Magnachip Semiconductor (NYSE: MX)

Q2 2026 Earnings Materials

July 29, 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 regarding our financial performance and business outlook, including third quarter 2026 revenue and gross profit margin, future growth and revenue opportunities, strategic relationships, product development and commercialization, and other future events. 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. 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: changes in macroeconomic conditions, trade policies, geopolitical conditions and market conditions; manufacturing capacity constraints, supply chain disruptions and changes in customer demand; the impact of competitive products and pricing; our ability to establish, maintain and expand strategic relationships with customers and business partners, and to realize the anticipated benefits of those relationships; customer acceptance of our products and technologies; our ability to develop, introduce and ramp new products into volume production; changes in semiconductor industry supply and demand, including overcapacity and manufacturing utilization; financial stability in foreign markets and the impact of foreign exchange rates; unanticipated costs and expenses; changes in, or compliance with, applicable trade, export and other laws and regulations; public health issues; other business interruptions; and other risks described in Magnachip's filings with the SEC, including our Annual Report on Form 10-K filed on March 16, 2026. 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.

Q2 2026 Financial Summary – Continuing Operations

Revenue

	Q2 2026	MX Guidance Range	Q/Q Change	Y/Y Change
Continuing Operations	$44.7 M	$44.5 M – $48.5 M	down 3.3%	down 6.1%

- Q2 revenue was within our guidance range of $44.5 million to $48.5 million. This was down 6.1% year-over-year, and down 3.3% sequentially.

Gross Profit Margin

	Q2 2026	MX Guidance Range	Q/Q Change	Y/Y Change
Continuing Operations	19.3%	17% – 19%	up 3.7%	down 1.1%

- The year-over-year decline was primarily attributable to an unfavorable product mix, driven mainly by ASP erosion, particularly in China.
- The sequential increase was due to higher fab utilization, reflecting the one-quarter lag effect.

EPS

	Q2 2026	Q1 2026	Q2 2025
GAAP Diluted Earnings (Loss) Per Share	($0.21)	($0.13)	$0.25
Non-GAAP Diluted Loss Per Share	($0.13)	($0.11)	($0.05)

Q2 2026 Report by Business and Recent Highlights

PAS

	Q2 2026	Q1 2026	Q/Q Change	Q2 2025	Y/Y change
Revenue	$40.6 M	$41.6 M	down 2.6%	$42.3 M	down 4.0%

- PAS revenue was $40.6 million. This was down 4.0% year-over-year, and down 2.6% sequentially. The sequential decline was primarily due to a stronger Q1 revenue from the inventory reduction and by season softness. The year-on-year decline was mainly due to weaker demand for legacy products from intensified pricing competition.

PIC

	Q2 2026	Q1 2026	Q/Q Change	Q2 2025	Y/Y change
Revenue	$4.1 M	$4.6 M	down 9.4%	$5.4 M	down 23.0%

- PIC revenue was $4.1 million. This was down 23.0% year-over-year and down 9.4% sequentially.

Q2 Recent Highlights

- Appointment of Chae Lee as Chief Executive Officer
- Launches New 6th-Generation 600V SJ MOSFETs for AI Servers and EV Charging Applications
- Formed strategic partnership with Navitas Semiconductor to license SiC technology in high-voltage and ultra-high-voltage markets

Q2 2026 Key Financials

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

Non-GAAP Metrics – Continuing Operations	Non-GAAP Metrics	Q2 2026	Q1 2026	Q2 2025
	Adjusted Operating Loss	($7.0)	($6.5)	($4.8)
	Adjusted EBITDA	($4.2)	($3.6)	($1.5)
	Adjusted Loss	($4.9)	($4.1)	($2.0)
	Adjusted Loss per Common Share – Diluted	($0.13)	($0.11)	($0.05)

Balance Sheet	Balance Sheet	Q2 2026	Q1 2026	Q2 2025
	Cash and Cash Equivalents	$87.9	$94.6	$113.3
	Days Sales Outstanding (DSO)	43 days	45 days	47 days
	Days in Inventory	81 days	74 days	81 days
	Total Stockholders’ Equity	$226.5	$232.8	$270.2

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Q3 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
Q3 2026	Revenue	• Consolidated revenue from continuing operations (which includes Power Analog Solutions and Power IC businesses) to be in the range of $41.5 million to $45.5 million, a decrease sequentially of 2.7% and a decrease of 5.2% year-over-year at the mid-point. This compares with $44.7 million in Q2 2026 and $45.9 million in Q3 2025. Magnachip continues to see healthy demand for its Low Voltage BatteryFET product line for mobile products. Nevertheless, it expects third-quarter revenue to decline sequentially due to three near-term factors: packaging constraints in its supply chain that are limiting the company's ability to fully satisfy demand, lower-than-expected customer volumes in certain consumer applications, and an unfavorable product mix resulting from continued pricing pressure on our legacy products.
	Gross Profit Margin	• Consolidated gross profit margin from continuing operations to be in the range of 17% to 19%, compared 19.3% in Q2 2026 and 18.6% in Q3 2025. The sequential decline is primarily due to an unfavorable product mix.

Q2 2026 Financial Highlights

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

	GAAP						
	Q2 2026	Q1 2026	Q/Q change		Q2 2025	Y/Y change	
Net Sales	44,704	46,208	down	3.3%	47,622	down	6.1%
Power Analog Solutions	40,574	41,647	down	2.6%	42,261	down	4.0%
Power IC	4,130	4,561	down	9.4%	5,361	down	23.0%
Gross Profit Margin	19.3%	15.6%	up	3.7%pts	20.4%	down	1.1%pts
Power Analog Solutions	17.2%	12.8%	up	4.4%pts	18.2%	down	1.0%pts
Power IC	40.9%	40.4%	up	0.5%pts	37.4%	up	3.5%pts
Operating Loss	(9,976)	(7,170)	down	39.1%	(6,598)	down	51.2%
Income (Loss) from continuing operations	(7,601)	(4,697)	down	61.8%	9,203	down	182.6%
Basic Earnings (Loss) per Common Share	(0.21)	(0.13)	down	61.5%	0.26	down	180.8%
Diluted Earnings (Loss) per Common Share	(0.21)	(0.13)	down	61.5%	0.25	down	184.0%

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

	Non-GAAP(1)						
	Q2 2026	Q1 2026	Q/Q change		Q2 2025	Y/Y change	
Adjusted Operating Loss	(6,976)	(6,527)	down	6.9%	(4,776)	down	46.1%
Adjusted EBITDA	(4,219)	(3,640)	down	15.9%	(1,542)	down	173.6%
Adjusted Loss	(4,901)	(4,073)	down	20.3%	(1,978)	down	147.8%
Adjusted Loss per Common Share—Diluted	(0.13)	(0.11)	down	18.2%	(0.05)	down	160.0%

(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			Six Months Ended	
	June 30, 2026	March 31, 2026	June 30, 2025	June 30, 2026	June 30, 2025
Operating loss– continuing operations	$ (9,976)	$ (7,170)	$ (6,598)	$ (17,146)	$ (11,876)
Adjustments:					
Equity-based compensation expense	1,019	643	976	1,662	1,844
Other charges	1,981	—	846	1,981	846
Adjusted Operating Loss– continuing operations	$ (6,976)	$ (6,527)	$ (4,776)	$ (13,503)	$ (9,186)

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 and (ii) Other charges.

For the three and six months ended June 30, 2026, we recorded $1,981 thousand of other charges, consisting of a $1,095 thousand customer goodwill payment related to a certain product, and $886 thousand of one-time employee incentives. For the same period in 2025, we recorded $496 thousand of one-time employee incentives and $350 thousand of certain executive separation benefit related accruals.

Appendix: GAAP to Non-GAAP Reconciliation

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

	Three Months Ended			Six Months Ended	
	June 30, 2026	March 31, 2026	June 30, 2025	June 30, 2026	June 30, 2025
Income (Loss) from continuing operations	$ (7,601)	$ (4,697)	$ 9,203	$ (12,298)	$ 5,152
Adjustments:					
Interest income	(949)	(1,063)	(1,322)	(2,012)	(2,862)
Interest expense	320	373	373	693	796
Income tax benefit, net	(1,986)	(1,908)	(4,138)	(3,894)	(4,539)
Depreciation and amortization	2,750	2,877	3,237	5,627	6,357
EBITDA – continuing operations	(7,466)	(4,418)	7,353	(11,884)	4,904
Equity-based compensation expense	1,019	643	976	1,662	1,844
Foreign currency loss (gain), net	526	115	(10,797)	641	(10,392)
Derivative valuation loss (gain), net	(279)	20	80	(259)	51
Other charges	1,981	—	846	1,981	846
Adjusted EBITDA – continuing operations	$ (4,219)	$ (3,640)	$ (1,542)	$ (7,859)	$ (2,747)
Income (Loss) from continuing operations	$ (7,601)	$ (4,697)	$ 9,203	$ (12,298)	$ 5,152
Adjustments:					
Equity-based compensation expense	1,019	643	976	1,662	1,844
Foreign currency loss (gain), net	526	115	(10,797)	641	(10,392)
Derivative valuation loss (gain), net	(279)	20	80	(259)	51
Other charges	1,981	—	846	1,981	846
Income tax effect on non-GAAP adjustments	(547)	(154)	(2,286)	(701)	(2,263)
Adjusted Loss – continuing operations	$ (4,901)	$ (4,073)	$ (1,978)	$ (8,974)	$ (4,762)
Adjusted Loss – continuing operations per common share—					
- Basic	$ (0.13)	$ (0.11)	$ (0.05)	$ (0.25)	$ (0.13)
- Diluted	$ (0.13)	$ (0.11)	$ (0.05)	$ (0.25)	$ (0.13)
Weighted average number of shares – basic	36,454,812	36,407,581	36,083,703	36,431,327	36,483,551
Weighted average number of shares – diluted	36,454,812	36,407,581	36,083,703	36,431,327	36,483,551

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 (gain), net, (iii) Derivative valuation loss (gain), net and (iv) Other charges. EBITDA – continuing operations for the periods indicated is defined as income (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 income (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 (gain), net, (iii) Derivative valuation loss (gain), net, (iv) Other charges and (v) Income tax effect on non-GAAP adjustments.

For the three and six months ended June 30, 2026, we recorded $1,981 thousand of other charges, consisting of a $1,095 thousand customer goodwill payment related to a certain product, and $886 thousand of one-time employee incentives. For the same period in 2025, we recorded $496 thousand of one-time employee incentives and $350 thousand of certain executive separation benefit related accruals.