

MERSEN: RECORD NINE-MONTH SALES WITH ORGANIC GROWTH OF 15%, SOLID 9% GROWTH IN THE THIRD QUARTER

- Sales of €910 million in the first nine months of 2023, with organic growth in both segments and across all geographies
- Organic sales up 9% in the third quarter, on a high comparable base
- Highly dynamic SiC semiconductor and electric vehicle markets
- Confirmation of full-year guidance and range narrowed on forecasts for organic sales growth and capital expenditure

PARIS, OCTOBER 25, 2023 – Mersen (Euronext FR0000039620 – MRN), a global expert in electrical power and advanced materials, today reported consolidated sales of €910 million for the first nine months of 2023, representing organic growth of 15%.

Luc Themelin, Mersen’s Chief Executive Officer, said: *“After an excellent first half in terms of both sales and earnings, Mersen maintained its growth momentum in the third quarter on a very high comparable base, posting record sales of €910 million for the first nine months of the year. The main drivers of this dynamic were North America and Europe, particularly in the semiconductor market. Our excellent performance in the first nine months makes us confident as we enter the end of the year, enabling us to confirm the previously announced full-year guidance and to narrow the range on organic sales growth and capital expenditure.”*

NINE-MONTH 2023 SALES

Mersen's consolidated sales for the first nine months of 2023 totaled €910 million, up by almost 15% on an organic basis versus the same period in 2022. Around 5% of this growth was attributable to price increases.

The unfavorable currency effect was mainly due to the depreciation of the Chinese renminbi and the US dollar. The scope effect corresponds to the disposal of a German tantalum anti-corrosion equipment business last August.

In millions of euros	9M 2023	9M 2022	Organic growth	Scope effect	Currency effect	Reported growth
Advanced Materials	500.8	460.0	13.5%	-0.2%	-3.9%	8.9%
Electrical Power	409.0	361.3	16.5%		-2.9%	13.2%
Europe	299.1	265.0	15.2%	-0.3%	-1.7%	12.8%
Asia-Pacific	228.9	238.6	2.8%		-6.7%	-4.1%
North America	352.6	288.9	24.8%		-2.2%	22.0%
Rest of the World	29.2	28.8	6.5%	0.0%	-4.6%	1.5%
Group	909.8	821.3	14.9%	-0.1%	-3.4%	10.8%

THIRD-QUARTER 2023 SALES

Mersen reported consolidated sales of €302 million for the third quarter of 2023, representing organic growth of 8.6%.

The most significant exchange rate fluctuations during the period concerned the depreciation of the Chinese renminbi and the US dollar.

In millions of euros	Q3 2023	Q3 2022	Organic growth	Scope effect	Currency effect	Reported growth
Advanced Materials	166.4	167.7	6.7%	-0.6%	-6.4%	-0.7%
Electrical Power	135.7	129.4	11.0%		-5.5%	4.9%
Europe	95.8	86.7	13.4%	-1.1%	-1.5%	10.5%
Asia-Pacific	78.1	89.2	-2.8%		-9.9%	-12.4%
North America	118.4	110.4	14.6%		-6.5%	7.2%
Rest of the World	9.8	10.7	-2.6%	-0.1%	-5.7%	-8.3%
Group	302.1	297.0	8.6%	-0.3%	-6.0%	1.7%

PERFORMANCE BY SEGMENT

Advanced Materials sales totaled €166 million in third-quarter 2023, an organic increase of 6.7% versus the prior-year period. Growth was especially robust in the semiconductor market and in process industries. As expected, sales in the renewable energy market contracted slightly from a very high comparable base. Finally, deliveries for the chemicals market were lower this quarter.

Electrical Power sales amounted to €136 million, representing organic growth of 11% versus the same period in 2022. Electric vehicle sales rose steadily, mainly in Europe. Electrical distribution in the United States remained dynamic. On the other hand, the number of power electronics projects in Asia declined.

PERFORMANCE BY REGION

Europe recorded robust growth in both segments, thanks to the semiconductor, rail and chemicals markets. Sales remain robust in France and Germany.

In **Asia**, Group sales were down slightly year on year, mainly due to fewer projects in China and in Japan, both in the rail and energy markets.

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

Lastly, in the rest of the world, business was impacted by the non-recurrence of major deliveries of chemicals projects in third-quarter 2022 in South Africa and Morocco.

ONE-YEAR EXTENSION OF THE SYNDICATED LOAN

As part of the rollout of its 2027 roadmap, Mersen exercised the first option to extend the maturity of its €320 million syndicated loan to 2028. As a result, the average maturity of the Group's committed credit facilities is around 4.5 years.

OUTLOOK FOR 2023

The Group confirms its objectives for full-year 2023 announced on July 27, 2023, and is narrowing the range on its forecasts for organic growth and capital expenditure. The objectives are now:

- organic growth of between 11% and 12% (between 10% and 12% previously);
- operating margin before non-recurring items of between 11% and 11.2% of sales;
- capital expenditure of between €175 million and €200 million (between €150 million and €200 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: Calculated by comparing sales for the year with sales for the previous year, restated at the current year's exchange rate, excluding the impact of acquisitions and disposals.

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

The sales conference call will be held on October 25, 2023 at 18:00 CET. [Link](#)

FINANCIAL CALENDAR

Full-year 2023 sales: January 25, 2024, after the markets close

ABOUT MERSEN

Mersen is a **global expert in electrical power 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).

MERSEN IS LISTED ON Euronext Paris – COMPARTMENT B

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