

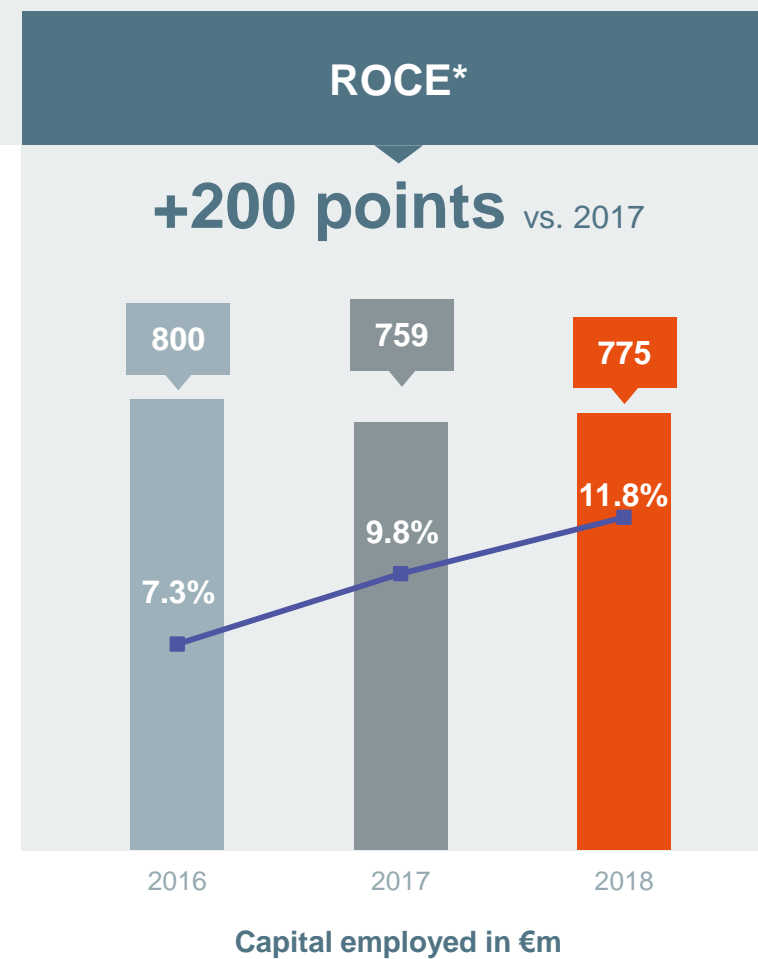
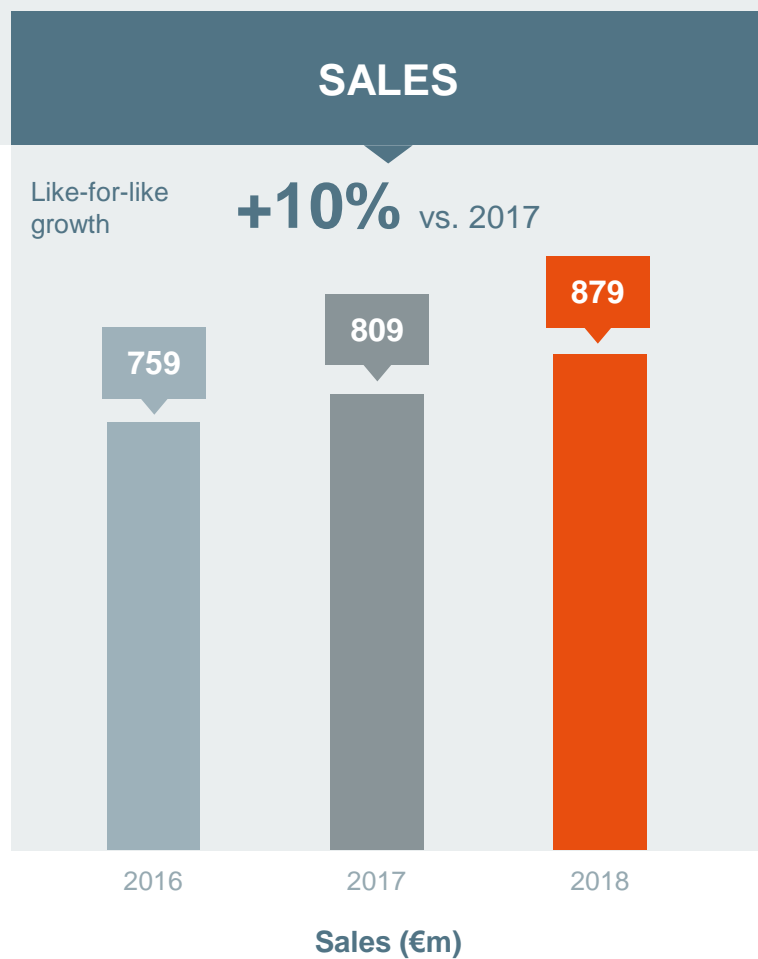


ANNUAL RESULTS

MARCH 13, 2019



2018: AN EXCELLENT YEAR...



* Operating income before non-recurring items/average weighted capital employed

... BUSY IN TERMS OF EXTERNAL GROWTH

FTCAP IDEALEC

100% Acquisition

To look to the future



MERSEN GALAXY

Joint venture
60% Mersen

To capture the solar market growth



CALY TECHNOLOGIES

Partnership

To drive innovation



LGI

100% Acquisition

To develop Mersen's
services for the
chemicals industry



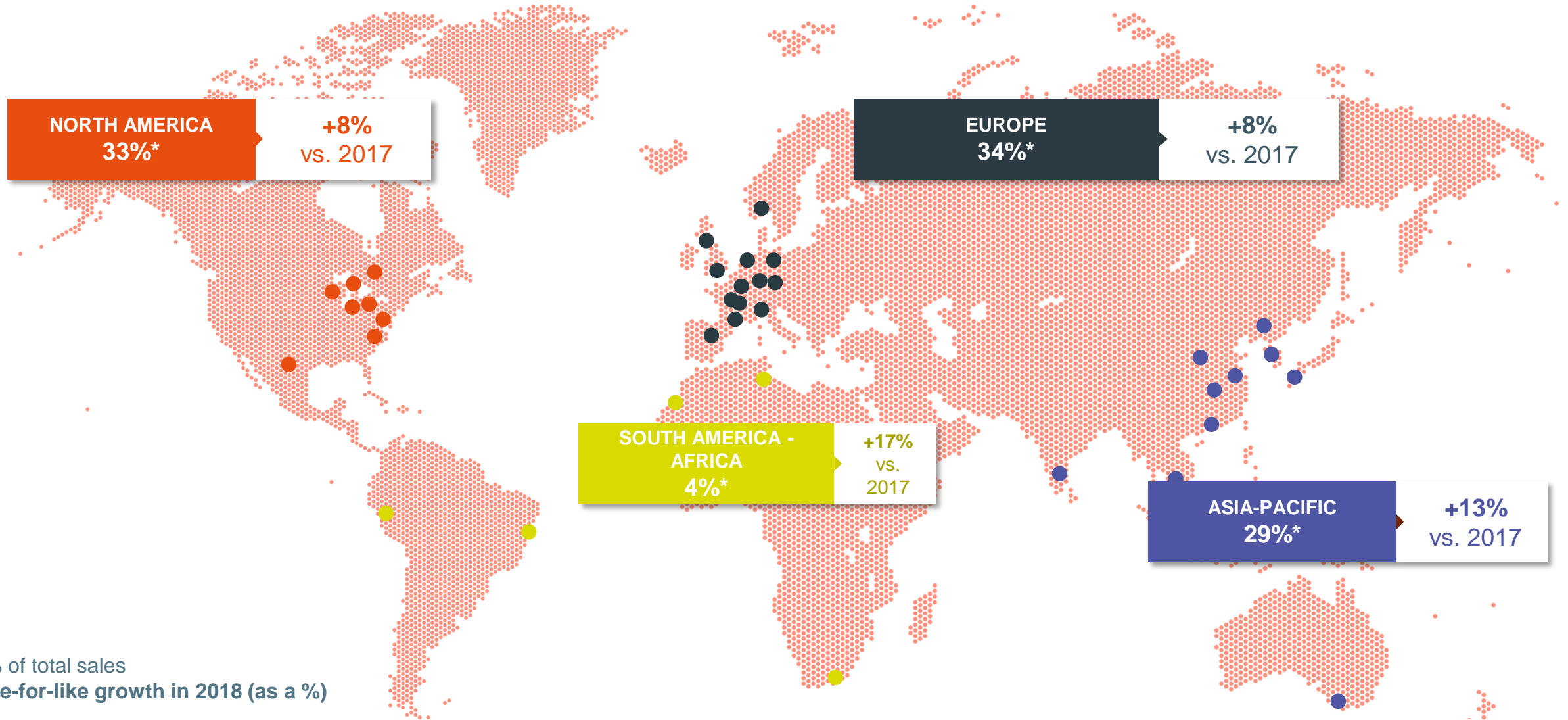
CIRPROTEC

Minority stake

To step up global
sales

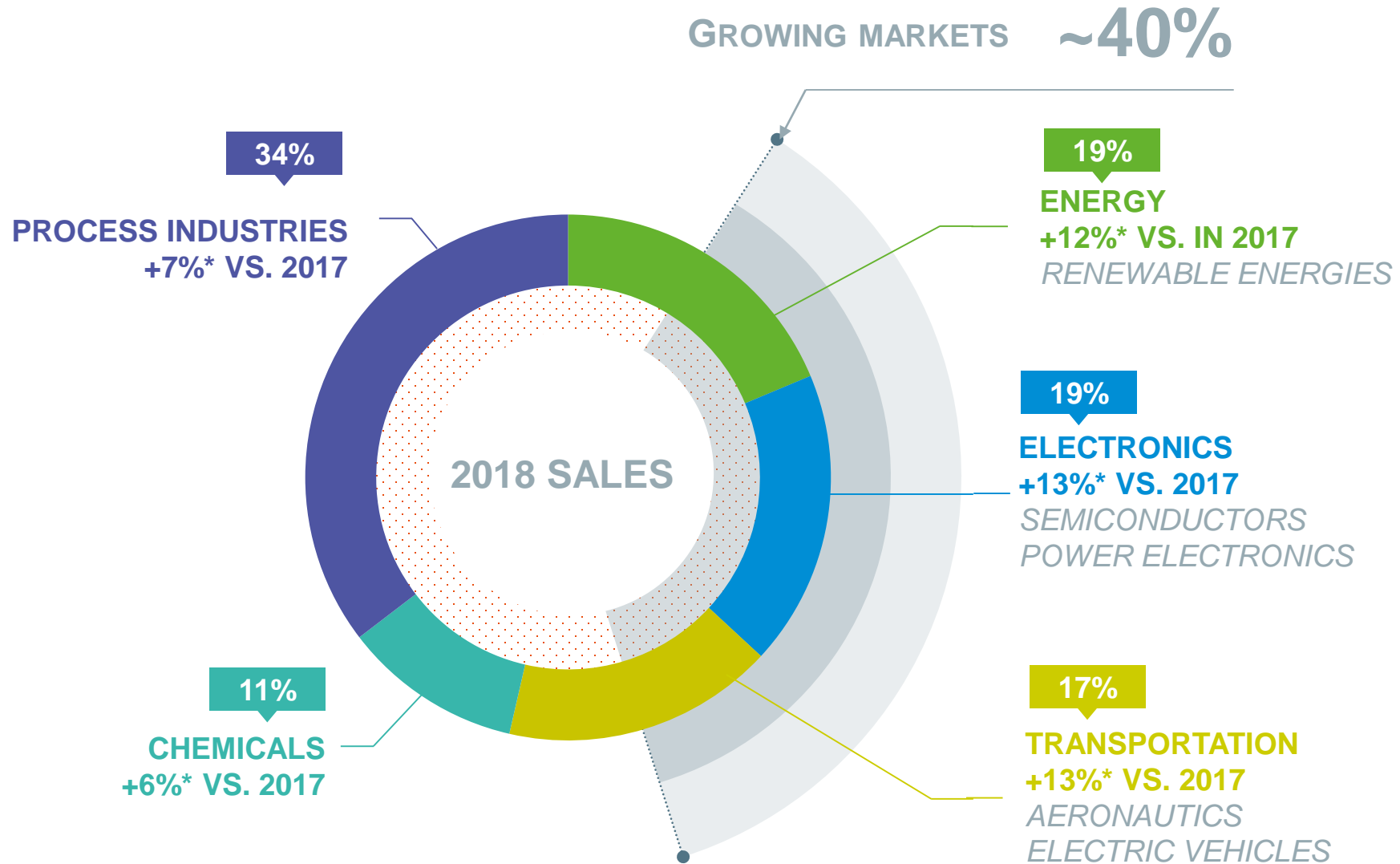


GROWTH ACROSS ALL REGIONS LEADING TO A BALANCED BREAKDOWN...



* % of total sales
Like-for-like growth in 2018 (as a %)

... THANKS TO A BRISK MOMENTUM IN ALL MARKETS, PARTICULARLY OUR GROWING MARKETS



*Like-for-like growth

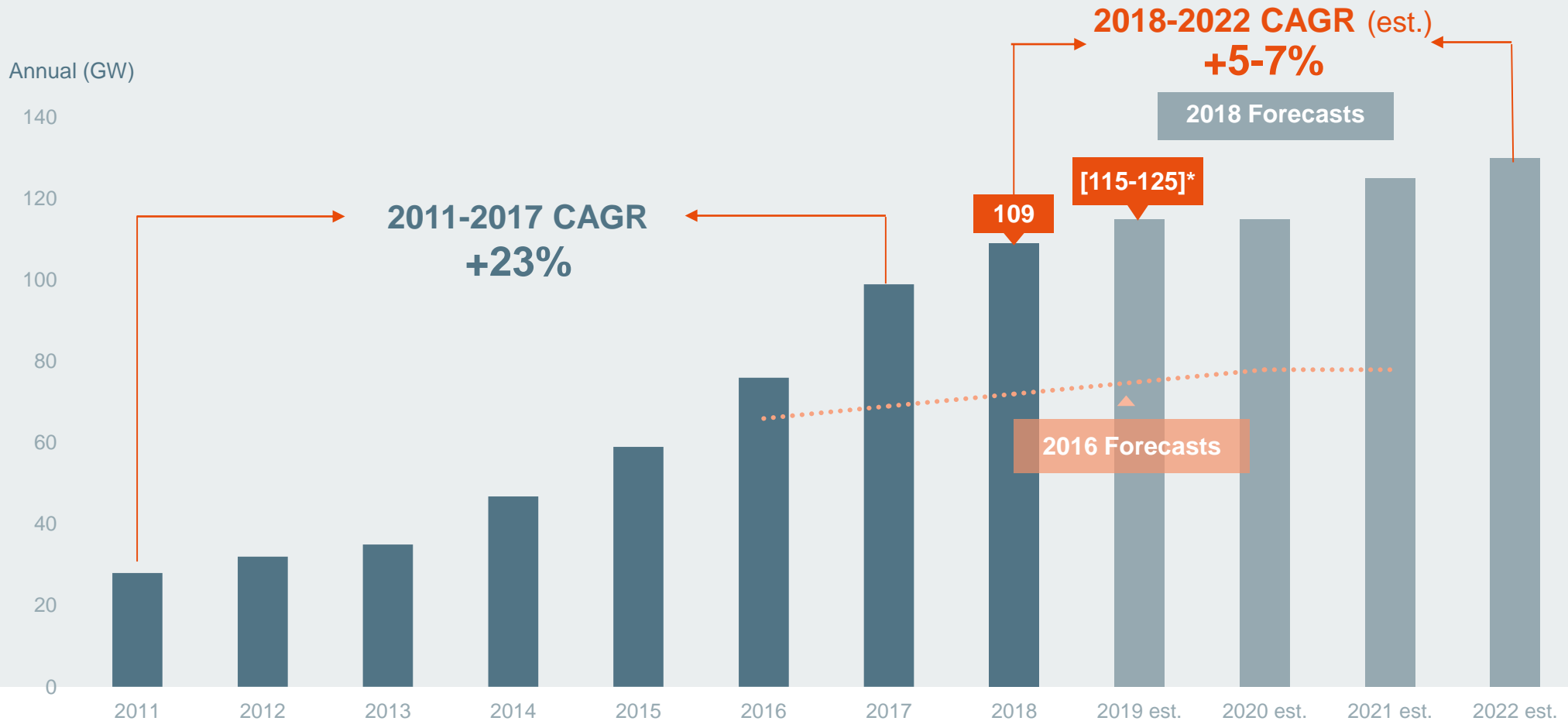


FOCUS ON CERTAIN GROWING MARKETS

MERSEN

SOLAR: AN ENERGY SEING STRONG GROWTH

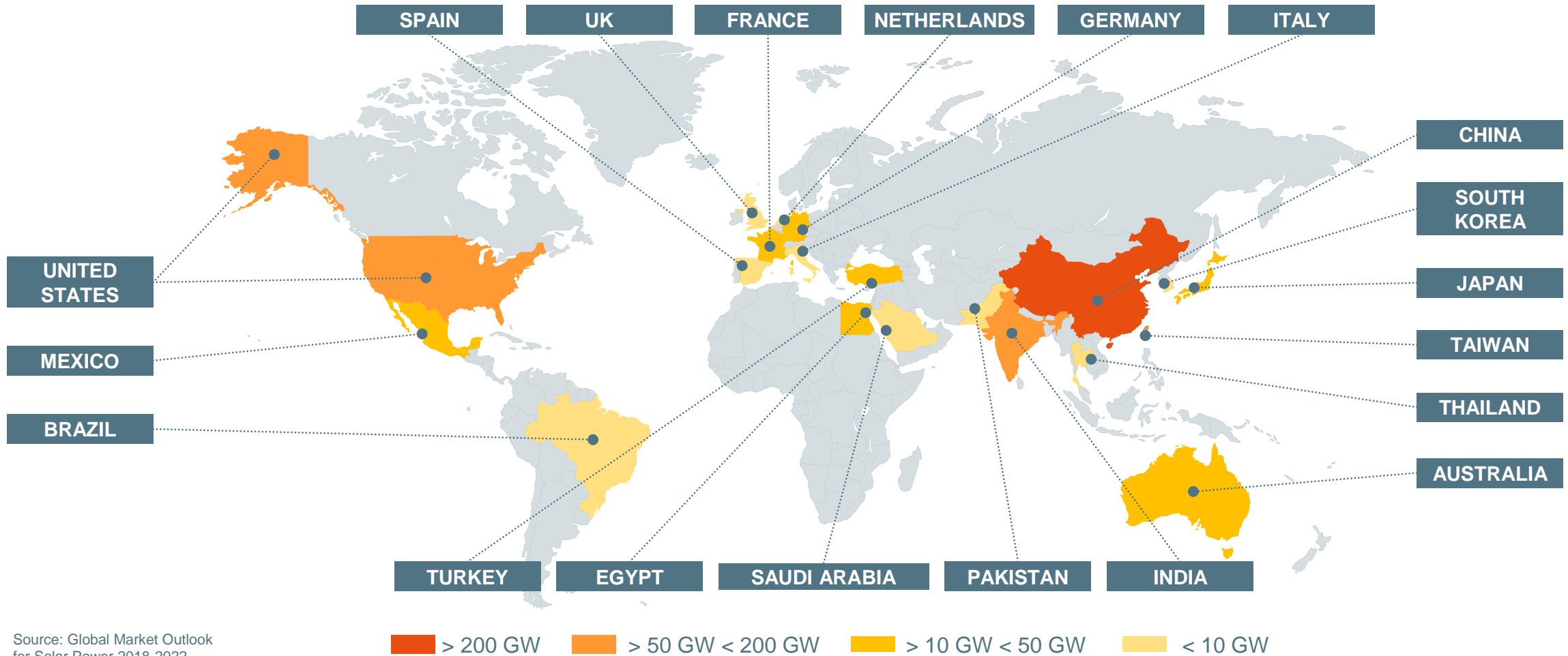
NUMBER OF PANEL INSTALLATIONS GROWING SHARPLY



Source: IHS Markit, Exawatt, Mersen estimates
* New forecasts early 2019

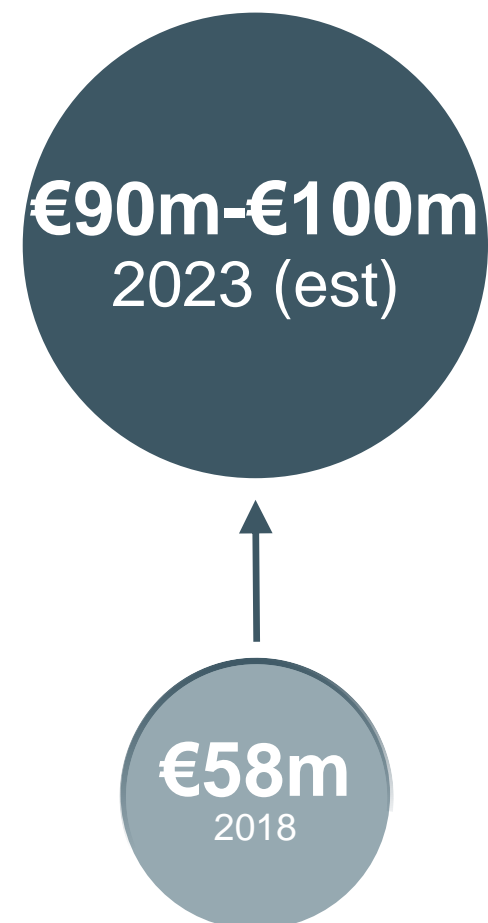
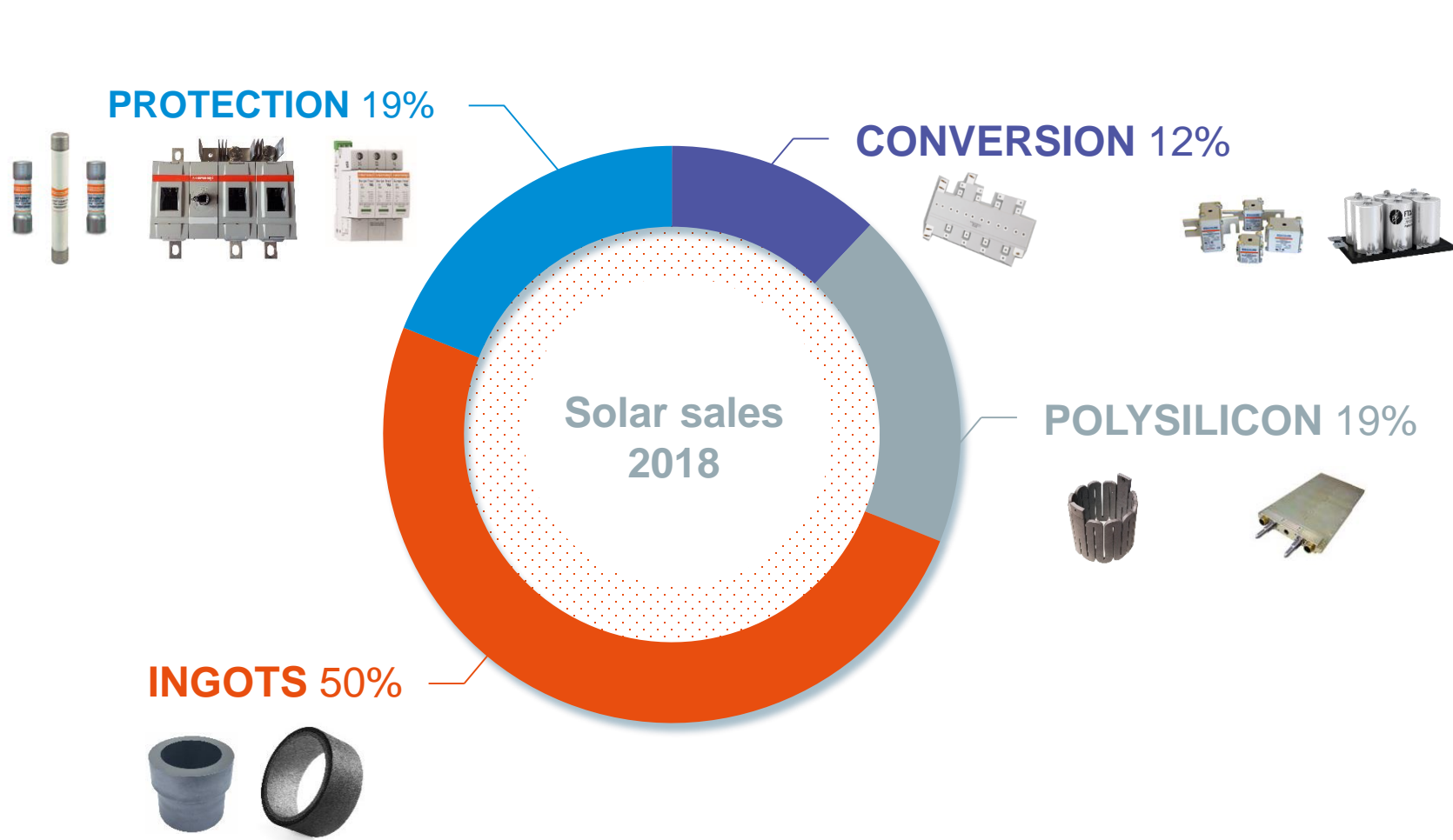
SOLAR: A STRONG POTENTIAL DUE TO EASY INSTALLATION OF PANELS

MAIN COUNTRIES WITH UPCOMING SOLAR PANEL INSTALLATION PROGRAMS

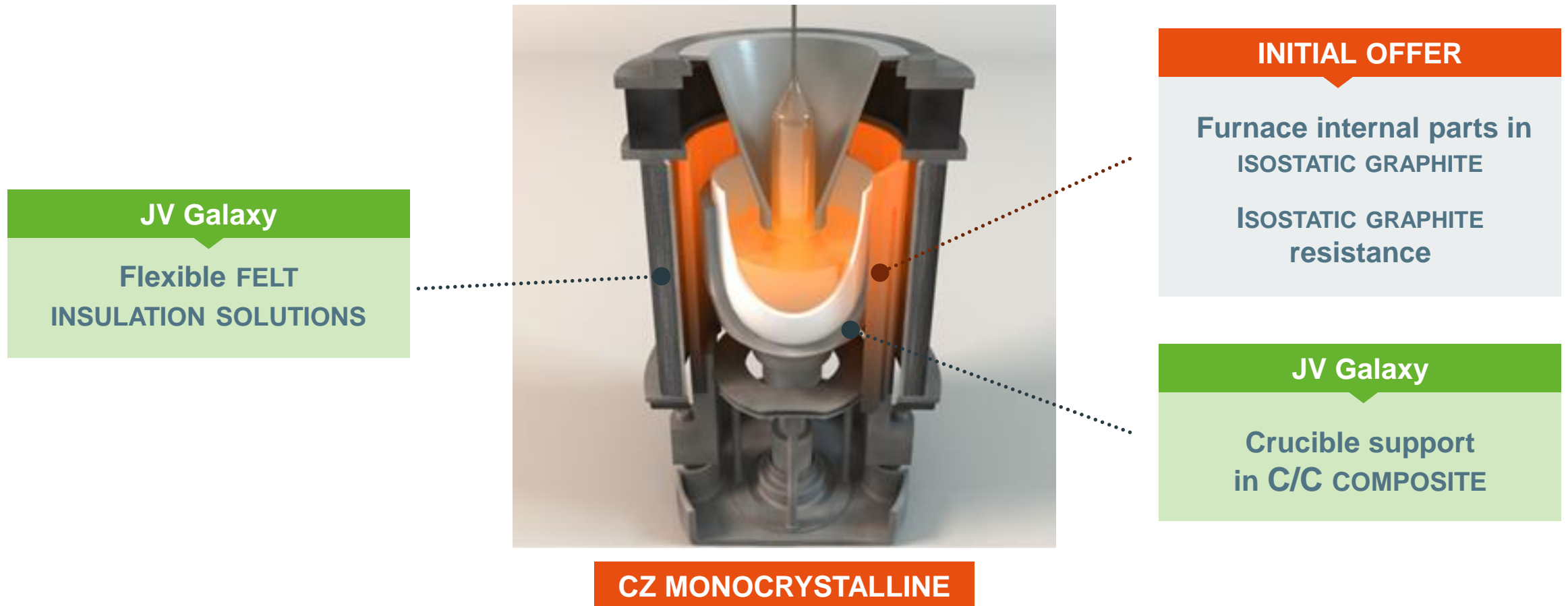


Source: Global Market Outlook for Solar Power 2018-2022

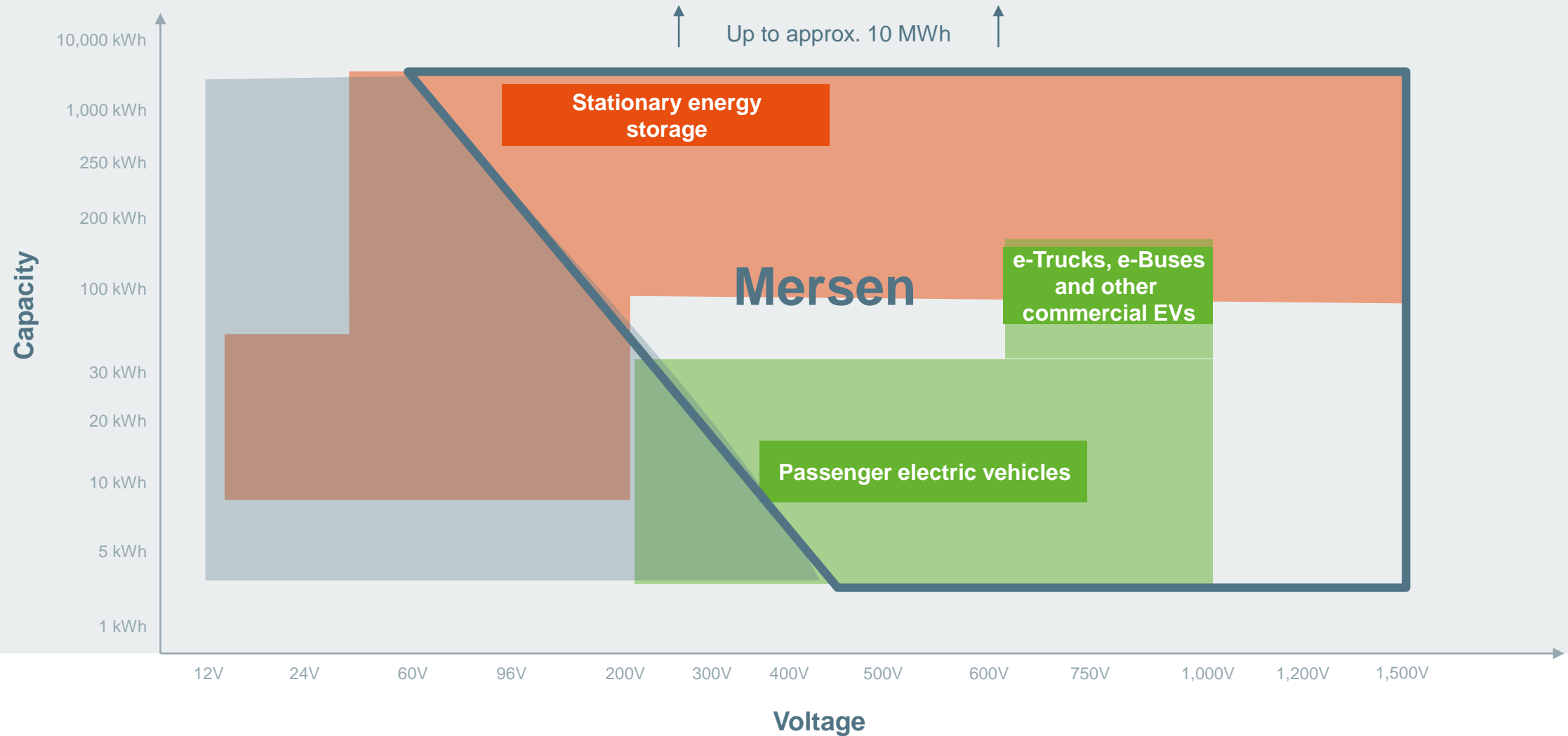
HIGH GROWTH POTENTIAL IN THE SOLAR SECTOR PARTICULARLY FOR PROTECTION AND CONVERSION SOLUTIONS



MERSEN EXHAUSTIVE OFFER IN HIGH-YIELD CZ TECHNOLOGY FOR SOLAR CELL PRODUCTION

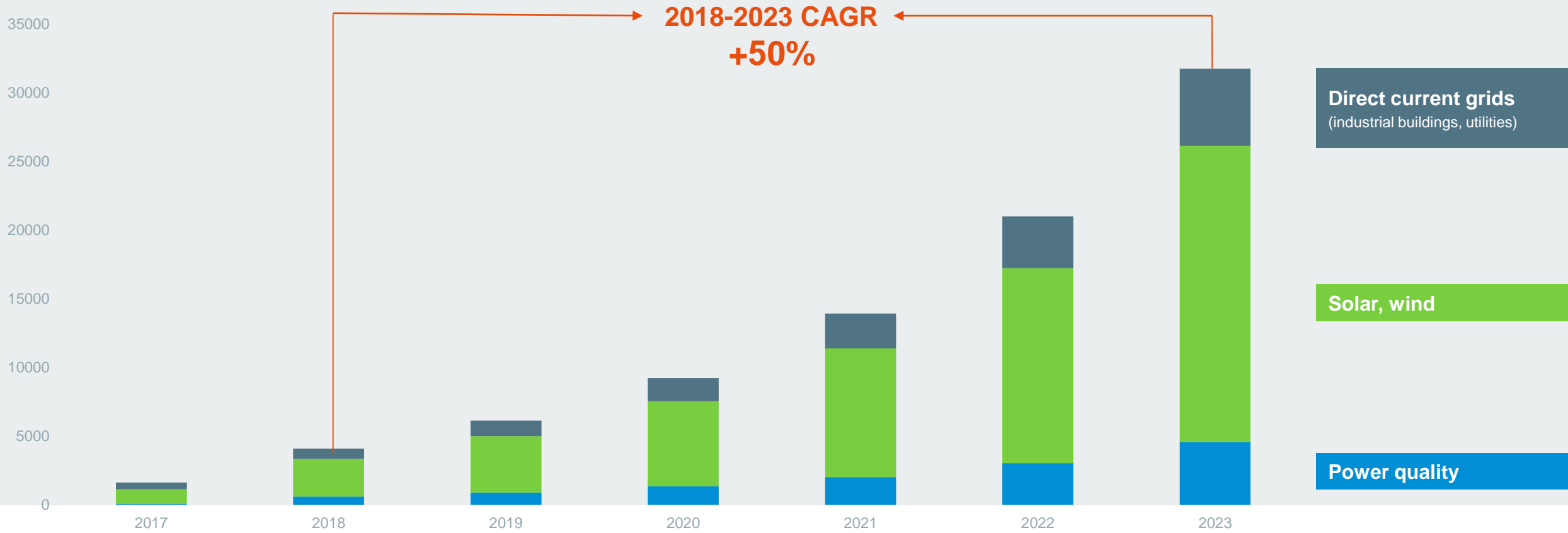


ENERGY STORAGE, A BOOSTER FOR SOLAR



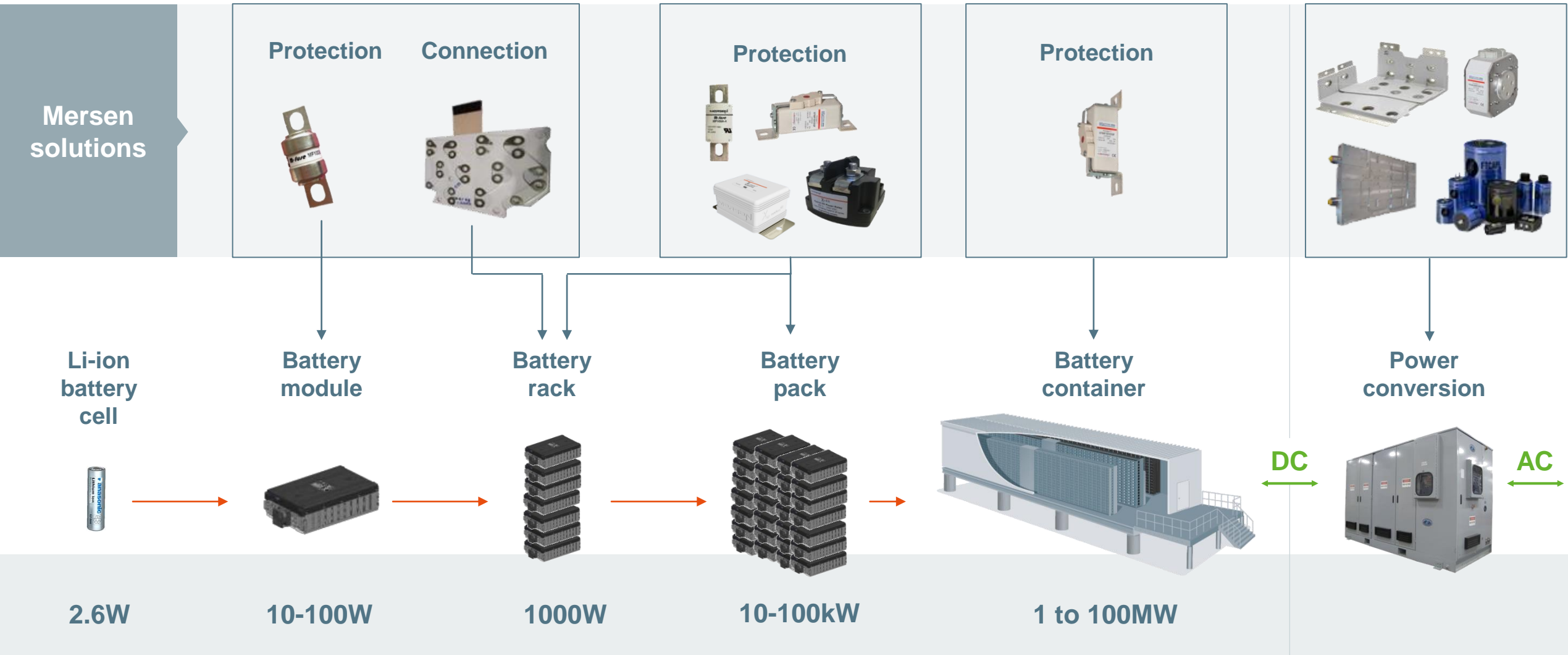
A STATIONARY BATTERY MARKET DRIVEN BY SOLAR AND WIND POWER IN THE MEDIUM TERM

ANNUAL INSTALLED CAPACITY OF STATIONARY BATTERIES IN MWH



Source: Yole Development, 2017 – residential segment excluded (< 20 kWh)

MERSEN SOLUTIONS FOR STATIONARY STORAGE BATTERIES



CHANGE IN OUR OFFER FOR E-VEHICLES



HYBRID PROTECTION

End to technical development partnership with the VW Group following changes in specifications

Developments to be continued with four leading international manufacturers

Product changes planned for the VW Group



FUSES

Strong demand for battery protection solutions and auxiliary circuits from 150 V and up

Expansion of our range for 500 V and similar

New innovative design at 800 V



BUSBARS – CAPACITOR- COOLING DEVICES

Clear increase in demand for battery connection solutions (including monitoring functions)

Development of a dual offer: [busbars + capacitors] for power converters

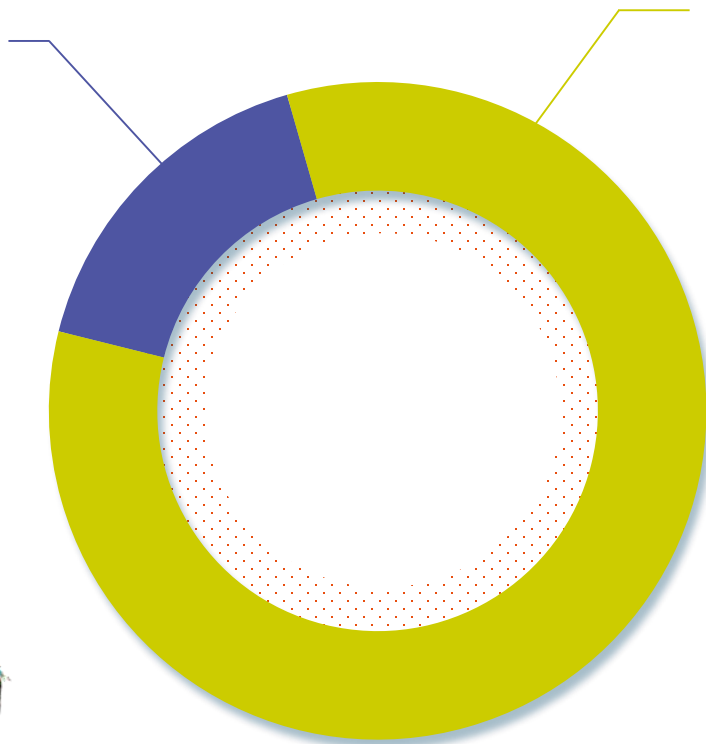


STRONG POTENTIAL IN ENERGY STORAGE

STATIONARY BATTERIES
20%



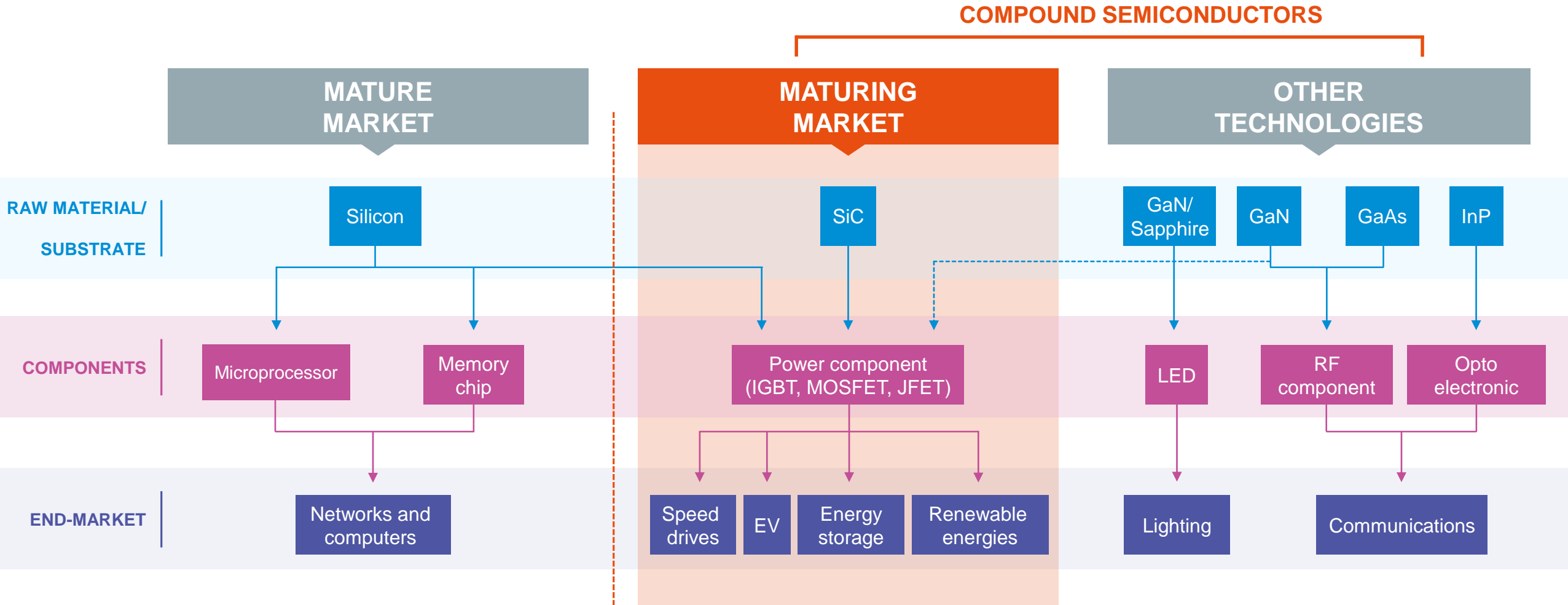
E-VEHICLES
80%



€40m-€60m
2023 (est.)

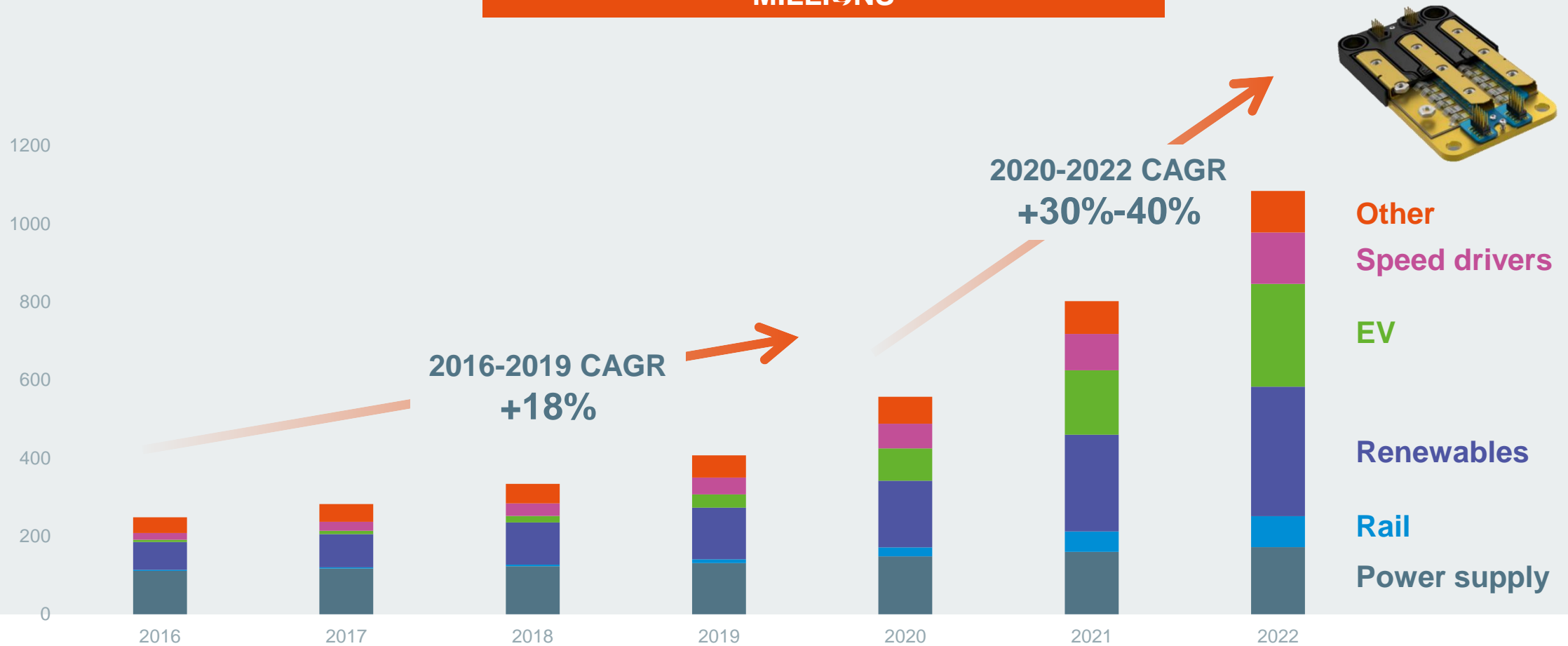


STRONG POSITION ON THE FAST-GROWING SiC SEMICONDUCTORS MARKET



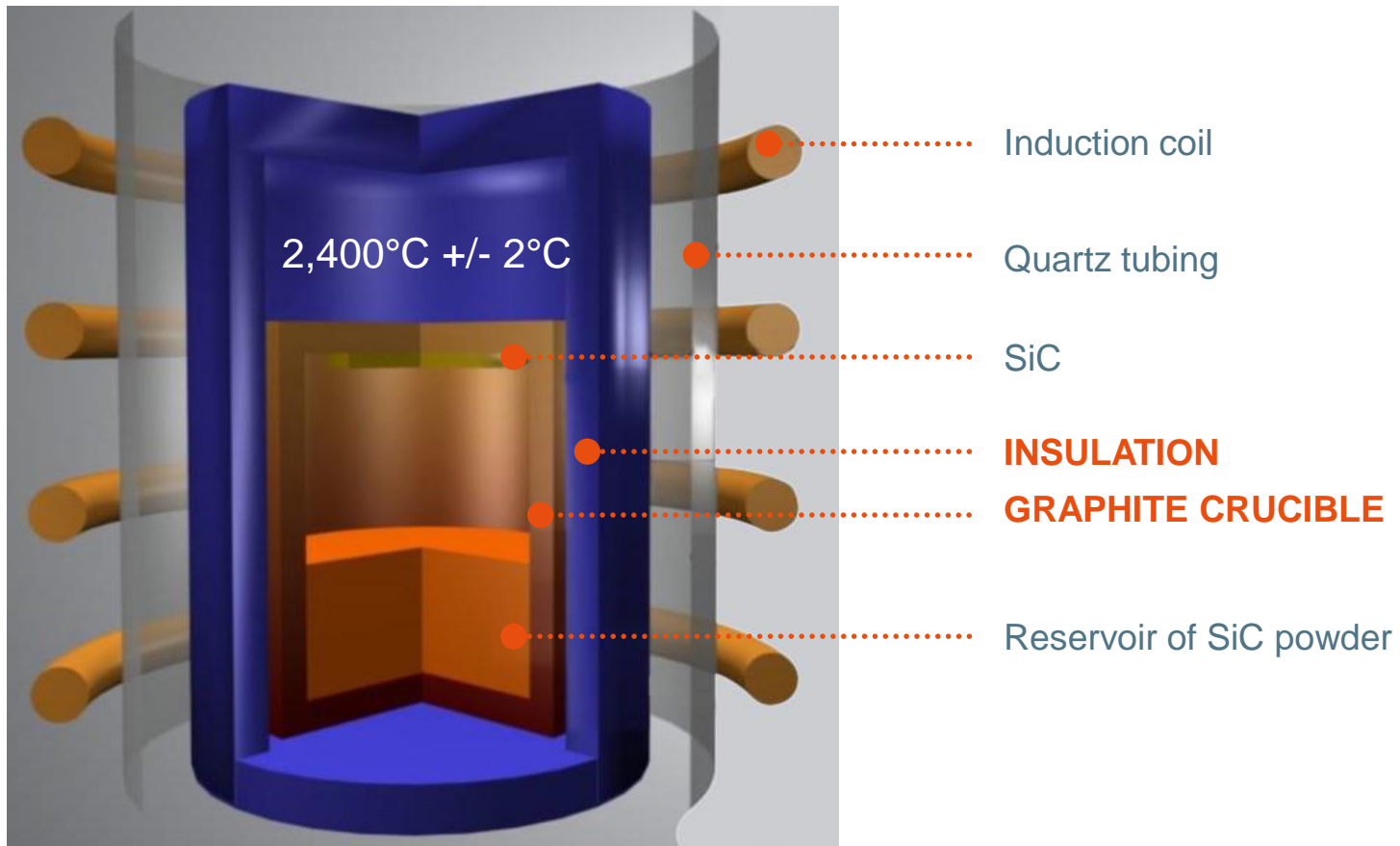
SIC SEMICONDUCTORS MARKET SET TO ACCELERATE AFTER 2020-2022 IN LINE WITH EV MARKET GROWTH

SIC COMPONENTS MARKET IN USD MILLIONS



Source: Yole Development, Power SiC 2017 – Materials, Devices and Applications

MERSEN MONOCRYSTALLINE SiC SOLUTIONS



2019 OBJECTIVES



* At constant exchange rates and scope of consolidation

PROGRAM OF INVESTMENTS TO UNDERPIN GROWTH IN 2020-2022

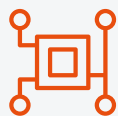


CONTINUED CONFIDENCE IN THE GROUP'S MEDIUM-TERM POTENTIAL

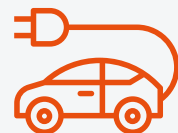
GROWING MARKETS



Renewables



Electronics



EV and
Aeronautics

EXCELLENCE PROGRAM



Commercial efficiency

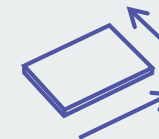
Competitiveness

Innovation

STRENGTHS



Leader:
#1 or #2
in our markets



> 65%
customized
products



Expertise:
high barriers
to entry

GLOBAL OPERATIONS



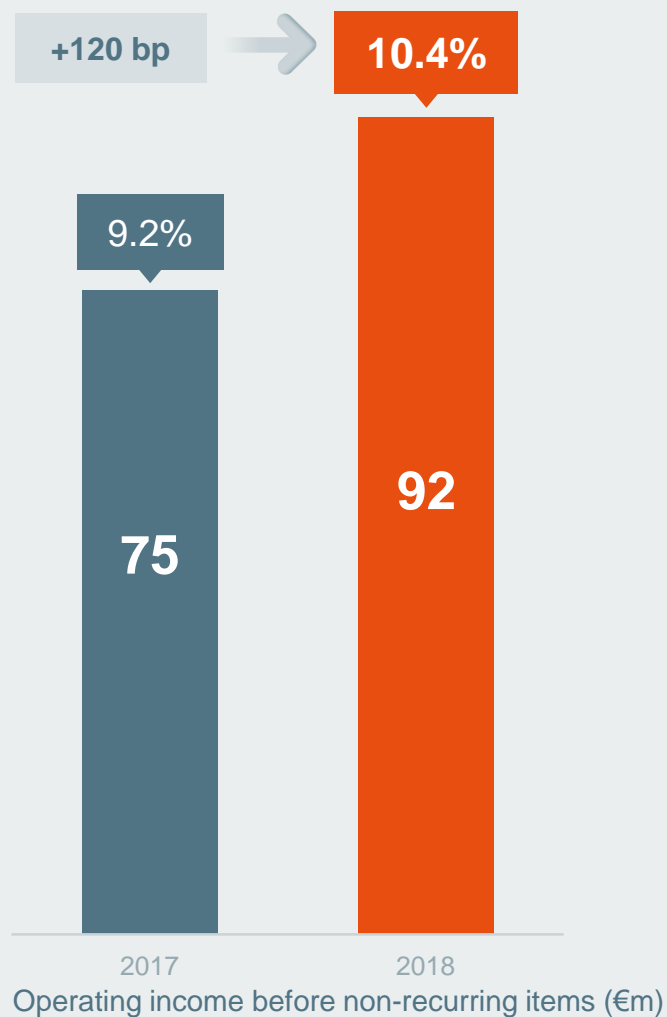
Customer proximity

Access to local markets



2018 RESULTS

SHARP RISE IN PROFITABILITY



As a %

2017 operating margin before non-recurring items	9.2%
Volume/mix effects	+1.7%
Price effect	+1.2%
Raw material impact	-0.8%
Impact of the competitiveness plan*	+1.8%
Inflation, costs	-1.5%
Impact of exchange rates, change in scope and other	-1.2%
2018 operating margin before non-recurring items	10.4%

Higher prices to offset the increase in the cost of raw materials: net positive

Increase in costs (mainly payroll) offset by the **competitiveness plan**

CONTRASTED PERFORMANCES BY SEGMENT

ELECTRICAL POWER

Operating income before non-recurring items (m€)

40

39

Operating margin before non-recurring items (%)

11.0%

10.0%

2017

2018

- Positive **volume effect**
- **Dilutive effect** of acquisitions and exchange rates
- **Increase** in the cost of certain raw materials with **no increase in prices**
- **Additional resources** set aside for energy storage and power electronics

ADVANCED MATERIALS

Operating income before non-recurring items (m€)

50

69

Operating margin before non-recurring items (%)

11.1%

14.1%

2017

2018

- Positive **volume effect**
- **Productivity gains** that outperform inflation
- Price increases are **higher** than the increase in raw materials costs

STRONG GROWTH IN NET INCOME

In €m	2017	2018	
Operating income before non-recurring items	74.6	91.6	
Non-recurring income and expenses	(10.3)	(3.8)	
Net financial income/(costs)	(10.0)	(10.3)	
Income tax	(15.1)	(18.3)	
Net income on assets held for sale and discontinued operations	0.8	0.0	
Net income	40.0	59.2	+48%
Attributable to owners of the parent	37.6	56.5	

Non-recurring expenses contained

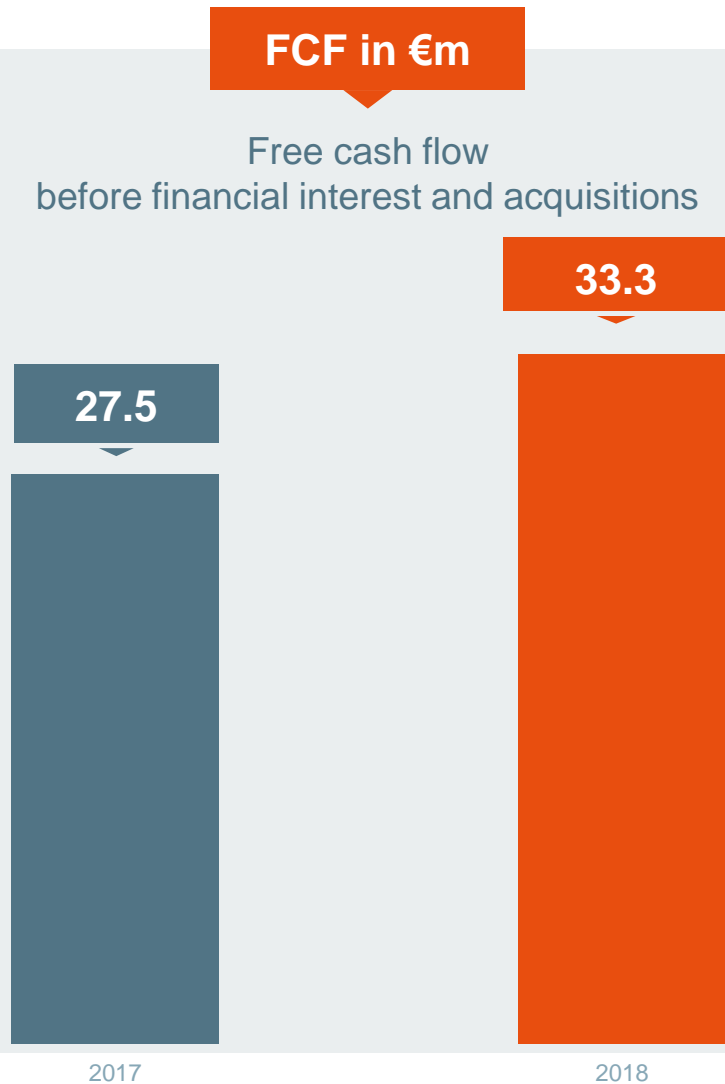
(end of the competitiveness plan)

Sharp drop in effective income tax rate

(24% vs. 32%)

(Impact of US tax reforms)

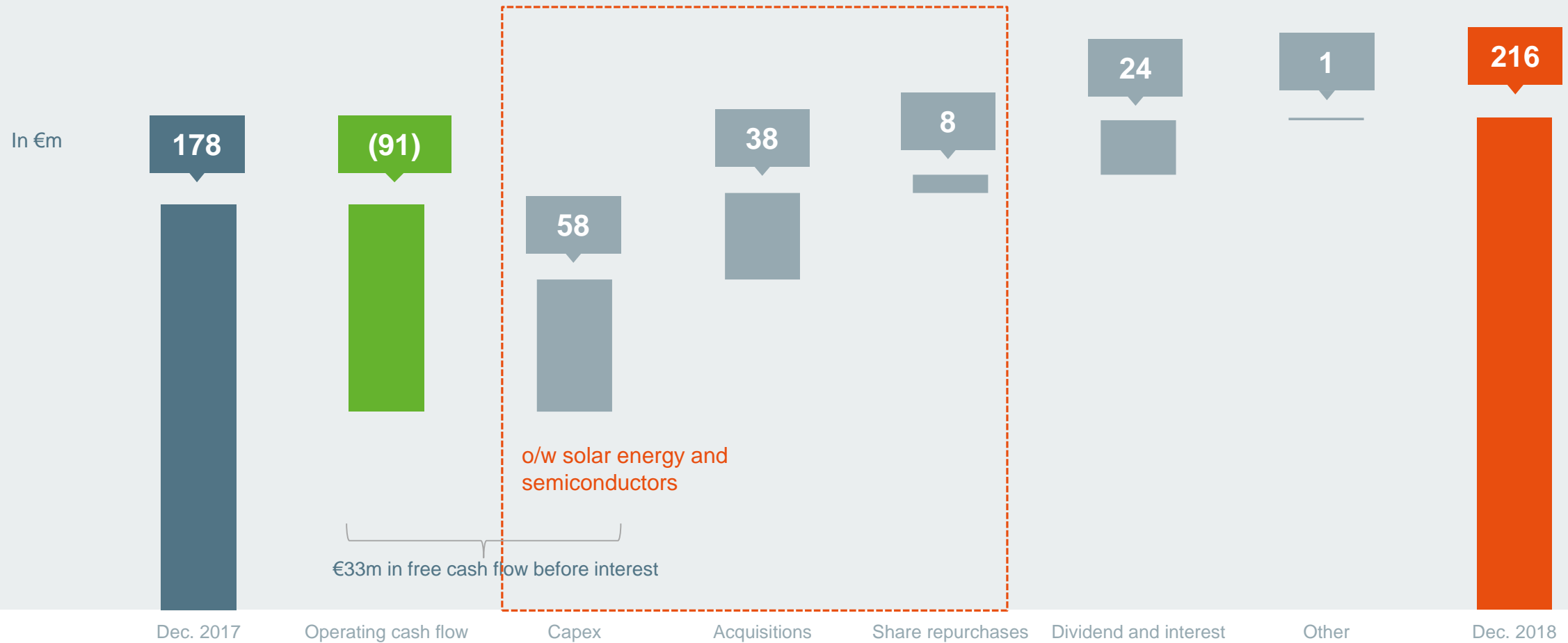
IMPROVED FREE CASH FLOW EVEN WITH INCREASE IN INVESTMENTS



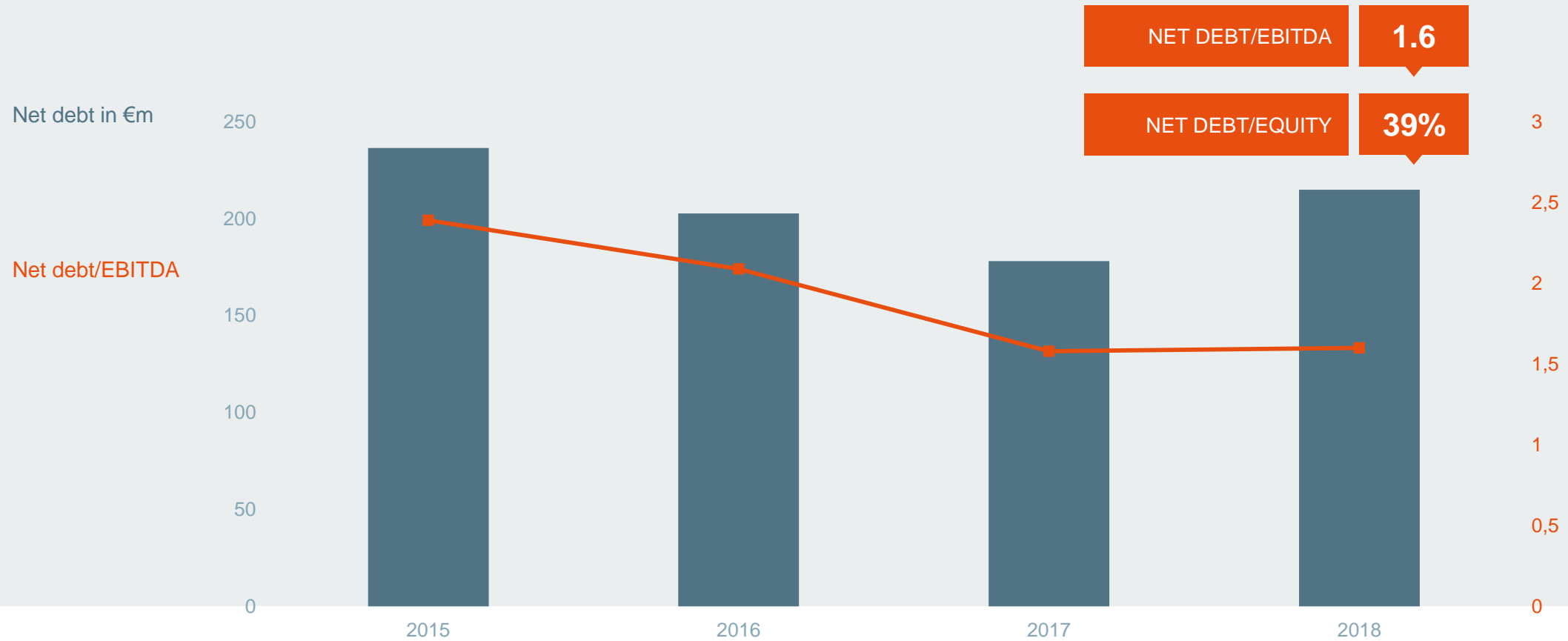
-  Positive **volume effect**
-  Drop in **tax paid**
-  Drop in exceptional* costs (€7m vs. €14m in 2017)
-  Slight increase in **WCR** (21% of sales vs. 20% in 2017)
-  **Capex** increase (€58m vs. €37m)

* exceptional: restructuring and litigation

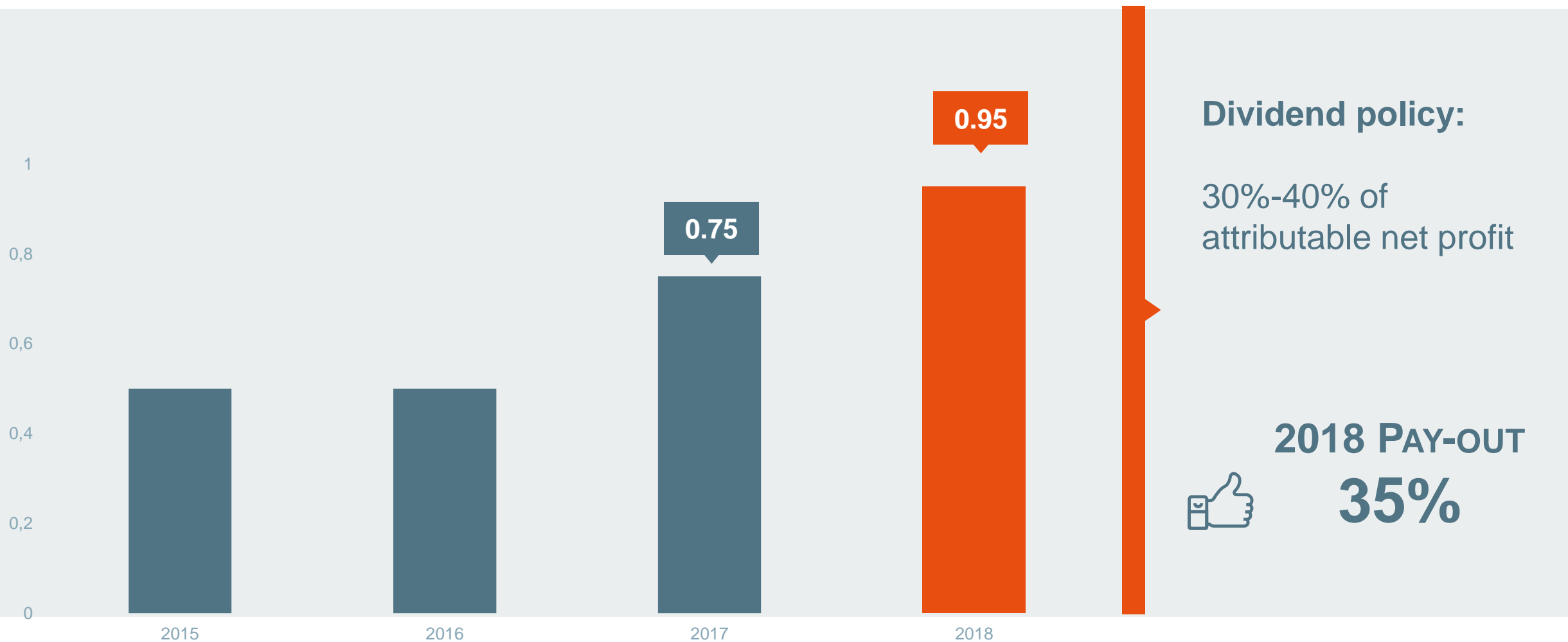
MAJOR INVESTMENT IN 2018 (CAPEX, ACQUISITIONS AND SHARE REPURCHASES)



STRONG FINANCIAL STRUCTURE



RETURN TO SHAREHOLDER: DIVIDEND UP BY +27%



QUESTIONS

