

## Press release - Regulated Information

### Melexis Q4 and FY 2019 results – Full year sales of 486.9 million EUR

#### Intermediate declaration by the Board of Directors

leper, Belgium – February 5<sup>th</sup>, 2020, 07.00 hrs CET

CONFORM IFRS <i>in k EUR</i>	2019	2018	YOY growth (%)
<b>Sales</b>	486,862	569,370	-14%
<b>Gross result</b>	196,234	261,136	-25%
<i>Gross Margin</i>	<i>40.3%</i>	<i>45.9%</i>	
<b>EBIT</b>	70,626	138,488	-49%
<i>EBIT in %</i>	<i>14.5%</i>	<i>24.3%</i>	
<b>EBITDA</b>	119,231	177,610	-33%
<i>EBITDA in %</i>	<i>24.5%</i>	<i>31.2%</i>	
<b>Net result</b>	60,255	115,451	-48%
<b>Net result per share (EPS)</b>	1.49	2.86	
<b>CAPEX</b>	26,632	76,296	

For the full year 2019, sales were 486.9 million EUR, a decrease of 14% compared to the previous year.

The EUR/USD exchange rate evolution had a positive impact on sales of 2% compared to 2018.

The gross result was 196.2 million EUR or 40.3% of sales, a decrease of 25% compared to 2018.

R&D expenses were 16.3% of sales, G&A was at 6.3% of sales and Selling was at 3.2% of sales.

The operating result was 70.6 million EUR or 14.5% of sales, a decrease of 49% compared to 138.5 million EUR last year.

The net result was 60.3 million EUR or 1.49 EUR per share, a decrease of 48% compared to 115.5 million EUR or 2.86 EUR per share in 2018.

CONFORM IFRS	Q4 2019	Q4 2018	YOY growth (%)	Q3 2019	SEQ growth (%)
<i>in k EUR</i>					
<b>Sales</b>	127,052	141,638	-10%	123,271	3%
<b>Gross result</b>	50,424	64,151	-21%	49,304	2%
<i>Gross Margin</i>	39.7%	45.3%		40.0%	
<b>EBIT</b>	18,280	31,881	-43%	18,169	1%
<i>EBIT in %</i>	14.4%	22.5%		14.7%	
<b>EBITDA</b>	30,773	42,389	-27%	30,098	2%
<i>EBITDA in %</i>	24.2%	29.9%		24.4%	
<b>Net result</b>	15,371	28,454	-46%	15,364	0%
<b>Net result per share (EPS)</b>	0.38	0.70		0.38	
<b>CAPEX</b>	6,081	16,776		5,667	

Sales for the fourth quarter of 2019 were 127.1 million EUR, a decrease of 10% 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 on sales of 1% compared to the same quarter of last year and no impact compared to the previous quarter.

The gross result was 50.4 million EUR or 39.7% of sales, a decrease of 21% compared to the same quarter of last year and an increase of 2% compared to the previous quarter.

R&D expenses were 16.1% of sales, G&A was at 6.0% of sales and Selling was at 3.2% of sales. The operating result was 18.3 million EUR or 14.4% of sales, a decrease of 43% compared to the same quarter of last year and an increase of 1% compared to the previous quarter.

The net result was 15.4 million EUR or 0.38 EUR per share, a decrease of 46% compared to 28.5 million EUR or 0.70 EUR per share in the fourth quarter of 2018 and a status quo compared to the previous quarter.

### Dividend

The Board of Directors approved on January 31st, 2020 to propose to the Annual Shareholders meeting to pay out over the result of 2019 a total dividend of 2.20 EUR gross per share. This amount contains an interim dividend of 1.30 EUR per share which was paid in October 2019 and a final dividend of 0.90 EUR per share which will be payable after approval of the Annual Shareholders meeting.

The Melexis shares will start trading ex coupon on May 13, 2020 (opening of the market). The record date is May 14, 2020 (closing of the market) and the dividend will be payable as from May 15, 2020.

### Outlook

Melexis expects sales in the first quarter of 2020 to be in the range of 134-138 million euro, with a gross profit margin around 41% and an operating margin around 17% at the midpoint of the sales guidance. For the full year 2020, Melexis expects sales growth around 10%, a gross profit margin around 41% and an operating margin around 17%, all taking into account a EUR/USD exchange rate of 1.10.

### Business comment – Françoise Chombar, CEO:

“Melexis announces fourth-quarter and full-year results in line with our guidance, concluding a challenging year. Based on the latest data points, worldwide car sales dropped by around 5% in 2019, while Melexis sales were impacted almost threefold, fully attributable to inventory corrections at customers, triggered by an uncertain economic and geopolitical situation caused by global trade tensions.

In this difficult market context, Melexis is happy to confirm and update its October 2019 announcement: inventory corrections are now over and customer order behavior further improved in the fourth quarter of 2019 and the beginning of the new year.

For 2020, Melexis is confident to provide a sales growth guidance of around 10%, based on continued weak global car sales – potentially below the 2019 level – on the negative side, but normalized order behavior and automotive semiconductor content growth on the positive.

The product lines clearly outperforming in 2019 were *pressure sensors* and *temperature sensors*, both posting double-digit sales growth.

A continued stricter legislation, for example with respect to reducing pollution generated by gasoline fuel vapor, especially critical with hybrid vehicles, is and will continue to be a strong content growth driver for our *pressure sensor* product line. Next to addressing challenges in automotive electrification, *pressure sensors* are also increasingly embedded in motorbikes.

Our *temperature sensor* product line, for example with the far infrared array technology, continues to gain traction in applications in adjacent markets such as energy management in buildings. In 2019, Melexis also launched the world's smallest medical-grade far infrared integrated sensor.

Another product line set for growth is *embedded lighting*. Lighting is one of the key features for future personalization and differentiation within the driver's cabin.

In 2019, new products were also announced in our *magnetic sensor* product lines, *optical sensors* (time of flight) and *embedded motor drivers*.

Melexis is well positioned to benefit from the increase of sensor and driver content in cars, surfing on the secular trends of more electrification, assisted drive and personalization.

Sales to automotive customers represented 91% of total sales in the fourth quarter and 92% of sales in the full year 2019. The portion of standard product (ASSPs) sales represented 66% of total sales in the fourth quarter and 65% in the full year 2019."

#### **Financial comment – Karen van Griensven, CFO:**

"Gross and operating profit margin guidance reflects a continued low utilization of test capacity, balanced by good cost control. The combination of these effects results in a 250bp improvement of operating margin guidance versus 2019."

*The statutory auditor has confirmed that the audit, which is substantially complete, has not to date revealed any material misstatement in the draft consolidated accounts, and that the accounting data reported in the press release is consistent, in all material respects, with the draft accounts from which it has been derived.*

#### **Financial Calendar**

- Publication Q1 Results 2020: April 29, 2020 (at 7 hrs CET)
- Annual Shareholders Meeting: May 12, 2020
- Dividend pay date: May 15, 2020 (ex coupon on May 13, 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, February 5th, 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 on the following link and filling out the requested information:

<http://emea.directeventreg.com/registration/2679227>

Conference ID: 2679227.

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: 2679227.

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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](http://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 31/12/2019	Quarter ended 31/12/2018	Year ended 31/12/2019 audited	Year ended 31/12/2018 audited
Sales	127,052	141,638	486,862	569,370
Cost of sales	-76,628	-77,487	-290,628	-308,234
<b>Gross result</b>	<b>50,424</b>	<b>64,151</b>	<b>196,234</b>	<b>261,136</b>
R&D	-20,497	-20,764	-79,558	-78,005
G&A	-7,624	-7,916	-30,600	-30,065
Selling	-4,023	-3,590	-15,450	-14,578
Other operating result				
<b>Operating result (EBIT)</b>	<b>18,280</b>	<b>31,881</b>	<b>70,626</b>	<b>138,488</b>
Financial result	-401	531	-1,378	251
<b>Result before taxes</b>	<b>17,879</b>	<b>32,412</b>	<b>69,248</b>	<b>138,739</b>
Income taxes	-2,507	-3,958	-8,993	-23,287
<b>Net result</b>	<b>15,371</b>	<b>28,454</b>	<b>60,255</b>	<b>115,451</b>
<b>Net result per share in EUR</b>	<b>0.38</b>	<b>0.70</b>	<b>1.49</b>	<b>2.86</b>

## Consolidated Statement of Financial Position

CONFORM IFRS in k EUR	Year ended 31/12/2019 audited	Year ended 31/12/2018 audited
Current Assets :		
Cash and cash equivalents	38,772	34,522
Current investments	78	101
A/R Trade	58,310	75,207
A/R from related parties	136	160
Advance related parties		
Assets for current tax	1,745	1,241
Assets held for sale		
Other current assets	9,781	8,653
Inventories	128,505	120,568
<b>Total current assets</b>	<b>237,328</b>	<b>240,452</b>
Non-current assets :		
Costs of incorporation		
Property, plant and equipment	143,608	157,417
Leased assets	4,813	
Financial assets		
Intangible fixed assets	5,209	5,152
A/R directors		
Other non-current assets	3	4
Deferred tax assets	27,649	24,994
<b>Total non current assets</b>	<b>181,282</b>	<b>187,567</b>
<b>Total assets</b>	<b>418,610</b>	<b>428,019</b>

CONFORM IFRS	Year ended 31/12/2019 audited	Year ended 31/12/2018 audited
<b>in k EUR</b>		
<b>Liabilities and shareholders Equity</b>		
Current liabilities :		
Bank loans and overdrafts		
Derivative financial instruments		
Current portion of LT debt		1,040
Lease liabilities	1,825	
A/P trade	16,139	20,785
Affiliated companies	15,733	13,967
Accrued taxes	3,251	15,684
Accrued expenses and payroll	10,643	10,502
Other current liabilities	4,305	2,696
Deferred income	2,280	3,068
<b>Total current liabilities</b>	<b>54,176</b>	<b>67,742</b>
Non current liabilities :		
LT debt less current portion	62,000	34,000
Lease liabilities	3,027	
Deferred tax liabilities	337	271
Other non-current liabilities		
<b>Total non current liabilities</b>	<b>65,364</b>	<b>34,271</b>
Shareholders' equity :		
Shareholders' capital	565	565
Share premium		
Treasury shares	-3,818	-3,818
Revaluation reserve Hedge		
Revaluation reserve Fair value		
Legal reserve	57	57
Retained earnings	246,601	219,268
Current period's profit	60,255	115,451
Cumulative translation adjustment	-4,590	-5,527
Equity attributable to company owners	<b>299,070</b>	<b>325,996</b>
Non controlling interests	0	10
<b>Total shareholders equity</b>	<b>299,070</b>	<b>326,006</b>
<b>Total liabilities, shareholders' equity and minority interests</b>	<b>418,610</b>	<b>428,019</b>

## Consolidated Statements of Cash Flow

CONFORM IFRS (in k EUR)	Quarter ended 31/12/2019	Quarter ended 31/12/2018	Year ended 31/12/2019 audited	Year ended 31/12/2018 audited
<b>Cash flow from operating activities</b>				
Net income	15,371	28,454	60,255	115,451
<b>Adjustments for :</b>				
<b>Operating activities</b>	<b>11,685</b>	<b>14,883</b>	<b>59,459</b>	<b>60,231</b>
Deferred taxes	-2,367	-188	-2,655	1,688
Capital grants	531	832	1,099	1,053
Depreciation and amortisation	11,904	10,507	46,760	39,122
Depreciation leased assets	589		1,845	
Accrued income tax	1,369	2,921	10,374	17,882
Unrealized exchange results	9	118	-604	-342
Financial result	-350	694	2,640	827
<b>Operating profit before working capital changes</b>	<b>27,056</b>	<b>43,337</b>	<b>119,714</b>	<b>175,682</b>
A/R, Trade	11,363	3,466	16,938	-6,575
A/R, affiliates	-61	-12	25	197
Other current assets	1,739	2,277	-2,687	816
Other non current assets			1	1
Inventories	-2,218	4,666	-14,303	-25,872
A/P	2,465	135	-4,678	-1,512
A/P affiliates	2,815	-1,149	1,765	-3,482
Accrued expenses	-1,788	-2,469	141	-214
Other current liabilities	-334	-1,701	1,537	-1,411
Other non current liabilities	-49	1,248	-721	283
Interest paid	-240	-405	-523	-203
Income tax paid	-3,515	-2,653	-22,808	-38,632
<b>Cash flow from operating activities</b>	<b>37,233</b>	<b>46,742</b>	<b>94,401</b>	<b>99,079</b>
<b>Cash flow from investing activities</b>				
Acquisition of subsidiary, net of cash acquired				
Financial fixed assets				
Purchase of PPE and intangible assets (netted)	-6,081	-16,776	-26,632	-76,296
Repayment leasings	-584		-1,805	
Interest received	18	644	90	650
Investments/proceeds/ from current investments	-79	-101	22	314
Investments/proceeds/ from non current investments (incl. financial instruments)				
<b>Cash provided from investing activities</b>	<b>-6,726</b>	<b>-16,233</b>	<b>-28,325</b>	<b>-75,332</b>
<b>Cash flows from financing activities</b>				
Payment to acquire own shares				
Proceeds/Repayment of long-and short-term debt		19,984	26,927	19,948
Proceeds/Repayment of bank loans and overdrafts				
Proceeds from (repayment of) related party financing				
Impact of exchange results on financing items	228	-858	-661	-556
Dividend payment	-52,070	-52,068	-88,118	-84,113
Capital Decrease				
Non controlling interests	-10		-10	
<b>Cash provided from financing activities</b>	<b>-51,852</b>	<b>-32,943</b>	<b>-61,862</b>	<b>-64,722</b>
CTA	-31	9	37	19
Increase/decrease in cash and cash equivalents	-21,377	-2,425	4,251	-40,956
<b>Cash at beginning of the period</b>	<b>60,150</b>	<b>36,946</b>	<b>34,522</b>	<b>75,478</b>
<b>Cash at the end of the period</b>	<b>38,772</b>	<b>34,522</b>	<b>38,772</b>	<b>34,522</b>

## Sales per Geography

	Q4 2019	Q4 2018	2019	2018
APAC Asia Pacific	51%	51%	47%	49%
EMEA Europe - Middle-East - Africa	37%	36%	39%	39%
NALA North America - Latin America	12%	13%	14%	12%
<b>TOTAL</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>