



Himax

Nasdaq : HIMX

Investor Presentation

November, 2017

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, 2016 filed with the SEC, as may be amended. Images of devices depicted in this presentation may be representative of those in which Himax has specification, or for reference-only and may not be associated with actual bill-of-material or design-win in the displayed image. Any association of such, without a confirmed disclosure of such by the Company or the Company's customer are coincidental. Himax is under strict customer disclosure guidelines on the release of such information.

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



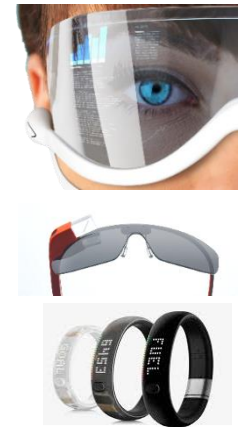
2010's

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



and beyond...

Himax leads LCOS and WLO development and innovation of new display technologies with leading display and optical expertise, Himax is uniquely positioned to benefit from the booming AR/VR sector



CORPORATE TIMELINE

June 2001

Himax Taiwan formed by B.S. Wu

October 2004

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 with pilot production shipment made to a major US customer

Aug 2016

Start expansion for next generation LCOS and WLO production lines

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

2016

Mass production and shipment of AR related LCOS and WLO, AMOLED DDIC, and in-cell TDDI

2017

3D sensing: Leading OEMs Himax + Qualcomm 3

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**

- DDIC market share leader
- Top tier customers globally
- Diversifying revenues from DDIC to CMOS image sensors, LCOS microdisplay, WLO, touch panel controllers, timing controllers, power management IC, and ASIC service
- LCOS & WLO product lines to improve corporate profit margin
- SLiM™

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, AMOLED DDIC, TDDI and market leader position
- Growth from non-driver products, such as WLO, CMOS image sensors, LCOS microdisplay solutions, touch panel controllers and integrated touch and display ICs, and timing controllers

5 **Visionary Management Team**

Fiscal Year	December 31 st
Last-Traded Price (11/17/17)	\$11.54
Basic Weighted Ave. Out. ADS	172.4M
Diluted Weighted Ave. Out. ADS	172.4M
Equivalent ADS Out.	172.1M
Market Capitalization (11/17/17)	\$1.99B
Insider Ownership*	23.26%

* Insider ownership includes executives and board members



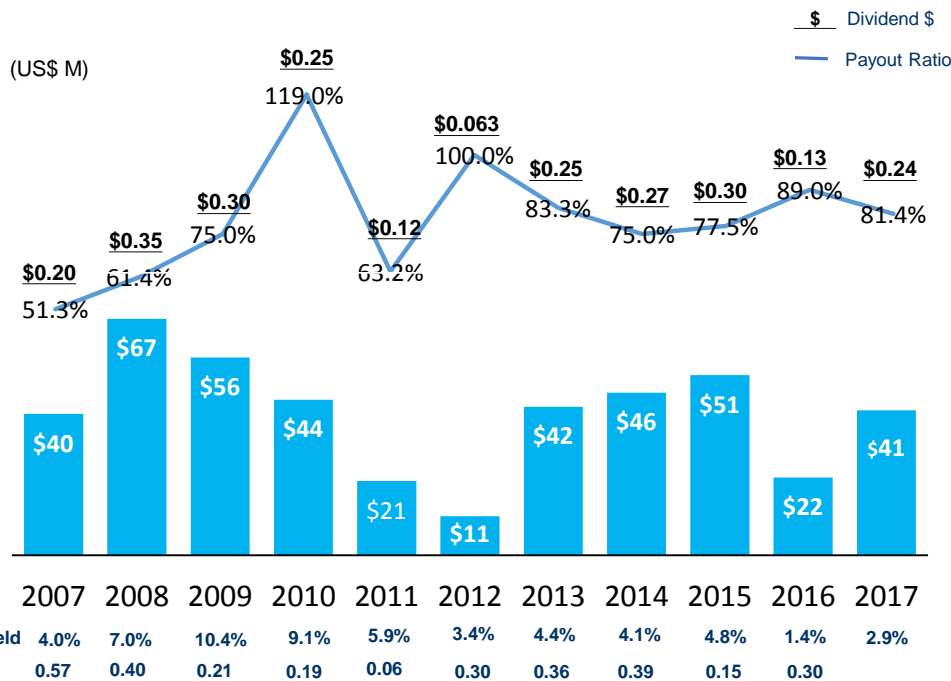
* Source: www.nasdaq.com

Covering Analysts

Credit Suisse	Jerry Su	Nomura Securities	Donnie Teng
Lake Street Capital Markets	Jaeson Schmidt	Northland Securities, Inc.	Tom Sepenzis
Macquarie Capital Securities Limited	Lynn Luo	Roth Capital Partners, LLC	Suji Desilva
Mizuho Securities Asia Ltd	Kevin Wang	RW Baird & Co.	Tristan Gerra
Morgan Stanley	Charlie Chan		

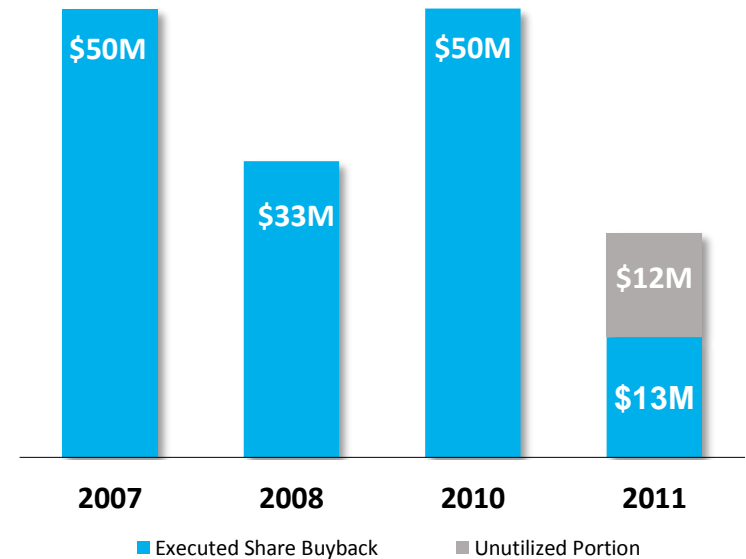
Dividends

- Distributed a total of \$441 million of dividend since IPO (2017 payout in August)
- 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 September 30, 2017 at average purchase price per ADS: \$3.15



Year	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Dividend Yield	4.0%	7.0%	10.4%	9.1%	5.9%	3.4%	4.4%	4.1%	4.8%	1.4%	2.9%
EPS	0.57	0.40	0.21	0.19	0.06	0.30	0.36	0.39	0.15	0.30	

Summary financials and guidance



QUARTER	3Q2017	3Q2016	2Q2017	YoY	QoQ
Revenues	\$197.1M	\$218.1M	\$151.7M	-9.6%	+29.9%
Gross Margin (%)	25.5%	25.6%	23.8%	-0.1%	+1.7%
GAAP Net Income (Loss)	\$3.7M****	\$13.6M****	\$(0.6)M	-72.9%	+685.7%
GAAP Earnings (Loss) per ADS	\$0.021****	\$0.079****	\$(0.004)	-72.9%	+685.7%
Non-GAAP Net Income (Loss)	\$9.0M	\$21.3M	\$(0.3)M	-57.9%	+3440.1%
Non-GAAP Earnings (Loss) per ADS	\$0.052	\$0.124	\$(0.002)	-57.9%	+3440.4%
YEAR	FY2016		FY2015		YoY
Revenues	\$802.9M		\$691.8M		+16.1%
Gross Margin (%)	24.2%***		23.6%		+0.6%
GAAP Net Income	\$50.9M*		\$25.2M* / **		+102.1%
GAAP Earnings per ADS	\$0.295*		\$0.146* / **		+101.7%
Non-GAAP Net Income	\$59.7M		\$30.6M**		+95.2%
Non-GAAP Earnings per ADS	\$0.347		\$0.178**		+94.8%
4Q 2017 GUIDANCE					
Revenues	To decrease 4% to 10% sequentially				
Gross Margin	To decline around 1% sequentially				
****GAAP Earnings per diluted ADS	13.0 to 15.0 cents per diluted ADS, as compared to 2.1 cents reported in 3Q 2017				
*****Non-GAAP Earnings per diluted ADS	13.2 to 15.2 cents per diluted ADS, as compared to 5.2 cents reported in 3Q 2017				

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

* 2016 GAAP numbers include grant of Restricted Share Units at the end of September at \$9.2 million

** An additional income tax charge due to FX impact of \$3.6 million in 15FY

*** An additional one-time, non-cash inventory write-down totaling \$12.0 million in 4Q 2016

**** 2016 Q3 GAAP numbers include grant of Restricted Share Units at the end of September at \$9.2 million

**** 2017 Q3 GAAP numbers include grant of Restricted Share Units at the end of September at \$6.1 million

***** 2017 Q4 guidance includes the disposal of an investment. Total proceeds from disposal are \$32.00 million with a pre-tax gain of \$23.04 million. Gain after tax is estimated to be \$20.74 million, representing a contribution of 12.0 cents net income per diluted ADS

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
- 3,011 patents granted and 441 patents pending approval worldwide as of September 30th, 2017
- NASDAQ-listed since March 2006 (HIMX)
- Around 2,150 employees worldwide; more than 90% are engineers
- Headquartered in Tainan, Taiwan with 7 R&D centers in Taiwan, China, Korea and U.S., out of a total of 22 offices across Taiwan, China, Japan, Korea and U.S.





Himax
Nasdaq: HIMX

Himax Technologies, Inc.

HIMAX TECHNOLOGIES, Ltd.

- TFT-LCD Driver and AMOLED Driver
- TCON and P-Gamma OP
- Touch Controllers
- On-cell Touch
- Pure in-cell Touch (TDDI)
- ASIC Service and IP Licensing
- Power Management ICs
- Wafer Level Optics and 3D sensing modules
- Light guide
- In-house Color Filter Fab for LCOS and CIS

HIMAX DISPLAY, Inc.

- LCOS Modules for Head-Mounted Display, Head-up Display and Pico-projector Applications
- Phase Modulation for Communication and Holographic Displays

HIMAX IMAGING, Ltd.

- CMOS Image sensors

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

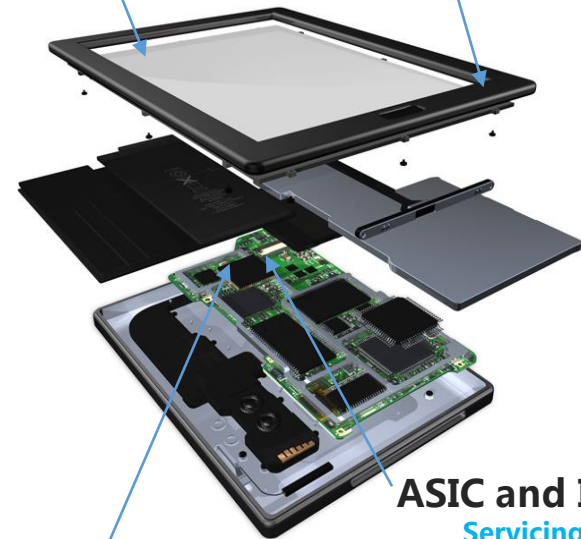


In Displays

Display Driver
TCON
PMIC
LED Driver
P-gamma OP

On Touch Panels

Controller IC



In Camera Modules

CMOS Image Sensor
Wafer Level Optics

ASIC and IP

Servicing and licensing

In AR Devices

LCOS, WLO

In VR Devices

OLED SOC



DISPLAY DRIVER

WAFER FABRICATION



GOLD BUMPING



PROCESSED TAPE



CHIP PROBE TESTING



ASSEMBLY AND TESTING



CMOS IMAGE SENSOR BACK-END

PACKAGE



FT



CHIP PROBE TESTING



RW



SOC

CHIP PROBE TESTING



PACKAGE



FT



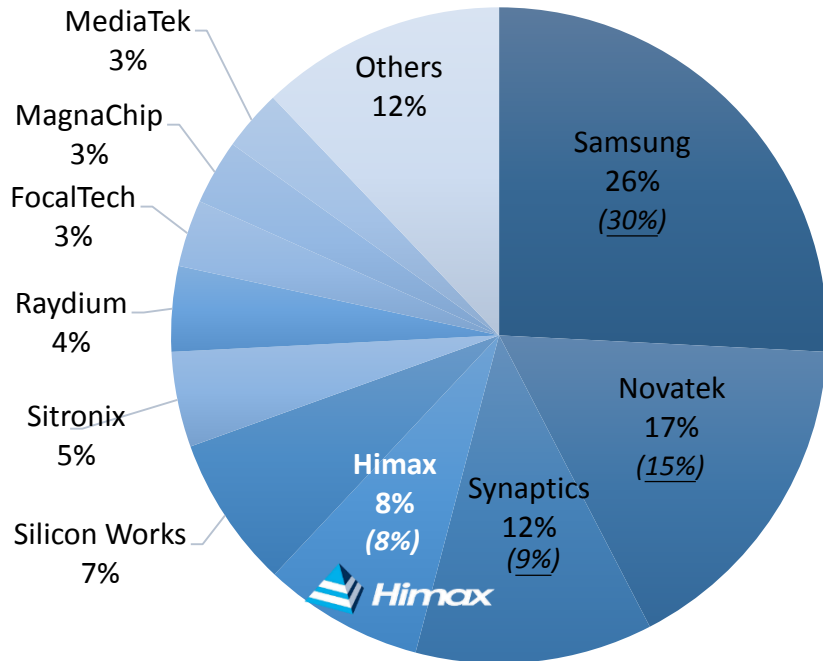
Product Lines & 6 Growth Opportunities



DDIC market share



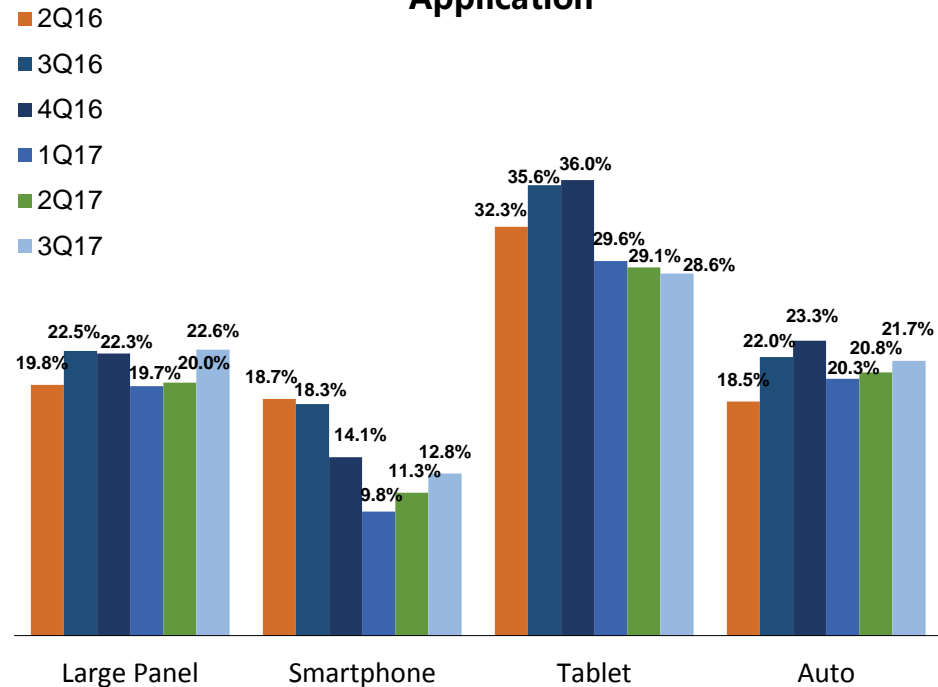
2017 Q2 Driver Market Share
(1Q17 Market Share %)



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
- Comprehensive product portfolio to meet major new technology trends: 18:9 displays, TDDI and AMOLED

HIMX TFT Driver IC Market Share by Application



Source: Trendforce, IHS iSupply and Company Estimates (This covers all TFT-LCD DDICs ONLY)

- Increasing large panel DDIC market share driven primarily by stronger sales in TV market
- Improving smartphone market share due to customers' replenishment of inventories after a lackluster 1H17 - Shipment of 18:9 DDIC to panel makers for tier 1 end customers
- Tablet market share decreased due to overall weak market demand
- Leading market share position in auto applications

1

Grow large panel DDIC unit Sales and market share



Market Trends

- Continuously aggressive new Gen 8 above TFT-LCD capacity expansion in China with a special focus on advanced display technologies
- Leading Chinese panel maker's shipment continue to rank world No. 1 in August 2017 and dominate in the No. 1 position of its total TFT-LCD capacity
- Chinese local TV set makers have started to in-source more and Chinese panel makers have started to export
- 4K TV penetration continues to accelerate and 8K TV is beginning to emerge
- Demand of a total solution covering timing controllers, PMICs and driver ICs for advanced features in high end TVs

HIMX Strategies and Market Position

- Major beneficiary of China capacity expansion and in-sourcing
- Leading market share in China
- Refreshing product roadmap and delivering better product costs
- 4K TV design-wins and working with major panel makers on the development of next gen 8K TVs
- Himax stands strong as OEMs seeking total solution providers for better performance, supply chain leverage, and more reliable engineering support



CUSTOMERS

BOE

INNOLUX
群創光電

华星光电
CSOT

AUO

SAMSUNG

LG Display

JDI

Japan Display Inc.

SHARP

2

Grow S/M panel DDIC Launch new products



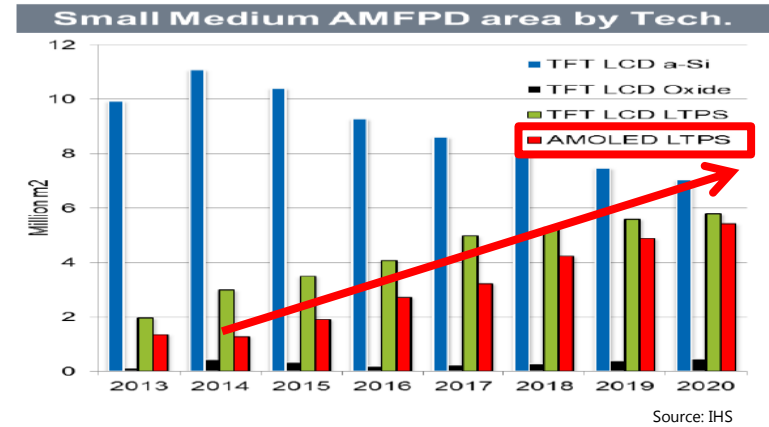
Market Trends

- Demand for full-screen 18:9 display driver ICs remains solid
- Higher HD+ and FHD+ In-Cell TDDI penetration
- Chinese panel makers have committed tremendous capital to build 9 brand new OLED fabs from now to 2019, in full speed to pull forward the MP schedule
- Automotive display market to grow at the highest rate among all applications, expected to increase from 135 million in 2016 to 200 million in 2022

HIMX Strategies and Market Position

- Global and China smartphone market share leader as an independent DDIC and TDDI company.
- Capitalize on panel technology advancement trend by working closely with leading China panel makers and smartphone makers
- FHD+ 18:9 DDIC shipment to double in Q4
- Benefitting from 18:9 TDDI adoption, expect significant contribution in 2018
- Joint development projects with many of the major CHN OLED panel customers, delivered 18:9 product samples to some of them in Q2
- Anticipate AMOLED DDICs to be one of the long-term growth engines for small panel DDIC business
- Global market share leader in automotive applications: engaged all of the major auto panel manufacturers worldwide for long-term partnerships

Small Medium Display Area by Technology



CUSTOMERS



3 WLO and CMOS image sensors



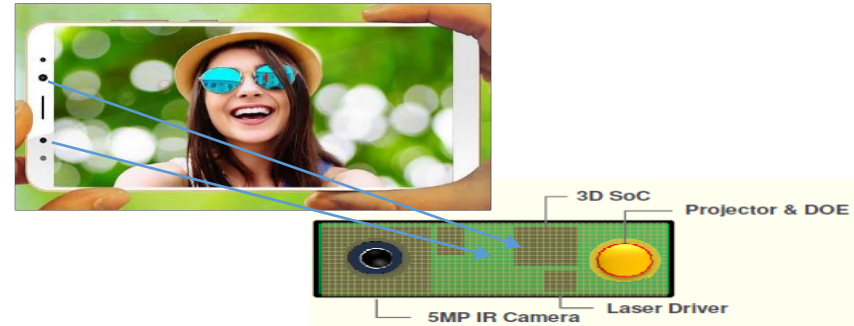
Market Trends

- Advanced wafer-level optics (WLO); one of the key technologies enabling 3D sensing
- 3D sensing is among the most significant new features for next generation smartphone and tablet
- 3D sensing; a game changing technology for applications such as AR/VR, industrial, IoT, AI, automotive, robotics, military, surveillance and drones
- CIS development accelerating in functionality and new applications

HIMX Strategies and Market Position

- Qualcomm/Himax 3D sensing total solution is the only true solution for Android smartphones
- SLiM™ product line based on structured light technology is a state of the art total solution for 3D sensing
 - ✓ Unique position: offer fully integrated structured light modules with vast majority of the key technologies in the module being home-grown
 - ✓ High barrier of entry for any potential competition
 - ✓ Close collaboration with select leading smartphone makers & partners, aiming to bring HIMX's total solution to MP as early as early 2018
 - ✓ High ASP and profit margin
- WLO: exceptional design know-how and proven MP track record
- Major ramp of the new WLO capacity started in Q3, accelerating into the remainder of 2017 and beyond
- Phase II Capex to fulfill the strong demand for the next 2~3 years
- New smart sensor launch: Near Infrared (NIR) sensors for 3D sensing and ultra-low power computer vision (AoS™)
 - ✓ NIR Sensor: low noise HD, or 1 MP, and 5.5 MP
 - ✓ AoS: a major global brand leveraging AoS in their high end TV models

NIR Sensor + WLO & DOE Applications



Wafer Level Process

- Integrated Optics
- High Accuracy
- Scalability In Production



Mini Package

Ultra Small Size & Package



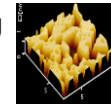
Wave-Guide For AR Devices

- Help Create Holographic Images
- The Key Interface of AR



Best For IoT/Smart Sensing

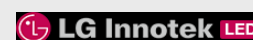
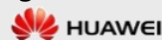
- Eye Tracking & Gesture Control
- 3D Depth Sensing



Ultra Low Power Sensor Applications



CUSTOMERS



4 LCOS Microdisplays

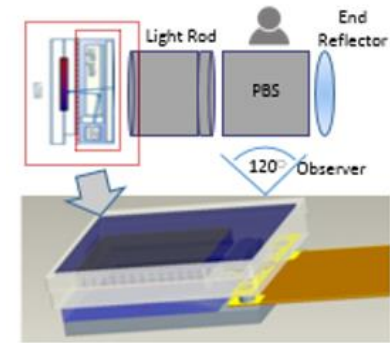


Market Trends

- Heavy weight companies allocating major R&D resources and budgets to bring the new AR goggle products into the market
- LCOS recognized as one of the technology choices for microdisplay in AR devices
- 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

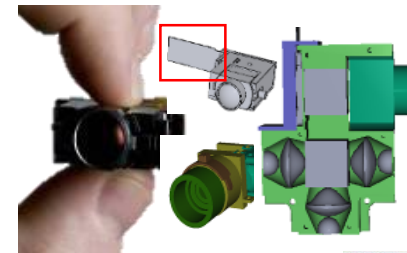
HIMX Strategies and Market Position

- The leader in microdisplay with patent protected technology, in-house facilities and shipping record >2M units
- Focus on AR goggle devices and HUD for automotives
- List of AR goggle device customers covers many of the world's biggest tech names
- Continue close collaboration with Google and other tier 1 AR glasses producers, expect OEM product introductions
- Strategic partners with top tier customers to provide phase modulation panel for communication and holographic display applications
- Great progress in developing high-end HUD for automotives
- GM & OPM significantly higher than corporate average
- LCOS represents a significant long term growth opportunity for us

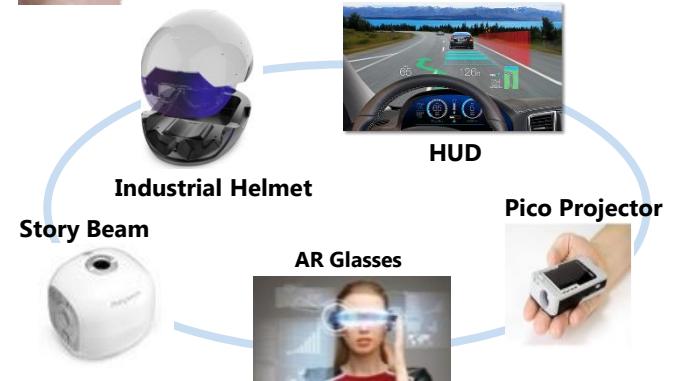


Front Lit LCOS Advantages

- Compact Form Factor
- Brightness
- Power Efficiency
- MP Efficiency & Readiness



Optical Engine with LCOS Module



CUSTOMERS



5

Touch panel controllers

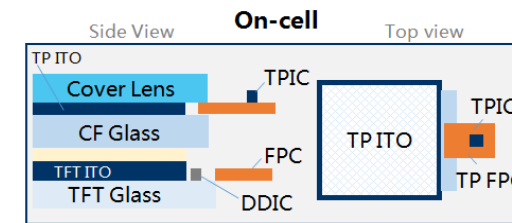
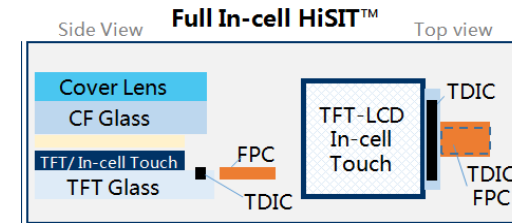


Market Trends

- Expect higher TDDI penetration in smartphones going forward and continue to accelerate
- Full screen 18:9 aspect ratio displays becoming the trend

HIMX Strategies and Market Position

- TDDI pure in-cell solution
 - ✓ Benefit from 18:9 display (FHD+ & HD+) trend as a front runner
 - ✓ Shipment starts 3Q17, expect significant revenue contribution in 2018
 - ✓ FHD+ TDDI solutions gain tremendous traction from tier 1 brands and most panel makers in China for its capability to enable super-slim bezels for customers panel design
 - ✓ Leverage long-standing and widespread relationships in technology development and business with panel makers to be a market leader
 - ✓ Strong growth of TDDI shipment starting 2018
 - ✓ Higher ASP and better margin than traditional driver IC but less competition



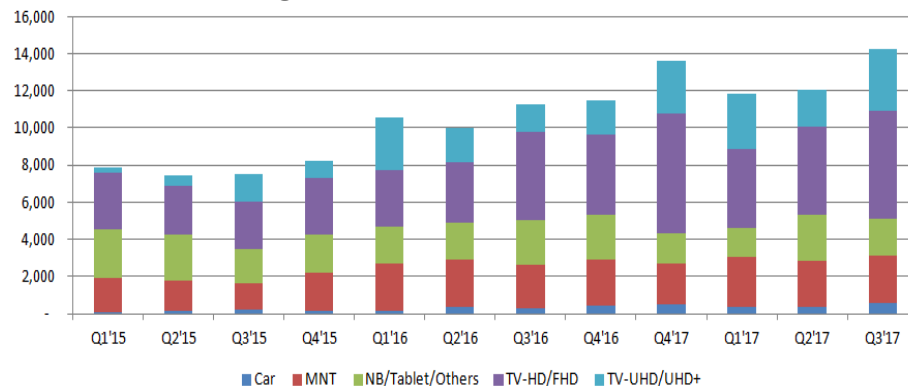
6 Timing controllers



Market Trends

- TCON becoming the key enabler of next generation ultra-high resolution panel development
- Continuously aggressive new Gen 8.5 and Gen 10.5 TFT-LCD capacity expansion in China with a special focus on advanced display technologies
- Chinese local TV set makers have started to in-source more and Chinese panel makers have started to export

Timing Controller Growth by Application



HIMX Strategies and Market Position

- Benefitting from the increasing demand from China due to capacity expansion, in-sourcing and more export orders
- UHD TV TCON takes the leading position in China market
 - ✓ In-house RGBW technology help customers to reduce panel cost while successfully maintaining the required display performance
- Well-positioned in the trending 4K/8K display market for the capability of providing a total solution consisting of TCONs, PMICs and driver ICs
- eDP TCON widely adopted by tablet and NB applications
 - ✓ Fully-covered eDP Technologies: 5.4G/lane, eDP1.4b and G-Sync for high resolution applications





2017 YTD

Financial Review

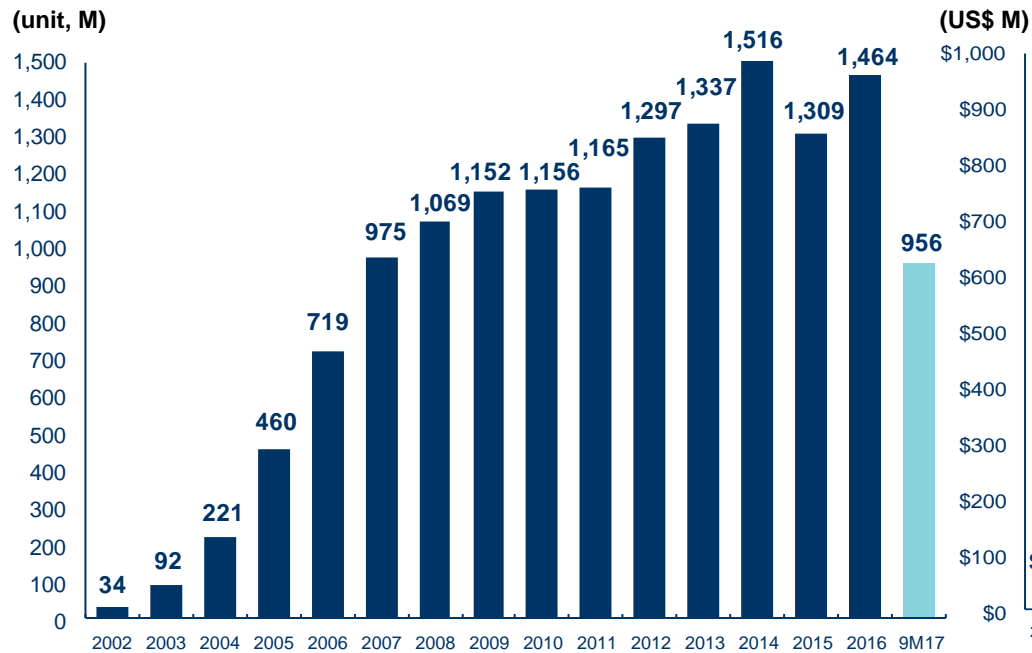


Shipment and revenue history

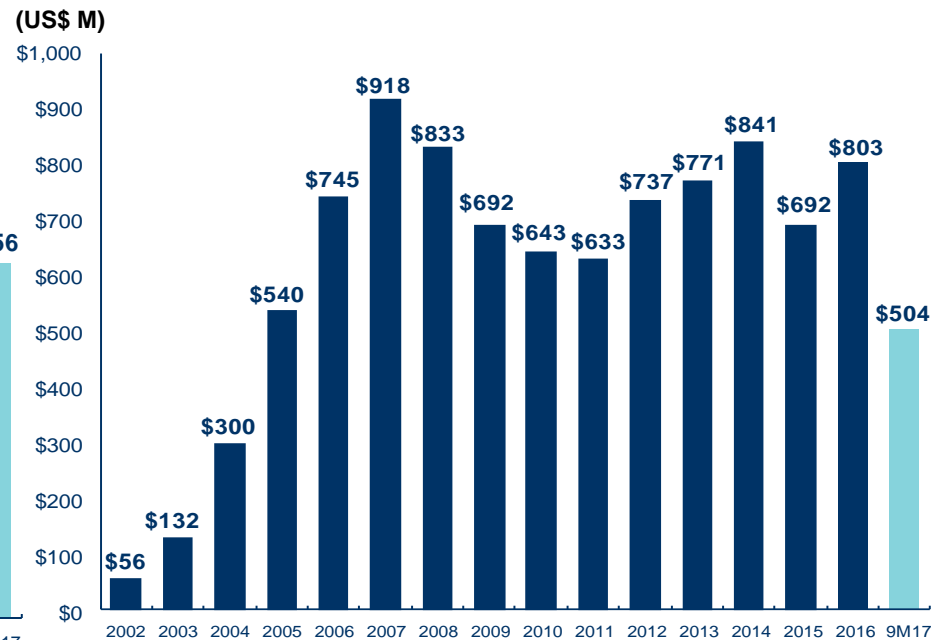


One of the Leading Semiconductor Companies

Volume



Revenues

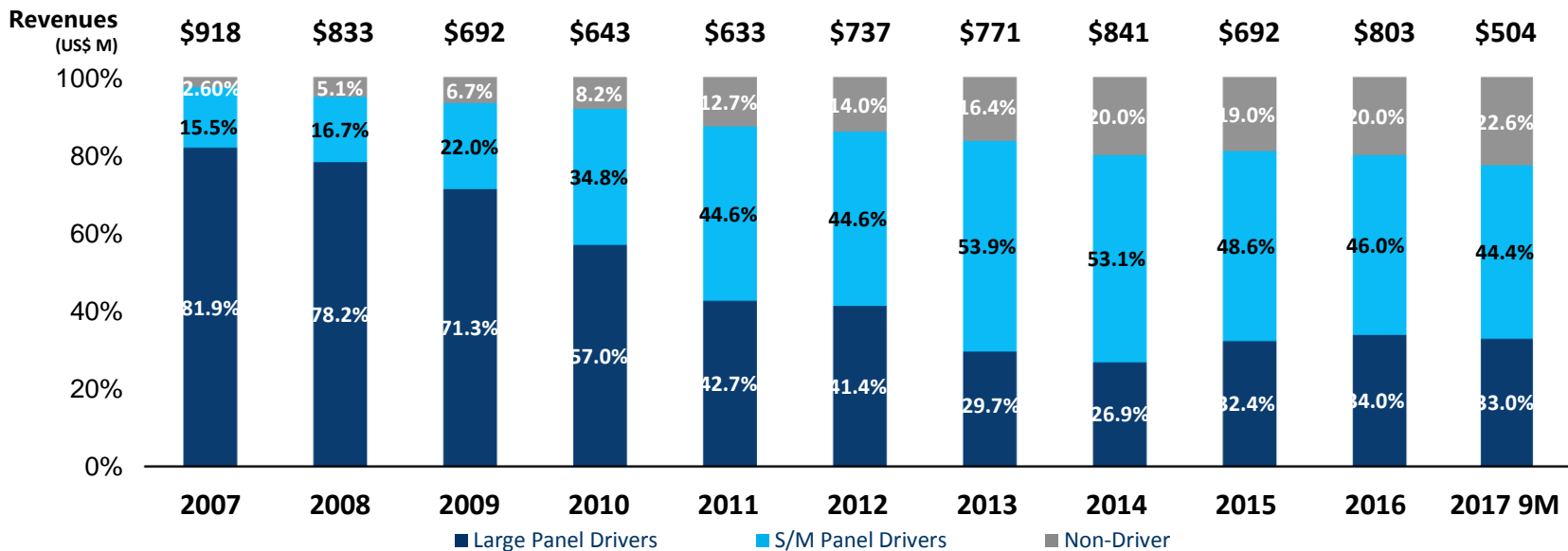


A better balanced product mix...



- Global market share leader in small and medium-sized panel driver ICs
- Increasing non-driver sales to diversify sales base and improve gross margin
- Market leader in 3D sensing – Structured light 3D total solution modules will contribute very significant revenue and profit growth in the next 2-3 years
- Advanced Wafer Level Optics, CIS and LCOS microdisplays
 - ✓ GM & OPM significantly higher than corporate average
 - ✓ Phenomenal ROI
 - ✓ AR technology provider of choice
- Total solution component provider

Category Product Mix



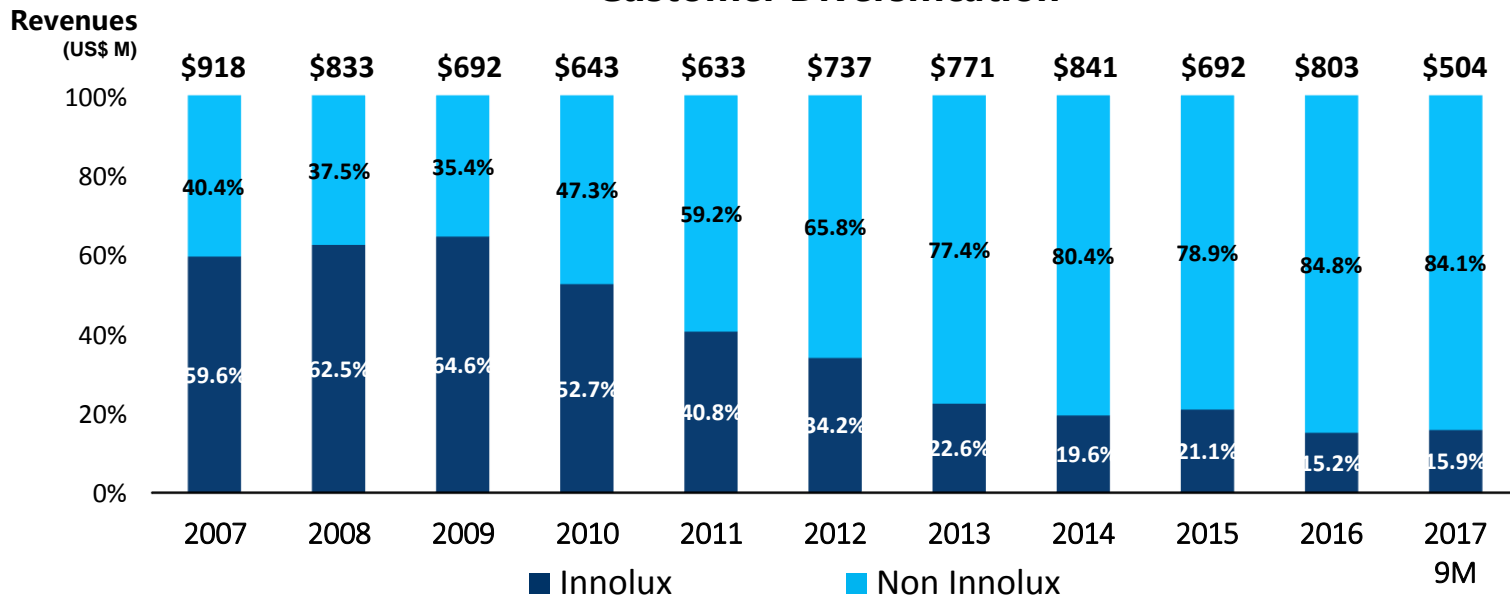
...and a diversified customer base



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 19th, 2013, ending its status as Himax's related party
- Growing shipment to new panel manufacturer customers in China, Korea and Taiwan since 2013
- Market share leadership in core driver IC business
- Benefiting from China localization, capacity expansion
- Expanding customer base to include many global top tier tech companies for LCOS microdisplay, Wafer Level Optics, 3D sensing and CMOS image sensors

Customer Diversification



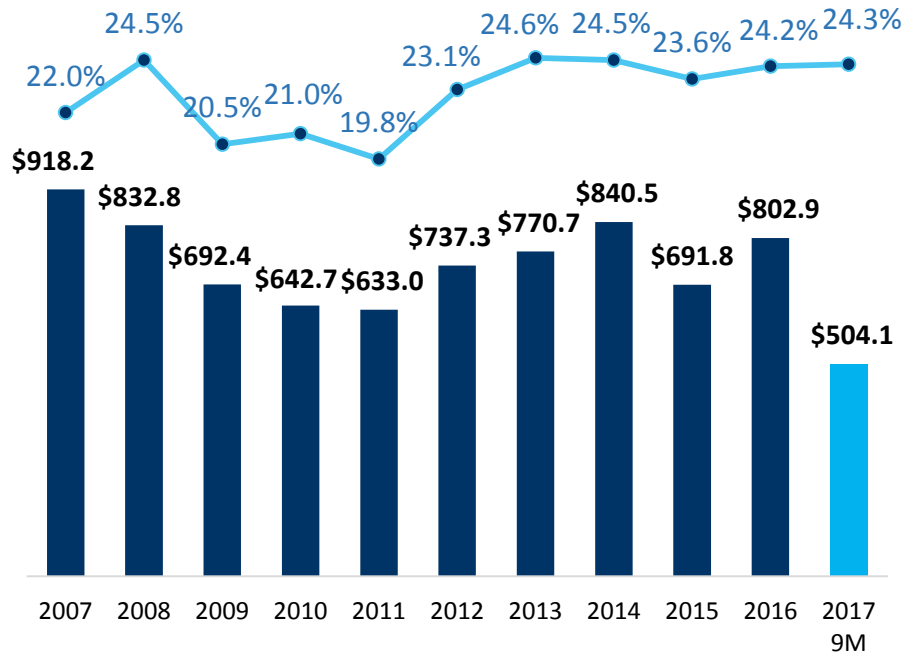
Gross margin is a key business focus



Revenues & Gross Margin %

(US\$M)

Better product mix lifts blended margin



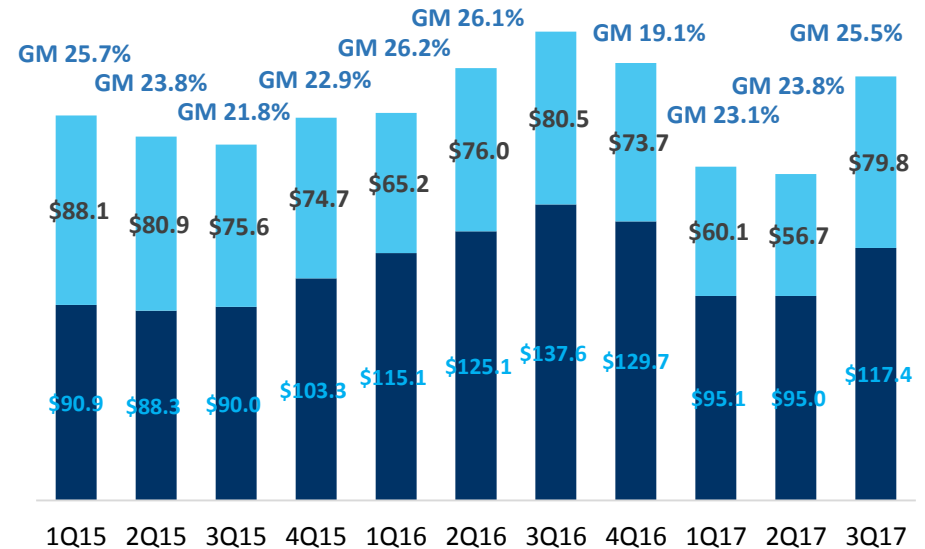
- Successful transformation since 2011
- Revenues growth and improved gross margin in 2016 due to product mix
- Positive about long term growth

Geographical Revenue Mix & Quarterly GM

(US\$M)

■ China Sales ■ ROW Sales

GM 25.6%



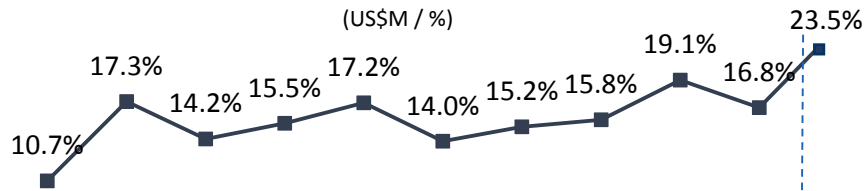
- GM retraction in 2015: higher mix of China sales and competitive pricing in the LDDIC market
- GM improvement in 2016
 - ✓ Resolution migration improved GM of SMDDIC
 - ✓ Favorable product mix with higher non-driver sales %: LCOS and WLO sales growth
 - ✓ Lower GM in 4Q16 due to an additional inventory write-down
- Sequentially increased GM in 3Q17 driven by more favorable product mix which due primarily to WLO shipments starting in July, 2017, and the one-off customer reimbursements related to AR goggle device business
- Further GM improvement from non-driver business growth

The bottom line



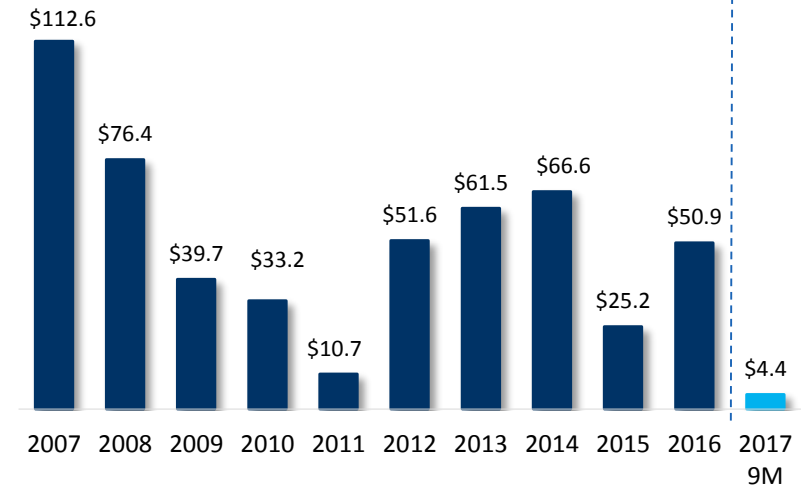
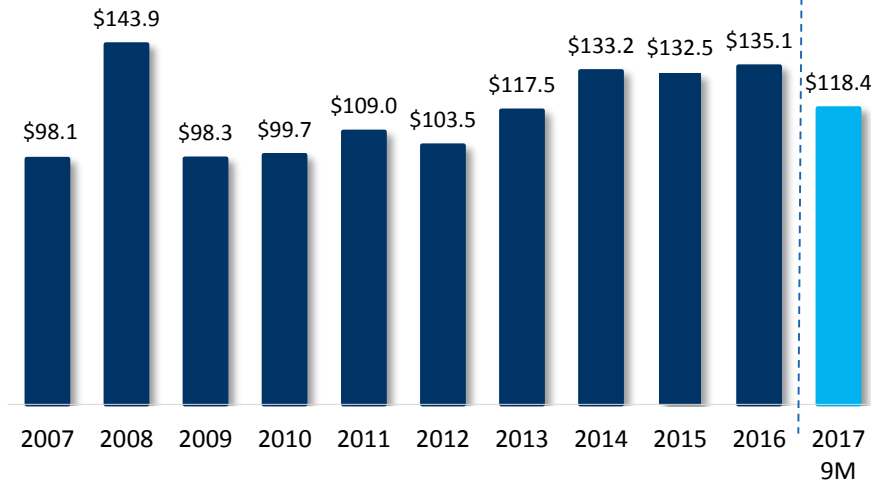
OPEX and % of Total Sales

(US\$M / %)



GAAP Net Income and EPS

(US\$M / US\$)



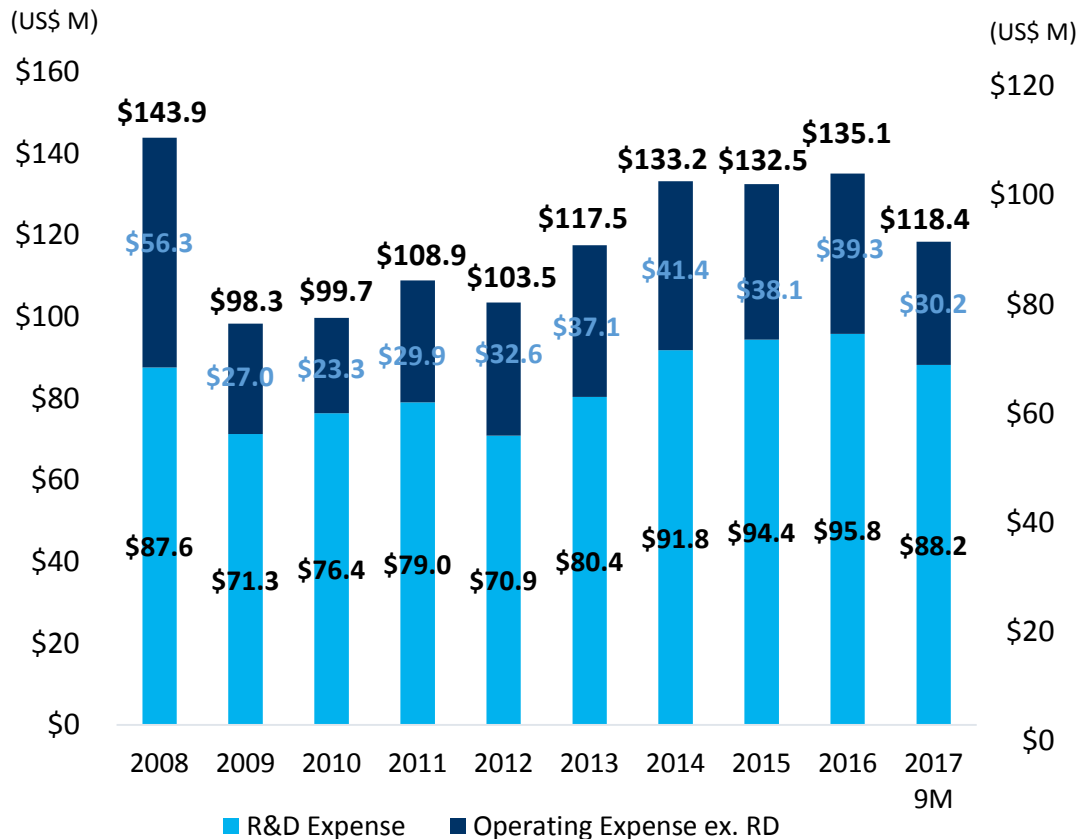
Revenues (US\$M) \$918.2 \$832.8 \$692.4 \$642.7 \$633.0 \$737.3 \$770.7 \$840.5 \$691.8 \$802.9 \$504.1

- Continue to streamline core business R&D efforts and execute expense control through product integration
- Constructing new building to house additional WLO capacity, the new active alignment equipment, and extra office spaces
- New building ready for personnel and equipment move-in at around the new-year period of 2018
- Phase II capex to fulfill the strong 3D sensing demands from the existing leading WLO customer and new Android OEMs in preparation for new business in 2018
- Continue committing on R&D and customer engineering on our strategic growth area that will bring in handsome return in the next few years
- Short-term profit setback
- Debt free

Performance history

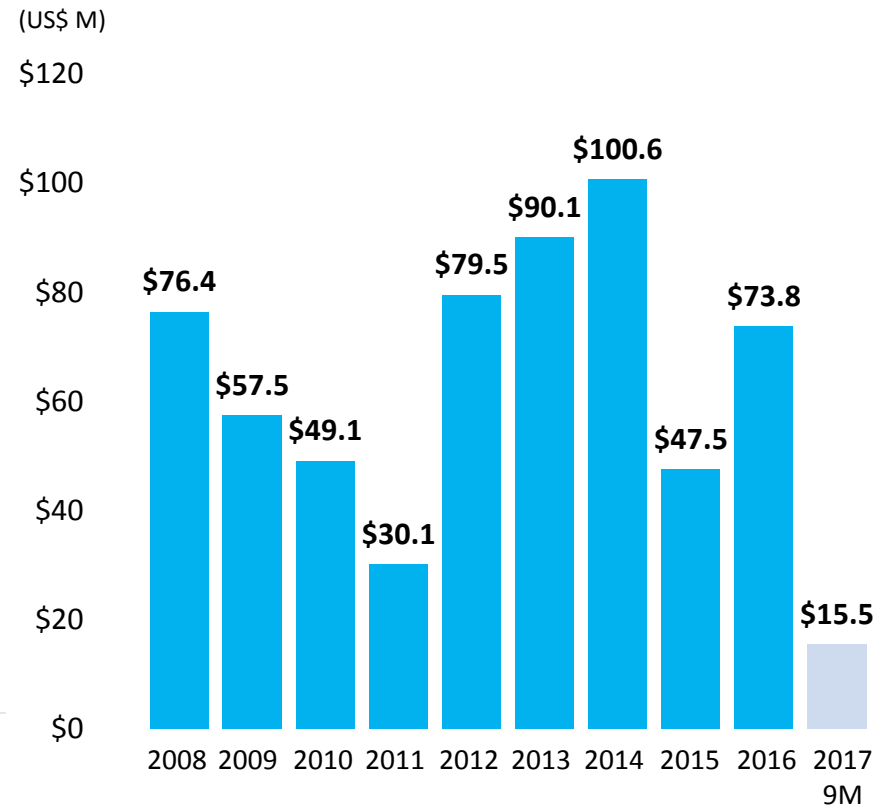


Operating and R&D Expenses



- Continue investing heavily on R&D and customer engineering on our strategic growth areas including WLO, CIS, TDDI and AMOLED; OPEX in 2017 9M vs. 2016 9M up 15.0%
- 2014, 2015 & 2016 & 2017 9M OPEX include RSU \$9.3mn, \$4.5mn, \$9.2mn and \$6.1mn
- Non-GAAP OPEX up 3.3% in 2015 vs 2014; down 1.6% in 2016 vs 2015; up 20.0% in 2017 9M vs 2016 9M

EBITDA



- Robust profit growth in 2016 as a result of revenue growth and GM enhancement
- Short-term profit setbacks caused by additional R&D expense and WLO capacity expansion
- Positive long term profitability outlook

Reported financials – Income Statement

September 30, 2017



US\$'000

For the Fiscal Period Ended	<u>3Q-2017</u> (Unaudited)	<u>3Q-2016</u> (Unaudited)	<u>2Q-2017</u> (Unaudited)	<u>Y2016</u> (Audited)	<u>Y2015</u> (Audited)
Revenues	\$197,146	\$218,081	\$151,730	\$802,917	\$691,789
Cost of revenues	146,778	162,348	115,556	608,605	528,651
Gross profit	50,368	55,733	36,174	194,312	163,138
Gross margin	25.5%	25.6%	23.8%	24.2%	23.6%
Operating expenses					
Research and development	34,989	28,789	27,921	95,820	94,422
General and administrative	6,016	5,774	4,552	20,119	18,470
Sales and marketing	5,967	5,874	4,641	19,138	19,574
Total operating expenses	46,972	40,437	37,114	135,077	132,466
Operating income (loss)	3,396	15,296	(940)	59,235	30,672
Non-operating income (loss)	355	(464)	(222)	183	2,195
Income (loss) before income tax and noncontrolling interest	3,751	14,832	(1,162)	59,418	32,867
Income tax expense (benefit)	621	1,441	(179)	10,671	11,405
Net income (loss)	3,130	13,391	(983)	48,747	21,462
Add: Net loss attributable to the noncontrolling interest	554	207	354	2,165	3,733
GAAP Net income (loss) attributable to Himax shareholders	\$3,684	\$13,598	(\$629)	\$50,912	\$25,195
Non-GAAP Net income (loss) attributable to Himax shareholders	\$8,985	\$21,319	(\$269)	\$59,747	\$30,614
GAAP Earnings (loss) per ADS attributable to Himax shareholders (in cents)					
Basic	2.1	7.9	(0.4)	29.5	14.7
Diluted	2.1	7.9	(0.4)	29.5	14.6
Non-GAAP Earnings (loss) per ADS attributable to Himax shareholders (in cents)					
Basic	5.2	12.4	(0.2)	34.7	17.8
Diluted	5.2	12.4	(0.2)	34.7	17.8

Reported financials – Balance Sheet

September 30, 2017



US\$'000

	<u>September 30, 2017</u> (Unaudited)	<u>June 30, 2017</u> (Unaudited)	<u>September 30, 2016</u> (Unaudited)
Assets			
Current Assets:			
Cash and cash equivalents	\$141,482	\$177,206	\$140,805
Investments in marketable securities available-for-sale	10,124	8,663	12,559
Accounts receivable, net	181,731	163,243	208,372
Inventories	130,112	147,680	169,382
Restricted cash equivalents and marketable securities	147,202	107,201	138,000
Other current assets	22,637	16,479	31,894
<u>Total current assets</u>	<u>633,288</u>	<u>620,472</u>	<u>701,012</u>
Investment securities	12,110	12,242	12,379
Property and equipment, net	69,518	57,813	49,849
Goodwill	28,138	28,138	28,138
Other Assets	15,454	15,339	9,390
<u>Total Assets</u>	<u>\$758,508</u>	<u>\$734,004</u>	<u>\$800,768</u>
Liabilities, redeemable noncontrolling interest and Stockholders' Equity			
Current liabilities:			
Short-term debt*	\$147,000	\$107,000	\$138,000
Accounts payable	125,553	113,670	141,810
Other current liabilities	47,658	78,840	48,401
<u>Total current liabilities</u>	<u>320,211</u>	<u>299,510</u>	<u>328,211</u>
Other liabilities	3,145	3,191	3,851
Redeemable noncontrolling interest	3,656	3,656	3,656
Himax shareholders' equity	432,521	428,098	463,588
Noncontrolling interest	(1,025)	(451)	1,462
<u>Total Liabilities, redeemable noncontrolling interest and Stockholders' Equity</u>	<u>\$758,508</u>	<u>\$734,004</u>	<u>\$800,768</u>

* Short term debt is guaranteed by restricted cash

Reported financials – Cash Flow Statement

September 30, 2017



US\$'000	<u>3Q-2017</u> (Unaudited)	<u>2Q-2017</u> (Unaudited)	<u>2016FY</u> (Audited)	<u>2015FY</u> (Audited)
<u>Net income (loss)</u>	<u>\$3,130</u>	<u>(\$983)</u>	<u>\$48,747</u>	<u>\$21,462</u>
Depreciation and amortization	4,672	3,471	13,756	14,164
Share-based compensation expenses	446	255	1,186	1,818
Gain on disposal of investment securities, net	0	0	0	(1,682)
Deferred income tax expense (benefit)	(223)	(50)	(1,978)	4,148
Inventories write downs	3,346	2,487	23,342	9,785
Decrease (increase) in accounts receivable	(23,691)	4,482	(14,602)	41,656
Decrease (increase) in inventories	14,222	(1,907)	(1,716)	(15,054)
Increase (decrease) in accounts payable	11,883	(2,271)	17,846	(54,905)
Increase (decrease) in income tax payable	855	(7,854)	1,389	(6,475)
Increase (decrease) in other accrued expenses and other current liabilities	7,206	182	(5,164)	5,987
Others	(4,974)	953	1,866	1,625
Net cash provided by (used in) operating activities	<u>\$16,872</u>	<u>(\$1,235)</u>	<u>\$84,672</u>	<u>\$22,529</u>
Purchases of property, plant and equipment	(10,178)	(11,919)	(7,902)	(9,982)
Purchase of available-for-sale marketable securities	(20,325)	(15,979)	(30,248)	(63,051)
Proceeds from disposal of available-for-sale marketable securities	19,014	16,497	38,532	46,720
Others	116	(561)	(7,509)	(2,029)
Net cash used in investing activities	<u>(\$11,373)</u>	<u>(\$11,962)</u>	<u>(\$7,127)</u>	<u>(\$28,342)</u>
Release (pledge) of restricted cash, cash equivalents and marketable securities (for borrowing of short-term debt)	(40,000)	0	42,000	(50,000)
Proceeds from short-term debt	70,000	27,000	230,000	412,303
Repayments of short-term debt	(30,000)	(27,000)	(272,000)	(362,303)
Payments of cash dividends	(41,281)	0	(22,348)	(51,364)
Others	(41)	(1)	(367)	1,756
Net cash used in financing activities	<u>(\$41,322)</u>	<u>(\$1)</u>	<u>(\$22,715)</u>	<u>(\$49,608)</u>
Effect of foreign currency exchange rate changes	99	59	(207)	(216)
Net increase (decrease) in cash and cash equivalents	<u>(\$35,724)</u>	<u>(\$13,139)</u>	<u>\$54,623</u>	<u>(\$55,637)</u>
Cash and cash equivalents at beginning of period	<u>\$177,206</u>	<u>\$190,345</u>	<u>\$129,829</u>	<u>\$185,466</u>
Cash and cash equivalents at end of period	<u>\$141,482</u>	<u>\$177,206</u>	<u>\$184,452</u>	<u>\$129,829</u>



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, co-founder of Himax, 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.



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.



Contact us

Company

Jackie Chang, CFO

Main: +886-2-2370-3999 #22300
US Office: +1 (949) 585-9838 #252
jackie_chang@himax.com.tw

Ophelia Lin, IR Project Deputy Director

Main: +886-2-2370-3999 #22202
Ophelia_lin@himax.com.tw

Auditor



US Investor Relations



Greg Falesnik

Main: +1 (212) 301-7130
greg.falesnik@mzgroup.us
<http://www.mzgroup.us>

Corporate Counsel



SEC Legal Counsel

