

**Himax**

Nasdaq : HIMX

## **Investor Presentation**

March, 2016

# Forward looking statements



Factors that could cause actual events or results to differ materially include, but not limited to, general business and economic conditions and the state of the semiconductor industry; market acceptance and competitiveness of the driver and non-driver products developed by the Company; demand for end-use applications products; reliance on a small group of principal customers; the uncertainty of continued success in technological innovations; our ability to develop and protect our intellectual property; pricing pressures including declines in average selling prices; changes in customer order patterns; changes in estimated full-year effective tax rate; shortages in supply of key components; changes in environmental laws and regulations; exchange rate fluctuations; regulatory approvals for further investments in our subsidiaries; our ability to collect accounts receivable and manage inventory and other risks described from time to time in the Company's SEC filings, including those risks identified in the section entitled "Risk Factors" in its Form 20-F for the year ended December 31, 2014 filed with the SEC, as may be amended.



# 30 years of digital imagery expertise



## 1990's

Founder B.S. Wu pioneers flat panel technologies at Chimei Electronics as CTO



## 2000's

Chairman Wu establishes Himax to meet DDIC demand for large panels and fast-growing medium and small panels



## 2010's

Himax gains market share with design wins with leading technology products companies, worldwide



## and beyond...

Himax leads LCOS development and innovation of new display technologies..



### CORPORATE TIMELINE

**June 2001**  
Himax Taiwan formed by B.S. Wu

**October 2004**  
Himax forms Himax Display to focus on LCOS microdisplay technology

**March 2006**  
Himax IPOs on Nasdaq. Raises \$147M with Morgan Stanley

**2009**  
GFC reduces sales ~\$900 million to ~\$700 million. Refocuses effort on non-driver products

**June 2013**  
Himax completes take out financing of Chimei

**Sept 2015**  
AR business hits inflection point. Mass Production follows in 1Q16

**December 2003**  
Himax Taiwan begins trading on Emerging Stock Board (TW) under "3222"

**August 2005**  
Himax Taiwan delists from Emerging Stock Board

**February 2007**  
Himax acquired Wisepal, and forms Himax Semiconductor to focus on small and medium sized DDICs

**2010-2012**  
Non-driver sales increase gross margins and BOM sales opportunities

**July 2013**  
Signs investment agreement with Google

## 1 **Leading Display Driver Provider**

- Worldwide leading display driver player with a wide range of drivers for panels of all sizes and in-house intellectual property
- Image technology solutions provider

## 2 **Diversifying Revenues and Customers**

- Top tier customers globally
- Diversifying revenues from DDIC to CMOS image sensors, LCOS microdisplay , touch panel controllers, timing controllers, power management IC, and ASIC service
- DDIC market share leader

## 3 **Operational and Public Market Performances**

- Long term profitability potential with no fundraising since IPO
- Disciplined cost control
- Stable cash flow
- Committed to high dividend payout ratio
- Debt-free: Short-term debt offset by deposits of restricted cash reported under current assets

## 4 **Innovative New Products Capturing Growth Markets**

- Automotive applications and AR/VR related businesses
- Core driver IC business benefit from technology integration and market leader position
- Growth from non-driver products, such as LCOS microdisplay solutions and WLO, touch panel controllers and integrated touch and display ICs, CMOS image sensors, and timing controllers

## 5 **Visionary Management Team**

# Capital markets snapshot



**Fiscal Year** December 31<sup>st</sup>

**Last-Traded Price (02/29/16)** \$9.89

**Basic Weighted Ave. Out. ADS** 171.6M

**Diluted Weighted Ave. Out. ADS** 171.9M

**Equivalent ADS Out.** 171.9M

**Market Capitalization (02/29/16)** \$1.7B

**Insider Ownership** 31.6%



## Top 20 Institutional Shareholders

Baillie Gifford & Co. Ltd	Blackrock Investment Management
Standard Life Investments	Citadel Advisors
Shannon River Capital	Susquehanna Financial Group
Polar Capital	Grantham Mayo Van Otterloo & Co
Fidelity Management & Research	Fiera Capital Corporation
Quentec Asset Management	Garelick Capital
Ignis Investment Services	Validea Capital Management
Oxford Asset Management	Blackrock Advisors
Renaissance Technologies	California Public Employee Retirement
The Rock Creek Group	Ardsley Ridgecrest Investment

## Covering Analysts

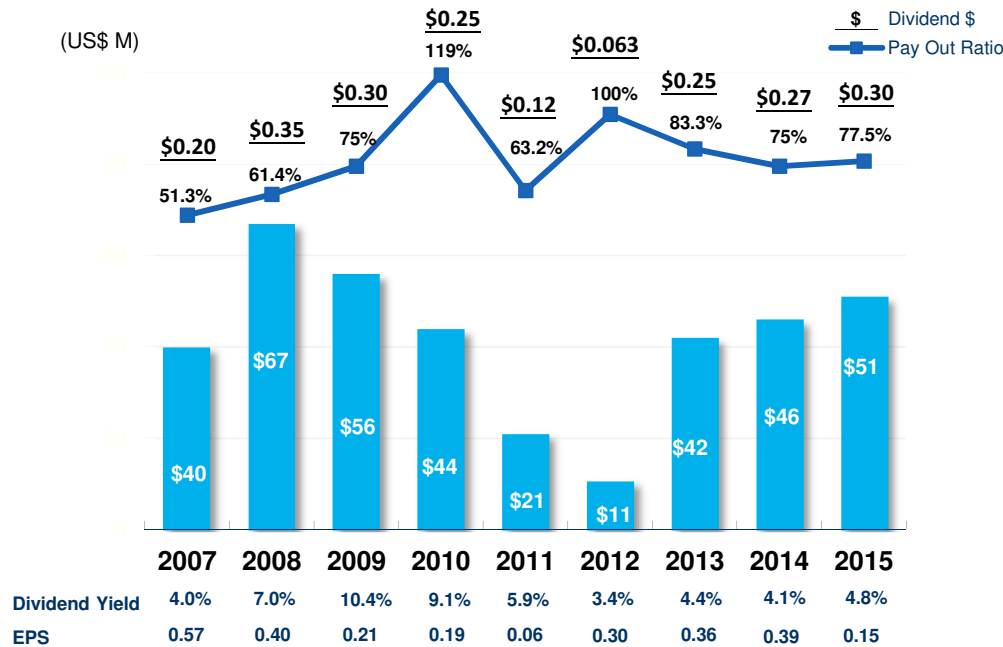
Bank of America Merrill Lynch	Pending
Brean Capital, LLC	Mike Burton
Craig-Hallum Capital Group LLC	Anthony J. Stoss
Credit Suisse	Jerry Su
Edison Investment Research Limited	Dan Scovel
Lake Street Capital Markets	Jaeson Schmidt
Morgan Stanley	Charlie Chan
Nomura Securities	Aaron Jeng
Northland Securities, Inc.	Tom Sepenzis
Oppenheimer & Co. Inc.	Andrew Uerkwitz
RW Baird & Co.	Tristan Gerra
Topeka Capital Markets	Suji De Silva
UBS Securities Pte. Ltd.	Samson Hung
Rosenblatt Securities	Jun Zhang

# Shareholder focused. Returns profits



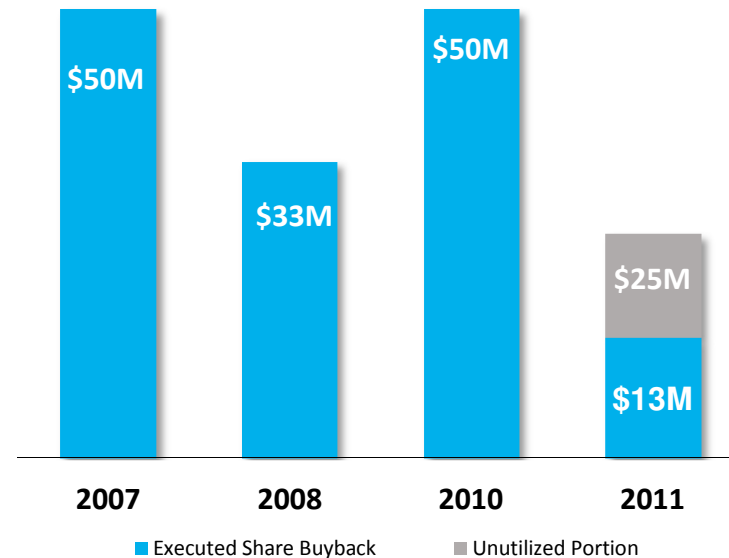
## Dividends

- Distributed a total of \$378 million of dividend since IPO (2015 payout in July)
- Dividends referenced primarily on prior year's profitability



## Share Buy Back

- Initiated four share buyback programs totaling \$158 million since 2007
- Repurchased a total of 46.5 million ADSs through Dec 31, 2015 at average purchase price per ADS: \$3.15



Technology and Dividends together at last.



**HIMX**  
TDIV since 2014

**\$524**  
Million

Returned to shareholders including dividends and buy-backs since IPO



# Summary financials and guidance



<b>QUARTER</b>	<b>4Q2015</b>	<b>4Q2014</b>	<b>3Q2015</b>	<b>YoY</b>	<b>QoQ</b>
Revenues	\$178.0M	\$227.2M	\$165.6M	-21.7%	+7.5%
Gross Margin (%)	22.9%	24.7%	21.8%	-1.8%	+1.1%
GAAP Net Income (Loss)*	\$6.1M**	\$15.6M***	\$(2.3)M	-60.8%	+362.9%
GAAP Earnings per ADS	\$0.036**	\$0.091***	\$(0.014)	-60.8%	+362.3%
Non-GAAP Net Income*	\$6.5M**	\$16.1M***	\$1.7M	-59.7%	+286.4%
Non-GAAP Earnings per ADS	\$0.038**	\$0.094***	\$0.010	-59.8%	+285.6%
<b>YEAR</b>	<b>FY2015</b>	<b>FY2014</b>	<b>YoY</b>		
Revenues	\$691.8M	\$840.5M	-17.7%		
Gross Margin (%)	23.6%	24.5%	-0.9%		
GAAP Net Income	\$25.2M**	\$66.6M***	-62.2%		
GAAP Earnings per ADS	\$0.146**	\$0.387***	-62.2%		
Non-GAAP Net Income	\$30.6M**	\$76.0M***	-59.7%		
Non-GAAP Earnings per ADS	\$0.178**	\$0.442***	-59.7%		
<b>1Q2016 GUIDANCE</b>					
<b>Revenues</b>	To be down 1% to up 4% as compared to the fourth quarter of 2015				
<b>Gross Margin</b>	To be around 25% as opposed to 22.9% reported in the fourth quarter of 2015				
<b>GAAP Earnings per diluted ADS</b>	5.5 to 7.5 cents per diluted ADS				

\* 2014 GAAP numbers include grant of Restricted Share Units at the end of September at \$9.3 million

\* 2015 GAAP numbers include grant of Restricted Share Units at the end of September at \$4.5 million

\*\* An additional income tax charge due to FX impact of \$3.7 million in 3Q15, \$1.9 million in 4Q15, and \$3.6 million in 15FY

\*\*\* An additional income tax charge due to FX impact of \$4.8 million in 4Q14 and \$5.6 million in 14FY

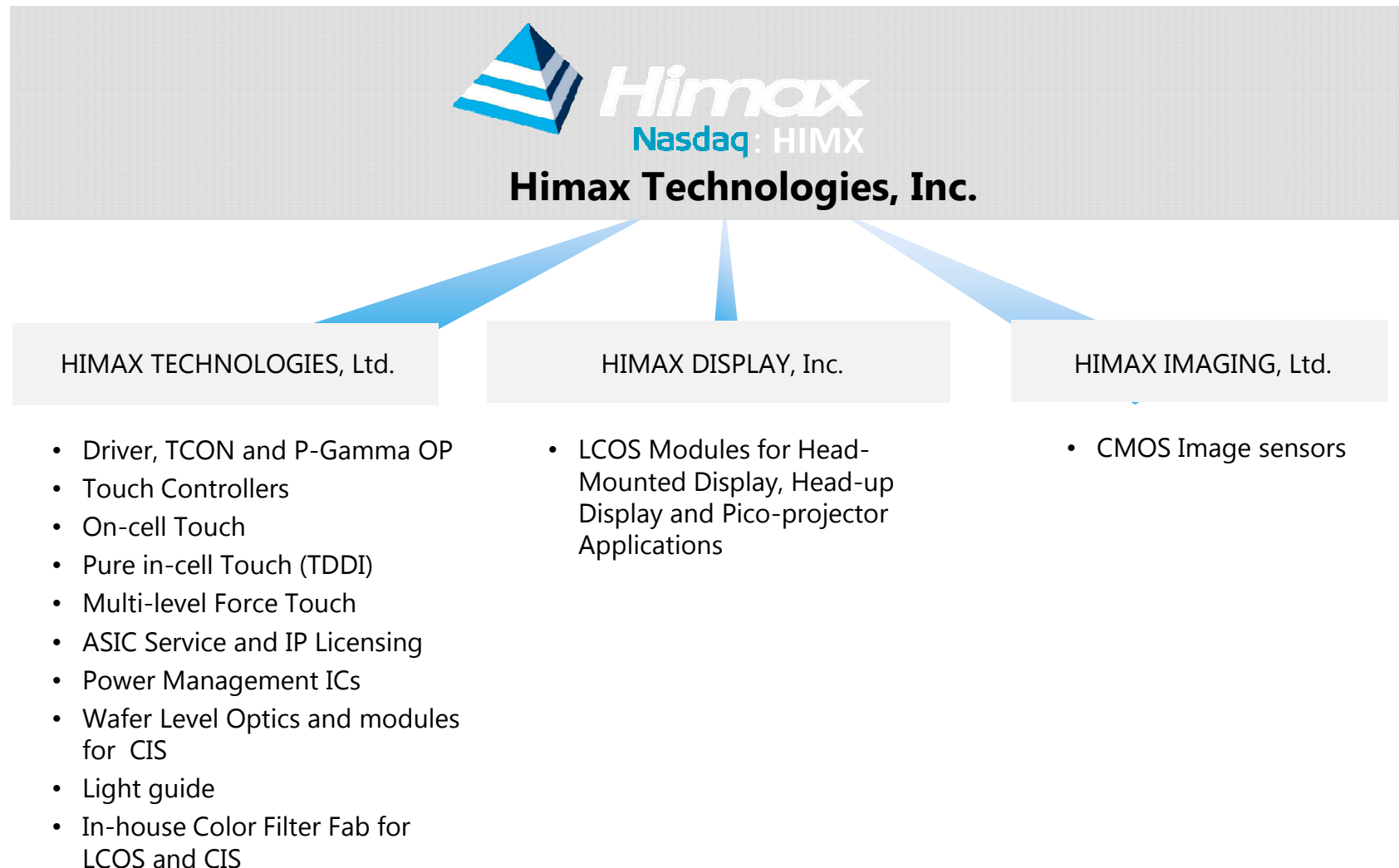
# A global semiconductor company



- Fabless semiconductor company with world leading visual imaging processing technologies
- Global market leader in TFT-LCD display driver and timing controller ICs
- 200+ customers across Taiwan, China, Japan, Korea, U.S. and Europe
- 2,764 patents granted and 566 patents pending approval worldwide as of December 31<sup>st</sup>, 2015
- NASDAQ-listed since March 2006 (HIMX)
- Around 1,900 employees worldwide; more than 90% are engineers
- Headquartered in Tainan, Taiwan with 5 R&D centers in Taiwan and U.S., out of a total of 20 offices across Taiwan, China, Japan, Korea and U.S.







# Himax inside consumer electronics



## DISPLAY DRIVERS



## WAFER LEVEL OPTICS



## CMOS IMAGE SENSORS



## ASIC SERVICE & IP LICENSING



## LCOS MICRODISPLAYS



## TOUCH PANEL CONTROLLERS



## POWER MANAGEMENT IC & LED DRIVERS

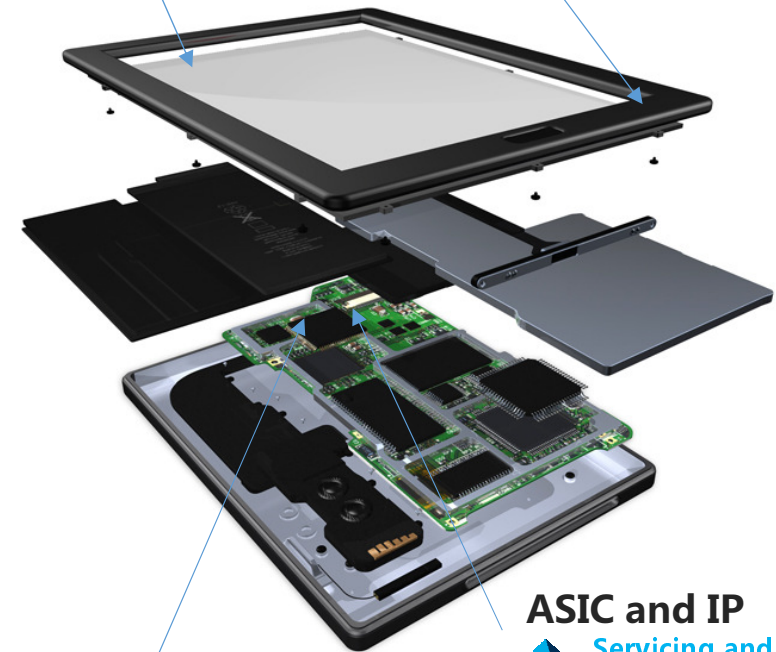


## TIMING CONTROLLERS



**In displays**  
 Display Driver  
 TCON  
 PMIC  
 LED Driver  
 P-gamma OP

**On Touch Panels**  
 Controller IC



**ASIC and IP**  
 Servicing and licensing

**In Camera Modules**  
 CMOS Image Sensor  
 Wafer Level Optics

# Fabless manufacturing expertise



## DISPLAY DRIVER

### WAFER FABRICATION



### GOLD BUMPING



### PROCESSED TAPE



### CHIP PROBE TESTING



### ASSEMBLY AND TESTING



## CMOS IMAGE SENSOR BACK-END

### PACKAGE



### CHIP PROBE TESTING



### FT



### RW



## SOC

### CHIP PROBE TESTING



### PACKAGE



### FT





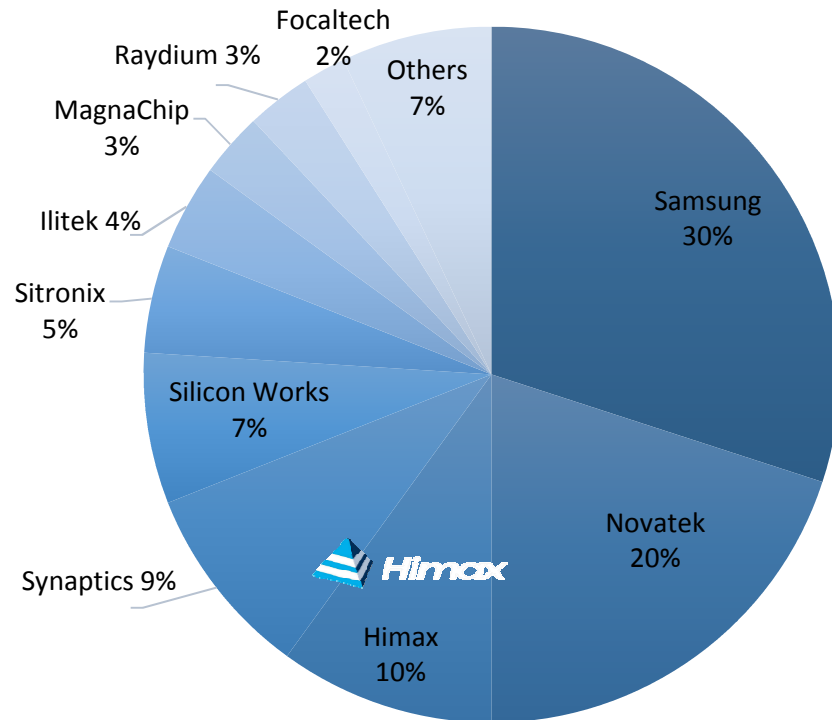
# Product Lines & 6 Growth Opportunities



# DDIC market share



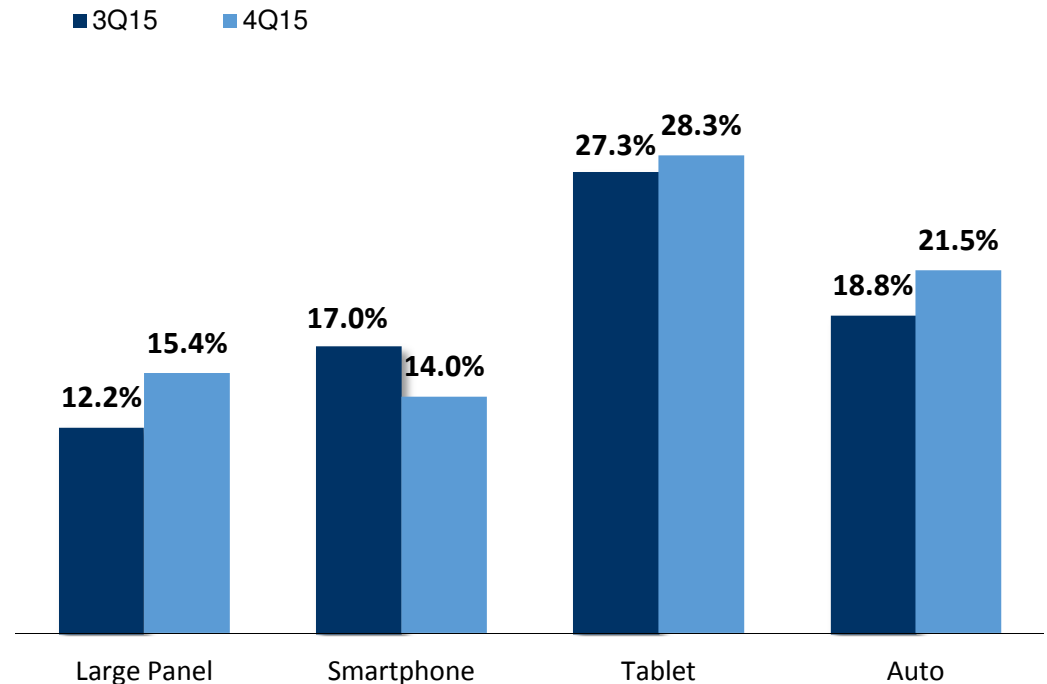
2015 Q3 Driver Market Share



Source: IHS iSupply and company estimates (This covers all TFT-LCD and OLED DDICs)

- One of the leading players in display driver ICs
- Key differentiation from IC peers - total solution offering of image processing related technologies and leverage of existing strength in mobile devices

HIMX Driver IC Market Share by Application



Source: Trendforce, IHS iSupply and Company Estimates

- Large panel DDIC market share expanding across panel makers, especially in China, as a result of their capacity expansion and in-sourcing strategy
- Smartphone market share should improve when AMOLED DDIC shipment starts to top-tier Korean customer in 1Q16
- Solidly positioned as a market share leader in tablet and auto application

# 1

## Grow large panel DDIC unit sales and market share



### Market Trends

Continuous new TFT-LCD capacity expansion in remains aggressive with a special focus on advanced display technologies

The newly built Gen 8.5 capacity is all located in China, and by 2019, leading Chinese panel maker's market share will likely be world No. 3

4K TV will continue to motivate purchase interest and contribute to much higher 4K TV penetration rate going forward

Panel Maker Capacity Expansion Plan

Makers	4Q14	1Q15	2Q15	3Q15	4Q15	1H16	2H16	2017	2018
Samsung	G8.5 60K (+5K) SuZhou		65K(+5K)			90K (+25K)	110K (+20K)		
LGD		G8.5 90K(+30K) Guangzhou				120K (30K)			
AUO					G8.5 120K (+25K) Taichung	135K (+15K)			
INX							G8.5 40K Kao Hsiung		
BOE		G8.5 115K (+25K) HeFai	G8.5 90K Chong-Qing					G8.5 120K FuZhou	G10.5 90K HeFai
CSOT			G8.5 100K ShenZhen						
CEC-Panda				G8.5 60K NanJing					

Source: Trendforce

### HIMX Strategies and Market Position

- Major beneficiary from growing China panel market as a market share leader as they continue to source more panels locally for local and export demands
- Himax's stands strong as OEMs actively seeking total solution providers for better performance, simpler supply chain, and more reliable engineering support
- Penetrating into Korean 4K TV customers

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Japan Display Inc.





# 2

## Grow S/M panel DDIC Launch new products



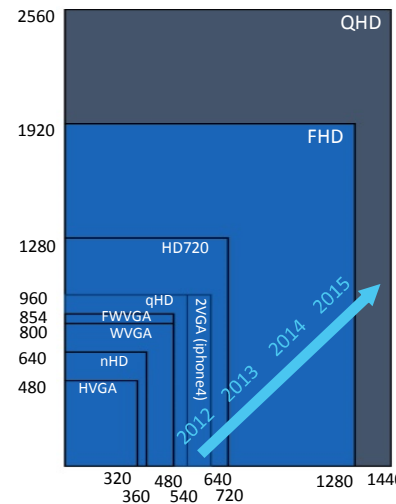
### Market Trends

- DDIC in smartphone and tablet applications remain the backbone of the company as a global market share leader
- Korean and Chinese smartphone customers seeking product differentiation with AMOLED panels
- Pure in-cell TDDI market acceptance gaining traction
- Automotive IC market to grow at the highest rate among all applications at a 6.7% CAGR from 2014 to 2019
- Virtual Reality (VR) headsets using OLED displays is a new market

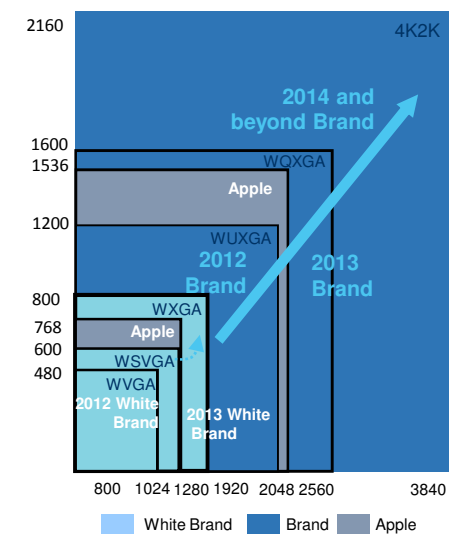
### HIMX Strategies and Market Position

- Capitalize on resolution trend. Work closely with panel makers and end-customers of top-tier smartphone ODMs
- Comprehensive product portfolio: smartphone driver ICs including QHD, FHD, HD720, qHD, and WVGA; tablet driver ICs including higher resolution products up to WQXGA and 4K2K
- Leverage new design win with a new leading customer in China
- Pure in-cell (or TDDI) ready as an industry pioneer
- Anticipate AMOLED DDICs to kick off a new growth cycle for smartphone and VR applications in 2016
- Firmly position company in automotive space with comprehensive customer and product portfolio

Smartphone Display Trends



Tablet Display Trends



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# 3

## LCOS Microdisplay Design, manufacture, ship



### Market Trends

Head mounted technology is about to change the world. AR product development for business, industrial, search, gaming, social media, military, toy, automotive and other consumer markets

Limited companies provide the combination of R&D, joint development and manufacturing expertise

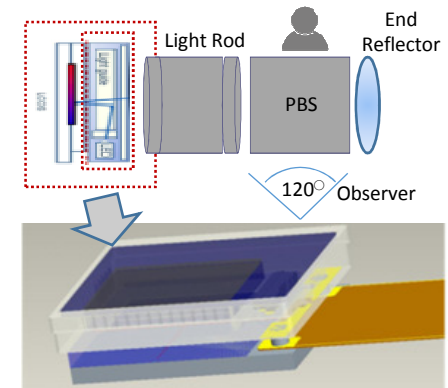
Significant barrier of entry to new market entrants and existing technology companies without scalable manufacturing

### HIMX Strategies and Market Position

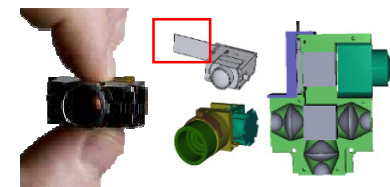
- LCOS industry's market leader with proprietary technologies, strong patent protection on LCOS crystal process and module, in-house facilities and shipping record > 2M units
- Front-Lit™ LCOS technology to enhance product performance and greatly simplify customers' manufacturing process - successfully engaged multiple top-tier customers
- Primary product focus is Head-Mounted Display (HMD), Heads-Up Display (HUD) & industrial applications
- Continue close collaboration with Google and other multinational companies on next generation AR devices
- LCOS technology recognized as most superior to other competing technologies in AR/VR applications
- Higher gross margin than company average without much increase of OPEX
- Continue to gain new project engagements with tier 1 customers in addition to approx. 30 current customers
- Inflection point in 2015 September with mass production starting in 1Q16

#### Front Lit LCOS Advantages

- Form Factor /Compact Design
- Brightness
- Power Efficiency
- MP Efficiency and Readiness



#### Optical Engine with LCOS Module



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# 4 Touch panel controllers

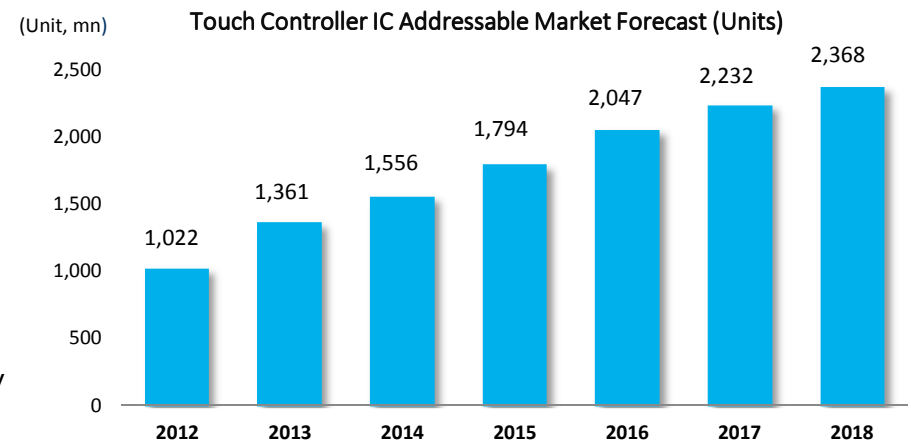


## Market Trends

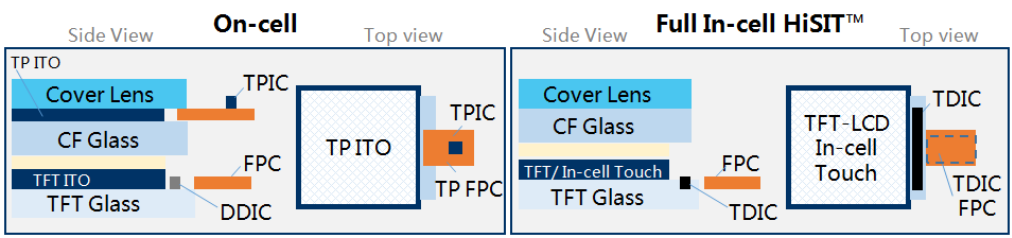
Integration of Display & Touch by panel makers and OEMs

### HIMX Strategies and Market Position

- Rapid growth since 4Q11
- Started several key on-cell MPs from 3Q15
- TDDI pure in-cell solution started small volume production in Q4'15 and to generate meaningful volume starting 2H16 as early mover
  - ✓ Close partnerships with essentially all of the leading panel manufacturers, module houses, and OEMs
- Launched force touch products in 2015 and have secured design-wins for leading smartphone makers' 2016 models



Source: DisplaySearch and company estimates





# 5

## CMOS image sensors



### Market Trends

CIS development accelerating in functionality and new applications

Advanced Wafer-Level Optics (WLO) is the future for computational optics and 3D sensing

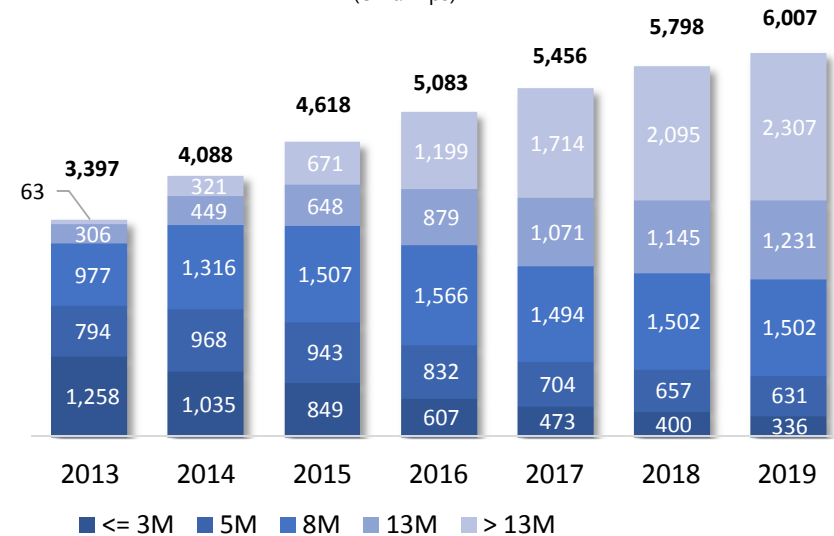
### HIMX Strategies and Market Position

- One of the market share leaders in notebook application
- Low end smartphone market kept trending caused a weak 2015
- CIS high sensitivity, low noise, cost effective, and low power consumption design with solid pixel technologies remains competitive
- Introduced industry leading ultra low power computer vision sensors and Near Infrared (NIR) sensors for 3D and next-gen smartphone, tablets, AR/VR and IoT devices
- WLO application includes light-field camera, array camera, dual color LED in flash, and 3D sensing
  - ✓ In-house know-how and manufacturing facilities
  - ✓ Inflection point in 2015 for small volume pilot production shipments of HMD wave-guide; mass production in 1Q16
  - ✓ Compact Diffractive Optical Element (DOE) integrated laser projector for mobile devices, automotive, AR/VR devices, and IoT applications

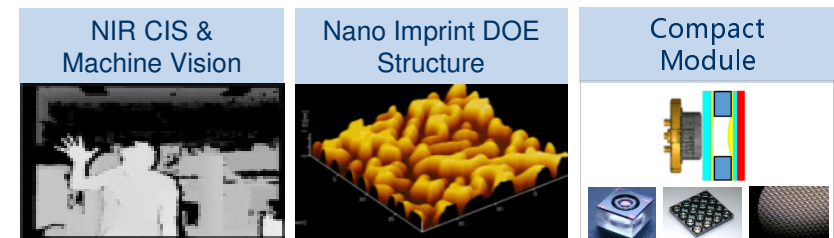
Resolution Trend by CMOS Image Sensor

2013 – 2019 8% CAGR

(Unit: Mps)



Source: IHS 2015 Q1



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# 6 Timing controllers



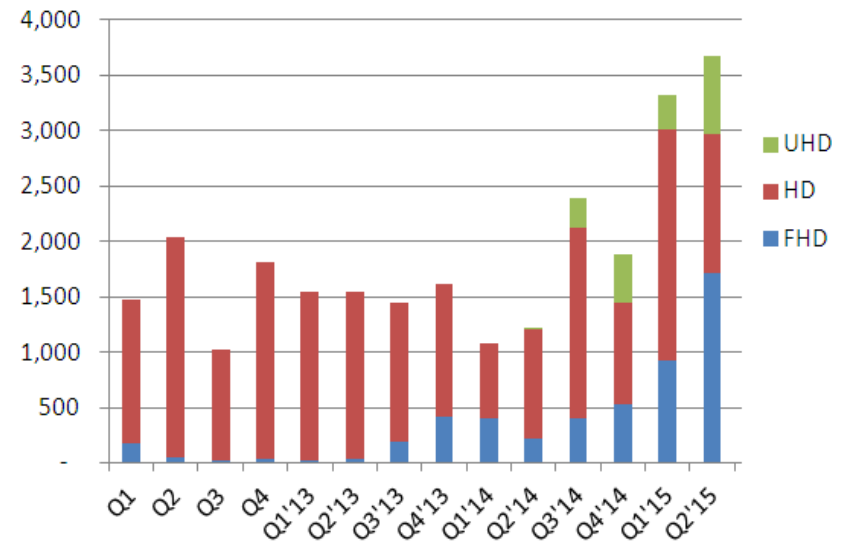
## Market Trends

TCON becoming the key enabler of next generation ultra-high resolution panel development

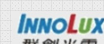
## HIMX Strategies and Market Position

- The beginning of a multi-year growth with expanded adoption from MNT & NB to 4K TV
- New TFT-LCD capacity plan in China in 2015 and beyond remains aggressive with a special focus on advanced display technologies
- Himax's eDP 1.4 TCON is the first to debut in the market to support 4K2K resolution
  - ✓ Unique total solution that pairs with Nvidia G-Sync and AMD FreeSync™ to eliminate screen tearing, minimize stutter, and address panel system power consumption challenge
- Possible eDP adoption in smartphones, tablets and VR devices
  - ✓ eDP outperforms MIPI when display resolution trends beyond FHD to QHD, 2K or even 4K
  - ✓ eDP 1.4 delivers huge improvement over previous versions

Himax eDP TCON in TV Gaining Momentum  
(Unit, K)



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# 2015 YTD

## Financial Review

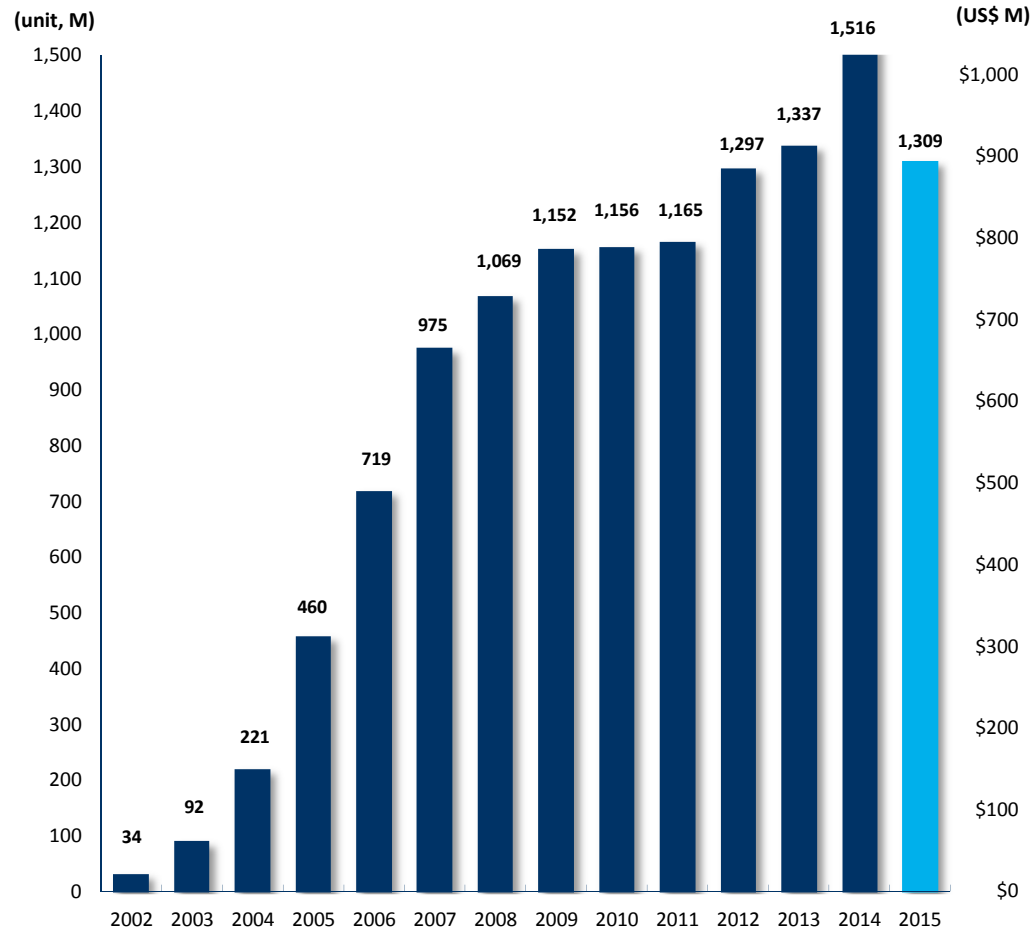




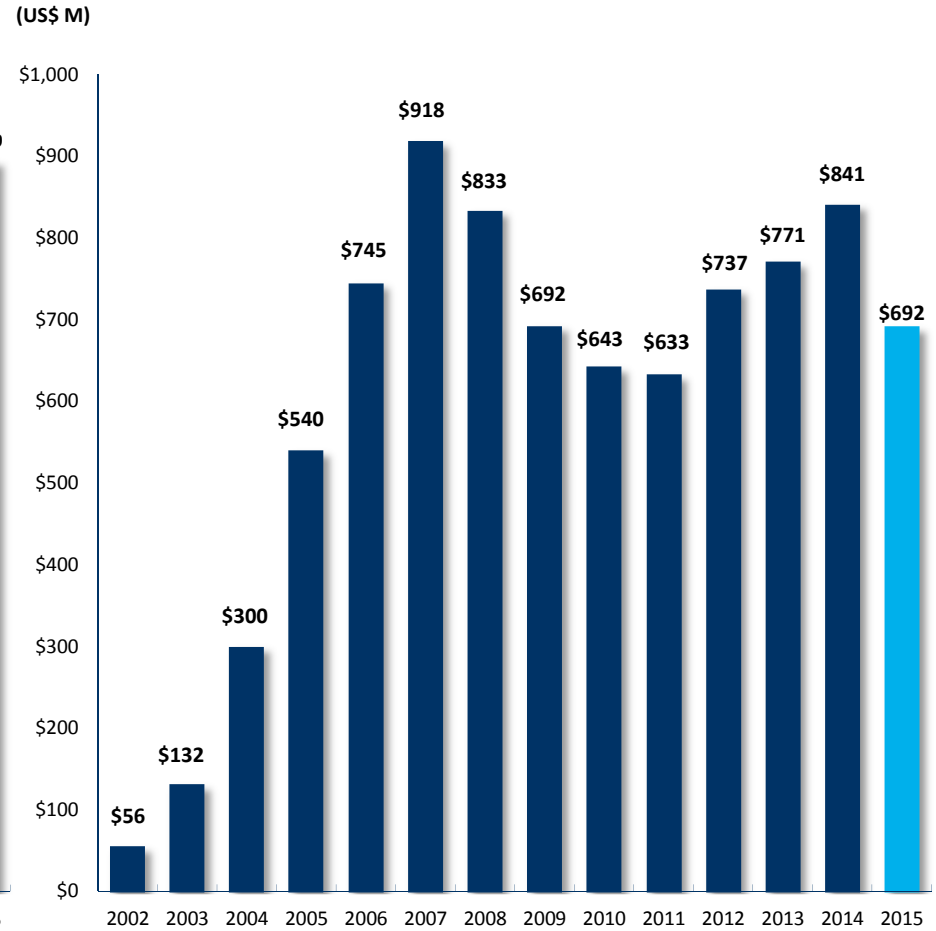
# Shipment and revenue history



## Unit Volume



## Revenues



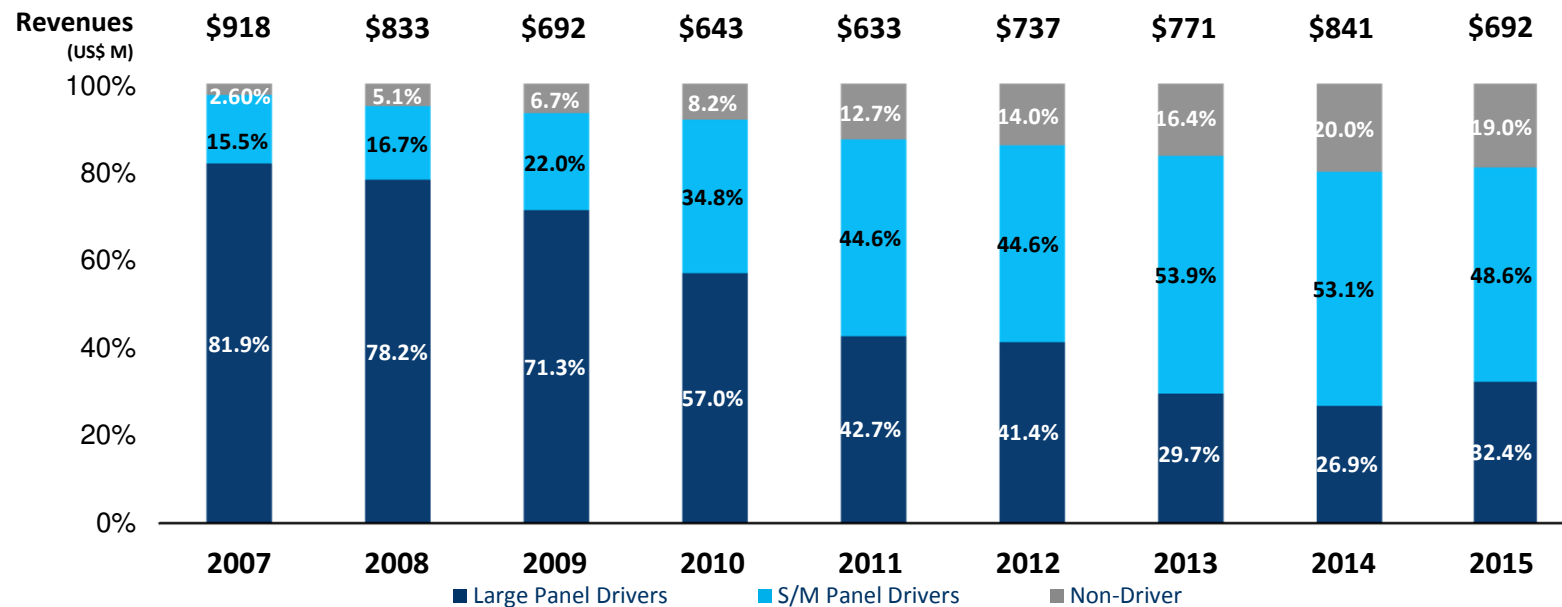
- YoY decline due to Korean customer product change and the decline in tablet and CMOS image sensors businesses

# A better balanced product mix...



- Growing large-sized panel drivers in 2015 and beyond
- Global market share leader in small and medium-sized panel driver ICs despite weak market sentiment
- Further diversify products and expand customer portfolio in various segments
- Increasing non-driver sales to diversify sales base and improve gross margin
- LCOS and WLO hit inflection point in 2015 September with small volume pilot shipment and mass production in 1Q16
- Total solution component provider

### Category Product Mix



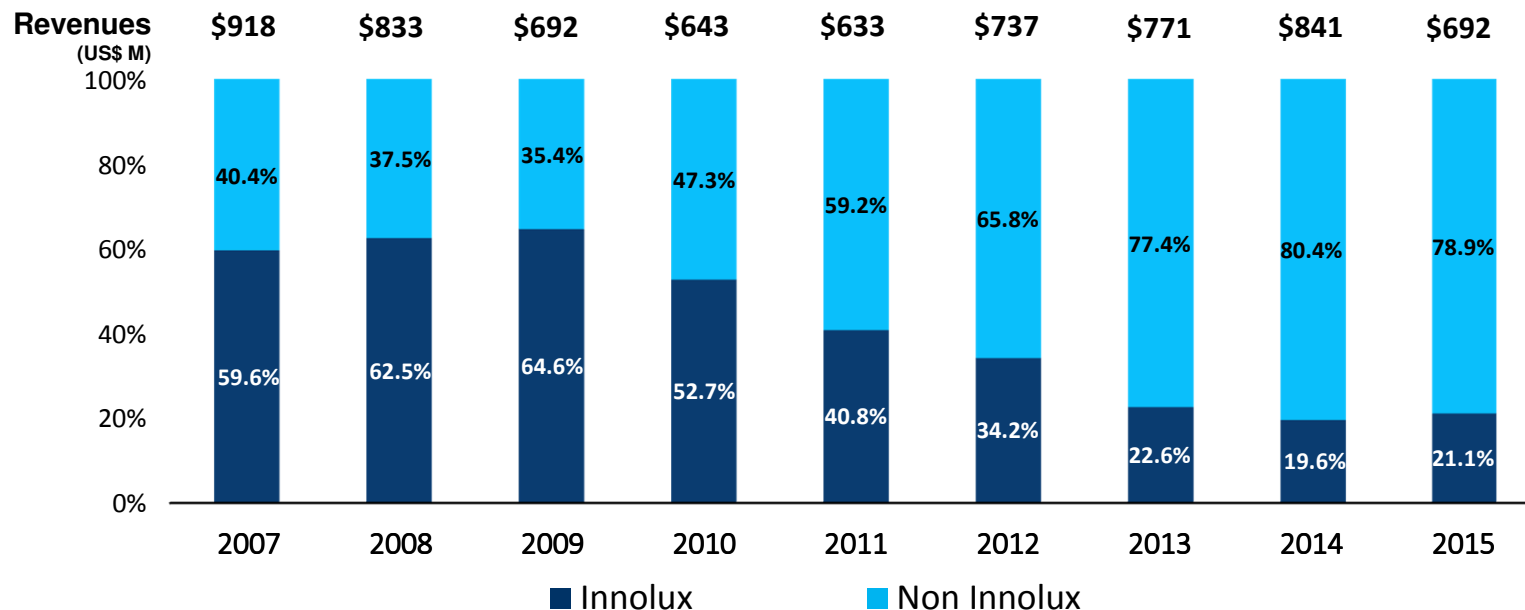
....and a diversified customer base



### Largely reduced dependence on one single customer, Innolux.

- Diversifying product revenues by non-driver product wins and leveraging existing customers
- Innolux disposed of its entire equity holding in Himax on June 19<sup>th</sup>, 2013, ending its status as Himax's related party
- Growing shipment to new panel manufacturer customers in China, Korea and Taiwan since 2013

Customer Diversification

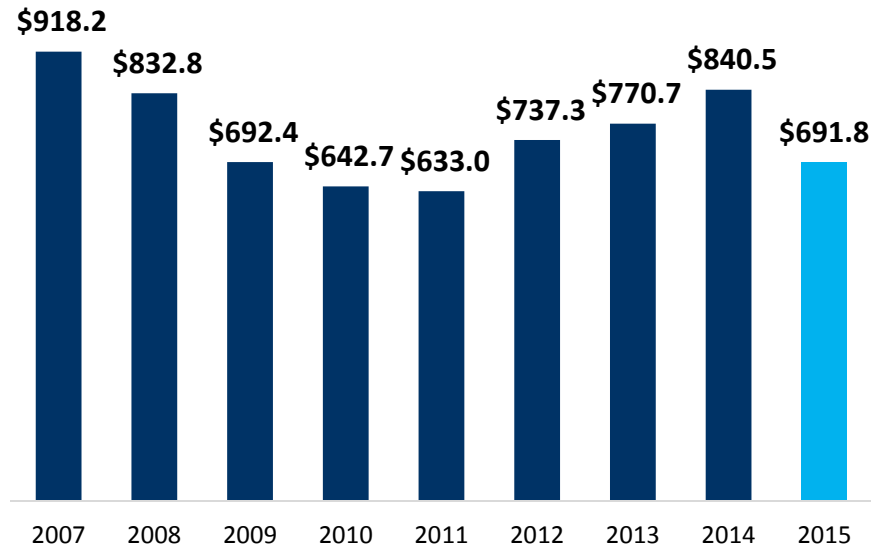




# Gross margin is a key business focus

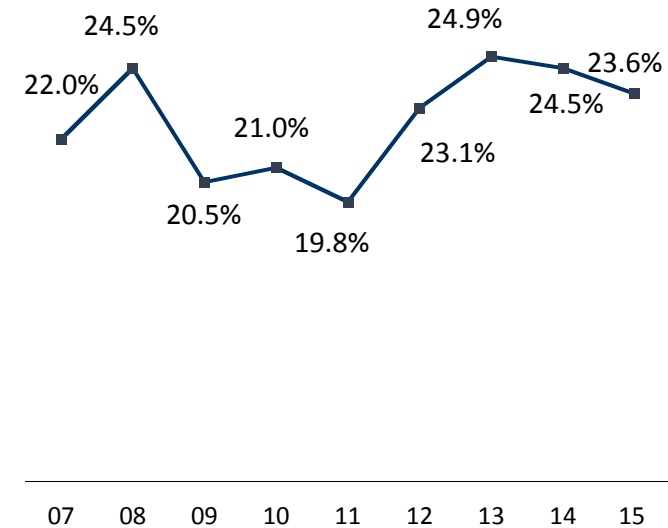


**Revenues**  
(US\$M)



- Successful transformation in 2012 to increase sales by 16.5%
- 2014 4Q marks highest revenue since 4Q 2008
- 2015 sales declined due to Korean customer product change and the decline in tablet and CMOS image sensor businesses
- Positive on long term growth

**Gross Margin %**



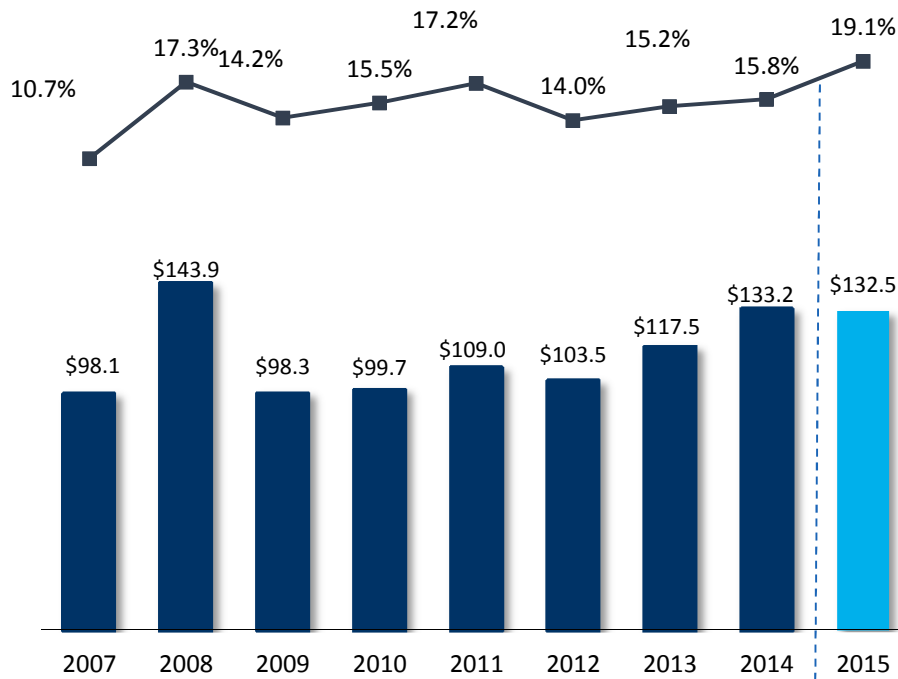
- 4Q 11 marks the inflection point for GM expansion as a result of new product launches
- GM retraction in 2015 is from higher mix of sales in China and competitive price points in market for LDDIC
- GM improvement
  - ✓ Resolution migration will improve GM of SMDDIC
  - ✓ Favorable product mix with higher non-driver sales percentage is positive for corporate GM
  - ✓ LCOS and WLO developments and associated NRE will lift corporate GM in 2016 and beyond

# The bottom line



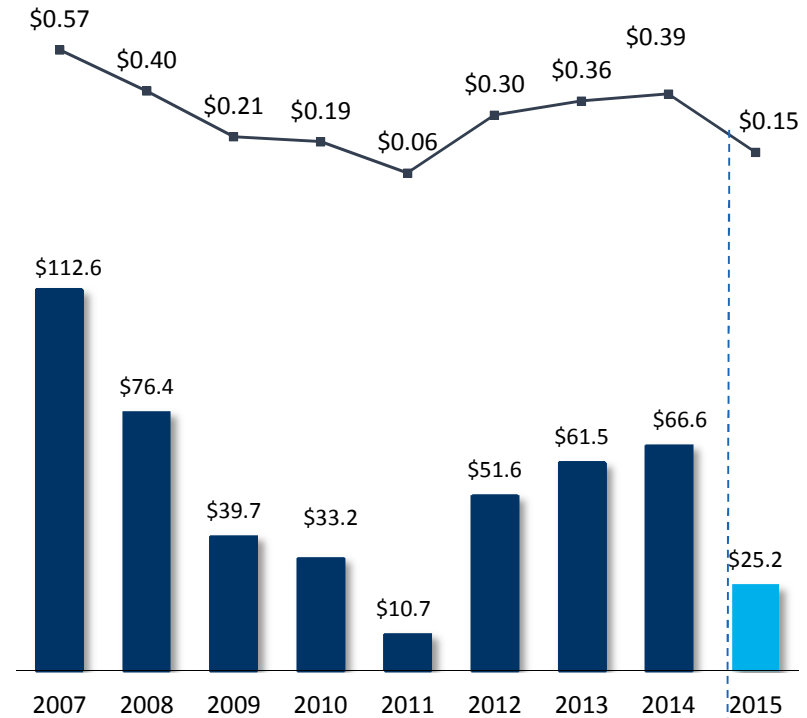
### OPEX and % of Total Sales

(US\$M / %)



### GAAP Net Income and EPS

(US\$M / US\$)

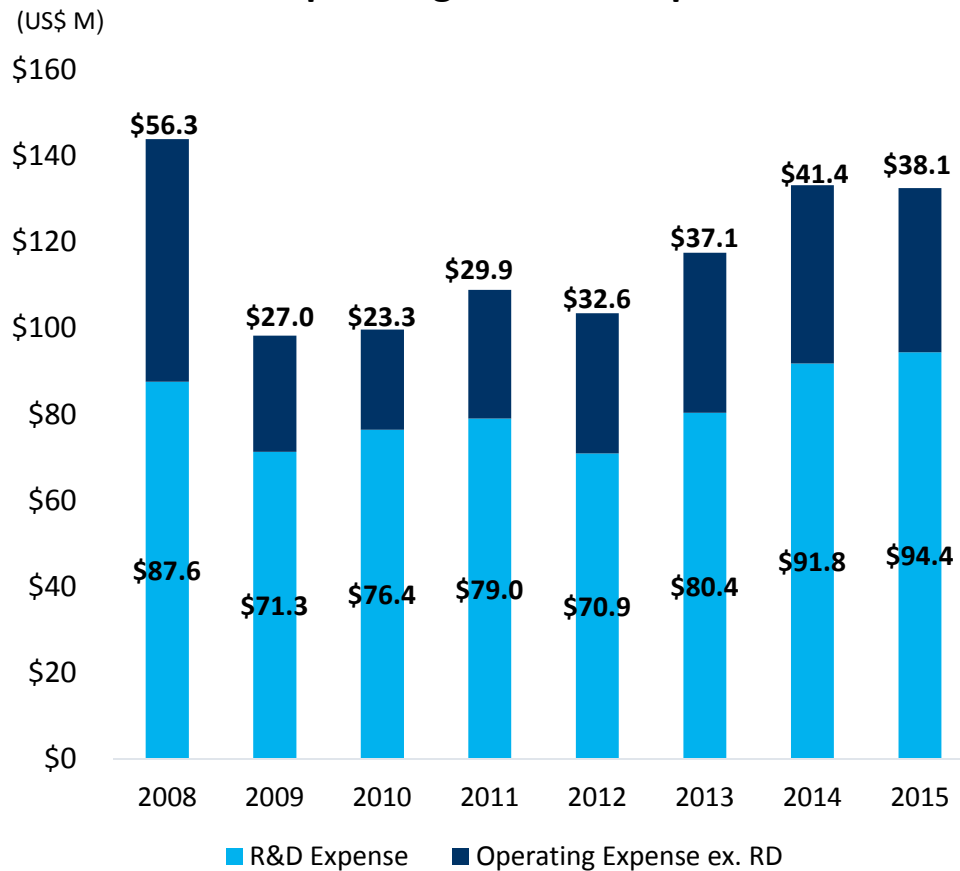


- Currently streamlining core business R&D efforts and doing expense control through product integration
- Despite ongoing expense control in response to macro uncertainties, still expanding in LCOS and WLO with exciting growth opportunities
- Will resume profitability growth in 2016
- Debt free

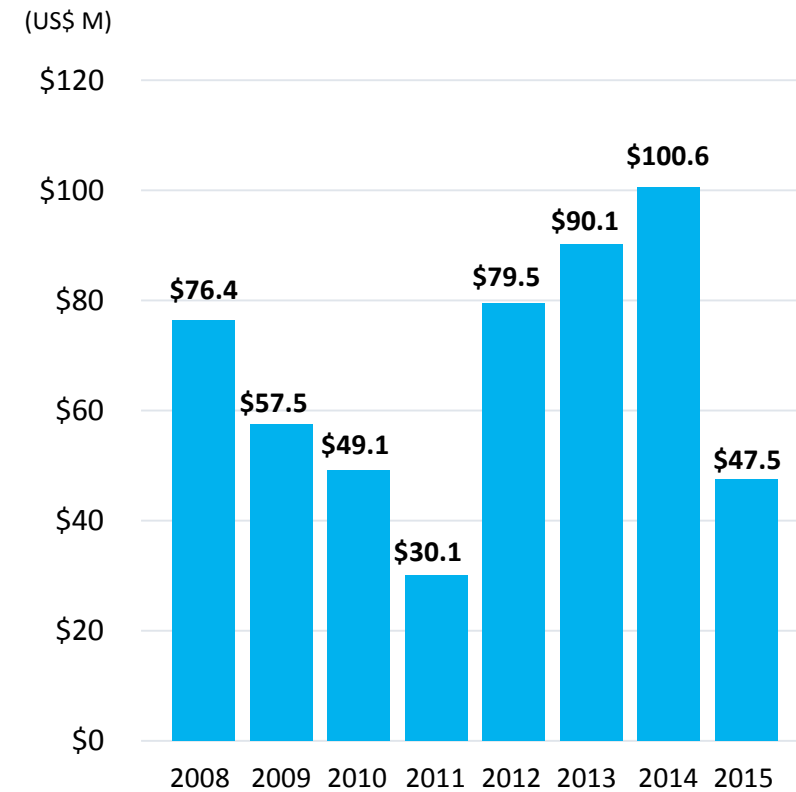
# Performance history



## Operating and R&D Expenses



## EBITDA



- More controlled OPEX
- Continuous R&D commitment
- 2014 and 2015 OPEX include RSU \$9.3mn & \$4.5mn

- Positive long term profitability outlook



# Reported financials – Income Statement

December 31, 2015



For the Fiscal Period Ended	<u>4Q-2015</u> (Unaudited)	<u>4Q-2014</u> (Unaudited)	<u>3Q-2015</u> (Unaudited)	<u>FY2015</u> (Unaudited)	<u>FY2014</u> (Audited)
Revenues from others, net	\$177,977	\$227,179	\$165,582	\$691,789	\$840,542
Revenues from related parties, net	0	0	0	0*	0*
<b>TOTAL REVENUES</b>	<b>177,977</b>	<b>227,179</b>	<b>165,582</b>	<b>691,789</b>	<b>840,542</b>
Cost of revenues	137,243	171,140	129,510	528,651	634,660
Gross profit (\$)	8,611	22,636	36,072	30,672	72,775
Gross margin (%)	22.8%	24.7%	21.8%	23.6%	24.5%
Operating expenses					
Research and development	22,575	22,788	27,907	94,422	91,839
General and administrative	4,544	4,901	5,158	18,470	20,192
Sales and marketing	5,004	5,714	5,468	19,574	21,126
<b>Total operating expenses</b>	<b>32,123</b>	<b>33,403</b>	<b>38,533</b>	<b>132,466</b>	<b>133,157</b>
Operating income (loss)	8,611	22,636	(2,461)	30,672	72,725
Non-operating income	363	1,749	682	2,195	12,769
Income (loss) before income tax and noncontrolling interest	8,974	24,385	(1,779)	32,867	85,494
Income tax expense	3,759	9,247	1,151	11,405	21,591
Net income (loss)	5,215	15,138	(2,930)	21,462	63,903
Add: Net loss attributable to the noncontrolling interest	915	487	598	3,733	2,695
<b>GAAP Net income (loss) attributable to Himax shareholders</b>	<b>\$6,130</b>	<b>\$15,625</b>	<b>(\$2,332)</b>	<b>\$25,195</b>	<b>\$66,598</b>
Non-GAAP Net income attributable to Himax shareholders	\$1,682	\$19,148	\$1,682	\$30,606	\$75,999
GAAP Earnings (loss) per ADS attributable to Himax shareholders (in cents)					
Basic	3.6	9.1	(1.4)	14.6	38.7
Diluted	3.6	9.1	(1.4)	14.6	38.7
Non-GAAP Earnings per ADS attributable to Himax shareholders (in cents)					
Basic	3.8	9.4	1.0	17.8	44.2
Diluted	3.8	9.4	1.0	17.8	44.2

\*From September 30<sup>th</sup>, 2013, Himax no longer reports related party sales from Innolux

# Reported financials – Balance Sheet

December 31, 2015



	<u>December 31, 2015</u> (Unaudited)	<u>September 30, 2015</u> (Unaudited)	<u>December 31, 2014</u> (Audited)
<b>Assets</b>			
<b>Current Assets:</b>			
Cash, cash equivalents and marketable securities available-for-sale	\$148,340	\$126,012	\$187,843
Restricted cash equivalents and marketable securities	180,442	180,442	130,179
Accounts receivable, net	177,198	167,975	219,368
Inventories	171,374	177,694	166,105
Other current assets	20,481	27,736	26,081
<b><u>Total current assets</u></b>	<b><u>697,835</u></b>	<b><u>679,859</u></b>	<b><u>729,576</u></b>
Investment securities	11,211	11,211	11,211
Property and equipment, net	54,461	55,700	57,271
Goodwill	28,138	28,138	28,138
Other Assets	10,692	10,694	6,798
<b><u>Total Assets</u></b>	<b><u>\$802,337</u></b>	<b><u>\$785,602</u></b>	<b><u>\$832,994</u></b>
<b><u>Liabilities, redeemable noncontrolling interest and Stockholders' Equity</u></b>			
<b>Current liabilities:</b>			
Short-term debt	180,000	180,000	130,000
Accounts payable	124,423	111,996	179,328
Other current liabilities	48,307	49,332	46,077
<b><u>Total current liabilities</u></b>	<b><u>352,730</u></b>	<b><u>341,328</u></b>	<b><u>355,405</u></b>
Other liabilities	4,610	4,407	5,636
Redeemable noncontrolling interest	3,656	3,656	3,656
Himax shareholders' equity	438,704	437,450	472,624
Noncontrolling interest	2,637	(1,239)	(4,327)
<b><u>Total Liabilities, redeemable noncontrolling interest and Stockholders' Equity</u></b>	<b><u>\$802,337</u></b>	<b><u>\$785,602</u></b>	<b><u>\$832,994</u></b>

\* Short term debt is guaranteed by restricted cash

# Reported financials – Cash Flow Statement

December 31, 2015



	<u>4Q-2015</u> (Unaudited)	<u>3Q-2015</u> (Unaudited)	<u>FY2015</u> (Unaudited)	<u>FY2014</u> (Audited)
Net income (loss)	\$5,215	(\$2,930)	\$21,462	\$63,903
Depreciation and amortization	3,407	3,425	14,164	14,592
Share-based compensation expenses	277	472	1,818	1,929
Gain on disposal of investment securities, net	0	0	(1,770)	(10,502)
Deferred income tax expense (benefit)	1,665	(85)	4,148	3,816
Inventories write downs	2,445	2,078	9,785	8,198
Decrease (increase) in accounts receivable	(9,583)	14,181	41,656	(19,211)
Decrease (increase) in inventories	3,875	9,800	(15,054)	3,096
Increase (decrease) in accounts payable	12,427	(13,775)	(54,905)	28,038
Increase (decrease) in income tax payable	(749)	(425)	(6,475)	2,357
Increase (decrease) in other accrued expenses and other current liabilities	(1,594)	6,850	5,987	(3,262)
Others	8,481	(5,448)	1713	765
Net cash provided by (used in) operating activities	\$25,866	\$14,143	\$22,529	\$93,719
Net cash provided by (used in) investing activities	(\$2,191)	(\$19,458)	(\$28,342)	\$10,644
Net cash used in financing activities	(\$141)	(\$49,424)	(\$49,608)	(\$46,204)
Effect of foreign currency exchange rate changes	(92)	(130)	(216)	(13)
Net increase (decrease) in cash and cash equivalents	<u>\$23,442</u>	<u>(\$54,869)</u>	<u>(\$55,637)</u>	<u>\$58,146</u>
Cash and cash equivalents at beginning of period	<u>\$106,387</u>	<u>\$161,256</u>	<u>\$185,466</u>	<u>\$127,320</u>
Cash and cash equivalents at end of period	<u>\$129,829</u>	<u>\$106,387</u>	<u>\$129,829</u>	<u>\$185,466</u>



# Founders and management team



**Dr. Biing-Seng Wu, Chairman of the Board** - Dr. Wu, the founder of Himax, previously served as President, CEO and a director of Himax Taiwan. As a pioneer of TFT-LCD panel industry in Taiwan, Dr. Wu has been active in the TFT-LCD panel industry for over 20 years. With 61 patents related to Flat Panel Display granted worldwide, Dr. Wu has made significant contributions to Taiwan panel industry including the completion and operation of Taiwan's very first TFT-LCD plant, the winner of Outstanding Industry Contribution Award at the Gold Panel Awards 2009 from Ministry of Economic Affairs, etc. Dr. Wu holds a B.S. degree, an M.S. Degree and a Ph.D. Degree in Electrical Engineering from National Cheng Kung University. With well-recognized outstanding research and development capabilities, Dr. Wu received numerous awards including National Invention Award of Taiwan from Taiwan Executive Yuan in 1992, Research Achievement Awards from Industrial Technology Research Institute for consecutive 2 years in 1992 and 1993, ERSO Award from Pan Wen Yuan Foundation in 2008, etc.



**Jordan Wu, President, CEO and Director** - Mr. Wu previously served as the chairman of the board of Himax Taiwan since April 2003. Prior to joining Himax Taiwan, he served as CEO of TV Plus Technologies, Inc. and CFO and executive director of DVN Holdings Ltd. in Hong Kong. Mr. Wu holds a B.S. degree in Mechanical Engineering from National Taiwan University and an M.B.A. degree from the University of Rochester.



**Chih-Chung Tsai, Chief Technology Officer, Senior VP** - Prior to joining Himax Taiwan, Mr. Tsai served as vice president of IC Design of Utron Technology from 1998 to 2001, and manager and director of the IC Division of Sunplus Technology from 1994 to 1998. Mr. Tsai holds a B.S. degree and an M.S. degree in Electrical Engineering from National Chiao Tung University.



**Jackie Chang, Chief Financial Officer** - Before joining Himax, Ms. Chang was the CFO of Castlink Corporation and VP of Finance and Operations for PlayHut, Inc. Prior to that, Ms. Chang was General Manager -Treasury Control for Nissan North America. She held several positions in Nissan North America during 1994 -2006 including finance, treasury planning, operations and accounting. She holds a BBA in Accounting from the National Chung-Hsing University in Taiwan and an MBA in Finance from Memphis State University.



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