



# Magnachip Semiconductor (NYSE: MX)

## Q1 2026 Earnings Materials

April 28, 2026



# 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 and financial performance, outlook and business plans, including second quarter 2026 revenue and gross profit margin expectations, 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. All forward-looking statements included in this presentation are based upon information available to Magnachip as of the date of this presentation and the accompanying press 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, among others: the impact of changes in macroeconomic conditions, including those caused by or related to recent trade and tariff actions announced by the U.S. globally and the related retaliatory tariffs and disruptions in supply chains and global trade as a result thereof, inflation, potential recessions or other deteriorations, economic instability or civil unrest; geopolitical conflicts, including between Russia and Ukraine and between Israel, the United States and Iran and sustained military action and conflict in the Red Sea, including fuel supply disruptions and rising energy costs related thereto; disruptions or economic impact resulting from United States government shutdowns, manufacturing capacity constraints or supply chain disruptions that may impact our ability to deliver our products or affect the price of components and impact demand for our products from customers; the impact of competitive products and pricing; timely acceptance of our designs by customers; timely introduction of new products and technologies; the potential impact of emerging technologies such as artificial intelligence on industry dynamics, customer demand, supply chain operations, and regulatory environments; our ability to ramp new products into volume production; industry-wide shifts in supply and demand for semiconductor products; overcapacity within the industry or at Magnachip; 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 that can be eliminated; compliance with U.S. and international trade and export laws and regulations by us, our customers and our distributors; change to or ratification of local or international laws and regulations, including those related to environment, health and safety; public health issues; other business interruptions that could disrupt supply or delivery of, or demand for, Magnachip's products; and other risks detailed from time to time in Magnachip's filings with the U.S. Securities and Exchange Commission (the "SEC"), including our Form 10-K filed on March 16, 2026, 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 may have limitations and should not be considered as a substitute for net income (loss) or as a better indicator of our operating performance than measures that are presented in accordance with GAAP. Reconciliation of GAAP results to non-GAAP results is also included in this presentation.

# Q1 2026 Financial Summary – Continuing Operations

	Q1 2026	MX Guidance Range	Q/Q Change	Y/Y Change	
<b>Revenue</b>	Continuing Operations	\$46.2 M	\$44.0 M – \$48.0 M	up 13.9%	up 3.3%
	<ul style="list-style-type: none"> <li>Q1 revenue was at about the mid-point of our guidance range of \$44.0 million to \$48.0 million. This was up 3.3% year-over-year, and up 13.9% sequentially.</li> </ul>				

	Q1 2026	MX Guidance Range	Q/Q Change	Y/Y Change	
<b>Gross Profit Margin</b>	Continuing Operations	15.6%	14.0% – 16.0%	up 6.3 pts	down 5.3 pts
	<ul style="list-style-type: none"> <li>The year-over-year decline was primarily attributable to an unfavorable product mix, driven mainly by ASP erosion, particularly in China.</li> <li>The sequential increase was mainly attributable to a one-time sales incentive which had a 560 basis-point negative impact in the fourth quarter.</li> </ul>				

	Q1 2026	Q4 2025	Q1 2025	
<b>EPS</b>	GAAP Diluted Loss Per Share	(\$0.13)	(\$0.24)	(\$0.11)
	Non-GAAP Diluted Loss Per Share	(\$0.11)	(\$0.08)	(\$0.08)

# Q1 2026 Report by Business and Recent Highlights

<b>PAS</b>		<b>Q1 2026</b>	<b>Q4 2025</b>	<b>Q/Q Change</b>	<b>Q1 2025</b>	<b>Y/Y change</b>
	<b>Revenue</b>	<b>\$41.6 M</b>	<b>\$36.8 M</b>	<b>up 13.1%</b>	<b>\$39.9 M</b>	<b>up 4.5%</b>

- PAS revenue was \$41.6 million. This was up 4.5% year-over-year, and up 13.1% sequentially. The sequential improvement was primarily driven by the \$2.7 million of one-time sales incentive that was recognized as a reduction in revenue in Q4 2025, as part of our efforts to reduce elevated channel inventory.

<b>PIC</b>		<b>Q1 2026</b>	<b>Q4 2025</b>	<b>Q/Q Change</b>	<b>Q1 2025</b>	<b>Y/Y change</b>
	<b>Revenue</b>	<b>\$4.6 M</b>	<b>\$3.8 M</b>	<b>up 21.3%</b>	<b>\$4.9 M</b>	<b>down 6.2%</b>

- PIC revenue was \$4.6 million. This was down 6.2% year-over-year and up 21.3% sequentially.

## Q1 Recent Highlights

- Launched 8th-generation ultra low-R<sub>ss(on)</sub> 12V BatteryFET designed for smartphone battery power efficiency
- Launched 8th-generation 40V and 60V MV MOSFETs for servers and high-performance PCs
- On track to launch 55 new-generation products in 2026

# Q1 2026 Key Financials

(In \$ millions, except for share data and days calculation)

<b>Non-GAAP Metrics – Continuing Operations</b>	<b>Non-GAAP Metrics</b>	<b>Q1 2026</b>	<b>Q4 2025</b>	<b>Q1 2025</b>
	Adjusted Operating Loss	(\$6.5)	(\$11.9)	(\$4.4)
	Adjusted EBITDA	(\$3.6)	(\$8.9)	(\$1.2)
	Adjusted Loss	(\$4.1)	(\$2.7)	(\$2.8)
	Adjusted Loss per Common Share – Diluted	(\$0.11)	(\$0.08)	(\$0.08)

<b>Balance Sheet</b>	<b>Balance Sheet</b>	<b>Q1 2026</b>	<b>Q4 2025</b>	<b>Q1 2025</b>
	Cash and Cash Equivalents	\$94.6	\$103.8	\$132.7
	Days Sales Outstanding (DSO)	45 days	51 days	47 days
	Days in Inventory	74 days	78 days	70 days
	Total Stockholders' Equity	\$232.8	\$248.3	\$269.2

# Q2 2026 Outlook – Continuing Operations

Beginning Q1 2025, the Company became a pure-play Power company, with the display business classified as discontinued operations and reported separately from continuing operations, which include PAS and Power IC business lines. While actual results may vary, Magnachip currently expects the following:

	Key Metrics	Guidance
<b>Q2 2026</b>	Revenue	<ul style="list-style-type: none"><li>Consolidated revenue from continuing operations (which includes Power Analog Solutions and Power IC businesses) to be in the range of \$44.5 million to \$48.5 million, roughly flat sequentially and a decrease of 2.3% year-over-year at the mid-point. This compares with \$46.2 million in Q1 2026 and \$47.6 million in Q2 2025.</li></ul>
	Gross Profit Margin	<ul style="list-style-type: none"><li>Consolidated gross profit margin from continuing operations to be in the range of 17% to 19%, up from 15.6% in Q1 2026 but down from 20.4% in Q2 2025.</li></ul>

# Q1 2026 Financial Highlights

In thousands of U.S. dollars, except share data

	GAAP							
	Q1 2026	Q4 2025	Q/Q change		Q1 2025	Y/Y change		
<b>Net Sales</b>	46,208	40,570	up	13.9%	44,722	up	3.3%	
Power Analog Solutions	41,647	36,811	up	13.1%	39,857	up	4.5%	
Power IC	4,561	3,759	up	21.3%	4,865	down	6.2%	
<b>Gross Profit Margin</b>	15.6%	9.3%	up	6.3%pts	20.9%	down	5.3%pts	
Power Analog Solutions	12.8%	6.5%	up	6.3%pts	17.8%	down	5.0%pts	
Power IC	40.4%	36.7%	up	3.7%pts	46.5%	down	6.1%pts	
<b>Operating Loss</b>	(7,170)	(12,446)	up	n/a	(5,278)	down	n/a	
<b>Loss from continuing operations</b>	(4,697)	(8,792)	up	n/a	(4,051)	down	n/a	
<b>Basic Loss per Common Share</b>	(0.13)	(0.24)	up	n/a	(0.11)	down	n/a	
<b>Diluted Loss per Common Share</b>	(0.13)	(0.24)	up	n/a	(0.11)	down	n/a	

In thousands of U.S. dollars, except share data

	Non-GAAP <sup>(1)</sup>							
	Q1 2026	Q4 2025	Q/Q change		Q1 2025	Y/Y change		
<b>Adjusted Operating Loss</b>	(6,527)	(11,881)	up	n/a	(4,410)	down	n/a	
<b>Adjusted EBITDA</b>	(3,640)	(8,856)	up	n/a	(1,205)	down	n/a	
<b>Adjusted Loss</b>	(4,073)	(2,714)	down	n/a	(2,784)	down	n/a	
<b>Adjusted Loss per Common Share—Diluted</b>	(0.11)	(0.08)	down	n/a	(0.08)	down	n/a	

- (1) 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 our 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 loss or as a better indicator of our operating performance than measures that are presented in accordance with GAAP. A reconciliation of historical GAAP results to non-GAAP results is included in this press release.

# Appendix: GAAP to Non-GAAP Reconciliation

(In thousands of U.S. dollars)

	Three Months Ended		
	March 31, 2026	December 31, 2025	March 31, 2025
Operating loss	\$ (7,170)	\$ (12,446)	\$ (5,278)
Adjustments:			
Equity-based compensation expense	643	565	868
Adjusted Operating Loss	<u>\$ (6,527)</u>	<u>\$ (11,881)</u>	<u>\$ (4,410)</u>

We present Adjusted Operating Loss from continuing operations as a supplemental measure of our performance. We define Adjusted Operating Loss from continuing operations for the periods indicated as operating loss from continuing operations adjusted to exclude (i) Equity-based compensation expense.

# Appendix: GAAP to Non-GAAP Reconciliation

	Three Months Ended		
	March 31, 2026	December 31, 2025	March 31, 2025
(In thousands of U.S. dollars, except share data)			
Loss from continuing operations	\$ (4,697)	\$ (8,792)	\$ (4,051)
Adjustments:			
Interest income	(1,063)	(1,246)	(1,540)
Interest expense	373	393	423
Income tax benefit, net	(1,908)	(9,180)	(401)
Depreciation and amortization	2,877	3,019	3,120
EBITDA – continuing operations	(4,418)	(15,806)	(2,449)
Equity-based compensation expense	643	565	868
Foreign currency loss, net	115	6,393	405
Derivative valuation loss (gain), net	20	(8)	(29)
Adjusted EBITDA – continuing operations	<u>\$ (3,640)</u>	<u>\$ (8,856)</u>	<u>\$ (1,205)</u>
Loss from continuing operations	\$ (4,697)	\$ (8,792)	\$ (4,051)
Adjustments:			
Equity-based compensation expense	643	565	868
Foreign currency loss, net	115	6,393	405
Derivative valuation loss (gain), net	20	(8)	(29)
Income tax effect on non-GAAP adjustments	(154)	(872)	23
Adjusted Loss – continuing operations	<u>\$ (4,073)</u>	<u>\$ (2,714)</u>	<u>\$ (2,784)</u>
Adjusted Loss – continuing operations per common share—			
- Basic	\$ (0.11)	\$ (0.08)	\$ (0.08)
- Diluted	\$ (0.11)	\$ (0.08)	\$ (0.08)
Weighted average number of shares – basic	36,407,581	35,979,697	36,887,841
Weighted average number of shares – diluted	36,407,581	35,979,697	36,887,841

# Appendix: GAAP to Non-GAAP Reconciliation

We present Adjusted EBITDA from continuing operations and Adjusted Loss from continuing operations as supplemental measures of our performance. We define Adjusted EBITDA from continuing operations for the periods indicated as EBITDA – continuing operations (as defined below), adjusted to exclude (i) Equity-based compensation expense, (ii) Foreign currency loss, net and (iii) Derivative valuation loss (gain), net. EBITDA – continuing operations for the periods indicated is defined as loss from continuing operations before interest income, interest expense, income tax benefit, net and depreciation and amortization.

We prepare Adjusted Loss from continuing operations by adjusting loss from continuing operations 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 Loss from continuing operations is particularly useful because it reflects the impact of our asset base and capital structure on our operating performance. We define Adjusted Loss from continuing operations for the periods as net loss, adjusted to exclude (i) Equity-based compensation expense, (ii) Foreign currency loss, net, (iii) Derivative valuation loss (gain), net and (iv) Income tax effect on non-GAAP adjustments.