,606	1,314	1,370	1,526	1,384	1,423
Total Equity	1,200	1,384	1,696	1,831	1,964	2,326	2,942	3,669	3,962	4,150
LTD/E Ratio	1.32	1.07	0.80	0.73	0.82	0.57	0.47	0.42	0.35	0.34

Profitability & Per Share Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Return on Assets	1.4%	4.1%	6.2%	2.9%	2.7%	7.0%	11.7%	11.9%	5.3%	5.2%
Return on Equity	4.6%	12.8%	17.1%	7.2%	6.4%	15.7%	24.2%	23.0%	9.4%	8.7%
ROIC	2.0%	5.9%	9.0%	4.1%	3.6%	9.4%	16.1%	16.0%	6.8%	6.5%
Shares Out.	237.2	238.1	239.7	239.7	240.1	242.3	245.7	246.2	247.2	247.8
Revenue/Share	12.16	16.36	17.55	18.00	16.88	20.85	24.98	28.80	26.31	25.49
FCF/Share	0.20	0.33	0.28	0.49	0.38	0.90	1.39	0.77	2.11	1.39

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.