

Press release

Melexis Q3 2016 results – Steadfast

Intermediate declaration by the Board of Directors

leper, Belgium – October 26th, 2016, 07.00 hrs CET

Sales for the third quarter of 2016 were 114.5 million EUR, an increase of 13% compared to the same quarter of the previous year and an increase of 2% compared to the previous quarter.

The EUR/USD exchange rate evolution had no impact, both compared to the same quarter of last year and the previous quarter.

Gross margin was 53.2 million EUR, an increase of 11% compared to the same quarter of last year and an increase of 4% compared to the previous quarter.

R&D expenses were 13.9% of sales, G&A was at 4.5% of sales and Selling was at 2.0% of sales. The operating result was 29.7 million EUR, an increase of 9% compared to the same quarter of last year and an increase of 7% compared to the previous quarter.

Net income was 25.2 million EUR or 0.62 EUR per share, an increase of 1% compared to 25.0 million EUR or 0.62 EUR per share in the third quarter of 2015 and an increase of 9% compared to 23.1 million EUR or 0.57 EUR per share in the previous quarter.

Outlook

Melexis expects a full year sales growth around the level of 13-14%, 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:

"In the third quarter of 2016, Melexis continued its growth path with a year over year double-digit sales increase, outperforming market growth. We are happy to see continued growth in a number of Melexis core ASSP product lines such as position sensors, fan drivers and LIN (local interconnect networking). Geographically, EMEA was the main growth driver compared to the previous quarter. Based on the current order book, Melexis confirms its full year outlook.

In the third quarter, sales to automotive customers represented 89% of total sales. The portion of standard product (ASSPs) sales represented 62% of total sales."

Financial Calendar

- 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, October 26th, 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=222635>
Conference ID: 960308.

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: 960308.

For further 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 1,100 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 30/09/2016	Quarter ended 30/09/2015	Nine months ended 30/09/2016	Nine months 30/09/2015	Year ended 31/12/2015 audited
Sales	114,518	101,563	336,264	297,740	400,136
Cost of sales	-61,367	-53,745	-182,918	-153,111	-208,015
Gross Margin	53,151	47,818	153,346	144,629	192,121
R&D	-15,949	-13,790	-46,912	-40,601	-56,737
G&A	-5,186	-4,690	-15,063	-13,853	-19,090
Selling	-2,276	-2,112	-6,708	-6,474	-8,690
Other operating result	0	0	311	0	0
Operating result	29,739	27,227	84,973	83,700	107,604
Financial result	-683	-315	-1,815	1,620	1,869
Income before taxes	29,056	26,912	83,158	85,319	109,473
Income taxes	-3,864	-1,885	-11,994	-8,264	-10,402
Net income	25,193	25,026	71,164	77,055	99,071
Net income per share in EUR	0.62	0.62	1.76	1.91	2.45

Consolidated Statement of Financial Position

CONFORM IFRS in k EUR	Nine months ended 30/09/2016	Nine months ended 30/09/2015	Year ended 31/12/2015 audited
Current Assets :			
Cash and cash equivalents	109,201	109,821	73,838
Current investments	137	111	49
A/R Trade	58,000	50,077	51,243
A/R from related parties	3,748	3,864	1,999
Advance related parties			
Assets for current tax	799	995	1,384
Assets held for sale		289	289
Other current assets	8,493	8,335	5,237
Inventories	73,046	64,326	64,099
Total current assets	253,424	237,819	198,140
Non-current assets :			
Costs of incorporation			
Property, plant and equipment	95,209	83,033	90,300
Financial assets	6	6	6
Intangible fixed assets	6,806	6,646	7,440
A/R directors			
Other non-current assets	7	959	8
Deferred tax assets	7,295	11,609	10,877
Total non current assets	109,323	102,253	108,630
Total assets	362,748	340,072	306,770

CONFORM IFRS	Nine months ended 30/09/2016	Nine months ended 30/09/2015	Year ended 31/12/2015 audited
in k EUR			
Liabilities and shareholders Equity			
Current liabilities :			
Bank loans and overdrafts			
Derivative financial instruments	976	1,531	1,627
Current portion of LT debt	4,046	5,046	7,046
A/P trade	16,088	14,359	15,247
Affiliated companies	16,374	10,236	10,791
Accrued taxes	9,984	6,244	6,543
Accrued expenses and payroll	8,277	8,225	7,135
Other current liabilities	2,498	1,615	3,258
Deferred income	1,308	1,790	2,358
Total current liabilities	59,551	49,045	54,005
Non current liabilities :			
LT debt less current portion	11,092	16,137	8,138
Deferred tax liabilities			
Other non-current liabilities	2,228	1,967	2,116
Total non current liabilities	13,320	18,104	10,254
Shareholders' equity :			
Shareholders' capital	565	565	565
Share premium			
Treasury shares	-3,818	-3,818	-3,818
Revaluation reserve Hedge	-277	-383	-372
Revaluation reserve Fair value			
Legal reserve	57	57	57
Retained earnings	228,342	205,378	153,308
Current period's profit	71,164	77,055	99,071
Cumulative translation adjustment	-6,167	-5,942	-6,311
Equity attributable to company owners	289,866	272,912	242,500
Non controlling interests	10	10	10
Total shareholders equity	289,876	272,922	242,511
Total liabilities, shareholders' equity and minority interests	362,748	340,072	306,770

Consolidated Statements of Cash Flow

CONFORM IFRS (in k EUR)	Quarter ended 30/09/2016	Quarter ended 30/09/2015	Nine months ended 30/09/2016
Cash flow from operating activities			
Net income	25,193	25,026	71,164
Adjustments for :			
Operating activities	8,093	7,375	22,422
Deferred taxes	1,189	3	3,582
Capital grants	138	349	428
Depreciation and amortisation	6,847	6,614	18,613
Unrealized exchange results	-387	111	61
Financial result	306	298	-262
Operating profit before working capital changes	33,286	32,401	93,586
A/R, Trade	-3,831	504	-6,713
A/R, affiliates	3,363	3,251	-1,749
Other current assets	-224	-1,086	-3,010
Other non current assets	0	0	1
Inventories	-8,121	-3,097	-10,651
A/P	-5,597	-1,095	860
A/P affiliates	-4,023	1,366	5,583
Accrued expenses	-2,886	4,027	1,024
Other current liabilities	661	-369	-744
Other non current liabilities	-198	1,460	-1,588
Interest paid	-63	-107	-191
Income tax	6,127	-1,128	3,559
Cash flow from operating activities	18,494	36,126	79,967
Cash flow from investing activities			
Acquisition of subsidiary, net of cash acquired			
Financial fixed assets			
Purchase of PPE and intangible assets (netted)	-4,593	-8,836	-20,939
Interest received	6	36	77
Investments/proceeds/ from current investments (incl. financial instruments)	-137	240	-88
Cash provided from investing activities	-4,724	-8,559	-20,950
Cash flows from financing activities			
Payment to acquire own shares			
Proceeds/Repayment of long-and short-term debt	-1	-1,922	-47
Proceeds/Repayment of bank loans and overdrafts			
Proceeds from (repayment of) related party financing			
Impact of exchange results on financing items	119	3,245	452
Dividend payment	0		-24,038
Capital Decrease			
Non controlling interests			
Cash provided from financing activities	117	1,323	-23,633
CTA	-7	-1	-21
Increase/decrease in cash and cash equivalents	13,880	28,889	35,363
Cash at beginning of the period	95,321	80,931	73,838
Cash at the end of the period	109,201	109,821	109,201

Sales per Geography

	Q3/16	Q3/15	Q2/16	9M 2016	9M 2015
APAC Asia Pacific	46%	45%	47%	45%	46%
EMEA Europe - Middle-East - Africa	40%	41%	39%	41%	40%
NALA North America - Latin America	14%	14%	14%	14%	14%
TOTAL	100%	100%	100%	100%	100%