



*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.

# 2024 Q1 Financial Summary

## Revenues, GM, EPS All Exceeded Guidance

**Revenues \$207.6M Beat**

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

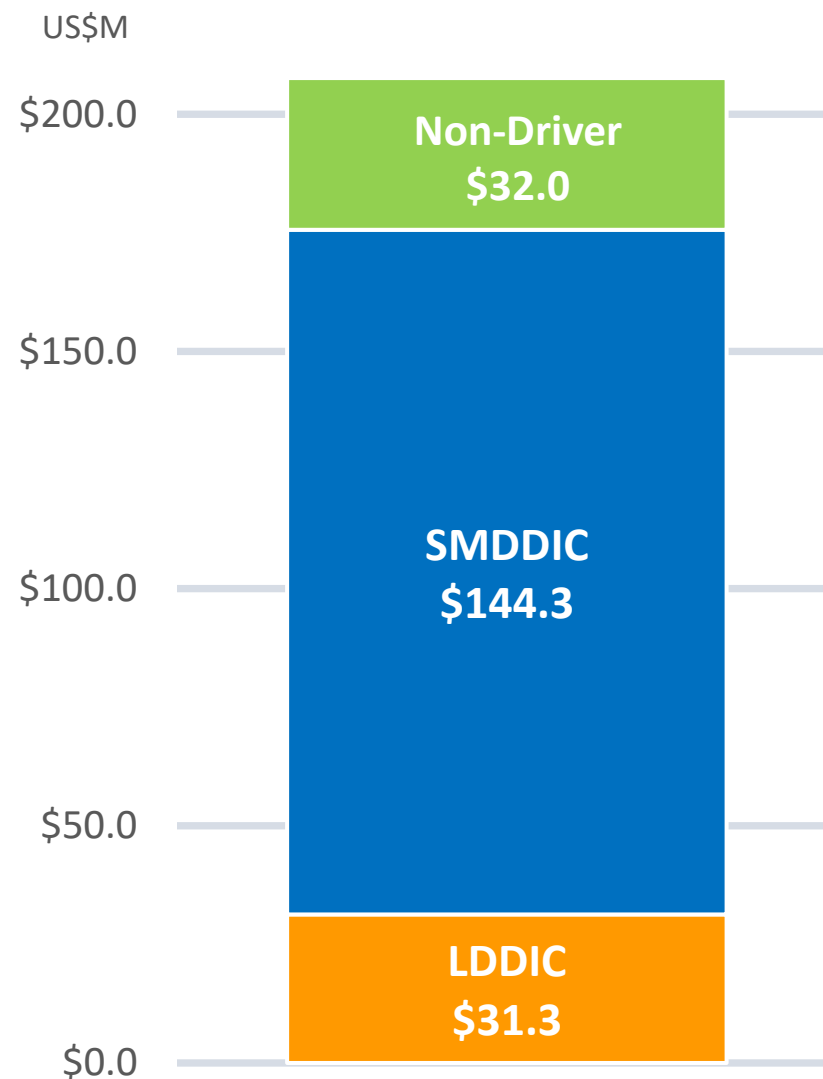
**GM 29.3% Beat**

- -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**

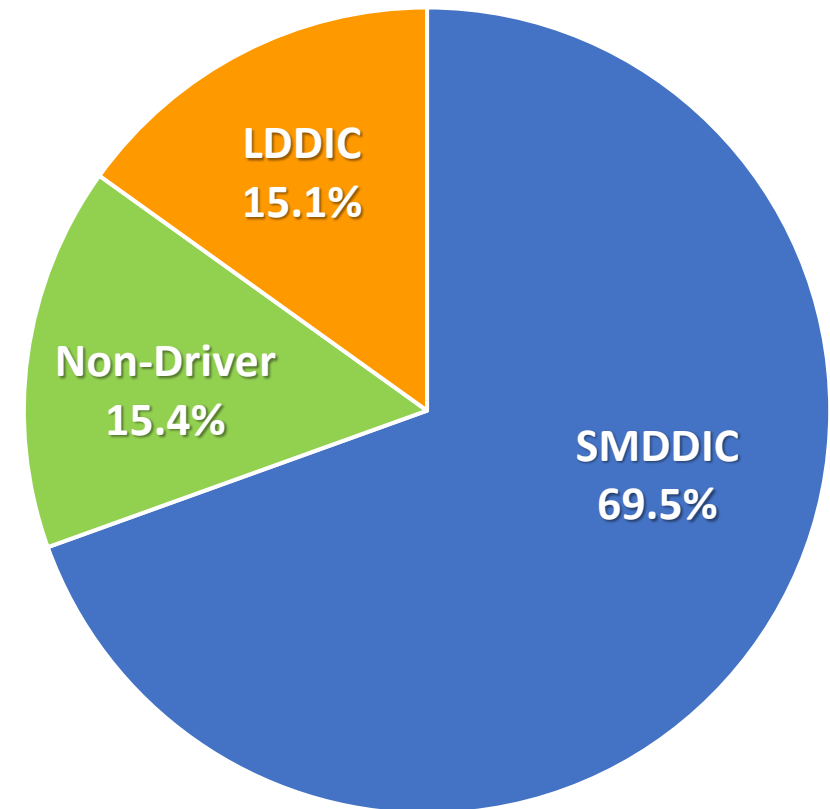
- -11.5% QoQ
- Upside from auto DDIC & OLED tablets
- Auto DDIC rush orders, while TDDI continued to increase QoQ

## 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***



# World's First 24/7 AI Sensing Smart Door Lock



## 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***

 TensorFlow



TensorFlow Lite

arm

 Keras

 PyTorch

 ONNX

 EDGE IMPULSE

embARC

seeed studio

 CMSIS

## 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



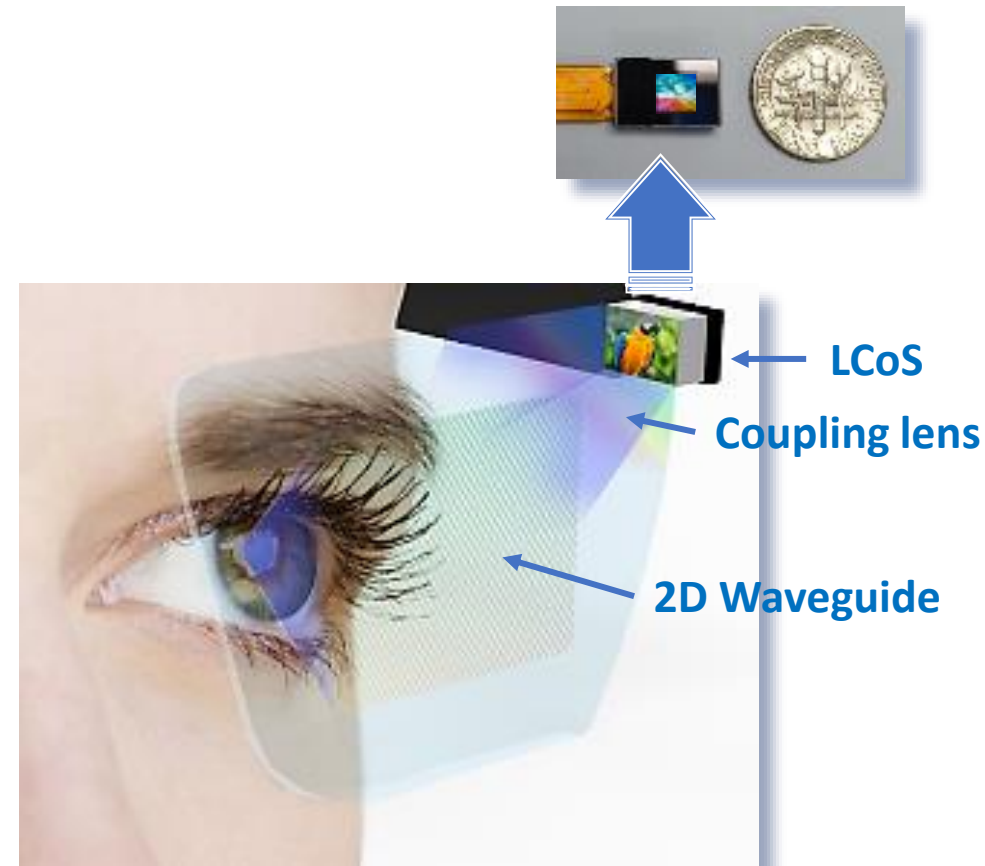
To unveil ultra-luminous, new-generation Color Sequential Front-Lit LCoS Microdisplay at Display Week 2024

- 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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