

*Drive for better vision*



*Himax*

Nasdaq : HIMX

*February 2023 INVESTOR PRESENTATION*

Factors that could cause actual events or results to differ materially from those described in this conference call include, but are not limited to, the effect of the Covid-19 pandemic on the Company's business; 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; shortage in supply of key components; changes in environmental laws and regulations; changes in export license regulated by Export Administration Regulations (EAR); 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, 2021 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.

## Leading IC Provider

Global Top 10  
Fabless IC Design  
Company in 2021\*



## US \$1.2 Billion

2022 Sales  
Avg. 60 Million ICs  
Shipment Per Month



## 40% Global Market Share

Driver IC for  
Automotive Displays



## Listed on NASDAQ

NASDAQ: HIMX  
Since 2006



\* Global Top 10 IC Design Company Revenue, 2021. Source: [TrendForce](#), March 2022



## Automotive

- Very Large-Size, Curved, In-Cell Touch Next Generation Displays
- Head-Up Display (AR-HUD)
- 3D Sensing
- Ultralow Power WiseEye™ Smart Image Sensing



## AIoT

- World Leading Ultralow Power WiseEye Smart Image Sensing for Endpoint
- Total Solution: AI Processor + Always-On Image Sensor + Algorithm
- WiseEye Solution Features in Dell's New Laptops
- Ecosystem: Google, Microsoft, Amazon, Arm, TinyML Foundation, Useful Sensors, Seeed Studio, Wentai and Many Others



## Optical product line-up/Metaverse

- Front-Lit LCoS Microdisplay
- Diffractive Optics
- 3D Sensing

# 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 & small panels



## 2010s

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

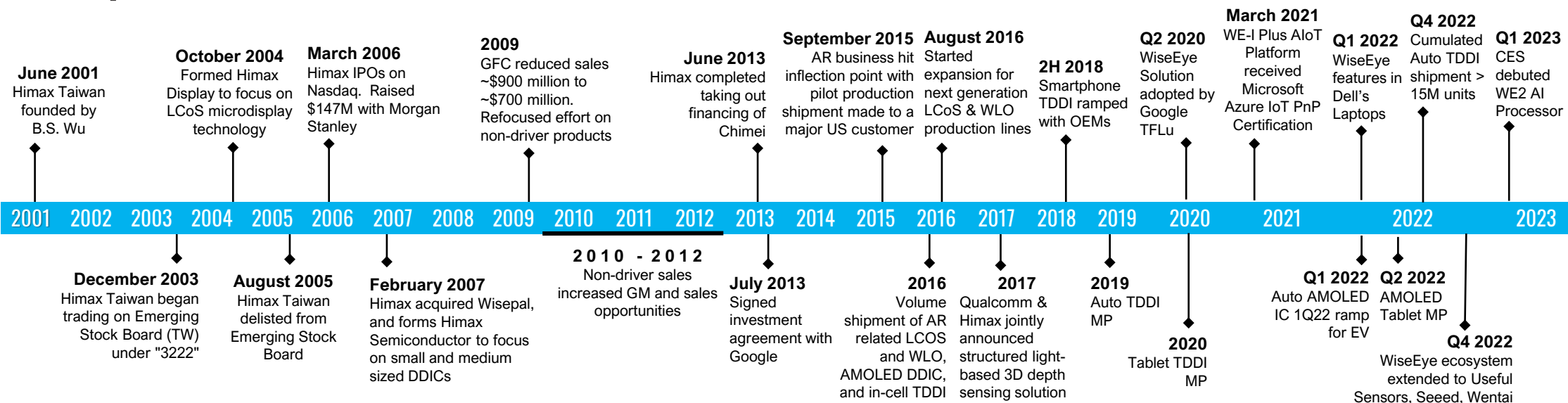


## 2015 and Beyond

Himax leads WLO shipment and development with North American OEM's mainstream applications. 3D sensing for e-Payment; LCoS for AR glasses and AR-HUD; CMOS for NB and Webcam; WiseEye for Endpoint AI; WLO integration keeps Himax at the forefront of AR/VR product design



## Corporate Timeline



## Leading Imaging and Human Interfacing Technology Innovator

- Global display driver player with a wide range of display image processing technologies for panels of all sizes
- Human interfacing total-solution provider specialized in immersive, touchless and 3D perception related applications
- Thousands of patents for Himax's IP and designs

## 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, Timing controller, AMOLED, e-paper, WLO, 3D Sensing, CIS, WiseEye Smart Image Sensing and LCOS microdisplays
- Top-tier partnerships with major U.S. and Asian AP platform providers, device makers, and the world's mega tech names
- Expect non-driver product lines to proliferate application / customer coverage, improve corporate revenue and profit margin

## Operational and Public Market Performances

- 2021 record \$1.5B in revenue. Rank Global Top 10 Fabless IC Design House in 2021
- Long-term profitability potential with no fund raising 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 dividend policy to reward shareholders for their ongoing support while continuing technology investment

## Innovative New Products Capturing Growth Markets

- TDDI and AMOLED technologies fuel growth for core display driver ICs business
- Our leading specifications and continuous design-wins for WLO, 3D sensing, AoS CIS, ultralow power WiseEye Smart Image Sensing, and LCoS microdisplay, all position Himax at the forefront for future product releases covering 3D Structured Light & ToF camera, AR/VR, Medical Devices, Robotics, AIoT, End-point AI, Smart Home/Office, Automotive LiDAR, AR-HUD applications

## Visionary Management Team

## HIMX Nasdaq Listed

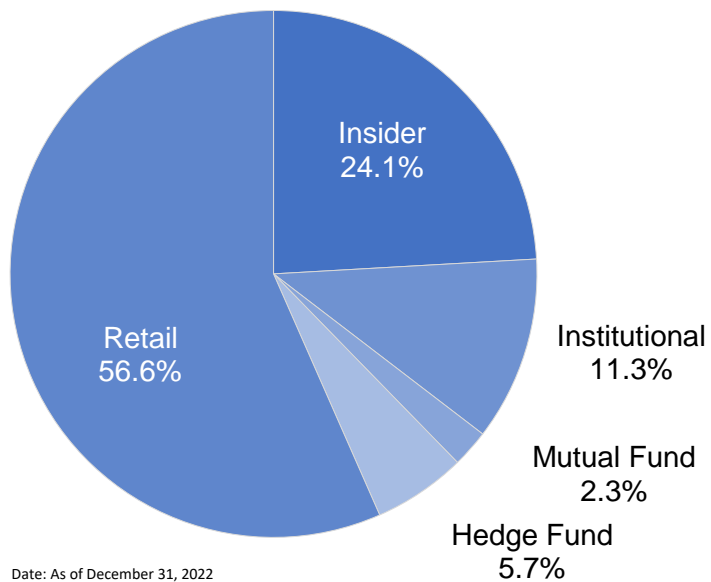
## 12 Month Trading Chart

<b>Fiscal Year</b>	<b>December 31</b>
<b>Last-Traded Price (2/8/2023)</b>	<b>\$8.26</b>
<b>Diluted Weighted Ave. Out. ADS</b>	<b>175.0M</b>
<b>Equivalent ADS Out</b>	<b>174.4M</b>
<b>Market Capitalization (2/8/2023)</b>	<b>\$1,440M</b>
<b>Average Volume</b>	<b>1.09M</b>
<b>Insider Ownership*</b>	<b>24.1%</b>

\* Insider ownership includes executives and board members



## Shareholder Type



Date: As of December 31, 2022

## Analysts

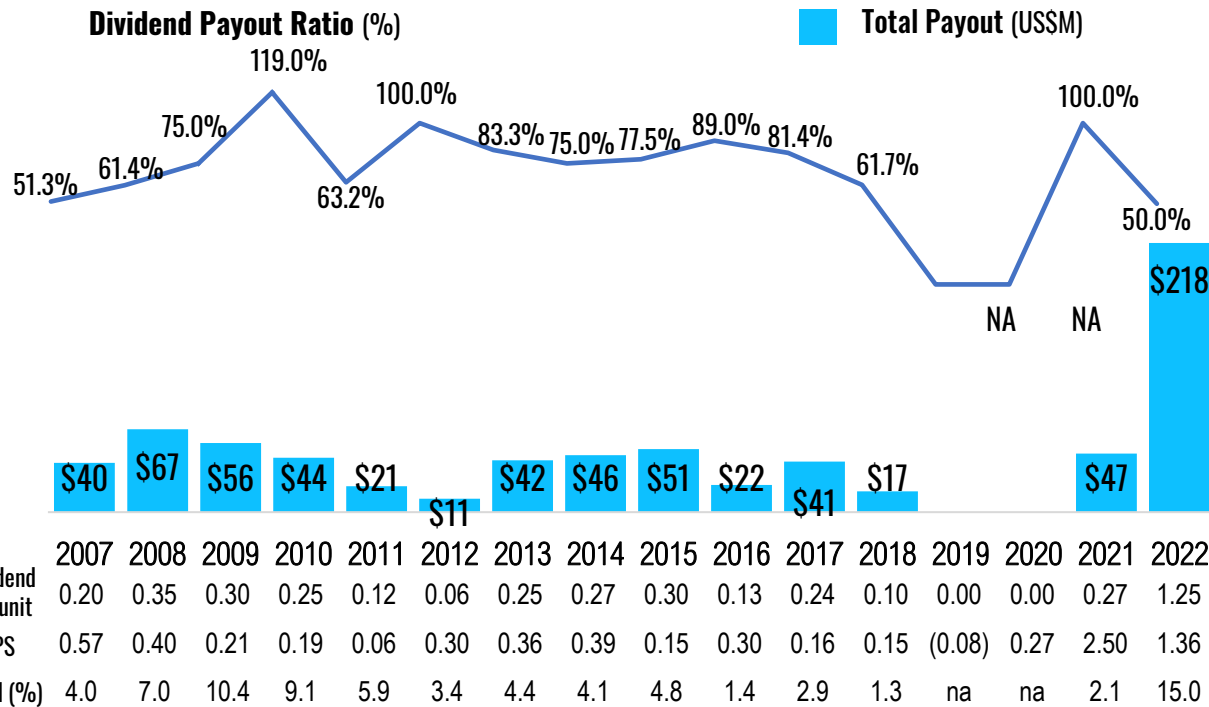
**Credit Suisse**  
**Mizuho Securities Asia Ltd.**  
**Nomura Securities**  
**Baird Equity Research**  
**Vertical Group**

Jerry Su  
 Kevin Wang  
 Donnie Teng  
 Tristan Gerra  
 Jonathan Lopez

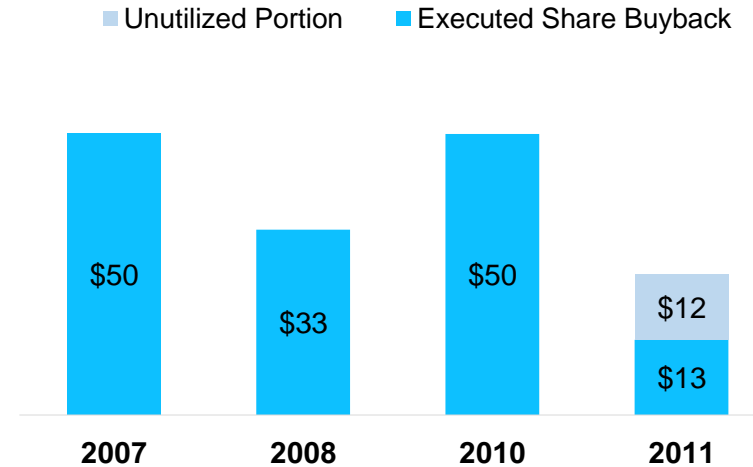
# History of Dividend and Share Buyback



**\$869** MILLION HAS BEEN RETURNED TO SHAREHOLDERS INCLUDING DIVIDENDS AND SHARE BUYBACKS SINCE IPO



## Executed Share Buybacks from 2007-2022 (US\$M)



### Himax Dividend and Policy

- Distributed a total of \$723 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., 2022 dividend payouts in July was for fiscal year 2021
- 2022 high dividend reflected our strategic growth initiatives, healthy financial position for 2022, overall long-term growth prospect as well as our gratitude to shareholders for continuous support

### Himax Share Buyback

- Initiated four share buyback programs totaling \$158 million since 2007
- Repurchased a total of 46.5 million ADSs as of 2012 at average purchase price per ADS: \$3.15
- *Note: On 11/30/2018 & 12/3/2021 Himax chairman announced share purchase plans. Chairman Dr. Biing-Seng Wu intended to use his personal funds to purchase up to approximately \$5 million and \$10 million respectively of the Company's American Depositary Shares ("ADSs") in the open market, subject to market conditions and other factors*



# Q4 Summary and Q1 Guidance



	<b>4Q2022</b>	<b>3Q2022</b>	<b>4Q2021</b>	<b>QoQ</b>	<b>YoY</b>
Revenues	\$262.3M	\$213.6M	\$451.9M	+22.8%	-42.0%
IFRS Gross Margin (%)	30.5%	36.0%	51.8%	-5.5%	-21.3%
IFRS Profit	\$42.2M	\$8.3M	\$142.4M	+406.7%	-70.4%
IFRS Earnings per ADS	\$0.241	\$0.048	\$0.815	+406.0%	-70.4%
Non-IFRS Gross Margin (%)	30.5%	36.3%	51.8%	-5.8%	-21.3%
Non-IFRS Profit	\$47.7M	\$29.8M	\$148.4M	+60.2%	-67.9%
Non-IFRS Earnings per ADS	\$0.273	\$0.170	\$0.849	+60.0%	-67.9%

	<b>2022</b>	<b>2021</b>	<b>YoY</b>
Revenues	\$1,201.3M	\$1,547.1M	-22.3%
IFRS Gross Margin (%)	40.5%	48.4%	-7.9%
IFRS Profit	\$237.0M	\$436.9M	-45.8%
IFRS Earnings per ADS	\$1.356	\$2.498	-45.7%
Non-IFRS Gross Margin (%)	40.6%	48.5%	-7.9%
Non-IFRS Profit	\$276.1M	\$463.6M	-40.4%
Non-IFRS Earnings per ADS	\$1.580	\$2.651	-40.4%

## 1Q2023 Guidance

Revenues	Decrease 12% to 17% sequentially
IFRS Gross Margin (%)	28.0% to 30.0%, depending on our final product mix
IFRS Profit	To be around 3.5 cents to 7.0 cents.
Non-IFRS Profit	To be around 6.5 cents to 10.0 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
- 2,932 patents granted and 398 patents pending approval worldwide as of December 31, 2022
- 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, and U.S., out of a total of 25 offices across Taiwan, China, Japan, Korea, German and U.S.


## Himax's Global Reach



**HEADQUARTERS**  
Tainan, Taiwan



Nasdaq Listed  
**Himax Technologies, Inc.**



## Himax Technologies, LTD.

- TFT-LCD Drivers, EPD Drivers, and AMOLED Drivers
- TCON and Bridge IC
- Touch Controllers
- Pure in-cell Touch (TDDI)
- AIoT Endpoint 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, Automotive, Monitors, Notebooks, TVs, Gaming, Education, Industrial, Healthcare plus 100's more applications that use all types of flat panel displays

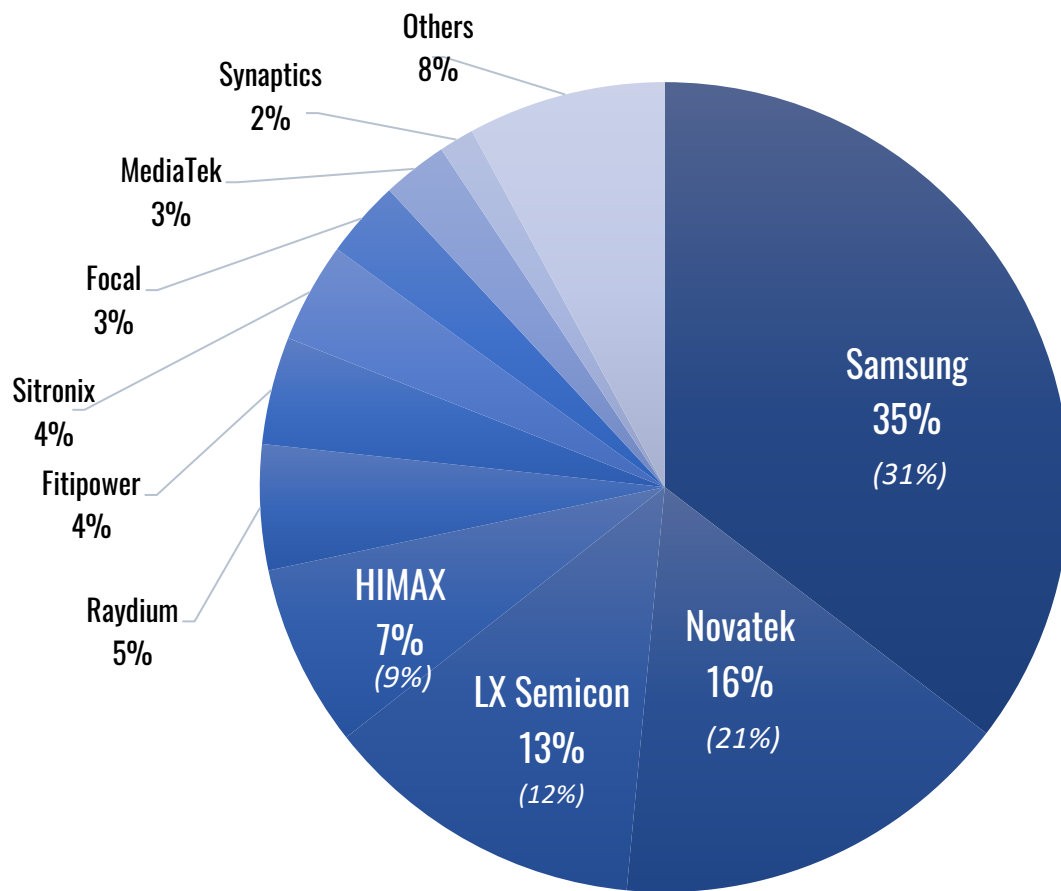
## In what devices can you find Himax DDIC technologies



## Who uses Himax DDICs



## 3Q22 Driver Market Share (2Q22 Market Share %, Revenue)



**We provide a complete solution of image processing technologies and leverage our expertise in TV, Monitor, NB, mobile devices, automotive and other mass-market technology releases**

- Large display driver IC business positions toward high end 8K/4K TV, gaming monitor and low power NB
- Strong market share in fastest moving consumer devices, especially in automotive application
- TDDI takes major shipment than DDIC in smartphone and tablet segments
- Share leader in automotive driver IC market. Collaborate closely with panel makers, Tier 1s, as well as car brands across continents
- Automotive AMOLED commenced MP in Q1 2022. Started Tablet AMOLED MP from Q2 2022 for a leading customer

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



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

## MARKETS WE SERVE

Beginning with smartphones, expanded to tablets, automotive, and many other consumer electronic devices

- **Smartphone:** LCD TDDI widely adopted for entry & mid-range smartphones. TDDI penetration >70% and rapidly replace traditional DDIC
- **Tablet:** New in-cell TDDI refreshed tablet life cycle starting 1Q20. Himax, the primary supplier for non-iOS tablet tier-1 customers
- **Automotive:** 2Q19 MP. Selected by many leading tier-1 and OEMs for their upcoming vehicles. Shipped over 15M automotive TDDI chips till 4Q22. Contribution of automotive revenue grows will better position our long-term product mix in both profit margin and business visibility

## 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



# Leadership in Automotive Displays



We offer comprehensive automotive display solutions covering DDIC, TDDI, TCON and AMOLED. Moreover, we also offer leading-edge non-driver solutions, covering LCoS, WLO, CIS, 3D Sensing and WiseEye Smart Image Sensing for advanced automotive applications







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 depth perception feature and key components, 3D decoder IC, to reach out diversified end applications

## MARKETS WE SERVE

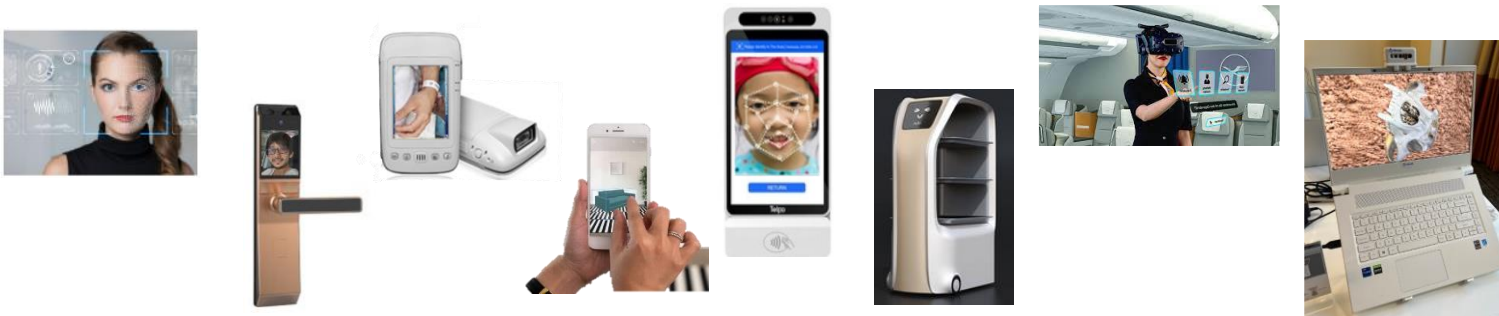
### Wafer Level Optics (WLO):

- DOE, diffuser, lens and other nanoimprinting diffractive 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 and LCoS. Lens for CIS

### 3D Sensing:

- E-payment, VR, smart door lock, automotive, access control, medical inspection, service robotics, industrial robotics, eye tracking and gesture controls for AR/MR/XR/VR

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



## 3D Ecosystem Partners

CyberLink 图语科技

iCatch Technology

国家金融科技测评中心  
National FinTech Evaluation Center  
银行卡检测中心  
Bank Card Test Center

Others



Himax WiseEye Smart Image Sensing technology brings computer vision AI to endpoint devices with extremely low power. We participate tier-1 endpoint-to-cloud ecosystems for broad market access. Himax CMOS image sensors include RGB, near infrared (NIR) and ultralow power Always-on Sensor (AoS)

## MARKETS WE SERVE

### WiseEye Smart Image Sensing:

- NB, utility meter, battery security camera, shared bike parking, automotive, panoramic video conferencing, doorbell, door lock, endoscope, smart buildings/office, manufacturing, retail, agriculture

### CIS:

- **Ultralow power AoS:** Best for IoT / WiseEye smart image sensing in human/ occupancy detection
- **NIR:** 3D sensing and WiseEye smart image sensing
- **RGB:** NB and web camera



## WiseEye AI Ecosystem Partners



## In what applications can you find Himax 3D/WiseEye Smart Image Sensing technologies



# LCoS Microdisplays



AR Glasses



AR HUD  
(LCoS 2.0 Phase Modulation)



Mark Zuckerberg says metaverse is 'Holy Grail' of social experience



aR: Assisted Reality

Audio-to-Text



AR Glasses: Hearing Aid

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

## Front-Lit LCoS Technology Advantages

- Compact form factor, brightness, power efficiency
- Simpler optical engine 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, WSS, ADAS and LiDAR

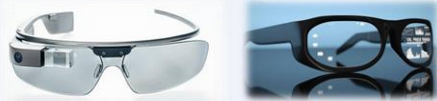
## Who uses Himax LCoS micro display technologies



# Opportunities in Metaverse



Himax owns exceptional Optics, 3D Sensing, WLO and WiseEye AI solutions with mass production records. The diverse non-driver solutions fulfill different AR/MR/XR/VR metaverse related application needs in AR Displaying & Human Interface Sensing



LCoS WLO

AR Glasses



LCoS WLO 3D AI

MR Goggle + Eyeball Tracking



LCoS WLO 3D AI

XR Headset + Gesture Control



AI 3D WLO

VR HMD + Gesture Control



AI 3D WLO

3D Naked-Eye 3D Display + Eye Tracking



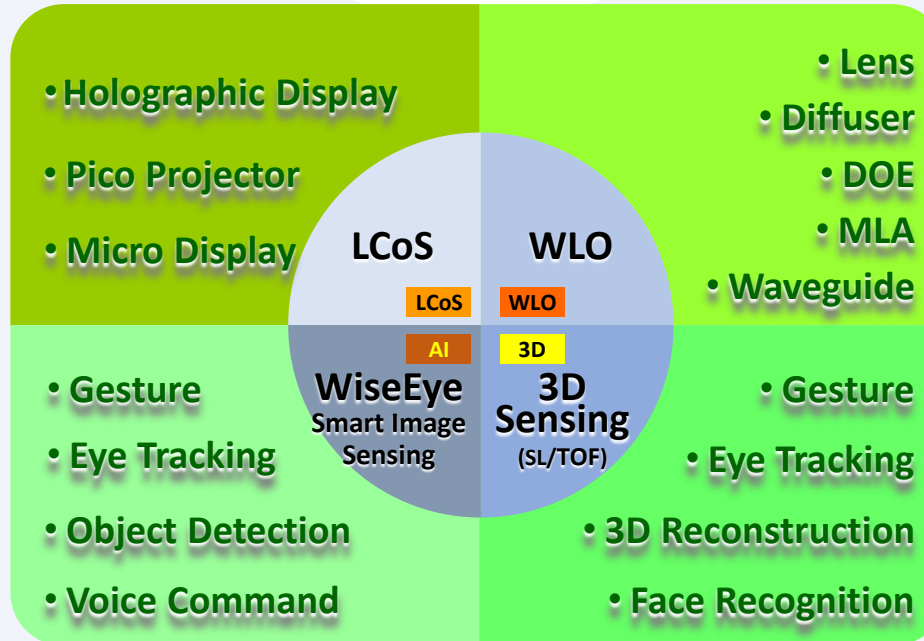
LCoS WLO

AR HUD



3D WLO

Digital Twins / 3D Object Reconstruction



## DISPLAY DRIVERS



## WAFER LEVEL OPTICS



Others

## ASIC SERVICE & IP LICENSING



## POWER MANAGEMENT IC & LED DRIVERS



## CMOS IMAGE SENSORS



## LCOS MICRODISPLAYS



## TDDI & TOUCH CONTROLLERS



## TIMING CONTROLLERS

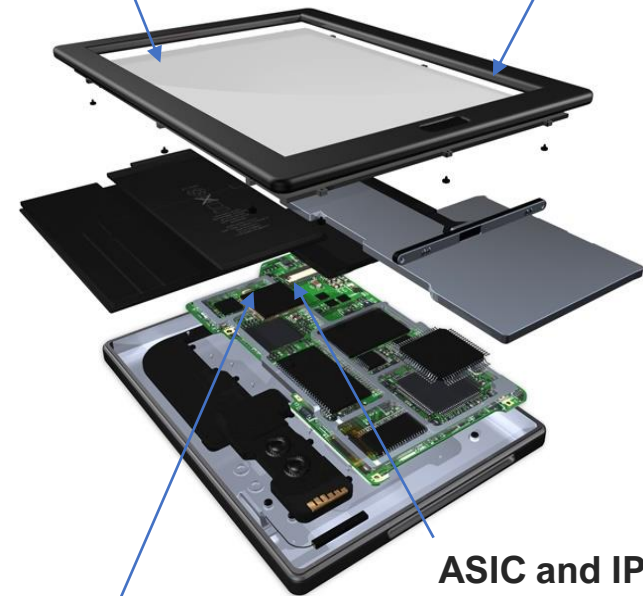


## We are In Displays

- 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
- LCoS, WLO



# Fabless Manufacturing Expertise



## Display Driver

### Wafer Fabrication



### Gold Bumping



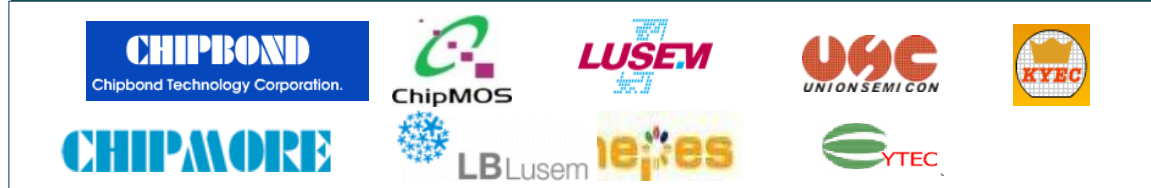
### Processed Tape



### Chip Probe Testing



### Assembly and Testing



## CMOS Image Sensor Back-end

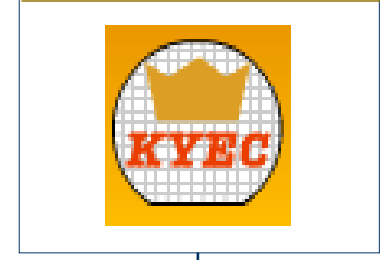
### Package



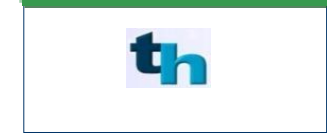
### FT



### 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 auto and tablet going forward
- TDDI fits in consumer demand for slimmer devices
- Higher penetration of TDDI is refreshing smartphone /tablet/ automotive life cycle, creating higher content value and margin
- Panel features, size and quantity inside the car are increasing, driving higher demand of DDIC and TDDI for automotive

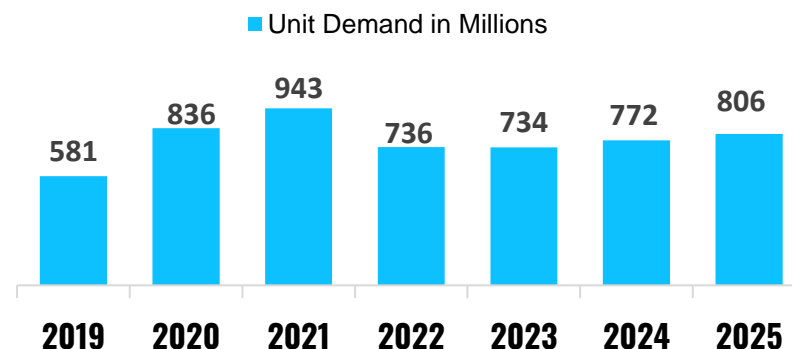
## Himax Strategies and Market Position

### TDDI pure in-cell solution

- Numerous new design-wins and shipment with top-tier tablet and smartphone makers started 4Q19
- TDDI is the biggest growth driver for Himax from 2020. Our tablet TDDI dominates share in non-iOS tablet market, while our automotive TDDI won hundreds of design-win and is slated for exponential growth moving forward along with fast-expanding NEV market
- In-cell TDDI is becoming mainstream for non-iOS tablet, where Himax is the primary source. Mass production started for major tier-1 OEMs since 1Q20, with robust growth from 2020 onward
- Himax tablet TDDI with active stylus feature is well penetrated into new designs for accurate handwriting and painting. TDDI with active stylus feature represented over 30% of tablet TDDI sales
- Himax dominates automotive TDDI technology with mass production experience. Shipped over 15M automotive TDDI chips till 4Q22
- 1<sup>st</sup> in the industry to launch LTDI (Large Touch and Display Driver Integration) automotive display solution specially for the next generation extra-large-sized automotive displays, typically > 30 inches. Cascade-topology technique allows up to 30 chips seamlessly connected in support of extra-large display & high-precision touch sensitivity
- Product migration and new TDDI product development towards higher performance, ultra slim bezel and higher resolution feature

### Global Smartphone TDDI Demand Forecast 2019-2025

(Omdia, 2023)



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





# Display Driver IC (DDIC)



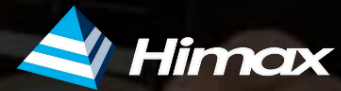
## Market Trends

- 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
- 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 as it represents a high barrier of entry for late comers and much more IC and Tcon used per device
- Leader in higher frame rate and low power solution in high end gaming monitor and NB market
- Continue to commit on AMOLED development. Our automotive AMOLED driver and Tcon commenced production in China flagship EV in 1Q22. Tablet AMOLED solution, Tcon and driver, will enter mass production starting 2Q22 with Chinese panel makers
- Not only DDIC, Himax also provides comprehensive TCON lineups for a total solution to meet demands of high resolution, high frame rate and low power features in numerous displays such as 8K/4K TV, gaming monitor, low power NB, automotive (LCD and AMOLED) and tablet AMOLED

# WLO and 3D Sensing



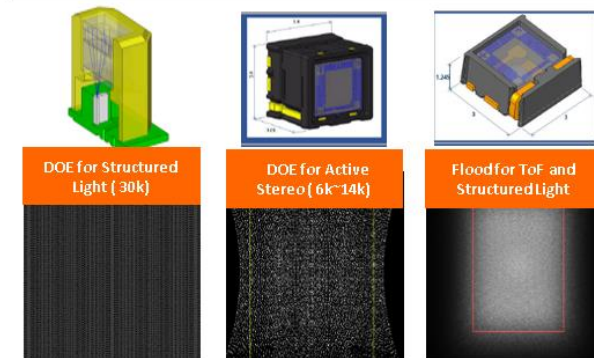
## Market Trends

- 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 is expected to be widely adopted by smartphones, AR/VR, e-payment and access control, etc.
- Increasing 3D applications adopt our 3D Sensing technologies for state-of-art Human Interface Sensing, such as gesture control, eye tracking and 3D reconstruction

## Himax Strategies and Market Position

- WLO: Exceptional design know-how and mass production expertise. We deliver consistent product quality and high yields for WLO anchor customer's large-scale adoption since 2015 with continuous shipment
- Continue to participate the most advanced 3D sensing projects covering structured light for non-smartphone applications and ToF for smartphone
- 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 who wish to design their own structured light 3D sensing solution. Good achievement in e-payment engagement in China. Welcomed by 3D industry in areas where privacy is of importance
- 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 and WLO technologies: Continuous collaboration with tech giants in various immersive, touchless and 3D perception related AR/VR/XR/MR applications

## 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



# WiseEye™ Smart Image 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 gesture control. WiseEye Technology was adopted by Dell in a series of laptop in 1Q22
- Starting 2022, we see increasing adoption of Himax's ultralow power WiseEye Smart image sensing solution in endpoint AIoT applications, including smart meter, smart home/office, smart agriculture, industrial, healthcare and retail, etc.

## 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 WiseEye Smart Image Sensing:
  - WiseEye Smart Image Sensing total solution: Composed by industry leading AoS, AI processor and tinyML AI algorithm. Our WiseEye AI solution features in ultralow power and context-aware vision AI, which can meet demands for various endpoint AI applications
  - 1Q22 Dell announced the adoption of WiseEye technology in their new laptops. More design-ins in areas such as smart meter (AMR), shared bike parking, surveillance camera, panoramic video conference, endoscopes, automotive, smart home/office, smart agriculture, etc.
  - Key component business model: We reinforce our go-to-market strategy by intensively participating cutting-edge AI cloud service partners, such as Google TensorFlow Lite for Microcontrollers, Microsoft Azure, Arm and tinyML Foundation and various ecosystem partners, such as Useful Sensors, Seeed Studio and Wentai

## Who uses Himax CIS



## Ultralow Power Sensor Applications



## Best For IoT/WiseEye Smart Image Sensing

Face/Body Detection,  
Eye Tracking & Gesture Control,



# LCoS Microdisplays

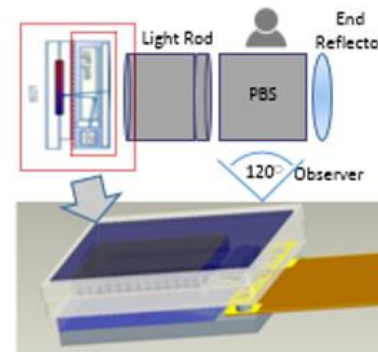


## Market Trends

- 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

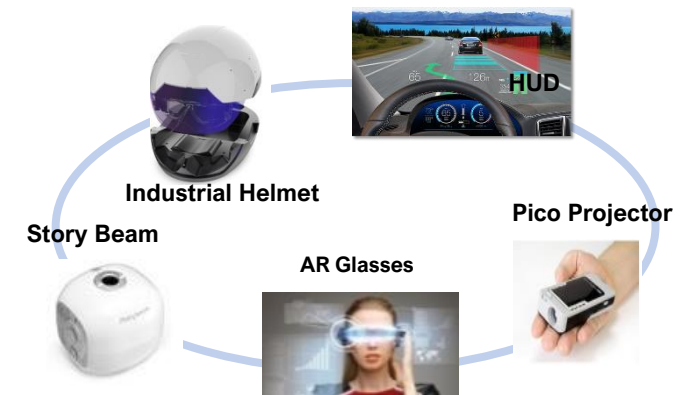
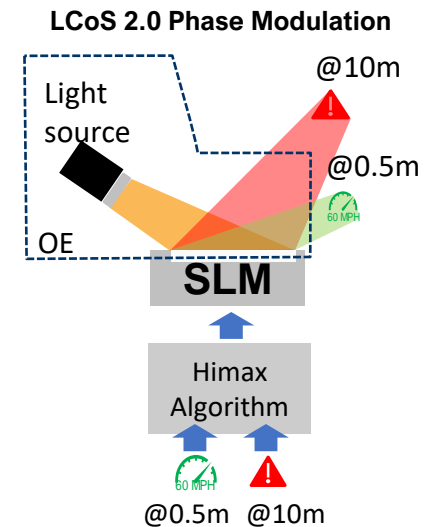
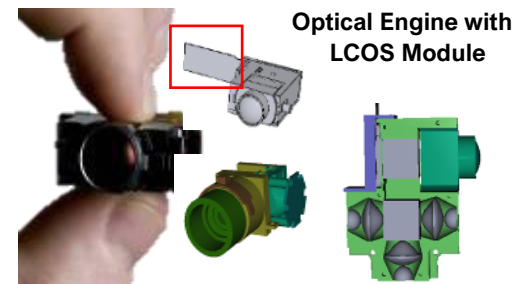
## Himax Strategies and Market Position

- The leader in microdisplays with patent-protected technology, in-house facilities and shipping record of > 3M units
- Focus on AR goggle devices and HUD for automotive applications
- Customer list for AR goggle device covers many of the world's biggest tech giants. Many of whom demoed their new AR goggles at CES 2020
- Our front-lit LCoS is one of the mainstream technologies for AR goggle devices. On-going collaboration with global Tier 1 AR glasses device manufacturers since 2011
- Design-wins of high-end HUD for the automotive sector
- Introduced Phase Modulation technology for LCoS 2.0 microdisplay. Aiming holographic display for AR-HUD, LiDAR for autonomous driving or ADAS, WSS for WDM
- LCoS represents a long-term growth opportunity for Himax



### Front Lit LCoS Advantages

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



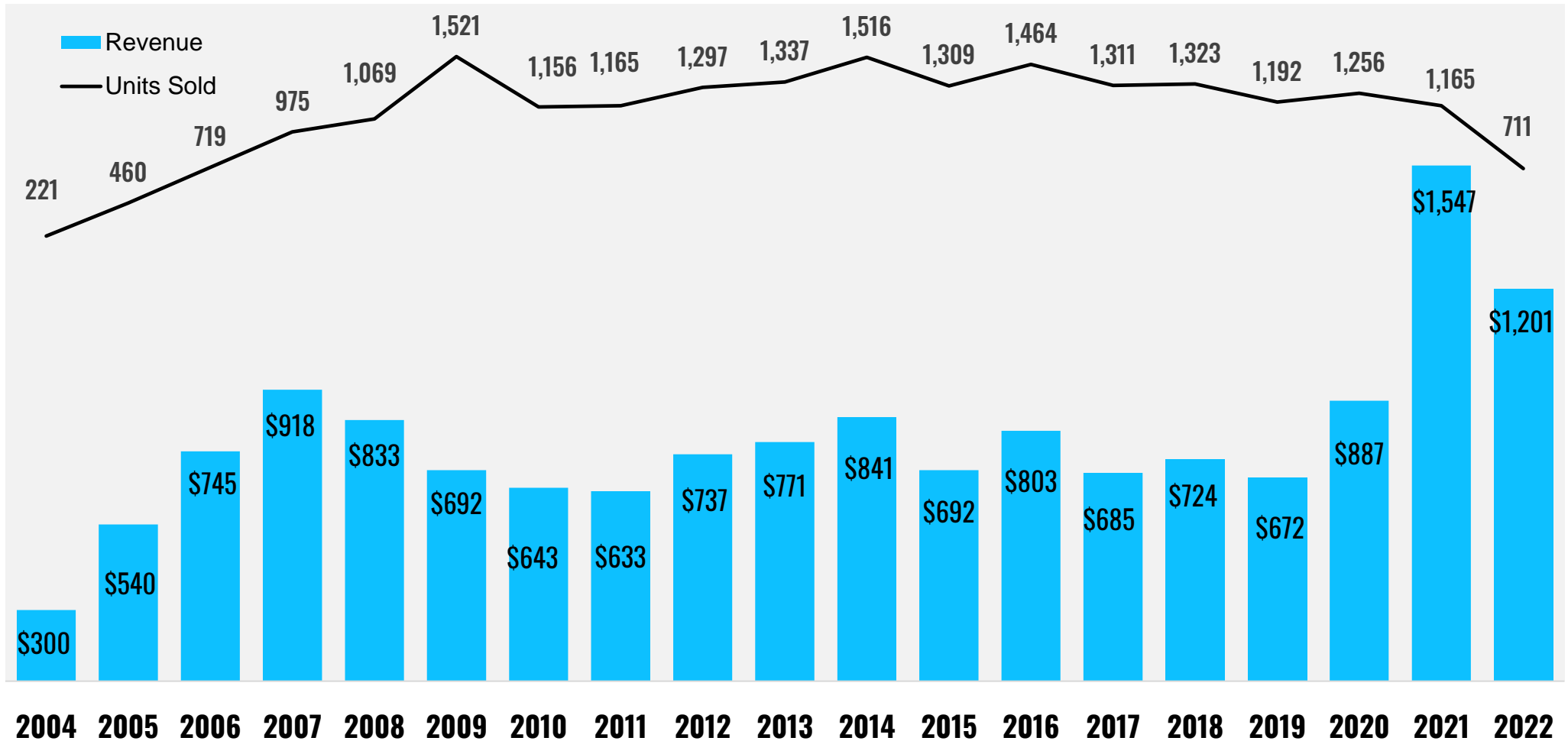


# 2022 YTD Financial Review

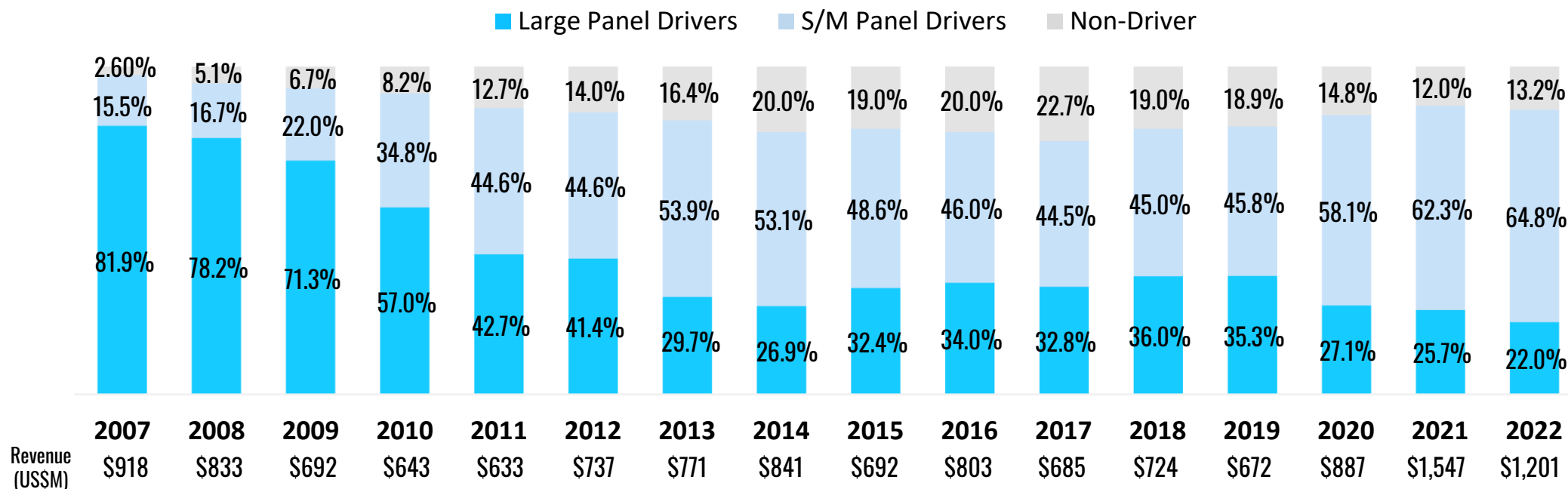


We are One of the Leading Semiconductor Companies in the World

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



## Category Product Mix



- **Global market leader in driver ICs for large and small & medium-sized panels**
  - Large display driver business positions toward high end 8K/4K TV, gaming monitor and low power NB
  - Leadership in auto driver sales, in both DDIC & TDDI. First mover of auto TDDI with over 15M unit shipment till 4Q22. Auto sales anticipated to be major revenue contributor throughout 2022 and beyond
  - Market leader in tablet TDDI with mass production from 1Q20. Well dominate non-iOS tablet as primary supplier to customers
- **Innovative Non-driver technologies in advanced Tcon, Wafer Level Optics, 3D Sensing, CIS, WiseEye AI and LCoS microdisplays**
  - Outstanding performance in high value added Tcon area including 8K/4K TV, gaming monitor, low power NB, automotive & AMOLED
  - WiseEye Smart Image Sensing: Collaborates with global endpoint-AI solution partners by actively engaging endpoint-to-cloud platforms, ecosystem partners and end-point AI customers in NB, AMR, shared bike, surveillance, and smart home/office
  - Market leader in 3D Sensing for both Structured Light and TOF. 3D decoder IC well adopted in e-payment
  - Enlarge LCoS microdisplay for AR/VR, pico projector. Extend to phase modulation LCoS technology for AR-HUD, LiDAR and WSS
  - Top choice of global leaders to jointly develop non-driver category / optical technologies for emerging metaverse applications in AR/VR devices and human interface sensing. Enjoy diverse customers, strengthened product portfolio and higher margin

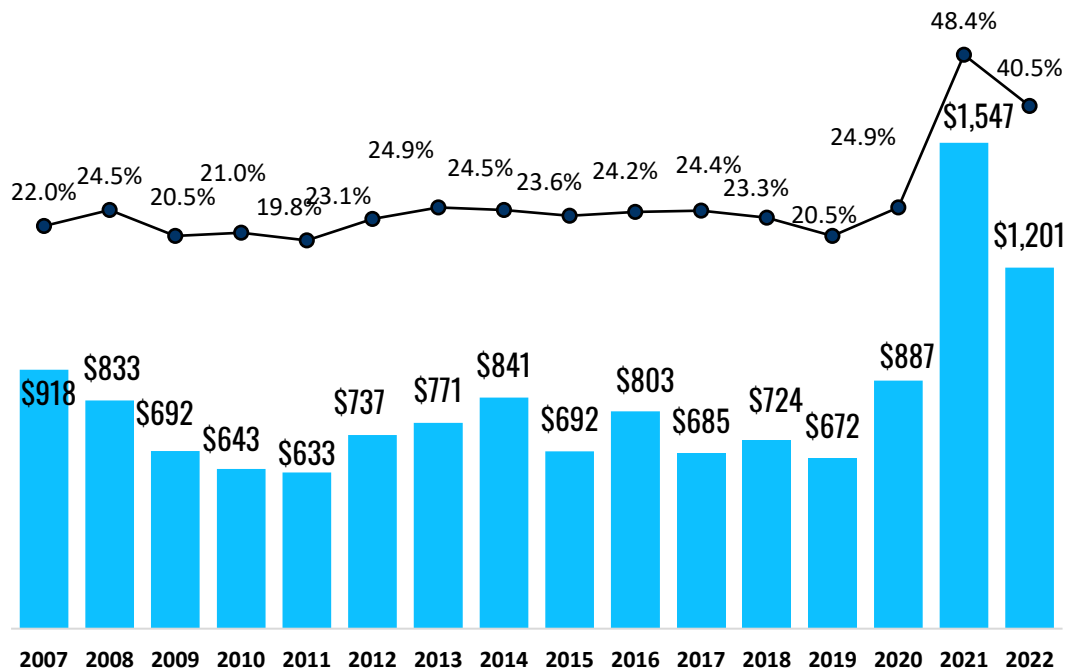
# Gross Margin is a Key Business Focus



IFRS Measures

## Revenue & Gross Margin

US\$M in Revenue and Gross Margin %

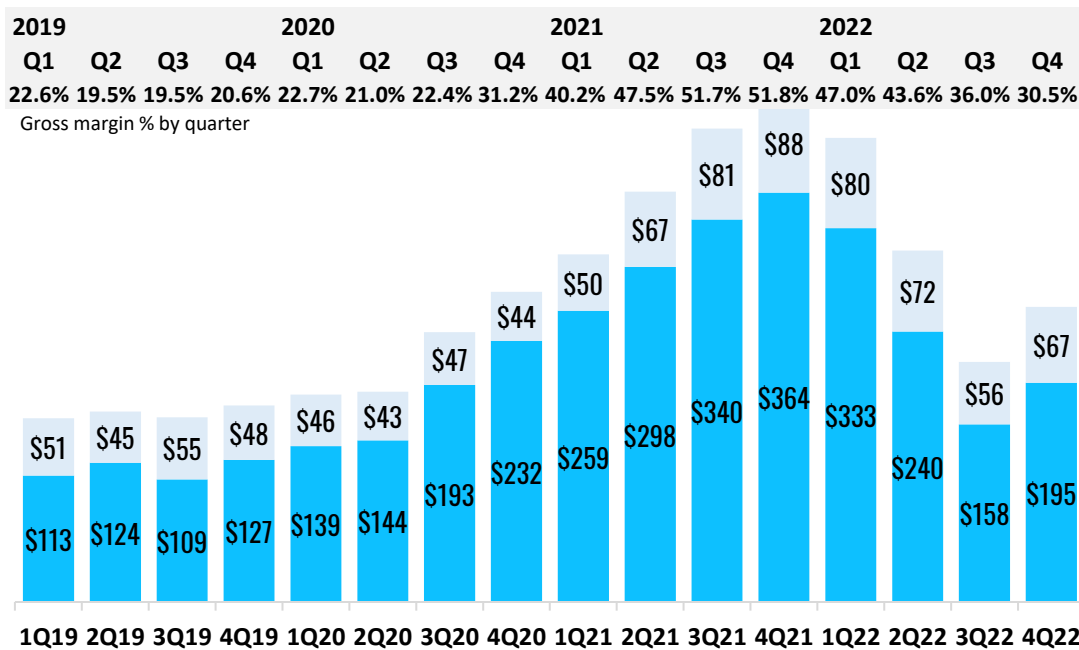


IFRS Measures

## Geographical Revenue Mix & Quarterly GM

US\$M in Revenue and Quarterly Gross Margin %

China Sales (Blue), ROW Sales (Light Blue)



### Margin improved with favorable product mix

- High margin segments supporting our long-term growth
  - Leadership in Auto: A leading supplier with leading technology spec (DDIC/TDDI/Tcon/AMOLED). First mover in auto TDDI now broadly adopted by main auto makers. Demand unfolding with a trend in new energy vehicle (NEV) and auto pilot
  - Leadership in tablet: A dominate supplier with leading technology spec in TDDI and tablet AMOLED
  - New revenue stream: Ultralow power WiseEye smart image sensing and always-on sensor are needed for endpoint AI devices

- 2022 Auto business was as the largest revenue contributor. Auto, Tcon, AMOLED and WiseEye AI business all enjoy higher GM
- 2021 GM set a new high for favorable price and product mix amid severe capacity shortage period
  - Strong demand for monitor and NB due to WFH/LFH
  - Our TV sales enjoy decent growth on the backdrop of a sluggish global TV market
  - Strong growth in TDDI for tablet / automotive
  - Robust auto demand derived from display inside the auto increase in number, size and feature, implying more demand for auto drivers ICs
- Sales and GM started to ramp from Q2 2020 from the surging demands triggered by pandemic along with the capacity shortage
- 2019 GM declined due to adverse product mix change

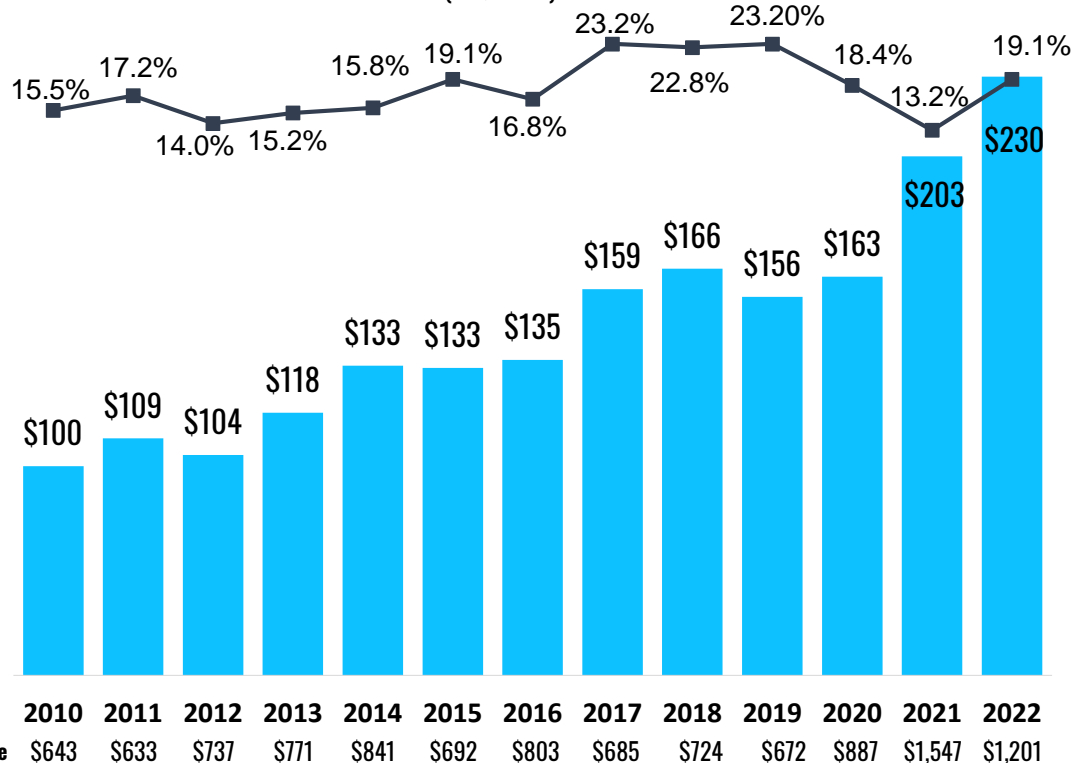


# OPEX and the Bottom Line



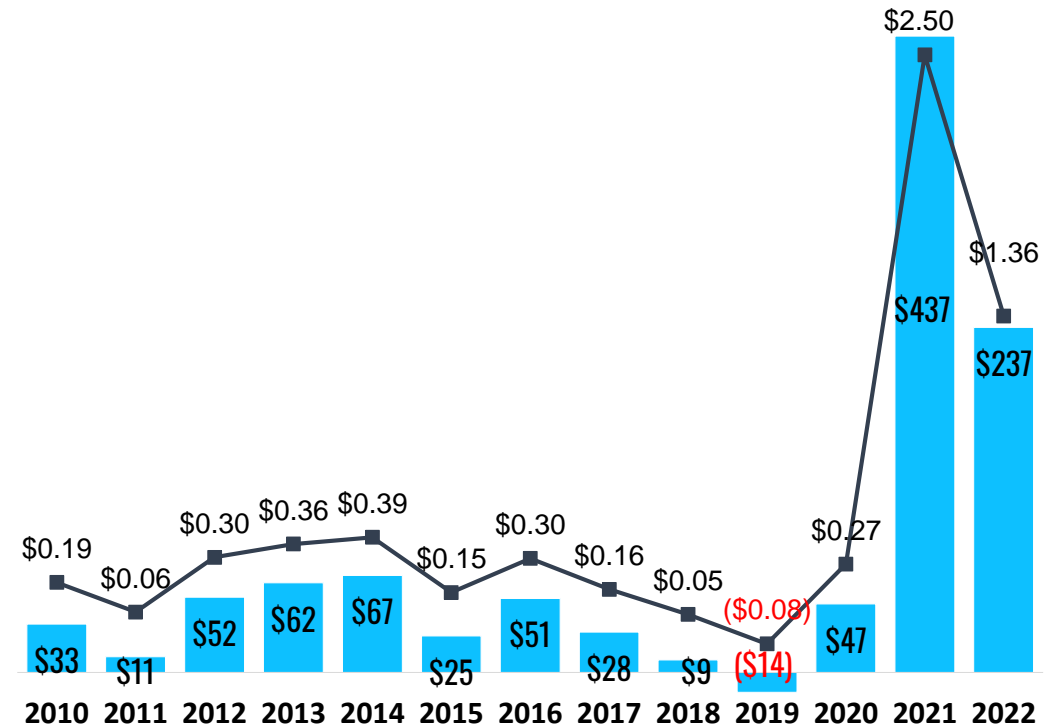
IFRS Measures

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



IFRS Measures

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



- 2022 IFRS OPEX up 12.8% YoY, primarily a result of the vested portion of the annual bonus compensation awarded to employees in 2022 and previous years, along with increased salaries and R&D expenses. Non-IFRS OPEX YoY up 5.7%
- Continuous commitment to R&D and customer engineering for strategic area with great growth potential in the future
- 2018 & 2019 higher capex to meet the demands of 3D sensing total solution, projector module or optics
- 2019 completion of the new WLO facility, including additional WLO capacity, active alignment equipment and extra office
- 2019 Profit declined due to adverse product mix change, weaker market demand and intensified competition

# Performance History

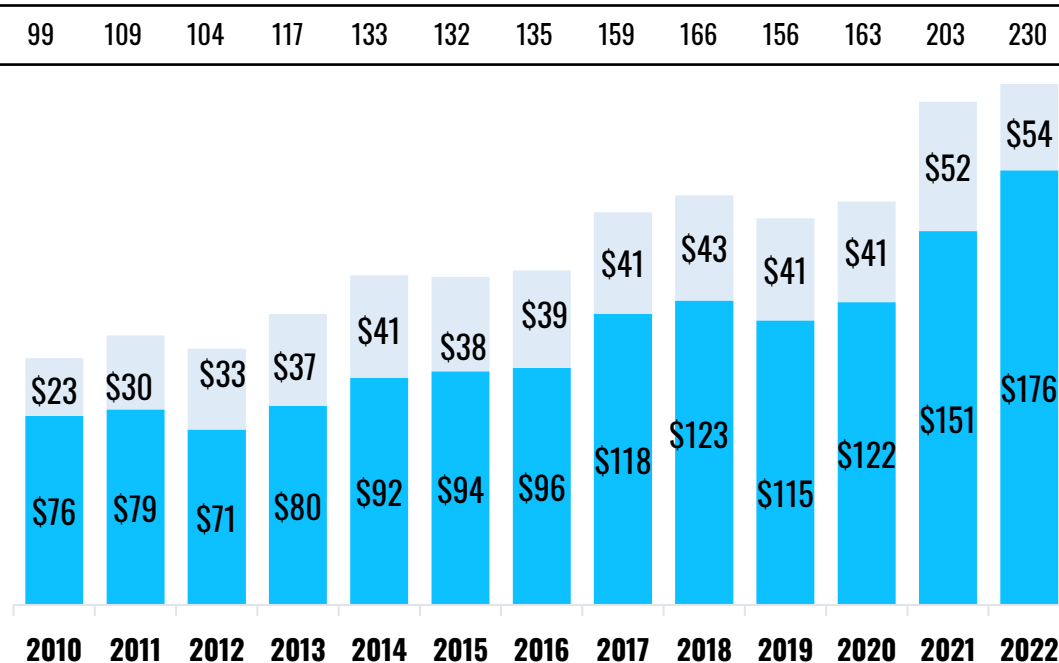


IFRS Measures

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

■ R&D Expense    ■ Operating Expense ex. RD

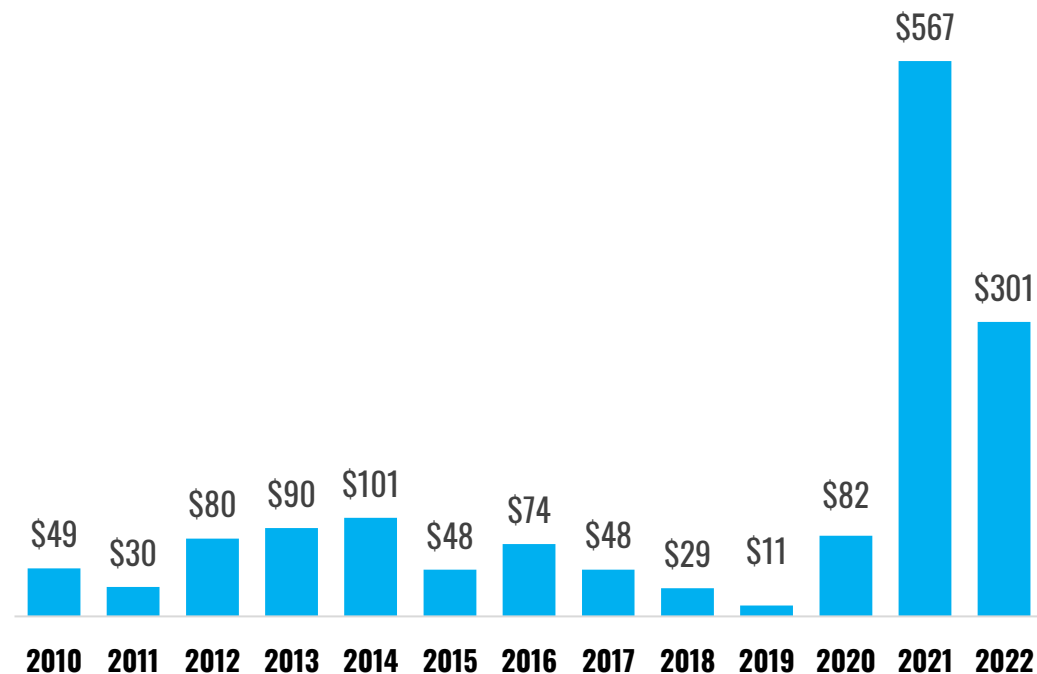
### Total Operating and R&D Expense (US\$M)



- Well-manage R&D investment & expense for customer engineering for strategic growth including WLO, CIS, TDDI, Auto, AMOLED, 3D Sensing & WiseEye Smart Image Sensing
- IFRS Share-based compensation and cash award from 2014 to 2022: \$11.1mn, \$6.2mn, \$10.2mn, \$6.9mn, \$4.1mn, \$0.4mn, \$5.4mn, \$31.0mn and \$47.3mn

IFRS Measures

## EBITDA (US\$M)



- From end of 1Q22, market disruption of geopolitical conflict, China lockdown along with elevated inflation and rapidly rising interest rates, all led to our sales decline and inventory pile-up, resulting in GM contraction
- In 2021, 5G/HPC/AIoT/Auto demand and WHF demand derived from pandemic caused tight capacity shortage for mature process node and led to favorable pricing where GM is higher than those before 2019
- 2019 profit setbacks caused by lower GM due to adverse product mix change
- Robust profit growth in 2016 as a result of revenue growth and GM enhancement from new products

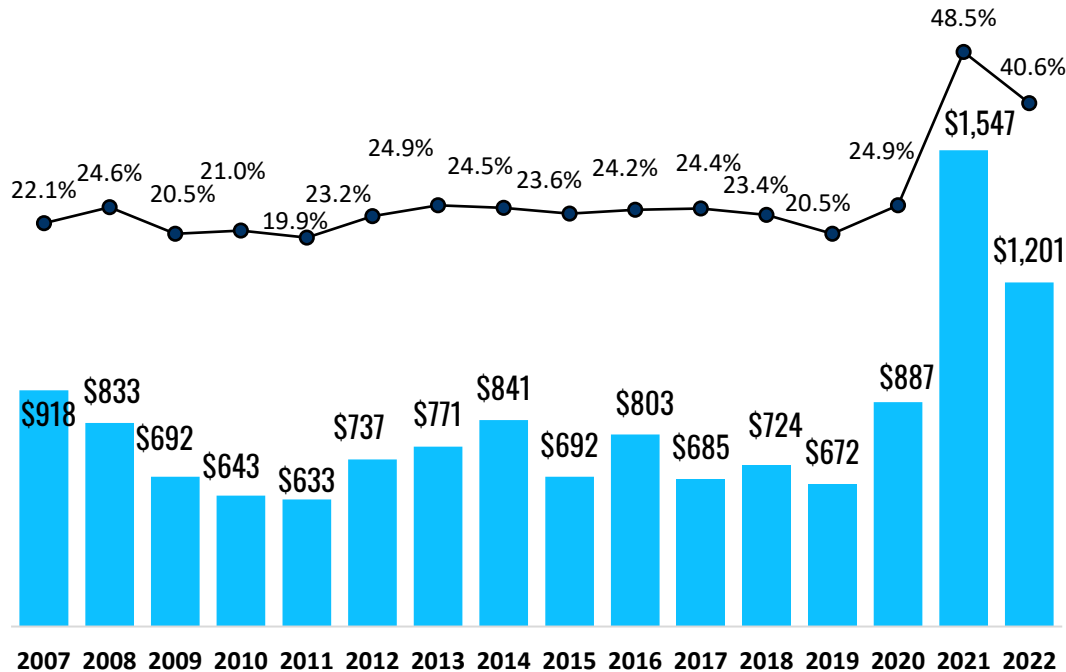
# Gross Margin – Non-IFRS



Non-IFRS Measures

## Revenue & Gross Margin

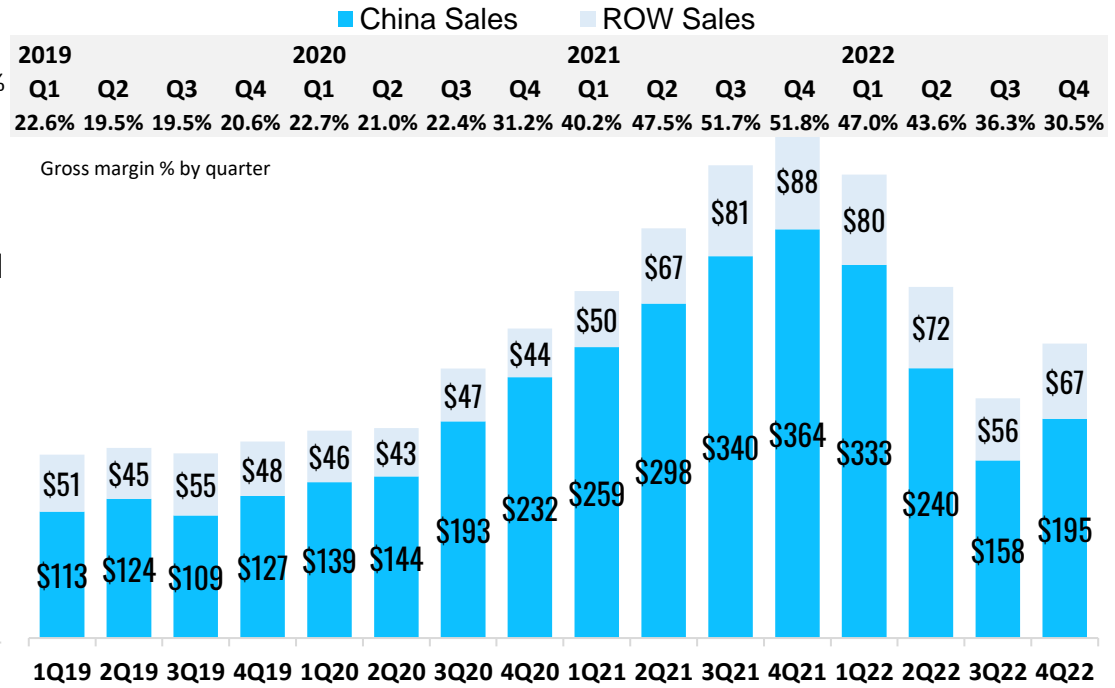
US\$M in Revenue and Gross Margin %



Non-IFRS Measures

## Geographical Revenue Mix & Quarterly GM

US\$M in Revenue and Quarterly Gross Margin %



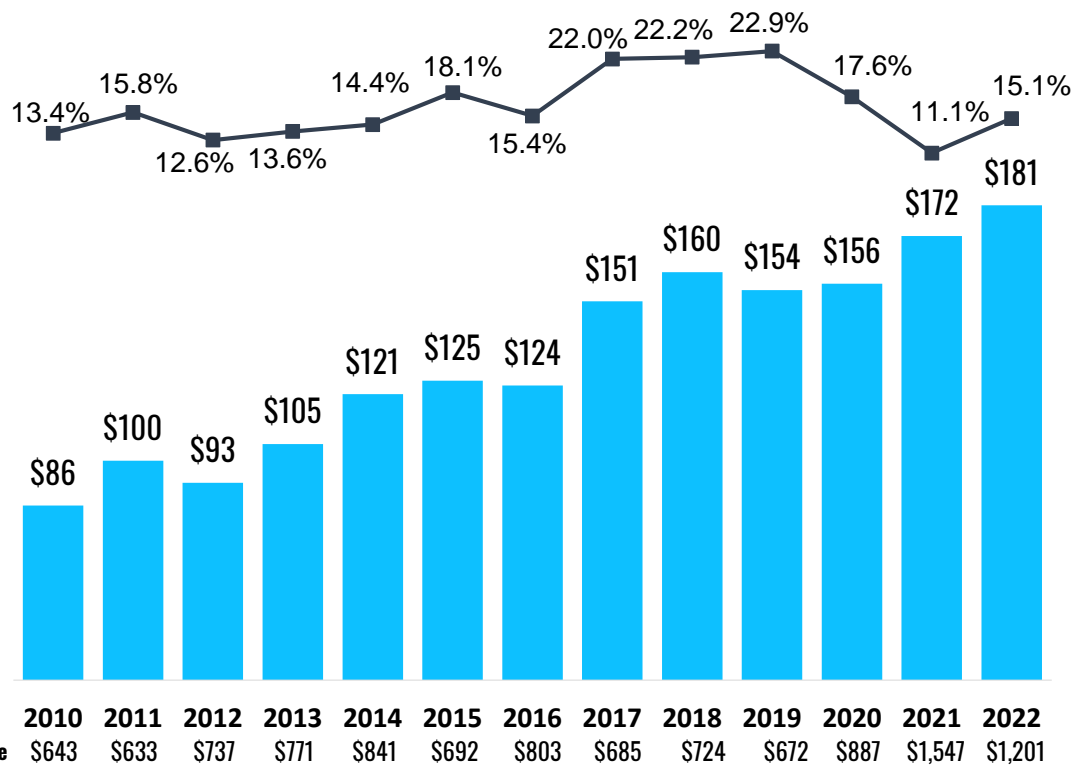
# OPEX and the Bottom Line – Non-IFRS



Non-IFRS Measures

## OPEX and % of Total Sales

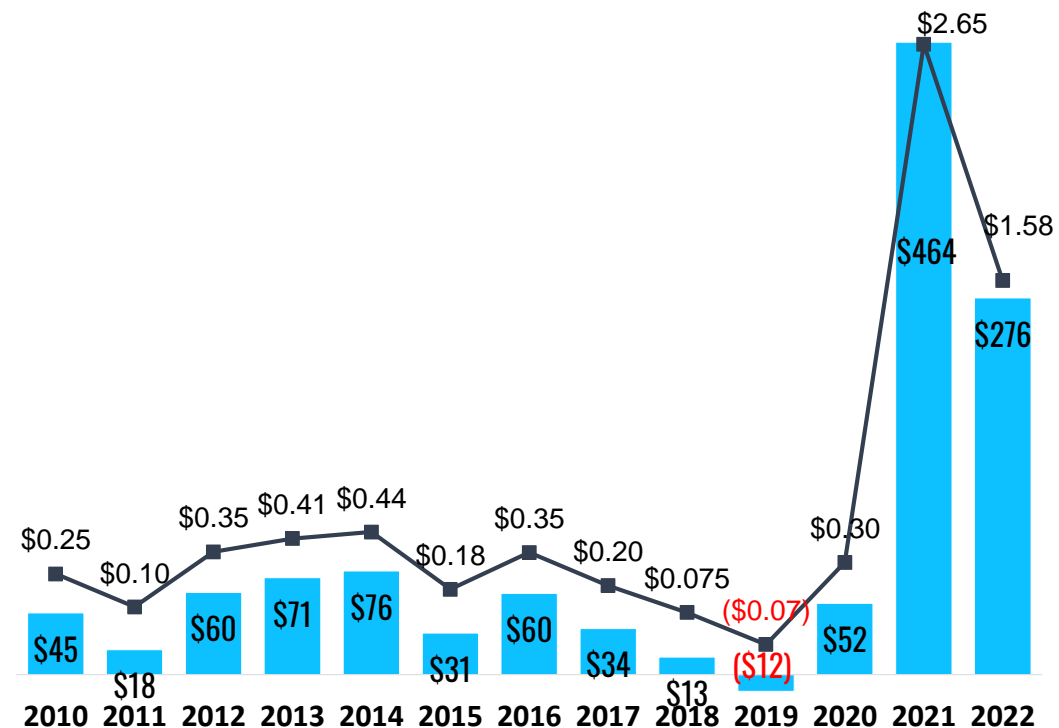
(US\$M/ %)



Non-IFRS Measures

## Profit and EPS

(US\$M/ US\$)



# Performance History – Non-IFRS



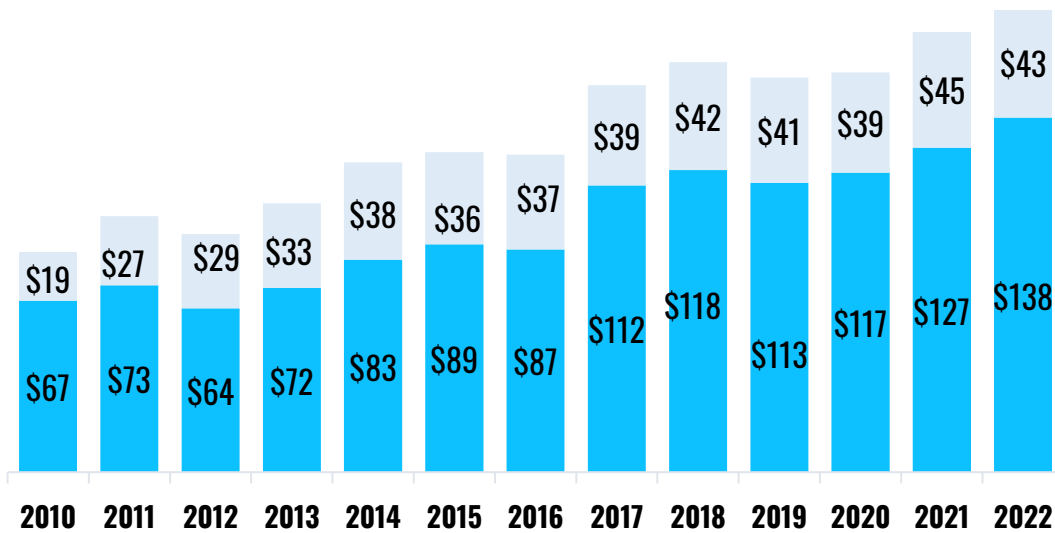
Non-IFRS Measures

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

■ R&D Expense    ■ Operating Expense ex. RD

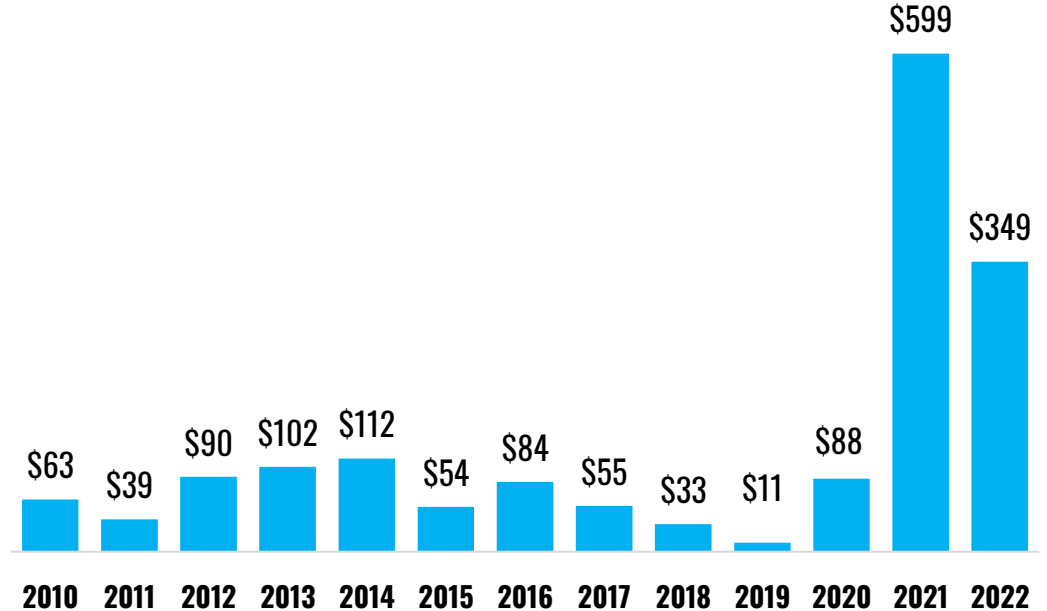
Total Operating and R&D Expense (US\$M)

86    100    93    105    121    126    124    151    160    154    156    172    181



Non-IFRS Measures

## EBITDA (US\$M)



# Income Statement



For the Fiscal Period Ended	<u>4Q-2022</u> (Unaudited)	<u>4Q-2021</u> (Unaudited)	<u>3Q-2022</u> (Unaudited)	<u>Y2022</u> (Unaudited)	<u>Y2021</u> (Audited)
<b>Revenues</b>	\$262,290	\$451,895	\$213,631	\$1,201,339	\$1,547,097
<b>Cost of revenues</b>	182,239	217,919	136,828	714,233	798,519
<b>Gross profit</b>	80,051	233,976	76,803	487,106	748,578
<b>Gross margin</b>	30.5%	51.8%	36.0%	40.5%	48.4%
Operating expenses					
Research and development	40,158	41,540	55,749	175,557	151,386
General and administrative	6,651	8,086	8,554	28,503	29,281
Sales and marketing	5,716	6,399	8,555	25,459	22,890
<b>Total operating expenses</b>	52,525	56,025	72,858	229,519	203,557
<b>Operating income</b>	27,526	177,951	3,945	257,587	545,021
Non-operating income (loss)	11,654	146	1,614	18,978	(429)
<b>Profit before income taxes</b>	39,180	178,097	5,559	276,565	544,592
Income tax expense (benefit)	(2,818)	36,625	(2,449)	41,098	110,657
<b>Profit for the period</b>	41,998	141,472	8,008	235,467	433,935
Add: Loss attributable to noncontrolling interests	158	921	311	1,515	2,961
<b>Profit attributable to Himax stockholders</b>	\$42,156	\$142,393	\$8,319	\$236,982	\$436,896
<b>Non-IFRS profit attributable to Himax stockholders</b>	\$47,698	\$148,423	\$29,774	\$276,147	\$463,565
<b>IFRS earnings per ADS attributable to Himax stockholders (in cents)</b>					
Basic	24.1	81.5	4.8	135.6	250.2
Diluted	24.1	81.5	4.8	135.6	249.8
<b>Non-IFRS earnings per ADS attributable to Himax stockholders (in cents)</b>					
Basic	27.3	85.0	17.0	158.0	265.5
Diluted	27.3	84.9	17.0	158.0	265.1

# Balance Sheet



	<u>December 31, 2022</u> (Unaudited)	<u>September 30, 2022</u> (Unaudited)	<u>December 31, 2021</u> (Audited)
<b>Assets</b>			
<b>Current assets:</b>			
Cash and cash equivalents	\$221,581	\$219,745	\$336,024
Financial assets at amortized cost	8,314	8,147	26,013
Financial assets at fair value through profit or loss	0	0	2,345
Accounts receivable, net (including related parties)	261,148	253,284	410,211
Inventories	370,933	410,071	198,600
Restricted deposit	369,300	369,300	154,100
Other current assets	105,532	111,005	65,551
<b>Total Current Assets</b>	<b>1,336,808</b>	<b>1,371,552</b>	<b>1,192,844</b>
Financial assets at fair value through profit or loss	15,350	14,466	13,668
Equity method investments	6,533	3,293	3,302
Property, plant and equipment, net	126,138	127,598	133,236
Goodwill	28,138	28,138	28,138
Refundable deposits	162,968	162,924	199,982
Other assets	25,823	22,963	32,024
<b>Total Assets</b>	<b>\$1,701,758</b>	<b>\$1,730,934</b>	<b>\$1,603,194</b>
<b>Liabilities and Equity</b>			
<b>Current liabilities:</b>			
Current portion of long-term unsecured borrowings	\$6,000	\$6,000	\$6,000
Short-term secured borrowings*	369,300	369,300	151,400
Accounts payable (including related parties)	122,042	191,971	248,425
Income taxes payable	69,383	66,517	96,552
Other current liabilities	127,270	102,809	98,848
<b>Total Current Liabilities</b>	<b>693,995</b>	<b>736,597</b>	<b>601,225</b>
Long-term unsecured borrowings	40,500	42,000	46,500
Other liabilities	73,442	103,782	83,487
Himax stockholders' equity	892,572	847,722	869,724
Noncontrolling interest	1,249	833	2,258
<b>Total Liabilities and Equity</b>	<b>\$1,701,758</b>	<b>\$1,730,934</b>	<b>\$1,603,194</b>

\* Short-term secured borrowings is guaranteed by restricted deposit

# Cash Flow Statement



	<u>4Q-2022</u> (Unaudited)	<u>3Q-2022</u> (Unaudited)	<u>2022FY</u> (Unaudited)	<u>2021FY</u> (Audited)
<b><u>Profit for the period</u></b>	<b><u>\$41,998</u></b>	<b><u>\$8,008</u></b>	<b><u>\$235,467</u></b>	<b><u>\$433,935</u></b>
Depreciation and amortization	5,196	5,359	21,342	21,342
Share-based compensation expenses	1,094	662	3,096	700
Finance costs	1,332	843	2,783	1,074
Income tax expense (benefit)	(2,818)	(2,449)	41,098	110,657
Inventories write downs	9,104	7,282	22,211	9,448
Others	(12,696)	(122)	(18,893)	(490)
	43,210	19,583	307,104	576,666
Changes in:				
Decrease (increase) in accounts receivable (including related parties)	(10,057)	117,749	146,870	(166,395)
Decrease (increase) in inventories	30,034	(80,041)	(194,544)	(99,341)
Increase (decrease) in accounts payable (including related parties)	(68,426)	(51,323)	(124,870)	74,954
Others	9,551	(3,071)	18,105	22,260
<b>Cash generated from operating activities</b>	<b>4,312</b>	<b>2,897</b>	<b>152,665</b>	<b>408,144</b>
Interest received	2,796	443	4,525	852
Interest paid	(1,332)	(843)	(2,783)	(1,074)
Income tax paid	(310)	(6,171)	(71,499)	(19,646)
<b>Net cash provided by (used in) operating activities</b>	<b>\$5,466</b>	<b>(\$3,674)</b>	<b>\$82,908</b>	<b>\$388,276</b>
Acquisitions of property, plant and equipment	(2,312)	(3,402)	(11,797)	(7,562)
Acquisitions of financial assets at amortized cost	(784)	(720)	(8,763)	(25,362)
Proceeds from disposal of financial assets at amortized cost	841	660	25,823	8,011
Acquisitions of financial assets at fair value through profit or loss	(5,081)	(30,179)	(108,374)	(23,417)
Proceeds from disposal of financial assets at fair value through profit or loss	5,082	33,188	110,283	29,141
Increase in refundable deposits	(13)	(6,131)	(6,144)	(213,056)
Others	11,439	0	13,970	(435)
<b>Net cash provided by (used in) investing activities</b>	<b>\$9,172</b>	<b>(\$6,584)</b>	<b>\$14,998</b>	<b>(\$232,680)</b>
Payments of cash dividends	0	(217,873)	(217,873)	(47,424)
Proceeds from short-term unsecured borrowings	0	0	0	15,000
Repayments of short-term unsecured borrowings	0	0	0	(15,000)
Proceeds from long-term unsecured borrowings	0	40,000	40,000	0
Repayments of long-term unsecured borrowings	(1,500)	(41,500)	(46,000)	(6,000)
Proceeds from short-term secured borrowings	358,200	668,700	1,212,700	611,600
Repayments of short-term secured borrowings	(358,200)	(450,800)	(994,800)	(564,200)
Pledge of restricted deposit	0	(217,900)	(217,900)	(47,400)
Guarantee deposits received (refunded)	(12,000)	(882)	16,913	54,050
Others	(771)	(601)	(4,108)	(5,113)
<b>Net cash used in financing activities</b>	<b>(\$14,271)</b>	<b>(\$220,856)</b>	<b>(\$211,068)</b>	<b>(\$4,487)</b>
Effect of foreign currency exchange rate changes	1,469	(2,043)	(1,281)	(23)
<b>Net increase (decrease) in cash and cash equivalents</b>	<b><u>\$1,836</u></b>	<b><u>(\$233,157)</u></b>	<b><u>(\$114,443)</u></b>	<b><u>\$151,086</u></b>
<b>Cash and cash equivalents at beginning of period</b>	<b><u>\$219,745</u></b>	<b><u>\$452,902</u></b>	<b><u>\$336,024</u></b>	<b><u>\$184,938</u></b>
<b>Cash and cash equivalents at end of period</b>	<b><u>\$221,581</u></b>	<b><u>\$219,745</u></b>	<b><u>\$221,581</u></b>	<b><u>\$336,024</u></b>





**Dr. Biing-Seng Wu, Chairman of the Board** - Dr. Wu, the founder of Himax, previously served as President, CEO and 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 with profound experience. With 146 patents related to Flat Panel Display and 3D Sensing 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, 2011 NCKU Outstanding Alumni Award, etc.



**Jordan Wu, President, CEO and Director** - Mr. Jordan Wu, co-founder, President and Chief Executive Officer of Himax Technologies Inc., a NASDAQ-listed fabless IC design company headquartered in Tainan, Taiwan. Prior to co-founding Himax, he served as CEO of TV Plus Technologies, Inc. in Taiwan 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, specialized in cross-border capital markets and M&A. 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, USA



**Jessica Pan, Chief Financial Officer** - Jessica joined Himax in 2006 and has played an integral role at Himax on finance, accounting, financial planning and analysis, forecasting and tax. Jessica 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, USA



**Eric Li, Chief IR/PR Officer** - Joining Himax in 2012, Mr. Eric Li has 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, USA



# Contact Us

## Company

**Eric Li, Chief IR/PR Officer**

Tel: +886-6-505-0880

[hx\\_ir@himax.com.tw](mailto:hx_ir@himax.com.tw)

**Karen Tiao, IR Relations**

Tel: +886-2-2370-3999

[hx\\_ir@himax.com.tw](mailto:hx_ir@himax.com.tw)

**Mark Schwalenberg, Director**

Investor Relations - US Representative

MZ North America

Tel: +1-312-261-6430

[HIMX@mzgroup.us](mailto:HIMX@mzgroup.us)

[www.mzgroup.us](http://www.mzgroup.us)

**Corporate  
Counsel**

**BAKER & MCKENZIE**

**SEC Legal  
Counsel**

**DAVIS POLK  
& WARDWELL**

**Auditor**

**KPMG**