



***Himax***

Nasdaq : HIMX

## **Investor Presentation**

May, 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, 2017 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



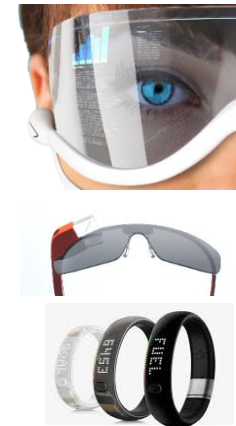
## 2010's

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™ and active stereoscopic 3D sensing

## 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 borrowings offset restricted deposit 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



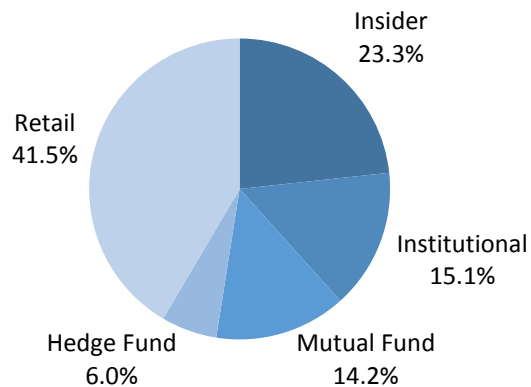
<b>Fiscal Year</b>	December 31 <sup>st</sup>
<b>Last-Traded Price (05/09/18)</b>	\$7.02
<b>Basic Weighted Ave. Out. ADS</b>	172.5M
<b>Diluted Weighted Ave. Out. ADS</b>	172.5M
<b>Equivalent ADS Out.</b>	172.1M
<b>Market Capitalization (05/09/18)</b>	\$1.21B
<b>Insider Ownership*</b>	23.3%

\* Insider ownership includes executives and board members



\* Source: www.nasdaq.com

## Shareholder Makeup



Date: As of Mar. 31, 2018

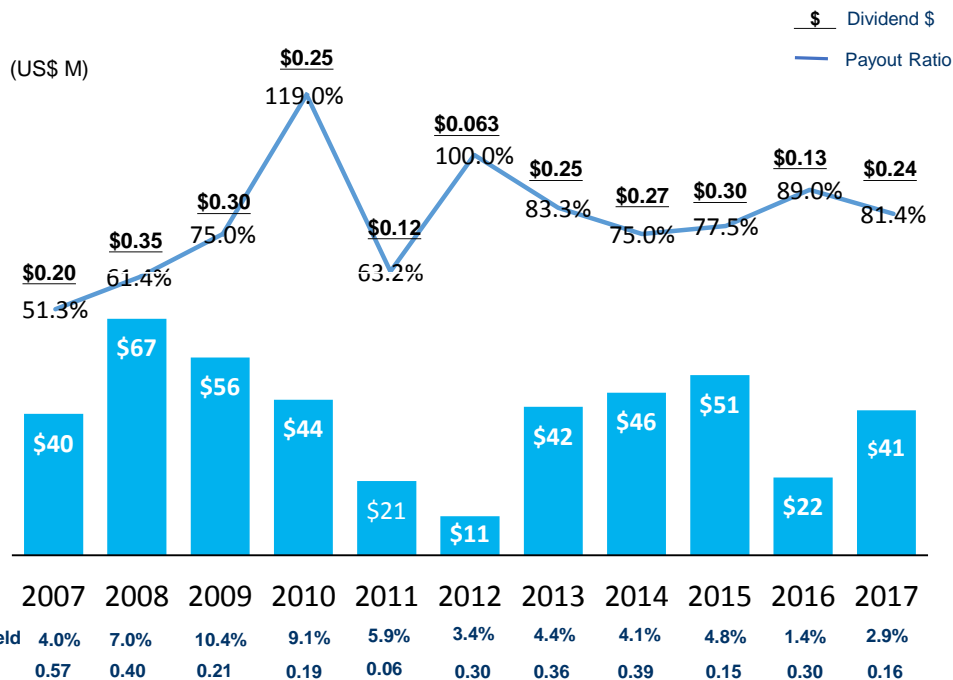
## Covering Analysts

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

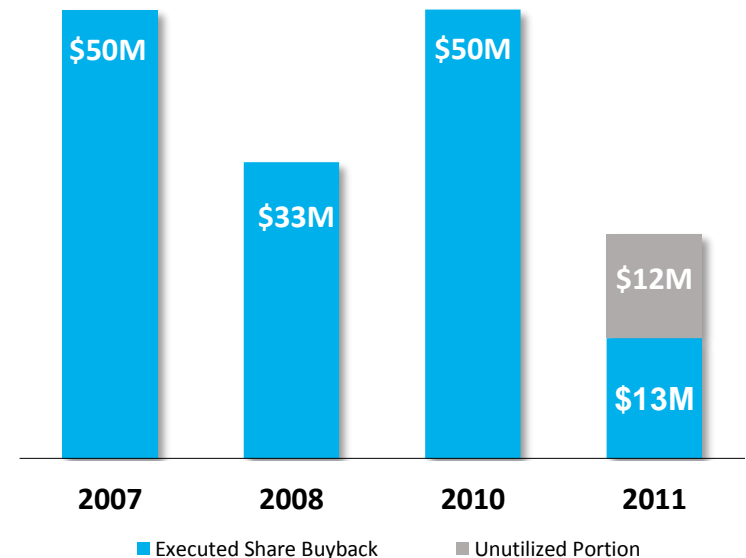
## Dividends

- 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 March 31, 2018 at average purchase price per ADS: \$3.15



# Summary financials and guidance



<b>QUARTER</b>	<b>1Q2018***</b>	<b>1Q2017***</b>	<b>4Q2017***</b>	<b>YoY</b>	<b>QoQ</b>
<b>Revenues</b>	\$162.9M	\$155.2M	\$181.1M	+4.9%	-10.1%
<b>Gross Margin (%)</b>	22.5%	23.1%	24.6%	-0.6%	-2.1%
<b>IFRS Profit (loss)</b>	(\$2.8M)	\$1.2M	\$23.5M**	-332.6%	-112.0%
<b>IFRS Earnings (loss) per ADS</b>	(\$0.016)	\$0.007	\$0.136**	-332.5%	-112.0%
<b>Non-IFRS Profit (loss)</b>	(\$2.6M)	\$1.6M	\$23.8M**	-265.4%	-110.8%
<b>Non-IFRS Earnings (loss) per ADS</b>	(\$0.015)	\$0.009	\$0.138**	-265.3%	-110.8%
<b>YEAR</b>			<b>FY2017***</b>		
<b>Revenues</b>			\$685.2M		
<b>Gross Margin (%)</b>			24.4%		
<b>IFRS Profit</b>			\$27.7M* / **		
<b>IFRS Earnings per ADS</b>			\$0.161* / **		
<b>Non-IFRS Profit</b>			\$33.9M**		
<b>Non-IFRS Earnings per ADS</b>			\$0.197**		
<b>2Q 2018 GUIDANCE</b>					
<b>***Revenues</b>	To increase 9% to 14% sequentially, representing a double-digit year-over-year growth				
<b>***Gross Margin</b>	To be around 23% sequentially, depending on final product mix				
<b>***IFRS Earnings per diluted ADS</b>	0.0 to 1.0 cent per diluted ADS				

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

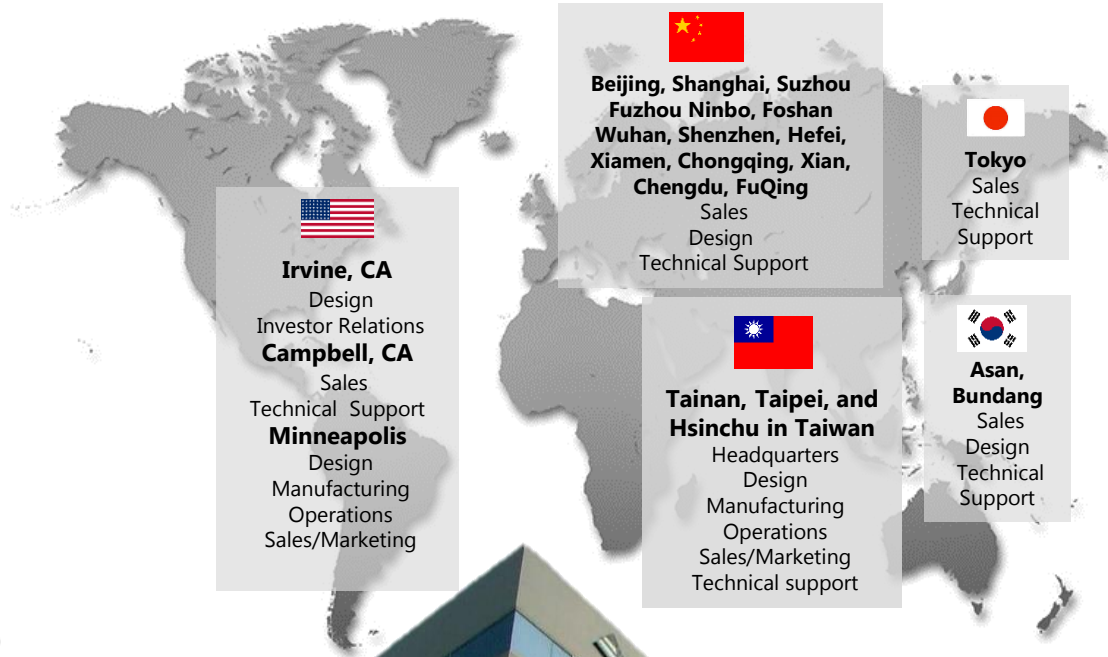
\*\* 2017 Q4 numbers include the disposal of an investment. Total proceeds from disposal are \$32.00 million with a pre-tax gain of \$23.04 million. Gain after tax is estimated to be \$20.74 million, representing a contribution of 12.0 cents earnings per diluted ADS

\*\*\* Beginning January 1, 2018, adopting International Financial Reporting Standards ( "IFRS" ) to prepare consolidated financial statements; adjusting comparative period information in accordance with IFRS

# 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
- 2,999 patents granted and 439 patents pending approval worldwide as of March 31<sup>st</sup>, 2018
- NASDAQ-listed since March 2006 (HIMX)
- Around 2,150 employees worldwide; more than 90% are engineers
- Headquartered in Tainan, Taiwan with 8 R&D centers in Taiwan, China, Korea and U.S., out of a total of 23 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

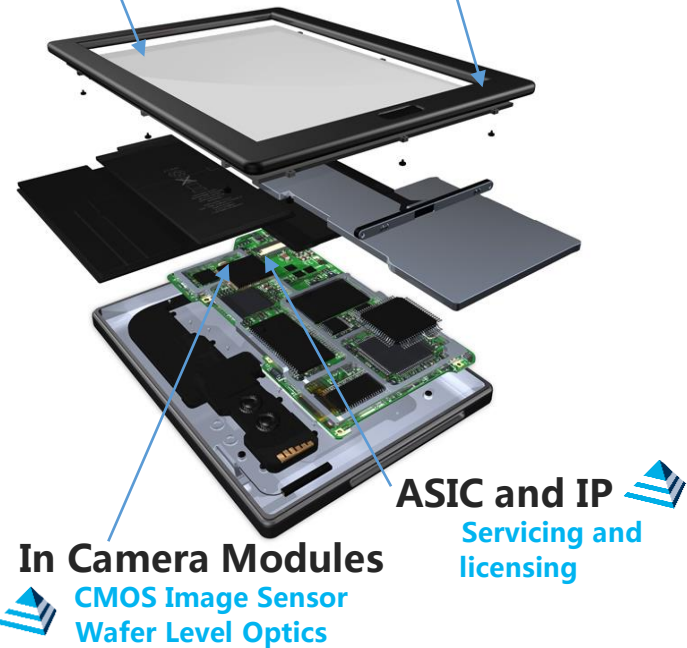


## In Displays

Display Driver  
TCN  
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

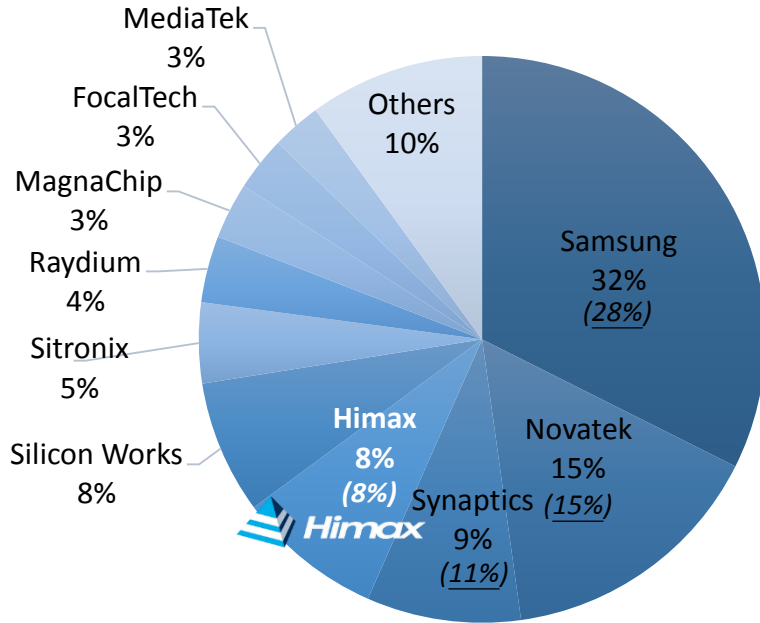




# DDIC market share



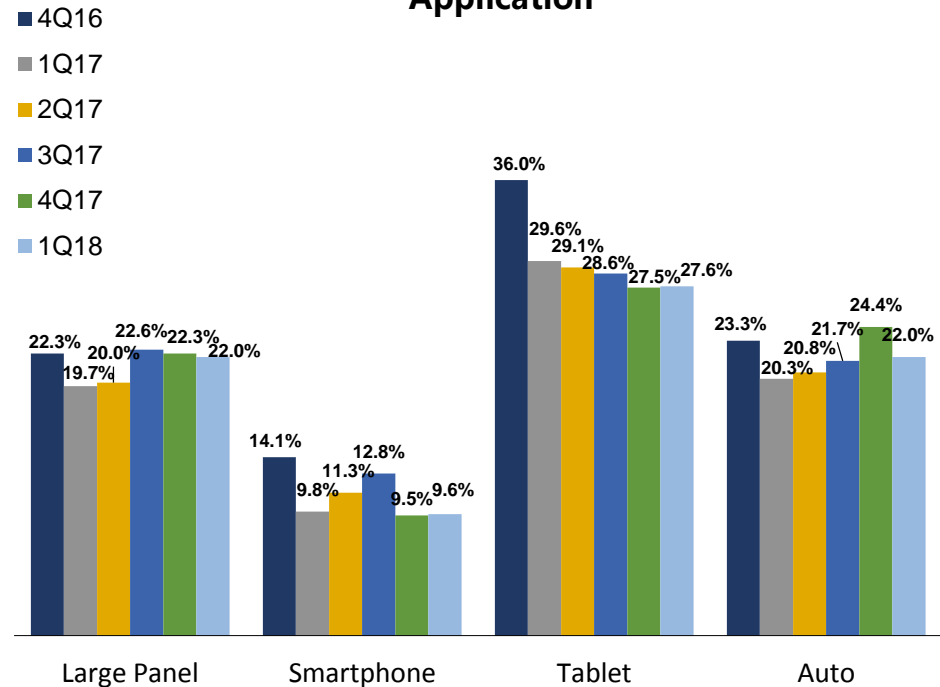
**2017 Q4 Driver Market Share**  
(3Q17 Market Share %)



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 remain strong due to increasing 4K TV penetration and CHN panel customers' ramping of new LCD fabs.
- Lackluster smartphone market share caused by seasonality and the overall weak smartphone market
- Tablet market share remain flat 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 February 2018 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

BOE

INNOLUX  
群創光電

CSOT  
华星光电

AUO

SAMSUNG

LG Display

JDI

Japan Display Inc.

SHARP

# 2

## Grow S/M panel DDIC Launch new products



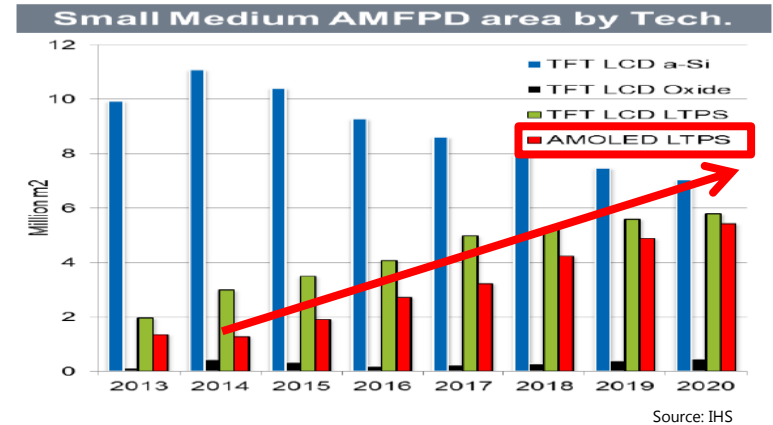
### Market Trends

- 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 9 brand new OLED fabs from now to 2022, 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, TDDI shipment are set to ramp up in 2Q18
- Joint development projects with many of the major CHN OLED panel customers
- 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



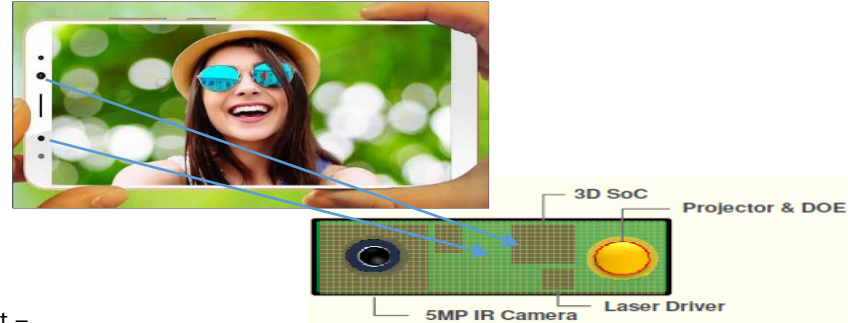
## Market Trends

- 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
- 3 new solutions needed for Android smartphone edge-to-edge display: structured light and active stereoscopic camera (ASC) 3D sensing for facial recognition, as well as under-display optical sensor for fingerprint authentication

## HIMX Strategies and Market Position

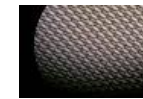
- Offer critical technologies in structured light 3D sensing, ASC 3D sensing and optical fingerprint – immense revenue opportunity with high ASP and margin
  - ✓ Qualcomm/Himax, SLiM™, structured light based 3D sensing total solution is the highest quality 3D sensing total solution available for Android smartphones
    - Unique position: majority of the key technologies inside the SLiM™ total solution are developed and supplied in-house
    - High barrier of entry for any potential competition
    - Best performance in all of 3D depth accuracy, indoor/outdoor sensitivity, power consumption and dimension
    - Passed the toughest eye safety standards with a proprietary glass broken detection mechanism to safeguard the user from any potential harm.
    - Equipped with the ASIC for 3D depth decoding - free up smartphone's AP for other applications and lower end platform with less computing power
    - Mass production ready - high ASP and profit margin
  - ✓ ASC 3D Sensing: Joint development with an industry leading AP platform player well underway to bring face recognition and 3D features to the high volume Android mass market smartphones – target for MP ready by end of 2018
  - ✓ Optical fingerprint: working with an industry leading fingerprint solution provider to develop an under-display optical fingerprint product, targeting smartphones using OLED displays
- 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



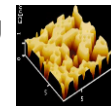
### Wave-Guide For AR Devices

- Help Create Holographic Images
- The Key Interface of AR



### Best For IoT/Smart Sensing

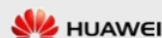
- Eye Tracking & Gesture Control
- 3D Depth Sensing



### Ultra Low Power Sensor Applications



CUSTOMERS





# 4 LCOS Microdisplays

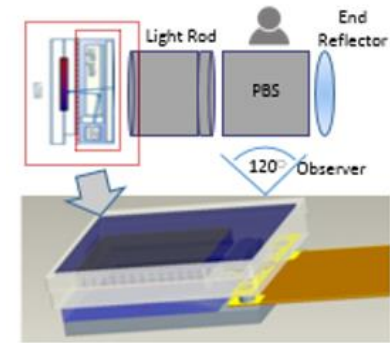


## Market Trends

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

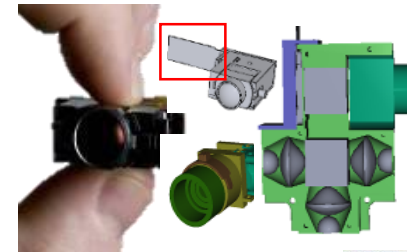
## HIMX Strategies and Market Position

- 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

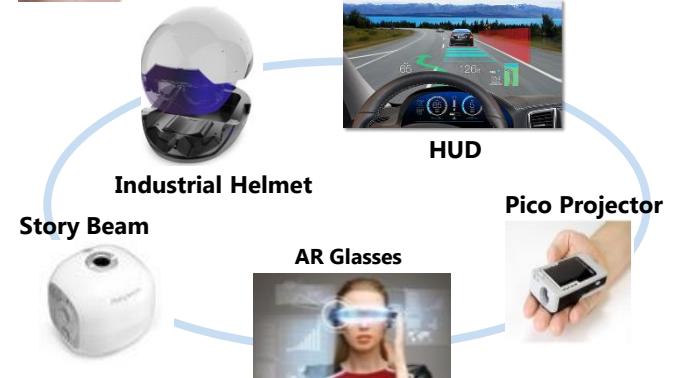


### Front Lit LCOS Advantages

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



Optical Engine with LCOS Module



CUSTOMERS



# 5 Touch panel controllers

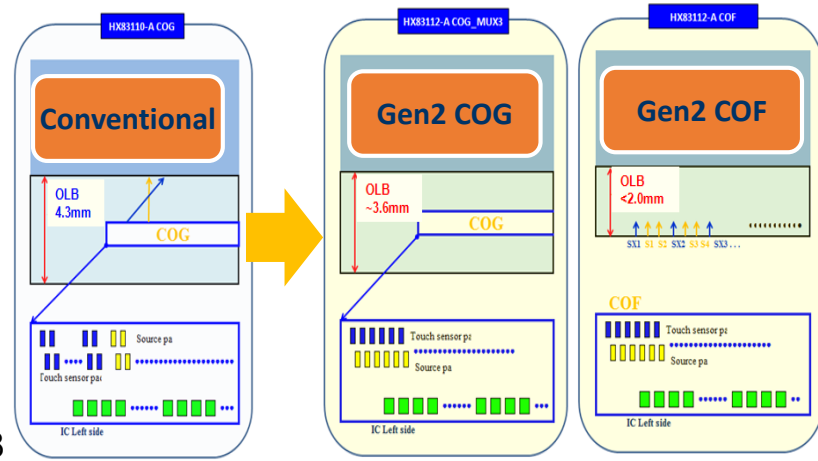


## Market Trends

- 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
  - ✓ Significant revenue contribution starting 2018
  - ✓ New generation FHD+ TDDI with COF package to enable super-slim bezel design for premium smartphone models
  - ✓ The world's first TDDI design-wins for automotive application with mass production target of late 2019 to 2020
  - ✓ Higher ASP and better margin than traditional driver IC



# 6 Timing controllers



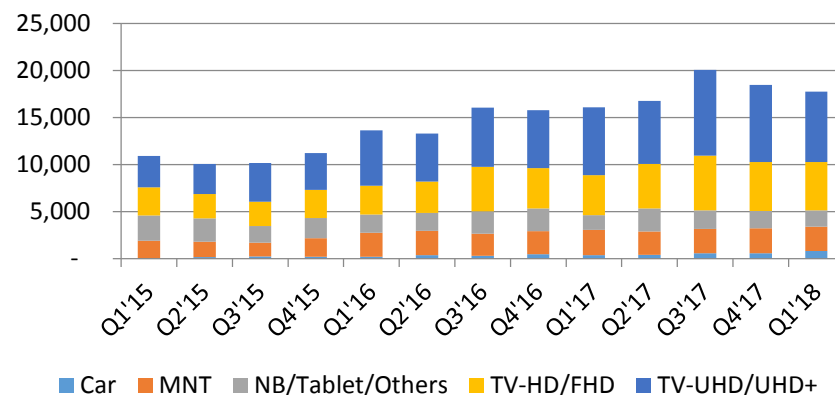
## Market Trends

- 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







# 2018 YTD

## Financial Review



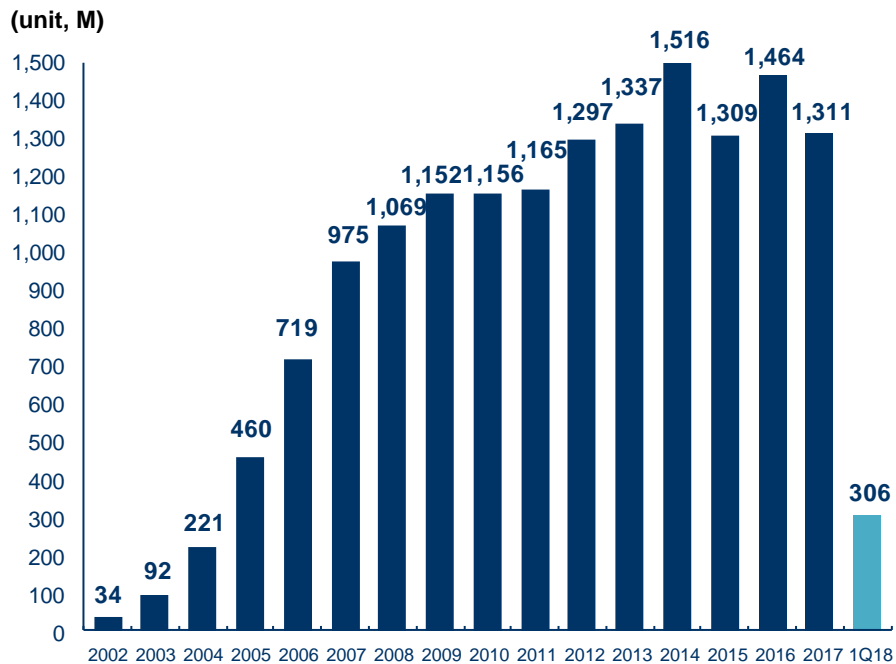


# Shipment and revenue history

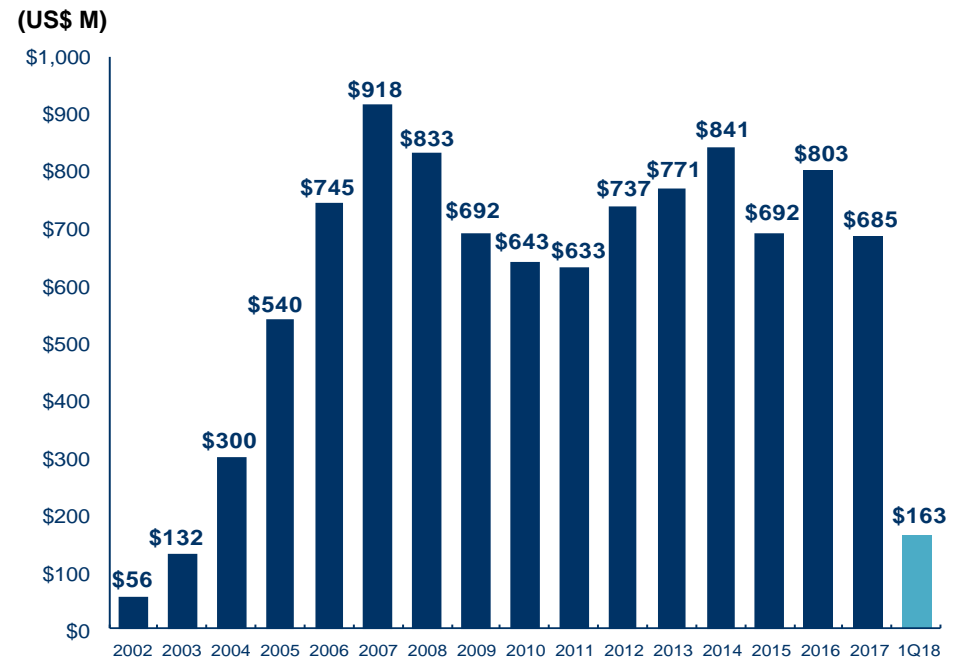


One of the Leading Semiconductor Companies

### Volume



### Revenues

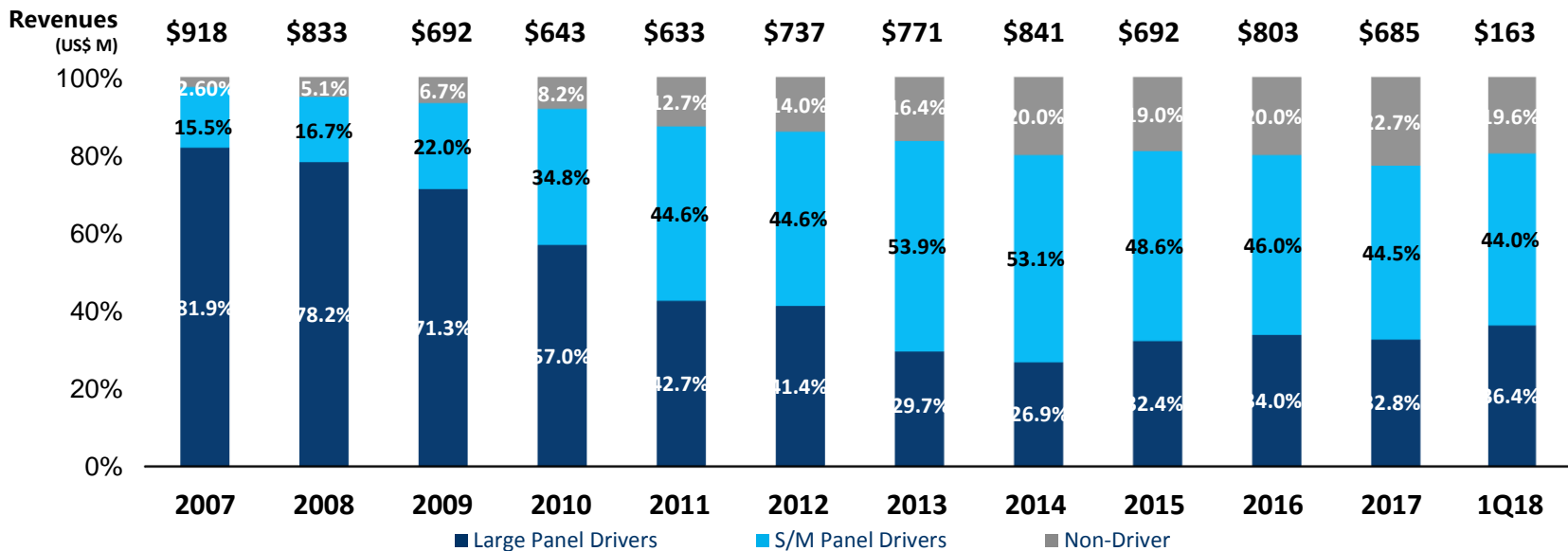


# A better balanced product mix...



- 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 and active stereoscopic 3D sensing total solutions 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



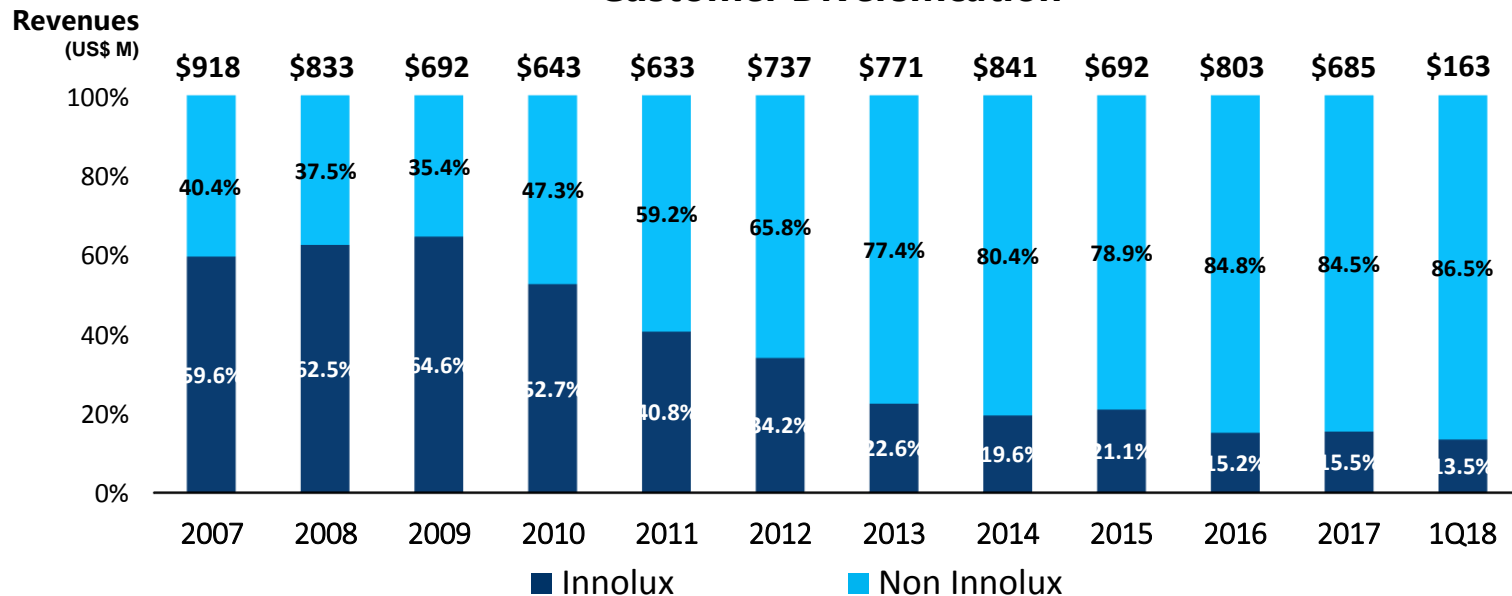
...and a diversified customer base



## 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 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



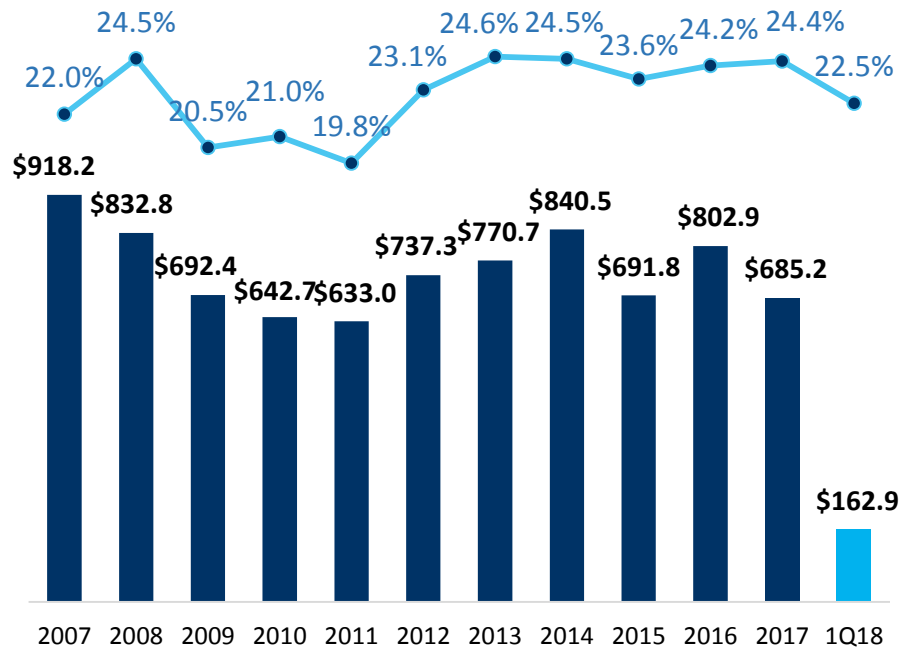
# Gross margin is a key business focus



## Revenues & Gross Margin %

(US\$M)

Better product mix lifts blended margin

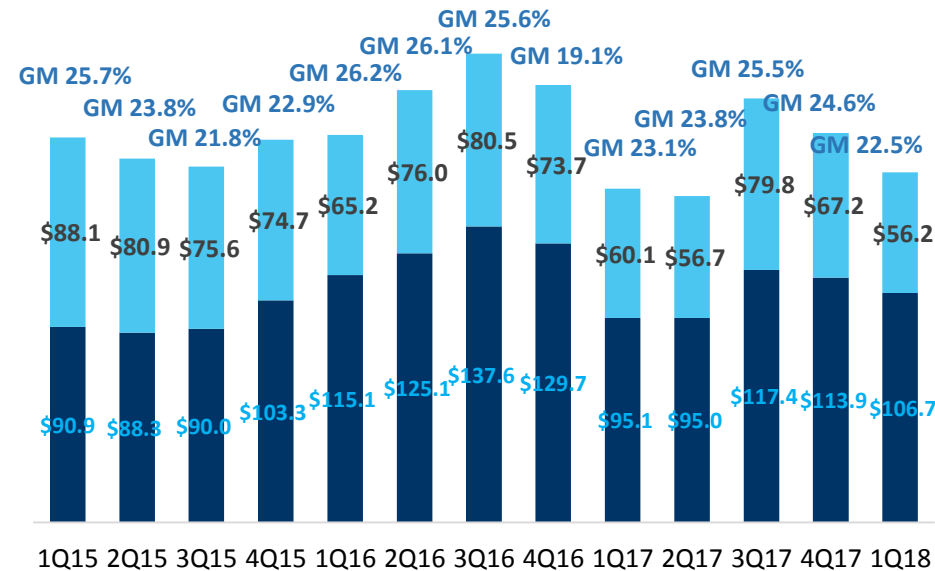


- Successful transformation since 2011
- Revenues growth and improved gross margin in 2016 due to product mix
- Positive about long term growth

## Geographical Revenue Mix & Quarterly GM

(US\$M)

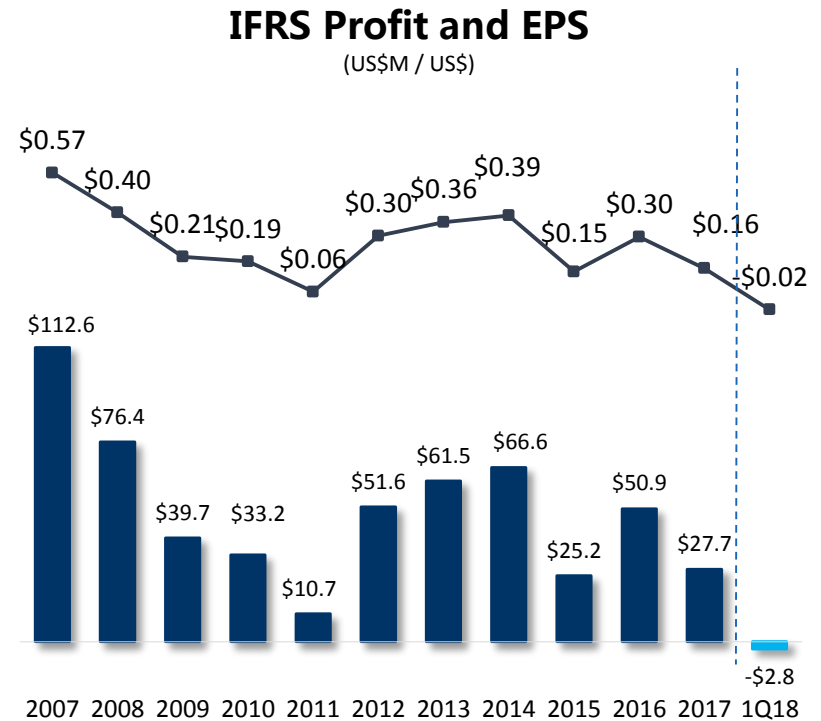
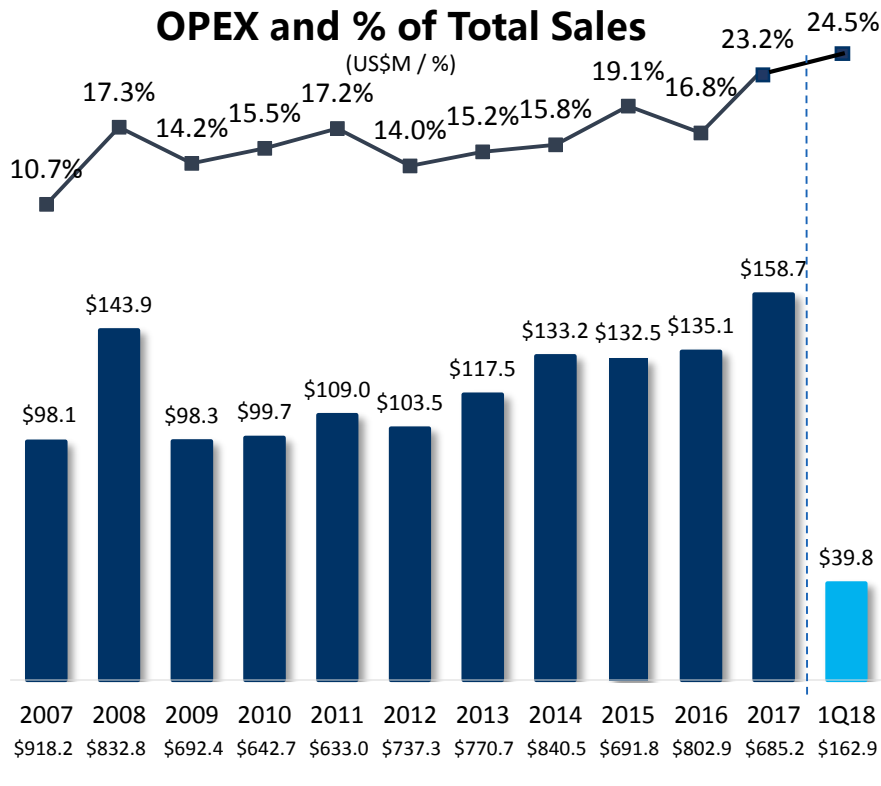
■ China Sales ■ ROW Sales



- 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
- 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

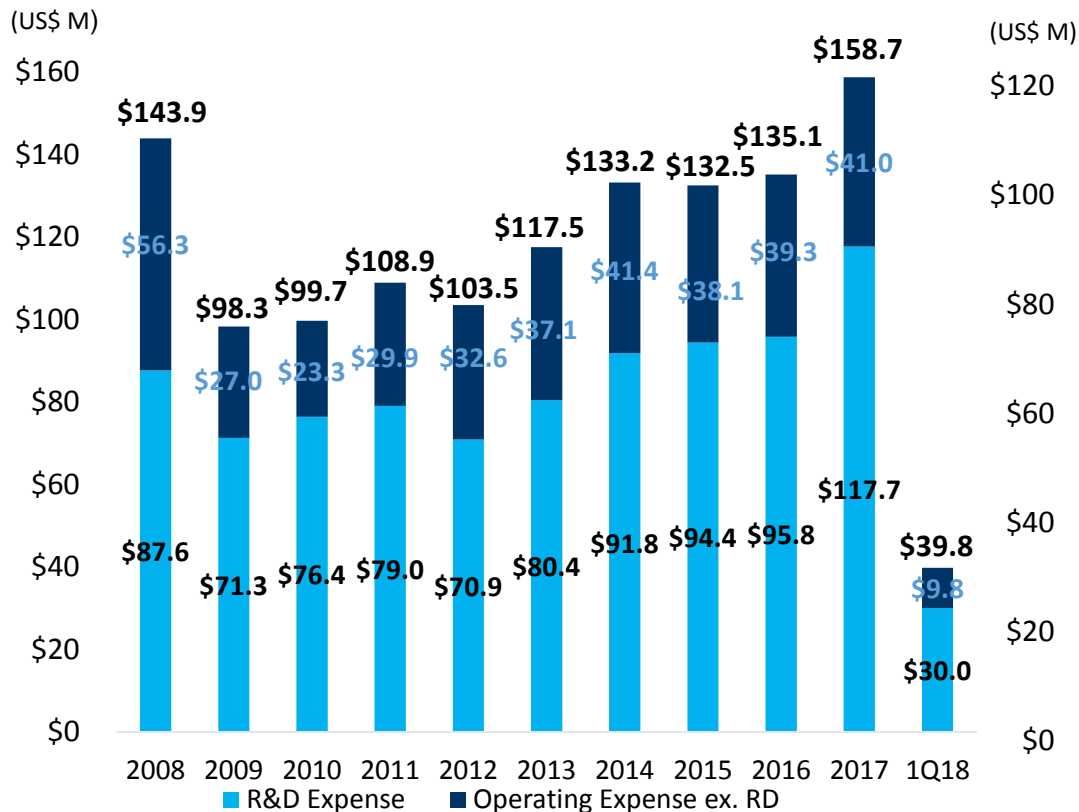


- Continue to streamline core business R&D efforts and execute expense control through product integration
- Unprecedented Phase I capital expansion in 2017: construction of a new building, increase of WLO capacity for the anchor customer and MP ready for SLiM and ASC 3D sensing solutions
- Completion 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 the substantially rising demand of 3D sensing Android market starting 2019
- 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

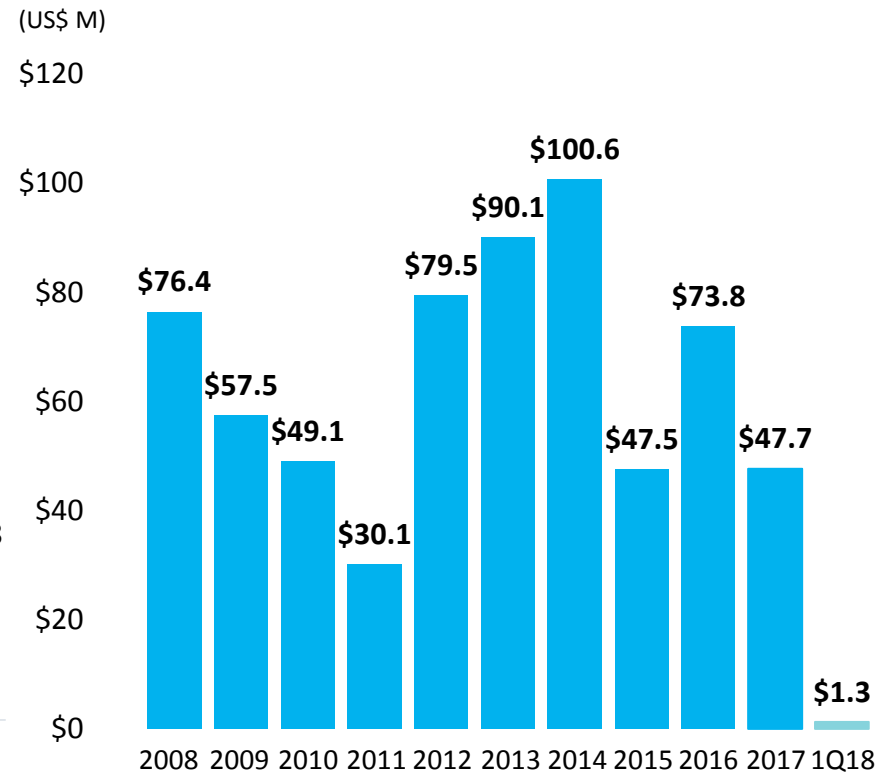
# Performance history



## Operating and R&D Expenses



## EBITDA



- 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 17.5%
- 2014, 2015 & 2016 & 2017 OPEX include RSU \$9.3mn, \$4.5mn, \$9.2mn and \$6.1mn

- 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

March 31, 2018



US\$'000

For the Fiscal Period Ended	<u>1Q-2018</u> (Unaudited)	<u>1Q-2017</u> (Unaudited)	<u>4Q-2017</u> (Unaudited)	<u>Y2017</u> (Unaudited)
<b>Revenues</b>	\$162,851	\$155,210	\$181,081	\$685,167
<b>Cost of revenues</b>	126,254	119,309	136,499	518,142
<b>Gross profit</b>	36,597	35,901	44,582	167,025
<b>Gross margin</b>	22.5%	23.1%	24.6%	24.4%
Operating expenses				
Research and development	30,040	25,333	29,387	117,662
General and administrative	4,906	4,601	5,401	20,461
Sales and marketing	4,895	4,369	5,515	20,543
<b>Total operating expenses</b>	39,841	34,303	40,303	158,666
<b>Operating income (loss)</b>	(3,244)	1,598	4,279	8,359
Non-operating income (loss)	(800)	(813)	22,573	21,733
<b>Profit (loss) before income taxes</b>	(4,044)	785	26,852	30,092
Income tax expense (benefit)	(728)	122	3,989	4,554
<b>Profit (loss) for the period</b>	(3,316)	663	22,863	25,538
Add: Loss attributable to noncontrolling interests	487	553	681	2,142
<b>Profit (loss) attributable to Himax stockholders</b>	(\$2,829)	\$1,216	\$23,544	\$27,680
<b>Non-IFRS Profit (loss) attributable to Himax stockholders</b>	(\$2,575)	\$1,557	\$23,772	\$33,889
<b>IFRS earnings (loss) per ADS attributable to Himax stockholders (in cents)</b>				
Basic	(1.6)	0.7	13.6	16.1
Diluted	(1.6)	0.7	13.6	16.1
<b>Non-IFRS earnings (loss) per ADS attributable to Himax stockholders (in cents)</b>				
Basic	(1.5)	0.9	13.8	19.7
Diluted	(1.5)	0.9	13.8	19.7

# Reported financials – Balance Sheet

March 31, 2018



US\$'000

	<u>March 31, 2018</u> (Unaudited)	<u>December 31, 2017</u> (Unaudited)	<u>March 31, 2017</u> (Unaudited)
<b>Assets</b>			
<b>Current Assets:</b>			
Cash and cash equivalents	\$139,806	\$138,023	\$190,345
Financial assets at amortized cost	11,753	10,358	5,220
Financial assets at fair value through profit or loss	361	521	3,891
Accounts receivable, net	166,603	188,774	169,093
Inventories	147,962	135,200	148,260
Restricted deposit	147,000	147,000	107,414
Other current assets	23,169	42,745	20,444
<b>Total current assets</b>	<b>636,654</b>	<b>662,621</b>	<b>644,667</b>
Financial assets at fair value through profit or loss	1,600	1,600	10,562
Financial assets at fair value through other comprehensive income	1,522	1,522	1,680
Equity method investment	9,905	10,739	2,235
Property, plant and equipment, net	95,953	84,575	46,517
Goodwill	28,138	28,138	28,138
Other Assets	20,286	13,998	13,774
<b>Total Assets</b>	<b>\$794,058</b>	<b>\$803,193</b>	<b>\$747,573</b>
<b>Liabilities and Equity</b>			
<b>Current liabilities:</b>			
Short-term borrowings*	\$147,000	\$147,000	\$107,000
Accounts payable	134,970	139,933	115,941
Other current liabilities	56,441	56,793	47,192
<b>Total current liabilities</b>	<b>338,411</b>	<b>343,726</b>	<b>270,133</b>
Other liabilities	4,956	5,879	9,009
Himax stockholders' equity	452,917	455,323	468,525
Noncontrolling interest	(2,226)	(1,735)	(94)
<b>Total Liabilities and Equity</b>	<b>\$794,058</b>	<b>\$803,193</b>	<b>\$747,573</b>

\* Short-term borrowings is guaranteed by restricted deposit



# Reported financials – Cash Flow Statement

March 31, 2018



US\$'000

	<b>1Q-2018</b> <b>(Unaudited)</b>	<b>4Q-2017</b> <b>(Unaudited)</b>	<b>2017FY</b> <b>(Unaudited)</b>
<b><u>Profit (loss) for the period</u></b>	<b><u>(\$3,316)</u></b>	<b><u>\$22,863</u></b>	<b><u>\$25,538</u></b>
Depreciation and amortization	5,098	5,098	16,680
Bad debt expenses	0	155	155
Share-based compensation expenses	91	93	997
Gain on disposals of property, plant and equipment	0	(1)	(26)
Changes in fair value of financial assets at fair value through profit or loss	(1)	(23,064)	(23,226)
Interest income	(549)	(554)	(2,225)
Finance costs	252	250	878
Income tax expense (benefit)	(728)	3,989	4,554
Share of losses of associates	844	483	1,200
Inventories write downs	2,954	3,418	12,298
Foreign currency exchange gains of financial assets	(222)	0	0
	<u>4,423</u>	<u>12,730</u>	<u>36,823</u>
Changes in:			
Decrease (increase) in accounts receivable	22,171	(5,901)	(1,665)
Decrease (increase) in inventories	(15,716)	(8,506)	2,250
Increase (decrease) in accounts payable	(4,963)	14,380	(2,336)
Others	(3,597)	(4,847)	7,404
<b>Cash generated from operating activities</b>	<u>2,318</u>	<u>7,856</u>	<u>42,476</u>
Interest received	166	883	2,165
Interest paid	(170)	(170)	(565)
Income tax paid	(37)	(273)	(14,683)
<b>Net cash provided by operating activities</b>	<b><u>\$2,277</u></b>	<b><u>\$8,296</u></b>	<b><u>\$29,393</u></b>
Purchases of property, plant and equipment	(18,550)	(15,537)	(39,292)
Acquisitions of financial assets at amortized cost	(1,897)	(756)	(5,572)
Proceeds from disposal of financial assets at amortized cost	754	0	744
Acquisitions of financial assets at fair value through profit or loss	(4,330)	(4,934)	(41,523)
Proceeds from disposals of financial assets at fair value through profit or loss	26,506	15,088	56,375
Others	(3,243)	(6,020)	(5,820)
<b>Net cash used in investing activities</b>	<b><u>(\$760)</u></b>	<b><u>(\$12,159)</u></b>	<b><u>(\$35,088)</u></b>
Payments of cash dividends	0	0	(41,281)
Release (pledge) of restricted deposit	0	0	(9,000)
Proceeds from short-term borrowings	0	27,000	151,161
Repayments of short-term borrowings	0	(27,000)	(142,161)
Others	11	105	67
<b>Net cash provided by (used in) financing activities</b>	<b><u>\$11</u></b>	<b><u>\$105</u></b>	<b><u>(\$41,214)</u></b>
Effect of foreign currency exchange rate changes	255	299	480
<b>Net increase (decrease) in cash and cash equivalents</b>	<b><u>\$1,783</u></b>	<b><u>(\$3,459)</u></b>	<b><u>(\$46,429)</u></b>
<b>Cash and cash equivalents at beginning of period</b>	<b><u>\$138,023</u></b>	<b><u>\$141,482</u></b>	<b><u>\$184,452</u></b>
<b>Cash and cash equivalents at end of period</b>	<b><u>\$139,806</u></b>	<b><u>\$138,023</u></b>	<b><u>\$138,023</u></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.



# Contact us

## Company

### Jackie Chang, CFO

Main: +886-2-2370-3999 #22300  
US Office: +1 (949) 585-9838 #252  
[jackie\\_chang@himax.com.tw](mailto:jackie_chang@himax.com.tw)

### Ophelia Lin, IR Project Deputy Director

Main: +886-2-2370-3999 #22202  
[Ophelia\\_lin@himax.com.tw](mailto:Ophelia_lin@himax.com.tw)

## Auditor



## US Investor Relations



### Greg Falesnik

Main: +1 (212) 301-7130  
[greg.falesnik@mzgroup.us](mailto:greg.falesnik@mzgroup.us)  
<http://www.mzgroup.us>

## Corporate Counsel



## SEC Legal Counsel

