What do we do?

We create innovative micro-electronic solutions for the best imaginable future.
Sustainability at Heart
Our environmental policy is based on five principles:

1. Quality Zero incidents
2. Prevention is better than cure
3. Sustainable development
4. Minimal environmental impact
5. Open contacts with all the stakeholders
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

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
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.
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

Over 1500 people on 3 continents
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

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

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

User experience
**Personalization**
(customization)
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)

Graph showing CO₂ Emission (g/km) vs. Electrification (kWe)
Global vehicle production (million units)

Electrification – Segmentation – Market Split

Source: IHS and Melexis estimates, updated Apr 29, 2020
Internal Combustion Engine (ICE + uHEV)

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

48 Volt Mild Hybrid (mHEV)

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 #35</td>
</tr>
<tr>
<td>+50%</td>
<td>19</td>
<td>48 Volt Mild Hybrid (mHEV)</td>
<td>#40 #54</td>
</tr>
<tr>
<td>+23%</td>
<td>3.5</td>
<td>Full Hybrid (fHEV) Plug-In Hybrid (pHEV)</td>
<td>#51 #62</td>
</tr>
<tr>
<td>+37%</td>
<td>2.5</td>
<td>Electrical Vehicle (BEV - FCEV)</td>
<td>#44 #48</td>
</tr>
<tr>
<td>+1%</td>
<td>9.5</td>
<td>Total Weighted TAM</td>
<td>#27 #43</td>
</tr>
</tbody>
</table>

Source: IHS and Melexis estimates, updated Apr 29, 2020
Chassis
Braking – Steering – Suspension

Body
Lighting – HVAC - Others

Safety
(Passive)

Source visuals: BMW
https://www.autobild.de/klimaanlage-auto-wartung-funktion-187651.html
http://www.motoringworlds.com/cremoller-escapada-nissan-tecnologia-e.html
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></td>
<td></td>
<td>Powertrain</td>
<td>#27 #43</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Chassis - Body - Safety</td>
<td>#79 #122</td>
</tr>
</tbody>
</table>

+1% increase

<table>
<thead>
<tr>
<th>Year</th>
<th>Total</th>
<th>Weighted TAM</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>94.5</td>
<td></td>
</tr>
<tr>
<td>2024</td>
<td></td>
<td>#106 #165</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
- Grille shutter
- Engine cooling fan
- Water pump (BLDC)
- Variable geometry turbo
- Electric waste gate actuator
- Water valve
- Oil pressure sensor
- Lambda sensor
- 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
- EV inverter

(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
Milestones
Evolution financials 2000-2020

Turnover
Q3 2020: 121.6 mln EUR
9M 2020: 360.1 mln EUR

Gross profit margin
Q3 2020: 36.9%
9M 2020: 38.8%

Operating margin
Q3 2020: 12.9%
9M 2020: 13.8%
Q3 2020 results at a glance

<p>| | | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sales</strong></td>
<td>121.6m</td>
<td>EUR</td>
<td><strong>Gross margin</strong></td>
<td>36.9%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>-1% Y-o-Y</td>
<td></td>
<td></td>
<td>44.9m</td>
<td>EUR</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>-9% Y-o-Y</td>
<td></td>
</tr>
<tr>
<td><strong>Operating result</strong></td>
<td>12.9%</td>
<td></td>
<td></td>
<td>15.7m</td>
<td>EUR</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>-14% Y-o-Y</td>
<td></td>
</tr>
<tr>
<td><strong>Net result</strong></td>
<td>0.37 EPS</td>
<td></td>
<td></td>
<td>14.9m</td>
<td>EUR</td>
</tr>
<tr>
<td></td>
<td>-3% Y-o-Y</td>
<td></td>
<td></td>
<td>-3% Y-o-Y</td>
<td></td>
</tr>
<tr>
<td><strong>Oper. cash flow</strong></td>
<td></td>
<td></td>
<td></td>
<td>19.7m</td>
<td>EUR</td>
</tr>
<tr>
<td>(before wcap change)</td>
<td></td>
<td></td>
<td></td>
<td>-39% Y-o-Y</td>
<td></td>
</tr>
<tr>
<td><strong>Net cash</strong></td>
<td>17.0m EUR</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Outlook**

Melexis expects sales in the fourth quarter of 2020 to be around 15% above the level of the third quarter, taking into account a EUR/USD exchange rate of 1.18 for the remainder of the year.
# Profit & loss

## Q3 2020 versus Q3 2019 versus Q2 2020

<table>
<thead>
<tr>
<th>P&amp;L account (in million EUR)</th>
<th>Q3 2020</th>
<th>% of Sales</th>
<th>Q3 2019</th>
<th>% of Sales</th>
<th>Q2 2020</th>
<th>% of Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>121.6</td>
<td>100.0%</td>
<td>123.3</td>
<td>100.0%</td>
<td>100.4</td>
<td>100.0%</td>
</tr>
<tr>
<td>Cost of goods sold</td>
<td>-76.7</td>
<td>-63.1%</td>
<td>-74.0</td>
<td>-60.0%</td>
<td>-61.6</td>
<td>-61.3%</td>
</tr>
<tr>
<td>Gross margin</td>
<td>44.9</td>
<td>36.9%</td>
<td>49.3</td>
<td>40.0%</td>
<td>38.8</td>
<td>38.7%</td>
</tr>
<tr>
<td>R&amp;D</td>
<td>-18.7</td>
<td>-15.4%</td>
<td>-19.8</td>
<td>-16.1%</td>
<td>-18.2</td>
<td>-18.1%</td>
</tr>
<tr>
<td>G&amp;A</td>
<td>-7.3</td>
<td>-6.0%</td>
<td>-7.6</td>
<td>-6.2%</td>
<td>-7.2</td>
<td>-7.1%</td>
</tr>
<tr>
<td>Selling</td>
<td>-3.1</td>
<td>-2.6%</td>
<td>-3.7</td>
<td>-3.0%</td>
<td>-3.3</td>
<td>-3.3%</td>
</tr>
<tr>
<td>EBIT</td>
<td>15.7</td>
<td>12.9%</td>
<td>18.2</td>
<td>14.7%</td>
<td>10.1</td>
<td>10.1%</td>
</tr>
<tr>
<td>Net financial result</td>
<td>-0.3</td>
<td>-0.3%</td>
<td>-0.3</td>
<td>-0.2%</td>
<td>0.0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Income taxes</td>
<td>-0.4</td>
<td>-0.4%</td>
<td>-2.5</td>
<td>-2.1%</td>
<td>-0.4</td>
<td>-0.4%</td>
</tr>
<tr>
<td>Net profit</td>
<td>14.9</td>
<td>12.3%</td>
<td>15.4</td>
<td>12.5%</td>
<td>9.7</td>
<td>9.6%</td>
</tr>
<tr>
<td>Earnings per share</td>
<td>0.37</td>
<td></td>
<td>0.38</td>
<td></td>
<td>0.24</td>
<td></td>
</tr>
</tbody>
</table>
# Balance sheet

## Q3 2020 versus Q3 2019 versus Q2 2020

<table>
<thead>
<tr>
<th>Balance Sheet (in million EUR)</th>
<th>Q3 2020</th>
<th>Q3 2019</th>
<th>Q2 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total assets</td>
<td>454.8</td>
<td>453.9</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>78.8</td>
<td>60.2</td>
<td>57.6</td>
</tr>
<tr>
<td>Inventory</td>
<td>131.6</td>
<td>128.0</td>
<td>148.4</td>
</tr>
<tr>
<td>A/R Trade</td>
<td>63.5</td>
<td>69.7</td>
<td>49.0</td>
</tr>
<tr>
<td><strong>Non-current assets</strong></td>
<td>167.8</td>
<td>182.2</td>
<td>172.5</td>
</tr>
<tr>
<td><strong>Shareholders' equity</strong></td>
<td>343.4</td>
<td>336.1</td>
<td>329.0</td>
</tr>
<tr>
<td><strong>Interest bearing debt</strong></td>
<td>62.0</td>
<td>62.0</td>
<td>62.0</td>
</tr>
<tr>
<td>Long term</td>
<td>62.0</td>
<td>62.0</td>
<td>62.0</td>
</tr>
<tr>
<td>Short term</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
</tbody>
</table>
Q3 2020 cash flow

Free cash flow of 21.2 mln EUR in 3Q20
(29.8 mln EUR in 3Q19)
Dividend yield

Based on average share price

**Gross dividend per share (EUR)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Dividend per share (EUR)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>1.00</td>
</tr>
<tr>
<td>2005</td>
<td>0.50</td>
</tr>
<tr>
<td>2006</td>
<td>0.50</td>
</tr>
<tr>
<td>2007</td>
<td>0.60</td>
</tr>
<tr>
<td>2008</td>
<td>0.60</td>
</tr>
<tr>
<td>2009</td>
<td>0.00</td>
</tr>
<tr>
<td>2010</td>
<td>0.30</td>
</tr>
<tr>
<td>2011</td>
<td>0.60</td>
</tr>
<tr>
<td>2012</td>
<td>0.65</td>
</tr>
<tr>
<td>2013</td>
<td>0.70</td>
</tr>
<tr>
<td>2014</td>
<td>1.00</td>
</tr>
<tr>
<td>2015</td>
<td>1.90</td>
</tr>
<tr>
<td>2016</td>
<td>2.00</td>
</tr>
<tr>
<td>2017</td>
<td>2.10</td>
</tr>
<tr>
<td>2018</td>
<td>2.20</td>
</tr>
<tr>
<td>2019</td>
<td>1.30</td>
</tr>
<tr>
<td>(***) YTD</td>
<td>1.30</td>
</tr>
<tr>
<td>2020</td>
<td>Interim</td>
</tr>
</tbody>
</table>

(*) incl. 0.72 cap.decr

(**) payable 22 Oct 2020
Shareholders structure & shareholder return

Shareholder structure on 30 Sep 2020

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

Shareholder Return 2002-2020

Return investment 2002-2020 = 16% per year

Graph showing Share price and Total return (incl. reinvestment of gross dividend) from 2002 to 2020.
Some recent product launches – Sense & Drive

- **ALL-IN-ONE FAN- AND PUMP- 1-COIL BLDC DRIVER**
  - MLX90412
  - For highest efficiency or lowest acoustic noise on a wide range of fans and pumps up to 35 W

- **3D MAGNETIC FIELD SENSOR IC (MAGNETOMETER)**
  - MLX90395
  - Linear position
  - Rotation
  - Joystick
  - Gimbal

- **DC/BLDC MOTOR COMMUTATION CONTROL**
  - MLX92214
  - 3-wire general purpose latch

- **3-PHASE BLDC FAN & PUMP DRIVER**
  - MLX80302
  - Compact application designs
  - Enables fast system startup
  - Super robust against signal noise
Some recent product launches – Sense & Light

- MULTI-CHANNEL LED DRIVER FOR HIGH-SPEED LIGHT ANIMATIONS
- MLX90641 THERMAL SENSOR ARRAY 16 X 12 PIXELS
- MLX90632 MINIATURE MEDICAL GRADE INFRARED TEMPERATURE SENSOR
- 3D time-of-flight camera QVGA
Karen van Griensven  
CFO

Geert Reynders  
Investor Relations

Joren Vanvelk  
Financial Analyst

Valerie Kerfs  
IR Assistant

investor@melexis.com
+32 (0)13 67 07 79