

## Press release - Regulated Information

### Melexis Q3 2020 results – Third quarter sales of 121.6 million EUR

#### Intermediate declaration by the Board of Directors

Ieper, Belgium – October 28<sup>th</sup>, 2020, 07.00 hrs CET

CONFORM IFRS	Q3 2020	Q3 2019	YOY growth (%)	Q2 2020	SEQ growth (%)
<i>in k EUR</i>					
<b>Sales</b>	121,568	123,271	-1%	100,387	21%
<b>Gross result</b>	44,854	49,304	-9%	38,808	16%
<i>Gross Margin</i>	36.9%	40.0%		38.7%	
<b>EBIT</b>	15,687	18,169	-14%	10,104	55%
<i>EBIT in %</i>	12.9%	14.7%		10.1%	
<b>EBITDA</b>	26,759	30,098	-11%	21,997	22%
<i>EBITDA in %</i>	22.0%	24.4%		21.9%	
<b>Net result</b>	14,905	15,364	-3%	9,676	54%
<b>Net result per share (EPS)</b>	0.37	0.38		0.24	
<b>CAPEX</b>	5,249	5,667		4,672	

Sales for the third quarter of 2020 were 121.6 million EUR, a decrease of 1% compared to the same quarter of the previous year and an increase of 21% compared to the previous quarter.

The EUR/USD exchange rate evolution had a negative impact on sales of 2% compared to the same quarter of last year and a negative impact of 2% compared to the previous quarter.

The gross result was 44.9 million EUR or 36.9% of sales, a decrease of 9% compared to the same quarter of last year and an increase of 16% compared to the previous quarter.

R&D expenses were 15.4% of sales, G&A was at 6.0% of sales and Selling was at 2.6% of sales. The operating result was 15.7 million EUR or 12.9% of sales, a decrease of 14% compared to the same quarter of last year and an increase of 55% compared to the previous quarter.

The net result was 14.9 million EUR or 0.37 EUR per share, a decrease of 3% compared to 15.4 million EUR or 0.38 EUR per share in the third quarter of 2019 and an increase of 54% compared to the previous quarter.

CONFORM IFRS <i>in k EUR</i>	9M 2020	9M 2019	YOY growth (%)
<b>Sales</b>	360,117	359,809	0%
<b>Gross result</b>	139,695	145,810	-4%
<i>Gross Margin</i>	<i>38.8%</i>	<i>40.5%</i>	
<b>EBIT</b>	49,770	52,346	-5%
<i>EBIT in %</i>	<i>13.8%</i>	<i>14.5%</i>	
<b>EBITDA</b>	84,867	88,458	-4%
<i>EBITDA in %</i>	<i>23.6%</i>	<i>24.6%</i>	
<b>Net result</b>	45,287	44,884	1%
<b>Net result per share (EPS)</b>	1.12	1.11	
<b>CAPEX</b>	16,704	20,551	

Sales for the first nine months of 2020 were 360.1 million EUR, flat compared to the first nine months of 2019.

The EUR/USD exchange rate evolution had no impact on sales compared to the first nine months of 2019.

The gross result was 139.7 million EUR or 38.8% of sales, a decrease of 4% compared to the same period last year. R&D expenses were 16.0% of sales, G&A was at 6.2% of sales and Selling was at 2.8% of sales.

The operating result was 49.8 million EUR or 13.8% of sales, a decrease of 5% compared to 52.3 million EUR in the same nine months of 2019.

The net result was 45.3 million EUR or 1.12 EUR per share, an increase of 1% compared to 44.9 million EUR or 1.11 EUR per share in the first nine months of 2019.

## 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.

## Business comment – Françoise Chombar, CEO:

“Sales in the third quarter of 2020, up 21% versus the previous quarter, came out higher than anticipated. During the quarter, we noticed an improvement of customer sentiment and, in the course of September, a substantial uptick in orders. Thanks to proactive supply chain and inventory management, Melexis was able to meet increased customer demand. Inventories at customers continue to be estimated at low levels.

Based on the current order book, and provided that the current COVID-19 wave will not trigger a significant adverse impact on supply and demand in our industry, we expect a sequential sales growth of around 15% in the fourth quarter.

Year to date, our teams have been as productive as in pre-COVID times with regard to product launches, which will even intensify in the last quarter of the year. What I feel to be particularly gratifying is that half of the sensor and driver components launched so far this year were specifically conceived and designed for adjacent markets. They serve applications in industrial environments such as object/obstacle detection and people counting, or multifunction switches, but also home appliances, portable tools and motorcycles. In the automotive space, we continued to expand our linear and 3D magnetic sensing portfolio and our time-of-flight product offering. Our automotive embedded light family now also provides intelligent animated lighting capabilities that help our customers to enhance modern safety features such as driver-assistance prompts and vehicle status information.

In the third quarter, the outperforming product lines were embedded motor drivers, temperature sensors and our magnetic sensor product families.

Sales to automotive customers represented 88% of total sales in the third quarter of 2020. The portion of standard product (ASSP) sales represented 72% of total sales in the third quarter of 2020.”

**Financial comment – Karen van Griensven, CFO:**

“The revaluation of the Melexis inventory due to the weakening USD versus the EUR resulted in a negative impact of 2.4% on the third quarter gross profit margin. Although we expect an additional impact in the fourth quarter of 2020, this effect is exceptional.”

**Financial Calendar**

- Publication FY 2020 Results: February 3, 2021 (at 7 hrs CET)
- Publication Q1 Results 2021: April 28, 2021 (at 7 hrs CET)
- Publication Q2 Results 2021: July 28, 2021 (at 7 hrs CET)
- Publication Q3 Results 2021: October 27, 2021 (at 7 hrs CET)
- Publication FY 2021 Results: February 2, 2022 (at 7 hrs CET)

The company’s results will be discussed in a conference call on **Wednesday, October 28th, 2020 at 10:30 hrs CET**. The conference call will be in English. You have to register for this conference call in advance. You can register by clicking [here](#) and filling out the requested information.

After registration, you will receive the conference call number, a participant user pin, conference pin and instructions on how to join the conference call. For security purposes, all participants must register individually if they wish to join the call.

For more information:

**Investor Relations**

Phone: +32 13 67 07 79

Email: [investor@melexis.com](mailto:investor@melexis.com)

**About Melexis**

Combining a passion for technology with truly inspired engineering, Melexis designs, develops and delivers innovative micro-electronic solutions that enable designers to turn ideas into applications that support the best imaginable future. The company’s advanced mixed-signal semiconductor sensor and actuator components address the challenges of integrating sensing, driving and communication into next-generation products and systems that improve safety, raise efficiency, support sustainability and enhance comfort. Melexis is headquartered in Belgium and employs over 1500 people in 19 locations worldwide. The company is publicly traded on Euronext Brussels (MELE). For more information, visit [www.melexis.com](http://www.melexis.com)

### **Disclaimer**

Except for those statements that report the Company's historical results, the statements being made are forward looking statements. Actual results could differ materially from those projected in the forward-looking statements. Factors which could cause actual results to differ from expectations include the following: volatility in supply and demand affecting revenues and market prices, price and availability of silicon foundry, assembly and test prices, assembly and test subcontract capacity required to meet financial targets and/or meet backlog requirements, risks and delays associated with bringing up new production capabilities or with deliveries from subcontractors, timing and market acceptance of new products, increased expenses associated with new product acceptance of new products, increased expenses associated with new product introductions of process changes, delays in developing or achieving volume production of new products, which can result in delays or failure to contribute to revenues and profits, ability of the Company to maintain its customer and vendor base and delays in and/or inability in raising additional capital.

## Consolidated Income Statement

CONFORM IFRS in k EUR	Quarter ended 30/09/2020	Quarter ended 30/09/2019	Nine months ended 30/09/2020	Nine months ended 30/09/2019	Year ended 31/12/2019 audited
Sales	121,568	123,271	360,117	359,809	486,862
Cost of sales	-76,714	-73,967	-220,422	-214,000	-290,628
<b>Gross result</b>	<b>44,854</b>	<b>49,304</b>	<b>139,695</b>	<b>145,810</b>	<b>196,234</b>
R&D	-18,726	-19,787	-57,443	-59,061	-79,558
G&A	-7,305	-7,615	-22,285	-22,976	-30,600
Selling	-3,136	-3,733	-10,196	-11,426	-15,450
Other operating result					
<b>Operating result (EBIT)</b>	<b>15,687</b>	<b>18,169</b>	<b>49,770</b>	<b>52,346</b>	<b>70,626</b>
Financial result	-347	-273	-843	-977	-1,378
<b>Result before taxes</b>	<b>15,340</b>	<b>17,896</b>	<b>48,927</b>	<b>51,369</b>	<b>69,248</b>
Income taxes	-435	-2,533	-3,640	-6,485	-8,993
<b>Net result</b>	<b>14,905</b>	<b>15,364</b>	<b>45,287</b>	<b>44,884</b>	<b>60,255</b>
<b>Net result per share in EUR</b>	<b>0.37</b>	<b>0.38</b>	<b>1.12</b>	<b>1.11</b>	<b>1.49</b>

## Consolidated Statement of Financial Position

CONFORM IFRS in k EUR	Nine months ended 30/09/2020	Nine months ended 30/09/2019	Year ended 31/12/2019 audited
Current Assets :			
Cash and cash equivalents	78,831	60,150	38,772
Current investments	210		78
A/R Trade	63,476	69,691	58,310
A/R from related parties	99	75	136
Advance related parties			
Assets for current tax	1,805	5,179	1,745
Assets held for sale			
Other current assets	10,991	8,625	9,781
Inventories	131,589	127,975	128,505
<b>Total current assets</b>	<b>287,002</b>	<b>271,694</b>	<b>237,328</b>
Non-current assets :			
Costs of incorporation			
Property, plant and equipment	131,087	147,220	143,608
Leased assets	3,530	3,972	4,813
Financial assets			
Intangible fixed assets	4,748	5,723	5,209
A/R directors			
Other non-current assets	3	3	3
Deferred tax assets	28,458	25,282	27,649
<b>Total non current assets</b>	<b>167,827</b>	<b>182,199</b>	<b>181,282</b>
<b>Total assets</b>	<b>454,829</b>	<b>453,893</b>	<b>418,610</b>

CONFORM IFRS in k EUR	Nine months ended 30/09/2020	Nine months ended 30/09/2019	Year ended 31/12/2019 audited
<b>Liabilities and shareholders Equity</b>			
Current liabilities :			
Bank loans and overdrafts			
Derivative financial instruments		62	
Current portion of LT debt			
Lease liabilities	471	342	1,825
A/P trade	15,107	13,665	16,139
Affiliated companies	8,709	12,918	15,733
Accrued taxes	1,100	5,397	3,251
Accrued expenses and payroll	13,161	12,431	10,643
Other current liabilities	5,055	4,699	4,305
Deferred income	2,334	2,265	2,280
<b>Total current liabilities</b>	<b>45,938</b>	<b>51,777</b>	<b>54,176</b>
Non current liabilities :			
LT debt less current portion	62,000	62,000	62,000
Lease liabilities	3,100	3,666	3,027
Deferred tax liabilities	397	340	337
Other non-current liabilities			
<b>Total non current liabilities</b>	<b>65,497</b>	<b>66,006</b>	<b>65,364</b>
Shareholders' equity :			
Shareholders' capital	565	565	565
Share premium			
Treasury shares	-3,818	-3,818	-3,818
Revaluation reserve Hedge			
Revaluation reserve Fair value			
Legal reserve	57	57	57
Retained earnings	306,856	298,671	246,601
Current period's profit	45,287	44,884	60,255
Cumulative translation adjustment	-5,553	-4,258	-4,590
Equity attributable to company owners	<b>343,394</b>	<b>336,100</b>	<b>299,070</b>
Non controlling interests	0	10	0
<b>Total shareholders equity</b>	<b>343,394</b>	<b>336,111</b>	<b>299,070</b>
<b>Total liabilities, shareholders' equity and minority interests</b>	<b>454,829</b>	<b>453,893</b>	<b>418,610</b>

## Consolidated Statements of Cash Flow

CONFORM IFRS (in k EUR)	Quarter ended 30/09/2020	Quarter ended 30/09/2019	Nine months ended 30/09/2020	Nine months ended 30/09/2019	Year ended 31/12/2019 audited
<b>Cash flow from operating activities</b>					
Net income	14,905	15,364	45,287	44,884	60,255
<b>Adjustments for :</b>					
<b>Operating activities</b>	<b>4,819</b>	<b>16,796</b>	<b>29,501</b>	<b>47,774</b>	<b>59,459</b>
Deferred taxes	-311	-1,604	-809	-288	-2,655
Capital grants	181	244	578	568	1,099
Depreciation and amortisation	10,611	11,509	33,681	34,856	46,760
Depreciation leased assets	461	421	1,416	1,256	1,845
Accrued income tax	-5,200	4,645	-4,384	9,005	10,374
Unrealized exchange results	631	-1,049	628	-613	-604
Financial result	-1,554	2,631	-1,609	2,990	2,640
<b>Operating profit before working capital changes</b>	<b>19,724</b>	<b>32,159</b>	<b>74,789</b>	<b>92,658</b>	<b>119,714</b>
A/R, Trade	-14,525	-1,191	-5,204	5,575	16,938
A/R, affiliates	-4	37	37	86	25
Other current assets	2,388	8,295	-1,848	-4,426	-2,687
Other non current assets		5		1	1
Inventories	15,836	-310	-7,104	-12,085	-14,303
A/P	-1,974	-2,498	-963	-7,143	-4,678
A/P affiliates	-1,393	-1,736	-7,024	-1,050	1,765
Accrued expenses	1,439	2,036	2,519	1,929	141
Other current liabilities	665	401	775	1,871	1,537
Other non current liabilities	-111	113	114	-672	-721
Interest paid	-105	-79	-370	-283	-523
Income tax paid	4,739	-1,786	2,234	-19,293	-22,808
<b>Cash flow from operating activities</b>	<b>26,681</b>	<b>35,448</b>	<b>57,955</b>	<b>57,170</b>	<b>94,400</b>
<b>Cash flow from investing activities</b>					
Acquisition of subsidiary, net of cash acquired					
Financial fixed assets					
Purchase of PPE and intangible assets (netted)	-5,249	-5,667	-16,704	-20,551	-26,632
Interest received	4	22	54	72	90
Investments/proceeds/ from current investments	-210	14	-132	101	22
Investments/proceeds/ from non current investments (incl. financial instruments)					
<b>Cash provided from investing activities</b>	<b>-5,455</b>	<b>-5,631</b>	<b>-16,782</b>	<b>-20,378</b>	<b>-26,519</b>
<b>Cash flows from financing activities</b>					
Payment to acquire own shares					
Proceeds/Repayment of long-and short-term debt	59	-29	73	26,927	26,927
Proceeds/Repayment of bank loans and overdrafts					
Repayment leasings	-461	-414	-1,415	-1,221	-1,805
Proceeds from (repayment of) related party financing					
Impact of exchange results on financing items	399	-580	268	-889	-661
Dividend payment				-36,048	-88,118
Capital Decrease					
Non controlling interests					-10
<b>Cash provided from financing activities</b>	<b>-2</b>	<b>-1,023</b>	<b>-1,074</b>	<b>-11,233</b>	<b>-63,668</b>
CTA	-15	48	-39	68	37
Increase/decrease in cash and cash equivalents	21,209	28,842	40,060	25,628	4,250
<b>Cash at beginning of the period</b>	<b>57,622</b>	<b>31,307</b>	<b>38,772</b>	<b>34,522</b>	<b>34,522</b>
<b>Cash at the end of the period</b>	<b>78,831</b>	<b>60,150</b>	<b>78,831</b>	<b>60,150</b>	<b>38,772</b>

## Sales per Geography

	Q3 2020	Q3 2019	9M 2020	9M 2019	FY 2019
APAC Asia Pacific	52%	46%	55%	46%	47%
EMEA Europe - Middle-East - Africa	36%	39%	34%	40%	39%
NALA North America - Latin America	12%	15%	11%	14%	14%
<b>TOTAL</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>