

# OmniVision Technologies JP Morgan Tech Conference

March 2011

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- ▶ Except for historical information, the matters discussed in this presentation may contain forward-looking statements that are subject to risks and uncertainties. These risks and uncertainties could cause the forward-looking statements and OmniVision's actual results to differ materially. In evaluating these forward-looking statements, you should specifically consider various factors, including the factors listed in the "Risk Factors" section of the Company's most recent annual report filed on Form 10-K and most recent quarterly reports filed on Form 10-Q. These factors may cause the Company's results to differ materially from any forward-looking statement. Forward-looking statements are only estimates and actual events or results may differ materially.
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# Agenda

- ▶ Market Leadership
- ▶ Target Markets
- ▶ Technology and Products
- ▶ Global Presence
- ▶ Financials
- ▶ Summary

# Market Leadership

# Growing addressable market opportunity

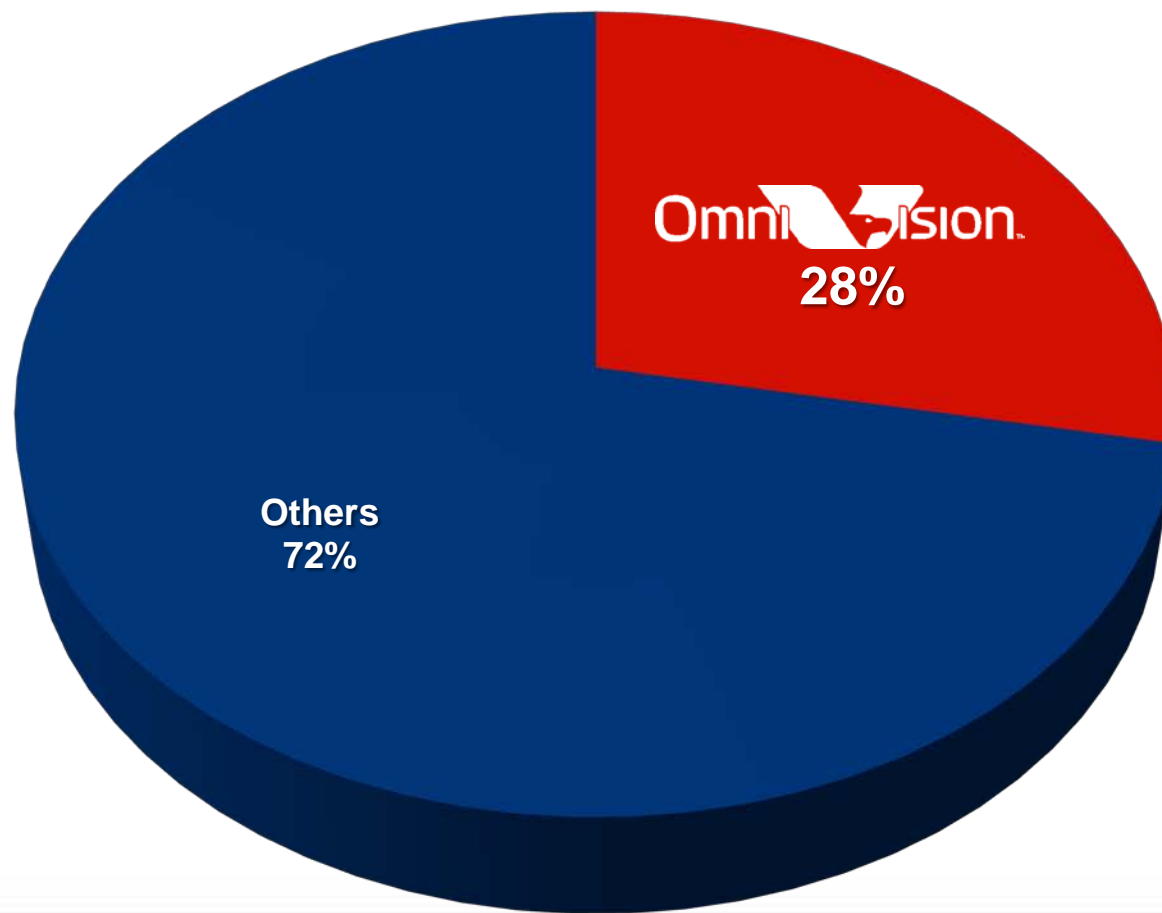
## CMOS sensor shipment forecast – all markets



Source: TSR, CCD/CMOS Report, June 2010

# Market leader in CMOS image sensors

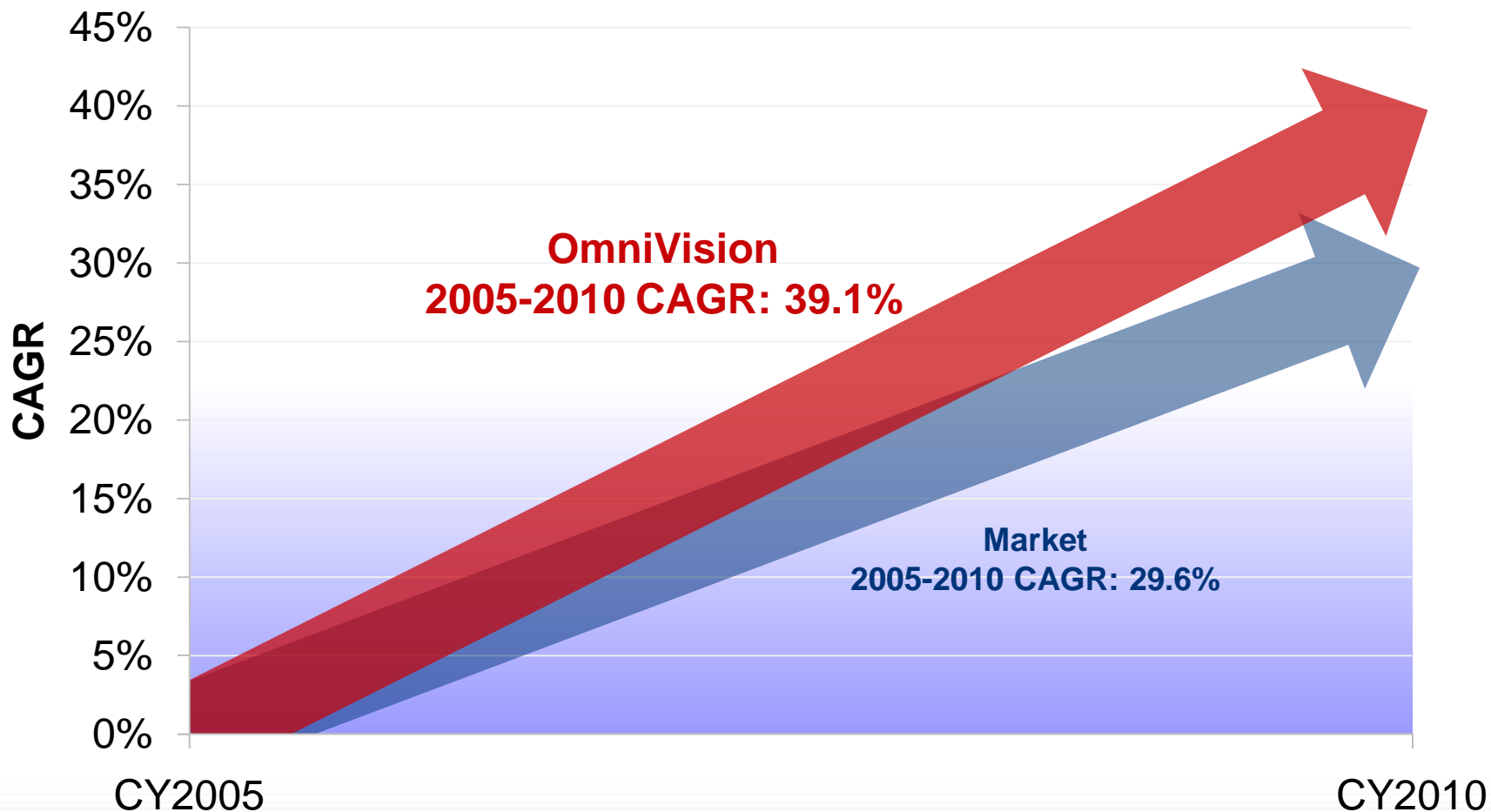
## *CY 2009 CMOS unit shipments*



Source: Yole Développement, March 2010

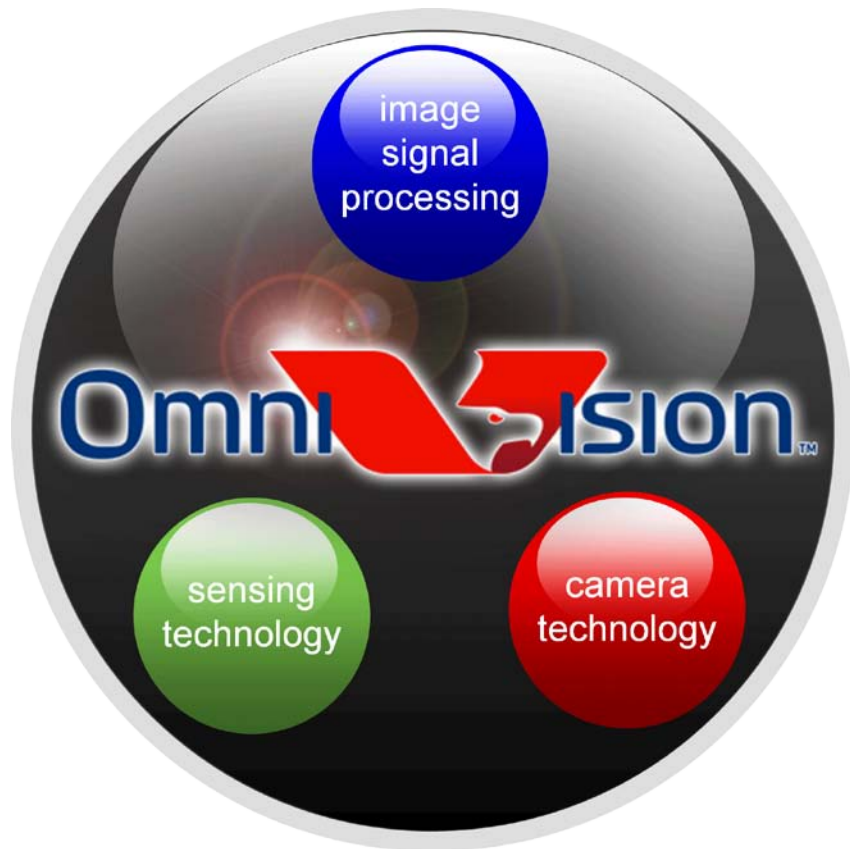
# CMOS image sensor market growth

*Unit shipments - OmniVision vs. market*



Source: TSR, December 2010

# Market strategy



- ▶ Complete camera solutions
  - Sensor arrays
  - Optics / camera technology
  - Image Signal Processing (ISP)
- ▶ Agile business model
  - Customized solutions for target markets
- ▶ Complementary technologies with strategic partners
  - Reference designs and development boards speed time-to-market

# Target Markets

# Target markets



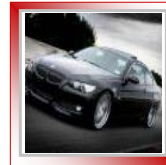
**Mobile phones**



**Security & surveillance**



**Notebook & webcam**



**Automotive imaging**



**Entertainment**



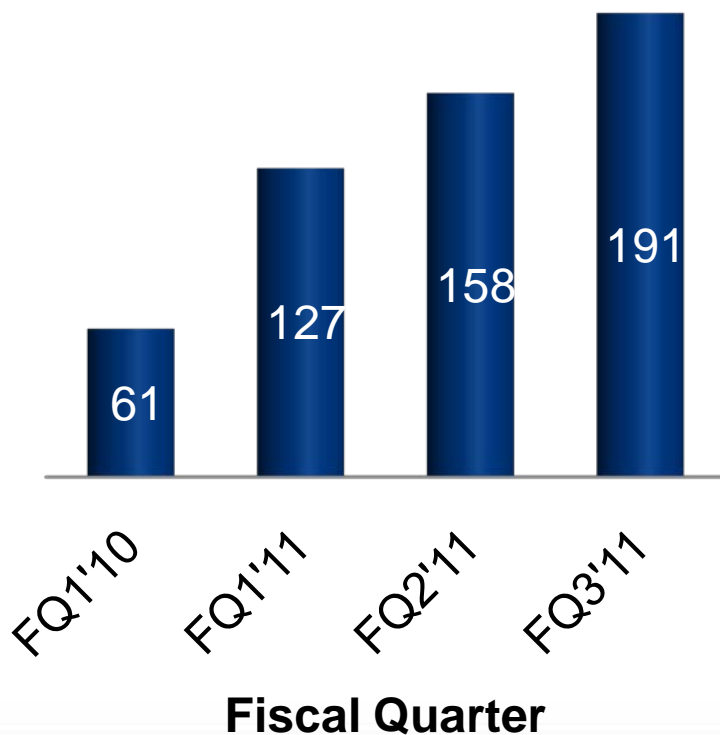
**Medical imaging**



**Digital still & video cameras**

# OmniVision in mobile phones

## Mobile Phone Revenue (\$M)



- ▶ Smart phones – driving growth
  - Strong 5MP, 8MP revenue growth
  - Approaching 50% market share
- ▶ Industry's best image quality
  - OmniBSI™ architectures
  - TrueFocus™ ISP
- ▶ Industry's smallest profile camera solution
  - CameraCube™ technology
- ▶ Wide product range
  - from CIF to 14-megapixel

# OmniVision in notebook & webcam



- ▶ Unit demand expected to grow over 65% by 2013\*
- ▶ New netbook product category driving demand
- ▶ Wide range of HD sensor solutions available
- ▶ Ability to support large number of design opportunities
  - Design wins in place with nine out of ten Tier-1 manufacturers
  - Wide range of designs from VGA to 5-megapixel

\* Source: TSR June 2010

# OmniVision in entertainment

## *Multimedia, games and toys*



- ▶ Unit demand expected to nearly quadruple by 2013\*
- ▶ Industry's broadest selection of price/performance options
- ▶ Advanced technology to enable next-generation entertainment products
  - Interactive games, toys and accessories with 3-D imaging solutions
  - Mobile multimedia device with integrated video applications

\* Source: TSR June 2010

# OmniVision in digital still & video cameras



- ▶ CMOS sensors shipments expected to triple by 2013\*
- ▶ 14-megapixel photography with 1080p 60 fps HD video on a single chip
  - Eliminates trade-offs between high quality still photography and high-performance HD video
  - Best-in-class low-light sensitivity and image quality

\* Source: TSR June 2010

# OmniVision in security & surveillance



- ▶ Massive migration from CCD to CMOS sensors
  - Market size expected to increase 85% by 2013\*
- ▶ OmniVision is at the forefront of innovation, with the largest line-up of security sensors
  - Leading the industry in low-light sensitivity
  - SoC solutions for CCTV's
  - Wide range of megapixel sensors for IP cameras and HDcctv (720p, 1080p, 5MP and 8MP)

\* Source: TSR June 2010

# OmniVision in automotive



- ▶ Leading CMOS image sensor supplier to automotive market
  - CMOS sensors to dominate automotive camera market with 85% share by 2013\*
  
- ▶ Full range of solutions optimized for vision based and signal processing applications
  - 360° birds-eye view, rear-view and lane departure features
  
- ▶ Best low light sensitivity
  
- ▶ World's smallest AEC-Q100 qualified packaging

\* Source: TSR June 2010

# OmniVision in medical



- ▶ World's leading supplier
  - Market expected to more than triple by 2013\*
  
- ▶ Industry-leading technology
  - Smallest profile for less invasive procedures
  - Low cost for disposable solutions
  
- ▶ Best-in-class low-light sensitivity

\* Source: TSR June 2010

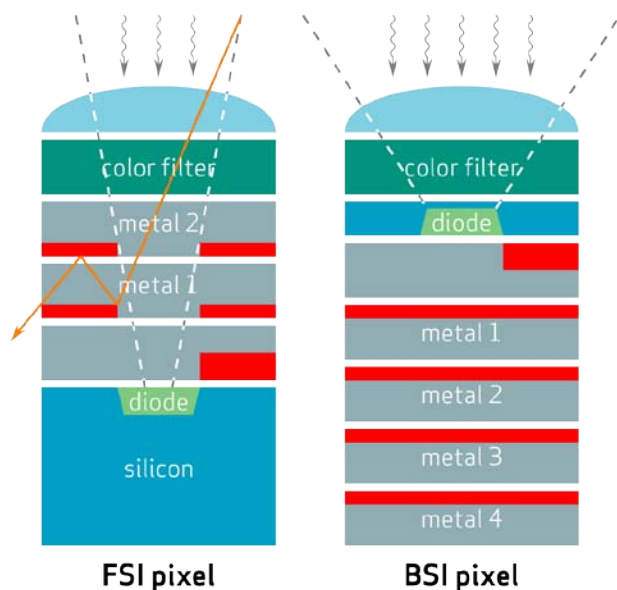
# Technology and Products

# Technology Focus: OmniPixel3-HS™

- ▶ True-to-life color reproduction
- ▶ High sensitivity
- ▶ Wide resolution range
- ▶ Quality exceeds CCD sensors

# OmniBSI™, OmniBSI-2™, ...

## *Generations of BSI pixel technology leadership*



- ▶ OmniVision was first to commercialize backside illumination technology
  - OmniBSI™ in production since mid 2009
  - Millions of units shipped
- ▶ OmniBSI-2™ technology introduced Feb 2010
  - Devices shipping in 2011
  - Technology demonstrations now
- ▶ Continuous commitment to lead the image sensor industry in BSI technology

# OmniVision BSI Technology

## 10 lux A light at 8M 1/15s exposure

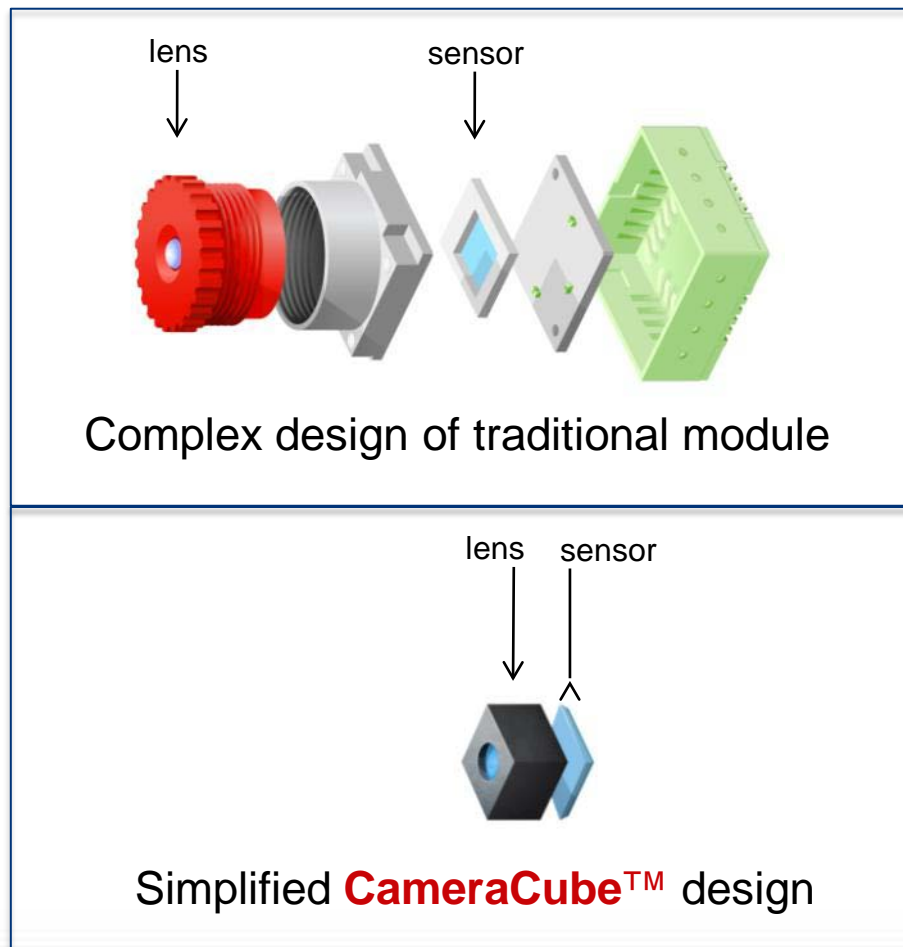
2009 Pixel Technology



2011 Pixel Technology



# CameraCube™ technology leadership



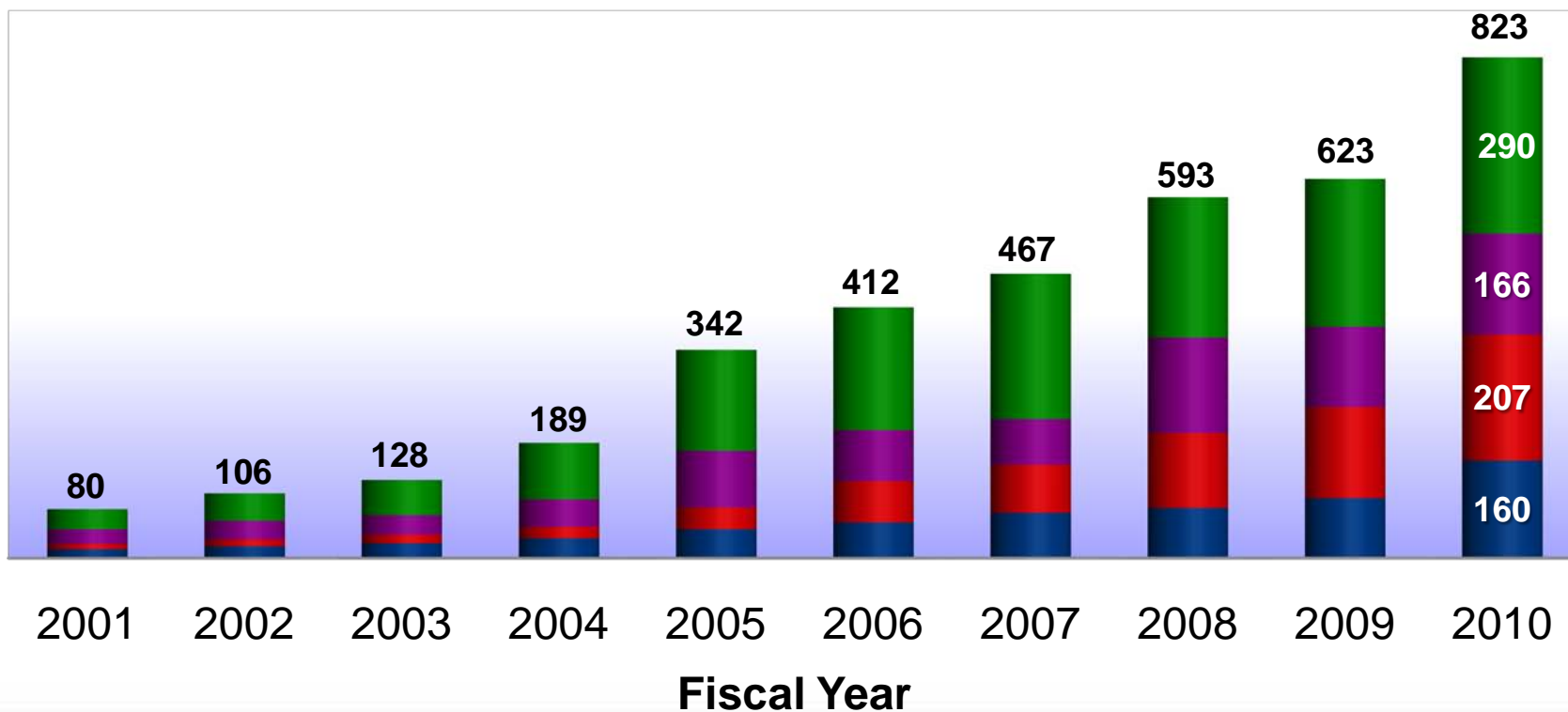
Both items displayed at same scale

- ▶ Industry's smallest total camera solution
  - 2.5 x 3.0 x 2.5 mm
- ▶ Reflowable, no socket or insertion required
- ▶ Reduced cost through elimination of BOM components
- ▶ Simplified supply chain speeds time-to-market
- ▶ Volume production direct from OmniVision

# IP portfolio

*Majority of IP is internally developed*

- U.S. Patents
- Foreign Patents
- U.S. Applications
- Foreign Applications



FY10 ending April 30, 2010

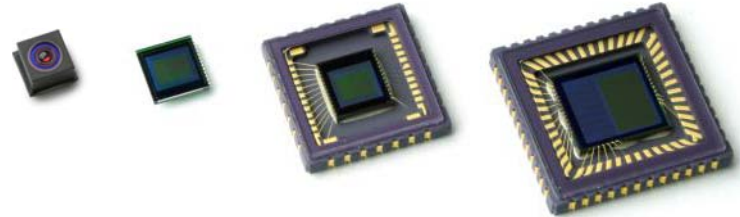
# OmniVision product portfolio

## ▶ Industry's broadest CMOS image sensor portfolio

- Over 100 product variants shipping into 7 markets
- Resolutions from CIF through 14 MP
- Most native and video-optimized HD sensors
- System-on-chip (SoC) and Raw sensors
- CameraCube™ – complete camera solutions

## ▶ Market optimized sensors

- Low-light sensitivity
- High dynamic range
- High frame rates
- Market specific features and interfaces



# Global Presence

# Worldwide service and support

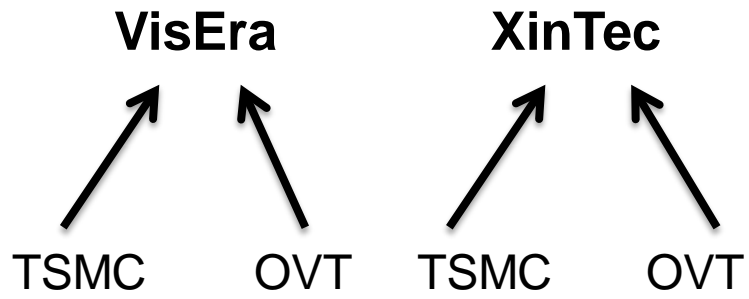


1400 employees worldwide

# Scalable supply chain



**TSMC**  
**Powerchip**



**OSC**

# Financials

## Non-GAAP operating performance <sup>†</sup>

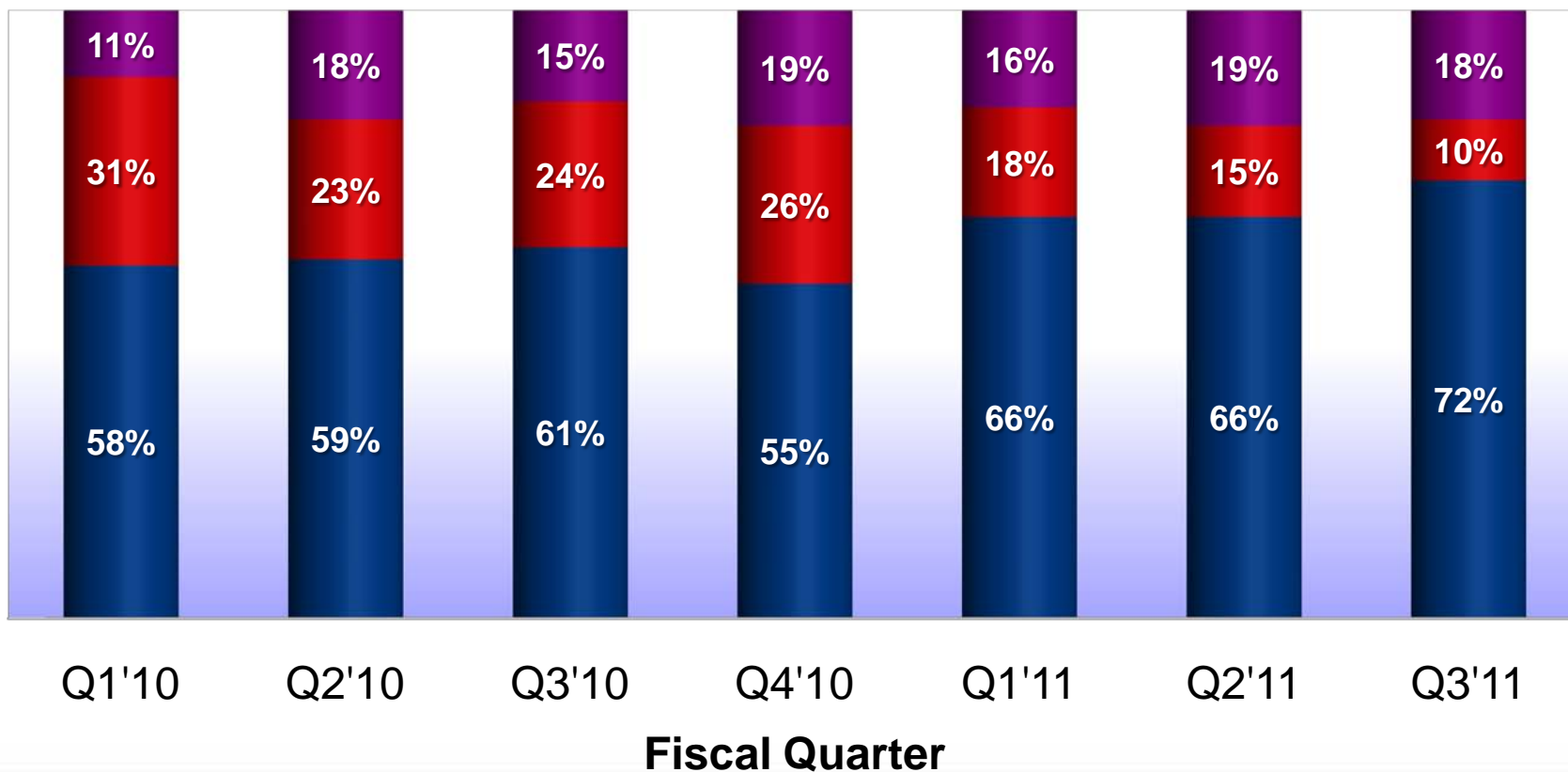
|               | Fiscal 2010 |         |         |         |         | Fiscal 2011 |         |         |
|---------------|-------------|---------|---------|---------|---------|-------------|---------|---------|
| (in millions) | Q1          | Q2      | Q3      | Q4      | FY10    | Q1          | Q2      | Q3      |
| Revenue       | \$105.6     | \$183.3 | \$156.9 | \$157.2 | \$603.0 | \$193.1     | \$239.5 | \$265.7 |
| GM %          | 23.2%       | 24.3%   | 25.0%   | 25.3%   | 24.6%   | 27.2%       | 28.4%   | 30.0%   |
| OpEx          | \$27.3      | \$29.6  | \$30.7  | \$30.5  | \$118.1 | \$30.0      | \$31.0  | \$34.2  |
| Net Income    | \$(3.9)     | \$14.3  | \$10.8  | \$10.0  | \$31.3  | \$22.4      | \$34.2  | \$51.0  |
| EPS           | \$(0.08)    | \$0.27  | \$0.20  | \$0.18  | \$0.58  | \$0.39      | \$0.58  | \$0.84  |

<sup>†</sup> *Non-GAAP metrics exclude stock-based compensation expense and related tax effects. GAAP to non-GAAP reconciliations are available on-line at [www.ovt.com](http://www.ovt.com)*

# Revenue breakout by market

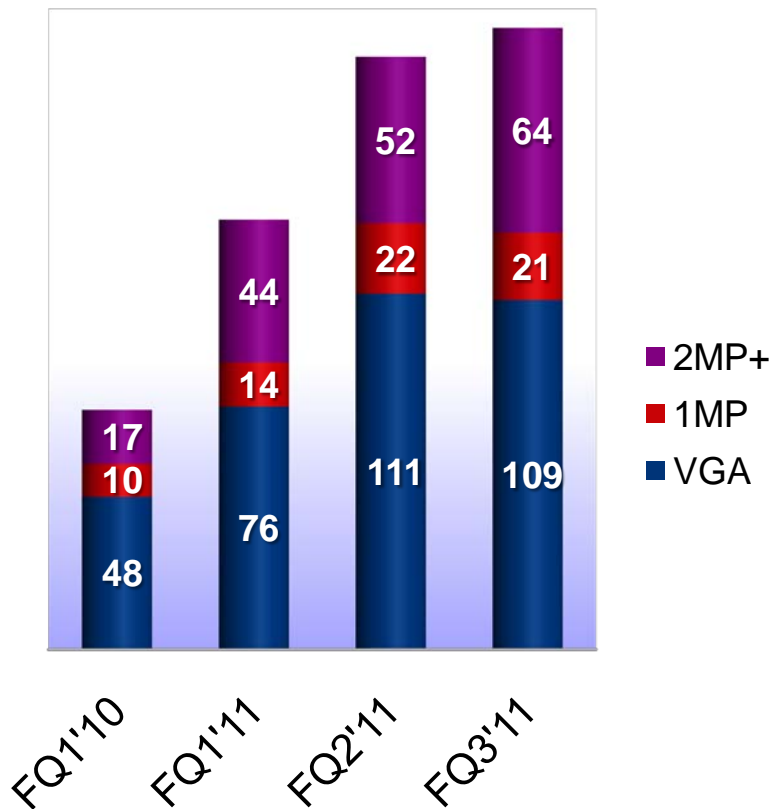
*Smart phone category driving mobile phone growth*

■ Mobile Phone   ■ Notebook / Webcam   ■ Other



# OmniVision unit shipments

*Millions of units (Mu)*

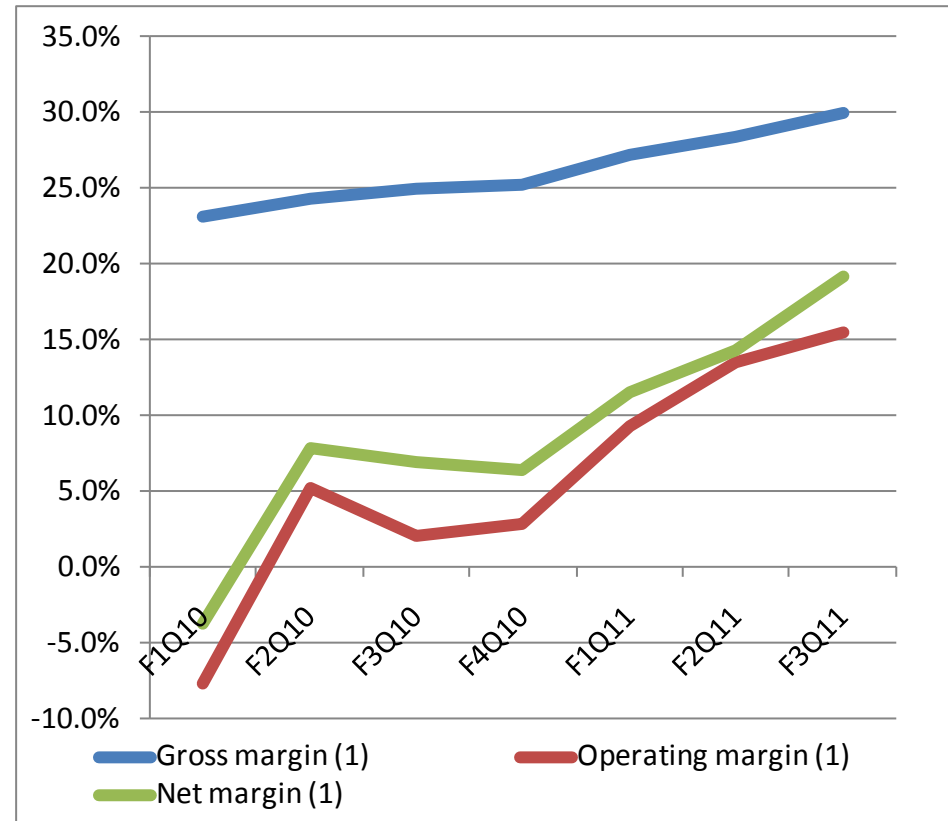


- ▶ Product mix shifting to higher resolution
- ▶ Smart Phone category driving mix
- ▶ BSI enabling shift to higher resolutions
- ▶ 5 meg BSI leading the growth
- ▶ Strong 8 meg BSI, 3 meg and 2 meg

# Financial results

## Gross margin and profitability

- ▶ Our focus: expanding gross margin and profitability of the business



(1) Non-GAAP metrics exclude stock-based compensation expense and related tax effects

# Solid balance sheet

## Fiscal Q3 Key Balance Sheet Metrics

| <b>(in millions)</b>            | <b>FQ3 2011</b> | <b>FQ4 2010</b> |
|---------------------------------|-----------------|-----------------|
| Cash and Short-Term Investments | <b>\$498.9</b>  | <b>\$333.6</b>  |
| Shipments (Mu)                  | <b>194</b>      | <b>125</b>      |
| Accounts Receivable             | <b>\$119.1</b>  | <b>\$74.3</b>   |
| <i>DSO (days)</i>               | <b>41</b>       | <b>42</b>       |
| Inventories                     | <b>\$93.6</b>   | <b>\$134.0</b>  |
| <i>Turns</i>                    | <b>7.9x</b>     | <b>3.5x</b>     |

# In Summary

- ▶ Leading CMOS image solutions provider
- ▶ A camera technology leader
- ▶ Advanced proprietary technology
- ▶ Offering industry's broadest imaging product portfolio
- ▶ Solid balance sheet
- ▶ Focus on driving future growth & profitability