



MagnaChip Reports Third Quarter 2018 Financial Results

October 30, 2018

-- Revenue up 16.6% Year-over-Year; Operating Income, Adjusted EBITDA Highest in Six Years --

SEOUL, South Korea and SAN JOSE, Calif., Oct. 30, 2018 /PRNewswire/ -- MagnaChip Semiconductor Corporation (NYSE: MX) today announced financial results for the third quarter of 2018 ended September 30.

Q3 2018 Summary

- Revenue of \$206 million within the guidance range of \$200-210 million, and highest since fourth quarter of 2012; revenue increased 16.6% Year-over-Year (YoY) as Display and Power showed gains.
- Standard Products Group revenue grew 26.8% YoY; gross margin of 28.8% sets record
- OLED display driver revenue of \$58.3 million up 232.2% YoY; OLED revenue at nearly \$155 million Year-to-Date (YTD) and poised to set revenue record in 2018
- Highest-ever Power standard products revenue; increased 14% YoY
- Total gross profit margin of 27.1% in line with 26-28% guidance range, and down 1.4 percentage points YoY; gross profit dollars of \$55.7 million increased 10.8% YoY
- Operating income of \$18.3 million, or 8.9% of revenue, increased 17.9% YoY
- Adjusted EBITDA of \$27.9 million, or 13.5% of revenue, increased 12.8% YoY

CEO Comments from YJ Kim:

"Revenue increased 16.6% from the same quarter a year ago, and was the highest since the fourth quarter of 2012. Within the Standard Products Group, the Power products business generated record revenue of \$44.5 million and achieved double-digit growth year-over-year as well as sequentially. The OLED display driver business, which represented 75% of the total Display business, grew three-fold to \$58.3 million. With OLED revenue of nearly \$155 million through the first three quarters of 2018, we are on track to surpass the previous record of \$161 million achieved in 2016. During Q3, six smartphones with our OLED drivers were launched, as anticipated, and we continued to win several new designs for smartphones in Asia."

CFO Comments from Jonathan Kim:

"Key profitability metrics continued to improve in Q3. Higher revenue contributed to a year-over-year increase in gross profit dollars, operating income and Adjusted EBITDA. Gross profit dollars of \$55.7 million increased 10.8% year-over-year, operating income of \$18.3 million increased 17.9% and Adjusted EBITDA of \$27.9 million rose 12.8%. Total revenue, operating income and Adjusted EBITDA all were at their highest levels since the fourth quarter of 2012. Total gross margin of 27.1% was in line with the previous guidance of 26-28% despite headwinds from higher wafer prices and lower fab utilization. As previously stated, the Company remains fully committed to improving profitability over time."

Third Quarter Financial Review

Total Revenue

Total revenue in the third quarter of 2018 was \$206.0 million, up 16.6% as compared to reported revenue of \$176.7 million from the third quarter of 2017, and up 3.2% from \$199.7 million in the second quarter of 2018.

Segment Revenue and Segment Adjustments

In January 2018, as part of the Company's ongoing portfolio optimization effort to realign business processes and streamline the organizational structure, the Company transferred a portion of the non-OLED Display business, which was \$11.5 million for Q3 2018 and \$19.6 million YTD, from the Standard Products Group to the Foundry Services Group. As a result, the historical financial results below are discussed both on an as reported and as adjusted basis for comparative purposes.

Foundry Services Group revenue in the third quarter was \$83.9 million, up 4.3% from, on an as reported basis, \$80.4 million in the third quarter of 2017, and up 3.7% from the second quarter of 2018; and on an as adjusted basis, down 5.8% from the third quarter of 2017, and down 4.2% from the second quarter of 2017.

Following the strategic realignment and portfolio optimization discussed above, Standard Products Group revenue in the third quarter of 2018 was \$122.0 million, up 26.8% year-over-year on an as reported basis and up 2.8% sequentially; and on an as adjusted basis, up 39.3% year-over-year, and up 54.4% from the second quarter of 2017. The improved results in the Standard Products Group reflected continued higher demand for premium Power products as well as continued strong demand for mobile OLED drivers, primarily from China manufacturers.

Total Gross Profit and Gross Profit Margin

Total gross profit in the third quarter of 2018 was \$55.7 million or 27.1% as a percentage of sales as compared with gross profit of \$50.3 million or 28.5% gross profit margin in the third quarter of 2017, and \$53.9 million or 27.0% gross profit margin for the second quarter of 2018.

Segment Gross Profit Margin

Foundry Services Group gross profit margin was 24.4% in the third quarter of 2018 as compared with 30.3% on an as reported basis in the third quarter of 2017 and 27.4% in the second quarter of 2018. The Foundry Services Group gross profit margin was, on an as adjusted basis, 29.6% in the third quarter of 2017 and 28.2% in the second quarter of 2017. The Standard Products Group gross profit margin was 28.8% in the third quarter of 2018 as compared with, on an as reported basis, 26.9% in the third quarter of 2017, and 26.6% in the second quarter of 2018. The Standard Products Group gross profit margin was, on an adjusted basis, 27.3% in the third quarter of 2017, and 27.7% in the second quarter of 2017.

Operating Income, Net Income, Adjusted Net Income, Adjusted EBITDA

Operating income, on a GAAP basis, for the third quarter was \$18.3 million as compared with \$15.5 million in the third quarter of 2017 and \$13.9 million in the second quarter of 2018.

Net income on a GAAP basis, for the third quarter was \$17.2 million or \$0.50 per basic share and \$0.41 per diluted share, as compared with net income of \$5.6 million or \$0.16 per basic share and \$0.15 per diluted share in the third quarter of 2017, and a net loss of \$21.5 million or \$0.62 cents per basic share and diluted share in the second quarter of 2018. The net income in the third quarter was attributable primarily to a non-cash foreign exchange gain on the Company's intercompany loans.

Adjusted Net Income, a non-GAAP financial measure, for the third quarter of 2018 totaled \$13.3 million or \$0.38 per basic share and \$0.32 per diluted share, as compared with Adjusted Net Income of \$11.4 million or \$0.33 per basic share and \$0.28 per diluted share in the third quarter of 2017, and compared with Adjusted Net Income of \$8.9 million or \$0.26 per basic share and \$0.23 per diluted share in the second quarter of 2018.

Adjusted EBITDA, a non-GAAP financial measure, in the third quarter was \$27.9 million or 13.5% of revenue, as compared with Adjusted EBITDA of \$24.7 million or 14.0% of revenue in the third quarter of 2017, and compared with Adjusted EBITDA of \$23.5 million or 11.8% of revenue in the second quarter of 2018.

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 press release.

Cash and cash equivalents totaled \$133.5 million at the end of the third quarter, up from \$131.7 million at the end of the second quarter of 2018.

Note: The following table sets forth information relating to our operating segments (in thousands). The historical amounts below are presented both on an as reported and as adjusted basis to show the impact of the strategic realignment and transfer of a portion of the non-OLED Display business from the Standard Products Group to the Foundry Services Group beginning in the first quarter of 2018:

| | Three Months Ended | | | |
|-------------------------------|---------------------------|---------|---------------------------|---------------------------|
| | September 30, 2018 | | September 30, 2017 | |
| | | | | |
| | | | <i>As Reported</i> | <i>As Adjusted</i> |
| Net Sales | | | | |
| Foundry Services Group | \$ | 83,862 | \$ | 80,404 |
| Standard Products Group | | | | |
| Display Solutions | | 77,578 | | 57,236 |
| Power Solutions | | 44,458 | | 39,001 |
| Total Standard Products Group | \$ | 122,036 | \$ | 96,237 |
| All other | | 102 | | 56 |
| Total net sales | \$ | 206,000 | \$ | 176,697 |

| | Nine Months Ended | | | |
|-------------------------------|---------------------------|---------|---------------------------|---------------------------|
| | September 30, 2018 | | September 30, 2017 | |
| | | | | |
| | | | <i>As Reported</i> | <i>As Adjusted</i> |
| Net Sales | | | | |
| Foundry Services Group | \$ | 242,198 | \$ | 239,460 |
| Standard Products Group | | | | |
| Display Solutions | | 205,986 | | 155,868 |
| Power Solutions | | 123,153 | | 109,595 |
| Total Standard Products Group | \$ | 329,139 | \$ | 265,463 |
| All other | | 167 | | 169 |
| Total net sales | \$ | 571,504 | \$ | 505,092 |

| | Three Months Ended | | | | | | | |
|-------------------------|---------------------------|------------------|---------------------------|------------------|---------------------------|------------------|--|---|
| | September 30, 2018 | | September 30, 2017 | | September 30, 2017 | | | |
| | | | | | | | | |
| | | | | | | | | |
| | % of | | % of | | % of | | | |
| | Amount | Net Sales | Amount | Net Sales | Amount | Net Sales | | |
| Gross Profit | | | | | | | | |
| Foundry Services Group | \$20,443 | 24.4 | \$24,374 | 30.3 | \$26,344 | 29.6 | | % |
| Standard Products Group | 35,204 | 28.8 | 25,880 | 26.9 | 23,910 | 27.3 | | |
| All other | 102 | 100.0 | 56 | 100.0 | 56 | 100.0 | | |
| Total gross profit | \$55,749 | 27.1 | \$50,310 | 28.5 | \$50,310 | 28.5 | | % |

| | Nine Months Ended | | | | | |
|-------------------------|--------------------|----------------|--------------------|----------------|--------------------|----------------|
| | September 30, 2018 | | September 30, 2017 | | September 30, 2017 | |
| | | | <i>As Reported</i> | | <i>As Adjusted</i> | |
| | Amount | % of Net Sales | Amount | % of Net Sales | Amount | % of Net Sales |
| Gross Profit | | | | | | |
| Foundry Services Group | \$63,292 | 26.1 | 69,894 | 29.2 | 74,326 | 28.6 |
| Standard Products Group | 90,874 | 27.6 | 68,479 | 25.8 | 64,047 | 26.2 |
| All other | 18 | 10.8 | 169 | 100.0 | 169 | 100.0 |
| Total gross profit | \$154,184 | 27.0 | \$138,542 | 27.4 | \$138,542 | 27.4 |

Third Quarter 2018 and Recent Company Highlights

MagnaChip:

- Offered planar-type Hall-effect sensors for foundry customers. The Hall-effect sensor has been adopted by the market for an increasing number of applications, such as smartphone cameras for the closed-loop auto focus feature and for the auto iris function.
http://www.magnachip.com/aboutus/aboutus_sub12_view.html?tname=eZ_Press_Room_e&seq=218&page=1
- Hosted its annual Foundry Technology Symposium in Hsinchu, Taiwan on September 18th, 2018. The Foundry Technology Symposium showcased MagnaChip's latest technology offerings and provide a wide-ranging overview of MagnaChip's manufacturing capabilities, specialty technologies, target applications and end-markets.
http://www.magnachip.com/aboutus/aboutus_sub12_view.html?tname=eZ_Press_Room_e&seq=218&page=1
- Announced it has begun the mass production of foundry products for ABOV Semiconductor ("ABOV") using MagnaChip's 0.13-micron eFlash process. ABOV has previously used MagnaChip's 0.18-micron eFlash process for volume production of various MCU (Microcontroller Units) products, and has begun migration to 0.13-micron eFlash process for its major products.
http://www.magnachip.com/aboutus/aboutus_sub12_view.html?tname=eZ_Press_Room_e&seq=219&page=1
- Announced it now offers a multi-channel Mini LED Driver for the rapidly growing digital signage market, leveraging the company's more than 10 years of experience with BLU LED drivers in the television set market. MagnaChip's new Mini LED Driver for digital signage is able to drive 36-channel LEDs concurrently, featuring high density, reduced energy consumption and more efficient product designs.
http://www.magnachip.com/aboutus/aboutus_sub12_view.html?tname=eZ_Press_Room_e&seq=220&page=1
- Announced it will hold a Foundry Technology Symposium at the Shangri-La Shenzhen, China, on November 27, 2018. After holding a successful Foundry Technology symposium in Shenzhen, China, in 2015, this second technology symposium is part of MagnaChip's global foundry targeted geographic strategy to increase MagnaChip's brand awareness in China.
http://www.magnachip.com/aboutus/aboutus_sub12_view.html?tname=eZ_Press_Room_e&seq=221&page=1

Fourth Quarter 2018 Business Outlook

For the fourth quarter of 2018, MagnaChip anticipates:

- Revenue in this seasonally soft quarter to be in the range of \$174 million to \$184 million, down sequentially about 13.1% at the mid-point of the projected range. The guidance for the fourth quarter compares with revenue of \$206 million in the third quarter of 2018, and \$174.6 million in the fourth quarter of 2017. The revenue guidance reflects an inventory correction from certain foundry customers, consistent with current macro trends.
- Gross profit margin to be in the range of 25% to 27%. This compares to 27.1% in the third quarter of 2018, and 28.3% in the fourth quarter of 2017.

Third Quarter 2018 Conference Call

The conference call will be webcast live today at 5 p.m. EDT and also will be available by dialing toll-free at **1-844-536-5472**. International call-in participants can dial toll-free at **1-614-999-9318**. The conference ID number is **2362749**. Participants are encouraged to initiate their calls at least 10 minutes in advance of the 5 p.m. EDT start time to ensure a timely connection. The webcast and earnings release will be accessible at www.magnachip.com.

A replay of the conference call will be available the same day and will run for 72 hours. The replay dial-in numbers are **1-404-537-3406** or toll-free at **1-855-859-2056**. The access code is **2362749**.

About MagnaChip Semiconductor Corporation

MagnaChip is a designer and manufacturer of analog and mixed-signal semiconductor platform solutions for communications, IoT, consumer, industrial and automotive applications. The Company's Standard Products Group and Foundry Services Group provide a broad range of standard products and manufacturing services to customers worldwide. MagnaChip, with over 30 years of operating history, owns a portfolio of more than 3,000

registered patents and pending applications, and has extensive engineering, design and manufacturing process expertise. For more information, please visit www.magnachip.com. Information on or accessible through, MagnaChip's website is not a part of, and is not incorporated into, this release.

Safe Harbor for Forward-Looking Statements

Information in this release 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. These statements include statements about our future operating and financial performance, including fourth quarter 2018 revenue and gross profit expectations. All forward-looking statements included in this release are based upon information available to MagnaChip as of the date of this release, 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.

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MAGNACHIP SEMICONDUCTOR CORPORATION AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF OPERATIONS (In thousands of US dollars, except share data) (Unaudited)

| | Three Months Ended | | |
|----------------------------------------------|-----------------------|------------------|-----------------------|
| | September 30, 2018 | June 30, 2018 | September 30, 2017 |
| Net sales | \$ 206,000 | \$ 199,685 | \$ 176,697 |
| Cost of sales | 150,251 | 145,831 | 126,387 |
| Gross profit | 55,749 | 53,854 | 50,310 |
| Gross profit % | 27.1 % | 27.0 % | 28.5 % |
| Operating expenses | | | |
| Selling, general and administrative expenses | 18,566 | 18,935 | 17,266 |
| Research and development expenses | 18,918 | 21,005 | 17,554 |
| Total operating expenses | 37,484 | 39,940 | 34,820 |
| Operating income | 18,265 | 13,914 | 15,490 |
| Interest expense | (5,587) | (5,489) | (5,485) |
| Foreign currency gain (loss), net | 6,002 | (27,449) | (3,662) |
| Other income (expense), net | 150 | (960) | 198 |
| Income (loss) before income taxes | 18,830 | (19,984) | 6,541 |
| Income tax expenses | 1,608 | 1,521 | 937 |
| Net income (loss) | \$ 17,222 | \$ (21,505) | \$ 5,604 |
| Earnings (loss) per common share— | | | |
| Basic | \$ 0.50 | \$ (0.62) | \$ 0.16 |
| Diluted | \$ 0.41 | \$ (0.62) | \$ 0.15 |
| Weighted average number of shares— | | | |
| Basic | 34,573,377 | 34,420,654 | 34,103,029 |
| Diluted | 46,021,610 | 34,420,654 | 45,542,418 |

MAGNACHIP SEMICONDUCTOR CORPORATION AND SUBSIDIARIES
RECONCILIATION OF NET INCOME TO ADJUSTED EBITDA AND ADJUSTED NET INCOME
(In thousands of US dollars, except share data)
(Unaudited)

| | Three Months Ended | | |
|---------------------------------------------|-----------------------|------------------|-----------------------|
| | September 30, 2018 | June 30, 2018 | September 30, 2017 |
| Net income (loss) | \$ 17,222 | \$ (21,505) | \$ 5,604 |
| Adjustments: | | | |
| Interest expense, net | 5,055 | 5,059 | 5,193 |
| Income tax expenses | 1,608 | 1,521 | 937 |
| Depreciation and amortization | 7,913 | 8,012 | 7,158 |
| EBITDA | 31,798 | (6,912) | 18,892 |
| Equity-based compensation expense | 1,083 | 1,341 | 435 |
| Foreign currency loss (gain), net | (6,001) | 27,449 | 3,662 |
| Derivative valuation loss, net | 518 | 1,632 | 370 |
| Restatement related expenses, net | — | — | 1,343 |
| Other | 473 | — | — |
| Adjusted EBITDA | \$ 27,871 | \$ 23,509 | \$ 24,702 |
| Net income (loss) | \$ 17,222 | \$ (21,505) | \$ 5,604 |
| Adjustments: | | | |
| Equity-based compensation expense | 1,083 | 1,341 | 435 |
| Foreign currency loss (gain), net | (6,001) | 27,449 | 3,662 |
| Derivative valuation loss, net | 518 | 1,632 | 370 |
| Restatement related expenses, net | — | — | 1,343 |
| Other | 473 | — | — |
| Adjusted Net Income | \$ 13,295 | \$ 8,917 | \$ 11,414 |
| Adjusted Net Income per common share: | | | |
| – Basic | \$ 0.38 | \$ 0.26 | \$ 0.33 |
| – Diluted | \$ 0.32 | \$ 0.23 | \$ 0.28 |
| Weighted average number of shares – Basic | 34,573,377 | 34,420,654 | 34,103,029 |
| Weighted average number of shares – Diluted | 46,021,610 | 45,735,521 | 45,542,418 |

We present Adjusted EBITDA and Adjusted Net Income as supplemental measures of our performance. We define Adjusted EBITDA for the periods indicated as EBITDA (as defined below), adjusted to exclude (i) equity-based compensation expense, (ii) foreign currency loss (gain), net, (iii) derivative valuation loss, net, (iv) restatement related expenses (gain) and (v) other. EBITDA for the periods indicated is defined as net income (loss) before interest expense, net, income tax expenses and depreciation and amortization. We prepare Adjusted Net Income by adjusting net income (loss) to eliminate the impact of a number of non-cash expenses and other items that may be either one time or recurring that we do not consider to be indicative of our core ongoing operating performance. We believe that Adjusted Net Income is particularly useful because it reflects the impact of our asset base and capital structure on our operating performance. We define Adjusted Net Income for the periods as net income, adjusted to exclude (i) equity-based compensation expense, (ii) foreign currency loss (gain), net, (iii) derivative valuation loss, net, (iv) restatement related expenses (gain) and (v) other.

MAGNACHIP SEMICONDUCTOR CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(In thousands of US dollars, except share data)
(Unaudited)

| | September 30, 2018 | December 31, 2017 |
|------------------------------|----------------------------------------------------|----------------------|
| | (In thousands of US dollars, except share data) | |
| Assets | | |
| Current assets | | |
| Cash and cash equivalents | \$ 133,482 | \$ 128,575 |
| Accounts receivable, net | 103,221 | 92,026 |
| Unbilled accounts receivable | 35,837 | — |
| Inventories, net | 71,532 | 73,073 |
| Other receivables | 7,510 | 4,292 |
| Prepaid expenses | 15,481 | 9,250 |
| Hedge collateral | 6,970 | 7,600 |
| Other current assets | 10,711 | 15,444 |
| Total current assets | 384,744 | 330,260 |

| | | |
|------------------------------------|-------------------|-------------------|
| Property, plant and equipment, net | 200,393 | 205,903 |
| Intangible assets, net | 3,995 | 4,061 |
| Long-term prepaid expenses | 17,744 | 12,791 |
| Other non-current assets | 5,830 | 5,774 |
| | <u> </u> | <u> </u> |
| Total assets | <u>\$ 612,706</u> | <u>\$ 558,789</u> |

Liabilities and Stockholders' Equity

| | | |
|---------------------------------|-------------------|-------------------|
| Current liabilities | | |
| Accounts payable | \$ 81,570 | \$ 65,940 |
| Other accounts payable | 16,445 | 10,261 |
| Accrued expenses | 45,641 | 51,746 |
| Deferred revenue | 11,682 | 8,335 |
| Other current liabilities | 4,772 | 1,860 |
| | <u> </u> | <u> </u> |
| Total current liabilities | <u>160,110</u> | <u>138,142</u> |
| Long-term borrowings, net | 305,039 | 303,416 |
| Accrued severance benefits, net | 148,148 | 148,905 |
| Other non-current liabilities | 16,861 | 7,963 |
| | <u> </u> | <u> </u> |
| Total liabilities | <u>630,158</u> | <u>598,426</u> |

| | | |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|-------------------|
| Stockholders' equity | | |
| Common stock, \$0.01 par value, 150,000,000 shares authorized, 42,994,105 shares issued and 34,600,464 outstanding at September 30, 2018 and 42,563,808 shares issued and 34,189,599 outstanding at December 31, 2017 | 430 | 426 |
| Additional paid-in capital | 141,261 | 136,259 |
| Accumulated deficit | (33,925) | (40,889) |
| Treasury stock, 8,393,641 shares at September 30, 2018 and 8,374,209 shares at December 31, 2017 | (102,518) | (102,319) |
| Accumulated other comprehensive loss | (22,700) | (33,114) |
| | <u> </u> | <u> </u> |
| Total stockholders' deficit | <u>(17,452)</u> | <u>(39,637)</u> |
| Total liabilities and stockholders' equity | <u>\$ 612,706</u> | <u>\$ 558,789</u> |

MAGNACHIP SEMICONDUCTOR CORPORATION AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF CASH FLOWS (In thousands of US dollars) (Unaudited)

| | Three Months Ended | Nine Months Ended | |
|---------------------------------------------------------------------------------------------------------|-----------------------|-----------------------|-----------------------|
| | September 30, 2018 | September 30, 2018 | September 30, 2017 |
| Cash flows from operating activities | | | |
| Net income (loss) | \$ 17,222 | \$ (1,520) | \$ 41,283 |
| Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities | | | |
| Depreciation and amortization | 7,913 | 23,883 | 20,689 |
| Provision for severance benefits | 5,521 | 14,686 | 15,354 |
| Amortization of debt issuance costs and original issue discount | 550 | 1,623 | 1,464 |
| Loss (gain) on foreign currency, net | (5,438) | 26,931 | (30,615) |
| Restructuring gain and other | — | — | (17,010) |
| Stock-based compensation | 1,083 | 3,893 | 1,614 |
| Other | (2,017) | (964) | 459 |
| Changes in operating assets and liabilities | | | |
| Accounts receivable, net | (19,587) | (14,282) | (20,241) |
| Unbilled accounts receivable | 300 | 1,187 | — |
| Inventories, net | (13,499) | (30,296) | 3,281 |
| Other receivables | 1,839 | (2,669) | 3,541 |

| | | | |
|------------------------------------------------------------------------|---------|----------|----------|
| Other current assets | 261 | 2,514 | 2,897 |
| Accounts payable | 21,887 | 17,414 | 178 |
| Other accounts payable | (3,582) | (8,811) | (8,378) |
| Accrued expenses | (3,935) | (5,370) | (16,459) |
| Other current liabilities | 773 | 1,533 | (822) |
| Deferred revenue | (1,853) | 3,560 | (2,243) |
| Other non-current liabilities | (81) | 1,035 | 283 |
| Payment of severance benefits | (3,250) | (9,004) | (19,578) |
| Other | (845) | (329) | (11) |
| Net cash provided by (used in) operating activities | 3,262 | 25,014 | (24,314) |
| Cash flows from investing activities | | | |
| Proceeds from settlement of hedge collateral | 6,427 | 11,290 | 8,556 |
| Payment of hedge collateral | (3,475) | (10,965) | (14,839) |
| Proceeds from disposal of plant, property and equipment | 1,672 | 1,685 | 1,128 |
| Purchase of plant, property and equipment | (7,443) | (18,875) | (19,269) |
| Payment for property related to water treatment facility arrangement | — | (4,283) | — |
| Payment for intellectual property registration | (202) | (776) | (977) |
| Collection of guarantee deposits | 135 | 794 | 1,426 |
| Payment of guarantee deposits | (89) | (89) | (41) |
| Other | — | (38) | 24 |
| Net cash used in investing activities | (2,975) | (21,257) | (23,992) |
| Cash flows from financing activities | | | |
| Proceeds from issuance of senior notes | — | — | 86,250 |
| Payment of debt issuance costs | — | — | (5,902) |
| Proceeds from exercise of stock options | 678 | 1,113 | 3,391 |
| Acquisition of treasury stock | (199) | (199) | (11,401) |
| Proceeds from property related to water treatment facility arrangement | — | 4,283 | — |
| Repayment of financing related to water treatment facility arrangement | (73) | (73) | — |
| Net cash provided by financing activities | 406 | 5,124 | 72,338 |
| Effect of exchange rates on cash, cash equivalents and restricted cash | 1,107 | (3,974) | 2,787 |
| Net increase in cash, cash equivalents and restricted cash | 1,800 | 4,907 | 26,819 |
| Cash, cash equivalents and restricted cash | | | |
| Beginning of the period | 131,682 | 128,575 | 101,606 |
| End of the period | 133,482 | 133,482 | 128,425 |

 View original content: <http://www.prnewswire.com/news-releases/magnachip-reports-third-quarter-2018-financial-results-300740129.html>

SOURCE MagnaChip Semiconductor Corporation