



# Himax

*Human Interface and Display Technologies*

Nasdaq : HIMX

**August 2019** 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, 2018 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

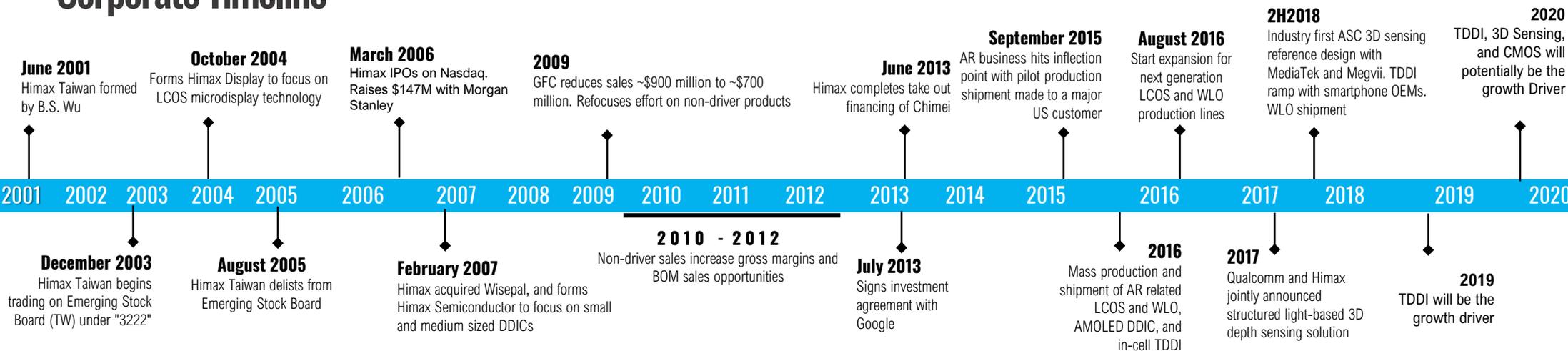


## 2018 and Beyond

Himax leads WLO shipment and development with North American OEM customer, 3D sensing for Android. LCOS advancements for AR & HUD, CMOS for Notebook, 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

Fiscal Year

December 31

Last-Traded Price (08/07/19)

\$2.98

Basic and Diluted Weighted Ave. Out. ADS

172.6M

Equivalent ADS Out

172.1M

Market Capitalization (08/07/19)

\$513.0M

50-Day Avg. Daily Volume (08/07/19)

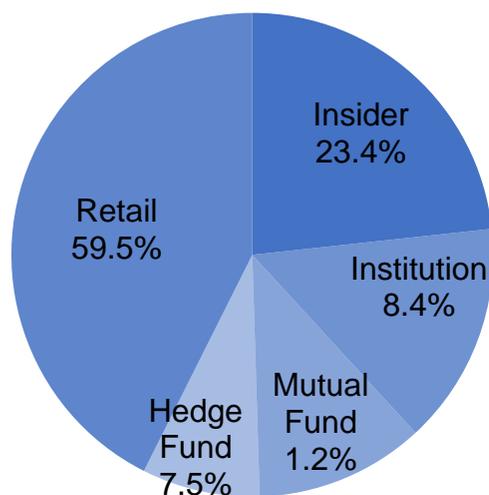
1.1M

Insider Ownership\*

23.4%

\* Insider ownership includes executives and board members

## Shareholder Type



Date: As of June, 30, 2019

## 12 Month Trading Chart



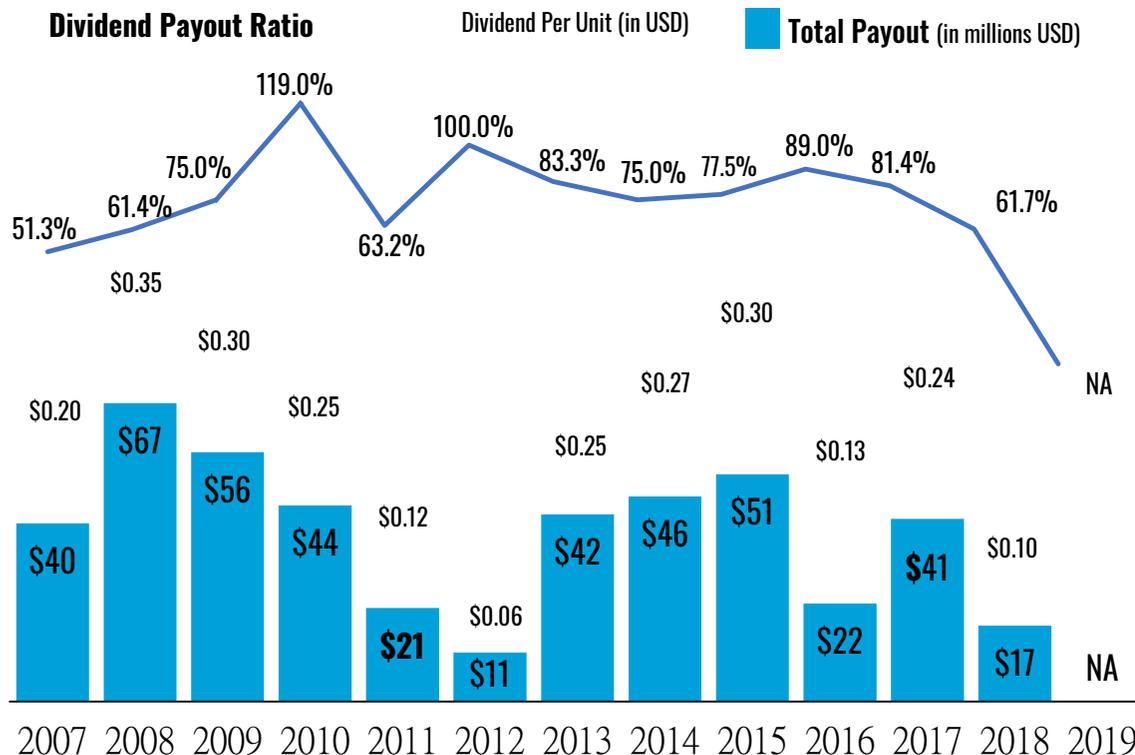
## Analysts

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

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

## Himax Dividend and Policy

- Distributed a total of **\$458** million of cash dividend since IPO
- Typically pays out annual cash dividend at approximately the middle of the current calendar year based on prior year's profitability, e.g., 2018 dividend payouts in July is for fiscal year 2017.
- In 2019, Himax will not pay an annual cash dividend for fiscal year 2018. The decision was made with full consideration of Himax's 2019 operations and capital requirement to support its future growth and to drive gains in market share.

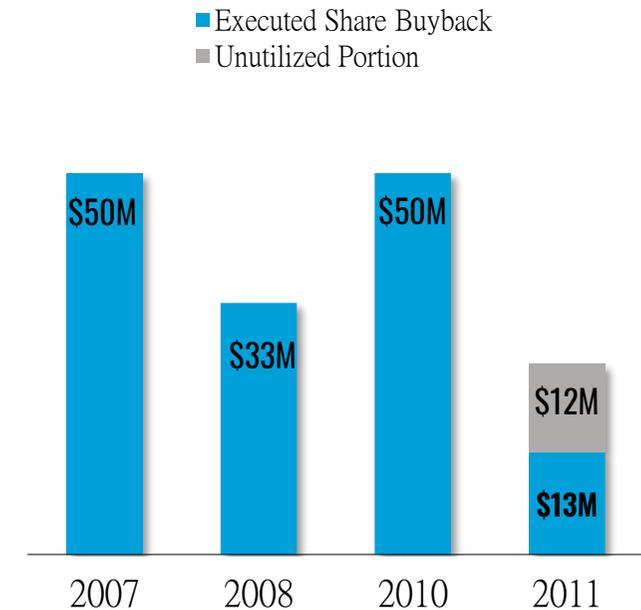


Yield	4.0%	7.0%	10.4%	9.1%	5.9%	3.4%	4.4%	4.1%	4.8%	1.4%	2.9%	1.3%
EPS	0.57	0.40	0.21	0.19	0.06	0.30	0.36	0.39	0.15	0.30	0.16	0.05

## Himax Share Buyback

- Initiated four share buyback programs totaling \$158 million since 2007
- Repurchased a total of 46.5 million ADSs through June 30, 2019 at average purchase price per ADS: \$3.15

### Executed Share Buybacks from 2007-2019 (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



	2Q2019**	1Q2019**	2Q2018**	YoY	QoQ
Revenues	\$169.3M	\$163.3M	\$181.4M	-6.6%	+3.7%
Gross Margin (%)	19.5%	22.6%	23.0%	-3.5%	-3.1%
IFRS Profit (Loss)	(\$5.2M)	(\$2.3M)	\$2.0M	-351.8%	-122.1%
IFRS Profit (Loss) per ADS	(\$0.030)	(\$0.013)	\$0.012	-351.7%	-122.1%
Non-IFRS Profit (Loss)	(\$4.8M)	(\$2.0M)	\$2.3M	-308.1%	-144.8%
Non-IFRS Profit (Loss) per ADS	(\$0.028)	(\$0.011)	\$0.013	-308.1%	-144.8%

## FOR THE FULL YEAR 2018\*\*

Revenues	\$723.6M
Gross Margin (%)	23.3%
IFRS Profit	\$8.6M
IFRS Profits per ADS	\$0.05
Non-IFRS Profit	\$12.9M
Non-IFRS Profit per ADS	\$0.075

## 3Q2019 Guidance\*\*

Revenues	To be down 2% to 7% sequentially
Gross Margin (%)	To be around flat sequentially, depending on final product mix
IFRS Loss	To be around 3.5 to 5.5 cents per diluted ADS
Non-IFRS Loss	To be around 3.3 to 5.3 cents 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

- 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
- 2,931 patents granted and 561 patents pending approval worldwide as of June 30, 2019
- NASDAQ-listed since March 2006 (HIMX)
- Around 2,100 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.**



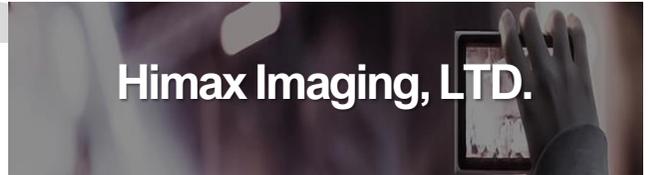
## Himax Technologies, LTD.

- TFT-LCD Driver, EPD Driver, Micro LED Driver and AMOLED Driver
- TCON and Bridge IC
- Touch Controllers
- Pure in-cell Touch (TDDI)
- ASIC Service and IP Licensing
- Power Management ICs, P-Gamma OP, Level Shifter and LED Driver
- 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**

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





We are a leader in display driver ICs used to enable flat panel display in TFT and Touch 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

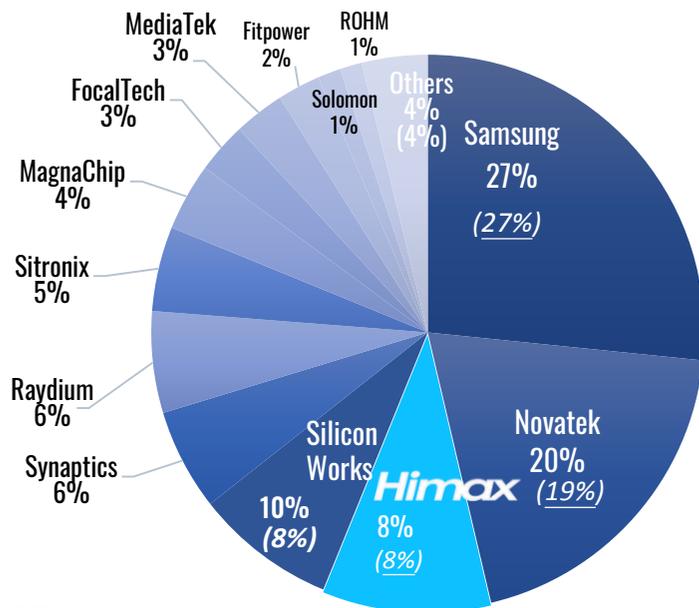


## Who uses Himax DDICs



## 2019 Q1 Driver Market Share

(4Q18 Market Share %, Revenue)



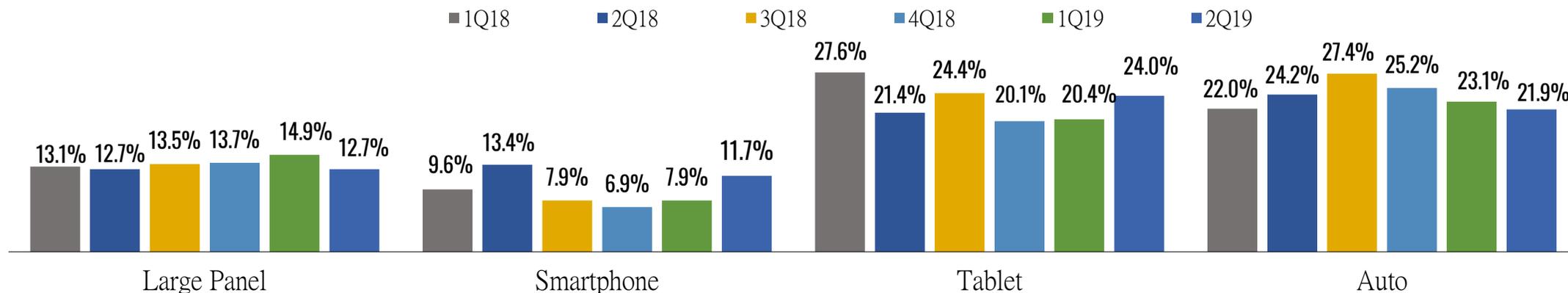
Source: IHS (Supply and company estimates  
(This covers TFT-LCD and OLED DDICs))

**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
- Strong market share in fastest-moving consumer devices
- Leading market share in auto applications
- AMOLED is a long-term growth driver beyond 2020
- Major design-win into Auto OLED DDIC in 2019

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

(Shipment)



Source: IHS (Supply 2018 Q3 data, 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, automotive, and many other consumer electronic devices going forward

- Expect smartphone business growth in 2019 and beyond due to major addition of TDDI capacity and shipment to new customers
- New penetration of TDDI is refreshing smartphone life cycle starting end of 2016, major growth driver for 2019 and beyond
- Higher ASP & higher margin versus traditional discrete driver ICs

## In what devices can you find Himax TDDI technologies



A-Si HD+ Smartphone



LTPS FHD+ and HD+ Smartphone



8" Tablet PC, In-cell TDDI



Tablet PC & Smart Speaker

## 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, Tier-1 OEM's market leading AR Glasses



## **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

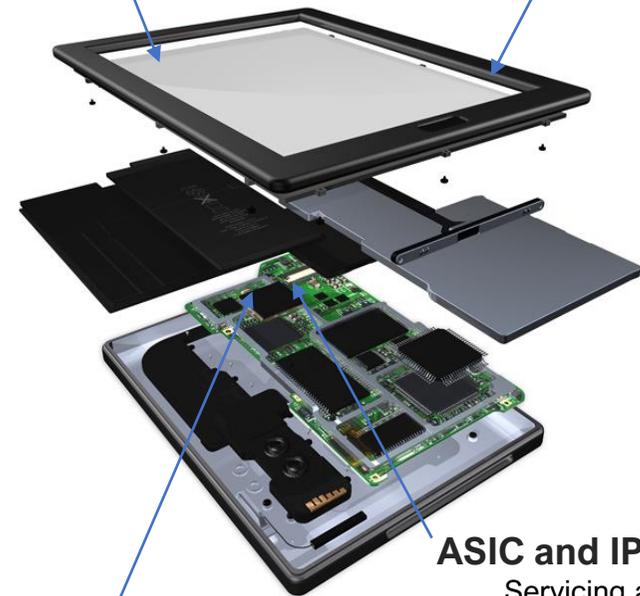


## We are In Displays

- Display Driver
- TCO
- 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

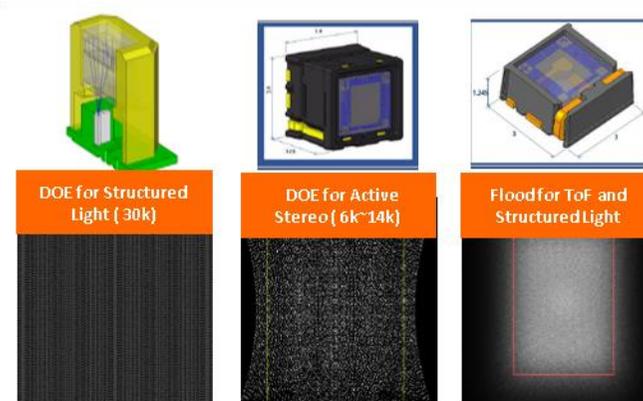
## Market Trends

- 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.
- Ultra low power Always-On Sensor (AoS) for IoT, smart home, smart building, surveillance, and AR/VR

## 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; Progress of the ongoing R&D projects with the anchor customer for their next generation products has been encouraging
- 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
- We continue to participate in most ongoing 3D sensing projects covering structured light for non-smartphone application and time-of-flight (ToF) for smartphone 3D, focusing on transmitter module by leveraging our WLO related expertise
- 3D sensing will be the largest growth opportunity for Himax in the long term
- Our WiseEye solution contains Himax's industry leading CMOS image sensor and ASIC designs with Emza's AI-based algorithm. All with low power features. WiseEye will enable next generation AI-based computer vision technology with ultra-low power for notebook and may other markets
- 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, next generation notebook

## Himax WLO for 3D Sensing



### Wafer Level Process

Integrated Optics  
High Accuracy  
Scalability In Production



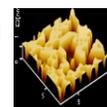
### Mini Package

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

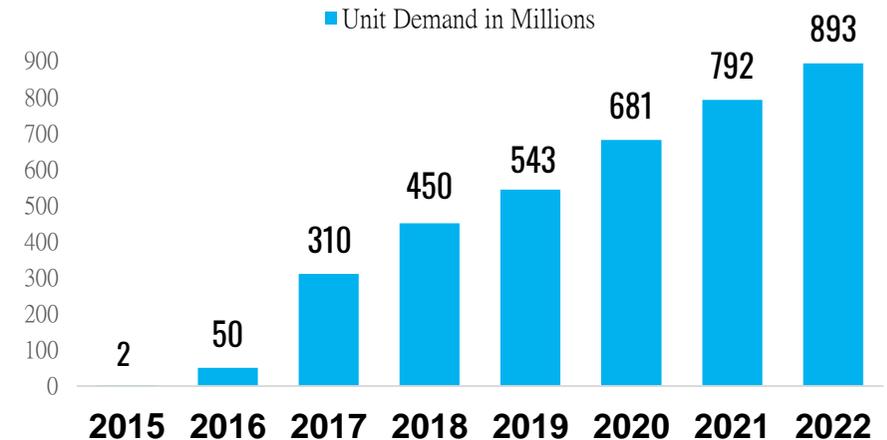
- Expect higher TDDI penetration in smartphones going forward and continued growth
- Full screen 18:9 aspect ratio displays becoming the trend
- OEMs are meeting consumer demand for slimmer phones
- New penetration of TDDI is refreshing smartphone life cycle, creating higher dollar content and margin opportunities
- Higher penetration in 2019, new designs
- More competition starting 2019, pricing pressure

## Himax Strategies and Market Position

### TDDI pure in-cell solution

- 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
- New FHD+ COG TDDI solution enabling narrow bezel panel design without the usage of COF is cost efficient and avoiding supply constraint
- 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
- TDDI will be the biggest growth driver for Himax in 2019

### TDDI Demand Forecast 2015-2022 In Millions of Units (IHS Market, 2019)



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



# Display Driver IC (DDIC)

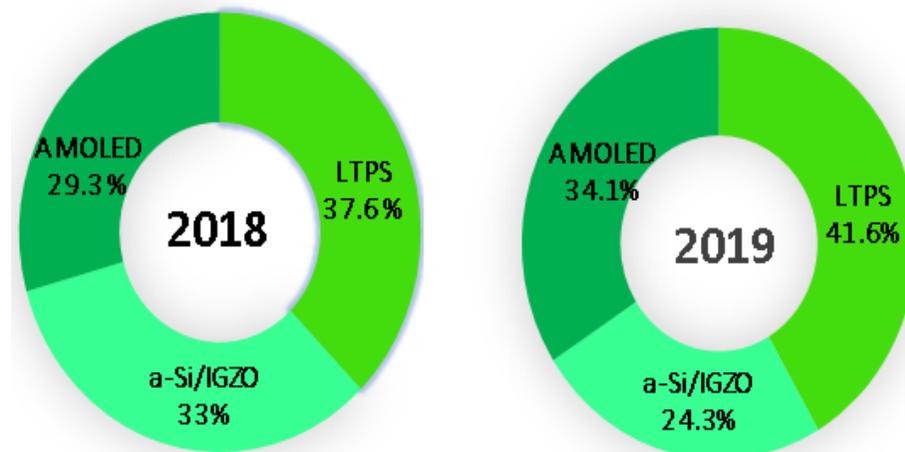
## Market Trends

- 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 started to emerge
- Industry-wide foundry capacity contains 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

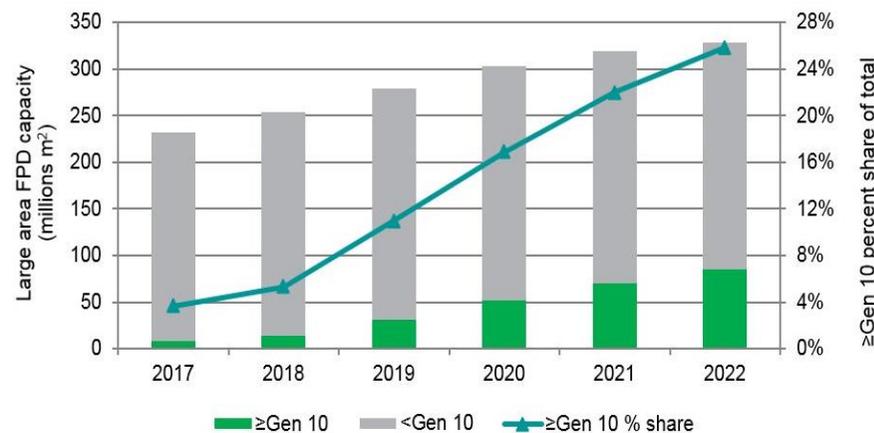
- Leading market share in China
- Increased shipments of 4K solutions and collaboration with major panel makers on the development of next generation 8K TVs
- Seeing continued strength in customer demand, ramping of new foundry
- Next generation display for automotive: Himax is the leader in key technologies such as TDDI, AMOLED and local dimming timing controller
- 8K TV is a strategic area for Himax due to its higher display driver and Tcon content and high technical barrier of entry
- Overall market demand slowdown short term

## Continual Progression to Higher Resolution Displays and AMOLED in Smartphones



Wits View 02/2019

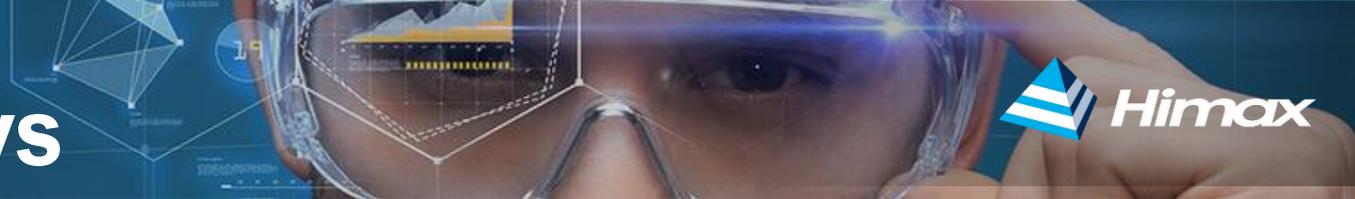
## China Takes a Leading Role in Display Panel Manufacturing and DDIC Demand



Source: THE MARKET

© 2017 THE MARKET

# LCoS Microdisplays

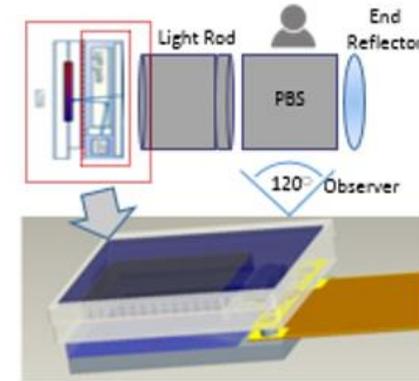


## Market Trends

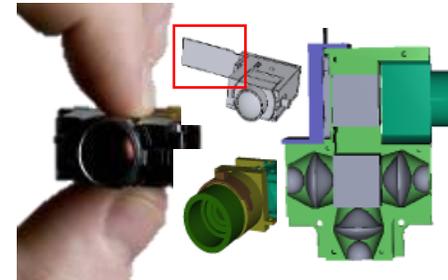
- Many top name multinationals or start-ups are investing heavily to develop the AR ecosystem; applications, software, operating systems, system electronics, and optics
- Limited companies provide the combination of R&D, joint development and manufacturing expertise
- Significant barrier of entry to 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
- Design-wins of high-end HUD for the automotive sector, target MP 2022
- LCoS is one of the mainstream technology for AR goggle devices
- LCoS represents a long-term growth opportunity for Himax



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



**Optical Engine with LCoS Module**



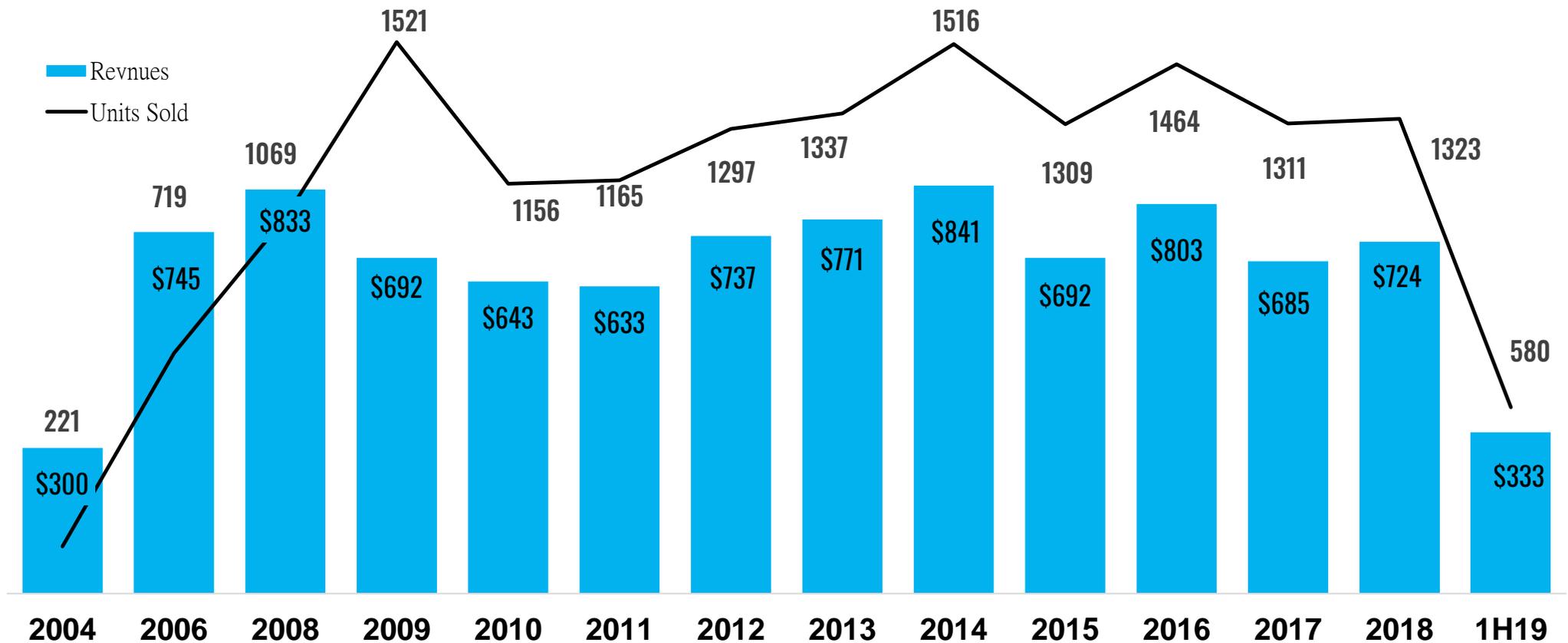


# 2019 YTD Financial Review



We are One of the Leading Semiconductor Companies in the World

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



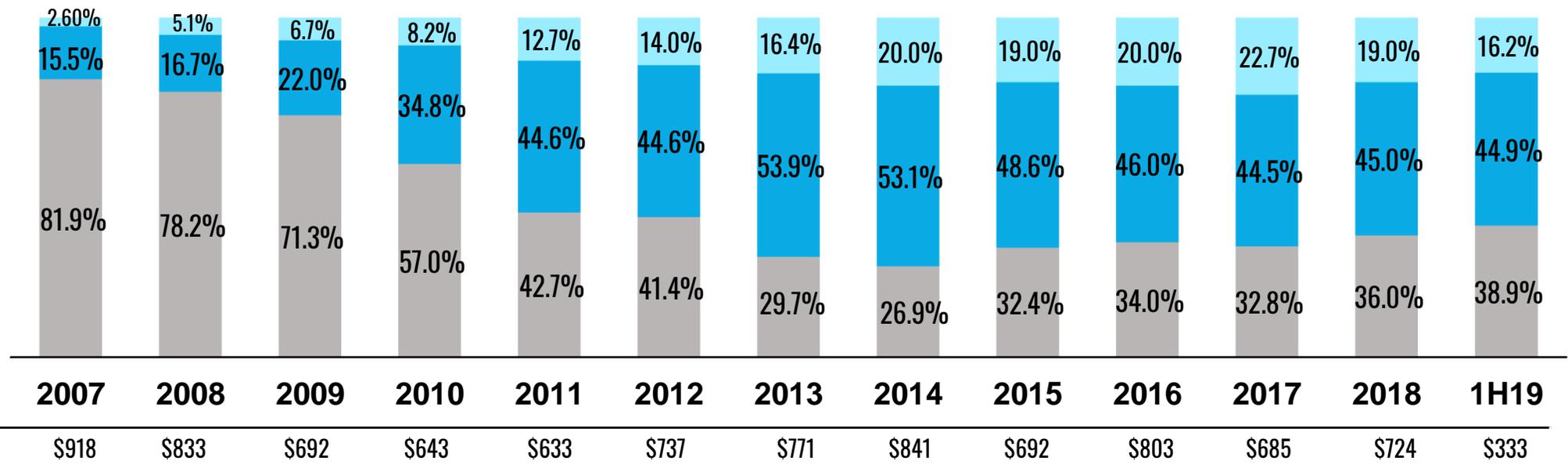
# A Balanced Product Mix...



- Global market share leader in large, small and medium-sized panel driver ICs
- Market leader in 3D sensing – Structured light, active stereoscopic and ToF
- 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



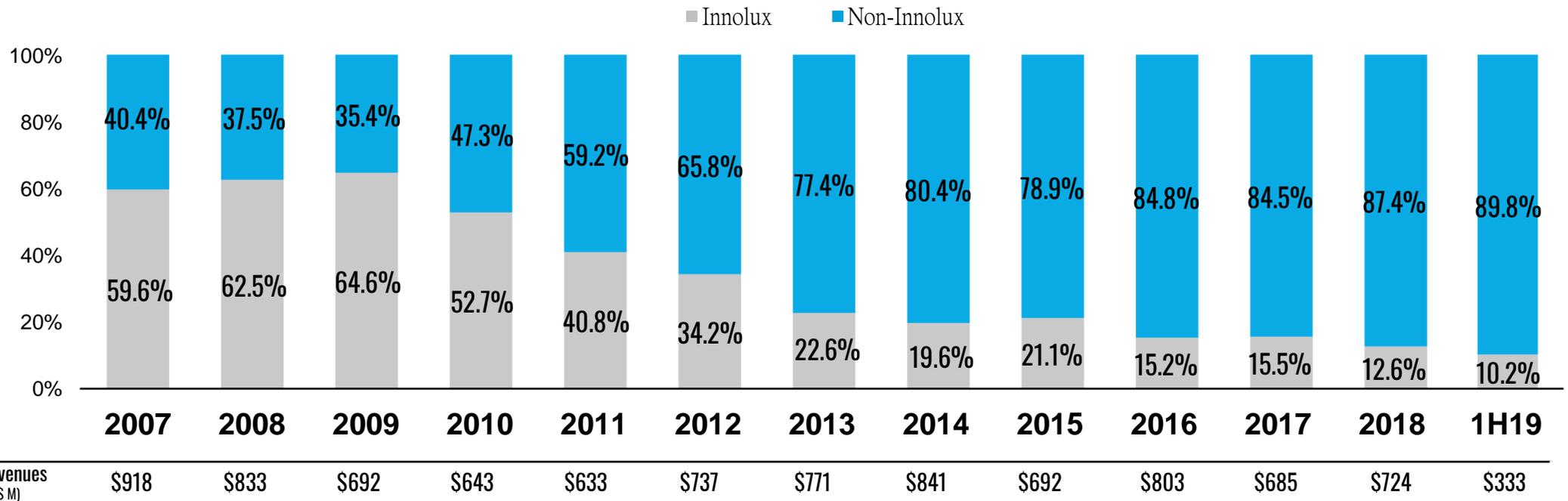
# ...and a Diversified Customer Base



## 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 new TDDI, OLED technology, LCOS microdisplay, Wafer Level Optics, 3D sensing and CMOS image sensors

### Customer Diversification

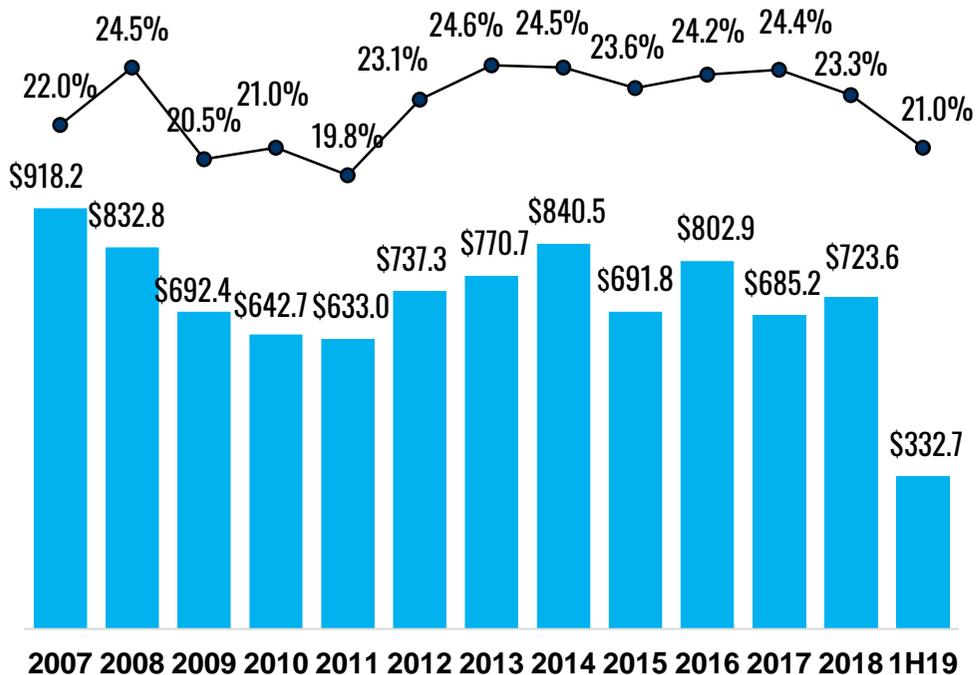


# Gross Margin is a Key Business Focus



## Revenues & Gross Margin %

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

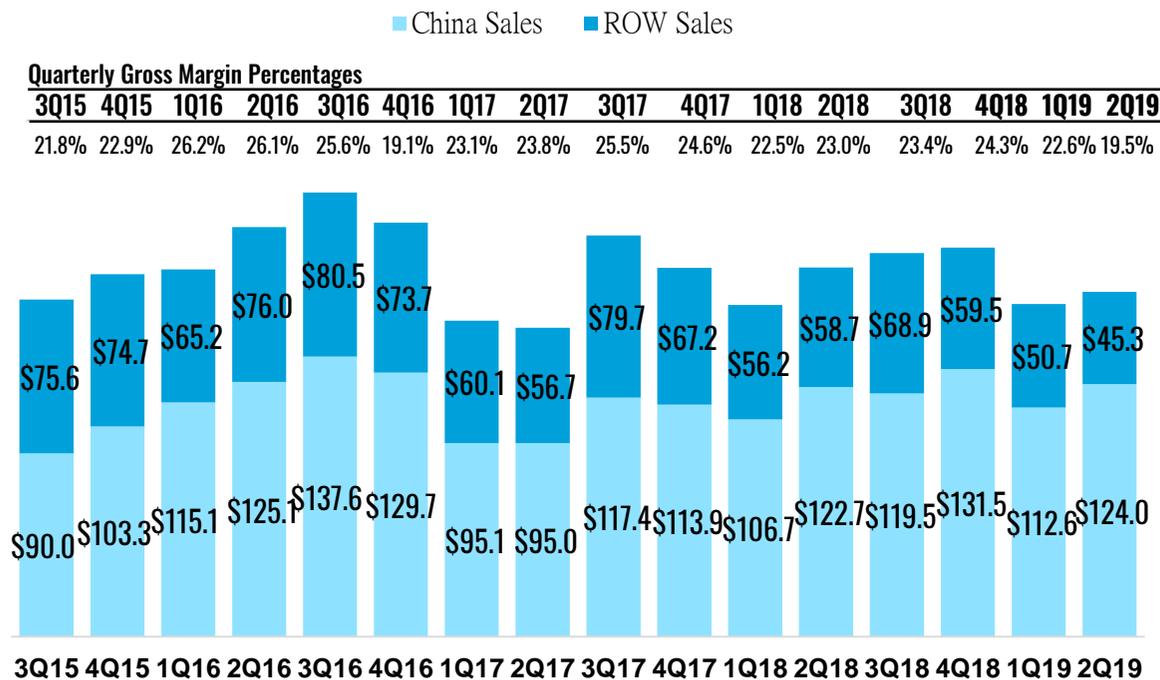


### Better product mix lifts blended margin

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

## Geographical Revenue Mix & Quarterly GM

US\$M in Revenues and Quarterly Gross Margins



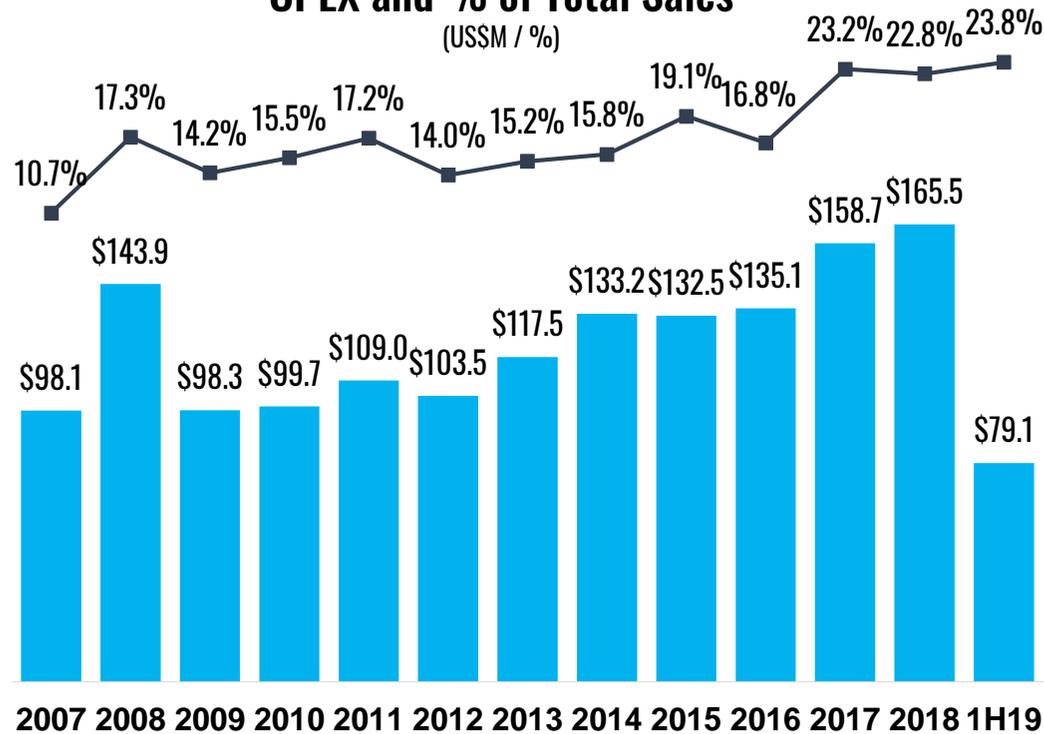
- GM retraction in 2015: higher mix of China sales and competitive pricing in the LDDIC market
- GM improvement in 2016
  - Resolution migration improved GM of SMDDIC
  - Favorable product mix with higher non-driver sales %: LCOS and WLO sales growth
  - Lower GM in 4Q16 due to an additional inventory 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
- 1H19 GM declined due to product mix change
- GM pressure in the foreseeable future

# OPEX and the Bottom Line



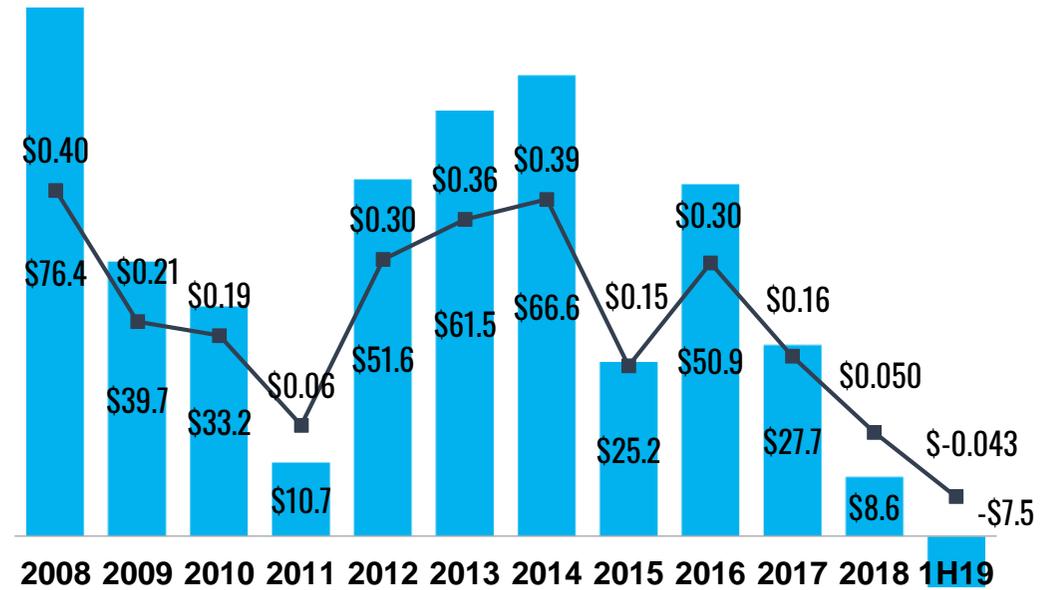
## OPEX and % of Total Sales

(US\$M / %)



## Profit and EPS

(US\$M / US\$)



Revenues \$918 \$833 \$692 \$643 \$633 \$737 \$771 \$841 \$692 \$803 \$685 \$724 \$333

- Completion of the new building in 2018: house additional WLO capacity, the new active alignment equipment, and extra office spaces
- Higher 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
- Profitability decline in 2019 due to product mix change, weaker market demand, competition, lower ASP and higher costs

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

■ R&D Expense ■ Operating Expense ex. RD

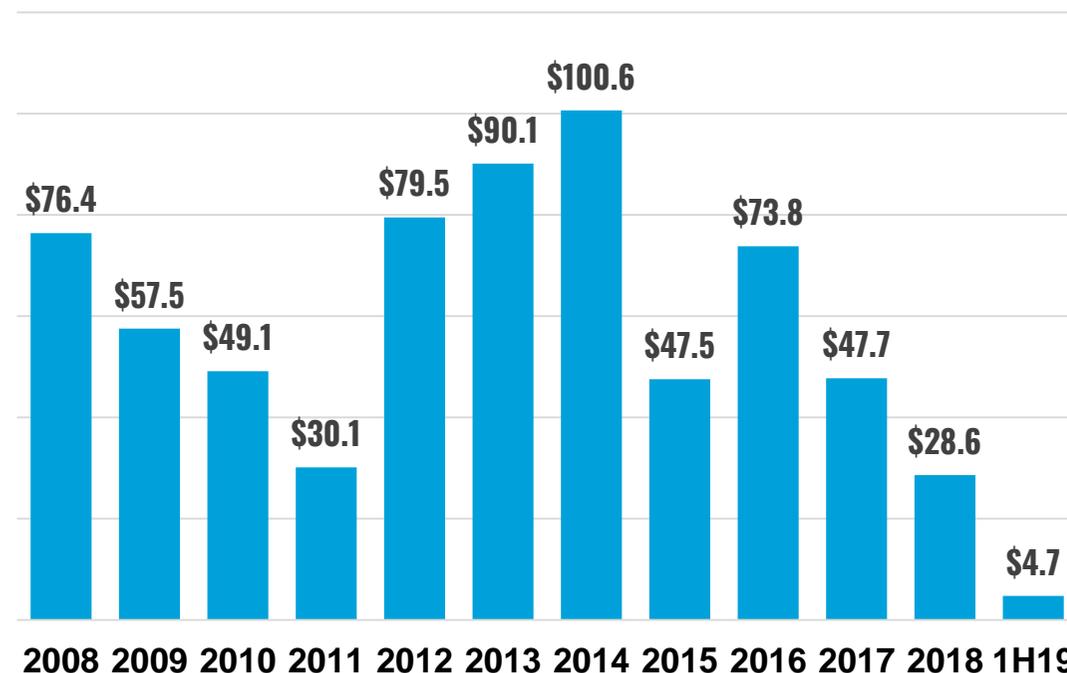


Total Operating and R&D Expense

\$143.9 \$98.3 \$99.7 \$108.9 \$103.5 \$117.5 \$133.2 \$132.5 \$135.1 \$158.7 \$165.5 \$79.1

- Continue investing heavily on R&D and customer engineering on our strategic growth areas including WLO, CIS, TDDI and AMOLED; OPEX in 2018 vs. 2017 up 4.3%
- 2014, 2015, 2016, 2017 and 2018 OPEX include share-based compensation \$11.1mn, \$6.2mn, \$10.2mn, \$6.9mn and \$4.1mn

## 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 continue into 2019 caused by lower gross margin due to product mix change
- Positive profitability outlook in the long term

# Income Statement



**Himax Technologies, Inc.**  
**Consolidated Statements of Profit or Loss (Unaudited)**

For the Fiscal Period Ended	<u>2Q-2019</u> (Unaudited)	<u>2Q-2018</u> (Unaudited)	<u>1Q-2019</u> (Unaudited)	<u>Y2018</u> (Audited)	<u>Y2017</u> (Audited)
<b>Revenues</b>	\$169,318	\$181,365	\$163,334	\$723,605	\$685,167
<b>Cost of revenues</b>	136,370	139,571	126,469	554,690	518,142
<b>Gross profit</b>	32,948	41,794	36,865	168,915	167,025
<i>Gross margin</i>	19.5%	23.0%	22.6%	23.3%	24.4%
<b>Operating expenses</b>					
Research and development	28,302	30,444	30,357	123,037	117,662
General and administrative	6,155	5,632	5,522	21,823	20,461
Sales and marketing	4,436	5,218	4,363	20,670	20,543
<b>Total operating expenses</b>	38,893	41,294	40,242	165,530	158,666
<b>Operating income (loss)</b>	(5,945)	500	(3,377)	3,385	8,359
Non-operating income	48	1,202	410	3,635	21,733
<b>Profit (loss) before income taxes</b>	(5,897)	1,702	(2,967)	7,020	30,092
Income tax expense	0	306	0	994	4,554
<b>Profit (loss) for the period</b>	(5,897)	1,396	(2,967)	6,026	25,538
Add: Loss attributable to noncontrolling interests	746	650	648	2,543	2,142
<b>Profit (loss) attributable to Himax stockholders</b>	(\$5,151)	\$2,046	(\$2,319)	\$8,569	\$27,680
<b>Non-IFRS Profit (loss) attributable to Himax stockholders</b>	(\$4,788)	\$2,301	(\$1,956)	\$12,907	\$33,889
<b>IFRS earnings (loss) per ADS attributable to Himax stockholders (in cents)</b>					
Basic	(3.0)	1.2	(1.3)	5.0	16.1
Diluted	(3.0)	1.2	(1.3)	5.0	16.1
<b>Non-IFRS earnings (loss) per ADS attributable to Himax stockholders (in cents)</b>					
Basic	(2.8)	1.3	(1.1)	7.5	19.7
Diluted	(2.8)	1.3	(1.1)	7.5	19.7

Himax Technologies, Inc.  
Consolidated Statements of Financial Position (Unaudited)

	<u>June 30, 2019</u> (Unaudited)	<u>March 31, 2019</u> (Unaudited)	<u>June 30, 2018</u> (Unaudited)
<b>Assets</b>			
<b>Current Assets:</b>			
Cash and cash equivalents	\$92,857	\$96,753	\$114,480
Financial assets at amortized cost	12,463	11,476	12,154
Financial assets at fair value through profit or loss	17,034	0	66
Accounts receivable, net	176,224	176,152	176,286
Inventories	188,535	189,317	142,077
Restricted deposit	164,322	164,324	147,000
Other current assets	23,373	26,899	21,591
<b>Total current assets</b>	<b>674,808</b>	<b>664,921</b>	<b>613,654</b>
Financial assets at fair value through profit or loss	9,768	9,750	1,574
Financial assets at fair value through other comprehensive income	710	776	802
Equity method investment	4,102	4,130	9,964
Property, plant and equipment, net	117,544	118,759	106,041
Goodwill	28,138	28,138	28,138
Other Assets	26,470	27,679	25,479
<b>Total Assets</b>	<b>\$861,540</b>	<b>\$854,153</b>	<b>\$785,652</b>
<b>Liabilities and Equity</b>			
<b>Current liabilities:</b>			
Unsecured borrowings	\$77,025	\$40,000	\$0
Secured borrowings*	164,000	164,000	147,000
Accounts payable	134,224	147,281	128,862
Other current liabilities	42,147	56,414	67,188
<b>Total current liabilities</b>	<b>417,396</b>	<b>407,695</b>	<b>343,050</b>
Other liabilities	5,934	7,108	6,808
Himax stockholders' equity	438,797	444,260	438,689
Noncontrolling interest	(587)	(4,910)	(2,895)
<b>Total Liabilities and Equity</b>	<b>\$861,540</b>	<b>\$854,153</b>	<b>\$785,652</b>

\* Short-term borrowings is guaranteed by restricted deposit

# Cash Flow Statement



	<u>2Q-2019</u> <b>(Unaudited)</b>	<u>1Q-2019</u> <b>(Unaudited)</b>	<u>2018FY</u> <b>(Audited)</b>	<u>2017FY</u> <b>(Audited)</b>
<b>Profit (loss) for the period</b>	<b>(\$5,897)</b>	<b>(\$2,967)</b>	<b>\$6,026</b>	<b>\$25,538</b>
Depreciation and amortization	6,209	6,320	20,327	16,680
Expected credit loss recognized on accounts receivable	0	0	290	155
Share-based compensation expenses	20	19	408	997
Gain on disposals of property, plant and equipment	0	(6)	0	(26)
Gain on re-measurement of the pre-existing relationships in a business combination	0	0	(1,662)	0
Changes in fair value of financial assets at fair value through profit or loss	(24)	17	(2,036)	(23,226)
Interest income	(514)	(562)	(2,429)	(2,225)
Finance costs	545	476	1,232	878
Income tax expense	0	0	994	4,554
Share of losses (profits) of associates	2	(41)	1,095	1,200
Inventories write downs	5,008	4,750	17,724	12,298
Foreign currency exchange losses (gains) of financial assets	(23)	(91)	294	0
	<u>5,326</u>	<u>7,915</u>	<u>42,263</u>	<u>36,823</u>
Changes in:				
Decrease (increase) in accounts receivable	(71)	12,862	(794)	(1,665)
Decrease (increase) in inventories	(4,226)	(31,506)	(45,085)	2,250
Increase (decrease) in accounts payable	(13,057)	(3,219)	10,567	(2,336)
Others	(1,731)	(7,858)	253	7,404
<b>Cash generated from operating activities</b>	<b>(13,759)</b>	<b>(21,806)</b>	<b>7,204</b>	<b>42,476</b>
Interest received	845	257	2,361	2,165
Interest paid	(574)	(462)	(877)	(565)
Income tax paid	(4,229)	(41)	(4,679)	(14,683)
<b>Net cash provided by (used in) operating activities</b>	<b>(\$17,717)</b>	<b>(\$22,052)</b>	<b>\$4,009</b>	<b>\$29,393</b>
Acquisitions of property, plant and equipment	(5,711)	(6,260)	(49,672)	(39,292)
Acquisitions of financial assets at amortized cost	(1,446)	(881)	(4,766)	(5,572)
Proceeds from disposal of financial assets at amortized cost	335	803	3,514	744
Acquisitions of financial assets at fair value through profit or loss	(34,537)	(8,095)	(26,277)	(41,523)
Proceeds from disposals of financial assets at fair value through profit or loss	17,634	8,086	48,764	56,375
Others	1,211	(711)	(9,829)	(5,820)
<b>Net cash used in investing activities</b>	<b>(\$22,514)</b>	<b>(\$7,058)</b>	<b>(\$38,266)</b>	<b>(\$35,088)</b>
Payments of cash dividends	0	0	(17,210)	(41,281)
Pledge of restricted deposit	0	0	(17,000)	(9,000)
Proceeds from unsecured borrowings	77,006	40,000	40,000	0
Repayments of unsecured borrowings	(40,000)	(20,000)	(20,000)	0
Proceeds from secured borrowings	27,000	37,000	91,000	151,161
Repayments of secured borrowings	(27,000)	(37,000)	(74,000)	(142,161)
Others	(460)	(504)	11	67
<b>Net cash provided by (used in) financing activities</b>	<b>\$36,546</b>	<b>\$19,496</b>	<b>\$2,801</b>	<b>(\$41,214)</b>
Effect of foreign currency exchange rate changes	(211)	(70)	(130)	480
<b>Net decrease in cash and cash equivalents</b>	<b>(\$3,896)</b>	<b>(\$9,684)</b>	<b>(\$31,586)</b>	<b>(\$46,429)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>\$96,753</b>	<b>\$106,437</b>	<b>\$138,023</b>	<b>\$184,452</b>
<b>Cash and cash equivalents at end of period</b>	<b>\$92,857</b>	<b>\$96,753</b>	<b>\$106,437</b>	<b>\$138,023</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.



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## SEC Legal Counsel

