

Press release - Regulated Information

Melexis Q2 2022 results – Second quarter sales of 208.4 million EUR

Intermediate declaration by the Board of Directors

leper, Belgium – July 27th, 2022, 07.00 hrs CET

CONFORM IFRS <i>in k EUR</i>	Q2 2022	Q2 2021	YOY growth (%)	Q1 2022	SEQ growth (%)
Sales	208,408	159,101	31%	184,064	13%
Gross result	93,647	67,072	40%	83,145	13%
<i>Gross Margin</i>	44.9%	42.2%		45.2%	
EBIT	57,258	36,401	57%	49,859	15%
<i>EBIT in %</i>	27.5%	22.9%		27.1%	
EBITDA	69,499	47,439	47%	61,312	13%
<i>EBITDA in %</i>	33.3%	29.8%		33.3%	
Net result	47,585	33,499	42%	48,620	-2%
Net result per share (EPS)	1.18	0.83		1.20	
CAPEX	9,436	7,462		6,185	

Sales for the second quarter of 2022 were 208.4 million EUR, an increase of 31% compared to the same quarter of the previous year and an increase of 13% compared to the previous quarter.

The EUR/USD exchange rate evolution had a positive impact of 5% on sales compared to the same quarter of last year and a positive impact of 2% on sales compared to the previous quarter.

The gross result was 93.6 million EUR or 44.9% of sales, an increase of 40% compared to the same quarter of last year and an increase of 13% compared to the previous quarter.

R&D expenses were 10.6% of sales, G&A was at 4.9% of sales and Selling was at 1.9% of sales. The operating result was 57.3 million EUR or 27.5% of sales, an increase of 57% compared to the same quarter of last year and an increase of 15% compared to the previous quarter.

The net result was 47.6 million EUR or 1.18 EUR per share, an increase of 42% compared to 33.5 million EUR or 0.83 EUR per share in the second quarter of 2021 and a decrease of 2% compared to the previous quarter.

CONFORM IFRS	HY 2022	HY 2021	YOY growth (%)
<i>in k EUR</i>			
Sales	392,473	314,735	25%
Gross result	176,793	132,361	34%
<i>Gross Margin</i>	45.0%	42.1%	
EBIT	107,118	70,911	51%
<i>EBIT in %</i>	27.3%	22.5%	
EBITDA	130,810	93,967	39%
<i>EBITDA in %</i>	33.3%	29.9%	
Net result	96,205	61,265	57%
Net result per share (EPS)	2.38	1.52	
CAPEX	15,621	18,412	

Sales for the first half year of 2022 were 392.5 million EUR, an increase of 25% compared to the first half year of 2021.

The EUR/USD exchange rate evolution had a positive impact of 4% on sales compared to the first half year of 2021.

The gross result was 176.8 million EUR or 45.0% of sales, an increase of 34% compared to the same period last year. R&D expenses were 10.8% of sales, G&A was at 5.0% of sales and Selling was at 1.9% of sales.

The operating result was 107.1 million EUR or 27.3% of sales, an increase of 51% compared to 70.9 million EUR in the same half year of 2021.

The net result was 96.2 million EUR or 2.38 EUR per share, an increase of 57% compared to 61.3 million EUR or 1.52 EUR per share in the first half year of 2021.

Dividend

The Board of Directors decided to pay out an interim dividend of 1.30 EUR gross per share. The Melexis shares will start trading ex coupon on October 18, 2022 (opening of the market). The record date is October 19, 2022 (closing of the market) and the dividend will be payable as from October 20, 2022.

Outlook

Melexis expects sales in the third quarter of 2022 in the range of 215 to 220 million EUR.

For the full year 2022, Melexis expects a sales increase between 28% and 30%, with a gross profit margin of around 45% and an operating margin of around 26% at the midpoint of the sales guidance, all taking into account a EUR/USD exchange rate of 1.00 for the remainder of the year.

The evolution of the EUR/USD exchange rate in 2022 has a positive impact of around 5% on the full-year sales outlook.

Business comment – Marc Biron, CEO:

“Sales for the second quarter of 2022 came out at 208.4 million EUR, once again the result of the conversion of a strong order intake into sales, despite the ongoing supply chain challenges. Ever-increasing electrification and the growing number of comfort and safety applications have led to a significant acceleration of analog IC demand in the automotive industry.

On the supply side, the automotive semiconductor industry in general and Melexis in particular rely a lot on wafer processing nodes of >40nm for the ICs used in mixed signal sensor and driver applications, whereas the vast majority of the global industry investments in 2021 and 2022 focused on the processing nodes of <40nm. The latter serve mainly digital processors used for, among other applications, ADAS and infotainment. As a result, Melexis and the automotive supply chain are still impacted by the limited waferfab capacity.

In the short term, customer demand and order intake are robust. From a geopolitical and macroeconomic perspective, the mid-term remains uncertain. However, Melexis will continue to benefit from secular

automotive trends such as electrification and increased comfort and safety applications. Long-term agreements with both our customers and our suppliers will improve transparency and visibility in the supply chain in the coming years.

In the first half of 2022, the outperforming product lines were current sensors, latches and switches and drivers, all in support of the electrification trend. Our magnetic position sensors keep going strong as well. Likewise, we have been observing continued traction for our temperature sensors.

Sales to automotive customers represented 90% of total sales in the second quarter as well as in the first half of 2022. The portion of standard product (ASSPs) sales represented 74% of total sales, both in the second quarter and the first half of 2022.”

The statutory auditor PwC bedrijfsrevisoren has confirmed that the review, which is substantially complete, has not to date revealed any material misstatement in the draft interim 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

- Dividend pay date: October 20, 2022 (ex coupon on October 18, 2022)
- Publication Q3 Results 2022: October 26, 2022 (at 7 hrs CET)
- Publication FY 2022 Results: February 1, 2023 (at 7 hrs CET)

The company’s results will be discussed in a conference call and an audiocast on **Wednesday, July 27th, 2022 at 10:30 hrs CET**.

To register for the conference call (possibility to ask questions)

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.

To register for the audiocast (no possibility to ask questions)

To register for the audiocast, click [here](#).

For more 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 approximately 1500 people in 12 countries. 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		Quarter ended 30/06/2022	Quarter ended 30/06/2021	Half Year ended 30/06/2022	Half Year ended 30/06/2021	Year ended 31/12/2021 audited
in k EUR						
Sales		208,408	159,101	392,473	314,735	643,786
	Cost of sales	-114,761	-92,029	-215,680	-182,374	-370,185
Gross result		93,647	67,072	176,793	132,361	273,601
	R&D	-22,139	-19,104	-42,546	-38,816	-78,388
	G&A	-10,278	-7,857	-19,494	-15,505	-32,053
	Selling	-3,972	-3,709	-7,635	-7,129	-14,711
	Other operating result					
Operating result (EBIT)		57,258	36,401	107,118	70,911	148,448
	Financial result	502	3,047	10,210	909	5,852
Result before taxes		57,760	39,447	117,327	71,820	154,300
	Income taxes	-10,175	-5,948	-21,122	-10,555	-23,192
Net result		47,585	33,499	96,205	61,265	131,108
Net result per share in EUR		1.18	0.83	2.38	1.52	3.25

Consolidated Statement of Financial Position

CONFORM IFRS		Half Year ended 30/06/2022	Half Year ended 30/06/2021	Year ended 31/12/2021 audited
in k EUR				
Current Assets :				
	Cash and cash equivalents	39,270	58,967	34,950
	Current investments	23,394	3,169	10,356
	A/R Trade	100,710	80,679	80,229
	A/R from related parties	1,059	886	5,180
	Assets for current tax	10,729	12,379	5,976
	Other current assets	18,881	11,105	10,680
	Inventories	167,293	128,537	144,490
Total current assets		361,335	295,721	291,862
Non-current assets :				
	Property, plant and equipment	129,133	129,550	132,020
	Leased assets	4,143	4,159	4,592
	Intangible fixed assets	3,669	4,853	4,335
	Other non-current assets	2,927	3,649	3,141
	Deferred tax assets	21,459	27,380	25,231
Total non current assets		161,332	169,592	169,319
Total assets		522,667	465,313	461,180

CONFORM IFRS in k EUR	Half Year ended 30/06/2022	Half Year ended 30/06/2021	Year ended 31/12/2021 audited
Liabilities and shareholders Equity			
Current liabilities :			
Derivative financial instruments	943	94	
Lease liabilities	917	892	1,718
A/P trade	23,424	23,070	22,668
Affiliated companies	28,320	15,342	19,786
Accrued taxes	3,197	828	790
Short-term employee benefits accruals	14,783	13,329	17,811
Other current liabilities	6,481	4,110	4,002
Deferred income	2,738	2,688	2,437
Total current liabilities	80,804	60,353	69,212
Non current liabilities :			
LT debt less current portion		30,000	
Lease liabilities	3,295	3,866	2,909
Deferred tax liabilities		211	4
Other non-current liabilities	4,148		
Total non current liabilities	7,443	34,077	2,912
Shareholders' equity :			
Shareholders' capital	565	565	565
Legal reserve	57	57	57
Retained earnings	340,609	314,541	262,021
Current period's profit	96,205	61,265	131,108
Cumulative translation adjustment	-3,015	-5,544	-4,694
Equity attributable to company owners	434,420	370,883	389,056
Non controlling interests	0	0	0
Total shareholders equity	434,420	370,883	389,056
Total liabilities, shareholders' equity and minority interests	522,667	465,313	461,180

Consolidated Statements of Cash Flow

CONFORM IFRS (in k EUR)	Quarter ended 30/06/2022	Quarter ended 30/06/2021	Half Year ended 30/06/2022	Half Year ended 30/06/2021	Year ended 31/12/2021 audited
Cash flow from operating activities					
Net income	47,585	33,499	96,205	61,265	131,108
Adjustments for :					
Operating activities	17,516	20,206	42,943	38,905	61,178
Deferred taxes	506	980	3,771	1,110	3,260
Capital grants	506	166	1,174	351	844
Depreciation and amortisation	11,785	10,606	22,782	22,193	42,997
Depreciation leased assets	455	432	911	863	1,795
Accrued income tax	2,388	11,180	21,566	15,269	16,817
Unrealized financial result	314	-3,207	-9,287	-1,338	-6,490
Financial result	1,561	48	2,027	456	1,954
Operating profit before working capital changes	65,101	53,705	139,148	100,169	192,286
A/R, Trade	-6,510	-6,023	-20,478	-15,570	-15,099
A/R, affiliates	102	-552	4,121	-514	-4,807
Other current assets	2,714	-6,430	-14,118	-8,509	-2,099
Other non current assets	157	552	213	554	1,062
Inventories	-11,207	-6,065	-26,411	-8,663	-26,700
A/P	-3,376	4,811	737	4,728	4,285
A/P affiliates	5,470	-2,009	8,535	-417	4,027
Employee benefit liabilities	-6,767	-2,130	-3,027	1,447	5,929
Other current liabilities	1,087	507	2,524	661	526
Other non current liabilities	1,389	727	5,387	-14	-565
Interest paid	-32	-31	-59	-77	-112
Income tax paid	-1,013	-10,660	-19,159	-14,914	-16,501
Cash flow from operating activities	47,116	26,401	77,413	58,880	142,232
Cash flow from investing activities					
Purchase of PPE and intangible assets (netted)	-9,436	-7,462	-15,621	-18,412	-39,088
Interest received	1	1	2	4	5
Investments/proceeds/ from current investments				245	245
Cash provided from investing activities	-9,435	-7,461	-15,618	-18,163	-38,838
Cash flows from financing activities					
Proceeds/Repayment of long-and short-term debt		22		-32,013	-62,008
Repayment leasings	-455	-849	-884	-1,287	-2,784
Impact of exchange results on financing items	-3,266	316	-4,088	-1,612	-4,316
Dividend payment	-52,520	-36,360	-52,520	-36,360	-88,880
Sale own shares				30,634	30,634
Cash provided from financing activities	-56,240	-36,870	-57,492	-40,638	-127,355
CTA	30	-16	17	5	28
Increase/decrease in cash and cash equivalents	-18,530	-17,946	4,319	83	-23,933
Cash at beginning of the period	57,799	76,913	34,950	58,883	58,883
Cash at the end of the period	39,270	58,967	39,270	58,967	34,950

Sales per Geography

	Q2 2022	Q2 2021	HY 2022	HY 2021	FY 2021
APAC Asia Pacific	57%	55%	58%	54%	55%
EMEA Europe - Middle-East - Africa	32%	34%	31%	35%	34%
NALA North America - Latin America	11%	11%	11%	11%	11%
TOTAL	100%	100%	100%	100%	100%