



*Drive for better vision*



***Himax***

Nasdaq : HIMX

***2025 Q1 Earnings Updates***

# 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, 2024 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.



# 2025 Q1 Financial Summary



**Revenues at high end; GM in-line; Profits exceeded guidance**

**Revenues \$215.1M**

- -9.3% QoQ; +3.7% YoY
- Guidance: Decrease 8.5% to 12.5% QoQ

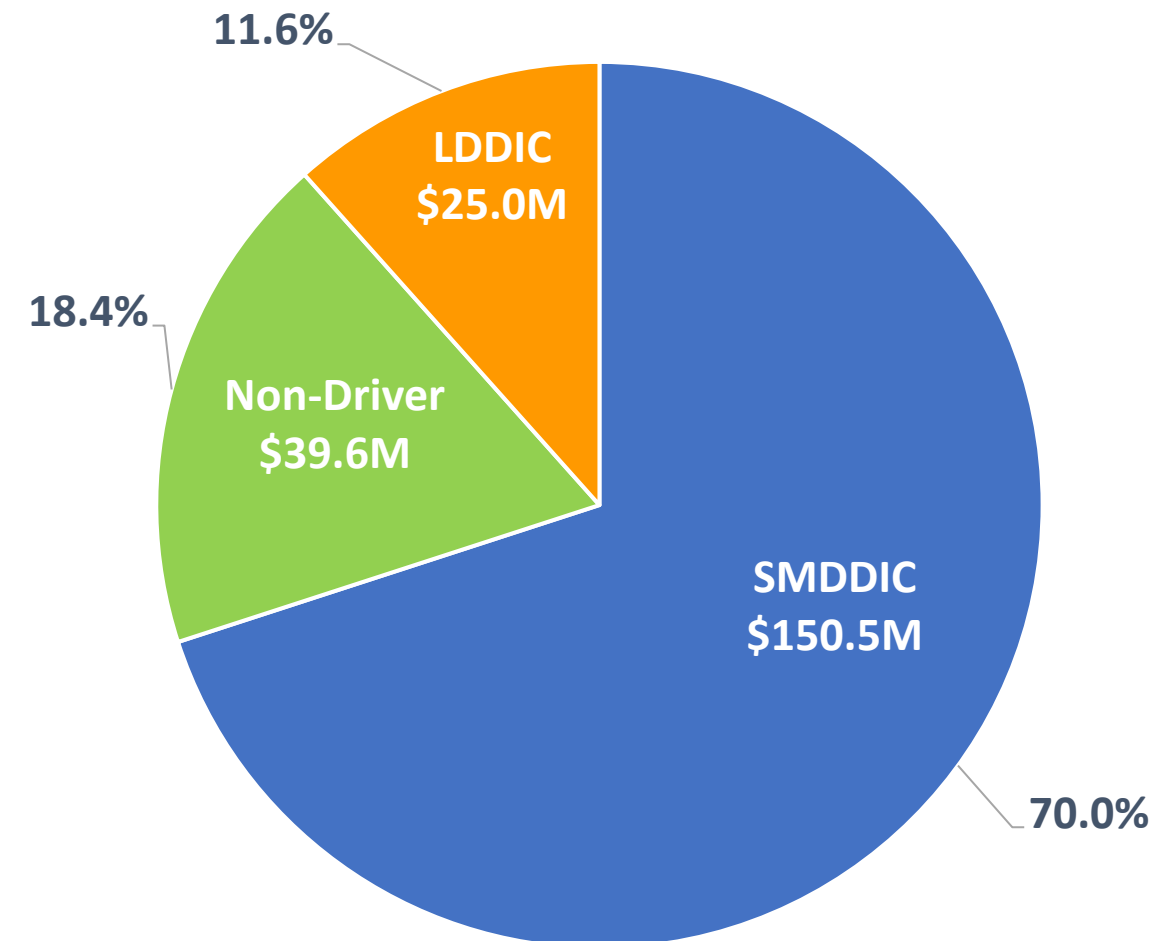
**GM 30.5%**

- Flat QoQ; +1.2% YoY
- Guidance: Around 30.5%
- YoY up: Favorable product mix & continued cost optimization

**EPS 11.4 Cents **Beat****

- Guidance: 9.0 cents to 11.0 cents

**2025 Q1 Sales & Breakdown**



# 2025 Q1 Financial Summary by Segment



## LDDIC Revenue \$25.0M

- Flat QoQ despite seasonal downturn

## SMDDIC Revenue \$150.5M

- -9.8% QoQ

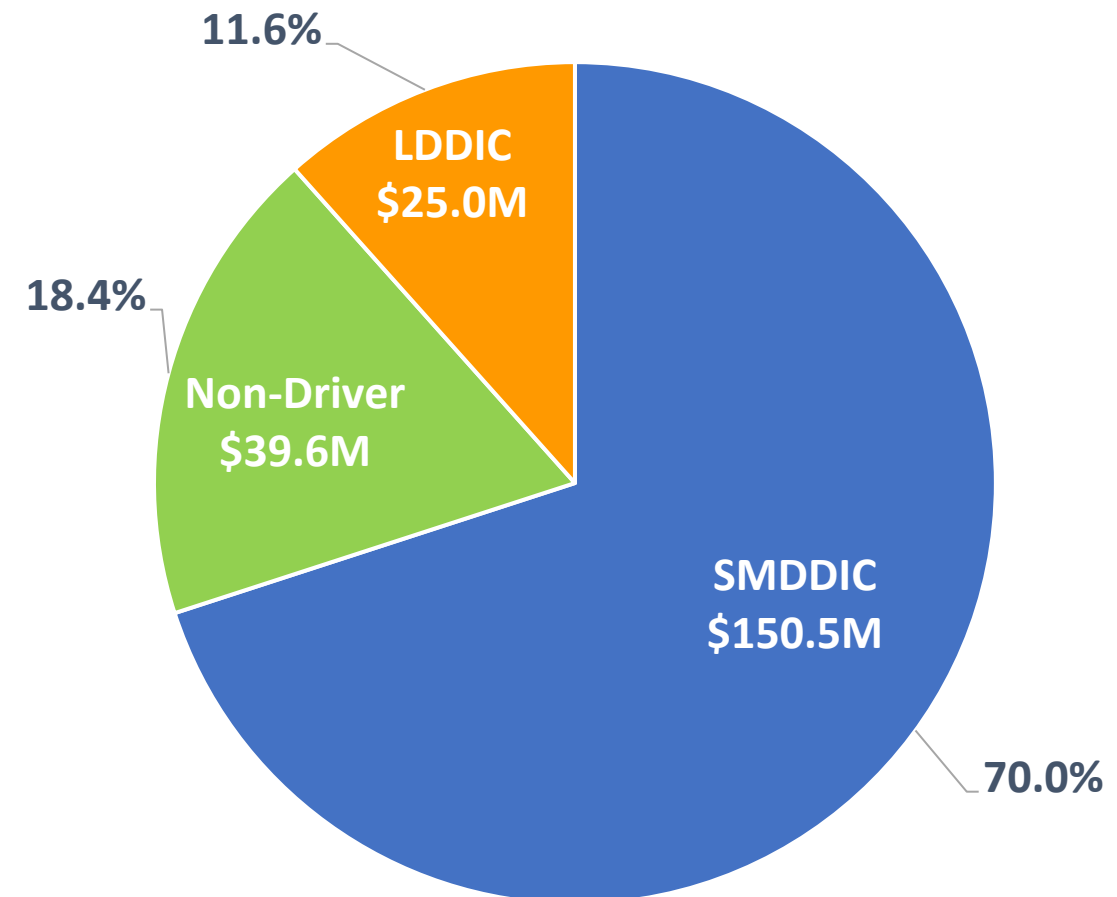
## Auto Driver Sales single digit decrease QoQ

- Outperformed guidance of low teens decrease
- Waning effect of CN gov. stimulus, while demand in other major markets remained stable
- YoY up ~ 20%, reflecting ongoing customer reliance on our technology & strength of our competitive moat
- Auto business > 50% of total sales

## Non-Driver Revenue \$39.6M

- -12.8% QoQ
- Absence of one-time ASIC Tcon shipment for projector customer & moderated auto Tcon demand
- Position in local auto dimming Tcon remained unrivaled

## 2025 Q1 Sales & Breakdown



# 2025 Q1 Operating Expenses & Profits



## **Operating Expenses \$45.7M**

- -7.0% QoQ / -9.8% YoY
- Strictly enforcing budget and expense controls amid ongoing macro challenges

## **Operating Income \$19.8M**

- 4Q24 \$23.1M / 1Q24 \$10.0M

## **Operating Margin 9.2%**

- 4Q24 9.7% / 1Q24 4.8%

## **Net Profit \$20.0M**

- 4Q24 \$24.6M / 1Q24 \$12.5M

## **EPS 11.4 cents**

- 4Q24 14.0 cents / 1Q24 7.1 cents

# Balance Sheet as of March 31, 2025



**Q1 Free Cash Balance**  
\$281.0M

**Q1 Inventories**  
\$129.9M

**Q1 Free Cash Balance Increased**

- 4Q24 \$224.6M / 1Q24 \$277.4M

**Q1 Operating Cash Inflow \$56.0M**





# 2025 Cash Dividend



**37.0 Cents per ADS, Totaling \$64.5M**

**Payable on July 11, 2025**

**Payout Ratio: 81.1% of last year's profit**

# 2025 Q2 Guidance



**Revenues**

Decrease 5% ~ Increase 3% QoQ

**Gross Margin**

Around 31.0%

**Net Profit**

8.5 cents to 11.5 cents per diluted ADS



Recent abrupt and significant NT dollar appreciation against US dollar

Impact on our Q2 financial results is limited and has been accounted for in Q2 guidance

Natural hedge for all our buying and selling activities

The bulk of our R&D expenses, save for employee salaries, also US dollar based

Employee salaries in local currency but bonuses in US dollar

Other major non-US dollar expenses, mostly NT dollar-denominated, include utilities and income tax expenses

Purchase of NTD in advance to cover the income tax payable to minimize currency risk

**Tariffs have not had a significant direct impact on Himax's business**

- A negligible portion (~2%) of Himax's products are shipped directly to U.S.

**Some customers requested early shipments to avoid tariff; many others deferred orders amid uncertainties**

**Conservative Q2 revenue guidance reflects customers' overall caution**

**Low 2H25 market visibility as tariff negotiations continue**

**Himax is deepening its established Taiwan supply chain and strengthening into CN, KR, SG to enhance production flexibility, cost competitiveness and mitigate geopolitical risks amid tariff-driven supply chain restructuring**

**Panel customers adopting a make-to-order model and keeping inventories lean**

**Himax carefully monitors wafer-starts, maintain low inventory, rigorously control expenses**

**Further optimizing costs by diversifying both foundry and backend packaging & testing**

- Milestone recently achieved in auto display IC with CN Nexchip. Products in MP & adopted by leading automakers



**Auto IC sales accounts for half of total sales**

- Maintained a balanced global market share across major regions
- Demonstrate technological leadership with most comprehensive ICs (LCD & OLED)
- Over a decade of loyal relationships with global Tier 1 suppliers & auto brands
- These strengths help mitigate tariff risks & reinforce long-term stability of our auto business



## Committed to a number of innovative fields: Ultralow power AI, AR glasses and CPO

- Himax is a pioneer and leader in key technologies enabling these novel areas
- Relatively less affected by macro; customer development efforts not slowed due to tariff
- Expect these businesses to contribute meaningfully to both sales & GM in the years ahead

## Actively explore high-growth markets: Strategic alliance with Powerchip & Tata Electronics

- Echoes the “Make in India” strategy of the Indian government for high-tech areas
- Exploring huge potential demand of the Indian market



## **Q2 LDDIC sales to decrease single digit QoQ**

- Driven by customers' pull forward orders in prior quarters, against the backdrop of CN gov. subsidies boosting domestic consumption
- Monitor & NB IC sales to decrease QoQ
- TV IC sales to increase QoQ, higher shipments to key end customers

## **Growing demand for premium NB with OLED and touch**

- Comprehensive ICs for both LCD & OLED
- Expanding high-speed interface portfolio
  - Next-gen eDP 1.5 display interface Tcon applicable to LCD & OLED
  - High frame rates, low power, adaptive sync and high resolution

**Q2 SMDDIC sales to decline single digit QoQ**

## **Auto driver IC (DDIC & TDDI)**

- Driver sales to be down mid-teens QoQ, reflecting combined impact of tariffs & waning effect of CN auto subsidy program
- TDDI cumulative shipments outpaced competitors; ~500 design-wins with majority not yet MP, reinforcing market leadership
- Continued DDIC solid shipment volume for non-touch applications in clusters, HUDs, and rear/side mirrors



# 2025 Q2 Outlook – Auto Advanced Technologies



## LTDI

- Pioneer in LTDI technology. Support >30" or pillar-to-pillar display
- Increasing number of customers adopt integrated LTDI & Tcon as standard platform
  - Require > 4 LTDI chips & at least 1 local dimming Tcon per panel
- Growing platform adoption of more of Himax's auto IC offerings signifies an increase in content value on a per-panel basis
- Multiple projects with global leading car brands MP end'2025

**Continue to lead the global auto display market: 40% market share in DDIC; >50% in TDDI; Even higher in local dimming Tcon**

## Smartphone driver IC

- Q2 sales to decline mid teens QoQ

## Tablet driver IC

- Q2 sales to be up high-teens QoQ
- Renewed demand from leading customers following several quiet quarters

# 2025 Q2 Outlook – OLED Updates



## Auto OLED

- Strategic alliances with leading KR/CN/JP panel makers
- Expand beyond premium cars, leveraging LCD expertise to drive OLED adoption
- First-mover advantage to drive OLED leadership with DDIC, Tcon & on-cell touch
- On-cell touch >45 dB SNR for glove-wearing/wet-finger operations. Already MP; Increasing adoption by leading global brands

## Tablet & NB OLED

- Partnerships with top KR/CN panel makers with DDIC, Tcon & Touch
- Developing value-added features (e.g. active stylus & gaming models) to further enhance product differentiation & competitiveness

## Smartphone OLED

- Solid progress with KR/CN panel partners. Target MP in later 2025



**Q2 non-driver revenue to increase low teens QoQ**

**Q2 Tcon sales to increase high-teens QoQ**

- Due to increased shipment of Tcon for NB & Auto

**Strong auto Tcon position**

- Q2 auto Tcon sales to increase double digit QoQ
- Unrivaled leader in local dimming Tcon for premium/mainstream car segments
- Strong pipeline of 200+ design-wins set for MP in coming years
- Well-positioned for continuous auto Tcon growth

**Growing HUD inquiries and adoption with local dimming Tcon, eliminating postcard effect & enabling transparency detection to ensure driver safety**

# WiseEye™ Ultralow Power AI Sensing



## Competitive edge in fast rising AI market

- Ultralow power; Context-aware, on-device AI
- Enables endpoint AI, fit for battery-powered devices
- Offload main processor to extend battery life

## Diverse AI applications

- **NB:** Success on Dell, expanding to other brands. Some entering MP later this year, expanding further into 2026
- **Smart door lock:** World's 1<sup>st</sup> 24/7 sentry monitoring and real-time event recording; Reaching to other world-leading door lock makers
  - Palm vein access / Parcel recognition / Anti-pinch
- **Smart retail:** Collaboration with E Ink on e-Signage
  - Always-on AI detects viewer gender/appearance/age, followed by personalized ads & nearby product recommendations

WiseEye™

Drive for AI Everywhere



AI Processors + AoS Sensors + Algorithms

WiseEye NB Solution



Smart Door Lock



Smart Retail



## Numerous production-ready modules for AIoT

- Pre-trained low-/no-code AI for diverse use cases
- HPD, gender/age/ gesture recognition, voice command, face mesh, thermal image sensing, palm vein authentication, and people flow management

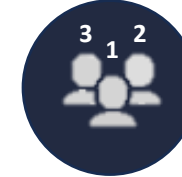
## WiseEye PalmVein solution

- Multiple projects with MP underway for smart access, workforce management, and smart door lock
- Upgraded solution to support multi-modal authentication (palm vein + face + peephole-camera input)

## Low-Code / No-Code AI



HPD / On Looker



People Count



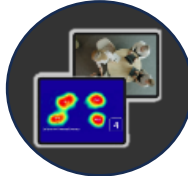
Head/Body Pose



Age/Gender



Voice Command



Thermal Sensing



Face + Palm Vein + Peephole-camera input  
multi-modal authentication



# WiseEye in AR Glasses



WiseEye enables real-time, context-aware AI at single-digit mW, ideal for all-day battery life

WiseEye AI being adopted by a leading AR glasses platform

- Ongoing engineering engagements with several other prominent global AR tech names

Always-on outward sensing to detect and analyze surroundings

Precise inward sensing for eyeball tracking and subtle gaze-based input

## AR Glasses + AI



Eyeball Tracking

+



Always-on AI Sensing

## Himax-FOCI CPO partnership, announced June 2024

- First-gen small-scale production on track
- Next-gen CPO solutions with FOCI, AI companies & foundry partner
- FOCI achieved significant advancements in automated production & testing for silicon photonics packaging
- In process validation to enable full-scale production for leading AI customers
- WLO poised for significant growth as a key revenue and profit driver

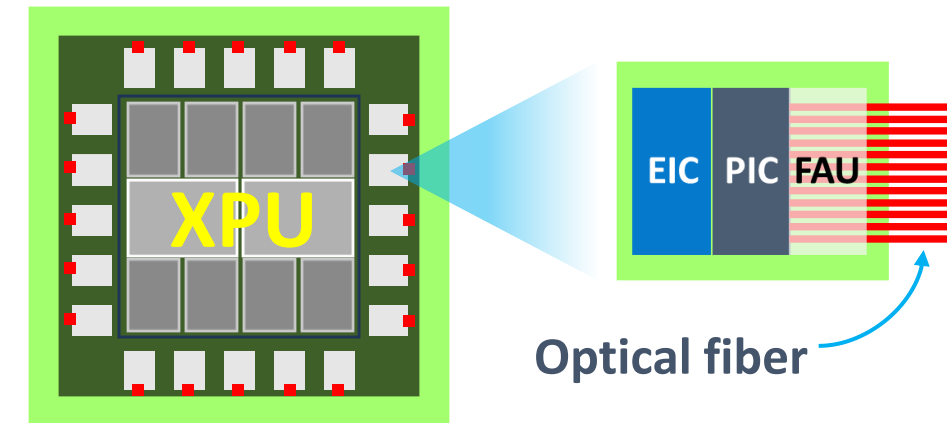
## Waveguide development for next-gen AR glasses

- Collaboration with certain tech leaders for advanced waveguides for AR glasses

FOCI

 Himax

Leading Silicon Photonics Packaging Technology



- Optical communication for advanced MCMs
- Enhanced bandwidth
- Improved data rate
- Minimized signal loss
- Reduced latency
- Lower energy consumption

# Dual-Edge Front-Lit LCoS Microdisplay



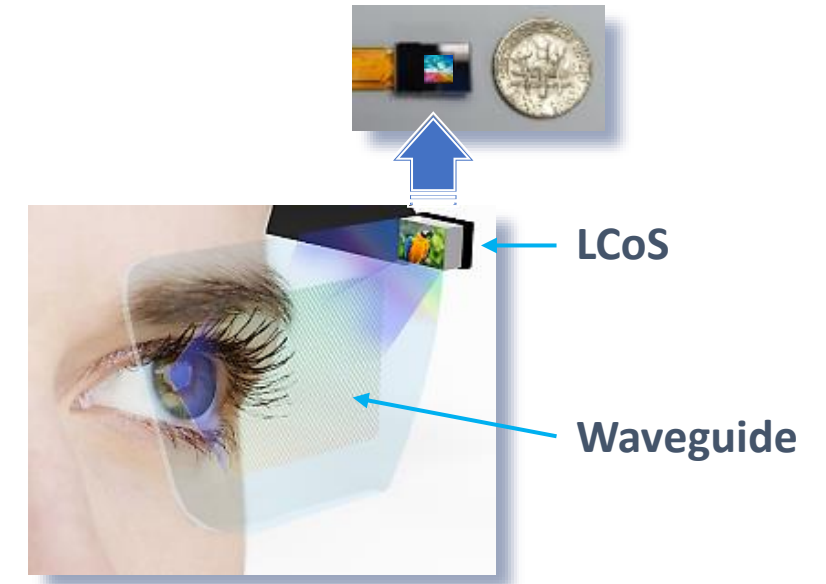
Display Week 2025 debut ultra-luminous, miniature Dual-Edge Front-lit LCoS Microdisplay

- 0.09 c.c. size and 0.2 g weight
- Ultra-luminous 350k nits and 1 lumen output at just 250mW max. total power consumption
- Unparalleled optical efficiency

**Ultra-bright, low-power, lightweight, compact size with excellent color**

- Ideal for next-gen AR glasses and head-mounted displays

## Front-Lit LCoS Microdisplay



- 0.2 g weight
- 0.09 c.c. form factor
- 350K-nit brightness
- Excellent color performance



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Drive for better vision