

## NINE-MONTH 2016 SALES IN LINE WITH THE GUIDANCE

- OUTLOOK FOR 2016 REITERATED
- NINE-MONTH SALES STABLE COMPARED WITH 2015
- SMALL ORGANIC CONTRACTION IN THIRD-QUARTER SALES
- ROLL-OUT OF THE OPERATIONAL EXCELLENCE PLAN STEPPED UP

**PARIS, OCTOBER 26, 2016** - Mersen (Euronext FR0000039620 – MRN), a global expert in electrical power and advanced materials, is announcing nine-month 2016 consolidated sales of €578 million.

Luc Themelin, Mersen’s Chief Executive Officer, commented: *“Third-quarter sales trends mirrored those anticipated over the year as a whole. We achieved brisk momentum in Europe and Asia, but our performance in North America was hurt by unfavorable conditions. Meanwhile, we stepped up the roll-out of our operational excellence plan in September, and this will help to make us more competitive in what remains a patchy environment. I am confident in the ability of all our teams to carry out our current projects successfully and maximize and seize the full potential of our markets which will bolster the Group’s strength.”*

## NINE-MONTH 2016 SALES

Mersen’s restated nine-month 2016 consolidated sales totaled €578 million, in line with the organic growth trend of the previous year (-0.2%). Including the negative impact of exchange rates and the effect of the first-time consolidation of ASP, the decline was 0.9%. Sales from the brazing technologies business sold at the beginning of 2016 and non-Group sales recorded by the high-power switches business currently being sold were recognized under operations held for sale.

	Nine-months 2016	Nine-months 2015 restated <sup>(2)</sup>	total growth	organic growth <sup>(1)</sup>
Advanced Materials	313.5	320.1	-2.1%	0.2%
Electrical Power	264.6	263.2	0.5%	-0.6%
<b>Group total</b>	<b>578.1</b>	<b>583.3</b>	<b>-0.9%</b>	<b>-0.2%</b>
Europe	199.9	198.6	0.7%	1.7%
Asia-Pacific	141.1	131.9	7.0%	5.2%
North America	208.4	223.3	-6.7%	-5.7%
Rest of the world	28.7	29.5	-2.9%	6.0%
<b>Group total</b>	<b>578.1</b>	<b>583.3</b>	<b>-0.9%</b>	<b>-0.2%</b>

(1) On a like-for-like basis

(2) Operations held for sale

### THIRD-QUARTER 2016 SALES

Mersen posted third-quarter 2016 consolidated sales of €189 million, representing a small organic contraction of 0.9%.

	Q3 2016	Q3 2015 restated <sup>(2)</sup>	total growth	organic growth <sup>(1)</sup>
Advanced Materials	103.0	102.8	0.1%	1.4%
Electrical Power	86.2	87.5	-1.5%	-3.5%
<b>Group total</b>	<b>189.2</b>	<b>190.3</b>	<b>-0.6%</b>	<b>-0.9%</b>
Europe	64.4	62.6	2.8%	4.5%
Asia-Pacific	48.9	44.6	9.6%	5.6%
North America	67.5	73.3	-8.0%	-7.4%
Rest of the world	8.4	9.8	-13.9%	-15.7%
<b>Group total</b>	<b>189.2</b>	<b>190.3</b>	<b>-0.6%</b>	<b>-0.9%</b>

(1) On a like-for-like basis

(2) Operations held for sale

**Advanced Materials** sales totaled €103 million, representing organic growth of 1.4% over the period. Growth in renewable energies and a favorable seasonal cycle in chemicals contributed to this trend. Conversely, electronics sales contracted during the quarter.

**Electrical Power** sales came to €86 million over the quarter, down 3.5% on a like-for-like basis. The segment got a lift from the very substantial growth in electric vehicles, but process industry and electrical distribution sales declined.

An analysis by geographical region shows that second-quarter trends continued into the third. Healthy organic growth of 4.5% was achieved in **Europe** on the back of firm revenue performance in Germany and a satisfactory activity in France. Organic growth in **Asia** remained brisk, running at 5.6%. Performance in China was very strong, with double-digit organic growth powered by the electronics, transportation and renewable energies markets. India and Japan also posted a significant rate of growth. Performance in **North America** was dragged down by a weak industrial environment, which was even more acute in the oil and electrical distribution sectors.

### OUTLOOK FOR 2016

Mersen is reiterating the guidance for 2016 it provided on March 9 when full-year 2015 results were presented. More specifically, it forecast full-year sales of the same order of magnitude as in 2015 on a like-for-like basis and an operating margin before non-recurring items of around 7.5% of sales.

In addition, the Group continues to roll out its operational excellence plan, which will make its industrial processes and its cost base even leaner.

All in all, the plan will reduce Mersen's cost base by €40-45 million by 2018, with part of those savings already factored into the 2016 guidance set at the beginning of the year. The overall cost, including

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employee-related expenses, is estimated at €35 million (€30 million net of tax). These largely cash costs will be recognized under non-recurring charges in the Group's 2016 financial statements.

**NEXT REPORTING DATES**

2016 sales: January 26, 2017 after the market close

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**ABOUT MERSEN**

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 6,100 employees working across 35 countries, recorded sales of 772 million euros in 2015.

**THE GROUP IS LISTED ON EURONEXT PARIS – COMPARTMENT B**

**CONTACT**

Véronique Boca  
*VP, Communication*

Mersen

Tel: + 33 (0)1 46 91 54 40

Email: [dri@mersen.com](mailto:dri@mersen.com)

**PRESS CONTACT**

Stanislas Mulliez / Guillaume Granier

FTI Consulting Strategic Communications

Tel: +33 (0)1 47 03 68 10

Email: [stanislas.mulliez@fticonsulting.com](mailto:stanislas.mulliez@fticonsulting.com)/  
[guillaume.granier@fticonsulting.com](mailto:guillaume.granier@fticonsulting.com)