

## Press release:

### Melexis Q2 2014 results – Full year guidance raised again

#### Intermediate declaration by the Board of Directors.

Ieper, Belgium – July 30<sup>th</sup>, 2014, 07.00 hrs CET

Half-year sales were 157.6 million EUR, an increase of 22% compared to the first half year of 2013. Gross margin was 74.5 million EUR, an increase of 26% compared to the same period last year. The operating result was 41.0 million EUR, compared to 28.1 million EUR in the same half year of 2013, an increase of 46%. Net income was 40.1 million EUR, compared to 24.3 million EUR in the first half year of 2013, an increase of 65%.

Sales for the second quarter of 2014 were 82.1 million EUR, an increase of 22% compared to the same quarter of the previous year and an increase of 9% versus the previous quarter. The EUR/USD exchange rate evolution had a negative impact of 1% compared to the previous quarter and a negative impact of 3% compared to the same quarter of the previous year.

Gross margin was 39.3 million EUR, an increase of 26% compared to the same quarter of last year and an increase of 12% versus the previous quarter.

R&D expenses were at 13.3% of sales, G&A was at 4.8% and Selling was at 2.4% of sales. The operating result was 22.4 million EUR, compared to 15.3 million EUR in the same quarter of 2013 and 18.6 million EUR in the previous quarter.

Net income was 21.2 million EUR, 52 cent per share, up from 33 cent per share in the second quarter of 2013 and 47 cent in the previous quarter.

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#### Dividend

The Board of Directors decided to pay out an interim dividend of 1.00 EUR gross per share, an increase of 43% compared with last year. The Melexis shares will start trading ex coupon on October 20, 2014 (opening of the market). The record date is October 22, 2014 (closing of the market) and the dividend will be payable as from October 23, 2014.

#### Outlook

We expect in the third quarter of 2014 a low single digit sales growth versus the second quarter of 2014. For full year 2014, Melexis now expects sales growth to be between 17% and 20%, a gross profit margin above 47% and an operating margin above 25%, all taking into account a EUR/USD exchange rate of 1.35.

#### Business comment – Françoise Chombar, CEO:

"On the back of positive customer and market sentiment, Melexis achieved a 22% year-over-year sales growth, better than anticipated. Melexis equally benefited from a favorable product mix, which we expect to sustain for the remainder of the year. All this allows us to increase our sales guidance and profit margins again for full year 2014.

In the second quarter of 2014, in line with the first quarter, the main contributors for growth were magnetic sensors, sensor interfaces and, outside of the sensor space, motor control drivers. In addition we saw an above average performance for pressure sensors and tire pressure monitoring systems (TPMS).

Sales to automotive customers represented 87% of total sales. Year-over-year outside automotive sales growth accelerated from 7% in the first quarter to 13% in the second quarter.

The portion of ASSP sales in the second quarter of 2014 represented 56%, the same level as the first quarter of 2014".

*The statutory auditors BDO Bedrijfsrevisoren Burg. Ven. CVBA, have confirmed that their review procedures, which have been substantially completed, have not revealed material adjustments which would have to be made to the accounting information included in this press release.*

### **Financial Calendar**

- Publication Q3 2014 Results: October 22, 2014
- Publication FY 2014 Results: February 4, 2015

The company's results will be discussed in a **conference call** on Wednesday, July 30<sup>th</sup>, 2014 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:

<https://eventreg1.conferencing.com/webportal3/reg.html?Acc=184341&Conf=190865>

Conference ID: 946397

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 +32 2 290 17 05, access code: 946397.

For further information:

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### **About Melexis**

Melexis NV (Euronext Brussels: MELE) is a mixed signal semiconductor manufacturer. Melexis designs, develops, tests and markets advanced integrated semiconductor devices for the automotive industry. Our core experience supplying ICs for automotive electronics sustains the expansion into Application Specific Standard Products for industrial and consumer product applications. Melexis enthusiastically pursues its role as a component supplier whose innovations are the essential element in nearly every one of our customers' extraordinary systems. At Melexis we engineer the sustainable future. Melexis' products include sensor, communication, actuator ICs and Application Specific Integrated Circuits (ASICs). Further information about Melexis can be found at <http://www.melexis.com>.



**We Engineer  
The Sustainable Future**

Melexis Financial Press Release  
Regulated Information

## Consolidated Income Statement

| CONFORM IFRS<br>in k EUR           | Quarter ended<br>30/06/2014 | Quarter ended<br>30/06/2013 | Half Year ended<br>30/06/2014 | Half Year ended<br>30/06/2013 | Year ended<br>31/12/2013<br>audited |
|------------------------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|-------------------------------------|
| <b>Sales</b>                       | <b>82,076</b>               | <b>67,088</b>               | <b>157,629</b>                | <b>128,945</b>                | <b>275,352</b>                      |
| Cost of sales                      | -42,815                     | -35,989                     | -83,161                       | -69,674                       | -147,823                            |
| <b>Gross Margin</b>                | <b>39,262</b>               | <b>31,099</b>               | <b>74,467</b>                 | <b>59,272</b>                 | <b>127,529</b>                      |
| R&D                                | -10,913                     | -10,124                     | -21,641                       | -20,438                       | -41,373                             |
| G&A                                | -3,956                      | -3,795                      | -7,735                        | -7,281                        | -14,925                             |
| Selling                            | -1,991                      | -1,831                      | -4,082                        | -3,479                        | -7,518                              |
| <b>Operating result</b>            | <b>22,401</b>               | <b>15,349</b>               | <b>41,009</b>                 | <b>28,074</b>                 | <b>63,713</b>                       |
| Other operating result             | -43                         | -333                        | 1,459                         | -675                          | -495                                |
| <b>Income before taxes</b>         | <b>22,358</b>               | <b>15,016</b>               | <b>42,468</b>                 | <b>27,399</b>                 | <b>63,218</b>                       |
| Financial result                   | -1,168                      | -1,868                      | -2,374                        | -3,054                        | -8,004                              |
| Income taxes                       | 21,190                      | 13,148                      | 40,094                        | 24,345                        | 55,214                              |
| <b>Net income</b>                  | <b>0.52</b>                 | <b>0.33</b>                 | <b>0.99</b>                   | <b>0.60</b>                   | <b>1.37</b>                         |
| <b>Net income per share in EUR</b> | <b>0.52</b>                 | <b>0.33</b>                 | <b>0.99</b>                   | <b>0.60</b>                   | <b>1.37</b>                         |

## Consolidated Statement of Financial Position

| CONFORM IFRS<br>in k EUR        | Half Year ended<br>30/06/2014 | Half Year ended<br>30/06/2013 | Year ended<br>31/12/2013<br>audited |
|---------------------------------|-------------------------------|-------------------------------|-------------------------------------|
| <b>Current Assets :</b>         |                               |                               |                                     |
| Cash and cash equivalents       | 53,334                        | 16,426                        | 27,722                              |
| Current investments             |                               | 4,698                         | 3,827                               |
| A/R Trade                       | 43,847                        | 39,387                        | 39,466                              |
| A/R from related parties        | 6,968                         | 9,254                         | 1,637                               |
| Advance related parties         |                               |                               |                                     |
| Assets for current tax          | 983                           | 4,641                         | 4,803                               |
| Other current assets            | 5,889                         | 6,978                         | 6,466                               |
| Inventories                     | 50,268                        | 38,625                        | 44,265                              |
| <b>Total current assets</b>     | <b>161,288</b>                | <b>120,009</b>                | <b>128,187</b>                      |
| <b>Non current assets :</b>     |                               |                               |                                     |
| Costs of incorporation          |                               |                               |                                     |
| Property, plant and equipment   | 67,634                        | 65,540                        | 66,324                              |
| Financial assets                | 6                             | 30                            | 6                                   |
| Intangible fixed assets         | 4,964                         | 1,691                         | 4,727                               |
| A/R directors                   |                               |                               |                                     |
| Other non-current assets        | 1,476                         | 5,336                         | 1,477                               |
| Deferred tax assets             | 14,187                        | 14,233                        | 14,096                              |
| <b>Total non current assets</b> | <b>88,267</b>                 | <b>86,831</b>                 | <b>86,630</b>                       |
| <b>Total assets</b>             | <b>249,555</b>                | <b>206,840</b>                | <b>214,817</b>                      |

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| CONFORM IFRS<br>in k EUR  | Half Year ended<br>30/06/2014 | Half Year ended<br>30/06/2013 | Year ended<br>31/12/2013<br>audited |
|---|-------------------------------|-------------------------------|-------------------------------------|
| <b>Liabilities and shareholders Equity</b>                                |                               |                               |                                     |
| Current liabilities :   |                               |                               |                                     |
| Bank loans and overdrafts   |                               |                               |                                     |
| Derivative financial instruments  | 1,585                         | 869                           | 1,146                               |
| Current portion of LT debt  | 4,148                         | 4,147                         | 4,147                               |
| A/P trade   | 12,787                        | 11,523                        | 13,896                              |
| Affiliated companies  | 8,752                         | 6,160                         | 7,461                               |
| Accrued taxes   | 3,536                         | 2,758                         | 3,681                               |
| Accrued expenses and payroll  | 5,141                         | 5,020                         | 5,171                               |
| Other current liabilities   | 1,259                         | 1,120                         | 1,251                               |
| Deferred income   | 536                           | 749                           | 549                                 |
| <b>Total current liabilities</b>  | <b>37,743</b>                 | <b>32,346</b>                 | <b>37,302</b>                       |
| Non current liabilities :   |                               |                               |                                     |
| LT debt less current portion  | 14,084                        | 18,229                        | 18,177                              |
| Deferred tax liabilities  |                               |                               |                                     |
| Other non-current liabilities   | 1,745                         | 1,583                         | 1,700                               |
| <b>Total non current liabilities</b>                                      | <b>15,830</b>                 | <b>19,812</b>                 | <b>19,877</b>                       |
| Shareholders' equity :  |                               |                               |                                     |
| Shareholders' capital   | 565                           | 565                           | 565                                 |
| Share premium   |                               |                               |                                     |
| Treasury shares   | -3,818                        | -3,818                        | -3,818                              |
| Revaluation reserve Hedge   | -437                          | -240                          | -261                                |
| Revaluation reserve Fair value  |                               | 865                           | 1,304                               |
| Legal reserve   | 57                            | 57                            | 57                                  |
| Retained earnings   | 160,438                       | 133,262                       | 105,224                             |
| Current period's profit   | 40,094                        | 24,345                        | 55,214                              |
| Cumulative translation adjustment   | -927                          | -365                          | -657                                |
| <b>Equity attributable to company owners</b>                              | <b>195,971</b>                | <b>154,671</b>                | <b>157,628</b>                      |
| Non controlling interests   | 10                            | 10                            | 10                                  |
| <b>Total shareholders equity</b>  | <b>195,982</b>                | <b>154,682</b>                | <b>157,638</b>                      |
| <b>Total liabilities, shareholders' equity<br/>and minority interests</b> | <b>249,555</b>                | <b>206,840</b>                | <b>214,817</b>                      |

## Consolidated Statements of Cash Flow

| CONFORM IFRS<br>(in k EUR)  | Quarter ended<br>30/06/2014 | Half Year ended<br>30/06/2014 | Half Year ended<br>30/06/2013 | Year ended<br>31/12/2013<br>audited |
|---|-----------------------------|-------------------------------|-------------------------------|-------------------------------------|
| <b>Cash flow from operating activities</b>                                      |                             |                               |                               |                                     |
| Net income  | 21,190                      | 40,094                        | 24,345                        | 55,214                              |
| Adjustments for :   |                             |                               |                               |                                     |
| Operating activities  | <b>6,376</b>                | <b>9,082</b>                  | <b>8,474</b>                  | <b>17,103</b>                       |
| Deferred taxes  | -44                         | -91                           | 740                           | 709                                 |
| Capital grants  | 175                         | 305                           | 520                           | 1,161                               |
| Depreciation and amortisation   | 5,990                       | 10,389                        | 7,026                         | 15,509                              |
| Unrealized exchange results   | -185                        | -143                          | -297                          | -226                                |
| Financial result  | 441                         | -1,379                        | 485                           | -51                                 |
| <b>Operating profit before working capital changes</b>                          | <b>27,566</b>               | <b>49,176</b>                 | <b>32,819</b>                 | <b>72,316</b>                       |
| A/R, Trade  | -4,273                      | -5,408                        | -4,080                        | -4,847                              |
| A/R, affiliates   | 3,507                       | -5,331                        | -8,618                        | -1,000                              |
| Other current assets  | 5,075                       | 3,917                         | 2,646                         | 2,604                               |
| Other non current assets  | -5                          | -6                            | 213                           | 4,074                               |
| Inventories   | -3,400                      | -7,916                        | -1,112                        | -7,544                              |
| A/P   | 2,032                       | -1,122                        | -1,273                        | 1,575                               |
| A/P affiliates  | -3,508                      | 1,291                         | 1,950                         | 2,781                               |
| Accrued expenses  | -545                        | 1,903                         | 1,811                         | 5,370                               |
| Other current liabilities   | -1,594                      | 35                            | -250                          | 74                                  |
| Other non current liabilities   | 179                         | 472                           | -66                           | 286                                 |
| Interest paid   | -75                         | -213                          | -323                          | -519                                |
| Income tax  | -1,181                      | -2,079                        | -1,860                        | -4,347                              |
| <b>Cash flow from operating activities</b>                                      | <b>23,776</b>               | <b>34,718</b>                 | <b>21,858</b>                 | <b>70,825</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)                                  | -5,006                      | -9,194                        | -11,522                       | -22,532                             |
| Interest received   | 17                          | 26                            | 148                           | 690                                 |
| Investments/proceeds/ from current investments<br>(incl. financial instruments) | 0                           | 4,324                         | -770                          | 125                                 |
| <b>Cash provided from investing activities</b>                                  | <b>-4,989</b>               | <b>-4,845</b>                 | <b>-12,143</b>                | <b>-21,717</b>                      |
| <b>Cash flows from financing activities</b>                                     |                             |                               |                               |                                     |
| Payment to acquire own shares   |                             |                               |                               |                                     |
| Proceeds/Repayment of long-and short-term debt                                  |                             |                               |                               |                                     |
| Proceeds/Repayment of bank loans and overdrafts                                 |                             |                               |                               |                                     |
| Proceeds from (repayment of) related party financing                            |                             |                               |                               |                                     |
| Dividend payment  | -32                         | -4,094                        | -14,599                       | -14,648                             |
| Capital Decrease  |                             |                               |                               |                                     |
| Non controlling interests   |                             |                               |                               | -28,038                             |
| <b>Cash provided from financing activities</b>                                  | <b>-32</b>                  | <b>-4,094</b>                 | <b>-14,599</b>                | <b>-42,686</b>                      |
| CTA   | -168                        | -168                          | -6                            | -16                                 |
| Increase/decrease in cash and cash equivalents                                  | 18,587                      | 25,612                        | -4,891                        | 6,405                               |
| <b>Cash at beginning of the period</b>  | <b>34,747</b>               | <b>27,722</b>                 | <b>21,317</b>                 | <b>21,317</b>                       |
| <b>Cash at the end of the period</b>  | <b>53,334</b>               | <b>53,334</b>                 | <b>16,426</b>                 | <b>27,722</b>                       |

## Sales per Geography

|                                       | Q2/14       | Q2/13       | Q1/14       | HY 2014     | HY 2013     |
|---------------------------------------|-------------|-------------|-------------|-------------|-------------|
| APAC<br>Asia Pacific                  | 43%         | 38%         | 40%         | 42%         | 39%         |
| EMEA<br>Europe - Middle-East - Africa | 41%         | 45%         | 44%         | 42%         | 44%         |
| NALA<br>North America - Latin America | 16%         | 17%         | 16%         | 16%         | 17%         |
| <b>TOTAL</b>                          | <b>100%</b> | <b>100%</b> | <b>100%</b> | <b>100%</b> | <b>100%</b> |

## 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.