



*Drive for better vision*



***Himax***

Nasdaq : HIMX

***November 2023 INVESTOR PRESENTATION***



# Forward Looking Statements



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, 2022 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
- Automotive Local Dimming Tcon for High-Contrast Display Enablement
- 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
- Plug-n-Play Intelli-Sensing Module with Programmable and Pre-Trained AI Models
- WiseEye Solution Features in Dell's New Laptops
- Ecosystem: Google, Microsoft, Arm, TinyML Foundation, 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

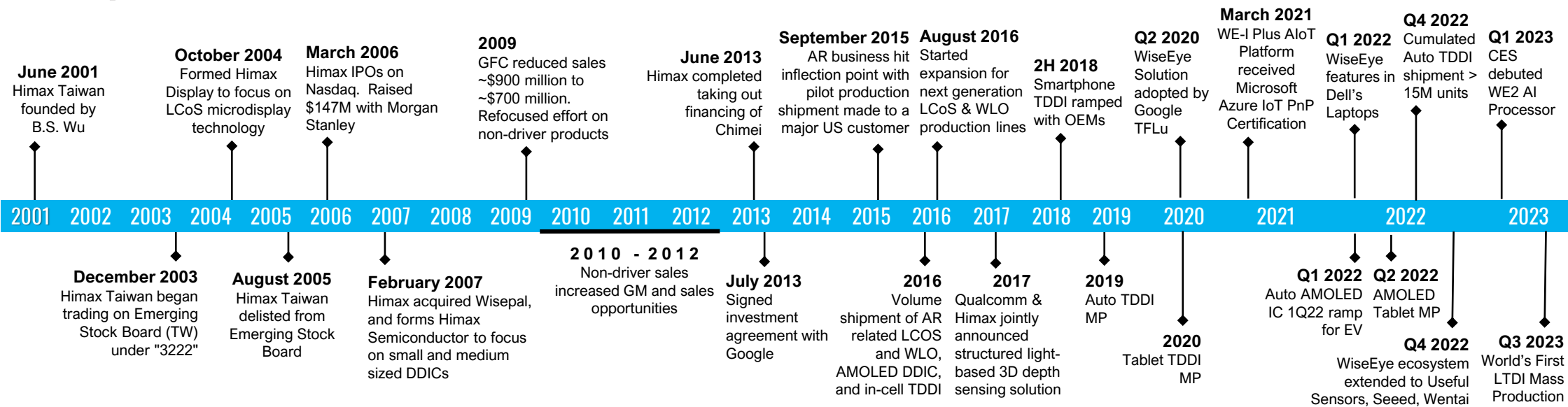


## 2015 and Beyond

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

- 2022 record \$1.2B in revenue. Ranked Global Top 10 Fabless IC Design Company 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

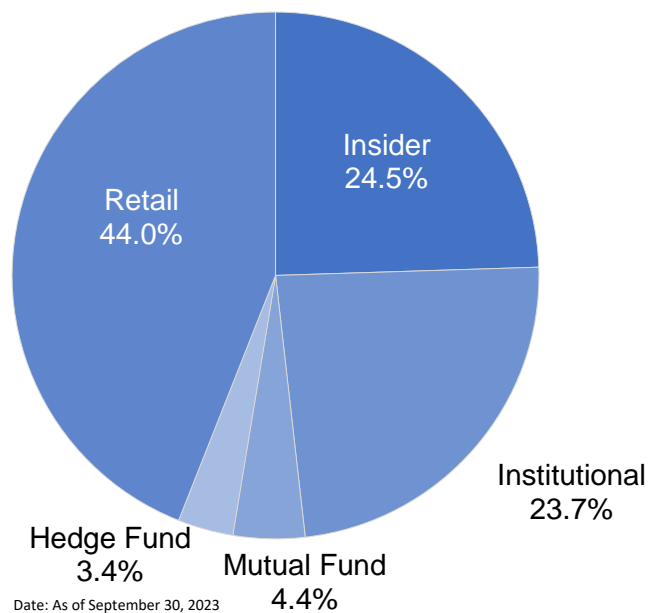


## HIMX Nasdaq Listed

<b>Fiscal Year</b>	<b>December 31</b>
<b>Last-Traded Price (11/8/2023)</b>	<b>\$5.52</b>
<b>Diluted Weighted Ave. Out. ADS</b>	<b>174.8M</b>
<b>Equivalent ADS Out</b>	<b>174.7M</b>
<b>Market Capitalization (11/8/2023)</b>	<b>\$962M</b>
<b>Average Volume</b>	<b>0.65M</b>
<b>Insider Ownership*</b>	<b>24.5%</b>

\* Insider ownership includes executives and board members

## Shareholder Type



## 12 Month Trading Chart

November 8, 2023



Source: <https://www.nasdaq.com/symbol/himx/stock-chart>

## Analysts

**Mizuho Securities Asia Ltd.**

**Nomura Securities**

**Baird Equity Research**

Kevin Wang

Donnie Teng

Tristan Gerra

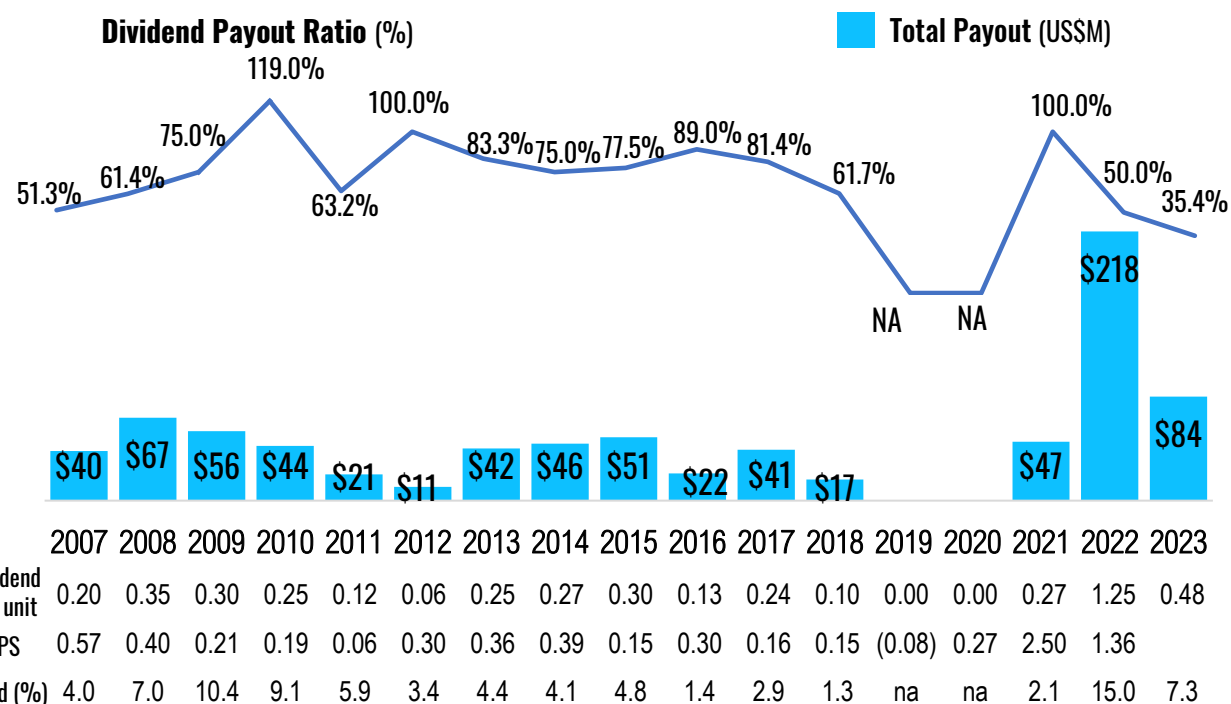


# History of Dividend and Share Buyback



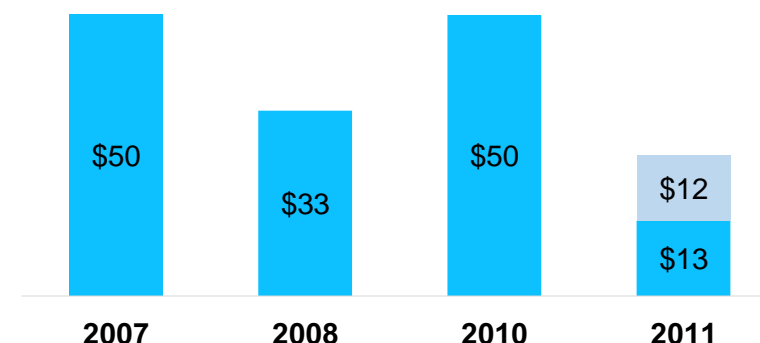
**\$953**  
MILLION

**HAS BEEN RETURNED TO SHAREHOLDERS INCLUDING DIVIDENDS AND SHARE BUYBACKS SINCE IPO**



## Executed Share Buybacks from 2007-2023 (US\$M)

■ Unutilized Portion ■ Executed Share Buyback



## Himax Dividend and Policy

- Distributed a total of \$807 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., 2023 dividend payouts in July was for fiscal year 2022
- Company has decided 2023 dividend on a relatively low payout ratio in the light of prevailing macroeconomic. We are grateful for the continued support of our shareholders as we continue to execute on our business objectives and strive to deliver sustainable long-term growth while maintaining a healthy balance sheet

## 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*



# Q3 Summary and Q4 Guidance



	<b>3Q2023</b>	<b>2Q2023</b>	<b>3Q2022</b>	<b>QoQ</b>	<b>YoY</b>
Revenues	\$238.5M	\$235.0M	\$213.6M	+1.5%	+11.6%
Gross Margin (%)	31.4%	21.7%	36.0%	+9.7%	-4.6%
Profit	\$11.2M	\$0.9M	\$8.3M	+1165.3%	+35.1%
Earnings per ADS	\$0.064	\$0.005	\$0.048	+1164.6%	+35.0%

	<b>2022</b>	<b>2021</b>	<b>YoY</b>
Revenues	\$1,201.3M	\$1,547.1M	-22.3%
Gross Margin (%)	40.5%	48.4%	-7.9%
Profit	\$237.0M	\$436.9M	-45.8%
Earnings per ADS	\$1.356	\$2.498	-45.7%

## 4Q2023 Guidance

<b>Revenues</b>	Decline 5.0% - 11.0% sequentially
<b>Gross Margin (%)</b>	Around 30%, depending on our final product mix
<b>Profit</b>	To be around 9.0 cents to 13.0 cents per diluted ADS



# A Global Semiconductor Company



- 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
- 2,838 patents granted and 376 patents pending approval worldwide as of September 30, 2023
- 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 26 offices across Taiwan, China, Japan, Korea, Germany 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
- Intelli-Sensing Modules
- 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 WLO Fab
- 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
- In-house LC and Module Assembly Facilities

### 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**

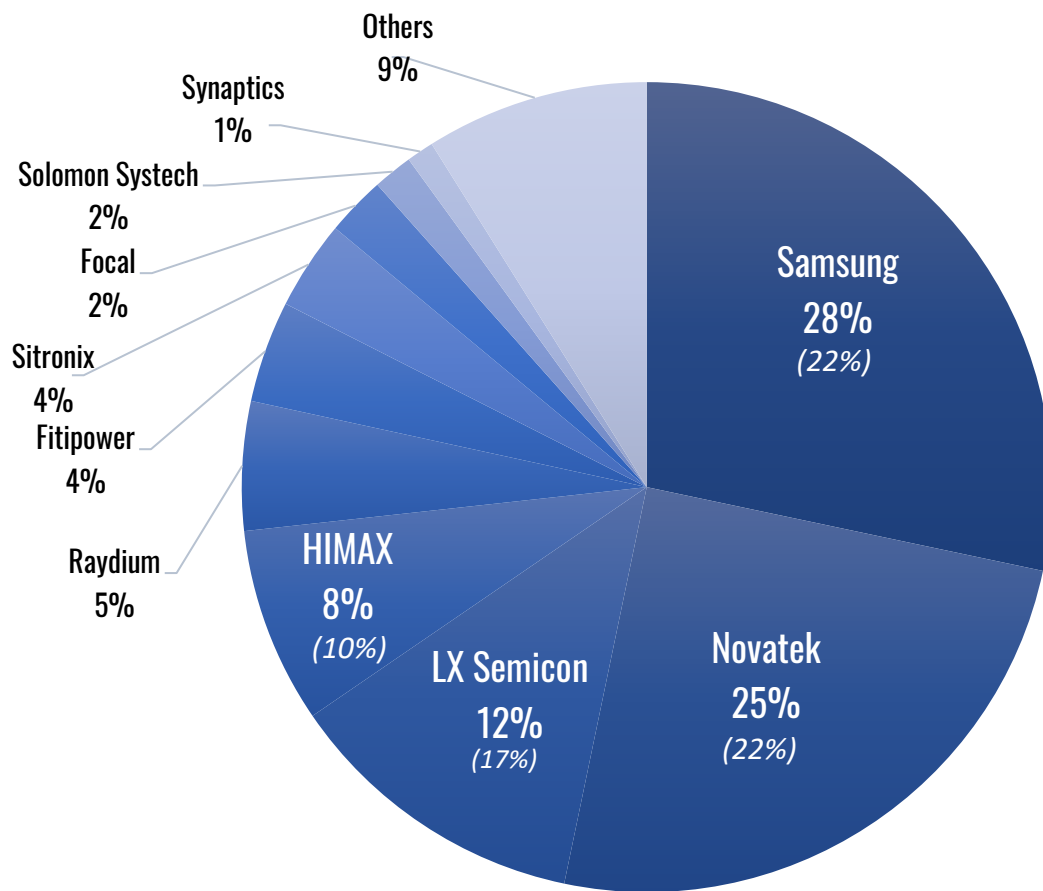


**Who uses Himax DDICs**





## 2023 Driver Market Share (1Q23 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)





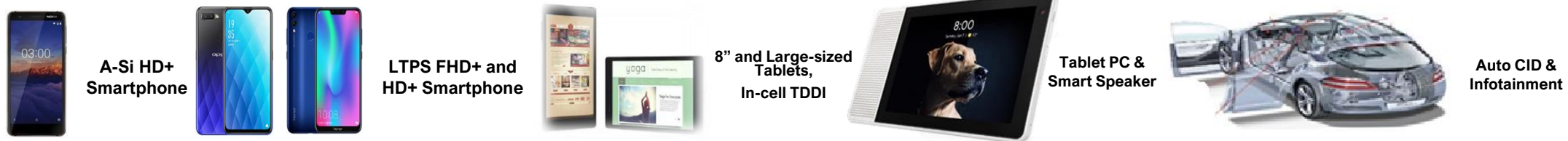
**We provide technologies for touch sensor displays including in-cell touch and the fast-growing segment of Touch and Display Driver Integration (TDDI) single-chips**

## 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. Automotive TDDI chips cumulative shipment >25M as of 3Q23. Commenced world 1<sup>st</sup> LTDI mass production. Automotive business remains to be our largest revenue contributor with nearly 45% of total sales in 3Q23

## In what devices can you find Himax TDDI technologies



## Who uses Himax Touch and TDDI Technologies

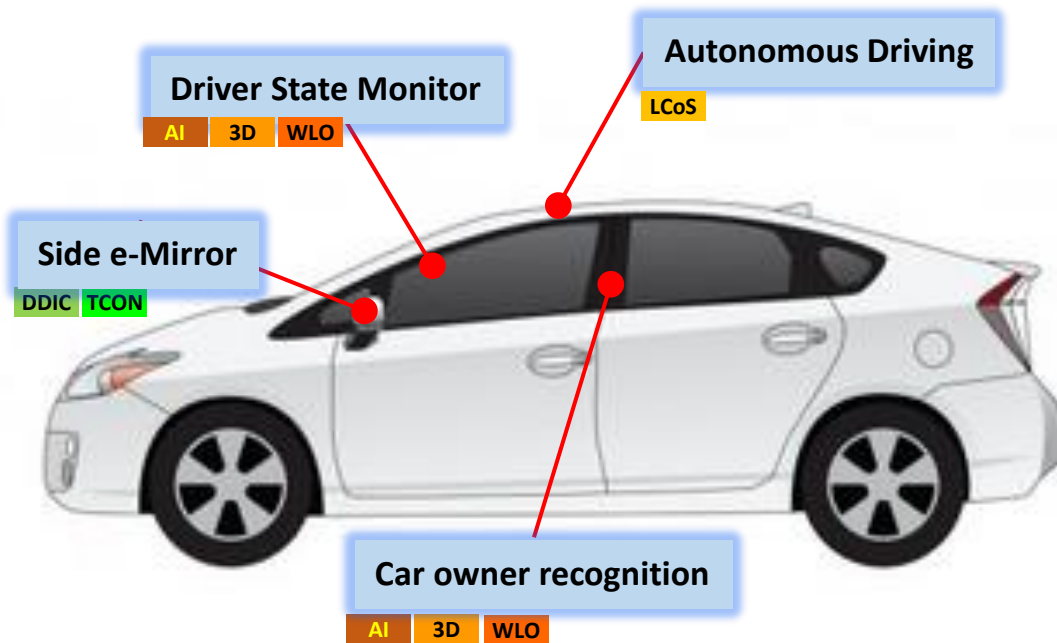




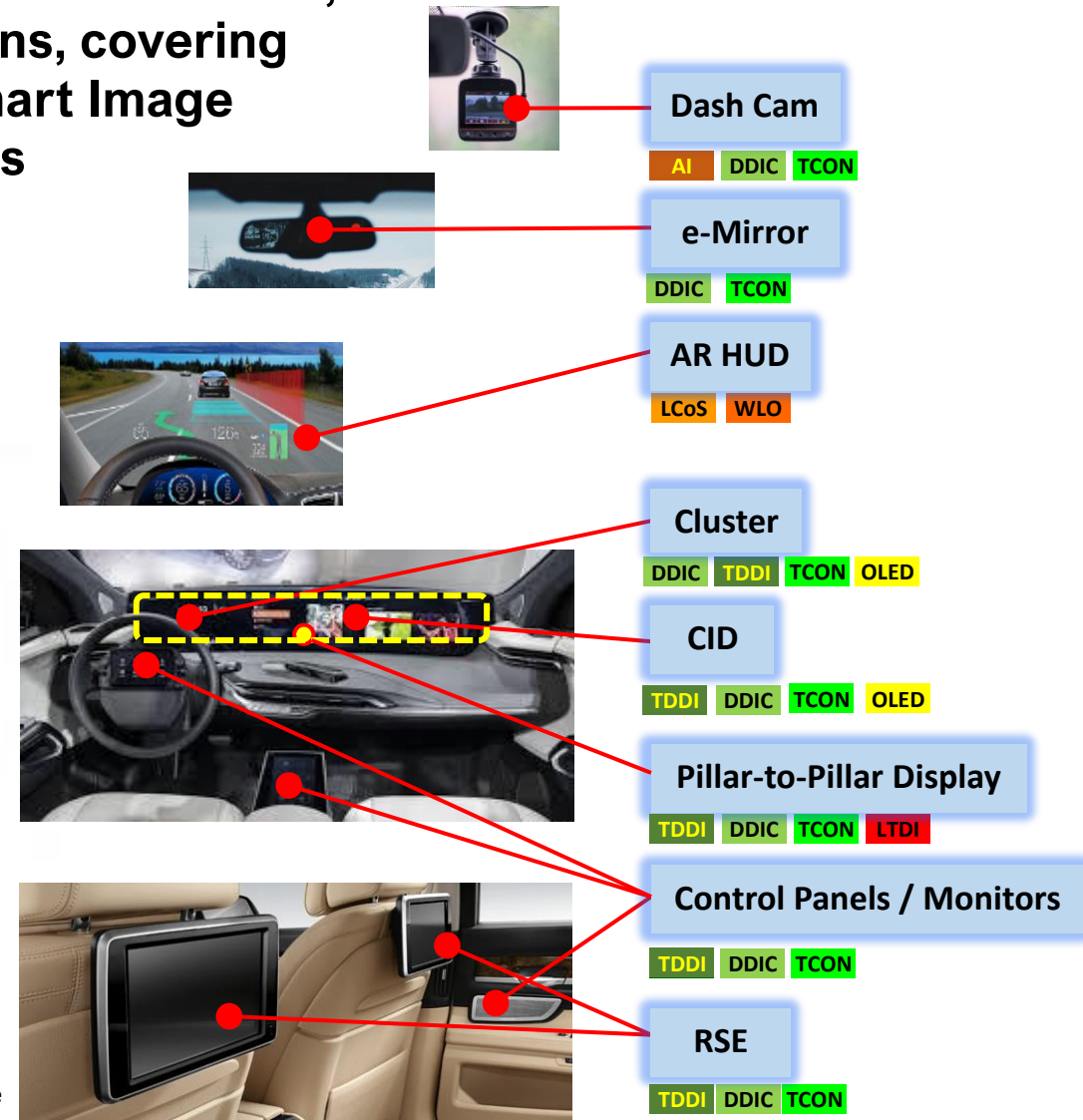
# Leadership in Automotive Displays



We offer comprehensive automotive display solutions covering DDIC, TDDI, TCON, LTDI 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



<b>DDIC</b> Cascade Driver	<b>TCON</b> Local Dimming + Bridge	<b>LCoS</b> Microdisplay / Phase modulation
<b>TDDI</b> In-cell + Cascade	<b>AI</b> WiseEye™	<b>WLO</b> Diffraction, Diffusion, Light Guide
<b>LTDI</b> In-cell + Cascade	<b>3D</b> 3D Sensing	<b>OLED</b> AMOLED







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

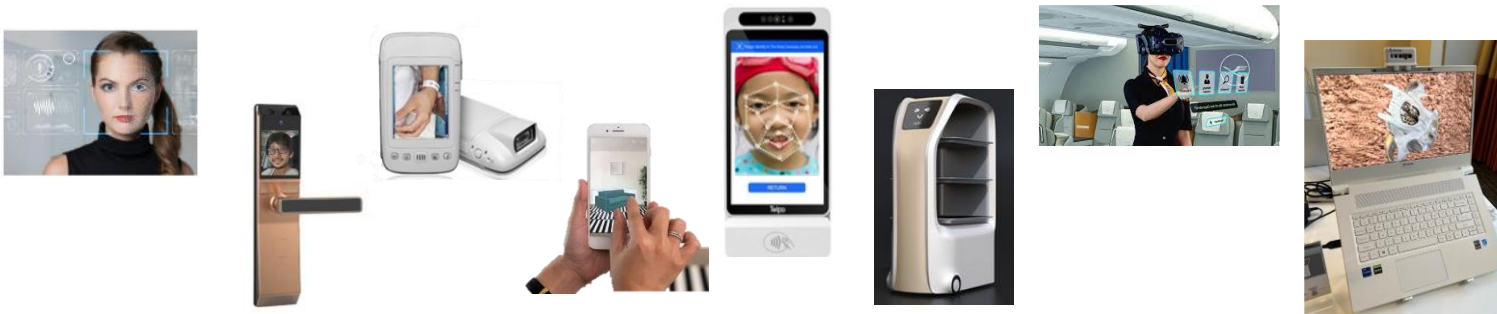
### Wafer Level Optics (WLO):

- DOE, diffuser, lens and other nanoimprinting diffractive optics for structured light, ToF and others
- Waveguide for AR glasses and LCoS, Lens for CIS and AR devices, Automotive in-cabin 3D, VR gesture control, etc.

### 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

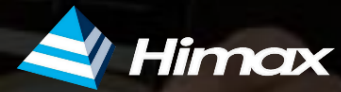
iCatch Technology

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



# WiseEye™ Smart Image Sensing and CIS



Notebook



Smart Home



Smart City



Smart Retail



Automotive



Medical



Smart Factory



Smart Agriculture



Consumer Appliances

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

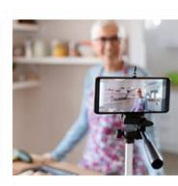
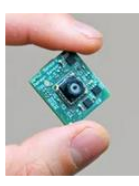
### CIS:

- 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)



**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**

AR Glasses: Hearing Aid

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



AR Gaming



## Front-Lit LCoS Technology Advantages

- Compact form factor, brightness, power efficiency
- Simpler optical engine design and lower cost
- Color Sequential Front-Lit LCoS offers unrivaled lightweight, compact form factor (< 0.5c.c) and high brightness (>100k nits)

## 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

Audio-to-Text



aR: Assisted Reality



**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



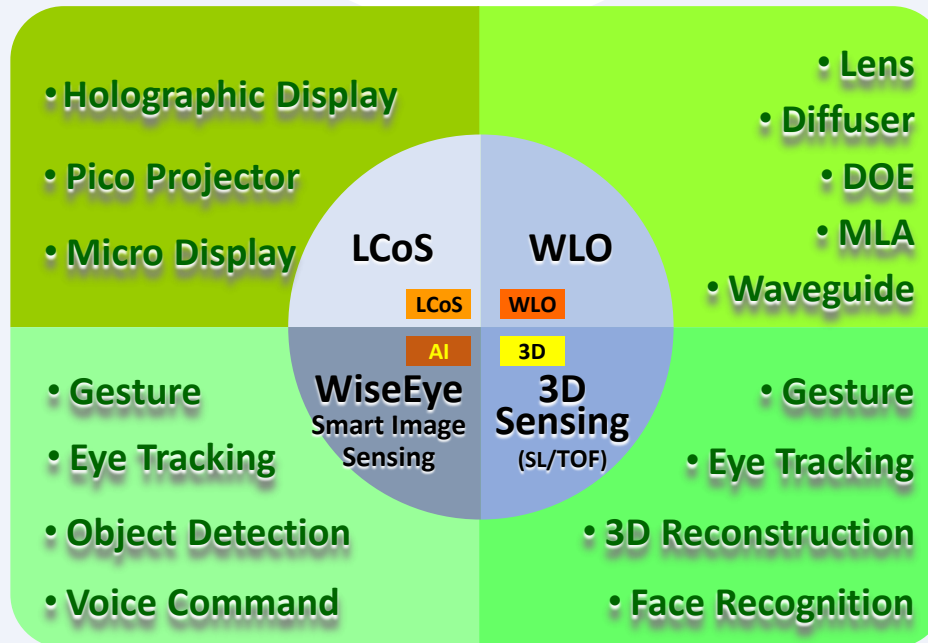
LCoS WLO 3D AI

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



# Our Customers



## DISPLAY DRIVERS



## WAFER LEVEL OPTICS



## CMOS IMAGE SENSORS



## ASIC SERVICE & IP LICENSING

## LCOS MICRODISPLAYS

## TDDI & TOUCH CONTROLLERS



## POWER MANAGEMENT IC & LED DRIVERS



## TIMING CONTROLLERS

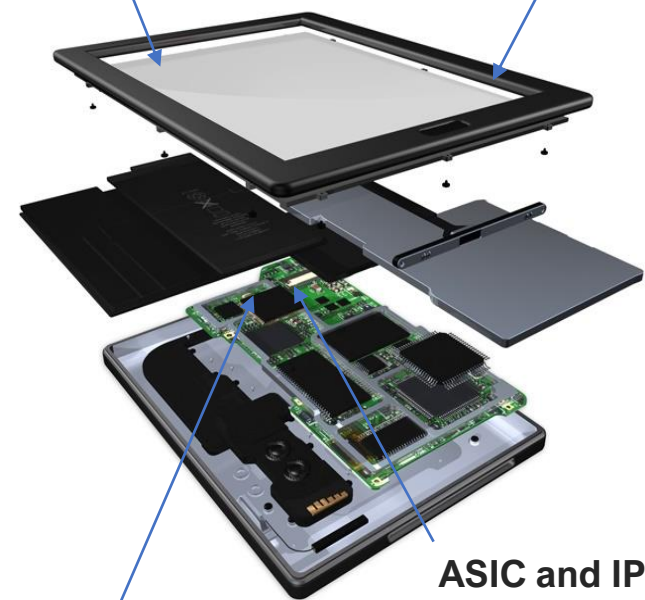


## We are In Displays

Display Driver  
TCON  
PMIC  
LED Driver  
P-gamma OP

## On Touch Panels

Controller IC



In Camera Modules  
CMOS Image Sensor  
Wafer Level Optics

ASIC and IP  
Servicing and licensing

In AR Devices  
LCoS, WLO

In VR Devices  
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

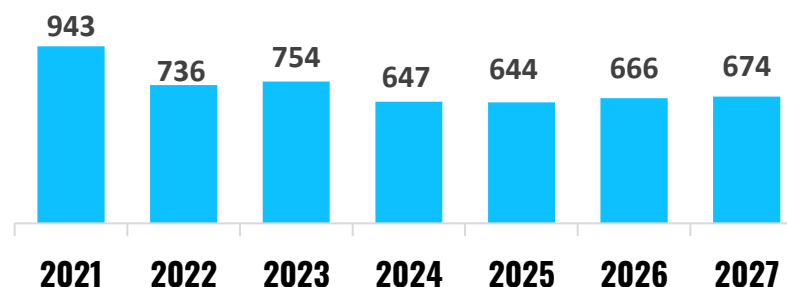
### TDDI pure in-cell solution

- TDDI is the biggest growth driver for Himax from 2020. Our tablet TDDI dominates share in non-iOS tablet market, while our automotive TDDI has secured hundreds of design-win and continue to growing along with fast-expanding NEV market
- Himax is the primary supplier for tablet TDDI for non-iOS tablet. Mass production started 1Q20. Himax tablet TDDI features active stylus for accurate handwriting and painting in premium tablet
- Himax dominates automotive TDDI technology. Has shipped cumulative > 25M automotive TDDI chips as of 3Q23
- 1<sup>st</sup> in the industry to commence production of LTDI (Large and Display Driver Integration) automotive display solution in 3Q23. Our LTDI features ultrahigh-resolution display and high-precision touch sensitivity, catering to the growing demand for large, seamless, and intuitive in-car display experiences
- Himax is the industry pioneer provider of local dimming Tcon for automotive, a technology that features high contrast ratio and power efficiency, critical for large-size display. Our integrated solution of TDDI / LTDI and local dimming Tcon has been adopted by many customers as their standard platform for high-end displays automotive displays typically feature >30", sharp detailed visual experience, and high-density touch functionality

### Global Smartphone TDDI Demand Forecast 2021-2027

(Omdia, 2023)

■ Unit Demand in Millions



### 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, entered 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



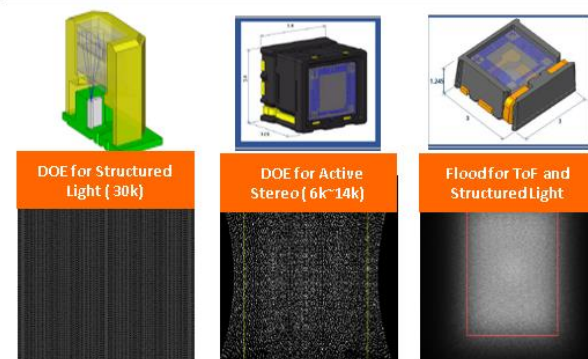
## Market Trends

- 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. Starting Q2 2023, we commenced volume production of our WLO technology on a 3D gesture control to one leading North American customer for their next generation VR devices
- 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
- Expanding our 3D processor offerings to cover Time of Flight (ToF) 3D, in addition to structured light 3D decoding. This will enable us to meet the diverse use case of 3D sensing, where ToF is more effective for long-range 3D perception while structured light excels in high precision 3D detection for shorter distance. All our 3D processors are equipped with advanced sensor fusion, offering industry-leading, fast response rates, a characteristic that makes our processors a perfect fit for high-precision spatial reality applications
- 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 surveillance, smart meter, smart home/office, smart agriculture, industrial, healthcare and retail, etc.

## Himax Strategies and Market Position

- Himax Ultralow Power CMOS Image Sensor (CIS):
  - 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 qHD/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
  - Support Dell NB production from 1Q22, along with others end-point AI applications, such as video conference device, shared bike parking, smart agriculture, among others
  - Reinforce go-to-market strategy by active collaboration with industry-leading AI ecosystem partners and customers, including Google TFLu, Microsoft Azure, Arm, TinyML Foundation, Edge Impulse among others
  - Intelli-Sensing Module offers highly integrated, plug-and-play module board with user-programmable or pre-trained AI models
  - Next generation WE2 AI processor builds upon our industry leading WE1 processor and performs contextual awareness AI particularly in detecting user engagement levels based on more subtle presence or movement

## Who uses Himax CIS



## Ultralow Power Sensor Applications



## Best For IoT/WiseEye Smart Image Sensing

Face/Body Detection  
Eye Tracking & Gesture Control





# LCoS Microdisplays

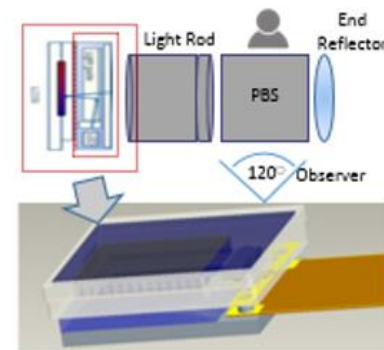


## Market Trends

- 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

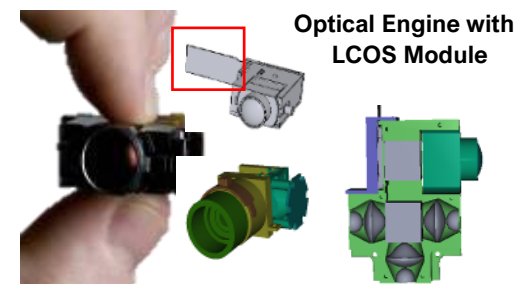
## Himax Strategies and Market Position

- Leader in microdisplays with patent-protected technology, in-house facilities and shipping record over 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
- Front-lit LCoS is one of the mainstream technologies for AR goggle devices. Commenced MP with global Tier 1 AR glasses device manufacturers since 2011
- Our leading Color Sequential Front-lit LCoS Microdisplay offers unrivaled performance and functionality, featuring a lightweight and compact form factor (0.5 cc), higher brightness (100K nits), all are critical for future AR glasses
- 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

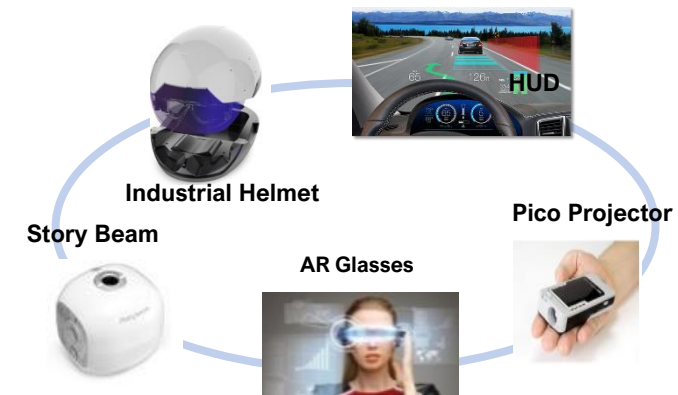
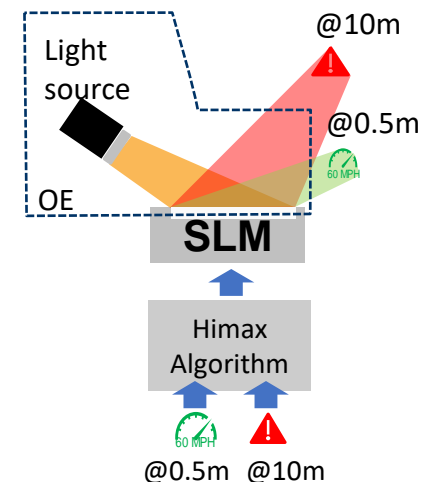


### Front Lit LCOS Advantages

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



### LCoS 2.0 Phase Modulation







# 2023 YTD

## Financial Review



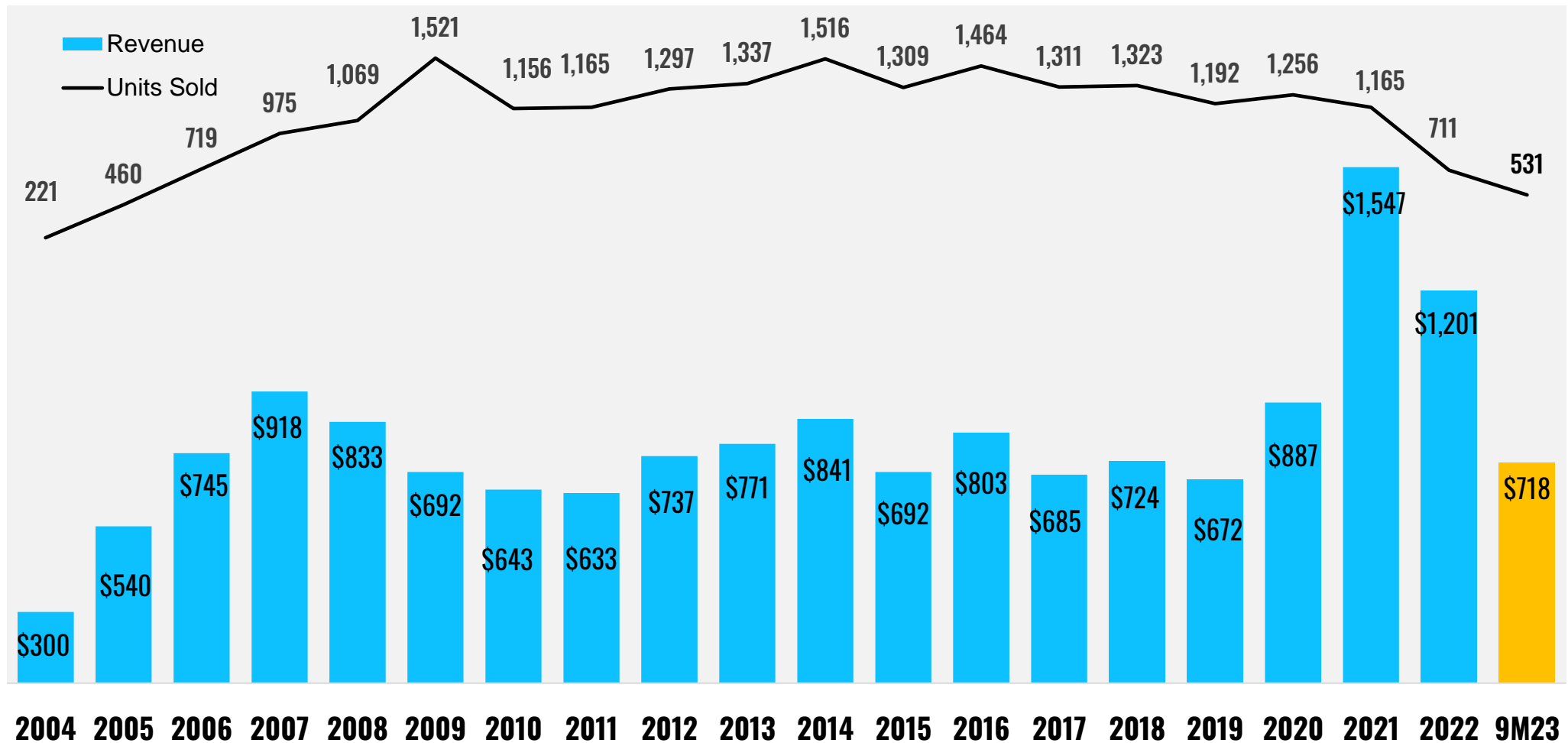


# Unit and Revenue History



**We are One of the Leading Semiconductor Companies in the World**

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

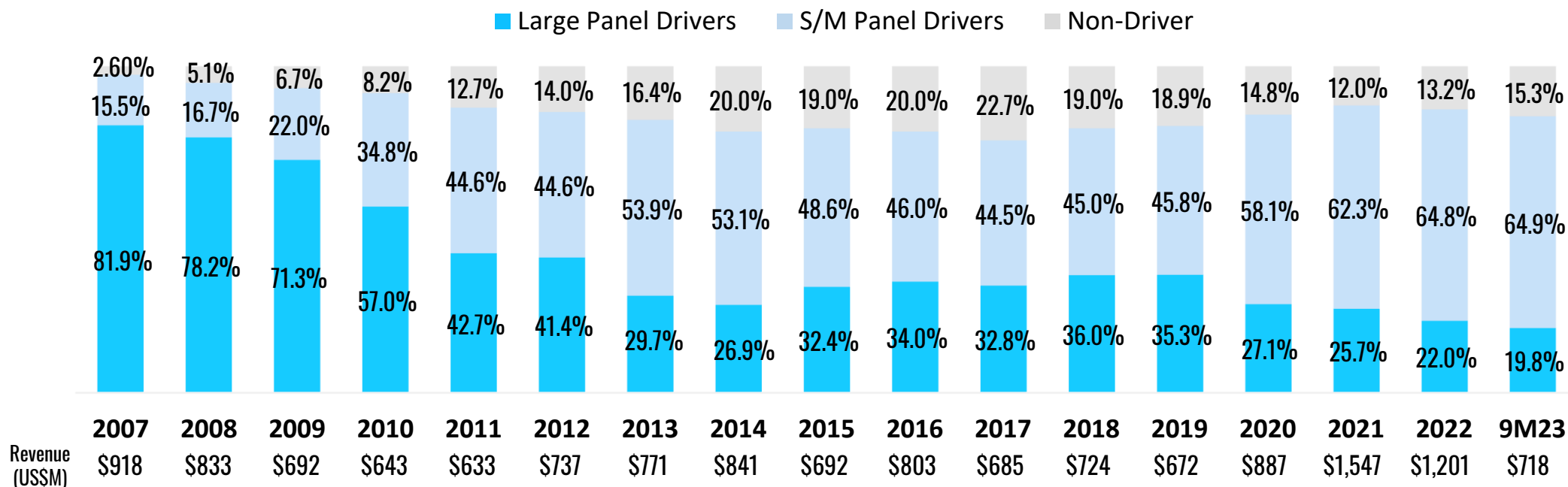




# A Balanced Product Mix...



## 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 cumulative shipment > 25M unit as of 3Q23. Himax anticipates Auto sales continue to represent our major revenue contributor moving forward
- 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, surveillance, shared bike, door lock, AMR 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

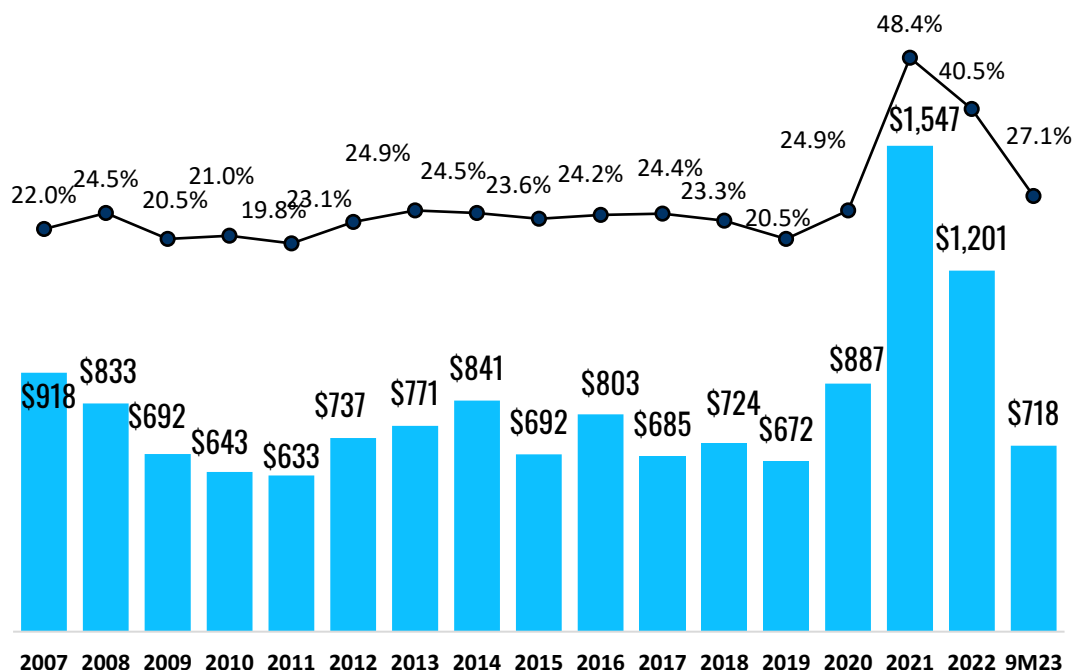


# Gross Margin is a Key Business Focus



## Revenue & Gross Margin

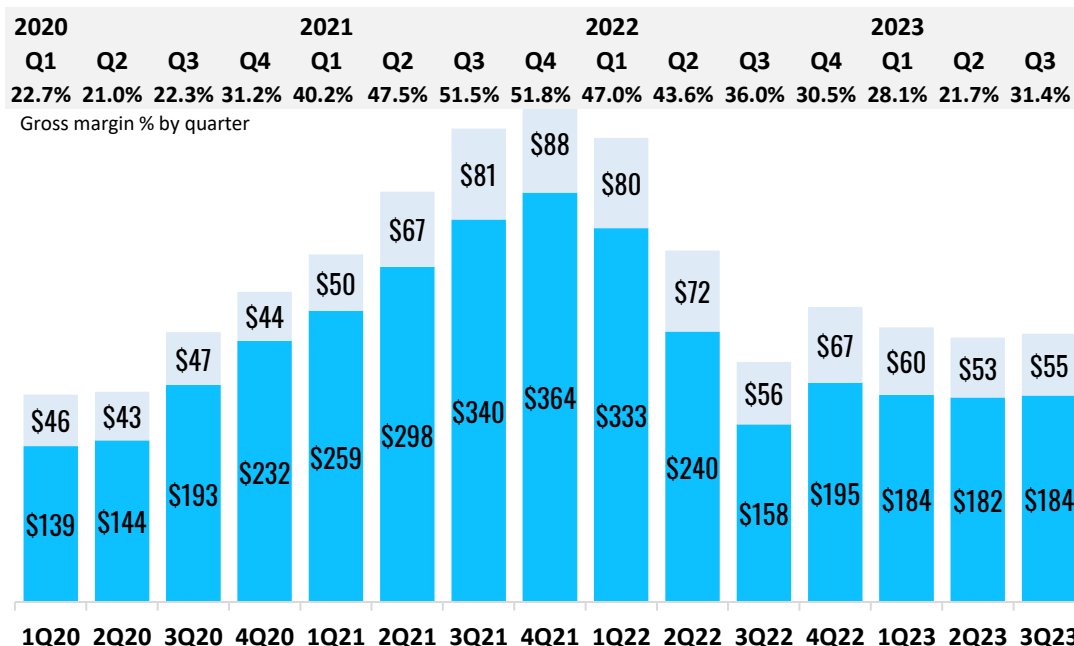
US\$M in Revenue and Gross Margin %



## Geographical Revenue Mix & Quarterly GM

US\$M in Revenue and Quarterly Gross Margin %

China Sales (Blue), ROW Sales (Grey)



### 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

- 3Q23 Auto business represents around 45% of total sales, the largest revenue contributor. Auto, Tcon, AMOLED and WiseEye AI business all enjoy higher GM than corporate average
  - Robust auto demand derived from display inside the auto increase in number, size and feature, implying more demand for auto drivers ICs
- 2021 GM set a new high for favorable price and product mix amid severe capacity shortage period
- 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

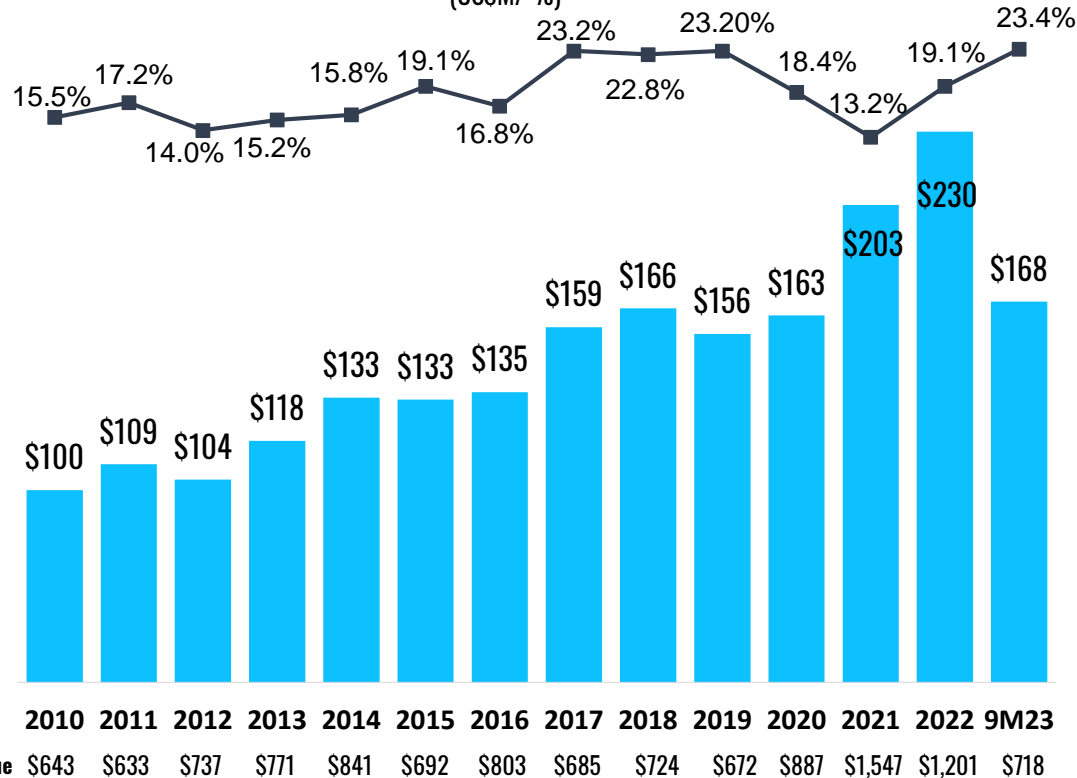


# OPEX and the Bottom Line



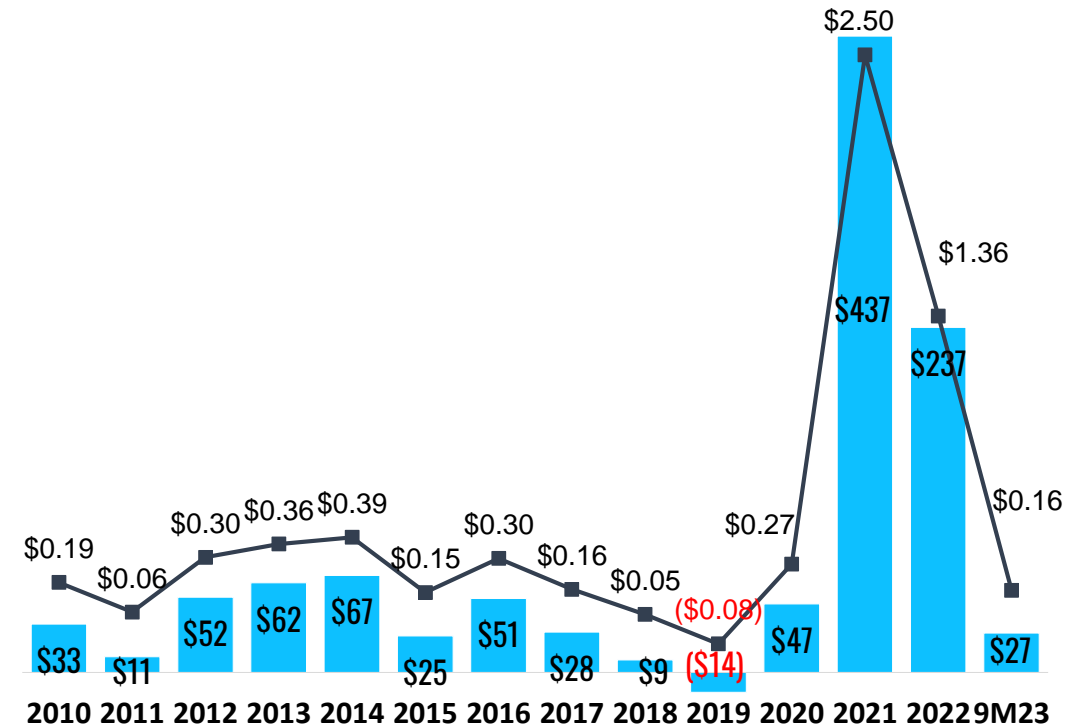
## OPEX and % of Total Sales

(US\$M/ %)



## Profit and EPS

(US\$M/ US\$)



- During 2023, the increase of OPEX ratio was mainly a result of higher salary, but lower revenues. Yet, amidst prevailing macroeconomic headwinds, we remain focused on strict cost controls
- 2022 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
- 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



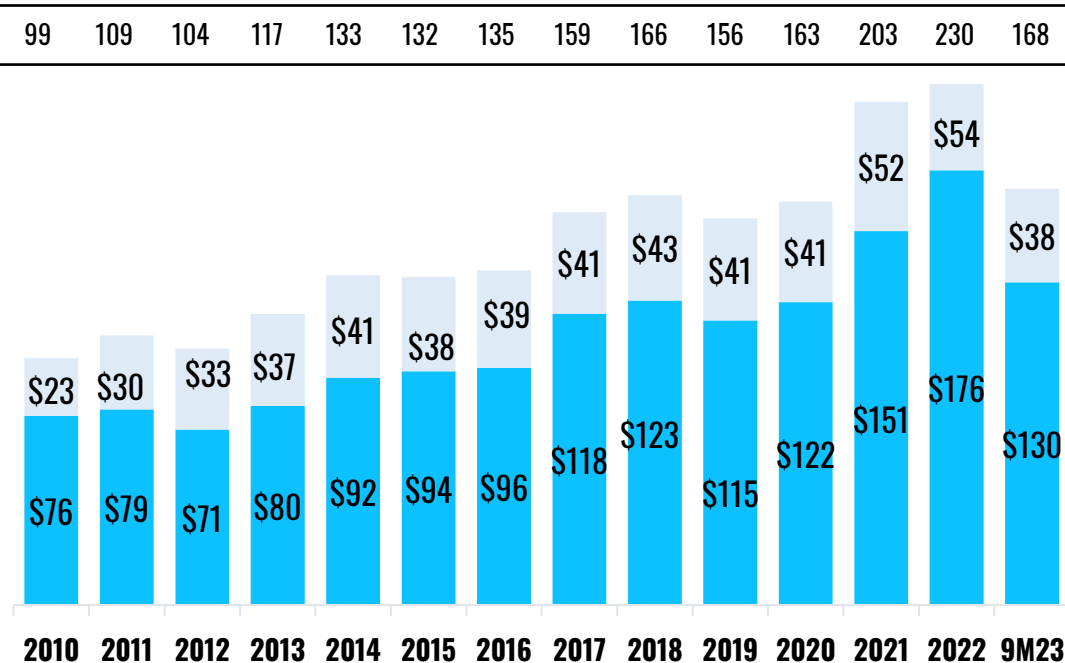
# Performance History



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

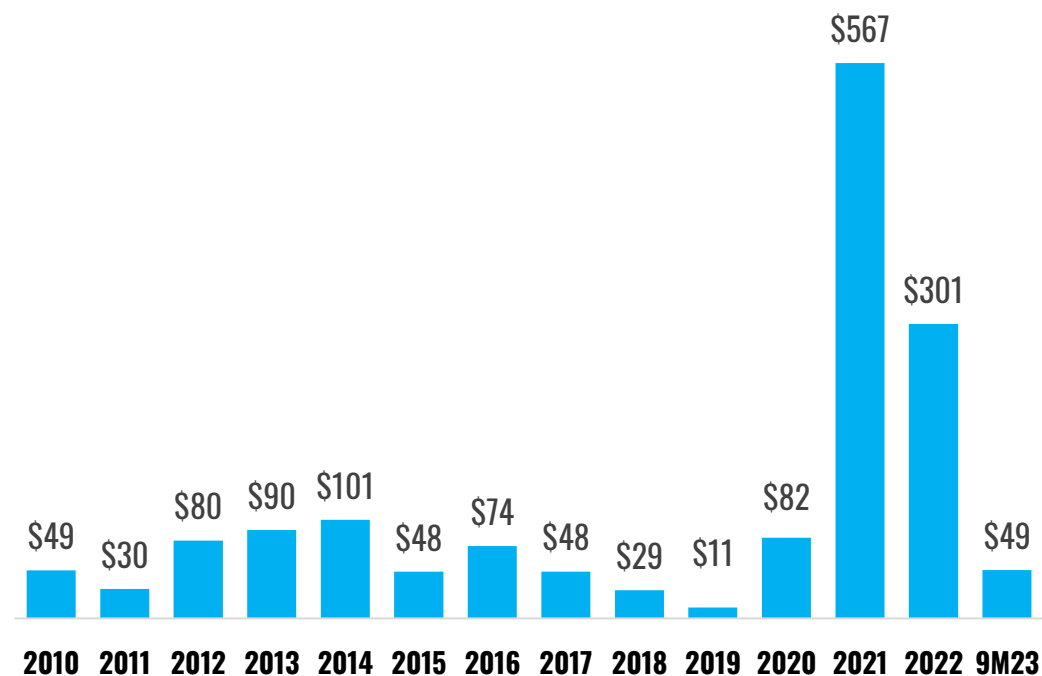
■ R&D Expense ■ Operating Expense ex. RD

### Total Operating 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
- Annual bonus expense includes share-based compensation and cash award from 2014 to 2023: \$11.1mn, \$6.2mn, \$10.2mn, \$6.9mn, \$4.1mn, \$0.4mn, \$5.4mn, \$31.0mn, \$47.3mn and \$31.4mn

## 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



# Income Statement



For the Fiscal Period Ended	<u>3Q-2023</u> (Unaudited)	<u>3Q-2022</u> (Unaudited)	<u>2Q-2023</u> (Unaudited)	<u>Y2022</u> (Audited)	<u>Y2021</u> (Audited)
<b>Revenues</b>	\$238,515	\$213,631	\$235,031	\$1,201,339	\$1,547,097
<b>Cost of revenues</b>	163,692	136,828	183,961	714,233	798,519
<b>Gross profit</b>	74,823	76,803	51,070	487,106	748,578
<b>Gross margin</b>	31.4%	36.0%	21.7%	40.5%	48.4%
Operating expenses					
Research and development	49,444	55,749	41,433	175,557	151,386
General and administrative	7,050	8,554	6,115	28,503	29,281
Sales and marketing	7,239	8,555	5,664	25,459	22,890
<b>Total operating expenses</b>	63,733	72,858	53,212	229,519	203,557
<b>Operating income (loss)</b>	11,090	3,945	(2,142)	257,587	545,021
Non-operating income (loss)	876	1,614	1,624	18,978	(429)
<b>Profit (loss) before income taxes</b>	11,966	5,559	(518)	276,565	544,592
Income tax expense (benefit)	1,214	(2,449)	(1,247)	41,098	110,657
<b>Profit for the period</b>	10,752	8,008	729	235,467	433,935
Add: Loss attributable to noncontrolling interests	484	311	159	1,515	2,961
<b>Profit attributable to Himax stockholders</b>	\$11,236	\$8,319	\$888	\$236,982	\$436,896
<b>Earnings per ADS attributable to Himax stockholders (in cents)</b>					
Basic	6.4	4.8	0.5	135.6	250.2
Diluted	6.4	4.8	0.5	135.6	249.8



# Balance Sheet



	<u>September 30, 2023</u> (Unaudited)	<u>June 30, 2023</u> (Unaudited)	<u>September 30, 2022</u> (Unaudited)
<b><u>Assets</u></b>			
<b>Current assets:</b>			
Cash and cash equivalents	\$147,257	\$211,425	\$219,745
Financial assets at amortized cost	8,139	8,079	8,147
Accounts receivable, net (including related parties)	248,507	239,039	253,284
Inventories	259,610	297,268	410,071
Restricted deposit	453,000	369,300	369,300
Other current assets	103,864	110,533	111,005
<b>Total Current Assets</b>	<b>1,220,377</b>	<b>1,235,644</b>	<b>1,371,552</b>
Financial assets at fair value through profit or loss	18,655	19,094	14,466
Equity method investments	5,801	6,127	3,293
Property, plant and equipment, net	119,231	121,674	127,598
Goodwill	28,138	28,138	28,138
Refundable deposits	205,383	205,237	162,924
Other assets	20,149	22,243	22,963
<b>Total Assets</b>	<b>\$1,617,734</b>	<b>\$1,638,157</b>	<b>\$1,730,934</b>
<b><u>Liabilities and Equity</u></b>			
<b>Current liabilities:</b>			
Short-term unsecured borrowings	\$279	\$289	\$0
Current portion of long-term unsecured borrowings	6,000	6,000	6,000
Short-term secured borrowings*	453,000	369,300	369,300
Accounts payable (including related parties)	109,554	127,652	191,971
Income taxes payable	19,061	18,894	66,517
Other current liabilities	108,053	198,558	102,809
<b>Total Current Liabilities</b>	<b>695,947</b>	<b>720,693</b>	<b>736,597</b>
Long-term unsecured borrowings	36,000	37,500	42,000
Other liabilities	48,112	53,729	103,782
Himax stockholders' equity	837,312	825,401	847,722
Noncontrolling interest	363	834	833
<b>Total Liabilities and Equity</b>	<b>\$1,617,734</b>	<b>\$1,638,157</b>	<b>\$1,730,934</b>

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



# Cash Flow Statement



	<u>3Q-2023</u> (Unaudited)	<u>2Q-2023</u> (Unaudited)	<u>2022FY</u> (Audited)	<u>2021FY</u> (Audited)
<b><u>Profit for the period</u></b>	<b><u>\$10,752</u></b>	<b><u>\$729</u></b>	<b><u>\$235,467</u></b>	<b><u>\$433,935</u></b>
Depreciation and amortization	5,094	5,025	21,342	21,342
Share-based compensation expenses	789	723	3,096	700
Finance costs	1,482	1,717	2,783	1,074
Income tax expense (benefit)	1,214	(1,247)	41,098	110,657
Inventories write downs	5,263	5,047	22,211	9,448
Others	(2,063)	(4,010)	(18,893)	(490)
	22,531	7,984	307,104	576,666
Changes in:				
Decrease (increase) in accounts receivable (including related parties)	(9,468)	13,116	146,870	(166,395)
Decrease (increase) in inventories	32,395	32,920	(194,544)	(99,341)
Increase (decrease) in accounts payable (including related parties)	(18,096)	10,207	(124,870)	74,954
Others	(10,918)	(12,984)	18,105	22,260
<b>Cash generated from operating activities</b>	<b>16,444</b>	<b>51,243</b>	<b>152,665</b>	<b>408,144</b>
Interest received	1,185	3,262	4,525	852
Interest paid	(1,482)	(1,717)	(2,783)	(1,074)
Income tax paid	(104)	(51,093)	(71,499)	(19,646)
<b>Net cash provided by operating activities</b>	<b>\$16,043</b>	<b>\$1,695</b>	<b>\$82,908</b>	<b>\$388,276</b>
Acquisitions of property, plant and equipment	(2,619)	(2,874)	(11,797)	(7,562)
Acquisitions of financial assets at amortized cost	(675)	(1,092)	(8,763)	(25,362)
Proceeds from disposal of financial assets at amortized cost	640	1,134	25,823	8,011
Acquisitions of financial assets at fair value through profit or loss	(21,210)	(33,821)	(108,374)	(23,417)
Proceeds from disposal of financial assets at fair value through profit or loss	21,217	52,482	110,283	29,141
Increase in refundable deposits	6,133	1,193	(6,144)	(213,056)
Others	2,757	0	13,970	(435)
<b>Net cash provided by (used in) investing activities</b>	<b>\$6,243</b>	<b>\$17,022</b>	<b>\$14,998</b>	<b>(\$232,680)</b>
Payments of cash dividends	(83,720)	0	(217,873)	(47,424)
Payments of dividend equivalents	(148)	0	0	0
Proceeds from short-term unsecured borrowings	0	10,294	0	15,000
Repayments of short-term unsecured borrowings	0	(10,000)	0	(15,000)
Proceeds from long-term unsecured borrowings	0	0	40,000	0
Repayments of long-term unsecured borrowings	(1,500)	(1,500)	(46,000)	(6,000)
Proceeds from short-term secured borrowings	530,800	139,200	1,212,700	611,600
Repayments of short-term secured borrowings	(447,100)	(139,200)	(994,800)	(564,200)
Pledge of restricted deposit	(83,700)	0	(217,900)	(47,400)
Guarantee deposits received	200	5	16,913	54,050
Others	(1,205)	(1,202)	(4,108)	(5,113)
<b>Net cash used in financing activities</b>	<b>(\$86,373)</b>	<b>(\$2,403)</b>	<b>(\$211,068)</b>	<b>(\$4,487)</b>
Effect of foreign currency exchange rate changes	(81)	(1,175)	(1,281)	(23)
<b>Net increase (decrease) in cash and cash equivalents</b>	<b><u>(\$64,168)</u></b>	<b><u>\$15,139</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>\$211,425</u></b>	<b><u>\$196,286</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>\$147,257</u></b>	<b><u>\$211,425</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 significant numbers of 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





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**BAKER & MCKENZIE**

## SEC Legal Counsel

**DAVIS POLK  
& WARDWELL**

## Auditor

**KPMG**