

MARKETS

➤ Mersen in energy storage
PAGE 2

NEWS

➤ Mersen Boostec, an unrivaled expertise
PAGE 3

FIRST-HALF 2022 RESULTS

➤ An excellent performance
PAGE 4

FINANCIAL CALENDAR

➤ Turnover, result, AGM...
PAGES 4



“The Group benefited from its strong positioning in very dynamic markets, such as alternative energies and semiconductors.”

Luc Themelin,
Chief Executive Officer

MESSAGE FROM THE CEO

RECORD SALES IN THE FIRST HALF OF 2022

Mersen had an excellent first half, achieving record sales in particular. This performance and success are thanks to all of our employees!

The Group benefited from its strong positioning in very dynamic markets, such as alternative energies, which are increasingly critical to fighting climate change, and semiconductors, which are essential to the successful development of electric vehicles and energy storage applications.

We were also able to leverage our pricing power, which enabled us to absorb much of the impact of inflation. Despite the persistently uncertain environment, this momentum allowed us to significantly raise our full-year 2022 guidance for sales and operating margin before non-recurring items. We now expect organic growth of between 8% and 10% compared with 2021 and an operating margin before non-recurring items of around 10.5% of sales.

+ GUIDANCE REVISED UPWARDS

8 to 10%
Organic growth

10.5%
Operating margin before non-recurring items

+ 50 bps
EBITDA margin growth

NEWS

Find out more: for all the latest news, visit www.mersen.com

CORPORATE

CSR ROADMAP



In March, Mersen unveiled its new CSR roadmap for 2022-2025.

Now, the Group has also published its first roadmap report, providing concrete details of its CSR commitment and targets for 2025.

The report sets out our ambitions and attests to the actions we take or will take on a daily basis, underpinned by the following four pillars:

- Always cultivating an **ethics and regulatory compliance** culture;
- Being **responsible partners**, everywhere we operate;

- **Limiting our environmental footprint** as much as possible;
- Enthusiastically **developing our human capital**.

The report also aims to encourage our employees to always strive to better control the social and environmental impact of our activities.

Because together, we have the power to act!

A digital version of the roadmap report is available on the Group's website.

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ENERGY STORAGE SYSTEMS: A DEVELOPMENT FOCUS FOR MERSEN

Renewable energy technologies are increasingly critical to fighting climate change. But their continued success will partly depend on the development of high-performance storage systems. That's where Mersen's solutions come in.

Energy storage systems (ESSs) – sometimes referred to as stationary energy storage systems – help to balance electricity supply and demand on power grids and, in particular, to mitigate the intermittent output of renewables. With these systems, excess energy produced at certain times – on very sunny days, for example – can be stored and then feed back into the grid in the evening when demand is higher. They also meet the needs of remote, off-grid sites.

In most cases, electrical energy cannot be stored directly. Instead, it is converted into another form of energy for storage, then recovered and converted back into electricity when needed for use.

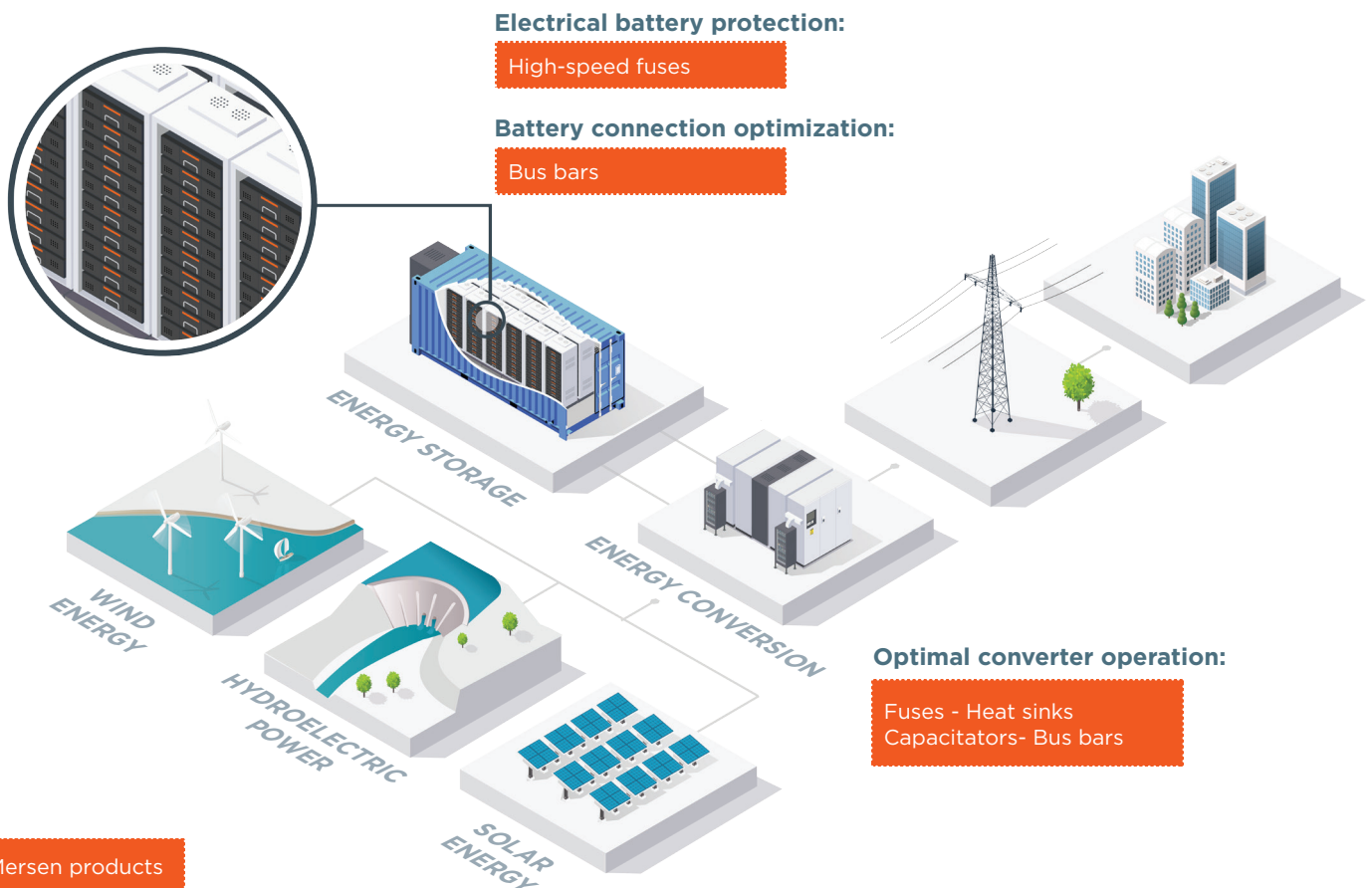
For this reason, energy storage systems require an energy conversion device such as an inverter, which changes direct current (DC) to alternating current (AC) and vice versa, or a transformer, which steps up low-voltage alternating

current to make it suitable for medium- and high-voltage electrical grids.

Mersen is active in two segments of this market:

- **Electrical protection** of storage batteries (modules or racks) with high-speed fuses, and optimization of connections between battery cells or between battery modules with bus bars;
- **Optimal converter operation**, with fuses, heat sinks, capacitors and bus bars.

Mersen solutions in energy storage



1 - Energy Storage Systems, as opposed to mobile storage systems such as batteries for vehicles, phones and computers.

NEWS ON OUR UNRIVALED EXPERTISE: MERSEN BOOSTEC SILICON CARBIDE®

Mersen Boostec has specialized in developing innovative products based on silicon carbide (SiC) for more than 20 years. A lightweight, rigid, stable ceramic that is virtually insensitive to temperature fluctuations, SiC is a much sought-after choice for optical instruments due to its excellent thermo-elastic stability.

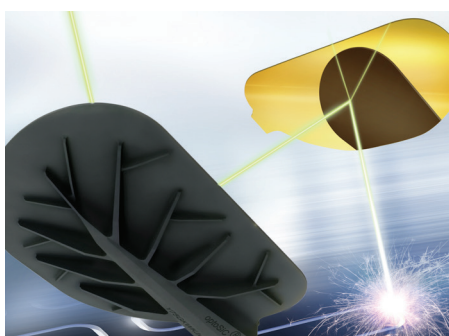
METAL 3D PRINTING: MERSEN MIRRORS FOR REVOLUTIONARY TECHNOLOGY

Metal 3D printing – which is also called additive manufacturing – is used in many leading-edge industrial sectors to manufacture highly complex metal parts, which could not be produced with traditional techniques such as machining or casting.

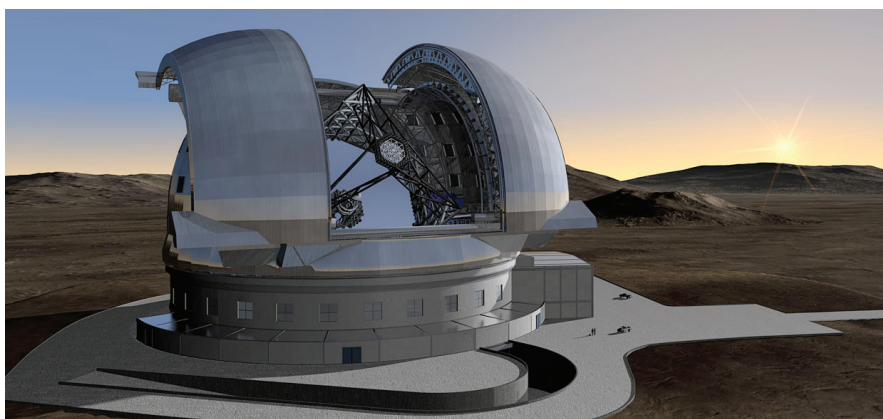
Velo3D, a world-leading designer of metal 3D printers, called on Mersen to supply silicon carbide mirrors for the lasers in its latest 3D printers. The unparalleled rigidity and stability of Mersen Boostec's silicon carbide allow for exceptional manufacturing speed and precision.



3D printer



Mersen Boostec mirrors



ESO's future giant telescope

MERSEN DELIVERS A KEY PART FOR A FUTURE GIANT TELESCOPE, SET TO BE THE WORLD'S MOST POWERFUL

Mersen has delivered the reference structure of the fourth mirror of the European Southern Observatory (ESO) Extremely Large Telescope (ELT) to the Italian consortium AdOptica.

Exceptional in its size, complexity and geometric quality, this structure measures 2.70 meters in diameter. It consists of six silicon carbide segments, assembled by brazing, before being polished. Mersen Boostec's silicon carbide proved to be essential to achieve the required thermo-mechanical performance, including exceptional stiffness.

Mersen has been contributing to astronomy for the past 20 years, working on such prestigious ESA space missions as Rosetta, Herschel and GAIA, and NASA's JWST Telescope.

The ELT Telescope

The Extremely Large Telescope (ELT) is a giant ground-based telescope whose primary mirror will span 39 meters in diameter.

It is being built by the European Southern Observatory (ESO) on the Cerro Armazones mountain in northern Chile, at an altitude of 3,060 meters, and will usher in significant progress in astronomy (stellar archaeology, exoplanet detection and characterization, etc.).

The ELT will use sophisticated adaptive optics technologies to offset the impacts of turbulence in the Earth's atmosphere and vibrations in the facility's immense structure. This will ensure that it provides sharper images than any other telescope.

AN EXCELLENT PERFORMANCE IN FIRST-HALF 2022



“ Mersen achieved record sales of €524m in first-half 2022, up 11.1% on an organic basis compared with first-half 2021.”

Thomas Baumgartner,
Chief Financial Officer

Mersen's consolidated sales amounted to €524 million for the first six months of 2022 – the highest level ever achieved in the period. They were up 11.1% on an organic basis compared with first-half 2021. Taking into account the favorable currency effect, sales grew by 16.3%.

Group operating income before non-recurring items came to €55.0 million in first-half 2022, resulting in an operating margin before non-recurring items of 10.5% of sales, up 90 basis points on first-half 2021. The year-on-year increase was to a large extent due to the effect of higher volumes.

EBITDA amounted to €86.9 million, representing 16.6% of sales versus 15.7% in first-half 2021.

Net income rose by 41% year on year to €38.2 million in the first half of 2022, from €27.1 million in first-half 2021.

Working capital requirement increased sharply in the first half of the year, due to the unfavorable

seasonal effect in the period, the payment of large bonuses for 2021, the strong growth in sales and the significant rise in inventories. The WCR ratio stood at 25% of sales, up significantly from the particularly low level recorded at June 30, 2021. As a result, cash flow from operating activities came to €5.3 million for the period.

Capital expenditure amounted to €33.5 million and notably related to specific expansion projects launched by the Group, such as the increase in isostatic graphite production capacity at the Columbia site (United States) and capacity for the semiconductor market in all geographies.

At June 30, 2022, the Group's net debt stood at €241 million, significantly higher than at end-December 2021. Although it has increased significantly compared to the end of December, the debt ratio (net debt to EBITDA) remains low at 1.50.



Provisional financial calendar

- > Third-quarter 2022 sales:
October 26, 2022,
after market close
- > Full-year 2022 sales:
January 26, 2023,
after market close

Recap of the 2022 Annual General Meeting

Mersen's Annual General Meeting was held on May 19, 2022. All of the resolutions were adopted by more than 88%.

In particular, shareholders approved the payment of a dividend of €1 per share for fiscal year 2021 (paid on July 7, 2022) and the election of Bpifrance Participations as a director.

The Board of Directors met after the General Meeting and welcomed Emmanuel Blot as the permanent representative of Bpifrance Participations, a new director.

The complete results of the votes on the resolutions are available on the Company's website at www.mersen.com/investors/2022-annual-general-meeting