

MERSEN DELIVERS A RECORD YEAR IN 2022, WITH SALES WELL ABOVE THE €1 BILLION MARK

- Sales of €1,115 million in 2022, exceeding expectations, with strong growth in both segments and in all geographies
- Very strong organic growth over the year in renewable energies and semiconductors, respectively of +30% and +24%
- Organic growth of 19.2% in the fourth quarter and 15.2% for full-year 2022
- Full-year 2022 target for operating margin before non-recurring items: around 10.9% of sales (vs. guidance of around 10.8%)

PARIS, JANUARY 26, 2023 – Mersen (Euronext FR0000039620 – MRN), a global expert in electrical power and advanced materials, has reported consolidated sales of €1,115 million for full-year 2022.

Luc Themelin, Mersen's Chief Executive Officer, said: *"In 2022, Mersen's sales rose above the symbolic €1 billion mark for the first time in our history, thanks to very strong growth momentum in our two segments and in all our geographies. Full-year sales increased by more than 15% on an organic basis, driven by the Group's positioning in buoyant renewable energy markets – where sales surpassed €150 million – and in semiconductors, with sales above €110 million. Process industries also remained dynamic, in line with the strong trend observed from the start of the year.*

For 2022 as a whole, we expect operating margin before non-recurring items to come in at around 10.9%, slightly higher than our initial guidance. I'd like to take this opportunity to thank all of our teams for their unwavering commitment throughout the year and their contribution to these excellent results.

We're entering 2023 with confidence, thanks to the good health of our buoyant markets and excellent order intake, while remaining attentive to the geopolitical environment and persistent inflationary trends. We'll continue to strengthen our presence in the electric vehicle market, particularly after our new contract win with ACC. And we plan to make further, larger investments in silicon carbide semiconductors to support fast-growing demand."

FOURTH-QUARTER 2022 SALES

Mersen reported consolidated sales of €294 million for the fourth quarter of 2022, up more than 19% at constant scope and exchange rates. Taking into account a positive currency effect of close to €7 million, growth amounted to 22.7%.

In millions of euros	Q4 2022	Q4 2021	Organic growth	Scope effect	Currency effect	Reported growth
Advanced Materials	161.8	131.8	19.9%		2.4%	22.8%
Electrical Power	131.8	107.4	18.4%		3.6%	22.7%
Europe	91.4	76.8	22.2%		-2.6%	19.0%
Asia-Pacific	81.6	74.6	9.5%		0.0%	9.4%
North America	110.3	79.8	24.8%		10.8%	38.3%
Rest of the World	10.2	8.0	21.1%		5.2%	27.4%
Group	293.6	239.2	19.2%		2.9%	22.7%

Unaudited figures

PERFORMANCE BY SEGMENT

Advanced Materials sales totaled €162 million, representing organic growth of close to 20% for the period. The solar market was particularly dynamic, generating Group sales of over €100 million in the year. Growth was also significant in semiconductors, with a sharp acceleration in SiC. Process industries, meanwhile, maintained their positive momentum.

Electrical Power sales came to €132 million for the fourth quarter, representing organic year-on-year growth of more than 18%. Electrical distribution in Europe and the United States remained highly dynamic, while the electrical equipment market in China declined. Growth was also very robust for electric vehicles, as expected.

PERFORMANCE BY REGION

Europe recorded strong growth in most countries and in both segments, thanks to the semiconductor and renewable energy markets, notably wind power. The region as a whole benefited from higher prices. France delivered a particularly dynamic performance, driven by aeronautics and chemicals.

In **Asia**, growth was supported by the renewable energy and semiconductor markets. Very strong growth in the Chinese solar market offset lower business volumes in chemicals, rail and electrical equipment.

In **North America**, momentum was very brisk in both segments and in a large number of markets, including renewable energies, green transportation and semiconductors. Electrical distribution also recorded solid growth, fueled by higher prices.

Lastly, growth in the rest of the world was mainly driven by an outstanding performance in Brazil, particularly in the chemicals market.

FULL-YEAR 2022 SALES

Mersen reported consolidated sales of €1,115 million for full-year 2022, up more than 15% on an organic basis versus 2021. Approximately 5 % of this growth 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 close to 21%.

In millions of euros	FY 2022	FY 2021	Organic growth	Scope effect	Currency effect	Reported growth
Advanced Materials	621.8	507.4	17.1%		4.6%	22.5%
Electrical Power	493.1	415.4	12.9%		5.1%	18.7%
Europe	356.5	317.3	13.9%		-1.4%	12.4%
Asia-Pacific	320.2	276.2	10.8%		4.7%	15.9%
North America	399.2	298.3	20.2%		11.4%	33.8%
Rest of the World	39.0	31.1	17.1%		7.0%	25.3%
Group	1,114.8	922.8	15.2%		4.8%	20.8%

Unaudited figures

2022 GUIDANCE

Based on 2022 sales, the Group now expects full-year operating margin before non-recurring items to reach around 10.9% (versus around 10.8% previously). Current EBITDA margin is expected to grow by around 60 basis points compared with 2021 (50 basis points previously). Net capital expenditure is expected to be around €90 million, as previously indicated.

GLOSSARY

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.

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.

Current EBITDA: current operating result + depreciation and amortization

Net capital expenditure: capital expenditure net of asset disposals and other cash flows items

FINANCIAL CALENDAR

2022 full-year results: March 15, 2023

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 have 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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