



MagnaChip Semiconductor Provides Updated Guidance for Q4 2019 Financial Results

January 13, 2020

- Revenue now expected to be in the range of \$198-200 million as compared to previous estimate of \$181-191 million
- Gross profit margin expected to be in the range of 26-27% as compared to previous estimate of 24-26%
- Strategic evaluation process for Foundry business and Fab 4 remains ongoing

SEOUL, South Korea and SAN JOSE, Calif., Jan.13, 2020 /PRNewswire/ -- MagnaChip Semiconductor Corporation (NYSE: MX) today provided an update to its previous guidance for the fourth quarter of 2019.

Revenue in the fourth quarter of 2019, ended December 31, is now expected to be in the range of \$198-200 million, and gross profit margin is expected to be in the range of 26-27%, based on unaudited preliminary financial estimates. This updated guidance for the fourth quarter compares to the Company's previous guidance of revenue to be in the range of \$181-191 million and gross profit margin to be in the range of 24-26%.

The previous revenue guidance provided on October 23, 2019, in conjunction with the public release of the financial results for the third quarter of 2019, reflected an expectation at that time that revenue in the fourth quarter would reflect normal seasonal softness in the OLED, Power and Foundry businesses. While seasonal softness was a factor for all three businesses, OLED revenue was significantly better than had been expected. The Power standard products business was seasonally softer than had been expected, and Foundry revenue was seasonally soft, but better than had been expected.

The previous gross profit margin guidance for the fourth quarter, provided on October 23, 2019, reflected an expectation at that time that fab utilization would decline, reflecting normal seasonal softness. However, increased fab loading along with a richer OLED product mix contributed to better-than-expected gross profit margin results in the fourth quarter, as compared to previous estimates.

MagnaChip also reiterated today that the strategic evaluation of its Foundry business and Fab 4, the larger of the Company's two 8" manufacturing facilities, is ongoing. As was previously announced on October 23, 2019, the Company continues to make substantial progress on the strategic evaluation process, including discussions with multiple interested parties toward a possible sale of the business, as well as consideration of accretive business conversions, joint ventures and partnerships.

MagnaChip's updated revenue and gross profit margin guidance for the fourth quarter of 2019 is not a comprehensive statement of financial results, and actual figures may vary. The Company expects to announce full financial results for the fourth quarter in February.

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 about 40 years of operating history, owns a portfolio of approximately 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 2019 revenue and gross profit margin 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, 2019 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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