



Himax

Nasdaq : HIMX

Investor Presentation

February, 2018

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

2016

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

2017

3D sensing: Leading OEMs Himax + Qualcomm 3 SoC Players

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
- SLiM™

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**

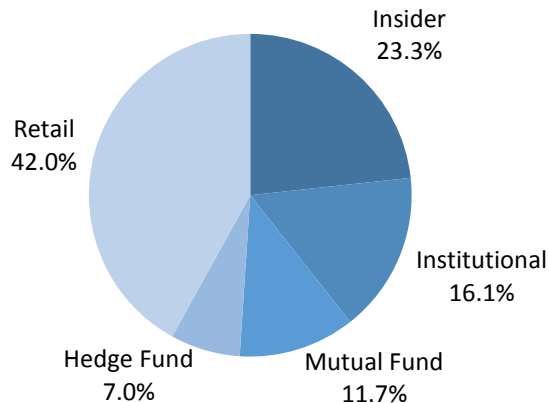
Fiscal Year	December 31 st
Last-Traded Price (02/12/18)	\$8.29
Basic Weighted Ave. Out. ADS	172.5M
Diluted Weighted Ave. Out. ADS	172.5M
Equivalent ADS Out.	172.1M
Market Capitalization (02/12/18)	\$1.43B
Insider Ownership*	23.3%

* Insider ownership includes executives and board members



* Source: www.nasdaq.com

Shareholder Makeup



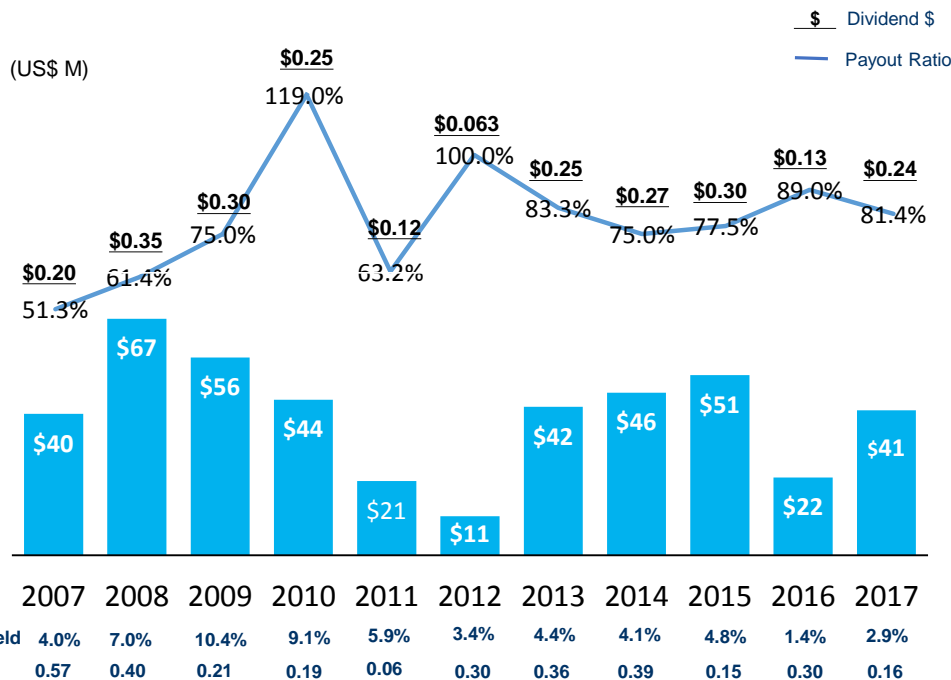
Covering Analysts

Credit Suisse
 Lake Street Capital Markets
 Macquarie Capital Securities Limited
 Mizuho Securities Asia Ltd
 Morgan Stanley
 Nomura Securities
 Northland Securities, Inc.
 Roth Capital Partners, LLC
 RW Baird & Co.

Jerry Su
 Jaeson Schmidt
 Lynn Luo
 Kevin Wang
 Charlie Chan
 Donnie Teng
 Gus Richard
 Suji Desilva
 Tristan Gerra

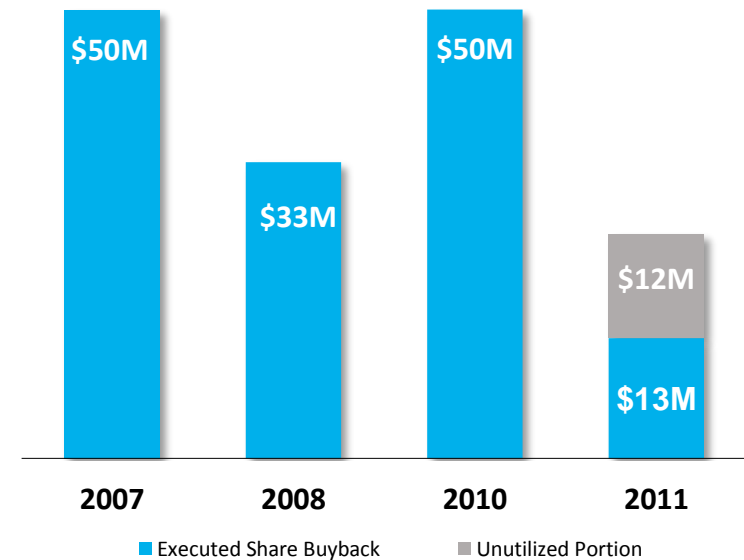
Dividends

- Distributed a total of \$441 million of dividend since IPO (2017 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 December 31, 2017 at average purchase price per ADS: \$3.15



Summary financials and guidance



QUARTER	4Q2017	4Q2016	3Q2017	YoY	QoQ
Revenues	\$181.1M	\$203.4M	\$197.1M	-11.0%	-8.1%
Gross Margin (%)	24.6%	19.1%**	25.5%	+5.5%	-0.9%
GAAP Net Income	\$23.5M***	\$4.4M	\$3.7M	+430.5%	+539.2%
GAAP Earnings per ADS	\$0.137***	\$0.026	\$0.021	+430.2%	+539.0%
Non-GAAP Net Income	\$23.8M***	\$4.8M	\$9.0M	+396.4%	+165.2%
Non-GAAP Earnings per ADS	\$0.138***	\$0.028	\$0.052	+396.1%	+165.0%
YEAR	FY2017		FY2016		YoY
Revenues	\$685.2M		\$802.9M		-14.7%
Gross Margin (%)	24.4%		24.2%**		+0.2%
GAAP Net Income	\$28.0M*/ ***		\$50.9M*		-45.1%
GAAP Earnings per ADS	\$0.162*/ ***		\$0.295*		-45.1%
Non-GAAP Net Income	\$34.3M***		\$59.7M		-42.7%
Non-GAAP Earnings per ADS	\$0.199***		\$0.347		-42.7%
1Q 2018 GUIDANCE					
****Revenues	To decrease 9% to 14% sequentially, representing a low to mid-single-digit year-over-year growth				
****Gross Margin	To be around 22% sequentially, depending on final product mix				
****GAAP Earnings per diluted ADS	-2.0 to -3.0 cents per diluted ADS				

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

* 2017 GAAP numbers include grant of Restricted Share Units at the end of September at \$6.1 million

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

*** 2017 Q4 numbers include the disposal of an investment. Total proceeds from disposal are \$32.00 million with a pre-tax gain of \$23.04 million. Gain after tax is estimated to be \$20.74 million, representing a contribution of 12.0 cents net income per diluted ADS

**** Beginning January 1, 2018, adopting International Financial Reporting Standards ("IFRS") to prepare consolidated financial statements

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
- 3,032 patents granted and 424 patents pending approval worldwide as of December 31st, 2017
- NASDAQ-listed since March 2006 (HIMX)
- Around 2,150 employees worldwide; more than 90% are engineers
- Headquartered in Tainan, Taiwan with 7 R&D centers in Taiwan, China, Korea and U.S., out of a total of 22 offices across Taiwan, China, Japan, Korea and U.S.



**Headquarters
Tainan, Taiwan**





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

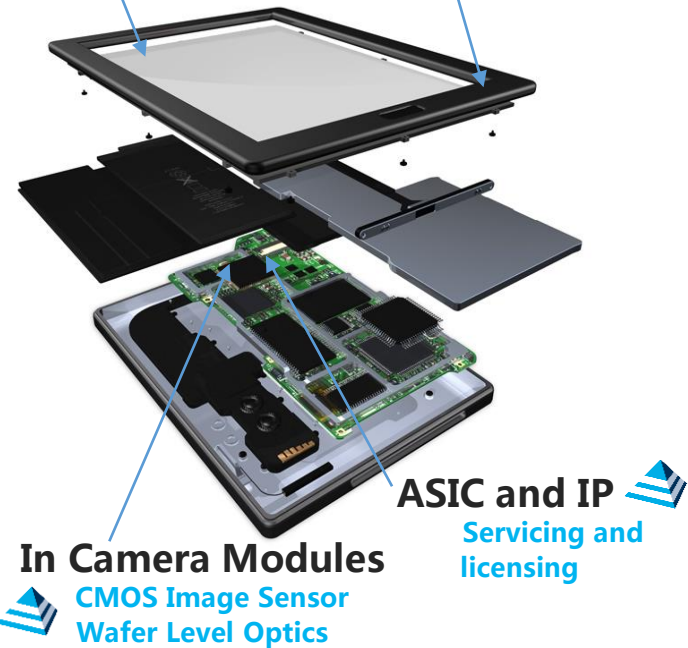


In Displays

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



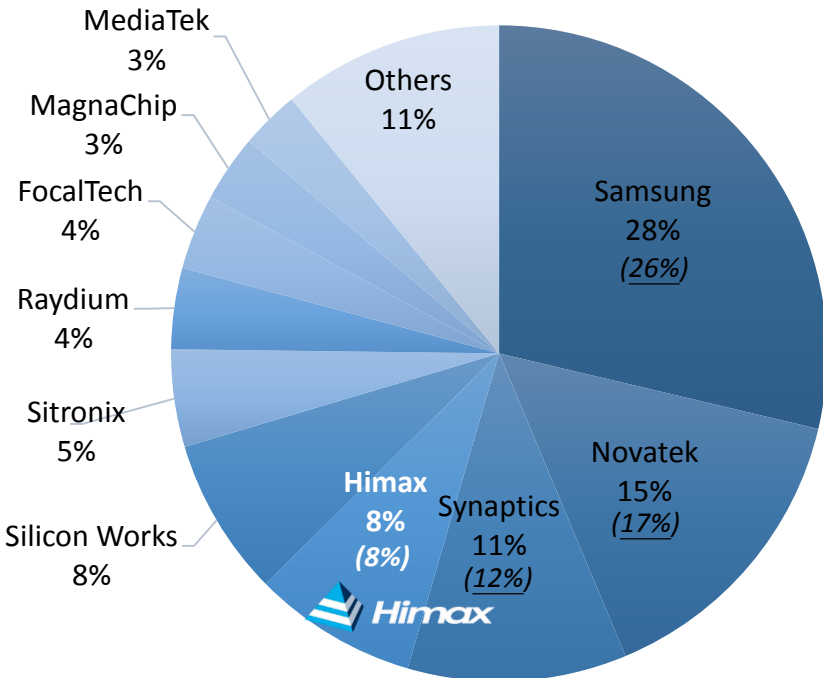
Product Lines & 6 Growth Opportunities



DDIC market share



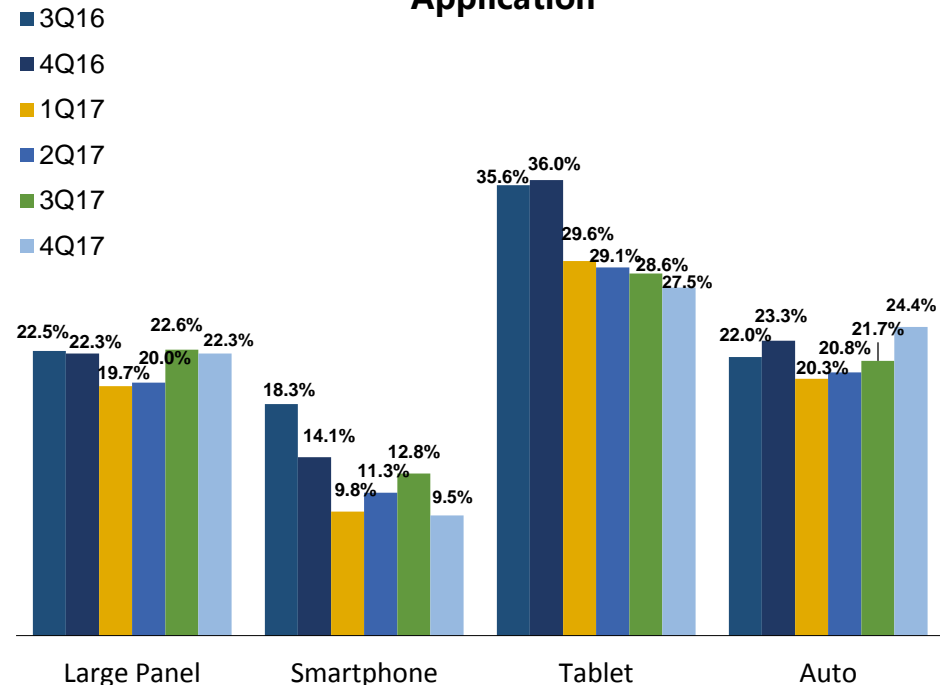
2017 Q3 Driver Market Share
(2Q17 Market Share %)



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 ONLY)

- Large panel DDIC market share expanding across Chinese panel makers driven by ramping of new LCD fabs and strong TV demand
- Smartphone market share decreased in 4Q17 mainly due to weak sentiment in the China market as well as shrinking addressable market for pure TFT-LCD driver ICs
- Tablet market share decreased due to weak overall market demand
- Leading market share position in 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 November 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
- Increased shipment of 4K solutions and working with major panel makers on the development of next gen 8K TVs
- Himax stands strong as OEMs seeking total solution providers for better performance, supply chain leverage, and more reliable engineering support



CUSTOMERS



Japan Display Inc.



2

Grow S/M panel DDIC Launch new products



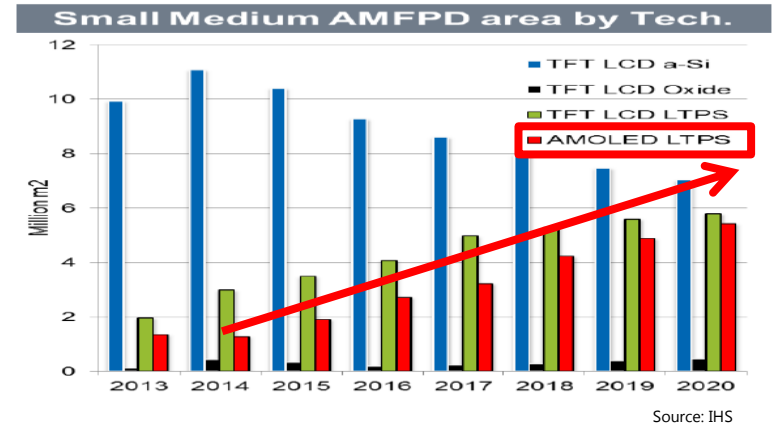
Market Trends

- Demand for full-screen 18:9 display driver ICs remains solid
- Higher HD+ and FHD+ In-Cell TDDI penetration
- Chinese panel makers have committed tremendous capital to build 8 brand new OLED fabs from now to 2021, in full speed to pull forward the MP schedule
- Automotive display market to grow at the highest rate among all applications, expected to increase from 135 million in 2016 to 200 million in 2022

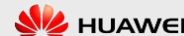
HIMX Strategies and Market Position

- 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
- Benefitting from increasing HD+ and FHD+ adoption, expect TDDI and DDIC businesses to accelerate starting 2Q18
- Joint development projects with many of the major CHN OLED panel customers, delivering 18:9 product samples to some of them in 2Q18
- Anticipate AMOLED DDICs to be one of the long-term growth engines for small panel DDIC business
- Global market share leader in automotive applications: engaged all of the major auto panel manufacturers worldwide for long-term partnerships

Small Medium Display Area by Technology



CUSTOMERS



3 WLO and CMOS image sensors



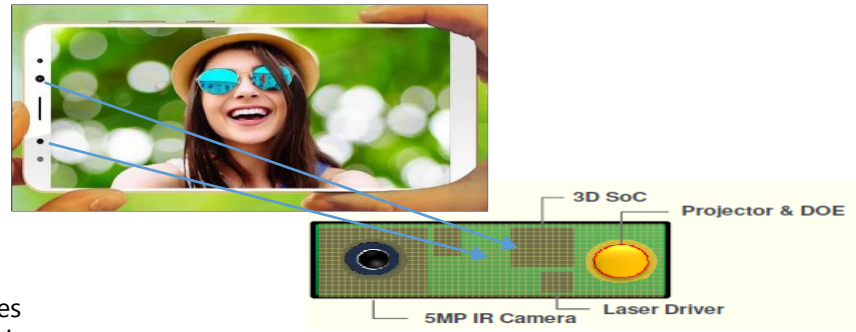
Market Trends

- 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

- Qualcomm/Himax, SLiM™, structured light based 3D sensing total solution is the highest quality 3D sensing and face recognition total solution for Android smartphones
 - ✓ Unique position: majority of the key technologies inside the SLiM™ total solution is developed and supplied home-grown
 - ✓ High barrier of entry for any potential competition
 - ✓ The most sophisticated 3D depth map: over 33,000 invisible projector dots and <1% error rate within range of 20cm-100cm
 - ✓ 3D face recognition: instant unlock and secure online payment
 - ✓ Superior indoor/outdoor sensitivity – even under total darkness or bright sunlight
 - ✓ Eye safety certified for IEC 60825 Class
 - ✓ Patented glass broken detection mechanism
 - ✓ Lowest power consuming and the smallest structured light solution
 - ✓ Mass production ready - high ASP and profit margin
 - ✓ Expect multiple top tier Android smartphone OEMs to launch premium and high end models with QCOM/HIMX 3D starting 1H18
- Stereoscopic 3D sensing total solution development with some of the most prominent ecosystem partners to bring face recognition and 3D features to the high volume Android mass market smartphones by 4Q18
- WLO: exceptional design know-how and proven MP track record
 - ✓ Deliver consistent product quality, production ramp and high yields
- 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: launch of the WiseEye™ IoT sensors with Emza and DSP Group for consumer appliances and industrial IoT applications

NIR Sensor + WLO & DOE Applications



Wafer Level Process

- Integrated Optics
- High Accuracy
- Scalability In Production



Mini Package

Ultra Small Size & Package



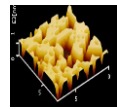
Wave-Guide For AR Devices

- 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



4 LCOS Microdisplays

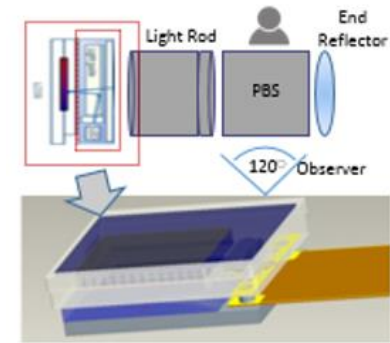


Market Trends

- Many top name multinationals or new start-ups are investing heavily to develop the AR ecosystem -- applications, software, operating system, system electronics, and optics
- 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

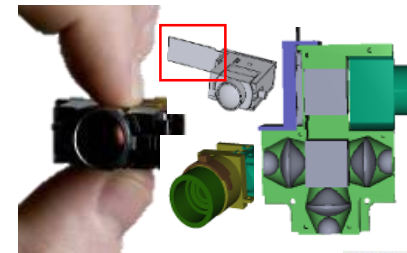
HIMX Strategies and Market Position

- The leader in microdisplay with patent protected technology, in-house facilities and shipping record >2M units
- Focus on AR goggle devices and HUD for automotives
- List of AR goggle device customers covers many of the world's biggest tech names
- Continue close collaboration with tier 1 AR glasses producers, expect OEM product introductions
- Strategic partners with top tier customers to provide phase modulation panel for communication and holographic display applications
- Great progress in developing high-end HUD for automotives – major revenue contribution in 2019 at the earliest
- GM & OPM significantly higher than corporate average
- LCOS represents a significant long term growth opportunity for us

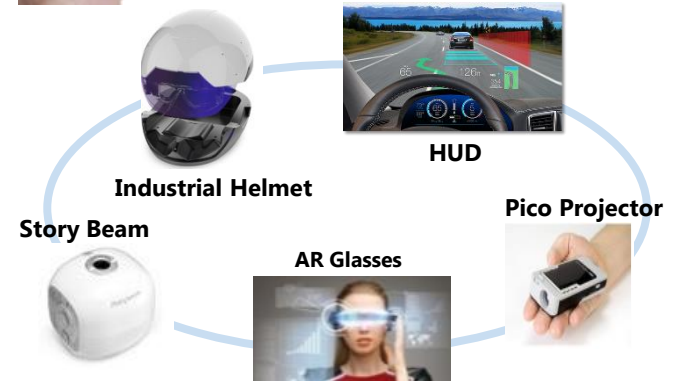


Front Lit LCOS Advantages

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



Optical Engine with LCOS Module



CUSTOMERS



5

Touch panel controllers

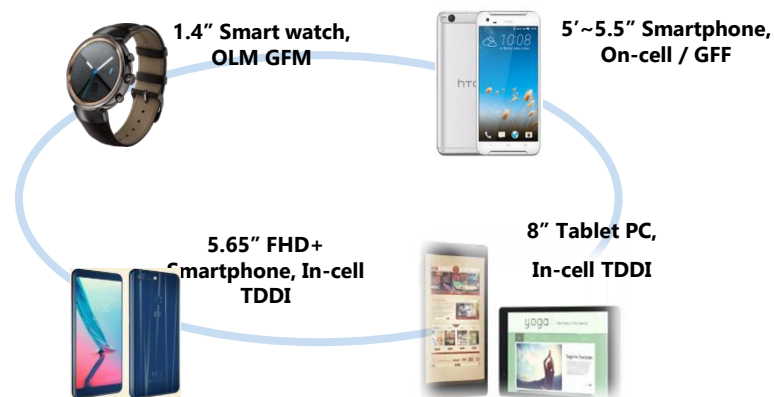
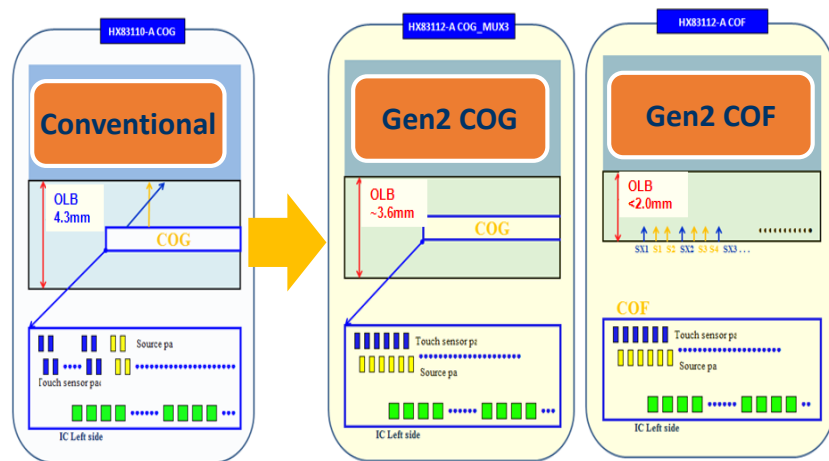


Market Trends

- Expect higher TDDI penetration in smartphones going forward and continue to accelerate
- Full screen 18:9 aspect ratio displays becoming the trend

HIMX Strategies and Market Position

- TDDI pure in-cell solution
 - ✓ Benefit from 18:9 display (FHD+ & HD+) trend as a front runner
 - ✓ Shipment started 4Q17, expecting to accelerate starting 2Q18
 - ✓ Numerous design-wins for HD+ and FHD+ projects with top-tier names 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
 - ✓ New generation FHD+ TDDI with COF package to enable super-slim bezel design for premium smartphone models
 - ✓ Higher ASP and better margin than traditional driver IC but less competition



6 Timing controllers



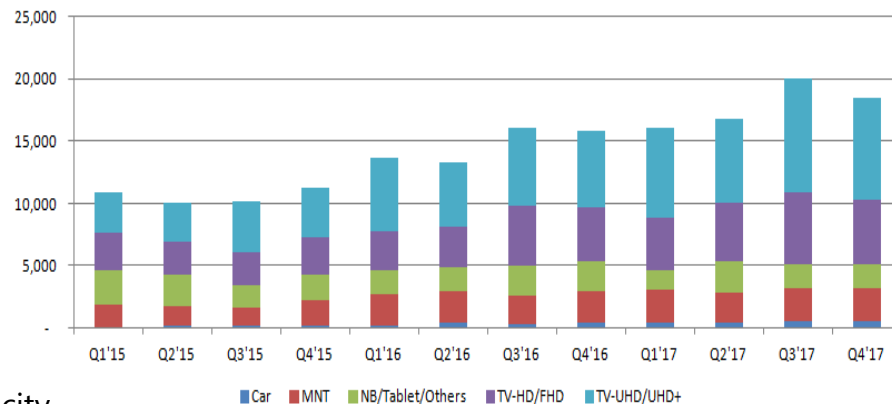
Market Trends

- 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



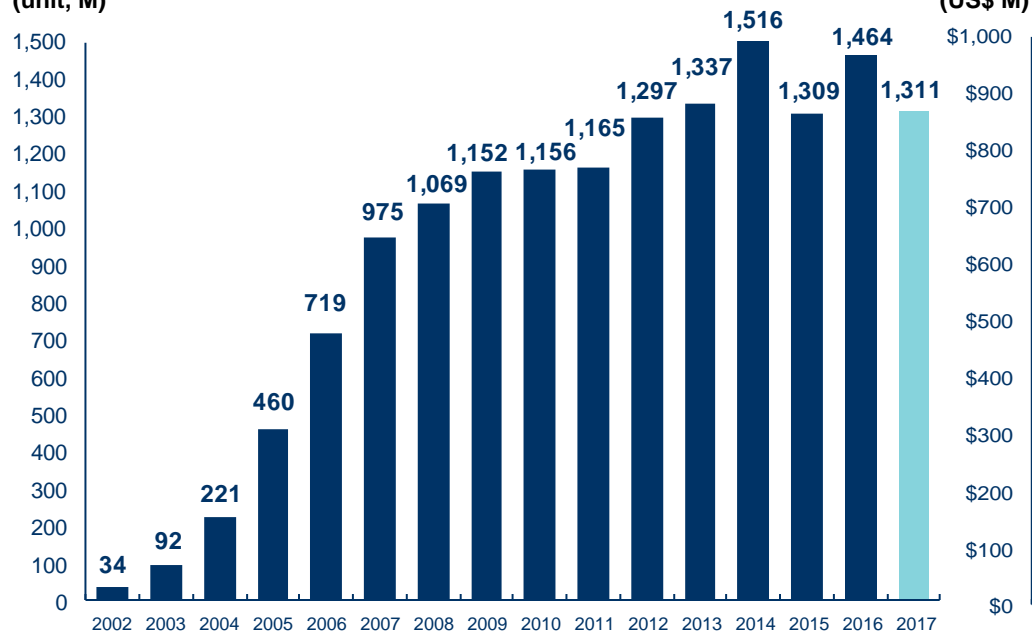
Shipment and revenue history



One of the Leading Semiconductor Companies

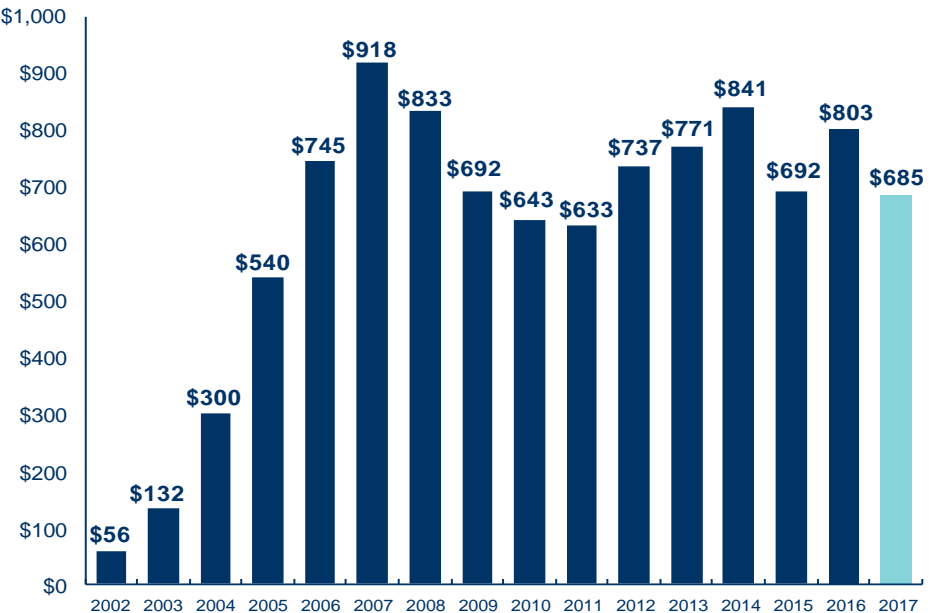
Volume

(unit, M)



Revenues

(US\$ M)

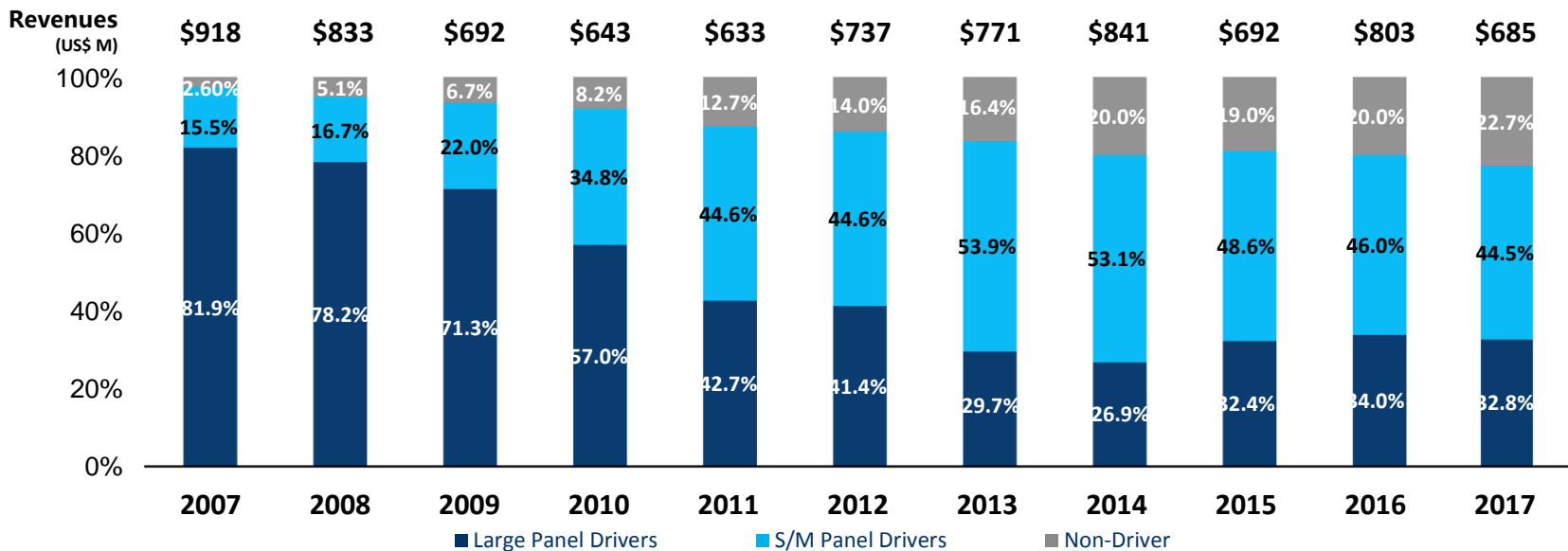


A better balanced product mix...



- Global market share leader in small and medium-sized panel driver ICs
- Increasing non-driver sales to diversify sales base and improve gross margin
- Market leader in 3D sensing – Structured light 3D sensing total solution modules will contribute very significant revenue and profit growth in the next 2-3 years starting 2018
- Advanced Wafer Level Optics, CIS and LCOS microdisplays
 - ✓ GM & OPM significantly higher than corporate average
 - ✓ Phenomenal ROI
 - ✓ AR technology provider of choice
- Total solution component provider

Category Product Mix



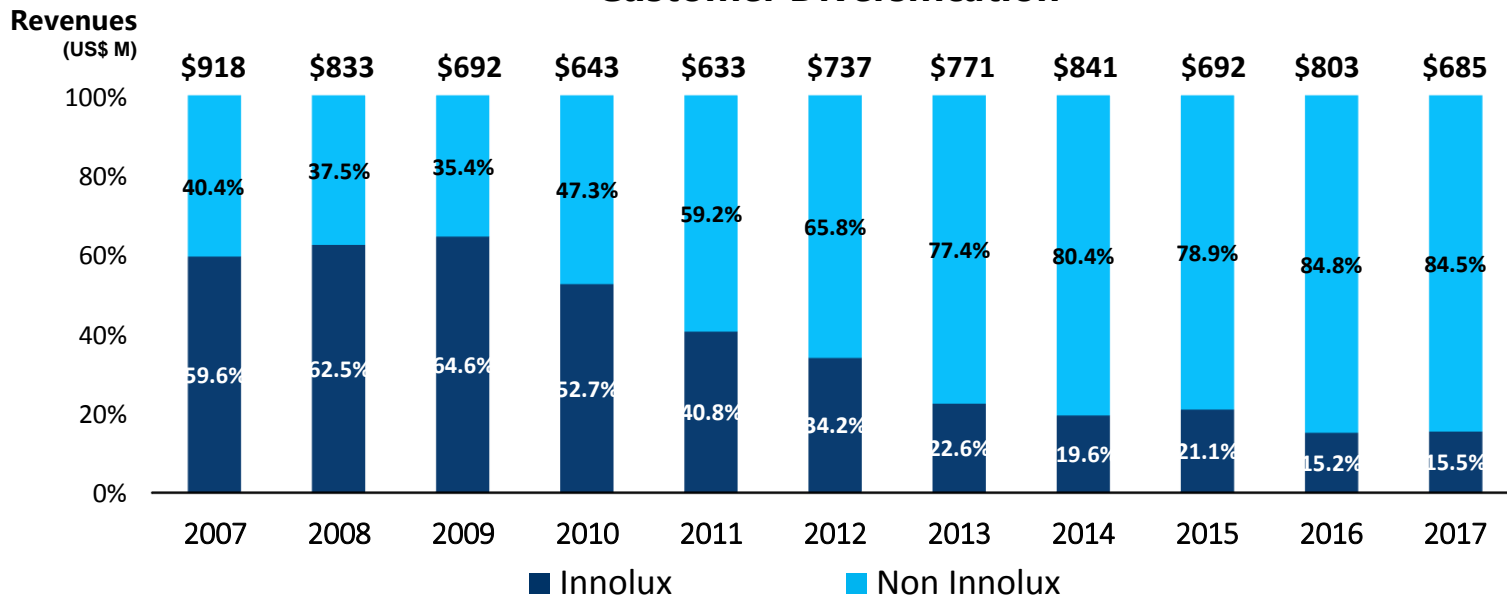
...and a diversified customer base



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 19th, 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



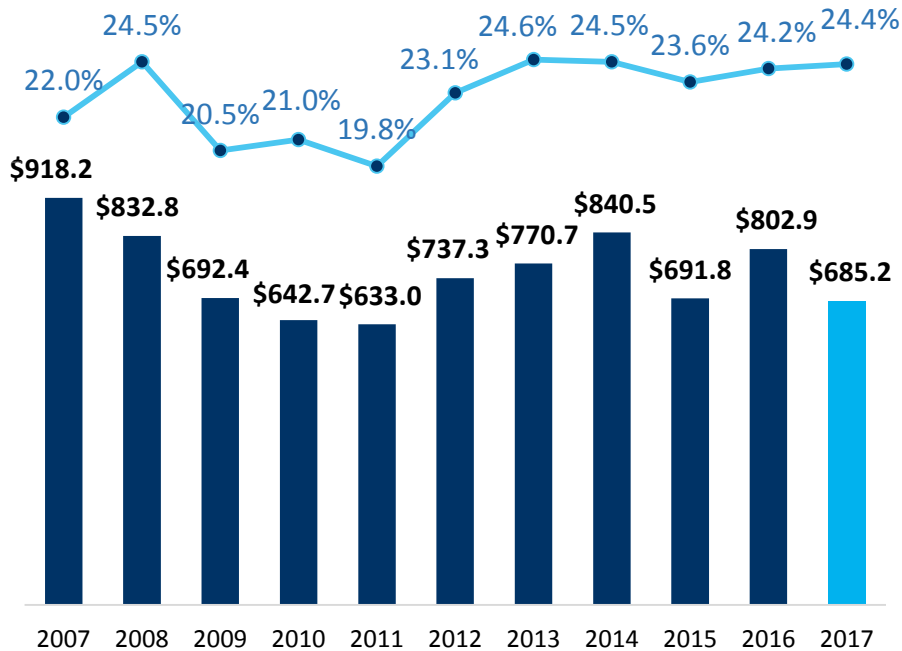
Gross margin is a key business focus



Revenues & Gross Margin %

(US\$M)

Better product mix lifts blended margin

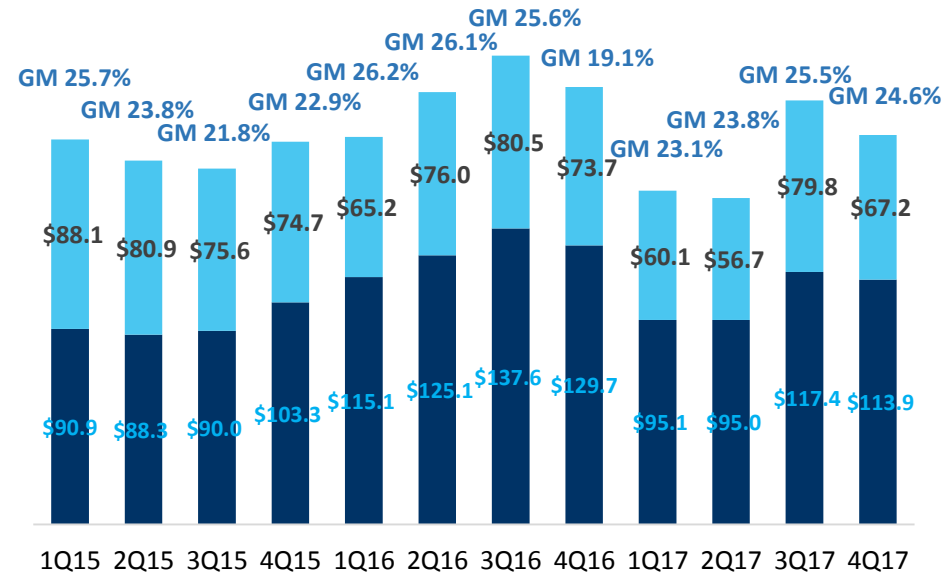


- Successful transformation since 2011
- Revenues growth and improved gross margin in 2016 due to product mix
- Positive about long term growth

Geographical Revenue Mix & Quarterly GM

(US\$M)

■ China Sales ■ ROW Sales



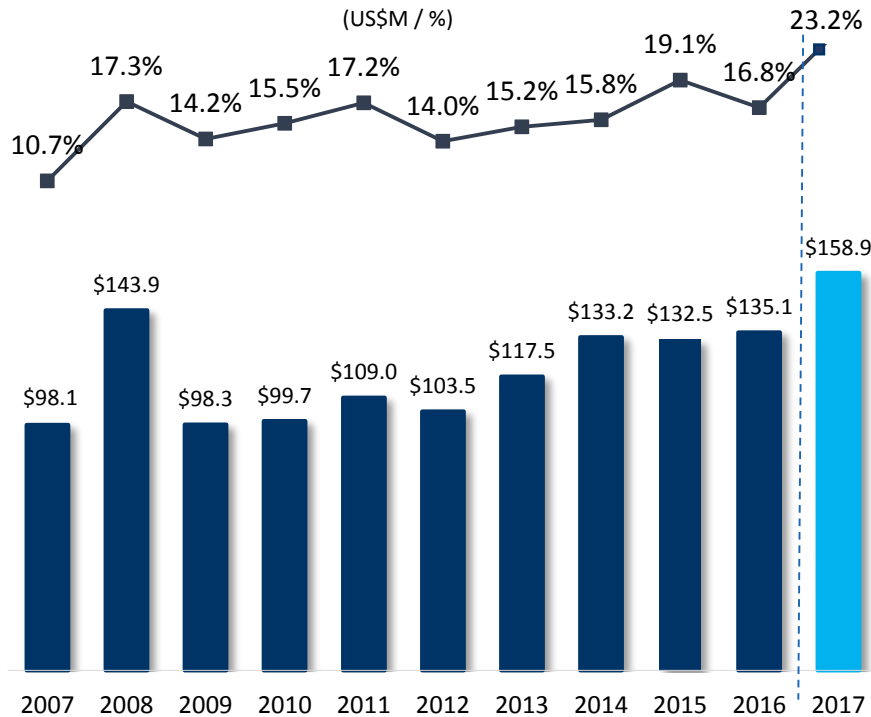
- GM retraction in 2015: higher mix of China sales and competitive pricing in the LDDIC market
- GM improvement in 2016
 - ✓ Resolution migration improved GM of SMDDIC
 - ✓ Favorable product mix with higher non-driver sales %: LCOS and WLO sales growth
 - ✓ Lower GM in 4Q16 due to an additional inventory write-down
- Improved GM in 2H vs. 1H in 2017 driven by more favorable product mix which due primarily to WLO shipments starting in July, 2017, and the one-off customer reimbursements related to AR goggle device business in Q3
- Further GM improvement from non-driver business growth

The bottom line



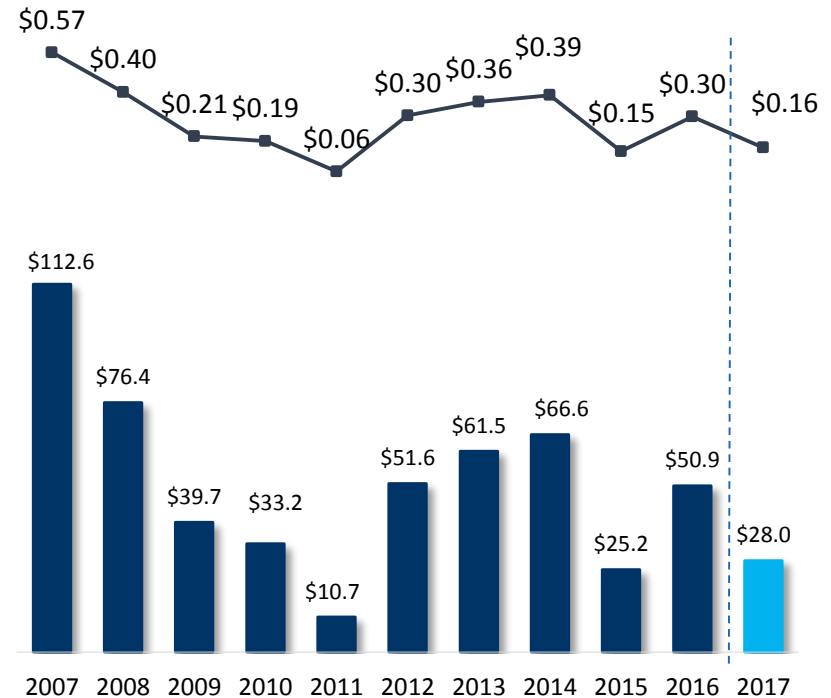
OPEX and % of Total Sales

(US\$M / %)



GAAP Net Income and EPS

(US\$M / US\$)



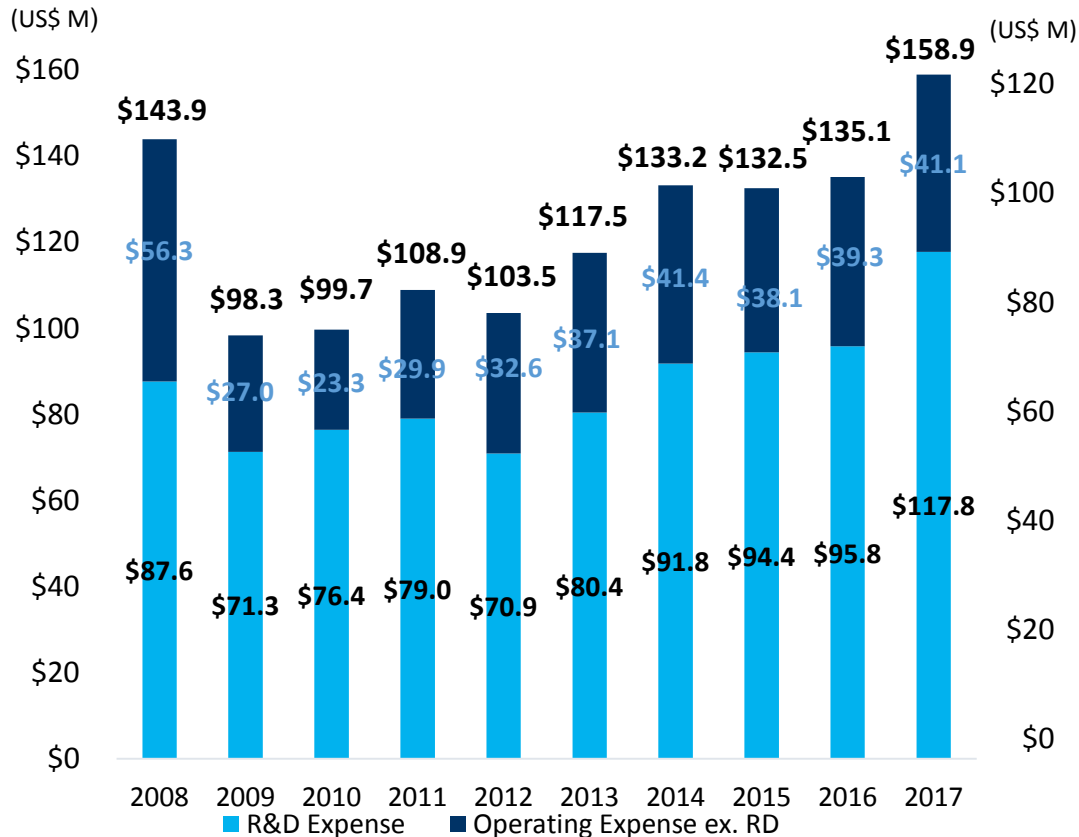
Revenues (US\$M) 2007: \$918.2, 2008: \$832.8, 2009: \$692.4, 2010: \$642.7, 2011: \$633.0, 2012: \$737.3, 2013: \$770.7, 2014: \$840.5, 2015: \$691.8, 2016: \$802.9, 2017: \$685.2

- Continue to streamline core business R&D efforts and execute expense control through product integration
- Unprecedented Phase I capital expansion in 2017: construction of a new building, increase of WLO capacity for the anchor customer and an initial monthly capacity of 2 million units for SLiM solution
- Completion of the new building in 2017: house additional WLO capacity, the new active alignment equipment, and extra office spaces
- Increase Phase I capex to meet SLiM shipment demand from Android OEMs' 3D sensing smartphone launches in 1H18 and acceleration in 2H18
- 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

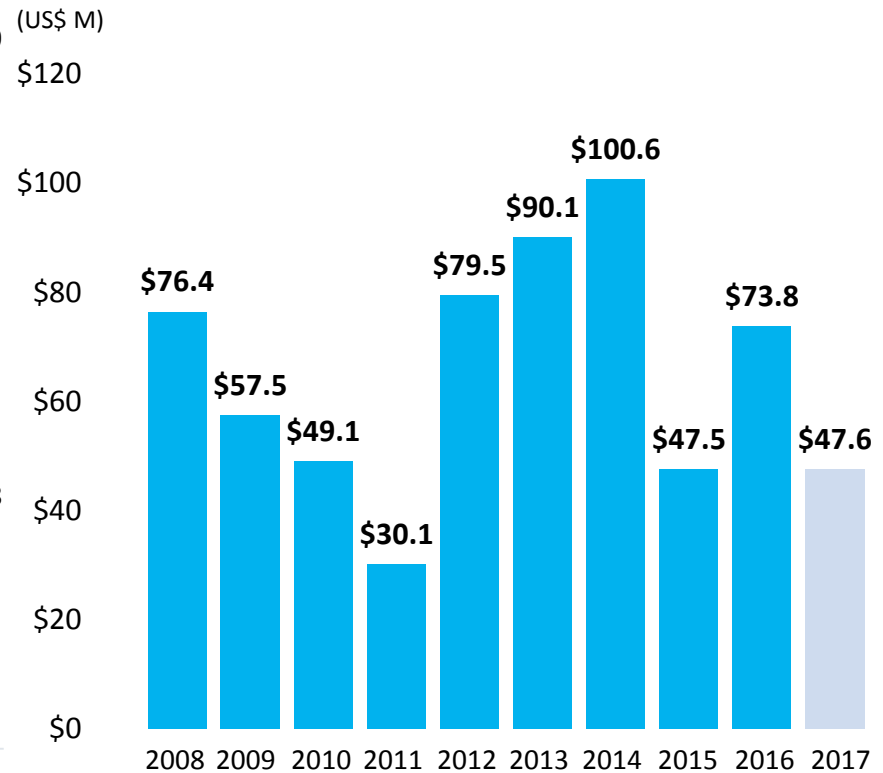


Operating and R&D Expenses



- Continue investing heavily on R&D and customer engineering on our strategic growth areas including WLO, CIS, TDDI and AMOLED; OPEX in 2017 vs. 2016 up 17.6%
- 2014, 2015 & 2016 & 2017 OPEX include RSU \$9.3mn, \$4.5mn, \$9.2mn and \$6.1mn
- Non-GAAP OPEX up 3.3% in 2015 vs 2014; down 1.6% in 2016 vs 2015; up 21.7% in 2017 vs 2016

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 capacity expansion
- Positive long term profitability outlook
- Expect significant revenue & profit growth in 2018

Reported financials – Income Statement

December 31, 2017



US\$'000

For the Fiscal Period Ended	<u>4Q-2017</u> (Unaudited)	<u>4Q-2016</u> (Unaudited)	<u>3Q-2017</u> (Unaudited)	<u>Y2017</u> (Unaudited)	<u>Y2016</u> (Audited)
Revenues	\$181,081	\$203,443	\$197,146	\$685,167	\$802,917
Cost of revenues	136,499	164,517	146,778	518,142	608,605
Gross profit	44,582	38,926	50,368	167,025	194,312
Gross margin	24.6%	19.1%	25.5%	24.4%	24.2%
Operating expenses					
Research and development	29,516	21,826	34,989	117,757	95,820
General and administrative	5,413	4,950	6,016	20,614	20,119
Sales and marketing	5,532	5,289	5,967	20,504	19,138
Total operating expenses	40,461	32,065	46,972	158,875	135,077
Operating income	4,121	6,861	3,396	8,150	59,235
Non-operating income	22,698	249	355	22,188	183
Income before income tax and noncontrolling interest	26,819	7,110	3,751	30,338	59,418
Income tax expense	3,957	3,609	621	4,520	10,671
Net income	22,862	3,501	3,130	25,818	48,747
Add: Net loss attributable to the noncontrolling interest	687	938	554	2,149	2,165
GAAP Net income attributable to Himax shareholders	\$23,549	\$4,439	\$3,684	\$27,967	\$50,912
Non-GAAP Net income attributable to Himax shareholders	\$23,824	\$4,799	\$8,985	\$34,262	\$59,747
GAAP Earnings per ADS attributable to Himax shareholders (in cents)					
Basic	13.7	2.6	2.1	16.2	29.5
Diluted	13.7	2.6	2.1	16.2	29.5
Non-GAAP Earnings per ADS attributable to Himax shareholders (in cents)					
Basic	13.8	2.8	5.2	19.9	34.7
Diluted	13.8	2.8	5.2	19.9	34.7

Reported financials – Balance Sheet

December 31, 2017



US\$'000

	<u>December 31, 2017</u> (Unaudited)	<u>September 30, 2017</u> (Unaudited)	<u>December 31, 2016</u> (Audited)
Assets			
Current Assets:			
Cash and cash equivalents	\$138,023	\$141,482	\$184,452
Investments in marketable securities available-for-sale	10,879	10,124	10,157
Accounts receivable, net	187,571	181,731	190,998
Inventories	135,200	130,112	149,748
Restricted cash equivalents and marketable securities	147,000	147,202	138,200
Other current assets	42,745	22,637	29,410
<u>Total current assets</u>	661,418	633,288	702,965
Investment securities	3,122	12,110	12,242
Property and equipment, net	86,673	69,518	48,172
Goodwill	28,138	28,138	28,138
Other Assets	22,704	15,454	8,117
<u>Total Assets</u>	\$802,055	\$758,508	\$799,634
<u>Liabilities, redeemable noncontrolling interest and Stockholders' Equity</u>			
Current liabilities:			
Short-term debt*	\$147,000	\$147,000	\$138,000
Accounts payable	139,933	125,553	142,269
Other current liabilities	50,266	47,658	44,477
<u>Total current liabilities</u>	337,199	320,211	324,746
Other liabilities	6,287	3,145	3,081
Redeemable noncontrolling interest	3,656	3,656	3,656
Himax shareholders' equity	456,648	432,521	467,733
Noncontrolling interest	(1,735)	(1,025)	418
<u>Total Liabilities, redeemable noncontrolling interest and Stockholders' Equity</u>	\$802,055	\$758,508	\$799,634

* Short term debt is guaranteed by restricted cash

Reported financials – Cash Flow Statement

December 31, 2017



US\$'000	4Q-2017 (Unaudited)	3Q-2017 (Unaudited)	2017FY (Unaudited)	2016FY (Audited)
Net income	\$22,862	\$3,130	\$25,818	\$48,747
Depreciation and amortization	5,098	4,672	16,680	13,756
Share-based compensation expenses	143	446	1,098	1,186
Gain on disposal of investment in non-marketable equity securities, net	(23,038)	0	(23,038)	0
Deferred income tax benefit	(838)	(223)	(1,601)	(1,978)
Inventories write downs	3,418	3,346	12,298	23,342
Decrease (increase) in accounts receivable	(6,138)	(23,691)	(1,998)	(14,602)
Decrease (increase) in inventories	(8,506)	14,222	2,250	(1,716)
Increase (decrease) in accounts payable	14,380	11,883	(2,336)	17,846
Increase (decrease) in income tax payable	(1,873)	855	(7,390)	1,389
Increase (decrease) in other accrued expenses and other current liabilities	(4,546)	7,206	4,678	(5,164)
Others	7,334	(4,974)	2,934	1,866
Net cash provided by operating activities	\$8,296	\$16,872	\$29,393	\$84,672
Purchases of property, plant and equipment	(15,712)	(10,178)	(39,818)	(7,902)
Purchase of available-for-sale marketable securities	(5,690)	(20,325)	(47,095)	(30,248)
Proceeds from disposal of available-for-sale marketable securities	5,088	19,014	47,119	38,532
Proceeds from disposal of investment in non-marketable equity securities	10,000	0	10,000	0
Others	(5,845)	116	(5,294)	(7,509)
Net cash used in investing activities	(\$12,159)	(\$11,373)	(\$35,088)	(\$7,127)
Release (pledge) of restricted cash, cash equivalents and marketable securities (for borrowing of short-term debt)	0	(40,000)	(9,000)	42,000
Proceeds from short-term debt	27,000	70,000	151,161	230,000
Repayments of short-term debt	(27,000)	(30,000)	(142,161)	(272,000)
Payments of cash dividends	0	(41,281)	(41,281)	(22,348)
Others	105	(41)	67	(367)
Net cash provided by (used in) financing activities	\$105	(\$41,322)	(\$41,214)	(\$22,715)
Effect of foreign currency exchange rate changes	299	99	480	(207)
Net increase (decrease) in cash and cash equivalents	(\$3,459)	(\$35,724)	(\$46,429)	\$54,623
Cash and cash equivalents at beginning of period	\$141,482	\$177,206	\$184,452	\$129,829
Cash and cash equivalents at end of period	\$138,023	\$141,482	\$138,023	\$184,452



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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