Presentation results Q1 2020
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. Wafer fab
5. Final test

Customer

Assembly

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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

- Automotive
- Home
- Motorcycles and e-bikes
- Consumer
- Industry
- Healthcare
Melexis supplied > **1.2 billion** ICs worldwide in 2019

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

- Electrical power steering (EPS)
- Exhaust gas recirculation (EGR) valve
- Auxiliary BLDC water pump
- Air conditioner flap position detection
- Pedal, throttle, crankshaft position
- Manifold absolute pressure sensor
- Transmission
- Hood lock switch
- Engine cooling fan
- AWD torque distribution
- Grill shutter
- Exhaust gas pressure
- LED headlight ventilation fan
- LED and laser headlight control
- Time-of-flight gesture recognition and in-cabin awareness
- Washing liquid level detection
- Wiper motor
- Windshield anti-fog
- Rain-light sensor
- Sunroof motor
- UN seat heating and ventilation
- Climate control
- In-vehicle networking
- Ambient lighting
- Keyless entry
- Door lock switch
- Window lifter motor
- Door handles
- Fuel pump
- Fuel level
- Traction motor inverter
- Trunk lock switch
- Tailgate/trunk motor opener
- Stop lights
- Turn signals
- Puddle lights
- Rear lights
- Electric parking brake
- Seat belt buckle sensor
- Seat adjuster motor
- Seat ventilation
- Seat occupant detection
- Universal RF remote control
- Side mirror adjuster motor
- Tire pressure monitoring system (TPMS)
- Ride height
- Body control
- Clutch switch
- Gear shift
- Brake light switch
- Brake fluid level detection
- Accelerator/brake/clutch position

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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

Over 1500 people on 3 continents
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

- **Zero emissions**
  - **Electrification**
    - (xHEV & xEV)

- **Zero traffic fatalities**
  - **ADAS**
    - (assisted & autonomous drive)

- **User experience**
  - **Personalization**
    - (customization)

**Powertrain systems**

**Chassis, body & safety systems**
Powertrain Systems

Levels of Electrification

- Internal Combustion Engine (ICE)
- Internal Combustion Engine (ICE & iHEV)
- 48 Volt Mild Hybrid (mHEV)
- Full Hybrid (fHEV)
- Plug-In Hybrid (pHEV)
- Electrical Vehicle (BEV - FCEV)
Global vehicle production (million units)

Electrification – Segmentation – Market Split

Source: IHS and Melexis estimates, updated Apr 29, 2020
**Internal Combustion Engine (ICE + uHEV)**

**48 Volt Mild Hybrid (mHEV)**
- DCDC converter
- 48V Li-ion battery
- Internal combustion engine (ICE)

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

**Electrical Vehicle (BEV – FCEV)**
- DCDC converter
- Traction inverter
- Electrical water pump
- Onboard charger
# Powertrain Systems

<table>
<thead>
<tr>
<th>Market CAGR</th>
<th>Market (Millions Cars)</th>
<th>Powertrain Systems</th>
<th>TAM for Melexis (Total Available Market - # ICs/car)</th>
</tr>
</thead>
<tbody>
<tr>
<td>-7%</td>
<td>81</td>
<td>Internal Combustion Engine (ICE &amp; uHEV)</td>
<td>#25 #35</td>
</tr>
<tr>
<td>+50%</td>
<td>19</td>
<td>48 Volt Mild Hybrid (mHEV)</td>
<td>#40 #54</td>
</tr>
<tr>
<td>+23%</td>
<td>3.5</td>
<td>Full Hybrid (fHEV) Plug-In Hybrid (pHEV)</td>
<td>#51 #62</td>
</tr>
<tr>
<td>+37%</td>
<td>2.5</td>
<td>Electrical Vehicle (BEV - FCEV)</td>
<td>#44 #48</td>
</tr>
<tr>
<td>+1%</td>
<td>94.5</td>
<td>Total Weighted TAM</td>
<td>#27 #43</td>
</tr>
</tbody>
</table>

Source: IHS and Melexis estimates, updated Apr 29, 2020
Chassis
Breaking – Steering – Suspension

Body
Lighting – HVAC - Others

Safety
(Passive)

Source visuals: BMW
https://www.autozeitung.de/klimaanlage-auto-wartung-funktion-187691.html
http://fertigend.de/Cremallera-de-direccion-hidulica-Nissan-Tecnologia-t.html
# Chassis – Body – Safety Systems

### Source: IHS and Melexis estimates, updated Apr 29, 2020

<table>
<thead>
<tr>
<th>Car Segments</th>
<th>Chassis - Body - Safety Systems</th>
<th>Weighted TAM for Melexis (Total Available Market - # ICs/car)</th>
</tr>
</thead>
<tbody>
<tr>
<td>A-segment</td>
<td>Chassis - Steering #10</td>
<td>#13</td>
</tr>
<tr>
<td>B-segment</td>
<td>Chassis - Braking #10</td>
<td>#12</td>
</tr>
<tr>
<td>C-segment</td>
<td>Chassis - Suspension #2</td>
<td>#3</td>
</tr>
<tr>
<td>D-segment</td>
<td>Body - Lighting #10</td>
<td>#24</td>
</tr>
<tr>
<td>E-segment</td>
<td>Body - HVAC #6</td>
<td>#9</td>
</tr>
<tr>
<td>F-segment</td>
<td>(Passive) Safety #15</td>
<td>#18</td>
</tr>
</tbody>
</table>

### Market CAGR (In Millions of Cars)
- -7%
- -1%
- +2%
- +3%
- +8%
- +11%
- +1%

<table>
<thead>
<tr>
<th>Year</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>94.5</td>
</tr>
<tr>
<td>2024</td>
<td></td>
</tr>
</tbody>
</table>
# Melexis in Automotive

## Market CAGR

<table>
<thead>
<tr>
<th>Year</th>
<th>Market (Millions Cars)</th>
<th>Chassis - Body - Safety Systems</th>
<th>Weighted TAM for Melexis (Total Available Market - # ICs/car)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>+1%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2024</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- **Powertrain**: #27, #43
- **Chassis - Body - Safety**: #79, #122

**Total**

- **2019**: 89, #106, #165
- **2024**: 94.5

Source: IHS and Melexis estimates, updated Apr 29, 2020
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
Evolution financials 2000-2020

Turnover
Q1 2020: 138.2 mln EUR
FY 2019: 486.9 mln EUR

Gross profit margin
Q1 2020: 40.6%
FY 2019: 40.3%

Operating margin
Q1 2020: 17.4%
FY 2019: 14.5%
Q1 2020 results at a glance

**Sales**
138.2m EUR  
+19% Y-o-Y

**Gross margin**
40.6%  
56.0m EUR  
+20% Y-o-Y

**Operating result**
17.4%  
24.0m EUR  
+52% Y-o-Y

**Net result**
0.51 EPS  
20.7m EUR  
+48% Y-o-Y

**Oper. cash flow**
(before wcap change)
35.6m EUR  
+25% Y-o-Y

**Net debt**
10.9m EUR

**Outlook**
Melexis reiterates its announcement of April 1st to withdraw its full year 2020 outlook, as the economic impact resulting from the COVID-19 pandemic cannot be quantified at this moment.
# Profit & loss

## Q1 2020 versus Q1 2019 versus Q4 2019

<table>
<thead>
<tr>
<th>P&amp;L account (in million EUR)</th>
<th>Q1 2020</th>
<th>% of Sales</th>
<th>Q1 2019</th>
<th>% of Sales</th>
<th>Q4 2019</th>
<th>% of Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>138.2</td>
<td>100.0%</td>
<td>116.5</td>
<td>100.0%</td>
<td>127.1</td>
<td>100.0%</td>
</tr>
<tr>
<td>Cost of goods sold</td>
<td>-82.1</td>
<td>-59.4%</td>
<td>-69.8</td>
<td>-59.9%</td>
<td>-76.6</td>
<td>-60.3%</td>
</tr>
<tr>
<td>Gross margin</td>
<td>56.0</td>
<td>40.6%</td>
<td>46.8</td>
<td>40.1%</td>
<td>50.4</td>
<td>39.7%</td>
</tr>
<tr>
<td>R&amp;D</td>
<td>-20.5</td>
<td>-14.9%</td>
<td>19.8</td>
<td>-17.0%</td>
<td>-20.5</td>
<td>-16.1%</td>
</tr>
<tr>
<td>G&amp;A</td>
<td>-7.8</td>
<td>-5.7%</td>
<td>-7.6</td>
<td>-6.5%</td>
<td>-7.6</td>
<td>-6.0%</td>
</tr>
<tr>
<td>Selling</td>
<td>-3.7</td>
<td>-2.7%</td>
<td>-3.7</td>
<td>-3.1%</td>
<td>-4.0</td>
<td>-3.2%</td>
</tr>
<tr>
<td>EBIT</td>
<td>24.0</td>
<td>17.4%</td>
<td>15.7</td>
<td>13.5%</td>
<td>18.3</td>
<td>14.4%</td>
</tr>
<tr>
<td>Net financial result</td>
<td>-0.4</td>
<td>-0.3%</td>
<td>-0.3</td>
<td>-0.3%</td>
<td>-0.4</td>
<td>-0.3%</td>
</tr>
<tr>
<td>Income taxes</td>
<td>-2.8</td>
<td>-2.0%</td>
<td>-1.5</td>
<td>-1.3%</td>
<td>-2.5</td>
<td>-2.0%</td>
</tr>
<tr>
<td>Net profit</td>
<td>20.7</td>
<td>15.0%</td>
<td>13.9</td>
<td>12.0%</td>
<td>15.4</td>
<td>12.1%</td>
</tr>
<tr>
<td>Earnings per share</td>
<td>0.51</td>
<td></td>
<td>0.35</td>
<td></td>
<td>0.38</td>
<td></td>
</tr>
</tbody>
</table>
## Balance sheet

### Q1 2020 versus Q1 2019 versus Q4 2019

<table>
<thead>
<tr>
<th>Balance Sheet (in million EUR)</th>
<th>Q1 2020</th>
<th>Q1 2019</th>
<th>Q4 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total assets</strong></td>
<td>442.9</td>
<td>432.7</td>
<td>418.6</td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>51.1</td>
<td>39.6</td>
<td>38.8</td>
</tr>
<tr>
<td>Inventory</td>
<td>129.9</td>
<td>124.9</td>
<td>128.5</td>
</tr>
<tr>
<td>A/R Trade</td>
<td>69.1</td>
<td>65.7</td>
<td>58.3</td>
</tr>
<tr>
<td><strong>Non-current assets</strong></td>
<td>178.0</td>
<td>189.3</td>
<td>181.3</td>
</tr>
<tr>
<td><strong>Shareholders' equity</strong></td>
<td>319.6</td>
<td>340.3</td>
<td>299.1</td>
</tr>
<tr>
<td><strong>Interest bearing debt</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Long term</td>
<td>62.0</td>
<td>35.0</td>
<td>62.0</td>
</tr>
<tr>
<td>Short term</td>
<td>0.0</td>
<td>1.0</td>
<td>0.0</td>
</tr>
</tbody>
</table>
Q1 2020 cash flow

Free cash flow of 13 mln EUR in 1Q20
(6 mln EUR in 1Q19)
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>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>2019</td>
<td>1.30</td>
</tr>
</tbody>
</table>

(*) incl. 0.72 cap.decr
Shareholders structure & shareholder return

Shareholder structure on 31 Mar 2020

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

Shareholder Return 2002-2020

Return investment 2002-2020 = 14% per year

- Share price
- Total return (incl. reinvestment of gross dividend)