

MERSEN: RECORD ANNUAL SALES OF €1.2 BILLION, REPRESENTING ORGANIC GROWTH OF 13% SOLID 9% GROWTH IN THE FOURTH QUARTER

- Sales of €1,211 million for full-year 2023, with organic growth in both segments and across all geographies
- Organic growth in sales of nearly 9% in the fourth quarter, from a high comparable base
- Continued strong momentum in growth markets (Si and SiC semiconductors, renewable energies and electric vehicles), with SiC semiconductors up 80%
- 2023 operating margin before non-recurring items expected to exceed previous guidance, at around 11.3% of sales (vs. guidance of between 11.0% and 11.2%)

PARIS, JANUARY 25, 2024 – Mersen (Euronext FR0000039620 – MRN), a global expert in electrical power and advanced materials, has reported consolidated sales of €1,211 million for full-year 2023, representing organic growth of 13.2%.

Luc Themelin, Mersen's Chief Executive Officer, said: *"Following on from a record year in 2022, sales once again reached an all-time high in 2023, demonstrating the validity of our strategy and our positioning in sustainable development markets. For full-year 2023, Mersen should exceed its initial guidance and achieve an operating margin before non-recurring items of around 11.3%. This result is testament to our teams around the world and their constant commitment to helping Mersen meet the ambitious objectives set in its 2027 growth plan."*

FULL-YEAR 2023 SALES

Mersen's consolidated sales for full-year 2023 totaled €1,211 million, up by 13.2% on an organic basis versus the same period in 2022. Around 5% of this growth was attributable to price increases.

The unfavorable currency effect, in an amount of €39 million, was mainly due to the depreciation of the Chinese renminbi and the US dollar. The scope effect corresponds to the disposal of a German tantalum anti-corrosion equipment business in August 2023.

In millions of euros	FY 2023	FY 2022	Organic growth	Scope effect	Currency effect	Reported growth
Advanced Materials	669.4	621.8	13.2%	-1.1%	-3.8%	7.7%
Electrical Power	541.5	493.1	13.3%		-3.1%	9.8%
Europe	397.2	356.5	14.2%	-0.9%	-1.5%	11.4%
Asia-Pacific	310.9	320.2	4.7%	-0.9%	-6.4%	-2.9%
North America	463.1	399.2	19.6%	-0.1%	-2.9%	16.0%
Rest of the World	39.7	39.0	6.6%	-0.5%	-3.8%	2.0%
Group	1,210.9	1,114.8	13.2%	-0.6%	-3.5%	8.6%

PERFORMANCE BY SEGMENT

Advanced Materials sales totaled €669 million in full-year 2023, an organic increase of 13.2% versus the previous year. Growth was particularly robust in the Si and SiC semiconductor market, with sales reaching more than €150 million. As expected, sales in the renewable energy market were stable compared to the prior year, as the Group chose to allocate less capacity to solar power in China. Lastly, deliveries for the chemicals market increased slightly.

Electrical Power sales came to €542 million for the year, representing organic year-on-year growth of 13.3%. Sales to the US electrical distribution market remained strong. Sales to transportation markets, including aeronautics, rail and electric vehicles, were also buoyant.

PERFORMANCE BY REGION

Europe recorded robust growth in both segments, thanks to the semiconductor, rail and aeronautics markets. In Germany, momentum was very brisk, particularly thanks to the chemicals and semiconductor markets. In France, growth was propelled by the aeronautics market.

In **Asia**, Group sales were slightly up compared with last year, mainly thanks to China and India. China was driven by the semiconductor and chemicals markets, India by the rail and wind markets. However, sales contracted in the electrical protection market.

In **North America**, momentum was very brisk in both segments and in a large number of markets, particularly semiconductors and process industries. Electrical distribution remained very active, reaching a record over the year.

Lastly, in the rest of the world, year-on-year sales growth reflected higher deliveries of chemicals contracts in the Middle East, partially offset by lower activity in South Africa and Morocco as major chemicals deliveries in 2022 were not repeated in 2023.

FOURTH-QUARTER 2023 SALES

Mersen reported consolidated sales of €301 million for the fourth quarter of 2023, representing organic growth of 8.6%, from a high comparable base.

The most significant exchange rate fluctuations during the period concerned the depreciation of the Chinese renminbi and the US dollar.

In millions of euros	Q4 2023	Q4 2022	Organic growth	Scope effect	Currency effect	Reported growth
Advanced Materials	168.6	161.8	12.3%	-3.5%	-3.7%	4.2%
Electrical Power	132.5	131.8	4.3%		-3.6%	0.6%
Europe	98.1	91.4	11.1%	-2.5%	-1.0%	7.3%
Asia-Pacific	82.0	81.6	10.4%	-3.4%	-5.6%	0.5%
North America	110.6	110.3	5.5%	-0.4%	-4.6%	0.2%
Rest of the world	10.5	10.2	6.7%	-1.8%	-1.4%	3.2%
Group	301.1	293.6	8.6%	-1.9%	-3.6%	2.6%

2023 GUIDANCE

Based on 2023 sales, the Group now expects full-year operating margin before non-recurring items to reach around 11.3%, exceeding the initial guidance of 11.0%-11.2%. Net capital expenditure should be in line with the guidance announced in October 2023 (between €175 million to €200 million).

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.

Contribution n-1 from companies divested in the year in relation to sales for the previous year.

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.

The sales webcast will be held on January 25, 2024 at 6:00 p.m. CET. [Link](#)

FINANCIAL CALENDAR: 2023 full-year results: March 13, 2024, 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 18 R&D centers in 34 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's teams have focused tirelessly on innovation** to accompany its clients and meet their needs. Be it in solar power, electronics, electric vehicles, aerospace or other sectors, wherever technology is progressing, you will always find a bit of Mersen. We work to constantly contribute to progress, striving daily to improve people's lives and protect the planet. This **corporate commitment** has been recognized by external rating agencies, Ecovadis (Gold Medal) and MSCI (AA rating).

MERSEN IS PART OF THE SBF 120 INDEX (EURONEXT PARIS – COMPARTMENT B)

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