

MagnaChip Semiconductor Presentation

- *OLED Everywhere* -

January 2018

Forward-Looking Statements

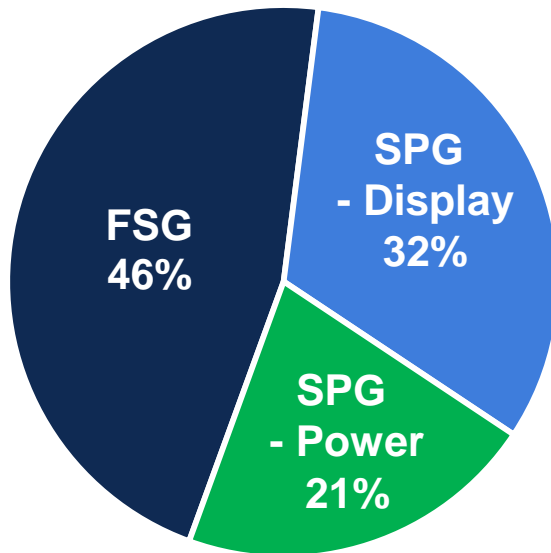
Information in this presentation regarding MagnaChip's forecasts, business outlook, expectations and beliefs are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 that involve risks and uncertainties. All forward-looking statements included or incorporated 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 21, 2017 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.

A balanced portfolio of products and services with growth opportunities

2017 LTM Revenue (\$686M)

Q4'16: \$180M, Q1'17: \$162M
Q2'17: \$167M, Q3'17: \$177M



- Over 2,000 products
- Approximately 3,300 registered patents and pending applications

Business Lines



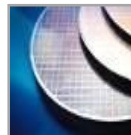
• Display Solutions: 32%

- Global #2 in OLED display drivers for mobile devices and Virtual Reality headsets
- Leading player in UHD 4K TVs



• Power Solutions: 21%

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



• Specialized Foundry: 46%

- Specialized analog and mixed signal foundry services
- High voltage, embedded memory and hybrid technology offerings, including BCD with high-density EEPROM in a single process node at 0.13 micron

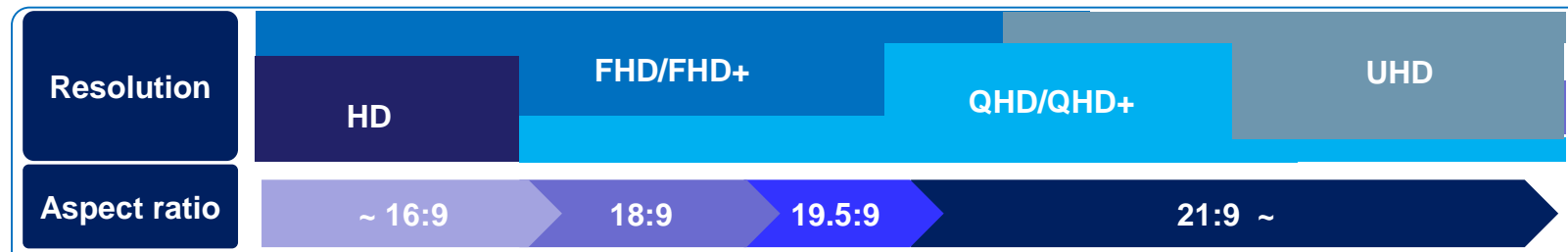
MagnaChip: an OLED leader

Leadership in evolution of OLED market

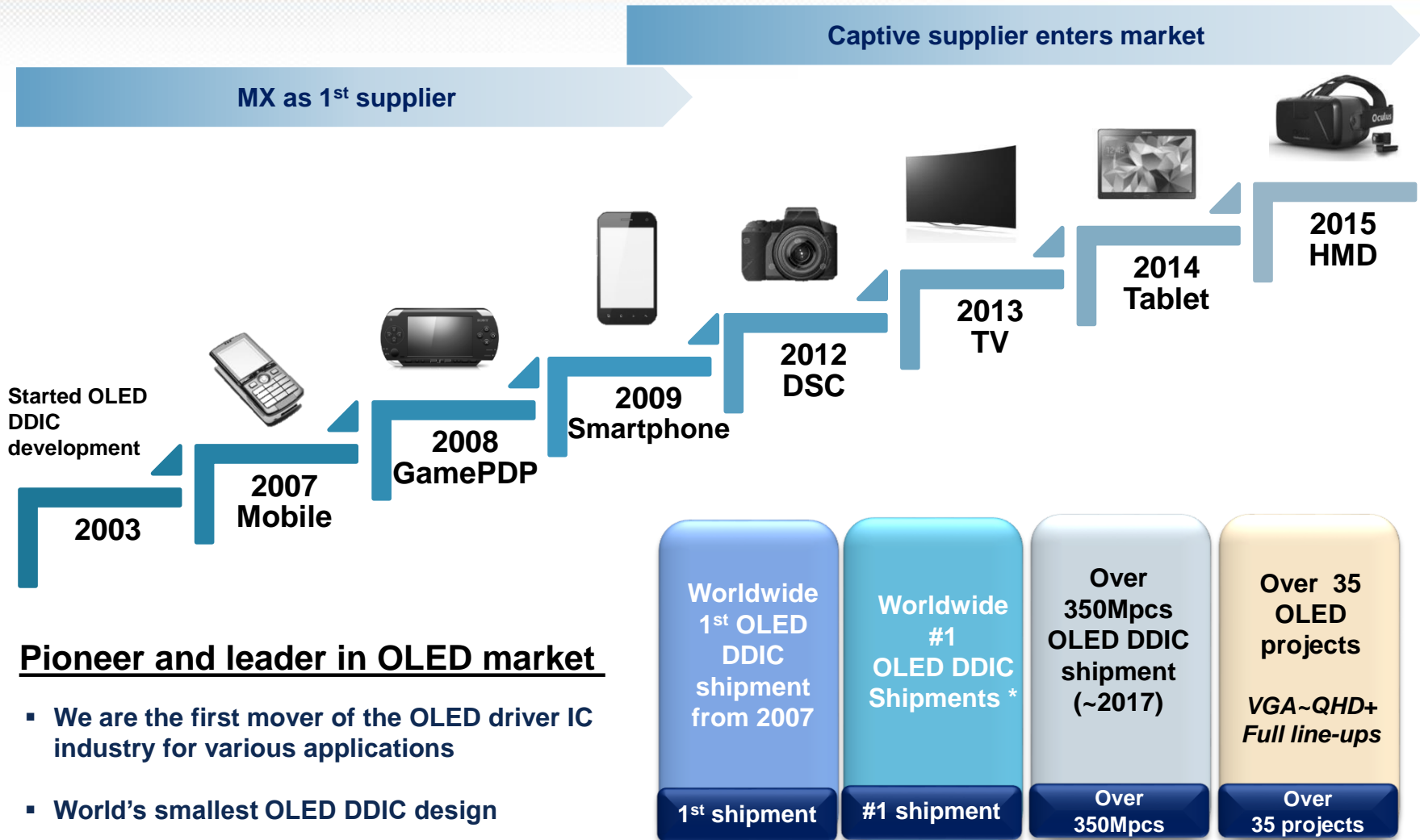
Business opportunity and MX's competitiveness

Key takeaways

OLED is everywhere and evolves over time



MagnaChip: First adopter and non-captive OLED leader

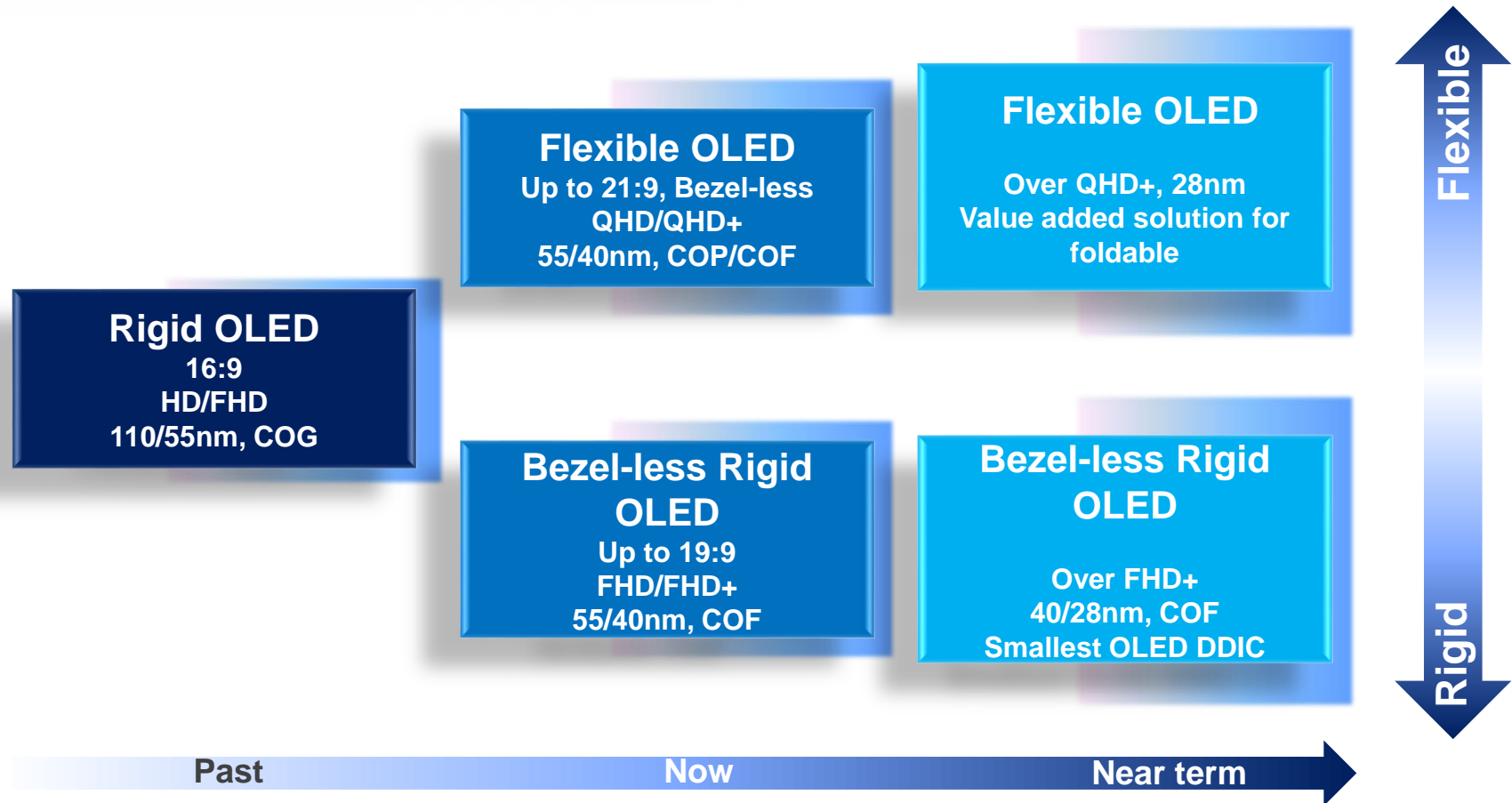


Pioneer and leader in OLED market

- We are the first mover of the OLED driver IC industry for various applications
- World's smallest OLED DDIC design

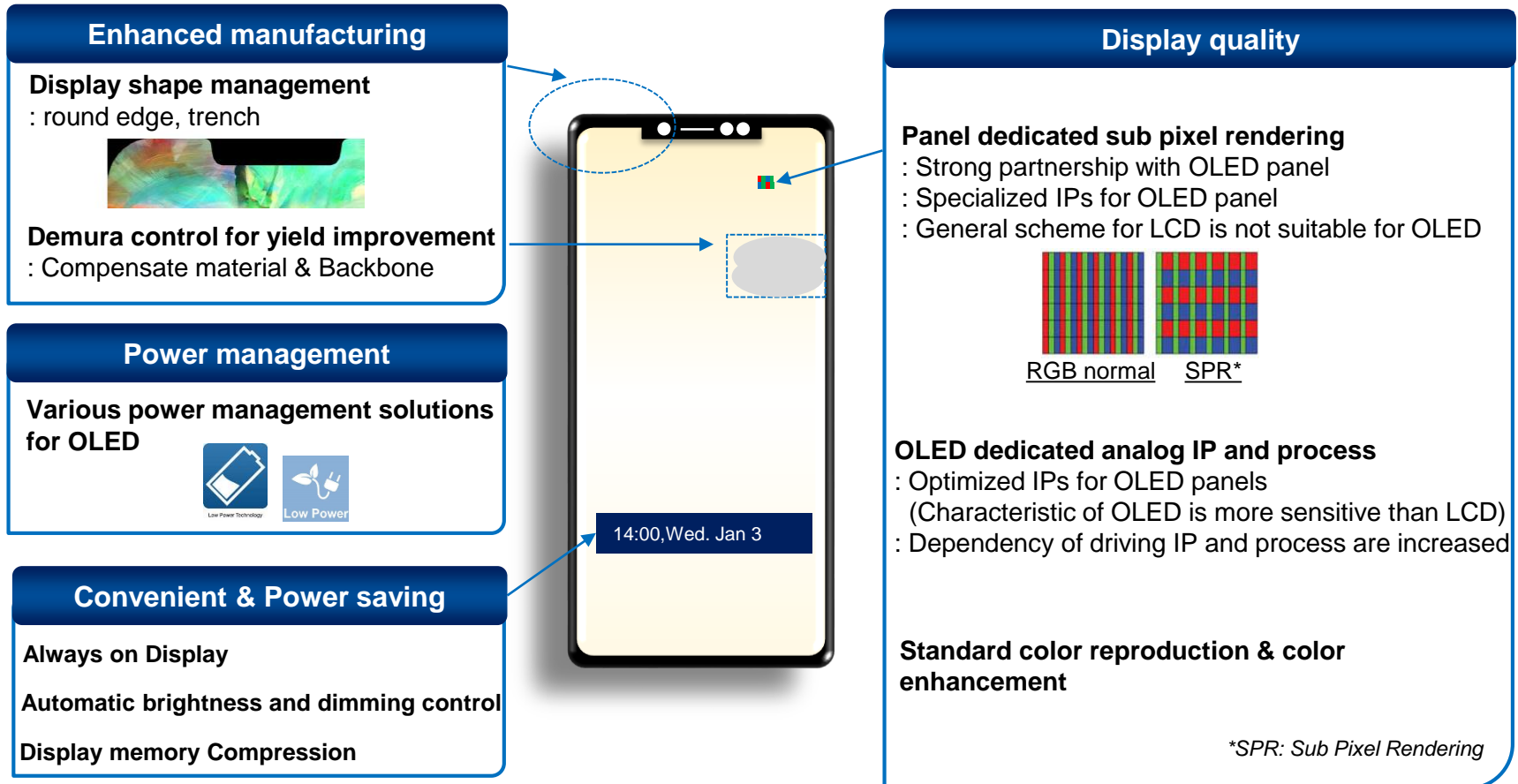
* Non Captive

MX's innovative product portfolio



MX supports all specialized IPs for OLED Display

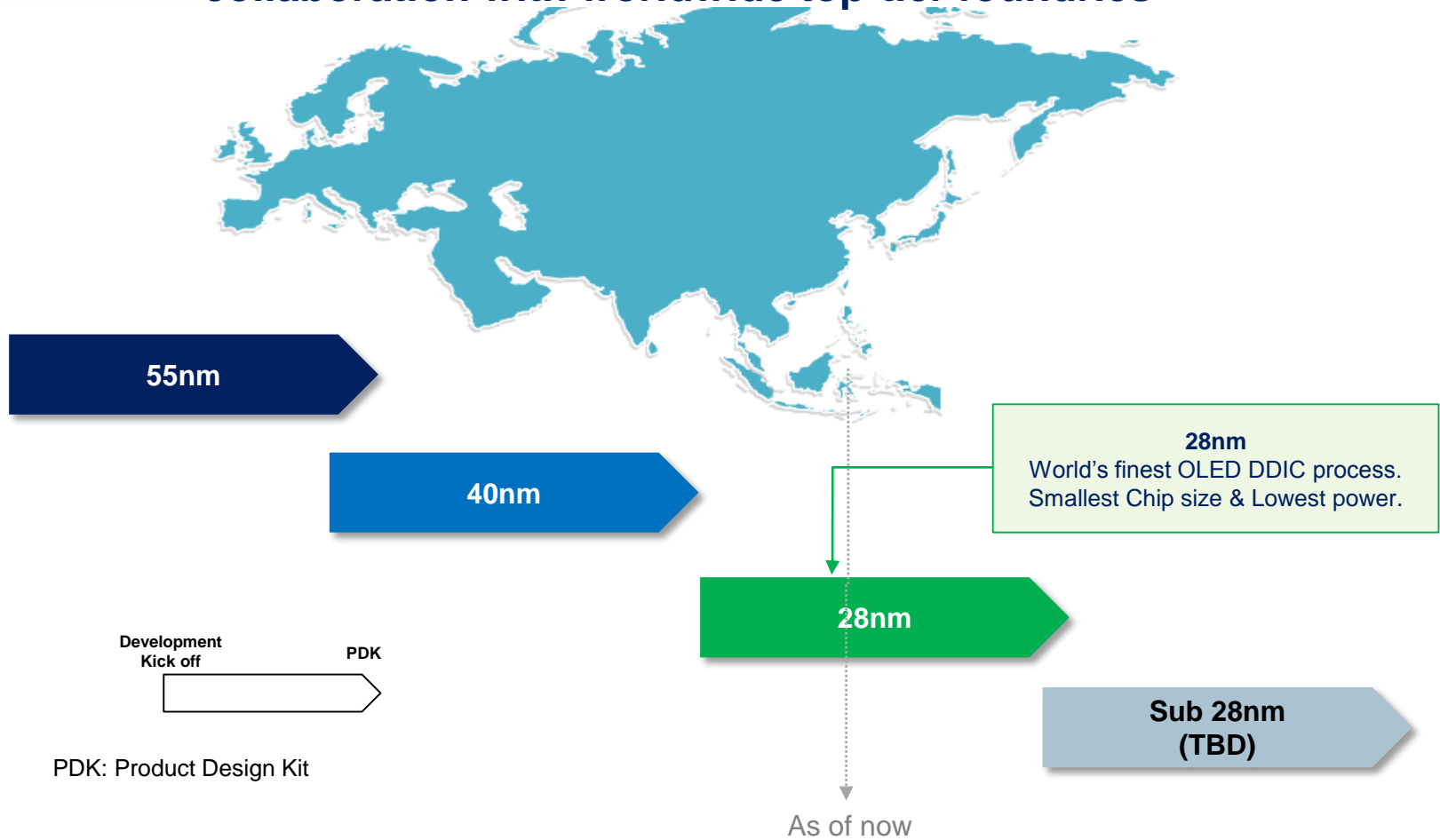
- MX's all IPs are optimized for OLED display panel, unlike TFT-LCD panel based IPs



✓ We have a lot of registered OLED related patents and pending patent applications.

Pioneer in advanced OLED process technology

Leader and pioneer in development of OLED process in collaboration with worldwide top-tier foundries



Leader in OLED COF technology for bezel-less design

Chip-On-Glass



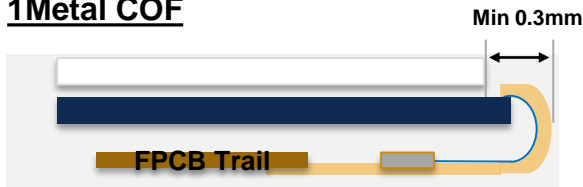
For Rigid display smartphones

Effective solutions for
Low-cost smartphones

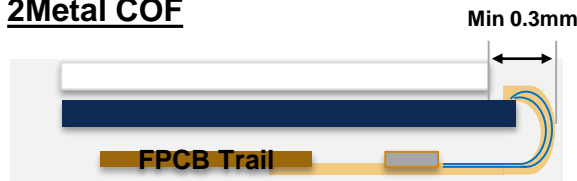


Chip-On-Film

1Metal COF



2Metal COF



Supports any form factors (Rigid, Flexible)

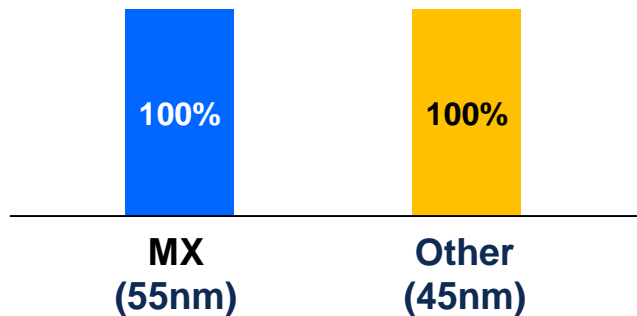
Effective solutions for Bezel-less and
slim design

- FHD+ display: 1Metal COF
- Over QHD display: 2Metal COF



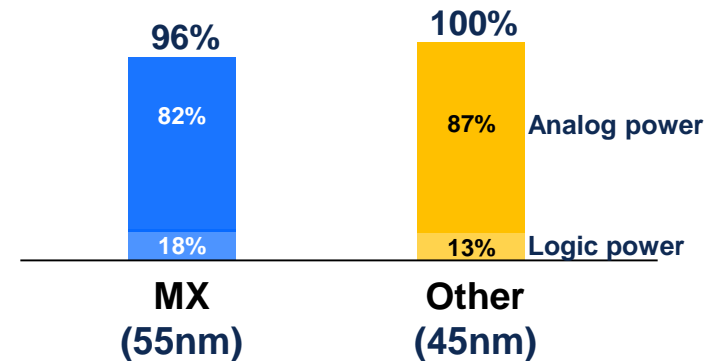
Innovative Design Competitiveness of MX's OLED DDICs

Compatible die size



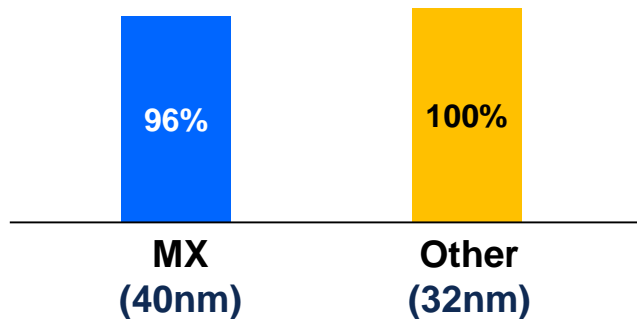
* FHD+ w/ 1/3ram Comparison(2nd Gen.)

Lower power consumption



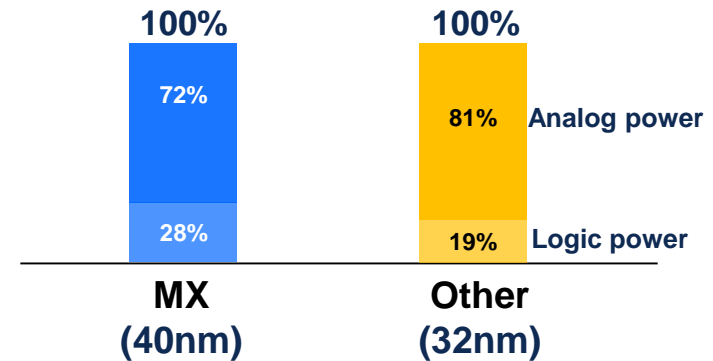
* FHD+ w/ 1/3ram Comparison(2nd Gen.)

Smaller die size



* FHD+ w/ 1/3ram Comparison(3rd Gen.)

Same level power consumption



* FHD+ w/ 1/3ram Comparison(3rd Gen.)

OLED business opportunities

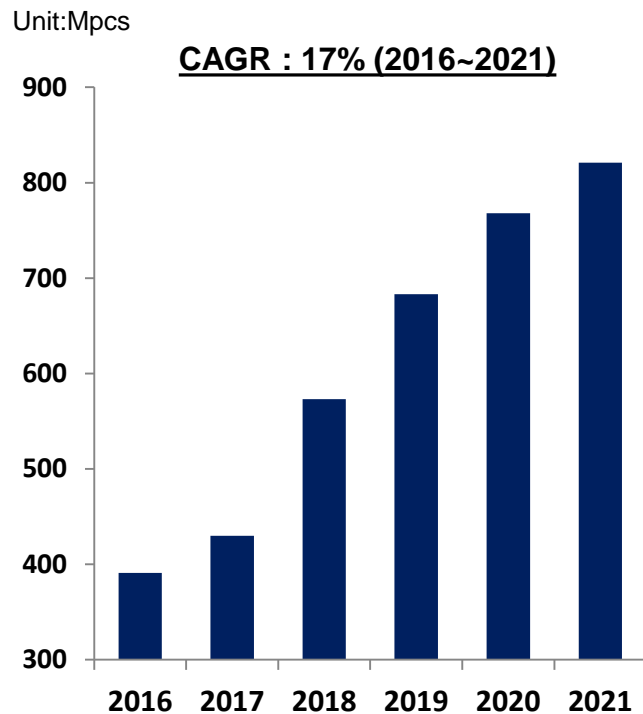
Leadership in evolution of OLED

**Business opportunity and
MX's Competitiveness**

Key takeaways

MX focuses on high-growth OLED market

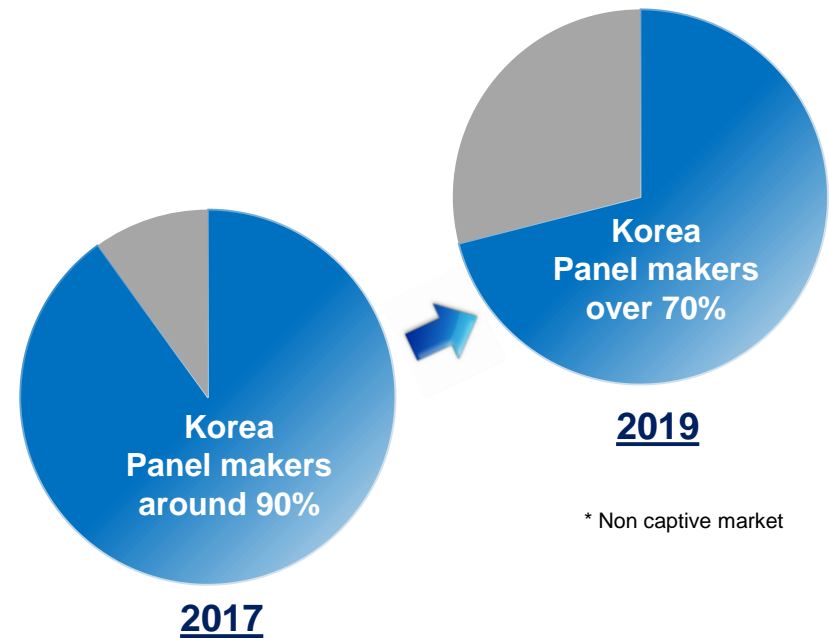
OLED Display panel shipment forecast



Source: IHS, Q4 2017

OLED Display panel capacity share

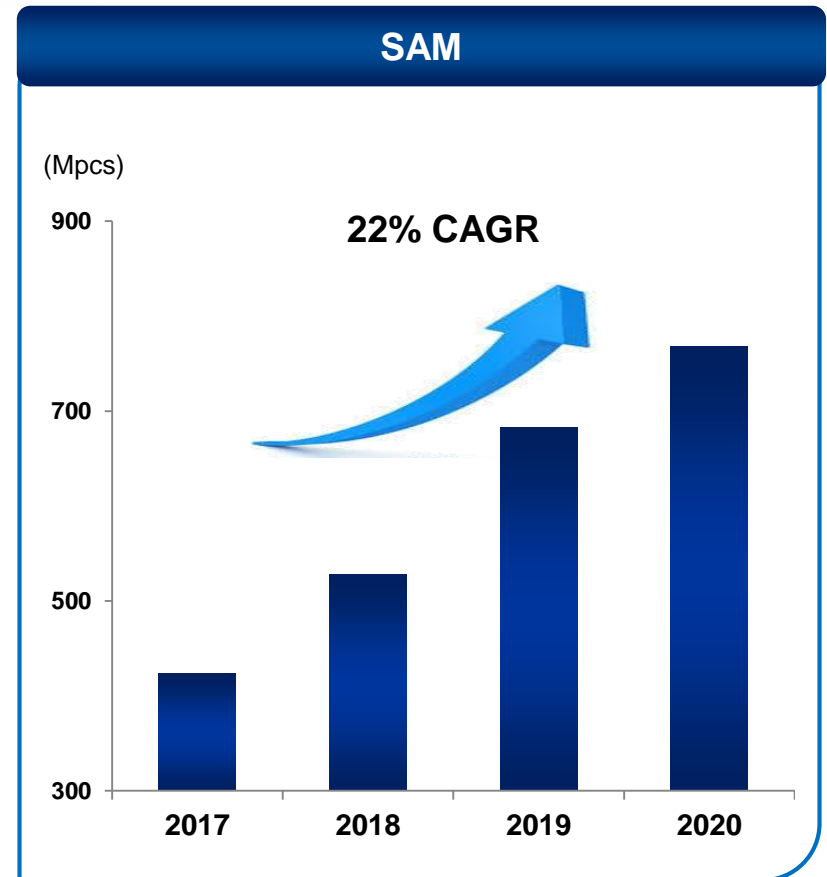
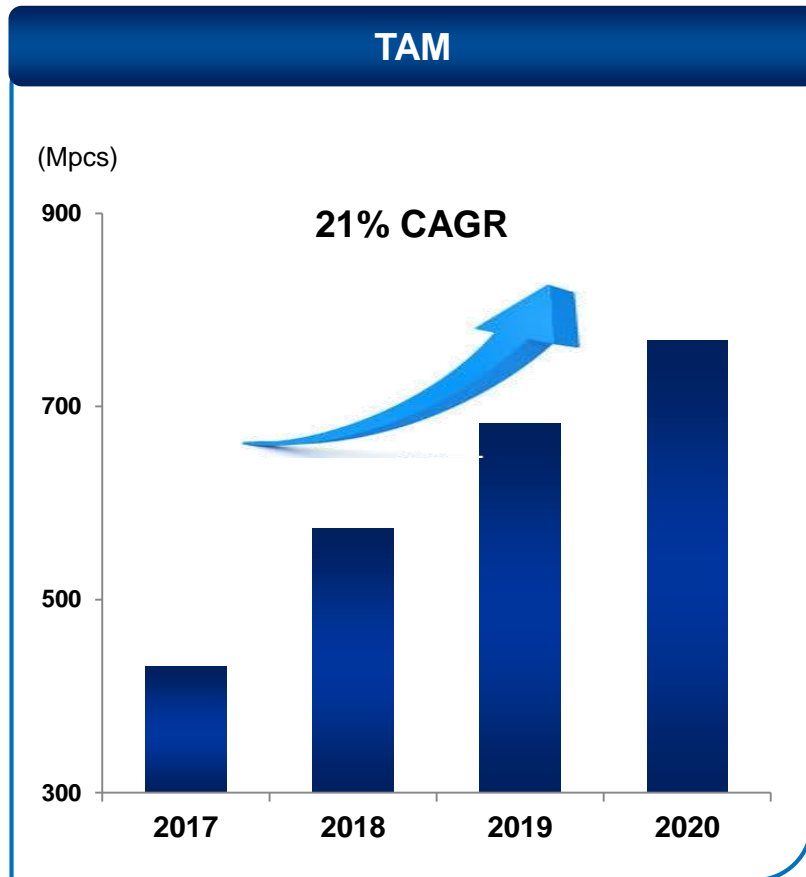
- Strong relationship with Korea panel customers
- MX is in #1 market share *



* Non captive market

Source: MX estimates

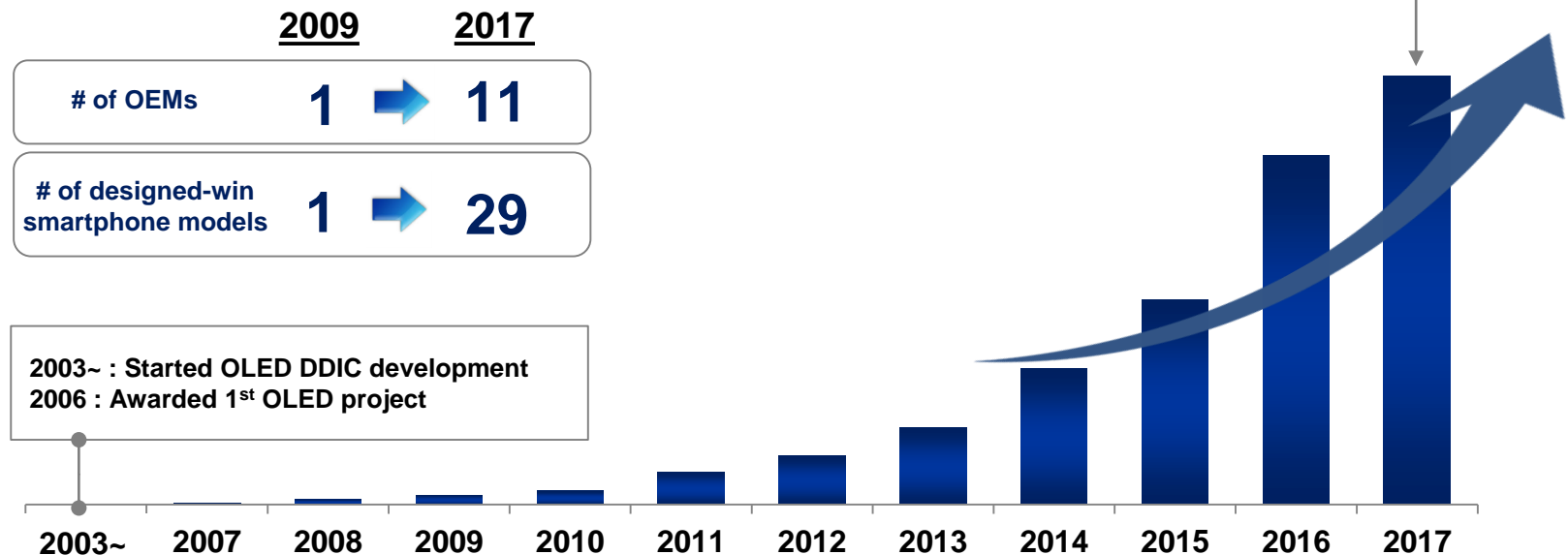
Growth opportunity: OLED DDIC TAM and SAM



Source: IHS, MX estimates

Leader in OLED Display Driver IC shipment

MX's OLED DDIC shipment

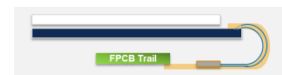


* The bar is not drawn to exact scale.

COG DDIC



COF DDIC



OLED COG DDIC shipment over 340Mpcs (cumulative)

1Metal COF DDIC: Over dozen models in mass production
2Metal COF DDIC: QHD+ models are in mass production

MX's differentiation & advantages in OLED market

	Differentiation	Advantage
Process	<ul style="list-style-type: none"> - Various OLED process development experience (110nm ~ 28nm) - MX own specialized OLED proprietary IP (nEDMOS, ESD, LOTP, etc.) 	<ul style="list-style-type: none"> - Provide high quality, small die and low power DDIC - Simplify & reduce process layers and higher yields
Design	<ul style="list-style-type: none"> - Over 15 years design know-how and proprietary OLED IPs - Proven design capability for various OLED form factors and display resolutions. 	<ul style="list-style-type: none"> - Support for various form factors (Round, notch , flexible, foldable displays) - Simplify customer's development TAT
Test	<ul style="list-style-type: none"> - OLED optimized test algorithms and methodologies 	<ul style="list-style-type: none"> - World wide best quality for OLED display (Zero-defective products)
Packaging	<ul style="list-style-type: none"> - Various packaging R&D and mass production experience : COG, 1Metal COF, 2Metal COF - Optimized solutions for thermal and EMI 	<ul style="list-style-type: none"> - Support for various form factors - Good EMI and thermal characteristics

Strong relationship with Korea panel makers (Since 2003)

Strong partnership with major smartphone OEMs

Korea views MX's OLED technology as a national treasure

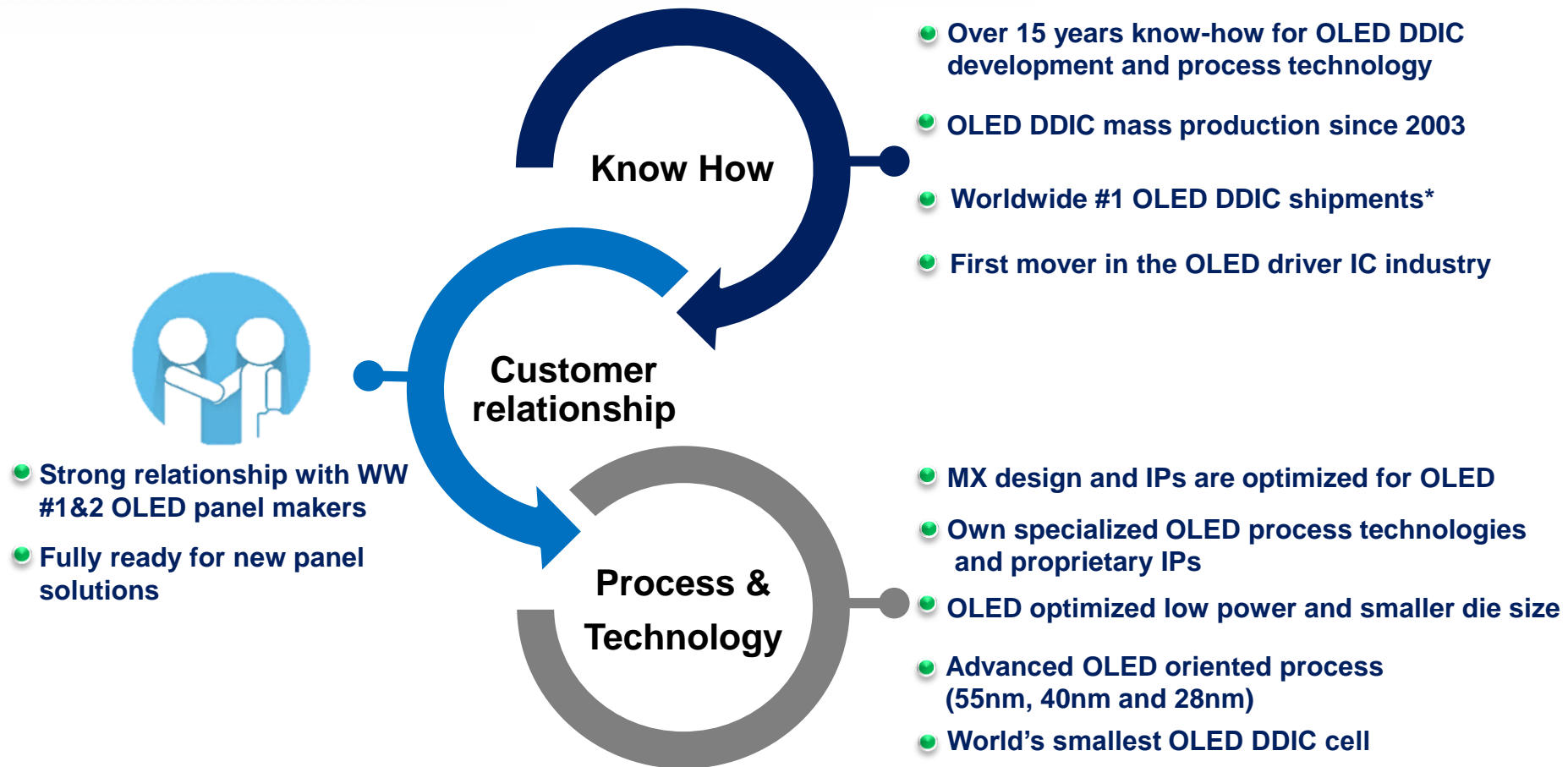
MagnaChip: key OLED takeaways

Leadership in evolution of OLED

Business opportunity and
MX's Competitiveness

Key takeaways

Key takeaways



* Non Captive

Thank you