What do we do?

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

1. Idea
2. Wafer fab
3. Wafer probe
4. Assembly
5. Final test

Customer
SUSTAINABILITY AT HEART

Our environmental policy is based on five principles:

- Quality Zero incidents
- Sustainable development
- Minimal environmental impact
- Prevention is better than cure
- 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
- Inductive position sensors
- Current sensors
- Latch & switch
- Embedded drivers
- Smart drivers
- Pressure sensors
- Tire monitoring sensors
- Temperature sensors
- Optical sensors
- Sensor interfaces
- Embedded lighting
11 chips in every new car

Applications containing Melexis ICs

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

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Internal Combustion Engine (ICE + uHEV)

48 Volt Mild Hybrid (mHEV)

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

Electrical Vehicle (BEV – FCEV)
Powertrain Systems

Electrification – Segmentation – TAM

- Market CAGR: -2%
- Market (Millions Cars): 90
- Internal Combustion Engine (ICE & uHEV): 81.5
- TAM for Melexis (Total Available Market - # ICs/car): #24

+42%
- 48 Volt Mild Hybrid (mHEV): 11.5
- Full Hybrid (fHEV) Plug-In Hybrid (pHEV): 4
- Electrical Vehicle (BEV - FCEV): 1.5
- TAM for Melexis: #37

+16%
- 8.5
- TAM for Melexis: #45

+25%
- 4.5
- TAM for Melexis: #58

+2%
- Total TAM: 97.5
- Weighted TAM: 106
- TAM for Melexis: #41

2018
2023

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

## Segmentation - TAM

<table>
<thead>
<tr>
<th>Market CAGR</th>
<th>Market (Millions Cars)</th>
<th>Car Segments</th>
<th>Weighted TAM for Melexis (Total Available Market - # ICs/car)</th>
</tr>
</thead>
<tbody>
<tr>
<td>+3%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>+1%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>+3%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- **Low-End**: 18, 21
- **Mid-End**: 70, 74
- **High-End/Premium**: 9.5, 11

## Chassis - Body - Safety Systems

- **Chassis - Steering**: #9, #12
- **Chassis - Braking**: #9, #11
- **Chassis - Suspension**: #2, #3
- **Body - Lighting**: #6, #20
- **Body - HVAC**: #6, #9
- **Body - others**: #22, #42
- **(Passive) Safety**: 14, #18

- **Total**: 97.5, 106

Source: Strategy Analytics and Melexis estimates
BMW 530e

* Chassis - Body – Safety (>30)
* Powertrain (11)

- Time-of-flight for gesture control
- Multimedia GPU cooling fan
- Fragrance fan
- RainLight for automatic wipers
- Variable geometry turbo
- Electric waste gate actuator
- Water valve
- Oil pressure sensor
- Lambda sensor
- Grille shutter
- Engine cooling fan
- Water pump (BLDC)
- Headlight LED matrix mirror adjustment
- SensorEyeC for laser headlight
- LED headlamp fan
- Brake booster
- High pressure brake sensor interface
- Interior ambient lighting
- LIN2 switches
- Anti-theft protection
- Seat motor
- Seat belt buckle
- Window lifter
- EV inverter

(1) GPU = Graphics Processing Unit
(2) LIN = Local Interconnect Network
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 14\textsuperscript{th} in automotive semiconductor
Melexis ranking 3\textsuperscript{rd} in automotive sensors

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

Source: Strategy Analytics 2019
Evolution financials 2000-2019

**Turnover**
Q3 2019: 123.3 mln EUR
9M 2019: 359.8 mln EUR

**Gross profit margin**
Q3 2019: 40.0%
9M 2019: 40.5%

**Operating margin**
Q3 2019: 14.7%
9M 2019: 14.5%
Q3 2019 results at a glance

Sales
123.3m EUR
-16% Y-o-Y

Gross margin
40.0%
49.3m EUR
-28% Y-o-Y

Operating result
14.7%
18.2m EUR
-51% Y-o-Y

Net result
0.38 EPS
15.4m EUR
-49% Y-o-Y

Oper. cash flow
(before wcap change)
32.2m EUR
-21% Y-o-Y

Net debt
1.9m EUR

Outlook
Melexis expects sales in the fourth quarter of 2019 to be in the range of 123-129 million euro, with a gross profit margin around 40% and an operating margin around 15% at the midpoint of the sales guidance. This results in a full year 2019 sales outlook of 483-489 million euro, a gross profit margin around 40% and an operating margin around 15%.
### Profit & loss

#### Q3 2019 versus Q3 2018 versus Q2 2019

<table>
<thead>
<tr>
<th>P&amp;L account (in million EUR)</th>
<th>Q3 2019</th>
<th>% of Sales</th>
<th>Q3 2018</th>
<th>% of Sales</th>
<th>Q2 2019</th>
<th>% of Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sales</strong></td>
<td>123.3</td>
<td>100.0%</td>
<td>146.7</td>
<td>100.0%</td>
<td>120.0</td>
<td>100.0%</td>
</tr>
<tr>
<td>Cost of goods sold</td>
<td>-74.0</td>
<td>-60.0%</td>
<td>-78.6</td>
<td>-53.6%</td>
<td>-70.3</td>
<td>-58.6%</td>
</tr>
<tr>
<td><strong>Gross margin</strong></td>
<td>49.3</td>
<td>40.0%</td>
<td>68.1</td>
<td>46.4%</td>
<td>49.8</td>
<td>41.4%</td>
</tr>
<tr>
<td>R&amp;D</td>
<td>-19.8</td>
<td>-16.1%</td>
<td>-19.6</td>
<td>-13.3%</td>
<td>-19.5</td>
<td>-16.3%</td>
</tr>
<tr>
<td>G&amp;A</td>
<td>-7.6</td>
<td>-6.2%</td>
<td>-7.8</td>
<td>-5.3%</td>
<td>-7.8</td>
<td>-6.5%</td>
</tr>
<tr>
<td>Selling</td>
<td>-3.7</td>
<td>-3.0%</td>
<td>-3.8</td>
<td>-2.6%</td>
<td>-4.0</td>
<td>-3.4%</td>
</tr>
<tr>
<td><strong>EBIT</strong></td>
<td>18.2</td>
<td>14.7%</td>
<td>36.9</td>
<td>25.1%</td>
<td>18.4</td>
<td>15.4%</td>
</tr>
<tr>
<td>Net financial result</td>
<td>-0.3</td>
<td>-0.2%</td>
<td>-0.6</td>
<td>-0.4%</td>
<td>-0.4</td>
<td>-0.3%</td>
</tr>
<tr>
<td>Income taxes</td>
<td>-2.5</td>
<td>-2.1%</td>
<td>-6.2</td>
<td>-4.2%</td>
<td>-2.5</td>
<td>-2.1%</td>
</tr>
<tr>
<td><strong>Net profit</strong></td>
<td>15.4</td>
<td>12.5%</td>
<td>30.1</td>
<td>20.5%</td>
<td>15.6</td>
<td>13.0%</td>
</tr>
<tr>
<td><strong>Earnings per share</strong></td>
<td>0.38</td>
<td></td>
<td>0.74</td>
<td></td>
<td>0.39</td>
<td></td>
</tr>
</tbody>
</table>
9M 2019 results at a glance

Sales
359.8m EUR
-16% Y-o-Y

Gross margin
40.5%
145.8m EUR
-26% Y-o-Y

Operating result
14.5%
52.3m EUR
-51% Y-o-Y

Net result
1.11 EPS
44.9m EUR
-48% Y-o-Y

Oper. cash flow (before wcap change)
92.7m EUR
-21% Y-o-Y

Net debt
1.9m EUR

Outlook
Melexis expects sales in the fourth quarter of 2019 to be in the range of 123-129 million euro, with a gross profit margin around 40% and an operating margin around 15% at the midpoint of the sales guidance. This results in a full year 2019 sales outlook of 483-489 million euro, a gross profit margin around 40% and an operating margin around 15%.
# Profit & loss

## 9M 2019 versus 9M 2018

<table>
<thead>
<tr>
<th>P&amp;L account (in million EUR)</th>
<th>9M 2019</th>
<th>% of Sales</th>
<th>9M 2018</th>
<th>% of Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>359.8</td>
<td>100.0%</td>
<td>427.7</td>
<td>100.0%</td>
</tr>
<tr>
<td>Cost of goods sold</td>
<td>-214.0</td>
<td>-59.5%</td>
<td>-230.7</td>
<td>-53.9%</td>
</tr>
<tr>
<td>Gross margin</td>
<td>145.8</td>
<td>40.5%</td>
<td>197.0</td>
<td>46.1%</td>
</tr>
<tr>
<td>R&amp;D</td>
<td>-59.1</td>
<td>-16.4%</td>
<td>-57.2</td>
<td>-13.4%</td>
</tr>
<tr>
<td>G&amp;A</td>
<td>-23.0</td>
<td>-6.4%</td>
<td>-22.1</td>
<td>-5.2%</td>
</tr>
<tr>
<td>Selling</td>
<td>-11.4</td>
<td>-3.2%</td>
<td>-11.0</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>52.3</td>
<td>14.5%</td>
<td>106.6</td>
<td>24.9%</td>
</tr>
<tr>
<td>Net financial result</td>
<td>-1.0</td>
<td>-0.3%</td>
<td>-0.3</td>
<td>-0.1%</td>
</tr>
<tr>
<td>Income taxes</td>
<td>-6.5</td>
<td>-1.8%</td>
<td>-19.3</td>
<td>-4.5%</td>
</tr>
<tr>
<td>Net profit</td>
<td>44.9</td>
<td>12.5%</td>
<td>87.0</td>
<td>20.3%</td>
</tr>
<tr>
<td>Earnings per share</td>
<td>1.11</td>
<td></td>
<td>2.15</td>
<td></td>
</tr>
</tbody>
</table>
## Balance sheet

### Q3 2019 versus Q3 2018 versus Q2 2019

<table>
<thead>
<tr>
<th>Balance Sheet</th>
<th>Q3 2019</th>
<th>Q3 2018</th>
<th>Q2 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total assets</td>
<td>453.9</td>
<td>435.1</td>
<td>436.7</td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>60.2</td>
<td>36.9</td>
<td>31.3</td>
</tr>
<tr>
<td>Inventory</td>
<td>128.0</td>
<td>125.9</td>
<td>128.9</td>
</tr>
<tr>
<td>A/R Trade</td>
<td>69.7</td>
<td>78.8</td>
<td>68.5</td>
</tr>
<tr>
<td><strong>Non-current assets</strong></td>
<td>182.2</td>
<td>180.3</td>
<td>185.5</td>
</tr>
<tr>
<td>Shareholders' equity</td>
<td>336.1</td>
<td>349.4</td>
<td>319.8</td>
</tr>
<tr>
<td><strong>Interest bearing debt</strong></td>
<td>62.0</td>
<td>15.0</td>
<td>62.0</td>
</tr>
<tr>
<td>Long term</td>
<td>62.0</td>
<td>15.0</td>
<td>62.0</td>
</tr>
<tr>
<td>Short term</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</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
Shareholder structure & shareholder return

Shareholder structure on 30 Sep 2019

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

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
Some recent products - BU Sense & Light

MLX90632
MINIATURE MEDICAL GRADE INFRARED TEMPERATURE SENSOR

MLX90641 THERMAL SENSOR ARRAY 16 X 12 PIXELS

High Resolution Automotive ToF sensor

Beyond 100 Kpixel

PEOPLE DETECTION WITH MLX90640 FIR ARRAY