

MERSEN Q3 2019: STRONG PERFORMANCE IN THE CURRENT MACRO-ECONOMIC ENVIRONMENT

- SALES UP 5% FOR THE THIRD QUARTER AND UP 2.5% LIKE FOR LIKE
- SALES UP 10% FOR THE FIRST NINE MONTHS OF THE YEAR AND UP 5% LIKE FOR LIKE
- FULL-YEAR FORECASTS REAFFIRMED:
 - ANNUAL LIKE-FOR-LIKE SALES GROWTH OF BETWEEN 4% AND 5%
 - OPERATING MARGIN BEFORE NON-RECURRING ITEMS OF BETWEEN 10.5% AND 10.7%

PARIS, OCTOBER 29, 2019 – Mersen (Euronext FR0000039620 – MRN), a global expert in electrical power and advanced materials, has reported consolidated sales of €718 million for the first nine months of 2019.

Luc Themelin, Mersen’s Chief Executive Officer, said: *“Mersen had a strong third quarter in 2019 amidst a turbulent macro-economic backdrop and despite a slower growth in sales. Our transformation over the last few years has seen us gain momentum on buoyant markets and means we are more resilient to economic cycles. With this in mind, the Group is reaffirming its growth forecasts for both its sales and operating margin for full-year 2019.”*

THIRD-QUARTER 2019 SALES UP 5%

Mersen generated consolidated sales of €234 million in the third quarter of 2019, representing like-for-like growth of 2.5%. Boosted by a slightly favorable currency effect, sales grew by more than 5% as reported.

In millions of euros	Q3 2019	Q3 2018	Like-for-like growth	Scope effect	Currency effect	Reported growth
<i>Advanced Materials</i>	134.0	124.0	5.3%	0.8%	1.8%	8.0%
<i>Electrical Power</i>	100.4	98.9	-1.0%	0.0%	2.5%	1.5%
Europe	77.6	73.4	5.5%	0.0%	0.2%	5.7%
Asia-Pacific	65.1	64.2	-1.8%	1.6%	1.7%	1.3%
North America	83.0	75.5	5.2%	0.0%	4.5%	9.9%
Rest of the World	8.6	9.8	-13.0%	0.0%	1.9%	-11.4%
Group	234.3	222.9	2.5%	0.4%	2.1%	5.1%

Advanced Materials sales totaled €134 million in third-quarter 2019, representing like-for-like growth of more than 5% over the period. This growth was underpinned by the electronics, aeronautics and process

industries markets. Deliveries in the chemicals market were comparable with last year, following a high level of invoicing in the first six months linked to the phasing of projects.

Electrical Power sales came to over €100 million for the quarter, down 1% at constant scope and exchange rates. The process industries performed well during the quarter, but not enough to fully offset the slowdown in the electrical distribution market and lower deliveries for the railway market.

In **Europe**, the Group performed very well, reporting growth of over 5%. Robust growth was reported in the Nordic countries, Italy and Spain, driven by the high level of invoicing in the chemicals market. In **Asia**, the Group recorded slightly lower sales, essentially due to the lower level of invoicing in the chemicals market in China. Excluding this factor, growth came to over 5%, powered by the renewable energies and electronics markets. In **North America**, the Group recorded significant growth of over 5%, as the renewable energies and electronics markets grew and electrical distribution declined. Lastly, the slowdown in **Rest of the World** sales is tied to an unfavorable basis of comparison.

NINE-MONTH 2019 SALES UP 10%

Mersen's consolidated sales for the first nine months of 2019 totaled €718 million, representing like-for-like growth of over 5% year on year. Including the positive impact of exchange rates for approximately €14 million and the effect of the first-time consolidation of Idealec and FTCap, growth amounted to almost 10%.

In millions of euros	9m 2019	9m 2018	Like-for-like growth	Scope effect	Currency effect	Reported growth
<i>Advanced Materials</i>	412.1	364.2	10.4%	0.8%	1.8%	13.2%
<i>Electrical Power</i>	305.9	289.0	-1.4%	4.6%	2.7%	5.8%
Europe	244.5	220.3	5.7%	5.6%	-0.3%	11.0%
Asia-Pacific	195.4	188.9	0.4%	1.4%	1.6%	3.5%
North America	249.8	217.4	8.4%	0.4%	5.7%	14.9%
Rest of the World	28.3	26.6	7.1%	0.4%	-1.1%	6.3%
Group	718.0	653.2	5.2%	2.5%	2.2%	9.9%

OUTLOOK FOR 2019 REAFFIRMED

Mersen's different forecasts for its markets at the beginning of the year are taking concrete shape:

- The solar market should pick up in the second half of the year compared with the first six months.
- Growth in the electronics market should be driven by SiC semiconductors, whereas the silicon semiconductor segment is expected to decline.

- Chemicals market growth is likely to be moderate for the year as a whole, reflecting a lower level of sales in the second half following a very high level of invoicing in the first six months linked to the phasing of projects.
- Process industries should follow the same trends as the world's major economies.

Mersen Group is reaffirming its targets announced in July of like-for-like sales growth of between 4% and 5% in 2019 for an operating margin before non-recurring items of between 10.5% and 10.7% (before the impact of applying IFRS 16).

GLOSSARY

Like-for-like growth: determined by comparing sales for the year with sales for the previous year, restated at the current year's exchange rate, excluding acquisitions and/or disposals and the impact of IFRS15.

Scope effect: contribution from companies acquired in the year in relation to sales for the year.

- Idealec, a recognized designer and manufacturer of laminated bus bars, has been consolidated since April 1, 2018.
- The acquisition of FTCap, a Germany-based company specializing in the development and production of capacitors, was finalized in July 2018. It has been consolidated since July 1, 2018.
- Louisville Graphite Inc. (LGI), a company based in the United States which provides aftermarket and repair services, was acquired in July 2018. It has been consolidated since July 1, 2018.
- The Mersen Galaxy joint venture in China has been consolidated since November 1, 2018.

Currency effect: calculated by comparing sales for the previous year at the exchange rate of the previous year with sales for the previous year at the exchange rate of the current year.

FINANCIAL CALENDAR

Fourth-quarter and full-year 2019 sales: January 30, 2020, after close of trading.

ABOUT MERSEN

A global expert in electrical power and advanced materials, Mersen designs innovative solutions to address its clients' specific needs to enable them to optimize their manufacturing performance in sectors such as energy, electronics, transportation, chemicals & pharmaceuticals and process industries.

Mersen, with its 6,900 employees working across 35 countries, recorded sales of €878 million in 2018.

MERSEN IS LISTED ON Euronext Paris – COMPARTMENT B

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