

Press release - Regulated Information

Melexis Q2 2021 results – Second quarter sales of 159.1 million EUR

Intermediate declaration by the Board of Directors

leper, Belgium – July 28th, 2021, 07.00 hrs CET

CONFORM IFRS <i>in k EUR</i>	Q2 2021	Q2 2020	YOY growth (%)	Q1 2021	SEQ growth (%)
Sales	159,101	100,387	58%	155,634	2%
Gross result	67,072	38,808	73%	65,289	3%
<i>Gross Margin</i>	<i>42.2%</i>	<i>38.7%</i>		<i>42.0%</i>	
EBIT	36,401	10,104	260%	34,511	5%
<i>EBIT in %</i>	<i>22.9%</i>	<i>10.1%</i>		<i>22.2%</i>	
EBITDA	47,439	21,997	116%	46,528	2%
<i>EBITDA in %</i>	<i>29.8%</i>	<i>21.9%</i>		<i>29.9%</i>	
Net result	33,499	9,676	246%	27,765	21%
Net result per share (EPS)	0.83	0.24		0.69	
CAPEX	7,462	4,672		10,951	

Sales for the second quarter of 2021 were 159.1 million EUR, an increase of 58% compared to the same quarter of the previous year and an increase of 2% compared to the previous quarter.

The EUR/USD exchange rate evolution had a negative impact on sales of 4% compared to the same quarter of last year and no impact compared to the previous quarter.

The gross result was 67.1 million EUR or 42.2% of sales, an increase of 73% compared to the same quarter of last year and an increase of 3% compared to the previous quarter.

R&D expenses were 12.0% of sales, G&A was at 4.9% of sales and Selling was at 2.3% of sales. The operating result was 36.4 million EUR or 22.9% of sales, an increase of 260% compared to the same quarter of last year and an increase of 5% compared to the previous quarter.

The net result was 33.5 million EUR or 0.83 EUR per share, an increase of 246% compared to 9.7 million EUR or 0.24 EUR per share in the second quarter of 2020 and an increase of 21% compared to the previous quarter.

CONFORM IFRS	HY 2021	HY 2020	YOY growth (%)
<i>in k EUR</i>			
Sales	314,735	238,549	32%
Gross result	132,361	94,841	40%
<i>Gross Margin</i>	42.1%	39.8%	
EBIT	70,911	34,083	108%
<i>EBIT in %</i>	22.5%	14.3%	
EBITDA	93,967	58,109	62%
<i>EBITDA in %</i>	29.9%	24.4%	
Net result	61,265	30,382	102%
Net result per share (EPS)	1.52	0.75	
CAPEX	18,412	11,455	

Sales for the first half year of 2021 were 314.7 million EUR, an increase of 32% compared to the first half year of 2020.

The EUR/USD exchange rate evolution had a negative impact on sales of 4% compared to the first half year of 2020.

The gross result was 132.4 million EUR or 42.1% of sales, an increase of 40% compared to the same period last year. R&D expenses were 12.3% of sales, G&A was at 4.9% of sales and Selling was at 2.3% of sales.

The operating result was 70.9 million EUR or 22.5% of sales, an increase of 108% compared to 34.1 million EUR in the same half year of 2020.

The net result was 61.3 million EUR or 1.52 EUR per share, an increase of 102% compared to 30.4 million EUR or 0.75 EUR per share in the first half year of 2020.

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 19, 2021 (opening of the market). The record date is October 20, 2021 (closing of the market) and the dividend will be payable as from October 21, 2021.

Outlook

Melexis expects sales in the third quarter of 2021 in the range of 158-163 million euro.

For the full year 2021, Melexis expects a sales growth between 24% and 27%, a gross profit margin of around 42% and an operating margin of around 22% at the midpoint of the sales guidance, all taking into account a EUR/USD exchange rate of 1.18 for the remainder of the year.

Business comment – Françoise Chombar, CEO:

“With 159.1 million EUR in the second quarter, we posted record sales for the second time this year. Also for the second time, we are upping our sales guidance as order behavior and end market demand remain strong. Today still, we are not constrained by demand, but by supply. This being said, we are rising well to the challenge of allocating the available material fairly across our customer base and I’m grateful to our teams for their resilience.

In the first half of 2021, the outperforming product lines were embedded lighting, temperature sensors and the magnetic sensors product family.

Sales to automotive customers represented 88% of total sales, in the second quarter as well as in the first half of 2021. The portion of standard product (ASSPs) sales represented 71% of total sales, both in the second quarter and the first half of 2021.

Melexis ICs truly shape the future. Melexis is well placed to contribute to making this planet more sustainable and improving people’s lives. It is with pride and pleasure that I take up another role as chairwoman of the Board of Directors from August 1st, leaving the stage well prepared for my successor and his team.”

Business comment – Marc Biron, future CEO:

“Melexis is an exceptional company with a very steep growth path. I am eager to take up the role of CEO and to guide Melexis during the next chapter of the successful journey. We have a sound strategy that we will continue and develop further. We have engaged people which we will continue to nurture. We will develop new competencies and expertise to be able to respond to the new market needs. We have great products that are wanted all over the world and we will expand further our product portfolio thanks to our innovations and our innovative spirit.”

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 21, 2021 (ex coupon on October 19, 2021)
- Publication Q3 Results 2021: October 27, 2021 (at 7 hrs CET)
- Publication FY 2021 Results: February 2, 2022 (at 7 hrs CET)

The company’s results will be discussed in a conference call and an audiocast on **Wednesday, July 28th, 2021 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:

Investor Relations

Phone: +32 13 67 07 79

Email: investor@melexis.com

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 30/06/2021	Quarter ended 30/06/2020	Half Year ended 30/06/2021	Half Year ended 30/06/2020	Year ended 31/12/2020 audited
in k EUR					
Sales	159,101	100,387	314,735	238,549	507,517
Cost of sales	-92,029	-61,579	-182,374	-143,708	-309,529
Gross result	67,072	38,808	132,361	94,841	197,988
R&D	-19,104	-18,198	-38,816	-38,718	-77,691
G&A	-7,857	-7,166	-15,505	-14,981	-30,930
Selling	-3,709	-3,340	-7,129	-7,059	-13,834
Other operating result					
Operating result (EBIT)	36,401	10,104	70,911	34,083	75,534
Financial result	3,047	-46	909	-496	379
Result before taxes	39,447	10,058	71,820	33,588	75,913
Income taxes	-5,948	-381	-10,555	-3,205	-6,613
Net result	33,499	9,676	61,265	30,382	69,299
Net result per share in EUR	0.83	0.24	1.52	0.75	1.72

Consolidated Statement of Financial Position

CONFORM IFRS	Half Year ended 30/06/2021	Half Year ended 30/06/2020	Year ended 31/12/2020 audited
in k EUR			
Current Assets :			
Cash and cash equivalents	58,967	57,622	58,883
Current investments	3,169		245
A/R Trade	80,679	48,966	65,099
A/R from related parties	886	95	372
Advance related parties			
Assets for current tax	12,379	1,674	4,695
Assets held for sale			
Other current assets	11,105	13,707	10,637
Inventories	128,537	148,369	123,457
Total current assets	295,721	270,433	263,389
Non-current assets :			
Costs of incorporation			
Property, plant and equipment	129,550	134,987	129,949
Leased assets	4,159	4,048	2,731
Financial assets			
Intangible fixed assets	4,853	5,287	4,650
A/R directors			
Other non-current assets	3,649	3	4,203
Deferred tax assets	27,380	28,148	28,490
Total non current assets	169,592	172,473	170,023
Total assets	465,313	442,906	433,412

CONFORM IFRS in k EUR	Half Year ended 30/06/2021	Half Year ended 30/06/2020	Year ended 31/12/2020 audited
Liabilities and shareholders Equity			
Current liabilities :			
Bank loans and overdrafts			
Derivative financial instruments	94	84	
Current portion of LT debt			
Lease liabilities	892	942	1,633
A/P trade	23,070	17,137	18,328
Affiliated companies	15,342	10,101	15,759
Accrued taxes	828	1,561	473
Accrued expenses and payroll	13,329	11,723	11,882
Other current liabilities	4,110	4,466	3,433
Deferred income	2,688	2,355	2,799
Total current liabilities	60,353	48,369	54,307
Non current liabilities :			
LT debt less current portion	30,000	62,000	62,000
Lease liabilities	3,866	3,146	2,122
Deferred tax liabilities	211	403	207
Other non-current liabilities			
Total non current liabilities	34,077	65,549	64,329
Shareholders' equity :			
Shareholders' capital	565	565	565
Share premium			
Treasury shares		-3,818	-3,818
Revaluation reserve Hedge			
Revaluation reserve Fair value			
Legal reserve	57	57	57
Retained earnings	314,541	306,856	254,786
Current period's profit	61,265	30,382	69,299
Cumulative translation adjustment	-5,544	-5,054	-6,113
Equity attributable to company owners	370,883	328,988	314,776
Non controlling interests	0	0	0
Total shareholders equity	370,883	328,988	314,776
Total liabilities, shareholders' equity and minority interests	465,313	442,906	433,412

Consolidated Statements of Cash Flow

CONFORM IFRS (in k EUR)	Quarter ended 30/06/2021	Quarter ended 30/06/2020	Half Year ended 30/06/2021	Half Year ended 30/06/2020	Year ended 31/12/2020 audited
Cash flow from operating activities					
Net income	33,499	9,676	61,265	30,382	69,299
Adjustments for :					
Operating activities	20,206	9,795	38,905	24,682	47,625
Deferred taxes	980	-91	1,110	-499	-841
Capital grants	166	204	351	397	942
Depreciation and amortisation	10,606	11,416	22,193	23,070	44,453
Depreciation leased assets	432	477	863	956	1,918
Accrued income tax	11,180	-1,774	15,269	816	4,550
Unrealized financial result	-3,207		-1,338	-3	-2,213
Financial result	48	-437	456	-55	-1,184
Operating profit before working capital changes	53,705	19,472	100,169	55,064	116,925
A/R, Trade	-6,023	20,187	-15,570	9,321	-6,974
A/R, affiliates	-552	-33	-514	41	-237
Other current assets	-6,430	-911	-8,509	-4,236	-4,756
Other non current assets	552		554		-4,200
Inventories	-6,065	-20,027	-8,663	-22,940	-210
A/P	4,811	1,967	4,728	1,012	2,237
A/P affiliates	-2,009	-6,487	-417	-5,631	26
Accrued expenses	-2,130	-3,643	1,447	1,080	1,239
Other current liabilities	507	-192	661	110	-870
Other non current liabilities	727	503	-14	225	389
Interest paid	-31	-142	-77	-266	-482
Income tax paid	-10,660	732	-14,914	-2,506	-7,327
Cash flow from operating activities	26,401	11,424	58,880	31,274	95,761
Cash flow from investing activities					
Acquisition of subsidiary, net of cash acquired					
Financial fixed assets					
Purchase of PPE and intangible assets (netted)	-7,462	-4,672	-18,412	-11,455	-24,835
Interest received	1	19	4	50	56
Investments/proceeds/ from current investments		2	245	78	-167
Investments/proceeds/ from non current investments (incl. financial instruments)					
Cash provided from investing activities	-7,461	-4,651	-18,163	-11,327	-24,946
Cash flows from financing activities					
Payment to acquire own shares					
Proceeds/Repayment of long-and short-term debt	22	35	-32,013	14	94
Proceeds/Repayment of bank loans and overdrafts					
Repayment leaseings	-849	-479	-1,287	-954	-934
Proceeds from (repayment of) related party financing					
Impact of exchange results on financing items	316	218	-1,612	-131	2,272
Dividend payment	-36,360		-36,360		-52,070
Sale own shares			30,634		
Non controlling interests					
Cash provided from financing activities	-36,870	-226	-40,638	-1,071	-50,639
CTA	-16	25	5	-24	-65
Increase/decrease in cash and cash equivalents	-17,946	6,572	83	18,851	20,112
Cash at beginning of the period	76,913	51,051	58,883	38,772	38,772
Cash at the end of the period	58,967	57,622	58,967	57,622	58,883

Sales per Geography

	Q2 2021	Q2 2020	HY 2021	HY 2020	FY 2020
APAC Asia Pacific	55%	65%	54%	56%	55%
EMEA Europe - Middle-East - Africa	34%	27%	35%	33%	34%
NALA North America - Latin America	11%	8%	11%	11%	11%
TOTAL	100%	100%	100%	100%	100%