



Press release:

Melexis Q3 2014 results – On the right track

Intermediate declaration by the Board of Directors

Leper, Belgium – October 22nd, 2014, 07.00 hrs CET

Sales for the third quarter of 2014 were 86.6 million EUR, an increase of 22% compared to the same quarter of the previous year and an increase of 6% versus the previous quarter. The EUR/USD exchange rate evolution had a negative impact of 1% compared to the same quarter of the previous year and a positive impact of 1% compared to the previous quarter.

Gross margin was 43.0 million EUR, an increase of 29% compared to the same quarter of last year.

R&D expenses were at 12.7% of sales, G&A was at 4.6% and Selling was at 2.1% of sales. The operating result was 26.2 million EUR, an increase of 49% compared to the same quarter of 2013.

Net income was 24.7 million EUR, 61 cent per share, an increase of 64% compared to 15,0 million EUR or 37 cent per share in the third quarter of 2013.

Outlook

We expect in the fourth quarter of 2014 a low single digit sales decrease versus the third quarter of 2014, resulting in a full year sales growth at the high end of our previous guidance of 17% to 20%, a gross profit margin above 47% and an operating margin above 26%, all taking into account the current EUR/USD exchange rate.

Business comment – Françoise Chombar, CEO:

“During the first nine months of the year, the main contributors for growth were magnetic sensors, sensor interfaces and, outside of the sensor space, motor control drivers. In addition we saw an above average performance for temperature sensors in the third quarter.

Sales to automotive customers represented 88% of total sales. Year-to-date outside automotive sales growth stands now at 10% versus previous year.

The portion of ASSP sales in the third quarter of 2014 represented 55% versus 56% in the second quarter of 2014.

Demand in the third quarter continued to be strong. In the fourth quarter, we are expecting the usual inventory cramps, while we remain confident about the underlying demand.”

Financial comment – Karen van Griensven, CFO:

“Robust Q3 sales growth currently not matched by increased operational costs resulted in a higher than expected margin expansion. Our mid-term target for R&D expenses compared to sales remains at 14% to 15%.”

Financial Calendar

- Dividend pay date: October 23rd, 2014 (ex coupon on October 21st, 2014)
- Publication FY 2014 Results: February 4, 2015

The company’s results will be discussed in a **conference call** on Wednesday, October 22nd, 2014 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://eventreg1.conferencing.com/webportal3/reg.html?Acc=228198&Conf=191307>

Conference ID: 948696





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: 948696.

For further information:

Investor Relations

Phone: +32 13 67 07 79

Fax: +32 13 67 21 34

Email: investor@melexis.com

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. At Melexis we engineer the sustainable future. 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>.





Consolidated Income Statement

CONFORM IFRS		Quarter ended 30/09/2014	Quarter ended 30/09/2013	Nine months ended 30/09/2014	Nine months ended 30/09/2013	Year ended 31/12/2013 audited
in k EUR						
Sales		86,646	71,285	244,274	200,230	275,352
	Cost of sales	-43,626	-37,965	-126,787	-107,638	-147,823
Gross Margin		43,020	33,320	117,487	92,592	127,529
	R&D	-10,987	-10,282	-32,628	-30,720	-41,373
	G&A	-3,992	-3,558	-11,727	-10,838	-14,925
	Selling	-1,859	-1,927	-5,941	-5,407	-7,518
	Other operating result	0	0	0	0	0
Operating result		26,182	17,553	67,191	45,627	63,713
	Financial result	349	-341	1,809	-1,016	-495
Income before taxes		26,531	17,212	69,000	44,611	63,218
	Income taxes	-1,871	-2,189	-4,245	-5,243	-8,004
Net income		24,660	15,023	64,754	39,368	55,214
Net income per share in EUR		0.61	0.37	1.60	0.97	1.37

Consolidated Statement of Financial Position

CONFORM IFRS		Nine months ended 30/09/2014	Nine months ended 30/09/2013	Year ended 31/12/2013 audited
in k EUR				
Current Assets :				
	Cash and cash equivalents	78,080	31,559	27,722
	Current investments		4,744	3,827
	A/R Trade	44,477	40,464	39,466
	A/R from related parties	3,896	7,949	1,637
	Advance related parties			
	Assets for current tax	1,008	4,544	4,803
	Other current assets	6,463	5,362	6,466
	Inventories	52,152	40,288	44,265
Total current assets		186,077	134,910	128,187
Non current assets :				
	Costs of incorporation			
	Property, plant and equipment	69,480	62,944	66,324
	Financial assets	6	30	6
	Intangible fixed assets	4,834	4,831	4,727
	A/R directors			
	Other non-current assets	1,477	7,727	1,477
	Deferred tax assets	14,204	14,048	14,096
Total non current assets		90,002	89,580	86,630
Total assets		276,079	224,490	214,817





in k EUR	30/09/2014	30/09/2013	31/12/2013 audited
Liabilities and shareholders Equity			
Current liabilities :			
Bank loans and overdrafts			
Derivative financial instruments	2,174	925	1,146
Current portion of LT debt	4,148	4,121	4,147
A/P trade	12,426	10,570	13,896
Affiliated companies	7,428	7,539	7,461
Accrued taxes	4,466	3,554	3,681
Accrued expenses and payroll	6,776	6,350	5,171
Other current liabilities	1,258	1,060	1,251
Deferred income	486	722	549
Total current liabilities	39,163	34,841	37,302
Non current liabilities :			
LT debt less current portion	14,059	18,231	18,177
Deferred tax liabilities			
Other non-current liabilities	1,768	1,605	1,700
Total non current liabilities	15,827	19,836	19,877
Shareholders' equity :			
Shareholders' capital	565	565	565
Share premium			
Treasury shares	-3,818	-3,818	-3,818
Revaluation reserve Hedge	-472	-252	-261
Revaluation reserve Fair value		1,118	1,304
Legal reserve	57	57	57
Retained earnings	160,438	133,262	105,224
Current period's profit	64,754	39,368	55,214
Cumulative translation adjustment	-446	-498	-657
Equity attributable to company owners	221,078	169,802	157,628
Non controlling interests	10	10	10
Total shareholders equity	221,088	169,812	157,638
Total liabilities, shareholders' equity and minority interests	276,079	224,490	214,817





Consolidated Statements of Cash Flow

CONFORM IFRS (in k EUR)	Quarter ended 30/09/2014	Quarter ended 30/09/2013	Nine Months ended 30/09/2014
Cash flow from operating activities			
Net income	24,660	15,023	64,754
Adjustments for :			
Operating activities	4,670	4,215	13,752
Deferred taxes	-18	208	-109
Capital grants	72	266	377
Depreciation and amortisation	4,600	3,784	14,990
Unrealized exchange results	632	-35	489
Financial result	-617	-8	-1,996
Operating profit before working capital changes	29,330	19,238	78,506
A/R, Trade	-632	-1,297	-6,040
A/R, affiliates	3,072	1,305	-2,260
Other current assets	-690	1,690	3,228
Other non current assets	4	-2,391	-2
Inventories	-2,481	-1,913	-10,397
A/P	-309	-483	-1,431
A/P affiliates	-1,324	909	-33
Accrued expenses	3,570	2,958	5,473
Other current liabilities	397	-60	433
Other non current liabilities	561	28	1,033
Interest paid	-97	-11	-310
Income tax	-1,004	-832	-3,083
Cash flow from operating activities	30,399	19,142	65,117
Cash flow from investing activities			
Acquisition of subsidiary, net of cash acquired			
Financial fixed assets			
Purchase of PPE and intangible assets (netted)	-5,725	-3,990	-14,919
Interest received	50	53	76
Investments/proceeds/ from current investments (incl. financial instruments)	0	-47	4,324
Cash provided from investing activities	-5,675	-3,984	-10,520
Cash flows from financing activities			
Payment to acquire own shares	0	0	0
Proceeds/Repayment of long-and short-term debt	-26	-24	-4,120
Proceeds/Repayment of bank loans and overdrafts			
Proceeds from (repayment of) related party financing			
Dividend payment			
Capital Decrease			
Non controlling interests			
Cash provided from financing activities	-26	-24	-4,120
CTA	49	-1	-118
Increase/decrease in cash and cash equivalents	24,746	15,133	50,359
Cash at beginning of the period	53,334	16,426	27,722
Cash at the end of the period	78,080	31,559	78,080





Sales per Geography

	Q3/14	Q3/13	Q2/14	9M 2014	9M 2013
APAC Asia Pacific	46%	42%	43%	43%	40%
EMEA Europe - Middle-East - Africa	38%	41%	41%	41%	43%
NALA North America - Latin America	16%	17%	16%	16%	17%
TOTAL	100%	100%	100%	100%	100%

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.

