

Press release - Regulated Information

Melexis Q1 2020 results – First quarter sales of 138.2 million EUR

Intermediate declaration by the Board of Directors

Ieper, Belgium – April 29th, 2020, 07.00 hrs CET

CONFORM IFRS	Q1 2020	Q1 2019	YOY growth (%)	Q4 2019	SEQ growth (%)
<i>in k EUR</i>					
Sales	138,162	116,511	19%	127,052	9%
Gross result	56,033	46,755	20%	50,424	11%
<i>Gross Margin</i>	40.6%	40.1%		39.7%	
EBIT	23,980	15,739	52%	18,280	31%
<i>EBIT in %</i>	17.4%	13.5%		14.4%	
EBITDA	36,112	27,932	29%	30,773	17%
<i>EBITDA in %</i>	26.1%	24.0%		24.2%	
Net result	20,706	13,946	48%	15,371	35%
Net result per share (EPS)	0.51	0.35		0.38	
CAPEX	6,783	6,987		6,081	

Sales for the first quarter of 2020 were 138.2 million EUR, an increase of 19% compared to the same quarter of the previous year and an increase of 9% compared to the previous quarter.

The EUR/USD exchange rate evolution had a positive impact on sales of 1% compared to the same quarter of last year and no impact compared to the previous quarter.

The gross result was 56.0 million EUR or 40.6% of sales, an increase of 20% compared to the same quarter of last year and an increase of 11% compared to the previous quarter.

R&D expenses were 14.9% of sales, G&A was at 5.7% of sales and Selling was at 2.7% of sales. The operating result was 24.0 million EUR or 17.4% of sales, an increase of 52% compared to the same quarter of last year and an increase of 31% compared to the previous quarter.

The net result was 20.7 million EUR or 0.51 EUR per share, an increase of 48% compared to 13.9 million EUR or 0.35 EUR per share in the first quarter of 2019 and an increase of 35% compared to the previous quarter.

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.

Business comment – Françoise Chombar, CEO:

“Melexis had a solid start of the year with a 19% year-over-year and a 9% sequential sales growth, which is at the high end of the sales guidance provided at the beginning of the year. Leaving aside the negative impact of COVID-19 at the end of March, sales were heading for more than 140 million EUR.

Melexis continues to serve customers in the best possible way, despite ongoing supply chain disruptions, mainly in chip assembly (packaging). On the demand side, many customers - mainly in Europe and the US - have shut down due to COVID-19 lockdown measures, while mostly Asian customers have restarted operations. The combined impact of disruptions, both on the supply and the demand side, will have a significant negative impact on sales in the second quarter. A positive element, which we expect will soften the impact, is that inventory levels of Melexis’ products at customer level are estimated to be low.

In the first quarter, the outperforming product lines were *temperature sensors*, *pressure sensors*, *magnetic position sensors* and *embedded motor drivers*.

As announced earlier, stronger demand in *temperature sensors* is linked to the fact that our products are critical components to much of the equipment to overcome the COVID-19 pandemic, ranging from diagnostics, over fever measurement and respiratory devices.

In the automotive industry, the China 6 norm benefits our *pressure sensors* in multiple ways, for example in the area of gasoline particulate filters.

New *magnetic position sensor* content growth comes from the chassis, transmission, and braking areas thanks to x-by-wire operation, additional controls and higher functional safety and reliability. Autonomous driving and electrified powertrains, for example, create new challenges that our 3rd generation Triaxis® sensors are able to meet with their high functional safety level and stray field robust mode.

We observe an increasing trend, both for new energy and for conventional fuel cars, towards small cooling pumps or sensed cooling valves for better thermal management, which is being served with our *embedded motor drivers*. Melexis has also been benefiting from more sales for air grille shutters which reduce fuel or battery energy consumption.

Sales to automotive customers represented 91% of total sales in the first quarter of 2020. The portion of standard product (ASSPs) sales represented 65% of total sales in the first quarter of 2020.”

Financial Calendar

- Annual Shareholders Meeting: May 12, 2020
- Publication Q2 Results 2020: July 29, 2020 (at 7 hrs CET)
- Publication Q3 Results 2020: October 28, 2020 (at 7 hrs CET)
- Publication FY 2020 Results: February 3, 2021 (at 7 hrs CET)

The company’s results will be discussed in a conference call on **Wednesday, April 29th, 2020 at 10:30 hrs CET**. The conference call will be in English. You have to register for this conference call in advance. You can register by clicking [here](#) and filling out the requested information.

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.

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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 31/03/2020	Quarter ended 31/03/2019	Year ended 31/12/2019 audited
Sales	138,162	116,511	486,862
Cost of sales	-82,129	-69,756	-290,628
Gross result	56,033	46,755	196,234
R&D	-20,519	-19,763	-79,558
G&A	-7,815	-7,599	-30,600
Selling	-3,719	-3,653	-15,450
Other operating result			
Operating result (EBIT)	23,980	15,739	70,626
Financial result	-449	-333	-1,378
Result before taxes	23,530	15,406	69,248
Income taxes	-2,824	-1,460	-8,993
Net result	20,706	13,946	60,255
Net result per share in EUR	0.51	0.35	1.49

Consolidated Statement of Financial Position

CONFORM IFRS in k EUR	Quarter ended 31/03/2020	Quarter ended 31/03/2019	Year ended 31/12/2019 audited
Current Assets :			
Cash and cash equivalents	51,051	39,554	38,772
Current investments	2		78
A/R Trade	69,149	65,678	58,310
A/R from related parties	61	272	136
Advance related parties			
Assets for current tax	1,848	1,243	1,745
Assets held for sale			
Other current assets	12,833	11,701	9,781
Inventories	129,887	124,941	128,505
Total current assets	264,832	243,387	237,328
Non-current assets :			
Costs of incorporation			
Property, plant and equipment	140,711	154,699	143,608
Leased assets	4,489	5,177	4,813
Financial assets			
Intangible fixed assets	4,765	4,926	5,209
A/R directors			
Other non-current assets	3	8	3
Deferred tax assets	28,057	24,477	27,649
Total non current assets	178,025	189,288	181,282
Total assets	442,857	432,675	418,610

CONFORM IFRS in k EUR	Quarter ended 31/03/2020	Quarter ended 31/03/2019	Year ended 31/12/2019 audited
Liabilities and shareholders Equity			
Current liabilities :			
Bank loans and overdrafts			
Derivative financial instruments		25	
Current portion of LT debt		1,000	
Lease liabilities	1,405	1,013	1,825
A/P trade	15,160	16,737	16,139
Affiliated companies	16,588	13,473	15,733
Accrued taxes	2,603	2,264	3,251
Accrued expenses and payroll	15,366	13,693	10,643
Other current liabilities	4,710	3,078	4,305
Deferred income	2,012	2,978	2,280
Total current liabilities	57,845	54,262	54,176
Non current liabilities :			
LT debt less current portion	62,000	34,000	62,000
Lease liabilities	3,127	3,791	3,027
Deferred tax liabilities	327	280	337
Other non-current liabilities			
Total non current liabilities	65,454	38,070	65,364
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	306,856	334,719	246,601
Current period's profit	20,706	13,946	60,255
Cumulative translation adjustment	-4,808	-5,137	-4,590
Equity attributable to company owners	319,557	340,332	299,070
Non controlling interests	0	10	0
Total shareholders equity	319,558	340,343	299,070
Total liabilities, shareholders' equity and minority interests	442,857	432,675	418,610

Consolidated Statements of Cash Flow

CONFORM IFRS (in k EUR)	Quarter ended 31/03/2020	Quarter ended 31/03/2019	Year ended 31/12/2019 audited
Cash flow from operating activities			
Net income	20,706	13,946	60,255
Adjustments for :			
Operating activities	14,887	14,418	59,459
Deferred taxes	-408	517	-2,655
Capital grants	193	173	1,099
Depreciation and amortisation	11,654	11,780	46,760
Depreciation leased assets	479	413	1,845
Accrued income tax	2,590	356	10,374
Unrealized exchange results	-3	-36	-604
Financial result	382	1,217	2,640
Operating profit before working capital changes	35,592	28,364	119,714
A/R, Trade	-10,866	9,555	16,938
A/R, affiliates	74	-111	25
Other current assets	-3,325	-3,214	-2,687
Other non current assets		-4	1
Inventories	-2,913	-6,222	-14,303
A/P	-955	-4,138	-4,678
A/P affiliates	856	-495	1,765
Accrued expenses	4,723	3,192	141
Other current liabilities	302	121	1,537
Other non current liabilities	-278	-56	-721
Interest paid	-124	-120	-523
Income tax paid	-3,238	-13,776	-22,808
Cash flow from operating activities	19,850	13,097	94,400
Cash flow from investing activities			
Acquisition of subsidiary, net of cash acquired			
Financial fixed assets			
Purchase of PPE and intangible assets (netted)	-6,783	-6,987	-26,632
Interest received	31	0	90
Investments/proceeds/ from current investments	76	101	22
Investments/proceeds/ from non current investments (incl. financial instruments)			
Cash provided from investing activities	-6,676	-6,886	-26,519
Cash flows from financing activities			
Payment to acquire own shares			
Proceeds/Repayment of long-and short-term debt	-21	-82	26,927
Proceeds/Repayment of bank loans and overdrafts			
Repayment leasings	-475	-786	-1,805
Proceeds from (repayment of) related party financing			
Impact of exchange results on financing items	-349	-357	-661
Dividend payment			-88,118
Capital Decrease			
Non controlling interests			-10
Cash provided from financing activities	-845	-1,225	-63,668
CTA	-49	46	37
Increase/decrease in cash and cash equivalents	12,279	5,032	4,250
Cash at beginning of the period	38,772	34,522	34,522
Cash at the end of the period	51,051	39,554	38,772

Sales per Geography

	Q1 2020	Q1 2019	FY 2019
APAC Asia Pacific	51%	44%	47%
EMEA Europe - Middle-East - Africa	36%	42%	39%
NALA North America - Latin America	13%	14%	14%
TOTAL	100%	100%	100%