Himax Technologies, Inc. (NASDAQ: HIMX) is a fabless semiconductor solution provider dedicated to display imaging processing technologies. Himax is a worldwide market leader in display driver ICs and timing controllers used in TVs, laptops, monitors, mobile phones, tablets, digital cameras, car navigation, virtual reality (VR) devices and many other consumer electronics devices. Additionally, Himax designs and provides controllers for touch sensor displays, in-cell Touch and Display Driver Integration (TDDI) single-chip solutions, LED driver ICs, power management ICs, scaler products for monitors and projectors, tailor-made video processing IC solutions, silicon IPs and LCOS micro-displays for augmented reality (AR) devices and heads-up displays (HUD) for automotive. The Company also offers digital camera solutions, including CMOS image sensors and wafer level optics for AR devices, 3D sensing and machine vision, which are used in a wide variety of applications such as mobile phone, tablet, laptop, TV, PC camera, automobile, security, medical devices and Internet of Things. Founded in 2001 and headquartered in Tainan, Taiwan, Himax currently employs around 2,200 people from three Taiwan-based offices in Tainan, Hsinchu and Taipei and country offices in China, Korea, Japan, Israel and the US. Himax has 2,983 patents granted and 493 patents pending approval worldwide as of September 30, 2018. Himax has retained its position as the leading display imaging processing semiconductor solution provider to consumer electronics brands worldwide.

Investment Highlights

- Leading Imaging and Human Interfacing Technology Innovator
- Diversified Base of Customers and Revenues
- Operational and Public Market Performances
- Innovative New Products Capturing Growth Markets
- Visionary Management Team

### Summary Financials

#### QUARTER/YEAR

<table>
<thead>
<tr>
<th>Revenues (US$M)</th>
<th>3Q2018***</th>
<th>3Q2017***</th>
<th>Y-o-Y</th>
<th>Q-o-Q</th>
<th>FY2017***</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>$188.4M</td>
<td>$197.1M</td>
<td>-4.4%</td>
<td>+3.9%</td>
<td>$685.2M</td>
</tr>
<tr>
<td>Gross Margin (%)</td>
<td>23.4%</td>
<td>25.5%</td>
<td>-2.1%</td>
<td>+0.4%</td>
<td>24.4%</td>
</tr>
<tr>
<td>IFRS Profit</td>
<td>$0.9M***</td>
<td>$3.6M***</td>
<td>-75.3%</td>
<td>-56.5%</td>
<td>$27.7M***</td>
</tr>
<tr>
<td>IFRS Earnings per ADS</td>
<td>$0.005***</td>
<td>$0.021***</td>
<td>-75.3%</td>
<td>-56.5%</td>
<td>$0.161***</td>
</tr>
<tr>
<td>Non-IFRS Profit</td>
<td>$4.5M</td>
<td>$9.9M</td>
<td>-49.8%</td>
<td>-49.8%</td>
<td>$33.9M***</td>
</tr>
<tr>
<td>Non-IFRS Earnings per ADS</td>
<td>$0.026</td>
<td>$0.052</td>
<td>-49.8%</td>
<td>-49.8%</td>
<td>$0.197**</td>
</tr>
</tbody>
</table>

#### 4Q 2018 Guidance***

- Revenues
  - To be around flat to up 5.0% sequentially
  - To be around 24.2% to 25.2%, depending on final product mix
- IFRS Earning Per Diluted ADS
  - To be around 1.5 to 3.6 cents per diluted ADS
  - To be around 1.7 to 3.8 cents per diluted ADS

#### Revenues and Gross Margin %

- To prepare consolidated financial statements; adjusting comparative period information in accordance with IFRS
- To begin January 1, 2018, adopting International Financial Reporting Standards
- 2017 Q4 numbers include 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 earnings per diluted ADS

#### OPEX and % of Total Sales

- 2017 Q4 IFRS numbers include grant of Restricted Share Units at the end of September at $6.1 million
- Based on historical OPEX

- 2017 Q4 numbers include grant of Restricted Share Units at the end of September at $6.1 million
- Based on historical OPEX

- 2017 Q3 IFRS numbers include grant of Restricted Share Units at the end of September at $6.1 million
- Based on historical OPEX

- 2017 Q2 IFRS numbers include grant of Restricted Share Units at the end of September at $6.1 million
- Based on historical OPEX

- 2017 Q1 IFRS numbers include grant of Restricted Share Units at the end of September at $6.1 million
- Based on historical OPEX

#### Navdeep Mehta, President

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**SECTOR:** TECHNOLOGY

**INDUSTRY:** SEMICONDUCTORS

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**SELECT FINANCIALS**

**Fiscal Year**

Dec. 31st

<table>
<thead>
<tr>
<th>Last-Traded Price</th>
<th>$3.91</th>
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<tr>
<td>Market Cap.</td>
<td>$673 M</td>
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<tr>
<td>50-Day Avg. Daily Vol.</td>
<td>-2.6 M</td>
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<tr>
<td>Basic Weighted Avg. Outstanding ADS</td>
<td>172.5 M</td>
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<tr>
<td>Cash</td>
<td>$90.9 M</td>
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<tr>
<td>2017 Revenues</td>
<td>$685.2 M</td>
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<tr>
<td>2017 IFRS Profit*</td>
<td>$27.7 M</td>
</tr>
<tr>
<td>2017 IFRS EPS*</td>
<td>$0.161 per ADS</td>
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<tr>
<td>2017 Annual Cash Dividend</td>
<td>$0.10 per ADS</td>
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<td>Legal</td>
<td>Davis Polk &amp; Wardwell</td>
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<td>Auditor</td>
<td>KPMG</td>
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<tr>
<td># Analyst Coverage</td>
<td>7</td>
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</table>

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

**INDUSTRY:** SEMICONDUCTORS
Core Product Lines - Growth Opportunities

WLO and CIS
We offer industry leading WLO design know-how and mass production expertise for 3D sensing solutions which cover structured light, active stereo camera (ASC) and ToF. Our CMOS image sensors include near infrared (NIR) sensors for 3D sensing and ultra-low power computer vision. Always-on-Sensor (AoS™), and customized sensors for optical fingerprint solutions.

Strategies and Market Position

- WLO: Exceptional design know-how and mass production expertise deliver consistent product quality and high yields for WLO anchor customer’s large-scale adoption on more models and devices; Progress of the ongoing R&D projects with the anchor customer for their next generation products has been encouraging; Expect to ship high ASP WLO optics to other Tier 1 OEs in 2019.
- Himax participated in most of the smartphone OEM’s ongoing 3D sensing projects covering all three types of technologies, namely structured light, ASC and ToF, where it provides 3D sensing total solution or just the projector or critical optics inside the 3D sensing module, of which WLO optics is a major component.
- Qualcomm/Himax structured light-based 3D sensing solution is the industry’s best performing and first AP-based 3D sensing total solution for Android smartphone.
- MTK/Himax jointly developed the industry’s first and best performing AP-based ASC 3D sensing reference design for Android smartphone.
- Himax and AP platform partner are working on the next generation 3D sensing with an aim to leapfrog the market by providing high performance, easy to adopt and cost favorable total solutions to target most Android smartphone players.
- 3D sensing will be the largest growth opportunity for Himax starting 2020
- CIS include near infrared (NIR) sensors for 3D sensing and ultra-low power computer vision Always-on-Sensor (AoS™) for “smart building” and security applications.

Display Driver IC (DDIC)
We are a leader in display driver ICs used to enable flat panel display in TFT, Touch and AMOLED in large, small and medium-sized display panels.

Strategies and Market Position

- Major beneficiary of China capacity expansion and in-sourcing
- Leading market share in China
- Increased shipments of 4K solutions and collaboration with major panel makers on the development of next gen 8K TVs
- Seeing continued strength in customer demand, ramping of new foundry.
- Next generation display for automotive: Himax is the leader in key technologies such as TDDI, AMOLED and local dimming timing controller.

LCoS Microdisplays
We are the leader and long-term innovator of Liquid Crystal on Silicon (LCoS) displays and the only company capable of high-volume production runs of LCoS displays for the launch of mass-market devices.

Strategies and Market Position

- The leader in microdisplays with patent-protected technology, in-house facilities and shipping record of >2M units
- Focus on AR goggle devices and HUD for automotive applications
- List of AR goggle device customers covers many of the world’s biggest tech names
- Close collaboration with Tier 1 AR glasses device manufacturers
- Strategic partners with top tier customers to provide phase modulation panel for communication and holographic display applications
- Design-wins of high-end HUD for the automotive sector
- Himax’s gross and operating margins significantly higher than corporate average
- LCoS represents a significant long term growth opportunity for Himax.

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 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 two consecutive 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, transactions 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.

TDDI Technologies
We design technologies for touch sensor displays including in-cell touch and the fast-growing segment of Display Driver Integration (TDDI) single-chips.

Strategies and Market Position

TDDI PURE IN-CELL SOLUTION

- Shipments started 4Q17, increasing revenue contribution through 2018 and beyond.
- Numerous design-wins with top-tier smartphone makers and most panel makers in China.
- New generation FHD+ TDDI with COF package to enable super-slim bezel design for premium smartphone models.
- The world’s first TDDI design-wins for automotive applications with mass production target of late 2019 to 2020.
- Higher ASP and better margin than traditional driver IC.
- New foundry capacity starting 2H2018 well positions Himax to target 30% and above TDDI market share in 2019.
- TDDI will be the biggest growth driver for Himax in 2019.

Himax WLO for 3D Sensing

![Himax WLO for 3D Sensing](image)

TDDI Demand Forecast 2015-2022 In Millions of Units (IHS Market, 2018)

![TDDI Demand Forecast 2015-2022 In Millions of Units](image)

LCoS Microdisplays

![LCoS Microdisplays](image)