



MagnaChip Investor Presentation

March 16, 2020



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, and the timing and extent of future revenue contributions by our products and businesses, are based upon information available to MagnaChip as of the date of this presentation, 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 uncertainties related to market conditions or general economic conditions, including those caused by or related to the COVID-19 coronavirus outbreak, 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, the risk that the strategic evaluation of the Foundry business and Fab 4 and the initiatives related thereto are not successful, public health issues, including the outbreak of COVID-19 coronavirus, and other business interruptions that could disrupt supply or delivery of, or demand for, MagnaChip's products, including without limitation uncertainties regarding the impacts of the outbreak of the COVID-19 coronavirus that may result in factory closures, reduced workforces, scarcity of raw materials and goods produced in infected areas, as well as reduced consumer spending affecting demand for MagnaChip's products, including as a result of consumers become ill, limiting or ceasing shopping in order to avoid exposure, or governments or employers imposing mandatory business closures, travel restrictions, shelter in place orders or the like to prevent the spread of disease and other risks detailed from time to time in MagnaChip's filings with the SEC, including the Form 10-K filed on February 21, 2020 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. Information in this presentation does not take into effect the potential impact of the COVID-19 coronavirus on MagnaChip's business operations, financial condition, plans, opportunities, expectations and future results due to the uncertainty regarding the magnitude, duration, and global reach of the situation.

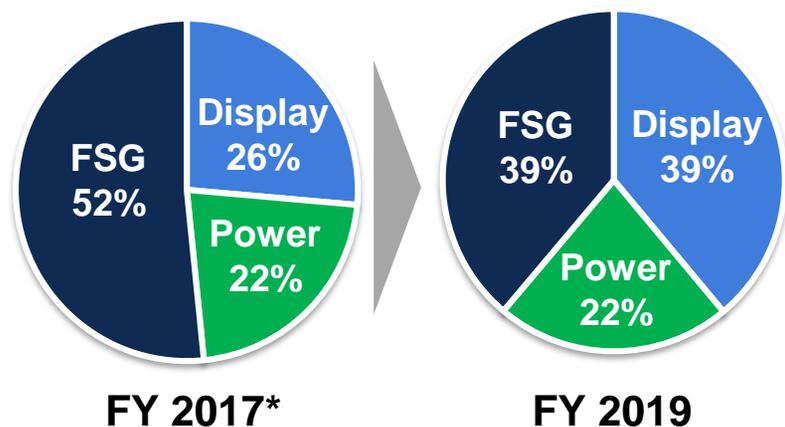
This presentation also includes references to certain non-GAAP financial measures. Management believes that non-GAAP financial measures, when viewed in conjunction with GAAP results, can provide a meaningful understanding of the factors and trends affecting MagnaChip's business and operations and assist 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.

Key Business / Investment Highlights

- Well-positioned to capitalize on industry trends in higher growth end markets
 - ✓ #1 independent supplier of OLED display drivers
 - ✓ Deep relationships with world's Top 2 panel makers in Korea
 - ✓ Large portfolio of Power standard products for broad range of markets
 - ✓ Specialized Foundry Services for Analog and Mixed Signal, including BCD EEPROM
- Strategic re-positioning and organic investments have strengthened the standard products solutions and Foundry services capabilities
- 100% of IP developed in Korea
- Global footprint and scale to serve clients of all sizes, across many verticals and geographies
- Strong management team focused on growth, scale and profitability

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

Net sales mix



*2017 amounts reclassified for consistency with 2019 presentation.

Product Breadth

- Over 2,000 products

Intellectual Property

- Approximately 3,000 registered patents and pending applications
- >50 novel OLED design and manufacturing patents

Business Lines



• Display Solutions

- Largest independent supplier of OLED display drivers to world's Top 2 panel makers for smartphones
- Portfolio of more than 11 OLED drivers, including five 28-nanometer DDIC
- 28nm OLED drivers have lowest power in industry; now in mass production
- Record OLED sales of \$267M in 2019, up 42%



• Power Solutions

- Leading provider of battery protection discrete semiconductor products
- Premium power products include Super-Junction MOSFET, IGBT and Power IC for mobile, consumer and industrial applications
- Moving into automotive, including EV
- Power revenue increased three consecutive years

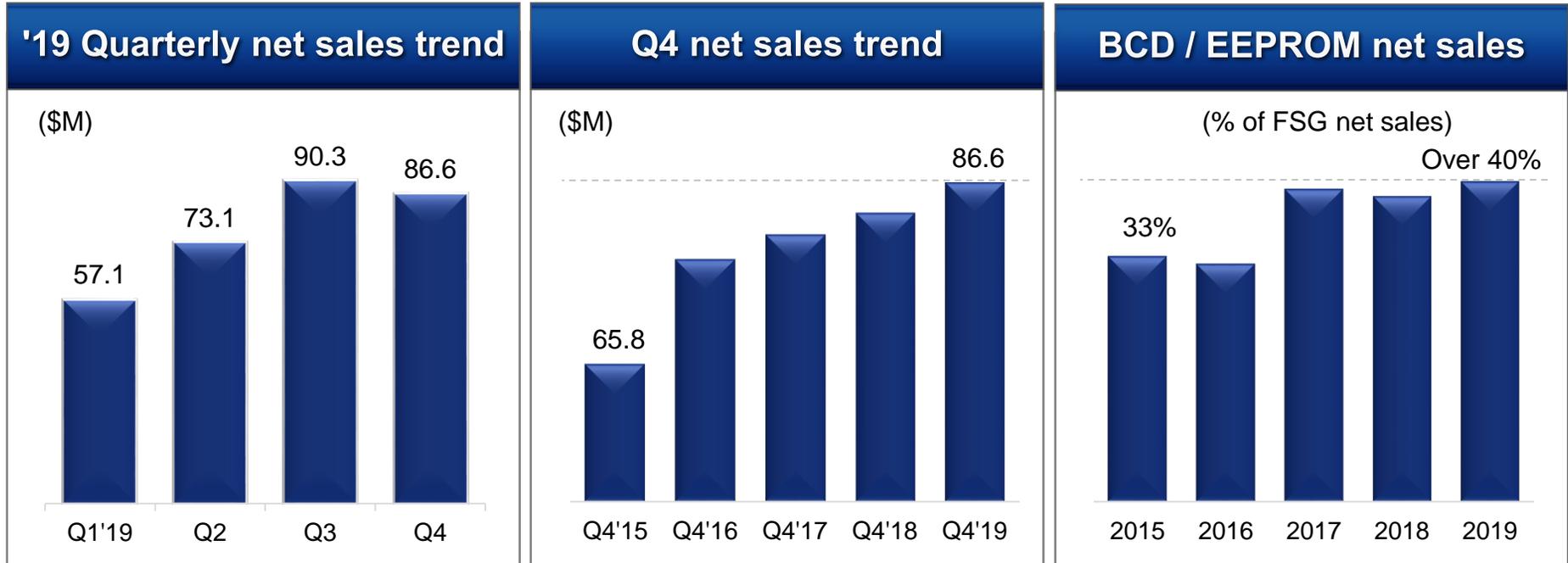


• Specialized Foundry

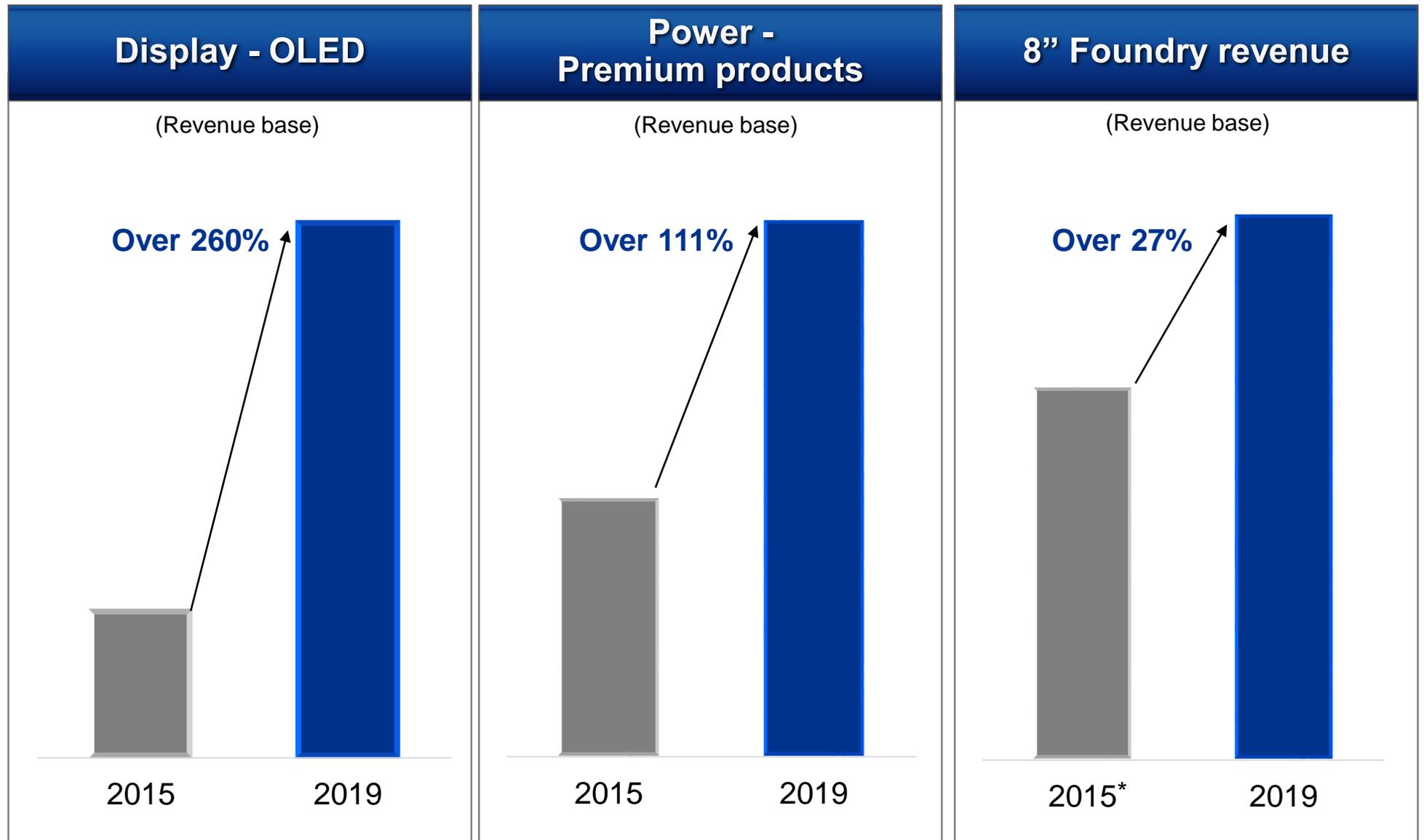
- Specialized analog and mixed-signal foundry services
- High voltage, embedded memory, hybrid offerings including BCD EEPROM

Foundry business recovered rapidly in 2H'19 from the semiconductor market downturn in 1H'19

- 8" Foundry net sales in the second half of 2019 was at its highest level since the Company went public in 2011
- Best Q4 net sales in the past 6 years due to demand increase of new products from end customers
- Net sales contribution of new products was still strong in 2019, representing approximately 26% of foundry net sales
- BCD/EEPROM represented over 40% of total Foundry revenue in 2019



Display, Power and Foundry Metrics Show Growth

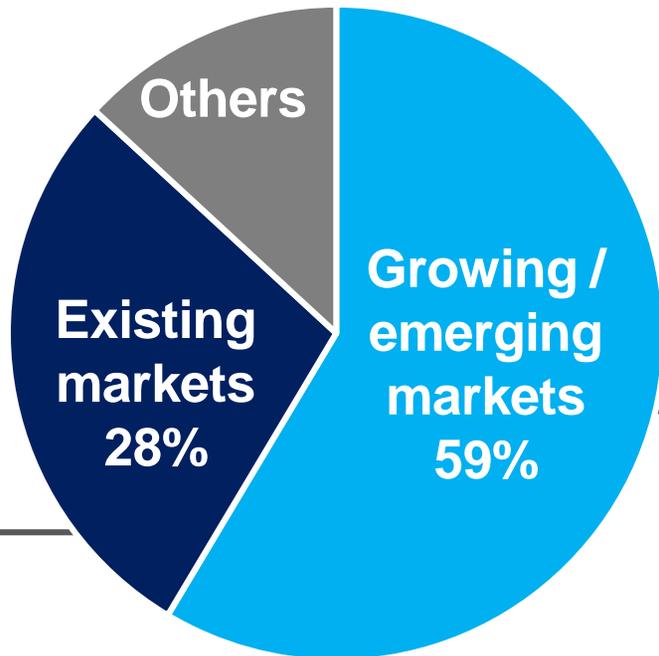


*Reclassified for consistency with 2019 presentation

Industry Analyst IHS and MagnaChip Forecast Continued Growth in Target Markets

Semiconductor market by application

2023 = \$511 billion



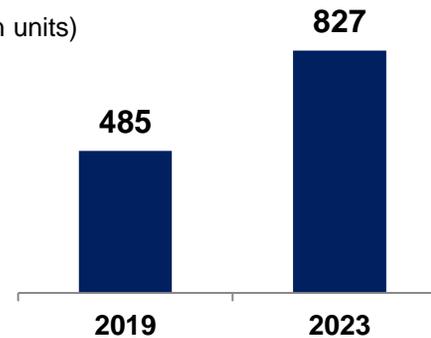
- **Computing**
(Notebook, Monitor etc.)
- **Consumer**
(LCD TV, Game, etc.)
- **OLED / Smartphones**
- **Automotive / Industrial**
- **Data center server / SSD**
- **Wearable / Virtual Reality**
- **IoT**

Source - IHS Markit and MagnaChip internal estimates

Growing / Emerging markets

Smartphone (OLED display shipment) (CAGR 14%)

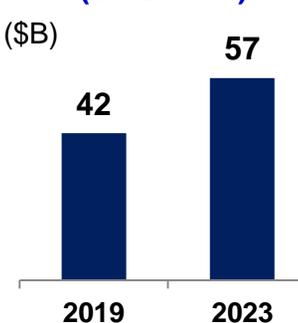
(Million units)



Source - IHS Markit, Q3'19

Automotive (Semi. Revenue) (CAGR 8%)

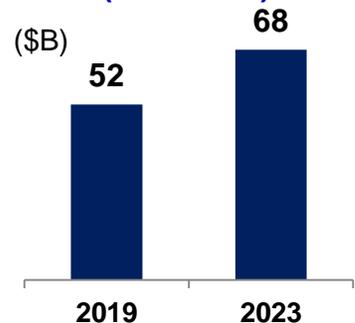
(\$B)



Source - IHS Markit, Q3'19

Industrial (Semi. Revenue) (CAGR 7%)

(\$B)



Source - IHS Markit, Q3'19

*Results based on IHS Markit, Technology Group, Pure play foundry market tracker, Q3 2019 and Small Medium Display Market Tracker, Q3 2019. 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.

OLED is Everywhere and Evolves Over Time

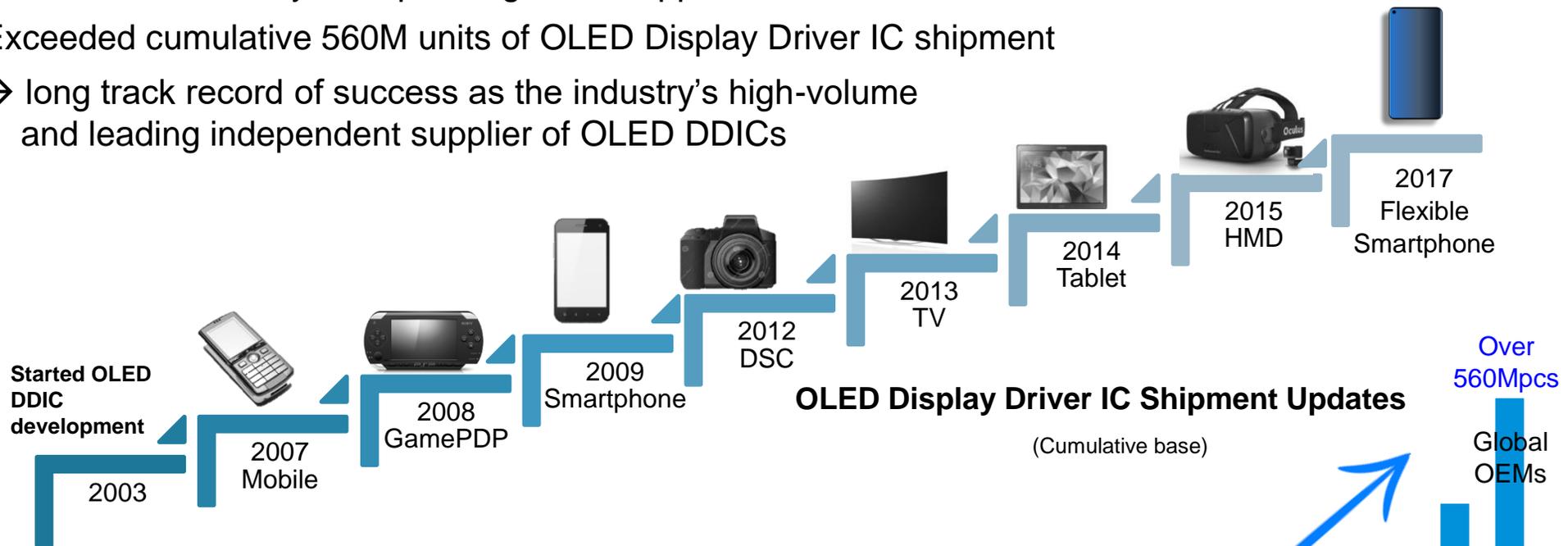


MagnaChip: First Adopter and Independent OLED Leader

Over 17-Year History of Expanding OLED Applications

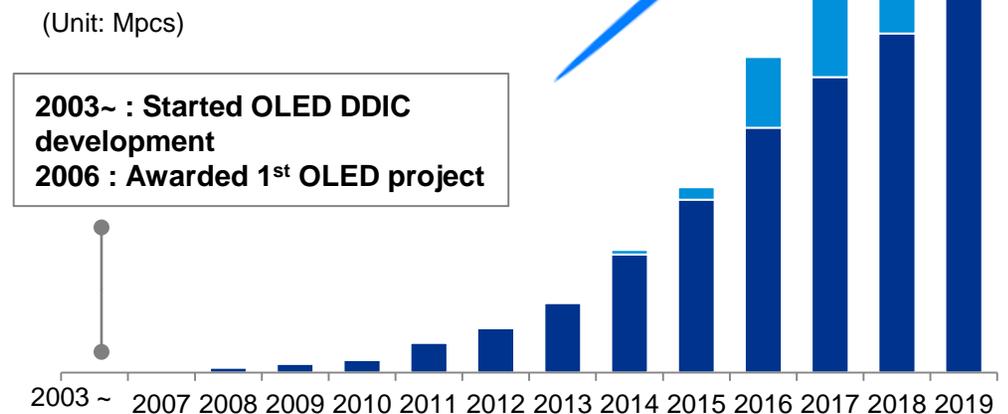
Exceeded cumulative 560M units of OLED Display Driver IC shipment

→ long track record of success as the industry's high-volume and leading independent supplier of OLED DDICs



Worldwide 1 st OLED DDIC shipment in 2007	Worldwide #1 independent OLED DDIC Supplier*	Cumulative 562Mpcs** OLED DDIC shipments	OLED projects HD~QHD+ Full line-ups
1 st shipment	#1 leader	Over 560Mpcs	Process up to 28nm
			Full Line-ups

* Non captive
** Numbers by end of Q4'19



MagnaChip: Leading edge OLED DDICs for new 5G era

40nm, 60Hz
(COP)*

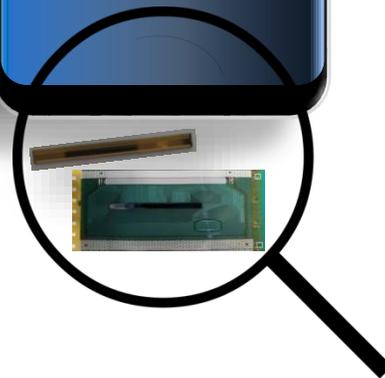
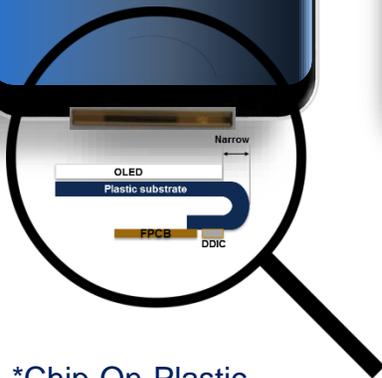
28nm, 120Hz

MX's 1st COP
DDIC solution

Supports flexible
displays

Smaller
Chip Size
(<20% than 40nm)

Reduced power
consumption
(more than 20%
than 40nm)



*Chip-On-Plastic

28nm,
120Hz

World's First Non-Captive FHD+ 120Hz
frame rate supportable OLED Driver IC

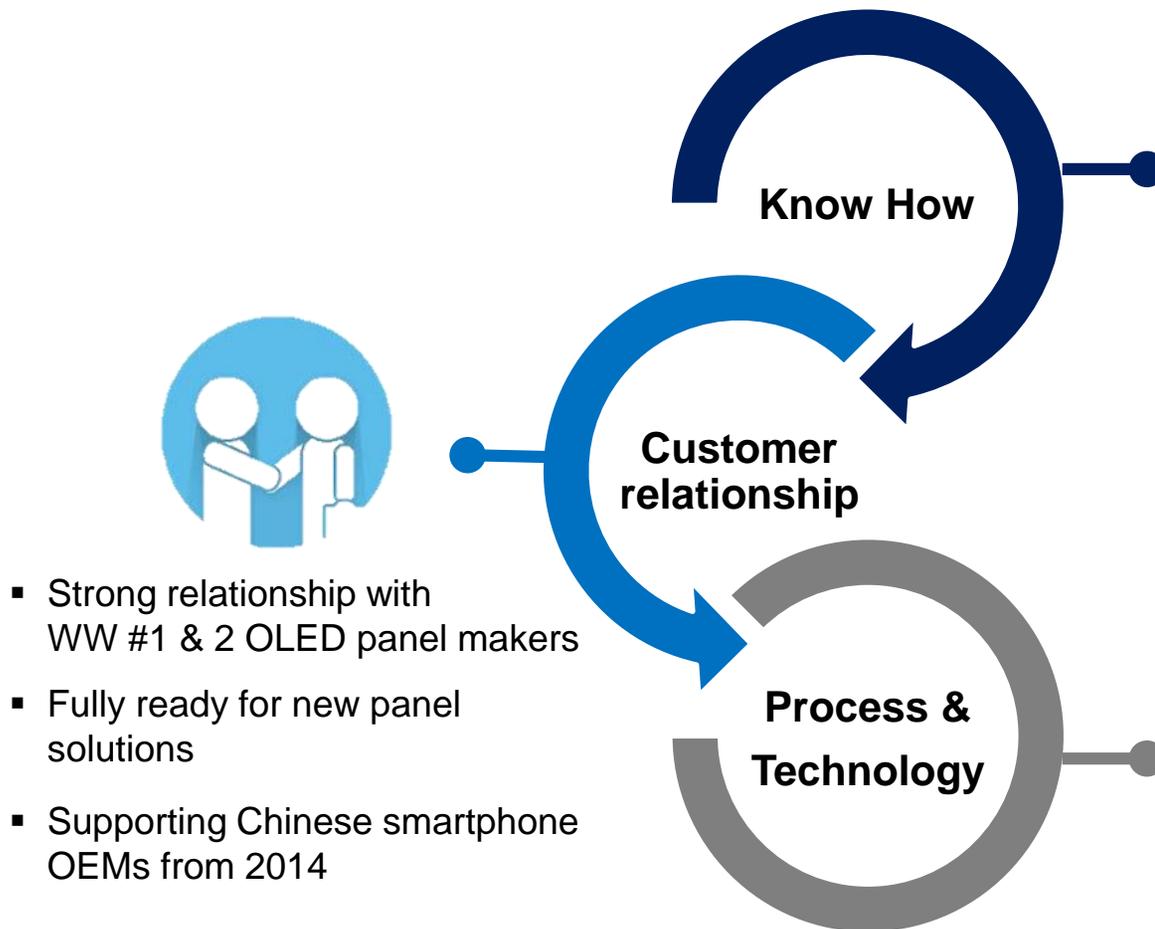
- Aspect ratio up to 21:9 (2,520:1,080)
- Supports 60 / 90 / 120Hz frame rate
- 28nm process
- Works with rigid (COF) and flexible (COP) Display
- Under Mass production

40nm,
60Hz

Chip-On-Plastic Enables Narrower
Borders and low BOM costs

- Aspect ratio up to 21:9 (2,520:1,080)
- Supports flexible Displays
- 40nm process
- Under Mass production

MagnaChip: OLED Key takeaways



- Over 16 years of know-how for OLED DDIC development and process technology (Since 2003)
- MX's OLED DDI sales have increased (+28% CAGR, 2014 ~ 2019)
- Worldwide #1 independent OLED DDIC supplier (Exceeded 560pcs)
- First mover in the OLED driver IC industry

- MX design and IP are optimized for OLED
- Own specialized OLED process technologies and proprietary IPs
- OLED optimized low power and smaller die size
- Smallest OLED DDIC cell in the market
- Advanced OLED oriented process (55nm, 40nm, 28nm and below)
- 1st independent supplier to develop and start mass production of 28nm OLED DDIC product (Q2'19~)

Power Product Portfolio and Product Competitiveness

Power products portfolio



Power IC AC/DC

- LED BLU driver and LED lighting
- PFC IC / PWM IC
- LCD TV, lighting and SMPS



Power IC DC/DC

- PMIC and linear regulator for SSD
- LED driver for digital signage
- Mobile DC/DC



SJ MOS HV planar MOS

- 200V – 900V
- High performance & optimal R_g
- LCD TV, travel adopter, computing, lighting and Industrial



IGBT

- 650V / 1200V discrete IGBT
- Low V_{ce(sat)}, high speed & ruggedness
- Motor drive, solar, welding and consumer appliances

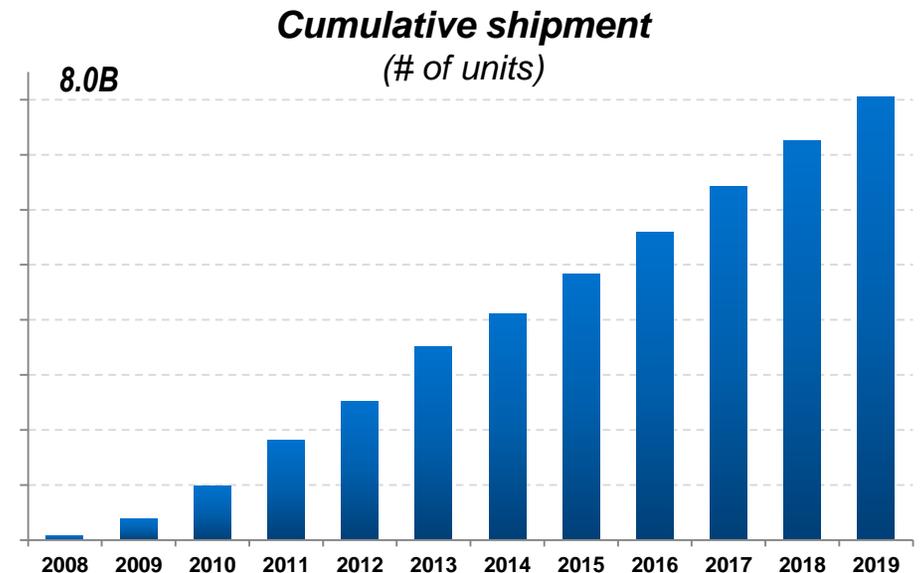


LV MOS MV MOS

- 12V – 150V
- SR MOS and battery protection MOS
- Battery pack, power tool and E-bike

Product Competitiveness

- **Super Junction MOSFET Gen 2**
 - Ruggedness for robust system reliability
 - Continue to expand share in consumer, mobile, LED, computing and industrial
- **Battery Protection MOSFET**
 - Leadership position in smartphone market

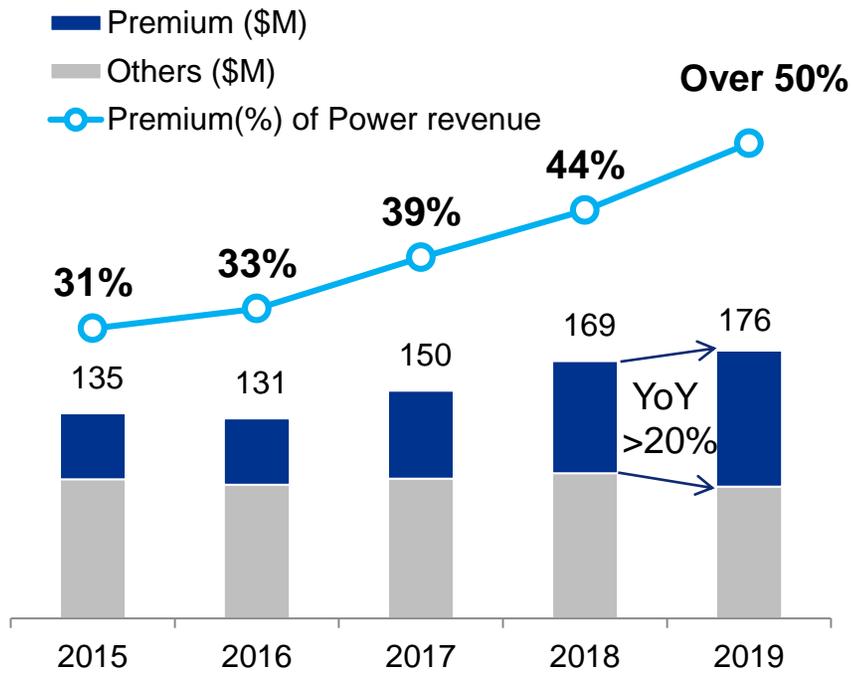


Power premium products have shown growth; Auto/EV segment a potential future growth opportunity

Power premium products

- **Super Junction MOSFET, IGBT and Power IC**
 - Advanced technology
 - Higher margin & value added products

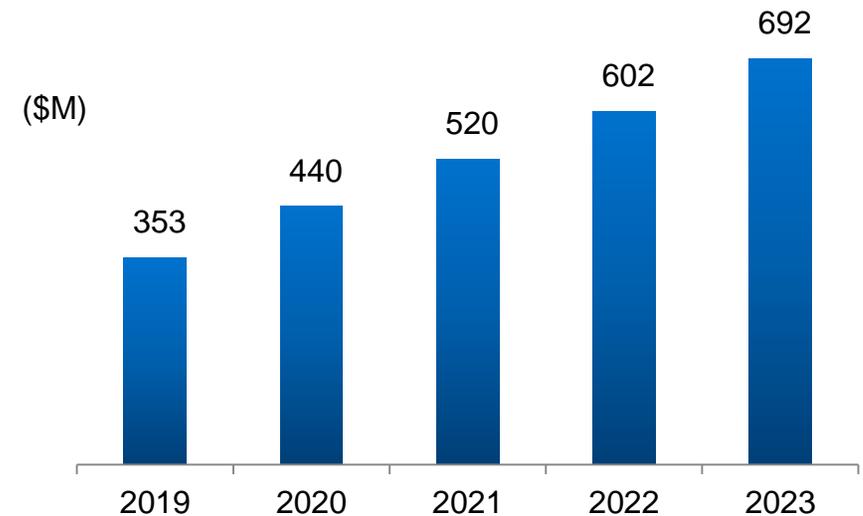
Net Sales from premium products



IGBT Forecast for xEVs

- **IGBT chips for EV application growth**
 - CAGR('19-'23): 18%
 - MX collaborated with major two automotive companies in Korea and China
 - 11 projects(IGBT/FRD chips) under development (MP target: xEV in 2022)

IGBT chip revenue forecast for Hybrid and EV



Source – IHS Markit, 2019

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 #1 and #2 OLED panel makers
- Design track record and manufacturing know-how
- Advanced OLED process: 28nm now in mass production

Diversified Portfolio of Power products

- Leading provider of battery protection discrete products for major leading smartphone makers
- Focused on premium products and currently in 10,000 qual stages to penetrate to electric vehicle (EV)

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

- Focused on providing highly engineered analog and mixed signal processes (BCD, EEPROM, IoT)
- Focus on higher ASP and high margin products and customers

A microscopic view of a circuit board with a magnifying glass. The image shows various components like capacitors, resistors, and integrated circuits on a green PCB. A magnifying glass is positioned over the board, focusing on a specific area. The background is a blue-tinted circuit board pattern.

Financial Summary

MagnaChip

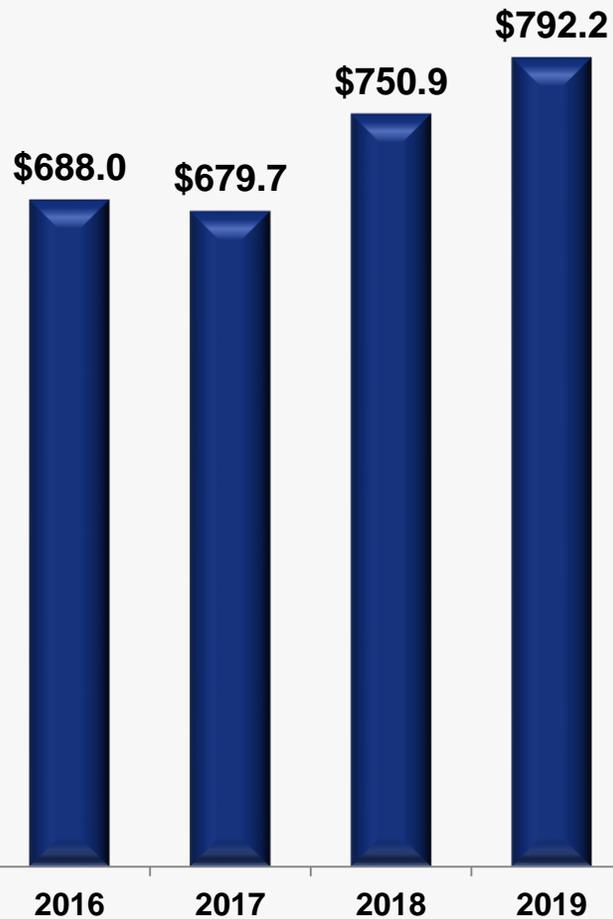
FY 2019 Highlights

- ✓ Net Sales of \$792.2M, up 5.5% YoY from \$750.9M
Q4'19 revenue of \$200M, met high-end of updated guidance
- ✓ Net Sales for OLED and Power business both set records
- ✓ OLED net sales ↑ 42% YoY – 2.5 times the rate of growth for OLED smartphone panel shipments worldwide, according to IHS. We now have a total of more than 11 OLED display drivers in our portfolio, including five of the latest-generation 28 nm drivers
- ✓ Premium power products revenue: over 50% of power revenue and ↑ 20% YoY. We expect the auto segment to present a meaningful growth opportunity for our Power business in 2021 and beyond
- ✓ Operating income, adjusted net income and adjusted EBITDA increased YoY
- ✓ Cash and cash equivalents totaled \$152M, highest in six years

Financial Results - Yearly

Net Sales

(\$M)



Gross Profit

(\$M)



Adj. EBITDA (1)

(\$M)



(1) A reconciliation of Adjusted EBITDA, a non-GAAP measure, to net income (loss) can be found on the next slide.

Reconciliation of Adjusted EBITDA

(\$M)	2019	2018	2017	2016
Net Income (Loss)	(21.8)	(3.9)	84.9	(29.6)
Interest expense, net	19.9	20.4	20.5	16.0
Income tax expenses	4.7	4.6	1.2	3.7
Depreciation and amortization	32.7	32.0	28.1	25.4
EBITDA	35.6	53.2	134.7	15.5
Adjustments:				
Restructuring and other gain, net	9.2	-	(17.0)	(5.5)
Early termination charges	-	-	13.4	4.2
Equity-based compensation expense	7.0	4.4	2.3	3.8
Foreign currency loss (gain), net	21.8	24.4	(65.5)	15.4
Derivative valuation loss (gain), net	0.3	2.4	(0.2)	0.3
Restatement related expenses (gain)	-	(0.8)	10.3	7.0
Secondary offering expenses	-	-	0.7	-
Loss on early extinguishment of long-term borrowings, net	-	0.2	-	-
Others	0.6	0.4	-	-
Adjusted EBITDA	74.5	84.3	78.7	40.7

Thank You