

Press release - Regulated Information

Melexis Q1 2019 results – First quarter sales of 116.5 million EUR

Intermediate declaration by the Board of Directors

Ieper, Belgium – April 23rd, 2019, 07.00 hrs CET

CONFORM IFRS	Q1 2019	Q1 2018	YOY growth (%)	Q4 2018	SEQ growth (%)
<i>in k EUR</i>					
Sales	116,511	139,322	-16%	141,638	-18%
Gross result	46,755	63,110	-26%	64,151	-27%
<i>Gross Margin</i>	40.1%	45.3%		45.3%	
EBIT	15,739	34,335	-54%	31,881	-51%
<i>EBIT in %</i>	13.5%	24.6%		22.5%	
EBITDA	27,519	42,542	-35%	42,389	-35%
<i>EBITDA in %</i>	23.6%	30.5%		29.9%	
Net result	13,946	28,786	-52%	28,454	-51%
Net result per share (EPS)	0.35	0.71		0.70	
CAPEX	6,987	20,436		16,776	

Sales for the first quarter of 2019 were 116.5 million EUR, a decrease of 16% compared to the same quarter of the previous year and a decrease of 18% compared to the previous quarter.

The EUR/USD exchange rate evolution had a positive impact on sales of 3% compared to the same quarter of last year and no impact compared to the previous quarter.

The gross result was 46.8 million EUR or 40.1% of sales, a decrease of 26% compared to the same quarter of last year and a decrease of 27% compared to the previous quarter.

R&D expenses were 17.0% of sales, G&A was at 6.5% of sales and Selling was at 3.1% of sales. The operating result was 15.7 million EUR or 13.5% of sales, a decrease of 54% compared to the same quarter of last year and a decrease of 51% compared to the previous quarter.

The net result was 13.9 million EUR or 0.35 EUR per share, a decrease of 52% compared to 28.8 million EUR or 0.71 EUR per share in the first quarter of 2018 and a decrease of 51% compared to the previous quarter.

Outlook

Melexis expects sales in the second 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 14% 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 in the range of 41-43% taking into account a EUR/USD exchange rate of 1.13.

Business comment – Françoise Chombar, CEO:

“Melexis announces first quarter results in line with our guidance provided in February. Sales are impacted as anticipated by inventory corrections of customers, triggered by the continued uncertain economic and geopolitical situation caused by global trade tensions. Inventory corrections are ongoing and visibility remains low. With global car sales in the first quarter of 2019 below the 2018 level and trade tensions persisting, it is uncertain at which moment a change in the order behavior of our customers will occur.

Based on our current order book, we guide for a small sequential sales increase and profit margin expansion in the second quarter, while our full year sales and gross margin guidance reflects the uncertainty about the timing of an improvement in the second half of the year.

Amidst this uncertainty, Melexis continues to launch innovative products to its customers. In the first quarter, Melexis introduced a new version of its popular far infrared thermal sensor array, a single-chip automotive grade VGA Time-of-Flight (ToF) image sensor for applications such as in-car and exterior monitoring, a PCB-less Hall-effect latch for seat motor positioning in automotive applications and a new member of the third generation Triaxis Hall sensor.

Sales to automotive customers represented 92% of total sales in the first quarter of 2019. The portion of standard product (ASSPs) sales represented 64% of total sales in the first quarter of 2019.”

Financial Calendar

- Dividend pay date: April 26th, 2019 (ex coupon on April 24th, 2019)
- Publication Q2/HY1 2019 Results: July 31, 2019
- Publication Q3 2019 Results: October 23, 2019
- Publication FY 2019 Results: February 5, 2020

The company’s results will be discussed in a **conference call** on Tuesday, April 23rd, 2019 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:

<http://emea.directeventreg.com/registration/5647359>

Conference ID: 5647359.

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 +44 33 33 00 97 85, access code: 5647359.

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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 1500 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 31/03/2019	Quarter ended 31/03/2018	Year ended 31/12/2018 audited
Sales	116,511	139,322	569,370
Cost of sales	-69,756	-76,212	-308,234
Gross result	46,755	63,110	261,136
R&D	-19,763	-18,520	-78,005
G&A	-7,599	-6,880	-30,065
Selling	-3,653	-3,375	-14,578
Other operating result			
Operating result (EBIT)	15,739	34,335	138,488
Financial result	-333	1,114	251
Result before taxes	15,406	35,449	138,739
Income taxes	-1,460	-6,663	-23,287
Net result	13,946	28,786	115,451
Net result per share in EUR	0.35	0.71	2.86

Consolidated Statement of Financial Position

CONFORM IFRS in k EUR	Quarter ended 31/03/2019	Quarter ended 31/03/2018	Year ended 31/12/2018 audited
Current Assets :			
Cash and cash equivalents	39,554	71,798	34,522
Current investments		2	101
A/R Trade	65,678	72,786	75,207
A/R from related parties	272	201	160
Advance related parties			
Assets for current tax	1,243	1,315	1,241
Assets held for sale			
Other current assets	11,701	11,158	8,653
Inventories	124,941	100,771	120,568
Total current assets	243,387	258,032	240,452
Non-current assets :			
Costs of incorporation			
Property, plant and equipment	154,699	129,078	157,417
Leased assets	5,177		
Financial assets			
Intangible fixed assets	4,926	5,610	5,152
A/R directors			
Other non-current assets	8	5	4
Deferred tax assets	24,477	26,070	24,994
Total non current assets	189,288	160,762	187,567
Total assets	432,675	418,794	428,019

CONFORM IFRS in k EUR	Quarter ended 31/03/2019	Quarter ended 31/03/2018	Year ended 31/12/2018 audited
Liabilities and shareholders Equity			
Current liabilities :			
Bank loans and overdrafts			
Derivative financial instruments	25	24	
Current portion of LT debt	1,000	42	1,040
Lease liabilities	1,013		
A/P trade	16,737	23,017	20,785
Affiliated companies	13,473	17,005	13,967
Accrued taxes	2,264	20,216	15,684
Accrued expenses and payroll	13,693	13,870	10,502
Other current liabilities	3,078	4,735	2,696
Deferred income	2,978	1,745	3,068
Total current liabilities	54,262	80,655	67,742
Non current liabilities :			
LT debt less current portion	34,000	15,000	34,000
Lease liabilities	3,791		
Deferred tax liabilities	280		271
Other non-current liabilities			
Total non current liabilities	38,070	15,000	34,271
Shareholders' equity :			
Shareholders' capital	565	565	565
Share premium			
Treasury shares	-3,818	-3,818	-3,818
Revaluation reserve Hedge			
Revaluation reserve Fair value			
Legal reserve	57	57	57
Retained earnings	334,719	303,381	219,268
Current period's profit	13,946	28,786	115,451
Cumulative translation adjustment	-5,137	-5,842	-5,527
Equity attributable to company owners	340,332	323,129	325,996
Non controlling interests	10	10	10
Total shareholders equity	340,343	323,140	326,006
Total liabilities, shareholders' equity and minority interests	432,675	418,794	428,019

Consolidated Statements of Cash Flow

CONFORM IFRS (in k EUR)	Quarter ended 31/03/2019	Quarter ended 31/03/2018	Year ended 31/12/2018 audited
Cash flow from operating activities			
Net income	13,946	28,786	115,451
Adjustments for :			
Operating activities	14,418	12,158	60,231
Deferred taxes	517	612	1,688
Capital grants	173	14	1,053
Depreciation and amortisation	11,780	8,206	39,122
Depreciation leased assets	413		
Accrued income tax	356	5,033	17,882
Unrealized exchange results	-36	-2,010	-342
Financial result	1,217	302	827
Operating profit before working capital changes	28,364	40,944	175,682
A/R, Trade	9,555	-4,022	-6,575
A/R, affiliates	-111	157	197
Other current assets	-3,214	-731	816
Other non current assets	-4		1
Inventories	-6,222	-3,268	-25,872
A/P	-4,138	751	-1,512
A/P affiliates	-495	-444	-3,482
Accrued expenses	3,192	3,154	-214
Other current liabilities	121	684	-1,411
Other non current liabilities	-56	-1,287	283
Interest paid	-120	-53	-203
Income tax paid	-13,776	-21,251	-38,632
Cash flow from operating activities	13,097	14,634	99,079
Cash flow from investing activities			
Acquisition of subsidiary, net of cash acquired			
Financial fixed assets			
Purchase of PPE and intangible assets (netted)	-6,987	-20,436	-76,296
Repayment leasings	-786		
Interest received	0	3	650
Investments/proceeds/ from current investments	101	412	314
Investments/proceeds/ from non current investments (incl. financial instruments)			
Cash provided from investing activities	-7,672	-20,020	-75,332
Cash flows from financing activities			
Payment to acquire own shares			
Proceeds/Repayment of long-and short-term debt	-82	-43	19,948
Proceeds/Repayment of bank loans and overdrafts			
Proceeds from (repayment of) related party financing			
Impact of exchange results on financing items	-357	1,723	-556
Dividend payment			-84,113
Capital Decrease			
Non controlling interests			
Cash provided from financing activities	-438	1,680	-64,722
CTA	46	27	19
Increase/decrease in cash and cash equivalents	5,032	-3,679	-40,956
Cash at beginning of the period	34,522	75,478	75,478
Cash at the end of the period	39,554	71,798	34,522

Sales per Geography

	Q1 2019	Q1 2018	FY 2018
APAC Asia Pacific	44%	49%	49%
EMEA Europe - Middle-East - Africa	42%	39%	39%
NALA North America - Latin America	14%	12%	12%
TOTAL	100%	100%	100%