
MERSEN: RECORD THIRD-QUARTER 2022, WITH ORGANIC GROWTH OF 19% FULL-YEAR GUIDANCE RAISED SIGNIFICANTLY

- Sales of €297 million in third-quarter 2022, with strong growth in both segments and in all geographies;
- Very robust growth in renewable energies and semiconductors;
- Nine-month 2022 sales up 14% on an organic basis and 20% as reported to €821 million;
- Full-year guidance raised:
 - Organic growth of around 13%
 - Operating margin before non-recurring items of around 10.8% of sales
 - EBITDA margin growth of around 50 basis points
 - Capital expenditure of around €90 million

PARIS, OCTOBER 26, 2022 – Mersen (Euronext FR0000039620 – MRN), a global expert in electrical power and advanced materials, has reported consolidated sales of €821 million for the first nine months of 2022.

Luc Themelin, Mersen’s Chief Executive Officer, said: *“Thanks to its positioning in the renewable energy and semiconductor markets, Mersen once again recorded excellent performances in all geographies and in both of its segments. The Group has sharply accelerated its growth in the last three months and achieved record quarterly sales of €297 million. Process industries remained dynamic, in line with the trend observed in the first part of the year. Demand continues to be strong, generating a healthy order backlog that allows us to anticipate an even better year than expected in terms of sales and profitability, demonstrating our ability to meet demand and pass on cost increases so far in an inflationary environment.”*

THIRD-QUARTER 2022 SALES

Mersen reported consolidated sales of €297 million for the third quarter of 2022, up 19.2% at constant scope and exchange rates. Taking into account a positive currency effect of €16 million, growth amounted to 27.6%.

| In millions of euros | Q3 2022 | Q3 2021 | Organic growth | Scope effect | Currency effect | Reported growth |
|----------------------|--------------|--------------|----------------|--------------|-----------------|-----------------|
| Advanced Materials | 167.7 | 127.3 | 23.2% | | 6.9% | 31.7% |
| Electrical Power | 129.4 | 105.5 | 14.3% | | 7.3% | 22.7% |
| Europe | 86.7 | 77.9 | 12.5% | | -1.0% | 11.3% |
| Asia-Pacific | 89.2 | 70.1 | 19.0% | | 7.0% | 27.4% |
| North America | 110.4 | 77.8 | 23.1% | | 15.3% | 41.9% |
| Rest of the World | 10.7 | 7.0 | 43.3% | | 6.9% | 53.2% |
| Group | 297.0 | 232.7 | 19.2% | | 7.1% | 27.6% |

PERFORMANCE BY SEGMENT

Advanced Materials sales totaled €168 million, representing organic growth of more than 23% over the period. The solar market was particularly dynamic, as were semiconductors. The aeronautics market continued the improvement seen since the beginning of the year, although it remained well below its 2019 level. Lastly, process industries delivered further growth after two exceptionally strong quarters.

Electrical Power sales came to €129 million for the third quarter, representing organic year-on-year growth of more than 14%. Electrical distribution in the United States was once again highly dynamic. Growth was also solid in green transportation - electric vehicles and rail.

PERFORMANCE BY REGION

Europe recorded strong growth in all countries and in both segments, thanks to the semiconductor and renewable energy markets. France delivered a particularly dynamic performance, driven by the recovery in the aeronautics industry.

In **Asia**, growth was robust in all countries thanks in particular to good momentum in the solar and semiconductor markets. Growth in China also benefited from a catch-up in deliveries following lockdowns in the second quarter.

In **North America**, momentum was very brisk in both segments and in a large number of markets, including renewable energies and storage, semiconductors, aeronautics and process industries.

Lastly, in the rest of the world, growth was driven by the delivery of chemicals projects, particularly in South Africa.

NINE-MONTH 2022 SALES

Mersen's consolidated sales for the first nine months of 2022 totaled €821 million, up by almost 14% on an organic basis versus the same period in 2021, around 4% of which was attributable to price increases.

Including the favorable currency effect due primarily to the appreciation of the US dollar and the Chinese renminbi, sales grew by over 20%.

| In millions of euros | 9m 2022 | 9m 2021 | Organic growth | Scope effect | Currency effect | Reported growth |
|----------------------|--------------|--------------|----------------|--------------|-----------------|-----------------|
| Advanced Materials | 460.0 | 375.6 | 16.2% | | 5.4% | 22.5% |
| Electrical Power | 361.3 | 308.0 | 11.0% | | 5.7% | 17.3% |
| Europe | 265.0 | 240.4 | 11.3% | | -1.0% | 10.2% |
| Asia-Pacific | 238.6 | 201.6 | 11.2% | | 6.4% | 18.3% |
| North America | 288.9 | 218.5 | 18.5% | | 11.6% | 32.2% |
| Rest of the World | 28.8 | 23.1 | 15.8% | | 7.6% | 24.5% |
| Group | 821.3 | 683.6 | 13.9% | | 5.5% | 20.1% |

EARLY REFINANCING OF THE SYNDICATED LOAN AT FAVORABLE RATES

Mersen decided to refinance its €200 million syndicated loan ahead of its July 2024 maturity. At the same time, the Group chose to increase the amount of available financing (from €200 million to €320 million) against a backdrop of business growth.

The new multi-currency syndicated loan has an initial maturity of 5 years (falling due in 2027) and includes options to extend the maturity to 2029 subject to the banks' approval. It was taken out with a group of French and international banks and – in a first for Mersen – margins are tied to ESG indicators.

This transaction has enabled the Group to maintain competitive financing conditions and to extend the average maturity of its approved financing to nearly 5.5 years.

OUTLOOK FOR 2022

Buoyed by a good third-quarter performance, high order intake and the ability to mitigate the impact of inflation on margin, the Group now expects for full-year 2022:

- organic growth of around 13% (versus between 8% and 10% previously);
- operating margin before non-recurring items of around 10.8% of sales (versus around 10.5% previously);
- EBITDA margin growth of around 50 basis points (unchanged);
- capital expenditure of around €90 million (versus between €85 million and €90 million previously).

GLOSSARY

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.

Organic 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.

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

FINANCIAL CALENDAR

2022 sales: January 26, 2023, after the markets close

ABOUT MERSEN

Mersen is a **global expert in electrical specialties and advanced materials** for high-tech industries. With more than 50 industrial sites and 18 R&D centers in 35 countries around the world, Mersen develops **custom-built solutions** and delivers key products for clients in order to meet the new technological challenges shaping tomorrow's world. **For over 130 years, Mersen's teams has focused tirelessly on innovation** to accompany its clients and meet their needs. Be it in solar power, electronics, electric vehicles, aerospace or other sectors, wherever technology is progressing, you will always find a bit of Mersen. We work to constantly contribute to progress, striving daily to improve people's lives and protect the planet. This corporate commitment has been recognized by external rating agencies, Ecovadis (Gold Medal) and MSCI (AA rating).

The "Mersen IR" app, which is specially designed for investors, is available for both iOS and Android devices and can be downloaded from Apple's App Store or Google Play on your smartphone or tablet.

You can also scan the QR code below:



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