



# Himax

*Human Interface and Display Technologies*

Nasdaq : HIMX

***December 2018 INVESTOR PRESENTATION***

# 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, 2017 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.

# Recognized Industry Leader



For the last 30 years, we have worked with leading OEMs to develop and the most recognized imaging and human interfacing technologies.

## 1990s

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



## 2000s

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



## 2010s

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

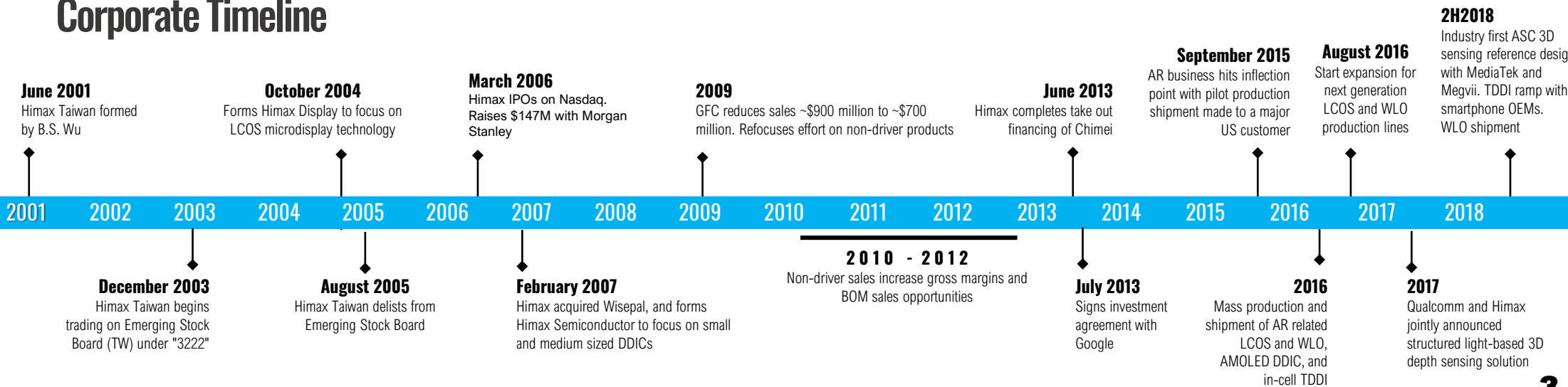


## 2018 and Beyond

Himax leads WLO shipment and development with anchor North American OEM customer. LCOS advancements and WLO integration keep Himax at the forefront of AR/VR product design and pending product releases.



## Corporate Timeline



## Leading Imaging and Human Interfacing Technology Innovator

- Global display driver player with a wide range of display technologies for panels of all sizes
- Thousands of patents for Himax's IP and designs
- Imaging technology and human interfacing total-solution provider

## Diversified Base of Customers and Revenues

- DDIC market share leader
- Penetration throughout all display market segments and with a leading position in several segments, including automotive
- Revenues from traditional large and small/medium now diversified to TDDI, WLO/CIS and LCOS microdisplays
- Top-tier partnerships with major U.S. and Asian AP platform providers, device makers, and the world's biggest tech names
- Non-driver product lines expected to improve corporate profit margin and further diversify customer base

## 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

## Innovative New Products Capturing Growth Markets

- Integration of AMOLED and TDDI technologies fuel growth for core, display driver ICs
- Himax's WLO, CMOS & 3D image sensors, LCOS microdisplay's leading specs and continued design wins position us at the forefront of new AR/VR, IoT, Automotive LIDAR, HUD, Medical Devices, Robotics development and future product releases.

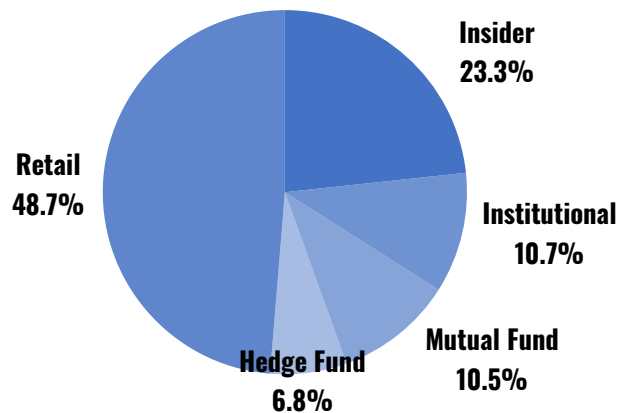
## Visionary Management Team

## HIMX Nasdaq Listed

<b>Fiscal Year</b>	<b>December 31</b>
<b>Last-Traded Price (12/04/18)</b>	<b>\$3.91</b>
<b>Basic and Diluted Weighted Ave. Out. ADS</b>	<b>172.5M</b>
<b>Equivalent ADS Out</b>	<b>172.1M</b>
<b>Market Capitalization (12/04/18)</b>	<b>\$672.9M</b>
<b>50-Day Avg. Daily Volume (12/04/18)</b>	<b>2.6M</b>
<b>Annualized Dividend</b>	<b>\$0.10</b>
<b>Insider Ownership*</b>	<b>23.3%</b>

\* Insider ownership includes executives and board members

## Shareholder Makeup



Date: As of Sep. 30, 2018

## 12 Month Trading Chart



Source: www.nasdaq.com

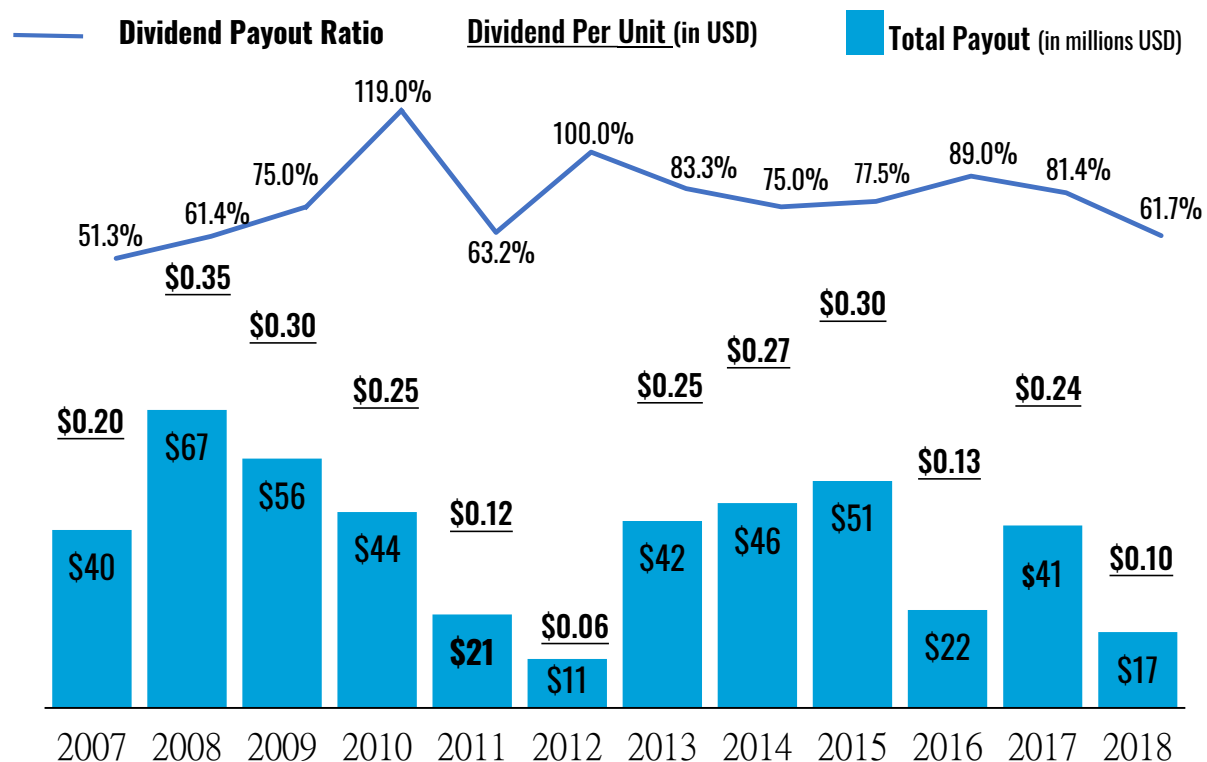
## Analysts

Credit Suisse  
 Lake Street Capital Markets  
 Macquarie Capital Securities Limited  
 Mizuho Securities Asia Ltd  
 Nomura Securities  
 Northland Securities, Inc.  
 Roth Capital Partners, LLC

Jerry Su  
 Jaeson Schmidt  
 Lynn Luo  
 Kevin Wang  
 Donnie Teng  
 Tim Savageaux  
 Suji Desilva

## Himax Dividend and Policy

- Distributed a total of **\$458** million of dividend since IPO (2018 payout in July)
- Dividends referenced primarily on prior year's profitability
- Since its IPO, Himax Dividend Payout Ratio to Net Income has not been less than 50% and as high as 119.0%. HIMX is part of **Nasdaq's TDIV Dividend Index Fund**

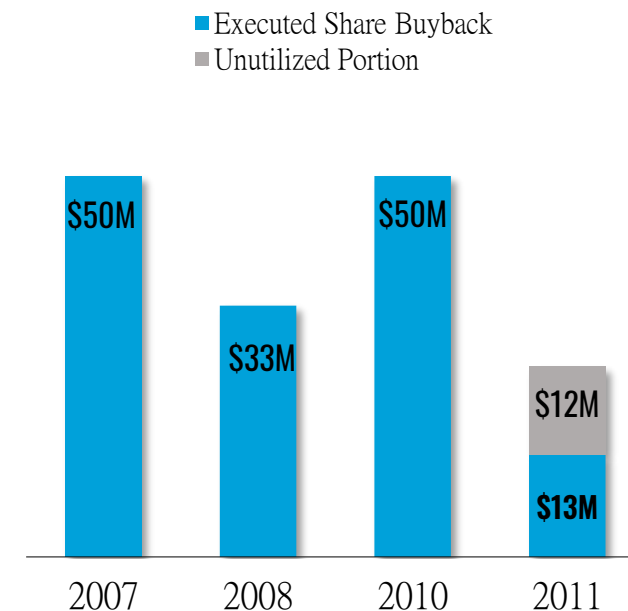


	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Yield	4.0%	7.0%	10.4%	9.1%	5.9%	3.4%	4.4%	4.1%	4.8%	1.4%	2.9%	1.3%
EPS	0.57	0.40	0.21	0.19	0.06	0.30	0.36	0.39	0.15	0.30	0.16	

## Himax Share Buyback

- Initiated four share buyback programs totaling \$158 million since 2007
- Repurchased a total of 46.5 million ADSs through September 30, 2018 at average purchase price per ADS: \$3.15

### Executed Share Buybacks from 2007-2018 (in millions USD)



**\$604 MILLION** HAS BEEN RETURNED TO SHAREHOLDERS INCLUDING DIVIDENDS AND SHARE BUY BACKS SINCE IPO

\* On 11/30/2018 Himax chairman announced share purchase plan. Chairman Dr. Biing-Seng Wu intends to use his personal funds to purchase up to approximately \$5 million of the Company's American Depository Shares ("ADSs") in the open market, subject to market conditions and other factors.

# Summary and Guidance



	3Q2018***	3Q2017***	2Q2018***	YoY	QoQ
Revenues	\$188.4M	\$197.1M	\$181.4M	-4.4%	+3.9%
Gross Margin (%)	23.4%	25.5%	23.0%	-2.1%	+0.4%
IFRS Profit	\$0.9M****	\$3.6M****	\$2.0M	-75.3%	-56.5%
IFRS Earnings per ADS	\$0.005****	\$0.021****	\$0.012	-75.3%	-56.5%
Non-IFRS Profit	\$4.5M	\$8.9M	\$2.3M	-49.8%	+94.3%
Non-IFRS Earnings per ADS	\$0.026	\$0.052	\$0.013	-49.8%	+94.3%

## FOR THE FULL YEAR 2017\*\*\*

Revenues	\$685.2M
Gross Margin (%)	24.4%
IFRS Profit	\$27.7M*/ **
IFRS Earnings per ADS	\$0.161*/ **
Non-IFRS Profit	\$33.9M**
Non-IFRS Earnings per ADS	\$0.197**

## 4Q2018 Guidance\*\*\*

Revenues	To be around flat to up 5.0% sequentially
Gross Margin (%)	To be around 24.2% to 25.2%, depending on final product mix
IFRS Earnings per ADS	To be around 1.5 to 3.6 cents per diluted ADS
Non-IFRS Earnings per ADS	To be around 1.7 to 3.8 cents per diluted ADS

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

\*\* 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

\*\*\* Beginning January 1, 2018, adopting International Financial Reporting Standards ("IFRS") to prepare consolidated financial statements; adjusting comparative period information in accordance with IFRS

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

\*\*\*\*\* 2018 Q3 IFRS numbers include grant of Restricted Share Units at the end of September at \$3.8 million

- 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
- 2,983 patents granted and 493 patents pending approval worldwide as of September 30, 2018
- NASDAQ-listed since March 2006 (HIMX)
- Around 2,200 employees worldwide; more than 90% are engineers
- Headquartered in Tainan, Taiwan with 9 R&D centers in Taiwan, China, Korea, Israel and U.S., out of a total of 24 offices across Taiwan, China, Japan, Korea, Israel and U.S.

## Himax's Global Reach



**HEADQUARTERS**  
Tainan, Taiwan





Nasdaq Listed  
**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, LTD.

- 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**

**Our Technologies Are  
Used by Consumer Brands Worldwide**





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

## MARKETS WE SERVE

Smartphones, Tablets, Monitors, Notebooks, TVs, Automotive Gaming, Education, Healthcare plus 100's more applications for markets and business that use flat panel displays.

## In what devices can you find Himax DDIC technologies

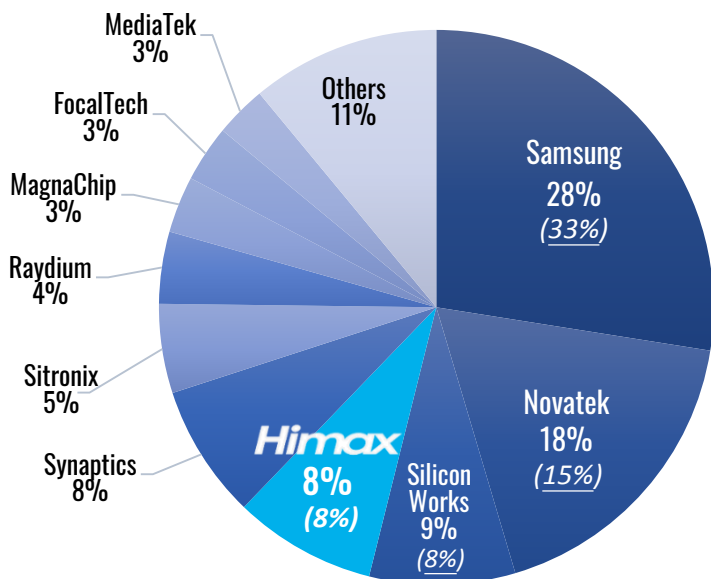


## Who uses Himax DDICs



## 2018 Q2 Driver Market Share

(1Q18 Market Share %)



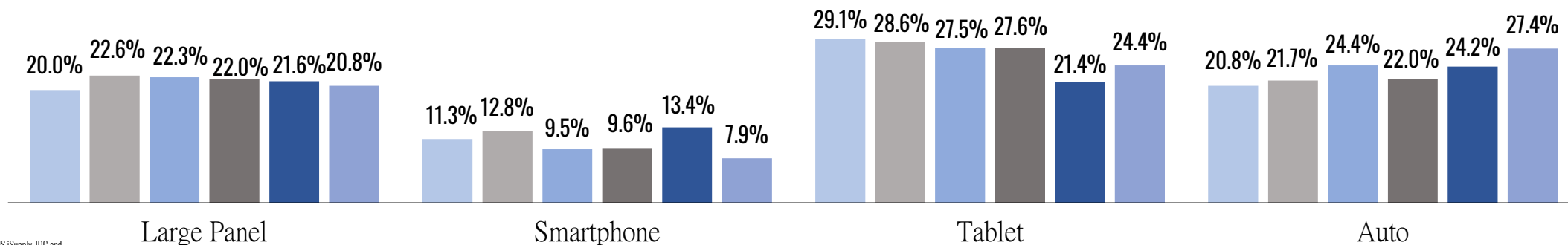
Source: IHS iSupply and company estimates  
(This covers TFT-LCD and OLED DDICs)

**We have the ability to provide a complete solution of image processing technologies and leverage our expertise in mobile devices and other mass-market technology releases**

- Large display driver IC business continue to benefit from Chinese panel customers' capacity expansion and China's localization policy
- Expect smartphone business growth in 4Q18 and beyond due to addition of TDDI capacity to Himax
- Strong market share in fastest-moving consumer devices
- **Leading market share in auto applications**

## HIMX's Strong Driver IC Market Share in Mass Market Devices

■ 2Q17 ■ 3Q17 ■ 4Q17 ■ 1Q18 ■ 2Q18 ■ 3Q18



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



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

## MARKETS WE SERVE

Beginning with smartphones, will expand to tablet, laptops, car navigation, and many other consumer electronic devices going forward

- Expect significant growth in 2H2018 and beyond
- Expect smartphone business growth in 4Q18 and beyond due to major addition of TDDI capacity to Himax
- New penetration of TDDI is refreshing smartphone life cycle starting end of 2016.
- Higher ASP & higher margin

## In what devices can you find Himax display technologies



1.4" Smart watch,  
OLM GFM

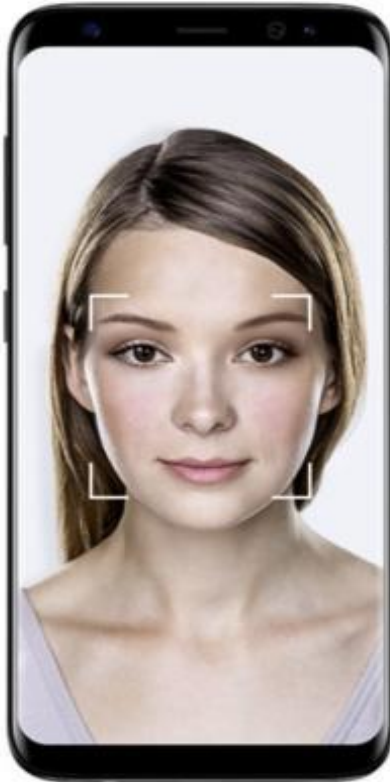
5'~5.5" Smartphone,  
On-cell / GFF

8" Tablet PC,  
In-cell TDDI

5.65" FHD+ Smartphone,  
In-cell TDDI

## Who uses Himax Touch and TDDI Technologies





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 finger print solutions

### Wafer Level Optics (WLO)

Integrated Optics High Accuracy  
Scalability In Production

### Best For IoT/Smart Sensing

Eye Tracking & Gesture Control  
3D Depth Sensing

### Waveguide for AR

Key technology to enable holographic imaging for AR goggle devices

## MARKETS WE SERVE

Smartphones, Consumer Electronics, Tablet, TV, Entertainment, Automotive, IoT, Gaming, Education, Healthcare plus many more..

## Who uses Himax WLO and CMOS technologies



# 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.**

## **Our Front Lit LCoS Technology Advantages**

- Compact Form Factor
- Brightness
- Power Efficiency
- MP Efficiency & Readiness
- Contains lightguide performance enabling OEM to simplify light guide design
- Lower cost

## **MARKETS WE SERVE**

Consumer, Shopping, Search, Gaming, Sports, AR/VR smart glasses, Automotive Heads Up Displays



## **Who uses Himax LCoS micro display technologies**



# Our Customers



## DISPLAY DRIVERS



## WAFER LEVEL OPTICS



## CMOS IMAGE SENSORS



## ASIC SERVICE & IP LICENSING



## LCOS MICRODISPLAYS



## TOUCH PANEL CONTROLLERS



## POWER MANAGEMENT IC & LED DRIVERS



## TIMING CONTROLLERS



## We are 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



# 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





**Himax**

# Market Opportunities by Product Application and Himax Strategies

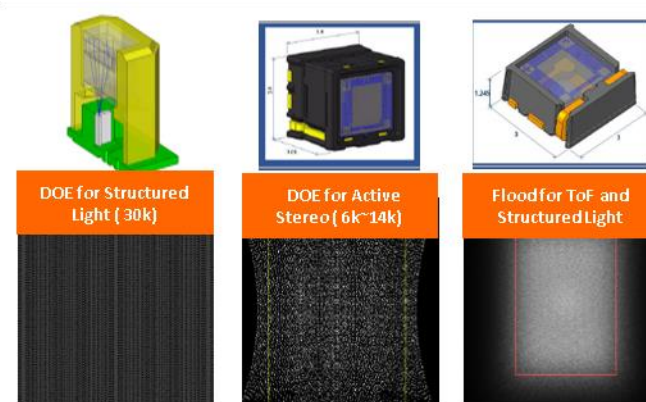
## Market Trends

- Wafer-Level Optics (WLO) remains the best technology for structured light, active stereo camera (ASC) and Time-of-Flight (ToF) 3D sensing
- Very few companies can provide advanced WLO solutions to achieve optical high efficiency, small form factors, and eye safety regulations for consumer devices
- 3D sensing adoption is expected to be wider for android smartphones and IoT starting 2019 and beyond.
- CMOS image sensors (CIS) are expanding rapidly into biometric recognition, cars, security, medical systems, and beyond smartphone camera and multimedia applications

## Himax 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 OEMs in 2019
- Himax participated in most OEMs' ongoing 3D sensing projects covering structured light, ASC and ToF, where Himax provides a 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

## Himax WLO for 3D Sensing



### Wafer Level Process

Integrated Optics  
High Accuracy  
Scalability In Production



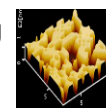
### Mini Package

Ultra Small Size & Package



### Best For IoT/Smart Sensing

Eye Tracking & Gesture Control  
3D Depth Sensing

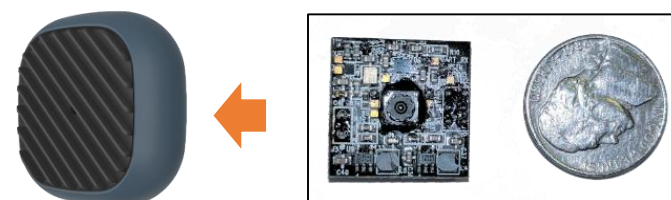


### Wave-Guide For AR Devices

Help Create Holographic Images  
The Key Interface of AR



## Ultra Low Power Sensor Applications



## Market Trends

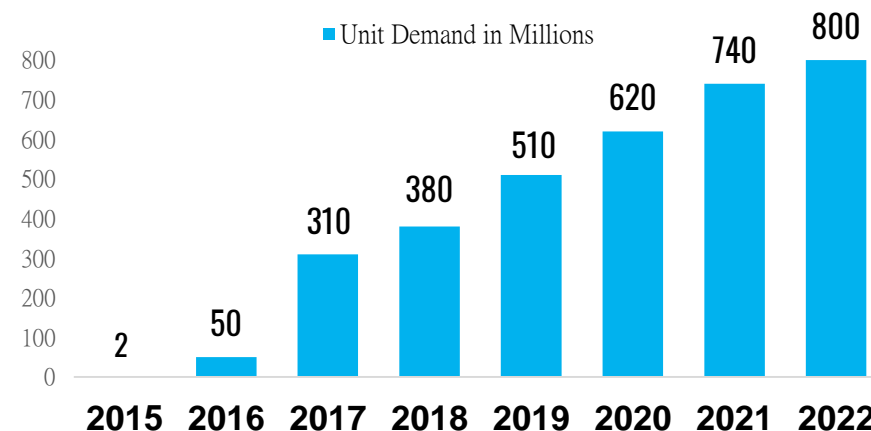
- Expect higher TDDI penetration in smartphones going forward and continued growth
- Full screen 18:9 aspect ratio displays becoming the trend
- OEMs are meeting consumer demand for slimmer phones
- New penetration of TDDI is refreshing smartphone life cycle, creating higher dollar content and margin opportunities
- TDDI foundry capacity is even more challenging than large display driver ICs

## Himax Strategies and Market Position

### TDDI pure in-cell solution

- Shipment 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 positions Himax to target 30-plus-percent TDDI market share in 2019
- TDDI will be the biggest growth driver for Himax in 2019

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



### TDDI Technology Enables OEMs to Manufacture Thinner, Better and Less Expensive Phones



# Display Driver IC (DDIC)

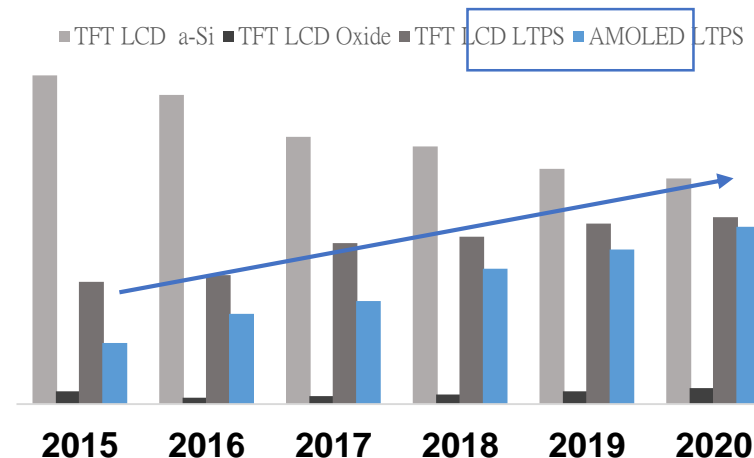
## Market Trends

- Chinese panel manufacturers are aggressive with new Gen 8 and above TFT-LCD and OLED capacity expansion with a special focus on advanced display technologies
- Leading Chinese panel makers' shipments continue to dominate in the No. 1 position of its total TFT-LCD capacity
- Chinese TV manufacturers started to in-source while Chinese panel manufactures begin exporting
- 4K TV penetration accelerates and 8K TV is emerging
- Industry-wide foundry capacity constrains LDDIC and TDDI for smartphones, and a new emergence of a capacity constraint in LDDIC packaging looms
- Demands for more sophisticated and higher performing displays are still rising in the automotive segment

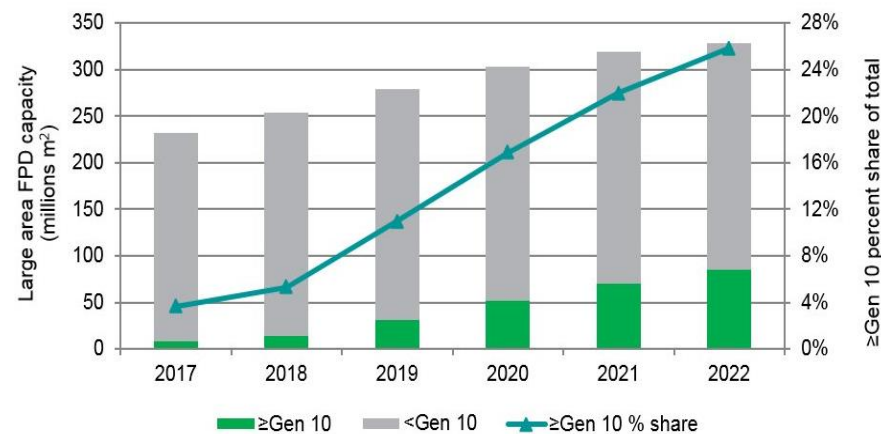
## Himax Strategies and Market Position

- Major beneficiary of China's 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 generation 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

## Continual Progression to Higher Resolution Displays and AMOLED



## China Takes a Leading Role in Display Panel Manufacturing and DDIC Demand



Source: IHS Markit

© 2017 IHS Markit

# LCoS Microdisplays

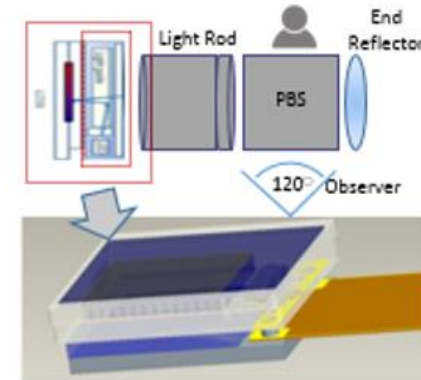


## Market Trends

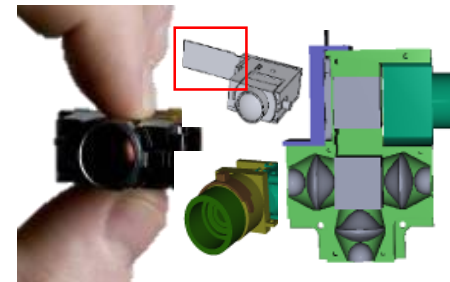
- Many top name multinationals or start-ups are investing heavily to develop the AR ecosystem; applications, software, operating systems, system electronics, and optics
- Limited companies provide the combination of R&D, joint development and manufacturing expertise
- Significant barrier of entry to new market entrants and existing technology companies without scalable manufacturing

## Himax Strategies and Market Position

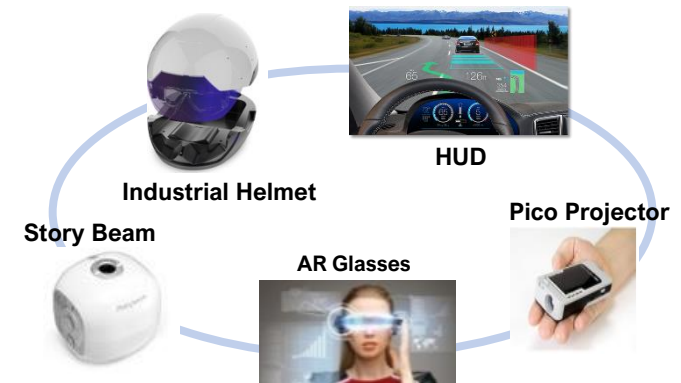
- The leader in microdisplays with patent-protected technology, in-house facilities and shipping record of >2M units
- Focus on AR goggle devices and HUD for automotive applications
- List of AR goggle device customers covers many of the world's biggest tech names
- Close collaboration with Tier 1 AR 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



- Front Lit LCOS Advantages**
- Compact Form Factor
  - Brightness
  - Power Efficiency
  - MP Efficiency & Readiness



**Optical Engine with LCOS Module**



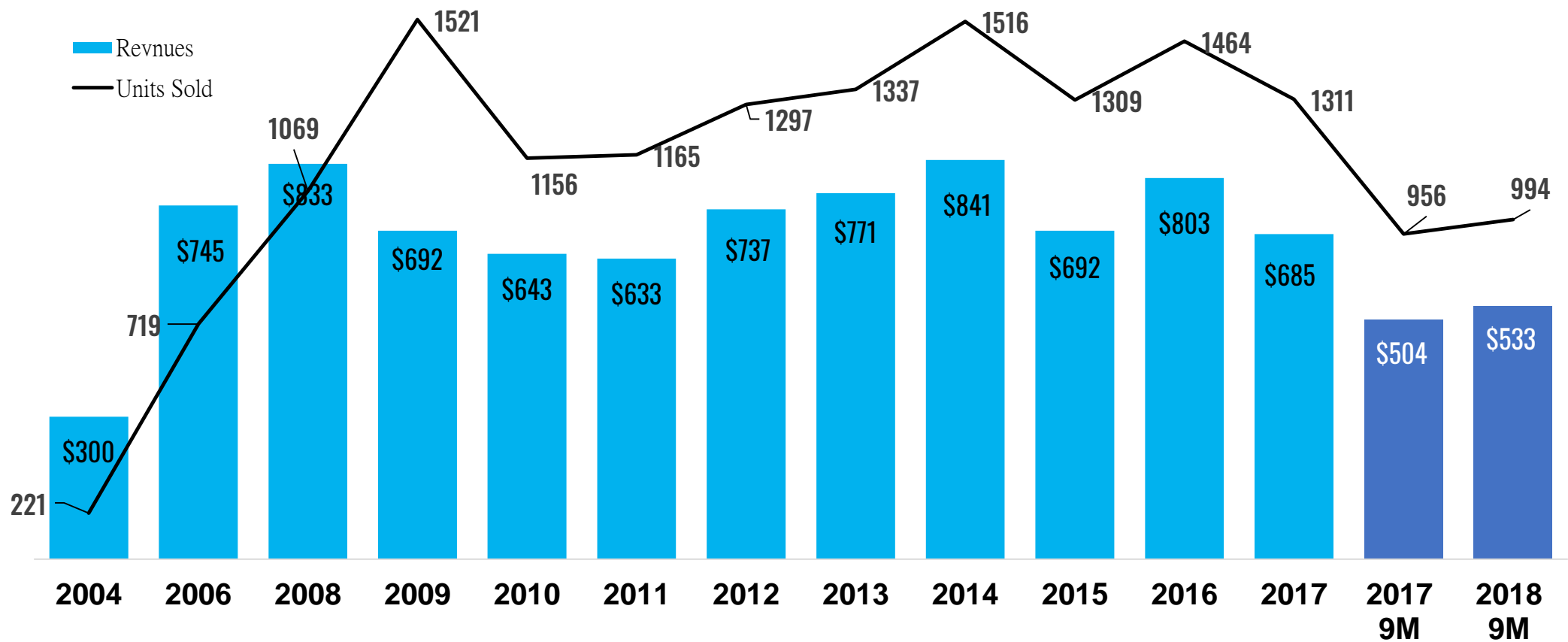


# 2018 YTD Financial Review



We are One of the Leading Semiconductor Companies in the World

Unit Sales and Revenues (in millions of units and millions of \$USD)





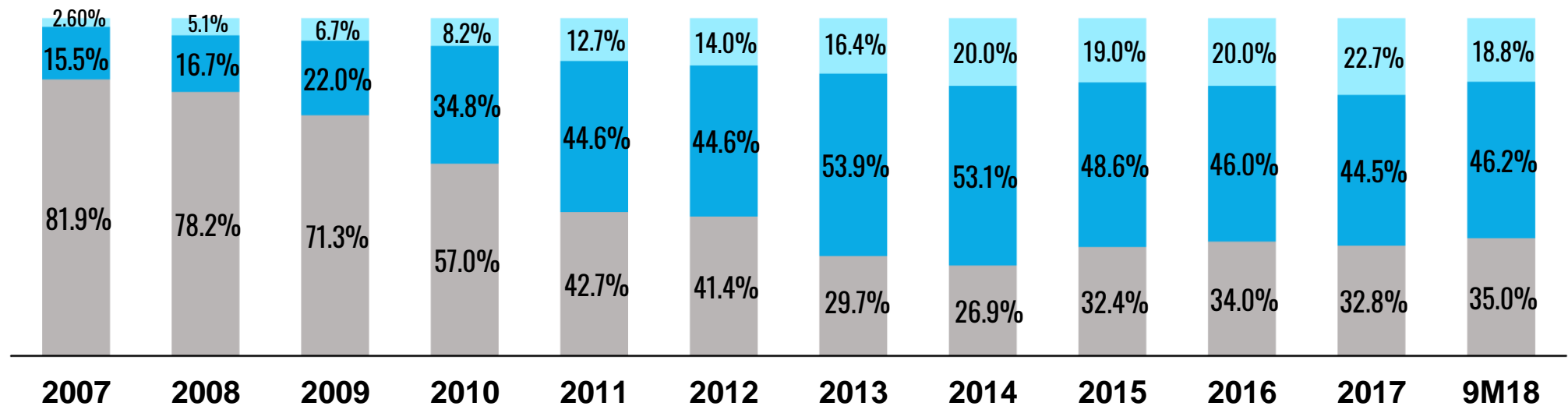
# A Balanced Product Mix...



- Global market share leader in large, small and medium-sized panel driver ICs
- Market leader in 3D sensing – Structured light and active stereoscopic 3D sensing total solutions will represent a paradigm shift when it starts to achieve a broader market adoption
- Increasing non-driver sales diversifies customer base, improves product mix and lifts gross margin
- Innovative technologies in 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

■ Large Panel Drivers ■ S/M Panel Drivers ■ Non-Driver



Revenues (US\$ M)

2007 \$918 2008 \$833 2009 \$692 2010 \$643 2011 \$633 2012 \$737 2013 \$771 2014 \$841 2015 \$692 2016 \$803 2017 \$685 9M18 \$533

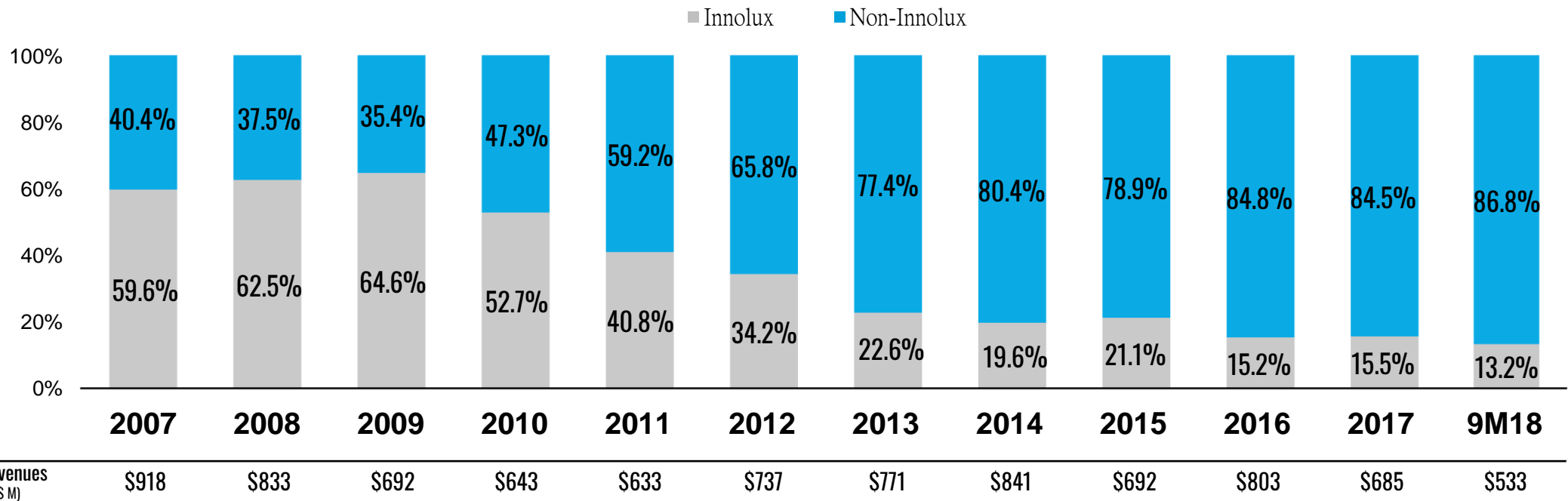
# ...and a Diversified Customer Base



## 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
- 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

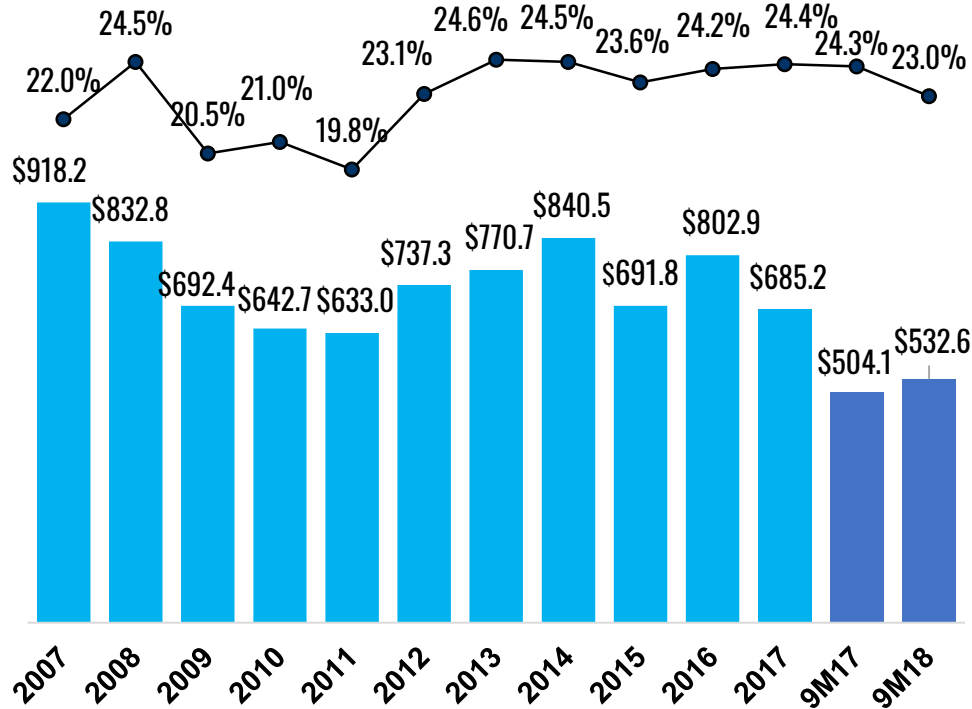


# Gross Margin is a Key Business Focus



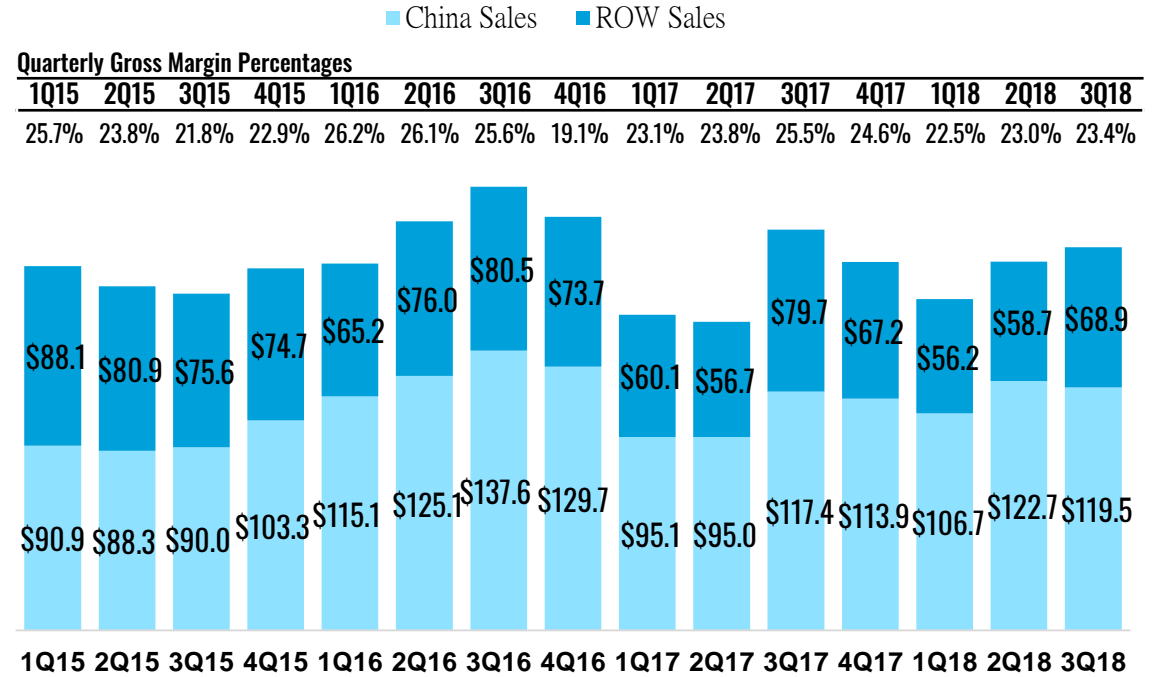
## Revenues & Gross Margin %

US\$M in Revenues and Gross Margin % of Sale



## Geographical Revenue Mix & Quarterly GM

US\$M in Revenues and Quarterly Gross Margins



### 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

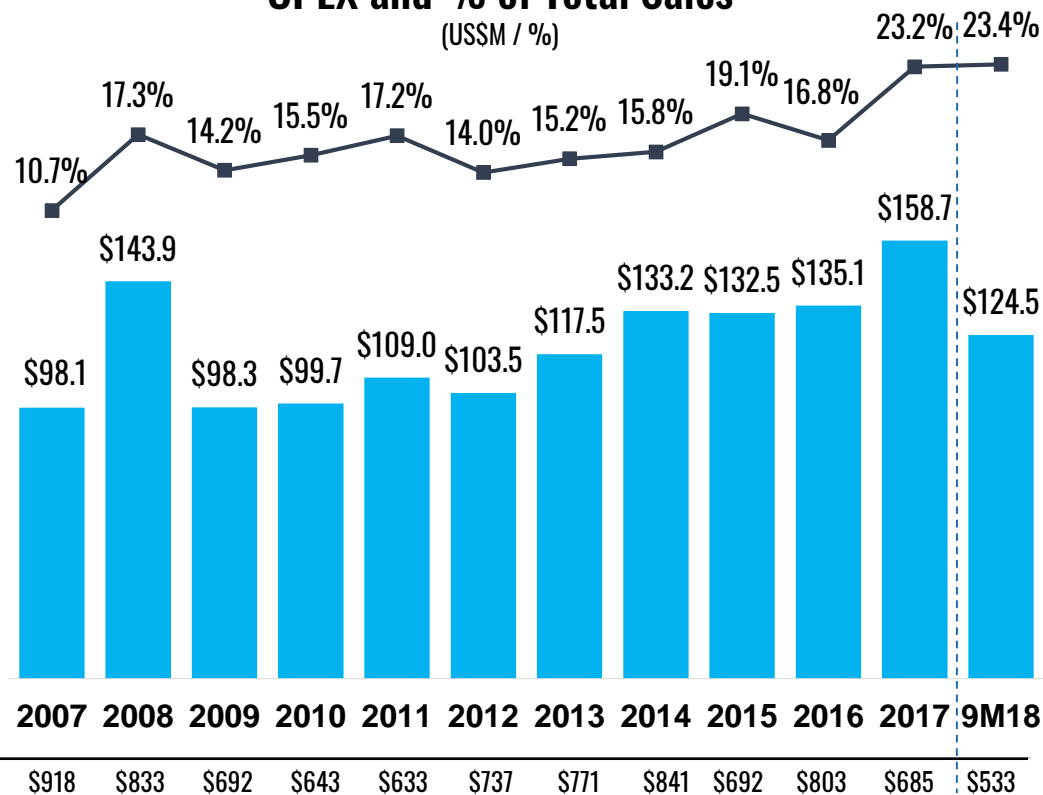
- GM retraction in 2015: higher mix of China sales and competitive pricing in the LDDIC market
- GM improvement in 2016
  - Resolution migration improved GM of SMDDIC
  - Favorable product mix with higher non-driver sales %: LCOS and WLO sales growth
  - Lower GM in 4Q16 due to an additional inventory write-down
- Improved GM in 2H vs. 1H in 2017 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 in Q3
- Further GM improvement will come from TDDI and non-driver business growth

# OPEX and the Bottom Line



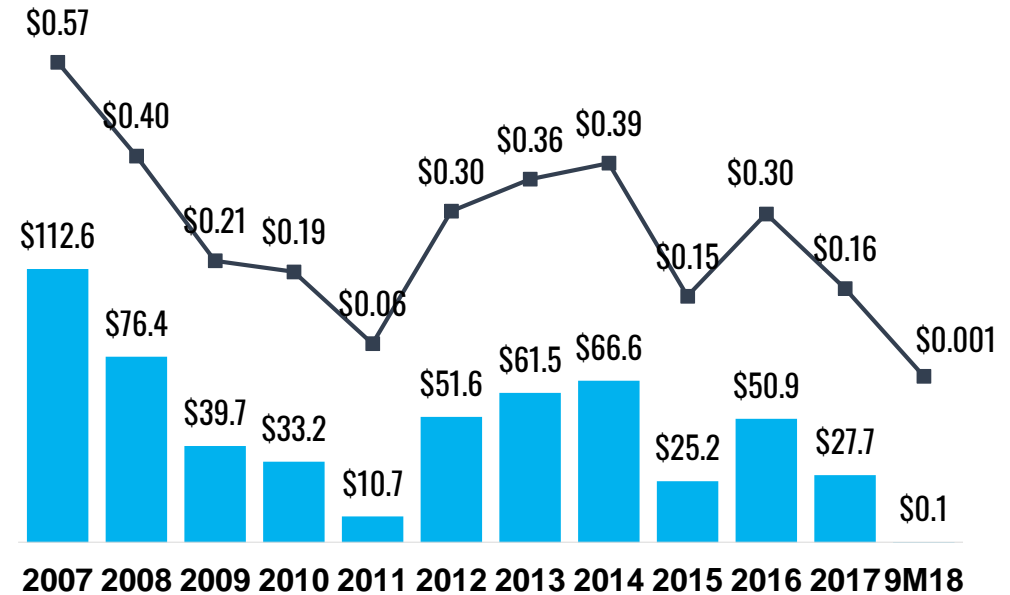
## OPEX and % of Total Sales

(US\$M / %)



## Profit and EPS

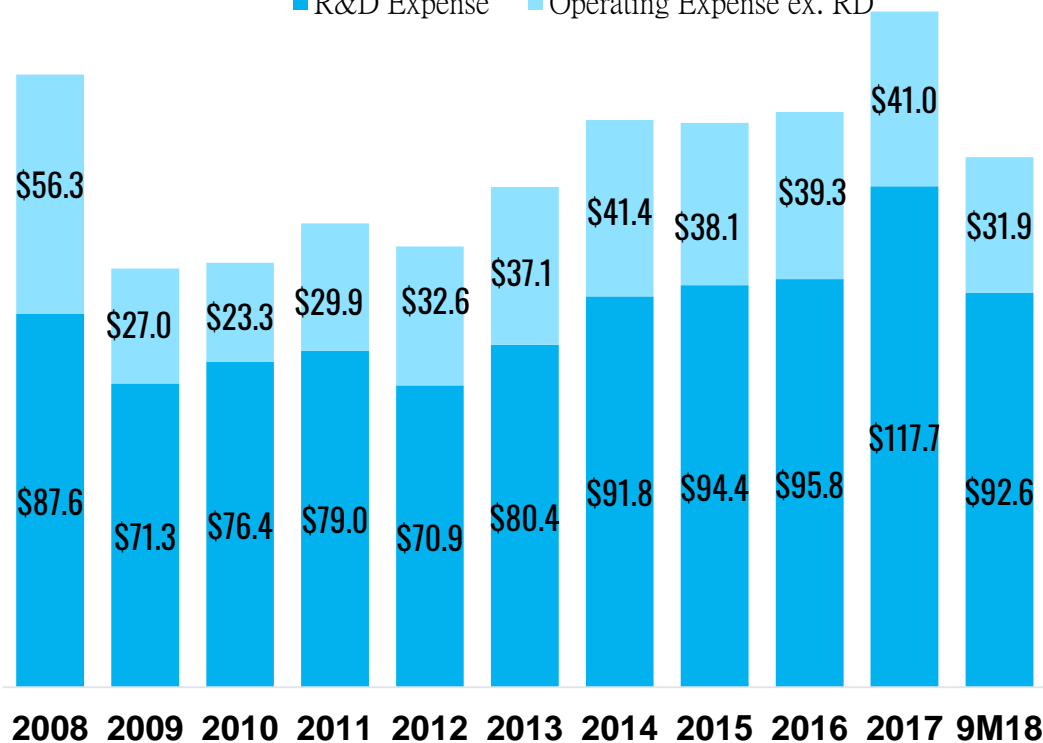
(US\$M / US\$)



- Continue to streamline core business R&D efforts and execute expense control through product integration
- Unprecedented Phase I capital expansion in 2017: construction of a new building, increase of WLO capacity for the anchor customer and MP ready for SLiM and ASC 3D sensing solutions
- Completion of the new building in 2018: house additional WLO capacity, the new active alignment equipment, and extra office spaces
- Phase I capex to meet the demands of 3D sensing total solution or projector module or optics
- 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 due to higher R&D in non-driver technology development
- The capex budget for 2018 will be funded through internal resources and banking facilities, if so needed

### Operating and R&D Expenses (in millions USD)

■ R&D Expense   ■ Operating Expense ex. RD

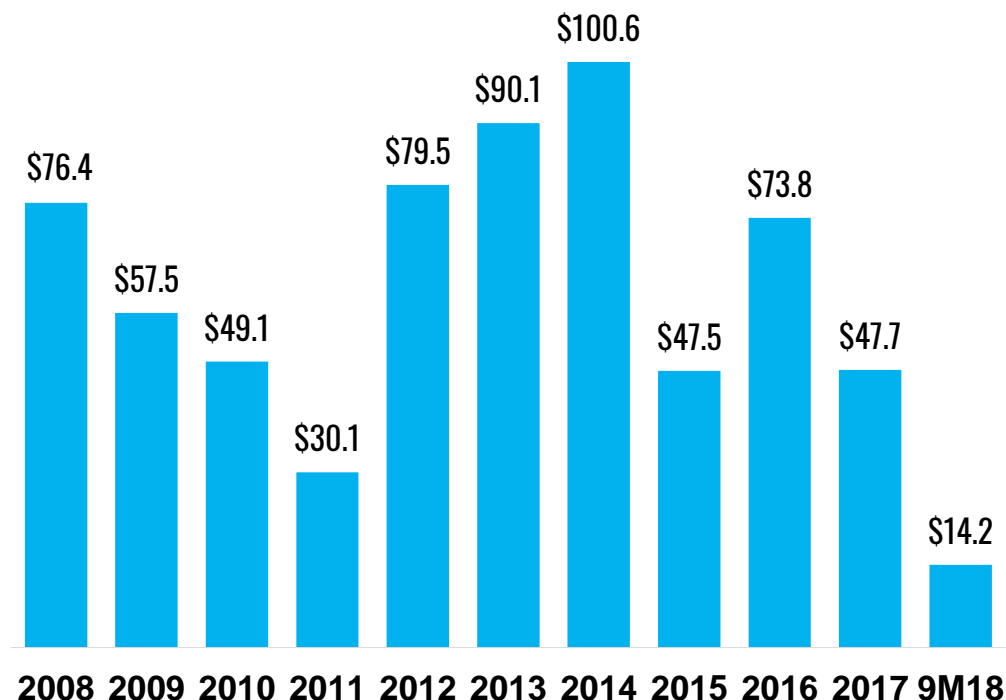


Total Operating and R&D Expense

\$143.9   \$98.3   \$99.7   \$108.9   \$103.5   \$117.5   \$133.2   \$132.5   \$135.1   \$158.7   \$124.5

- Continue investing heavily on R&D and customer engineering on our strategic growth areas including WLO, CIS, TDDI and AMOLED; OPEX in 2017 vs. 2016 up 17.5%
- 2014, 2015, 2016, 2017 and 2018 OPEX include RSU \$9.3mn, \$4.5mn, \$9.2mn, \$6.1mn and \$3.8mn

### EBITDA (in millions USD)



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

# Income Statement



For the Fiscal Period Ended	<u>3Q-2018</u> (Unaudited)	<u>3Q-2017</u> (Unaudited)	<u>2Q-2018</u> (Unaudited)	<u>Y2017</u> (Unaudited)
<b>Revenues</b>	\$188,383	\$197,146	\$181,365	\$685,167
<b>Cost of revenues</b>	144,241	146,778	139,571	518,142
<b>Gross profit</b>	44,142	50,368	41,794	167,025
<b>Gross margin</b>	23.4%	25.5%	23.0%	24.4%
Operating expenses				
Research and development	32,129	35,019	30,444	117,662
General and administrative	5,635	5,938	5,632	20,461
Sales and marketing	5,588	6,012	5,218	20,543
<b>Total operating expenses</b>	43,352	46,969	41,294	158,666
<b>Operating income</b>	790	3,399	500	8,359
Non-operating income (loss)	(644)	268	1,202	21,733
<b>Profit before income taxes</b>	146	3,667	1,702	30,092
Income tax expense	26	622	306	4,554
Profit for the period	120	3,045	1,396	25,538
Add: Loss attributable to noncontrolling interests	769	555	650	2,142
<b>Profit attributable to Himax stockholders</b>	\$889	\$3,600	\$2,046	\$27,680
<b>Non-IFRS Profit attributable to Himax stockholders</b>	\$4,471	\$8,899	\$2,301	\$33,889
<b>IFRS earnings per ADS attributable to Himax stockholders (in cents)</b>				
Basic	0.5	2.1	1.2	16.1
Diluted	0.5	2.1	1.2	16.1
<b>Non-IFRS earnings per ADS attributable to Himax stockholders (in cents)</b>				
Basic	2.6	5.2	1.3	19.7
Diluted	2.6	5.2	1.3	19.7

# Balance Sheet



	<u>September 30, 2018</u> (Unaudited)	<u>June 30, 2018</u> (Unaudited)	<u>September 30, 2017</u> (Unaudited)
<b>Assets</b>			
<b>Current Assets:</b>			
Cash and cash equivalents	\$90,946	\$114,480	\$141,482
Financial assets at amortized cost	12,001	12,154	9,473
Financial assets at fair value through profit or loss	0	66	651
Accounts receivable, net	187,613	176,286	183,171
Inventories	145,812	142,077	130,112
Restricted deposit	164,328	147,000	147,202
Other current assets	21,613	21,591	22,637
<b><u>Total current assets</u></b>	<b>622,313</b>	<b>613,654</b>	<b>634,728</b>
Financial assets at fair value through profit or loss	1,529	1,574	10,562
Financial assets at fair value through other comprehensive income	772	802	1,548
Equity method investment	9,356	9,964	4,231
Property, plant and equipment, net	109,198	106,041	66,487
Goodwill	28,138	28,138	28,138
Other Assets	23,576	25,479	15,381
<b><u>Total Assets</u></b>	<b>\$794,882</b>	<b>\$785,652</b>	<b>\$761,075</b>
<b>Liabilities and Equity</b>			
<b>Current liabilities:</b>			
Short-term borrowings*	\$164,000	\$147,000	\$147,000
Accounts payable	141,553	128,862	125,553
Other current liabilities	46,959	67,188	49,624
<b><u>Total current liabilities</u></b>	<b>352,512</b>	<b>343,050</b>	<b>322,177</b>
Other liabilities	6,575	6,808	8,633
Himax stockholders' equity	439,451	438,689	431,288
Noncontrolling interest	(3,656)	(2,895)	(1,023)
<b><u>Total Liabilities and Equity</u></b>	<b>\$794,882</b>	<b>\$785,652</b>	<b>\$761,075</b>

\* Short-term borrowings is guaranteed by restricted deposit

# Cash Flow Statement



	<b>3Q-2018</b> (Unaudited)	<b>2Q-2018</b> (Unaudited)	<b>2017FY</b> (Unaudited)
<b><u>Profit for the period</u></b>	<b><u>\$120</u></b>	<b><u>\$1,396</u></b>	<b><u>\$25,538</u></b>
Depreciation and amortization	5,180	5,180	16,680
Bad debt expenses	0	190	155
Share-based compensation expenses	205	93	997
Gain on disposals of property, plant and equipment	0	0	(26)
Gain on re-measurement of the pre-existing relationships in a business combination	0	(1,662)	0
Changes in fair value of financial assets at fair value through profit or loss	44	25	(23,226)
Interest income	(603)	(672)	(2,225)
Finance costs	378	265	878
Income tax expense	26	306	4,554
Share of losses of associates	549	1,099	1,200
Inventories write downs	5,200	3,567	12,298
Foreign currency exchange losses of financial assets	167	340	0
	<u>11,266</u>	<u>10,127</u>	<u>36,823</u>
Changes in:			
Decrease (increase) in accounts receivable	(11,327)	(9,872)	(1,665)
Decrease (increase) in inventories	(8,935)	2,318	2,250
Increase (decrease) in accounts payable	12,691	(6,108)	(2,336)
Others	(1,283)	2,929	7,404
<b>Cash generated from operating activities</b>	<b>2,412</b>	<b>(606)</b>	<b>42,476</b>
Interest received	265	1,014	2,165
Interest paid	(309)	(182)	(565)
Income tax paid	(165)	(3,032)	(14,683)
<b>Net cash provided by (used in) operating activities</b>	<b><u>\$2,203</u></b>	<b><u>(\$2,806)</u></b>	<b><u>\$29,393</u></b>
Purchases of property, plant and equipment	(8,159)	(17,745)	(39,292)
Acquisitions of financial assets at amortized cost	(997)	(1,135)	(5,572)
Proceeds from disposal of financial assets at amortized cost	901	303	744
Acquisitions of financial assets at fair value through profit or loss	(6,858)	(7,445)	(41,523)
Proceeds from disposals of financial assets at fair value through profit or loss	6,939	7,693	56,375
Others	(134)	(3,913)	(5,820)
<b>Net cash used in investing activities</b>	<b><u>(\$8,308)</u></b>	<b><u>(\$22,242)</u></b>	<b><u>(\$35,088)</u></b>
Payments of cash dividends	(17,210)	0	(41,281)
Pledge of restricted deposit	(17,000)	0	(9,000)
Proceeds from short-term borrowings	57,000	27,000	151,161
Repayments of short-term borrowings	(40,000)	(27,000)	(142,161)
Others	0	0	67
<b>Net cash used in financing activities</b>	<b><u>(\$17,210)</u></b>	<b><u>\$0</u></b>	<b><u>(\$41,214)</u></b>
Effect of foreign currency exchange rate changes	(219)	(278)	480
<b>Net decrease in cash and cash equivalents</b>	<b><u>(\$23,534)</u></b>	<b><u>(\$25,326)</u></b>	<b><u>(\$46,429)</u></b>
<b>Cash and cash equivalents at beginning of period</b>	<b><u>\$114,480</u></b>	<b><u>\$139,806</u></b>	<b><u>\$184,452</u></b>
<b>Cash and cash equivalents at end of period</b>	<b><u>\$90,946</u></b>	<b><u>\$114,480</u></b>	<b><u>\$138,023</u></b>





**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 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, 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](mailto:jackie_chang@himax.com.tw)

### Ophelia Lin, IR Project Deputy Director

Main: +886-2-2370-3999 #22202  
[Ophelia\\_lin@himax.com.tw](mailto:Ophelia_lin@himax.com.tw)

### Sky Wang, IR Project Manager

Main: +1-630-362-9753  
[sky\\_wang@himax.com.tw](mailto:sky_wang@himax.com.tw)

## Auditor



## US Investor Relations



### John Mattio

Main: +1 (203) 885-1058  
[jmattio@lamnaintl.com](mailto:jmattio@lamnaintl.com)  
[www.lamnaintl.com](http://www.lamnaintl.com)

## Corporate Counsel



## SEC Legal Counsel

