



# Himax

*Human Interface and Display Technologies*

Nasdaq : HIMX

***August 2021 INVESTOR PRESENTATION***

Factors that could cause actual events or results to differ materially from those described in this conference call include, but are not limited to, the effect of the Covid-19 pandemic on the Company's business; general business and economic conditions and the state of the semiconductor industry; market acceptance and competitiveness of the driver and non-driver products developed by the Company; demand for end-use applications products; reliance on a small group of principal customers; the uncertainty of continued success in technological innovations; our ability to develop and protect our intellectual property; pricing pressures including declines in average selling prices; changes in customer order patterns; changes in estimated full-year effective tax rate; shortage in supply of key components; changes in environmental laws and regulations; changes in export license regulated by Export Administration Regulations (EAR); exchange rate fluctuations; regulatory approvals for further investments in our subsidiaries; our ability to collect accounts receivable and manage inventory and other risks described from time to time in the Company's SEC filings, including those risks identified in the section entitled "Risk Factors" in its Form 20-F for the year ended December 31, 2020 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.

# Recognized Industry Leader



For the last 30 years, we have worked with leading OEMs to develop the most recognized imaging and human interfacing technologies.

## 1990s

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



## 2000s

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



## 2010s

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

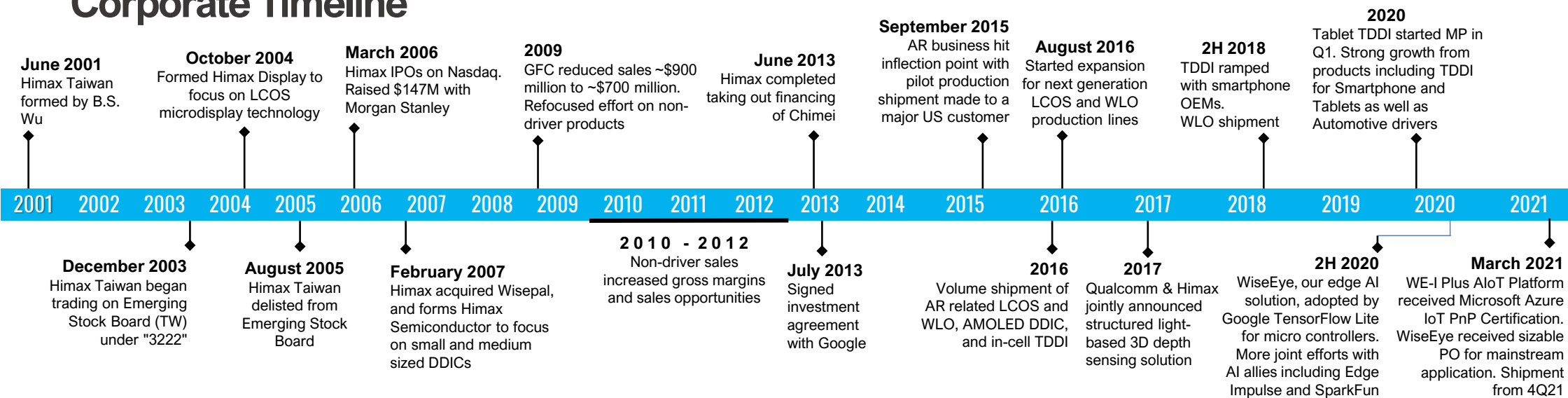


## 2018 and Beyond

Himax leads WLO shipment and development with North American OEM customer, 3D sensing for Android. LCOS advancements for AR & HUD, CMOS for Notebook and Webcam, and WLO integration keep Himax at the forefront of AR/VR product design and pending product releases. Smart Sensing for Edge AI



## Corporate Timeline



## Leading Imaging and Human Interfacing Technology Innovator

- Global display driver player with a wide range of display technologies for panels of all sizes
- Thousands of patents for Himax's IP and designs
- Imaging technology and human interfacing total-solution provider

## Diversified Base of Customers and Revenues

- DDIC market share leader
- Penetration throughout all display market segments and with a leading position in several segments, including automotive
- Diversified revenues from traditional large and small/medium DDICs to TDDI, Timing controller, WLO, 3D Sensing, CIS, Smart Sensing and LCOS microdisplays
- Top-tier partnerships with major U.S. and Asian AP platform providers, device makers, and the world's biggest tech names
- Expect non-driver product lines to improve corporate profit margin

## Operational and Public Market Performances

- Long-term profitability potential with no fund raising since IPO
- Focus on delivering P&L improvement by executing on the technologies Himax already developed for both driver IC and non-driver IC areas
- Committed to high dividend payout ratio

## Innovative New Products Capturing Growth Markets

- TDDI and AMOLED technologies fuel growth for core display driver ICs business
- Our leading specifications and continuous design-wins for WLO, 3D sensing, AoS CIS, ultralow power Smart Sensing, LCoS microdisplay, all position Himax at the forefront of new product development for future product releases covering Structured Light & ToF, AR/VR, Medical Devices, Robotics, AIoT, Edge AI, Smart Home, Automotive LiDAR, AR-HUD applications

## Visionary Management Team

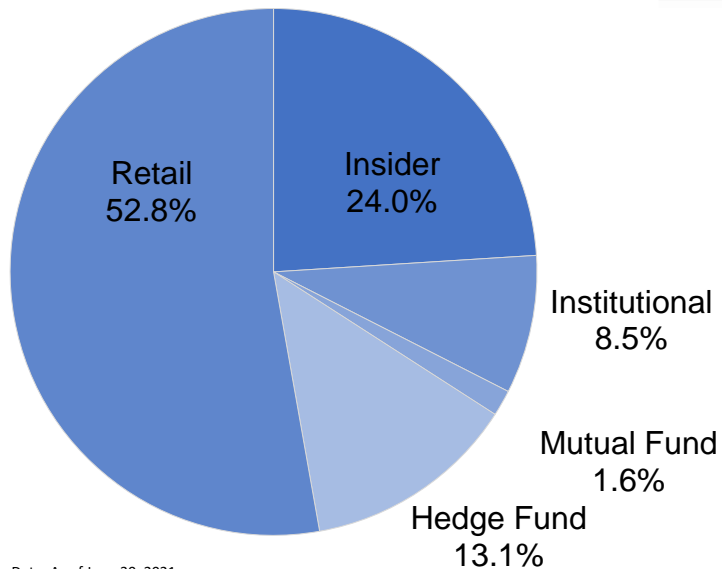
## HIMX Nasdaq Listed

|  |                    |
|--|--------------------|
| <b>Fiscal Year</b>   | <b>December 31</b> |
| <b>Last-Traded Price (8/4/21)</b>  | <b>\$13.88</b>     |
| <b>Diluted Weighted Ave. Out. ADS</b>                                    | <b>174.7M</b>      |
| <b>Equivalent ADS Out</b>  | <b>174.3M</b>      |
| <b>Market Capitalization (8/4/21)</b>                                    | <b>\$2,416M</b>    |
| <b>Average Volume</b>  | <b>4.14M</b>       |
| <b>Insider Ownership*</b>  | <b>24.0%</b>       |
| <small>* Insider ownership includes executives and board members</small> |                    |

## 12 Month Trading Chart



## Shareholder Type



Date: As of June 30, 2021

## Analysts

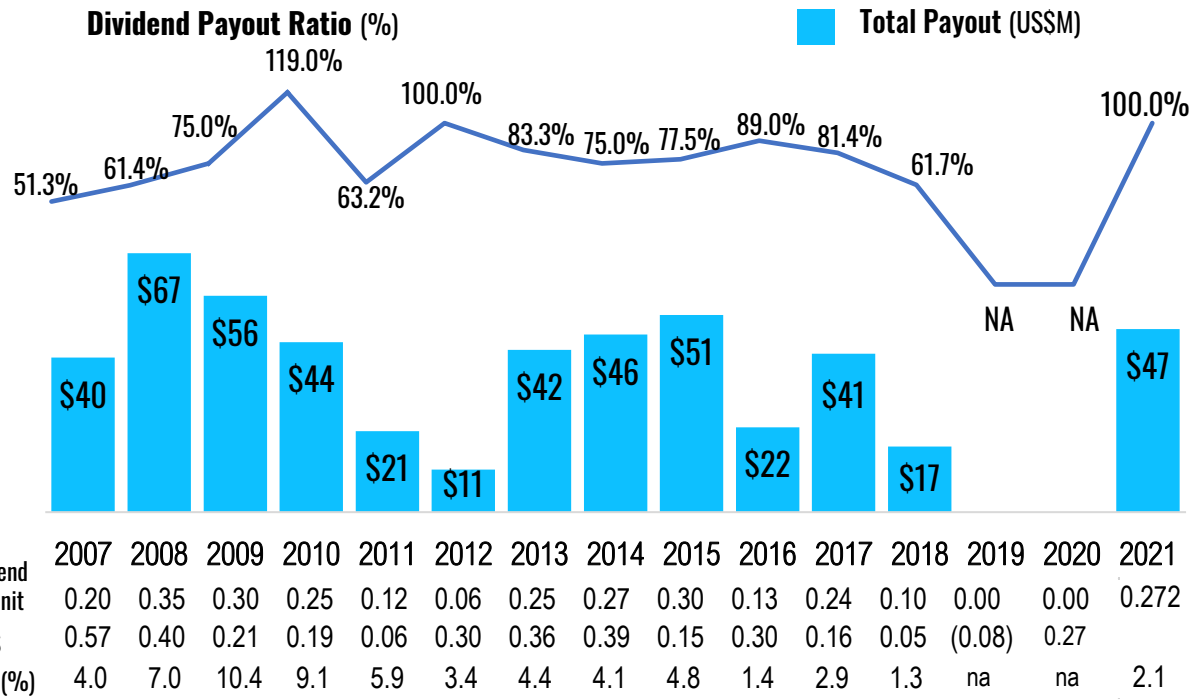
**Credit Suisse**  
**Mizuho Securities Asia Ltd.**  
**Nomura Securities**  
**Baird Equity Research**  
**Vertical Group**

Jerry Su  
 Kevin Wang  
 Donnie Teng  
 Tristan Gerra  
 Jonathan Lopez

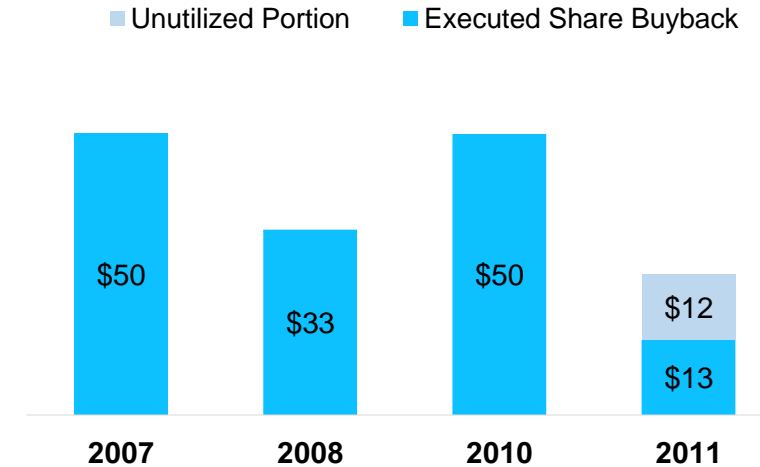
# History of Dividend and Share Buyback



**\$651** MILLION HAS BEEN RETURNED TO SHAREHOLDERS INCLUDING DIVIDENDS AND SHARE BUYBACKS SINCE IPO



## Executed Share Buybacks from 2007-2021 (US\$M)



### Himax Dividend and Policy

- Distributed a total of \$505 million of cash dividend since IPO
- Dividends referenced primarily on prior year's profitability and cash demand for future growth
- Typically pays out annual cash dividend at approximately the middle of the current calendar year, e.g., 2021 dividend payouts in July was for fiscal year 2020
- 2021 high dividend payout ratio reflected the confidence we have in our ability to execute on strategic growth initiatives, strong financial position for 2021 and overall long-term growth prospect

### Himax Share Buyback

- Initiated four share buyback programs totaling \$158 million since 2007
- Repurchased a total of 46.5 million ADSs as of 2012 at average purchase price per ADS: \$3.15
- *Note: On 11/30/2018 Himax chairman announced share purchase plan. Chairman Dr. Biing-Seng Wu intended to use his personal funds to purchase up to approximately \$5 million of the Company's American Depositary Shares ("ADSs") in the open market, subject to market conditions and other factors*

# Q2 Summary and Q3 Guidance



|                           | 2Q2021   | 1Q2021   | 2Q2020   | YoY       | QoQ    |
|---------------------------|----------|----------|----------|-----------|--------|
| Revenues                  | \$365.3M | \$309.0M | \$187.0M | +95.3%    | +18.2% |
| Gross Margin (%)          | 47.5%    | 40.2%    | 21.0%    | +26.5%    | +7.3%  |
| Non-IFRS Profit           | \$109.1M | \$67.1M  | \$1.7M   | +6,199.2% | +62.6% |
| Non-IFRS Earnings per ADS | \$0.624  | \$0.384  | \$0.010  | +6,142.6% | +62.5% |
| IFRS Profit               | \$108.9M | \$66.9M  | \$1.4M   | +7,773.5% | +62.8% |
| IFRS Earnings per ADS     | \$0.623  | \$0.383  | \$0.008  | +7,702.7% | +62.7% |

|                                  | 2020     | 2019      | YoY     |
|----------------------------------|----------|-----------|---------|
| Revenues                         | \$887.3M | \$671.8M  | +32.1%  |
| Gross Margin (%)                 | 24.9%    | 20.5%     | +4.4%   |
| Non-IFRS Profit (Loss)           | \$52.3M  | (\$12.1M) | +531.5% |
| Non-IFRS Earnings (Loss) per ADS | \$0.302  | (\$0.070) | +529.4% |
| IFRS Profit (Loss)               | \$47.1M  | (\$13.6M) | +446.2% |
| IFRS Earnings (Loss) per ADS     | \$0.272  | (\$0.079) | +444.6% |

## 3Q2021 Guidance

|                  |  |
|------------------|--|
| Revenues         | Increase by 13% to 17% sequentially                      |
| Gross Margin (%) | To be 50.5% to 52.0%, depending on our final product mix |
| Non-IFRS Profit  | To be around 75.0 cents to 81.0 cents                    |
| IFRS Profit      | To be around 63.0 cents to 69.0 cents                    |

- 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
- 3,023 patents granted and 503 patents pending approval worldwide as of June 30, 2021
- NASDAQ-listed since March 2006 (HIMX)
- Around 2,000 employees worldwide; more than 90% are engineers
- Headquartered in Tainan, Taiwan with 9 R&D centers in Taiwan, China, Korea, Israel and U.S., out of a total of 24 offices across Taiwan, China, Japan, Korea, Israel and U.S.

## Himax's Global Reach




**HEADQUARTERS**  
Tainan, Taiwan





Nasdaq Listed  
**Himax Technologies, Inc.**



## Himax Technologies, LTD.

- TFT-LCD Drivers, EPD Drivers, Micro LED Drivers and AMOLED Drivers
- TCON and Bridge IC
- Touch Controllers
- Pure in-cell Touch (TDDI)
- AIoT Edge AI Processors
- 3D Decoder Processors
- ASIC Service and IP Licensing
- Power Management ICs, P-Gamma OP, Level Shifter and LED Driver
- Wafer Level Optics and 3D Sensing Modules
- 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, Holographic Displays and AR-HUD
- Light Guide



## Himax Imaging, LTD.

- CMOS Image Sensors
- Ultralow Power Always-on (AOS) CMOS Image Sensors



**Himax**

**Our Technologies Are  
Used by Consumer Brands Worldwide**





We are a leader in display driver ICs used to enable large, small and medium-sized flat panel displays in TFT and Touch

## MARKETS WE SERVE

Smartphones, Tablets, Automotive, Monitors, Notebooks, TVs, Gaming, Education, Industrial, Healthcare plus 100's more applications that use all types of flat panel displays

## In what devices can you find Himax DDIC technologies

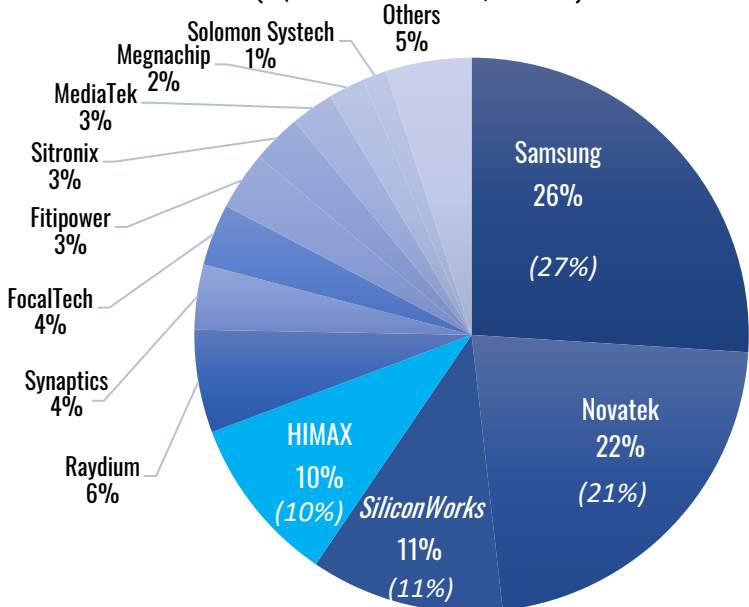


## Who uses Himax DDICs



## 1Q21 Driver Market Share

(4Q20 Market Share %, Revenue)



**We provide a complete solution of image processing technologies and leverage our expertise in TV, Monitor, NB, mobile devices, automotive and other mass-market technology releases**

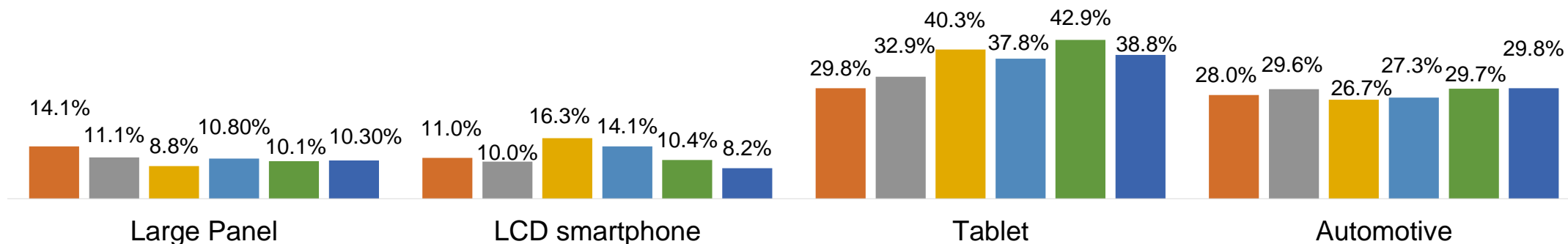
- Large display driver IC business continues to benefit from Chinese panel customers' capacity expansion and Korean fab restructuring
- Strong market share in fastest moving consumer devices including tablet and automotive application
- Major TDDI design-wins and shipments for smartphones, tablets and automotive well executed in 2020 and accelerating into 2021 and beyond

Source: Omdia and company estimates (This covers TFT-LCD and OLED DDICs)

## HIMX's Strong Driver IC Market Share in Mass Market Devices

(Quarterly Market Share %, Shipment)

■ 1Q20 ■ 2Q20 ■ 3Q20 ■ 4Q20 ■ 1Q21 ■ 2Q21



Source: Omdia Q2 2021 data, IDC and Company Estimates (This covers TFT-LCD DDICs)



**We provide technologies for touch sensor displays including in-cell touch and the fast-growing segment of Touch and Display Driver Integration (TDDI) single-chips**

## MARKETS WE SERVE

Beginning with smartphones, expanded to tablets, automotive, and many other consumer electronic devices

- **Smartphone:** LCD TDDI widely adopted for entry & mid-range smartphones with penetration >50% and rapidly replacing traditional DDIC
- **Tablet:** New in-cell TDDI refreshed tablet life cycle starting 1Q20. Himax, the primary supplier for Android tablet tier-1 customers, expects continuous growth in 2021
- **Automotive:** Q2'2019 MP. Himax's TDDI is selected by many leading tier-1 and OEMs for their upcoming first launches of new vehicles. Expect meaningful production shipments from 2021 and into 2022

## In what devices can you find Himax TDDI technologies



## Who uses Himax Touch and TDDI Technologies





We offer industry leading WLO design know-how and mass production expertise in structured light and ToF. Himax 3D sensing offers SLiM total solution with leading face recognition feature and key components, 3D decoder IC, to reach out diversified end applications

## MARKETS WE SERVE

### Wafer Level Optics (WLO):

- DOE, diffuser, lens and other nanoimprinting diffraction optics for structured light, ToF and others. Accelerating new design activities of ToF projectors in world-facing ToF 3D sensing camera for smartphone
- Waveguide for AR and LCoS. Lens for CIS

### 3D Sensing:

- e-payment, smart door lock, access control, medical inspection, shoe cementing and industrial robotics

## In what applications can you find Himax WLO and 3D Sensing



## 3D Ecosystem Partners



Others

# Ultralow Power Smart Sensing and CIS



Himax Smart Sensing brings computer vision AI to edge devices with extremely low power. We participated tier-1 edge-to-cloud ecosystems for broad market access. Himax CMOS image sensors include RGB, near infrared (NIR) and ultralow power Always-on Sensor (AoS)



Significant motion



Face detection



Head detection



Head motion box

## AI Ecosystem Partners



## MARKETS WE SERVE

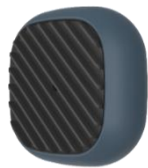
### Smart Sensing:

- NB, air conditioner, battery camera, automotive, panoramic video conferencing, utilities meter, QR code reader, doorbell, door lock, smart buildings, manufacturing, retail, agriculture

### CIS:

- Ultralow power AoS:** Best for IoT/smart sensing in human/occupancy detection, eye tracking & gesture control
- NIR:** 3D sensing and smart sensing
- RGB:** NB and web camera

## In what applications can you find Himax 3D/Smart Sensing technologies



# LCoS Microdisplays



**We are the leader and long-term innovator of Liquid Crystal on Silicon (LCoS) displays and one of the companies capable of high-volume production runs of LCoS displays for the launch of mass-market devices**

## **Front-Lit LCoS Technology Advantages**

- Compact form factor, brightness, power efficiency
- Simpler optical engine design and lower cost



## **MARKETS WE SERVE**

### **LCoS and Front-Lit LCoS**

- Industrial, consumer, shopping, search, gaming, sports, pico projector, AR/VR smart glasses, automotive head-up displays, Tier-1 OEM's market leading AR glasses

### **Phase Modulation and Beam Steering**

- Holographic display, AR-HUD, WSS, ADAS and LiDAR

## **Who uses Himax LCoS micro display technologies**





# Our Customers



## DISPLAY DRIVERS



## WAFER LEVEL OPTICS



Others

## ASIC SERVICE & IP LICENSING



## POWER MANAGEMENT IC & LED DRIVERS



## CMOS IMAGE SENSORS



## LCOS MICRODISPLAYS



## TDDI & TOUCH CONTROLLERS



## TIMING CONTROLLERS

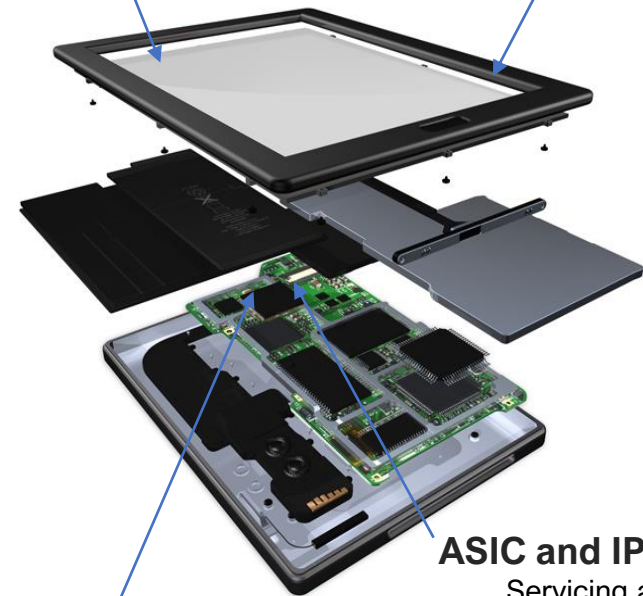


## We are In Displays

- Display Driver
- TCO
- 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



# Fabless Manufacturing Expertise



## Display Driver

### Wafer Fabrication



### Gold Bumping



### Processed Tape



### Chip Probe Testing



### Assembly and Testing



## CMOS Image Sensor Back-end

### Package



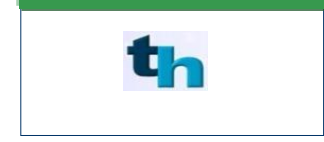
### Chip Probe Testing



### FT



### RW



## SOC

### Chip Probe Testing

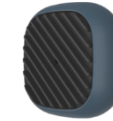


### Package



### FT





**Himax**

# Market Opportunities by Product Application and Himax Strategies

## Market Trends

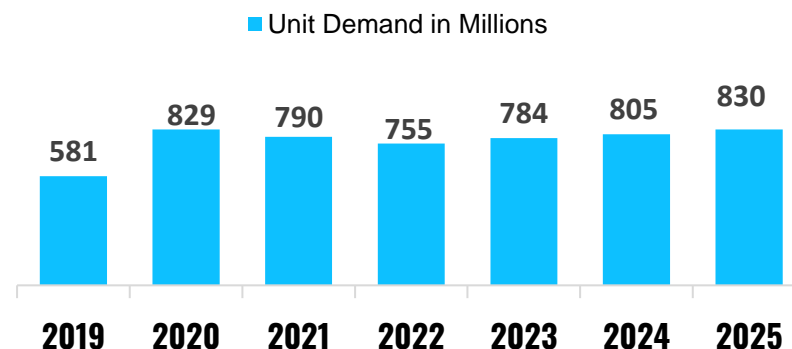
- Expect higher TDDI penetration in tablet and auto going forward
- TDDI fits in consumer demand for slimmer devices
- Higher penetration of TDDI is refreshing smartphone /tablet/ automotive life cycle, creating higher dollar content and margin
- Panel size and quantity inside the car are increasing, driving higher demand of TDDI of automotive

## Himax Strategies and Market Position

### TDDI pure in-cell solution

- Numerous new design-wins and shipment with top-tier tablet and smartphone makers started 4Q19
- TDDI is the biggest growth driver for Himax from 2020. Amid semiconductor capacity shortage, we strategically favor high margin product segments such as tablet and automotive as we are the main or sole supplier to customers
- In-cell TDDI is becoming mainstream for non-iOS tablet, where Himax is the primary source. Mass production started for major Tier-1 OEMs since 1Q20, with robust growth from 2020 and into 2021
- Himax dominates automotive TDDI technology with mass production experience and advanced specification for leading panel makers. Small volume shipments in 2020. Expect a ground-breaking and staggering sequential increase start from 2H 2021
- Product migration and new TDDI product development towards higher performance, ultra slim bezel and higher resolution feature

### Global Smartphone TDDI Demand Forecast 2019-2024 (Omdia, 2021)



### TDDI Technology Enables OEMs to Manufacture Thinner, Better and Less Expensive Phones



# Display Driver IC (DDIC)



## Market Trends

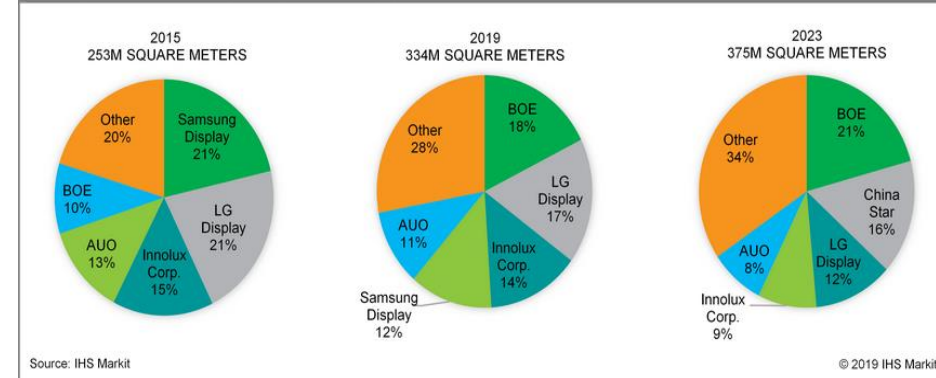
- Chinese panel makers, benefited from Korean fab restructuring and increased their global market share, will procure more volume from Taiwan DDIC supply chain
- Leading Chinese panel makers' shipments continue to dominate the market. China ranked the No. 1 position with its total TFT-LCD capacity
- 4K TV penetration accelerates; 8K TV started to emerge
- Demand for IT panel (monitor and NB) surged in 2020 due to the pandemic
- Demands for more sophisticated and higher performing displays are rising in the automotive segment

## Himax Strategies and Market Position

- Leading market share of large DDIC in China
- Major beneficiary of Industry and Korean fab restructuring which will increase Chinese panel maker's global market share
- Increased shipments of 4K solutions. Collaborate with major panel makers on the development of next generation 8K TVs. 8K TV is a strategic area for Himax due to its higher display driver and Tcon content and high technical barrier of entry
- Leader in higher frame rate and low power solution in high end gaming monitor and NB market
- Not only DDIC, Himax also provides comprehensive TCON lineups for a total solution to meet demands of high resolution, high frame rate and low power display

## China Takes a Leading Role in Display Panel Manufacturing and DDIC Demand

FPD production capacity share by year



# WLO and 3D Sensing



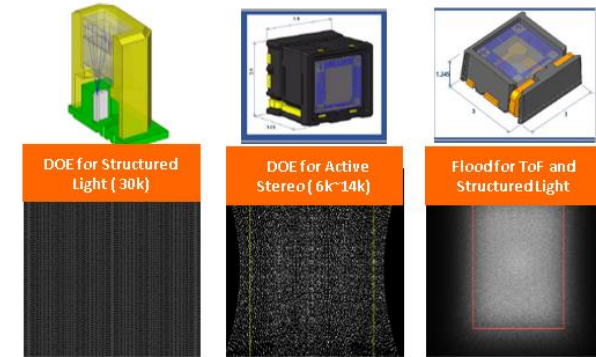
## Market Trends

- Wafer-Level Optics (WLO) remains the best technology for structured light, Time-of-Flight (ToF) related 3D sensing
- Very few companies can provide advanced WLO solutions to achieve optical high efficiency, small form factors, and eye safety regulations for consumer devices
- 3D sensing is expected to be widely adopted by smartphones, AR/VR, e-payment and access control, etc

## Himax Strategies and Market Position

- WLO: Exceptional design know-how and mass production expertise. We deliver consistent product quality and high yields for WLO anchor customer's large-scale adoption since 2015 with continuous shipment
- Continue to participate the most advanced 3D sensing projects covering structured light for non-smartphone applications and ToF for smartphone
- Collaborating with tier-1 laser and sensor partners to develop new world-facing 3D sensing camera for tier-1 OEM whereby we provide optical components and/or projectors, which are critical for the performance of the whole ToF solution
- Offer market leading 3D decoder ASIC to customers who wish to design their own structured light 3D sensing solution. Good achievement in e-payment engagement in China. Welcomed by 3D industry in areas where privacy is of importance
- In non-smartphone, working with industry-leading facial recognition algorithm and application processor partners to develop new 3D sensing application for business access control, medical inspection, etc
- 3D sensing will be the growth opportunity for Himax beyond 2021

## Himax WLO for 3D Sensing



**Wafer Level Process**  
 Integrated Optics  
 High Accuracy  
 Scalability In Production



**Mini Package**  
 Ultra Small Size & Package

## WLO for 3D ToF / Structured Light



# Ultralow Power Smart Sensing and CIS



## Market Trends

- Smart AI devices demand boosted, but very few companies can provide ultralow power solutions in vision AI in the area of human detection, people tracking, people counting, and anti-peeking warning
- Adoption for AI-based, ultralow power smart sensing solution is expected to be wider in 2021 for AIoT applications, including smart home, smart building, and devices for industrial, tracking and AR/VR purposes

## Himax Strategies and Market Position

- Himax Ultralow Power CMOS Image Sensor (CIS):
  - Industry first ultralow power and low latency back-illuminated CIS solution for always on, intelligent visual sensing
  - Our CIS includes near infrared (NIR) sensors for 3D sensing and ultralow power computer vision Always-on-Sensor (AoS). Good for smart building and security applications, next generation NB, and AR/VR for mobile devices
  - Support qqHD/QVGA/VGA AoS and industrial first 2-in-1 RGB/NIR/AI sensor
  - Reference design win for Google TensorFlow Lite
- Himax Smart Sensing:
  - WiseEye total solution: Composed by industry leading AoS, AI processor and TinyML AI algorithm. Meet strong demands for edge AI devices with features of ultralow power. Optimize computer vision-based total solutions in applications such as NB, air conditioner, battery camera, door lock, doorbell and many other. Q1'21 Received sizable orders for mainstream application from an existing global client. Q2'21 achieved several design-wins in areas such as smart meter, battery camera and panoramic video conference from global leading brands. Expect shipment from 4Q21
  - Key component business model: We reinforce our go-to-market strategy by intensively participating cutting-edge AI ecosystem and cloud service partners' AI infrastructure, such as Google TensorFlow Lite for Microcontrollers, Microsoft Azure, Arm AI Partner Program and tinyML Foundation

## Who uses Himax CIS



## Ultralow Power Sensor Applications



### Best For IoT/Smart Sensing

Face/Body Detection,  
Eye Tracking & Gesture Control,  
3D Depth Sensing



# LCoS Microdisplays

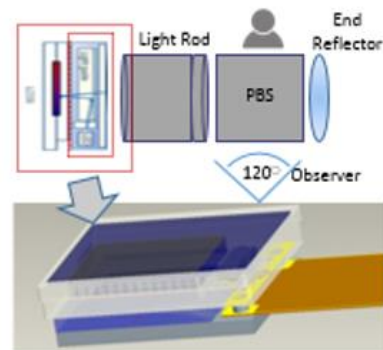


## Market Trends

- Many top name multinationals and start-ups are investing heavily to develop the AR ecosystem, including applications, software, operating systems, system electronics and optics
- Capabilities in technology know-how and scalable manufacturing are significant barriers of entry to new market entrants and existing technology companies
- Himax can provide the integrated services of R&D, joint development and manufacturing expertise

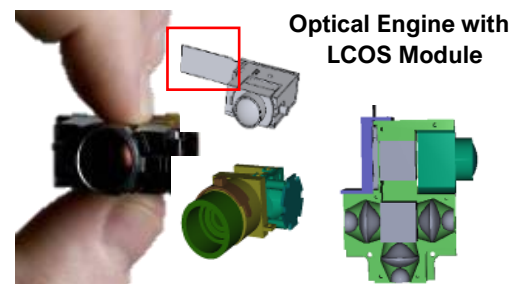
## Himax Strategies and Market Position

- The leader in microdisplays with patent-protected technology, in-house facilities and shipping record of > 4M units
- Focus on AR goggle devices and HUD for automotive applications
- Customer list for AR goggle device covers many of the world's biggest tech giants. Many of whom demoed their new AR goggles at CES 2020
- LCoS is one of the mainstream technologies for AR goggle devices. On-going collaboration with global Tier 1 AR glasses device manufacturers since 2011
- Design-wins of high-end HUD for the automotive sector
- Introduced Phase Modulation technology for LCoS 2.0 microdisplay. Aiming holographic display for AR-HUD, LiDAR for autonomous driving or ADAS, WSS for WDM
- LCoS represents a long-term growth opportunity for Himax

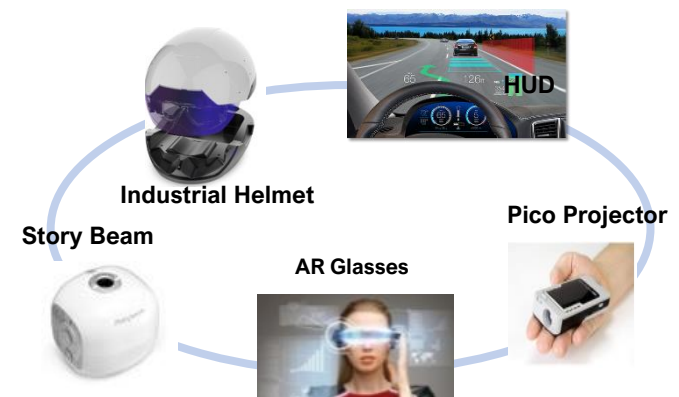
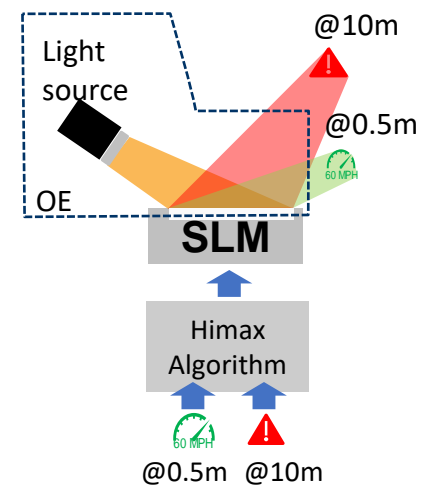


### Front Lit LCoS Advantages

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



### LCoS 2.0 Phase Modulation





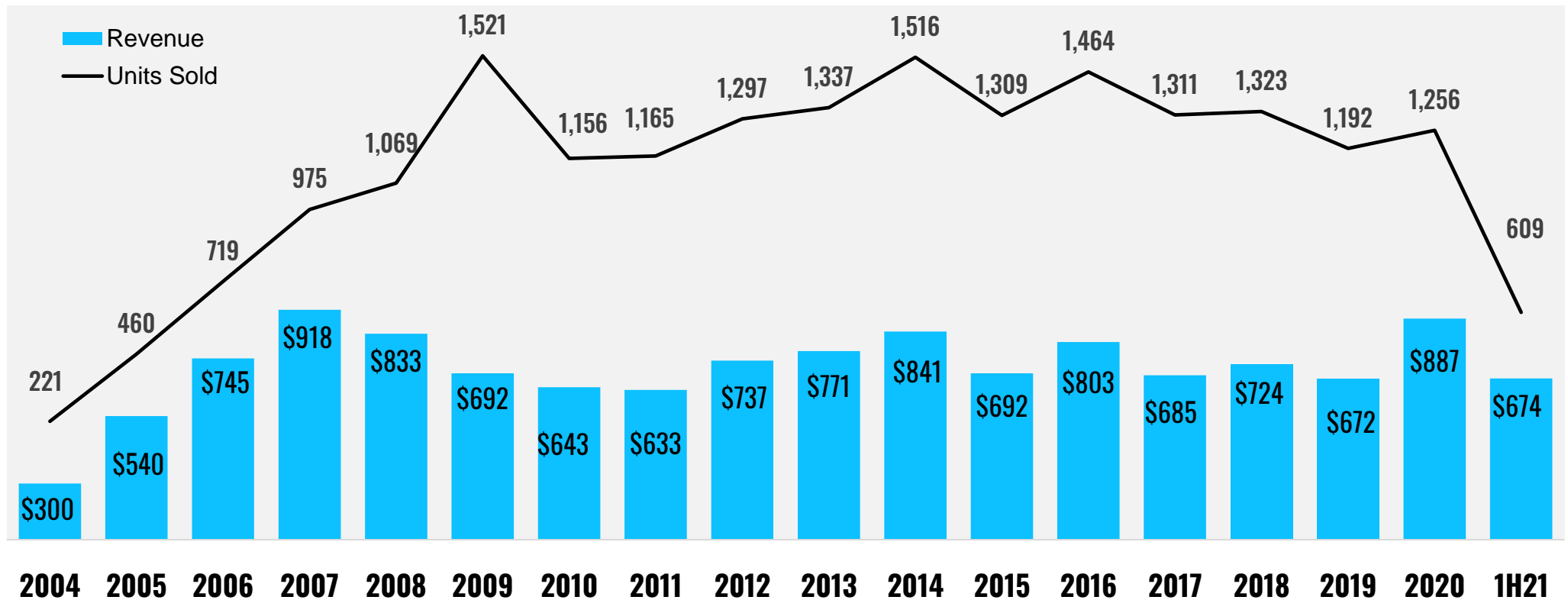


# 2021 YTD Financial Review



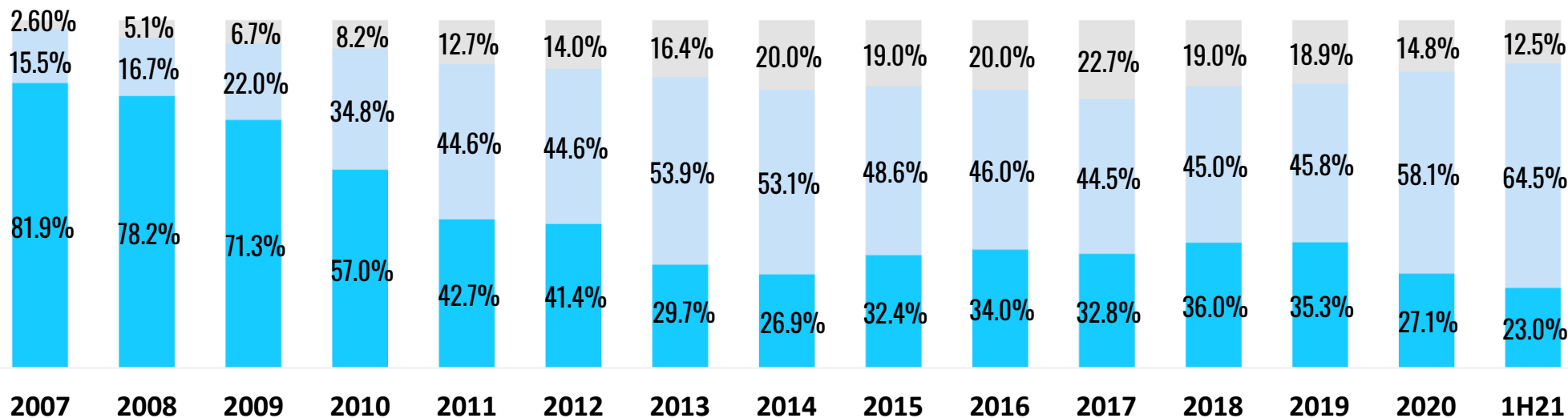
We are One of the Leading Semiconductor Companies in the World

**Units Sold and Revenue** (in millions of units and millions of USD)



## Category Product Mix

■ Large Panel Drivers ■ S/M Panel Drivers ■ Non-Driver



| Revenue (US\$M) | 2007  | 2008  | 2009  | 2010  | 2011  | 2012  | 2013  | 2014  | 2015  | 2016  | 2017  | 2018  | 2019  | 2020  | 1H21  |
|-----------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
|                 | \$918 | \$833 | \$692 | \$643 | \$633 | \$737 | \$771 | \$841 | \$692 | \$803 | \$685 | \$724 | \$672 | \$887 | \$674 |

- **Global market leader in driver ICs for large and small & medium-sized panels**
  - Market leader in tablet TDDI with mass production from 2020 Q1. Strategically favoring tablet over smartphone for high margin amid short capacity
  - Continuous growth in smartphone segments with selected customers amid short capacity
  - Advantages of leading technology and mass production record in automotive driver. Expect further market share gains with major panel customers and increasing automotive TDDI adoption
- **Innovative technologies in advanced Tcon, Wafer Level Optics, CIS, Smart Sensing and LCOS microdisplays**
  - Outstanding performance in high value added Tcon including 8K/4K TV, gaming monitor, low power notebook and automotive
  - Smart sensing collaborates with global edge-AI solution partners by actively engaging edge-to-cloud platforms
  - Market leader in 3D sensing for both Structured Light and TOF. 3D decoder IC well adopted in e-payment
  - Enlarge LCoS microdisplay for AR/VR, pico projector and extend to phase modulation LCoS technology for AR-HUD, LiDAR and WSS
  - Top choice of global leaders to jointly develop non-driver category / optical related technologies. Enjoy diversified customer base, strengthened product portfolio and higher gross margin

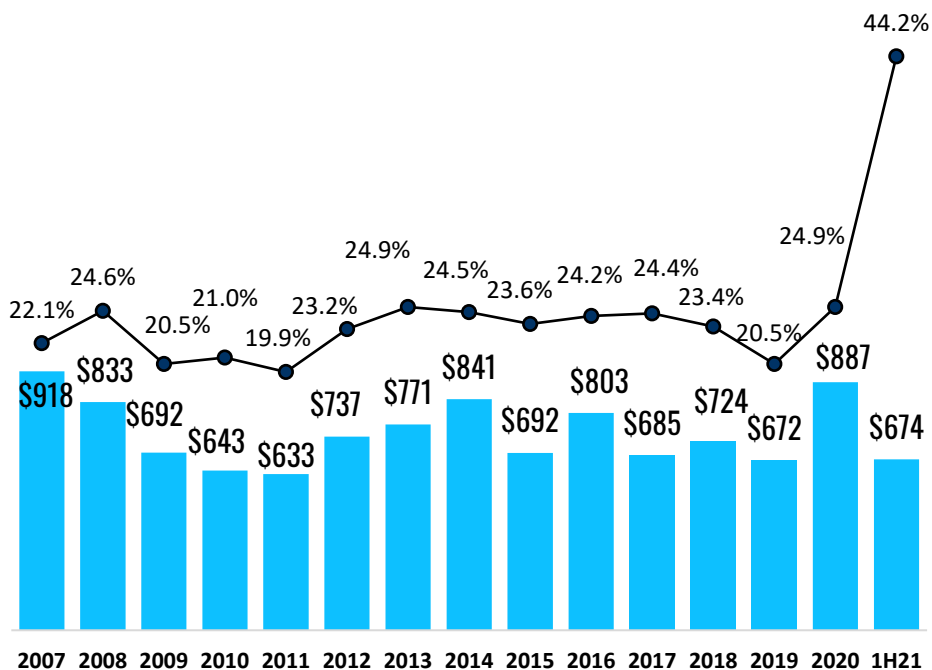
# Gross Margin is a Key Business Focus



Non-IFRS Measures

## Revenue & Gross Margin

US\$M in Revenue and Gross Margin %



Non-IFRS Measures

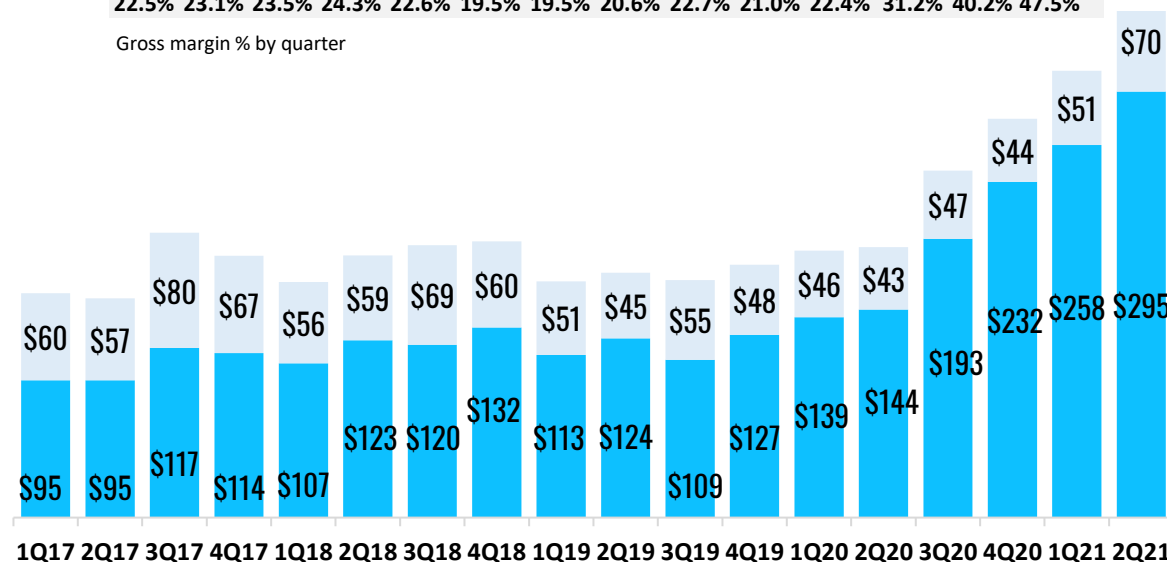
## Geographical Revenue Mix & Quarterly GM

US\$M in Revenue and Quarterly Gross Margin %

China Sales (Blue) | ROW Sales (Light Blue)

| 2018  | 2019  |       |       |       | 2020  |       |       |       | 2021  |       |       |       |       |
|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Q1    | Q2    | Q3    | Q4    | Q1    | Q2    | Q3    | Q4    | Q1    | Q2    | Q3    | Q4    | Q1    | Q2    |
| 22.5% | 23.1% | 23.5% | 24.3% | 22.6% | 19.5% | 19.5% | 20.6% | 22.7% | 21.0% | 22.4% | 31.2% | 40.2% | 47.5% |

Gross margin % by quarter



### Margin improved with favorable product mix

- Revenue growth with improved gross margin in 2021 due to favorable product mix and clientele
- High margin segments supporting our long-term growth
  - Leadership in tablet: a dominate supplier with leading technology spec
  - Leadership in auto: a leading supplier with leading technology spec. Demand unfolding with a trend in electric vehicle and auto pilot
  - New revenue stream: ultralow power and always on sensor are needed for edge AI devices

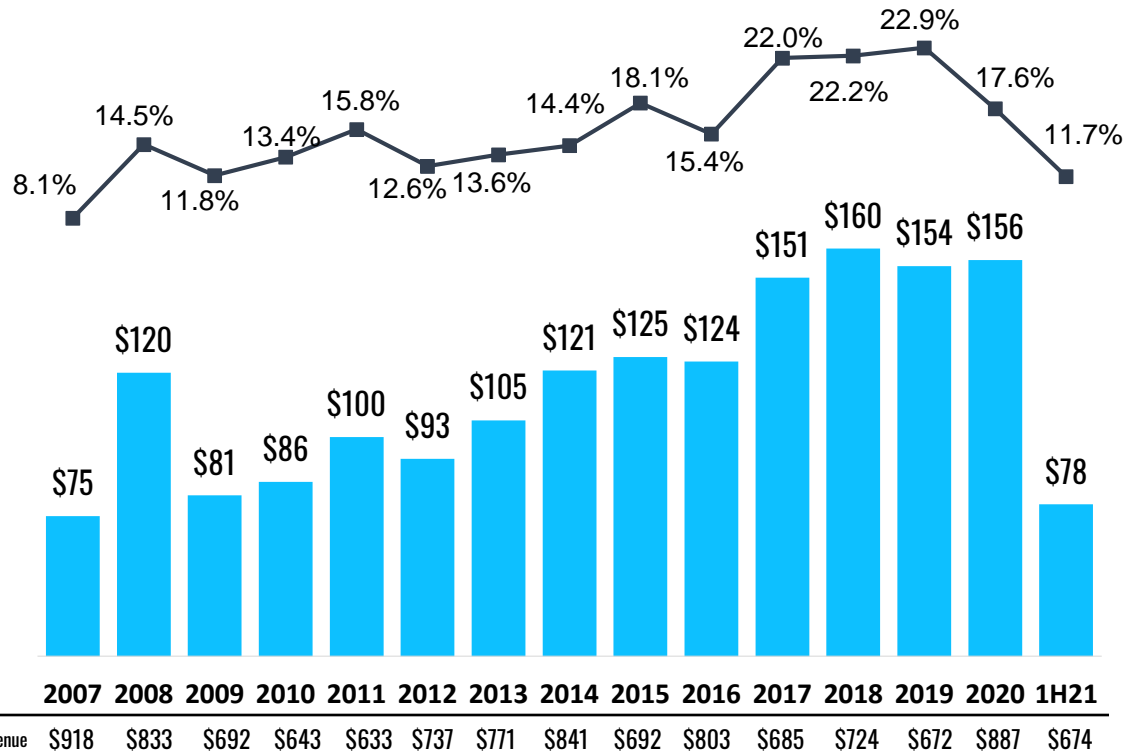
- Improved GM in 2H vs.1H in 2017 driven by more favorable product mix, due to WLO shipments and the one-off customer reimbursements related to AR goggle device in Q3
- 2019 GM declined due to adverse product mix change
- 2020 GM increased due to a more favorable product mix and strong demand derived from the pandemic
- 1H21 GM continued to set a new high for favorable product mix amid capacity shortage
  - Strong demand for monitor and notebook due to WFH/LFH
  - Strong growth in TDDI for smartphone / tablet / automotive
  - Auto demand increase amid emerging demand for EV & autonomous driving

# OPEX and the Bottom Line



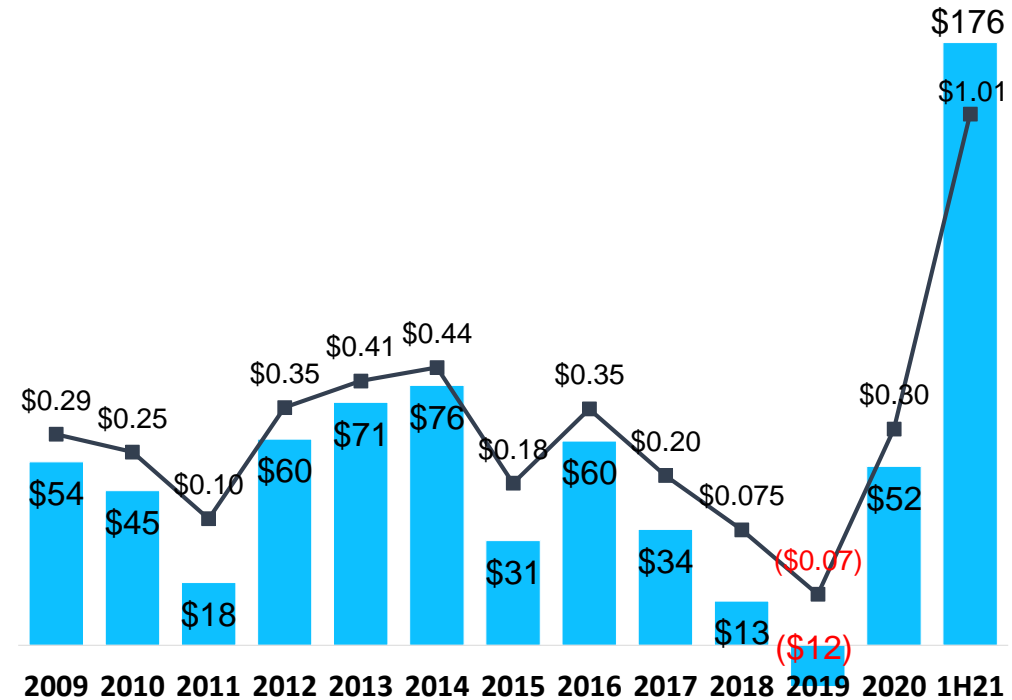
Non-IFRS Measures

## OPEX and % of Total Sales (US\$M / %)



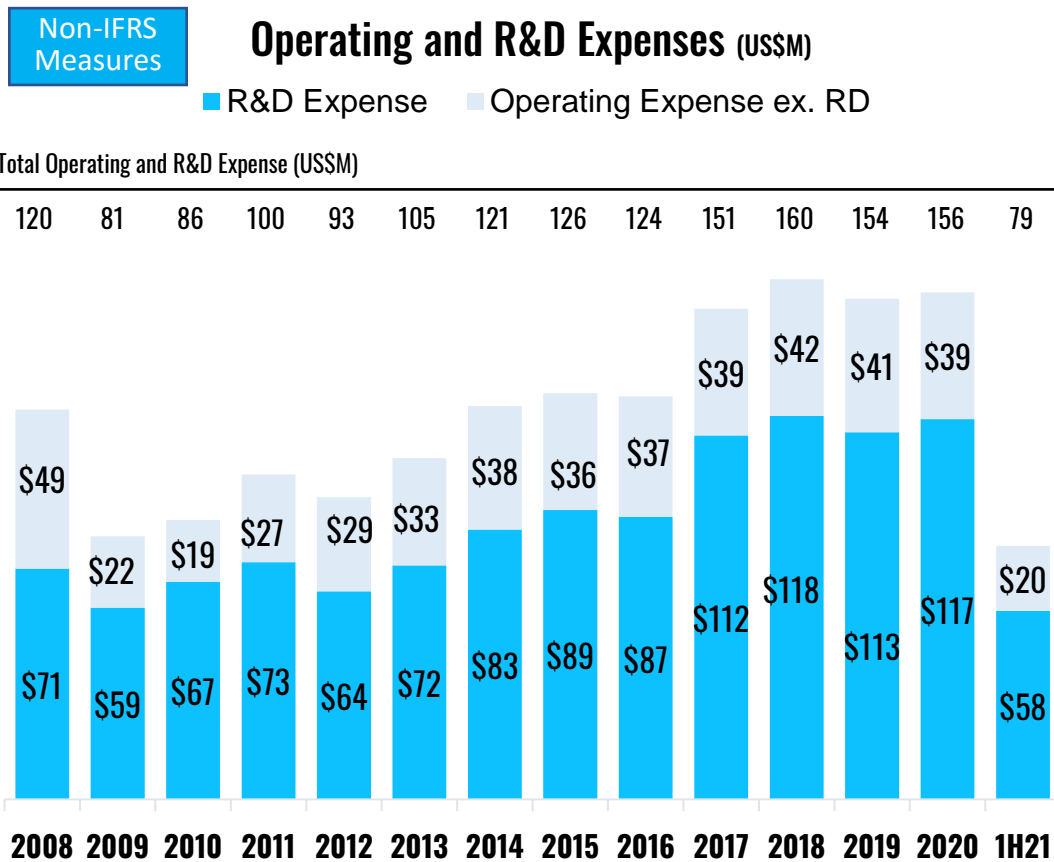
Non-IFRS Measures

## Profit and EPS (US\$M / US\$)

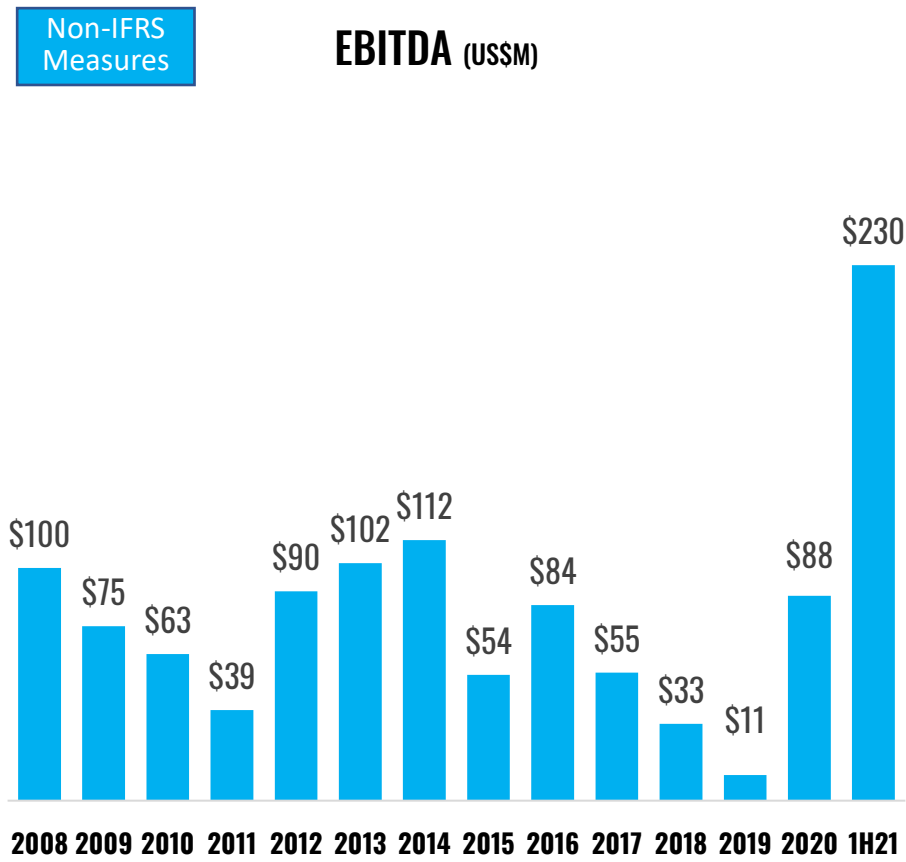


- 2018 & 2019 Higher capex to meet the demands of 3D sensing total solution, projector module or optics
- 2019 Completion of the new WLO facility, including additional WLO capacity, active alignment equipment and extra office
- Continuous commitment to R&D and customer engineering for strategic area with great growth potential in the future
- 2019 Profit declined due to adverse product mix change, weaker market demand and intensified competition
- 1H2021 OPEX Up 6.3% YoY. Operating expense ratio reduced from 19.9% in 1H 2020 to 11.7% in 1H 2021, reflecting our careful management over operating expenses

# Performance History



- Well-manage R&D investment and expense for customer engineering for strategic growth areas including WLO, CIS, TDDI, Auto and AMOLED
- IFRS Share-based compensation from 2014 to 2020: \$11.1mn, \$6.2mn, \$10.2mn, \$6.9mn, \$4.1mn, \$0.4mn and \$5.4mn

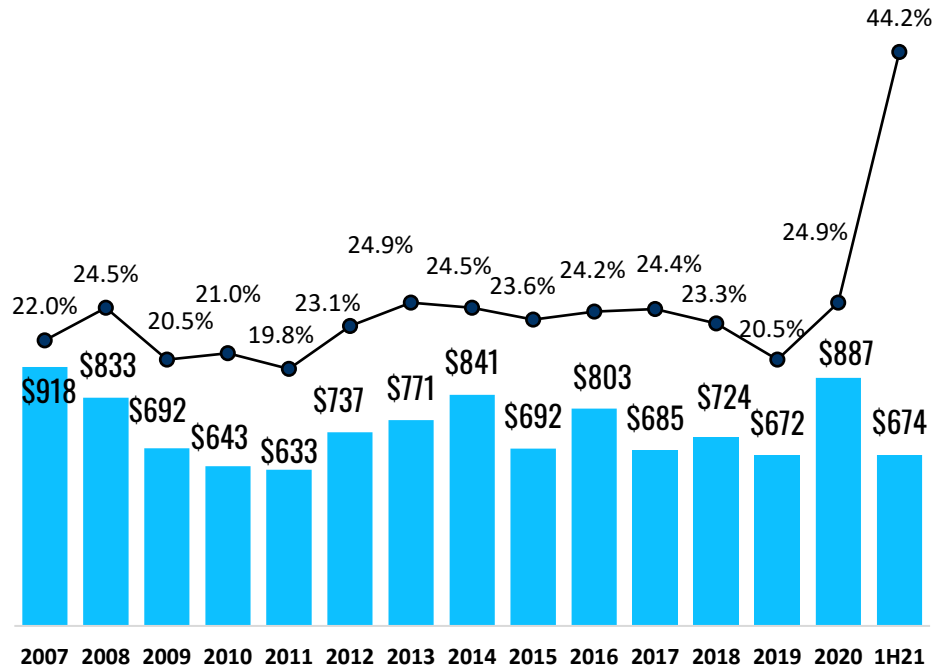


- Robust profit growth in 2016 as a result of revenue growth and GM enhancement from new product
- 2019 profit setbacks caused by lower gross margin due to adverse product mix change
- 2020 & 1H21 much higher gross margin mainly derived from strong demand

IFRS Measures

## Revenue & Gross Margin

US\$M in Revenue and Gross Margin %



IFRS Measures

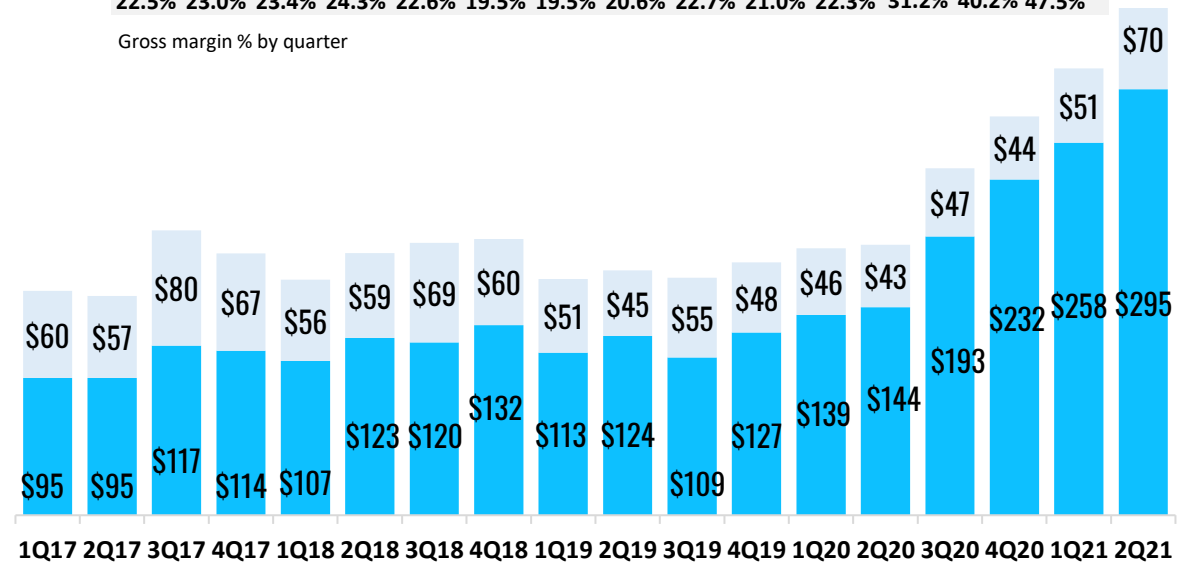
## Geographical Revenue Mix & Quarterly GM

US\$M in Revenue and Quarterly Gross Margin %

China Sales (Blue) | ROW Sales (Light Blue)

| 2018  |       | 2019  |       |       |       | 2020  |       |       |       | 2021  |       |       |       |
|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Q1    | Q2    | Q3    | Q4    | Q1    | Q2    | Q3    | Q4    | Q1    | Q2    | Q3    | Q4    | Q1    | Q2    |
| 22.5% | 23.0% | 23.4% | 24.3% | 22.6% | 19.5% | 19.5% | 20.6% | 22.7% | 21.0% | 22.3% | 31.2% | 40.2% | 47.5% |

Gross margin % by quarter

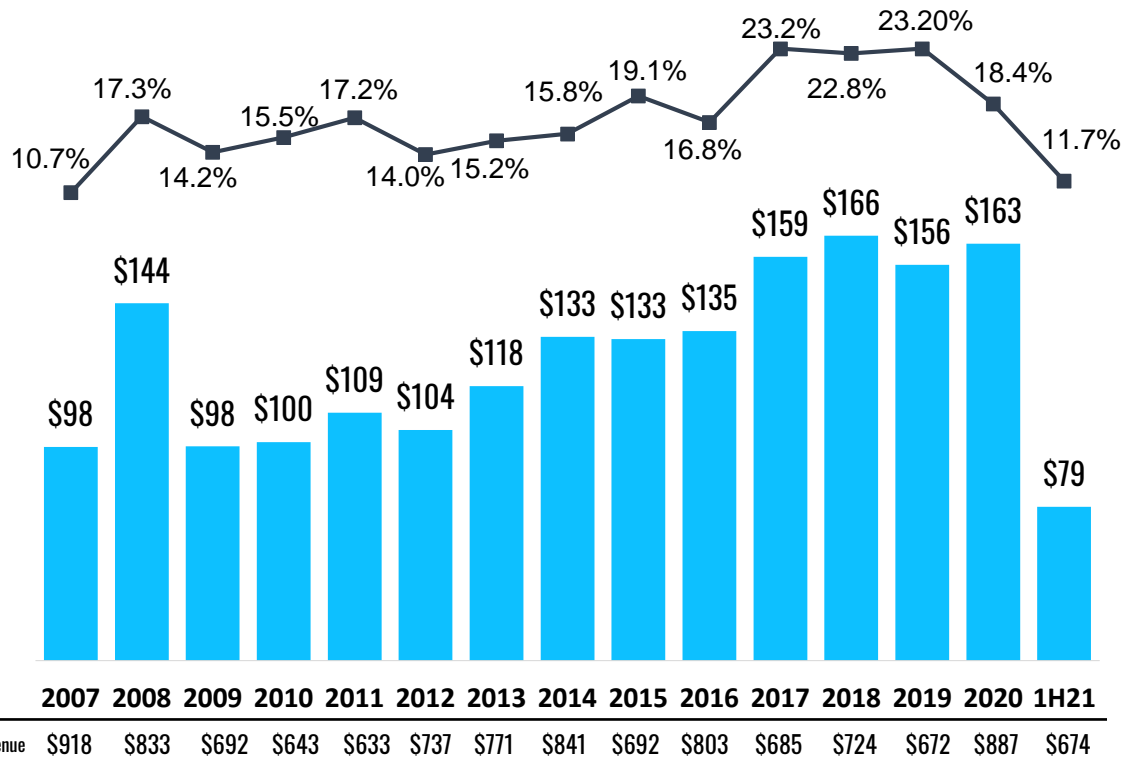


# OPEX and the Bottom Line - IFRS



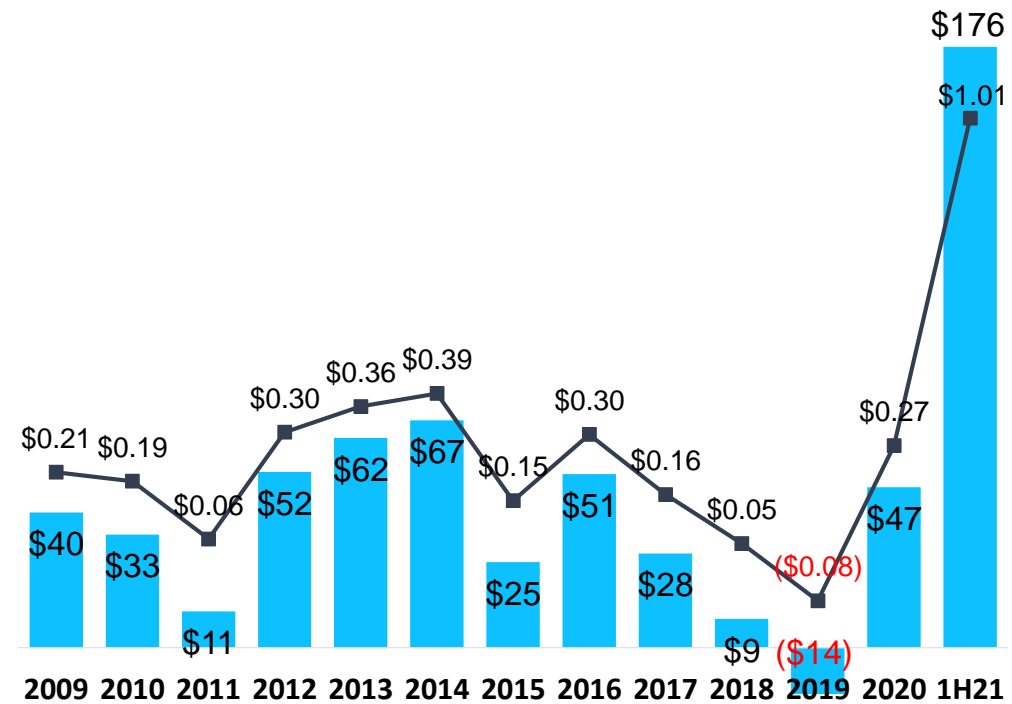
IFRS Measures

## OPEX and % of Total Sales (US\$M / %)



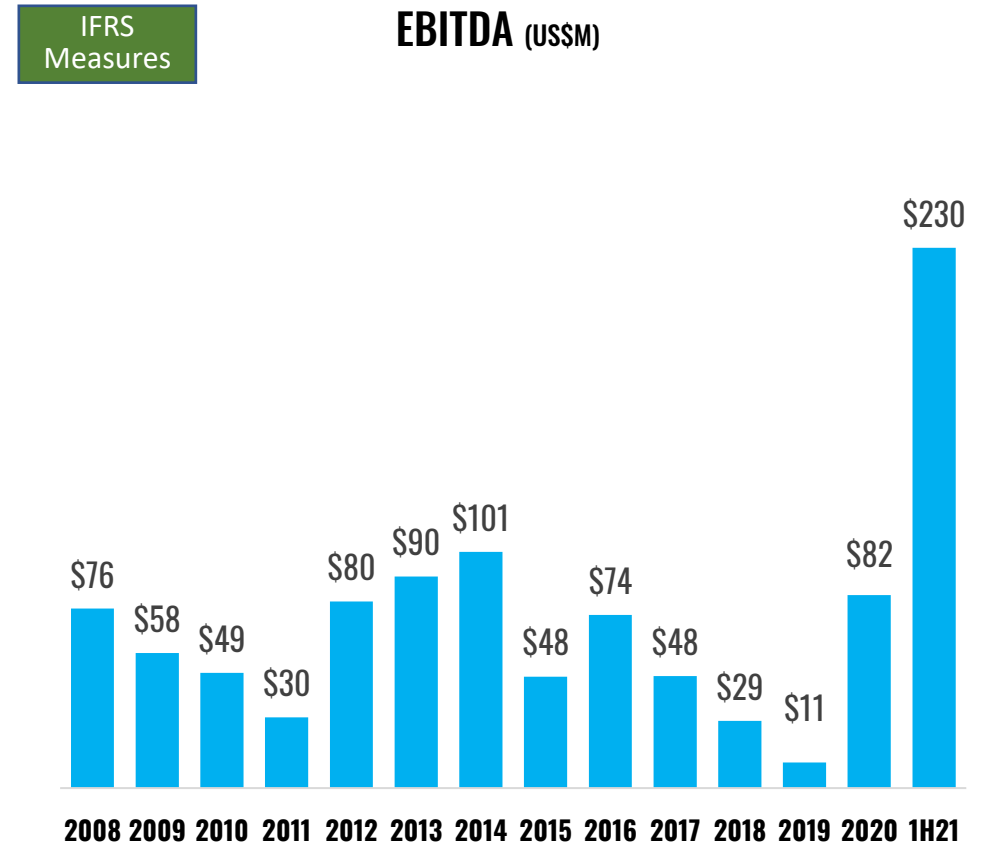
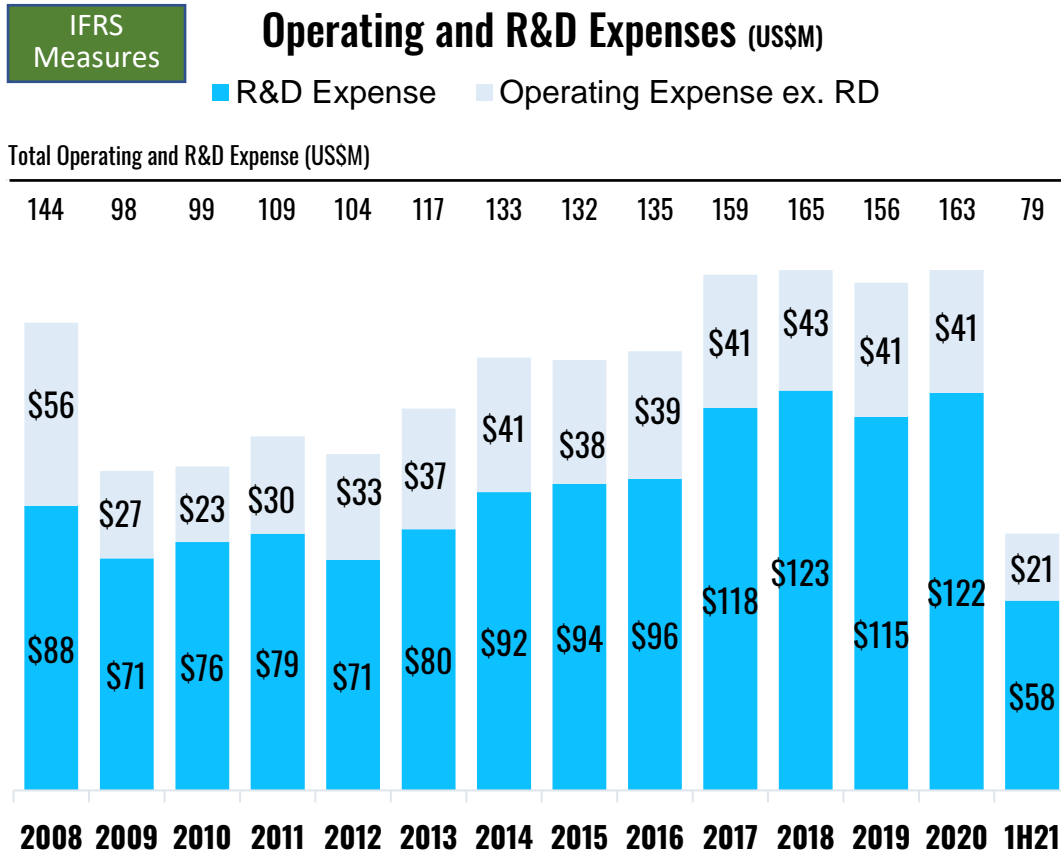
IFRS Measures

## Profit and EPS (US\$M / US\$)





# Performance History - IFRS



# Income Statement



| For the Fiscal Period Ended  | <u>2Q-2021</u><br>(Unaudited) | <u>2Q-2020</u><br>(Unaudited) | <u>1Q-2021</u><br>(Unaudited) | <u>Y2020</u><br>(Audited) | <u>Y2019</u><br>(Audited) |
|--|-------------------------------|-------------------------------|-------------------------------|---------------------------|---------------------------|
| Revenues   | \$365,261                     | \$186,984                     | \$309,003                     | \$887,282                 | \$671,835                 |
| Cost of revenues   | 191,665                       | 147,726                       | 184,722                       | 666,501                   | 533,916                   |
| Gross profit   | 173,596                       | 39,258                        | 124,281                       | 220,781                   | 137,919                   |
| Gross margin   | 47.5%                         | 21.0%                         | 40.2%                         | 24.9%                     | 20.5%                     |
| Operating expenses   |                               |                               |                               |                           |                           |
| Research and development   | 28,924                        | 28,403                        | 29,523                        | 122,265                   | 114,859                   |
| General and administrative   | 6,398                         | 5,662                         | 5,772                         | 23,915                    | 23,672                    |
| Sales and marketing  | 4,248                         | 3,548                         | 4,186                         | 16,675                    | 17,695                    |
| Total operating expenses   | 39,570                        | 37,613                        | 39,481                        | 162,855                   | 156,226                   |
| Operating income (loss)  | 134,026                       | 1,645                         | 84,800                        | 57,926                    | (18,307)                  |
| Non-operating income (loss)  | (754)                         | (336)                         | 194                           | (1,054)                   | 2,539                     |
| Profit (loss) before income taxes  | 133,272                       | 1,309                         | 84,994                        | 56,872                    | (15,768)                  |
| Income tax expense   | 24,954                        | 365                           | 18,699                        | 11,712                    | 416                       |
| Profit (loss) for the period   | 108,318                       | 944                           | 66,295                        | 45,160                    | (16,184)                  |
| Add: Loss attributable to noncontrolling interests                             | 573                           | 439                           | 601                           | 1,974                     | 2,570                     |
| Profit (loss) attributable to Himax stockholders                               | \$108,891                     | \$1,383                       | \$66,896                      | \$47,134                  | (\$13,614)                |
| Non-IFRS profit (loss) attributable to Himax stockholders                      | \$109,103                     | \$1,732                       | \$67,108                      | \$52,330                  | (\$12,128)                |
| IFRS earnings (loss) per ADS attributable to Himax stockholders (in cents)     |                               |                               |                               |                           |                           |
| Basic  | 62.3                          | 0.8                           | 38.4                          | 27.3                      | (7.9)                     |
| Diluted  | 62.3                          | 0.8                           | 38.3                          | 27.2                      | (7.9)                     |
| Non-IFRS earnings (loss) per ADS attributable to Himax stockholders (in cents) |                               |                               |                               |                           |                           |
| Basic  | 62.5                          | 1.0                           | 38.5                          | 30.3                      | (7.0)                     |
| Diluted  | 62.4                          | 1.0                           | 38.4                          | 30.2                      | (7.0)                     |

# Balance Sheet



|   | <u>June 30, 2021</u><br>(Unaudited) | <u>March 31, 2021</u><br>(Unaudited) | <u>June 30, 2020</u><br>(Unaudited) |
|---|-------------------------------------|--------------------------------------|-------------------------------------|
| <b>Assets</b>   |                                     |                                      |                                     |
| <b>Current assets:</b>  |                                     |                                      |                                     |
| Cash and cash equivalents   | \$251,725                           | \$227,378                            | \$96,130                            |
| Financial assets at amortized cost                                | 13,542                              | 11,881                               | 10,929                              |
| Financial assets at fair value through profit or loss             | 5,144                               | 6,561                                | 0                                   |
| Accounts receivable, net (including related parties)              | 329,023                             | 289,096                              | 206,075                             |
| Inventories   | 134,243                             | 114,945                              | 161,474                             |
| Restricted deposit  | 112,100                             | 114,800                              | 164,000                             |
| Other current assets  | 30,262                              | 36,533                               | 25,521                              |
| <b>Total Current Assets</b>                                       | <b>876,039</b>                      | <b>801,194</b>                       | <b>664,129</b>                      |
| Financial assets at fair value through profit or loss             | 13,902                              | 13,930                               | 13,352                              |
| Financial assets at fair value through other comprehensive income | 557                                 | 541                                  | 737                                 |
| Equity method investments   | 4,205                               | 3,944                                | 3,660                               |
| Property, plant and equipment, net                                | 137,031                             | 136,250                              | 137,530                             |
| Goodwill  | 28,138                              | 28,138                               | 28,138                              |
| Refundable deposits   | 79,154                              | 13,308                               | 1,182                               |
| Other assets  | 15,662                              | 24,028                               | 23,476                              |
| <b>Total Assets</b>   | <b>\$1,154,688</b>                  | <b>\$1,021,333</b>                   | <b>\$872,204</b>                    |
| <b>Liabilities and Equity</b>                                     |                                     |                                      |                                     |
| <b>Current liabilities:</b>                                       |                                     |                                      |                                     |
| Short-term unsecured borrowings                                   | \$0                                 | \$0                                  | \$58,437                            |
| Current portion of long-term unsecured borrowings                 | 6,000                               | 6,000                                | 0                                   |
| Short-term secured borrowings*                                    | 104,000                             | 104,000                              | 164,000                             |
| Accounts payable (including related parties)                      | 210,488                             | 192,493                              | 161,474                             |
| Other current liabilities   | 137,464                             | 84,555                               | 41,449                              |
| <b>Total Current Liabilities</b>                                  | <b>457,952</b>                      | <b>387,048</b>                       | <b>425,360</b>                      |
| Long-term unsecured borrowings                                    | 49,500                              | 51,000                               | 0                                   |
| Other liabilities   | 33,572                              | 31,132                               | 11,323                              |
| Himax stockholders' equity  | 609,837                             | 547,732                              | 433,494                             |
| Noncontrolling interest   | 3,827                               | 4,421                                | 2,027                               |
| <b>Total Liabilities and Equity</b>                               | <b>\$1,154,688</b>                  | <b>\$1,021,333</b>                   | <b>\$872,204</b>                    |

\* Short-term secured borrowing is guaranteed by restricted deposit

# Cash Flow Statement



|   | <u>2Q-2021</u><br>(Unaudited) | <u>1Q-2021</u><br>(Unaudited) | <u>2020FY</u><br>(Audited) | <u>2019FY</u><br>(Audited) |
|---|-------------------------------|-------------------------------|----------------------------|----------------------------|
| <b><u>Profit (loss) for the period</u></b>                                      | <b><u>\$108,318</u></b>       | <b><u>\$66,295</u></b>        | <b><u>\$45,160</u></b>     | <b><u>(\$16,184)</u></b>   |
| Depreciation and amortization   | 5,449                         | 5,272                         | 23,596                     | 24,399                     |
| Share-based compensation expenses   | 0                             | 0                             | 763                        | 457                        |
| Gain on disposal of property, plant and equipment, net                          | 0                             | 0                             | (244)                      | (90)                       |
| Changes in fair value of financial assets at fair value through profit or loss  | 21                            | 33                            | (472)                      | (3,746)                    |
| Interest income   | (220)                         | (195)                         | (967)                      | (2,013)                    |
| Finance costs   | 260                           | 260                           | 1,705                      | 2,325                      |
| Income tax expense  | 24,954                        | 18,699                        | 11,712                     | 416                        |
| Share of losses of associates   | 184                           | 274                           | 638                        | 477                        |
| Inventories write downs   | 1,646                         | 2,475                         | 11,919                     | 25,447                     |
| Unrealized foreign currency exchange losses (gains)                             | 544                           | (725)                         | (239)                      | 188                        |
|   | <u>141,156</u>                | <u>92,388</u>                 | <u>93,571</u>              | <u>31,676</u>              |
| Changes in:   |                               |                               |                            |                            |
| Decrease (increase) in accounts receivable (including related parties)          | (39,927)                      | (45,470)                      | (78,297)                   | 23,992                     |
| Decrease (increase) in inventories  | (20,944)                      | (8,713)                       | 24,772                     | (6,660)                    |
| Increase (decrease) in accounts payable (including related parties)             | 17,895                        | 19,122                        | 57,335                     | (36,180)                   |
| Others  | (2,587)                       | 3,467                         | 8,675                      | (420)                      |
| <b>Cash generated from operating activities</b>                                 | <b>95,593</b>                 | <b>60,794</b>                 | <b>106,056</b>             | <b>12,408</b>              |
| Interest received   | 317                           | 90                            | 1,066                      | 2,060                      |
| Interest paid   | (260)                         | (270)                         | (1,811)                    | (2,372)                    |
| Income tax paid   | (10,453)                      | (294)                         | (2,701)                    | (4,440)                    |
| <b>Net cash provided by operating activities</b>                                | <b><u>\$85,197</u></b>        | <b><u>\$60,320</u></b>        | <b><u>\$102,610</u></b>    | <b><u>\$7,656</u></b>      |
| Acquisitions of property, plant and equipment                                   | (1,398)                       | (2,016)                       | (5,786)                    | (45,922)                   |
| Acquisitions of financial assets at amortized cost                              | (2,658)                       | (3,979)                       | (3,829)                    | (4,023)                    |
| Proceeds from disposal of financial assets at amortized cost                    | 1,025                         | 677                           | 6,735                      | 4,171                      |
| Acquisitions of financial assets at fair value through profit or loss           | (13,007)                      | (3,546)                       | (19,743)                   | (50,487)                   |
| Proceeds from disposal of financial assets at fair value through profit or loss | 14,797                        | 4,747                         | 12,068                     | 50,648                     |
| Others  | (57,007)                      | (12,338)                      | (11,810)                   | (2,154)                    |
| <b>Net cash used in investing activities</b>                                    | <b><u>(\$58,248)</u></b>      | <b><u>(\$16,455)</u></b>      | <b><u>(\$22,365)</u></b>   | <b><u>(\$47,767)</u></b>   |
| Payments of cash dividends  | (20)                          | 0                             | (4)                        | 0                          |
| Proceeds from short-term unsecured borrowings                                   | 0                             | 10,000                        | 208,137                    | 244,224                    |
| Repayments of short-term unsecured borrowings                                   | 0                             | (10,000)                      | (265,355)                  | (207,006)                  |
| Proceeds from long-term unsecured borrowings                                    | 0                             | 0                             | 60,000                     | 0                          |
| Repayments of long-term unsecured borrowings                                    | (1,500)                       | (1,500)                       | (1,500)                    | 0                          |
| Proceeds from short-term secured borrowings                                     | 60,000                        | 97,000                        | 278,000                    | 158,000                    |
| Repayments of short-term secured borrowings                                     | (60,000)                      | (97,000)                      | (338,000)                  | (158,000)                  |
| Release of restricted deposit   | 0                             | 0                             | 60,000                     | 0                          |
| Others  | (1,201)                       | 147                           | 1,983                      | (1,957)                    |
| <b>Net cash provided by (used in) financing activities</b>                      | <b><u>(\$2,721)</u></b>       | <b><u>(\$1,353)</u></b>       | <b><u>\$3,261</u></b>      | <b><u>\$35,261</u></b>     |
| Effect of foreign currency exchange rate changes                                | 119                           | (72)                          | 377                        | (532)                      |
| <b>Net increase (decrease) in cash and cash equivalents</b>                     | <b><u>\$24,347</u></b>        | <b><u>\$42,440</u></b>        | <b><u>\$83,883</u></b>     | <b><u>(\$5,382)</u></b>    |
| <b>Cash and cash equivalents at beginning of period</b>                         | <b><u>\$227,378</u></b>       | <b><u>\$184,938</u></b>       | <b><u>\$101,055</u></b>    | <b><u>\$106,437</u></b>    |
| <b>Cash and cash equivalents at end of period</b>                               | <b><u>\$251,725</u></b>       | <b><u>\$227,378</u></b>       | <b><u>\$184,938</u></b>    | <b><u>\$101,055</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 two consecutive years in 1992 and 1993, ERSO Award from Pan Wen Yuan Foundation in 2008, etc.



**Jordan Wu, President, CEO and Director** Mr. Jordan Wu, co-founder of Himax, previously served as the chairman of the board of Himax Taiwan from April 2003 to October 2005. 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. Prior to that, he was an investment banker in Hong Kong with Merrill Lynch (Asia Pacific) Limited, Barclays de Zoete Wedd (Asia) Limited and Baring Securities. 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.



**Jessica Pan, Chief Financial Officer** - Jessica joined Himax in 2006 with over 22 years of experience in finance and accounting. Jessica has played an integral role at Himax on finance, accounting, financial planning and analysis, forecasting and tax, having served as interim Chief Financial Officer from October 2010 to January 2012. Prior to joining Himax, Jessica worked as Assistant Finance Manager for Advanced Semiconductor Engineering, Inc. from 2002 to 2006 and as Auditor at Arthur Andersen LLP in Taiwan from 1998 to 2001. She holds a B.S. degree in Agriculture Chemistry from National Taiwan University and an M.B.A. degree from the State University of New York at Buffalo.



**Eric Li, Chief IR/PR Officer** -Joining Himax in 2012, Mr. Eric Li has an extensive experience in image processing related IC design, having worked in the areas of sales, marketing, R&D and served as Associate Vice President at Himax covering the Intelligent Sensing AI product line. Mr. Li has previously worked in video processing ASIC service and TV/monitor ASSP products before he was put in charge of the fab construction and operation of Himax's WLO advanced optics operation. Prior to Himax, Mr. Eric Li served in executive positions of Cadence Design Systems, Socle Technology, Macronix International and Powerchip Semiconductor. He holds a B.S. degree in Nuclear Engineering from National Tsing Hua University and an M.S. degree in Computer Science from New Jersey Institute of Technology.



# Contact Us

## Company

**Eric Li, Chief IR/PR Officer**

Tel: +886-6-505-0880

[hx\\_ir@himax.com.tw](mailto:hx_ir@himax.com.tw)

**Karen Tiao, IR Relations**

Tel: +886-2-2370-3999

[hx\\_ir@himax.com.tw](mailto:hx_ir@himax.com.tw)

**Mark Schwalenberg, Director**

Investor Relations - US Representative

MZ North America

Tel: +1-312-261-6430

[HIMX@mzgroup.us](mailto:HIMX@mzgroup.us)

[www.mzgroup.us](http://www.mzgroup.us)

**Corporate  
Counsel**

**BAKER & MCKENZIE**

**SEC Legal  
Counsel**

**DAVIS POLK  
& WARDWELL**

**Auditor**

**KPMG**