

MERSEN: 2021 SALES ABOVE EXPECTATIONS

UPWARDS REVISION IN GUIDANCE FOR OPERATING MARGIN BEFORE NON-RECURRING ITEMS

- Sales of €923 million in 2021, up 8.6% on an organic basis (vs. guidance of 8% growth)
- Strong year-on-year growth in solar power, electronics and process industries
- Upwards revision of the full-year 2021 target for operating margin before non-recurring items to around 10% of sales (vs. guidance of slightly higher than 9.6%)

PARIS, JANUARY 27, 2022 – Mersen (Euronext FR0000039620 – MRN), a global expert in electrical power and advanced materials, has reported consolidated sales of €923 million for full-year 2021.

In millions of euros	2021	2020	Organic growth	Q4 2021	Q4 2020	Organic growth
Europe	317.3	286.6	7.9%	76.8	71.6	4.9%
Asia-Pacific	276.2	253.6	8.4%	74.6	65.2	10.8%
North America	298.3	281.3	8.1%	79.8	66.8	13.8%
Rest of the World	31.1	25.7	23.5%	8.0	5.5	44.8%
Group	922.8	847.2	8.6%	239.2	209.0	10.7%

Unaudited figures

Luc Themelin, Chief Executive Officer, commented: “Thanks to an acceleration in the fourth quarter, Mersen’s 2021 sales were above guidance and came close to 2019 levels. Major growth was recorded across all regions and was particularly strong in two buoyant markets, solar and semiconductors. The Group also benefited from good business levels in process industries, driven by strong overall demand.

For 2021 as a whole, we expect operating margin before non-recurring items to come in at around 10%, higher than our initial guidance.

We’re entering 2022 with confidence, supported by the good health of our markets and excellent order intake, while keeping a close eye on the public health situation and inflationary trends. We’ll continue to strengthen our team in the electric vehicle market and step up our efforts with our partner Soitec in what will be a key year for silicon carbide semiconductors.

I’d like to take this opportunity to thank all of our teams for their commitment throughout 2021 and reiterate my confidence in the prospects of our company.”

2021 SALES

Mersen reported consolidated sales of €923 million in 2021, up 8.6% on an organic basis compared with 2020. Sales grew by 8.9% when taking into account, on the one hand, the negative currency effect of around €7 million and, on the other hand, the consolidation of GAB Neumann, Americarb and Fusetech.

Overall, sustainable development markets (including renewable energies, electronics and green transportation) grew by nearly 10% year on year to 56% of total sales.¹

In millions of euros	2021	2020	Organic growth	Scope effect	Currency effect	Reported growth
Advanced Materials	507.4	476.4	6.7%	0.5%	-0.6%	6.5%
Electrical Power	415.4	370.8	11.1%	2.1%	-1.0%	12.0%
Europe	317.3	286.6	7.9%	3.1%	-0.2%	10.7%
Asia-Pacific	276.2	253.6	8.4%	0.0%	0.4%	8.9%
North America	298.3	281.3	8.1%	0.5%	-2.4%	6.1%
Rest of the World	31.1	25.7	23.5%	0.2%	-2.2%	21.0%
Group	922.8	847.2	8.6%	1.2%	-0.8%	8.9%

Unaudited data

PERFORMANCE BY SEGMENT

Advanced Materials sales totaled €507 million, up 6.7% on an organic basis compared with 2020. The semiconductor and solar markets reported vigorous growth. The chemicals market was stable year on year thanks to a higher level of invoicing at the end of 2021. Conversely, the aeronautics market declined over the year as expected, but benefited from more favorable trends in the second half.

Electrical Power sales came in at €415 million for the year, up by more than 11% compared with 2020 at constant scope and exchange rates. Growth was particularly strong in power electronics, while sales to the US electrical distribution market were also very robust. And it was a busy year for the electric vehicle market, in terms of prototyping and qualification testing, with sales totaling €16 million for the full year.

PERFORMANCE BY REGION

Mersen grew strongly in **Europe**, particularly in France and Germany, driven by high business levels in power electronics. The region also benefited from a rebound in aeronautics late in the year.

¹ This definition does not replace those used in the EU Taxonomy Regulation and Delegated Acts

In **Asia**, Group sales rose by more than 8% compared with the prior year. China posted double-digit growth, spurred by the solar power and SiC-based semiconductors. Strong growth was also seen in India.

In **North America**, sales to the electrical distribution market rose sharply, reflecting very strong overall demand. Growth was also driven by high business levels in the semiconductor market.

FOURTH-QUARTER 2021 SALES

Mersen reported consolidated sales of €239 million for the fourth quarter of 2021, up 10.7% at constant scope and exchange rates compared with the same period in 2019. Including the positive scope effect linked to the Fusetech consolidation and a positive currency effect of more than €5 million, sales increased by 14.5%.

In millions of euros	Q4 2021	Q4 2020	Organic growth	Scope effect	Currency effect	Reported growth
Advanced Materials	131.8	116.1	11.0%	0.0%	2.3%	13.5%
Electrical Power	107.4	92.9	10.3%	2.3%	2.8%	15.7%
Europe	76.8	71.6	4.9%	2.9%	-0.4%	7.4%
Asia-Pacific	74.6	65.2	10.8%	0.0%	3.3%	14.5%
North America	79.8	66.8	13.8%	0.0%	5.0%	19.4%
Rest of the World	8.0	5.5	44.8%	0.0%	0.9%	46.1%
Group	239.2	209.0	10.7%	1.0%	2.5%	14.5%

Unaudited data

2021 GUIDANCE AND 2022 ENVIRONMENT

Based on 2021 sales, the Group now expects full-year operating margin before non-recurring items to reach around 10% (versus slightly higher than 9.6% previously). As already reported, capital expenditure is expected to be at the upper end of initial forecasts (i.e., €80 million). Full-year 2021 results will be reported on March 16, 2022.

In 2022, Mersen will closely monitor rising wage, raw material and energy costs. The Group will also continue to implement its price increase strategy and roll out its operational excellence plan to offset most of the impact of inflation.

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 American company Americarb, a long-standing player in carbon fiber insulation, was finalized 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.

Unless otherwise stated, amounts are expressed in millions of euros and rounded to the nearest decimal place. Rounding may lead to non-material differences between the reported totals and the sum of the rounded amounts.

FINANCIAL CALENDAR

2021 results: March 16, 2022, before the markets open

ABOUT MERSEN

Mersen is a **global expert in electrical specialties and advanced materials** for high-tech industries. With more than 50 industrial sites and 16 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 has focused tirelessly on innovation** to accompany its clients and meet their needs. Be it in wind power, solar power, electronics, electric vehicles, aeronautics, space or countless other sectors, wherever technology is progressing, you will always find a bit of Mersen.

MERSEN IS LISTED ON Euronext Paris – COMPARTMENT B

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