

*Drive for better vision*



*Himax*

Nasdaq : HIMX

*August 2024 INVESTOR PRESENTATION*

# Forward Looking Statements



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, 2023 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.

## Leading IC Provider

Global Top 10  
Fabless IC Design  
Company in 2021\*



## US \$1.2 Billion

2022 Sales  
Avg. 60 Million ICs  
Shipment Per Month



## 40% Global Market Share

Driver IC for  
Automotive Displays



## Listed on NASDAQ

NASDAQ: HIMX  
Since 2006



\* Global Top 10 IC Design Company Revenue, 2021. Source: [TrendForce](#), March 2022



## Automotive

- Very Large-Size, Curved, Touch for Next Generation LCD and OLED Displays
- Automotive Local Dimming Tcon for High-Contrast Display Enablement
- Head-Up Display (AR-HUD)
- WiseEye™ and 3D Sensing for Biometric Sensing



## AIoT

- World Leading WiseEye™ Ultralow Power AI Sensing for Endpoint AI
- Total Solution: AI Processor + Always-On Image Sensor + AI Algorithm
- WiseEye PalmVein: Ultralow Power Contactless Biometric Authentication
- Plug-n-Play WiseEye Module with Low-Code/No-Code AI
- WiseEye Solution Features in Dell's New Laptops and DESMAN's Smart Door Lock
- Ecosystem: Google, Microsoft, Arm, TinyML Foundation, and Many Others



## Optical product line-up/Metaverse

- WLO
- Front-Lit LCoS Microdisplay
- Diffractive Optics
- 3D Sensing

# 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 & small panels



## 2010s

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

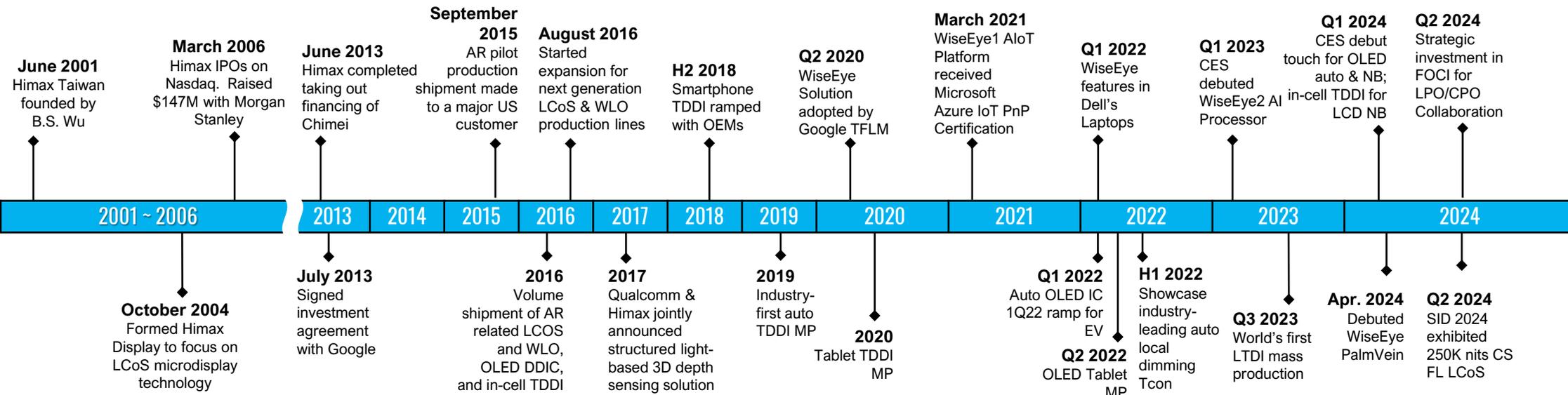


## 2015 and Beyond

Himax leads WLO shipment and development with North American OEM's mainstream applications. 3D sensing for e-Payment; LCoS for AR glasses and AR-HUD; CMOS for NB and Webcam; WiseEye for Endpoint AI; WLO integration keeps Himax at the forefront of AR/VR product design



## Corporate Timeline



## Leading Imaging and Human Interfacing Technology Innovator

- Global display driver player with a wide range of display image processing technologies for panels of all sizes
- Human interfacing total-solution provider specialized in immersive, touchless and 3D perception related applications
- Thousands of patents for Himax's IP and designs

## 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, OLED, e-paper, WLO, 3D Sensing, CIS, WiseEye Ultralow Power AI Sensing and LCOS microdisplays
- Top-tier partnerships with major U.S. and Asian AP platform providers, device makers, and the world's mega tech names
- Expect non-driver product lines to proliferate application / customer coverage, improve corporate revenue and profit margin

## Operational and Public Market Performances

- 2022 record \$1.2B in revenue. Ranked Global Top 10 Fabless IC Design Company in 2021
- 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 dividend policy to reward shareholders for their ongoing support while continuing technology investment

## Innovative New Products Capturing Growth Markets

- TDDI and OLED technologies fuel growth for core display driver ICs business
- Our leading specifications and continuous design-wins for WiseEye Ultralow Power AI Sensing, AoS CIS, WLO, 3D sensing, and LCoS microdisplay, all position Himax at the forefront for future product releases AIoT, Endpoint AI, Smart Home/Office, Automotive, AR/VR, Generative AI, HPC, Medical Devices, Robotics, LiDAR, AR-HUD applications

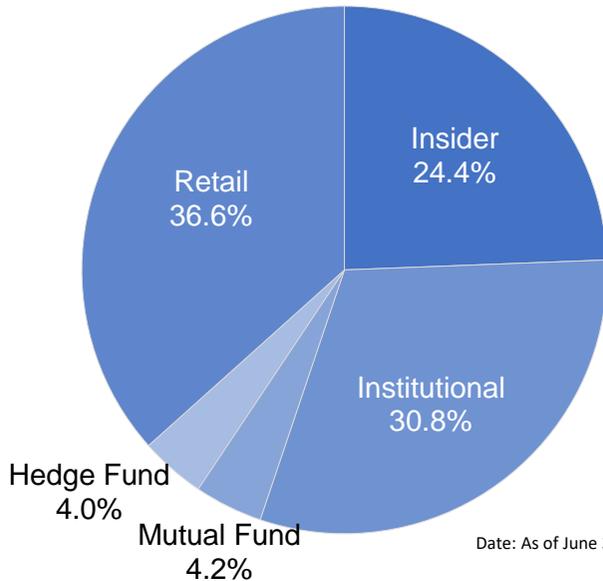
## Visionary Management Team

## HIMX Nasdaq Listed

<b>Fiscal Year</b>	<b>December 31</b>
<b>Last-Traded Price (8/7/2024)</b>	<b>\$5.86</b>
<b>Diluted Weighted Ave. Out. ADS</b>	<b>175.1M</b>
<b>Equivalent ADS Out</b>	<b>174.7M</b>
<b>Market Capitalization (8/7/2024)</b>	<b>\$1,024M</b>
<b>Average Volume</b>	<b>1.01M</b>
<b>Insider Ownership*</b>	<b>24.4%</b>

\* Insider ownership includes executives and board members

### Shareholder Type



Date: As of June 30, 2024

### 12 Month Trading Chart

August 7, 2024



Source: <https://www.nasdaq.com/symbol/himx/stock-chart>

### Analysts

**Mizuho Securities Asia Ltd.**

Kevin Wang

**Nomura Securities**

Donnie Teng

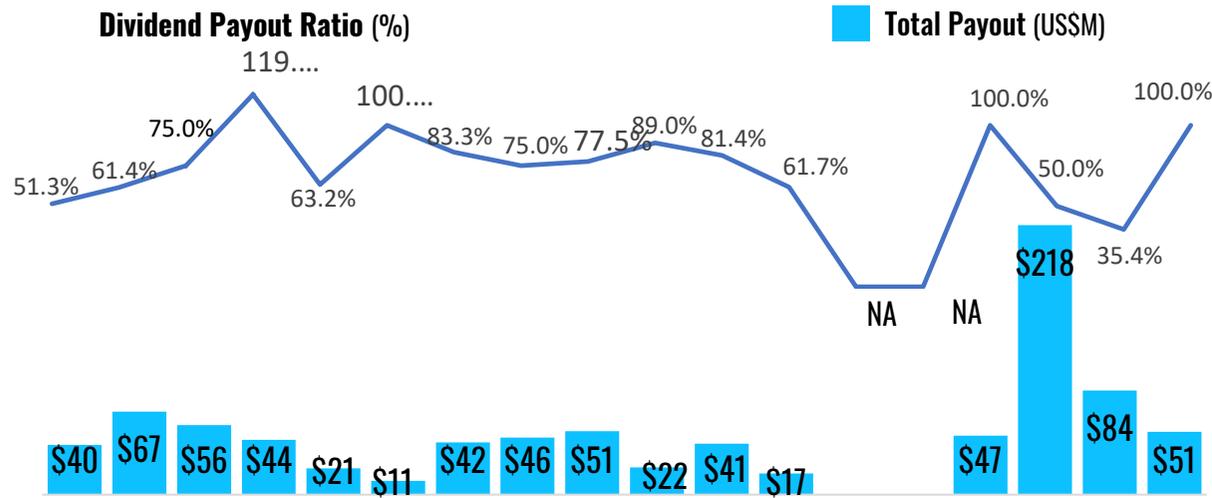
**Baird Equity Research**

Tristan Gerra

# History of Dividend and Share Buyback

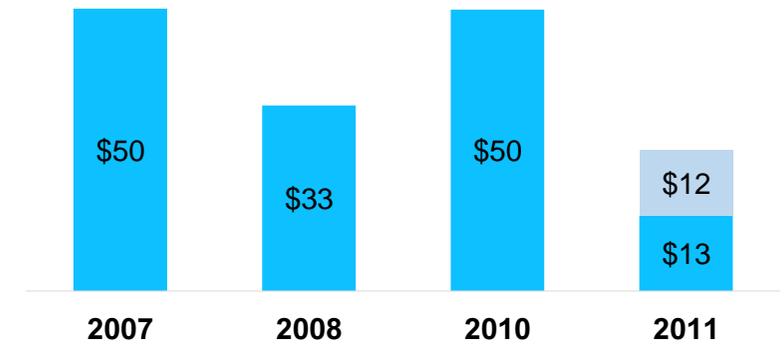


**\$1,004 MILLION** HAS BEEN RETURNED TO SHAREHOLDERS INCLUDING DIVIDENDS AND SHARE BUYBACKS SINCE IPO



## Executed Share Buybacks from 2007-2024 (US\$M)

■ Unutilized Portion ■ Executed Share Buyback



	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Dividend per unit	0.20	0.35	0.30	0.25	0.12	0.06	0.25	0.27	0.30	0.13	0.24	0.10	0.00	0.00	0.27	1.25	0.48	0.29
EPS	0.57	0.40	0.21	0.19	0.06	0.30	0.36	0.39	0.15	0.30	0.16	0.15	(0.08)	0.27	2.50	1.36	0.29	
Yield (%)	4.0	7.0	10.4	9.1	5.9	3.4	4.4	4.1	4.8	1.4	2.9	1.3	na	na	2.1	15.0	7.3	5.1

## Himax Dividend and Policy

- Distributed a total of \$858 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., 2024 dividend payouts in July was for fiscal year 2023
- 2024 high dividend payout ratio (100%) is supported by our positive business outlook and strong balance sheet. We are grateful for the support of our shareholders as we strive to achieve business objectives and deliver sustainable long-term growth and profitability

## 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 & 12/3/2021 Himax chairman announced share purchase plans. Chairman Dr. Biing-Seng Wu intended to use his personal funds to purchase up to approximately \$5 million and \$10 million respectively of the Company's American Depositary Shares ("ADSs") in the open market, subject to market conditions and other factors*

# Q2 2024 Summary and Q3 2024 Guidance



	<b>2Q2024</b>	<b>1Q2024</b>	<b>2Q2023</b>	<b>QoQ</b>	<b>YoY</b>
<b>Revenues</b>	\$239.6M	\$207.6M	\$235.0M	+15.5%	+2.0%
<b>Gross Margin (%)</b>	32.0%	29.3%	21.7%	+2.7%	+10.3%
<b>Profit</b>	\$29.6M	\$12.5M	\$0.9M	+137.0%	+3,236.3%
<b>Earnings per ADS</b>	\$0.169	\$0.071	\$0.005	+137.0%	+3,228.4%

	<b>2023</b>	<b>2022</b>	<b>YoY</b>
<b>Revenues</b>	\$945.4M	\$1,201.3M	-21.3%
<b>Gross Margin (%)</b>	27.9%	40.5%	-12.6%
<b>Profit</b>	\$50.6M	\$237.0M	-78.6%
<b>Earnings per ADS</b>	\$0.290	\$1.356	-78.6%

## 3Q2024 Guidance

<b>Revenues</b>	Decrease 12.0% - 17.0% sequentially
<b>Gross Margin (%)</b>	Around 30%, depending on the final product mix
<b>Profit</b>	1.5 cents to 4.5 cents per diluted ADS

# 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
- 300+ customers across Taiwan, China, Japan, Korea, U.S. and Europe
- 2,727 patents granted and 399 patents pending approval worldwide as of June 30, 2024
- NASDAQ-listed since March 2006 (HIMX)
- Around 2,200 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 26 offices across Taiwan, China, Japan, Korea, Germany and U.S.

## Himax's Global Reach



**HEADQUARTERS**  
Tainan, Taiwan



Nasdaq Listed  
**Himax Technologies, Inc.**



## Himax Technologies, LTD.

- TFT-LCD Drivers, EPD Drivers, and OLED Drivers
- TCON and Bridge IC
- Touch Controllers (LCD / OLED)
- Pure in-cell Touch (TDDI)
- WiseEye AI Processors
- WiseEye Modules
- 3D Decoder Processors
- ASIC Service and IP Licensing
- Power Management ICs, P-Gamma OP, Level Shifter and LED Driver
- Wafer Level Optics
- LPO/CPO
- In-house WLO Fab
- 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
- In-house LC and Module Assembly Facilities



## 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 LCD and OLED Displays

## 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, covering TFT LCD and OLED.

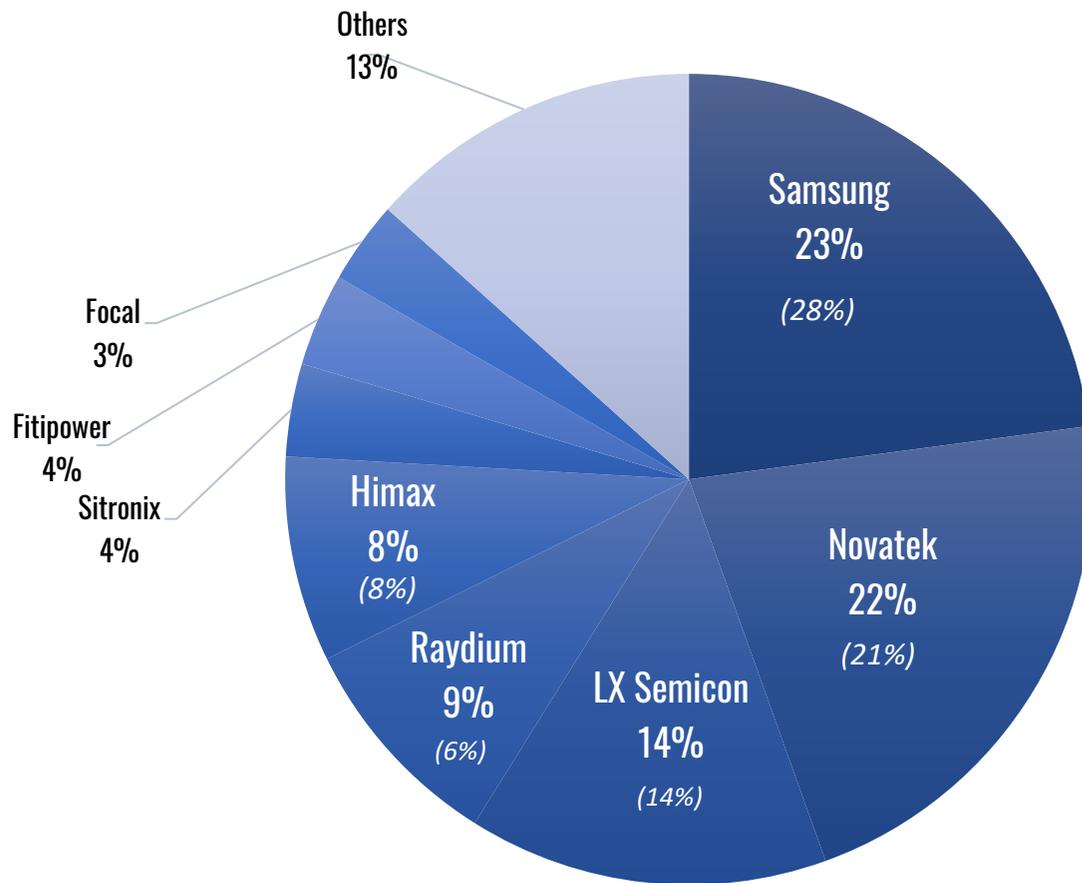
## In what devices can you find Himax DDIC technologies



## Who uses Himax DDICs



**1Q24 Driver Market Share**  
(4Q23 Market Share %, Revenue)



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

**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 positions toward high end 8K/4K TV, gaming monitor and low power NB
- Strong market share in fastest moving consumer devices, especially in automotive application
- TDDI takes major shipment than DDIC in smartphone and tablet segments
- Share leader in automotive driver IC market. Collaborate closely with panel makers, Tier 1s, as well as car brands across continents
- Automotive OLED commenced MP in Q1 2022. Started Tablet OLED MP from Q2 2022 for a leading customer
- Offer comprehensive automotive OLED portfolio, comprising DDIC, Tcon, and on-cell touch controller, forming strategic partnerships with major leading panel makers in Korea, China and Japan. The touch controller IC is engineered with industry-leading touch signal-to-noise ratio > 45 dB, making it ideal solution to meet the needs of flexible OLED panels. It also provides improved sensitivity to challenging user conditions (glove-wearing & wet finger operations). Slated to MP in Q3 2024

**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, NB and many other consumer electronic devices

- **Smartphone:** LCD TDDI widely adopted for entry & mid-range smartphones. TDDI penetration >70% and rapidly replace traditional DDIC
- **Tablet:** New in-cell TDDI refreshed tablet life cycle starting 1Q20. Himax, the primary supplier for non-iOS tablet tier-1 customers
- **Automotive:** 2Q19 MP. Selected by leading panel house, tier-1 and brands. Automotive TDDI chips cumulative shipment > 50M as of 2Q24. Commenced world 1<sup>st</sup> LTDI mass production in 3Q23. Automotive business remains to be our largest revenue contributor, representing ~47% of Q2 2023 total sales
- **Notebook:** Expend into mid-sized displays with in-cell TDDI for notebook in 4Q23



## In what devices can you find Himax TDDI technologies



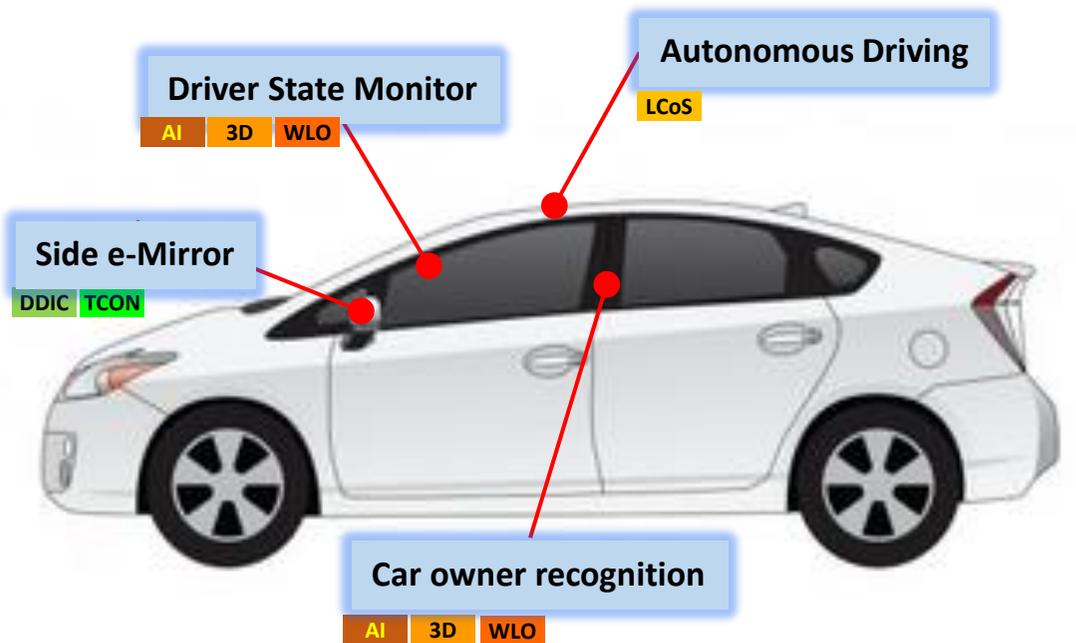
## Who uses Himax Touch and TDDI Technologies



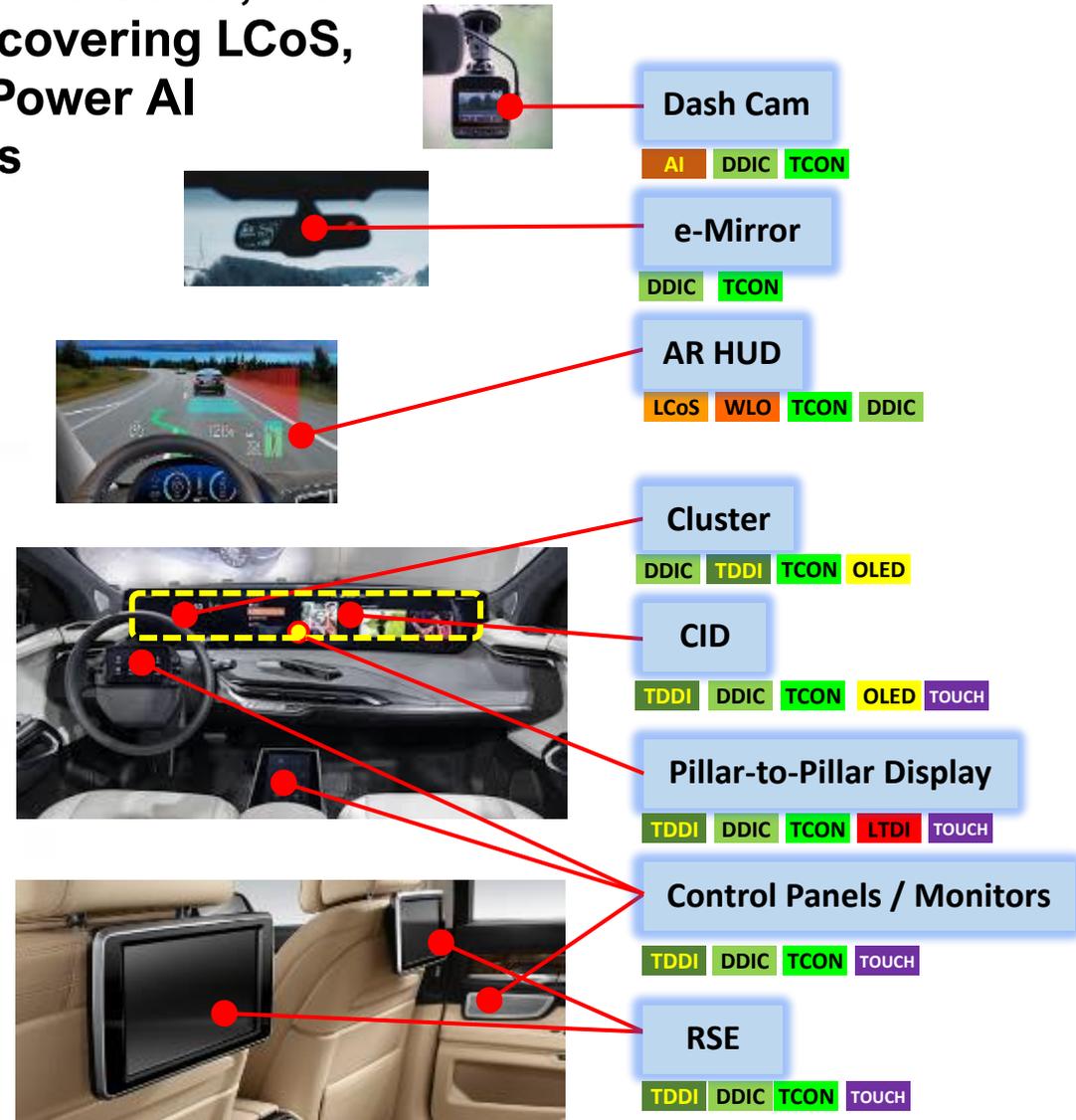
# Leadership in Automotive Displays



We offer comprehensive automotive display solutions covering DDIC, TDDI, TCON, LTDI and OLED. Moreover, we also offer leading-edge non-driver solutions, covering LCoS, WLO, CIS, 3D Sensing and WiseEye Ultralow Power AI Sensing for advanced automotive applications



- DDIC** Cascade Driver
- TDDI** In-cell + Cascade
- LTDI** In-cell + Cascade
- TCON** Local Dimming + Bridge
- OLED** OLED Tcon + DDIC
- TOUCH** OLED Touch Controller
- AI** WiseEye™
- LCoS** Microdisplay / Phase modulation
- WLO** Diffraction, Diffusion, Light Guide
- 3D** 3D Sensing



# WiseEye™ Ultralow Power AI Sensing



Notebook



Smart Home



Smart City



Smart Retail



Automotive



Medical



Smart Factory



Smart Agriculture



Consumer Appliances

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

## MARKETS WE SERVE

### WiseEye Ultralow Power AI Sensing:

- NB, doorbell, door lock, battery security camera, utility meter, endoscope, smart buildings/office, manufacturing, retail, agriculture and palm vein authentication (WiseEye PalmVein)

### CIS:

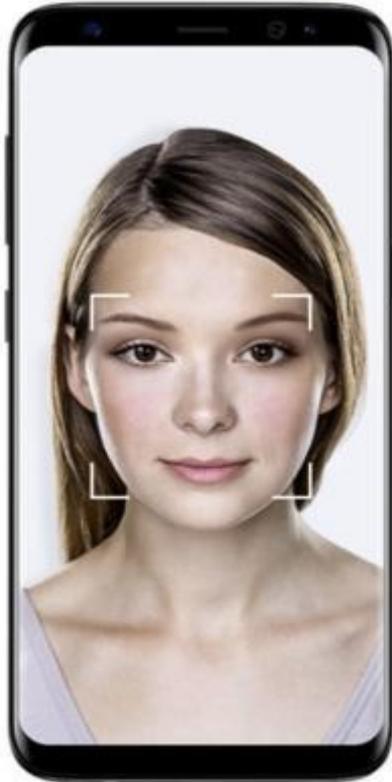
- **Ultralow power AoS:** Best for IoT / WiseEye AI in human/occupancy detection
- **NIR:** 3D sensing and WiseEye Ultralow Power AI Sensing
- **RGB:** Notebook, multimedia and smart home camera

## WiseEye AI Ecosystem Partners



## In what applications can you find Himax 3D / WiseEye Ultralow Power AI Sensing technologies





We offer industry leading WLO design know-how and mass production expertise in advanced optical components, such as lens, DOE, MLA, and LPO/CPO. Himax 3D Sensing offers module solutions with leading depth perception feature and key components, 3D decoder IC for structured light and ToF, to reach out diversified end applications

## MARKETS WE SERVE

### Wafer Level Optics (WLO):

- DOE, diffuser, lens and other nanoimprinting diffractive optics for structured light, ToF and others
- Waveguide for AR glasses and LCoS, Lens for CIS and AR devices, Automotive in-cabin 3D, VR gesture control, etc.
- LPO/CPO

### 3D Sensing:

- E-payment, 3D naked eye laptop, smart door lock, automotive, access control, medical inspection, service robotics, industrial robotics, eye tracking and gesture controls for AR/MR/XR/VR

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



## 3D Ecosystem Partners



Others

# LCoS Microdisplays



**AR HUD**  
(LCoS 2.0 Phase Modulation)



**AR Glasses**



**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**

**AR Glasses: Hearing Aid**



Mark Zuckerberg says metaverse is 'Holy Grail' of social experience

**AR Gaming**



**aR: Assisted Reality**



**Audio-to-Text**



## Front-Lit LCoS Technology Advantages

- Compact form factor, brightness, power efficiency
- Simpler optical engine design and lower cost
- Color Sequential Front-Lit LCoS offers unrivaled lightweight, compact form factor (< 0.5c.c) and high brightness (250k nits)

## 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



# Opportunities in Metaverse



Himax owns exceptional Optics, 3D Sensing, WLO and WiseEye AI solutions with mass production records. The diverse non-driver solutions fulfill different AR/MR/XR/VR metaverse related application needs in AR Displaying & Human Interface Sensing



LCoS WLO

AR Glasses



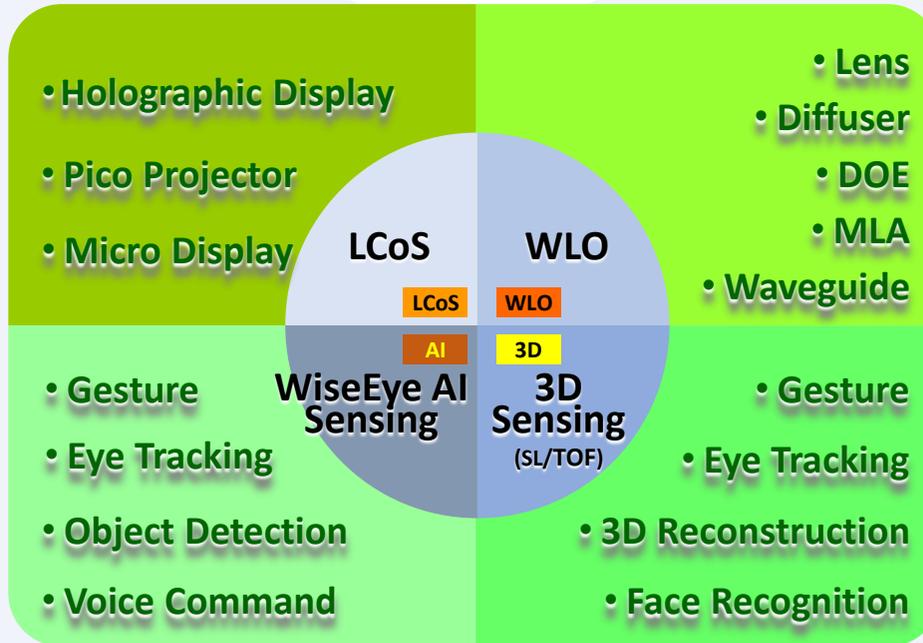
LCoS WLO 3D AI

MR Goggle + Eyeball Tracking



LCoS WLO 3D AI

XR Headset + Gesture Control



AI 3D WLO

VR HMD + Gesture Control



AI 3D WLO

3D Naked-Eye 3D Display + Eye Tracking



LCoS WLO

AR HUD



3D WLO

Digital Twins / 3D Object Reconstruction





**Himax**

# Market Opportunities by Product Application and Himax Strategies

## Market Trends

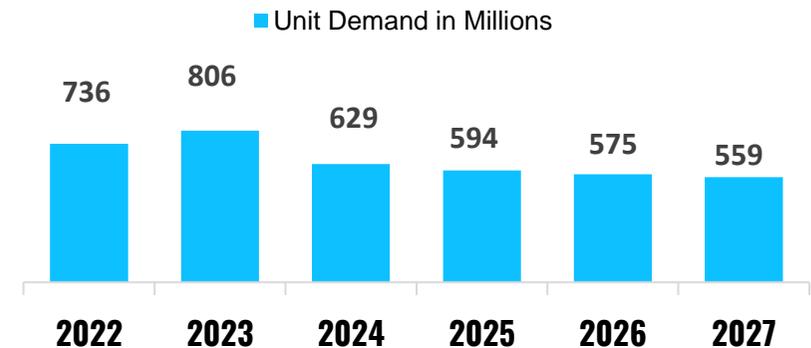
- Expect higher TDDI penetration in auto, tablet and expanding into notebook moving forward
- TDDI fits in consumer demand for slimmer devices
- Higher penetration of TDDI is refreshing smartphone /tablet/ automotive life cycle, creating higher content value and margin
- Panel features, size and quantity inside the car are increasing, driving higher demand of DDIC, TDDI, and Tcon for automotive

## Himax Strategies and Market Position

### TDDI pure in-cell solution

- TDDI is the biggest growth driver for Himax from 2020. Our tablet TDDI dominates share in non-iOS tablet market, while our automotive TDDI has secured hundreds of design-win and continue to growing along with fast-expanding NEV market
- Himax is the primary supplier for tablet TDDI for non-iOS tablet. Mass production started 1Q20. Himax tablet TDDI features active stylus for accurate handwriting and painting in premium tablet
- Himax dominates automotive TDDI technology. Has shipped cumulative > 50M automotive TDDI chips as of 2Q24
- 1<sup>st</sup> company in the world to initiate MP of LTDI (Large and Display Driver Integration) in 3Q23. For displays > 30", the incorporation of LTDI signifies increased content value for Himax on a per-panel basis (necessitate 6 or more LTDI chips & at least 1 local dimming Tcon)
- Himax's integrated solution of TDDI / LTDI and local dimming Tcon has become standard development platform for increasing number of customers, crafting new automotive displays of various sizes

### Global Smartphone TDDI Demand Forecast 2022-2027 (Omdia, 2024)



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



## 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
- Demands for more sophisticated and higher performing displays are rising in the automotive segment
- Smartphone OLED display adoption increased. The emergence of OLED DDIC for mid and large-sized OLED displays is evolving following the advancements in smartphone OLED

## 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 as it represents a high barrier of entry for late comers and much more IC and Tcon used per device
- Leader in higher frame rate and low power solution in high end gaming monitor and NB market
- Continue to commit on OLED development. Our automotive OLED driver and Tcon commenced production in China flagship EV in 1Q22. Tablet OLED solution, Tcon and driver, entered MP starting 2Q22 with Chinese panel makers
- 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 features in numerous displays such as 8K/4K TV, gaming monitor, low power NB, automotive (LCD and OLED) and tablet OLED
- Expanding our automotive and notebook/tablet OLED portfolio to include a touch controller IC along with existing DDIC and Tcon, providing a comprehensive OLED solution. Auto OLED touch is scheduled to commence production in 3Q24

# WiseEye™ Ultralow Power AI Sensing



## Market Trends

- Smart AI devices demand boosts, but very few companies can provide ultralow power solutions in content-aware AI
- Increasing adoption of Himax's WiseEye Ultralow Power AI Sensing solution in endpoint AIoT applications, including surveillance, smart meter, smart home/office, smart agriculture, industrial, healthcare and retail, etc.

## Himax Strategies and Market Position

- Himax Ultralow Power CMOS Image Sensor (CIS):
  - Our CIS includes near infrared (NIR) sensors for 3D sensing and ultralow power computer vision Always-on-Sensor (AoS). Good for multimedia and smart home 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 WiseEye Ultralow Power AI Sensing:
  - WiseEye total solution: Composed of an industry-leading AoS, AI processor, and tinyML AI algorithm. Features ultralow power consumption and context-aware vision AI, meeting the demands of various endpoint AI applications
  - Support Dell NB production from 1Q22 and DESMAN smart door lock in 3Q23, along with others end-point AI applications, such as video conference device, shared bike parking, smart agriculture, medical, among others
  - Reinforce go-to-market strategy by active collaboration with industry-leading AI ecosystem partners and customers, including Google TFLu, Microsoft Azure, Arm, TinyML Foundation, Edge Impulse, Seeed Studio, among others
  - WiseEye Module offers highly integrated, plug-and-play module board with Low-Code/No-Code AI
  - WiseEye2 AI facilitates high-precision detection with features such as face mesh, facial landmark, hand gesture, and human pose and skeleton, which expands the intuitive, user-friendly scope of interactive applications in real-life, all achieved with minimal power consumption
  - WiseEye PalmVein features industry-leading ultralow power consumption and exceptional accuracy for contactless biometric palm vein authentication, designed for battery-powered access control devices for a small group of authorized individuals

## Who uses Himax CIS



## Ultralow Power Sensor Applications



### Best For IoT/WiseEye Ultralow Power AI Sensing

Face/Body Detection  
Eye Tracking & Gesture Control



# WLO and 3D Sensing



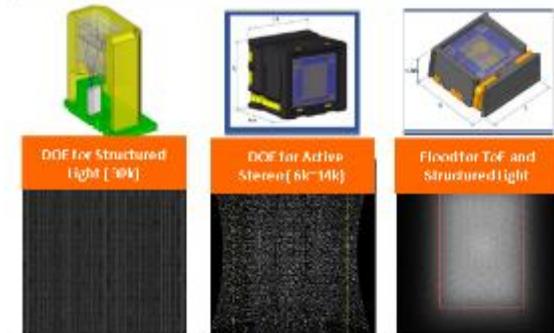
## Market Trends

- Wafer-Level Optics (WLO) remains one of the key technologies for structured light, Time-of-Flight (ToF) related 3D sensing, offering high optical efficiency, small form factors, and compliance with eye safety regulations for AR/VR, e-payment and access control applications
- Increasing 3D applications adopt our 3D Sensing technologies for state-of-art Human Interface Sensing, such as gesture control, eye tracking and 3D reconstruction
- Emerging HPC/AGI systems are gradually incorporating optical communication to boost data rates, enhance bandwidth, and reduce power consumption, leading to advanced MCM packages that increasingly integrate CPO solutions

## Himax Strategies and Market Position

- Himax has accumulated significant WLO design and mass production experience through collaborations with major global tech companies, offering a diverse range of optical components such as lenses, DOEs, and MLAs. Key products include AR glasses for renowned manufacturers, facial recognition solutions for handheld devices, and spatial computation and gesture control systems for VR goggles
- Collaborating with world's leading AI semiconductor and foundry partner in LPO/CPO, incorporating FOCI's proprietary LPO/CPO connector technology with Himax's nano-scale WLO to create an industry-leading optical transmission solution for Generative AI and HPC
- 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
- Expanding our 3D processor offerings to cover Time of Flight (ToF) 3D, in addition to structured light 3D decoding. This will enable us to meet the diverse use case of 3D sensing with advanced sensor fusion and industry-leading fast response rates; ToF is more effective for long-range 3D perception while structured light excels in high precision 3D detection for shorter distance

## 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



## Co-Packaged Optics



# LCoS Microdisplays

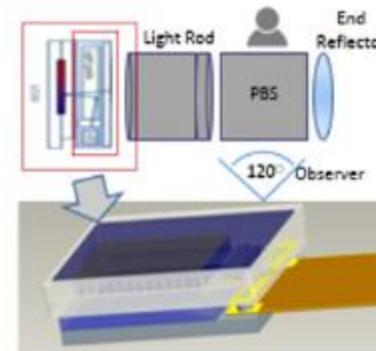


## Market Trends

- 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

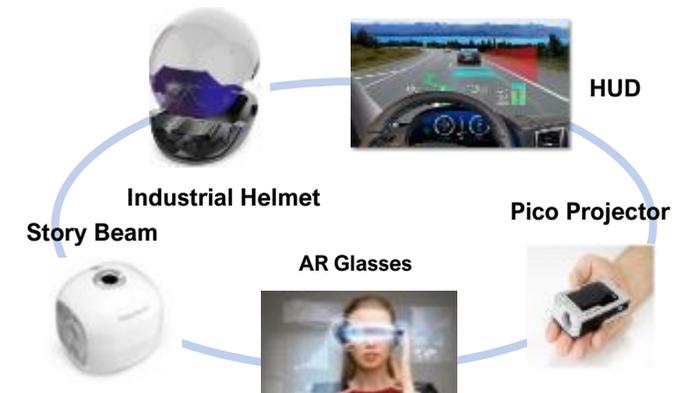
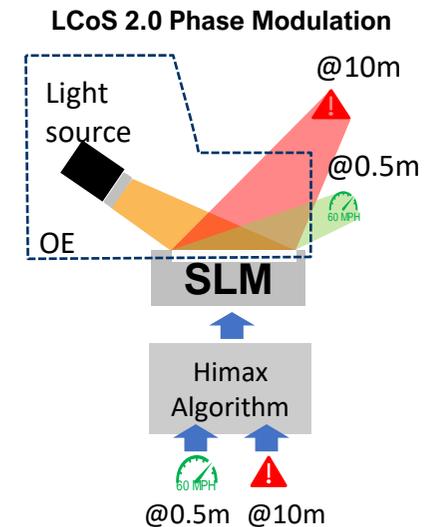
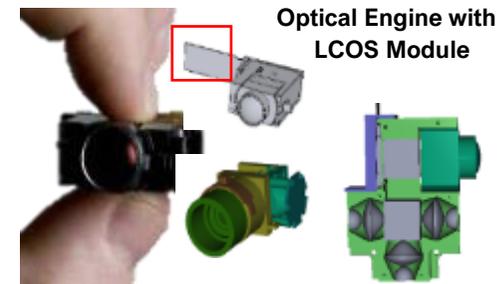
## Himax Strategies and Market Position

- Leader in microdisplays with patent-protected technology, in-house facilities and shipping record over 3M units
- Focus on AR goggle devices and HUD for automotive applications
- Customer list for AR goggle device covers many of world's biggest tech giants
- Front-lit LCoS is one of the mainstream technologies for AR goggle devices. Commenced MP with global Tier 1 AR glasses device manufacturers since 2011
- Our leading Color Sequential Front-lit LCoS Microdisplay offers unrivaled performance and functionality, featuring a lightweight and compact form factor (0.5 cc), higher brightness (250K nits) and vibrant color performance, make it the best choice for the next-gen see-through AR devices
- 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





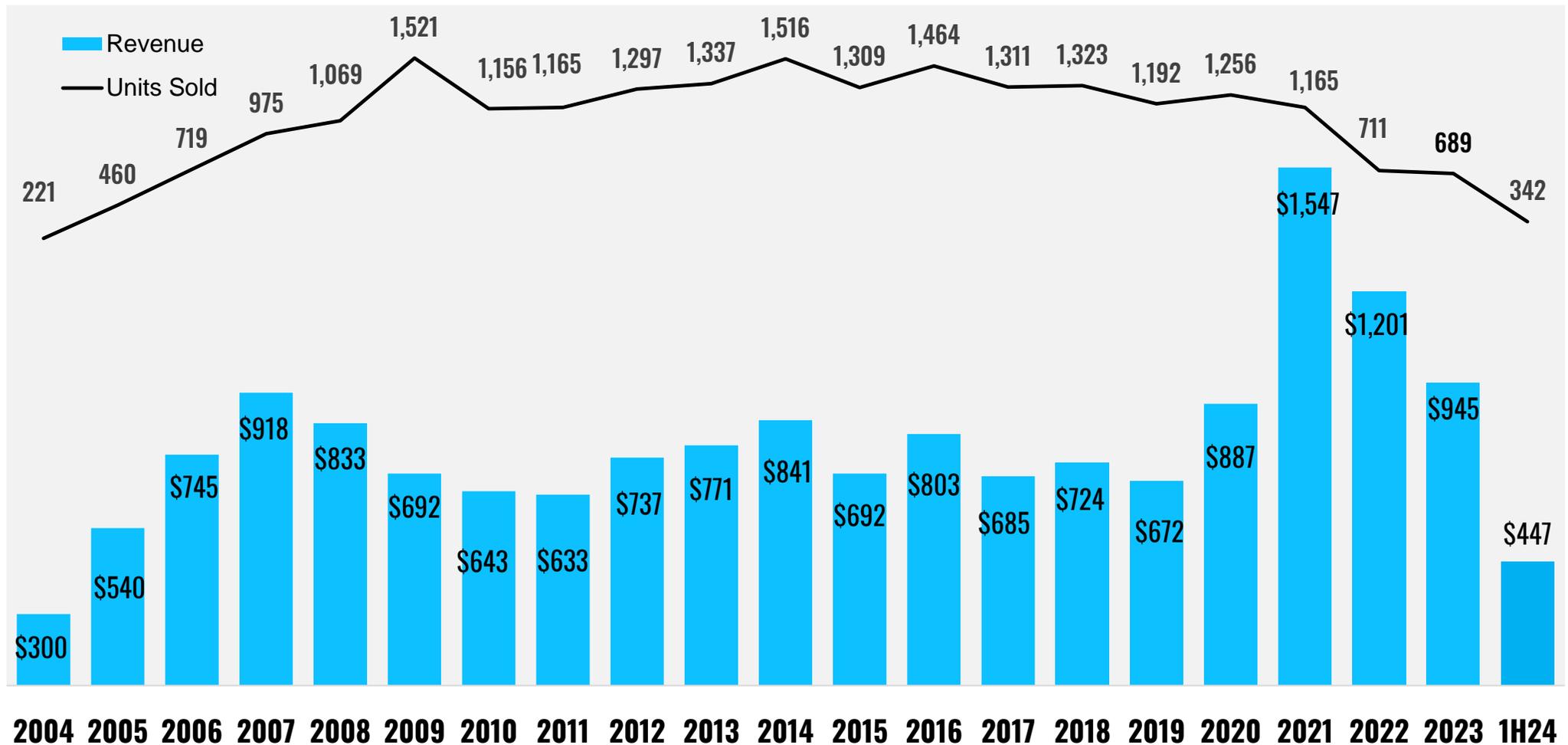
# 2024 YTD

## Financial Review



We are One of the Leading Semiconductor Companies in the World

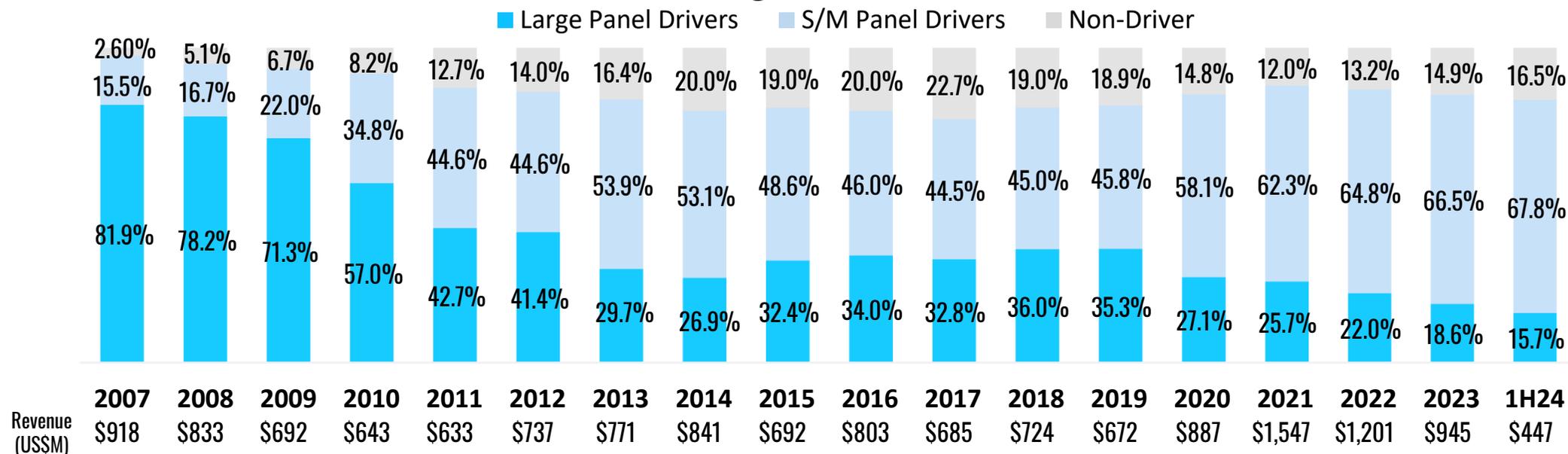
**Units Sold and Revenue** (in millions of units and millions of USD)



# A Balanced Product Mix...



## Category Product Mix



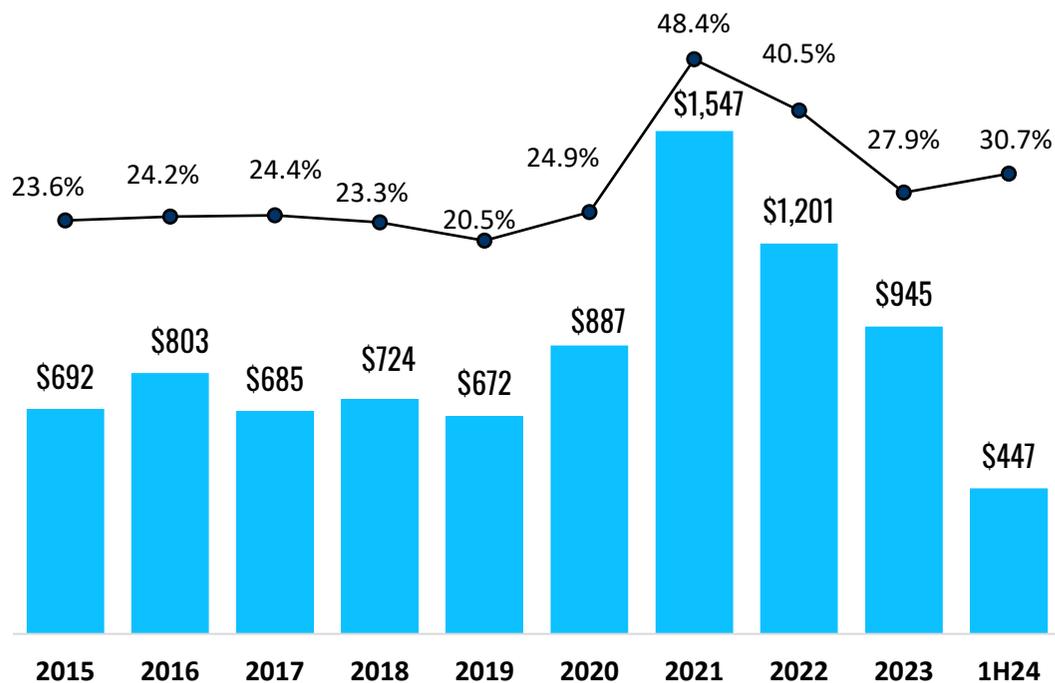
- **Global market leader in driver ICs for large and small & medium-sized panels**
  - Large display driver business positions toward high end 8K/4K TV, gaming monitor and low power NB
  - Leadership in auto driver sales, in both DDIC & TDDI. First mover of auto TDDI with cumulative shipment > 50M unit till 2Q24. Himax anticipates Auto sales continue to represent our major revenue contributor moving forward
  - Market leader in tablet TDDI with mass production from 1Q20. Well dominate non-iOS tablet as primary supplier to customers
- **Innovative non-driver technologies in advanced Tcon, WiseEye AI, Wafer Level Optics, 3D Sensing, CIS and LCoS microdisplays**
  - Outstanding performance in high value added Tcon including 8K/4K TV, gaming monitor, low power NB, automotive, ePaper & OLED
  - WiseEye Ultralow Power AI Sensing: Collaborates with global endpoint-AI solution partners by actively engaging endpoint-to-cloud platforms, ecosystem partners and end-point AI customers in NB, surveillance, shared bike, door lock, AMR and smart home/office
  - Highlights the application versatility of WLO and market leadership of WLO in advancing LPO/CPO technology for optical transmission, which is vital for the advancement of cloud AI and high-speed computing
  - 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. Extend to phase modulation LCoS technology for AR-HUD, LiDAR and WSS
  - Top choice of global leaders to jointly develop non-driver category / optical technologies for emerging metaverse applications in AR/VR devices and human interface sensing.

# Gross Margin is a Key Business Focus



## Revenue & Gross Margin

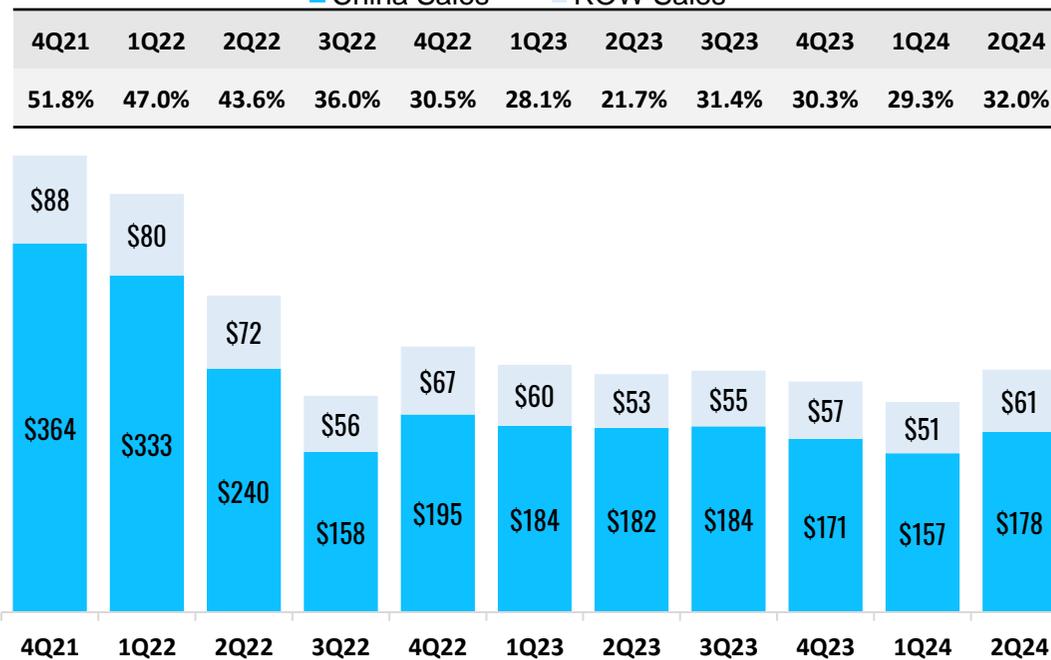
US\$M in Revenue and Gross Margin %



## Geographical Revenue Mix & Quarterly GM

US\$M in Revenue and Quarterly Gross Margin %

■ China Sales ■ ROW Sales



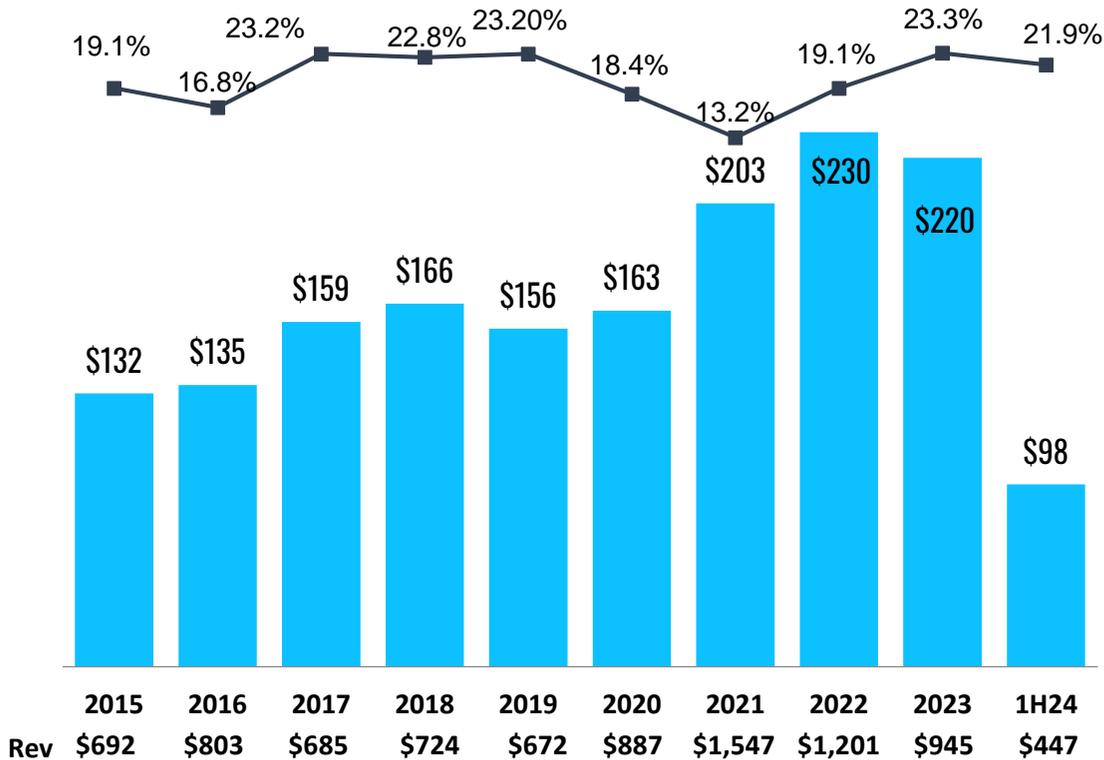
### Margin improved with favorable product mix

- High margin segments supporting our long-term growth
  - Leadership in Auto: A leading supplier with leading technology spec (DDIC/TDDI/Tcon/OLED). First mover in auto TDDI, LTDI and local dimming Tcon now broadly adopted as standard platform by main auto makers. Demand unfolding with a trend in new energy vehicle (NEV)
  - Leadership in tablet: A dominate supplier with leading technology spec in TDDI and tablet OLED.
  - New revenue stream: Ultralow power WiseEye AI sensing, OLED and WLO (LPO/CPO)
- 2023 auto driver business represents around 36% of total sales, the largest revenue contributor. Auto, Tcon and WiseEye AI business all enjoy higher GM than corporate average
  - Robust auto demand derived from display inside the auto increase in number, size and feature, implying more demand for auto drivers ICs
- 2021 GM set a new high for favorable price and product mix amid severe capacity shortage period

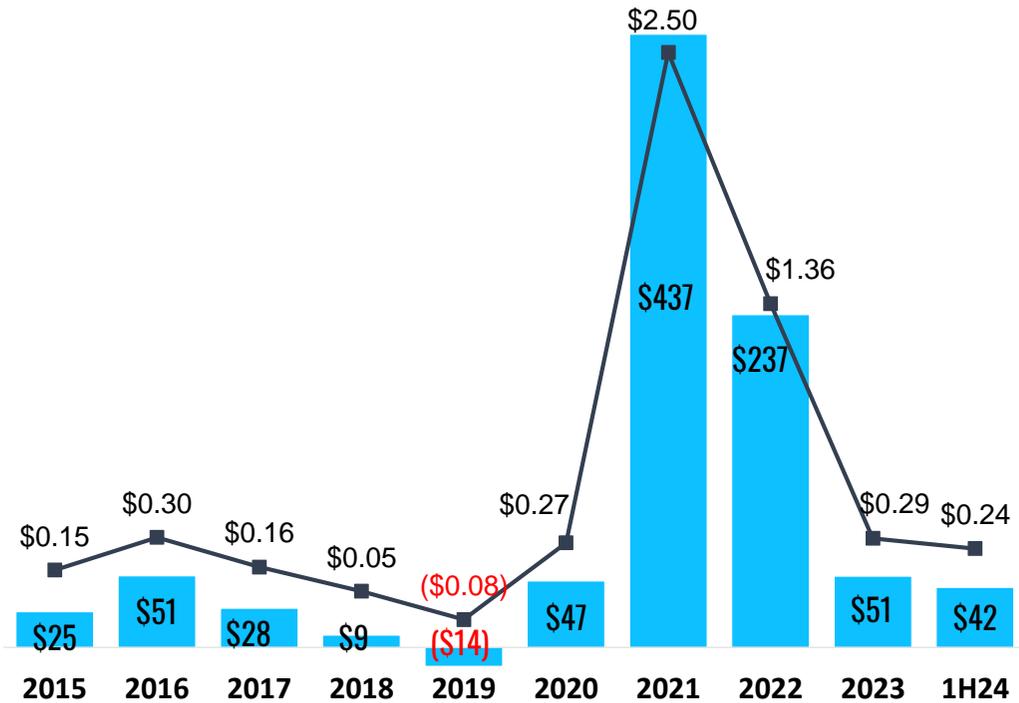
# OPEX and the Bottom Line



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



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



- Given the persistent macroeconomic headwinds, we continue to be diligent with strict budget and expense control measures. We remain committed to R&D and customer engineering in strategic areas with growth potential
- The increased OPEX ratio in 2023 was mainly a result of higher salary, but lower revenues. Yet, amidst prevailing macroeconomic headwinds, we remain focused on strict cost controls
- 2022 OPEX up 12.8% YoY, primarily a result of the vested portion of the annual bonus compensation awarded to employees in 2022 and previous years, along with increased salaries and R&D expenses
- 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
- 2019 Profit declined due to adverse product mix change, weaker market demand and intensified competition

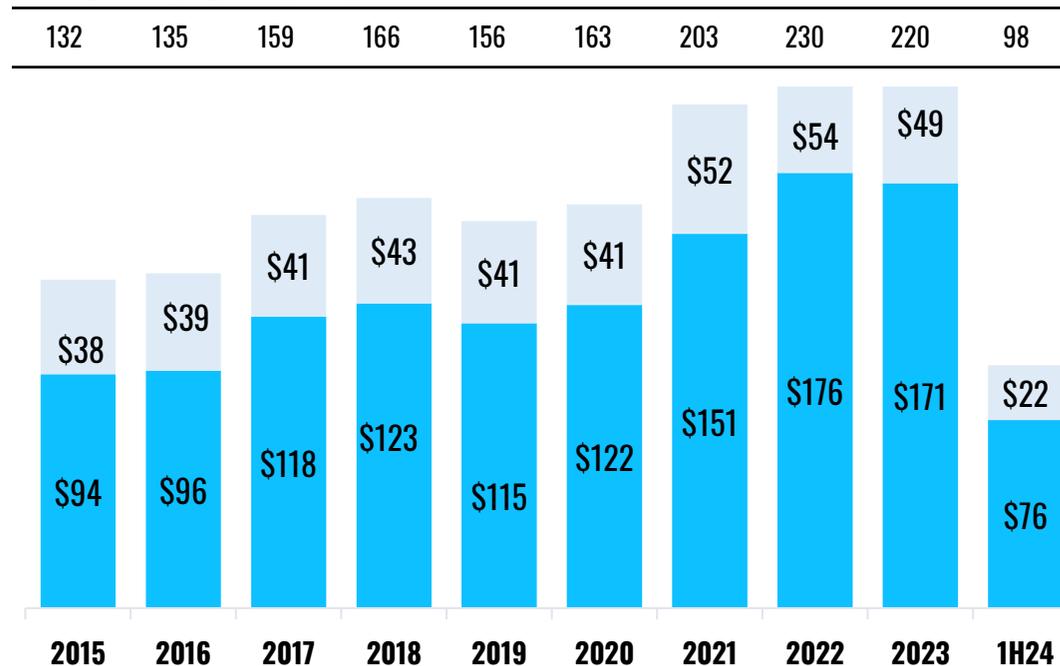
# Performance History



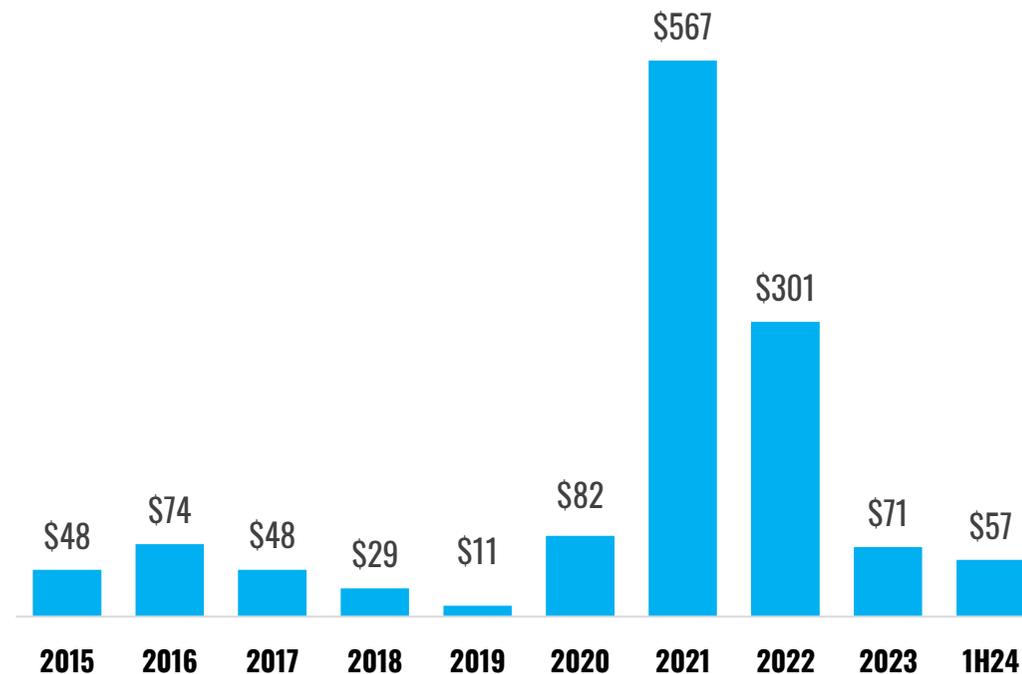
## Operating and R&D Expenses (US\$M)

■ R&D Expense    ■ Operating Expense ex. RD

### Total Operating Expense (US\$M)



## EBITDA (US\$M)



- Well-manage R&D investment & expense for customer engineering for strategic growth including WLO, CIS, TDDI, Auto, OLED, 3D Sensing & WiseEye ultralow power AI Image Sensing
- Annual bonus expense includes share-based compensation and cash award from 2014 to 2023: \$11.1mn, \$6.2mn, \$10.2mn, \$6.9mn, \$4.1mn, \$0.4mn, \$5.4mn, \$31.0mn, \$47.3mn and \$31.4mn

- From end of 1Q22, market disruption of geopolitical conflict, China lockdown along with elevated inflation and rapidly rising interest rates, all led to our sales decline and inventory pile-up, resulting in GM contraction
- In 2021, 5G/HPC/AIoT/Auto demand and WHF demand derived from pandemic caused tight capacity shortage for mature process node and led to favorable pricing where GM is higher than those before 2019
- 2019 profit setbacks caused by lower GM due to adverse product mix change
- Robust profit growth in 2016 as a result of revenue growth and GM enhancement from new products

# Income Statement



For the Fiscal Period Ended	<u>2Q-2024</u> (Unaudited)	<u>2Q-2023</u> (Unaudited)	<u>1Q-2024</u> (Unaudited)	<u>Y2023</u> (Audited)	<u>Y2022</u> (Audited)
<b>Revenues</b>	\$239,622	\$235,031	\$207,550	\$945,428	\$1,201,339
<b>Cost of revenues</b>	163,038	183,961	146,805	681,931	714,233
<b>Gross profit</b>	76,584	51,070	60,745	263,497	487,106
<b>Gross margin</b>	32.0%	21.7%	29.3%	27.9%	40.5%
Operating expenses					
Research and development	36,201	41,433	39,664	171,392	175,557
General and administrative	5,692	6,115	5,890	25,037	28,503
Sales and marketing	5,434	5,664	5,162	23,856	25,459
<b>Total operating expenses</b>	47,327	53,212	50,716	220,285	229,519
<b>Operating income (loss)</b>	29,257	(2,142)	10,029	43,212	257,587
Non-operating income (loss)	2,428	1,624	2,248	1,181	18,978
<b>Profit (loss) before income taxes</b>	31,685	(518)	12,277	44,393	276,565
Income tax expense (benefit)	1,978	(1,247)	0	(5,028)	41,098
Profit for the period	29,707	729	12,277	49,421	235,467
Add: Loss (profit) attributable to noncontrolling interests	(81)	159	221	1,195	1,515
<b>Profit attributable to Himax stockholders</b>	\$29,626	\$888	\$12,498	\$50,616	\$236,982
<b>Earnings per ADS attributable to Himax stockholders (in cents)</b>					
Basic	17.0	0.5	7.2	29.0	135.6
Diluted	16.9	0.5	7.1	29.0	135.6

# Balance Sheet



	<u>June 30, 2024</u> (Unaudited)	<u>March 31, 2024</u> (Unaudited)	<u>June 30, 2023</u> (Unaudited)
<b><u>Assets</u></b>			
<b>Current assets:</b>			
Cash and cash equivalents	\$236,676	\$261,702	\$211,425
Financial assets at amortized cost	11,408	14,334	8,079
Financial assets at fair value through profit or loss	5,713	1,380	0
Accounts receivable, net (including related parties)	242,376	212,326	239,039
Inventories	203,691	201,872	297,268
Restricted deposit	453,000	453,000	369,300
Other current assets	55,488	61,190	110,533
<b><u>Total Current Assets</u></b>	<b><u>1,208,352</u></b>	<b><u>1,205,804</u></b>	<b><u>1,235,644</u></b>
Financial assets at fair value through profit or loss	25,697	21,635	19,094
Financial assets at fair value through other comprehensive income	27,974	1,889	313
Equity method investments	3,034	3,173	6,127
Property, plant and equipment, net	125,900	128,938	121,674
Goodwill	28,138	28,138	28,138
Refundable deposits	221,856	221,886	205,237
Other assets	33,915	32,050	21,930
<b><u>Total Assets</u></b>	<b><u>\$1,674,866</u></b>	<b><u>\$1,643,513</u></b>	<b><u>\$1,638,157</u></b>
<b><u>Liabilities and Equity</u></b>			
<b>Current liabilities:</b>			
Short-term unsecured borrowings	\$0	\$0	\$289
Current portion of long-term unsecured borrowings	6,000	6,000	6,000
Short-term secured borrowings*	453,000	453,000	369,300
Accounts payable (including related parties)	148,602	117,234	127,652
Income taxes payable	8,669	11,071	18,894
Other current liabilities	147,199	131,389	198,558
<b><u>Total Current Liabilities</u></b>	<b><u>763,470</u></b>	<b><u>718,694</u></b>	<b><u>720,693</u></b>
Long-term unsecured borrowings	31,500	33,000	37,500
Other liabilities	15,553	15,322	53,729
Himax stockholders' equity	857,450	869,748	825,401
Noncontrolling interests	6,893	6,749	834
<b><u>Total Liabilities and Equity</u></b>	<b><u>\$1,674,866</u></b>	<b><u>\$1,643,513</u></b>	<b><u>\$1,638,157</u></b>

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

# Cash Flow Statement



	<u>2Q-2024</u> (Unaudited)	<u>1Q-2024</u> (Unaudited)	<u>2023FY</u> (Audited)	<u>2022FY</u> (Audited)
<b>Profit for the period</b>	<b><u>\$29,707</u></b>	<b><u>\$12,277</u></b>	<b><u>\$49,421</u></b>	<b><u>\$235,467</u></b>
Depreciation and amortization	5,679	5,471	20,322	21,342
Share-based compensation expenses	379	358	2,663	3,096
Loss on re-measurement of the pre-existing relationships in a business combination	0	0	1,932	0
Finance costs	1,014	1,018	6,080	2,783
Income tax expense (benefit)	1,978	0	(5,028)	41,098
Inventories write downs	2,892	4,353	21,540	22,211
Others	<u>(2,407)</u>	<u>(3,164)</u>	<u>(9,547)</u>	<u>(18,893)</u>
	39,242	20,313	87,383	307,104
Changes in:				
Decrease (increase) in accounts receivable (including related parties)	(37,688)	15,704	20,804	146,870
Decrease (increase) in inventories	(4,711)	11,083	132,090	(194,544)
Increase (decrease) in accounts payable (including related parties)	35,172	13,202	7,676	(124,870)
Others	<u>(877)</u>	<u>(3,863)</u>	<u>(44,533)</u>	<u>18,105</u>
<b>Cash generated from operating activities</b>	<b>31,138</b>	<b>56,439</b>	<b>203,420</b>	<b>152,665</b>
Interest received	4,505	854	8,567	4,525
Interest paid	(1,014)	(936)	(6,080)	(2,783)
Income tax refunded (paid)	(7,680)	391	(53,066)	(71,499)
<b>Net cash provided by operating activities</b>	<b><u>\$26,949</u></b>	<b><u>\$56,748</u></b>	<b><u>\$152,841</u></b>	<b><u>\$82,908</u></b>
Acquisitions of property, plant and equipment	(4,582)	(2,699)	(23,378)	(11,797)
Acquisitions of financial assets at amortized cost	(5,011)	(2,439)	(6,911)	(8,763)
Proceeds from disposal of financial assets at amortized cost	8,051	500	3,099	25,823
Acquisitions of financial assets at fair value through profit or loss	(33,774)	(7,488)	(82,628)	(108,374)
Proceeds from disposal of financial assets at fair value through profit or loss	25,468	8,163	75,539	110,283
Acquisitions of financial assets at fair value through other comprehensive income	(17,164)	0	0	0
Decrease (increase) in refundable deposits	14	22,217	(56,933)	(6,144)
Others	<u>(26)</u>	<u>(118)</u>	<u>2,330</u>	<u>13,970</u>
<b>Net cash provided by (used in) investing activities</b>	<b><u>(\$27,024)</u></b>	<b><u>\$18,136</u></b>	<b><u>(\$88,882)</u></b>	<b><u>\$14,998</u></b>
Payments of cash dividends	0	0	(83,720)	(217,873)
Payments of dividend equivalents	0	0	(148)	0
Proceeds from short-term unsecured borrowings	0	0	47,226	0
Repayments of short-term unsecured borrowings	0	0	(47,226)	0
Proceeds from long-term unsecured borrowings	0	0	0	40,000
Repayments of long-term unsecured borrowings	(1,500)	(1,500)	(6,000)	(46,000)
Proceeds from short-term secured borrowings	349,200	447,100	1,383,300	1,212,700
Repayments of short-term secured borrowings	(349,200)	(447,100)	(1,299,600)	(994,800)
Pledge of restricted deposit	0	0	(83,700)	(217,900)
Guarantee deposits received (refunded)	(21,514)	(1,868)	200	16,913
Others	<u>(1,755)</u>	<u>(1,077)</u>	<u>(3,923)</u>	<u>(4,108)</u>
<b>Net cash used in financing activities</b>	<b><u>(\$24,769)</u></b>	<b><u>(\$4,445)</u></b>	<b><u>(\$93,591)</u></b>	<b><u>(\$211,068)</u></b>
Effect of foreign currency exchange rate changes	(182)	(486)	(200)	(1,281)
<b>Net increase (decrease) in cash and cash equivalents</b>	<b><u>(\$25,026)</u></b>	<b><u>\$69,953</u></b>	<b><u>(\$29,832)</u></b>	<b><u>(\$114,443)</u></b>
<b>Cash and cash equivalents at beginning of period</b>	<b><u>\$261,702</u></b>	<b><u>\$191,749</u></b>	<b><u>\$221,581</u></b>	<b><u>\$336,024</u></b>
<b>Cash and cash equivalents at end of period</b>	<b><u>\$236,676</u></b>	<b><u>\$261,702</u></b>	<b><u>\$191,749</u></b>	<b><u>\$221,581</u></b>



**Dr. Biing-Seng Wu, Chairman of the Board** - Dr. Wu, the founder of Himax, previously served as President, CEO and 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 with profound experience. With significant numbers of patents related to Flat Panel Display and 3D Sensing 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, 2011 NCKU Outstanding Alumni Award, etc.



**Jordan Wu, President, CEO and Director** - Mr. Jordan Wu, co-founder, President and Chief Executive Officer of Himax Technologies Inc., a NASDAQ-listed fabless IC design company headquartered in Tainan, Taiwan. Prior to co-founding Himax, he served as CEO of TV Plus Technologies, Inc. in Taiwan 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, specialized in cross-border capital markets and M&A. 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, USA



**Jessica Pan, Chief Financial Officer** - Jessica joined Himax in 2006 and has played an integral role at Himax on finance, accounting, financial planning and analysis, forecasting and tax. Jessica 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, USA



**Eric Li, Chief IR/PR Officer** - Joining Himax in 2012, Mr. Eric Li has 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, USA



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**BAKER & MCKENZIE**

## SEC Legal Counsel

**DAVIS POLK  
& WARDWELL**

## Auditor

**KPMG**