What do we do?

We create innovative micro-electronic solutions for the best imaginable future
Process flow

1. Idea
2. Chip design
3. Wafer probe
4. Final test
5. Customer

- Wafer fab
- Assembly

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SUSTAINABILITY AT HEART

Our environmental policy is based on five principles:

1. Quality Zero incidents
2. Prevention is better than cure
3. Sustainable development
4. Minimal environmental impact
5. Open contacts with all the stakeholders
Melexis strategy

Focus on **innovation** in automotive and adjacent markets

Leadership in **sensing and driving solutions** to our customers’ advantage

**Organic growth**, selective acquisitions
Common denominator: sensing & driving is everywhere
Melexis supplied > 1.4 billion ICs worldwide in 2018

Magnetic position sensors • Pressure sensors
Inductive position sensors • Tire monitoring sensors
Current sensors • Temperature sensors
Latch & switch • Optical sensors
Embedded drivers • Sensor interfaces
Smart drivers • Embedded lighting
Applications containing Melexis ICs

Disclaimer: Please note this list is not exhaustive and only includes some of the most common applications containing Melexis ICs.

11 chips in every new car
Over 1500 people on 3 continents

**Sales & Applications**
- Belgium – Ieper, Tessenderlo
- Greater China – Shanghai
- France – Grasse, Paris
- Germany – Erfurt, Dresden
- Japan – Yokohama
- USA – Nashua, Detroit, San Jose
- South Korea – Seoul
- Switzerland - Bevaix

**Manufacturing**
- Belgium – Ieper
- Bulgaria – Sofia
- France – Corbeil-Essonnes
- Germany – Erfurt
- Malaysia – Kuching

**Research & Development**
- Belgium – Ieper, Tessenderlo
- Philippines – Manila
- Bulgaria – Sofia
- Switzerland - Bevaix
- France – Grasse, Paris
- Ukraine – Kiev
- Germany – Erfurt, Dresden, Düsseldorf
- USA – Nashua

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Melexis vs Automotive Trends

Melexis enables edge sensing & edge driving

Melexis engineers small, smart Sensing and Driving nodes supporting in-vehicle edge computing systems
Melexis vs automotive trends

Powertrain systems

Zero emissions
Electrification
(xHEV & xEV)

Zero traffic fatalities
ADAS
(assisted & autonomous drive)

User experience
Personalization
(customization)

Chassis, body & safety systems
Powertrain Systems

Levels of Electrification

Internal Combustion Engine (ICE)

48 Volt Mild Hybrid (mHEV)

Full Hybrid (fHEV)

Plug-In Hybrid (pHEV)

Electrical Vehicle (BEV - FCEV)
Powertrain Systems

Electrification – Segmentation – Market Split

Source: Strategy Analytics and Melexis estimates
**Internal Combustion Engine** (ICE + uHEV)

**48 Volt Mild Hybrid** (mHEV)
- DCDC converter
- 12V battery
- Internal combustion engine (ICE)
- 48V Li-ion battery
- 48V integrated Belt Starter Generator (IBSG)

**Full Hybrid** (fHEV) - **Plug-In Hybrid** (pHEV)
- ACDC inverter (onboard charger)
- DCAC inverter (eAxle)
- 12V battery
- HV battery
- DCDC converter

**Electrical Vehicle** (BEV – FCEV)
- Traction inverter
- Electrical water pump
- Onboard charger

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Powertrain Systems

Electrification – Segmentation – TAM

-2%

90
81.5

Market
(Millions Cars)

Market
CAGR

Powertrain
Systems

TAM for Melexis
(Total Available Market - # ICs/car)

Internal Combustion
Engine (ICE & uHEV)

#24
#31

48 Volt Mild Hybrid
(mHEV)

#37
#45

Full Hybrid (fHEV)
Plug-In Hybrid (pHEV)

#50
#58

Electrical Vehicle
(BEV - FCEV)

#41
#44

+2%

97.5
106

Total

Weighted
TAM

#26
#35

Source: Strategy Analytics and Melexis estimates
Chassis – Body – Safety Systems

Segmentation - TAM

Source: Strategy Analytics and Melexis estimates
Melexis beyond automotive

Sensors & drivers for similar challenges

- White goods – Focus on CO2
- Motorcycles and e-bikes
- Industry 4.0 – Closed loop control
- Drones

- Robotics – Focus on autonomy
- Thermal information – People detection
- Environmental imaging
- Industrial position sensing
- Power monitoring & motor control
Milestones
Our market position

Automotive semiconductors: #14
Automotive sensors: #3
Magnetic sensors: #3
Magnetic position sensors, Latch & switch, Ambient lighting: #1

Source: Strategy Analytics 2018 and Melexis estimates
Melexis ranking 14th in automotive semiconductor

Automotive semiconductor sales 2018 (mln. USD)
5 year CAGR (2013-2018)

Source: Strategy Analytics 2019
Melexis ranking 3rd in automotive sensors

Automotive sensor sales 2018 (mln. USD)
5 year CAGR (2013-2018)

Source: Strategy Analytics 2019
Evolution financials 2000-2019

**Turnover**
Q2 2019: 120.0 mln EUR
HY 2019: 236.5 mln EUR

**Gross profit margin**
Q2 2019: 41.4%
HY 2019: 40.8%

**Operating margin**
Q2 2019: 15.4%
HY 2019: 14.4%
% ASSP sales

% automotive sales
### Q2 2019 results at a glance

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sales</strong></td>
<td>120.0m EUR</td>
<td>-15% Y-o-Y</td>
</tr>
<tr>
<td><strong>Gross margin</strong></td>
<td>41.4%</td>
<td>49.8m EUR</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net result</strong></td>
<td>0.39 EPS</td>
<td>15.6m EUR</td>
</tr>
<tr>
<td><strong>Oper. cash flow</strong></td>
<td></td>
<td>32.1m EUR</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Operating result</strong></td>
<td>15.4%</td>
<td>18.4m EUR</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net debt</strong></td>
<td>30.7m EUR</td>
<td></td>
</tr>
</tbody>
</table>

**Outlook**

Melexis expects sales in the third quarter of 2019 to be in the range of 117-123 million euro, with a gross profit margin around 41% and an operating margin around 15% at the midpoint of the sales guidance. Melexis expects its full year 2019 sales level to remain below the previous year. Gross profit margin is expected to be around 41% taking into account a EUR/USD exchange rate of 1.13.
## Profit & loss

### Q2 2019 versus Q2 2018 versus Q1 2019

<table>
<thead>
<tr>
<th>P&amp;L account (in million EUR)</th>
<th>Q2 2019</th>
<th>% of Sales</th>
<th>Q2 2018</th>
<th>% of Sales</th>
<th>Q1 2019</th>
<th>% of Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>120.0</td>
<td>100.0%</td>
<td>141.8</td>
<td>100.0%</td>
<td>116.5</td>
<td>100.0%</td>
</tr>
<tr>
<td>Cost of goods sold</td>
<td>-70.3</td>
<td>-58.6%</td>
<td>-75.9</td>
<td>-53.6%</td>
<td>-69.8</td>
<td>-59.9%</td>
</tr>
<tr>
<td>Gross margin</td>
<td>49.8</td>
<td>41.4%</td>
<td>65.8</td>
<td>46.4%</td>
<td>46.8</td>
<td>40.1%</td>
</tr>
<tr>
<td>R&amp;D</td>
<td>-19.5</td>
<td>-16.3%</td>
<td>-19.2</td>
<td>-13.5%</td>
<td>-19.8</td>
<td>-17.0%</td>
</tr>
<tr>
<td>G&amp;A</td>
<td>-7.8</td>
<td>-6.5%</td>
<td>-7.4</td>
<td>-5.3%</td>
<td>-7.6</td>
<td>-6.5%</td>
</tr>
<tr>
<td>Selling</td>
<td>-4.0</td>
<td>-3.4%</td>
<td>-3.8</td>
<td>-2.7%</td>
<td>-3.7</td>
<td>-3.1%</td>
</tr>
<tr>
<td>EBIT</td>
<td>18.4</td>
<td>15.4%</td>
<td>35.4</td>
<td>25.0%</td>
<td>15.7</td>
<td>13.5%</td>
</tr>
<tr>
<td>Net financial result</td>
<td>-0.4</td>
<td>-0.3%</td>
<td>-0.8</td>
<td>-0.6%</td>
<td>-0.3</td>
<td>-0.3%</td>
</tr>
<tr>
<td>Income taxes</td>
<td>-2.5</td>
<td>-2.1%</td>
<td>-6.5</td>
<td>-4.6%</td>
<td>-1.5</td>
<td>-1.3%</td>
</tr>
<tr>
<td>Net profit</td>
<td>15.6</td>
<td>13.0%</td>
<td>28.1</td>
<td>19.8%</td>
<td>13.9</td>
<td>12.0%</td>
</tr>
<tr>
<td>Earnings per share</td>
<td>0.39</td>
<td></td>
<td>0.70</td>
<td></td>
<td>0.35</td>
<td></td>
</tr>
</tbody>
</table>
HY 2019 results at a glance

Sales
236.5m EUR
-16% Y-o-Y

Gross margin
40.8%
96.5m EUR
-25% Y-o-Y

Operating result
14.4%
34.2m EUR
-51% Y-o-Y

Net result
0.73 EPS
29.5m EUR
-48% Y-o-Y

Oper. cash flow (before wcap change)
60.5m EUR
-30% Y-o-Y

Net debt
30.7m EUR

Outlook
Melexis expects sales in the third quarter of 2019 to be in the range of 117-123 million euro, with a gross profit margin around 41% and an operating margin around 15% at the midpoint of the sales guidance. Melexis expects its full year 2019 sales level to remain below the previous year. Gross profit margin is expected to be around 41% taking into account a EUR/USD exchange rate of 1.13.
## Profit & loss

### HY 2019 versus HY 2018

<table>
<thead>
<tr>
<th>P&amp;L account (in million EUR)</th>
<th>HY 2019</th>
<th>% of Sales</th>
<th>HY 2018</th>
<th>% of Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>236.54</td>
<td>100.0%</td>
<td>281.08</td>
<td>100.0%</td>
</tr>
<tr>
<td>Cost of goods sold</td>
<td>-140.03</td>
<td>-59.2%</td>
<td>-152.14</td>
<td>-54.1%</td>
</tr>
<tr>
<td>Gross margin</td>
<td>96.51</td>
<td>40.8%</td>
<td>128.93</td>
<td>45.9%</td>
</tr>
<tr>
<td>R&amp;D</td>
<td>-39.27</td>
<td>-16.6%</td>
<td>-37.69</td>
<td>-13.4%</td>
</tr>
<tr>
<td>G&amp;A</td>
<td>-15.36</td>
<td>-6.5%</td>
<td>-14.33</td>
<td>-5.1%</td>
</tr>
<tr>
<td>Selling</td>
<td>-7.69</td>
<td>-3.3%</td>
<td>-7.18</td>
<td>-2.6%</td>
</tr>
<tr>
<td>Other operating result</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>EBIT</td>
<td>34.18</td>
<td>14.4%</td>
<td>69.73</td>
<td>24.8%</td>
</tr>
<tr>
<td>Net financial result</td>
<td>-0.70</td>
<td>-0.3%</td>
<td>0.29</td>
<td>0.1%</td>
</tr>
<tr>
<td>Income taxes</td>
<td>-3.95</td>
<td>-1.7%</td>
<td>-13.13</td>
<td>-4.7%</td>
</tr>
<tr>
<td>Net profit</td>
<td>29.52</td>
<td>12.5%</td>
<td>56.90</td>
<td>20.2%</td>
</tr>
<tr>
<td>Earnings per share</td>
<td>0.73</td>
<td>1.41</td>
<td>1.41</td>
<td></td>
</tr>
</tbody>
</table>
### Balance Sheet

#### Q2 2019 versus Q2 2018 versus Q1 2019

<table>
<thead>
<tr>
<th>Balance Sheet</th>
<th>Q2 2019</th>
<th>Q2 2018</th>
<th>Q1 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total assets</td>
<td>436.7</td>
<td>404.9</td>
<td>432.7</td>
</tr>
<tr>
<td>Current assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>31.3</td>
<td>28.8</td>
<td>39.6</td>
</tr>
<tr>
<td>Inventory</td>
<td>128.9</td>
<td>115.3</td>
<td>124.9</td>
</tr>
<tr>
<td>A/R Trade</td>
<td>68.5</td>
<td>75.9</td>
<td>65.7</td>
</tr>
<tr>
<td>Non-current assets</td>
<td>185.5</td>
<td>171.1</td>
<td>189.3</td>
</tr>
<tr>
<td>Shareholders' equity</td>
<td>319.8</td>
<td>319.5</td>
<td>340.3</td>
</tr>
<tr>
<td>Interest bearing debt</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Long term</td>
<td>62.0</td>
<td>15.0</td>
<td>35.0</td>
</tr>
<tr>
<td>Short term</td>
<td>0.0</td>
<td>0.0</td>
<td>1.0</td>
</tr>
</tbody>
</table>
Dividend yield

Based on average share price

<table>
<thead>
<tr>
<th>Year</th>
<th>Gross dividend per share (EUR)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>0.50</td>
</tr>
<tr>
<td>(*) 2004</td>
<td>1.00</td>
</tr>
<tr>
<td>2005</td>
<td>0.50</td>
</tr>
<tr>
<td>2006</td>
<td>0.50</td>
</tr>
<tr>
<td>2007</td>
<td>0.60</td>
</tr>
<tr>
<td>2008</td>
<td>0.60</td>
</tr>
<tr>
<td>2009</td>
<td>0.00</td>
</tr>
<tr>
<td>2010</td>
<td>0.30</td>
</tr>
<tr>
<td>2011</td>
<td>0.60</td>
</tr>
<tr>
<td>2012</td>
<td>0.65</td>
</tr>
<tr>
<td>2013</td>
<td>0.70</td>
</tr>
<tr>
<td>2014</td>
<td>1.00</td>
</tr>
<tr>
<td>2015</td>
<td>1.90</td>
</tr>
<tr>
<td>2016</td>
<td>2.00</td>
</tr>
<tr>
<td>2017</td>
<td>2.10</td>
</tr>
<tr>
<td>2018</td>
<td>2.20</td>
</tr>
<tr>
<td>(***) YTD</td>
<td>1.30</td>
</tr>
<tr>
<td>2019</td>
<td>Interim</td>
</tr>
</tbody>
</table>

(*) incl. 0.72 cap.decr
(**) payable 24 Oct 2019
Shareholders structure & shareholder return

Shareholder structure on 30 Jun 2019

- Xtrion: 45.57%
- Treasury Shares: 0.86%
- Public: 53.58%

Shareholder Return 2002-2019

Return investment 2002-2019 = 16% per year

Share price vs Total return (incl. reinvestment of gross dividend)
Some recent products – BU Sense & Drive

- SEAT MOTOR SENSOR
- Integrated decoupling capacitor
- PCB-less

- MAGNETIC POSITION SENSOR
- MLX90373 PSI-5 output

- Ride height sensor

- TRANSMISSION RANGE SENSOR
- PRNDL

- Field oriented control

- Automotive HVAC applications

- EMBEDDED MOTOR DRIVER
- MLX81206
Some recent products - BU Sense & Light

MLX90632
MINIATURE MEDICAL GRADE INFRARED TEMPERATURE SENSOR

High Resolution Automotive ToF sensor

Beyond 100 Kpixel

MLX90641 THERMAL SENSOR ARRAY 16 X 12 PIXELS

PEOPLE DETECTION WITH MLX90640 FIR ARRAY
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Investor Relations

Joren Vanvelk
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