



Himax

Human Interface and Display Technologies

Nasdaq : HIMX

February 2021 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, 2019 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 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

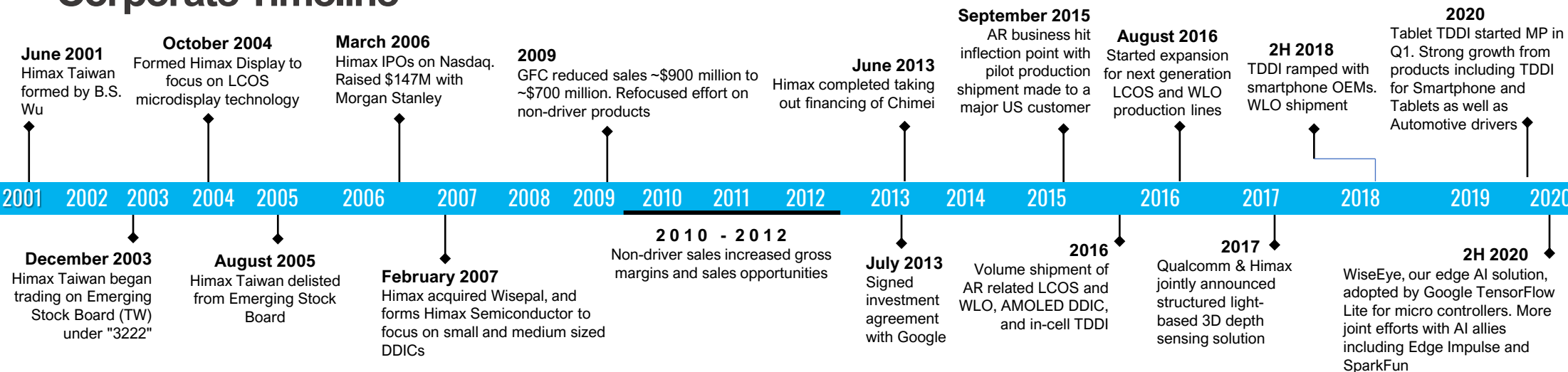


2018 and Beyond

Himax leads WLO shipment and development with North American OEM customer, 3D sensing for Android. LCOS advancements for AR & HUD, CMOS for Notebook and Webcam, and WLO integration keep Himax at the forefront of AR/VR product design and pending product releases. Smart Sensing for Edge AI



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
- Diversified revenues from traditional large and small/medium DDICs to TDDI, WLO, CIS, Timing controller 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
- Focus on delivering P&L improvement by executing on the technologies Himax already developed for both driver IC and non-driver IC areas
- 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, 3D sensing, AoS CMOS, ultralow power smart sensing, LCOS microdisplay's leading specs and continued design wins position us at the forefront of new Structured Light & ToF, AR/VR, Medical Devices, Robotics, AIoT, Edge AI, Smart Home, Automotive LiDAR, HUD development and future product releases

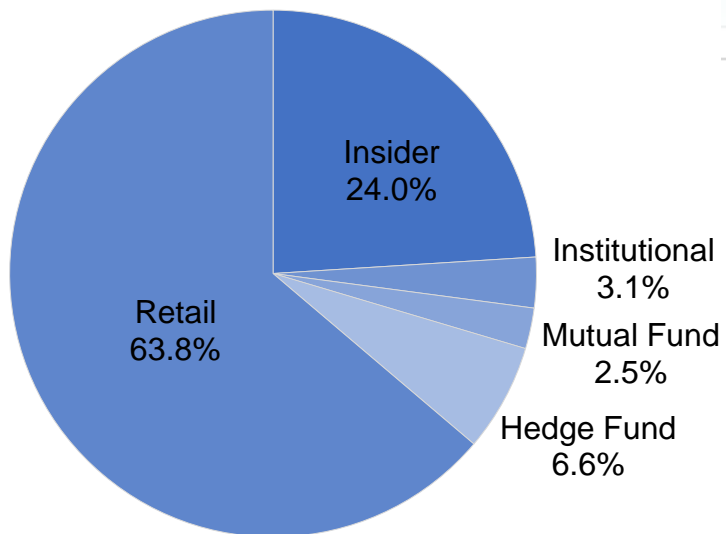
Visionary Management Team

HIMX Nasdaq Listed

Fiscal Year	December 31
Last-Traded Price (2/3/21)	\$11.18
Diluted Weighted Ave. Out. ADS	173.4M
Equivalent ADS Out	173.8M
Market Capitalization (2/3/21)	\$1,925M
Daily Volume (2/3/21)	2.76M
Insider Ownership*	24.0%

* Insider ownership includes executives and board members

Shareholder Type



Date: As of Dec 31, 2020

12 Month Trading Chart



Analysts

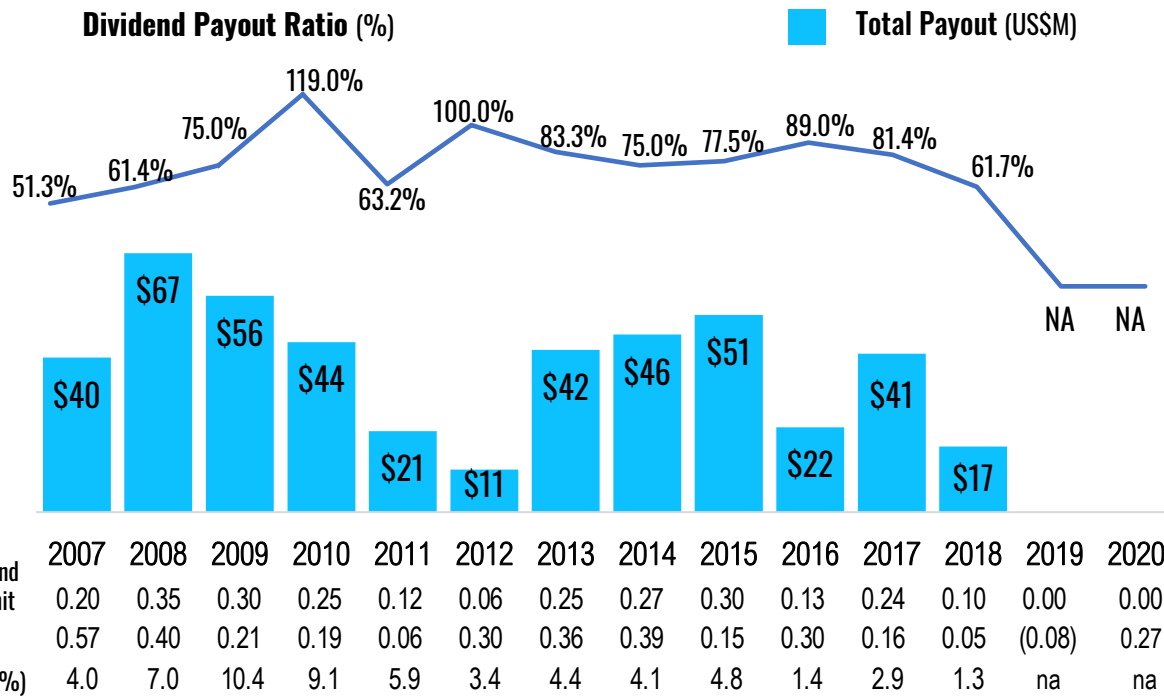
Credit Suisse
Mizuho Securities Asia Ltd.
Nomura Securities
Northland Securities, Inc.
Baird Equity Research

Jerry Su
 Kevin Wang
 Donnie Teng
 Tim Savageaux
 Tristan Gerra

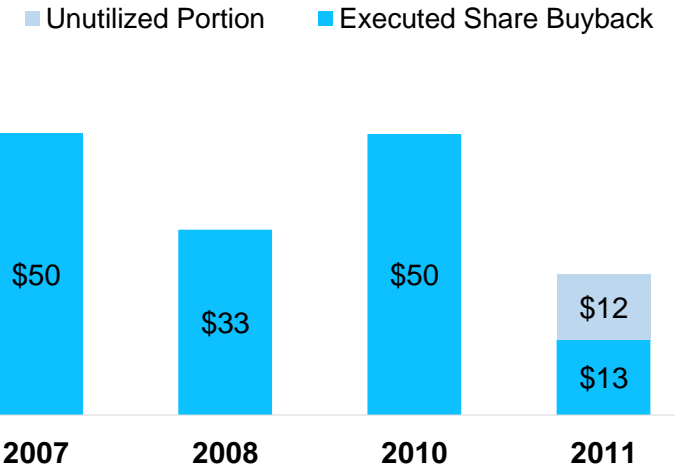
History of Dividend and Share Buyback



\$604 MILLION HAS BEEN RETURNED TO SHAREHOLDERS INCLUDING DIVIDENDS AND SHARE BUYBACKS SINCE IPO



Executed Share Buybacks from 2007-2020 (US\$M)



Himax Dividend and Policy

- Company is committed to pay annual cash dividend
- Distributed a total of \$458 million of cash dividend since IPO
- Dividends referenced primarily on prior year's profitability and cash demand for future growth
- Typically pays out annual cash dividend at approximately the middle of the current calendar year, e.g., 2018 dividend payouts in July was for fiscal year 2017
- In 2020, Himax did not pay an annual cash dividend for fiscal year 2019. The decision was made with full consideration of Himax's 2020 operations and capital requirement to support its future growth and to drive gains in market share

Himax Share Buyback

- Initiated four share buyback programs totaling \$158 million since 2007
- Repurchased a total of 46.5 million ADSs through Sep 30, 2020 at average purchase price per ADS: \$3.15
- Note: On 11/30/2018 Himax chairman announced share purchase plan. Chairman Dr. Biing-Seng Wu intended to use his personal funds to purchase up to approximately \$5 million of the Company's American Depositary Shares ("ADSs") in the open market, subject to market conditions and other factors*

Q4 Summary and Q1 Guidance



	4Q2020	3Q2020	4Q2019	YoY	QoQ
Revenues	\$275.8M	\$239.9M	\$174.9M	+57.6%	+14.9%
Gross Margin (%)	31.2%	22.3%	20.6%	+10.6%	+8.9%
IFRS Profit (Loss)	\$34.0M	\$8.5M	\$1.0M	+3,182.4%	+302.4%
IFRS Earnings (Loss) per ADS	\$0.195	\$0.049	\$0.006	+3,153.4%	+300.8%
Non-IFRS Profit (Loss)	\$34.2M	\$12.6M	\$1.5M	+2,161.6%	+171.7%
Non-IFRS Earnings (Loss) per ADS	\$0.197	\$0.073	\$0.009	+2,141.6%	+170.6%

	2020	2019	YoY
Revenues	\$887.3M	\$671.8M	+32.1%
Gross Margin (%)	24.9%	20.5%	+4.4%
IFRS Profit (Loss)	\$47.1M	(\$13.6M)	+446.2%
IFRS Earnings (Loss) per ADS	\$0.272	(\$0.079)	+444.6%
Non-IFRS Profit (Loss)	\$52.3M	(\$12.1M)	+531.5%
Non-IFRS Earnings (Loss) per ADS	\$0.302	(\$0.070)	+529.4%

1Q2021 Guidance

Revenues	Increase by 5% to 10% sequentially
Gross Margin (%)	37% to 38%, depending on our final product mix
IFRS Profit (Loss)	To be around 30.0 cents to 34.0 cents
Non-IFRS Profit (Loss)	To be around 30.1 cents to 34.1 cents

- 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
- 3,009 patents granted and 561 patents pending approval worldwide as of December 31, 2020
- NASDAQ-listed since March 2006 (HIMX)
- Around 2,000 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 Drivers, EPD Drivers, Micro LED Drivers and AMOLED Drivers
- TCON and Bridge IC
- Touch Controllers
- Pure in-cell Touch (TDDI)
- AIoT Edge AI Processors
- 3D Decoder Processors
- ASIC Service and IP Licensing
- Power Management ICs, P-Gamma OP, Level Shifter and LED Driver
- Wafer Level Optics and 3D Sensing Modules
- 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, Holographic Displays and AR-HUD
- Light Guide



Himax Imaging, LTD.

- CMOS Image Sensors
- Ultralow Power Always-on (AOS) CMOS Image Sensors



Himax

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





We are a leader in display driver ICs used to enable large, small and medium-sized flat panel displays in TFT and Touch

MARKETS WE SERVE

Smartphones, Tablets, Automotives, Monitors, Notebooks, TVs, Gaming, Education, Industrial, Healthcare plus 100's more applications for markets and businesses that use all types of flat panel displays

In what devices can you find Himax DDIC technologies

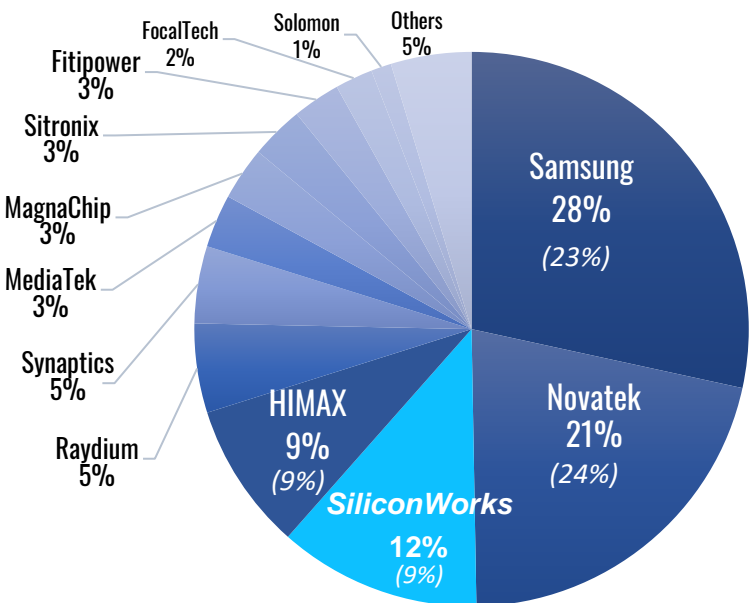


Who uses Himax DDICs



3Q20 Driver Market Share

(2Q20 Market Share %, Revenue)



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

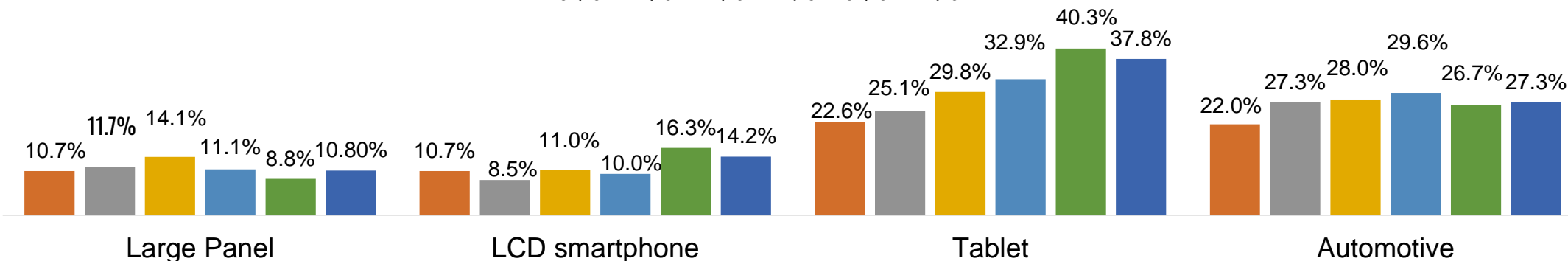
- Large display driver IC business continues to benefit from Chinese panel customers' capacity expansion as well as Korean fab restructuring
- Strong market share in fastest moving consumer devices including automotive application
- Major TDDI design-wins and shipments for smartphones, tablets and automotive well executed in 2020 and accelerating into 2021

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

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

(Quarterly Market Share %, Shipment)

3Q19 4Q19 1Q20 2Q20 3Q20 4Q20



Source: Omdia 2020 Q4 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, expanded to tablets, automotive, and many other consumer electronic devices

- Smartphone: Higher penetration of TDDI is refreshing smartphone life cycle starting end of 2016. Expect robust growth in 2020 and beyond due to major addition of TDDI capacity, new products and shipment to new customers
- Tablet: New in-cell TDDI refreshed tablet life cycle starting 2020 Q1. Himax, the primary source for Android tablet tier-1 customers, expects strong growth for 2020 and beyond
- Automotive: Himax's TDDI selected by many leading tier-1 and OEMs for their upcoming first launches of vehicles. Expect meaningful full production shipments in 2021
- 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" and Large-sized Tablets, In-cell TDDI



Tablet PC & Smart Speaker



Auto CID & Infotainment

Who uses Himax Touch and TDDI Technologies





We offer industry leading WLO design know-how and mass production expertise in structured light and ToF. Himax 3D sensing offers SLiM total solution with leading face recognition feature and key components, 3D decoder IC, to reach out diversified customer's end applications

MARKETS WE SERVE

Wafer Level Optics (WLO):

- DOE, diffuser, lens and other nanoimprinting diffraction optics for structured light, ToF and others. Accelerating new design activities of ToF projectors in world-facing ToF 3D sensing camera for smartphone
- Waveguide for AR, LCOS and sensor

3D Sensing:

- e-payment, smart door lock, access control, medical inspection, shoe cementing, and industrial robotics

In what applications can you find Himax WLO and 3D Sensing

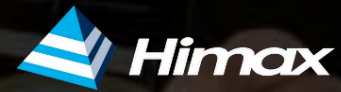


3D Ecosystem Partners



Others

CIS and Ultralow Power Smart Sensing



Himax CMOS image sensors include RGB sensors for NB/Web Camera, near infrared (NIR) sensors for 3D sensing and ultralow power Always-on Sensor (AoS). Our smart sensing total solution brings computer vision and voice command AI to edge devices with extremely low power consumption. Our key component, AI processor, participated tier-1 edge-to-cloud ecosystems for broad market access



Significant motion



Face detection



Head detection



Head motion box

AI Ecosystem Partners



MARKETS WE SERVE

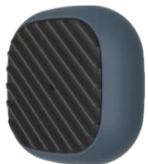
CIS:

- **Ultralow power AoS:** Best for IoT/smart sensing in human/occupancy detection, eye tracking & gesture control
- **CIS:** NB and Web cam

Smart Sensing:

- AIoT, notebook, doorbell, surveillance, TV, air conditioner, home appliances, and smart building

In what applications can you find Himax 3D/Smart Sensing 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

Front Lit LCS Technology Advantages

- Compact form factor, brightness, power efficiency,
- MP efficiency & Readiness
- Simplify light guide design and lower cost

MARKETS WE SERVE

LCoS and Front Lit LCoS

Industrial, consumer, shopping, search, gaming, sports, pico projector, AR/VR smart glasses, automotive head-up displays, tier-1 OEM's market leading AR glasses

Phase Modulation and Beam Steering

- Holographic display, AR-HUD, ADAS, LiDAR



Who uses Himax LCoS micro display technologies



DISPLAY DRIVERS



WAFER LEVEL OPTICS



Others

CMOS IMAGE SENSORS



ASIC SERVICE & IP LICENSING

LCOS MICRODISPLAYS

TDDI & TOUCH CONTROLLERS



POWER MANAGEMENT IC & LED DRIVERS



TIMING CONTROLLERS

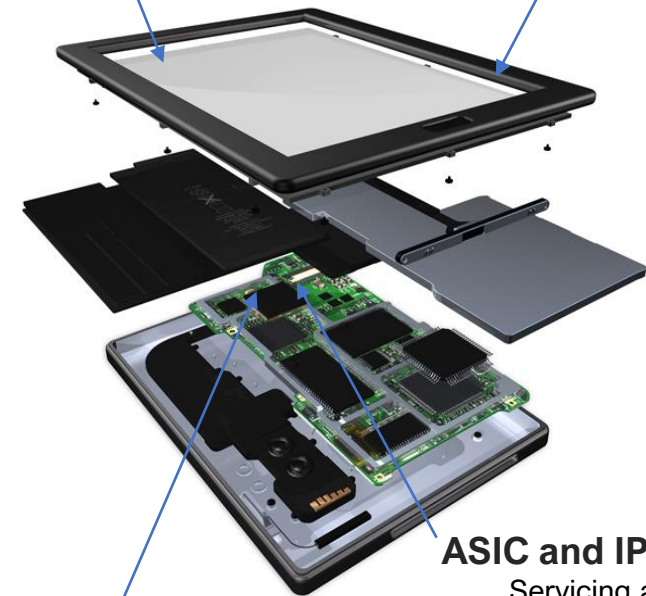


We are In Displays

- 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



Fabless Manufacturing Expertise



Display Driver

Wafer Fabrication



Gold Bumping



Processed Tape



Chip Probe Testing



Assembly and Testing



CMOS Image Sensor Back-end

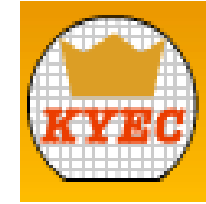
Package



FT



Chip Probe Testing



RW



SOC

Chip Probe Testing

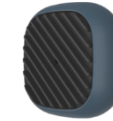


Package



FT





Himax

Market Opportunities by Product Application and Himax Strategies

Market Trends

- Expect higher TDDI penetration in smartphones, tablet, and auto going forward
- OEMs are meeting consumer demand for slimmer devices
- Higher penetration of TDDI is refreshing smartphone and tablet life cycle, creating higher dollar content and margin opportunities
- Panel size and quantity inside the car are increasing, driving higher demand of TDDI of automotive

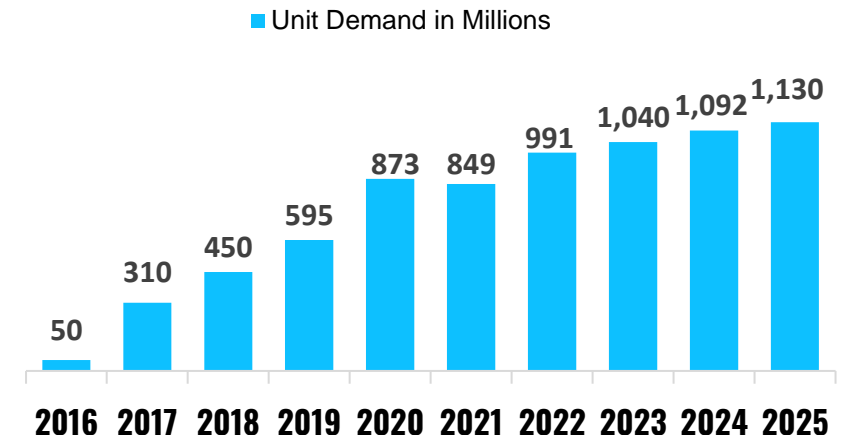
Himax Strategies and Market Position

TDDI pure in-cell solution

- TDDI will be the biggest growth driver for Himax in 2020; Higher ASP and better margin than traditional driver IC
- Numerous new design-wins and shipment with top-tier smartphone and tablet makers and most all panel makers in China started 4Q19. Strong growth earned in 2020
- A robust regain in market share of our smartphone in 2020. TDDI is replacing DDIC sequentially
- In-cell TDDI becoming mainstream for Android tablet, where Himax is the primary source. Mass production started for major Tier-1 OEMs in 1Q20, with robust growth in 2020 and beyond
- New generation FHD+ TDDI with COF package to enable super-slim bezel design for premium smartphone and tablet models
- Himax is the dominant automotive TDDI technology provider with mass production experience and advanced specification for leading panel makers. Although only small volume shipments in 2020, we anticipate meaningful shipment volume to ramp up moving into 2021

Global TDDI Demand Forecast 2016-2025

All applications. In Millions of Units
(Omdia, 2020)



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



Market Trends

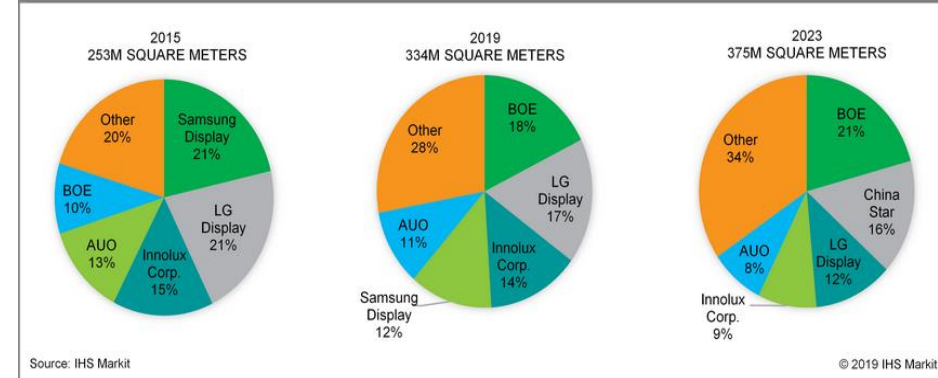
- Chinese panel makers, benefited from Korean fab restructuring and increased their global market share, will procure more volume from Taiwan DDIC supply chain
- Leading Chinese panel makers' shipments continue to dominate the market. China ranked the No. 1 position with its total TFT-LCD capacity
- 4K TV penetration accelerates; 8K TV started to emerge
- Demand for IT panel (monitor and NB) surged in 2020 due to the pandemic
- Demands for more sophisticated and higher performing displays are rising in the automotive segment

Himax Strategies and Market Position

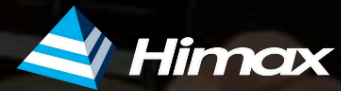
- Leading market share of large DDIC in China
- Major beneficiary of Industry and Korean fab restructuring which will increase Chinese panel maker's global market share
- Increased shipments of 4K solutions. Collaborate with major panel makers on the development of next generation 8K TVs. 8K TV is a strategic area for Himax due to its higher display driver and Tcon content and high technical barrier of entry
- Leader in higher frame rate and low power solution in high end gaming monitor and NB market
- Not only DDIC, Himax also provide comprehensive TCON lineups for a total solution to meet demands of high resolution, high frame rate and low power display

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

FPD production capacity share by year



WLO and 3D Sensing



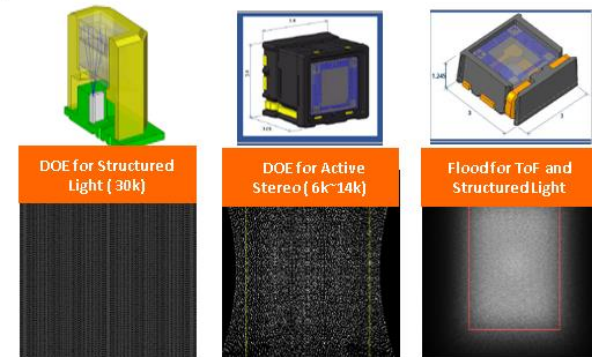
Market Trends

- Wafer-Level Optics (WLO) remains the best technology for structured light, Time-of-Flight (ToF) related 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, AR/VR and AIoT devices

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 since 2015 with ongoing shipment in 2020
- Continue to participate the most advanced 3D sensing projects covering structured light for non-smartphone application and ToF for smartphone 3D.
- ToF in main camera for Android smartphone will be the largest new growth opportunity for Himax moving forward. Collaborating with tier-1 laser and sensor partners to develop new world-facing 3D sensing camera for tier-1 OEM whereby we provide optical components and/or projectors, which are critical for the performance of the whole ToF solution
- Offer market leading 3D decoder ASIC to customers wishing to design own structured light 3D sensing solution to reach out broader market. Good achievement in e-payment engagement in China
- In non-smartphone, working with industry-leading facial recognition algorithm and application processor partners to develop new 3D sensing application for business access control, medical inspection, etc.
- 3D sensing will be the growth opportunity for Himax beyond 2020

Himax WLO for 3D Sensing



Wafer Level Process
 Integrated Optics
 High Accuracy
 Scalability In Production



Mini Package
 Ultra Small Size & Package



WLO for 3D ToF / Structured Light



Ultralow Power Smart Sensing and CIS



Market Trends

- Smart AI devices demand boosted, but very few companies can provide ultralow power solutions in vision AI in the area of human detection, people tracking, people counting, and anti-peeking warning
- Adoption for AI-based, ultralow power smart sensing solution is expected to be wider in 2020 for AIoT applications, including smart home, smart building, and devices for industrial, tracking and AR/VR purposes



Himax Strategies and Market Position

- Himax Ultralow Power CMOS Image Sensor (CIS):
 - Industry first ultralow power and low latency back-illuminated CIS solution for always on, intelligent visual sensing
 - Our CIS includes near infrared (NIR) sensors for 3D sensing and ultralow power computer vision Always-on-Sensor (AoS). Good for smart building and security applications, next generation NB, and AR/VR for mobile devices
 - Support qqHD/QVGA/VGA AoS and industrial first 2-in-1 RGB/NIR/AI sensor
 - Reference design win for Google TensorFlow Lite
- Himax Smart Sensing:
 - WiseEye solution, containing Himax's industry leading AoS, AI processor and TinyML AI algorithm, meets strong demands for edge AI devices with features of ultralow power and optimized computer vision-based total solutions in such application as NB, TV, air conditioner, surveillance, door lock, doorbell and many other.
 - For WiseEye WE-I Plus, an edge AI computing ASIC solution, we proactively participate the edge-to-cloud ecosystem and work closely with machine learning framework provider, AI algorithm developers, cloud service providers and OEM/ODM to provide flexible and cost-effective AIoT platform to fulfill this booming but diversified market
 - Collaborated with Google to offer TensorFlow Lite for Microcontrollers (TFLu) ecosystem, where developers can train and deploy the TFLu model/inference on to the TFLu kernel with ease

Ultralow Power Sensor Applications



Best For IoT/Smart Sensing
Face/Body Detection,
Eye Tracking & Gesture Control,
3D Depth Sensing

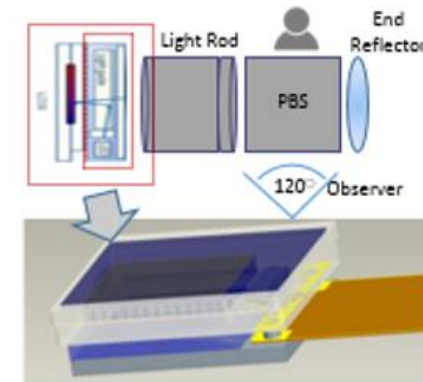


Market Trends

- Many top name multinationals and start-ups are investing heavily to develop the AR ecosystem, including applications, software, operating systems, system electronics and optics
- Capabilities in technology know-how and scalable manufacturing are significant barriers of entry to new market entrants and existing technology companies
- Himax can provide the integrated services of R&D, joint development and manufacturing expertise

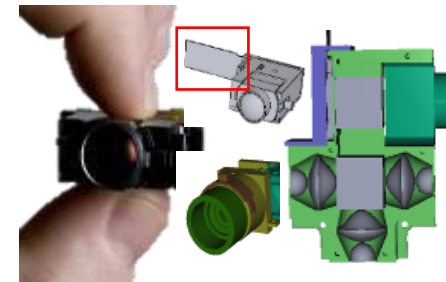
Himax Strategies and Market Position

- 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
- Customer list of AR goggle device covers many the world's biggest tech giants. Many of whom demoed their new AR goggles at CES 2020
- On-going collaboration with global Tier 1 AR glasses device manufacturers since 2011
- Design-wins of high-end HUD for the automotive sector, target 2022 MP
- LCOS is one of the mainstream technologies for AR goggle devices
- LCOS represents a long-term growth opportunity for Himax

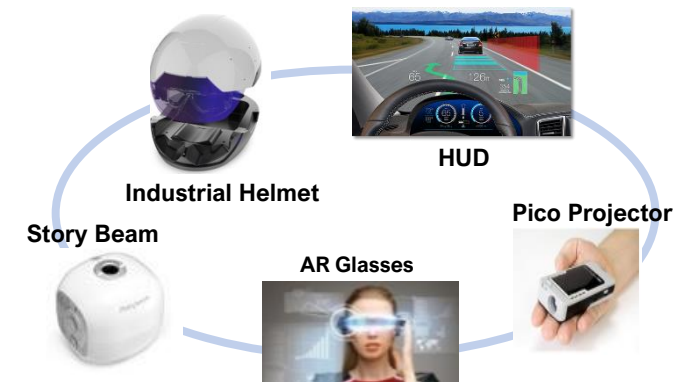


Front Lit LCOS Advantages

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



Optical Engine with LCOS Module



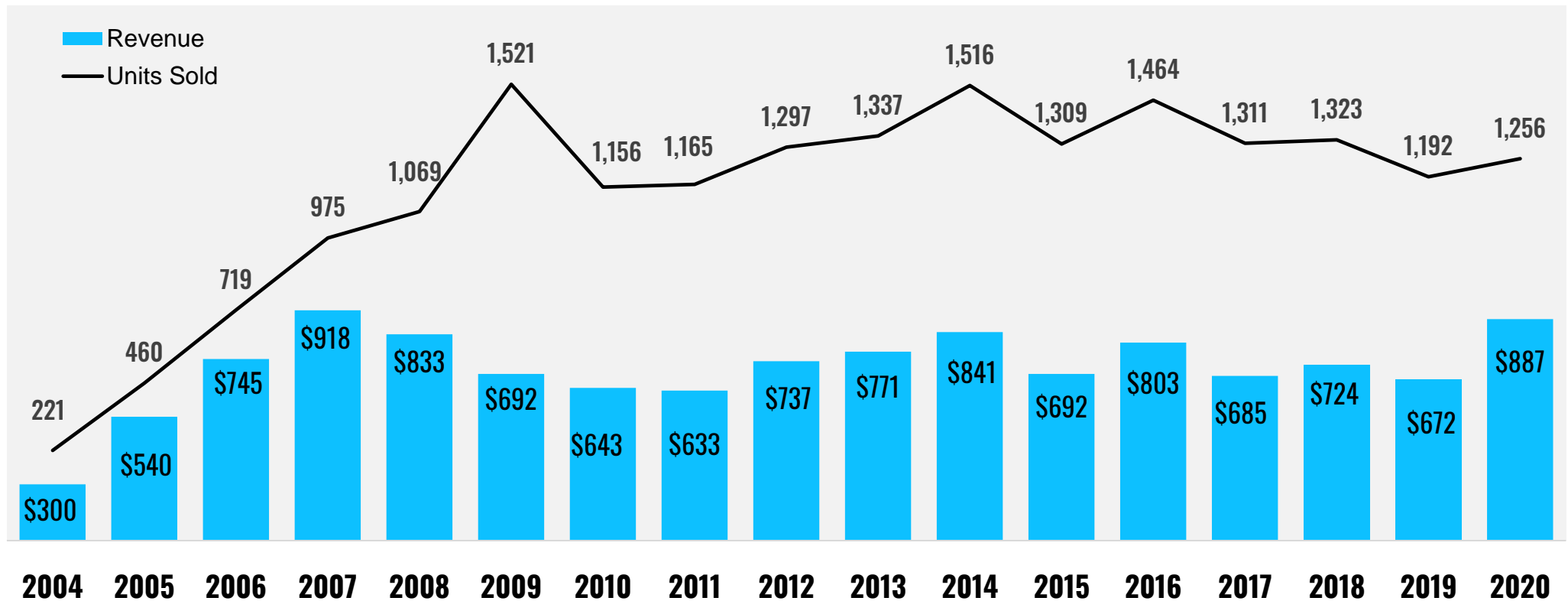


2020 YTD Financial Review



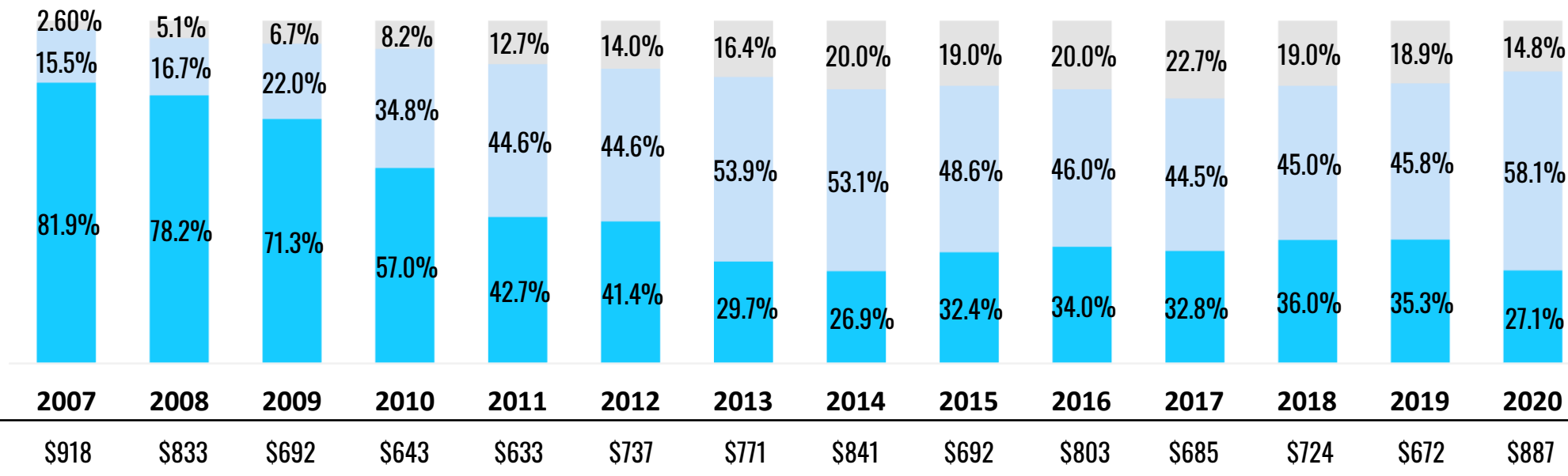
We are One of the Leading Semiconductor Companies in the World

Units Sold and Revenue (in millions of units and millions of USD)



Category Product Mix

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

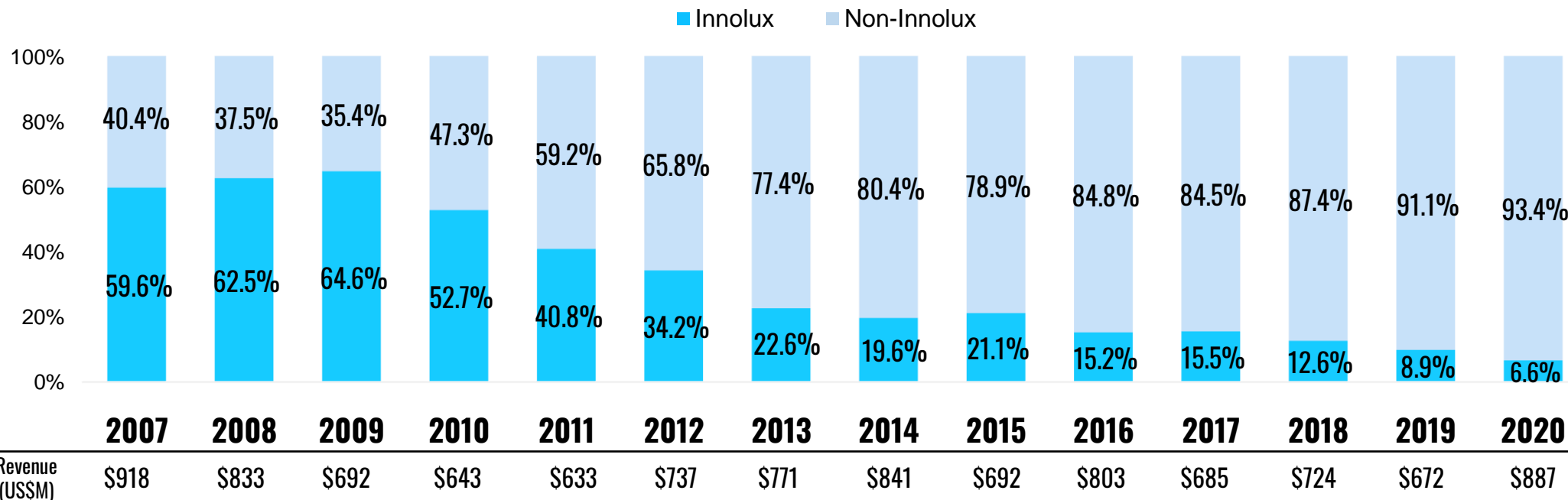


- Global market leader in driver ICs for large and small & medium-sized panels
 - Extensive design-wins of TDDI for smartphone and tablet, with foundry capacity support backed by foundry partners
 - Market leader in tablet TDDI with mass production from 2020 Q1
 - Advantages of leading technology and mass production record in automotive driver. Major panel customers lead to greater market share gains where we are the major supplier
- In non-driver category, we enjoy diversified customer base, strengthened product mix and improved gross margin
- Innovative technologies in advanced Wafer Level Optics, CIS, Smart Sensing and LCOS microdisplays
 - Market leader in 3D sensing for both Structured Light and TOF
 - The first to offer 2-in-1 ultralow power sensor with RGB and IR/AI features
 - Collaborate with global edge-AI solution partners by actively engaging edge-to-cloud platforms
 - Top choice of global leaders to jointly develop AR technology
 - Flexible business models by providing a total solution and key components
 - GM significantly higher than corporate average

...and a Diversified Customer Base



Largely reduced dependence on one single customer, Innolux



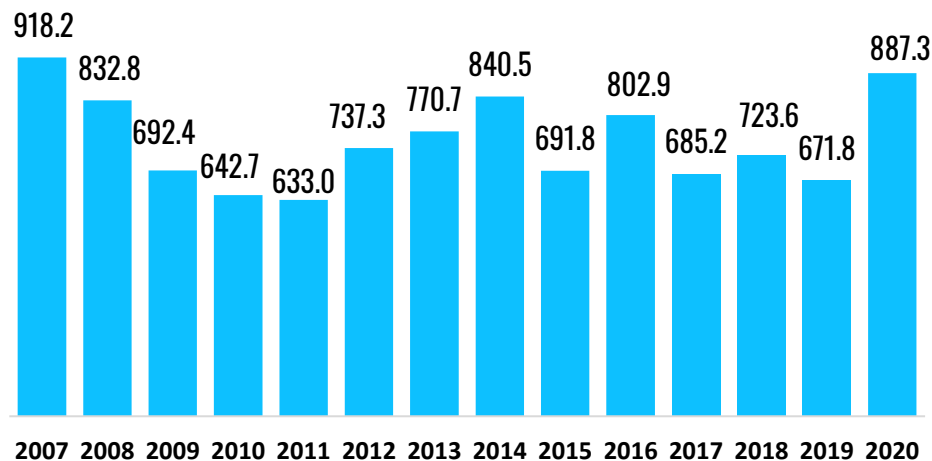
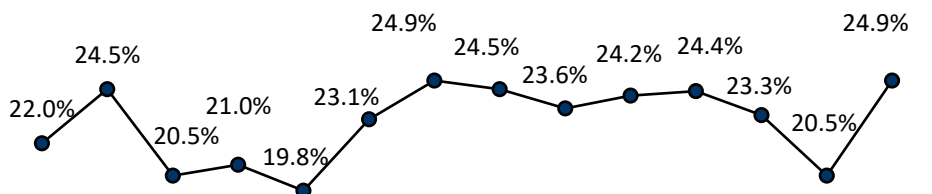
- Diversifying product revenues by non-driver product wins and leveraging existing customers
- Innolux disposed of its entire equity holding in Himax on June 19th, 2013, ending its status as Himax's related party
- Growing shipment to new panel manufacturer customers in China, Korea and Taiwan since 2013
- Market share leadership in core driver IC business
- Benefited by China local sourcing and 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, Smart Sensing and CMOS image sensors

Gross Margin is a Key Business Focus



Revenue & Gross Margin

US\$M in Revenue and Gross Margin %

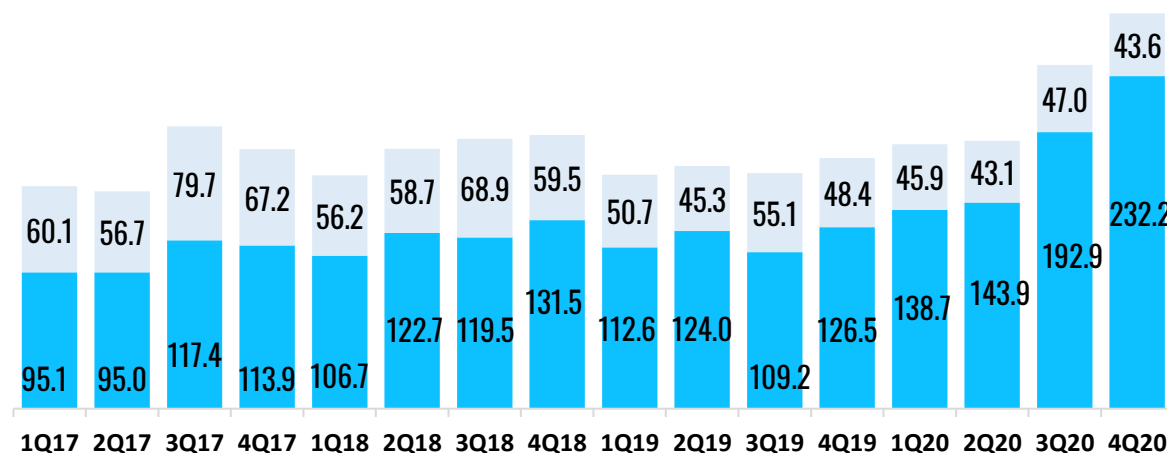


Geographical Revenue Mix & Quarterly GM

US\$M in Revenue and Quarterly Gross Margin %

Gross margin % by quarter

Year	2017				2018				2019				2020			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
	23.1%	23.8%	25.5%	24.6%	22.5%	23.0%	23.4%	24.3%	22.6%	19.5%	19.5%	20.6%	22.7%	21.0%	22.3%	31.2%



Margin improved with favorable product mix

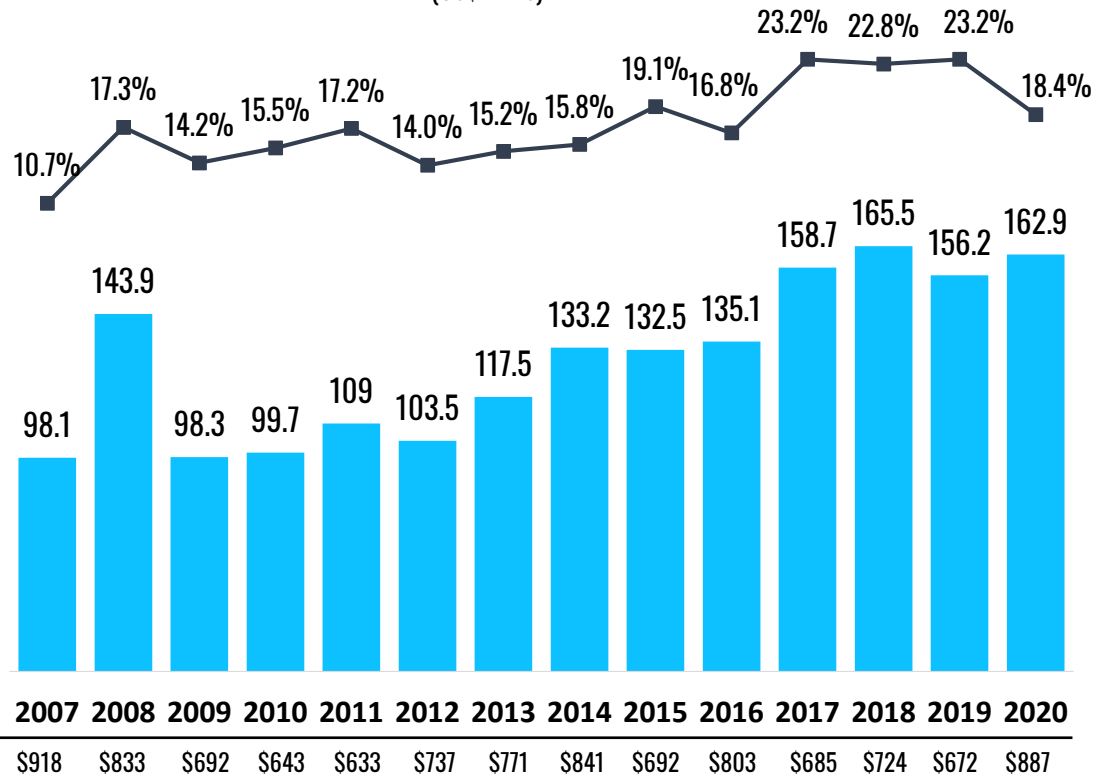
- Successful transformation since 2011
- Revenue growth with improved gross margin in 2020 due to favorable product mix and clientele
- High margin segments supporting a long-term growth
 - Leadership in tablet: a major supplier with leading technology spec.
 - Leadership in auto: a major supplier with leading technology spec. Demand unfolding with a trend in electric vehicle and auto pilot
 - New revenue stream: ultralow power and always on sensor much needed for edge AI devices.

- Improved GM in 2H vs. 1H in 2017 driven by more favorable product mix, due to WLO shipments and the one-off customer reimbursements related to AR goggle device in Q3
- 2019 GM declined due to product mix change
- 2020 GM set a record high due to continuous strong demand after the pandemic and favorable product mix amid capacity shortage
 - Strong demand for monitor and notebook
 - Strong growth in smartphone and tablet, especially TDDI
 - Auto demand rebound amid increasing demand for EV and autonomous drive
 - Better product pricing on rising material costs across foundry, assembly and testing

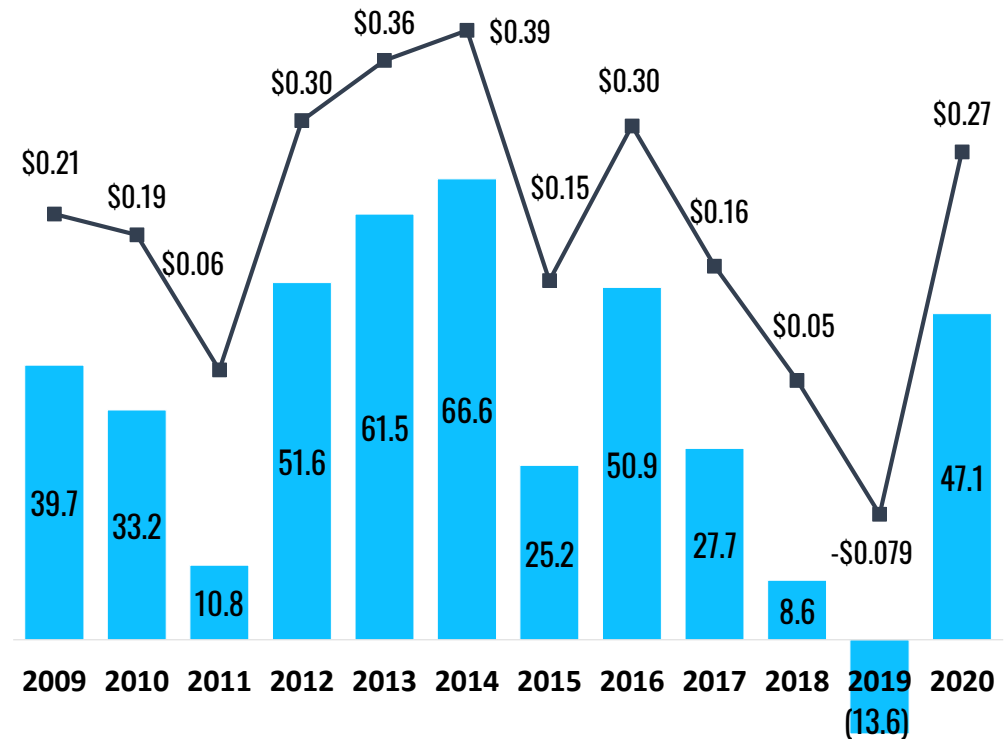
OPEX and the Bottom Line



OPEX and % of Total Sales (US\$M/ %)



Profit and EPS (US\$M/ US\$)

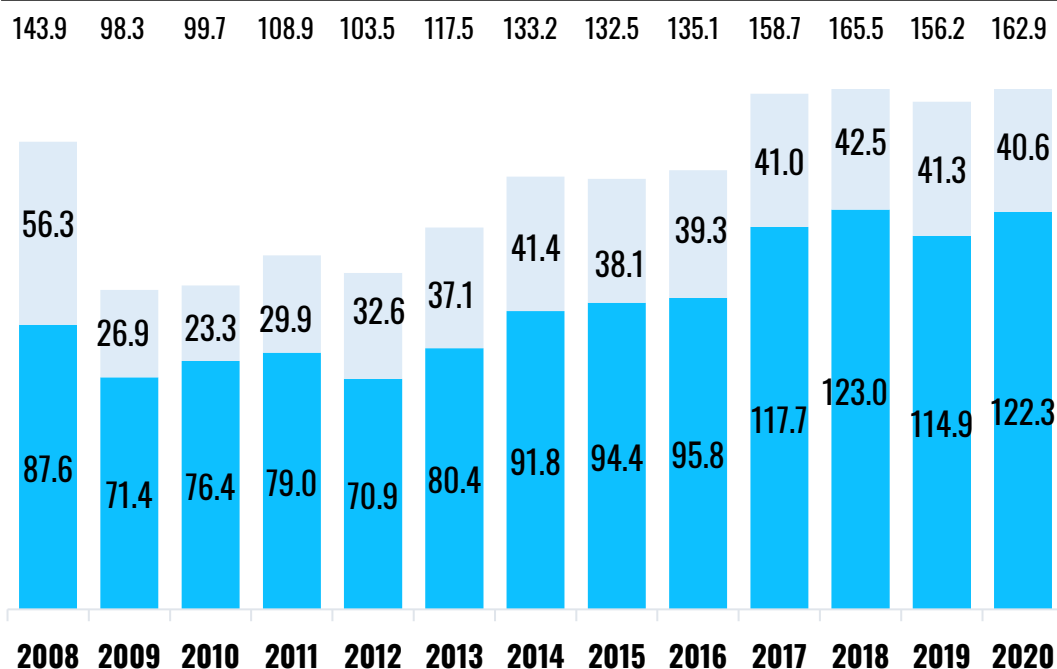


- Higher capex to meet the demands of 3D sensing total solution, projector module or optics in 2018 & 2019
- Completion of the new WLO facility in 2019, including additional WLO capacity, active alignment equipment and extra office
- Continuous commitment to R&D and customer engineering for strategic area with great growth potential in the future
- Profit declined in 2019 due to product mix change, weaker market demand, and intensified competition
- A temporary impact by the COVID-19 in 1H20. "Stay-at-home" economy leads to a strong rebound in 2H20. Gross margin improved from 2H20 due to better product mix and favorable pricing to reflect rising costs as a result of capacity shortage

Operating and R&D Expenses (US\$M)

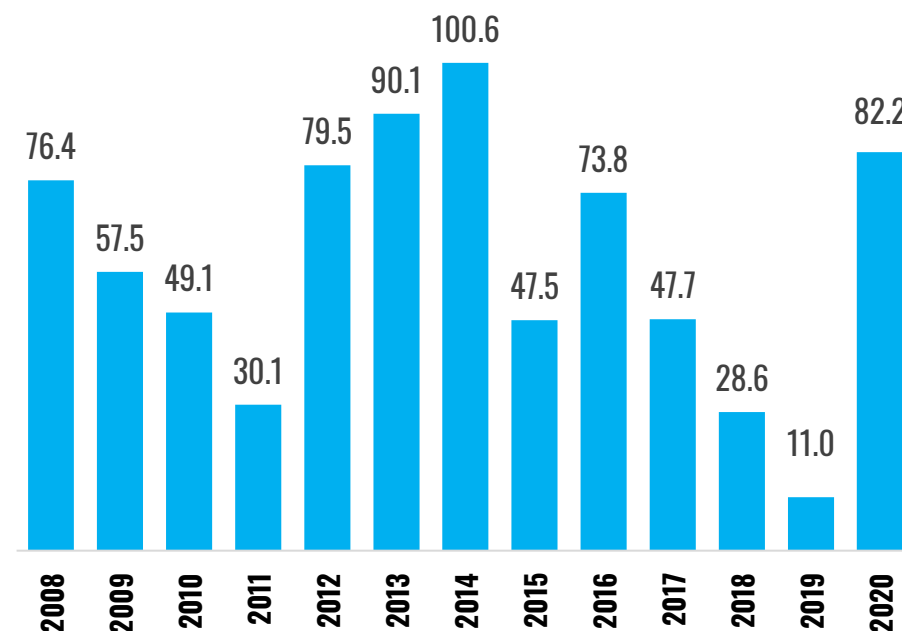
■ R&D Expense ■ Operating Expense ex. RD

Total Operating and R&D Expense (US\$M)



- Continue and well-manage investment R&D and customer engineering for strategic growth areas including WLO, CIS, TDDI, Auto and AMOLED; OPEX in 2020 up 4.2% YoY
- Share-based compensation included in OPEX from 2014 to 2020: \$11.1mn, \$6.2mn, \$10.2mn, \$6.9mn, \$4.1mn, \$0.4mn, and \$5.4mn

EBITDA (US\$M)



- Robust profit growth in 2016 as a result of revenue growth and GM enhancement from new product
- 2019 profit setbacks caused by lower gross margin due to product mix change
- 2020 gross margin improvement for strong demand after the COVID-19. Product mix improved with short capacity

Income Statement



(US\$'000, Except for Per Share Data)

For the Fiscal Period Ended	<u>4Q-2020</u> (Unaudited)	<u>4Q-2019</u> (Unaudited)	<u>3Q-2020</u> (Unaudited)	<u>Y2020</u> (Unaudited)	<u>Y2019</u> (Audited)
Revenues	\$275,770	\$174,929	\$239,934	\$887,282	\$671,835
Cost of revenues	189,774	138,838	186,329	666,501	533,916
Gross profit	85,996	36,091	53,605	220,781	137,919
Gross margin	31.2%	20.6%	22.3%	24.9%	20.5%
Operating expenses					
Research and development	33,100	27,044	33,073	122,265	114,859
General and administrative	5,919	5,942	6,530	23,915	23,672
Sales and marketing	4,787	4,449	4,558	16,675	17,695
Total operating expenses	43,806	37,435	44,161	162,855	156,226
Operating income (loss)	42,190	(1,344)	9,444	57,926	(18,307)
Non-operating income (loss)	(85)	2,325	(260)	(1,054)	2,539
Profit (loss) before income taxes	42,105	981	9,184	56,872	(15,768)
Income tax expense	8,759	416	1,124	11,712	416
Profit (loss) for the period	33,346	565	8,060	45,160	(16,184)
Add: Loss attributable to noncontrolling interests	660	471	391	1,974	2,570
Profit (loss) attributable to Himax stockholders	\$34,006	\$1,036	\$8,451	\$47,134	(\$13,614)
Non-IFRS profit (loss) attributable to Himax stockholders	\$34,218	\$1,513	\$12,594	\$52,330	(\$12,128)
IFRS earnings (loss) per ADS attributable to Himax stockholders (in cents)					
Basic	19.6	0.6	4.9	27.3	(7.9)
Diluted	19.5	0.6	4.9	27.2	(7.9)
Non-IFRS earnings (loss) per ADS attributable to Himax stockholders (in cents)					
Basic	19.7	0.9	7.3	30.3	(7.0)
Diluted	19.7	0.9	7.3	30.2	(7.0)

Balance Sheet



	<u>December 31, 2020</u> (Unaudited)	<u>September 30, 2020</u> (Unaudited)	(US\$'000) <u>December 31, 2019</u> (Audited)
Assets			
Current assets:			
Cash and cash equivalents	\$184,938	\$131,823	\$101,055
Financial assets at amortized cost	8,682	8,294	11,049
Financial assets at fair value through profit or loss	7,799	2,734	0
Accounts receivable, net	243,626	221,100	164,943
Inventories	108,707	125,725	143,774
Restricted deposit	104,000	104,000	164,000
Other current assets	36,659	27,575	19,847
Total Current Assets	694,411	621,251	604,668
Financial assets at fair value through profit or loss	13,966	13,480	13,500
Financial assets at fair value through other comprehensive income	742	730	709
Equity method investments	3,983	3,761	3,746
Property, plant and equipment, net	132,074	135,123	138,938
Goodwill	28,138	28,138	28,138
Other assets	36,504	24,507	28,782
Total Assets	\$909,818	\$826,990	\$818,481
Liabilities and Equity			
Current liabilities:			
Short-term unsecured borrowings	\$0	\$0	\$57,339
Current portion of long-term unsecured borrowings	6,000	6,000	0
Short-term secured borrowings*	104,000	104,000	164,000
Accounts payable (including related parties)	173,471	153,153	114,320
Other current liabilities	68,771	46,520	45,231
Total Current Liabilities	352,242	309,673	380,890
Long-term unsecured borrowings	52,500	54,000	0
Other liabilities	19,877	17,962	6,347
Himax stockholders' equity	480,176	442,751	432,987
Noncontrolling interest	5,023	2,604	(1,743)
Total Liabilities and Equity	\$909,818	\$826,990	\$818,481

* Short-term secured borrowing is guaranteed by restricted deposit

Cash Flow Statement



	4Q-2020 (Unaudited)	3Q-2020 (Unaudited)	2020FY (Unaudited)	(US\$'000) 2019FY (Audited)
<u>Profit (loss) for the period</u>	<u>\$33,346</u>	<u>\$8,060</u>	<u>\$45,160</u>	<u>(\$16,184)</u>
Depreciation and amortization	6,431	5,530	23,596	24,399
Expected credit loss recognized on accounts receivable	0	0	0	67
Share-based compensation expenses	0	251	763	457
Gain on disposal of property, plant and equipment, net	0	(2)	(244)	(90)
Changes in fair value of financial assets at fair value through profit or loss	(489)	(131)	(472)	(3,746)
Interest income	(151)	(157)	(967)	(2,013)
Finance costs	247	314	1,705	2,325
Income tax expense	8,759	1,124	11,712	416
Share of losses of associates	368	191	638	477
Inventories write downs	2,224	2,205	11,919	25,447
Unrealized foreign currency exchange losses (gains)	(221)	32	(239)	121
	<u>50,514</u>	<u>17,417</u>	<u>93,571</u>	<u>31,676</u>
Changes in:				
Decrease (increase) in accounts receivable	(22,140)	(15,025)	(78,297)	23,992
Decrease (increase) in inventories	16,418	33,544	24,772	(6,660)
Increase (decrease) in accounts payable (including related parties)	18,502	(8,321)	55,767	(36,180)
Others	4,538	7,061	10,243	(420)
Cash generated from operating activities	67,832	34,676	106,056	12,408
Interest received	217	120	1,066	2,060
Interest paid	(313)	(313)	(1,811)	(2,372)
Income tax paid	(28)	(1,010)	(2,701)	(4,440)
Net cash provided by operating activities	\$67,708	\$33,473	\$102,610	\$7,656
Acquisitions of property, plant and equipment	(824)	(1,162)	(5,786)	(45,922)
Acquisitions of financial assets at amortized cost	(801)	(866)	(3,829)	(4,023)
Proceeds from disposal of financial assets at amortized cost	737	3,787	6,735	4,171
Acquisitions of financial assets at fair value through profit or loss	(6,608)	(9,547)	(19,743)	(50,487)
Proceeds from disposal of financial assets at fair value through profit or loss	1,603	6,866	12,068	50,648
Others	(10,280)	1,140	(11,810)	(2,154)
Net cash provided by (used in) investing activities	(\$16,173)	\$218	(\$22,365)	(\$47,767)
Payments of cash dividends	0	(4)	(4)	0
Proceeds from short-term unsecured borrowings	0	10,000	208,137	244,224
Repayments of short-term unsecured borrowings	0	(68,403)	(265,355)	(207,006)
Proceeds from long-term unsecured borrowings	0	60,000	60,000	0
Repayments of long-term unsecured borrowings	(1,500)	0	(1,500)	0
Proceeds from short-term secured borrowings	47,000	107,000	278,000	158,000
Repayments of short-term secured borrowings	(47,000)	(167,000)	(338,000)	(158,000)
Release (pledge) of restricted deposit	0	60,000	60,000	0
Others	2,513	428	1,983	(1,957)
Net cash provided by financing activities	\$1,013	\$2,021	\$3,261	\$35,261
Effect of foreign currency exchange rate changes	567	(19)	377	(532)
Net increase (decrease) in cash and cash equivalents	<u>\$53,115</u>	<u>\$35,693</u>	<u>\$83,883</u>	<u>(\$5,382)</u>
Cash and cash equivalents at beginning of period	<u>\$131,823</u>	<u>\$96,130</u>	<u>\$101,055</u>	<u>\$106,437</u>
Cash and cash equivalents at end of period	<u>\$184,938</u>	<u>\$131,823</u>	<u>\$184,938</u>	<u>\$101,055</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 two consecutive years in 1992 and 1993, ERSO Award from Pan Wen Yuan Foundation in 2008, etc.



Jordan Wu, President, CEO and Director Mr. Jordan Wu, co-founder of Himax, previously served as the chairman of the board of Himax Taiwan from April 2003 to October 2005. 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. Prior to that, he was an investment banker in Hong Kong with Merrill Lynch (Asia Pacific) Limited, Barclays de Zoete Wedd (Asia) Limited and Baring Securities. 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.



Jessica Pan, Chief Financial Officer - Jessica joined Himax in 2006 with over 22 years of experience in finance and accounting. Jessica has played an integral role at Himax on finance, accounting, financial planning and analysis, forecasting and tax, having served as interim Chief Financial Officer from October 2010 to January 2012. Prior to joining Himax, Jessica worked as Assistant Finance Manager for Advanced Semiconductor Engineering, Inc. from 2002 to 2006 and as Auditor at Arthur Andersen LLP in Taiwan from 1998 to 2001. She holds a B.S. degree in Agriculture Chemistry from National Taiwan University and an M.B.A. degree from the State University of New York at Buffalo.



Eric Li, Chief IR/PR Officer -Joining Himax in 2012, Mr. Eric Li has an extensive experience in image processing related IC design, having worked in the areas of sales, marketing, R&D and served as Associate Vice President at Himax covering the Intelligent Sensing AI product line. Mr. Li has previously worked in video processing ASIC service and TV/monitor ASSP products before he was put in charge of the fab construction and operation of Himax's WLO advanced optics operation. Prior to Himax, Mr. Eric Li served in executive positions of Cadence Design Systems, Socle Technology, Macronix International and Powerchip Semiconductor. He holds a B.S. degree in Nuclear Engineering from National Tsing Hua University and an M.S. degree in Computer Science from New Jersey Institute of Technology.



Contact Us

Company

Eric Li, Chief IR/PR Officer

Tel: +886-6-505-0880

hx_ir@himax.com.tw

**Corporate
Counsel**

BAKER & MCKENZIE

Karen Tiao, IR Relations

Tel: +886-2-2370-3999

hx_ir@himax.com.tw

**SEC Legal
Counsel**

**DAVIS POLK
& WARDWELL**

Auditor

