



Drive for better vision



Himax

Nasdaq : HIMX

2023 Q4 and Full Year Earnings Update

Earnings Call Presenters



Jordan Wu

**President and
Chief Executive Officer**



Jessica Pan

Chief Financial Officer



Eric Li

Chief IR/PR Officer

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.

2023 Q4 Financial Summary

Revenues \$227.7M **Beat**

- -4.5% QoQ
- Guidance: Decline 5% to 11% QoQ

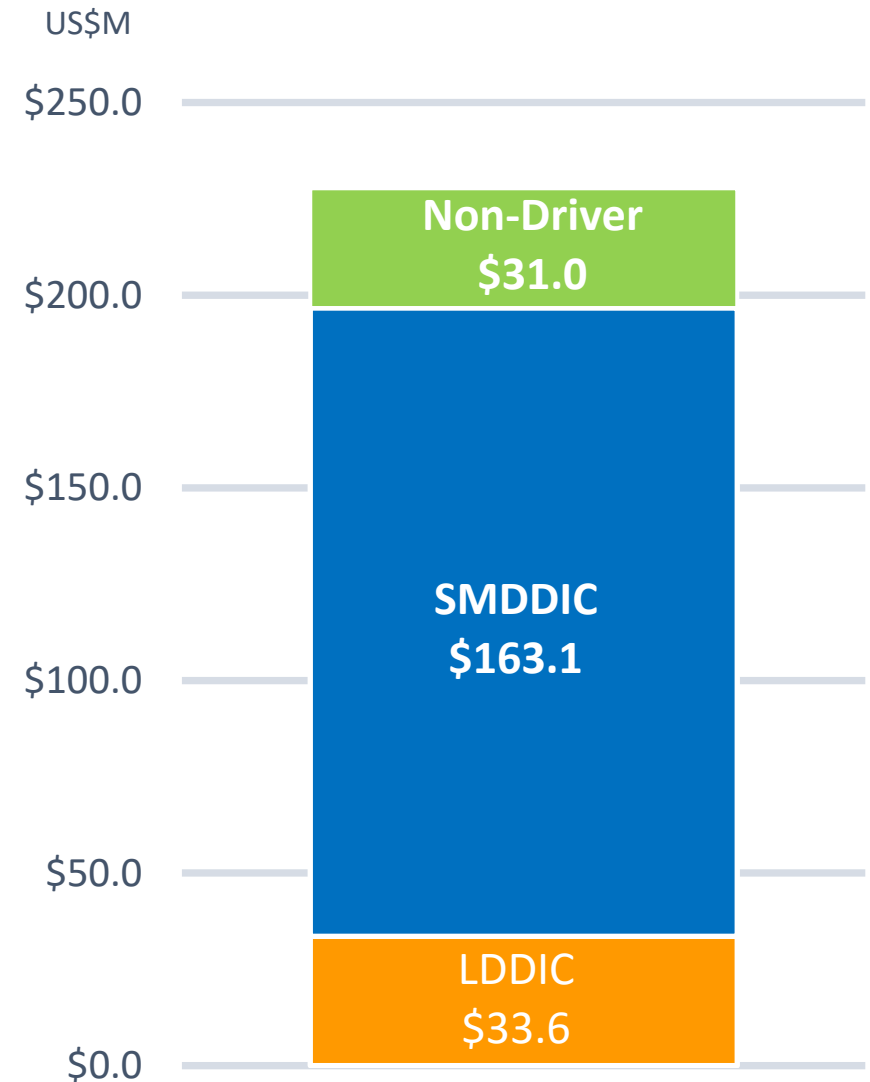
GM 30.3% **In-line**

- -1.1% QoQ
- Guidance: Around 30%

EPS 13.5 Cents **Beat**

- +109.5% QoQ
- Guidance: 9.0 cents to 13.0 cents

2023 Q4 Sales



2023 Q4 Financial Summary by Segment



LDDIC Revenue \$33.6M

- -23.1% QoQ
- Panel makers imposed production and inventory control

SMDDIC Revenue \$163.1M **Beat**

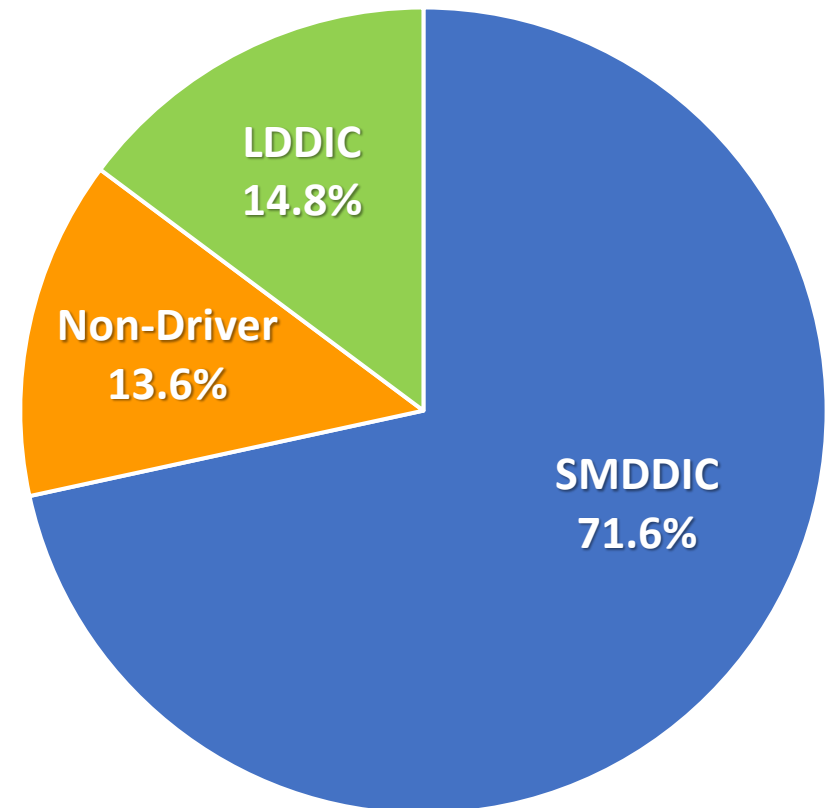
- +1.2% QoQ
- Auto TDDI up high-teens QoQ
- LTDI 1st MP in the industry for Geely's NEV in Q3 2023

Auto sales > 45% of total

Non-Driver Revenue \$31.0M **Beat**

- -8.2% QoQ
- Auto local dimming Tcon adoption expands

2023 Q4 Sales Portfolio



2023 Q4 Financial Review



Revenues \$227.7M
-4.5% QoQ / -13.2% YoY

COGS \$158.7M

Gross Profit \$69.0M

Gross Margin 30.3%
-1.1% QoQ / -0.2% YoY

**Operating
Expense**

\$52.3M
-17.9% QoQ
Flat YoY

**Operating
Income**

\$16.7M

**Operating
Margin**

7.3%

Net Profit \$23.6M

3Q23 \$11.2M / 4Q22 \$42.2M

EPS 13.5 cents

3Q23 6.4 cents / 4Q22 24.1 cents

2023 Full Year Financial Summary



Revenues \$945.4M

- -21.3% YoY

GM 27.9%

- -12.6% YoY

OPEX \$220.3M

- -4.0% YoY

Net Profit \$50.6M

- FY22 \$237M

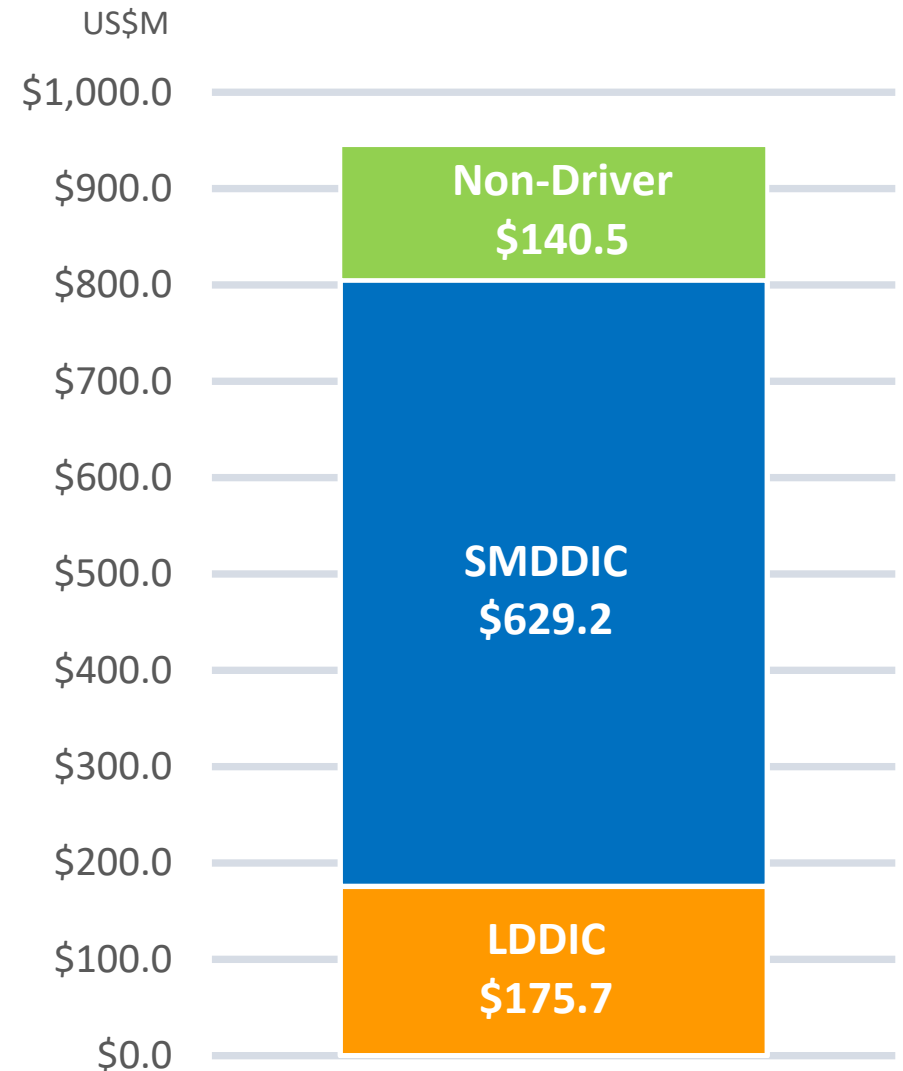
EPS 29.0 cents

- -78.6% YoY

Auto TDDI sales > 50% YoY

Inventory down to near historical norms by year end 2023

2023 Full Year Sales



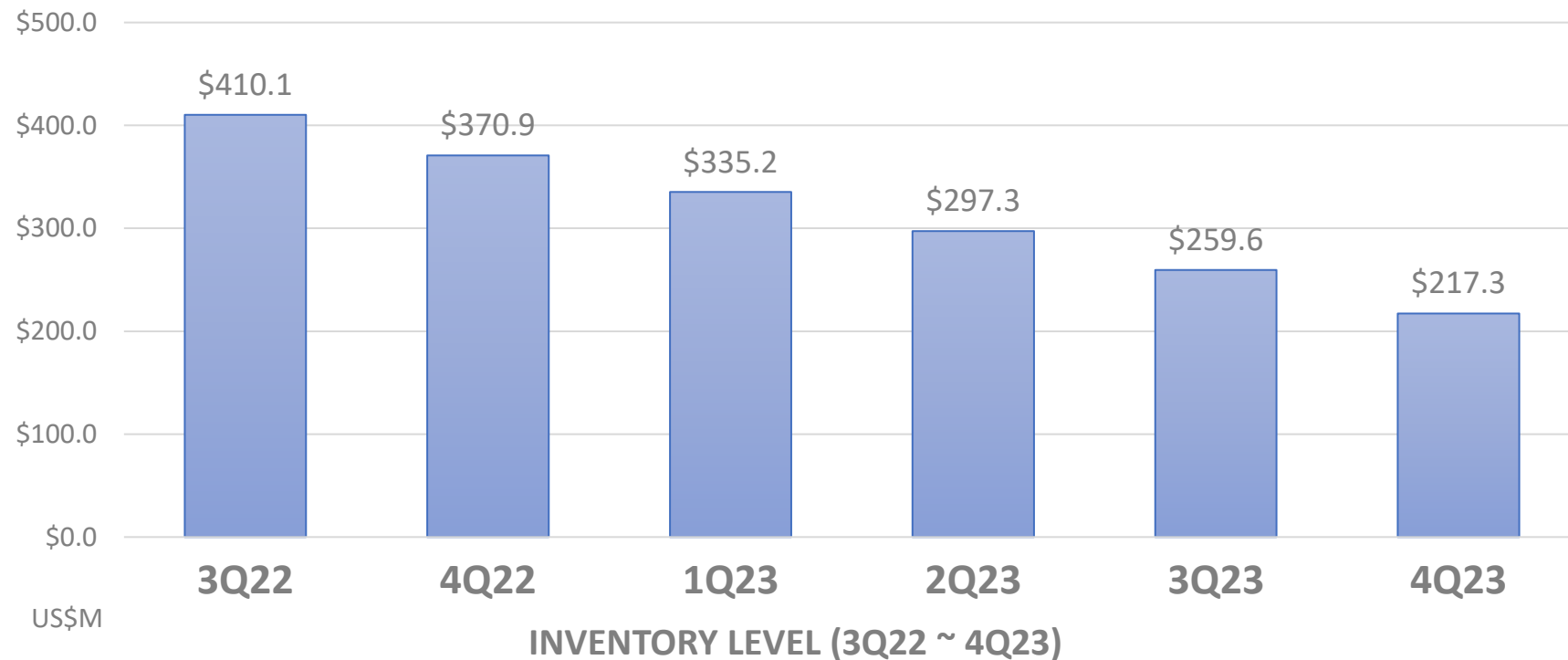
Balance Sheet as of December 31, 2023



Free Cash Balance
\$206.4M

Q4 Cash Inflow from Ops
\$68.7M

Inventories
\$217.3M



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

Sluggish sales during Lunar New Year holidays

Panel makers strategically lower utilizations

Constrained visibility in CE

Cost optimization & supplier diversification (foundry & backend)

Nexchip partnership

- For automotive market
- Supplier diversification
- Addressing surging demand in China



CES 2024: Strategic focus

- **Auto:** Most comprehensive and advanced technologies
 - Covers both LCD & OLED
 - > 40% of company sales in FY24 (36% in FY23)
- **WiseEye AI:** Industry-leading ultralow power consumption and AI inference performance
- **LCoS:** Ultra-illuminance Color Sequential Front-Lit LCoS microdisplay a major technology breakthrough for AR goggles

Global reach for our new strategic focus to help diversify regional exposure & add stability to our operations

Q1 LDDIC sales down single digit QoQ

- Panel makers lowered factory utilization to safeguard prices

TV & Monitor down QoQ

Notebook decent increase QoQ on restocking

- Growing trend towards touch & AMOLED technologies for premium NB and AI PC
- CES 2024: Himax unveiled in-cell TDDI for LCD & on-cell AMOLED touch for OLED
- Strengthened presence in NB market

Comprehensive AMOLED NB solution

- Touch controller IC
- DDIC
- Tcon

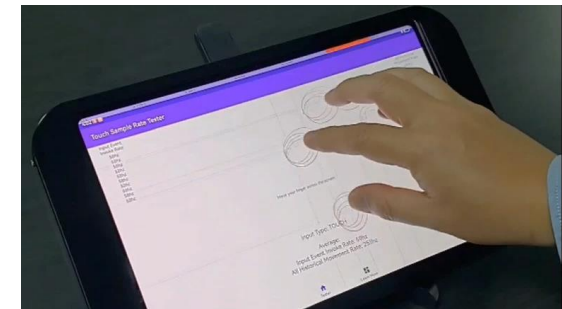
MP to start in 2H24

NB AMOLED Touch Controller **HX85200 Series**



Active stylus

Multi-finger Touch



- Support for rigid, flexible and hybrid OLED panels
- Multi-finger (up to 10 fingers)
- Multi active stylus protocols
- Low power consumption

In-Cell TDDI for LCD NB

- Precise touch sensitivity
- Vibrant multi-finger operation
- Acute active stylus

MP to start in 2H24

In-Cell TDDI for Notebook

HX83132 Series



- Multi-finger (up to 10 fingers)
- Multi active stylus protocols
- Support large size, high resolution, low power, and slim bezel

SMDDIC sales to decline high teens QoQ

Smartphone to decline single digit QoQ; Tablet to decline double digit QoQ

Auto to decline mid teens QoQ due to robust prior quarters replenishment

- Auto TDDI to be up QoQ; Almost half of Q1 auto driver sales
- Growing adoption of bundled TDDI / LTDI and Local dimming Tcon
- World's 1st LTDI MP with Geely's NEV in Q3 2023

Industry-leading AMOLED touch controller for auto

MP to start in the upcoming quarters

Automotive AMOLED Touch Ctrl

HX8530-L & HX8530-LC Series



- Industry-leading SNR > 45 dB, ideal for flexible auto OLED panels
- Glove-wearing & wet-finger operations
- Multi-finger capacitive touch
- Multi-chip cascading for >20" panel

Soft market demand in Smartphone and Tablet

Inventory rebalanced to satisfactory levels

AMOLED business update:

- Partnerships with leading KR/CN panel makers
- Auto, Tablet, NB solutions to start MP in 2H24
- Smartphone timeline adjustment due to prevailing downturn

Q1 Tcon to be up single digit
QoQ

Increasing Auto & Tablet OLED
Tcon shipments

Developing next-gen Tcon IC for
OLED tablet, NB, and Auto

Local dimming Tcon > 100
design-wins

CES 2024: Unveiled latest local
dimming Tcon for automotive

Auto Local Dimming Tcon

HX8880-F Series



- Dynamic contrast enhancement
- Support resolutions up to 12Kx1K
- Superior power efficiency
- Stringent automotive safety

Collaboration with DESMAN, China's smart door lock leader

- 24/7 real time sentry
- World's 1st, groundbreaking feature advancement
- Extended battery life

WiseEye AI total solution

- AI processor + AOS sensor + Algorithm

Smart Door Lock



- 24/7 real-time sentry monitoring
- Remarkable power efficiency of 1 mW

Tiny, easy to swallow pill-sized endoscope with WiseEye inside

WiseEye AI total solution

- AI processor + AOS sensor

MP to start in 2025

Capsule Endoscope



- 12-hour operation for image capturing and transmission
- Significantly simplify medical process

WiseEye2 AI processor won "2023 Best AI Product Award"
by EE Awards Asia



Industry-standard AI benchmarks in ultralow power and advanced security

High-precision detection for intuitive interactive applications in real life

Versatile sensor fusion for image, video, audio, vibration, thermal

- Lower system costs
- Timely anomaly detection



Face Mesh



Face Landmark



Hand Landmark



Human Pose & Skelton

Production-ready AI Modules

Incorporating Himax CIS,
WiseEye processor, and in-
house or third-party AI models

Ecosystem & SI partnerships
to lower entry barriers and
development cost

WiseEye Module



- Tiny form factors, highly integrated and plug-n-play
- User-programmable, pre-loaded AI models
- No-code/low-code AI development

Color Sequential Front-Lit LCoS Microdisplay

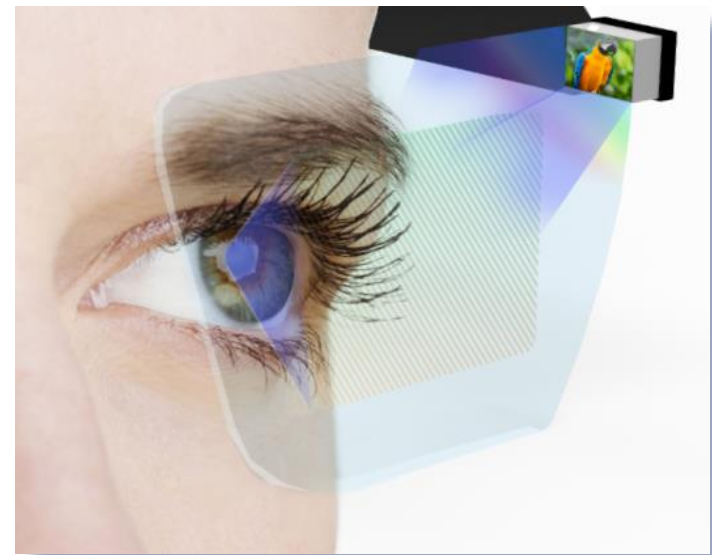
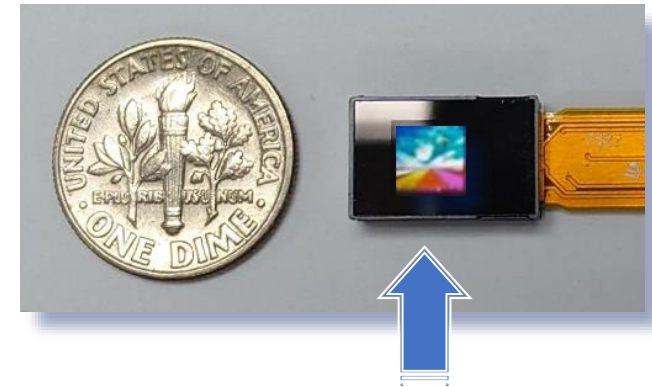
Low power & high optical efficiency

Industry-leading 180,000 nits brightness

Vibrant RGB display, compact form factor, and ultra-lightweight design

Best choice for the next generation see-through AR devices

Color-Sequential Front-Lit LCoS Microdisplay



Nano-imprint Optical Film for Auto Lighting



Groundbreaking nano-imprint optical film technology in automotive lighting

By Himax subsidiary, CMVT, together with Ta Yih Industrial, a leader in global auto lighting

Automotive Lighting



- Side-emitting LED light
- Uniform & minimized fixture size
- Enhanced optical efficiency
- Reduced LED usage
- Versatile patterns
- Significantly lower cost



Drive for Better Vision



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