



MX Powering Up: Magnachip Analyst Briefing

March 12, 2025



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 U.S. 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 its revenue and gross profit margin expectations, future growth and revenue opportunities from new and existing products and customers, the timing and extent of future revenue contributions by our products and businesses, and the impact of market conditions associated with inflation and higher interest rates, geopolitical conflicts between Russia-Ukraine and between Israel-Hamas, sustained military action and conflict in the Red Sea, and trade tensions between the U.S. and China on Magnachip's future operating results, and the timing and extent of future revenue contributions by our products and businesses, are based upon information available to Magnachip as of the date of this presentation 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 inflation, potential recessions or other deteriorations, economic instability or civil unrest; the geopolitical conflicts between Russia-Ukraine and between Israel-Hamas, sustained military action and conflict in the Red Sea, and trade tensions between the U.S. and China; manufacturing capacity constraints or supply chain disruptions that may impact our ability to deliver our products or affect the price of components, which may lead to an increase in our costs and impact demand for our products from customers who are similarly affected by such capacity constraints or disruptions; the impact of competitive products and pricing; timely acceptance of our designs by customers; timely introduction of new products and technologies; 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 8, 2024, and subsequent registration statements, amendments or other reports that we filed or 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.

Management Team

CEO and Board Director



YJ Kim

CEO
Board Director,
Acting Co-GM of Power Analog Solutions

- Magnachip experience: 11+ years
- Industry experience: 36+ years



CFO



Shinyoung Park

Chief Financial Officer

- Magnachip experience: 10+ years
- Financial experience: 19 years



CCO



Theodore Kim

Chief Compliance Officer,
General Counsel and Secretary

- Magnachip experience: 11+ years
- Legal experience: 28 years



PAS (Power Analog Solutions)



SH Lee

Chief of Manufacturing & Operations
Power Analog Solutions / Acting Co-GM of
Power Analog Solutions

- Magnachip experience: 38+ years
- Industry experience: 38 years



PAS (Power Analog Solutions)



Hyuk Woo

CTO PAS Group
Assistant GM
Power Analog Solutions /
Head of Group, Development Group

- Magnachip experience: 1+ years
- Industry experience: 20 years



PAS (Power Analog Solutions)



Yongsam Kang

Assistant GM
Power Analog Solutions / Head of Group,
Sales & Marketing Group

- Magnachip experience: 2+ years
- Industry experience: 24 years



Agenda

YJ Kim CEO and Board Director	Business Growth Strategy	10:15 AM
Hyuk Woo CTO for PAS Group	Magnachip Technology Advantage	10:55 AM
Shinyoung Park CFO	Finance Roadmap	11:15 AM
Q & A		11:40 AM

Magnachip Today



We are Magnachip



\$221M Million
FY 2024 Revenue



880
Global Employees



41,021ft²
Fab in Korea

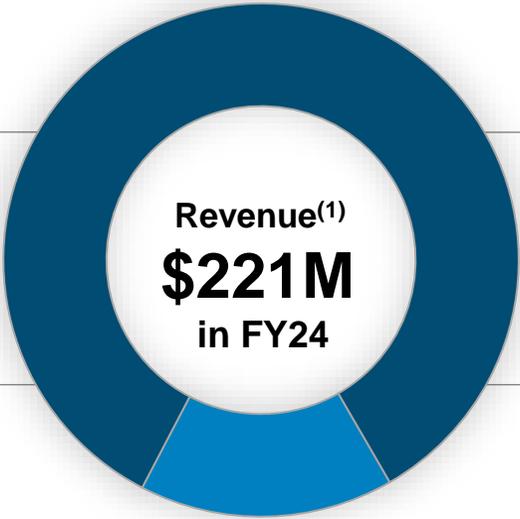


**Proven
Technology**
Auto grade

2024 Magnachip Revenue



Power Solutions

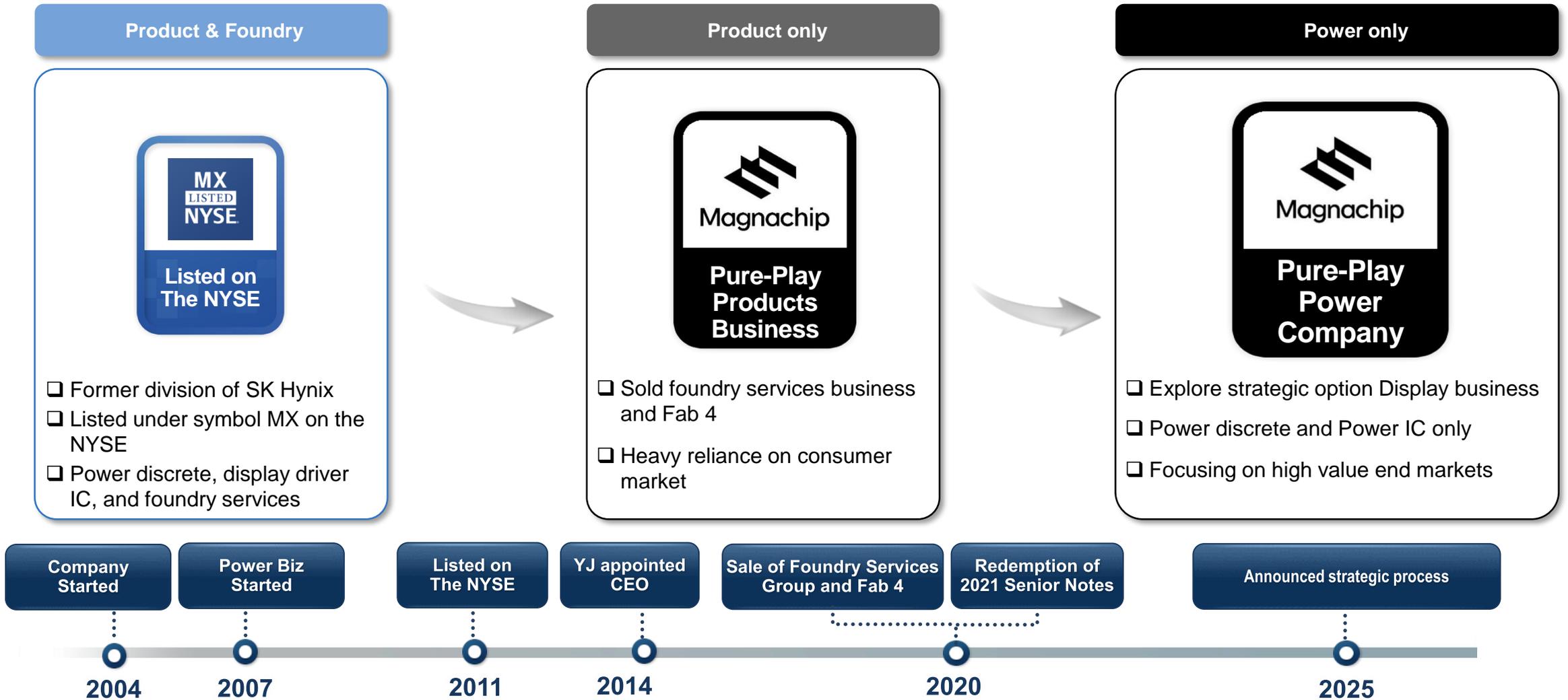


Display Solutions



1) Revenue, rounded to the nearest whole number, excluding about \$10.6 million of the transitional Fab 3 foundry services

Magnachip History & Evolution



Transitioning to a Pure-Play Power Company

- **Net Result** – Drives higher profitability and better revenue predictability in higher value markets, while improving fab optimization



- **Power-only Focus** – Allows Magnachip to concentrate its resources and product development into the power market which has a broader customer and application base, and achieve profitability sooner



- **Rationale** – Magnachip's Display business has seen diminishing revenue and is taking longer time to realize potential as well as profitability

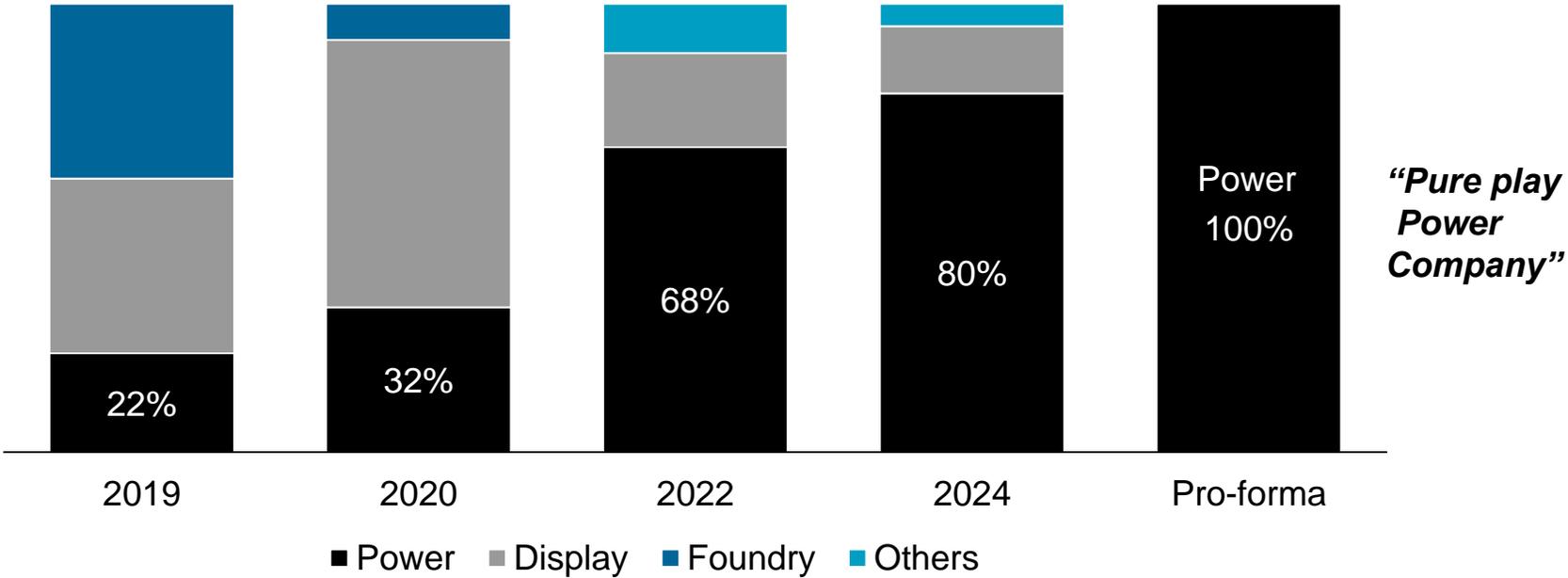


- **DDIC Display Exit** – Magnachip will discontinue operations in its DDIC Display business

Transitioning to a Pure Play Power Company



Revenue mix over time



The Future of Magnachip is in Power



Magnachip Will Now Be a Pure-Play Power Company



Huge Growth Potential in the Power Semiconductor Market

SAM: \$18B(2024) → \$27B(2028)



Strategic Proximity with Large Power Market in Asia



Compelling Next Generation Products



Upgrade In-House Manufacturing & Automotive Qualified Fab

Power Solutions Market Trends

Power semiconductors cut across all end-markets

Global Megatrends



Electrification



AI / Data center



Green Energy



Mobility



Connectivity

Growth Catalysts

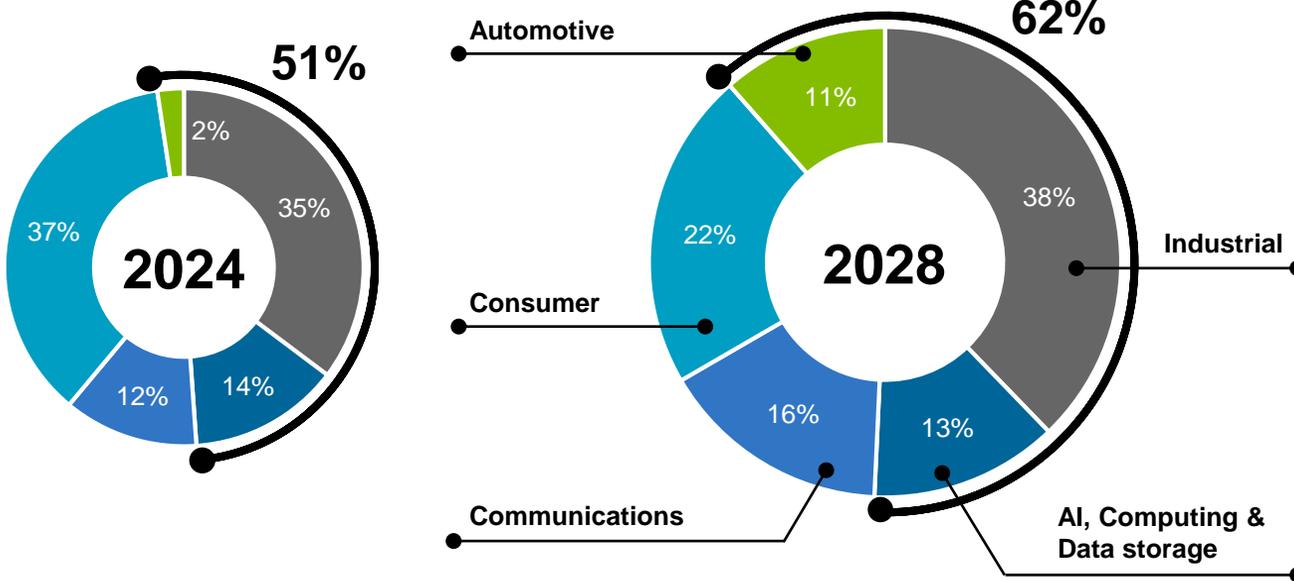
- AI adoption across IoT, Smartphone, Laptop, Server, Data center
- Automotive electrification expanding to Hybrid and EV
- Renewable energy market continuing to expand

Auto / Industrial / AI to Represent > 60% of MX Future Mix

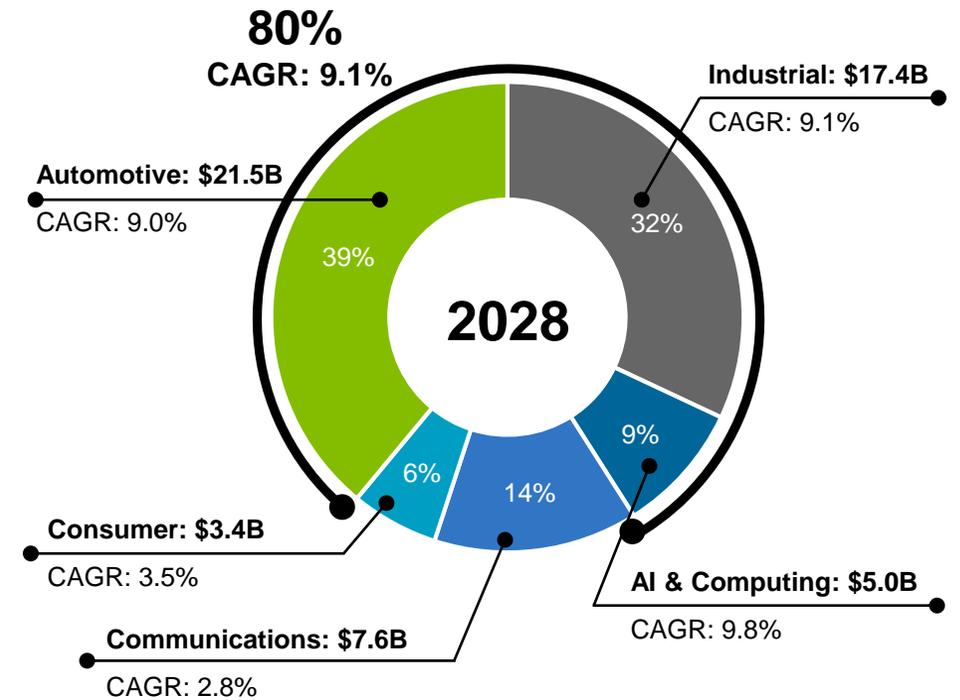
Total Power Semi (Discrete + Power IC) market in 2028 (TAM \$54.9B) CAGR ('24-'28):7.8%

MX power by application

Revenue \$186M



Global market by application (CAGR ('24-'28)): 7.8%



Note: ESS: Energy Storage System

MX's Revenue From Asia

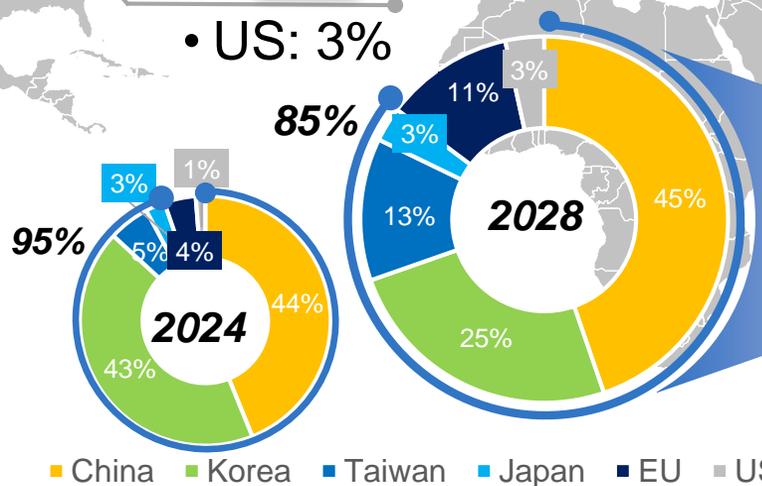
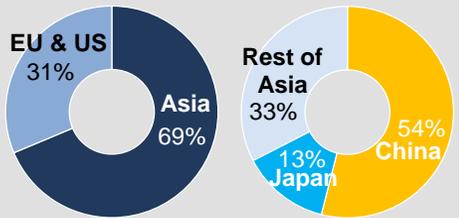
"MX has the advantage of market proximity and an established supply chain in Asia."

EU 
 • EU: 11%

US 
 • US: 3%

Asia  
 

Global power market by region (2028)

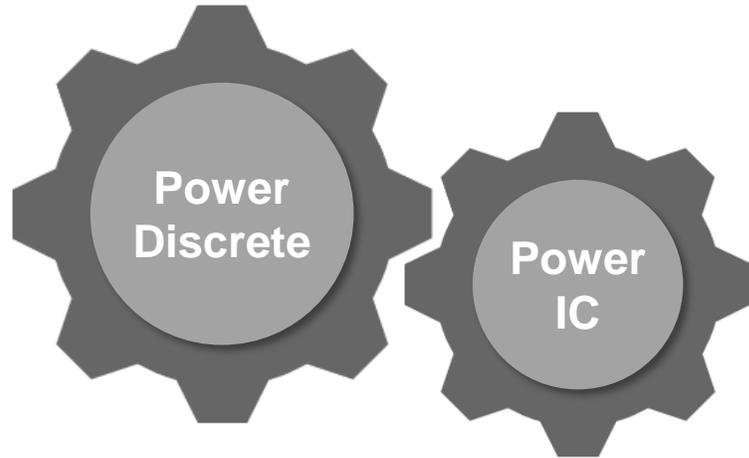


> 85% from Asia (2028)

Transition to a Pure-Play Power Company



Magnachip's 3-3-3 Strategy



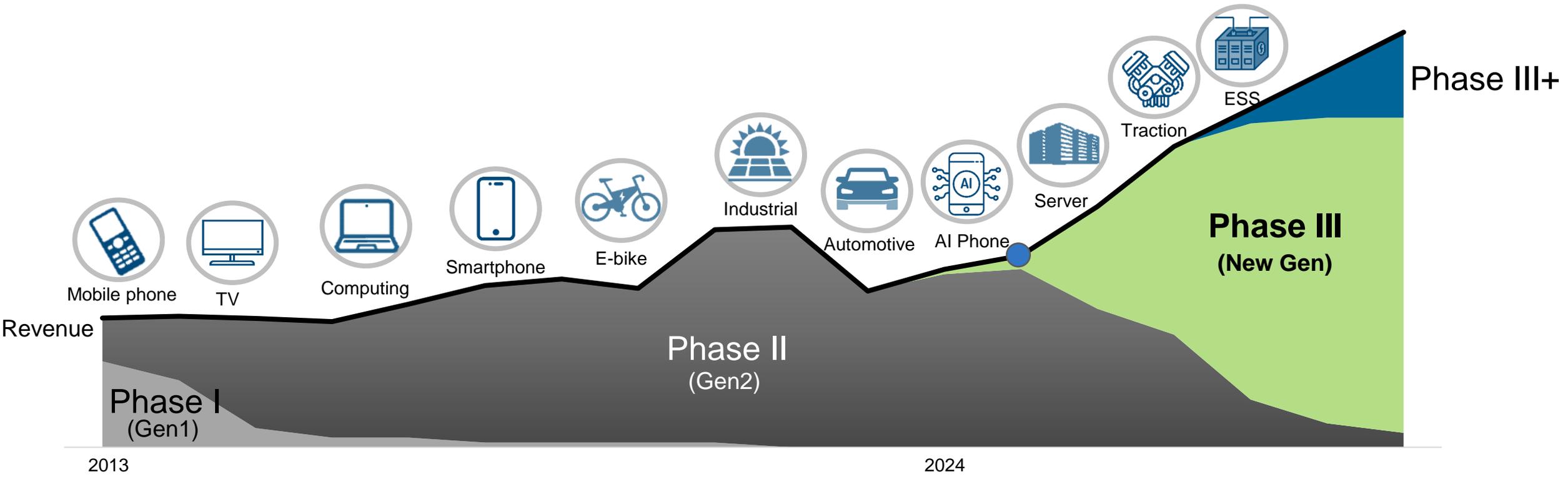
2025 Q4 Quarterly Adjusted EBITDA Break-even

2026 Adjusted Operating Income turn to Positive

2027 Positive Adjusted Free Cash Flow



Expanding Markets and New Products to Fuel Growth



Magnachip's Roadmap for Future Success



What Makes a Great Power Company?

New Gen Products

High performance, low power consumption and fast switching speeds

In-House Fab

Upgrade fab for New Gen

Customer Geography

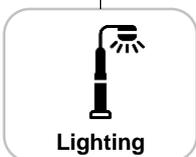
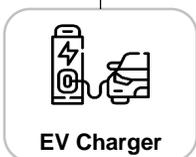
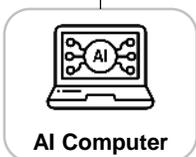
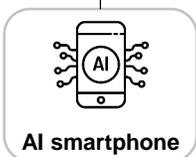
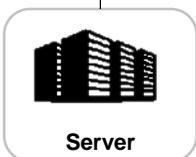
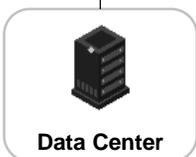
More than 200 customers in Asia

Reliable Supply Chain

Strong manufacturing partners in China, Korea, and Malaysia

High End Growth Markets

Automotive, AI and Industrial



* ESS: Energy Storage System

Catalysts to Drive Growth and Profitability

1 New Gen Portfolio

- **New Markets** – Enabled by next generation products
 - AI, Automotive, industrial
- **Competitive Edge** – New products have better performance and cost (SJ Gen6, IGBT Gen6, MV Gen8S and Power IC)

2 Upgrade Fab

- **Fab** – Automotive grade certification and qualified manufacturing infra.
- **Supply Chain** – Secure stable supply chain outside of China but still in the Asian Market

3 Market Opportunities

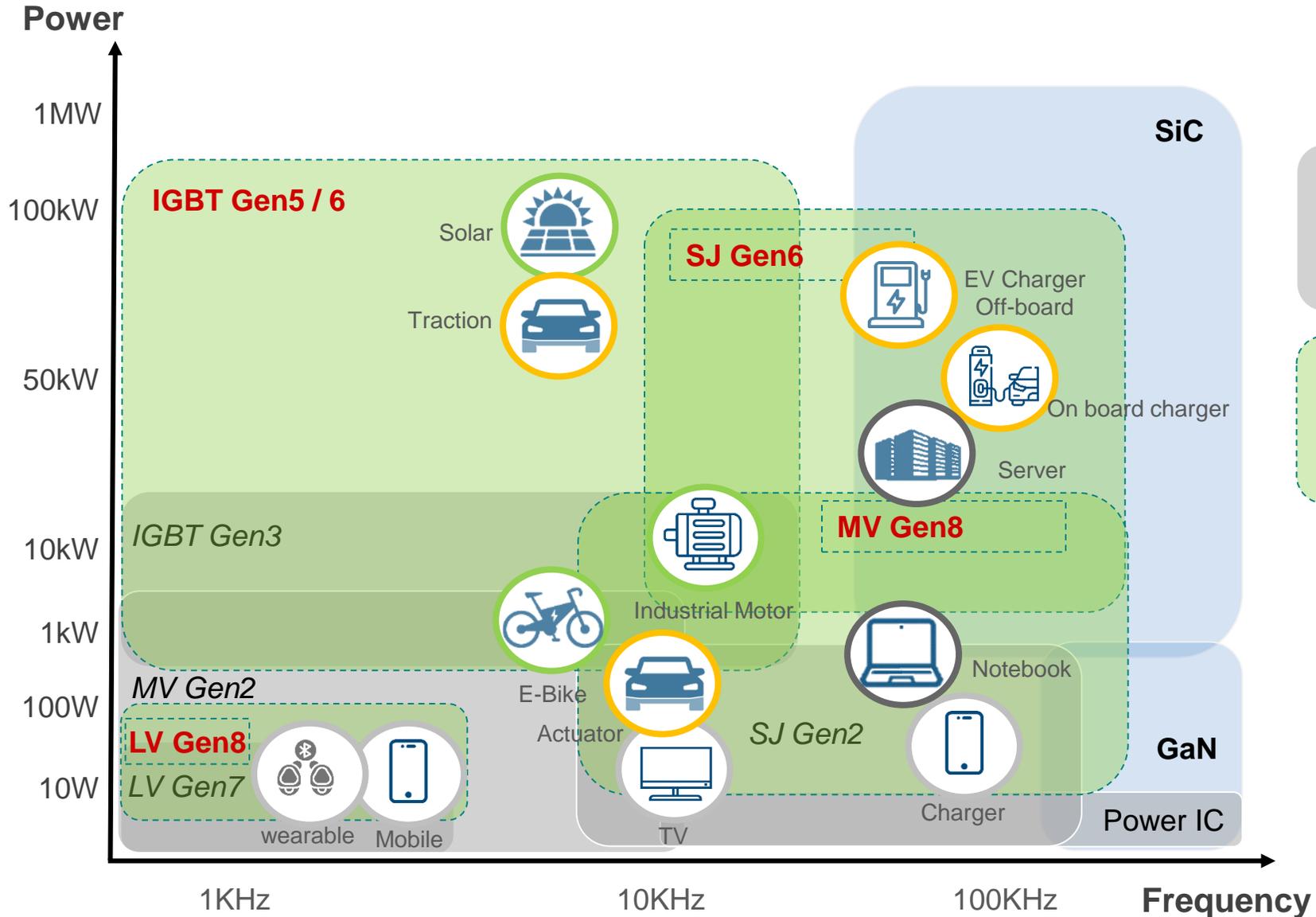
- **Power Market** – 10x bigger market than OLED DDIC (CAGR '24-'28)
 - Power: \$54.9B (7.8%)
 - DDIC: \$4.5B (-1.0%)
- **TAM** – Automotive, industrial and AI applications are large business opportunities (CAGR '24-'28: 9.1%)
- **Asia is 70% of Power market**



Magnachip : Leading Power Technology Company in Asia

New Gen Portfolio

New Gen Portfolio is Well Aligned with Growing Markets



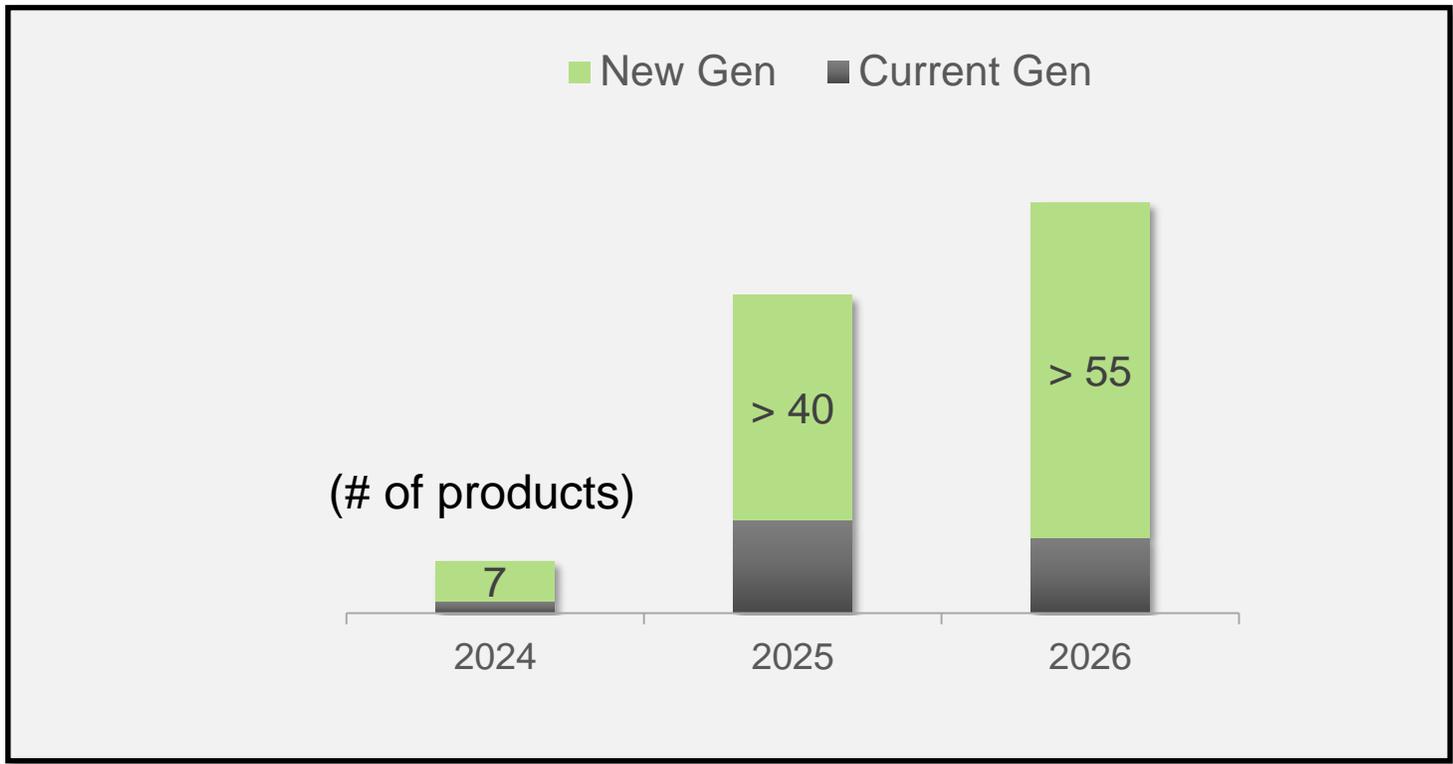
Current Gen

New Gen

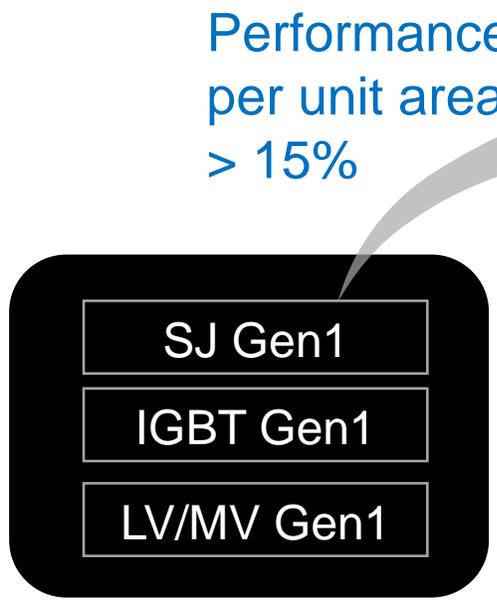
New Gen Portfolio

New Gen Product Release Plan

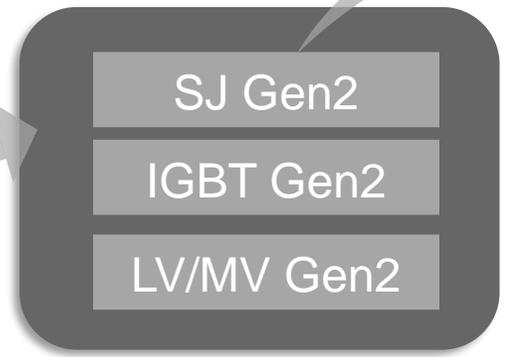
New gen product release plan



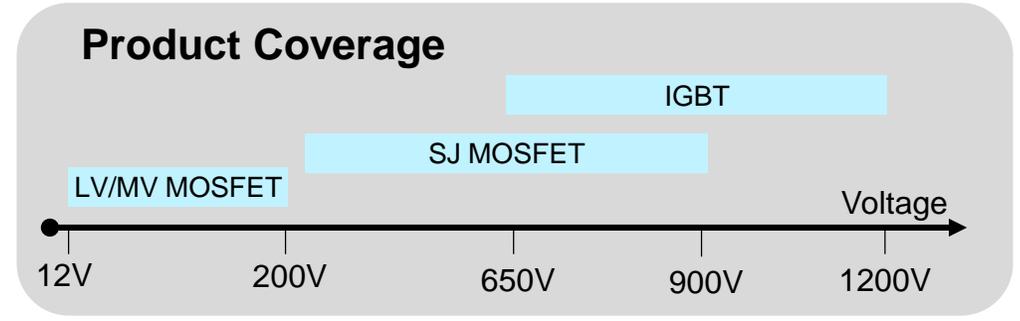
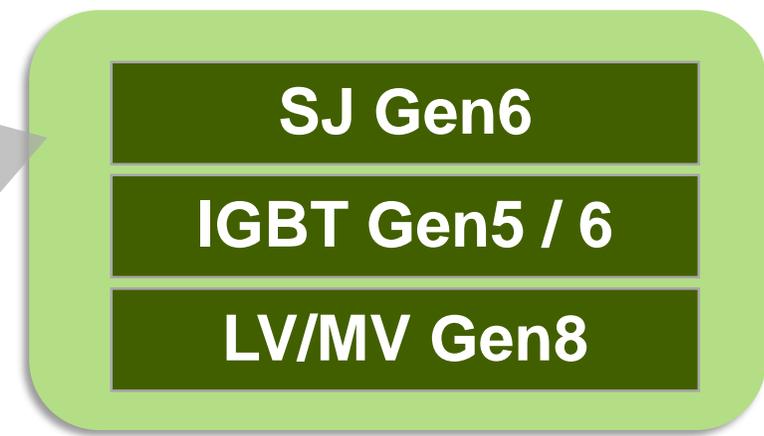
Evolution of Magnachip's Power Technology



Performance per unit area > 15%

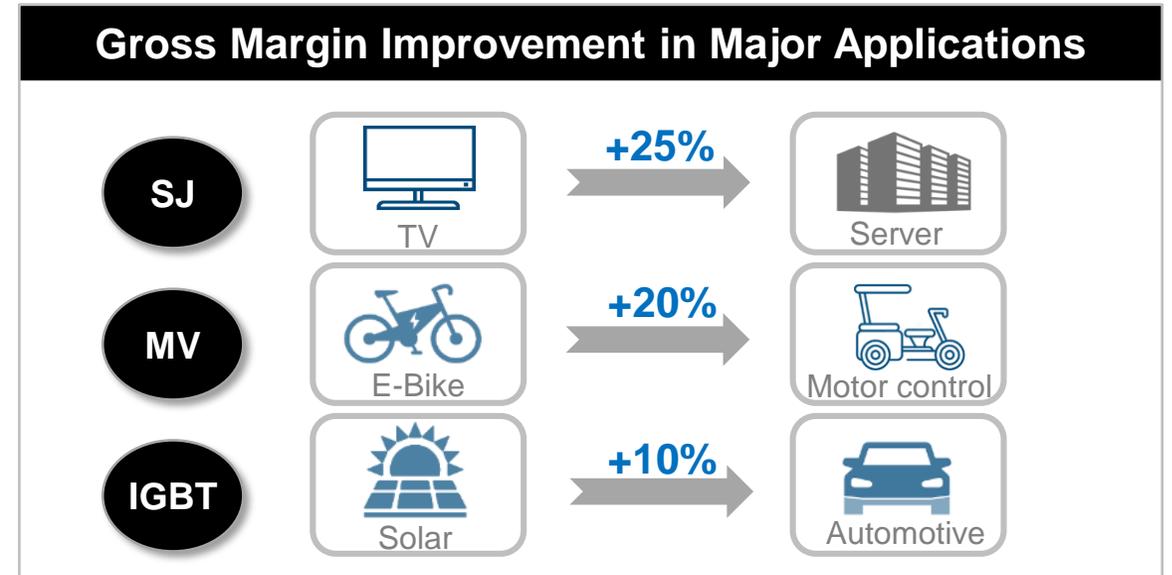
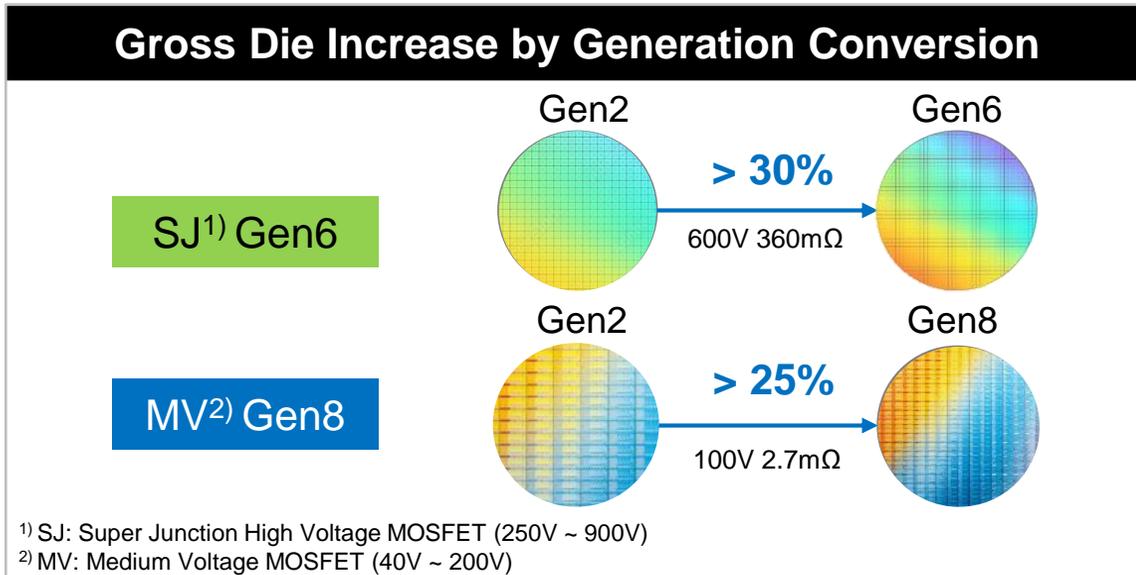
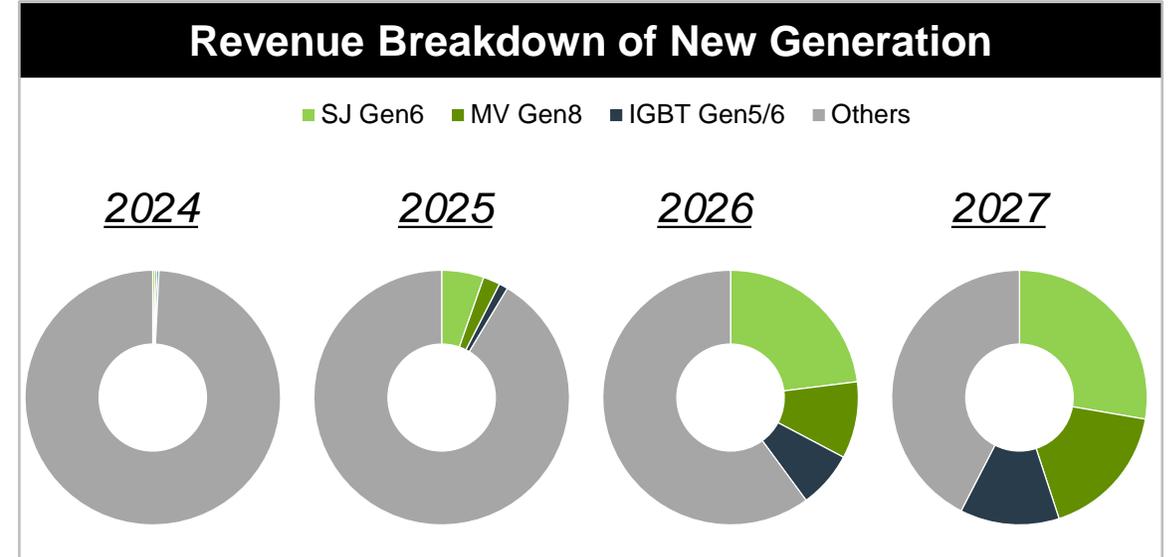
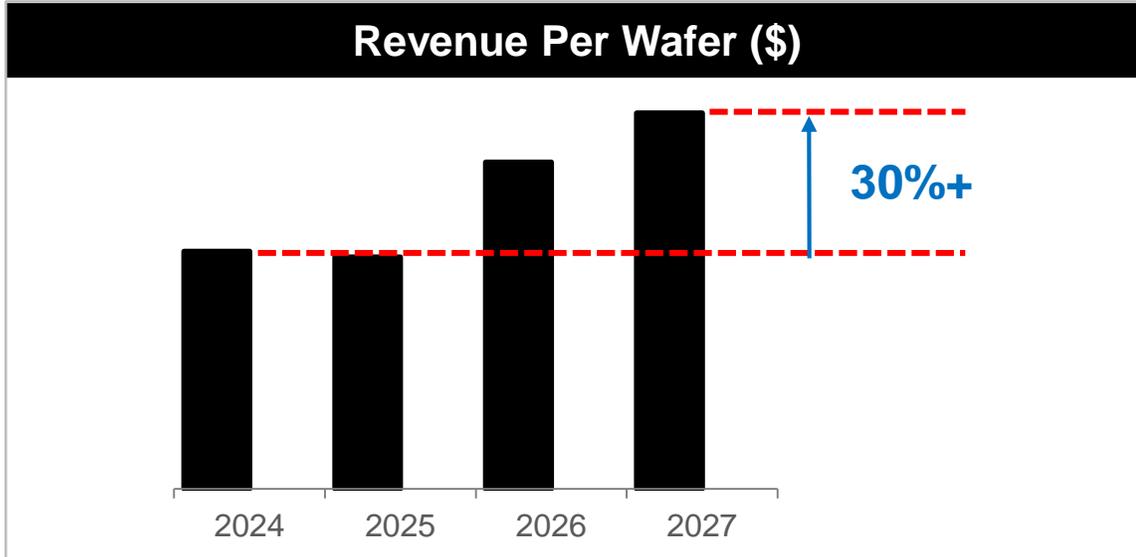


Performance per unit area > 30%



New Gen Portfolio

New Gen Portfolio To Drive Higher Revenue and Profit



New Gen Portfolio

New Gen Portfolio Provides Better Performance and Margin

Gross margin



MOSFET

Qualified new products release

- Reducing resistance and power loss > 30%
- Superior thermal performance and diode ruggedness
- Technology qualified by customers and applied in AI smartphone applications

High Performance IGBT

Suitable solution for target app.

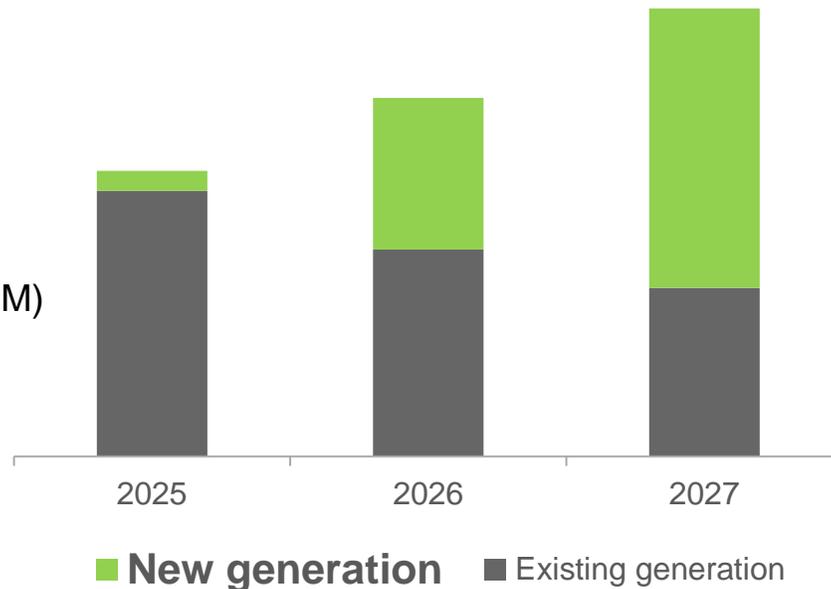
- Faster switching speed (30%) and higher current density (20%) than previous generation
- Target applications: solar, motor, automotive

Power IC

Key OLED Power IC Supplier in Korea

- #1 supplier in AI IT OLED PMIC and TV power in Korea

Revenue (\$M)



■ New generation ■ Existing generation

Upgrade Fab To Provide High Performance Products to Asian Market



Certified for Automotive

Qualified AEC-Q101



Proximity to Asian Market

Fab in Korea



Upgrade Fab

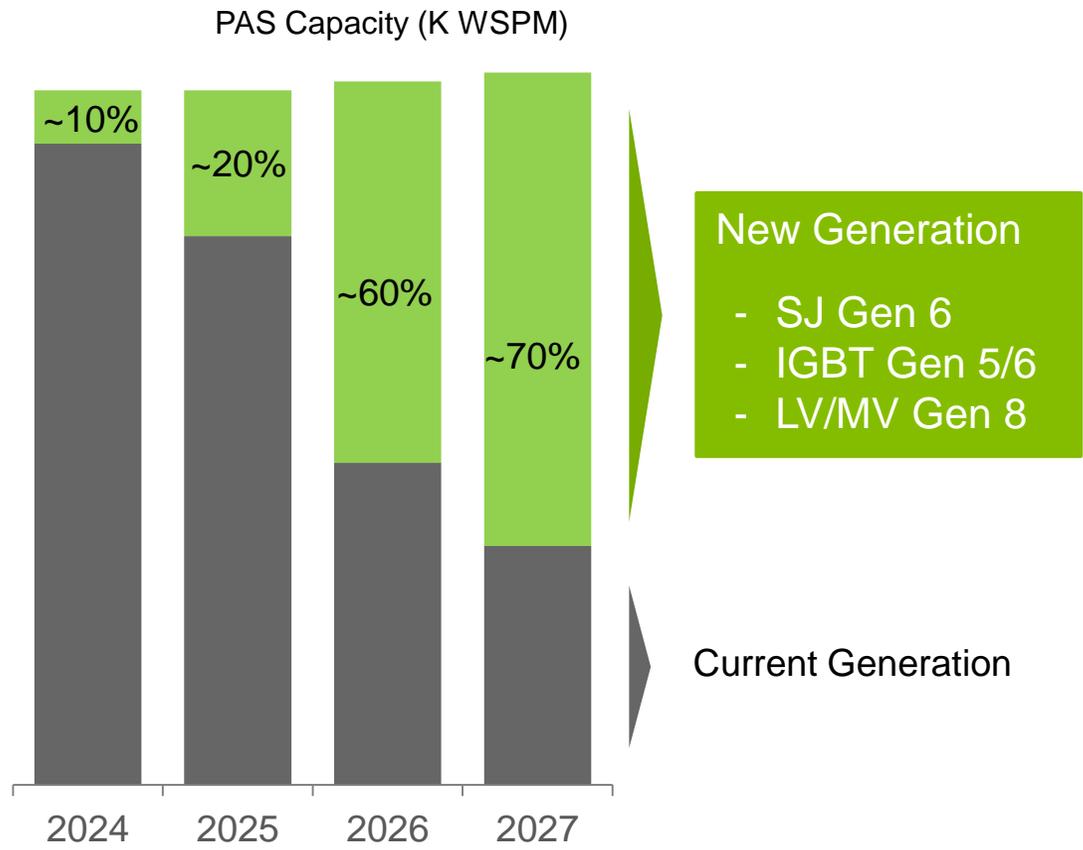
For high-performance new gen products



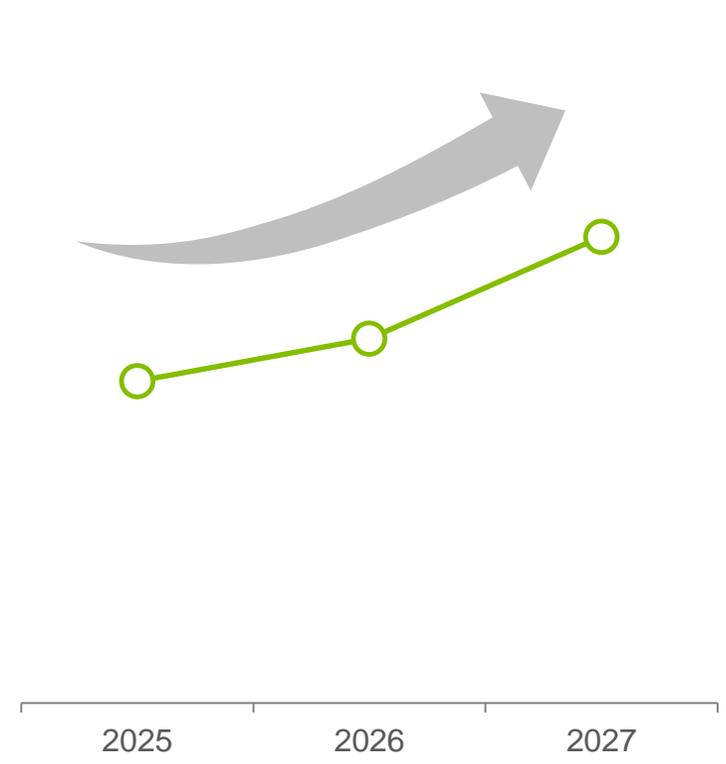
Upgrade Fab

Increased concentration of new generation products will provide better margins

Portfolio and Technology Upgrade

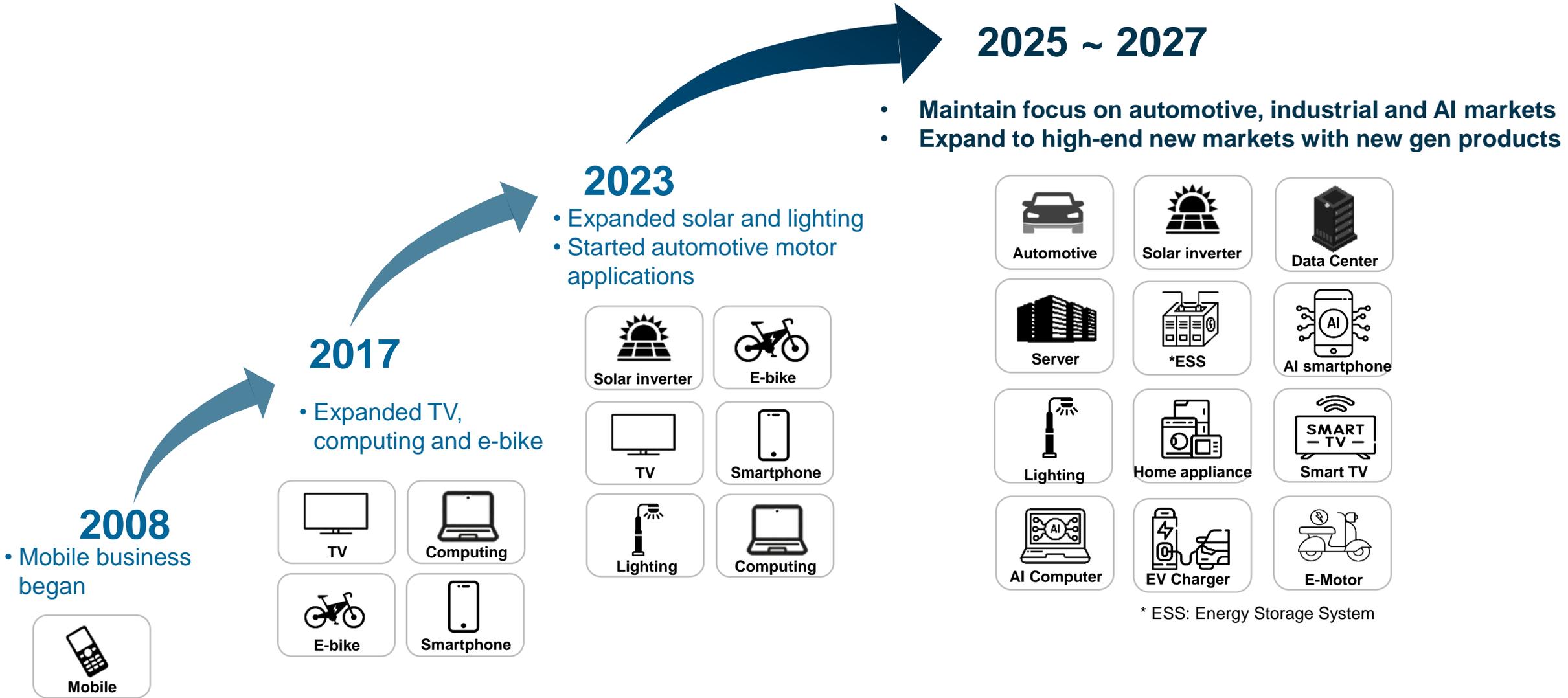


Gross Margin



Market Opportunities

New Gen Products Enables Expanding into High-end Applications

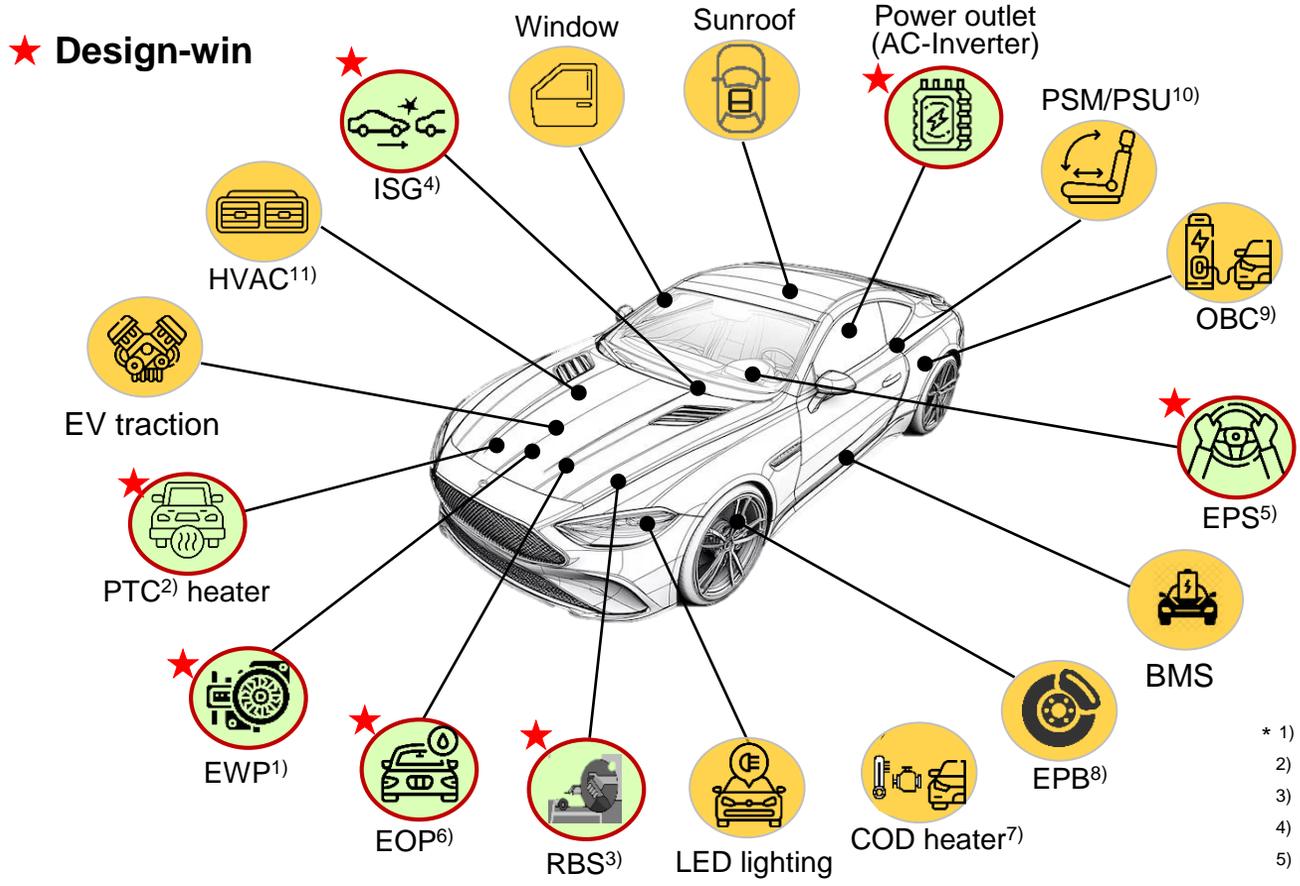


* ESS: Energy Storage System

Market Opportunities

New Portfolio Enable Huge Opportunities in Automotive

Potential opportunities to MX



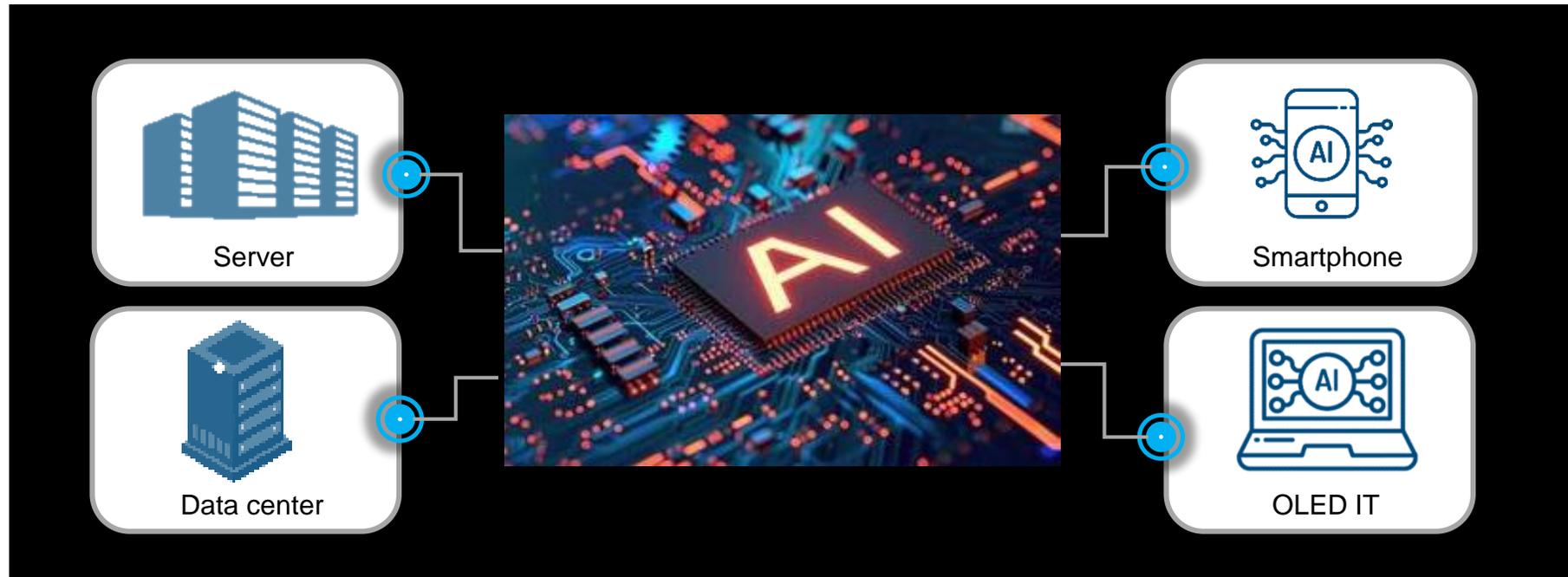
★ : Start Mass Production

Application	Region	End Customer	'22	'23	'24	'25	'26
EWP ¹	Korea	Tier 1 Auto A	★				
Power outlet	Japan	Tier 1 Auto A	★				
		Tier 1 Auto B			★		
		Tier 1 Auto C			★		
PTC ² Heater	Korea	Tier 1 Auto A		★			
	China	Tier 1 Auto A			★		
		Tier 1 Auto B			★		
RBS ³	Japan	Tier 1 Auto A		★			
ISG ⁴	Japan	Tier 1 Auto A		★			
EPS ⁵	Korea	Tier 1 Auto A			★		
EOP ⁶	EU	Tier 1 Auto A				★	
Traction	Korea	Tier 1 Auto A					★

* 1) EWP: Electric Water Pump
 2) PTC heater: Positive Temperature Coefficient
 3) RBS : Regenerative Braking Systemefficient
 4) ISG : Idle Stop and Go
 5) EPS: Electric Power Steering
 6) EOP : Electric Oil Pump
 7) COD heater: Cathode Oxygen Depletion Heater
 8) EPB : Electric Parking Break
 9) OBC : On Board Charger
 10) PSM/PSU: Power Seat Module/Unit
 11) HVAC: Power Seat Module/Unit

Market Opportunities

MX New Gen Portfolio Aligns with AI Market Requirements



Customer system requirement

- Heavy computing equipment
- Power efficiency



MX Power Solutions

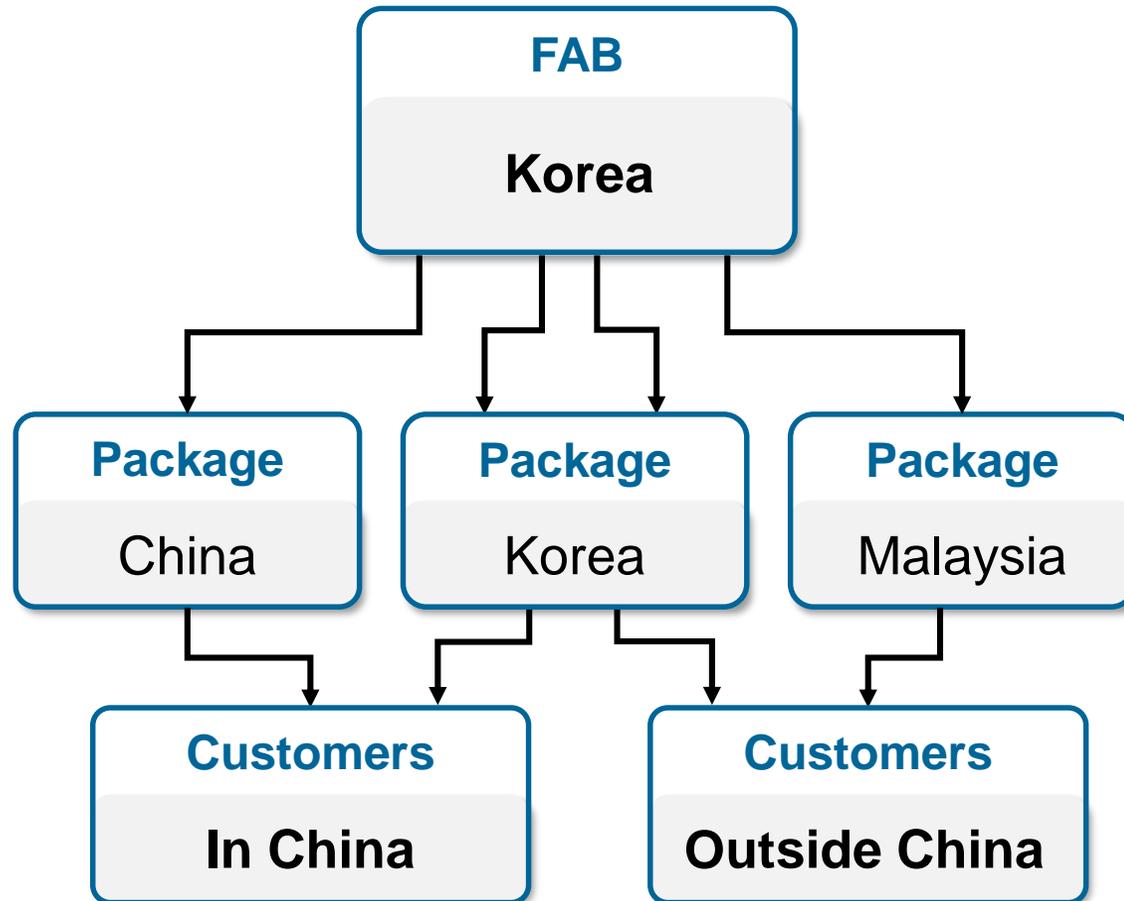
- High power products
- Fast switching speed
- Improved thermal performance

650V/ 60mΩ SJ Gen6	75V / 2mΩ MV Gen8
12V/24V ★ LV Gen7	OLED logic ★ Power IC

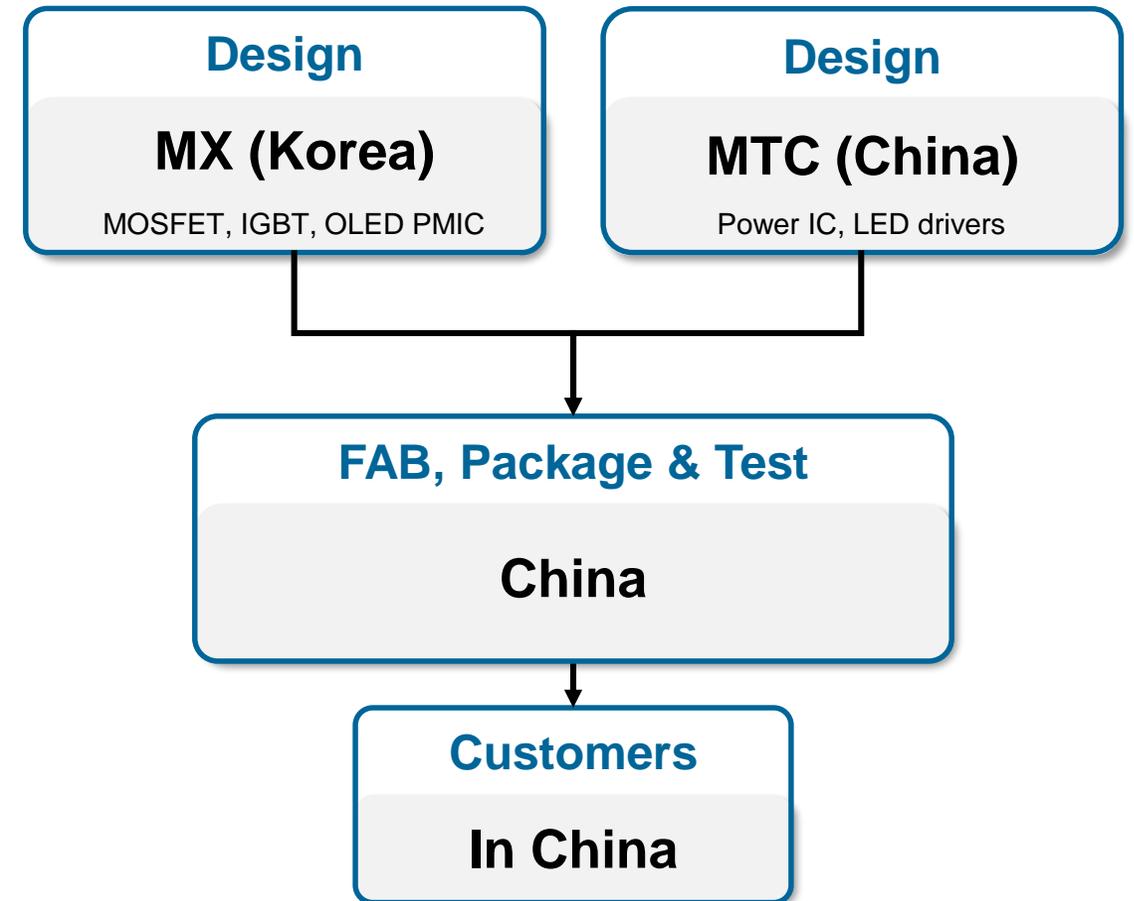
★: Mass Production

Highly Reliable Supply Chain For All Customers

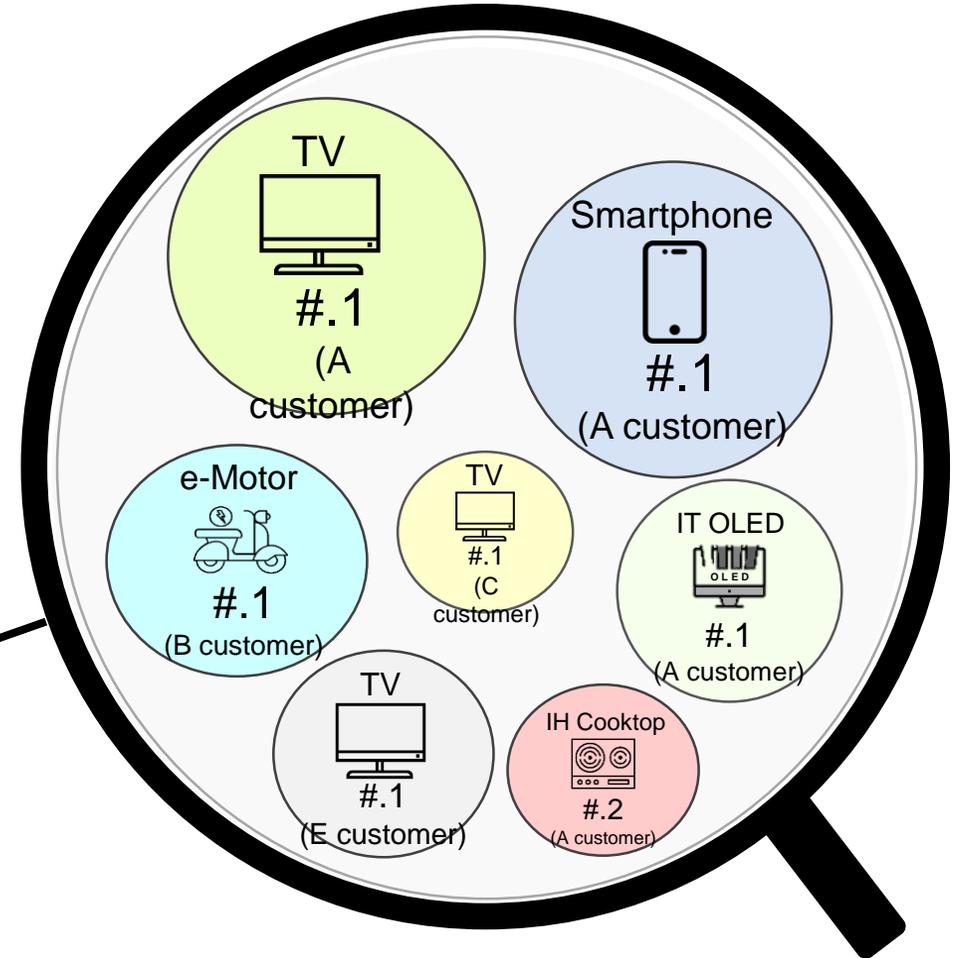
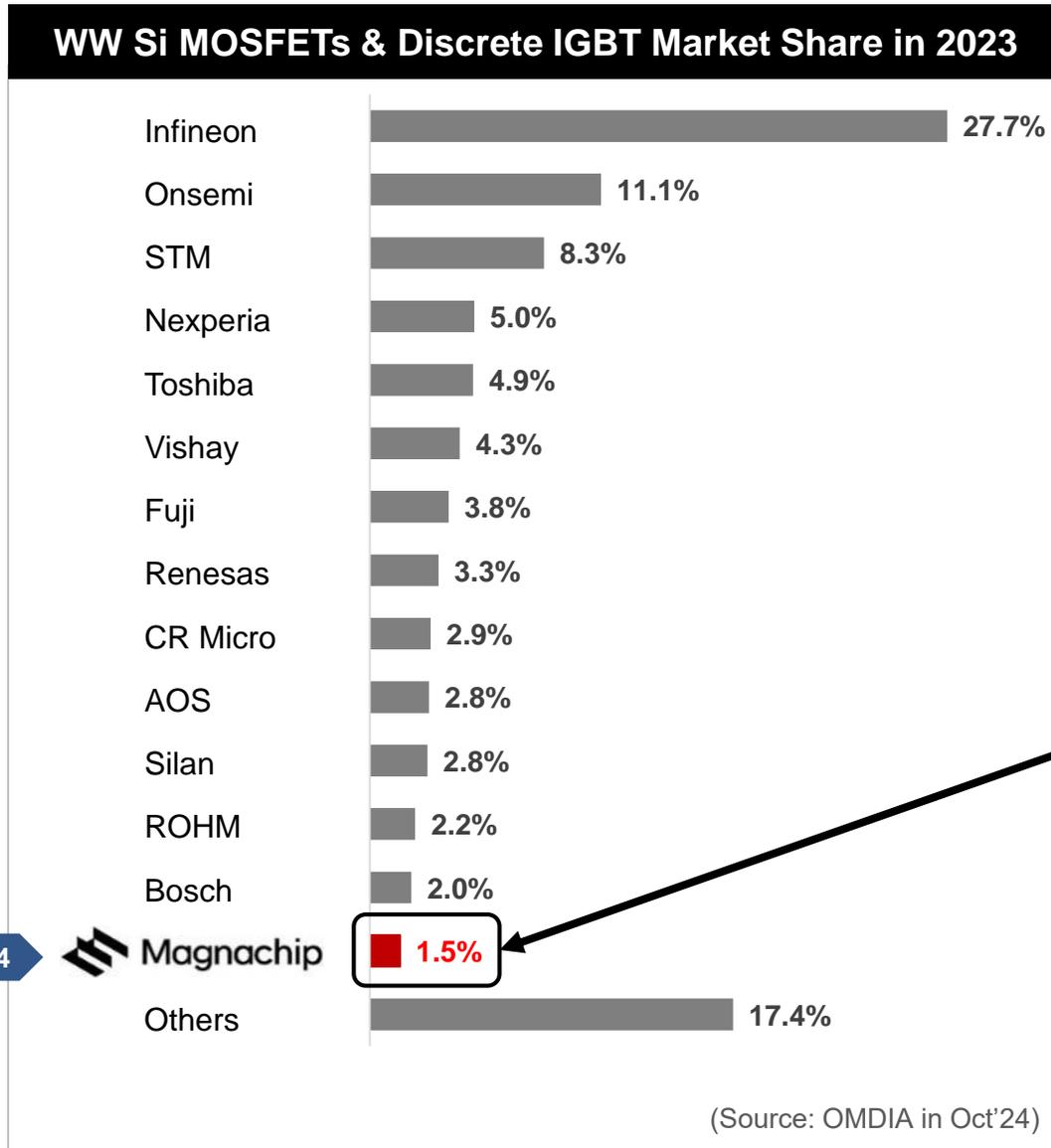
A highly resilient and dependable supply chain serving for all customers



Serving the Chinese market via MTC

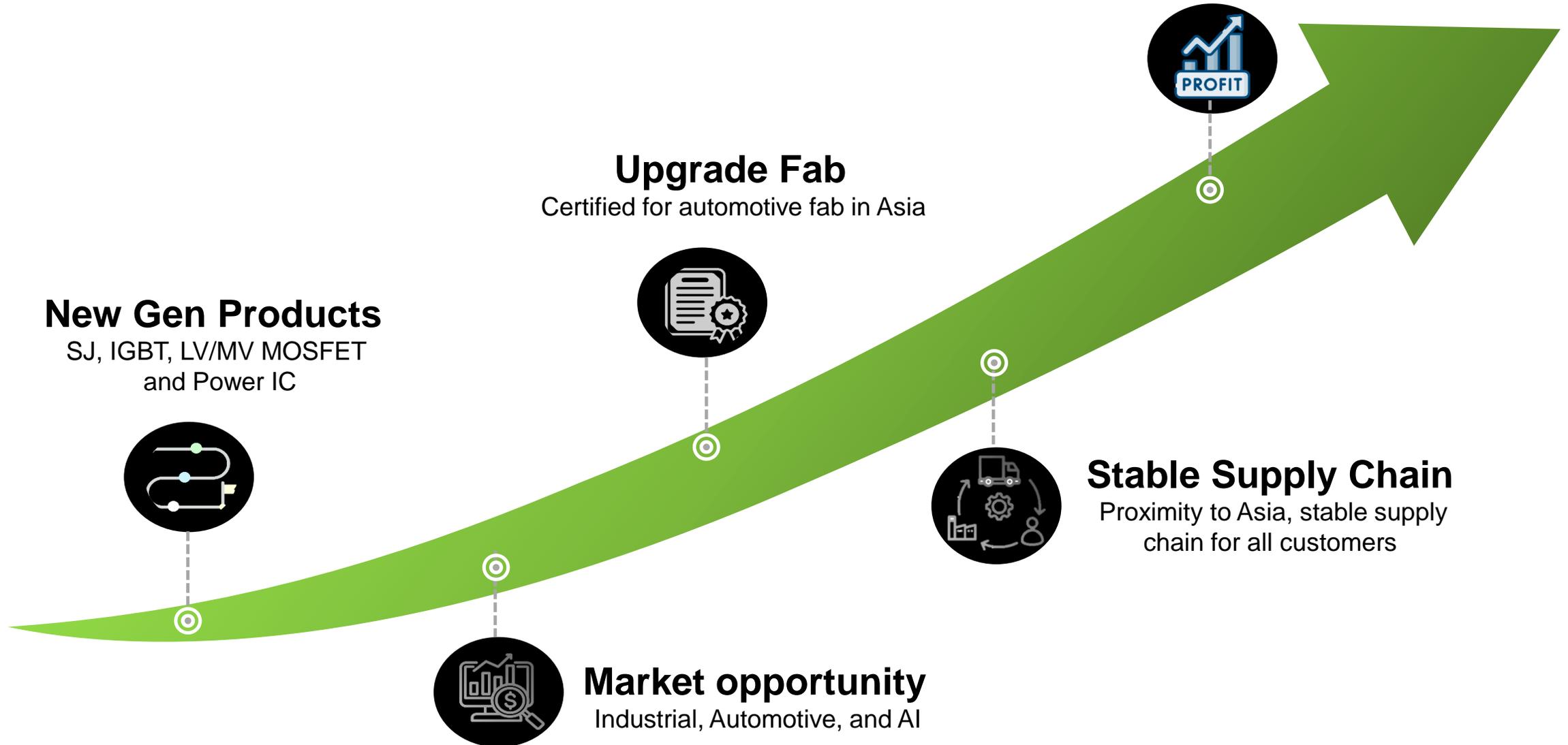


Magnachip Market Share Opportunity



MX Power Path-to-Profitability

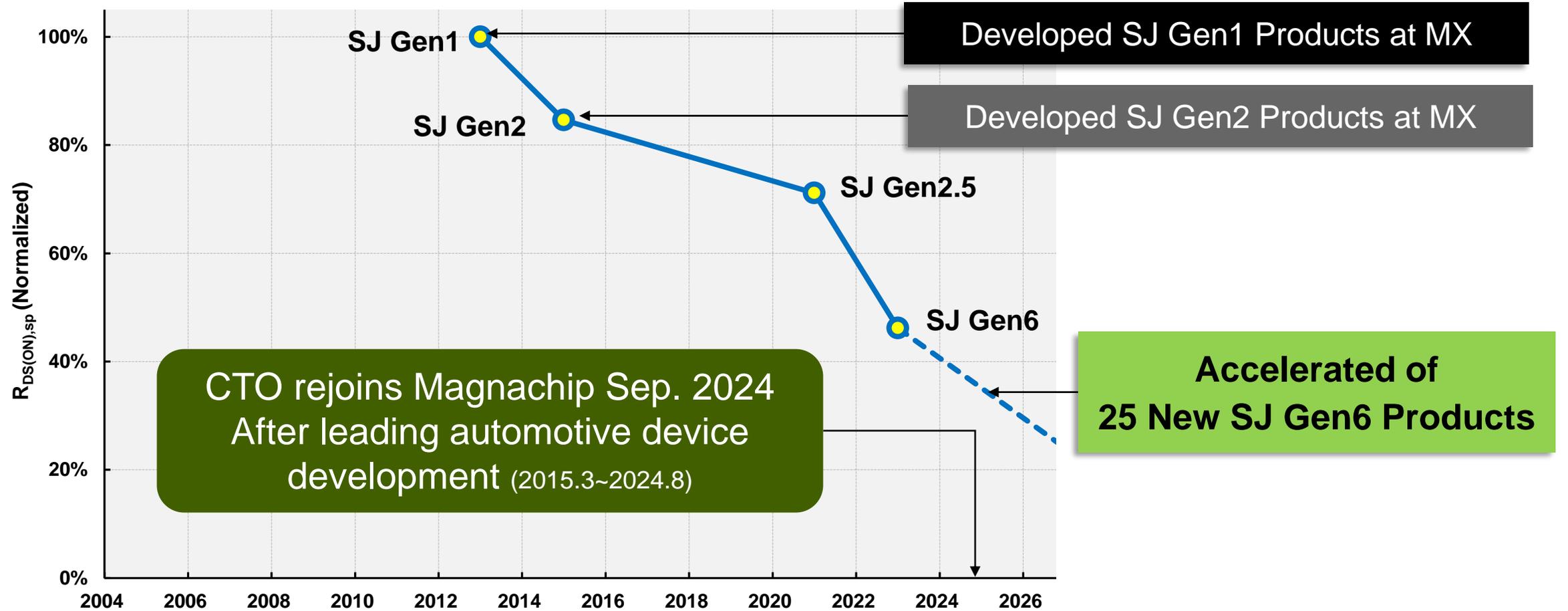
Profit improvement
By executing "3-3-3" Strategy



Magnachip Technology Advantage



Introduction of Power CTO



Roadmap to Deliver New Gen Products

Automotive



Industrial / Solar Inverter

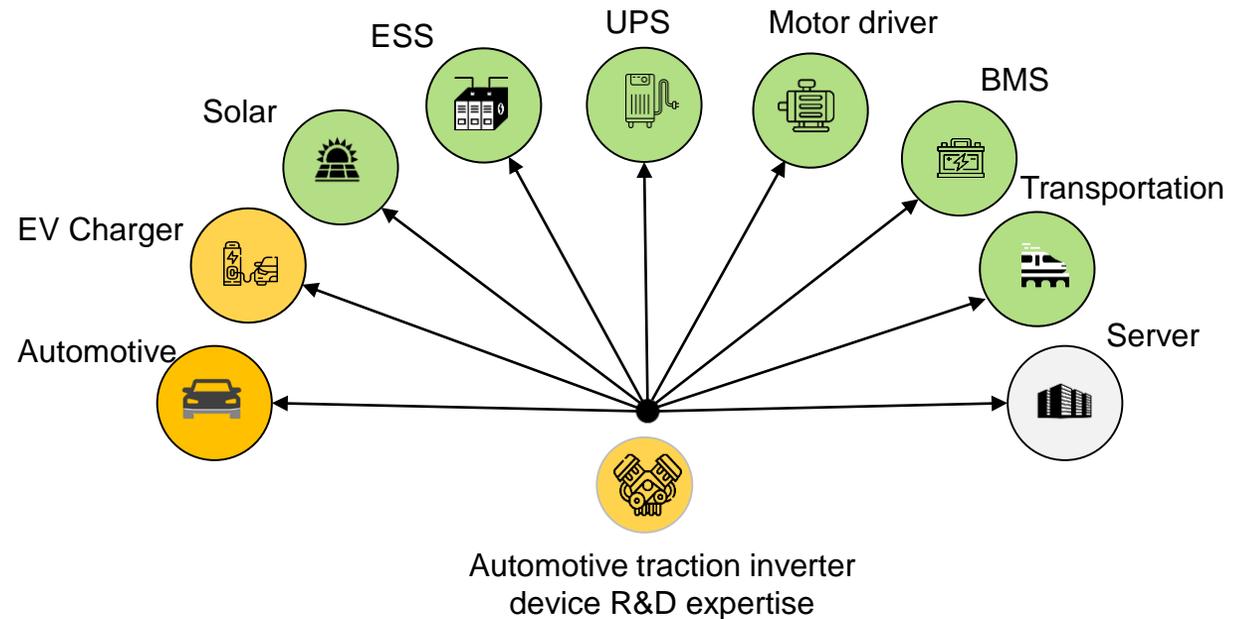


Server / AI Data Centers



Automotive traction inverter is one of the most demanding and challenging applications

We have the FAB know-how for 10 years and we can apply this to other applications

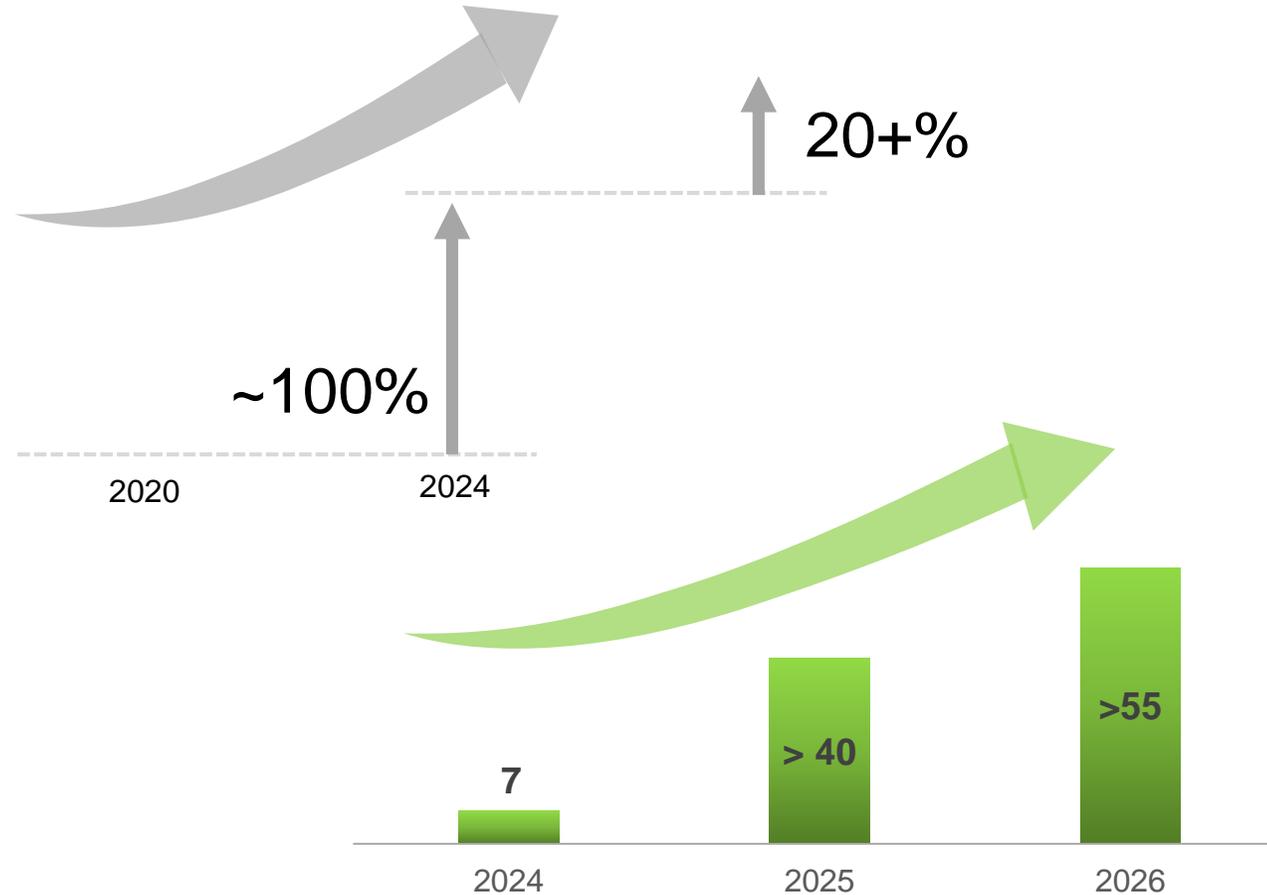


Expanded Capacity Towards New Gen Product Development

Investing in R&D to support new gen product development

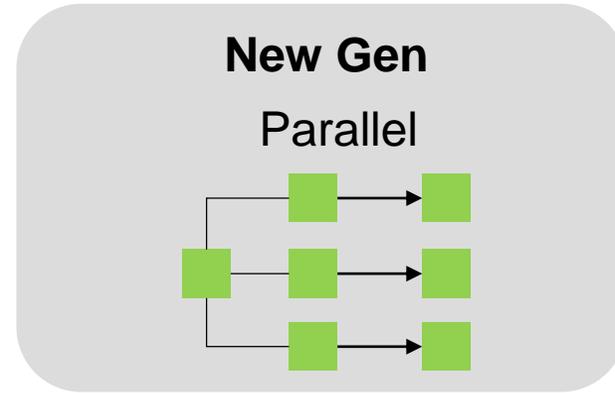
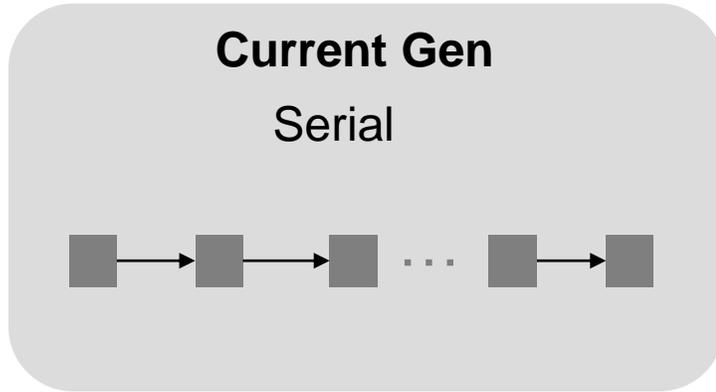
**R&D
Headcount**

**New Gen
Product
Release Plan**

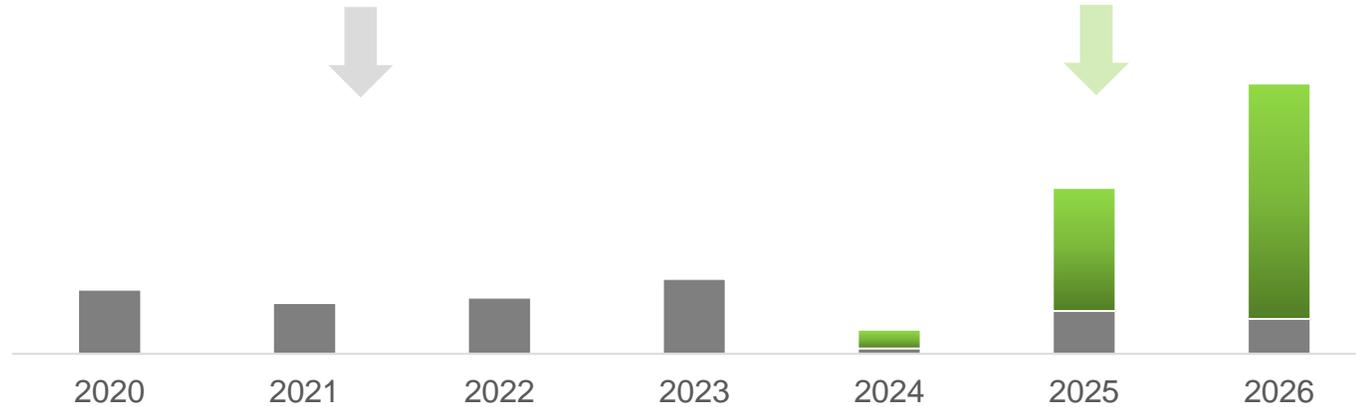


Advancing Technology to Accelerate Product Development

**R&D
Concept**



**New Gen
Product
Release Plan**



**This change
will accelerate
new gen
product
development**

Expansion Towards High-End Applications

**Super Junction
MOSFET**

Gen 6



Gen 2



Server



Data Center



EV Charger

**Medium Voltage
MOSFET**

Gen 8



Gen 2



Server



Data Center



E-Motor

**High Performance
IGBT**

Gen 6



Gen 2



Automotive



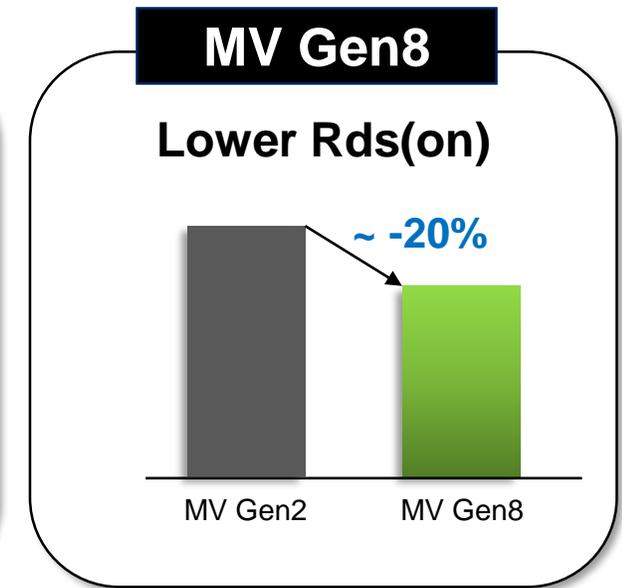
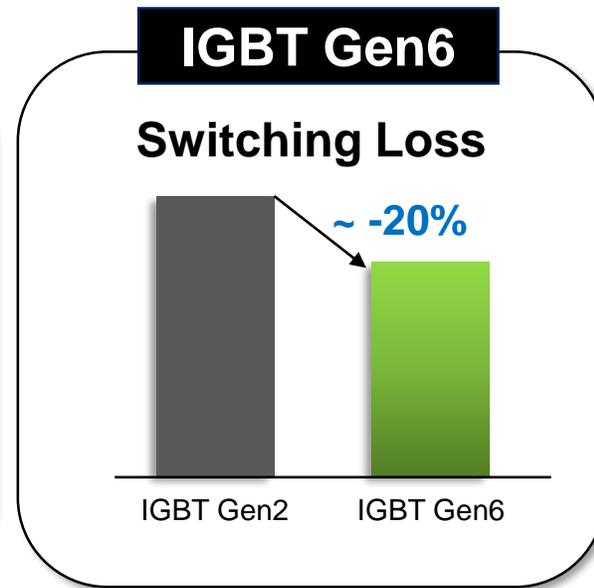
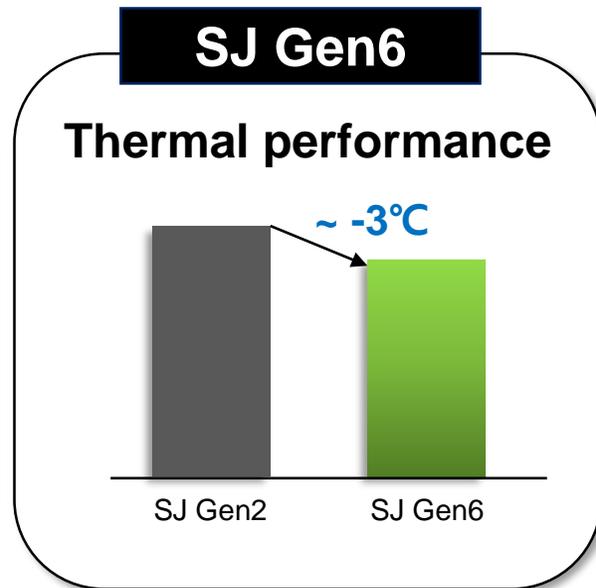
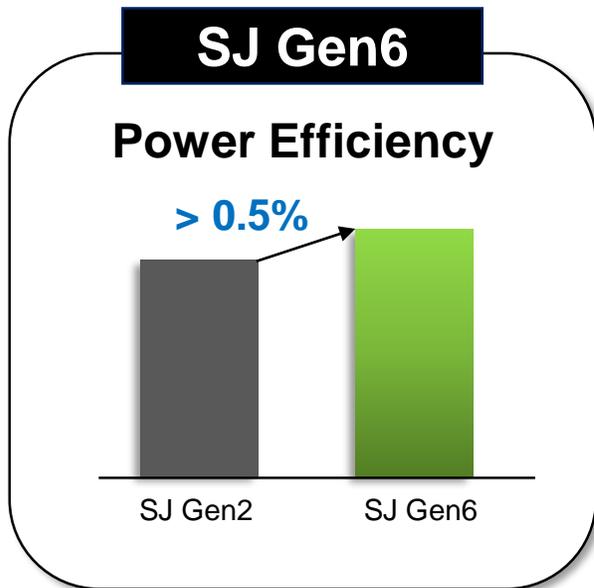
Solar inverter



*ESS

* ESS: Energy Storage System

Evolution of Magnachip's Power Technology



* Evaluation results for representative products
* Rds(on): Resistance drain-source

New SJ Gen 6 Provides Profitability and Performance

Improved performance compared to Gen 2 with >30% increased gross die



Gross Die Improved



Power efficiency

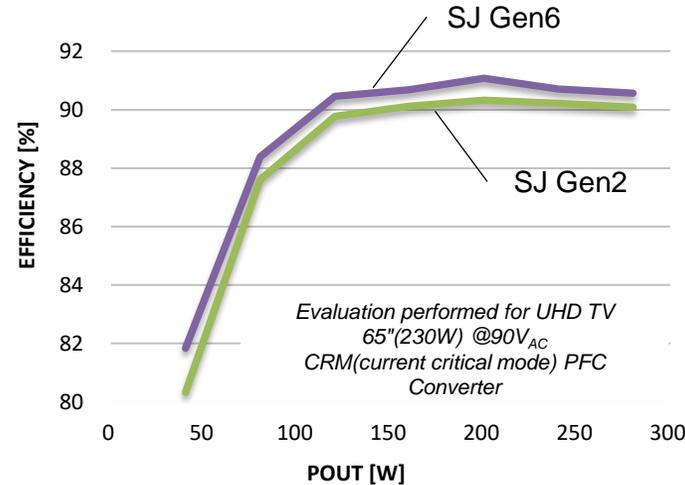


Thermal performance up

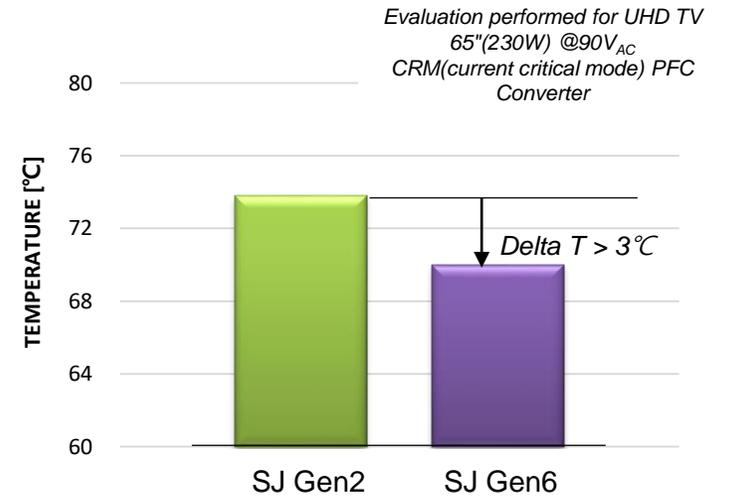
Gross die increase by generation conversion



Efficiency (Gen 2 vs. Gen 6)



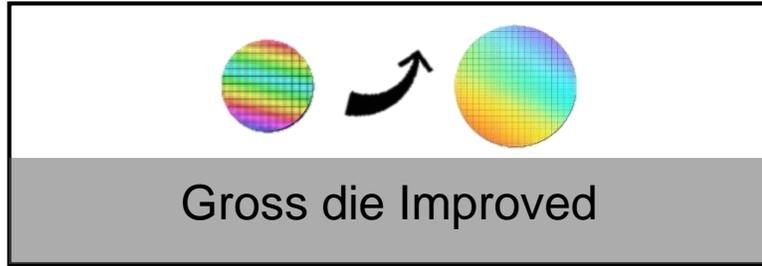
Temperature (Gen 2 vs. Gen 6)



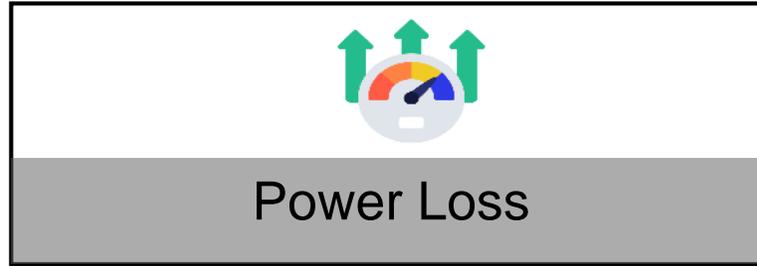
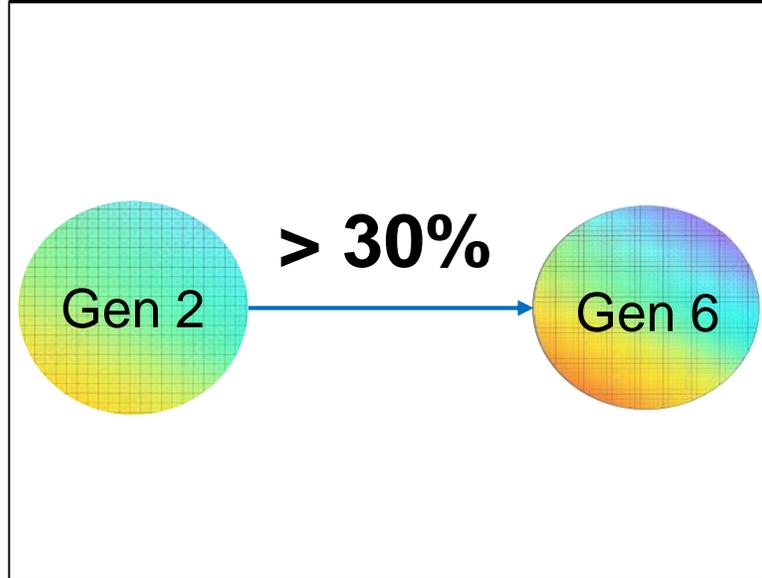
* Evaluation results for representative products

New IGBT Gen 6 Provides Profitability and Performance

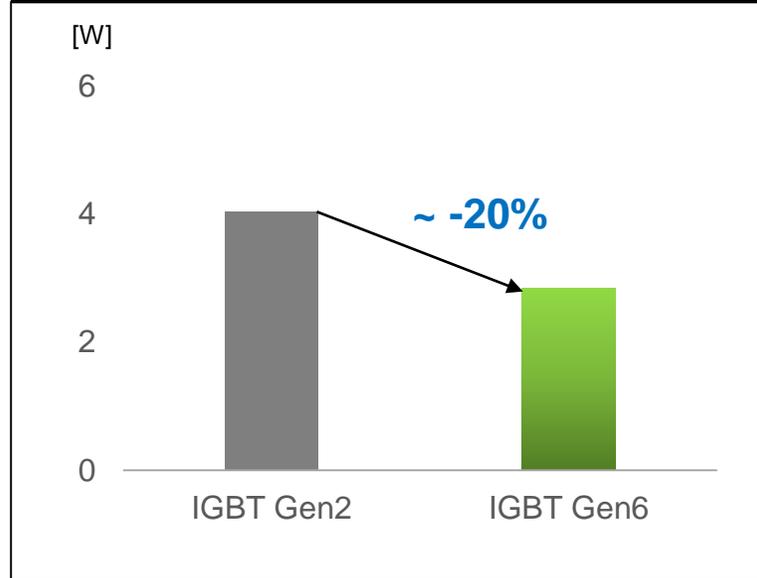
Improved performance compared to Gen 2 with >30% increased gross die



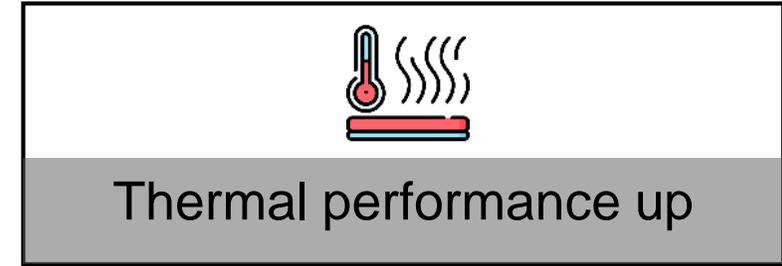
Gross die increase by generation conversion



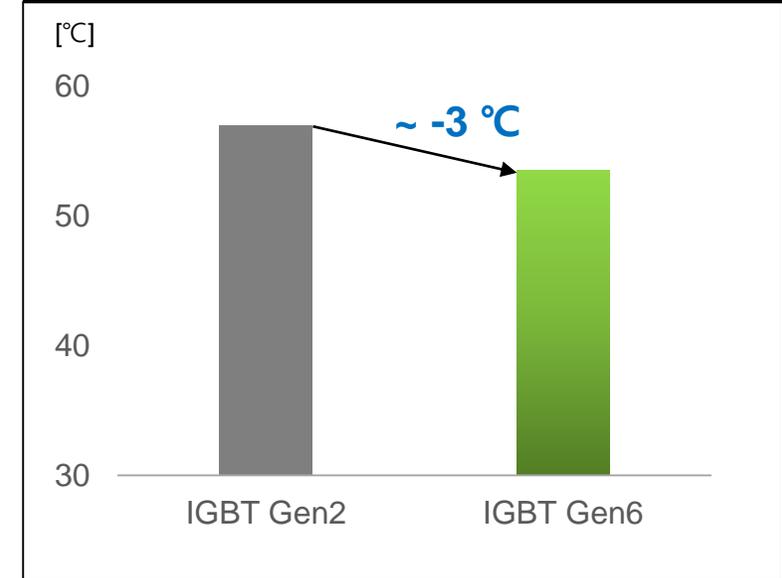
Switching Loss (Gen 2 vs. Gen 6)



* MX evaluation in IH Cooker



Temperatures (Gen 2 vs. Gen 6)



* MX evaluation in IH Cooker

New MV Gen 8 Provides Profitability and Performance

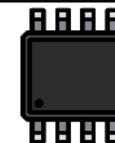
Performance will be improved compared to Gen 2 with >25% increased gross die



Gross die Improved

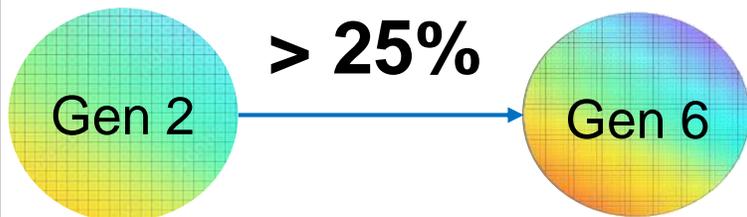


Lower Rds(on)

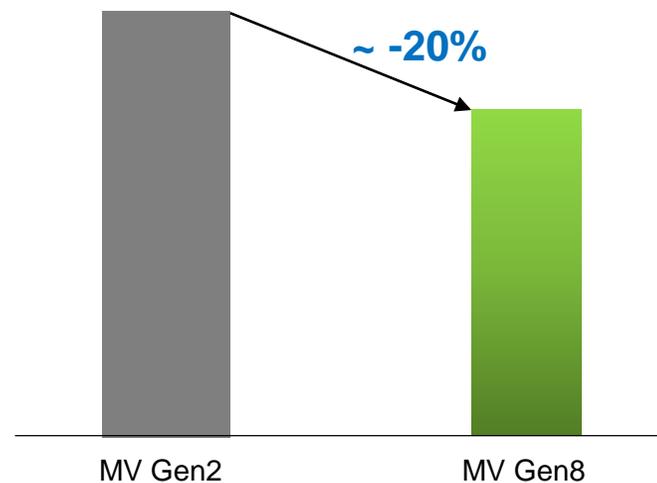


Advanced Package

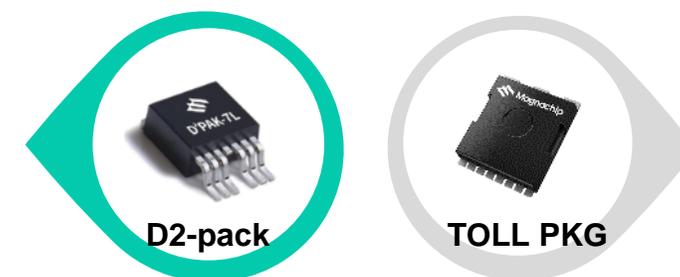
Gross die increase by generation conversion



Low Rds(on)
Compared to Gen2



Compact solution
with advanced package



Foot Print



30% reduction

Height



50% reduction

* Evaluation results for representative products

New Generation Portfolio Strategy

New Generation Products Will Accelerate Future Growth



**Focused R&D
development to deliver
new generations of
product portfolio**



**New Gen products will
provide broader end
market opportunities for
growth**



**New Gen products will
provide higher ASPs and
gross margins**

Finance

Transition to a Pure Play Power Company



1

Pure Play Power Company

2

3-3-3 Strategy:

300M Revenue Run Rate

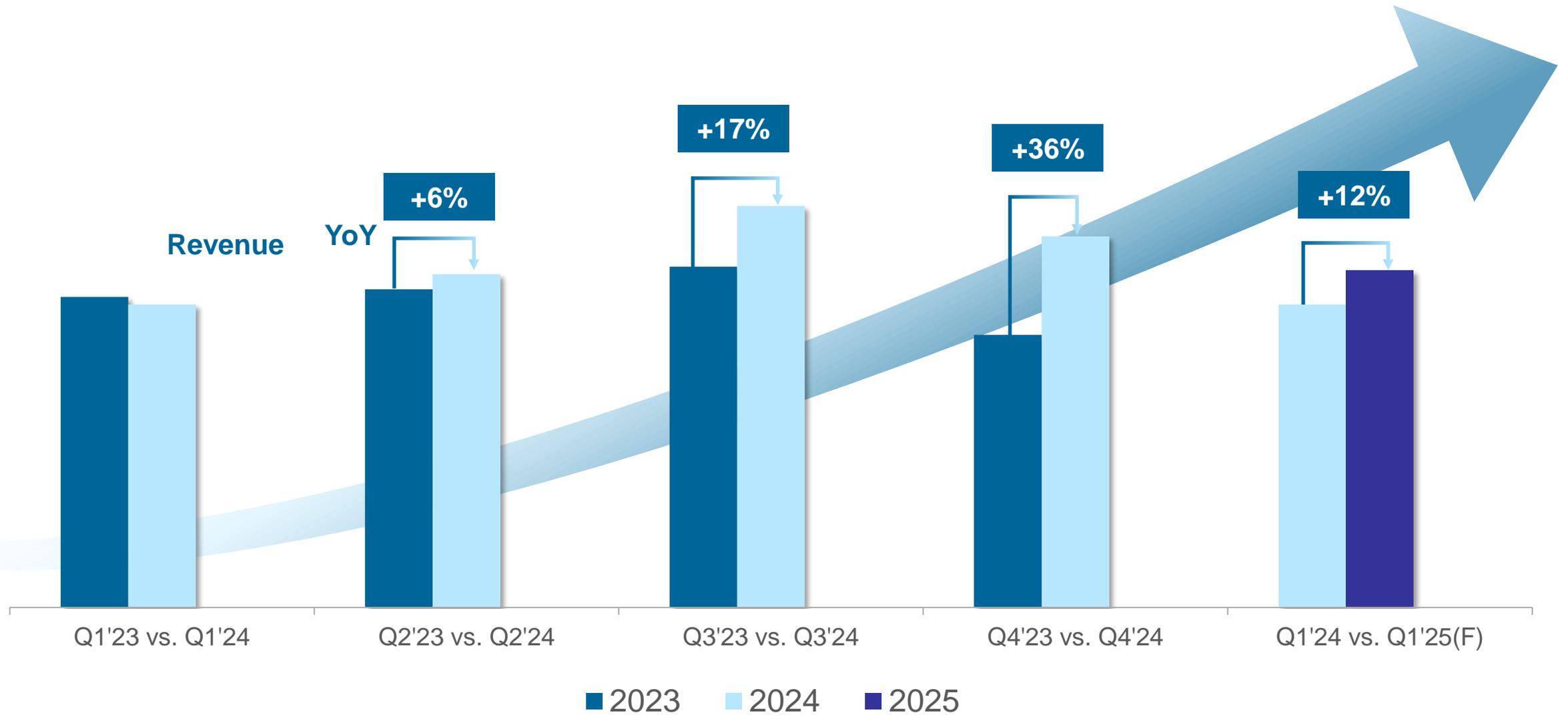
30% Gross Margin Target

3 Years Timeline

3

2025 will be a transitional year

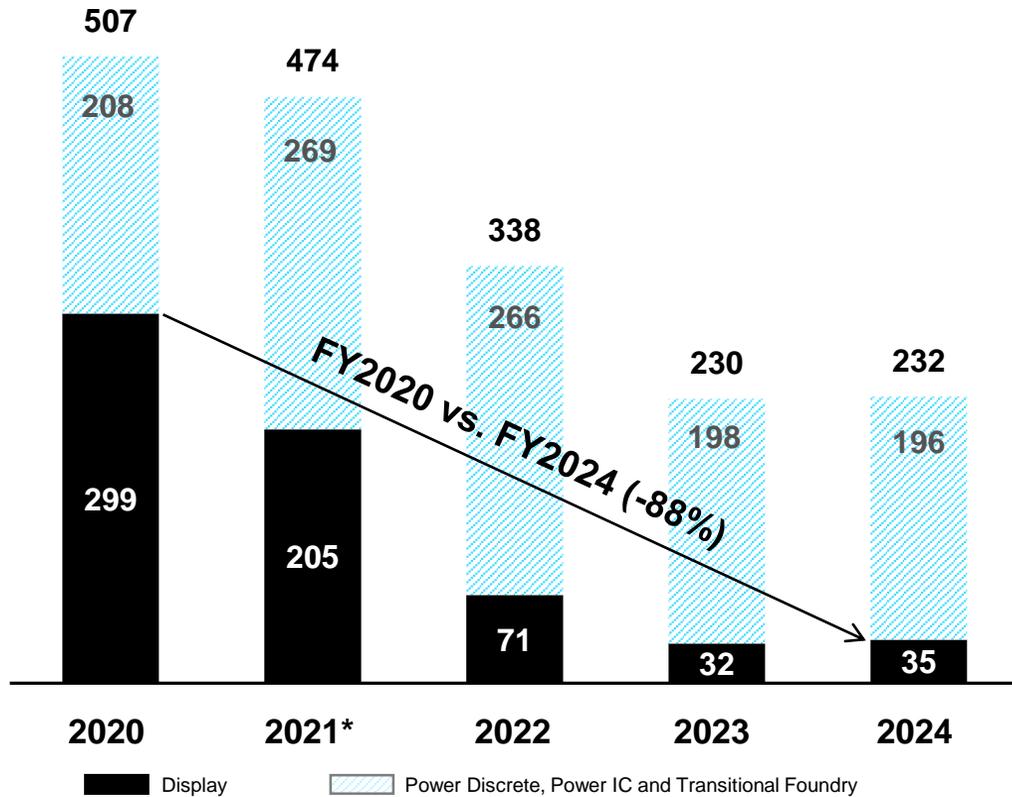
Our Power Revenue is Growing Last 12 Months for Year on Year



Historical Trend

Revenue

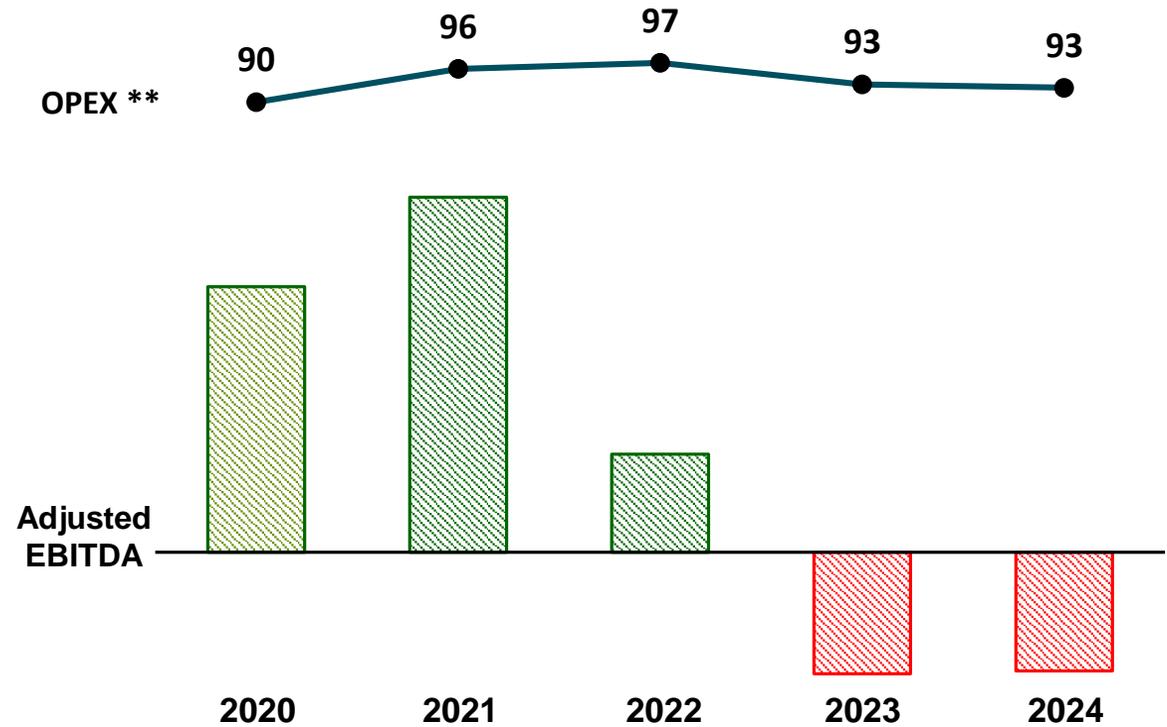
[Unit : \$M]



(*) No long-term agreement (LTA) was signed due to the proposed potential sale of the Company as we outsourced manufacturing of DDIC products to external 12-inch foundries.

OPEX** and Adjusted EBITDA

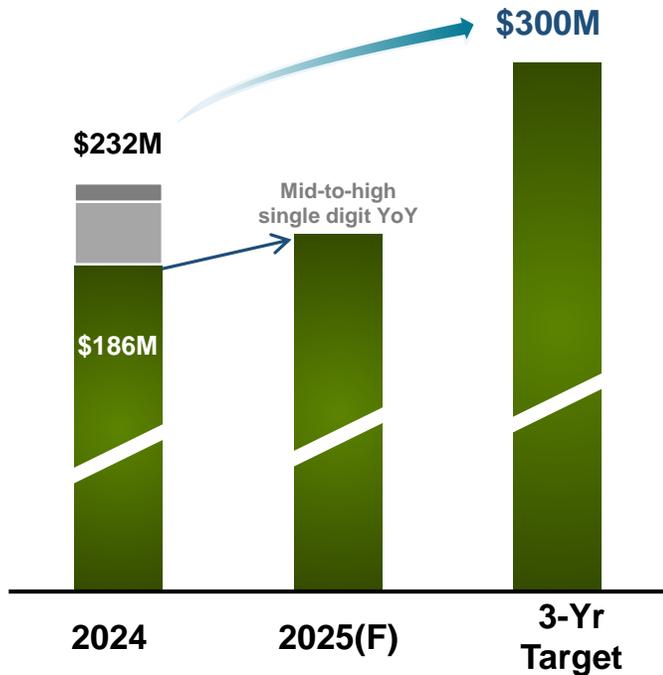
Unit : \$M



(**) OPEX does not include equity-based compensation expense and one-time charges that the Company reported in a separate line other than SG&A and R&D.

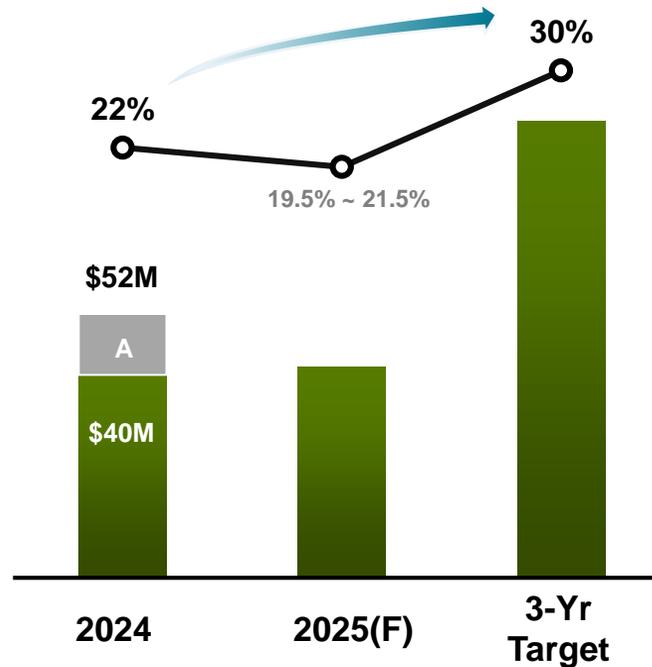
Power Strategy Leads to Improved Financial Performance

Revenue



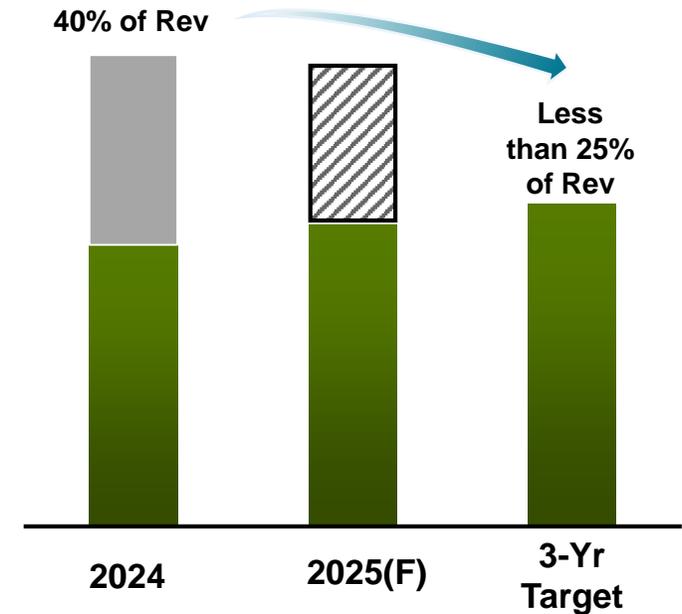
- Transitional foundry
- Display
- Power Discrete and Power IC

Gross Margin



- A Includes the negative gross margin of approx. \$1M recognized from providing Transitional Foundry Services.

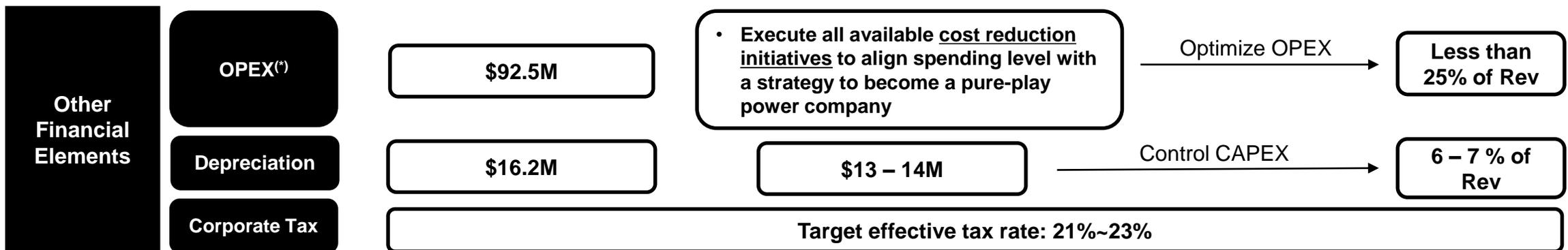
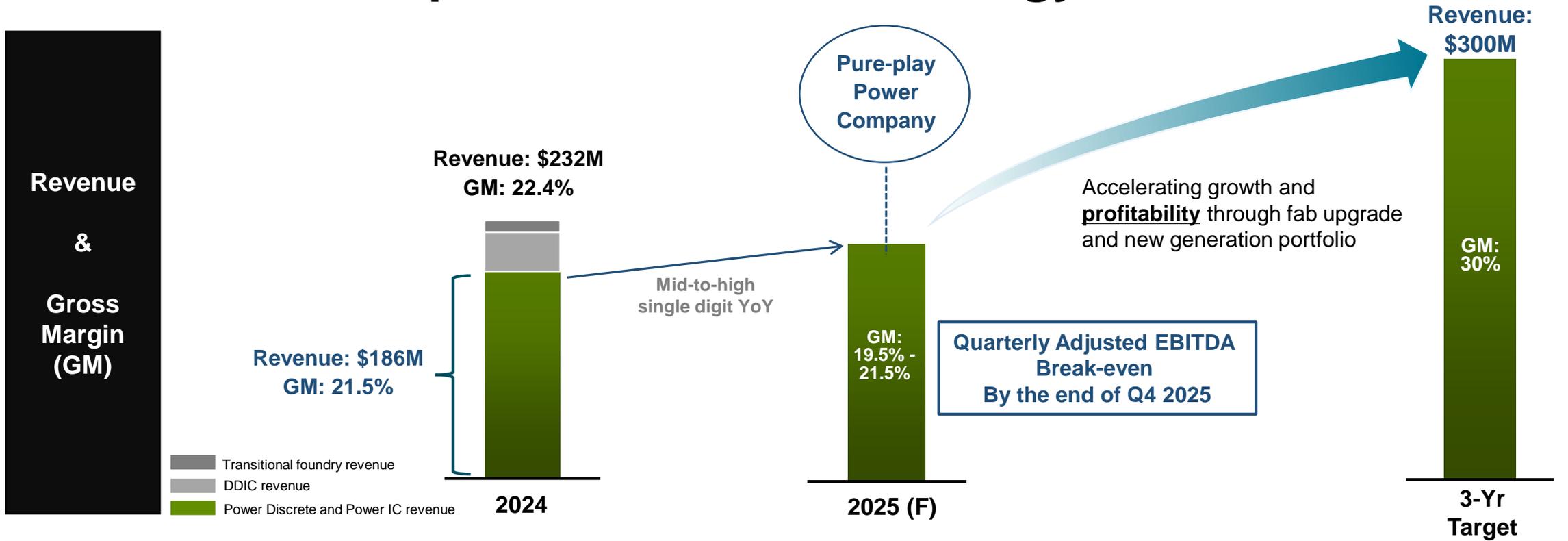
Operating Expense *



- Cost reduction initiatives

(*) OPEX does not include equity-based compensation expense and one-time charges that the Company reports in a separate line other than SG&A and R&D.

Finance Roadmap to Achieve 3-3-3 Strategy

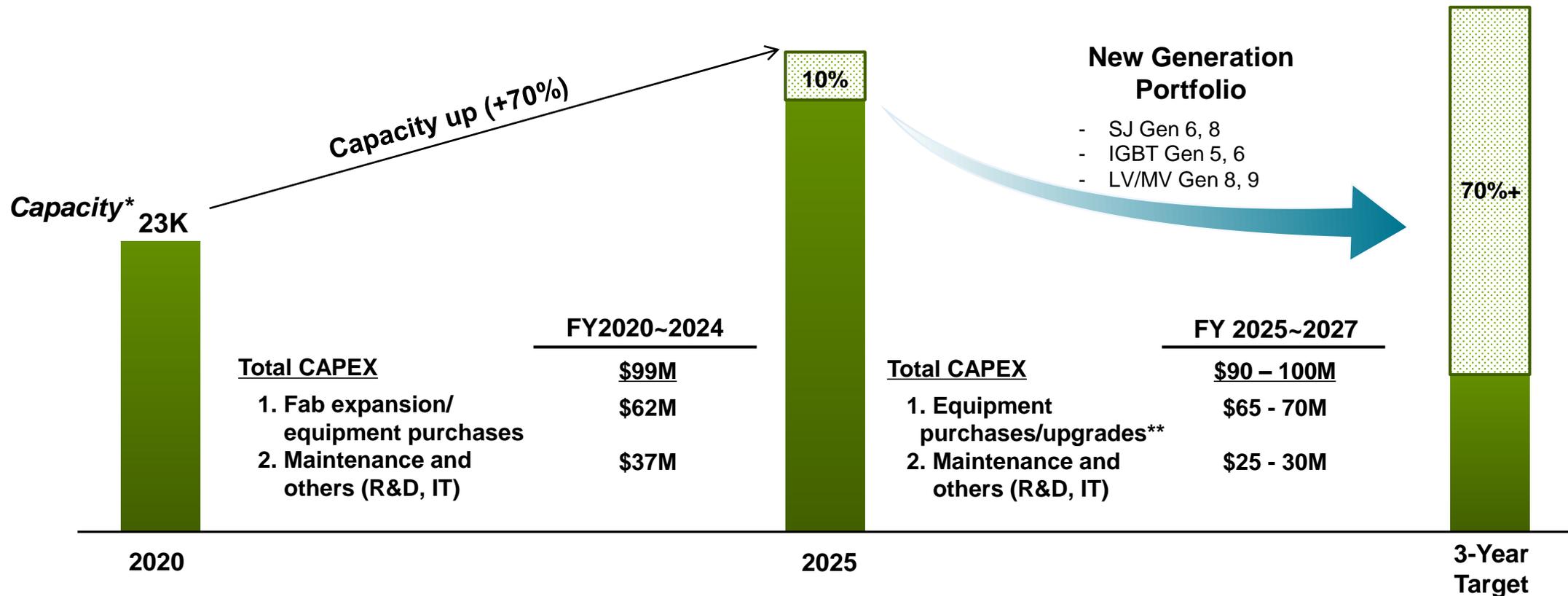


(*) OPEX does not include equity-based compensation expense and one-time charges that the Company reports in a separate line other than SG&A and R&D.

Gumi Fab Power Capacity Transformation

2020 to 2024 → MX invested ~\$62M to expand power capacity in the Gumi fab

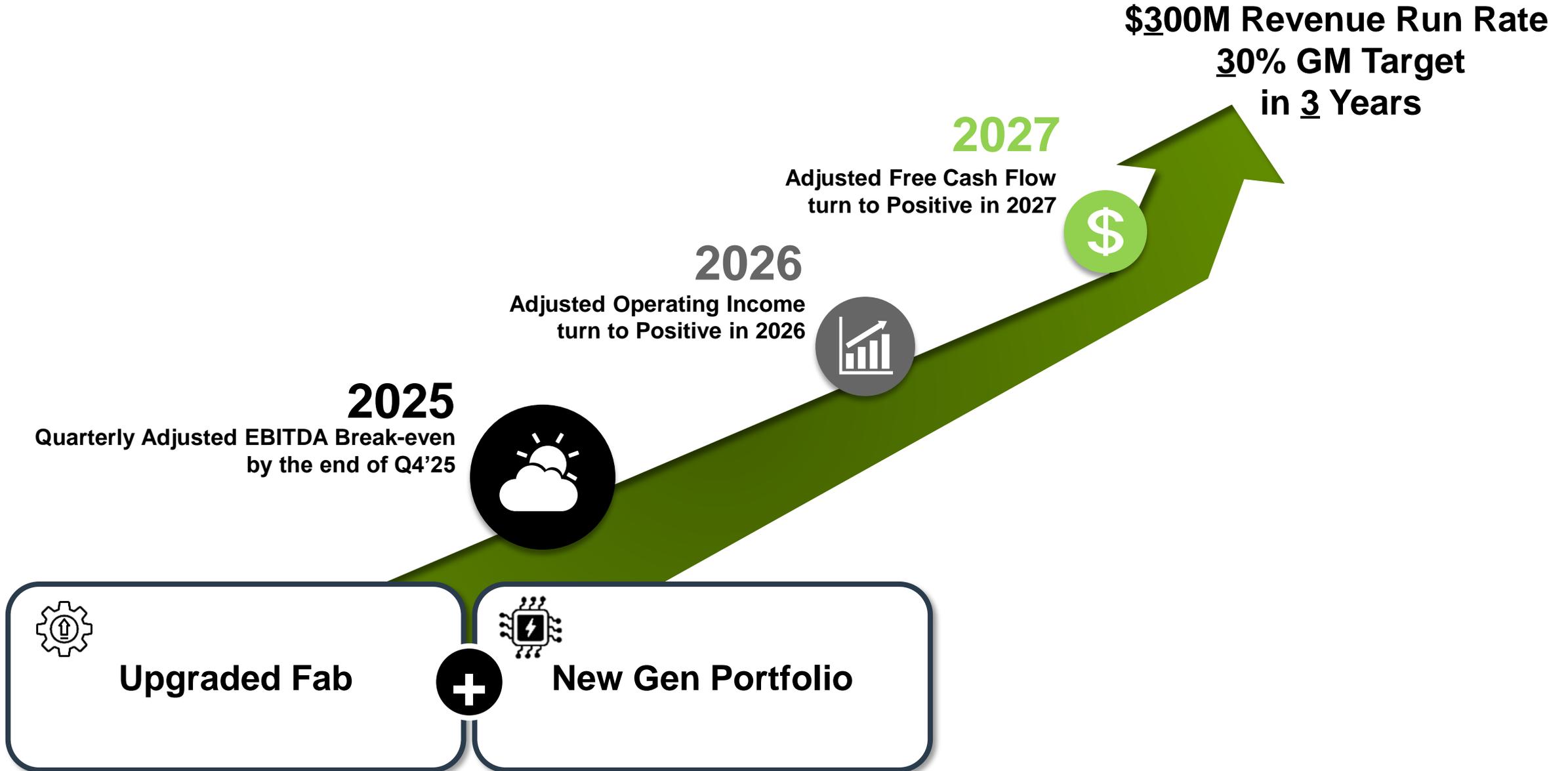
2025 to 2027 → ~\$65 – 70M planned investment to drive growth in new gen product development (\$26.5M partially funded)



* Gumi fab power capacity wafer production per month

** Approx. 75-80% expected to be spent in 2025 - 2026

Financial Milestones – Roadmap to Profitability



Summary



Key Takeaways

- 1** Exiting Display – MX is exiting Display business to become a **power-only company**
- 2** Expanding into High Value Markets – Introduction of **new generations of power products** for markets such as AI / data center, industrial and automotive
- 3** Upgrading Gumi Fab to service New Generation Products – **Improved Margins**
- 4** Achieving Profitability – Focus on profitability and **positive Adjusted free cash flow**
- 5** Executing 3-3-3 Strategy – **\$300M+ Revenue, 30% gross margins in 3 years**

Q & A