

Press release

Melexis Q1 2017 results – First quarter sales growth of 13%

Intermediate declaration by the Board of Directors

leper, Belgium – April 20th, 2017, 07.00 hrs CET

Sales for the first quarter of 2017 were 123.6 million EUR, an increase of 13% compared to the same quarter of the previous year and an increase of 3% compared to the previous quarter.

The EUR/USD exchange rate evolution had a positive impact of 2%, both compared to the same quarter of last year and the previous quarter.

Gross margin was 56.6 million EUR, an increase of 15% compared to the same quarter of last year and an increase of 3% compared to the previous quarter.

R&D expenses were 13.7% of sales, G&A was at 4.5% of sales and Selling was at 2.1% of sales. The operating result was 31.5 million EUR, an increase of 14% compared to the same quarter of last year and an increase of 7% compared to the previous quarter.

Net income was 25.4 million EUR or 0.63 EUR per share, an increase of 11% compared to 22.8 million EUR or 0.57 EUR per share in the first quarter of 2016 and an increase of 1% compared to the previous quarter.

Outlook

Melexis expects sales in the second quarter of 2017 to be around the level of 127 million EUR.

For the full year 2017, Melexis expects sales growth to be between 11% and 15%, a gross profit margin around 45% and an operating margin around 25%, all taking into account a EUR/USD exchange rate of 1.07.

Business comment – Françoise Chombar, CEO:

"Melexis started the year on the right track with a year over year sales growth of 13%. A growing order book provides confidence in our guidance for the full year. Our sensor interfaces and magnetic sensors were the main growth drivers for the quarter. I am especially pleased with the performance of current sensors both in our main automotive and also our industrial markets. This strong growth confirms we are ready for the accelerating automotive trend towards more electrification and are well-positioned to meet existing and future customer needs. In addition this demonstrates our increased diversification towards other markets.

Other outperforming product lines percentage-wise were fan drivers, pressure sensors, rain-light sensors and 3D time-of-flight sensors.

Sales to automotive customers represented 89% of total sales. The portion of standard product (ASSPs) sales represented 60% of total sales."

Financial Calendar

- Dividend pay date: April 27, 2017 (ex coupon on April 25, 2017)
- Analyst Day: May 3, 2017
- Publication Q2/HY1 2017 Results: August 2, 2017
- Publication Q3 2017 Results: October 25, 2017
- Publication FY 2017 Results: February 7, 2018

The company's results will be discussed in a **conference call** on Thursday, April 20th, 2017 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://eventreg3.conferencing.com/inv/reg.html?Acc=034060&Conf=370408>

Conference ID: 961686.

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: 961686.

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 31/03/2017 | Quarter ended 31/03/2016 | Quarter ended 31/12/2016 audited | Year ended 31/12/2016 audited |
|------------------------------------|-----------------------------|-----------------------------|--|-------------------------------------|
| Sales | 123,561 | 109,425 | 120,021 | 456,285 |
| Cost of sales | -66,954 | -60,142 | -64,819 | -247,737 |
| Gross Margin | 56,606 | 49,283 | 55,202 | 208,548 |
| R&D | -16,948 | -14,746 | -17,077 | -63,989 |
| G&A | -5,572 | -4,717 | -5,881 | -20,944 |
| Selling | -2,561 | -2,286 | -2,849 | -9,557 |
| Other operating result | | | | 311 |
| Operating result | 31,525 | 27,534 | 29,396 | 114,369 |
| Financial result | -1,276 | -1,094 | 522 | -1,293 |
| Income before taxes | 30,249 | 26,440 | 29,918 | 113,076 |
| Income taxes | -4,806 | -3,605 | -4,825 | -16,819 |
| Net income | 25,442 | 22,836 | 25,093 | 96,257 |
| Net income per share in EUR | 0.63 | 0.57 | 0.62 | 2.38 |

Consolidated Statement of Financial Position

| CONFORM IFRS in k EUR | Quarter ended 31/03/2017 | Quarter ended 31/03/2016 | Year ended 31/12/2016 audited |
|---------------------------------|-----------------------------|-----------------------------|-------------------------------------|
| Current Assets : | | | |
| Cash and cash equivalents | 92,045 | 89,981 | 75,789 |
| Current investments | | 49 | 158 |
| A/R Trade | 60,517 | 52,834 | 66,298 |
| A/R from related parties | 9,194 | 10,320 | 418 |
| Advance related parties | | | |
| Assets for current tax | 576 | 734 | 339 |
| Assets held for sale | | 289 | |
| Other current assets | 12,298 | 7,004 | 10,680 |
| Inventories | 79,702 | 62,258 | 76,880 |
| Total current assets | 254,332 | 223,470 | 230,562 |
| Non-current assets : | | | |
| Costs of incorporation | | | |
| Property, plant and equipment | 97,591 | 92,751 | 97,411 |
| Financial assets | 6 | 6 | 6 |
| Intangible fixed assets | 6,042 | 7,245 | 6,209 |
| A/R directors | | | |
| Other non-current assets | 8 | 7 | 7 |
| Deferred tax assets | 24,727 | 9,784 | 23,970 |
| Total non current assets | 128,374 | 109,793 | 127,603 |
| Total assets | 382,706 | 333,263 | 358,165 |

| CONFORM IFRS | Quarter ended 31/03/2017 | Quarter ended 31/03/2016 | Year ended 31/12/2016 audited |
|---|-----------------------------|-----------------------------|-------------------------------------|
| in k EUR | | | |
| Liabilities and shareholders Equity | | | |
| Current liabilities : | | | |
| Bank loans and overdrafts | | | |
| Derivative financial instruments | 1,261 | 1,385 | 793 |
| Current portion of LT debt | 4,005 | 4,046 | 4,047 |
| A/P trade | 18,578 | 18,458 | 19,555 |
| Affiliated companies | 16,969 | 11,285 | 14,551 |
| Accrued taxes | 25,965 | 6,080 | 30,160 |
| Accrued expenses and payroll | 10,104 | 9,581 | 8,603 |
| Other current liabilities | 2,808 | 1,662 | 2,567 |
| Deferred income | 2,247 | 1,871 | 2,262 |
| Total current liabilities | 81,937 | 54,369 | 82,538 |
| Non current liabilities : | | | |
| LT debt less current portion | 11,093 | 11,091 | 11,093 |
| Deferred tax liabilities | | | |
| Other non-current liabilities | 2,101 | 2,153 | 2,070 |
| Total non current liabilities | 13,195 | 13,245 | 13,163 |
| Shareholders' equity : | | | |
| Shareholders' capital | 565 | 565 | 565 |
| Share premium | | | |
| Treasury shares | -3,818 | -3,818 | -3,818 |
| Revaluation reserve Hedge | -182 | -359 | -226 |
| Revaluation reserve Fair value | | | |
| Legal reserve | 57 | 57 | 57 |
| Retained earnings | 272,534 | 252,380 | 176,277 |
| Current period's profit | 25,442 | 22,836 | 96,257 |
| Cumulative translation adjustment | -7,034 | -6,021 | -6,658 |
| Equity attributable to company owners | 287,564 | 265,639 | 262,454 |
| Non controlling interests | 10 | 10 | 10 |
| Total shareholders equity | 287,574 | 265,649 | 262,465 |
| Total liabilities, shareholders' equity and minority interests | 382,706 | 333,263 | 358,165 |

Consolidated Statements of Cash Flow

| CONFORM IFRS (in k EUR) | Quarter ended 31/03/2017 | Quarter ended 31/03/2016 | Year ended 31/12/2016 audited |
|---|-----------------------------|-----------------------------|-------------------------------------|
| Cash flow from operating activities | | | |
| Net income | 25,442 | 22,836 | 96,257 |
| Adjustments for : | | | |
| Operating activities | 6,200 | 5,959 | 14,520 |
| Deferred taxes | -757 | 1,093 | -13,093 |
| Capital grants | 121 | 174 | 896 |
| Depreciation and amortisation | 7,220 | 5,476 | 25,872 |
| Unrealized exchange results | 1,630 | -415 | -452 |
| Financial result | -2,014 | -368 | 1,298 |
| Operating profit before working capital changes | 31,642 | 28,794 | 110,777 |
| A/R, Trade | 5,778 | -1,541 | -15,047 |
| A/R, affiliates | -8,775 | -8,321 | 1,581 |
| Other current assets | -1,932 | -1,291 | -5,147 |
| Other non current assets | -1 | 1 | 1 |
| Inventories | -3,665 | 1,742 | -15,479 |
| A/P | -978 | 3,223 | 4,323 |
| A/P affiliates | 2,418 | 495 | 3,760 |
| Accrued expenses | 2,674 | 3,516 | 29,619 |
| Other current liabilities | 232 | -1,569 | -633 |
| Other non current liabilities | 485 | -691 | -976 |
| Interest paid | -94 | -69 | -294 |
| Income tax | -5,368 | -1,532 | -4,533 |
| Cash flow from operating activities | 22,413 | 22,756 | 107,951 |
| Cash flow from investing activities | | | |
| Acquisition of subsidiary, net of cash acquired | | | |
| Financial fixed assets | | | |
| Purchase of PPE and intangible assets (netted) | -6,390 | -7,684 | -28,774 |
| Interest received | 3 | 17 | 172 |
| Investments/proceeds/ from current investments (incl. financial instruments) | 158 | | -109 |
| Cash provided from investing activities | -6,229 | -7,667 | -28,711 |
| Cash flows from financing activities | | | |
| Payment to acquire own shares | | | |
| Proceeds/Repayment of long-and short-term debt | -42 | -47 | -46 |
| Proceeds/Repayment of bank loans and overdrafts | | | |
| Proceeds from (repayment of) related party financing | | | |
| Impact of exchange results on financing items | 115 | 1,114 | -1,135 |
| Dividend payment | | | -76,102 |
| Capital Decrease | | | |
| Non controlling interests | | | |
| Cash provided from financing activities | 73 | 1,068 | -77,284 |
| CTA | -2 | -14 | -5 |
| Increase/decrease in cash and cash equivalents | 16,255 | 16,143 | 1,952 |
| Cash at beginning of the period | 75,789 | 73,838 | 73,838 |
| Cash at the end of the period | 92,045 | 89,981 | 75,789 |

Sales per Geography

| | Q1/17 | Q1/16 | Q4/16 | FY 2016 |
|---------------------------------------|-------------|-------------|-------------|-------------|
| APAC Asia Pacific | 48% | 43% | 51% | 47% |
| EMEA Europe - Middle-East - Africa | 40% | 43% | 37% | 39% |
| NALA North America - Latin America | 12% | 14% | 12% | 14% |
| TOTAL | 100% | 100% | 100% | 100% |