



Drive for better vision



Himax

Nasdaq : HIMX

February 2024 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](https://www.trendforce.com), March 2022



Automotive

- Very Large-Size, Curved, Touch for Next Generation LCD and OLED Displays
- Automotive Local Dimming Tcon for High-Contrast Display Enablement
- Head-Up Display (AR-HUD)
- WiseEye™ and 3D Sensing for Biometric Sensing



AIoT

- World Leading Ultralow Power WiseEye Smart Image Sensing for Endpoint AI
- Total Solution: AI Processor + Always-On Image Sensor + AI Algorithm
- Plug-n-Play WiseEye Module with User-Programmable and Pre-Trained AI Models
- WiseEye Solution Features in Dell's New Laptops and DESMAN's Smart Door Lock
- 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

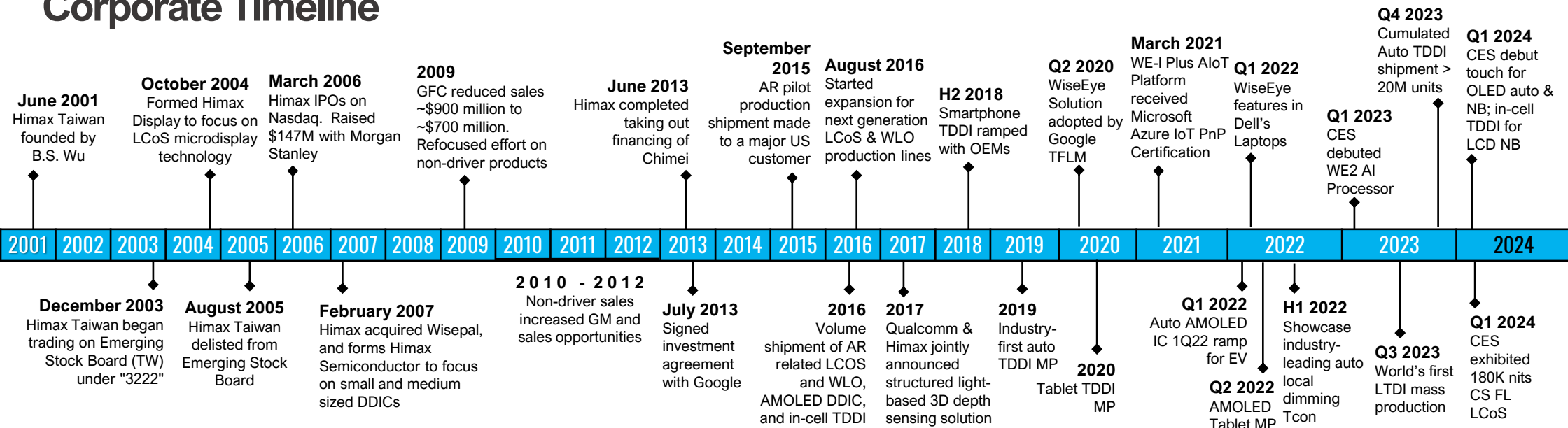


2015 and Beyond

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

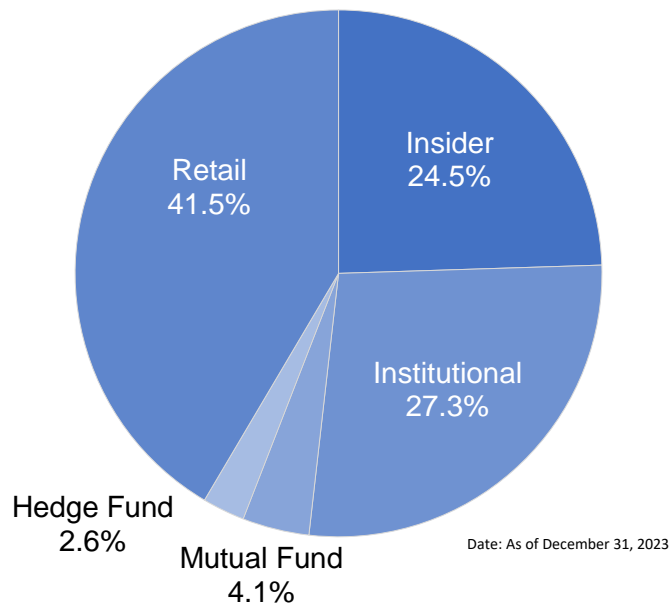
Visionary Management Team

HIMX Nasdaq Listed

Fiscal Year	December 31
Last-Traded Price (2/5/2024)	\$5.64
Diluted Weighted Ave. Out. ADS	175.0M
Equivalent ADS Out	174.7M
Market Capitalization (2/5/2024)	\$984M
Average Volume	0.75M
Insider Ownership*	24.5%

* Insider ownership includes executives and board members

Shareholder Type



12 Month Trading Chart

February 5, 2024



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

Analysts

Mizuho Securities Asia Ltd.

Nomura Securities

Baird Equity Research

Kevin Wang

Donnie Teng

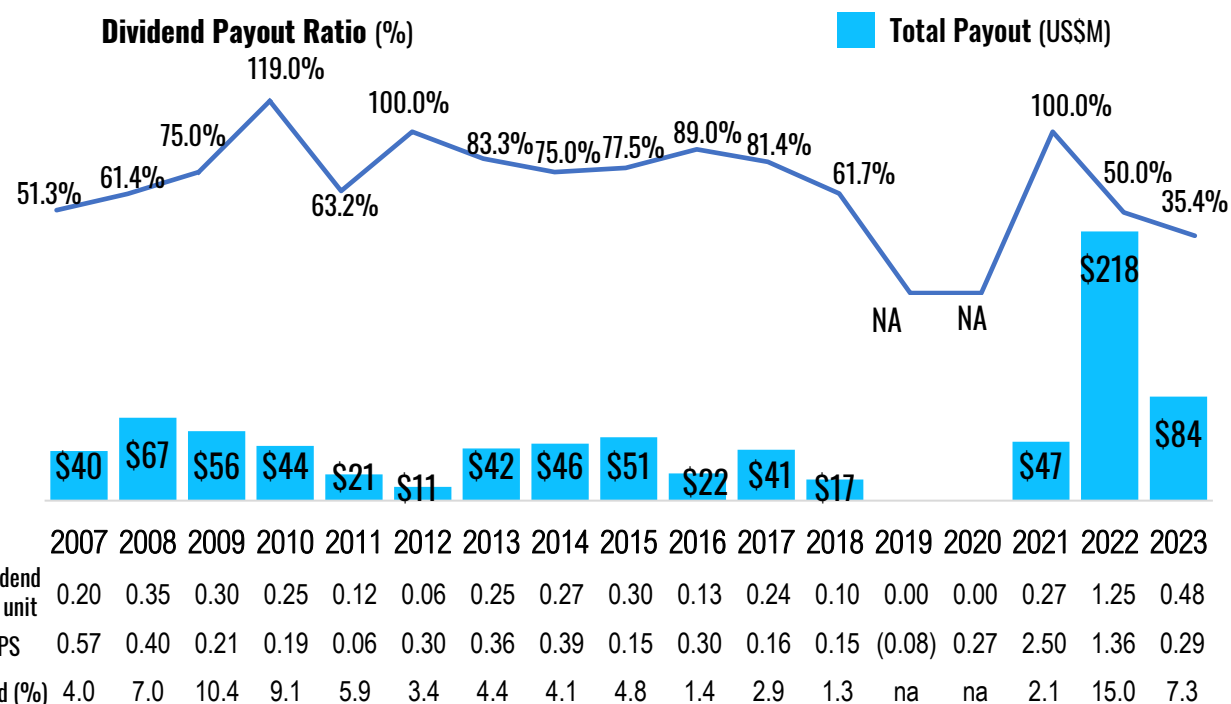
Tristan Gerra

History of Dividend and Share Buyback



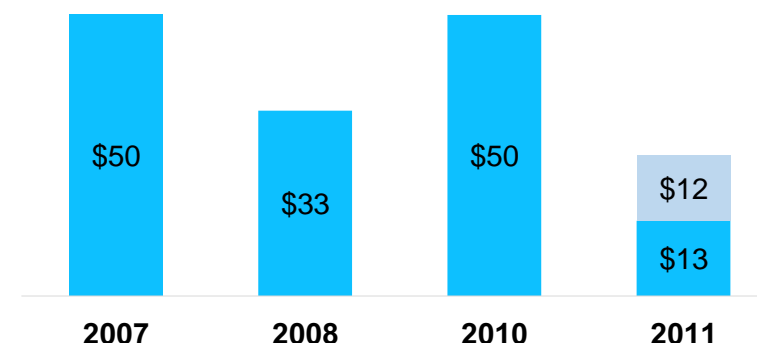
\$953
MILLION

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. Bing-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 2023 Summary and Q1 2024 Guidance



	4Q2023	3Q2023	4Q2022	QoQ	YoY
Revenues	\$227.7M	\$238.5M	\$262.3M	-4.5%	-13.2%
Gross Margin (%)	30.3%	31.4%	30.5%	-1.1%	-0.2%
Profit	\$23.6M	\$11.2M	\$42.2M	+109.7%	-44.1%
Earnings per ADS	\$0.135	\$0.064	\$0.241	+109.5%	-44.1%

	2023	2022	YoY
Revenues	\$945.4M	\$1,201.3M	-21.3%
Gross Margin (%)	27.9%	40.5%	-12.6%
Profit	\$50.6M	\$237.0M	-78.6%
Earnings per ADS	\$0.290	\$1.356	-78.6%

1Q2024 Guidance

Revenues	Decline 9% - 16% sequentially
Gross Margin (%)	Around 28.5%, depending on the final product mix
Profit	2.0 cents to 5.0 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
- 2,788 patents granted and 400 patents pending approval worldwide as of December 31, 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 (LCD / AMOLED)
- Pure in-cell Touch (TDDI)
- WiseEye Endpoint AI Processors
- WiseEye 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



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 LCD and OLED Displays

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, covering TFT LCD and OLED.

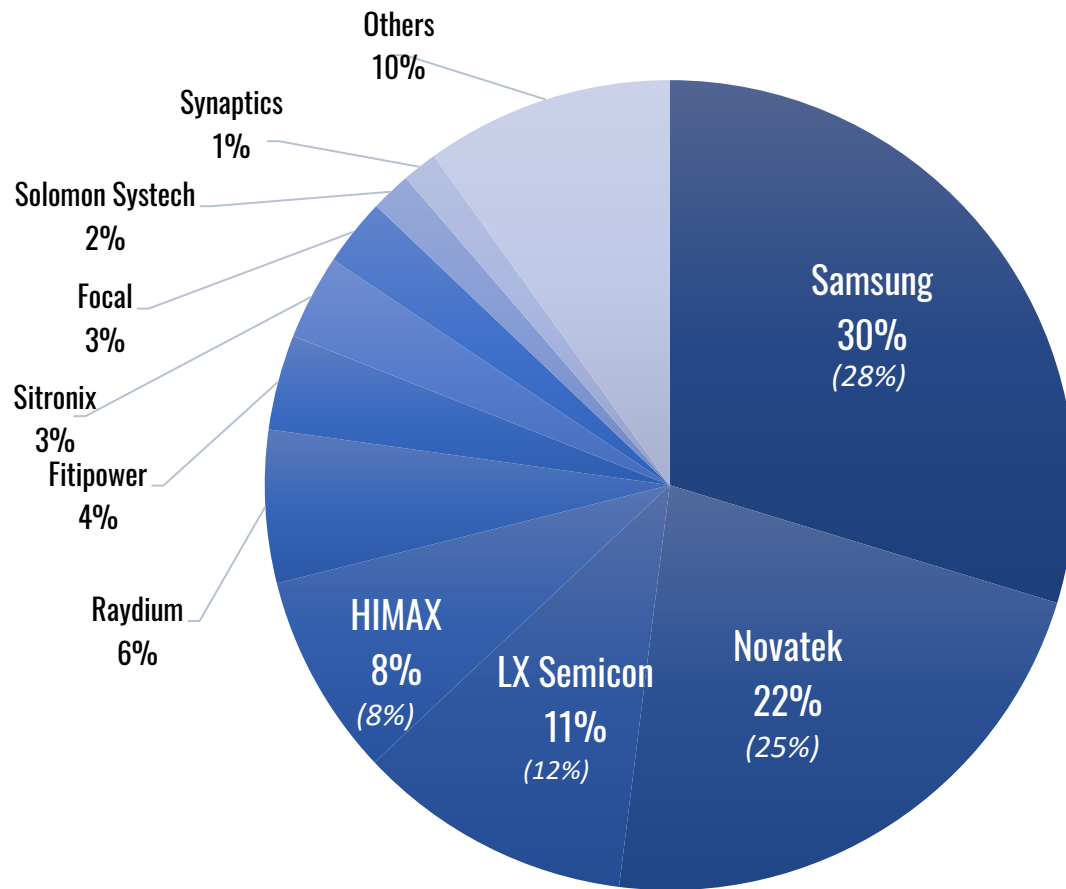
In what devices can you find Himax DDIC technologies



Who uses Himax DDICs



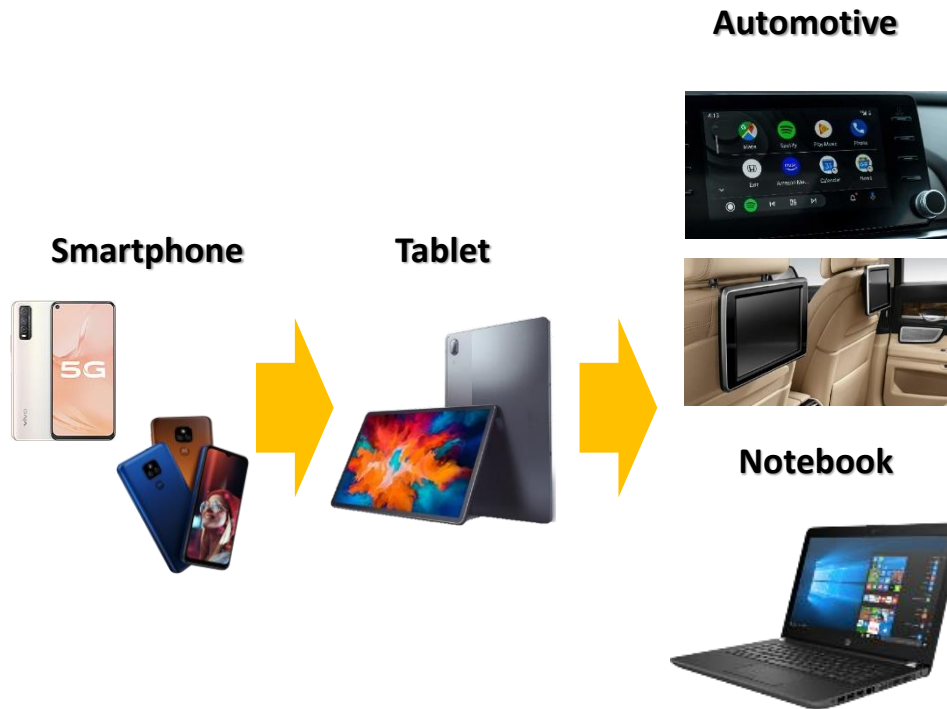
3Q23 Driver Market Share (2Q23 Market Share %, Revenue)



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

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
- Automotive AMOLED portfolio, which used to be comprised of DDIC and Tcon, now expands to on-cell touch controller. The touch controller IC is engineered with an industry-leading touch signal-to-noise ratio > 45 dB, making it ideal solution to meet the needs of flexible OLED panels. It also provides improved sensitivity to challenging user conditions (glove-wearing & wet finger operations)



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, NB 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 leading panel house, tier-1 and brands. Automotive TDDI chips cumulative shipment >30M as of 4Q23. Commenced world 1st LTDI mass production in 3Q23. Automotive business remains to be our largest revenue contributor, representing 36.0% of 2023 total sales
- **Notebook:** Expend into mid-sized displays with in-cell TDDI for notebook in 4Q23

In what devices can you find Himax TDDI technologies



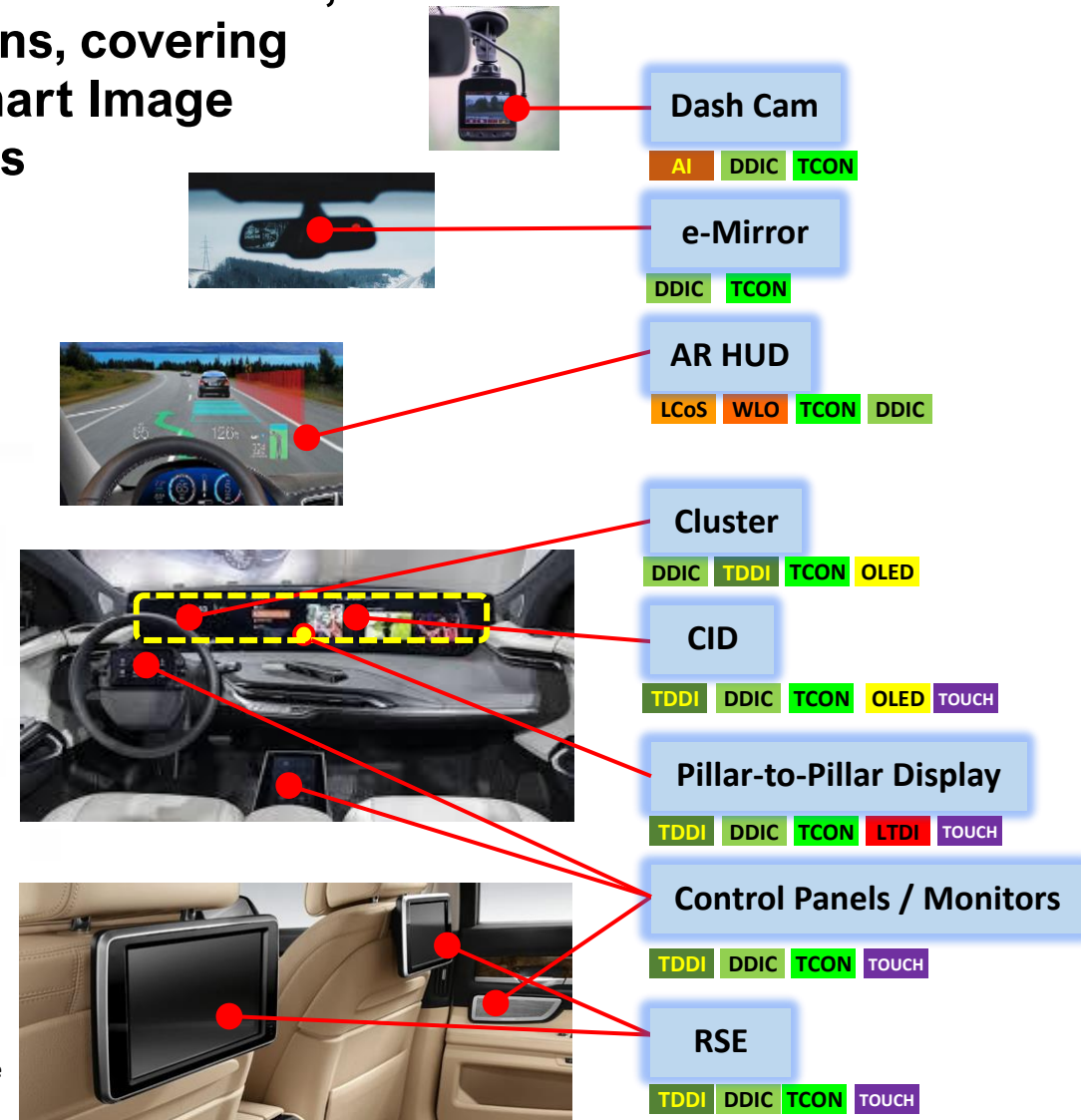
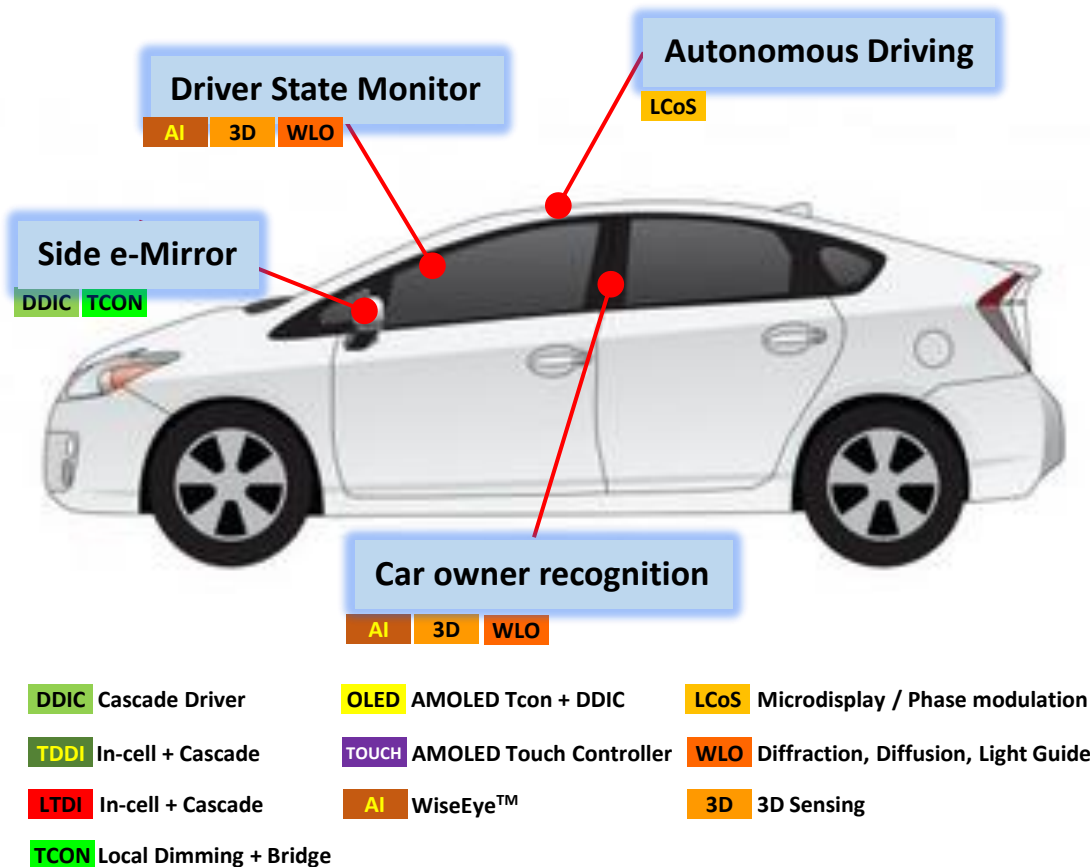
Who uses Himax Touch and TDDI Technologies



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





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

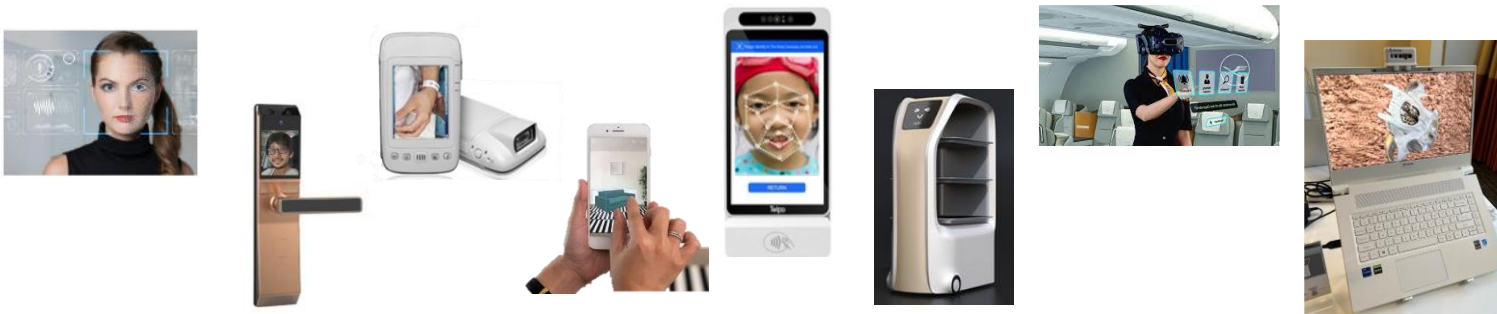
Wafer Level Optics (WLO):

- 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

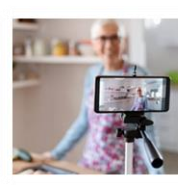
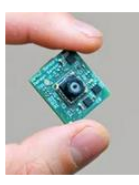
CIS:

- Ultralow power AoS:** Best for IoT / WiseEye smart image sensing in human/ occupancy detection
- NIR:** 3D sensing and WiseEye smart image sensing
- RGB:** Notebook, multimedia and smart home 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 (180k 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



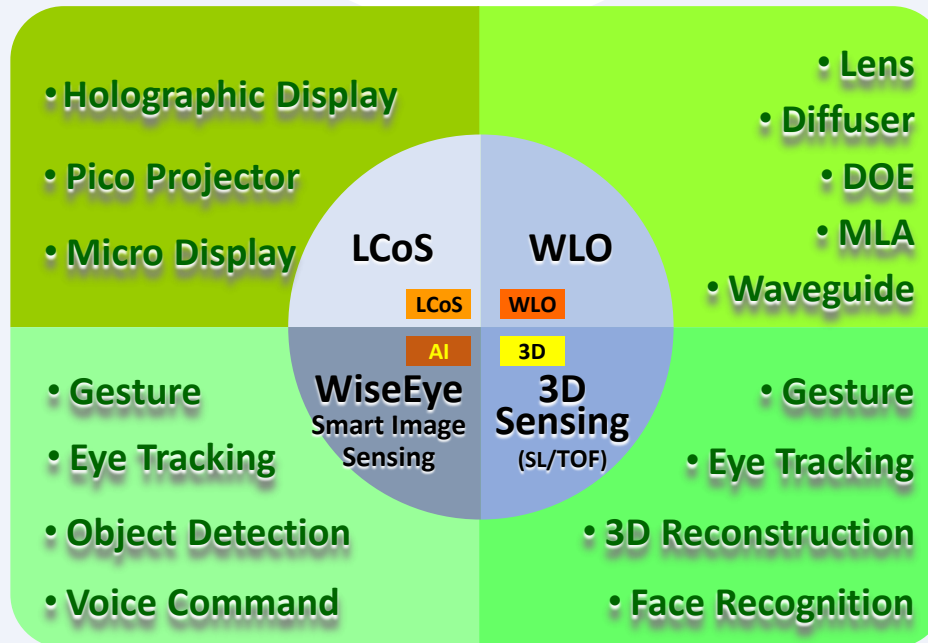
LCoS WLO 3D AI

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

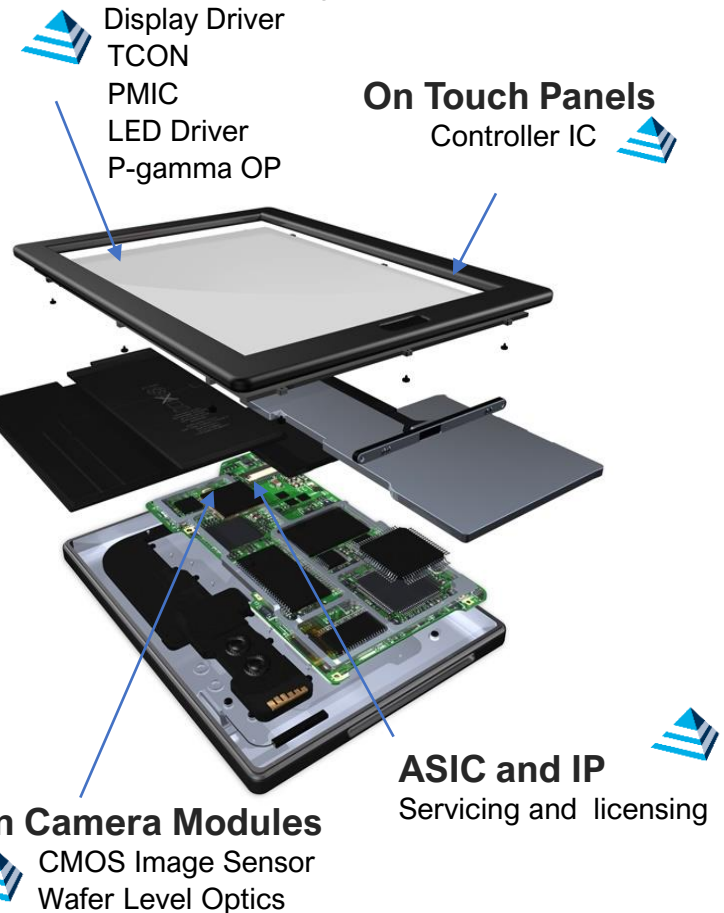


POWER MANAGEMENT IC & LED DRIVERS

TIMING CONTROLLERS



We are In Displays



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

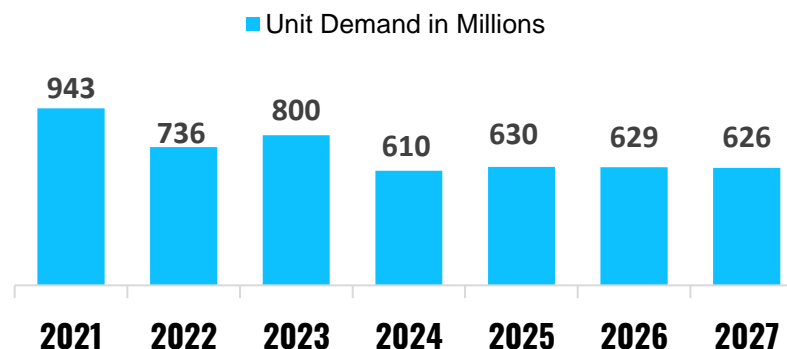
- Expect higher TDDI penetration in auto, tablet and expanding into notebook moving forward
- TDDI fits in consumer demand for slimmer devices
- Higher penetration of TDDI is refreshing smartphone /tablet/ automotive life cycle, creating higher content value and margin
- Panel features, size and quantity inside the car are increasing, driving higher demand of DDIC, TDDI, and Tcon 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 > 30M automotive TDDI chips as the end of 2023
- 1st company in the world to initiate MP of LTDI (Large and Display Driver Integration) in 3Q23. For displays > 30", the incorporation of LTDI signifies increased content value for Himax on a per-panel basis (necessitate 6 or more LTDI chips & at least 1 local dimming Tcon)
- Himax's integrated solution of TDDI / LTDI and local dimming Tcon has become standard development platform for increasing number of customers, crafting new automotive displays of various sizes

Global Smartphone TDDI Demand Forecast 2021-2027 (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
- Smartphone OLED display adoption increased. The emergence of AMOLED DDIC for mid and large-sized OLED displays is evolving following the advancements in smartphone OLED

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 MP 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
- Expanding our automotive and notebook OLED portfolio to include a touch controller IC along with existing DDIC and Tcon, providing a comprehensive AMOLED solution

WLO and 3D Sensing



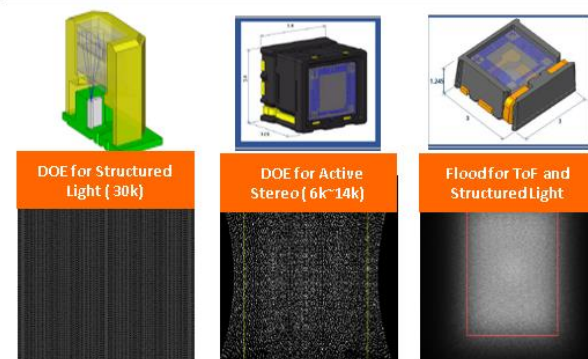
Market Trends

- 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 boosts, but very few companies can provide ultralow power solutions in content-aware AI
- 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 multimedia and smart home 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
 - Support Dell NB production from 1Q22 and DESMAN smart door lock in 3Q23, along with others end-point AI applications, such as video conference device, shared bike parking, smart agriculture, medical, 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, Seeed Studio, among others
 - WiseEye Module offers highly integrated, plug-and-play module board with user-programmable or pre-trained AI models
 - WiseEye2 AI facilitates high-precision detection with features such as face mesh, facial landmark, hand gesture, and human pose and skeleton, which expands the intuitive, user-friendly scope of interactive applications in real-life, all achieved with minimal power consumption

Who uses Himax CIS



Ultralow Power Sensor Applications



Best For IoT/WiseEye Smart Image Sensing

Face/Body Detection
Eye Tracking & Gesture Control



LCoS Microdisplays

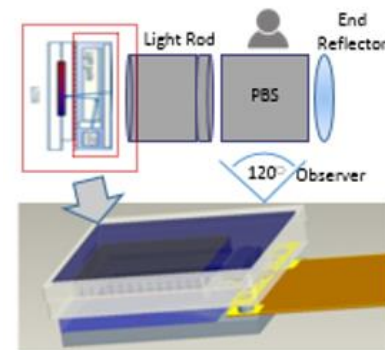


Market Trends

- 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

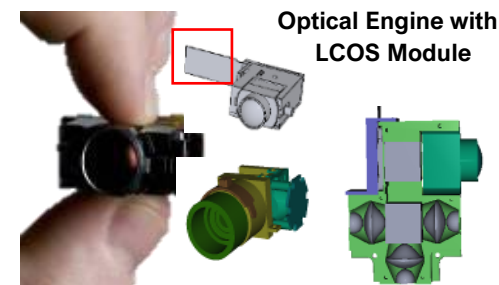
Himax Strategies and Market Position

- 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 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 (180K nits) and vibrant color performance exceeding 140% sRGB color gamut, make it the best choice for the next-gen see-through AR devices
- 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

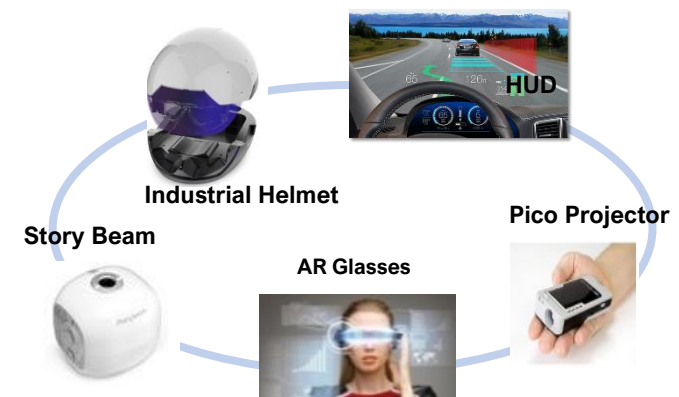
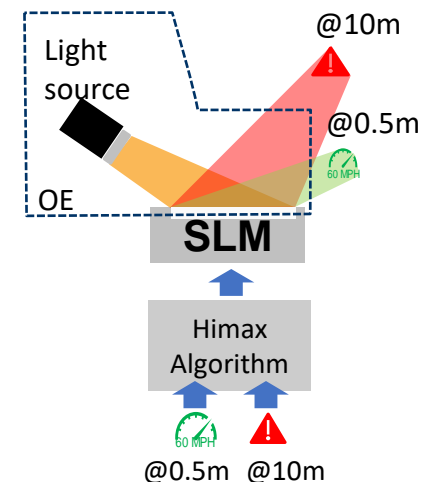


Front Lit LCOS Advantages

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



LCoS 2.0 Phase Modulation





2023 YTD

Financial Review

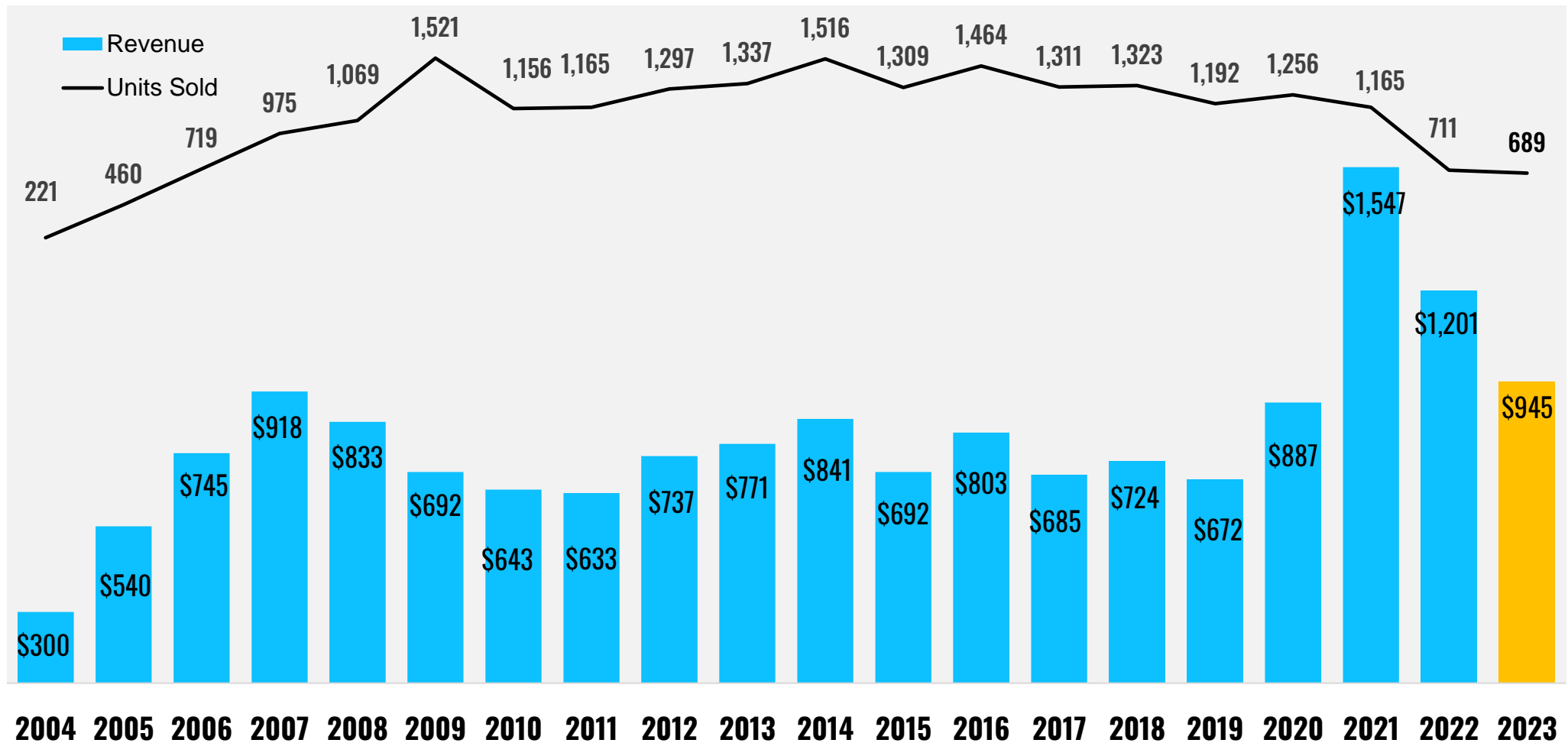


Unit and Revenue History



We are One of the Leading Semiconductor Companies in the World

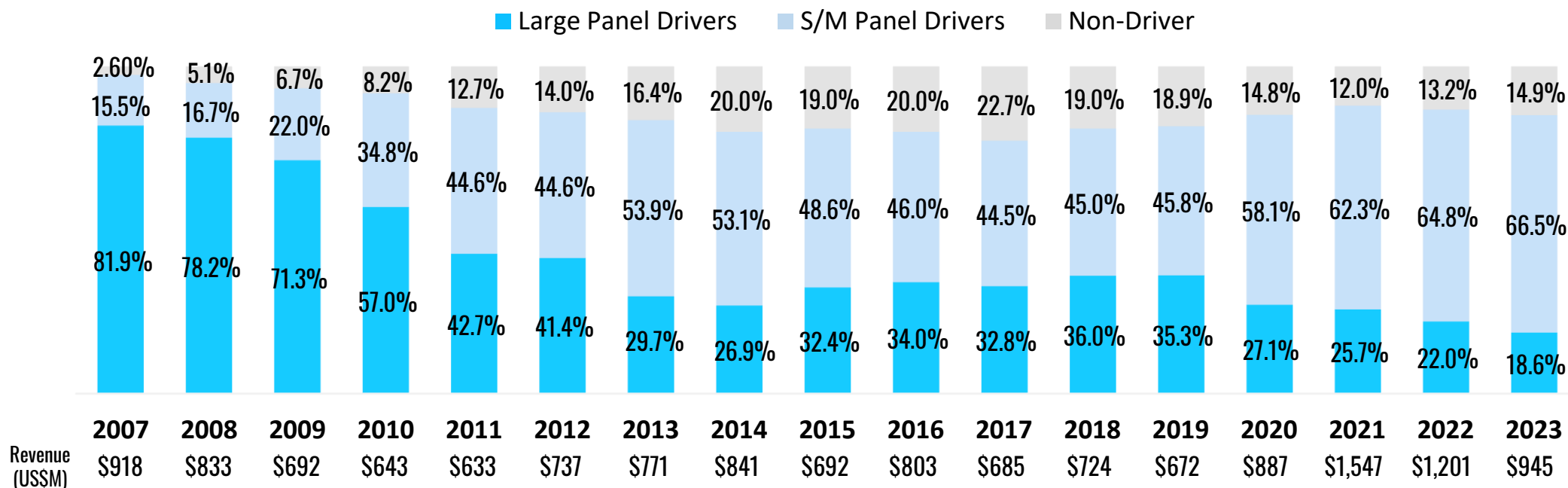
Units Sold and Revenue (in millions of units and millions of USD)



A Balanced Product Mix...



Category Product Mix



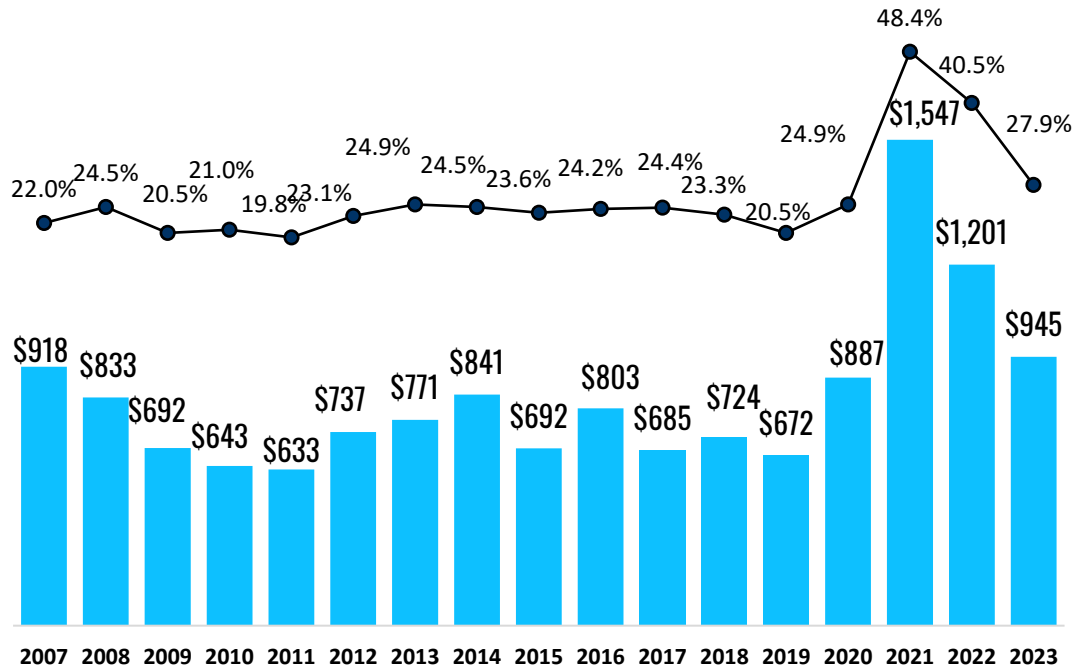
- **Global market leader in driver ICs for large and small & medium-sized panels**
 - Large display driver business positions toward high end 8K/4K TV, gaming monitor and low power NB
 - Leadership in auto driver sales, in both DDIC & TDDI. First mover of auto TDDI with cumulative shipment > 30M unit till end of 2023. 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

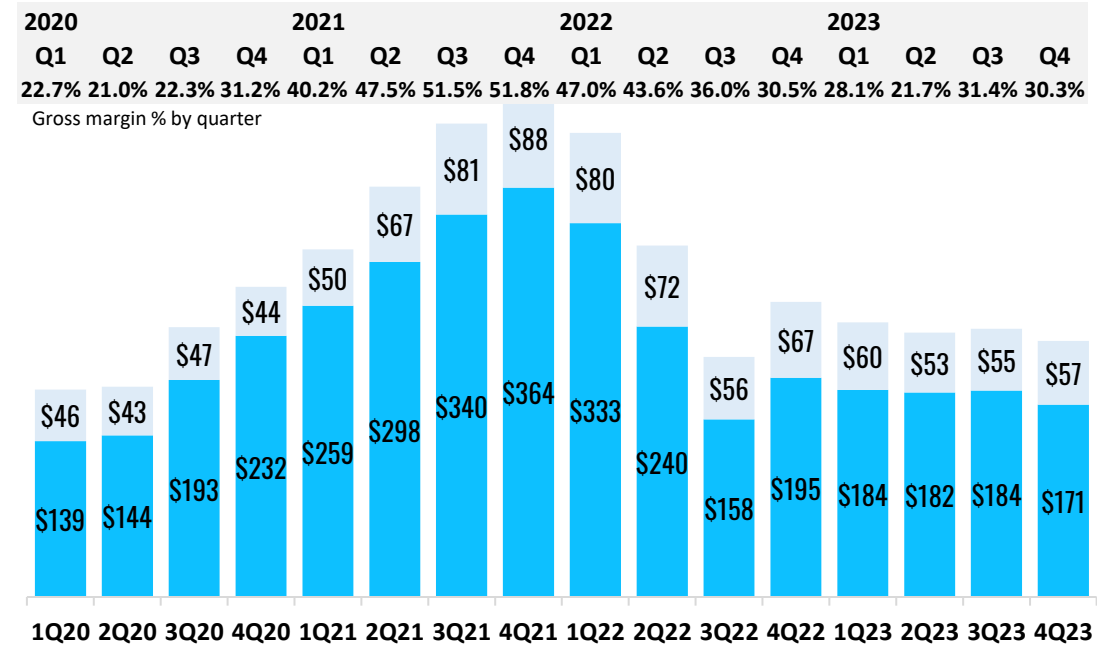
US\$M in Revenue and Gross Margin %



Geographical Revenue Mix & Quarterly GM

US\$M in Revenue and Quarterly Gross Margin %

China Sales ROW Sales



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, LTDI and local dimming Tcon now broadly adopted as standard platform by main auto makers. Demand unfolding with a trend in new energy vehicle (NEV)
 - 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

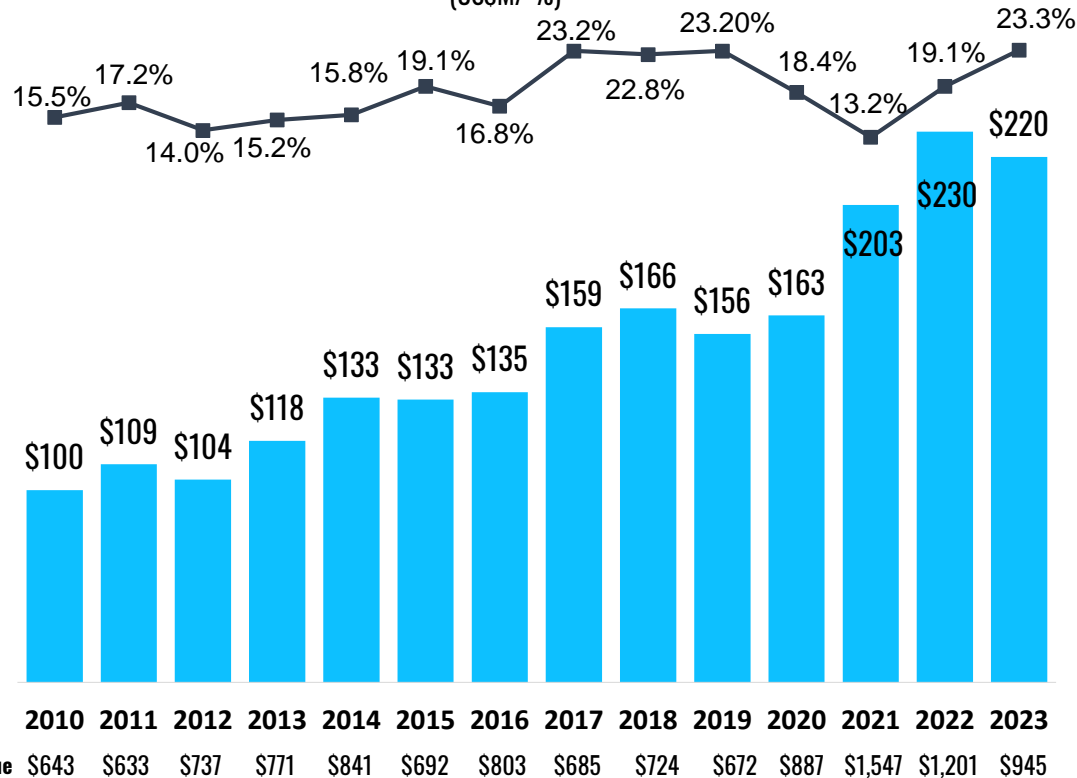
- 3Q23 Auto business represents around 45% of total sales, the largest revenue contributor. Auto, Tcon and WiseEye AI business all enjoy higher GM than corporate average
 - Robust auto demand derived from display inside the auto increase in number, size and feature, implying more demand for auto drivers 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



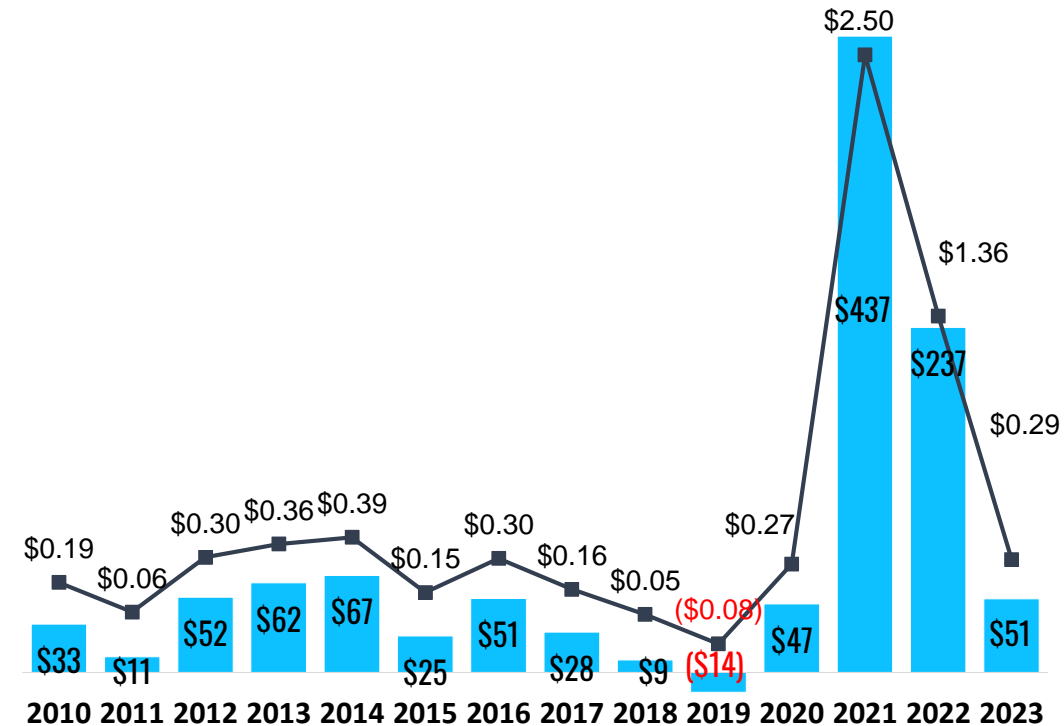
OPEX and % of Total Sales

(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

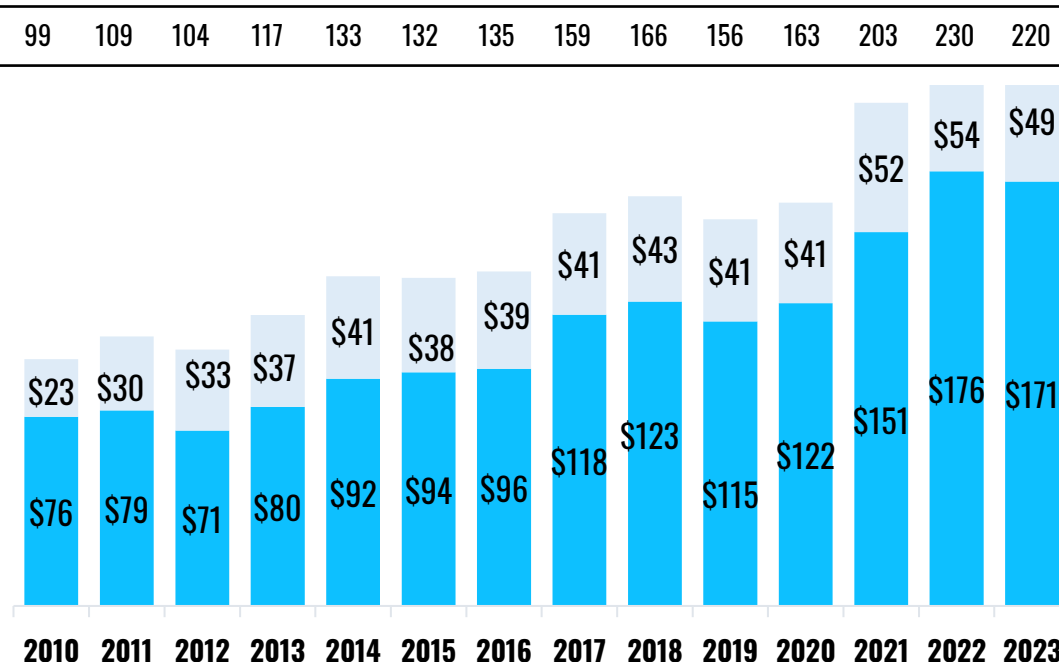
Performance History



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

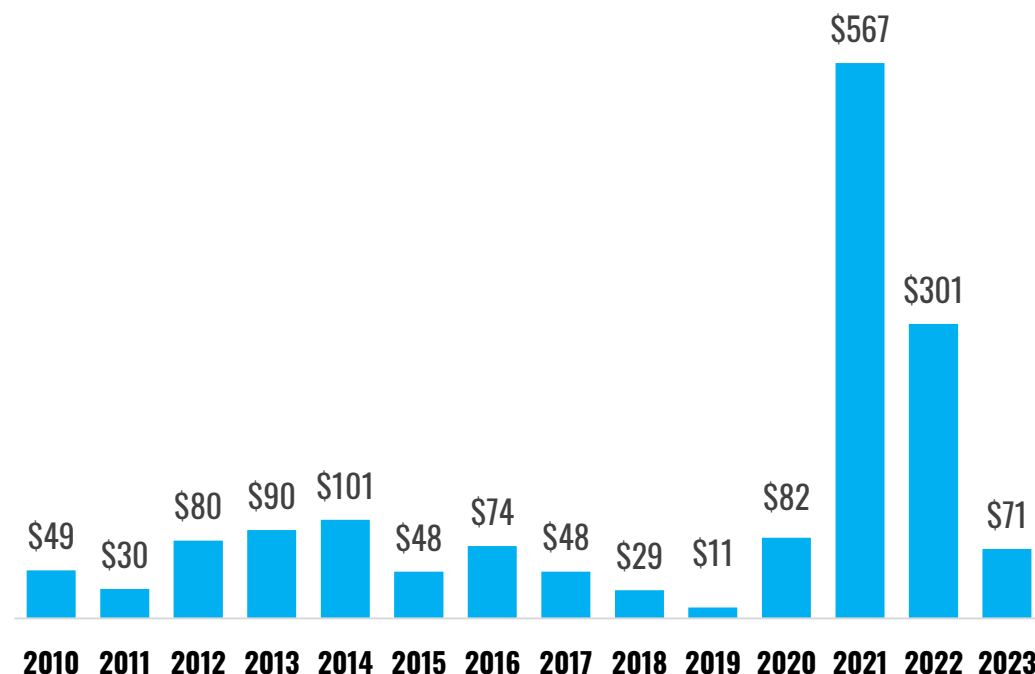
■ R&D Expense ■ Operating Expense ex. RD

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>4Q-2023</u> (Unaudited)	<u>4Q-2022</u> (Unaudited)	<u>3Q-2023</u> (Unaudited)	<u>Y2023</u> (Unaudited)	<u>Y2022</u> (Audited)
Revenues	\$227,678	\$262,290	\$238,515	\$945,428	\$1,201,339
Cost of revenues	158,669	182,239	163,692	681,931	714,233
Gross profit	69,009	80,051	74,823	263,497	487,106
Gross margin	30.3%	30.5%	31.4%	27.9%	40.5%
Operating expenses					
Research and development	41,088	40,158	49,444	171,392	175,557
General and administrative	5,831	6,651	7,050	25,037	28,503
Sales and marketing	5,409	5,716	7,239	23,856	25,459
Total operating expenses	52,328	52,525	63,733	220,285	229,519
Operating income	16,681	27,526	11,090	43,212	257,587
Non-operating income (loss)	(1,329)	11,654	876	1,181	18,978
Profit before income taxes	15,352	39,180	11,966	44,393	276,565
Income tax expense (benefit)	(7,933)	(2,818)	1,214	(5,028)	41,098
Profit for the period	23,285	41,998	10,752	49,421	235,467
Add: Loss attributable to noncontrolling interests	280	158	484	1,195	1,515
Profit attributable to Himax stockholders	\$23,565	\$42,156	\$11,236	\$50,616	\$236,982
Earnings per ADS attributable to Himax stockholders (in cents)					
Basic	13.5	24.1	6.4	29.0	135.6
Diluted	13.5	24.1	6.4	29.0	135.6

Balance Sheet



	<u>December 31, 2023</u> (Unaudited)	<u>September 30, 2023</u> (Unaudited)	<u>December 31, 2022</u> (Audited)
<u>Assets</u>			
Current assets:			
Cash and cash equivalents	\$191,749	\$147,257	\$221,581
Financial assets at amortized cost	12,511	8,139	8,314
Financial assets at fair value through profit or loss	2,117	0	0
Accounts receivable, net (including related parties)	235,829	248,507	261,148
Inventories	217,308	259,610	370,933
Restricted deposit	453,000	453,000	369,300
Other current assets	88,071	103,864	105,532
<u>Total Current Assets</u>	1,200,585	1,220,377	1,336,808
Financial assets at fair value through profit or loss	21,650	18,655	15,350
Equity method investments	3,490	5,801	6,533
Property, plant and equipment, net	130,109	119,231	126,138
Goodwill	28,138	28,138	28,138
Refundable deposits	222,025	205,383	162,968
Other assets	37,407	20,149	25,823
<u>Total Assets</u>	\$1,643,404	\$1,617,734	\$1,701,758
<u>Liabilities and Equity</u>			
Current liabilities:			
Short-term unsecured borrowings	\$0	\$279	\$0
Current portion of long-term unsecured borrowings	6,000	6,000	6,000
Short-term secured borrowings*	453,000	453,000	369,300
Accounts payable (including related parties)	107,342	109,554	122,042
Income taxes payable	15,309	19,061	69,383
Other current liabilities	127,152	108,053	127,270
<u>Total Current Liabilities</u>	708,803	695,947	693,995
Long-term unsecured borrowings	34,500	36,000	40,500
Other liabilities	36,399	48,112	73,442
Himax stockholders' equity	856,768	837,312	892,572
Noncontrolling interest	6,934	363	1,249
<u>Total Liabilities and Equity</u>	\$1,643,404	\$1,617,734	\$1,701,758

* Short-term secured borrowings is guaranteed by restricted deposit

Cash Flow Statement



	<u>4Q-2023</u> (Unaudited)	<u>3Q-2023</u> (Unaudited)	<u>2023FY</u> (Unaudited)	<u>2022FY</u> (Audited)
<u>Profit for the period</u>	<u>\$23,285</u>	<u>\$10,752</u>	<u>\$49,421</u>	<u>\$235,467</u>
Depreciation and amortization	5,115	5,094	20,322	21,342
Share-based compensation expenses	346	789	2,663	3,096
Loss on re-measurement of the pre-existing relationships in a business combination	1,932	0	1,932	0
Finance costs	1,140	1,482	6,080	2,783
Income tax expense (benefit)	(7,933)	1,214	(5,028)	41,098
Inventories write downs	5,727	5,263	21,540	22,211
Others	(2,481)	(2,063)	(9,547)	(18,893)
	27,131	22,531	87,383	307,104
Changes in:				
Decrease (increase) in accounts receivable (including related parties)	8,163	(9,468)	20,804	146,870
Decrease (increase) in inventories	36,580	32,395	132,090	(194,544)
Increase (decrease) in accounts payable (including related parties)	(627)	(18,096)	7,676	(124,870)
Others	(2,899)	(10,918)	(44,533)	18,105
Cash generated from operating activities	68,348	16,444	203,420	152,665
Interest received	2,665	1,185	8,567	4,525
Interest paid	(1,140)	(1,482)	(6,080)	(2,783)
Income tax paid	(1,131)	(104)	(53,066)	(71,499)
Net cash provided by operating activities	\$68,742	\$16,043	\$152,841	\$82,908
Acquisitions of property, plant and equipment	(15,052)	(2,619)	(23,378)	(11,797)
Acquisitions of financial assets at amortized cost	(4,573)	(675)	(6,911)	(8,763)
Proceeds from disposal of financial assets at amortized cost	784	640	3,099	25,823
Acquisitions of financial assets at fair value through profit or loss	(5,375)	(21,210)	(82,628)	(108,374)
Proceeds from disposal of financial assets at fair value through profit or loss	1,645	21,217	75,539	110,283
Increase in refundable deposits	0	6,133	(56,933)	(6,144)
Others	(416)	2,757	2,330	13,970
Net cash provided by (used in) investing activities	(\$22,987)	\$6,243	(\$88,882)	\$14,998
Payments of cash dividends	0	(83,720)	(83,720)	(217,873)
Payments of dividend equivalents	0	(148)	(148)	0
Proceeds from short-term unsecured borrowings	36,932	0	47,226	0
Repayments of short-term unsecured borrowings	(37,226)	0	(47,226)	0
Proceeds from long-term unsecured borrowings	0	0	0	40,000
Repayments of long-term unsecured borrowings	(1,500)	(1,500)	(6,000)	(46,000)
Proceeds from short-term secured borrowings	427,100	530,800	1,383,300	1,212,700
Repayments of short-term secured borrowings	(427,100)	(447,100)	(1,299,600)	(994,800)
Pledge of restricted deposit	0	(83,700)	(83,700)	(217,900)
Guarantee deposits received	(5)	200	200	16,913
Others	(337)	(1,205)	(3,923)	(4,108)
Net cash used in financing activities	(\$2,136)	(\$86,373)	(\$93,591)	(\$211,068)
Effect of foreign currency exchange rate changes	873	(81)	(200)	(1,281)
Net increase (decrease) in cash and cash equivalents	<u>\$44,492</u>	<u>(\$64,168)</u>	<u>(\$29,832)</u>	<u>(\$114,443)</u>
Cash and cash equivalents at beginning of period	<u>\$147,257</u>	<u>\$211,425</u>	<u>\$221,581</u>	<u>\$336,024</u>
Cash and cash equivalents at end of period	<u>\$191,749</u>	<u>\$147,257</u>	<u>\$191,749</u>	<u>\$221,581</u>



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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Corporate Counsel

BAKER & MCKENZIE

SEC Legal Counsel

**DAVIS POLK
& WARDWELL**

Auditor

KPMG