

Press release - Regulated Information

Melexis Q2 2023 results – Second quarter sales of 236.7 million EUR

Intermediate declaration by the Board of Directors

Ieper, Belgium – August 2nd, 2023, 07.00 hrs CET

CONFORM IFRS <i>in k EUR</i>	Q2 2023	Q2 2022	YOY change (%)	Q1 2023	SEQ change (%)
Sales	236,650	208,408	+14%	228,602	+4%
Gross result	111,269	93,647	+19%	102,791	+8%
<i>Gross Margin</i>	<i>47.0%</i>	<i>44.9%</i>		<i>45.0%</i>	
EBIT	67,502	57,258	+18%	61,071	+11%
<i>EBIT in %</i>	<i>28.5%</i>	<i>27.5%</i>		<i>26.7%</i>	
EBITDA	79,022	69,499	+14%	72,322	+9%
<i>EBITDA in %</i>	<i>33.4%</i>	<i>33.3%</i>		<i>31.6%</i>	
Net result	51,899	47,585	+9%	50,917	+2%
Net result per share (EPS)	1.28	1.18		1.26	
CAPEX	20,917	9,436		18,175	

Sales for the second quarter of 2023 were 236.7 million EUR, an increase of 14% compared to the same quarter of the previous year and an increase of 4% compared to the previous quarter.

The EUR/USD exchange rate evolution had a negative impact of 1% on sales compared to the same quarter of last year and a negative impact of 1% on sales compared to the previous quarter.

The gross result was 111.3 million EUR or 47.0% of sales, an increase of 19% compared to the same quarter of last year and an increase of 8% compared to the previous quarter.

R&D expenses were 10.9% of sales, G&A was at 5.1% of sales and Selling was at 2.4% of sales. The operating result was 67.5 million EUR or 28.5% of sales, an increase of 18% compared to the same quarter of last year and an increase of 11% compared to the previous quarter.

The net result was 51.9 million EUR or 1.28 EUR per share, an increase of 9% compared to 47.6 million EUR or 1.18 EUR per share in the second quarter of 2022 and an increase of 2% compared to the previous quarter.

CONFORM IFRS	HY 2023	HY 2022	YOY change (%)
<i>in k EUR</i>			
Sales	465,251	392,473	+19%
Gross result	214,060	176,793	+21%
<i>Gross Margin</i>	46.0%	45.0%	
EBIT	128,573	107,118	+20%
<i>EBIT in %</i>	27.6%	27.3%	
EBITDA	151,344	130,810	+16%
<i>EBITDA in %</i>	32.5%	33.3%	
Net result	102,816	96,205	+7%
Net result per share (EPS)	2.54	2.38	
CAPEX	39,092	15,621	

Sales for the first half year of 2023 were 465.3 million EUR, an increase of 19% compared to the first half year of 2022.

The EUR/USD exchange rate evolution had no impact on sales compared to the first half year of 2022.

The gross result was 214.1 million EUR or 46.0% of sales, an increase of 21% compared to the same period last year. R&D expenses were 10.8% of sales, G&A was at 5.2% of sales and Selling was at 2.3% of sales.

The operating result was 128.6 million EUR or 27.6% of sales, an increase of 20% compared to 107.1 million EUR in the same half year of 2022.

The net result was 102.8 million EUR or 2.54 EUR per share, an increase of 7% compared to 96.2 million EUR or 2.38 EUR per share in the first half year of 2022.

Dividend

The Board of Directors decided to pay out an interim dividend of 1.30 EUR gross per share. The Melexis shares will start trading ex coupon on October 17, 2023 (opening of the market). The record date is October 18, 2023 (closing of the market) and the dividend will be payable as from October 19, 2023.

Outlook

Melexis expects sales in the third quarter of 2023 in the range of 245 to 250 million EUR.

For the full year 2023, Melexis now expects a sales increase between 14% and 16% (previously between 11% and 16%), with a gross profit margin of above 45% (previously around 45%) and an operating margin of around 27% (previously around 26%) at the midpoint of the sales guidance, all taking into account a EUR/USD exchange rate of 1.10 for the remainder of the year.

For the full year 2023, we expect CAPEX of around 100 million EUR (previously 70 million EUR).

Business comment – Marc Biron, CEO:

“With 236.7 million EUR, Melexis achieved a year-over-year sales increase of 14% in the second quarter of 2023, landing at the higher end of the guidance. As we have been able to realize a steady sequential growth, we are increasing our full-year sales and profit guidance. Furthermore, we now expect higher capital expenditures than forecasted at the start of 2023, mainly as a result of the swift execution of the construction of our new probing facility in Malaysia.

Current sensors, embedded motor drivers, magnetic sensors and embedded lighting were the best-performing product lines in the first half of 2023, reflecting our success in both electric powertrain and body, chassis and safety applications. Some examples of applications benefiting from those products include inverters and thermal valves in electric vehicles as well as applications independent of the powertrain, such as electric air vents, air conditioning flaps, electric brakes and interior ambient lighting.

We launched a new embedded motor driver that improves thermal and expansion valves in electric vehicles, extending their range. We also unveiled a time-of-flight sensor for safety applications such as dynamic airbag deployment and driver attention monitoring.

Sales to automotive customers represented 91% of total sales, in the second quarter as well as in the first half of 2023. The portion of standard product (ASSPs) sales represented 75% of total sales in the second quarter and 76% of total sales in the first half of 2023.

Looking beyond 2023, our opportunity pipeline and design wins are growing steadily in all product lines. We have the right technologies to support the journey towards a more sustainable, safer and healthier future.”

The statutory auditor, PwC Bedrijfsrevisoren BV / Reviseurs d'Entreprises SRL, represented by Griet Helsen, has confirmed that the review of the Consolidated Income Statement, the Consolidated Statement of Financial Position and the Consolidated Statements of Cash Flow as per June 30, 2023, is substantially completed and concluded that to date, based on the review, nothing has come to the attention that causes them to believe that the Consolidated Income Statement, the Consolidated Statement of Financial Position and the Consolidated Statements of Cash Flow is not prepared, in all materials respects, in accordance with IAS 34, as adopted by the European Union.

Financial Calendar

- Dividend pay date: October 19, 2023 (ex coupon on October 17, 2023)
- Publication Q3 Results 2023: October 25, 2023 (at 7 hrs CET)
- Capital Markets Day: November 14, 2023
- Publication FY 2023 Results: February 7, 2024 (at 7 hrs CET)

The company's results will be discussed in a conference call and an audiocast on **Wednesday, August 2nd, 2023 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:

Investor Relations

Email: 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 approximately 1,900 people in 12 countries. 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		Quarter ended 30/06/2023	Quarter ended 30/06/2022	Half Year ended 30/06/2023	Half Year ended 30/06/2022	Year ended 31/12/2022 audited
in k EUR						
Sales		236,650	208,408	465,251	392,473	836,157
	Cost of sales	-125,381	-114,761	-251,191	-215,680	-461,479
Gross result		111,269	93,647	214,060	176,793	374,679
	R&D	-25,847	-22,139	-50,468	-42,546	-90,211
	G&A	-12,138	-10,278	-24,291	-19,494	-40,887
	Selling	-5,780	-3,972	-10,727	-7,635	-17,052
	Other operating result					
Operating result (EBIT)		67,502	57,258	128,573	107,118	226,528
	Financial result	-3,298	502	-2,320	10,210	11,851
Result before taxes		64,204	57,760	126,253	117,327	238,379
	Income taxes	-12,305	-10,175	-23,437	-21,122	-41,226
Net result		51,899	47,585	102,816	96,205	197,153
Net result per share in EUR		1.28	1.18	2.54	2.38	4.88

Consolidated Statement of Financial Position

CONFORM IFRS		Half Year ended 30/06/2023	Half Year ended 30/06/2022	Year ended 31/12/2022 audited
in k EUR				
Current Assets :				
	Cash and cash equivalents	35,710	39,270	85,080
	Current investments		23,394	12,501
	A/R Trade	133,069	100,710	107,547
	A/R from related parties	1,253	1,059	1,286
	Assets for current tax	581	10,729	1,594
	Other current assets	22,248	18,881	20,079
	Inventories	212,759	167,293	179,649
Total current assets		405,620	361,335	407,735
Non-current assets :				
	Property, plant and equipment	155,786	129,133	135,079
	Leased assets	3,738	4,143	4,168
	Intangible fixed assets	2,514	3,669	3,049
	Other non-current assets	141,513	2,927	2,369
	Deferred tax assets	29,736	21,459	27,832
Total non current assets		333,286	161,332	172,498
Total assets		738,906	522,667	580,233

CONFORM IFRS in k EUR	Half Year ended 30/06/2023	Half Year ended 30/06/2022	Year ended 31/12/2022 audited
Liabilities and shareholders Equity			
Current liabilities :			
Derivative financial instruments	359	943	
Lease liabilities	894	917	1,710
A/P trade	31,360	23,424	28,728
Affiliated companies	33,895	28,320	26,195
Accrued taxes	3,571	3,197	1,284
Short-term employee benefits accruals	17,767	14,783	21,104
Other current liabilities	7,600	6,481	5,106
Deferred income	4,795	2,738	3,953
Total current liabilities	100,241	80,804	88,079
Non current liabilities :			
LT debt less current portion	134,968		
Lease liabilities	2,910	3,295	2,539
Deferred tax liabilities	125		3,260
Other non-current liabilities	4,904	4,148	4,272
Total non current liabilities	142,907	7,443	10,071
Shareholders' equity :			
Shareholders' capital	565	565	565
Legal reserve	57	57	57
Retained earnings	396,362	340,609	288,089
Current period's profit	102,816	96,205	197,153
Cumulative translation adjustment	-4,041	-3,015	-3,780
Equity attributable to company owners	495,758	434,420	482,083
Non controlling interests	0	0	0
Total shareholders equity	495,758	434,420	482,083
Total liabilities, shareholders' equity and minority interests	738,906	522,667	580,233

Consolidated Statements of Cash Flow

CONFORM IFRS (in k EUR)	Quarter ended 30/06/2023	Quarter ended 30/06/2022	Half Year ended 30/06/2023	Half Year ended 30/06/2022	Year ended 31/12/2022 audited
Cash flow from operating activities					
Net income	51,899	47,585	102,816	96,205	197,153
Adjustments for :					
Operating activities	27,413	25,679	49,273	42,946	82,227
Depreciation and amortisation	11,108	11,785	21,845	22,782	43,324
Depreciation leased assets	412	455	926	911	1,843
Other provisions	162	148	631	4,148	4,272
Deferred income	848	1,241	843	1,243	1,515
Unrealized financial result	-2,084	314	1,010	-9,287	1,320
Financial result	4,662	1,561	580	2,027	-11,273
Income tax expense/income	12,305	10,175	23,437	21,122	41,226
Operating profit before working capital changes	79,311	73,264	152,089	139,150	279,380
A/R, Trade	-3,259	-6,510	-25,599	-20,478	-27,324
A/R, affiliates	-2	102	33	4,121	3,894
Other current assets	-2,971	-4,058	-2,201	-8,730	-8,613
Other non current assets	-139,389	157	-139,143	213	771
Inventories	-23,194	-11,207	-36,826	-26,411	-40,380
A/P	-3,101	-3,376	2,678	737	6,057
A/P affiliates	7,830	5,470	7,700	8,535	6,410
Employee benefit liabilities	-8,232	-6,770	-3,311	-3,031	3,311
Other current liabilities	2,499	1,087	2,585	2,524	932
Cash generated from operations	-90,506	48,159	-41,995	96,630	224,438
Interest paid	-1,185	-32	-1,215	-59	-112
Income tax paid	-3,087	-1,013	-25,191	-19,159	-36,489
Cash flow from operating activities	-94,778	47,115	-68,401	77,413	187,837
Cash flow from investing activities					
Purchase of PPE and intangible assets (netted)	-20,917	-9,436	-39,092	-15,621	-39,884
Interest received	494	1	657	2	50
Investments/proceeds/ from current investments	11,945		11,629		12,543
Cash provided from investing activities	-8,478	-9,435	-26,807	-15,618	-27,290
Cash flows from financing activities					
Proceeds/Repayment of long-and short-term debt	134,968		134,968		
Repayment leasings	59	-455	-371	-884	-1,841
Impact of exchange results on financing items	-148	-3,266	550	-4,088	-3,519
Dividend payment	-88,880	-52,520	-88,880	-52,520	-105,040
Cash provided from financing activities	45,999	-56,240	46,267	-57,492	-110,401
Effect of exchange rate changes on cash and cash equivalents	-293	30	-429	17	-16
Increase/decrease in cash and cash equivalents	-57,550	-18,530	-49,370	4,319	50,130
Cash at beginning of the period	93,259	57,799	85,080	34,950	34,950
Cash at the end of the period	35,710	39,270	35,710	39,270	85,080

Sales per Geography

	Q2 2023	Q2 2022	HY 2023	HY 2022	FY 2022
APAC Asia Pacific	58%	57%	57%	58%	59%
EMEA Europe - Middle-East - Africa	30%	32%	32%	31%	30%
NALA North America - Latin America	12%	11%	11%	11%	11%
TOTAL	100%	100%	100%	100%	100%