

## MERSEN: VERY GOOD THIRD-QUARTER 2021 PERFORMANCE

### REPORTED SALES UP 12%, CLOSE TO 2019 LEVELS

### FULL-YEAR 2021 GUIDANCE REVISED UPWARDS

- Sales of €233 million in third-quarter 2021, with strong growth in both segments
- Nine-month 2021 sales of €684 million, up 7.9% on an organic basis compared to the same period in 2020
- Full-Year guidance revised upwards:
  - Organic growth for full-year 2021 now expected at the upper end of the guidance range
  - Operating margin before non-recurring items expected slightly higher than guidance
  - Capital Expenditure expected at the upper end of the guidance range

**PARIS, OCTOBER 27, 2021** – Mersen (Euronext FR0000039620 – MRN), a global expert in electrical power and advanced materials, has reported consolidated sales of €684 million for the first nine months of 2021.

Luc Themelin, Chief Executive Officer commented: *"The momentum built up in the first half of the year carried over into the third quarter in all our regions, enabling the Group to return to business levels close to 2019. In the first nine months of the year, the performance was particularly strong in our high-growth markets such as solar, semiconductors and electric vehicles. Thanks to our momentum and flexible business model, we have been able to adapt to the present recovery context, characterized by supply-chain pressures, higher raw material costs and, most recently, energy cost inflation. We are working closely with customers and suppliers to support business growth as far as possible. We are confident as we enter the final quarter. For the year as a whole, we are on track to achieve sales toward the upper end of the guidance range communicated in July and operating margin before non-recurring items slightly higher than guided."*

## THIRD-QUARTER 2021 SALES

Mersen reported consolidated sales of €233 million for the third quarter of 2021, up 9.5% at constant scope and exchange rates. Including the positive scope effect linked to the consolidation of Fusetech and Americarb and the positive currency effect primarily linked to the appreciation of the Chinese renminbi, sales advanced by 11.8% over the period.

The decline in organic sales compared to third-quarter 2019 was limited to 1%.

In millions of euros	Q3 2021	Q3 2020	Organic growth	Scope effect	Currency effect	Reported growth
<i>Advanced Materials</i>	127.3	112.1	11.4%	0.4%	1.6%	13.6%
<i>Electrical Power</i>	105.4	96.0	7.2%	2.0%	0.5%	9.8%
Europe	77.9	66.1	14.5%	3.0%	0.3%	17.8%
Asia-Pacific	70.0	62.5	9.1%	0.0%	2.7%	12.1%
North America	77.8	72.2	6.9%	0.6%	0.2%	7.7%
Rest of the World	7.0	7.3	-7.1%	0.0%	3.1%	-4.2%
<b>Group</b>	<b>232.7</b>	<b>208.1</b>	<b>9.5%</b>	<b>1.2%</b>	<b>1.1%</b>	<b>11.8%</b>

## PERFORMANCE BY SEGMENT

**Advanced Materials** sales totaled €127 million, representing organic growth of more than 11% over the period. The solar market remained well oriented. The improvement in process industries observed at the end of the second quarter is confirmed ; aeronautics is beginning to recover. Conversely, sales contracted for the chemicals and rail transportation markets.

**Electrical Power** sales came to €105 million for the third quarter, representing organic year-on-year growth of more than 7%. Electrical distribution in the United States once again posted significant growth, as did power electronics projects, while the rail transportation market remained subdued.

## PERFORMANCE BY REGION

**Europe** saw strong growth in all countries. In France, momentum was driven by the recovery in aeronautics, while the growth drivers in Germany were power electronics and renewable energies.

In **Asia**, growth was driven by China thanks to buoyant solar power and electronics markets. Japan and Taiwan also posted significant growth, lifted by power electronics contracts and chemicals.

**North America** posted growth in both segments, supported by the electronics market and the recovery in process industries.

Lastly, the decline in sales recorded in the rest of the world segment was linked to the chemicals market.

## NINE-MONTH 2021 SALES

Mersen's consolidated sales for the first nine months of 2021 totaled €684 million, up by almost 8% on an organic basis versus the same period in 2020. Including the negative currency effect attributable chiefly to the depreciation of the US dollar in the first half and the consolidation of GAB Neumann, Americarb and Fusetech, sales increased by 7.1%.

In millions of euros	9m 2021	9m 2020	Organic growth	Scope effect	Currency effect	Reported growth
<i>Advanced Materials</i>	375.6	360.3	5.2%	0.7%	-1.6%	4.3%
<i>Electrical Power</i>	308.0	277.9	11.3%	2.1%	-2.3%	10.8%
Europe	240.4	215.1	8.9%	3.1%	-0.2%	11.8%
Asia-Pacific	201.6	188.5	7.5%	0.0%	-0.5%	7.0%
North America	218.5	214.4	6.2%	0.7%	-4.7%	1.9%
Rest of the World	23.1	20.2	17.6%	0.3%	-3.1%	14.2%
<b>Group</b>	<b>683.6</b>	<b>638.2</b>	<b>7.9%</b>	<b>1.3%</b>	<b>-1.9%</b>	<b>7.1%</b>

Sales in sustainable development markets advanced 10.5% in first nine months of 2021, powered by electronics, renewable energies and electric vehicles. In the Group's other markets, organic growth reached 5.8%.

## OUTLOOK

The trends observed last July by Mersen are being confirmed. In addition, the Group is benefiting from a particularly favorable product mix.

For full-year 2021, Mersen is now targeting organic growth at the upper end of the guidance range announced on July 8, 2021 (between 6% and 8%) and operating margin before non-recurring items slightly higher than guided (previously between 9.2% and 9.6%). Capital expenditure is also expected to be at the upper end of initial forecasts (i.e., €80 million) given the dynamics of the SiC semiconductor, electric vehicle and solar energy markets, and the start-up of production at the Columbia site in the United States.

Mersen remains attentive to evolving supply-chain pressures and to increases in raw material and energy costs, although they are not expected to have a significant impact on the Group over the coming months.

## SAVE THE DATE – DECEMBER 7, 2021: "CHIP-CHAT"

On December 7, 2021, at 3:30 p.m., the Group will be hosting "*Chip-chat: An Hour with Mersen on its Semiconductor Strategy*" – a fully digital event dedicated to Mersen's semiconductor market strategy.

## 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.

- In February 2020, the Group finalized the acquisition of GAB Neumann, a specialist in the design, manufacture and sale of graphite and silicon carbide (SiC) heat exchangers for the chemicals market. GAB Neumann has been consolidated since March 1, 2020.
- The acquisition of the insulation business of Americarb, a long-standing player in carbon fiber insulation, was completed during the summer of 2020. Americarb has been consolidated since September 1, 2020.
- Mersen acquired the Hager group's stake in Fusetech, a manufacturer of industrial fuses based in Kaposvar, Hungary. Fusetech has been consolidated since January 1, 2021.

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

*December 7, 2021: "Chip-chat: An Hour with Mersen on its Semiconductor Strategy"*

*Full-year 2021 sales: January 27, 2022, after market close*

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## 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 IS LISTED ON EURONEXT PARIS – COMPARTMENT B

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