

Drive for Better Vision



Himax

Nasdaq : HIMX

2024 Q1 Earnings Update





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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, 2023 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.

Revenues, GM, EPS All Exceeded Guidance

Revenues \$207.6M Beat

- -8.8% QoQ
- Guidance: Decline 9% to 16% QoQ

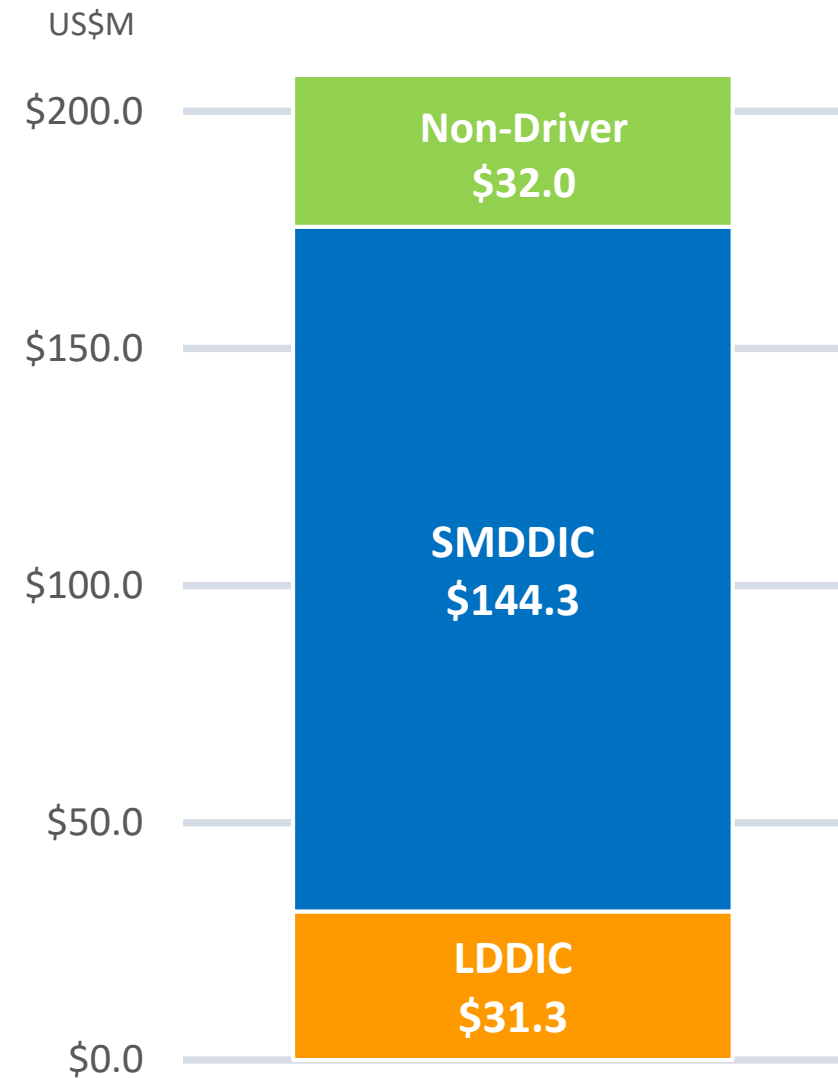
GM 29.3% Beat

- -1.0% QoQ
- Guidance: Around 28.5%

EPS 7.1 Cents Beat

- Guidance: 2.0 cents to 5.0 cents

2024 Q1 Sales



2024 Q1 Financial Summary by Segment



LDDIC Revenue \$31.3M **In-line**

- -7.0% QoQ
- Soft macro season
- Customers' ongoing production & inventory controls

SMDDIC Revenue \$144.3M **Beat**

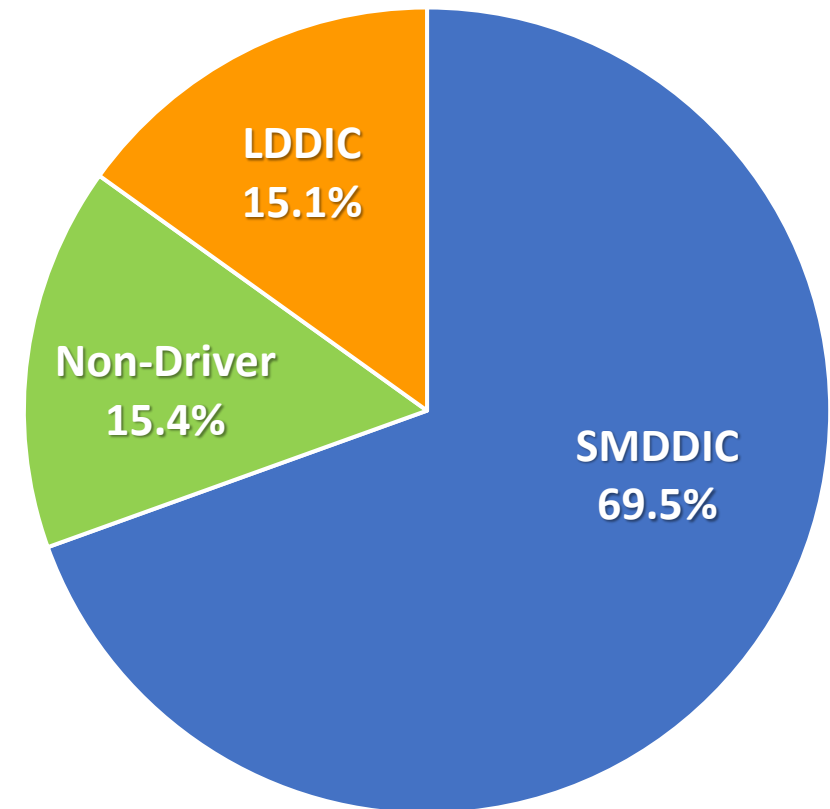
- -11.5% QoQ
- Upside from auto DDIC & OLED tablets
- Auto DDIC rush orders, while TDDI continued to increase QoQ

Auto Sales ~46% of Total

Non-Driver Revenue \$32.0M **Beat**

- +3.4% QoQ
- Upside from large-sized display Tcon
- Auto local dimming Tcon rapidly expand

2024 Q1 Sales Portfolio



2024 Q1 Financial Summary



Revenues \$207.6M

-8.8% QoQ / -15.0% YoY

COGS \$146.8M

Gross Margin 29.3%

-1.0% QoQ / +1.2% YoY

Gross Profit \$60.7M

Operating Expenses

\$50.7M

-3.1% QoQ

-0.6% YoY

Operating Income

\$10.0M

Operating Margin

4.8%

Net Profit \$12.5M

4Q23 \$23.6M / 1Q23 \$14.9M

EPS 7.1 cents

4Q23 13.5 cents / 1Q23 8.5 cents

Balance Sheet as of March 31, 2024



Q1 Free Cash Balance

\$277.4M

Q1 Inventories

\$201.9M

Q2 Cash Balance to Decline

- Lower AR: low sales in past 2 quarters
- Higher AP: rising Q1 wafer orders to prepare for Q2 high shipment
- Annual income tax payment
- Refunds of customers' LTA deposits



29.0 Cents per ADS, Totaling \$51M

Payable on July 12, 2024

Payout Ratio: 100% of Last Year's Profit

Revenues

Increase 8% to 13% sequentially

Gross Margin

31.5% to 33.5%

A notable increase from Q1's 29.3%

Net Profit

**13.0 cents to 17.0 cents per
diluted ADS**

Persisting macroeconomic uncertainty

Panel makers continue strict output control & lean inventory

Last-minute orders from customers

Sales of past 7 consecutive quarters, including Q1, at the upper end of or exceeding guidance

Q1 sales to be trough of the year. Q2 sales up, especially in auto

Business momentum to steadily improve in 2H

Automotive the largest source of sales for Himax

Positive 2H outlook, defying recent global auto headwinds

Healthy inventory since 2023/E; Himax's customers also maintain lean stocks in automotive

Fancy displays increasingly becoming auto selling point

As market leader, Himax slated for sustainable growth

Cost optimization & supplier diversification

Q2 LDDIC sales up mid teens QoQ

- Customers' restocking following quarters of muted demand
- Customers preparing for upcoming shopping festivals

TV sales up single digit & monitor up nice double digit QoQ

Notebook sales down QoQ following strong Q1 restocking

- Burgeoning trend of AI PC prompting display upgrade
- Himax offers full solution for both LCD & OLED
- To capitalize on 2025 replacement cycle with In-cell TDDI for LCD NB & DDIC and touch controller for OLED NB

Q2 SMDDIC sales to increase single digit QoQ

Auto to increase high teens QoQ, defying soft EV demand

- Both DDIC & TDDI sales to increase QoQ
- > 450 auto TDDI design-wins with continuous influx of new projects; only 30% in MP
- Auto TDDI > 40% of Q2 auto driver sales

Smartphone & Table to decline QoQ

- Consumers prolong replacement cycles in response to challenging economic environment
- To improve cost structure by diversifying supplier for next resurgence in demand

Auto display IC > 40% market share

- Total solution in auto LCD (DDIC/TDDI/LTDI/Local Dimming Tcon)
- Comprehensive footprint in auto OLED (DDIC/Tcon/On-Cell Touch)
- Strategic alliance with Korea & China OLED panel makers
- Excel in Auto OLED touch: > 45dB SNR for challenging glove-wearing & wet-finger operations

OLED business update

- Significant progress in all of auto, tablet, NB, and monitor with DDIC/Tcon/Touch Controller
- Partnerships with leading Korea & China OLED panel makers
- Smartphone MP timeline adjustment due to prevailing market downturn

Tcon sales to increase > 40% QoQ

- Escalating shipment for Tcon in large-sized displays & auto

Excel in monitor Tcon in high-end gaming market

- High resolution, high refresh rate, low latency

Market leader in auto local dimming Tcon

- > 100 design-wins
- Enhance display contrast & improve power efficiency
- Support super high frame rate & wide range of resolution (FHD to 8K)

Auto Tcon sales to up > 30% QoQ; > 3% of total sales

Opening the door for battery-powered endpoint devices to incorporate AI sensing

- On-device tinyML solutions & ultralow power consumption, with merely single digit mW
- Incorporate AI for intuitive user & intelligent user interactions

WiseEye™

Drive for AI Everywhere



DESMAN smart door lock: WiseEye for 24/7 sentry & real-time event recordings

- Consume only 2.2mW; minimal impact to battery life
- 24/7 periodical snapshot
- Start recording immediately upon detecting human presence
- Comprehensive event recording for seamless threat protection

DESMAN Smart Door Lock



Highly integrated, plug-and-play WiseEye Modules

- Broaden market reach & shorten development cycle
- Low-code / no-code AI
- Parking systems, fleet management, occupancy sensing, pet tracking, people flow sensing, access control

Open-source AI frameworks,
tool chains & AI models

Beginners:

***PnP WiseEye Modules +
Low-Code / No-Code AI***



AI Experts:

Open-Source AI Framework



arm



TensorFlow Lite



embARC



seeed studio



Unveiled WiseEye PalmVein at ISC West

- Ultralow power, contactless biometric authentication

Enable battery-powered & highly secure live check devices

- Suitable for small group of authorized individuals (automotive, door locks, surveillance, laptops...)

WiseEye™ PalmVein



- Powered by WiseEye2 processor
- Swiftly authenticate a palm < 100 ms
- Single digit mW power consumption
- Anti duplication and spoofing

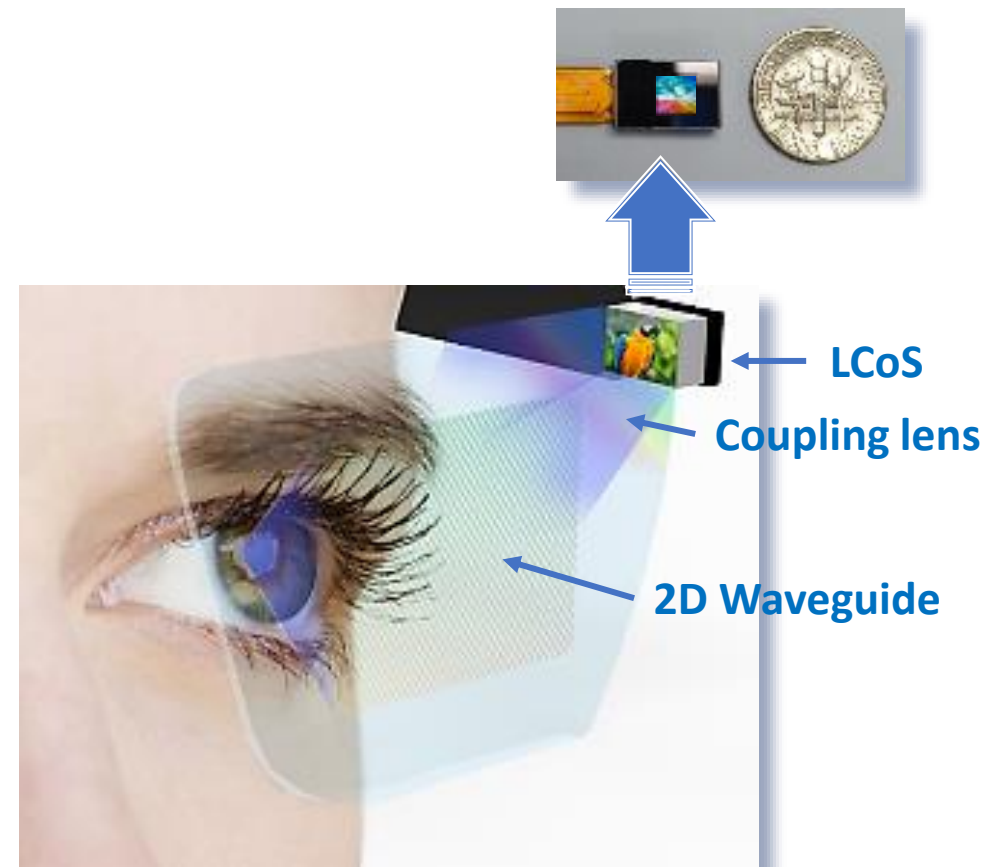
To unveil ultra-luminous, new-generation Color Sequential Front-Lit LCoS Microdisplay at Display Week 2024

- Brightness breakthrough: 250,000 nits, 2.5x of 2023
- Low power consumption of just 300 mW
- Tiny form factor, 0.5 c.c.

Stylish & everyday-ready AR Glasses becoming a reality

- Engagements & projects with leading tech names

Color-Sequential Front-Lit LCoS Microdisplay







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