

Forward-Looking Statements

Information in this presentation regarding MagnaChip's forecasts, business outlook, expectations and beliefs are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 that involve risks and uncertainties. All forward-looking statements included or incorporated by reference in this presentation, including expectations about estimated historical or future operating results, business strategies and plans, future growth and revenue opportunities from new and existing products and customers, expectations on capital expenditures, the timing and extent of future revenue contributions by our products and businesses, and on our the expected timing and adequacy of improvements to, and remediation of material weaknesses in, the Company's internal control environment and corporate culture, are based upon information available to MagnaChip as of the date of this report, which may change, and we assume no obligation to update any such forward-looking statements. These statements are not guarantees of future performance and actual results could differ materially from our current expectations. Factors that could cause or contribute to such differences include general economic conditions, the impact of competitive products and pricing, timely design acceptance by our customers, timely introduction of new products and technologies, ability to ramp new products into volume production, industry wide shifts in supply and demand for semiconductor products, industry and/or company overcapacity, effective and cost efficient utilization of manufacturing capacity, financial stability in foreign markets and the impact of foreign exchange rates, unanticipated costs and expenses or the inability to identify expenses which can be eliminated, compliance with U.S. and international trade and export laws and regulations by us and our distributors, and other risks detailed from time to time in MagnaChip's filings with the SEC, including our Form 10-K filed on February 22, 2018 and subsequent registration statements, amendments or other reports that we may file from time to time with the SEC and/or make available on our website. MagnaChip assumes no obligation and does not intend to update the forward-looking statements provided, whether as a result of new information, future events or otherwise.

This presentation also includes references to certain non-GAAP financial measures. Management believes that non-GAAP financial measures, when viewed in conjunction with GAAP results, can provide a meaningful understanding of the factors and trends affecting MagnaChip's business and operations and assist in evaluating our core operating performance. However, such non-GAAP financial measures have limitations and should not be considered as a substitute for net income or as a better indicator of our operating performance than measures that are presented in accordance with GAAP. A reconciliation of GAAP results to non-GAAP results is included in this presentation.



MagnaChip 2.0: Creating a Foundation for Profitable Growth With Display, Power and Foundry

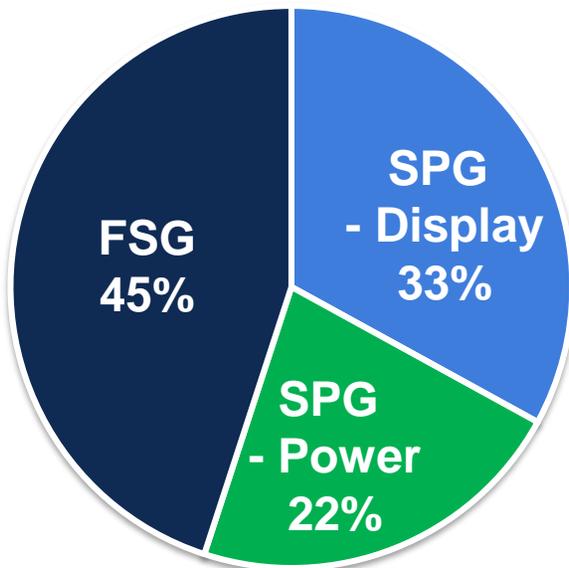
September 2018



A Balanced Portfolio of Products and Services with Growth Opportunities in Diversified Markets

LTM Revenue (\$717M)

Q3'17: \$177M, Q4'17: \$175M, Q1'18: \$166M, Q2'18: \$200M



Product Breadth

- Over 2,000 products

Intellectual Property

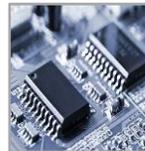
- Approximately 3,100 patents
- >50 novel OLED design and manufacturing patents

Business Lines



• Display Solutions: 33%

- Largest independent supplier of OLED display drivers to panel makers for smartphones
- Portfolio of six rigid bezel-less and flexible OLED drivers
- Low-power 28nm OLED driver to sample by yearend 2018 or early 2019



• Power Solutions: 22%

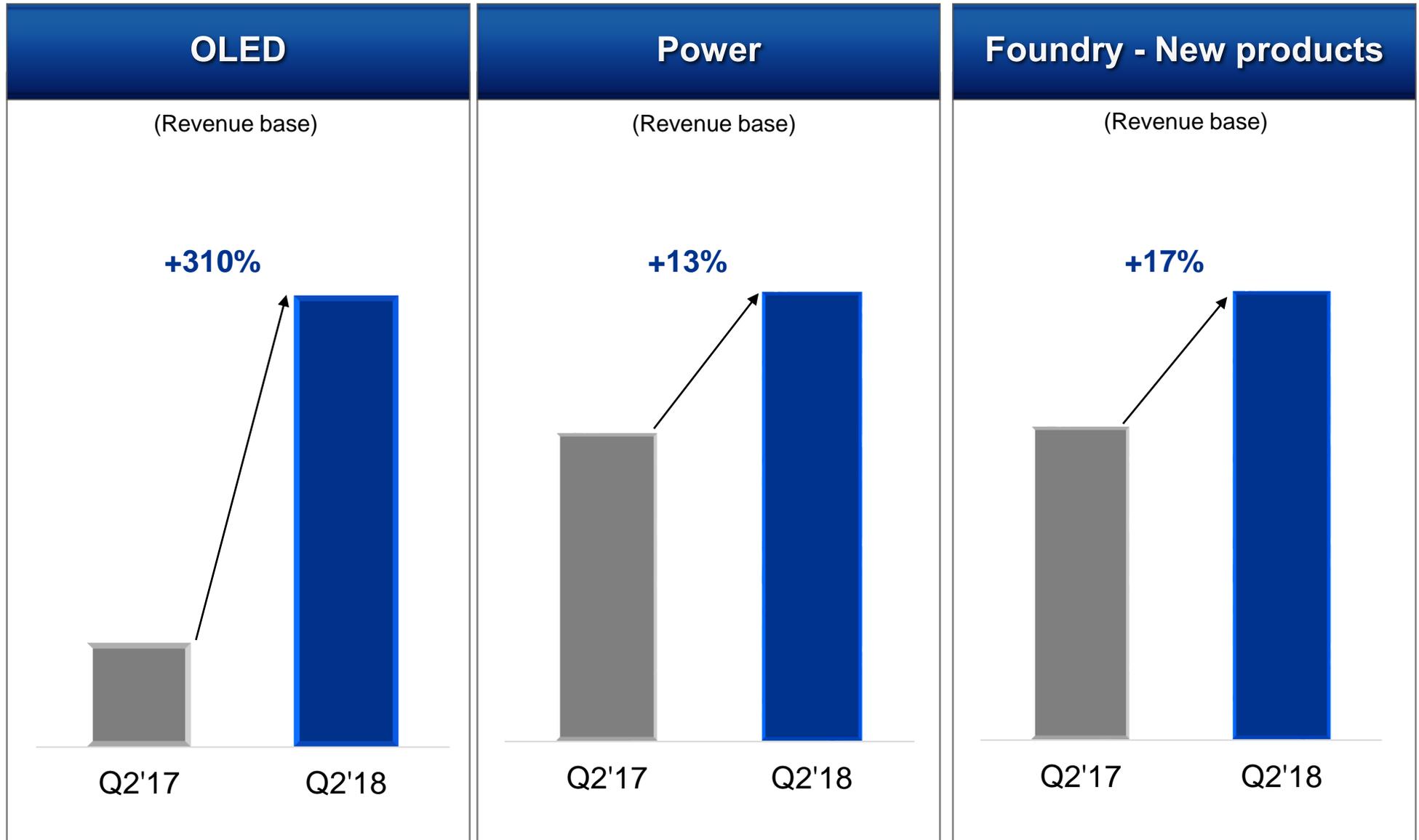
- Power IC and discretes for mobile, consumer electronics and industrial applications
- Leading provider of battery protection discretes for a global smartphone maker



• Specialized Foundry: 45%

- High voltage, embedded memory and hybrid technology offerings
- BCD with high-density EEPROM in a single process node at 0.13 micron

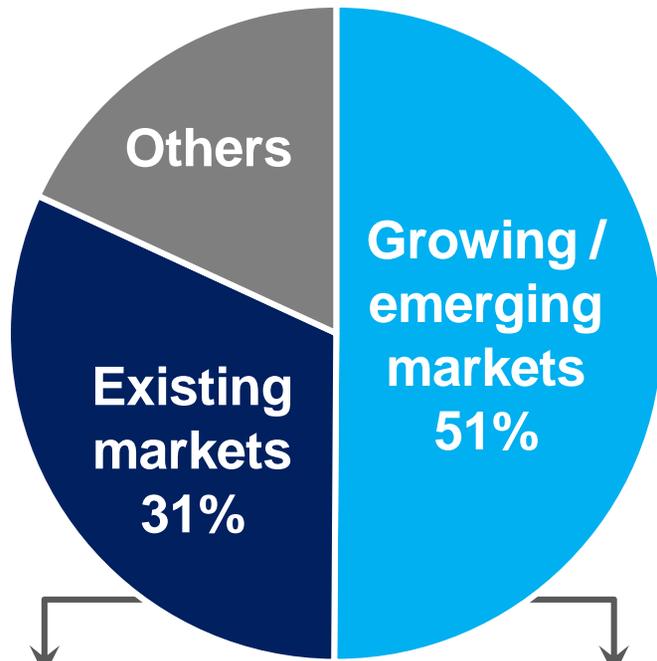
Display, Power and Foundry Metrics Show Growth



Target Markets Forecast to Show Continued Growth

Semiconductor market by application

2020 = \$537 billion



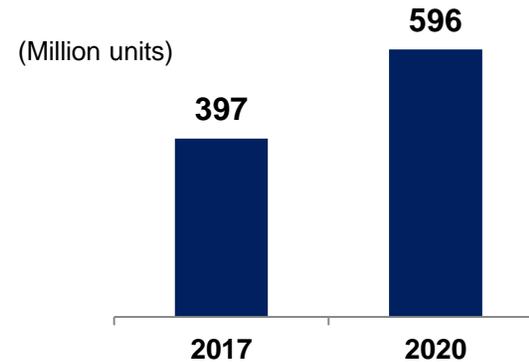
- Computing
- Consumer

- Smartphones
- Automotive / Industrial
- LED Lighting
- Wearable / Virtual Reality
- IoT

* IHS Markit; MagnaChip internal estimates

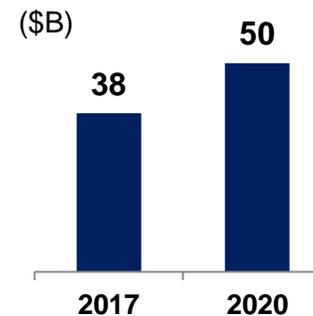
Growing / Emerging markets

Smartphone (OLED display shipment) (CAGR 14%)



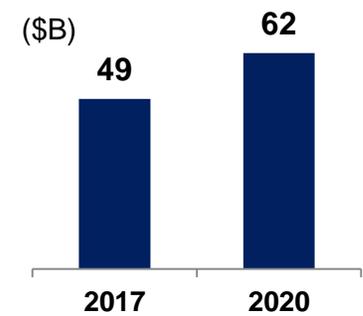
* IHS Markit, Q1'18

Automotive (Semi. Revenue) (CAGR 10%)



* IHS Markit, Q1'18

Industrial (Semi. Revenue) (CAGR 8%)

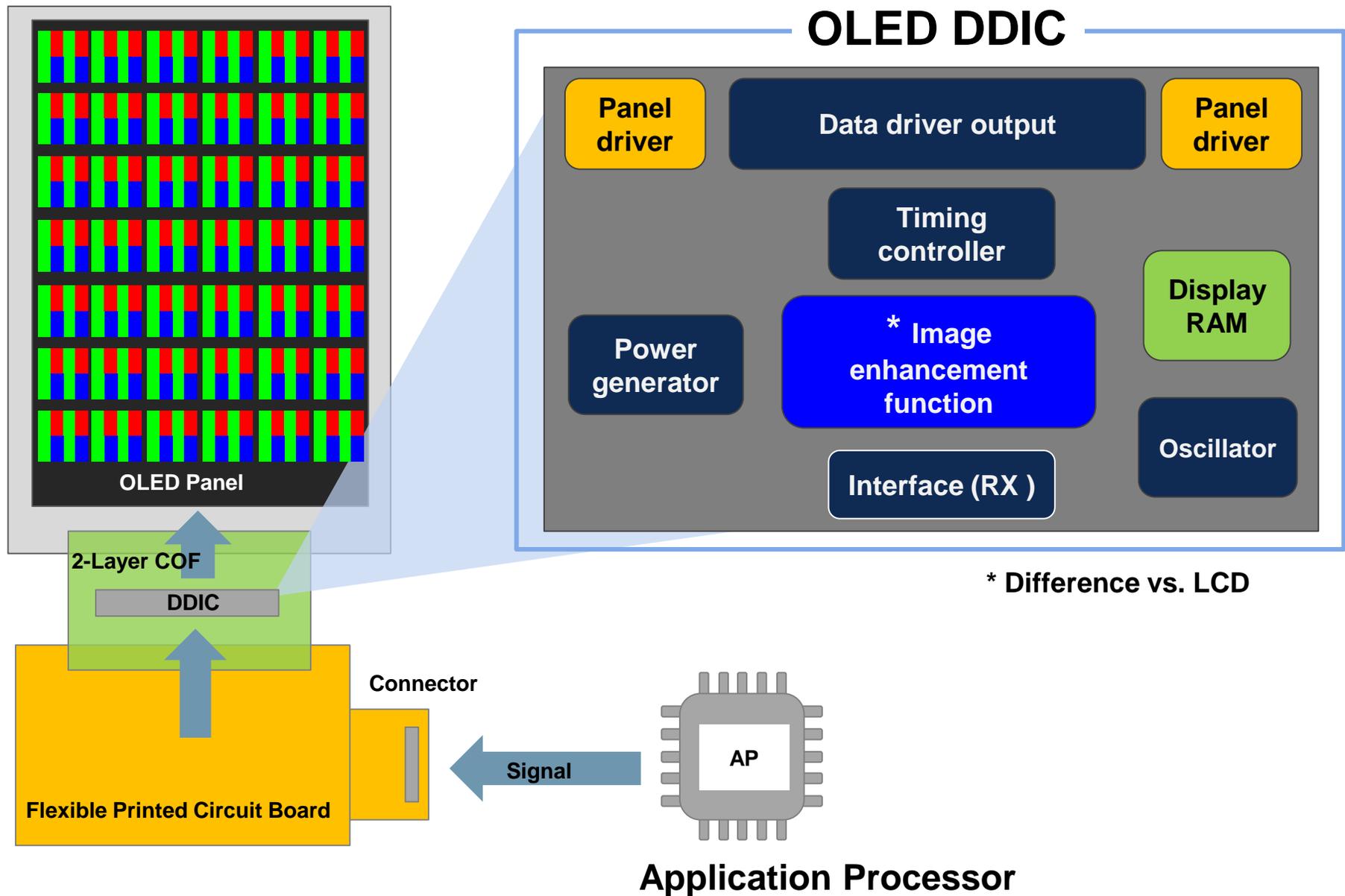


* IHS Markit, Q1'18

*Results based on IHS Markit, Technology Group, Global manufacturing market tracker, Q1 2018 and Small Medium Display Market Tracker, Q1 2018. Results are not an endorsement of MagnaChip Semiconductor. Any reliance on these results is at the third party's own risk. Visit technology.ihs.com for more details.

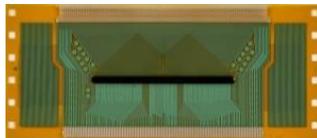
What is OLED DDIC?

A Custom ASIC Packaged on a Flexible Circuit Board



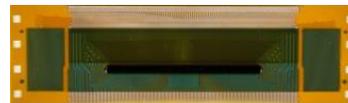
MX's Rigid Bezel-Less and Flexible OLED Display Drivers In Full-Featured OLED Smartphone Panels from MX Partners

FHD+ (18:9 ~ 19:9)
Rigid Bezel-less



1 Layer COF

FHD+ (18:9 ~ 19:9)
Rigid Bezel-less Trench



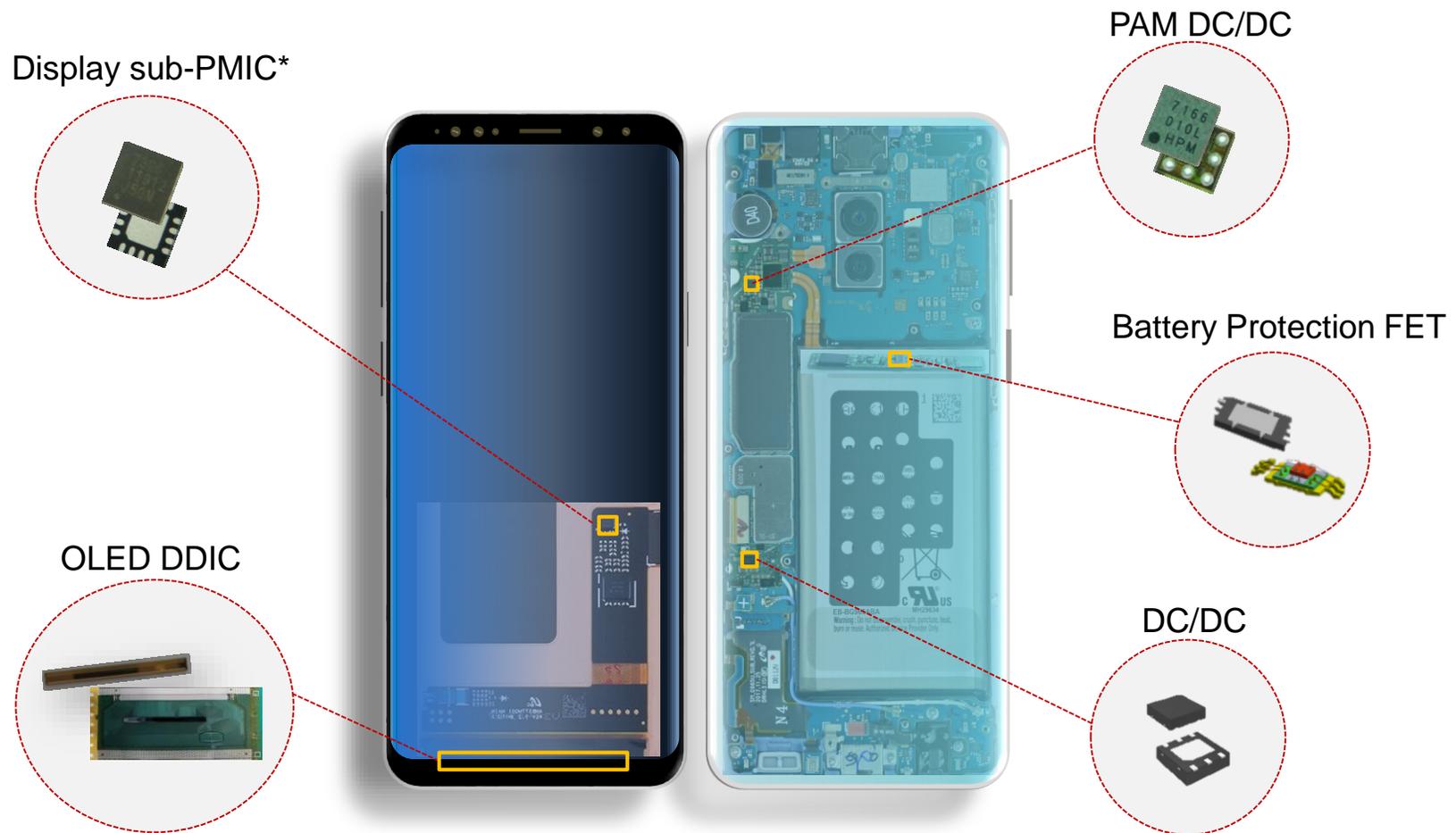
1 Layer COF

QHD+ (18:9 ~ 19.5:9)
Flexible Bezel-less Dual Edge



2 Layer COF

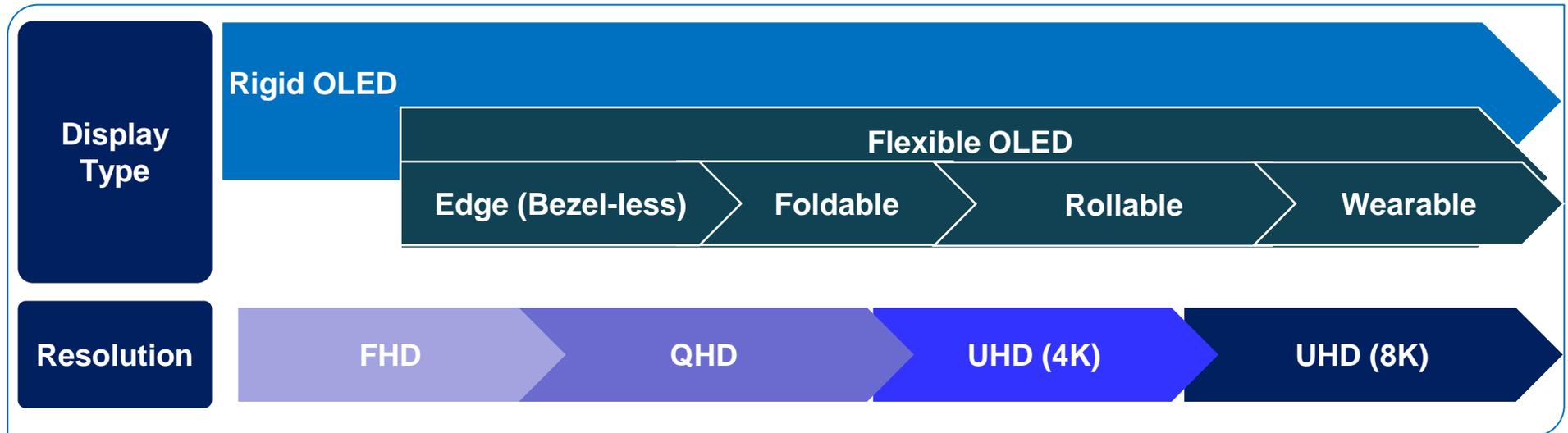
Power Standard Products and OLED Display Drivers Improve Performance, Reduce Power In OLED Smartphones



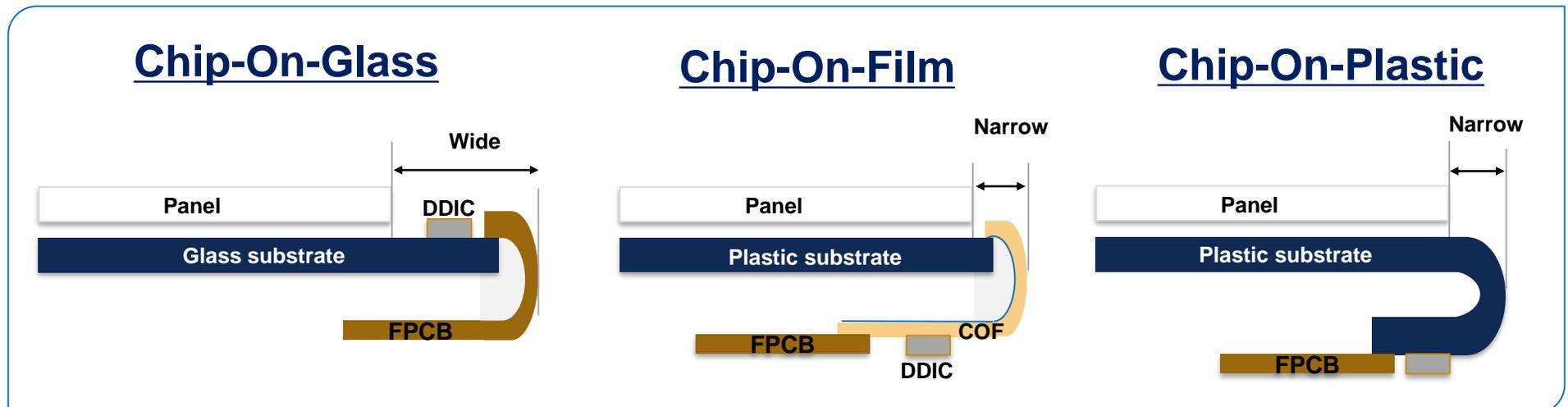
*Sub-PMIC: Power management IC

Future Technology Trends of OLED DDICs: Higher Resolution, Foldables, Chip on Plastic Packaging

Display & Resolution



Packaging type



Multi-Year Revenue Drivers of OLED Technology

- Foldables and Rollables will ignite innovation in smartphones
- Foldables likely will require multiple OLED display driver ICs
- 5G will increase overall performance of OLED smartphones, tablets
- Future OLED applications:
 - Automotive, IoT, Gaming, Television, AR/VR, Wearables, Computing/Tablets

Foldable device



Rollable / Wearable device



Finer Process Nodes Translate to Improvements In Power Consumption, Chip Size, Resolution

Process technology	55nm	40nm	28nm
Power consumption	100%	70%	40%
Chip size	100%	75%	65%
Available Resolution	~ QHD+ (3120 x 1440 pixels)		UHD (3840 x 2160 pixels)

Key Business Takeaways

MagnaChip's unique position in high-growth end markets

Largest Independent Supplier of OLED Display Driver IC's

- Largest independent provider of OLED DDIC
- Deep relationships with Top 2 panel makers
- Design track record and manufacturing know-how

Diversified Portfolio of Power products

- Diverse end markets including smartphones, TVs, consumer, industrial, and LED lighting

Specialty 8" Foundry with Differentiated Analog / Mixed Signal Process Technologies

- Focused on providing highly engineered analog and mixed signal processes (BCD, EEPROM, IoT)

A close-up, high-angle photograph of a green printed circuit board (PCB) under a magnifying glass. The magnifying glass is positioned in the upper left, focusing on a specific component. The background is a blurred, blue-tinted view of the entire board, showing various components like capacitors, resistors, and integrated circuits. The overall lighting is cool and blue, creating a technical and futuristic atmosphere.

Financial Summary

MagnaChip 

Q2 2018 YoY Highlights

✓	Revenue of \$199.7 million ↑ 19.8%
✓	Record OLED display driver ↑ 4x; up 81.3% from Q1
✓	Power products revenue ↑ 13.3%
✓	Foundry revenue ↘ 0.8% on a reported basis; ↑ 17% in new product revenue with improved product mix
✓	Gross profit margin of 27.0% in line with guidance
✓	Gross profit dollars ↑ 15.4%
✓	Operating income ↑ 42.8%
✓	Adjusted EBITDA ↑ 15.7%
✓	Cash flow from operations of \$25.7 million ↑ 5x
✓	Positive free cash flow compared with negative free cash flow

Thank You