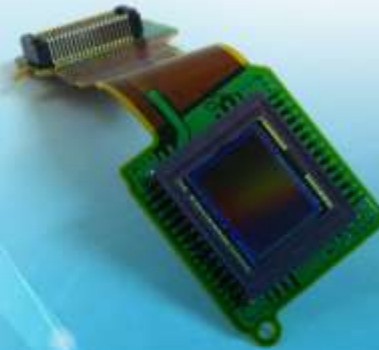


MagnaChip



MagnaChip Semiconductor

September 2017

2017 Citi Global Technology Conference

Forward-Looking Statements

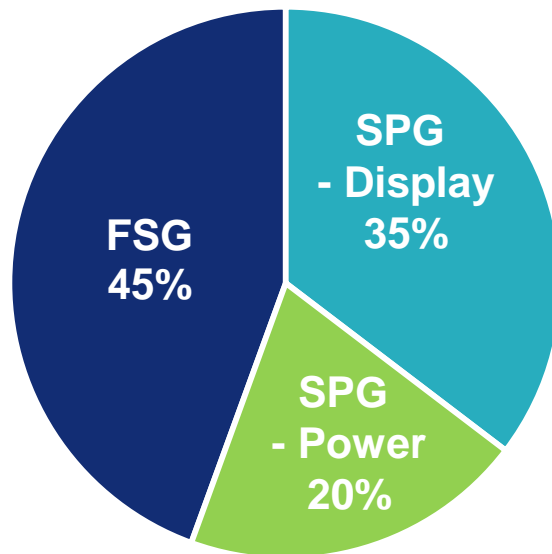
Information in this presentation regarding MagnaChip's forecasts, business outlook, expectations and beliefs are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 that involve risks and uncertainties. All forward-looking statements included or incorporated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

Balanced Portfolio of Products and Services with Growth Opportunities in Three Business Lines

2017 LTM Revenue (\$701M)

Q3'16: \$192M, Q4'16: \$180M,
Q1'17: \$162M, Q2'17: \$167M



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

Business Lines

- **Standard Products Group (SPG) – Display Solutions**



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

- **Power Solutions**



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

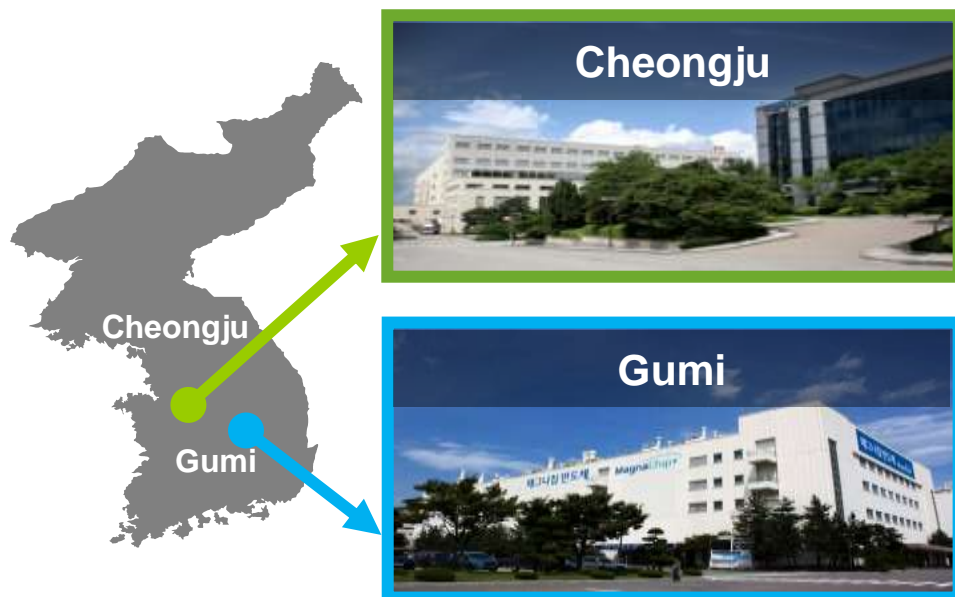
- **Foundry Services Group (FSG)**



- 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

Deep Technology and Manufacturing Expertise Enables Analog and Mixed-Signal Specialty Foundry

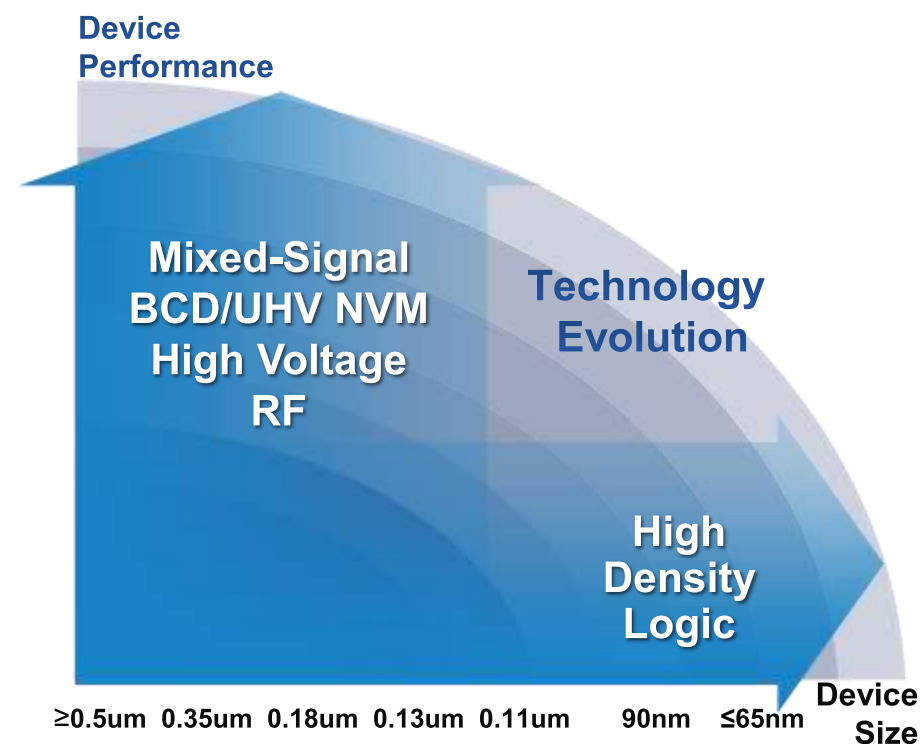
8-inch Fabs for Foundry Services and Standard Products Group



- Two 8-inch analog/mixed signal fabs in Korea
- Proven analog and mixed signal technologies
- 484 specialized processes
- 0.11um - 0.5um technology
- Approx. 1.4 million wafers/year 8" capacity

Specialty Foundry

- Focusing on Specialty Foundry that emphasizes *engineering services* and *analog technology expertise*
- Serving broad end markets: Consumer, Communications, Automotive and IoT



Global #2 OLED Display Driver IC Supplier with Competitive Advantages, Barriers to Entry

Over 10-Year History of Expanding OLED Applications



2007
Mobile



2008
GamePDP



2009
Smartphone



2012
DSC



2013
TV



2014
Tablet



2015
HMD



2017
Flexible

Know-how



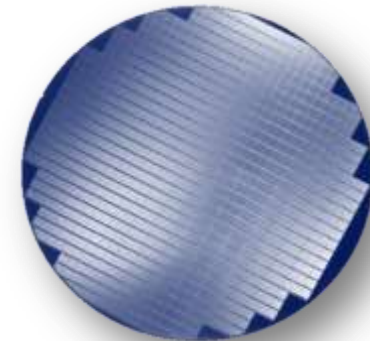
Leading design capabilities through accumulated ASIC design experiences over 10 years

Customer relationships



Deep relationships with global top 2 OLED panel makers

Technology



Uses own specialized OLED process technologies and strong proprietary IP

Portfolio Optimization and Premium Products Lead to Margin Expansion in Power Business Line

Overview

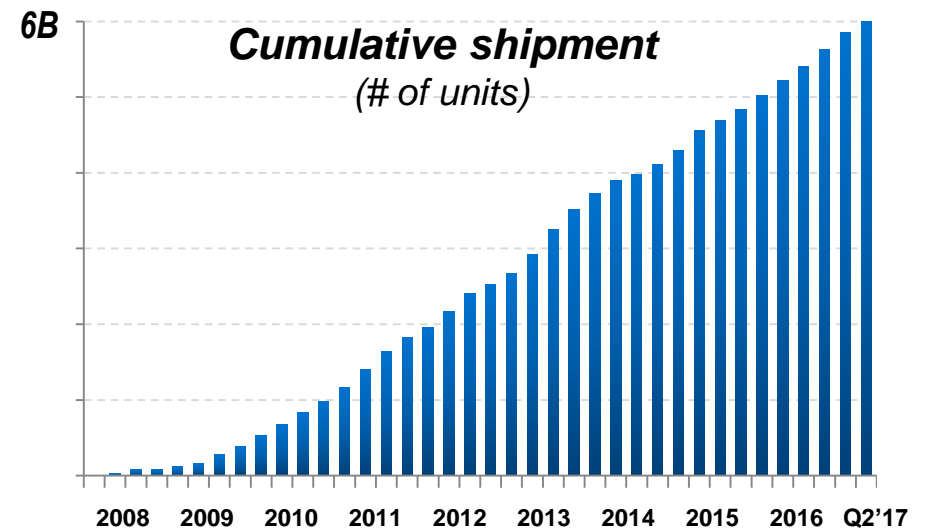
- Product Portfolios



- Broad end markets: TVs, smartphones, tablet PCs and desktop/notebook PCs, industrial applications in power supplies, LED lighting and motor control
- Recent highlights include:
 - 17% revenue YoY growth in Q2 2017
 - Portfolio optimization resulted in 10% gross margin increase over 2 years
 - Premium products like Power ICs, SJ MOSFET, and IGBT devices set a record

Product Competitiveness

- Super Junction MOSFET Gen 2**
 - High ruggedness for robust system reliability
 - Continue to expand share in consumer, mobile, LED, computing and fragmented industrial applications
- Battery MOSFET**
 - Leadership position in smartphone market



Financial Results Demonstrate Ongoing Commitment to Improve Overall Profitability

- **Management team continues to:**
 - **Focus on gross margin and improving overall profitability**
 - **Investing in initiatives to fuel profitable long-term growth**

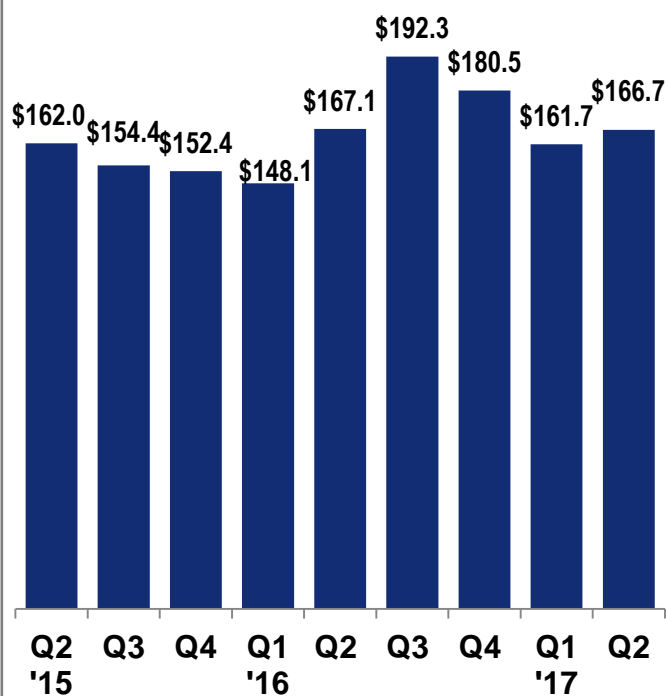
Q2'17 performance

- 1 Q2' 17 revenue at the higher end of previous guidance
- 2 Gross margin and Adjusted EBITDA% at highest levels in more than 4 years
- 3 Successfully completed a headcount reduction
 - Expected to generate annual cost savings of approximately \$24 million with a payback period of less than 1.5 years

Historical Financial Results - Quarterly

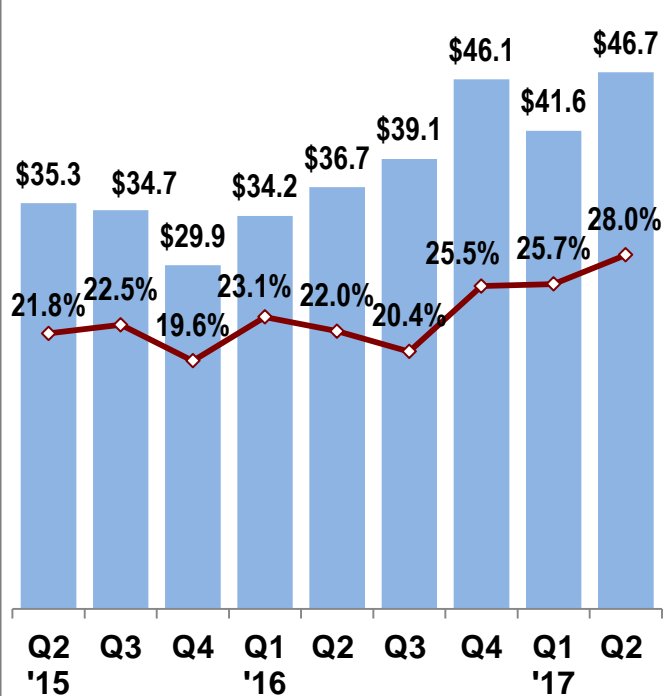
Total Revenue

(\$M)



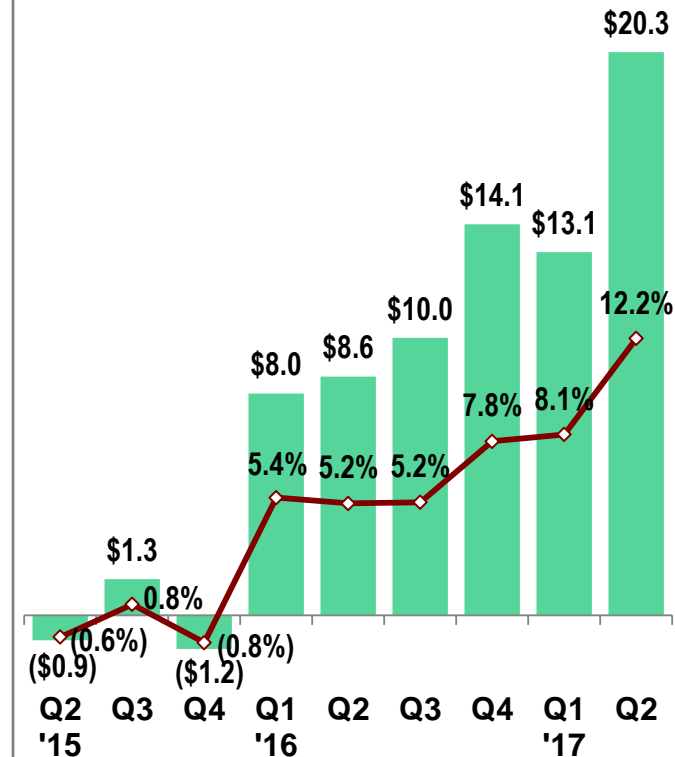
Gross Profit

(\$M)



Adj. EBITDA *

(\$M)



* A reconciliation of Adjusted EBITDA, a non-GAAP measure, to net income (loss) can be found in the Company's public filings (Form 10-K and Form 10-Q) with the SEC.

Display Solutions

OLED display drivers for mobile devices



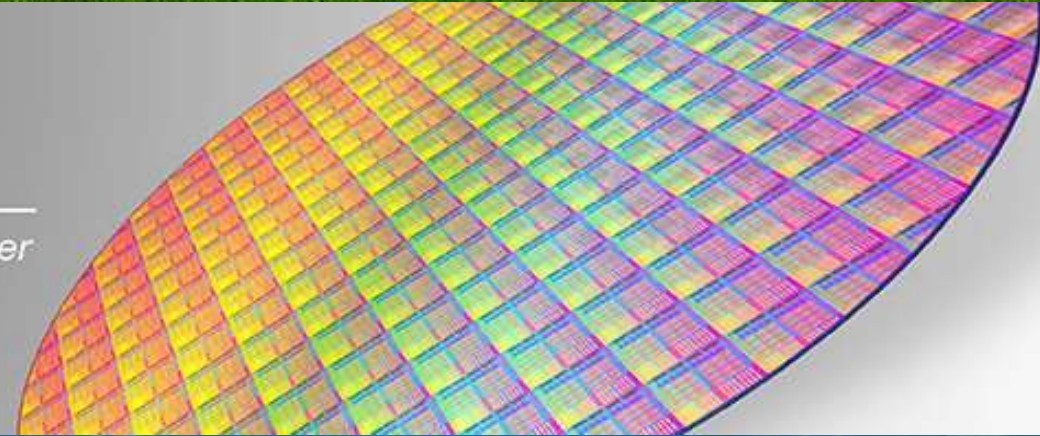
Power Solutions

Power ICs, IGBTs, Battery & Super Junction MOSFETs



Specialty Foundry

High voltage CMOS, Non-Volatile Memory & Power



Thank you!

MagnaChip