

Press release

Melexis Q2 2016 results – Sales guidance increased

Intermediate declaration by the Board of Directors

Leper, Belgium – July 27th, 2016, 07.00 hrs CET

Sales for the second quarter of 2016 were 112.3 million EUR, an increase of 10% compared to the same quarter of the previous year and an increase of 3% compared to the previous quarter.

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

Gross margin was 50.9 million EUR, an increase of 3% compared to the same quarter of last year.

R&D expenses were 14.4% of sales, G&A was at 4.6% of sales and Selling was at 1.9% of sales.

The operating result was 27.7 million EUR, a decrease of 3% compared to the same quarter of last year and an increase of 1% compared to the previous quarter.

Net income was 23.1 million EUR or 0.57 EUR per share, a decrease of 7% compared to 24.9 million EUR or 0.62 EUR per share in the second quarter of 2015 and an increase of 1% compared to 22.8 million EUR or 0.57 EUR per share in the previous quarter.

Sales for the first half year of 2016 were 221.7 million EUR, an increase of 13% compared to the first half year of 2015.

The EUR/USD exchange rate evolution had a positive impact of 1% compared to the same period last year.

Gross margin was 100.2 million EUR, an increase of 3% compared to the same period last year.

The operating result was 55.2 million EUR, compared to 56.5 million EUR in the same half year of 2015, a decrease of 2%.

Net income was 46.0 million EUR or 1.14 EUR per share, a decrease of 12% compared to 52.0 million EUR or 1.29 EUR per share in the first half year of 2015.

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 25, 2016 (opening of the market). The record date is October 26, 2016 (closing of the market) and the dividend will be payable as from October 27, 2016. After year end, the Board of Directors will decide if a final dividend is desirable.

Outlook

Melexis expects sales in the third quarter of 2016 to be around the level of 116 million EUR.

For full year 2016, Melexis expects sales growth to be around the level of 13-14%, instead of the 8 to 12% guidance so far. Melexis further expects a gross profit margin around 45% and an operating margin around 25%, all taking into account a EUR/USD exchange rate of 1.10.

Business comment – Françoise Chombar, CEO:

"Following a good start of the year, Melexis produces again a solid performance in the second quarter. Sales in the first half year increased 13% versus 1H2015, enabling us to increase our sales guidance for the full year. Our gross profit margin is expected to stay around 45% for the remainder of the year, as the strong demand for our products requires an increased focus on execution. Since Melexis grows

significantly stronger than the market, our strategy to accelerate our investments in R&D remains steadfast. In June, Melexis founded a new R&D center in Dresden, Germany, to support the execution of the Melexis innovation roadmap.

The main growth drivers in the second quarter were sensor interfaces and our magnetic sensor product lines.

In the second quarter, sales to automotive customers represented 89% of total sales. The portion of standard product (ASSPs) sales represented 60% of total sales.”

The statutory auditors BDO Bedrijfsrevisoren Burg. Ven. CVBA, have confirmed that their review procedures, which have been substantially completed, have not revealed material adjustments which would have to be made to the accounting information included in this press release.

Financial Calendar

- Publication Q3 2016 Results: October 26, 2016
- Dividend pay date: October 27, 2016 (ex coupon on October 25, 2016)
- Publication FY 2016 Results: February 8, 2017

The company’s results will be discussed in a **conference call** on Wednesday, July 27th, 2016 at 17 hrs CET. The conference call will be in English. You have to register for this conference call in advance. You can register by clicking on the following link and filling out the requested information:

<https://eventreg2.conferencing.com/webportal3/reg.html?Acc=179908&Conf=222371>

Conference ID: 959439.

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.

A replay number for this call is available for 7 days after the end of the conference call. The replay number for this call is +32 2 290 17 05, access code: 959439.

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About Melexis

Melexis NV (Euronext Brussels: MELE) is a mixed signal semiconductor manufacturer. Melexis designs, develops, tests and markets advanced integrated semiconductor devices for the automotive industry. Our core experience supplying ICs for automotive electronics sustains the expansion into Application Specific Standard Products for industrial and consumer product applications. Melexis enthusiastically pursues its role as a component supplier whose innovations are the essential element in nearly every one of our customers’ extraordinary systems. Melexis’ products include sensor, communication, actuator ICs and Application Specific Integrated Circuits (ASICs). Further information about Melexis can be found at <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	Quarter ended 30/06/2016	Quarter ended 30/06/2015	Half Year ended 30/06/2016	Half Year ended 30/06/2015	Year ended 31/12/2015 audited
in k EUR					
Sales	112,322	101,757	221,747	196,177	400,136
Cost of sales	-61,409	-52,145	-121,551	-99,367	-208,015
Gross Margin	50,913	49,612	100,196	96,810	192,121
R&D	-16,217	-14,100	-30,963	-26,812	-56,737
G&A	-5,160	-4,838	-9,877	-9,163	-19,090
Selling	-2,146	-2,182	-4,432	-4,363	-8,690
Other operating result	311		311		
Operating result	27,700	28,493	55,234	56,473	107,604
Financial result	-38	-423	-1,132	1,935	1,869
Income before taxes	27,661	28,069	54,101	58,408	109,473
Income taxes	-4,525	-3,184	-8,130	-6,379	-10,402
Net income	23,135	24,885	45,971	52,029	99,071
Net income per share in EUR	0.57	0.62	1.14	1.29	2.45

Consolidated Statement of Financial Position

CONFORM IFRS	Half Year ended 30/06/2016	Half Year ended 30/06/2015	Year ended 31/12/2015 audited
in k EUR			
Current Assets :			
Cash and cash equivalents	95,321	80,931	73,838
Current investments		351	49
A/R Trade	54,169	50,626	51,243
A/R from related parties	7,111	7,115	1,999
Advance related parties			
Assets for current tax	664	925	1,384
Assets held for sale	0	1,210	289
Other current assets	8,492	7,659	5,237
Inventories	65,797	62,329	64,099
Total current assets	231,555	211,147	198,140
Non-current assets :			
Costs of incorporation			
Property, plant and equipment	96,454	79,221	90,300
Financial assets	6	6	6
Intangible fixed assets	6,944	6,219	7,440
A/R directors			
Other non-current assets	7	959	8
Deferred tax assets	8,484	11,612	10,877
Total non current assets	111,895	98,016	108,630
Total assets	343,450	309,163	306,770

CONFORM IFRS	Half Year ended 30/06/2016	Half Year ended 30/06/2015	Year ended 31/12/2015 audited
in k EUR			
Liabilities and shareholders Equity			
Current liabilities :			
Bank loans and overdrafts			
Derivative financial instruments	1,189	1,497	1,627
Current portion of LT debt	4,046	5,155	7,046
A/P trade	21,680	15,504	15,247
Affiliated companies	20,397	8,871	10,791
Accrued taxes	8,306	5,380	6,543
Accrued expenses and payroll	6,713	6,190	7,135
Other current liabilities	1,854	1,702	3,258
Deferred income	1,331	387	2,358
Total current liabilities	65,516	44,685	54,005
Non current liabilities :			
LT debt less current portion	11,092	17,957	8,138
Deferred tax liabilities			
Other non-current liabilities	2,191	1,944	2,116
Total non current liabilities	13,283	19,902	10,254
Shareholders' equity :			
Shareholders' capital	565	565	565
Share premium			
Treasury shares	-3,818	-3,818	-3,818
Revaluation reserve Hedge	-326	-389	-372
Revaluation reserve Fair value			
Legal reserve	57	57	57
Retained earnings	228,342	205,378	153,308
Current period's profit	45,971	52,029	99,071
Cumulative translation adjustment	-6,149	-9,256	-6,311
Equity attributable to company owners	264,641	244,566	242,500
Non controlling interests	10	10	10
Total shareholders equity	264,652	244,576	242,511
Total liabilities, shareholders' equity and minority interests	343,450	309,163	306,770

Consolidated Statements of Cash Flow

CONFORM IFRS (in k EUR)	Quarter ended 30/06/2016	Half Year ended 30/06/2016	Half Year ended 30/06/2015 audited	Year ended 31/12/2015 audited
Cash flow from operating activities				
Net income	23,135	45,971	52,029	99,071
Adjustments for :				
Operating activities	8,370	14,329	12,517	26,017
Deferred taxes	1,300	2,393	1,633	2,368
Capital grants	116	290	209	806
Depreciation and amortisation	6,290	11,766	11,443	22,809
Unrealized exchange results	863	448	-388	148
Financial result	-200	-568	-381	-114
Operating profit before working capital changes	31,506	60,300	64,545	125,089
A/R, Trade	-1,341	-2,882	-10,564	-10,890
A/R, affiliates	3,209	-5,112	-5,531	-415
Other current assets	-1,495	-2,786	-1,822	-421
Other non current assets	0	1	5	956
Inventories	-4,272	-2,530	-7,822	-10,551
A/P	3,234	6,457	1,549	1,342
A/P affiliates	9,111	9,606	2,712	4,632
Accrued expenses	394	3,910	2,068	6,505
Other current liabilities	164	-1,405	510	1,727
Other non current liabilities	-699	-1,390	-558	1,714
Interest paid	-59	-128	-188	-383
Income tax	-1,036	-2,568	-1,978	-4,307
Cash flow from operating activities	38,717	61,473	42,926	114,998
Cash flow from investing activities				
Acquisition of subsidiary, net of cash acquired				
Financial fixed assets				
Purchase of PPE and intangible assets (netted)	-8,662	-16,346	-18,163	-40,281
Interest received	54	71	139	361
Investments/proceeds/ from current investments (incl. financial instruments)	49	49	-335	-33
Cash used for investing activities	-8,559	-16,226	-18,358	-39,953
Cash flows from financing activities				
Payment to acquire own shares				
Proceeds/Repayment of long-and short-term debt	1	-46	4,912	-3,010
Proceeds/Repayment of bank loans and overdrafts				
Proceeds from (repayment of) related party financing				
Impact of exchange results on financing items	-781	333	-8,162	-5,738
Dividend payment	-24,038	-24,038		-52,070
Capital Decrease				
Non controlling interests				
Cash used for financing activities	-24,818	-23,750	-3,251	-60,818
CTA	0	-14	4	0
Increase/decrease in cash and cash equivalents	5,340	21,483	21,321	14,227
Cash at beginning of the period	89,981	73,838	59,610	59,610
Cash at the end of the period	95,321	95,321	80,931	73,838

Sales per Geography

	Q2/16	Q2/15	Q1/16	HY 2016	HY 2015
APAC Asia Pacific	47%	47%	43%	45%	46%
EMEA Europe - Middle-East - Africa	39%	39%	43%	41%	39%
NALA North America - Latin America	14%	14%	14%	14%	15%
TOTAL	100%	100%	100%	100%	100%