



***Himax***

Nasdaq : HIMX

## **Investor Presentation**

August, 2017

# Forward looking statements



Factors that could cause actual events or results to differ materially include, but not limited to, 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; shortages in supply of key components; changes in environmental laws and regulations; 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, 2016 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.

# 30 years of digital imagery expertise



## 1990's

Founder B.S. Wu pioneers flat panel technologies at Chimei Electronics as CTO



## 2000's

Chairman Wu establishes Himax to meet DDIC demand for large panels and fast-growing medium and small panels



## 2010's

Himax gains market share with design wins with leading technology products companies, worldwide



## and beyond...

Himax leads LCOS and WLO development and innovation of new display technologies with leading display and optical expertise, Himax is uniquely positioned to benefit from the booming AR/VR sector



### CORPORATE TIMELINE

**June 2001**

Himax Taiwan formed by B.S. Wu

**October 2004**

Forms Himax Display to focus on LCOS microdisplay technology

**March 2006**

Himax IPOs on Nasdaq. Raises \$147M with Morgan Stanley

**2009**

GFC reduces sales ~\$900 million to ~\$700 million. Refocuses effort on non-driver products

**June 2013**

Himax completes take out financing of Chimei

**Sept 2015**

AR business hits inflection point with pilot production shipment made to a major US customer

**Aug 2016**

Start expansion for next generation LCOS and WLO production lines

**December 2003**

Himax Taiwan begins trading on Emerging Stock Board (TW) under "3222"

**August 2005**

Himax Taiwan delists from Emerging Stock Board

**February 2007**

Himax acquired Wisepal, and forms Himax Semiconductor to focus on small and medium sized DDICs

**2010-2012**

Non-driver sales increase gross margins and BOM sales opportunities

**July 2013**

Signs investment agreement with Google

**Jan - Jun 2016**

Mass production and shipment of AR related LCOS and WLO, AMOLED DDIC, and in-cell TDDI

**2017**

3D sensing

## 1 **Leading Display Driver Provider**

- Worldwide leading display driver player with a wide range of drivers for panels of all sizes and in-house intellectual property
- Image technology solutions provider

## 2 **Diversifying Revenues and Customers**

- DDIC market share leader
- Top tier customers globally
- Diversifying revenues from DDIC to CMOS image sensors, LCOS microdisplay, WLO, touch panel controllers, timing controllers, power management IC, and ASIC service
- LCOS & WLO product lines to improve corporate profit margin

## 3 **Operational and Public Market Performances**

- Long term profitability potential with no fundraising since IPO
- Disciplined cost control
- Stable cash flow
- Committed to high dividend payout ratio
- Debt-free: Short-term debt offset by deposits of restricted cash reported under current assets

## 4 **Innovative New Products Capturing Growth Markets**

- Automotive applications and AR/VR related businesses
- Core driver IC business benefit from technology integration, AMOLED DDIC, TDDI and market leader position
- Growth from non-driver products, such as WLO, CMOS image sensors, LCOS microdisplay solutions, touch panel controllers and integrated touch and display ICs, and timing controllers

## 5 **Visionary Management Team**

<b>Fiscal Year</b>	December 31 <sup>st</sup>
<b>Last-Traded Price (08/02/17)</b>	\$8.47
<b>Basic Weighted Ave. Out. ADS</b>	172.4M
<b>Diluted Weighted Ave. Out. ADS</b>	172.5M
<b>Equivalent ADS Out.</b>	172.0M
<b>Market Capitalization (08/02/17)</b>	\$1.46B
<b>Insider Ownership*</b>	23.26%

\* Insider ownership includes executives and board members

## Top 20 Institutional Shareholders\*

Fidelity Management and Research Company	Dalton Investments LLC
Baillie Gifford & Co. Ltd.	Susquehanna International Group, LLP
JAFCO Asia	Henderson Global Investors Ltd.
Two Sigma Investments, L.L.C	Granite Point Capital Management, L.P.
Prince Street Capital Management, LLC	T. Rowe Price Associates, Inc.
Kayak Investment Partners LLC	HSBC Bank plc
Swedbank Robur AB	Novel Century Ventures Limited
Balyasny Asset Management LP	Group One Trading, L.P.
Quantec Asset Management LLC	Maplelane Capital, LLC
Ignis Asset Management Limited	Manatuck Hill Partners LLC

\* Shareholder list as of July 18, 2017



\* Source: www.nasdaq.com

## Covering Analysts

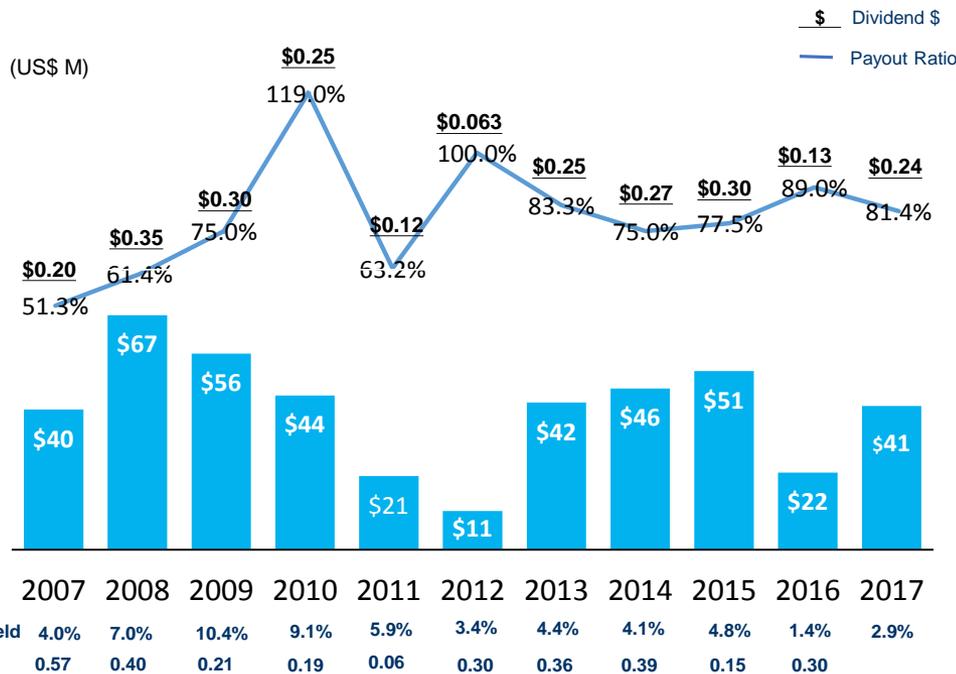
Credit Suisse	Jerry Su
Lake Street Capital Markets	Jaeson Schmidt
Macquarie Capital Securities Limited	Patrick Liao
Mizuho Securities Asia Ltd	Kevin Wang
Morgan Stanley	Charlie Chan
Nomura Securities	Aaron Jeng
Northland Securities, Inc.	Tom Sepenzis
Roth Capital Partners, LLC	Suji Desilva
RW Baird & Co.	Tristan Gerra
<a href="#">Oppenheimer &amp; Co. Inc.</a>	<a href="#">Andrew Uerkwitz*</a>
<a href="#">Rosenblatt Securities</a>	<a href="#">Jun Zhang*</a>

\*These analysts do not have any contacts with Himax Technologies, Inc.

Hence, we do not believe their reports accurately reflect the Company's business or prospects

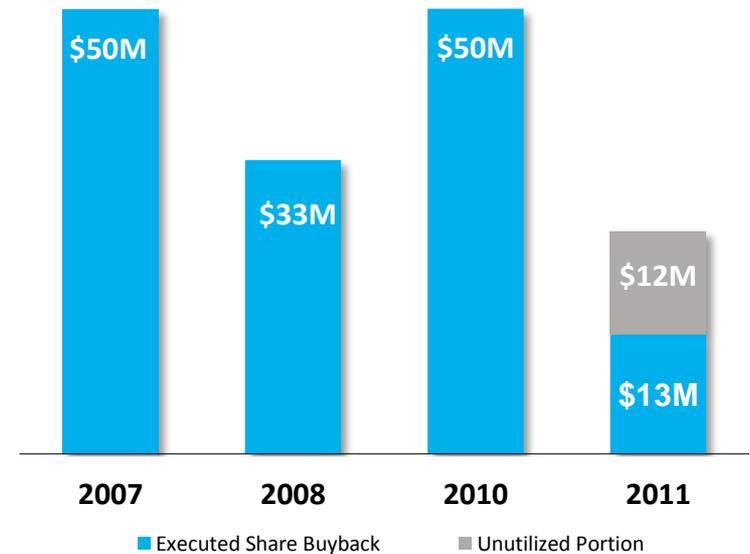
## Dividends

- Distributed a total of \$400 million of dividend since IPO (2016 payout in August)
- Dividends referenced primarily on prior year's profitability



## Share Buy Back

- Initiated four share buyback programs totaling \$158 million since 2007
- Repurchased a total of 46.5 million ADSs through June 30, 2017 at average purchase price per ADS: \$3.15



Year	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Dividend Yield	4.0%	7.0%	10.4%	9.1%	5.9%	3.4%	4.4%	4.1%	4.8%	1.4%	2.9%
EPS	0.57	0.40	0.21	0.19	0.06	0.30	0.36	0.39	0.15	0.30	

# Summary financials and guidance



<b>QUARTER</b>	<b>2Q2017</b>	<b>2Q2016</b>	<b>1Q2017</b>	<b>YoY</b>	<b>QoQ</b>
<b>Revenues</b>	\$151.7M	\$201.1M	\$155.2M	-24.5%	-2.2%
<b>Gross Margin (%)</b>	23.8%	26.1%	23.1%	-2.3%	+0.7%
<b>GAAP Net Income (Loss)</b>	\$(0.6)M	\$19.8M	\$1.4M	-103.2%	-146.1%
<b>GAAP Earnings (Loss) per ADS</b>	\$(0.004)	\$0.115	\$0.008	-103.2%	-146.1%
<b>Non-GAAP Net Income (Loss)</b>	\$(0.3)M	\$20.2M	\$1.7M	-101.3%	-115.6%
<b>Non-GAAP Earnings (Loss) per ADS</b>	\$(0.002)	\$0.117	\$0.01	-101.3%	-115.6%
<b>YEAR</b>	<b>FY2016</b>		<b>FY2015</b>		<b>YoY</b>
<b>Revenues</b>	\$802.9M		\$691.8M		+16.1%
<b>Gross Margin (%)</b>	24.2%***		23.6%		+0.6%
<b>GAAP Net Income</b>	\$50.9M*		\$25.2M* / **		+102.1%
<b>GAAP Earnings per ADS</b>	\$0.295*		\$0.146* / **		+101.7%
<b>Non-GAAP Net Income</b>	\$59.7M		\$30.6M**		+95.2%
<b>Non-GAAP Earnings per ADS</b>	\$0.347		\$0.178**		+94.8%
<b>3Q 2017 GUIDANCE</b>					
<b>Revenues</b>	To increase 23.0% to 30.0% sequentially				
<b>Gross Margin</b>	To be up 1% sequentially				
<b>****GAAP Earnings per diluted ADS</b>	1.3 to 2.5 cents per diluted ADS, as compared to -0.4 cents reported in 2Q 2017				
<b>****Non-GAAP Earnings per diluted ADS</b>	3.0 to 4.2 cents per diluted ADS, as compared to -0.2 cents reported in 2Q 2017				

\* 2015 GAAP numbers include grant of Restricted Share Units at the end of September at \$4.5 million

\* 2016 GAAP numbers include grant of Restricted Share Units at the end of September at \$9.2 million

\*\* An additional income tax charge due to FX impact of \$3.6 million in 15FY

\*\*\* An additional one-time, non-cash inventory write-down totaling \$12.0 million in 4Q 2016

\*\*\*\* 2017 Q3 GAAP numbers include grant of Restricted Share Units at the end of September at approximately \$3.0 million

# A global semiconductor company



- Fabless semiconductor company with world leading visual imaging processing technologies
- Global market leader in TFT-LCD display driver and timing controller ICs
- 200+ customers across Taiwan, China, Japan, Korea, U.S. and Europe
- 3,000 patents granted and 404 patents pending approval worldwide as of June 30<sup>th</sup>, 2017
- NASDAQ-listed since March 2006 (HIMX)
- Over 2,100 employees worldwide; more than 90% are engineers
- Headquartered in Tainan, Taiwan with 7 R&D centers in Taiwan, China and Korea, out of a total of 21 offices across Taiwan, China, Japan, Korea and U.S.





**Himax**  
Nasdaq: HIMX

## Himax Technologies, Inc.

### HIMAX TECHNOLOGIES, Ltd.

- TFT-LCD Driver and AMOLED Driver
- TCON and P-Gamma OP
- Touch Controllers
- On-cell Touch
- Pure in-cell Touch (TDDI)
- ASIC Service and IP Licensing
- Power Management ICs
- Wafer Level Optics and 3D sensing modules
- Light guide
- In-house Color Filter Fab for LCOS and CIS

### HIMAX DISPLAY, Inc.

- LCOS Modules for Head-Mounted Display, Head-up Display and Pico-projector Applications; Phase Modulation for Communication and Holographic Displays

### HIMAX IMAGING, Ltd.

- CMOS Image sensors

# Himax inside consumer electronics



## DISPLAY DRIVERS



## WAFER LEVEL OPTICS



## CMOS IMAGE SENSORS



## ASIC SERVICE & IP LICENSING



## LCOS MICRODISPLAYS



## TOUCH PANEL CONTROLLERS



## POWER MANAGEMENT IC & LED DRIVERS



## TIMING CONTROLLERS

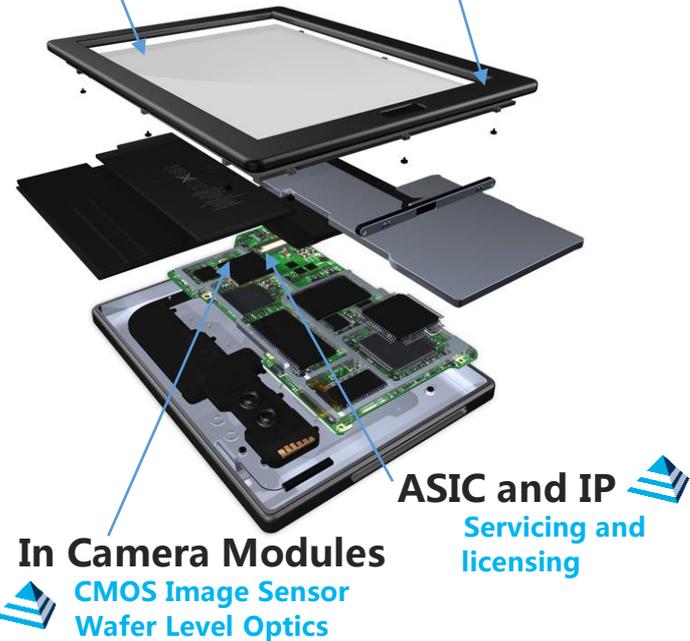


## In Displays

Display Driver  
TCON  
PMIC  
LED Driver  
P-gamma OP

## On Touch Panels

Controller IC



## In Camera Modules

CMOS Image Sensor  
Wafer Level Optics

## ASIC and IP

Servicing and licensing

## In AR Devices

LCOS, WLO

## In VR Devices

OLED SOC

## DISPLAY DRIVER

### WAFER FABRICATION



### GOLD BUMPING



### PROCESSED TAPE



### CHIP PROBE TESTING



### ASSEMBLY AND TESTING



## CMOS IMAGE SENSOR BACK-END

### PACKAGE



### FT



### CHIP PROBE TESTING



### RW



## SOC

### CHIP PROBE TESTING



### PACKAGE



### FT



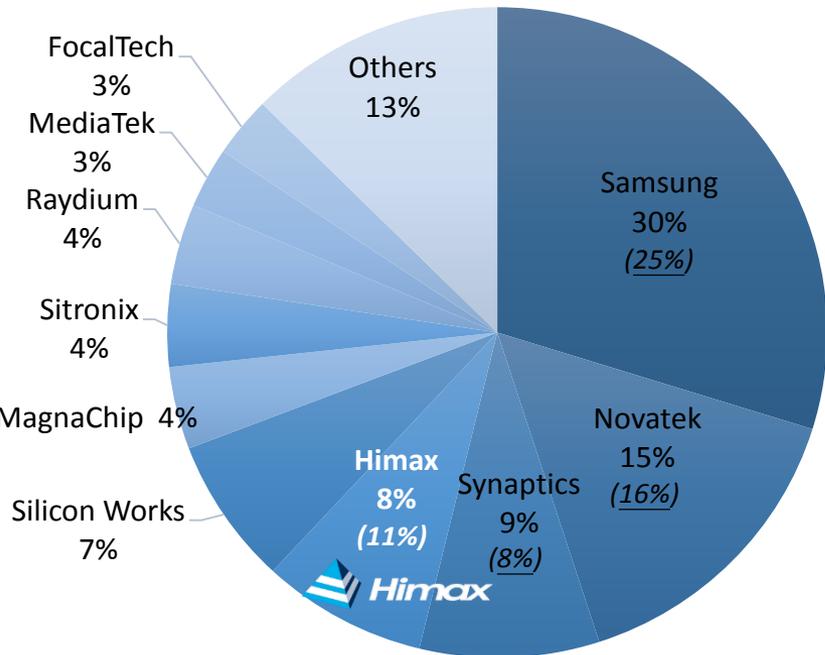
# Product Lines & 6 Growth Opportunities



# DDIC market share



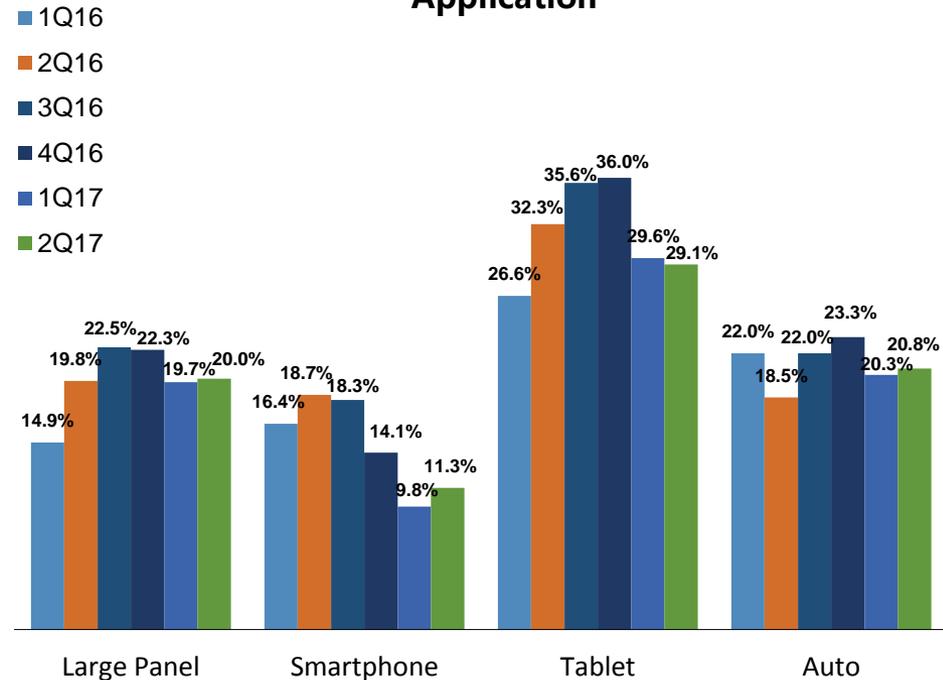
**2017 Q1 Driver Market Share**  
(4Q16 Market Share %)



Source: IHS iSupply and company estimates (This covers all TFT-LCD and OLED DDICs)

- One of the leading players in display driver ICs
- Key differentiation from IC peers - total solution offering of image processing related technologies and leverage of existing strength in mobile devices
- Comprehensive product portfolio to meet major new technology trends: 18:9 displays, TDDI and AMOLED

**HIMX TFT Driver IC Market Share by Application**



Source: Trendforce, IHS iSupply and Company Estimates (This covers all TFT-LCD DDICs ONLY)

- Increasing large panel DDIC market share by overcoming the engineering hiccup of earlier misses of certain customer' new design-in projects
- Improving smartphone market share as China smartphone market rebounded in June, expecting strong recovery into 2H17
- Tablet market share decreased due to overall weak market demand
- Leading market share position in tablet and auto applications

# 1

## Grow large panel DDIC unit Sales and market share



### Market Trends

- Continuously aggressive new Gen 8 above TFT-LCD capacity expansion in China with a special focus on advanced display technologies
- Leading Chinese panel maker's shipment continue to rank world No. 1 in May 2017 and dominate in the No. 1 position of its total TFT-LCD capacity
- Chinese local TV set makers have started to in-source more and Chinese panel makers have started to export
- 4K TV penetration continues to accelerate and 8K TV is beginning to emerge
- Demand of a total solution covering timing controllers, PMICs and driver ICs for advanced features in high end TVs

### HIMX Strategies and Market Position

- Major beneficiary of China capacity expansion and in-sourcing
- Leading market share in China
- Refreshing product roadmap and delivering better product costs
- New design-wins into 4K TV application
- Himax stands strong as OEMs actively seeking total solution providers for better performance, supply chain leverage, and more reliable engineering support



CUSTOMERS



Japan Display Inc.



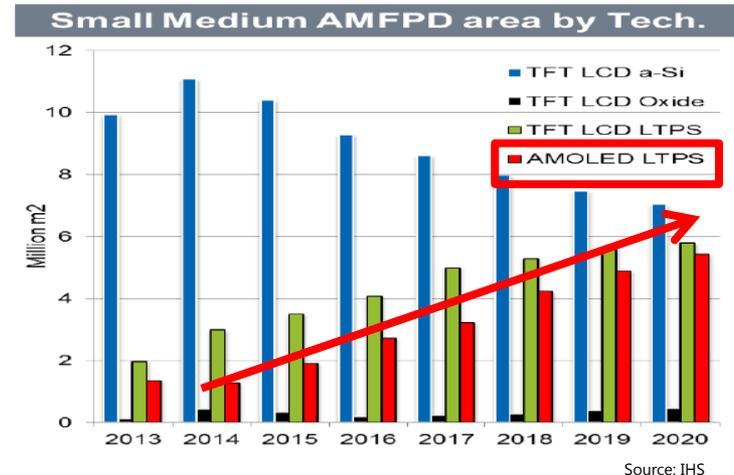
## Market Trends

- Smartphone customers seeking product differentiation with longer aspect ratio full screen display (FHD+ and HD+)
- Leading China panel makers has ramped up their investments in AMOLED manufacturing and accelerate their timetable for the mass production of AMOLED panels
- Automotive IC market to grow at the highest rate among all applications at a 6.7% CAGR from 2014 to 2019
- In-Cell TDDI trend

## HIMX Strategies and Market Position

- Global and China smartphone market share leader as an independent DDIC and TDDI company.
- Capitalize on panel technology advancement trend by working closely with leading China panel makers and smartphone makers
- Expect to benefit from 18:9 TDDI adoption
- Anticipate AMOLED DDICs to be one of the long-term growth engines for small panel DDIC business
- Global market share leader in tablet and automotive applications

## Small Medium Display Area by Technology



# 3 WLO and CMOS image sensors



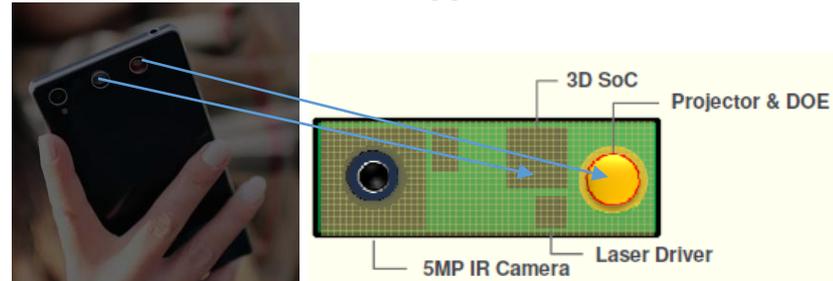
## Market Trends

- Advanced wafer-level optics (WLO); one of the key technologies enabling 3D sensing
- 3D sensing is among the most significant new features for next generation smartphone and tablet
- 3D sensing; a game changing technology for applications such as AR/VR, industrial, IoT, AI, automotive, robotics, military, surveillance and drones
- CIS development accelerating in functionality and new applications

## HIMX Strategies and Market Position

- SLiM™ product line based on structure light technology is a state of the art total solution for 3D sensing
  - ✓ Unique position: offer fully integrated structure light modules with vast majority of the key technologies in the module being home-grown
  - ✓ High barrier of entry for any potential competition
  - ✓ Close collaboration with select leading smartphone makers & partners, aiming to bring HIMX's total solution to MP as early as early 2018
  - ✓ High ASP
- WLO: exceptional design know-how and proven MP track record
- Major ramp of the new WLO capacity started in Q3, accelerating into the remainder of 2017 and beyond
- Phase II Capex to fulfill the strong demand for the next 2~3 years
- New smart sensor launch: Near Infrared (NIR) sensors for 3D sensing and ultra-low power computer vision (AoS™)
  - ✓ NIR Sensor: low noise HD, or 1 MP, and 5.5 MP
  - ✓ AoS: a major global brand leveraging AoS in their high end TV models

## NIR Sensor + WLO & DOE Applications



## Wafer Level Process

- Integrated Optics
- High Accuracy
- Scalability In Production



## Mini Package

Ultra Small Size & Package



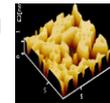
## Wave-Guide For AR Devices

- Help Create Holographic Images
- The Key Interface of AR



## Best For IoT/Smart Sensing

- Eye Tracking & Gesture Control
- 3D Depth Sensing



## Ultra Low Power Sensor Applications



## CUSTOMERS



# 4 LCOS Microdisplays

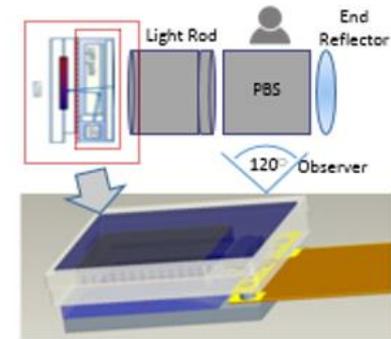


## Market Trends

- Heavy weight companies allocating major R&D resources and budget in their push for AR goggle devices
- LCOS recognized as one of the technology choices for microdisplay in AR devices
- Limited companies provide the combination of R&D, joint development and manufacturing expertise
- Significant barrier of entry to new market entrants and existing technology companies without scalable manufacturing

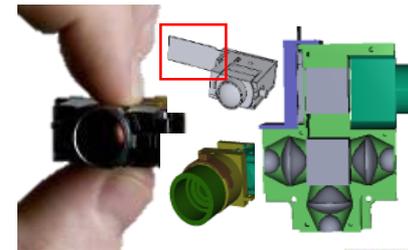
## HIMX Strategies and Market Position

- The leader in microdisplay with patent protected technology, in-house facilities and shipping record >2M units
- End applications include various glass type AR devices to head-up display (HUD) for automotive and motorcyclists, toys and industrial helmets
- List of customers continues to expand, covering many of the world's biggest tech names
- Continue close collaboration with Google and other tier 1 AR glasses producers
- Strategic partners with top tier customers to provide phase modulation panel for communication and holographic display applications
- GM & OPM significantly higher than corporate average
- Great progress in high-end HUD for automotive applications, potential 2018



### Front Lit LCOS Advantages

- Compact Form Factor
- Brightness
- Power Efficiency
- MP Efficiency & Readiness



### Optical Engine with LCOS Module



CUSTOMERS



# 5 Touch panel controllers

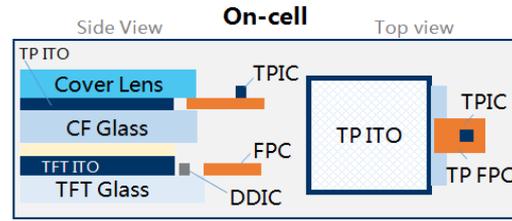
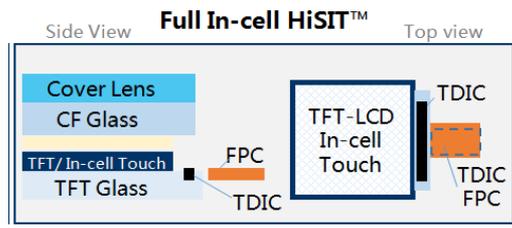


## Market Trends

- Integration of Display & Touch by panel makers and OEMs in Korea, China and Taiwan
- Increasing TDDI penetration in smartphones, expecting to reach 40% by 2020

## HIMX Strategies and Market Position

- TDDI pure in-cell solution
  - ✓ Benefit from 18:9 display (FHD+ & HD+) trend as a front runner
  - ✓ Shipment starts 3Q17
  - ✓ FHD+ TDDI solutions gain tremendous traction from tier 1 brands and most panel makers in China for its capability to enable super-slim bezels for customers panel design
  - ✓ Leverage long-standing and widespread relationships in technology development and business with panel makers to be a market leader
- On-cell solution: started volume shipments for Chinese smartphone brands, to grow 40% in 3Q17, accelerating into Q4



# 6 Timing controllers



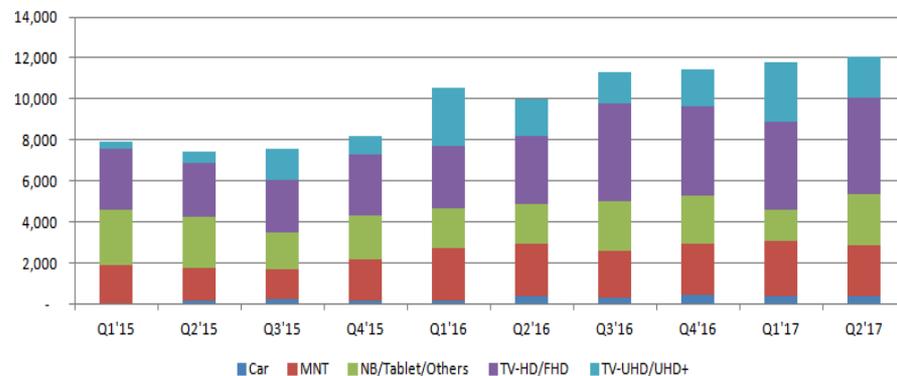
## Market Trends

- TCON becoming the key enabler of next generation ultra-high resolution panel development
- Continuously aggressive new Gen 8.5 and Gen 10.5 TFT-LCD capacity expansion in China with a special focus on advanced display technologies
- Chinese local TV set makers have started to in-source more and Chinese panel makers have started to export

## HIMX Strategies and Market Position

- Benefitting from the increasing demand from China due to capacity expansion, in-sourcing and more export orders
- UHD TV TCON takes the leading position in China market
  - ✓ In-house RGBW technology help customers to reduce panel cost while successfully maintaining the required display performance
- Well-positioned in the trending 4K/8K display market for the capability of providing a total solution consisting of TCONs, PMICs and driver ICs
- eDP TCON widely adopted by tablet and NB applications
  - ✓ Fully-covered eDP Technologies: 5.4G/lane, eDP1.4b and G-Sync for high resolution applications

Timing Controller Growth by Application





# 2017 YTD

## Financial Review



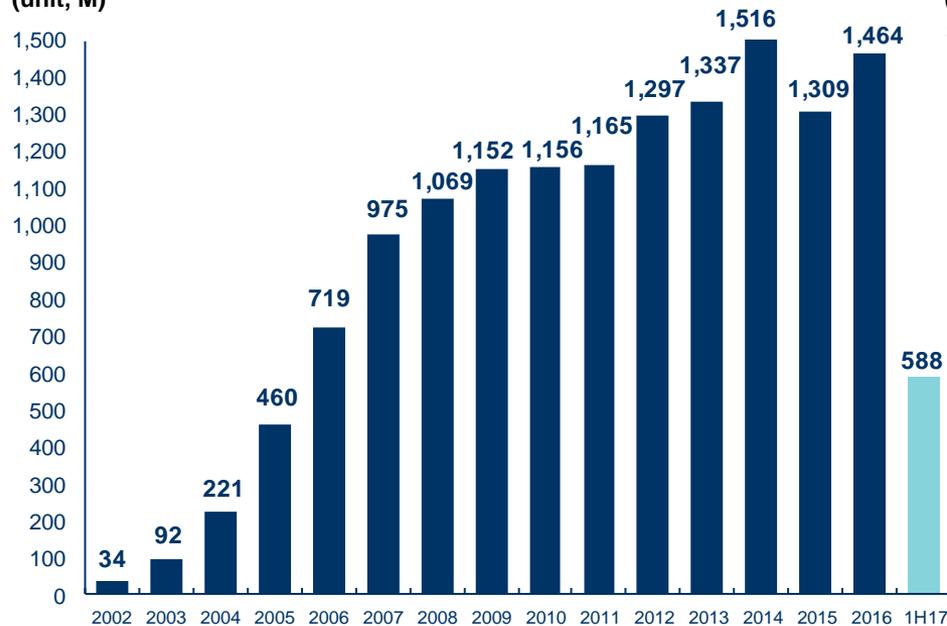
# Shipment and revenue history



One of the Leading Semiconductor Companies

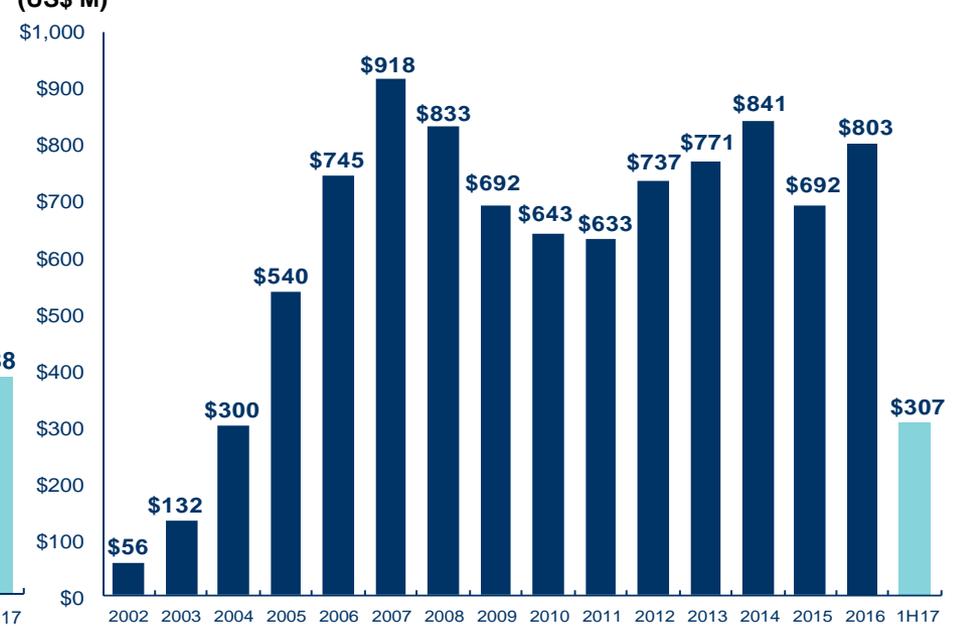
## Volume

(unit, M)



## Revenues

(US\$ M)

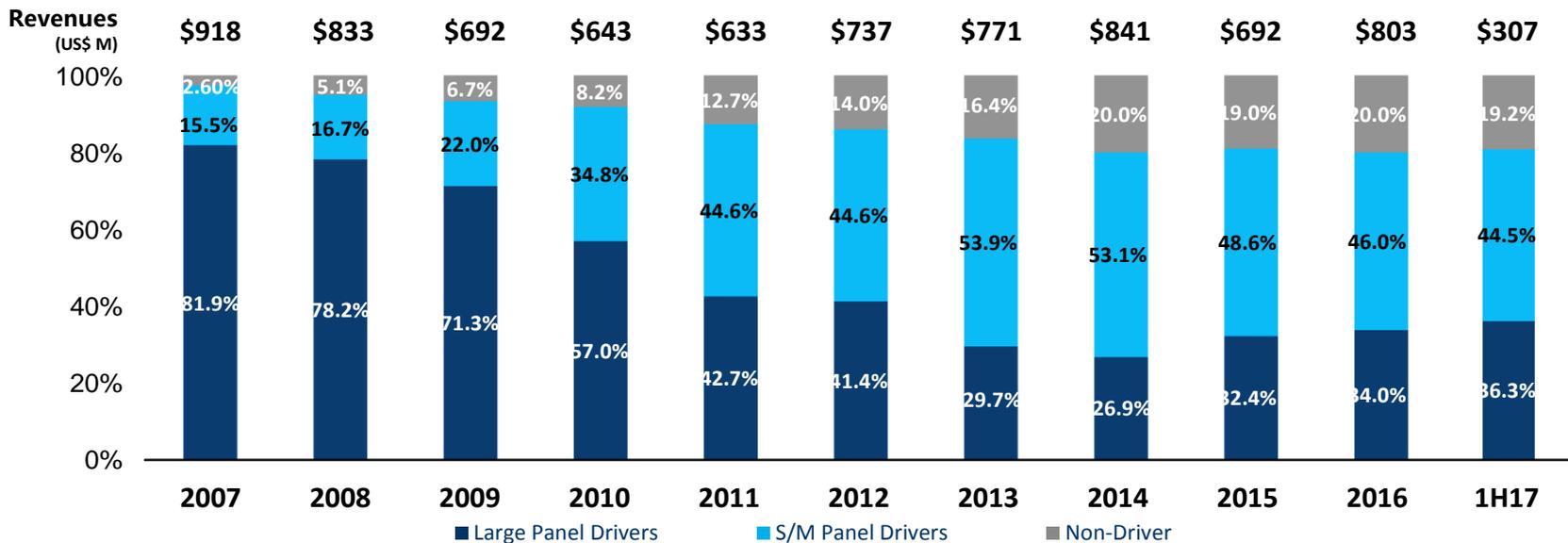


# A better balanced product mix...



- Global market share leader in small and medium-sized panel driver ICs
- Increasing non-driver sales to diversify sales base and improve gross margin
- Advanced Wafer Level Optics, CIS and LCOS microdisplays
  - ✓ Positive long-term growth prospect
  - ✓ GM & OPM significantly higher than corporate average
  - ✓ Phenomenal ROI
  - ✓ AR technology provider of choice
  - ✓ Market leader in 3D sensing & WLO – Structure light 3D total solution modules
- Total solution component provider

## Category Product Mix



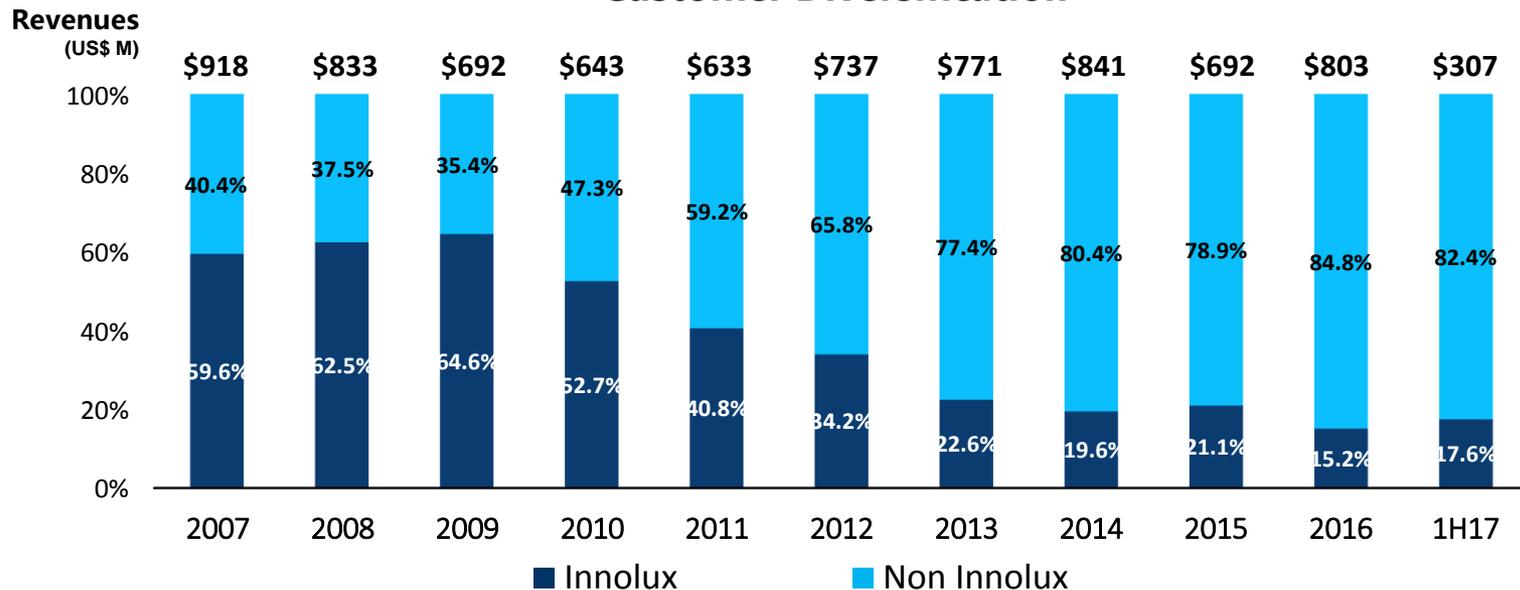
# ...and a diversified customer base



## Largely reduced dependence on one single customer, Innolux.

- Diversifying product revenues by non-driver product wins and leveraging existing customers
- Innolux disposed of its entire equity holding in Himax on June 19<sup>th</sup>, 2013, ending its status as Himax's related party
- Growing shipment to new panel manufacturer customers in China, Korea and Taiwan since 2013
- Market share leadership in core driver IC business
- Benefiting from China localization, capacity expansion
- Expanding customer base to include many global top tier tech companies for LCOS microdisplay, Wafer Level Optics, 3D sensing and CMOS image sensors

### Customer Diversification



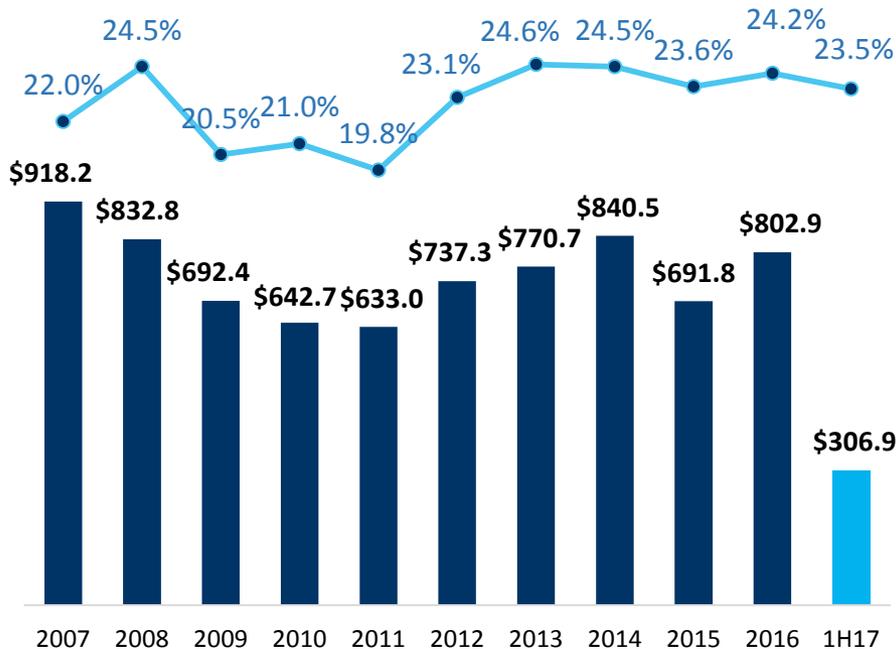
# Gross margin is a key business focus



## Revenues & Gross Margin %

(US\$M)

Better product mix lifts blended margin

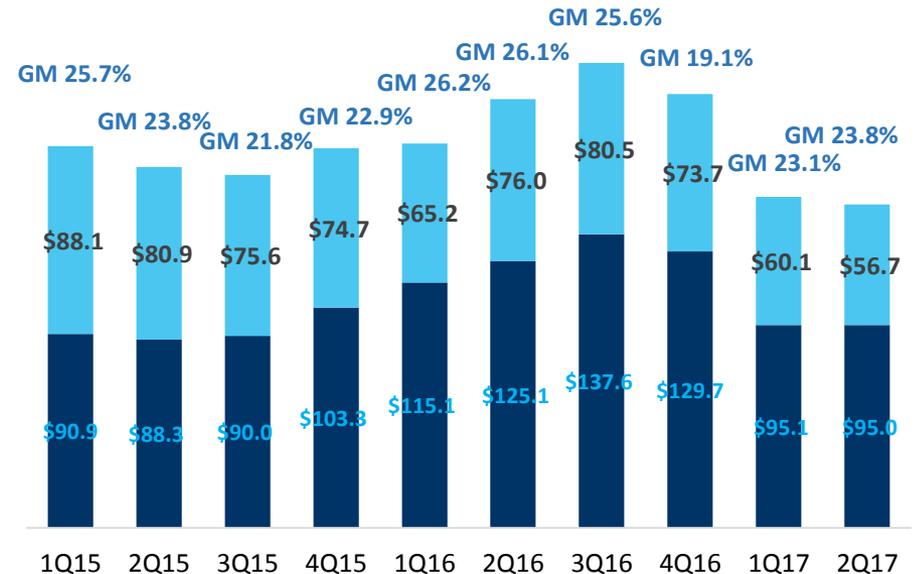


- Successful transformation since 2011
- Revenues growth and improved gross margin in 2016 due to product mix
- Positive about long term growth

## Geographical Revenue Mix & Quarterly GM

(US\$M)

■ China Sales ■ ROW Sales



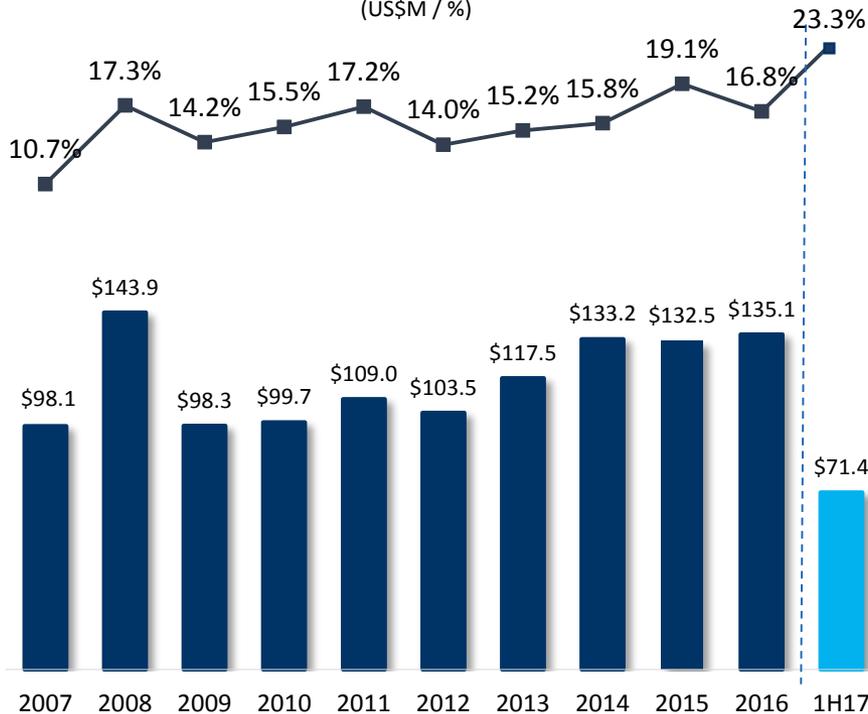
- GM retraction in 2015: higher mix of China sales and competitive pricing in the LDDIC market
- GM improvement in 2016
  - ✓ Resolution migration improved GM of SMDDIC
  - ✓ Favorable product mix with higher non-driver sales %: LCOS and WLO sales growth
  - ✓ Lower GM in 4Q16 due to an additional inventory write-down
- Sequentially increased GM in 2Q17 driven by more favorable product mix and higher NRE
- Further GM improvement from non-driver business growth

# The bottom line



## OPEX and % of Total Sales

(US\$M / %)



## GAAP Net Income and EPS

(US\$M / US\$)



Revenues (US\$M)

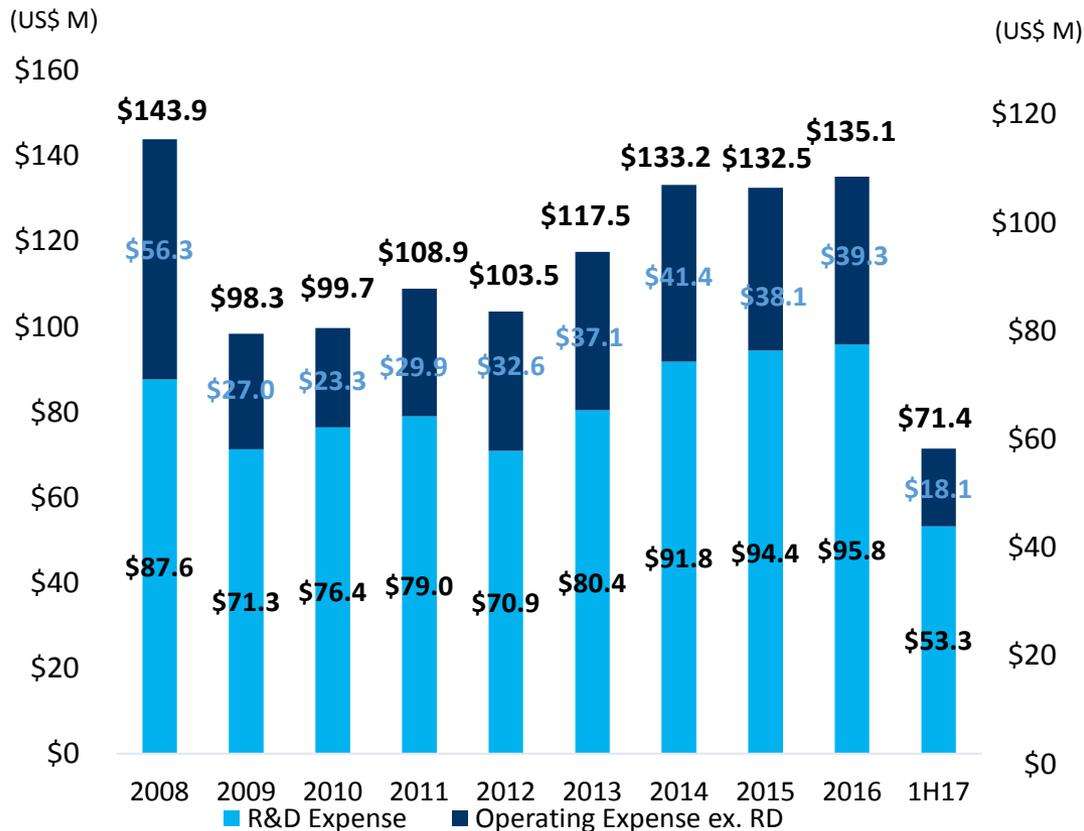
Year	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	1H17
Revenues	\$918.2	\$832.8	\$692.4	\$642.7	\$633.0	\$737.3	\$770.7	\$840.5	\$691.8	\$802.9	\$306.9

- Continue to streamline core business R&D efforts and execute expense control through product integration
- Constructing new fab for additional new WLO capacity to meet strong demand for one anchor customer
- Phase II capex to fulfill the strong 3D sensing demand for the next 2~3 years
- Continue committing on R&D and customer engineering on our strategic growth area that will bring in handsome return in the next few years
- Short-term profit setback
- Debt free

# Performance history

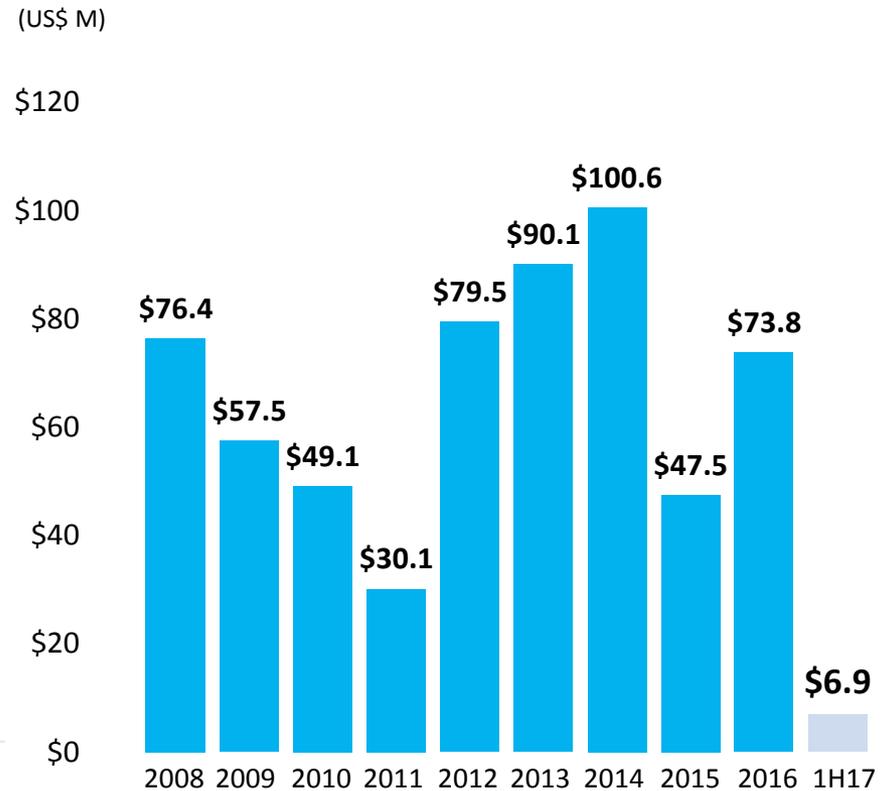


## Operating and R&D Expenses



- Continue investing heavily on R&D and customer engineering on our strategic growth areas including WLO, CIS, TDDI and AMOLED; 1H17 vs. 1H16 up 14.2%
- 2014, 2015 & 2016 OPEX include RSU \$9.3mn, \$4.5mn and \$9.2mn
- Non-GAAP OPEX up 3.3% in 2015 vs 2014; down 1.6% in 2016 vs 2015

## EBITDA



- Robust profit growth in 2016 as a result of revenue growth and GM enhancement
- Short-term profit setbacks caused by additional R&D expense and WLO expansion
- Positive long term profitability outlook

# Reported financials – Income Statement

June 30, 2017



US\$'000

For the Fiscal Period Ended	<u>2Q-2017</u> (Unaudited)	<u>2Q-2016</u> (Unaudited)	<u>1Q-2017</u> (Unaudited)	<u>Y2016</u> (Audited)	<u>Y2015</u> (Audited)
<b>Revenues</b>	\$151,730	\$201,074	\$155,210	\$802,917	\$691,789
<b>Cost of revenues</b>	115,556	148,596	119,309	608,605	528,651
<b>Gross profit</b>	36,174	52,478	35,901	194,312	163,138
<b>Gross margin</b>	23.8%	26.1%	23.1%	24.2%	23.6%
Operating expenses					
Research and development	27,921	21,803	25,331	95,820	94,422
General and administrative	4,552	4,814	4,633	20,119	18,470
Sales and marketing	4,641	3,962	4,364	19,138	19,574
<b>Total operating expenses</b>	37,114	30,579	34,328	135,077	132,466
<b>Operating income (loss)</b>	(940)	21,899	1,573	59,235	30,672
Non-operating income (loss)	(222)	775	(643)	183	2,195
<b>Income (loss) before income tax and noncontrolling interest</b>	(1,162)	22,674	930	59,418	32,867
Income tax expense (benefit)	(179)	3,401	121	10,671	11,405
Net income (loss)	(983)	19,273	809	48,747	21,462
Add: Net loss attributable to the noncontrolling interest	354	514	554	2,165	3,733
<b>GAAP Net income (loss) attributable to Himax shareholders</b>	(\$629)	\$19,787	\$1,363	\$50,912	\$25,195
<b>Non-GAAP Net income (loss) attributable to Himax shareholders</b>	(\$269)	\$20,165	\$1,722	\$59,747	\$30,614
<b>GAAP Earnings (loss) per ADS attributable to Himax shareholders (in cents)</b>					
Basic	(0.4)	11.5	0.8	29.5	14.7
Diluted	(0.4)	11.5	0.8	29.5	14.6
<b>Non-GAAP Earnings (loss) per ADS attributable to Himax shareholders (in cents)</b>					
Basic	(0.2)	11.7	1.0	34.7	17.8
Diluted	(0.2)	11.7	1.0	34.7	17.8

# Reported financials – Balance Sheet

June 30, 2017



US\$'000

	<u>June 30, 2017</u> (Unaudited)	<u>March 31, 2017</u> (Unaudited)	<u>June 30, 2016</u> (Unaudited)
<b>Assets</b>			
<b>Current Assets:</b>			
Cash and cash equivalents	\$177,206	\$190,345	\$164,423
Investments in marketable securities available-for-sale	8,663	9,111	14,917
Accounts receivable, net	163,243	167,681	187,925
Inventories	147,680	148,260	186,655
Restricted cash equivalents and marketable securities	107,201	107,414	138,000
Other current assets	16,479	20,444	23,717
<b><u>Total current assets</u></b>	<b><u>620,472</u></b>	<b><u>643,255</u></b>	<b><u>715,637</u></b>
Investment securities	12,242	12,242	10,780
Property and equipment, net	57,813	47,738	51,056
Goodwill	28,138	28,138	28,138
Other Assets	15,339	13,664	9,657
<b><u>Total Assets</u></b>	<b><u>\$734,004</u></b>	<b><u>\$745,037</u></b>	<b><u>\$815,268</u></b>
<b>Liabilities, redeemable noncontrolling interest and Stockholders' Equity</b>			
<b>Current liabilities:</b>			
Short-term debt*	\$107,000	\$107,000	\$138,000
Accounts payable	113,670	115,941	151,842
Other current liabilities	78,840	45,254	66,564
<b><u>Total current liabilities</u></b>	<b><u>299,510</u></b>	<b><u>268,195</u></b>	<b><u>356,406</u></b>
Other liabilities	3,191	3,680	3,783
Redeemable noncontrolling interest	3,656	3,656	3,656
Himax shareholders' equity	428,098	469,602	449,739
Noncontrolling interest	(451)	(96)	1,684
<b><u>Total Liabilities, redeemable noncontrolling interest and Stockholders' Equity</u></b>	<b><u>\$734,004</u></b>	<b><u>\$745,037</u></b>	<b><u>\$815,268</u></b>

\* Short term debt is guaranteed by restricted cash

# Reported financials – Cash Flow Statement

June 30, 2017



US\$'000	<u>2Q-2017</u> (Unaudited)	<u>1Q-2017</u> (Unaudited)	<u>2016FY</u> (Audited)	<u>2015FY</u> (Audited)
<b>Net income (loss)</b>	<b>(\$983)</b>	<b>\$809</b>	<b>\$48,747</b>	<b>\$21,462</b>
Depreciation and amortization	3,471	3,439	13,756	14,164
Share-based compensation expenses	255	254	1,186	1,818
Gain on disposal of investment securities, net	0	0	0	(1,682)
Deferred income tax expense (benefit)	(50)	(490)	(1,978)	4,148
Inventories write downs	2,487	3,047	23,342	9,785
Decrease (increase) in accounts receivable	4,482	23,349	(14,602)	41,656
Decrease (increase) in inventories	(1,907)	(1,559)	(1,716)	(15,054)
Increase (decrease) in accounts payable	2,271	(26,328)	17,846	(54,905)
Increase (decrease) in income tax payable	(7,854)	1,482	1,389	(6,475)
Increase (decrease) in other accrued expenses and other current liabilities	182	1,836	(5,164)	5,987
Others	(3,589)	(379)	1,866	1,625
<b>Net cash provided by (used in) operating activities</b>	<b>(\$1,235)</b>	<b>\$5,460</b>	<b>\$84,672</b>	<b>\$22,529</b>
Purchases of property, plant and equipment	(11,919)	(2,009)	(7,902)	(9,982)
Purchase of available-for-sale marketable securities	(15,979)	(5,101)	(30,248)	(63,051)
Proceeds from disposal of available-for-sale marketable securities	16,497	6,520	38,532	46,720
Others	(561)	996	(7,509)	(2,029)
<b>Net cash provided by (used in) investing activities</b>	<b>(\$11,962)</b>	<b>\$406</b>	<b>(\$7,127)</b>	<b>(\$28,342)</b>
Release (pledge) of restricted cash, cash equivalents and marketable securities (for borrowing of short-term debt)	0	31,000	42,000	(50,000)
Proceeds from short-term debt	27,000	27,161	230,000	412,303
Repayments of short-term debt	(27,000)	(58,161)	(272,000)	(362,303)
Payments of cash dividends	0	0	(22,348)	(51,364)
Others	(1)	4	(367)	1,756
<b>Net cash provided by (used in) financing activities</b>	<b>(\$1)</b>	<b>\$4</b>	<b>(\$22,715)</b>	<b>(\$49,608)</b>
Effect of foreign currency exchange rate changes	59	23	(207)	(216)
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(\$13,139)</b>	<b>\$5,893</b>	<b>\$54,623</b>	<b>(\$55,637)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>\$190,345</b>	<b>\$184,452</b>	<b>\$129,829</b>	<b>\$185,466</b>
<b>Cash and cash equivalents at end of period</b>	<b>\$177,206</b>	<b>\$190,345</b>	<b>\$184,452</b>	<b>\$129,829</b>



**Dr. Biing-Seng Wu, Chairman of the Board** - Dr. Wu, the founder of Himax, previously served as President, CEO and a Director of Himax Taiwan. As a pioneer of TFT-LCD panel industry in Taiwan, Dr. Wu has been active in the TFT-LCD panel industry for over 20 years. With 61 patents related to Flat Panel Display granted worldwide, Dr. Wu has made significant contributions to Taiwan panel industry including the completion and operation of Taiwan's very first TFT-LCD plant, the winner of Outstanding Industry Contribution Award at the Gold Panel Awards 2009 from Ministry of Economic Affairs, etc. Dr. Wu holds a B.S. degree, an M.S. Degree and a Ph.D. Degree in Electrical Engineering from National Cheng Kung University. With well-recognized outstanding research and development capabilities, Dr. Wu received numerous awards including National Invention Award of Taiwan from Taiwan Executive Yuan in 1992, Research Achievement Awards from Industrial Technology Research Institute for consecutive 2 years in 1992 and 1993, ERSO Award from Pan Wen Yuan Foundation in 2008, etc.



**Jordan Wu, President, CEO and Director** - Mr. Wu, co-founder of Himax, previously served as the Chairman of the Board of Himax Taiwan since April 2003. Prior to joining Himax Taiwan, he served as CEO of TV Plus Technologies, Inc. and CFO and Executive Director of DVN Holdings Ltd. in Hong Kong. Mr. Wu holds a B.S. degree in Mechanical Engineering from National Taiwan University and an M.B.A. degree from the University of Rochester.



**Jackie Chang, Chief Financial Officer** - Before joining Himax, Ms. Chang was the CFO of Castlink Corporation and VP of Finance and Operations for PlayHut, Inc. Prior to that, Ms. Chang was General Manager -Treasury Control for Nissan North America. She held several positions in Nissan North America during 1994 -2006 including finance, treasury planning, operations and accounting. She holds a BBA in Accounting from the National Chung-Hsing University in Taiwan and an MBA in Finance from Memphis State University.



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## SEC Legal Counsel

