



Himax

Human Interface and Display Technologies

Nasdaq : HIMX

May 2020 INVESTOR PRESENTATION



Forward Looking Statements



Factors that could cause actual events or results to differ materially include, but not limited to, general business and economic conditions and the state of the semiconductor industry; market acceptance and competitiveness of the driver and non-driver products developed by the Company; demand for end-use applications products; reliance on a small group of principal customers; the uncertainty of continued success in technological innovations; our ability to develop and protect our intellectual property; pricing pressures including declines in average selling prices; changes in customer order patterns; changes in estimated full-year effective tax rate; shortages in supply of key components; changes in environmental laws and regulations; exchange rate fluctuations; regulatory approvals for further investments in our subsidiaries; our ability to collect accounts receivable and manage inventory and other risks described from time to time in the Company's SEC filings, including those risks identified in the section entitled "Risk Factors" in its Form 20-F for the year ended December 31, 2019 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

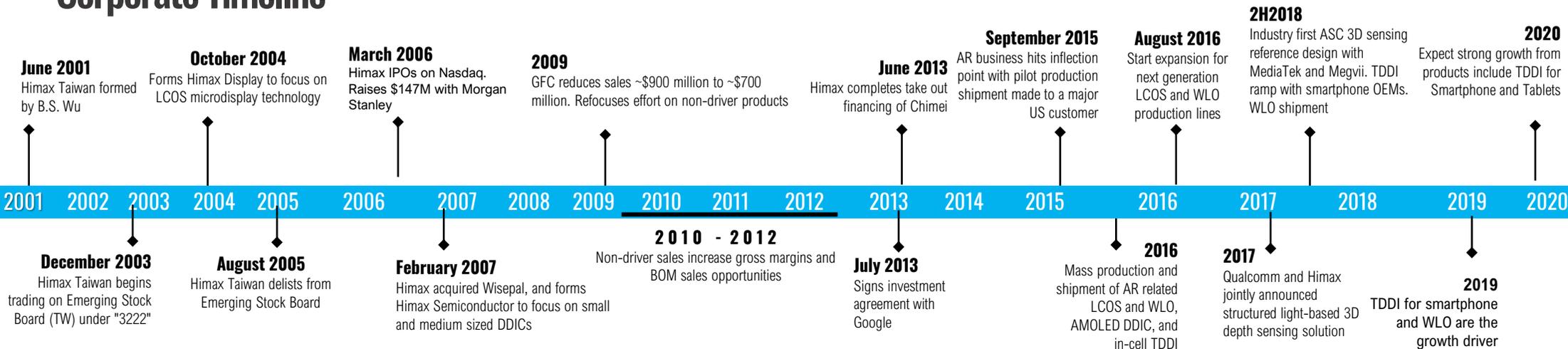


2018 and Beyond

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



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
- Revenues from traditional large and small/medium now diversified to TDDI, WLO/CIS and LCOS microdisplays
- Top-tier partnerships with major U.S. and Asian AP platform providers, device makers, and the world's biggest tech names
- Non-driver product lines expected to improve corporate profit margin and further diversify customer base

Operational and Public Market Performances

- Long-term profitability potential with no fundraising 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

- Integration of AMOLED and TDDI technologies fuel growth for core, display driver ICs
- Himax's WLO, CMOS & 3D image sensors, LCOS microdisplay's leading specs and continued design wins position us at the forefront of new WLO, 3D sensing, Structured Light, & ToF, AR/VR, IoT, Automotive LIDAR, HUD, Medical Devices, Robotics development and future product releases.

Visionary Management Team

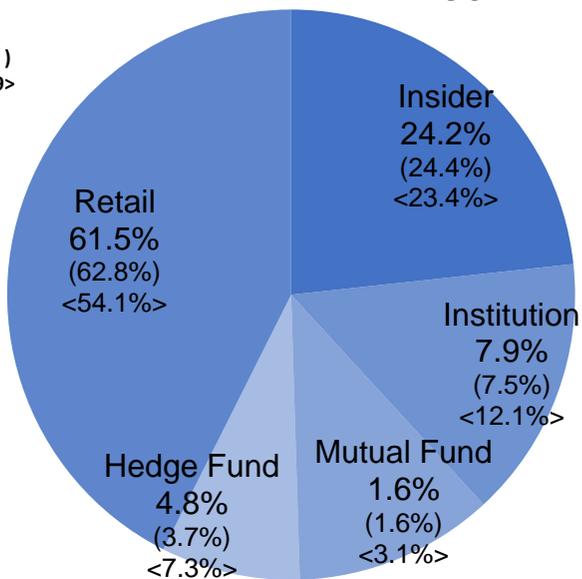
HIMX Nasdaq Listed

Fiscal Year	December 31
Last-Traded Price (05/06/20)	\$3.08
Basic and Diluted Weighted Ave. Out. ADS	172.6M
Equivalent ADS Out	172.2M
Market Capitalization (05/06/20)	\$530.3M
50-Day Avg. Daily Volume (05/06/20)	1.49M
Insider Ownership*	24.2%

* Insider ownership includes executives and board members

Shareholder Type

(4Q19)
<1Q19>



Date: As of March, 31 2020

12 Month Trading Chart



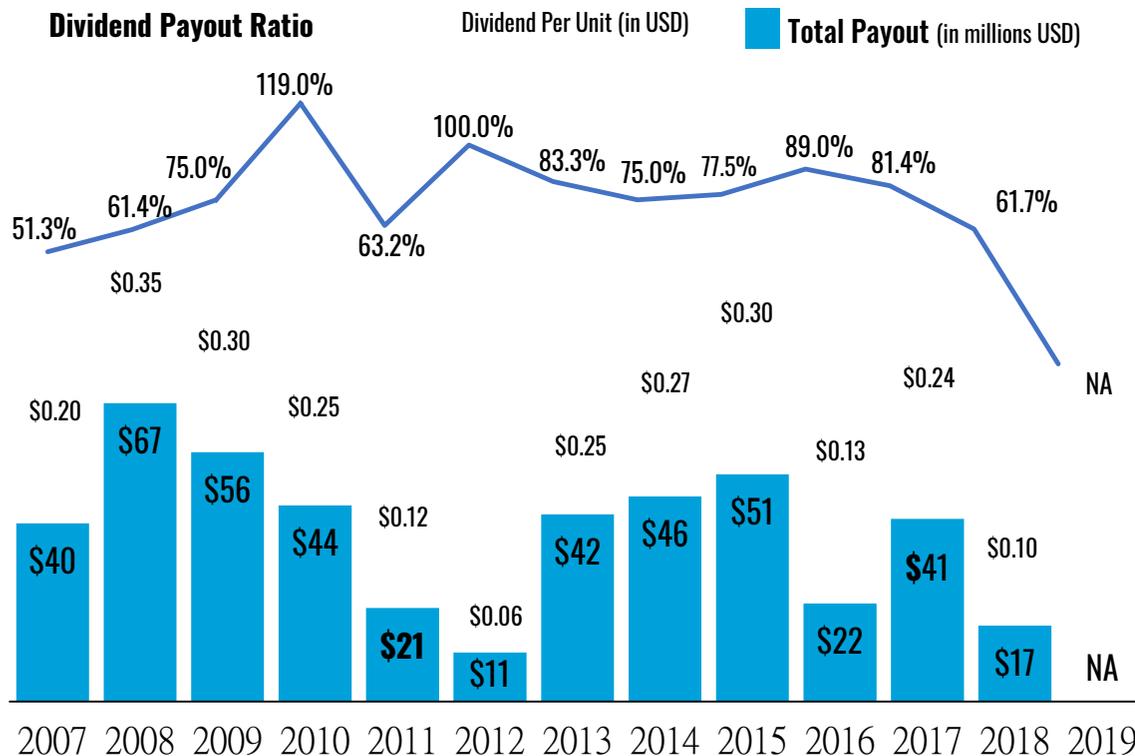
Analysts

Credit Suisse
Lake Street Capital Markets
Mizuho Securities Asia Ltd
Nomura Securities
Northland Securities, Inc.
Baird Equity Research

Jerry Su
 Jaeson Schmidt
 Kevin Wang
 Donnie Teng
 Tim Savageaux
 Tristan Gerra

Himax Dividend and Policy

- Distributed a total of **\$458** million of cash dividend since IPO
- Typically pays out annual cash dividend at approximately the middle of the current calendar year based on prior year's profitability, e.g., 2018 dividend payouts in July is for fiscal year 2017.
- In 2019, Himax did not pay an annual cash dividend for fiscal year 2018. The decision was made with full consideration of Himax's 2019 operations and capital requirement to support its future growth and to drive gains in market share.
- Company is committed to pay annual cash dividend

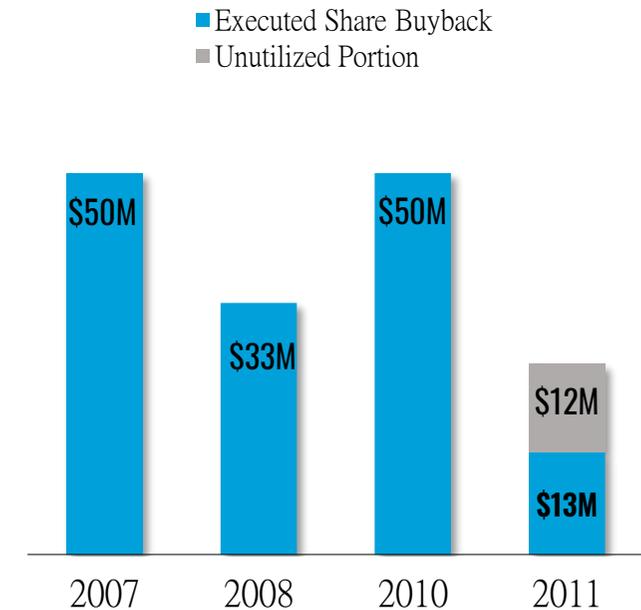


Yield	4.0%	7.0%	10.4%	9.1%	5.9%	3.4%	4.4%	4.1%	4.8%	1.4%	2.9%	1.3%
EPS	0.57	0.40	0.21	0.19	0.06	0.30	0.36	0.39	0.15	0.30	0.16	0.05

Himax Share Buyback

- Initiated four share buyback programs totaling \$158 million since 2007
- Repurchased a total of 46.5 million ADSs through June 30, 2019 at average purchase price per ADS: \$3.15

Executed Share Buybacks from 2007-2019 (in millions USD)



\$604 MILLION HAS BEEN RETURNED TO SHAREHOLDERS INCLUDING DIVIDENDS AND SHARE BUY BACKS SINCE IPO

* On 11/30/2018 Himax chairman announced share purchase plan. Chairman Dr. Biing-Seng Wu intends to use his personal funds to purchase up to approximately \$5 million of the Company's American Depository Shares ("ADSs") in the open market, subject to market conditions and other factors.

Summary and Guidance



	1Q2020	4Q2019	1Q2019	YoY	QoQ
Revenues	\$184.6M	\$174.9M	\$163.3M	13.0%	5.5%
Gross Margin (%)	22.7%	20.6%	22.6%	0.1%	2.1%
IFRS Profit (Loss)	\$3.3M	\$1.0M	(\$2.3M)	+242.0%	+218.0%
IFRS Earnings (Loss) per ADS	\$0.019	\$0.006	(\$0.013)	+241.4%	+216.6%
Non-IFRS Profit (Loss)	\$3.8M	\$1.5M	(\$2M)	+293.6%	+150.2%
Non-IFRS Earnings (Loss) per ADS	\$0.022	\$0.009	(\$0.011)	+292.7%	+149.1%

	FULL YEAR 2019	FULL YEAR 2018	YoY
Revenues	\$671.8M	\$723.6M	-7.2%
Gross Margin (%)	20.5%	23.3%	-2.8%
IFRS Profit (Loss)	(\$13.6M)	\$8.6M	-258.9%
IFRS Earnings (Loss) per ADS	(\$0.079)	\$0.050	-258.9%
Non-IFRS Profit (Loss)	(\$12.1M)	\$12.9M	-194.0%
Non-IFRS Earnings (Loss) per ADS	(\$0.070)	\$0.075	-194.0%

2Q2020 Guidance

Revenues	Decrease slightly by within 5% sequentially
Gross Margin (%)	Expected to be between 20.2% to 20.6% depending on our final product mix
IFRS Profit (Loss)	To be around (1.5) cents to (0.5) cents
Non-IFRS Profit (Loss)	To be around (1.3) cents to (0.3) 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
- 2,919 patents granted and 581 patents pending approval worldwide as of March 31, 2020
- 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.



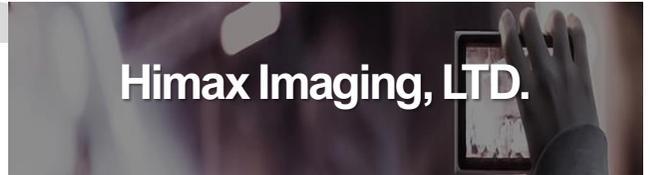
Himax Technologies, LTD.

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



Himax Display, Inc.

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



Himax Imaging, LTD.

- CMOS Image sensors



Himax

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





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

MARKETS WE SERVE

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

In what devices can you find Himax DDIC technologies

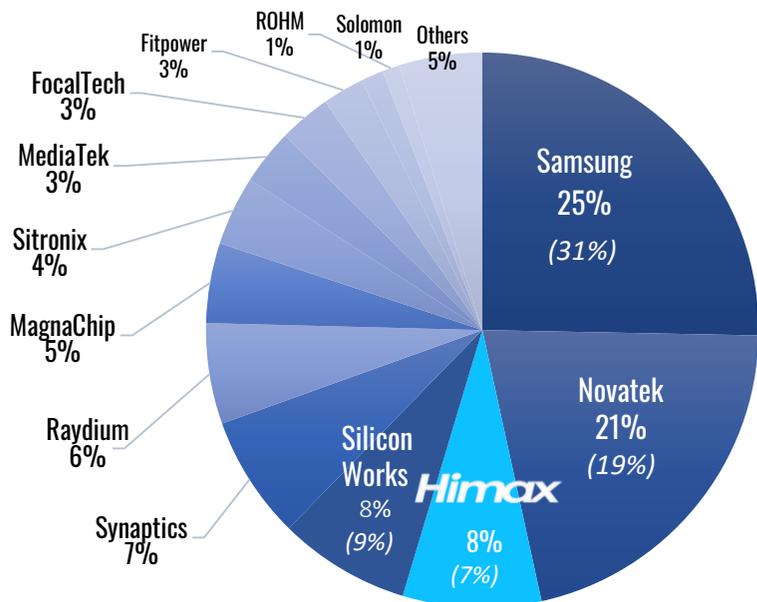


Who uses Himax DDICs



2019 Q4 Driver Market Share

(3Q19 Market Share %, Revenue)



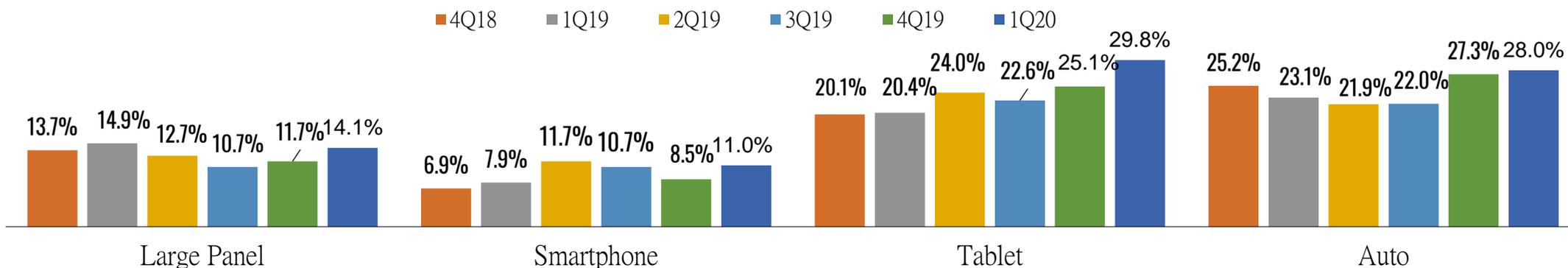
Source: IHS iSupply and company estimates (This covers TFT-LCD and OLED DDICs)

We have the ability to provide a complete solution of image processing technologies and leverage our expertise in mobile devices and other mass-market technology releases

- Large display driver IC business continue to benefit from Chinese panel customers' capacity expansion as well as Korean fab restructuring
- Strong market share in fastest moving consumer devices including auto application
- Major TDDI design-wins and shipments for smartphones, and tablets in 2019 accelerating into 2020

HIMX'S Strong Driver IC Market Share in Mass Market Devices

(Shipment)



Source: IHS supply 2019 Q4 data, IDC and Company Estimates (This covers TFT-LCD DDICs)

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

MARKETS WE SERVE

Beginning with smartphones, started to expand to tablet, laptops, automotive, and many other consumer electronic devices late 2019

- Limited smartphone business growth in 2019. Company expect robust growth in 2020 and beyond due to major addition of TDDI capacity, new products and shipment to new customers.
- Higher penetration of TDDI is refreshing smartphone life cycle starting end of 2016, major growth driver for 2019 and beyond
- New In-cell TDDI is refreshing tablet life cycle starting end of 2019, expect strong growth for 2020 and beyond, Himax is the primary source for Android tablet tier-1 customers
- Higher ASP & higher margin versus traditional discrete driver ICs
- Product mix will enhance corporate gross margin



In what devices can you find Himax TDDI technologies



A-Si HD+ Smartphone



LTPS FHD+ and HD+ Smartphone



8" and Large-sized Tablets, In-cell TDDI



Tablet PC & Smart Speaker

Who uses Himax Touch and TDDI Technologies





We offer industry leading WLO design know-how and mass production expertise for 3D sensing solutions which cover structured light, and ToF. Our CMOS image sensors include near infrared (NIR) sensors for 3D sensing and ultra-low power computer vision, Always-on-Sensor (AoS™), and customized sensors for optical finger print solutions

Wafer Level Optics (WLO)

Integrated Optics High Accuracy
Scalability In Production

Best For IoT/Smart Sensing

Eye Tracking & Gesture Control
3D Depth Sensing

Waveguide for AR

Key technology to enable holographic imaging for AR goggle devices

MARKETS WE SERVE

Smartphones, Consumer Electronics, Tablet, TV, Entertainment, Automotive, IoT, Gaming, Education, Healthcare plus many more..

- Strong growth in 2019, accelerating new design activities in both front and world facing 3D sensing for smartphone projects.

Who uses Himax WLO and CMOS technologies



LCoS Microdisplays



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

Our Front Lit LCoS Technology Advantages

- Compact Form Factor
- Brightness
- Power Efficiency
- MP Efficiency & Readiness
- Contains lightguide performance enabling OEM to simplify light guide design
- Lower cost

MARKETS WE SERVE

Industrial, Consumer, Shopping, Search, Gaming, Sports, AR/VR smart glasses, Automotive Heads Up Displays, Tier-1 OEM's market leading AR Glasses



Who uses Himax LCoS micro display technologies



DISPLAY DRIVERS



WAFER LEVEL OPTICS

CMOS IMAGE SENSORS



ASIC SERVICE & IP LICENSING

LCOS MICRODISPLAYS

TOUCH PANEL CONTROLLERS



POWER MANAGEMENT IC & LED DRIVERS

TIMING CONTROLLERS

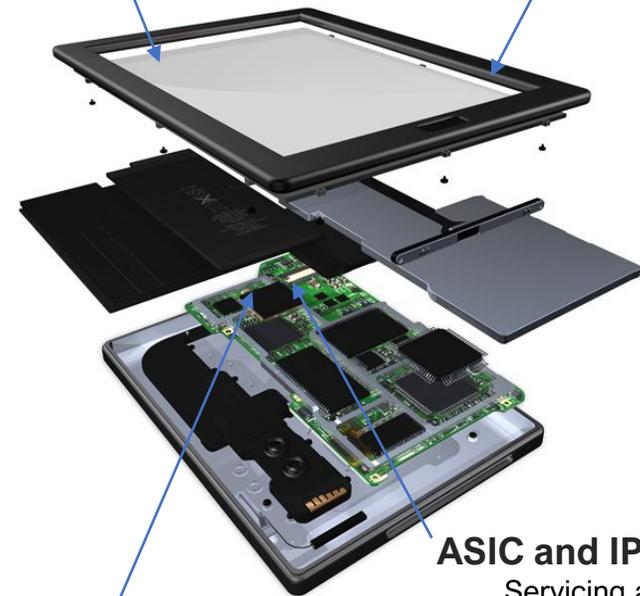


We are In Displays

- 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
- OLED SOC



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

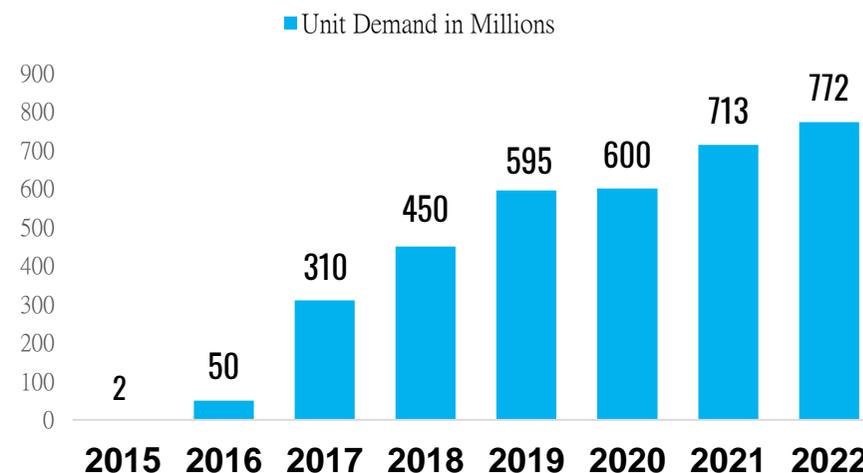
- Expect higher TDDI penetration in smartphones, tablet, and auto going forward
- OEMs are meeting consumer demand for slimmer devices
- Higher penetration of TDDI is refreshing smartphone and tablet life cycle, creating higher dollar content and margin opportunities
- In addition to TDDI growth, higher penetration of AMOLED products represents new opportunities for the segment

Himax Strategies and Market Position

TDDI pure in-cell solution

- Numerous new design-wins and shipment with top-tier smartphone and tablet makers and most panel makers in China starting Q419. Expect strong growth in 2020
- In-cell TDDI becoming mainstream for tablet, Himax is the primary source for Android tablets. MP started for major tier-1 OEMs in 4Q19, with growth continuing into 2020 and beyond
- New generation FHD+ TDDI with COF package to enable super-slim bezel design for premium smartphone and tablet models
- The new TDDI design-wins for smartphone and tablet applications with mass shipment started late 2019, expect robust growth by increasing market share from 5% to around 15% in 2020
- Himax is the dominant automotive TDDI technology provider with mass production experience for leading panel makers. Although only small volume shipments in 2020, we anticipate meaningful shipment volume to ramp up moving into 2021
- Higher ASP and better margin than traditional driver IC
- TDDI will be the biggest growth driver for Himax in 2020

TDDI Demand Forecast 2015-2022 In Millions of Units (IHS Market, 2020)



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



Display Driver IC (DDIC)

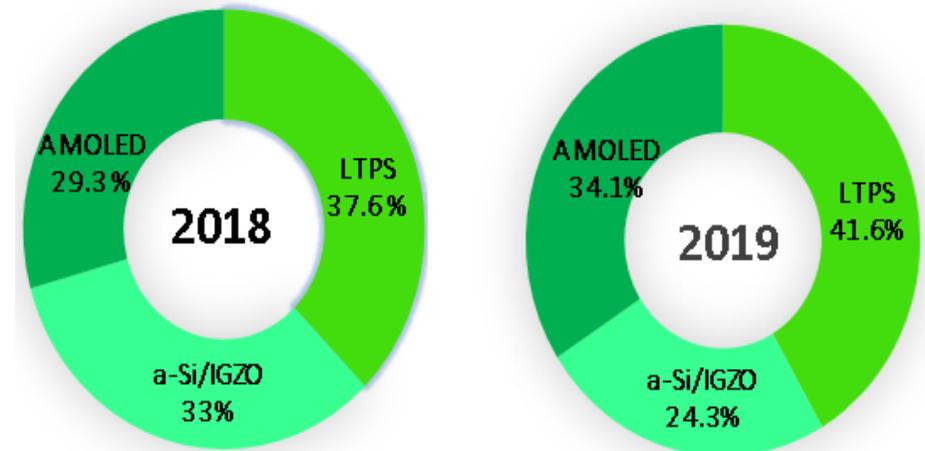
Market Trends

- Korean fab restructuring will further help Chinese panel makers to increase their global market share and will drive volume for the Taiwan DDI supply chain
- Leading Chinese panel makers' shipments continue to dominate in the No. 1 position of its total TFT-LCD capacity
- 4K TV penetration accelerates and 8K TV started to emerge
- Demands for more sophisticated and higher performing displays are still rising in the automotive segment
- Higher adoption of TDDI and AMOLED

Himax Strategies and Market Position

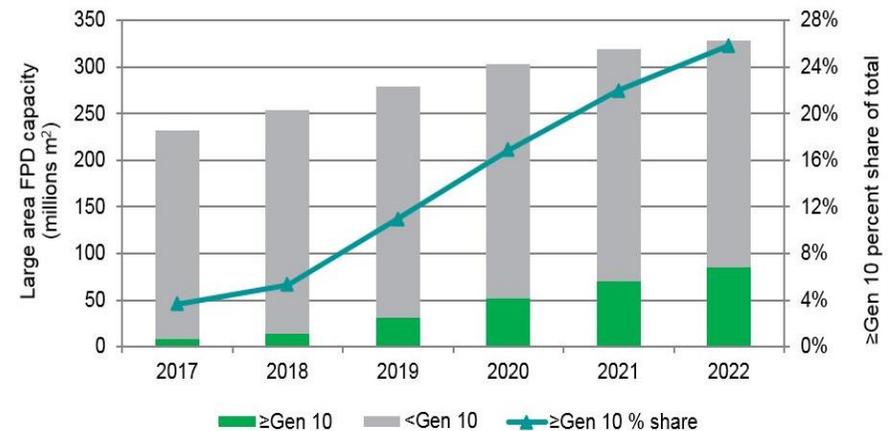
- Leading market share of large DDIC in China
- Major beneficiary of Industry and Korean fab restructuring which will increase Chinese panel maker's global market share
- Increased shipments of 4K solutions and collaboration with major panel makers on the development of next generation 8K TVs
- Next generation display for smartphone and automotive, Himax is the leader in key technologies such as TDDI, and local dimming timing controller
- 8K TV is a strategic area for Himax due to its higher display driver and Tcon content and high technical barrier of entry

Continual Progression to Higher Resolution Displays and AMOLED in Smartphones



Wits View 02/2019

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



Source: THE MARKET

© 2017 THE MARKET

WLO and 3D Sensing



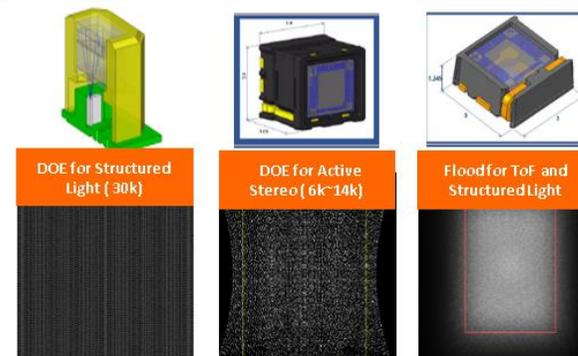
Market Trends

- Wafer-Level Optics (WLO) remains the best technology for structured light, Time-of-Flight (ToF) active stereo camera (ASC) and 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 adoption is expected to be wider for Android smartphones and AIoT starting 2019 and beyond

Himax Strategies and Market Position

- WLO: Exceptional design know-how and mass production expertise deliver consistent product quality and high yields for WLO anchor customer's large-scale adoption since 2017 with ongoing shipment in 2020.
- Himax continue to participate in most ongoing 3D sensing projects covering structured light for non-smartphone application and time-of-flight (ToF) for smartphone 3D, focusing on transmitter module by leveraging our WLO related expertise
- WLO 3D sensing projector in ToF WF module for Android smartphone will be the largest new growth opportunity for Himax moving forward. Target reference design ready 1Q20. Ongoing design-in activities providing optical component or projector to our tier-1 smartphone OEM customers
- 3D Sensing for non-smartphone, working with industry-leading facial recognition algorithm and application processor partners to develop new 3D sensing application for smart door lock with design-in projects already underway with certain end customers
- WLO and 3D Sensing will be the largest growth opportunity for Himax beyond 2020

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



CIS and Ultra Low-Power Smart Sensing



Market Trends

- Many devices today already integrate always on sensing including audio sensor, accelerometers for movement, proximity sensor, ambient light sensor, and so forth
- Very few companies can provide ultra low-power solutions in vision AI in the area of human detection, people tracking, people counting, wake on approach, walk away detection, and unauthorized peek warning
- AI-based ultra-low power smart sensing solution adoption is expected to be wider in 2020 for for AIoT applications include smart home applications, smart building, industrial, tracking and AR/VR for devices

Himax Strategies and Market Position

- Himax Ultra low-power CMOS Image Sensor:
 - Industry first ultra low-power and low latency Back-Illuminated CMOS Image Sensor solution with autonomous modes of operation for always on, intelligent visual sensing applications
 - The VGA resolution can double the range of detection over QVGA resolution, especially to support 90 degree wide field of view lens
 - First mover advantage and have garnered attention and support from leading AI framework provider, ecosystem providers, and others in the industry. Represent significant growth opportunity
 - Reference design win for Google TensorFlow Lite
- Our WiseEye solution contains Himax's industry leading CMOS image sensor and ASIC designs with Emza's AI-based algorithm. All with low power features. WiseEye will enable next generation AI-based computer vision technology with ultra-low power for notebook and many other markets. Expect shipment to Tier-1 NB OEM in 2020. High ASP
- Our new product WiseEye WE-I plus as an edge AI computing platform solution, is aggressively joining the edge computing ecosystem by working closely with machine learning framework provider, tool chain developers, AI algorithm developers and OEM/ODM to provide flexible and cost-effective solutions to fulfill this booming but diversified market.
- CIS include near infrared (NIR) sensors for 3D sensing and ultra-low power computer vision Always-on-Sensor (AoS™) for 'smart building' and security applications, next generation notebook, and AR/VR for mobile devices

Ultra Low Power Sensor Applications



Best For IoT/Smart Sensing

Eye Tracking & Gesture Control
3D Depth Sensing



Wave-Guide For AR Devices

Help Create Holographic Images
The Key Interface of AR



LCoS Microdisplays

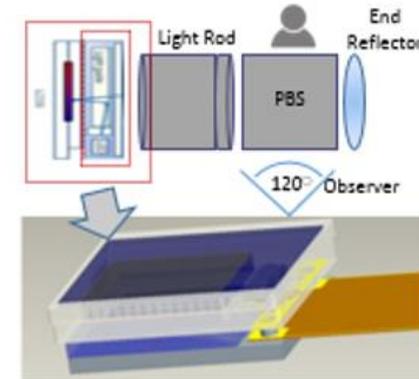


Market Trends

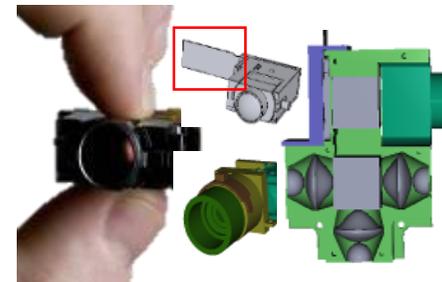
- Many top name multinationals or start-ups are investing heavily to develop the AR ecosystem; applications, software, operating systems, system electronics, and optics
- Limited companies provide the combination of R&D, joint development and manufacturing expertise
- Significant barrier of entry to new market entrants and existing technology companies without scalable manufacturing

Himax Strategies and Market Position

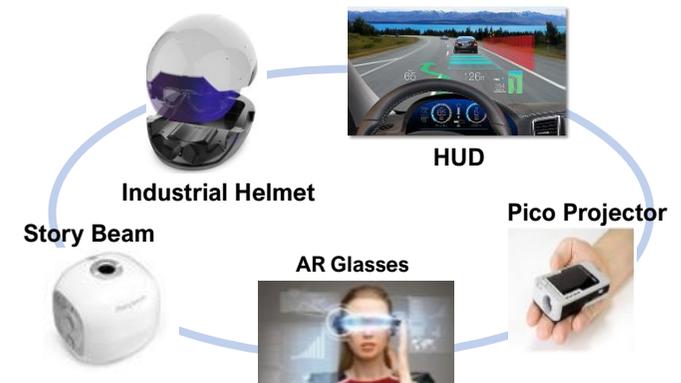
- The leader in microdisplays with patent-protected technology, in-house facilities and shipping record of >2M units
- Focus on AR goggle devices and HUD for automotive applications
- List of AR goggle device customers covers many of the world's biggest tech names. Many have demoed their new AR goggles at CES 2020
- On-going collaboration with Global Tier 1 AR glasses device manufacturers since 2011
- Design-wins of high-end HUD for the automotive sector, target MP 2022
- LCOS is one of the mainstream technology for AR goggle devices
- LCOS represents a long-term growth opportunity for Himax



- Front Lit LCOS Advantages**
- Compact Form Factor
 - Brightness
 - Power Efficiency
 - MP Efficiency & Readiness



Optical Engine with LCOS Module



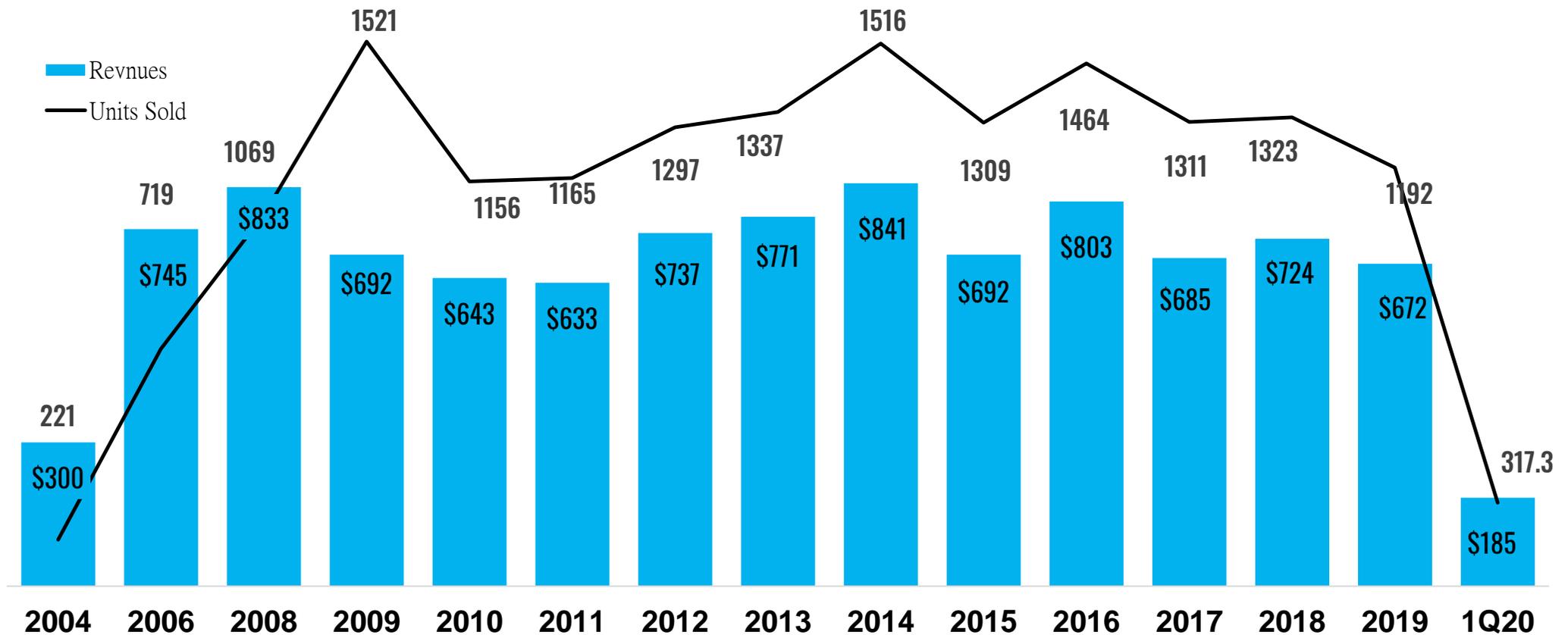


2019 YTD Financial Review



We are One of the Leading Semiconductor Companies in the World

Unit Sales and Revenues (in millions of units and millions of \$USD)



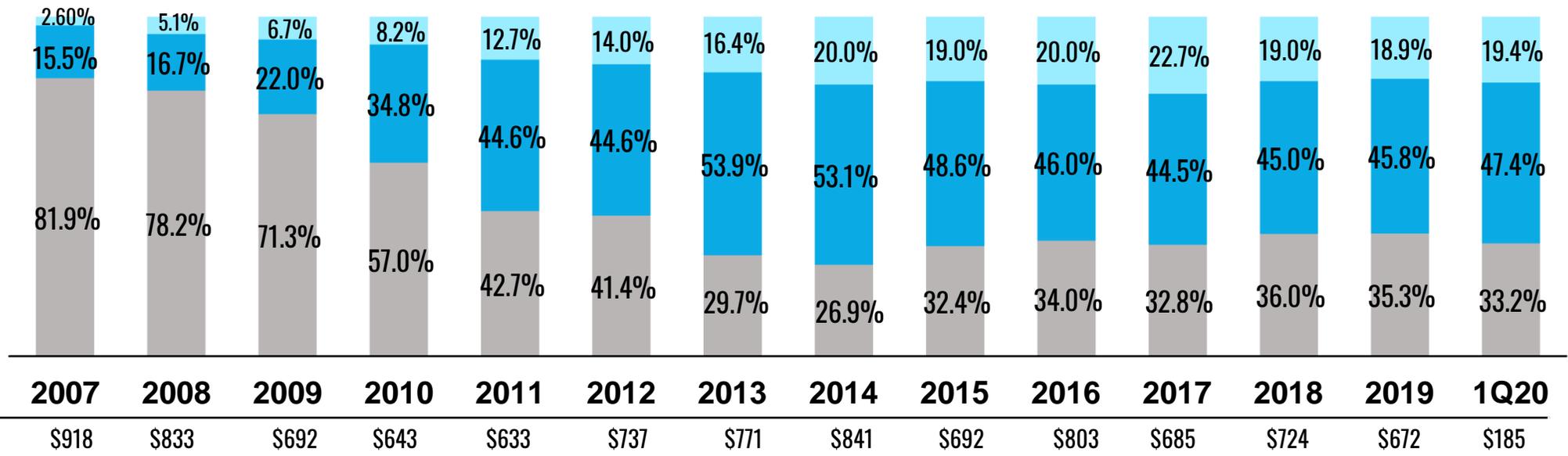
A Balanced Product Mix...



- Global market share leader in large, small and medium-sized panel driver ICs
- Market leader in 3D sensing – Structured light, active stereoscopic and ToF
- Increasing non-driver sales diversifies customer base, improves product mix and lifts gross margin
- Innovative technologies in advanced Wafer Level Optics, CIS and LCOS microdisplays
 - GM & OPM significantly higher than corporate average
 - Phenomenal ROI
 - AR technology provider of choice
- Total solution & component provider

Category Product Mix

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



Revenues (US\$ M)

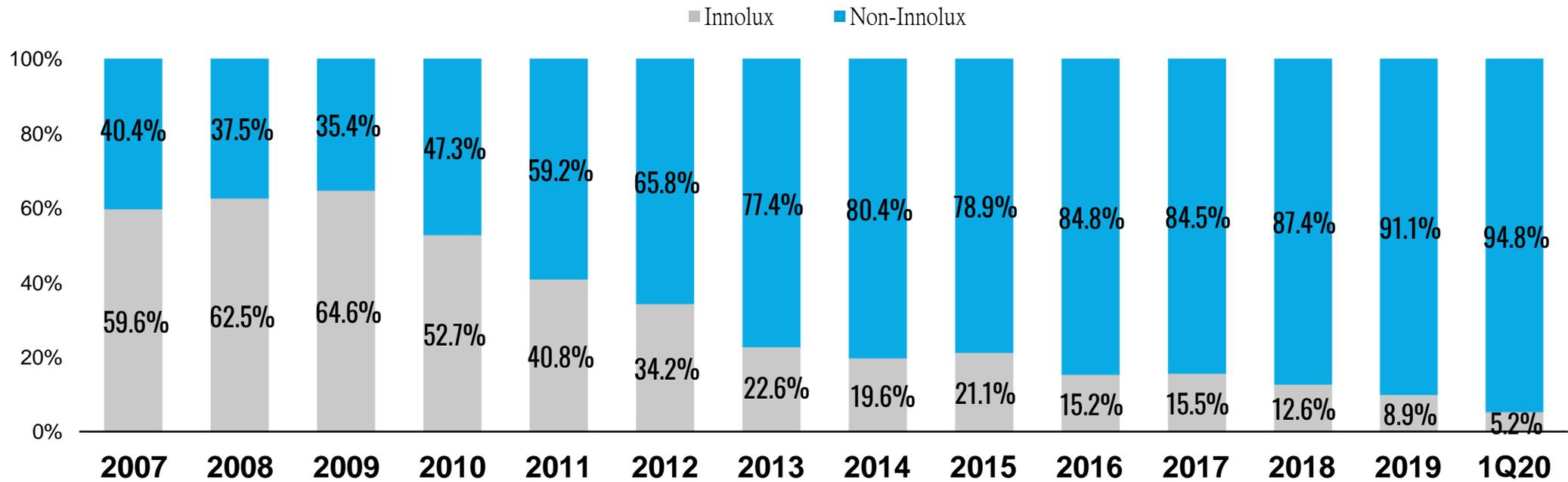
...and a Diversified Customer Base



Largely reduced dependence on one single customer, Innolux.

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

Customer Diversification



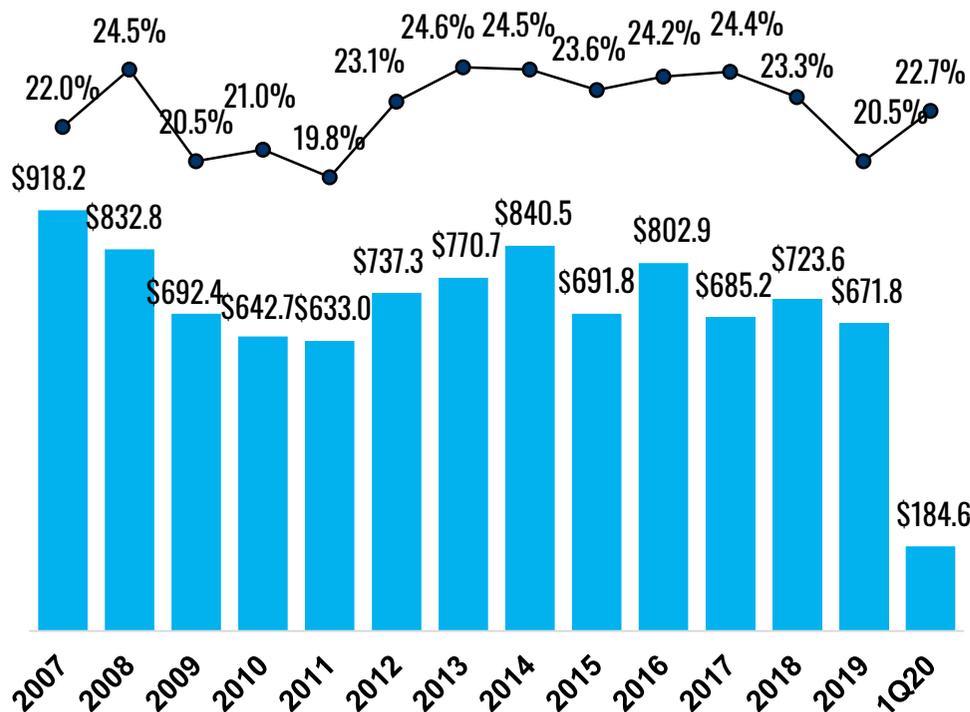
Revenues (US\$ M)	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	1Q20
	\$918	\$833	\$692	\$643	\$633	\$737	\$771	\$841	\$692	\$803	\$685	\$724	\$672	\$185

Gross Margin is a Key Business Focus



Revenues & Gross Margin %

US\$M in Revenues and Gross Margin % of Sale



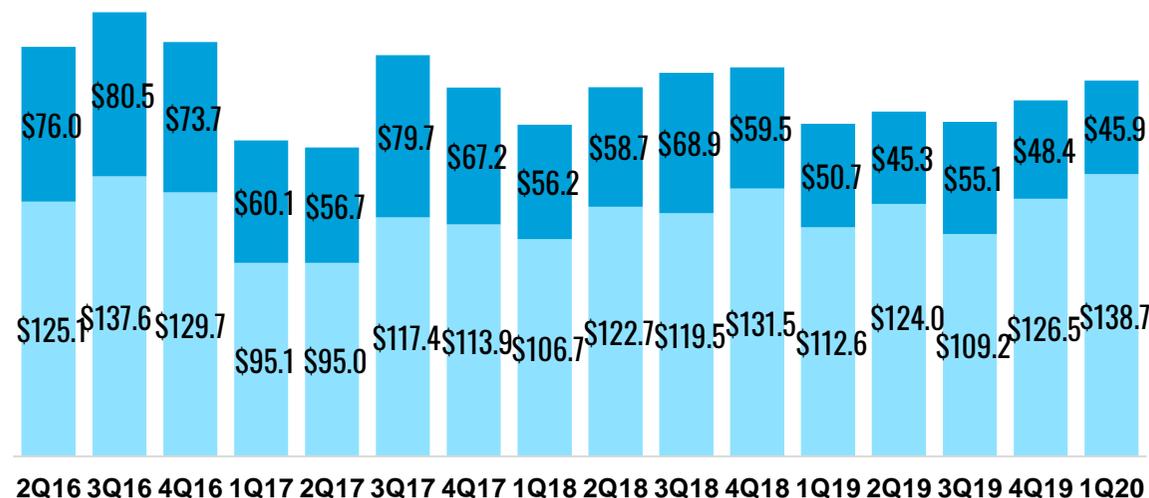
Geographical Revenue Mix & Quarterly GM

US\$M in Revenues and Quarterly Gross Margins

China Sales (light blue) ROW Sales (dark blue)

Quarterly Gross Margin Percentages

2Q16	3Q16	4Q16	1Q17	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19	3Q19	4Q19	1Q20
26.2%	26.1%	25.6%	19.1%	23.1%	23.8%	25.5%	24.6%	22.5%	23.0%	23.4%	24.3%	22.6%	19.5%	20.6%	22.6%



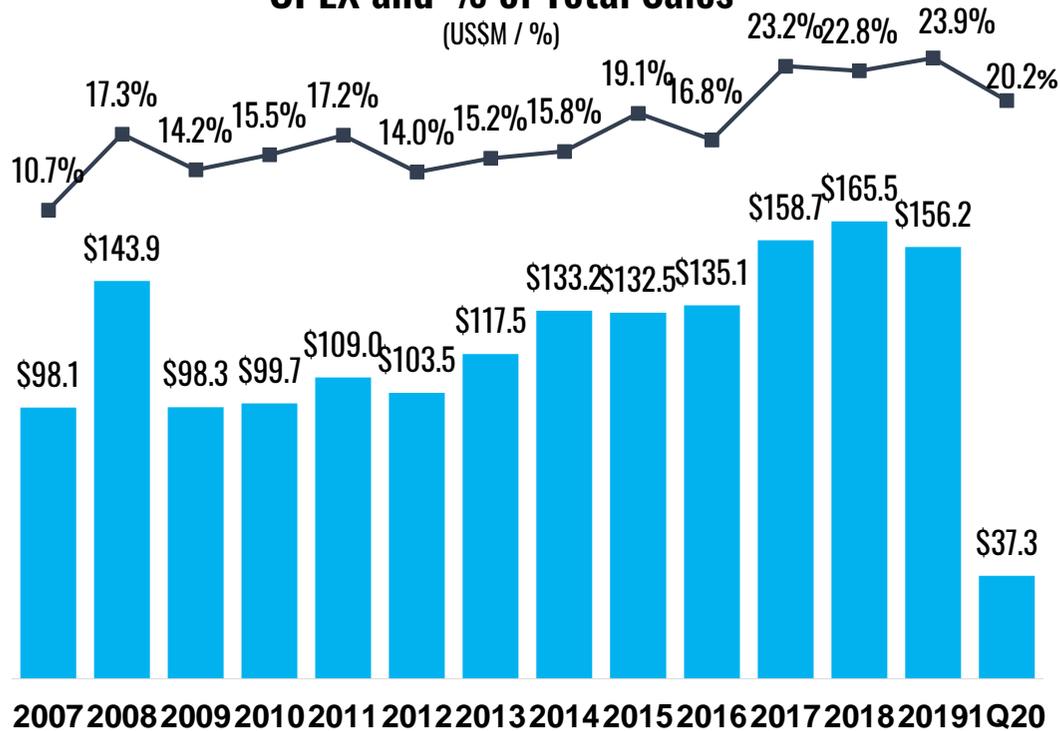
Better product mix lifts blended margin

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

- GM retraction in 2015: higher mix of China sales and competitive pricing in the LDDIC market
- GM improvement in 2016
 - Resolution migration improved GM of SMDDIC
 - Favorable product mix with higher non-driver sales %: LCOS and WLO sales growth
 - Lower GM in 4Q16 due to an additional inventory write-down
- Improved GM in 2H vs. 1H in 2017 driven by more favorable product mix which due primarily to WLO shipments starting in July, 2017, and the one-off customer reimbursements related to AR goggle device business in Q3
- 2019 GM declined due to product mix change
- Expect financial performance to improve in 2020 and beyond

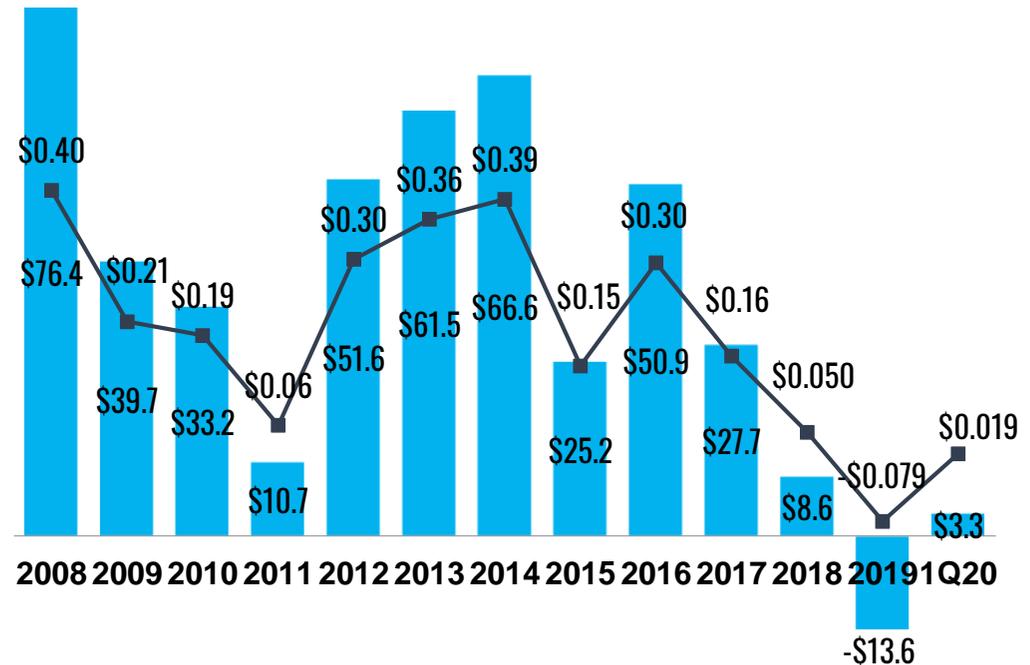
OPEX and % of Total Sales

(US\$M / %)



Profit and EPS

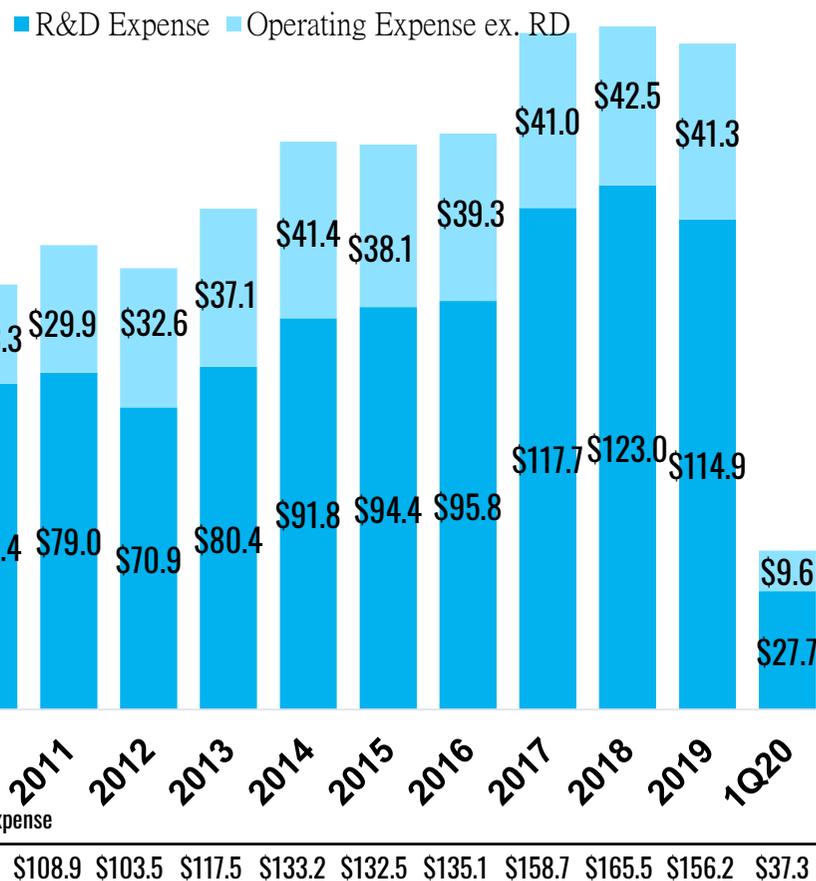
(US\$M / US\$)



Revenues \$918 \$833 \$692 \$643 \$633 \$737 \$771 \$841 \$692 \$803 \$685 \$724 \$672 \$185

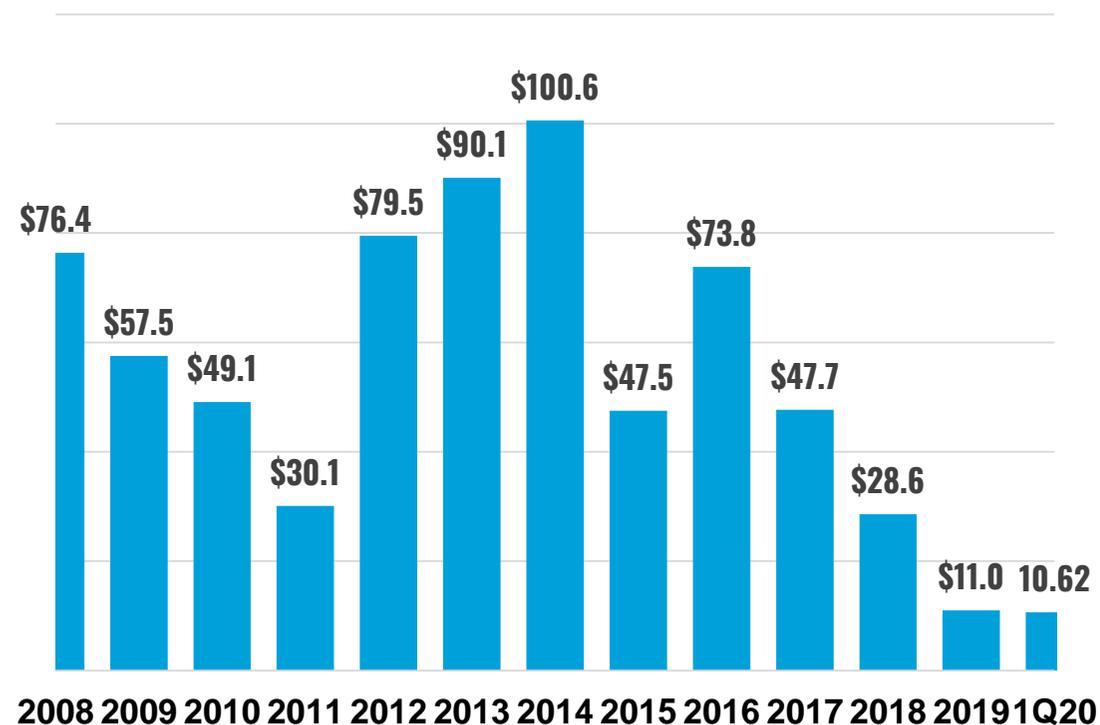
- Completion of the new building in 2019: house additional WLO capacity, the new active alignment equipment, and extra office spaces
- Higher capex to meet the demands of 3D sensing total solution or projector module or optics
- Continue committing on R&D and customer engineering on our strategic growth area that will bring in handsome return in the next few years
- Profitability decline in 2019 due to product mix change, weaker market demand, competition, lower ASP and higher costs
- Low visibility into our business in 2H20 due to COVID-19

Operating and R&D Expenses (in millions USD)



- Continue investing heavily on R&D and customer engineering on our strategic growth areas including WLO, CIS, TDDI and AMOLED; OPEX in 2018 vs. 2017 up 4.3%
- 2014, 2015, 2016, 2017, 2018 and 2019 OPEX include share-based compensation \$11.1mn, \$6.2mn, \$10.2mn, \$6.9mn, \$4.1mn, and \$0.4mn

EBITDA (in millions USD)



- 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 product mix change
- Expect turnaround and positive profitability outlook starting 2020, though with COVID-19 negative impact

Income Statement



For the Fiscal Period Ended	1Q-2020 (Unaudited)	1Q-2019 (Unaudited)	4Q-2019 (Unaudited)	Y2019 (Audited)	Y2018 (Audited)
Revenues	\$184,594	\$163,334	\$174,929	\$671,835	\$723,605
Cost of revenues	142,672	126,469	138,838	533,916	554,690
Gross profit	41,922	36,865	36,091	137,919	168,915
Gross margin	22.7%	22.6%	20.6%	20.5%	23.3%
Operating expenses					
Research and development	27,689	30,357	27,044	114,859	123,037
General and administrative	5,804	5,522	5,942	23,672	21,823
Sales and marketing	3,782	4,363	4,449	17,695	20,670
Total operating expenses	37,275	40,242	37,435	156,226	165,530
Operating income (loss)	4,647	(3,377)	(1,344)	(18,307)	3,385
Non-operating income (loss)	(373)	410	2,325	2,539	3,635
Profit (loss) before income taxes	4,274	(2,967)	981	(15,768)	7,020
Income tax expense	1,464	0	416	416	994
Profit (loss) for the period	2,810	(2,967)	565	(16,184)	6,026
Add: Loss attributable to noncontrolling interests	484	648	471	2,570	2,543
Profit (loss) attributable to Himax stockholders	\$3,294	(\$2,319)	\$1,036	(\$13,614)	\$8,569
Non-IFRS profit (loss) attributable to Himax stockholders	\$3,786	(\$1,956)	\$1,513	(\$12,128)	\$12,907
IFRS earnings (loss) per ADS attributable to Himax stockholders (in cents)					
Basic	1.9	(1.3)	0.6	(7.9)	5.0
Diluted	1.9	(1.3)	0.6	(7.9)	5.0
Non-IFRS earnings (loss) per ADS attributable to Himax stockholders (in cents)					
Basic	2.2	(1.1)	0.9	(7.0)	7.5
Diluted	2.2	(1.1)	0.9	(7.0)	7.5

Himax Technologies, Inc.
Consolidated Statements of Financial Position (Unaudited)

	<u>March 31, 2020</u> (Unaudited)	<u>December 31, 2019</u> (Audited)	<u>March 31, 2019</u> (Unaudited)
Assets			
Current Assets:			
Cash and cash equivalents	\$115,677	\$101,055	\$96,753
Financial assets at amortized cost	10,888	11,049	11,476
Accounts receivable, net	186,735	164,943	176,152
Inventories	148,431	143,774	189,317
Restricted deposit	164,000	164,000	164,324
Other current assets	25,751	19,847	26,899
Total current assets	651,482	604,668	664,921
Financial assets at fair value through profit or loss	13,435	13,500	9,750
Financial assets at fair value through other comprehensive income	689	709	776
Equity method investment	3,655	3,746	4,130
Property, plant and equipment, net	136,300	138,938	118,759
Goodwill	28,138	28,138	28,138
Other Assets	25,098	28,782	27,679
Total Assets	\$858,797	\$818,481	\$854,153
Liabilities and Equity			
Current liabilities:			
Unsecured borrowings	\$67,871	\$57,339	\$40,000
Secured borrowings*	164,000	164,000	164,000
Accounts payable	145,599	114,320	147,281
Other current liabilities	40,701	45,231	56,414
Total current liabilities	418,171	380,890	407,695
Other liabilities	6,215	6,347	7,108
Himax stockholders' equity	431,945	432,987	444,260
Noncontrolling interest	2,466	(1,743)	(4,910)
Total Liabilities and Equity	\$858,797	\$818,481	\$854,153

* Short-term borrowings is guaranteed by restricted deposit

Cash Flow Statement



	<u>1Q-2020</u> <u>(Unaudited)</u>	<u>4Q-2019</u> <u>(Unaudited)</u>	<u>2019FY</u> <u>(Audited)</u>	<u>2018FY</u> <u>(Audited)</u>
Profit (loss) for the period	\$2,810	\$565	(\$16,184)	\$6,026
Depreciation and amortization	5,754	5,866	24,399	20,327
Expected credit loss recognized on accounts receivable	0	67	67	290
Share-based compensation expenses	344	326	457	408
Gain on disposal of property, plant and equipment, net	0	(84)	(90)	0
Gain on re-measurement of the pre-existing relationships in a business combination	0	0	0	(1,662)
Changes in fair value of financial assets at fair value through profit or loss	65	(3,740)	(3,746)	(2,036)
Interest income	(396)	(521)	(2,013)	(2,429)
Finance costs	593	670	2,325	1,232
Income tax expense	1,464	416	416	994
Share of losses of associates	91	381	477	1,095
Inventories write downs	4,077	7,515	25,447	17,724
Unrealized foreign currency exchange losses	9	53	121	294
	<u>14,811</u>	<u>11,514</u>	<u>31,676</u>	<u>42,263</u>
Changes in:				
Decrease (increase) in accounts receivable	(21,792)	(7,704)	23,992	(794)
Decrease (increase) in inventories	(8,734)	16,292	(6,660)	(45,085)
Increase (decrease) in accounts payable	31,279	(505)	(36,180)	10,567
Others	(3,988)	3,880	(420)	253
Cash generated from operating activities	11,576	23,477	12,408	7,204
Interest received	181	745	2,060	2,361
Interest paid	(630)	(697)	(2,372)	(877)
Income tax paid	(540)	(84)	(4,440)	(4,679)
Net cash provided by operating activities	\$10,587	\$23,441	\$7,656	\$4,009
Acquisitions of property, plant and equipment	(3,092)	(2,729)	(45,922)	(49,672)
Acquisitions of financial assets at amortized cost	(737)	(737)	(4,023)	(4,766)
Proceeds from disposal of financial assets at amortized cost	765	1,137	4,171	3,514
Acquisitions of financial assets at fair value through profit or loss	(1,105)	(3,516)	(50,487)	(26,277)
Proceeds from disposal of financial assets at fair value through profit or loss	1,097	3,641	50,648	48,764
Others	(3,085)	(2,868)	(2,154)	(9,829)
Net cash used in investing activities	(\$6,157)	(\$5,072)	(\$47,767)	(\$38,266)
Payments of cash dividends	0	0	0	(17,210)
Pledge of restricted deposit	0	0	0	(17,000)
Proceeds from unsecured borrowings	139,734	67,218	244,224	40,000
Repayments of unsecured borrowings	(129,134)	(100,621)	(207,006)	(20,000)
Proceeds from secured borrowings	37,000	27,000	158,000	91,000
Repayments of secured borrowings	(37,000)	(27,000)	(158,000)	(74,000)
Others	(462)	(601)	(1,957)	11
Net cash provided by (used in) financing activities	\$10,138	(\$34,004)	\$35,261	\$2,801
Effect of foreign currency exchange rate changes	54	111	(532)	(130)
Net increase (decrease) in cash and cash equivalents	\$14,622	(\$15,524)	(\$5,382)	(\$31,586)
Cash and cash equivalents at beginning of period	\$101,055	\$116,579	\$106,437	\$138,023
Cash and cash equivalents at end of period	\$115,677	\$101,055	\$101,055	\$106,437



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



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 and Information Science from New Jersey Institute of Technology.



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Auditor



Corporate Counsel

BAKER & MCKENZIE

SEC Legal Counsel

DAVIS POLK & WARDWELL