

Press release - Regulated Information

Melexis Q4 and FY 2020 results – Full year sales of 507.5 million EUR

Intermediate declaration by the Board of Directors

leper, Belgium – February 3rd, 2021, 07.00 hrs CET

CONFORM IFRS <i>in k EUR</i>	FY 2020	FY 2019	YOY growth (%)
Sales	507,517	486,862	4%
Gross result	197,988	196,234	1%
<i>Gross Margin</i>	<i>39.0%</i>	<i>40.3%</i>	
EBIT	75,534	70,626	7%
<i>EBIT in %</i>	<i>14.9%</i>	<i>14.5%</i>	
EBITDA	121,905	119,231	2%
<i>EBITDA in %</i>	<i>24.0%</i>	<i>24.5%</i>	
Net result	69,299	60,255	15%
Net result per share (EPS)	1.72	1.49	
CAPEX	24,835	26,632	

Sales for the full year of 2020 were 507.5 million EUR, an increase of 4% compared to the previous year.

The EUR/USD exchange rate evolution had a negative impact on sales of 1% compared to 2019.

The gross result was 198.0 million EUR or 39.0% of sales, an increase of 1% compared to 2019. R&D expenses were 15.3% of sales, G&A was at 6.1% of sales and Selling was at 2.7% of sales.

The operating result was 75.5 million EUR or 14.9% of sales, an increase of 7% compared to 70.6 million EUR in 2019.

The net result was 69.3 million EUR or 1.72 EUR per share, an increase of 15% compared to 60.3 million EUR or 1.49 EUR per share in 2019.

CONFORM IFRS	Q4 2020	Q4 2019	YOY growth (%)	Q3 2020	SEQ growth (%)
<i>in k EUR</i>					
Sales	147,400	127,052	16%	121,568	21%
Gross result	58,293	50,424	16%	44,854	30%
<i>Gross Margin</i>	39.5%	39.7%		36.9%	
EBIT	25,763	18,280	41%	15,687	64%
<i>EBIT in %</i>	17.5%	14.4%		12.9%	
EBITDA	37,038	30,773	20%	26,759	38%
<i>EBITDA in %</i>	25.1%	24.2%		22.0%	
Net result	24,012	15,371	56%	14,905	61%
Net result per share (EPS)	0.59	0.38		0.37	
CAPEX	8,131	6,081		5,249	

Sales for the fourth quarter of 2020 were 147.4 million EUR, an increase of 16% 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 3% compared to the same quarter of last year and a negative impact of 1% compared to the previous quarter.

The gross result was 58.3 million EUR or 39.5% of sales, an increase of 16% compared to the same quarter of last year and an increase of 30% compared to the previous quarter.

R&D expenses were 13.7% of sales, G&A was at 5.9% of sales and Selling was at 2.5% of sales. The operating result was 25.8 million EUR or 17.5% of sales, an increase of 41% compared to the same quarter of last year and an increase of 64% compared to the previous quarter.

The net result was 24.0 million EUR or 0.59 EUR per share, an increase of 56% compared to 15.4 million EUR or 0.38 EUR per share in the fourth quarter of 2019 and an increase of 61% compared to the previous quarter.

Dividend

The Board of Directors approved on January 29th, 2021 to propose to the Annual Shareholders meeting to pay out over the result of 2020 a total dividend of 2.20 EUR gross per share. This amount contains an interim dividend of 1.30 EUR per share which was paid in October 2020 and a final dividend of 0.90 EUR per share which will be payable after approval of the Annual Shareholders meeting.

The Melexis shares will start trading ex coupon on May 13, 2021 (opening of the market). The record date is May 14, 2021 (closing of the market) and the dividend will be payable as from May 17, 2021.

Outlook

Melexis expects sales in the first quarter of 2021 to be in the range of 155 to 160 million euro.

For the full year 2021, Melexis expects sales growth between 15% and 20%, with a gross profit margin around 41% and an operating margin around 19% at the midpoint of the sales guidance, all taking into account a EUR/USD exchange rate of 1.21.

Business comment – Françoise Chombar, CEO:

“After two difficult years in which we faced severe global trade tensions and an unprecedented pandemic, the end of 2020 marked a turning point for Melexis. Despite the numerous challenges that COVID-19 posed, out of adversity came opportunity: next to catering to our valued automotive customers as always, Melexis also tapped into adjacent applications that gained momentum with the COVID-19 outbreak. As a result, we concluded the year with a 4% year-over-year sales growth.

During the fourth quarter, we launched no less than 8 new products, half of which are specifically conceived for adjacent markets such as 2-/3-wheelers, home appliances and products for industrial use. Newly launched automotive products include current sensors, a smart tire sensor and a novel motor driver for mechatronic applications, all of which serve the future car, carbon free and intelligent. Based on 2020 data, we can now

state that on average, every new car worldwide carries 13 Melexis chips on board from 11 the year before. All this makes me very proud and excited for the future.

Sales to automotive customers represented 88% of total sales, both in the fourth quarter and in the full year 2020. The portion of standard product (ASSPs) sales represented 70% of total sales in the fourth quarter and 69% in the full year 2020.

At the start of 2021, we are witnessing exceptionally strong order behavior, driven by steep restocking and revived end market demand. This condensed ordering pattern is now causing supply chain and delivery disruptions in parts of the automotive industry, the bullwhip effect in action at warp speed. Having intentionally kept its inventories at a higher than usual level in the past year, Melexis had a head start to cope with this elevated demand.

The 2021 full year sales guidance we provide is built on the one hand on meeting the strong order behavior we see today for the first half of the year, while also remaining cautious about the evolution of end market demand in the second half of the year.”

The statutory auditor PwC Bedrijfsrevisoren BV has confirmed that the audit, which is substantially complete, has not to date revealed any material misstatement in the draft consolidated accounts, and that the accounting data reported in the press release is consistent, in all material respects, with the draft accounts from which it has been derived.

Financial Calendar

- Publication Q1 Results 2021: April 28, 2021 (at 7 hrs CET)
- Annual Shareholders Meeting: May 11, 2021
- Dividend pay date: May 14, 2021 (ex coupon on May 12, 2021)
- Analyst Meeting: June 1st, 2021
- 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 and an audiocast on **Wednesday, February 3rd, 2021 at 10:30 hrs CET**.

To register for the conference call (possibility to ask questions)

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.

To register for the audiocast (no possibility to ask questions)

To register for the audiocast, click [here](#).

For more information:

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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

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 31/12/2020	Quarter ended 31/12/2019	Year ended 31/12/2020 audited	Year ended 31/12/2019 audited
Sales	147,400	127,052	507,517	486,862
Cost of sales	-89,107	-76,628	-309,529	-290,628
Gross result	58,293	50,424	197,988	196,234
R&D	-20,247	-20,497	-77,691	-79,558
G&A	-8,644	-7,624	-30,930	-30,600
Selling	-3,638	-4,023	-13,834	-15,450
Other operating result				
Operating result (EBIT)	25,763	18,280	75,534	70,626
Financial result	1,222	-401	379	-1,378
Result before taxes	26,985	17,879	75,913	69,248
Income taxes	-2,973	-2,507	-6,613	-8,993
Net result	24,012	15,371	69,299	60,255
Net result per share in EUR	0.59	0.38	1.72	1.49

Consolidated Statement of Financial Position

CONFORM IFRS in k EUR	Year ended 31/12/2020 audited	Year ended 31/12/2019 audited
Current Assets :		
Cash and cash equivalents	58,883	38,772
Current investments	245	78
A/R Trade	65,099	58,310
A/R from related parties	372	136
Advance related parties		
Assets for current tax	4,695	1,745
Assets held for sale		
Other current assets	10,637	9,781
Inventories	123,457	128,505
Total current assets	263,389	237,328
Non-current assets :		
Costs of incorporation		
Property, plant and equipment	129,949	143,608
Leased assets	2,731	4,813
Financial assets		
Intangible fixed assets	4,650	5,209
A/R directors		
Other non-current assets	4,203	3
Deferred tax assets	28,490	27,649
Total non current assets	170,023	181,282
Total assets	433,412	418,610

CONFORM IFRS in k EUR	Year ended 31/12/2020 audited	Year ended 31/12/2019 audited
Liabilities and shareholders Equity		
Current liabilities :		
Bank loans and overdrafts		
Derivative financial instruments		
Current portion of LT debt		
Lease liabilities	1,633	1,825
A/P trade	18,328	16,139
Affiliated companies	15,759	15,733
Accrued taxes	473	3,251
Accrued expenses and payroll	11,882	10,643
Other current liabilities	3,433	4,305
Deferred income	2,799	2,280
Total current liabilities	54,307	54,176
Non current liabilities :		
LT debt less current portion	62,000	62,000
Lease liabilities	2,122	3,027
Deferred tax liabilities	207	337
Other non-current liabilities		
Total non current liabilities	64,329	65,364
Shareholders' equity :		
Shareholders' capital	565	565
Share premium		
Treasury shares	-3,818	-3,818
Revaluation reserve Hedge		
Revaluation reserve Fair value		
Legal reserve	57	57
Retained earnings	254,786	246,601
Current period's profit	69,299	60,255
Cumulative translation adjustment	-6,113	-4,590
Equity attributable to company owners	314,776	299,070
Non controlling interests	0	0
Total shareholders equity	314,776	299,070
Total liabilities, shareholders' equity and minority interests	433,412	418,610

Consolidated Statements of Cash Flow

CONFORM IFRS (in k EUR)	Quarter ended 31/12/2020	Quarter ended 31/12/2019	Year ended 31/12/2020 audited	Year ended 31/12/2019 audited
Cash flow from operating activities				
Net income	24,012	15,371	69,299	60,255
Adjustments for :				
Operating activities	18,125	11,685	47,626	59,459
Deferred taxes	-32	-2,367	-841	-2,655
Capital grants	364	531	942	1,099
Depreciation and amortisation	10,773	11,904	44,453	46,760
Depreciation leased assets	502	589	1,918	1,845
Accrued income tax	8,934	1,369	4,550	10,374
Unrealized exchange results	-2,841	9	-2,213	-604
Financial result	425	-350	-1,184	2,640
Operating profit before working capital changes	42,137	27,056	116,925	119,714
A/R, Trade	-1,770	11,363	-6,974	16,938
A/R, affiliates	-273	-61	-237	25
Other current assets	-2,907	1,739	-4,756	-2,687
Other non current assets	-4,200		-4,200	1
Inventories	6,893	-2,218	-210	-14,303
A/P	3,199	2,465	2,237	-4,678
A/P affiliates	7,050	2,815	26	1,765
Accrued expenses	-1,280	-1,788	1,239	141
Other current liabilities	-1,646	-334	-870	1,537
Other non current liabilities	275	-49	389	-721
Interest paid	-112	-240	-482	-523
Income tax paid	-9,561	-3,515	-7,327	-22,808
Cash flow from operating activities	37,806	37,233	95,761	94,401
Cash flow from investing activities				
Acquisition of subsidiary, net of cash acquired				
Financial fixed assets				
Purchase of PPE and intangible assets (netted)	-8,131	-6,081	-24,835	-26,632
Interest received	3	18	56	90
Investments/proceeds/ from current investments	-35	-79	-167	22
Investments/proceeds/ from non current investments (incl. financial instruments)				
Cash provided from investing activities	-8,164	-6,142	-24,946	-26,519
Cash flows from financing activities				
Payment to acquire own shares				
Proceeds/Repayment of long-and short-term debt	21		94	26,927
Proceeds/Repayment of bank loans and overdrafts				
Repayment leasings	481	-584	-934	-1,805
Proceeds from (repayment of) related party financing				
Impact of exchange results on financing items	2,003	228	2,272	-661
Dividend payment	-52,070	-52,070	-52,070	-88,118
Capital Decrease				
Non controlling interests		-10		-10
Cash provided from financing activities	-49,565	-52,436	-50,639	-63,668
CTA	-26	-31	-65	37
Increase/decrease in cash and cash equivalents	-19,948	-21,377	20,112	4,250
Cash at beginning of the period	78,831	60,150	38,772	34,522
Cash at the end of the period	58,883	38,772	58,883	38,772

Sales per Geography

	Q4 2020	Q4 2019	FY 2020	FY 2019
APAC Asia Pacific	54%	51%	55%	47%
EMEA Europe - Middle-East - Africa	36%	37%	34%	39%
NALA North America - Latin America	10%	12%	11%	14%
TOTAL	100%	100%	100%	100%