Presentation results Q2 2020
What do we do?

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

1. Idea
2. Chip design
3. Wafer probe
4. Final test
5. Customer

- Process flow
- Idea
- Chip design
- Wafer probe
- Final test
- Customer
SUSTAINABILITY AT HEART

Our environmental policy is based on **five principles**

- Quality Zero incidents
- Prevention is better than cure
- Open contacts with all the stakeholders
- Sustainable development
- Minimal environmental impact
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  
Motorcycles and e-bikes  
Industry  
Home  
Consumer  
Healthcare
Melexis supplied > 1.2 billion ICs worldwide in 2019

- 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
Applications containing Melexis ICs

Disclaimer: Please note this list is not exhaustive and only includes some of the most common applications containing Melexis ICs.
Over 1500 people on 3 continents

**Sales & Applications**
Belgium – Ieper, Tessenderlo
Greater China – Shanghai, Shenzhen
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**

**Zero emissions**
*Electrification (xHEV & xEV)*

**Zero traffic fatalities**
*ADAS (assisted & autonomous drive)*

**User experience**
*Personalization (customization)*

- **Chassis, body & safety systems**
Powertrain Systems

Levels of Electrification

- Internal Combustion Engine (ICE)
- 48 Volt Mild Hybrid (mHEV)
- Full Hybrid (fHEV)
- Plug-In Hybrid (pHEV)
- Electrical Vehicle (BEV - FCEV)
Global vehicle production (million units)

Electrification – Segmentation – Market Split

Source: IHS and Melexis estimates, updated Apr 29, 2020
Powertrain Systems

**Internal Combustion Engine (ICE + uHEV)**

**48 Volt Mild Hybrid (mHEV)**

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

**Electrical Vehicle (BEV – FCEV)**
# Powertrain Systems

<table>
<thead>
<tr>
<th>Market CAGR</th>
<th>Market (Millions Cars)</th>
<th>Powertrain Systems</th>
<th>TAM for Melexis (Total Available Market - # ICs/car)</th>
</tr>
</thead>
<tbody>
<tr>
<td>-7%</td>
<td>81</td>
<td>Internal Combustion Engine (ICE &amp; uHEV)</td>
<td>#25</td>
</tr>
<tr>
<td>+50%</td>
<td>56</td>
<td>48 Volt Mild Hybrid (mHEV)</td>
<td>#40</td>
</tr>
<tr>
<td>+23%</td>
<td>19</td>
<td>Full Hybrid (fHEV) Plug-In Hybrid (pHEV)</td>
<td>#51</td>
</tr>
<tr>
<td>+37%</td>
<td>3.5</td>
<td>Electrical Vehicle (BEV - FCEV)</td>
<td>#44</td>
</tr>
<tr>
<td>+1%</td>
<td>9.5</td>
<td>Total Weighted TAM</td>
<td>#27</td>
</tr>
</tbody>
</table>

Source: IHS and Melexis estimates, updated Apr 29, 2020
Chassis – Body – Safety Systems

Source: IHS and Melexis estimates, updated Apr 29, 2020
## Melexis in automotive

<table>
<thead>
<tr>
<th>Market CAGR</th>
<th>Market (Millions Cars)</th>
<th>Chassis - Body - Safety Systems</th>
<th>Weighted TAM for Melexis (Total Available Market - # ICs/car)</th>
</tr>
</thead>
<tbody>
<tr>
<td>+1%</td>
<td>89</td>
<td>94.5</td>
<td>#122</td>
</tr>
<tr>
<td>2019</td>
<td>2024</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: IHS and Melexis estimates, updated Apr 29, 2020
**BMW 530e**

* Chassis - Body – Safety (>30)
  * Powertrain (11)

- Time-of-flight for gesture control
- Multimedia GPU
- Cooling fan
- Fragrance fan
- RainLight for automatic wipers
- Interior ambient lighting
- LIN switches
- Anti-theft protection

- Variable geometry turbo
- Electric waste gate actuator
- Water valve
- Oil pressure sensor
- Lambda sensor

- Grille shutter
- Engine cooling fan
- Water pump (BLDC)

- Headlight LED matrix mirror adjustment
- SensorEyeC for laser headlight
- LED headlamp fan

- Brake booster
- High pressure brake sensor interface

- Seat motor
- Seat belt buckle
- Window lifter

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

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Melexis beyond automotive

Sensors & drivers for similar challenges

- White goods – Focus on CO2
- Motorcycles and e-bikes
- Industry 4.0 – Closed loop control
- Drones
- Health / wellbeing
- Robotics – Focus on autonomy
- Thermal information – People detection
- Environmental imaging
- Industrial position sensing
- Power monitoring & motor control
Evolution financials 2000-2020

**Turnover**
Q2 2020: 100.4 mln EUR  
HY 2020: 238.5 mln EUR

**Gross profit margin**
Q2 2020: 38.7%  
HY 2020: 39.8%

**Operating margin**
Q2 2020: 10.1%  
HY 2020: 14.3%
Q2 2020 results at a glance

Sales
100.4m EUR
-16% Y-o-Y

Gross margin
38.7%
38.8m EUR
-22% Y-o-Y

Operating result
10.1%
10.1m EUR
-45% Y-o-Y

Net result
0.24 EPS
9.7m EUR
-38% Y-o-Y

Oper. cash flow
(before wcap change)
19.5m EUR
-39% Y-o-Y

Net debt
4.4m EUR

Outlook
Melexis expects sales in the third quarter of 2020 to be around 10% above the level of the second quarter.
# Profit & loss

## Q2 2020 versus Q2 2019 versus Q1 2020

<table>
<thead>
<tr>
<th>P&amp;L account (in million EUR)</th>
<th>Q2 2020</th>
<th>% of Sales</th>
<th>Q2 2019</th>
<th>% of Sales</th>
<th>Q1 2020</th>
<th>% of Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>100.4</td>
<td>100.0%</td>
<td>120.0</td>
<td>100.0%</td>
<td>138.2</td>
<td>100.0%</td>
</tr>
<tr>
<td>Cost of goods sold</td>
<td>-61.6</td>
<td>-61.3%</td>
<td>-70.3</td>
<td>-58.6%</td>
<td>-82.1</td>
<td>-59.4%</td>
</tr>
<tr>
<td>Gross margin</td>
<td>38.8</td>
<td>38.7%</td>
<td>49.8</td>
<td>41.4%</td>
<td>56.0</td>
<td>40.6%</td>
</tr>
<tr>
<td>R&amp;D</td>
<td>-18.2</td>
<td>-18.1%</td>
<td>-19.5</td>
<td>-16.3%</td>
<td>-20.5</td>
<td>-14.9%</td>
</tr>
<tr>
<td>G&amp;A</td>
<td>-7.2</td>
<td>-7.1%</td>
<td>-7.8</td>
<td>-6.5%</td>
<td>-7.8</td>
<td>-5.7%</td>
</tr>
<tr>
<td>Selling</td>
<td>-3.3</td>
<td>-3.3%</td>
<td>-4.0</td>
<td>-3.4%</td>
<td>-3.7</td>
<td>-2.7%</td>
</tr>
<tr>
<td>EBIT</td>
<td>10.1</td>
<td>10.1%</td>
<td>18.4</td>
<td>15.4%</td>
<td>24.0</td>
<td>17.4%</td>
</tr>
<tr>
<td>Net financial result</td>
<td>0.0</td>
<td>0.0%</td>
<td>-0.4</td>
<td>-0.3%</td>
<td>-0.4</td>
<td>-0.3%</td>
</tr>
<tr>
<td>Income taxes</td>
<td>-0.4</td>
<td>-0.4%</td>
<td>-2.5</td>
<td>-2.1%</td>
<td>-2.8</td>
<td>-2.0%</td>
</tr>
<tr>
<td>Net profit</td>
<td>9.7</td>
<td>9.6%</td>
<td>15.6</td>
<td>13.0%</td>
<td>20.7</td>
<td>15.0%</td>
</tr>
<tr>
<td>Earnings per share</td>
<td>0.24</td>
<td>0.39</td>
<td>0.51</td>
<td>0.51</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
# Balance sheet

## Q2 2020 versus Q2 2019 versus Q1 2020

<table>
<thead>
<tr>
<th>Balance Sheet (in million EUR)</th>
<th>Q2 2020</th>
<th>Q2 2019</th>
<th>Q1 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total assets</strong></td>
<td>442.9</td>
<td>436.7</td>
<td>442.9</td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>57.6</td>
<td>31.3</td>
<td>51.1</td>
</tr>
<tr>
<td>Inventory</td>
<td>148.4</td>
<td>128.9</td>
<td>129.9</td>
</tr>
<tr>
<td>A/R Trade</td>
<td>49.0</td>
<td>68.5</td>
<td>69.1</td>
</tr>
<tr>
<td><strong>Non-current assets</strong></td>
<td>172.5</td>
<td>185.5</td>
<td>178.0</td>
</tr>
<tr>
<td><strong>Shareholders' equity</strong></td>
<td>329.0</td>
<td>319.8</td>
<td>319.6</td>
</tr>
<tr>
<td><strong>Interest bearing debt</strong></td>
<td></td>
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</tr>
<tr>
<td>Long term</td>
<td>62.0</td>
<td>62.0</td>
<td>62.0</td>
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<tr>
<td>Short term</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
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</tbody>
</table>
Q2 2020 cash flow

Free cash flow of 6.8 mln EUR in 2Q20
(728k EUR in 2Q19)
Dividend yield

Based on average share price

Gross dividend per share (EUR)

<table>
<thead>
<tr>
<th>Year</th>
<th>Dividend (EUR)</th>
<th>Capital reduction (EUR)</th>
<th>Yearly dividend return (%)</th>
<th>Average dividend return (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1999</td>
<td></td>
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<td>2011</td>
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<td>2012</td>
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<td>2013</td>
<td>0.70</td>
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<tr>
<td>2015</td>
<td>1.90</td>
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<tr>
<td>2016</td>
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<td>2017</td>
<td>2.10</td>
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<tr>
<td>2018</td>
<td>2.20</td>
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<tr>
<td>2019</td>
<td>1.30</td>
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<tr>
<td>2020</td>
<td>1.30</td>
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<tr>
<td>2021</td>
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</tbody>
</table>

(*) 2004 incl. 0.72 cap.decr
(**) payable 22 Oct 2020

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Shareholders structure & shareholder return

Shareholder structure on 30 Jun 2020

- Xtrion: 45.57%
- Treasury Shares: 53.58%
- Public: 0.86%

Shareholder Return 2002-2020

Return investment 2002-2020 = 16% per year

- Share price
- Total return (incl. reinvestment of gross dividend)