Himax Technologies, Inc. Q1 2025 Unaudited Financials and Investor Update Call

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Himax Speakers: **Jordan Wu, President & Chief Executive Officer** **Karen Tiao, Head of IR/PR** **Webcast:** http://www.zucast.com/webcast/tUOBrqcV	

Operator: Hello, ladies and gentlemen. Welcome to Himax Technologies Inc. First Quarter 2025 Earnings Conference Call. At this time, all participants are in a listen-only mode. Later, we will conduct a question-and-answer session, and instructions will follow at that time. As a reminder, this conference call is being recorded. I would now like to turn the conference over to Miss Karen Tiao, Head of IR/PR at Himax.

Miss Karen Tiao: Welcome everyone to the Himax First Quarter 2025 Earnings Call. My name is Karen Tiao, Head of IR/PR at Himax. Joining me today are Jordan Wu, President and Chief Executive Officer, Jessica Pan, Chief Financial Officer. After the Company's prepared comments, we have allocated time for questions in a Q&A session. If you have not yet received a copy of today's results

release, please email hx_ir@himax.com.tw or HIMX@mzgroup.us, access the press release on financial portals or download a copy from Himax's website at www.himax.com.tw.

Before we begin the formal remarks, I'd like to remind everyone that some of the statements in this conference call, including statements regarding expected future financial results and industry growth, are forward-looking statements that involve a number of risks and uncertainties that could cause actual events or results to differ materially from those described in this conference call. A list of risk factors can be found in the Company's SEC filings, form 20-F for the year ended December 31, 2024 in the section entitled "Risk Factors", as may be amended.

Except for the Company's full year of 2024 financials, which were provided in the Company's 20-F and filed with the SEC on April 2, 2025, the financial information included in this conference call is unaudited and consolidated and prepared in accordance with IFRS accounting. Such financial information is generated internally and has not been subjected to the same review and scrutiny, including internal auditing procedures and external audits by an independent auditor, to which we subject our annual consolidated financial statements, and may vary materially from the audited consolidated financial information for the same period. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Q1 2025 Results

On today's call, I will first review the Himax consolidated financial performance for the first quarter 2025, followed by our second quarter outlook. Jordan will then give an update on the status of our business, after which we will take questions. You can submit your questions online through the webcast or by phone. We will review our financials on an IFRS basis.

Despite the typical seasonal slowdown due to Lunar New Year holidays, we are pleased to announce that our Q1 revenue was at the high end of the projected range issued on February 13, 2025, gross margin remained in line with the guidance while profits exceeded the guidance range.

First quarter revenues registered $215.1 million, a decrease of 9.3% sequentially, reaching the high end of our guidance range of a decline of 8.5% to 12.5%, but representing a 3.7% increase year over year. Gross margin was 30.5%, in line with our guidance of around 30.5%, flat from last quarter and up from 29.3% in the same period last year. The year-over-year increase was driven by a favorable product mix and continued cost optimization. Q1 profit per diluted ADS was 11.4 cents, exceeding the guidance range of 9.0 to 11.0 cents, primarily due to lower operating expenses.

Revenue from large display drivers came in at $25.0 million, flat from last quarter despite the seasonal downturn. This was primarily driven by demand spurred by Chinese government subsidies aimed at reviving domestic consumption. Notebook and monitor IC sales both recorded solid double-digit growth in Q1. In contrast, TV IC sales declined as expected, due to customers pulling forward their inventory purchases in the prior quarter. Sales of large panel driver ICs accounted for 11.6% of total revenues for the quarter, compared to 10.5% last quarter and 15.1% a year ago.

Revenue from the small and medium-sized display driver segment totaled $150.5 million, reflecting a sequential decline of 9.8% amid a typical low season. However, Q1 automotive driver sales, including both traditional DDIC and TDDI, outperformed our guidance of a low-teens sequential decline, declining just single digit from the last quarter. The sequential decline reflected the waning effect of the Chinese government’s renewed trade-in stimulus, announced in mid-August 2024, while demand in other major markets remained stable. Q1 auto IC sales rose nearly 20% year over year, reflecting ongoing customer reliance on our technology and the strength of our competitive moat. Our automotive business, comprising DDIC, TDDI, Tcon, and OLED IC sales, remained the largest

revenue contributor in the first quarter, representing more than 50% of total revenues. Meanwhile, both smartphone and tablet driver sales declined as expected amid a subdued festival season. The small and medium-sized driver IC segment accounted for 70.0% of total sales for the quarter, compared to 70.3% in the previous quarter and 69.5% a year ago.

Q1 non-driver sales reached $39.6 million, a 12.8% decrease from the previous quarter. The sequential decline was primarily attributable to the absence of a one-time ASIC Tcon shipment to a leading projector customer in the prior quarter, coupled with a moderation in automotive Tcon shipments after several quarters of robust growth. That being said, our position in local dimming Tcon for automotive remains unrivaled, supported by increasing validation and adoption from leading panel makers, Tier 1 suppliers, and automotive manufacturers around the world. We also have a robust pipeline of over two hundred design-win projects that are set to gradually enter mass production in the coming years. Non-driver products accounted for 18.4% of total revenues, as compared to 19.2% in the previous quarter and 15.4% a year ago.

First quarter operating expenses were $45.7 million, a decrease of 7.0% from the previous quarter and a decline of 9.8% from a year ago. Amid ongoing macroeconomic challenges, we are strictly enforcing budget and expense controls.

First quarter operating income was $19.8 million or 9.2% of sales, compared to 9.7% of sales last quarter and 4.8% of sales for the same period last year. The sequential decrease was mainly the result of lower sales, offset by lower operating expenses. The year-over-year increase resulted primarily from higher sales, improved gross margins, and lower operating expenses. First-quarter after-tax profit was $20.0 million, or 11.4 cents per diluted ADS, compared to $24.6 million, or 14.0 cents per diluted ADS last quarter, and up from $12.5 million, or 7.1 cents in the same period last year.

Turning to the balance sheet, we had $281.0 million of cash, cash equivalents and other financial assets as of March 31, 2025. This compares to $277.4 million at the same time last year and $224.6 million a quarter ago. We achieved a strong positive operating cash flow of $56.0 million for the first quarter. As of March 31, 2025, we had $33.0 million in long-term unsecured loans, with $6.0 million being the current portion.

Our quarter-end inventories as of March 31,2025 were $129.9 million, lower than $158.7 million last quarter and $201.9 million same period last year. Our inventory levels have steadily declined for ten consecutive quarters since peaking during the Covid 19 pandemic when the industry was undergoing a supply shortage. As macroeconomic uncertainty impairs visibility across the ecosystem, we will continue to manage our inventory conservatively. Accounts receivable at the end of March 2025 was $217.5 million, down from $236.8 million last quarter but slightly up from $212.3 million a year ago. DSO was 91 days at the quarter end, as compared to 96 days last quarter and 93 days a year ago. First quarter capital expenditures were $5.2 million, versus $3.2 million last quarter and $2.7 million a year ago. First quarter capex was mainly for R&D related equipment for our IC design business and ongoing construction of a new preschool near our Tainan headquarters for children of employees. The preschool is scheduled to open in 2026, reinforcing our commitment to a family-friendly workplace.

Prior to today’s call, we announced an annual cash dividend of 37.0 cents per ADS, totaling $64.5 million and payable on July 11, 2025, with a payout ratio of 81.1% of the previous year's profit. Himax will continue to focus on maintaining a healthy balance sheet while driving sustainable long-term growth to deliver value for our shareholders through high dividends and share repurchases.

As of March 31, 2025, Himax had 174.9 million ADS outstanding, unchanged from last quarter. On a fully diluted basis, the total number of ADS outstanding for the first quarter was 175.1 million.

Q2 2025 Guidance

Now, turning to our second quarter 2025 guidance. We expect second quarter revenues to decrease 5.0% to increase 3.0% sequentially. Gross margin is expected to be around 31.0%, depending on product mix. The second quarter profit attributable to shareholders is estimated to be in the range of 8.5 to 11.5 cents per fully diluted ADS.

I will now turn the call over to Jordan to discuss our Q2 2025 outlook. Jordan, the floor is yours.

Q2 2025 Outlook

Thank you, Karen. To start off, I'd like to quickly comment on the recent abrupt and significant NT dollar appreciation against the US dollar. Its impact on our Q2 financial results is limited and has been accounted for in the financial guidance for the quarter. All of Himax's revenues and nearly all of our cost of sales are US dollar denominated, providing a natural hedge for our buying and selling activities. In addition, the bulk of our R&D expenses, save for employee salaries, are also US dollar based. For employee compensation, a major item of our operating expenses, while our employees are paid in the local currency of their location for their salaries, their bonuses are all US dollar based. Other major non-US dollar expenses, mostly NT dollar-denominated, include utilities and income tax expenses. While we don't hedge for currency risk of our non-US dollar based operational expenses as the cost of such hedging would usually outweigh the benefit, we do purchase NTD in advance to cover the income tax payable, thereby minimizing the currency risk of a major expense item.

Next, I would like to comment on the recently announced U.S. tariff measures which have intensified global trade tensions, triggered volatility in capital markets, and heightened macroeconomic and market demand uncertainty. Currently, tariffs have not had a significant direct impact on Himax's business, as our IC products are not directly exported to the U.S. Instead, they are assembled into panels or modules by customers outside the United States and then sold into global markets, including

the United States. Just a negligible portion — about 2%—of Himax's products are shipped directly to the United States. Only customers for these products are subject to U.S. tariffs. Almost all of these products are manufactured in Taiwan. While some customers have requested early shipments to avoid tariff duties, many others have opted to defer their orders amid ongoing tariff-related uncertainties. Our conservative Q2 revenue guidance reflects the highly cautious stance of our customers in general toward the global economic outlook and end market demand amid ongoing tariff development. Looking into the second half of the year, overall market visibility remains low with the world continuing to closely monitor the development of tariff negotiations. As the tariff-driven supply chain restructuring gains momentum, Himax is deepening its well-established supply chain in Taiwan while further strengthening its supply chain presence in China, Korea, Singapore, and other regions to ensure production flexibility and cost competitiveness, and to better mitigate geopolitical risks.

Amid the volatile macro environment, most panel customers have adopted a make-to-order model and are keeping inventories lean. In response, we are carefully monitoring wafer-starts, maintaining low inventory levels, and rigorously controlling operating expenses. Concurrently, we are further optimizing costs by diversifying both foundry and backend packaging and testing, while mitigating risks and enhancing manufacturing flexibility. This approach is exemplified by the major milestone recently achieved in our automotive display IC collaboration with Nexchip in China, with products now in mass production and adopted by leading automakers. This not only validates our diversified supply chain strategy but also underscores our steadfast commitment to scaling capacity and cost optimization.

Turning to the automotive market. Automotive IC business currently accounts for half of Himax's revenue. Having served the automotive display market for almost two decades, Himax has maintained a balanced global market share across major regions while demonstrating technological leadership and offering the industry's most comprehensive suite of panel ICs, spanning LCD to OLED. Combined

with over a decade of loyal relationships with global Tier 1 suppliers and automotive brands, these strengths help mitigate potential risks from tariffs and reinforce the long-term stability of our automotive business.

In addition, Himax remains committed to a number of innovative fields, namely ultralow power AI, AR glasses, and co-packaged optics (CPO). Technologies in these areas are approaching maturity and offer substantial growth potential. As a pioneer and leader in key technologies enabling these novel areas, Himax is working closely with supply chain partners, from technology development through to mass production, to actively expand new business opportunities. These innovative fields are relatively less affected by macroeconomic fluctuations, and customer development efforts have not slowed due to tariff uncertainties. We expect these businesses to contribute meaningfully to both revenue and gross margin in the years ahead.

Despite the volatile geopolitical environment, Himax continues to actively explore high-growth markets, establish close partnerships with industry-leading companies, and continue to expand our global footprint while developing long-term competitive advantages. In our latest cross-border cooperation we established a three-party strategic alliance with Powerchip and Tata Electronics, a subsidiary of Tata Group, India's largest and most influential conglomerate. This collaboration combines Tata Electronics' deep manufacturing and local supply chain integration strengths, Powerchip's mature wafer manufacturing capabilities, and Himax's leading display IC and WiseEye ultralow power AI sensing technologies to jointly create a powerful ecosystem. The collaboration echoes the "Make in India" strategy of the Indian government for high-tech areas while exploring the huge potential demand of the Indian market.

Display Driver

LDDIC Businesses

With that, I'll now begin with an update on the large panel driver IC business. In Q2, large display driver IC sales are expected to decline by a single digit sequentially, driven by customers' pull forward orders placed in prior quarters, against the backdrop of Chinese government subsidies boosting domestic consumption. Monitor and notebook IC sales are expected to decrease in Q2, whereas TV IC sales are set to increase sequentially, driven by higher shipments to key end customers.

Looking ahead in the notebook sector, we are observing a growing trend for premium notebooks to adopt OLED displays and advanced touch features, partially fueled by the rise of AI PC. Himax is well-positioned to capitalize on this trend, offering a comprehensive range of ICs for both LCD and OLED notebooks, including DDIC, Tcon, touch controllers, and TDDI. In addition, we are expanding our high-speed interface product portfolio to support faster data transfer rates, lower latency, and improved power efficiency, features that are critical for next-generation displays. We have made progress on the next-generation eDP 1.5 display interface for Tcon for both LCD and OLED panels. This high-speed interface supports high frame rates, low power consumption, adaptive sync, and high resolution, key features essential for next-generation AI PCs. Through ongoing portfolio expansion and continuous technology innovation, Himax is well-positioned to lead in the rapidly evolving landscape of AI PCs and premium notebooks.

SMDDIC

Turning to the small and medium-sized display driver IC business. In Q2, small and medium-sized display driver IC business is expected to decline single-digit from the last quarter. We expect Q2 automotive driver IC sales, including both TDDI and traditional DDIC, to decline mid-teens sequentially, reflecting the combined impact of tariffs and the waning effect of China's automotive

subsidy program. Despite these near-term headwinds, automotive TDDI adoption continues to expand across the globe, driven by growing demand for more intuitive, interactive, and cost-effective touch panel features essential in modern vehicles. Himax's cumulative shipments of automotive TDDI have outpaced competitors, with nearly 500 design-in projects secured to date, the majority of which have yet to enter mass production. On top of a continuous influx of new pipelines and design wins across the board, we are well-positioned for continued growth, further reinforcing our leadership in this space. For automotive DDIC, we continue to see solid shipment volume for automotive DDICs for non-touch applications including cluster displays, HUDs, and rear- and side-view mirrors. Our confidence is further strengthened by the growing proliferation of advanced technologies, such as LTDI (Large Touch and Display Driver Integration) in large-display car models. Himax is a pioneer in LTDI technology, which supports seamless, integrated large touch display panels, typically larger than 30 inches or spanning pillar-to-pillar across the entire width of the cockpit. LTDI also features high-density touch functionality for responsive performance, making it ideal for next-generation smart cabin designs that emphasize large displays and intuitive touch interaction. Additionally, we are seeing an increasing number of customers choosing to adopt our integrated LTDI and Tcon solution as the standard platform for their ultra large automotive display development. Such panels typically require four or more LTDI chips and at least one local dimming Tcon per panel. This growing platform adoption of more of Himax's automotive IC offerings not only reflects strong customer loyalty to our technologies but also signifies an increase in content value for us on a per-panel basis. Multiple projects with global leading car brands are set to begin mass production starting the end of 2025. Himax continues to lead the global automotive display market, holding a 40% share in DDIC, over 50% in TDDI, and an even higher share in cutting-edge local dimming Tcon technologies.

Moving to smartphone and tablet IC sales, we expect Q2 smartphone IC revenues to decline mid-teens from last quarter, while tablet IC sales are poised to grow by high teens sequentially, driven by renewed demand from leading customers following several quiet quarters.

Next for an update on our OLED business. In the automotive OLED market, we have forged strategic alliances with leading panel makers in Korea, China, and Japan. As OLED technology expands beyond premium car models, Himax is well positioned to become the partner of choice and accelerate OLED adoption in vehicles by capitalizing on our strong presence and proven track record in automotive LCD displays. Leveraging our first mover advantage, we offer a comprehensive suite of solutions, including DDIC, Tcon, and on-cell touch controllers. It's worth noting that our advanced OLED on-cell touch-control technology boasts an industry-leading signal-to-noise ratio exceeding 45 dB, delivering reliable performance even under challenging operational conditions such as glove wearing or wet-finger. The solution entered mass production in 2024, and an increasing number of leading global brands are rapidly adopting it for their premium car models. We expect to be a key beneficiary of the shift to OLED displays for the automotive industry over the next few years, unlocking a new growth driver for us that further reinforces our market leadership.

In addition, we have expanded our comprehensive OLED portfolio into the tablet and notebook markets, covering DDIC, Tcon, and touch controllers, through partnerships with leading OLED panel makers in Korea and China. Several new projects are slated to enter mass production with top-tier brands later this year. Meanwhile, we are developing value-added features, such as active stylus and gaming models to further enhance our product differentiation and competitive edge. In the smartphone OLED market, we are making solid progress in our collaborations with customers in Korea and China and expect mass production to start later this year.

Non-Driver Product Categories

I’d like to now turn to our non-driver IC business update where we expect the second quarter revenue to increase low teens sequentially.

Timing Controller (Tcon)

First for an update on our Tcon business. We anticipate Q2 Tcon sales to increase high teens sequentially, primarily due to increased shipment of Tcon for notebook and automotive products. Automotive Tcon sales are set to increase by double digit in Q2, fueled by a strong pipeline of over two hundred design-win projects gradually entering mass production. With a steady influx of new projects, coupled with growing validation and widespread adoption of our local dimming Tcon in both premium and mainstream car models worldwide, Himax continues to maintain an unchallenged leadership position with a dominant market share. In the second quarter, we expect Tcon business to account for over 12% of total sales, with notable contributions from automotive Tcon. Meanwhile, head-up-display (HUD) is emerging as a major growth area within automotive displays, where local dimming Tcon adoption is accelerating. Our industry-leading local dimming Tcon eliminates the "postcard effect" often seen in HUDs, caused by backlight leakage typical of conventional TFT LCD panels, delivering crisp, high-fidelity images on the windshield. Additionally, it features advanced transparency detection to prevent the display from obstructing the driver's view, thereby ensuring driving safety. With several HUD projects already underway and increasing inquiries, we are excited about the potential opportunity ahead. Our automotive Tcon business is well positioned for growth over the next few years.

WiseEye™ Ultralow Power AI Sensing

Switching gears to the WiseEye™ ultralow power AI sensing solution, a cutting-edge endpoint AI integration featuring industry-leading ultralow power AI processor, always-on CMOS image sensor, and CNN-based AI algorithm. In the rapidly evolving AI landscape, WiseEye AI technology stands out for its expertise in on-device AI, characterized by remarkably low power consumption, operating at just single-digit milliwatts, and enabling AI functionality in battery-powered endpoint devices. Additionally, WiseEye AI significantly extends battery life and improves overall data processing

efficiency by offloading tasks from the main processor. These attributes unlock new opportunities across a wide range of everyday battery-powered endpoint applications, evidenced by broad adoption of WiseEye AI across diverse applications, including notebooks, tablet, smart door locks, surveillance systems, access control, smart retail and many others.

On notebook, building on the success with Dell notebooks, WiseEye AI is expanding into additional use cases across other leading notebook brands, with some entering production later this year and expanding further into 2026. The growing adoption is further fueled by the rise of AI PCs, as WiseEye's ultralow power, on-device inference capabilities align seamlessly with the industry's shift toward more intelligent, context-aware, and energy-efficient computing. WiseEye's advanced local inferencing technology enables real-time, high-precision user engagement detection by analyzing presence and motion, supporting a broad set of intelligent features, such as head pose estimation, gaze tracking, facial expression recognition, voice command, adaptive screen dimming, secure identity authentication and many others. These features enhance interactivity and user comfort without compromising battery life or system performance, making it fit for the demands of high performance and energy efficient next-generation AI PCs.

WiseEye also continues to achieve significant market success across various sectors such as smart door lock where we introduced the world's first smart door lock with 24/7 sentry monitoring and real-time event recording. We are now expanding globally by collaborating with a number of leading door lock makers worldwide to integrate a suite of innovative AI features, including palm vein biometric access, parcel recognition, and anti-pinch protection. Several of these value-added solutions are slated for mass production later this year. WiseEye also powers smart retail, exemplified by our collaboration with E Ink on e-Signage. Its always-on AI detects viewer attributes, such as gender, appearance, and age, followed by real-time personalized ads and nearby product recommendations, creating immersive engagement that elevates the in-store shopping experience.

Next for an update on our WiseEye module business. Equipped with pre-trained no-code or low-code AI, our WiseEye modules simplify AI integration and support diverse use cases, including human presence detection, gender and age recognition, gesture recognition, face mesh, voice commands, thermal image sensing, palm vein authentication, and people flow management. Among them, the Himax PalmVein module has generated strong engagement across several industries. Multiple design wins have been secured, with mass production underway by global customers for smart access, workforce management and smart door lock, as we continue to explore additional application opportunities. Meanwhile, to meet growing demand for flexible access control in varied settings, the upgraded WiseEye PalmVein suite now combines palm-vein recognition and facial recognition with peephole-camera input, underpinned by an advanced liveness check for high-precision, multi-modal authentication. This upgraded PalmVein module not only enhances security by offering multiple layers of biometric verification but also ensures adaptability across a wide range of environments. These attributes make it particularly appealing to global brands looking to differentiate their products with enhanced security, greater user convenience, and flexible customization. We anticipate increasing sales contribution from WiseEye PalmVein across a diverse array of applications starting next year and are excited about its long-term growth potential. Looking ahead, WiseEye is poised to scale rapidly across the broader AIoT market and emerge as a key growth driver for Himax in the years ahead.

Separately, we are bringing intelligent, ultralow power, always-on AI sensing to AR glasses. Powered by real-time, context-aware AI running at single-digit-milliwatt, WiseEye uniquely delivers the two essentials for AR devices: instant responsiveness and all-day battery life. These advantages have already led to WiseEye AI being adopted by a leading AR glasses platform, with ongoing engineering engagements involving several other prominent global AR tech names for their upcoming AR glasses. WiseEye supports always-on outward sensing, enabling AR glasses to detect and analyze the surrounding environment in real time. This empowers instant response and key functionality such as

object recognition, navigation assistance, translation, and environmental mapping, greatly enhancing the overall AR experience. WiseEye also enables precise inward sensing, detecting subtle eye movements, gaze direction, pupil size, and blinking, providing critical data for more intuitive and natural user interactions in AR applications.

Wafer Level Optics (WLO)

Next for an update on WLO. As you may recall, in June 2024, Himax, in partnership with FOCI, a world leader in silicon photonics connectors, unveiled a state-of-the-art silicon photonics packaging technology, a critical technology to enable co-packaged optics (CPO) technology. This innovation of CPO integrates silicon photonic chips and optical connectors within multi-chip modules (MCM), replacing traditional metal wire transmission with high-speed optical communication. The technology significantly enhances bandwidth, boosts data transmission rates, reduces signal loss and latency, lowers power consumption, and significantly minimizes the size and cost of MCM.

Currently, sample shipments of our first-generation silicon photonics packaging solution for engineering validation and trial production are proceeding as planned, with volumes set to increase in the coming quarters. In addition, Himax continues to advance its technology roadmap in close collaboration with FOCI, top-tier AI companies, and foundry partner through the joint development of future-generation CPO solutions to meet the escalating bandwidth requirements driven by AI and HPC applications.

We are pleased to see our partner, FOCI, achieving significant advancements in silicon photonics packaging, with notable improvements in automated production and testing. Together, we are actively progressing in process validation and yield optimization to enable full-scale production for leading AI

customers. Himax is exceptionally positioned to capitalize on future growth opportunities in high-performance computing, AI inference, and data center markets.

Alongside the CPO progress, certain global technology leaders are now engaging our WLO expertise to develop next-generation waveguides for AR glasses, a testament to the market's growing confidence in Himax WLO technology.

With strong growth opportunities from CPO and AR glasses in the making, we are as optimistic as ever that our WLO business can emerge as a significant revenue and profit engine for us in the years ahead.

LCoS

Moving on to our latest advancement in LCoS microdisplay technology. At Display Week 2025 next week in San Jose, we will debut our ultra-luminous, miniature Dual-Edge Front-lit LCoS microdisplay. This industry-leading solution integrates both the illumination optics and LCoS panel into an exceptionally compact form factor, as small as 0.09 c.c., and weighing only 0.2 grams, while targeting up to 350,000 nits brightness and 1 lumen output at just 250mW maximum total power consumption, demonstrating unparalleled optical efficiency. The luminance breakthrough ensures excellent eye-level visibility even in bright ambient conditions, while its compact form factor enables the development of sleek, everyday AR glasses. With industry-leading compact form factor, superior brightness and power efficiency, it is ideally suited for next-generation AR glasses and head-mounted displays where space, weight, and thermal constraints are critical. Growing collaborations with leading global tech companies are underway. We are confident that our technological advancements will help revitalize the AR glasses market, drive its expansion, and unlock new possibilities for immersive visual experiences.

That concludes my report for this quarter. Thank you for your interest in Himax. We appreciate you joining today's call and are now ready to take questions.

OPERATOR TO QUEUE QUESTIONS

Jordan's closing remarks

As a final note, Karen Tiao, our Head of IR/PR, will maintain investor marketing activities and continue to attend investor conferences. We will announce the details as they come about. Thank you and have a nice day!