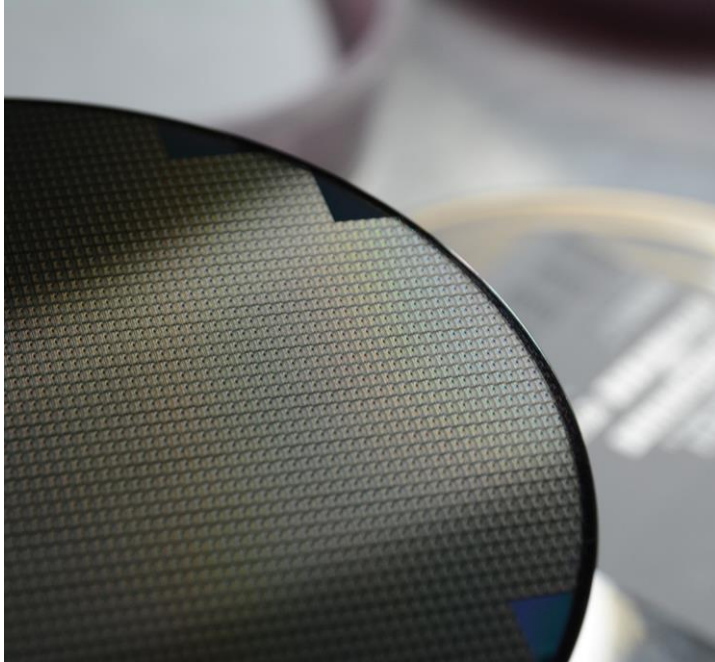


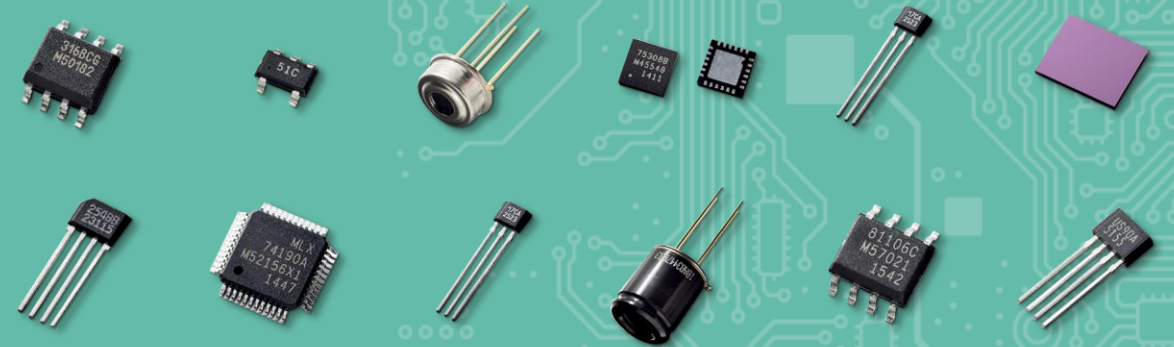


Presentation results Q2 2019

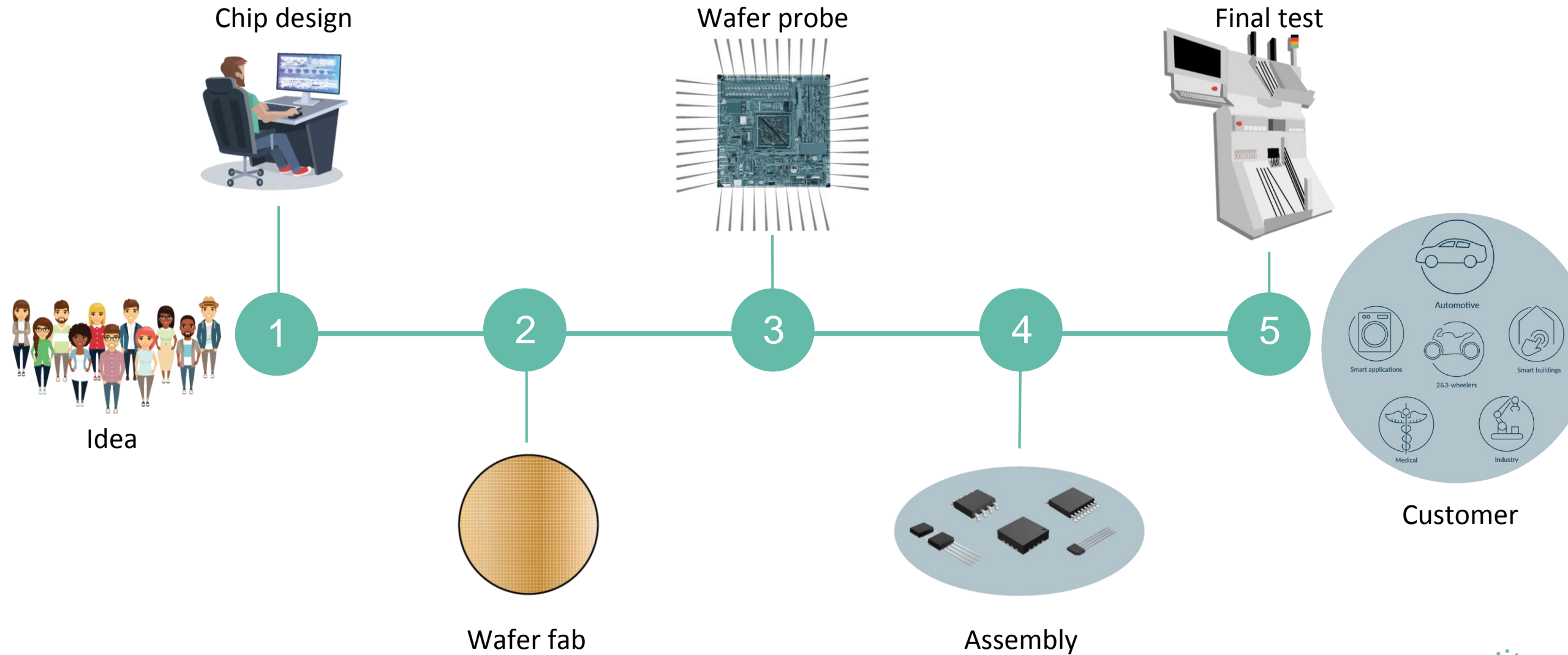
What do we do?



We create innovative micro-electronic solutions for the best imaginable future

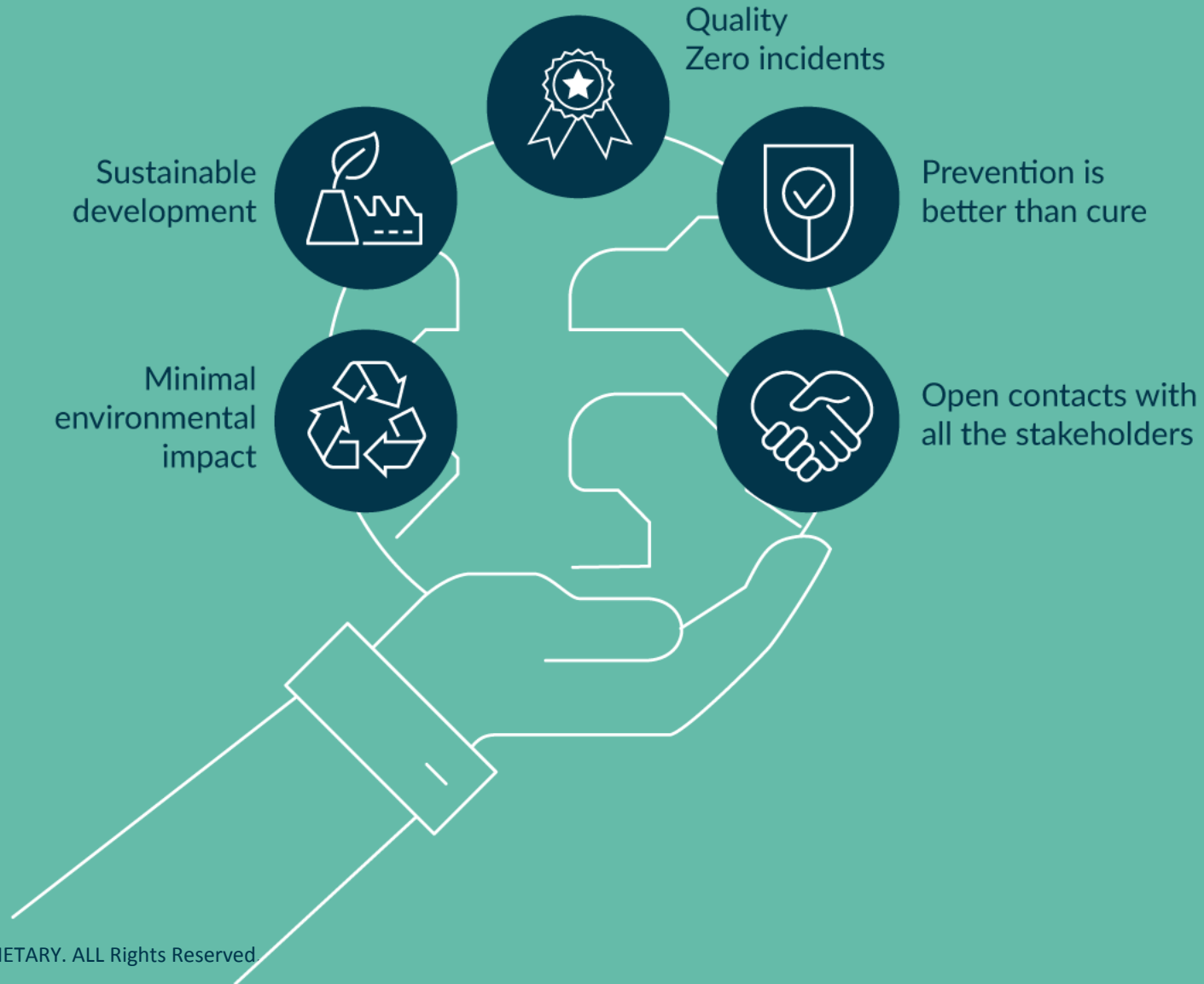


Process flow



SUSTAINABILITY AT HEART

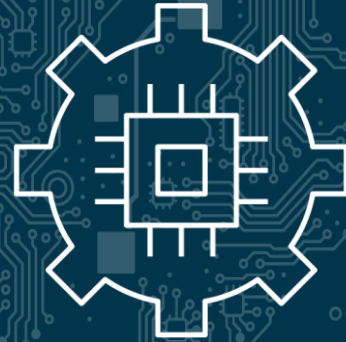
Our environmental policy is based on five principles



Melexis strategy



Focus on
innovation in
automotive and
adjacent
markets



Leadership in
*sensing and
driving solutions*
to our
customers'
advantage



Organic growth,
selective
acquisitions

Common denominator: sensing & driving is everywhere



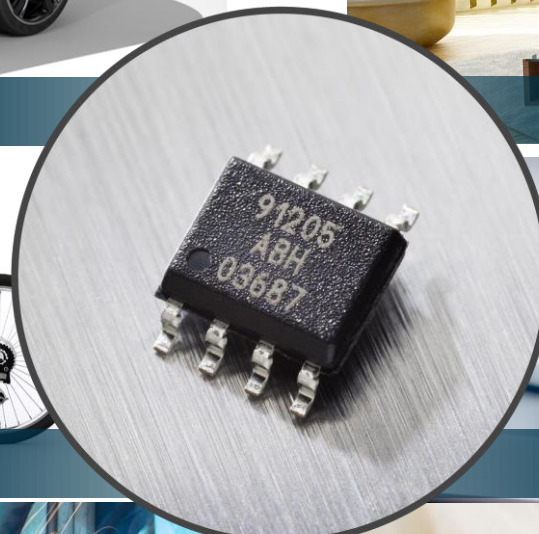
Automotive



Home



Motorcycles and e-bikes



Consumer



Industry



Healthcare

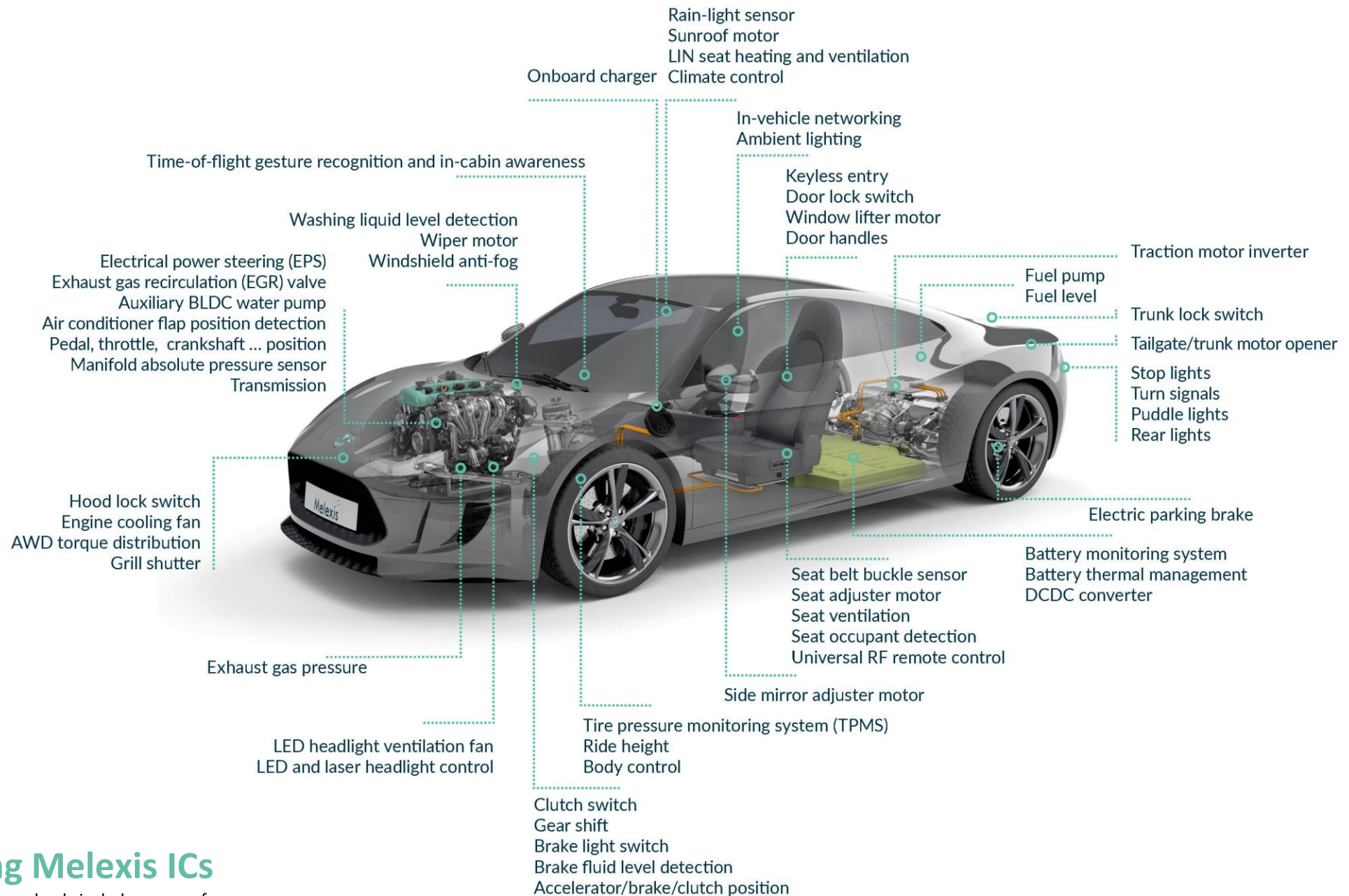
Melexis supplied > 1.4 billion ICs worldwide in 2018



- Magnetic position sensors
- Inductive position sensors
- Current sensors
- Latch & switch
- Embedded drivers
- Smart drivers
- Pressure sensors
- Tire monitoring sensors
- Temperature sensors
- Optical sensors
- Sensor interfaces
- Embedded lighting



11 chips in every new car



Applications containing Melexis ICs

Disclaimer: Please note this list is not exhaustive and only includes some of the most common applications containing Melexis ICs.

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Over 1500 people on 3 continents



Sales & Applications

- Belgium – Ieper, Tessenderlo
- Greater China – Shanghai
- France – Grasse, Paris
- Germany – Erfurt, Dresden
- Japan – Yokohama
- USA – Nashua, Detroit, San Jose
- South Korea – Seoul
- Switzerland - Bevaix



Manufacturing

- Belgium – Ieper
- Bulgaria – Sofia
- France – Corbeil-Essonnes
- Germany – Erfurt
- Malaysia – Kuching



Research & Development

- Belgium – Ieper, Tessenderlo
- Philippines – Manila
- Bulgaria – Sofia
- Switzerland - Bevaix
- France – Grasse, Paris
- Ukraine – Kiev
- Germany – Erfurt, Dresden, Düsseldorf
- USA – Nashua

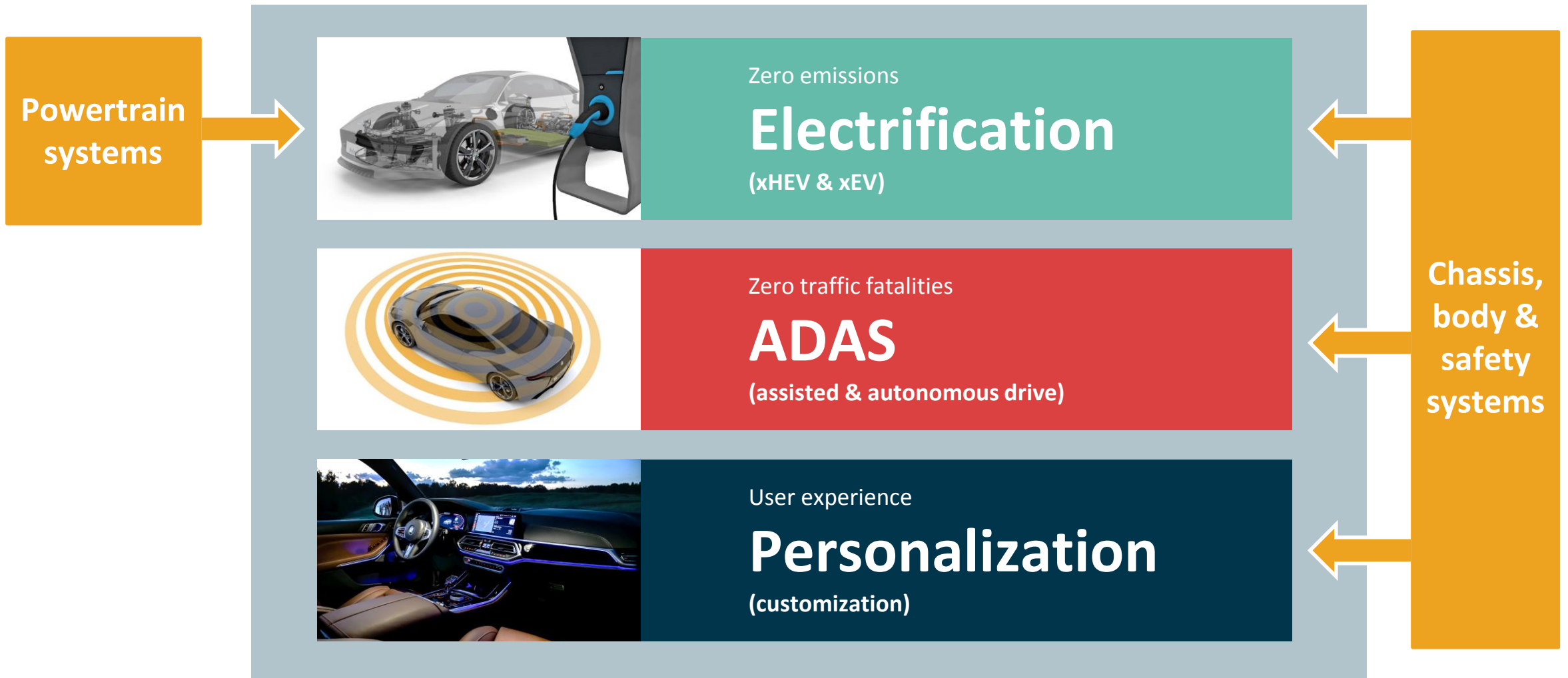


Melexis vs Automotive Trends

Melexis enables
edge sensing & edge driving

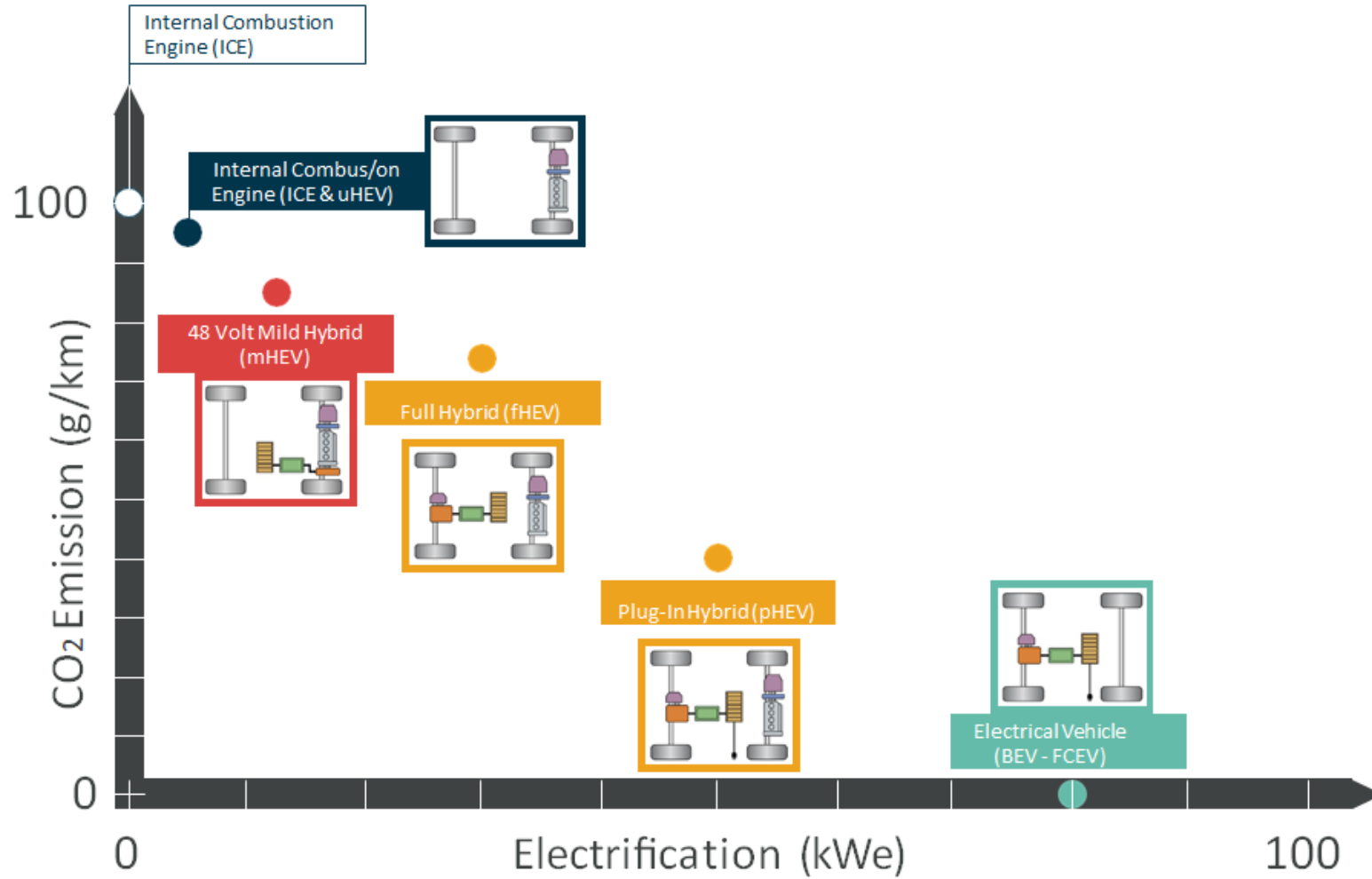
Melexis engineers small, smart
Sensing and **Driving** nodes
supporting
in-vehicle edge computing systems

Melexis vs automotive trends



Powertrain Systems

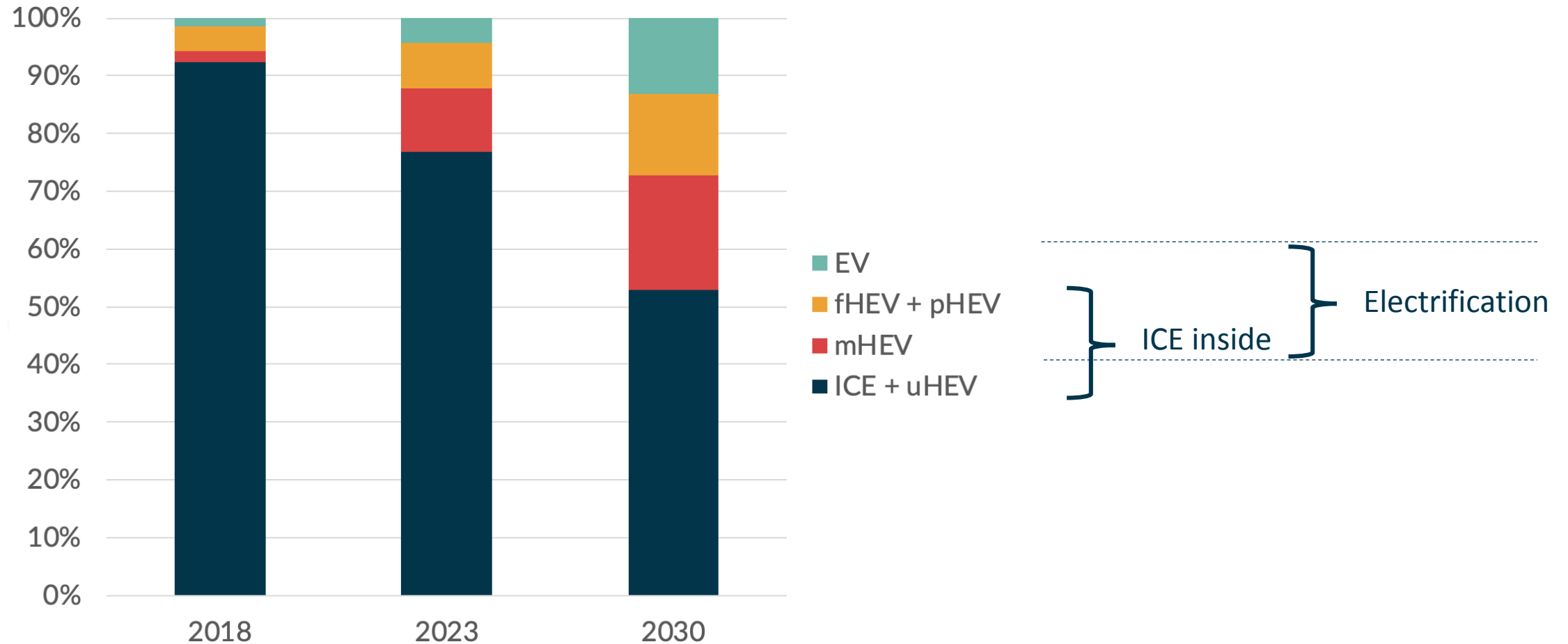
Levels of Electrification



Powertrain Systems



Electrification – Segmentation – Market Split

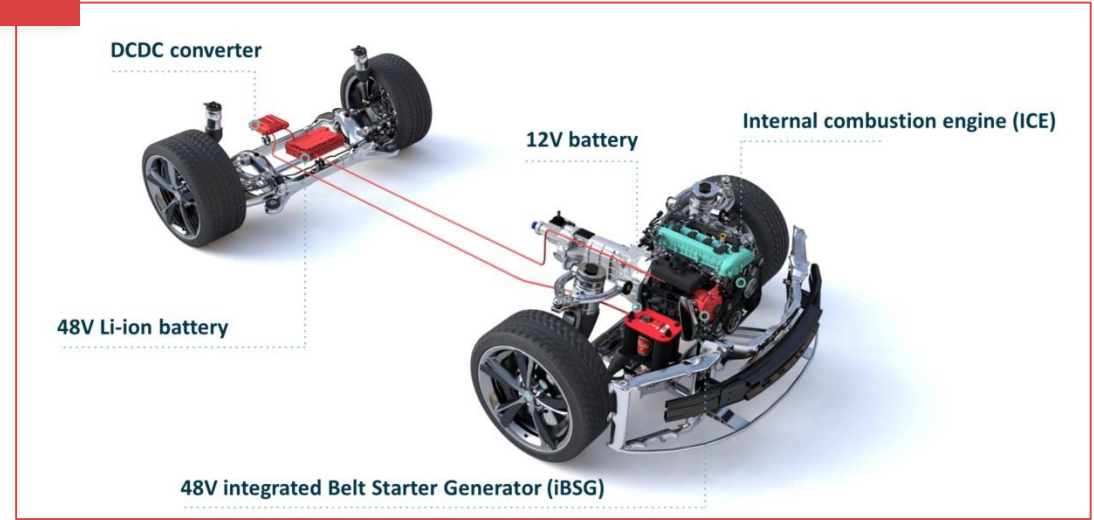


Source: Strategy Analytics and Melexis estimates

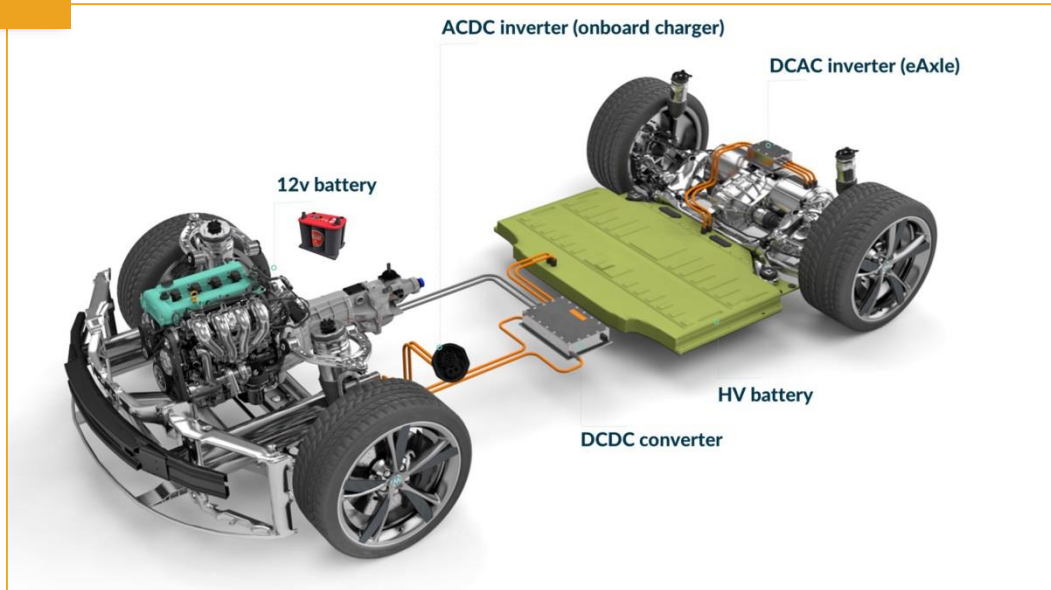
Internal Combustion Engine (ICE + uHEV)



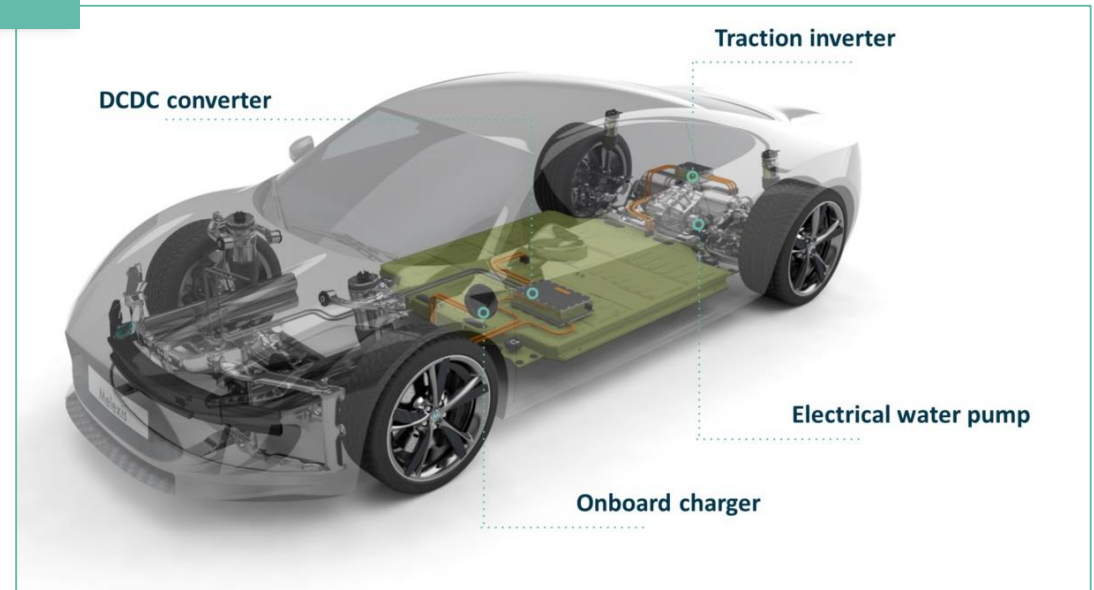
48 Volt Mild Hybrid (mHEV)



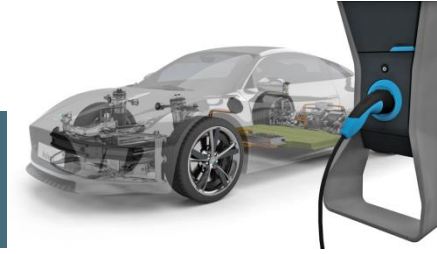
Full Hybrid (fHEV) - Plug-In Hybrid (pHEV)



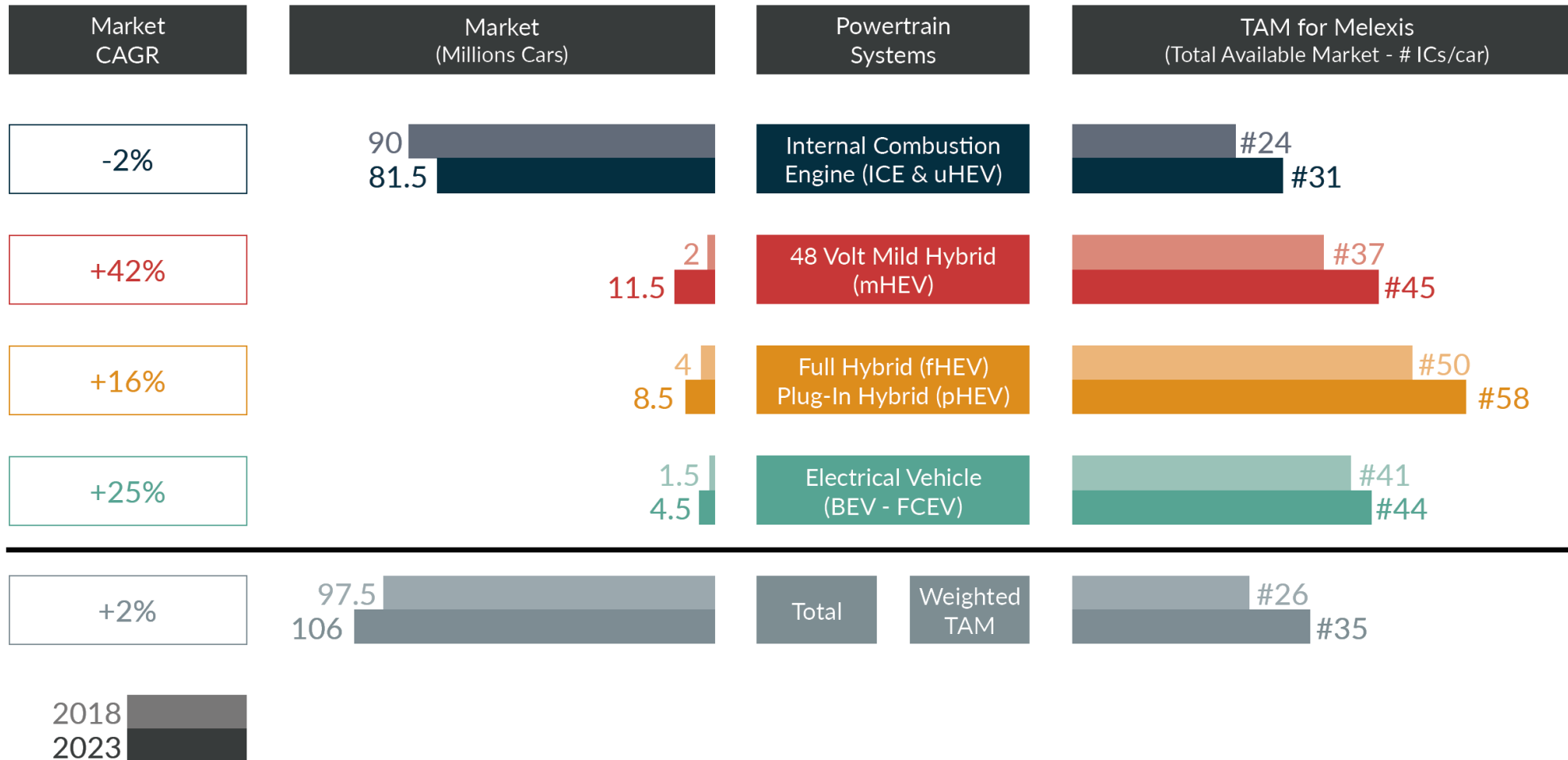
Electrical Vehicle (BEV – FCEV)



Powertrain Systems



Electrification – Segmentation – TAM



Chassis

Breaking – Steering – Suspension



Body

Lighting – HVAC - Others



Safety

(Passive)



Source visuals: BMW

<https://www.autozeitung.de/klimaanlage-auto-wartung-funktion-187651.html>
<http://fertyimg.pw/Cremallera-de-direccin-hidraulica-Nissan-Tecnologia-t.html>

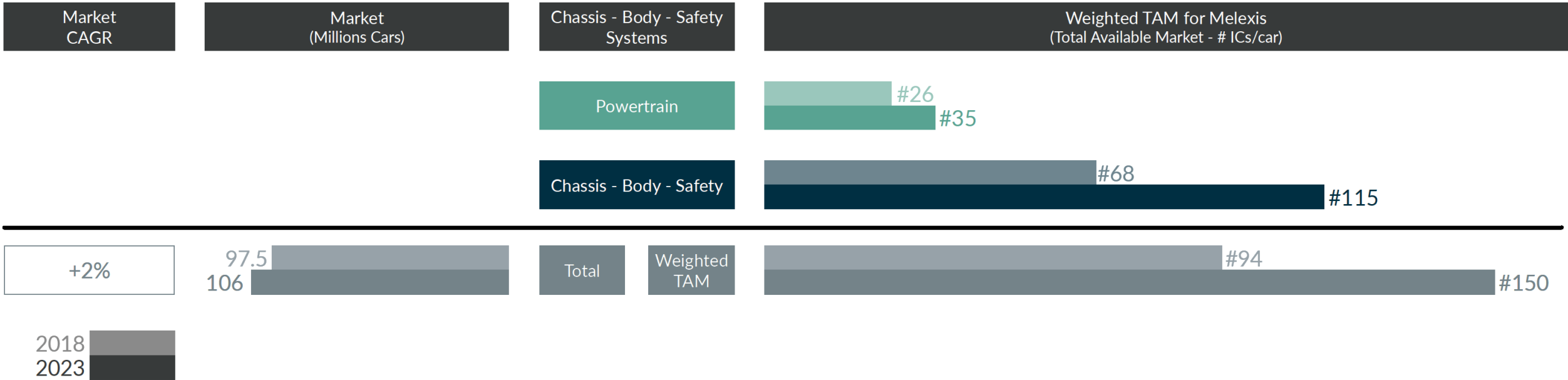
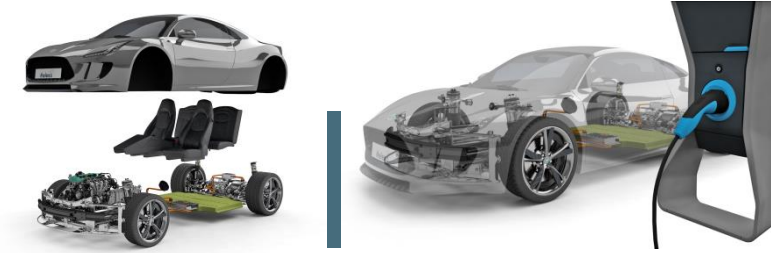


Chassis – Body – Safety Systems

Segmentation - TAM



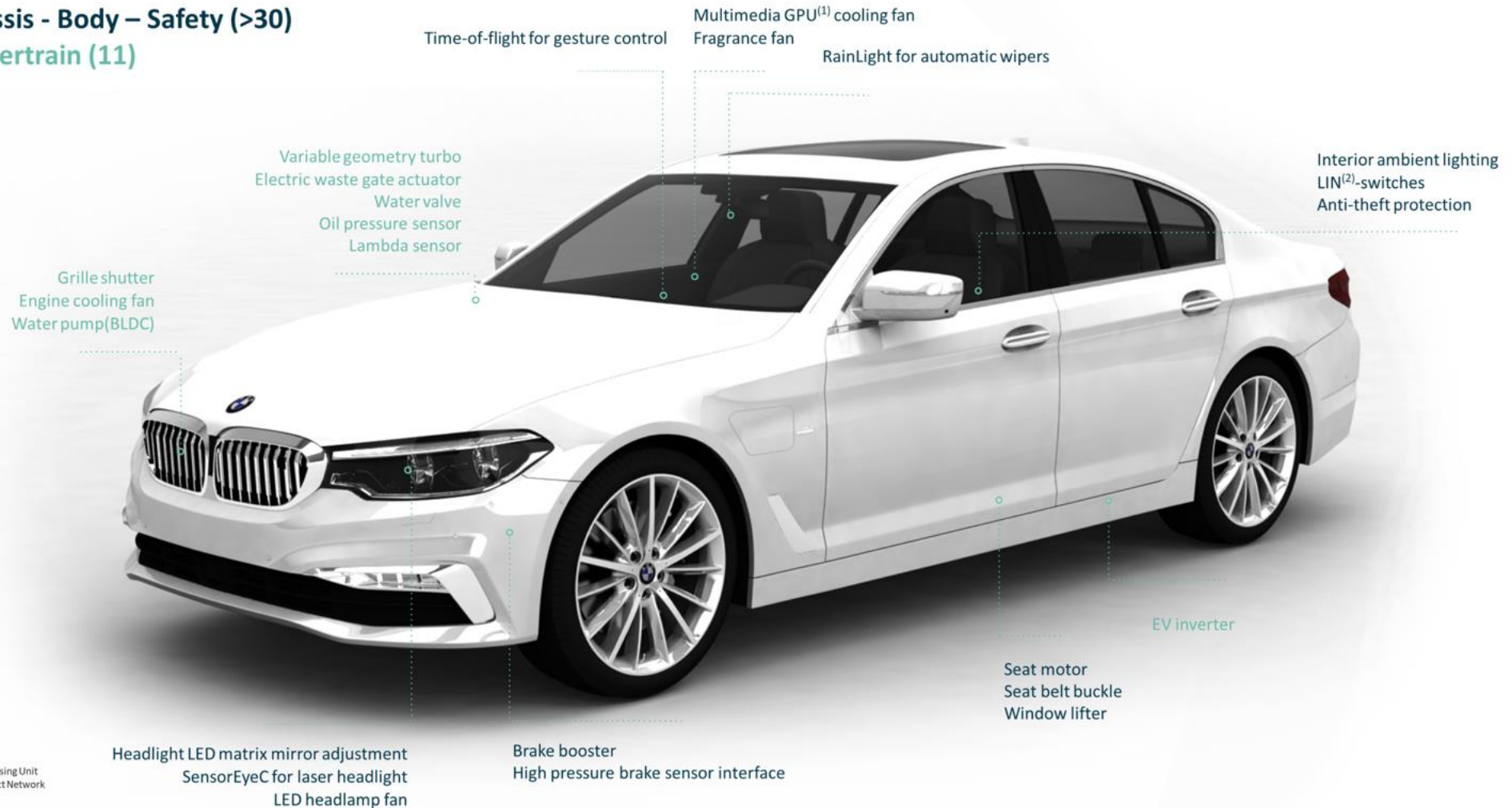
Melexis in automotive



BMW 530e

* Chassis - Body – Safety (>30)


* Powertrain (11)



(1)GPU – Graphics Processing Unit
(2)LIN – Local Interconnect Network

Melexis beyond automotive

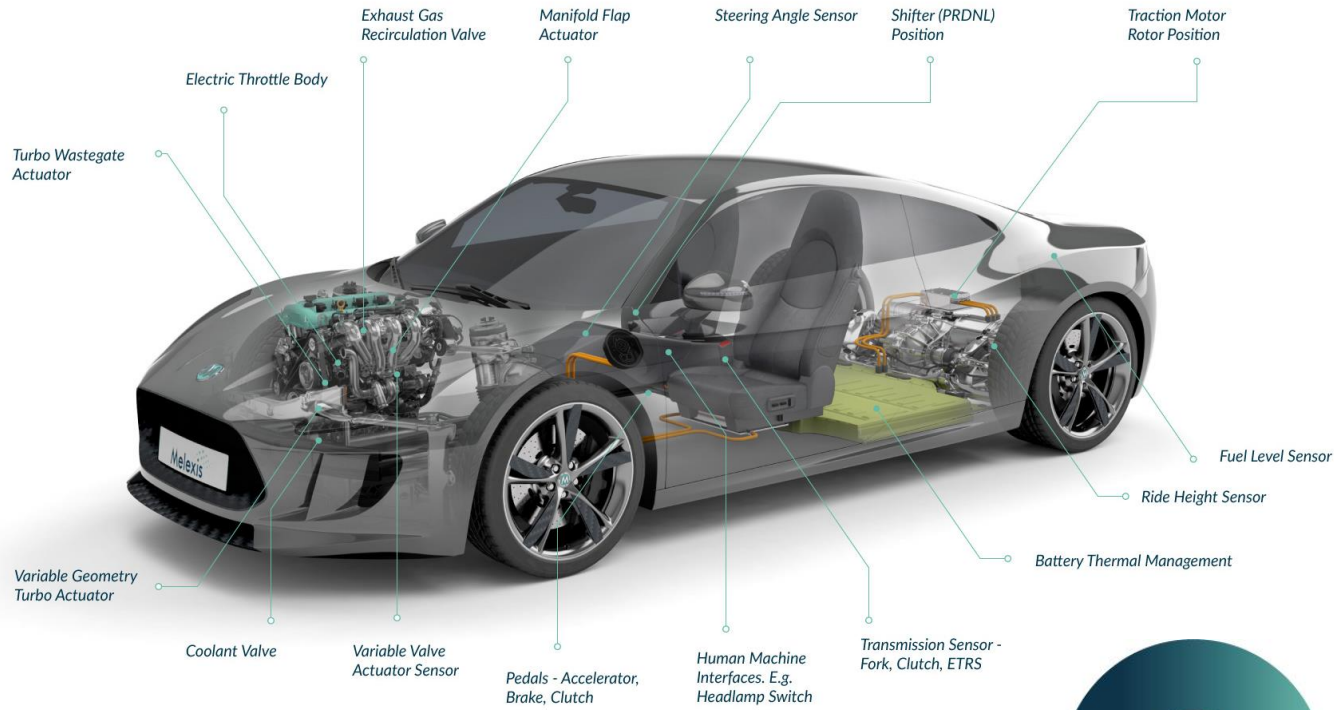
Sensors & drivers for similar challenges

- White goods – Focus on CO2
- Motorcycles and e-bikes
- Industry 4.0 – Closed loop control
- Drones 
- Robotics – Focus on autonomy
- Thermal information – People detection
- Environmental imaging
- Industrial position sensing
- Power monitoring & motor control



Milestones

1
Triaxis® by Melexis
BILLION
 SENSORS SHIPPED



SIL | READY
 BY MELEXIS

2
Melexis
BILLION
 SWITCHES SHIPPED



Our market position



Automotive
semiconductors

#14



Automotive sensors

#3



Magnetic sensors

#3



Magnetic position
sensors

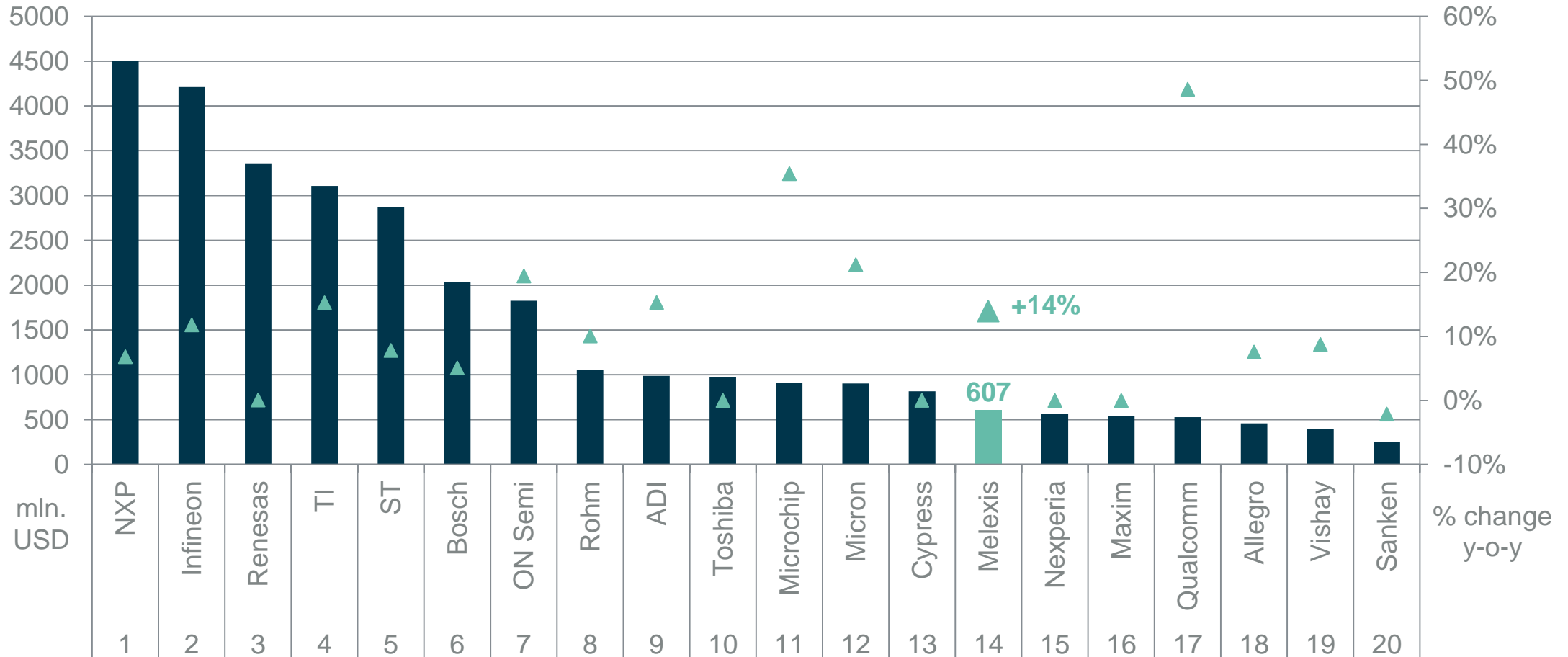
Latch & switch

Ambient lighting

#1

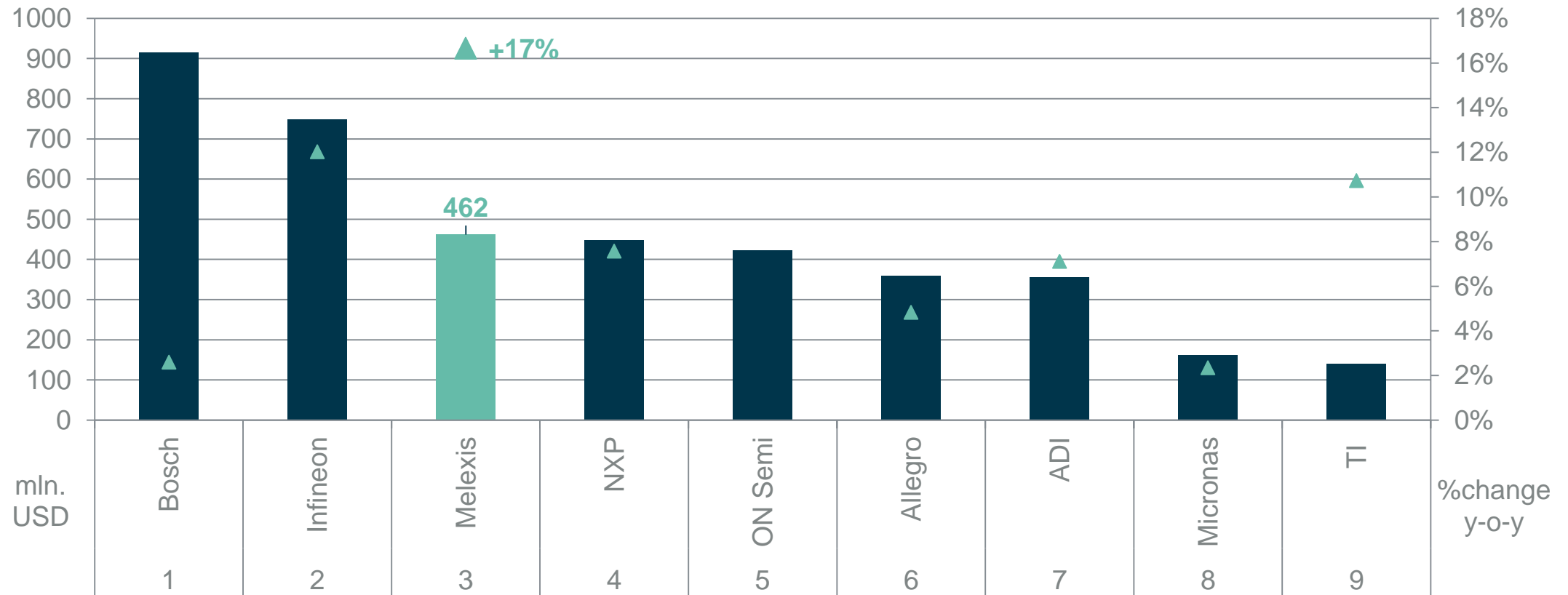
Melexis ranking 14th in automotive semiconductor

Automotive semiconductor sales 2018 (mln. USD)
5 year CAGR (2013-2018)



Melexis ranking 3rd in automotive sensors

Automotive sensor sales 2018 (mln. USD)
5 year CAGR (2013-2018)

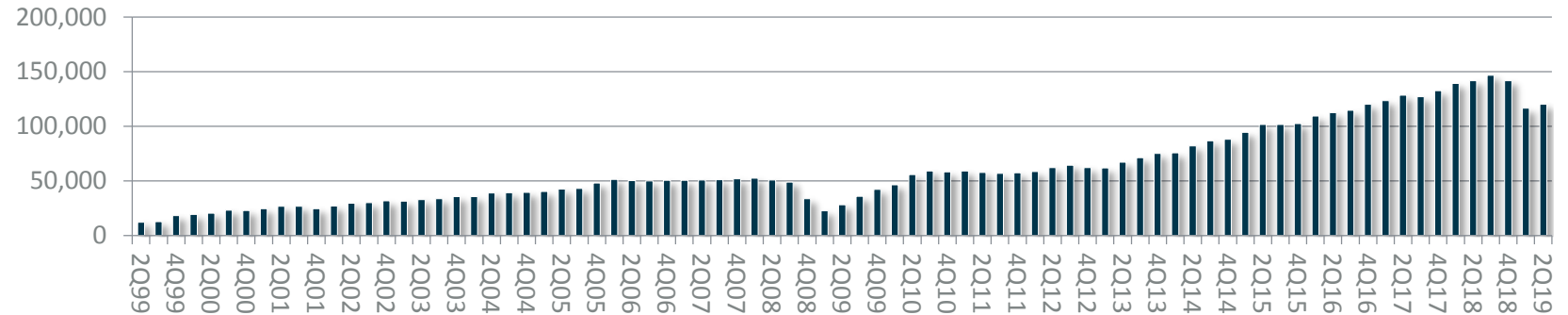


Evolution financials 2000-2019

Turnover

Q2 2019: 120.0 mln EUR

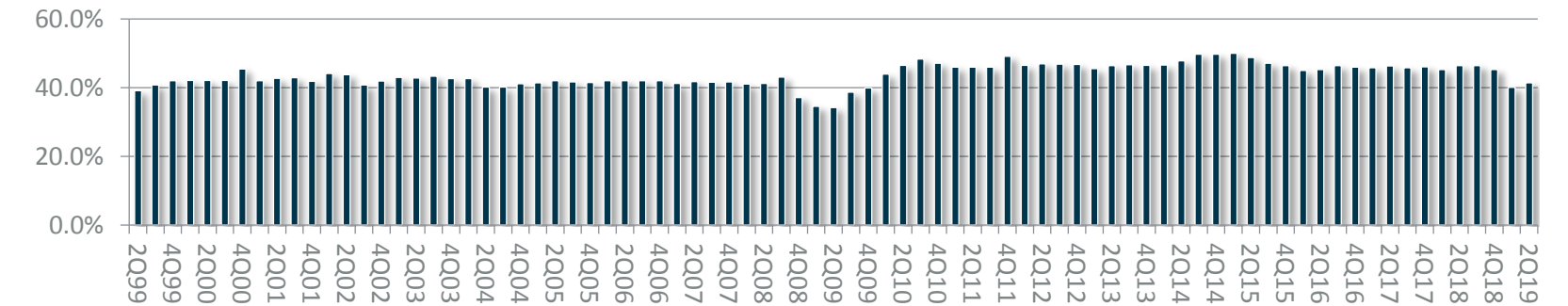
HY 2019: 236.5 mln EUR



Gross profit margin

Q2 2019: 41.4%

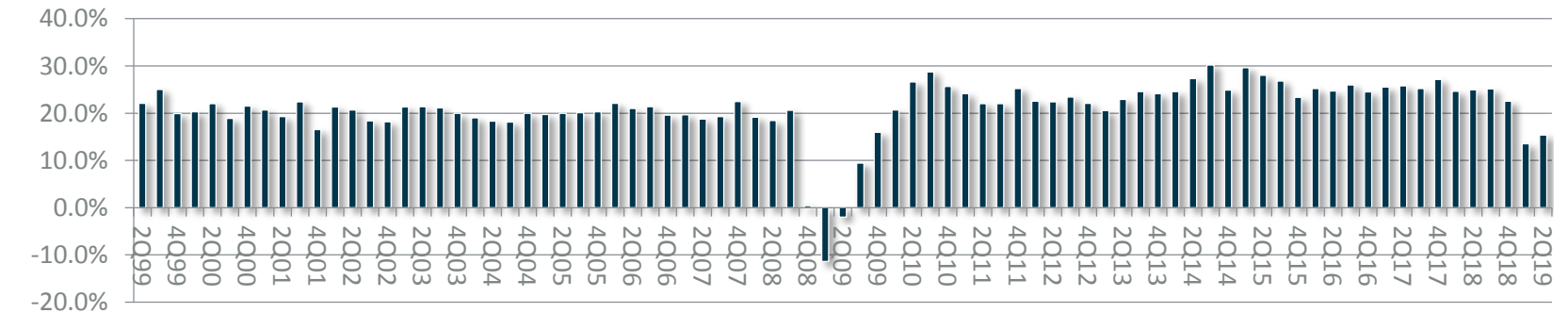
HY 2019: 40.8%



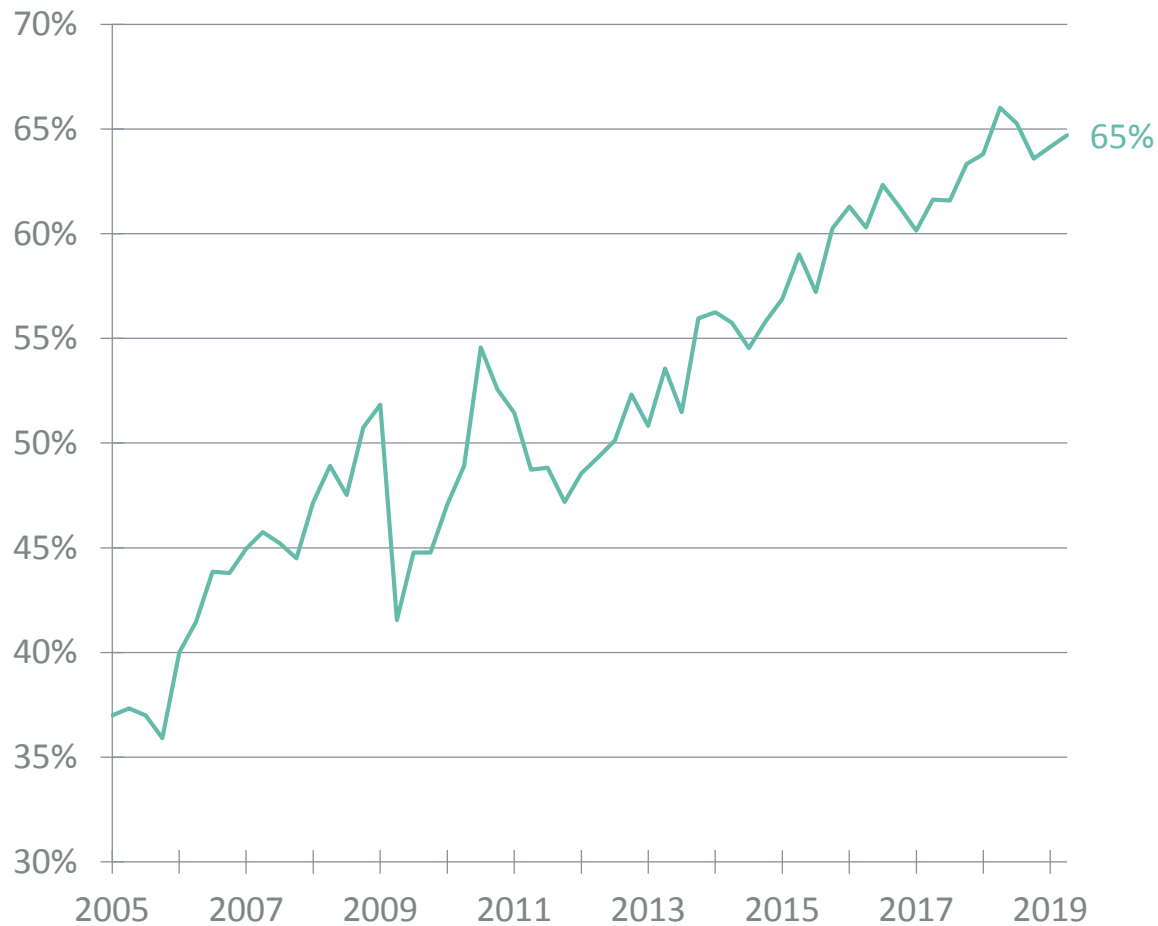
Operating margin

Q2 2019: 15.4%

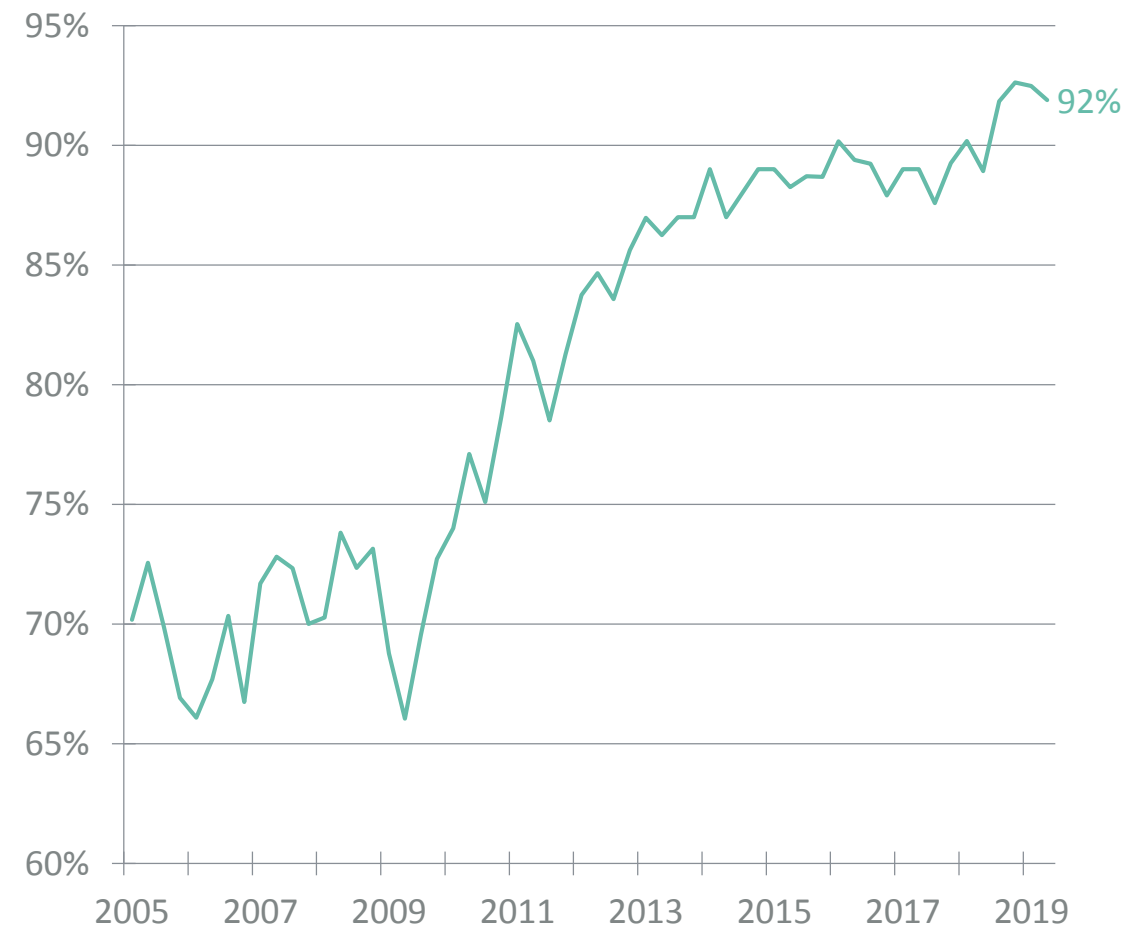
HY 2019: 14.4%



% ASSP sales



% automotive sales



Q2 2019 results at a glance

Sales

120.0m EUR

-15% Y-o-Y

Gross margin

41.4%

49.8m EUR

-24% Y-o-Y

Operating result

15.4%

18.4m EUR

-48% Y-o-Y

Net result

0.39 EPS

15.6m EUR

-45% Y-o-Y

Oper. cash flow

(before wcap change)

32.1m EUR

-29% Y-o-Y

Net debt

30.7m EUR

Outlook

Melexis expects sales in the third quarter of 2019 to be in the range of 117-123 million euro, with a gross profit margin around 41% and an operating margin around 15% at the midpoint of the sales guidance.

Melexis expects its full year 2019 sales level to remain below the previous year. Gross profit margin is expected to be around 41% taking into account a EUR/USD exchange rate of 1.13.

Profit & loss

Q2 2019 versus Q2 2018 versus Q1 2019

P&L account (in million EUR)	Q2 2019	% of Sales	Q2 2018	% of Sales	Q1 2019	% of Sales
Sales	120.0	100.0%	141.8	100.0%	116.5	100.0%
Cost of goods sold	-70.3	-58.6%	-75.9	-53.6%	-69.8	-59.9%
Gross margin	49.8	41.4%	65.8	46.4%	46.8	40.1%
R&D	-19.5	-16.3%	-19.2	-13.5%	-19.8	-17.0%
G&A	-7.8	-6.5%	-7.4	-5.3%	-7.6	-6.5%
Selling	-4.0	-3.4%	-3.8	-2.7%	-3.7	-3.1%
EBIT	18.4	15.4%	35.4	25.0%	15.7	13.5%
Net financial result	-0.4	-0.3%	-0.8	-0.6%	-0.3	-0.3%
Income taxes	-2.5	-2.1%	-6.5	-4.6%	-1.5	-1.3%
Net profit	15.6	13.0%	28.1	19.8%	13.9	12.0%
Earnings per share	0.39		0.70		0.35	

HY 2019 results at a glance

Sales

236.5m EUR

-16% Y-o-Y

Gross margin

40.8%

96.5m EUR

-25% Y-o-Y

Operating result

14.4%

34.2m EUR

-51% Y-o-Y

Net result

0.73 EPS

29.5m EUR

-48% Y-o-Y

Oper. cash flow

(before wcap change)

60.5m EUR

-30% Y-o-Y

Net debt

30.7m EUR

Outlook

Melexis expects sales in the third quarter of 2019 to be in the range of 117-123 million euro, with a gross profit margin around 41% and an operating margin around 15% at the midpoint of the sales guidance.

Melexis expects its full year 2019 sales level to remain below the previous year. Gross profit margin is expected to be around 41% taking into account a EUR/USD exchange rate of 1.13.

Profit & loss

HY 2019 versus HY 2018

P&L account (in million EUR)	HY 2019	% of Sales	HY 2018	% of Sales
Sales	236.54	100.0%	281.08	100.0%
Cost of goods sold	-140.03	-59.2%	-152.14	-54.1%
Gross margin	96.51	40.8%	128.93	45.9%
R&D	-39.27	-16.6%	-37.69	-13.4%
G&A	-15.36	-6.5%	-14.33	-5.1%
Selling	-7.69	-3.3%	-7.18	-2.6%
Other operating result		0.0%		0.0%
EBIT	34.18	14.4%	69.73	24.8%
Net financial result	-0.70	-0.3%	0.29	0.1%
Income taxes	-3.95	-1.7%	-13.13	-4.7%
Net profit	29.52	12.5%	56.90	20.2%
Earnings per share	0.73		1.41	

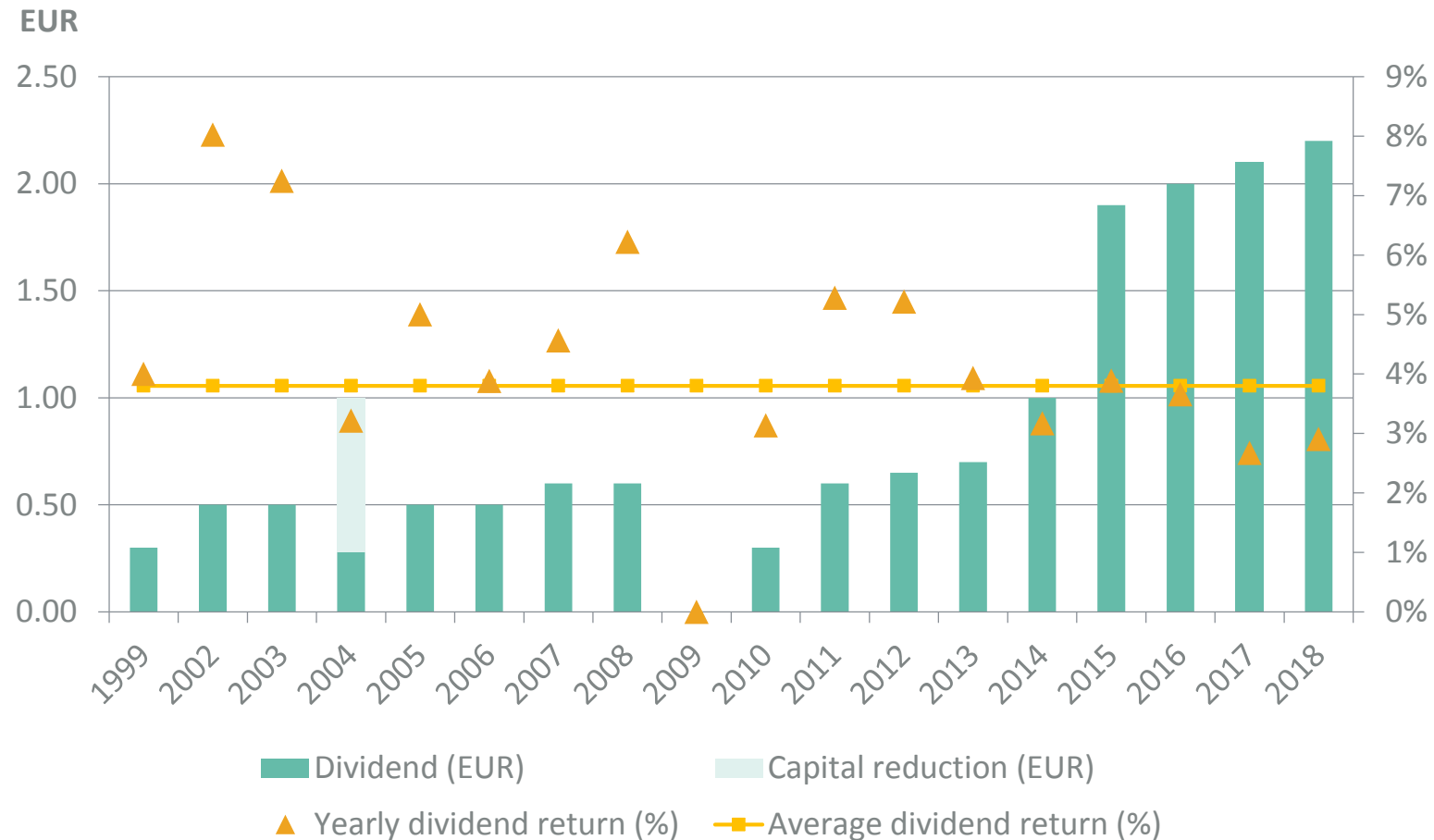
Balance sheet

Q2 2019 versus Q2 2018 versus Q1 2019

Balance Sheet	Q2 2019	Q2 2018	Q1 2019
Total assets	436.7	404.9	432.7
Current assets			243.4
Cash	31.3	28.8	39.6
Inventory	128.9	115.3	124.9
A/R Trade	68.5	75.9	65.7
Non-current assets	185.5	171.1	189.3
Shareholders' equity	319.8	319.5	340.3
Interest bearing debt	62.0	15.0	35.0
Long term	62.0	15.0	34.0
Short term	0.0	0.0	1.0

Dividend yield

Based on average share price



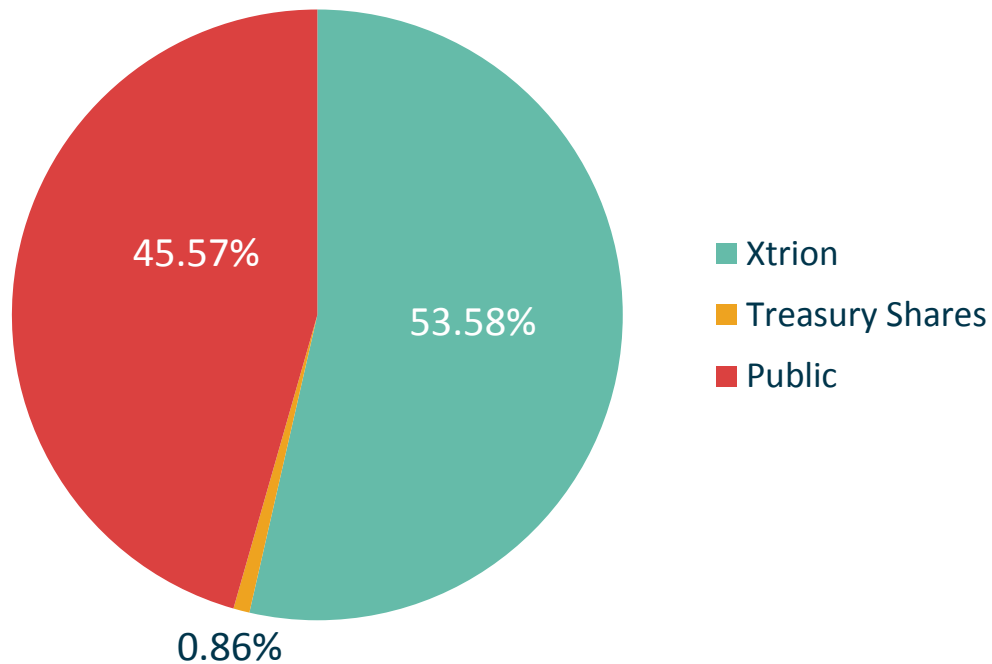
Gross dividend per share (EUR)

2003	0.50
(*) 2004	1.00
2005	0.50
2006	0.50
2007	0.60
2008	0.60
2009	0.00
2010	0.30
2011	0.60
2012	0.65
2013	0.70
2014	1.00
2015	1.90
2016	2.00
2017	2.10
2018	2.20
(**) YTD 2019	1.30
Interim	

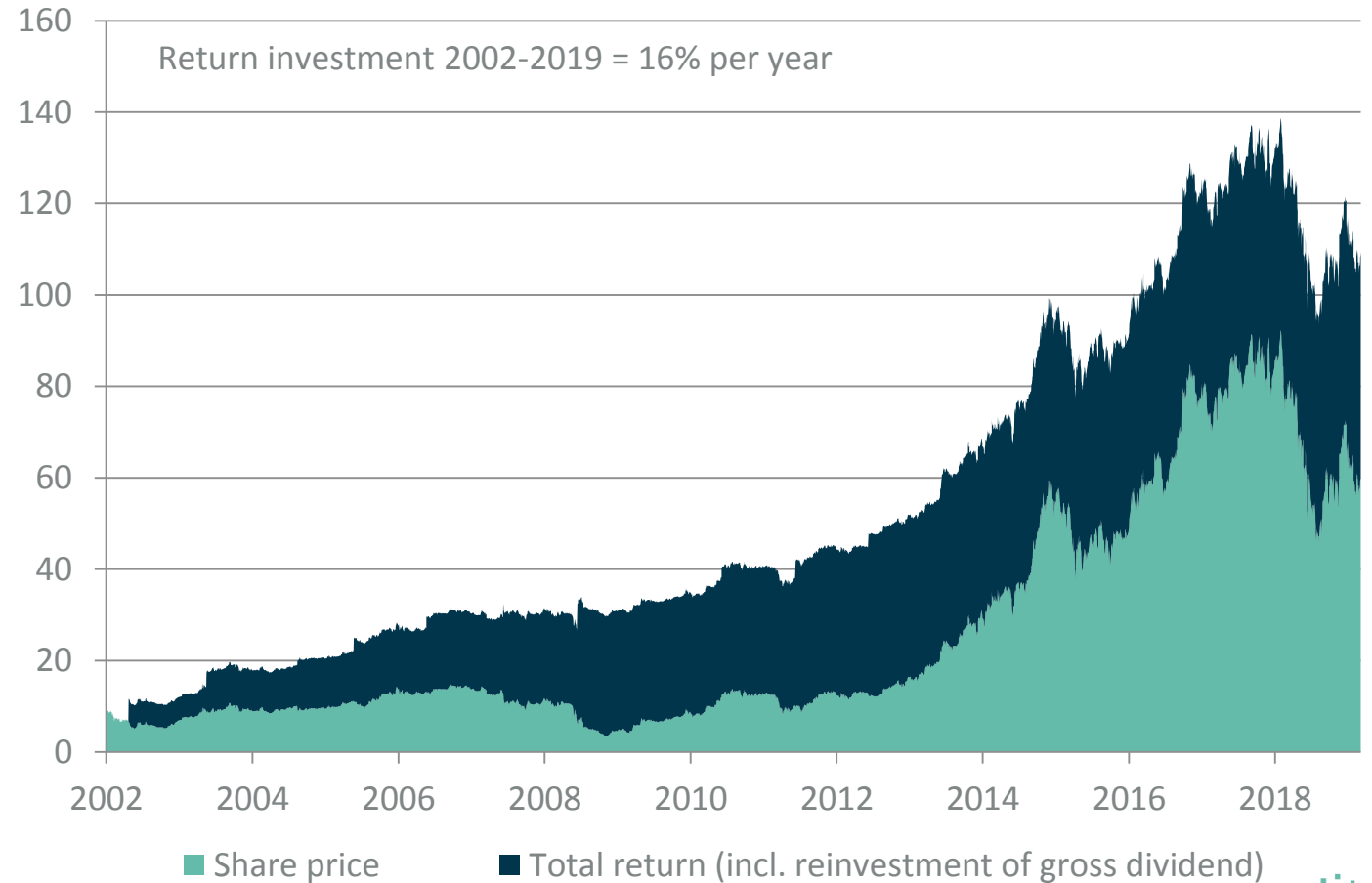
(*) incl. 0.72 cap.decr
 (**) payable 24 Oct 2019

Shareholders structure & shareholder return

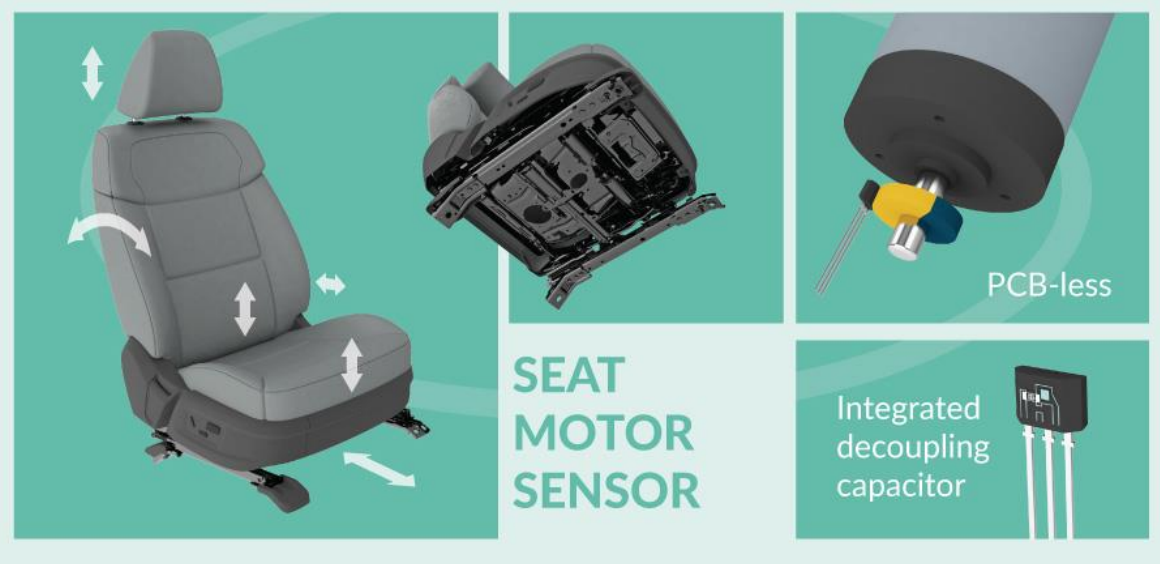
Shareholder structure on 30 Jun 2019



Shareholder Return 2002-2019



Some recent products – BU Sense & Drive

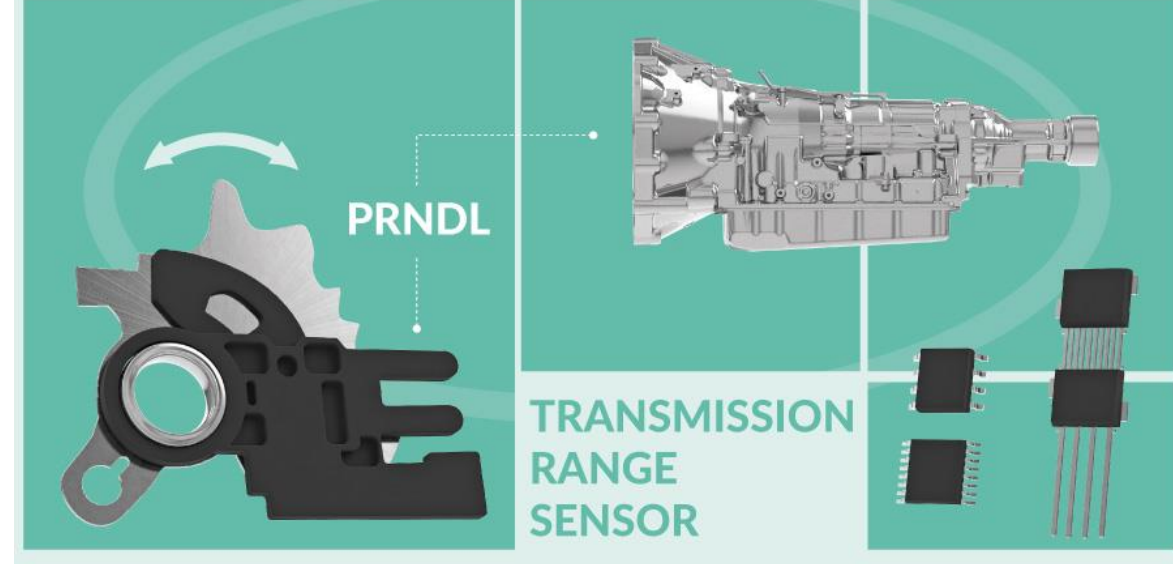


SEAT MOTOR SENSOR

PCB-less

Integrated decoupling capacitor

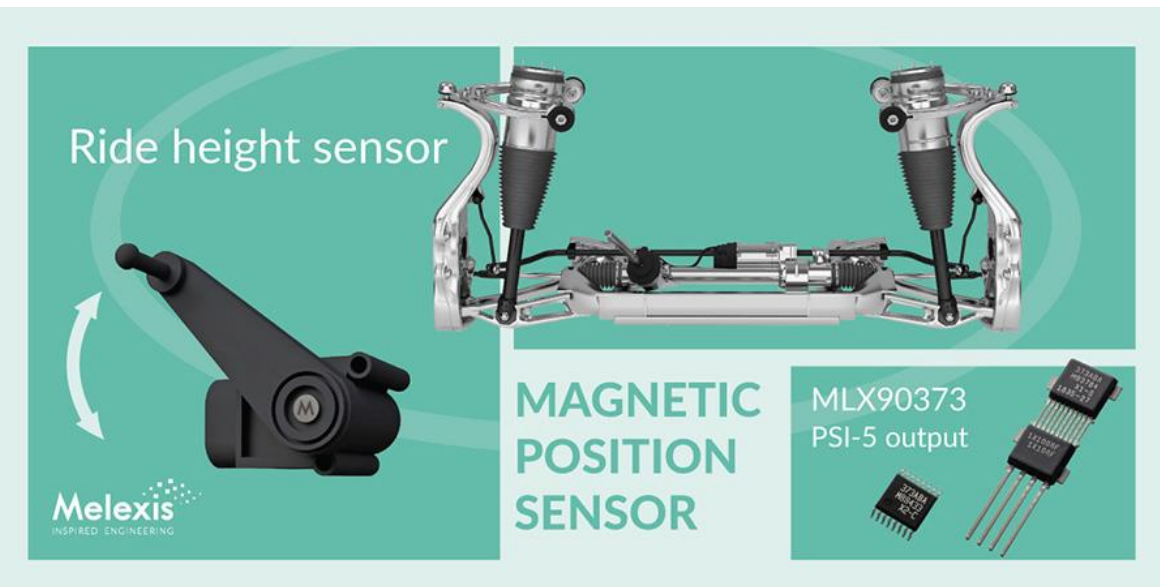
This block features three panels. The left panel shows a car seat with white arrows indicating its various adjustment directions: vertical movement of the seat back and seat pan, and horizontal movement of the seat pan. The middle panel shows a detailed view of the seat's internal motor and sensor assembly. The right panel shows a close-up of a cylindrical motor with a yellow and blue sensor probe attached to its shaft. Below this, a small PCB-less integrated decoupling capacitor is shown with three leads.



TRANSMISSION RANGE SENSOR

PRNDL

This block features three panels. The left panel shows a black plastic gear-shaped component with a central hole, labeled 'PRNDL'. The middle panel shows a detailed view of a transmission assembly. The right panel shows two different packages of the transmission range sensor: a small surface-mount package and a larger through-hole package with multiple leads.



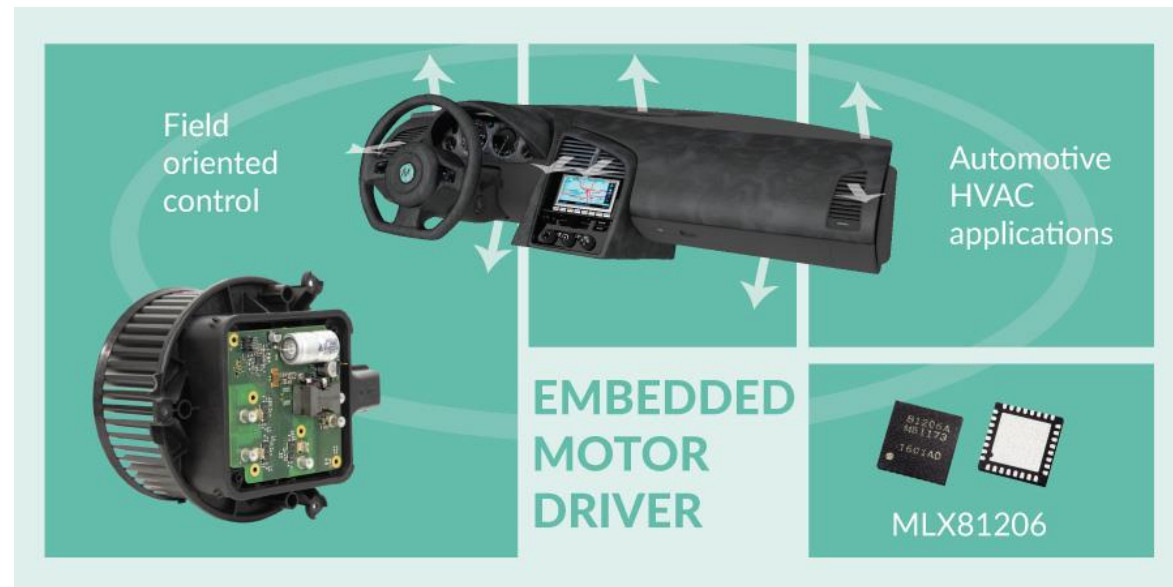
Ride height sensor

MAGNETIC POSITION SENSOR

MLX90373
PSI-5 output

Melexis
INSPIRED ENGINEERING

This block features three panels. The left panel shows a black magnetic position sensor with a curved arrow indicating its range of motion. The middle panel shows a car's rear suspension system with two sensors mounted on the shock absorbers. The right panel shows the MLX90373 PSI-5 output sensor chip and its corresponding PCB-less package with three leads.



Field oriented control

Automotive HVAC applications

EMBEDDED MOTOR DRIVER

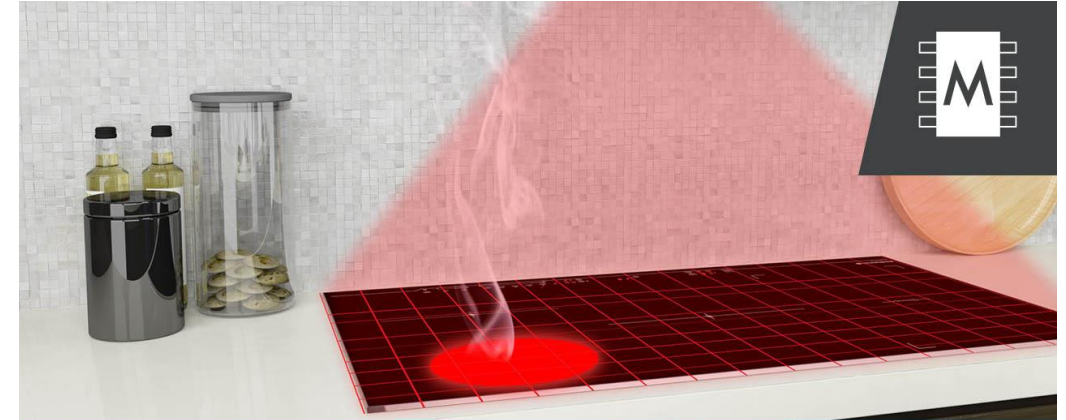
MLX81206

This block features three panels. The left panel shows a black cylindrical motor with a green PCB-mounted driver inside. The middle panel shows a car's interior dashboard and steering wheel with arrows pointing to the HVAC vents, labeled 'Automotive HVAC applications'. The right panel shows the MLX81206 embedded motor driver chip and its corresponding package.

Some recent products - BU Sense & Light



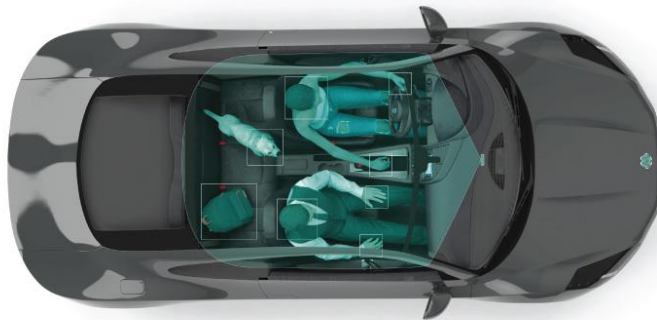
MLX90632
MINIATURE MEDICAL GRADE
INFRARED TEMPERATURE SENSOR



**MLX90641 THERMAL SENSOR
ARRAY 16 X 12 PIXELS**

Melexis
INSPIRED ENGINEERING

High Resolution Automotive ToF sensor



Beyond 100 Kpixel



Melexis
INSPIRED ENGINEERING



**PEOPLE DETECTION WITH
MLX90640 FIR ARRAY**

Melexis
INSPIRED ENGINEERING

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