

MERSEN: A RESILIENT PERFORMANCE IN 2025, RETURN TO GROWTH EXPECTED IN 2026

- SALES OF €1,186 MILLION IN 2025
- EBITDA MARGIN BEFORE NON-RECURRING ITEMS IN 2025 MAINTAINED AT A SOLID 16%, IN LINE WITH GUIDANCE
- RETURN TO POSITIVE FREE CASH FLOW IN 2025, A YEAR EARLIER THAN FORECAST
- NET INCOME ATTRIBUTABLE TO MERSEN SHAREHOLDERS OF €14 MILLION, REFLECTING A €45 MILLION ONE-OFF NON-CASH IMPACT OF ASSET IMPAIRMENT
- PROPOSED 2025 DIVIDEND OF €0.90 PER SHARE, UNCHANGED FROM 2024
- 2026 GUIDANCE:
 - ORGANIC SALES GROWTH BETWEEN 2% AND 6%
 - EBITDA MARGIN BEFORE NON-RECURRING ITEMS AROUND 16%, +/- 50 BPS
 - OPERATING MARGIN BEFORE NON-RECURRING ITEMS 8.5%, +/- 50 BPS
 - CAPITAL EXPENDITURE BETWEEN €90 MILLION AND €100 MILLION
- MEDIUM-TERM OBJECTIVES FOR 2029 CONFIRMED

PARIS, MARCH 18, 2026 – Mersen (Euronext FR0000039620 – MRN), a global expert in electrical power and advanced materials, has released its consolidated results for the year ended December 31, 2025. The Board of Directors met on March 17, 2026 and approved the audited 2025 financial statements for publication.

Luc Themelin, Mersen's Chief Executive Officer, said: *"In 2025, Mersen once again demonstrated the resilience of its business model, generating almost €1.2 billion in sales and posting an EBITDA margin before non-recurring items of 16%, in line with guidance. Strong business levels in the transportation, wind power, electrical distribution and power grid markets largely offset the slowdown in the solar and SiC semiconductor markets. The Group also returned to positive free cash flow, a year ahead of schedule. This performance reflects our disciplined cost control and the effectiveness of the competitiveness initiatives we implemented throughout the year. Thanks to these results, we are proposing our shareholders a dividend of €0.90 per share for 2025, identical to 2024.*

For 2026, Mersen is aiming to return to organic sales growth, drawing on the strength of its leadership positions, its balanced international footprint and the structural momentum in its markets.

2026 will also be a year of changes in governance, with a new leadership team taking the helm in May. I would like to thank all of the Group's employees, whose expertise and engagement have driven Mersen's growth and development over the years. And I would also like to reiterate the full confidence I have in the ability of the management team – which as from May will be led by Salvador Lamas, supported by two new Segment's Executive Vice Presidents – to continue to deliver on the Group's medium-term goals.”

	2025	2024
Sales (€m)	1,186	1,244
Operating margin before non-recurring items	9.2%	10.5%
EBITDA margin before non-recurring items	16.0%	16.5%
Net income attributable to Mersen shareholders (€m)	14.1	59.0
ROCE	8.4%	10.8%
Leverage ratio	2.2x	1.8x
Dividend per share (€)	0.90	0.90

For the definitions, please refer to the glossaries at the end of the press release.

The consolidated financial statements have been audited. The Statutory Auditors' report will be issued after the verification of the management report, and in particular the information regarding the sustainability statement (CSRD).

SALES, EBITDA BEFORE NON-RECURRING ITEMS AND OPERATING INCOME BEFORE NON-RECURRING ITEMS

Mersen reported consolidated sales of €1,186 million in 2025, down 3.2% on an organic basis compared with 2024. This decline reflects mixed performances – there was a marked downturn in sales in the solar market due to high inventory levels at cell manufacturers in China, as well as a sharp contraction in sales of SiC semiconductors resulting from the delay of demand in the electric vehicle market, whereas the Group delivered a strong performance in the electrical distribution, wind power and rail markets.

The impact of price increases was around 1.5%. The unfavorable currency effect, representing over €40 million, was mainly due to the depreciation of the US and Canadian dollars and the Chinese renminbi. These exchange rate fluctuations had no material impact on the Group's competitiveness. The scope effect reflects the contribution of acquisitions made in 2024 in the United States.

In 2025, 59% of the Group's sales were generated in end markets linked to the energy transition¹, reflecting Mersen's strategic positioning with respect to these long-term growth drivers.

Group EBITDA before non-recurring items was 7.4% lower year on year, at €190.4 million. The EBITDA margin before non-recurring items was 16.0%, versus 16.5% in 2024.

This change was due to a negative volume/mix effect. Price increases and productivity gains more than offset inflation in raw material and labor costs. The measures taken under the adaptation plan helped to contain the impact of lower volumes and an unfavorable product mix.

Operating income before non-recurring items stood at €109.1 million, down on the 2024 figure of €131.1 million. The operating margin before non-recurring items was 9.2%, compared with 10.5% in 2024, due to higher depreciation and amortization linked to capex related to the growth plan. This increase in depreciation and amortization shaved 90 basis points off the margin as a result of lower business volumes during the year.

Advanced Materials segment

Advanced Materials sales totaled €613 million, down 10.6% on an organic basis over the year. This decrease was mainly attributable to a marked downturn in sales in the solar and SiC semiconductor markets, which was partly offset by strong momentum in the rail, wind power and aeronautics markets. Deliveries in chemicals and process industries were down, in line with expectations.

The EBITDA margin before non-recurring items for the Advanced Materials segment was 18.2%, down from 21.4% in 2024, largely due to lower volumes and a negative product mix. However, price increases and the effects of adaptation and productivity plans more than offset the impact of higher raw material and labor costs.

The operating margin before non-recurring items for the Advanced Materials segment was 9.1%, down on the 13.9% achieved in 2024, due to the lower EBITDA margin and the substantial increase in depreciation and amortization in line with investments as part of the growth plan.

Electrical Power segment

Electrical Power sales came to €573 million for the year, representing organic year-on-year growth of 6.0%. This strong growth reflects solid performances in rail and wind power, sustained demand for power electronics, and a record performance in electrical distribution in the United States.

The EBITDA margin before non-recurring items for the Electrical Power segment increased significantly by 300 basis points to 17.0% (compared with 14.0% in 2024). The volume/mix effect was positive. In addition, price increases and productivity gains largely offset the impact of higher raw material and labor costs.

¹ This definition does not replace those used in the EU Taxonomy Regulation and Delegated Acts – see definition provided in the Appendix.

The operating margin before non-recurring items for the Electrical Power segment increased significantly by 270 basis points to 13.2% (10.5% in 2024).

NET INCOME

Net income attributable to owners of the parent amounted to €14.1 million for 2025, compared with €59.0 million in 2024.

Non-recurring items represented a net expense of €53 million in 2025, mostly corresponding to non-cash items as follows:

- A €37 million impairment loss for under-utilized assets for the manufacturing of polycrystalline silicon carbide substrates (p-SiC[®]), which was booked in connection with Soitec's calling into question of planned volumes in view of slower demand in the electric vehicle market. The amount of the impairment loss takes into account identified opportunities to redeploy the assets for other applications or other customers.
- €5 million in charges and provisions mainly related to the adaptation plan, plus €7.7 million in asset impairment with no cash impact.

Net financial expenses amounted to €25.8 million, up slightly on 2024 due to higher average net debt (€382 million in 2025 vs. €296 million in 2024).

Income tax expenses were €17.8 million, compared with €22 million in 2024. Adjusted for certain non-deductible non-recurring items, the effective tax rate was 25.0%.

Income from non-controlling interests essentially included Mersen Yantai (China) and Mersen Galaxy (China), in which Mersen holds a 60% stake. The income from these interests was significantly lower than in 2024, due to the contraction in the solar cell manufacturing market in China – one of the main markets for these companies – which therefore led to negative results and asset write-downs.

CASH AND NET DEBT

In 2025, Mersen returned to positive free cash flow, after three years marked by high levels of capital expenditure related to the rollout of the Group's growth plan.

During the year, the Group pursued its specific action plan for inventory optimization, which enabled it to reduce inventories by more than 9% (€29 million), excluding currency effects, compared with the end of 2024. Prepayments on contracts in the SiC semiconductor market remained stable due to the low level of deliveries. As a result, there was a favorable €17 million change in working capital requirement. The working capital requirement ratio reached a record low, representing 17.8% of sales versus 19.7% in 2024.

Income tax paid decreased to €9.8 million, primarily because of the lower figure for operating income before non-recurring items. This amount is less than the income tax expense recognized in the income statement due to accelerated tax depreciation in the United States applied in accordance with the applicable tax legislation.

Capital expenditure totaled €129.3 million in 2025, down sharply on 2024. Half of this amount related to the Group's growth plan. Of the remaining half, over €20 million was dedicated to other growth projects, and more than €40 million to maintenance and modernization of the Group's plants, as well as to safety and environmental measures.

Regarding the Group's growth plan, approximately 85% of this expenditure is related to the semiconductor market, a portion of which can also be used for other markets. The remainder has been earmarked for the electric vehicle market.

Investments in intangible assets (€13.4 million) concerned (i) the plan which was launched in 2020 to digitize and modernize information systems and (ii) the capitalization of certain R&D expenses for the p-SiC[®] technology for developments that can be used to diversify this technology.

Net debt stood at €382.5 million as of December 31, 2025, 3% higher than at the end of 2024 (€370.3 million), after the payment of dividends.

The Group recorded return on capital employed (ROCE) of 8.4% in 2025 (10.8% in 2024). The change reflects the Group's major investment cycle, which is expected to pay off in 2028/2029.

FINANCIAL STRUCTURE

The Group's financial structure as of December 31, 2025 remained solid, with leverage of 2.2x and gearing of 0.47x, in line with the Group's policy of keeping leverage within a range of 1.5x to 2.5x.

DIVIDEND

At the Annual General Meeting to be held on May 12, 2026, the Board of Directors will recommend the payment of a €0.90 cash dividend per share. This would represent a total payout of around €22 million. The dividend would correspond to 39% of net income adjusted for non-recurring items with a non-cash impact, in line with Mersen's dividend policy of paying out between 30% and 40% of net income attributable to owners of the parent. The dividend payment date will be July 9, 2026.

CONTEXT

The Group is closely monitoring developments in the Middle East that could affect global economic conditions and, in turn, the Group and its customers. Mersen has not observed any significant direct impact on its business at this stage.

2026 GUIDANCE

Mersen is forecasting sales growth in 2026, in line with its medium-term objectives.

For 2026, the Group expects to see the following in its markets:

- continued low level of business in the solar market;
- growth in process industries linked to macroeconomic trends;
- growth in all other markets (SiC/Si semiconductors, rail, aeronautics, EV, etc.)

Performance for EBITDA margin before non-recurring items and operating margin before non-recurring items will largely depend on volume growth, but will also be affected by:

- non-recurrence of the positive effects seen in 2025 linked to the renegotiation of contracts with SiC semiconductor customers;
- an increase in prices, effective mostly in the second half of the year, to contain the impact of higher raw materials costs (copper and silver);
- regarding operating margin before non-recurring items, a significant increase in depreciation and amortization as investments gradually come into service.

Consequently, in 2026, the Group is aiming for:

- organic sales growth between 2% and 6%, with more dynamic growth in the second half of the year than in the first;
- EBITDA margin before non-recurring items of 16% of sales +/- 50 basis points;
- operating margin before non-recurring items of 8.5% of sales +/- 50 basis points, reflecting a further significant rise in amortization;
- capital expenditure between €90 million and €100 million, representing a significant decrease compared with 2025.

2029 MEDIUM-TERM OBJECTIVES

The Group confirms the objectives of its 2029 growth plan:

- sales of around €1.7 billion;
- operating margin before non-recurring items of 12% of sales, which may vary by +/-50 basis points;
- recurring EBITDA margin of 19% of sales, which may vary by +/-50 basis points;
- ROCE of 13%, which may vary by +/-50 basis points.

These objectives are based on February 2023 exchange rates.

2030 CSR ROADMAP

In 2025, Mersen revised its CSR roadmap, in order to integrate a time horizon consistent with its strategic plan and in line with market practices, and to respond to certain matters identified during the CSRD double materiality assessment.

In particular, the Group has added three new objectives to the roadmap:

- Achieve around 65% of sales linked to the energy transition by 2030
- Guarantee that 90% of employees have a minimum of 4 hours of training per year by 2030
- Reach an average of 23 hours of training per employee

The full CSR roadmap and Sustainability Report will be published in the Group's Universal Registration Document at the end of March.

CONDENSED CONSOLIDATED STATEMENT OF INCOME

<i>In millions of euros</i>	2025	2024
Sales	1,186.4	1,243.6
Gross income	351.7	385.8
Selling, marketing and other expenses	(85.0)	(90.2)
Administrative and research expenses	(155.7)	(163.1)
Amortization of revalued intangible assets	(1.9)	(1.4)
Operating income before non-recurring items	109.1	131.1
<i>As a % of sales</i>	9.2%	10.5%
Non-recurring income and expenses	(52.7)	(23.5)
Operating income	56.3	107.5
Net financial expense	(25.8)	(24.0)
Current and deferred income tax	(17.8)	(22.0)
Net income	12.8	61.5
Net income attributable to Mersen shareholders	14.1	59.0

SEGMENT ANALYSIS

	Advanced Materials		Electrical Power		Group	
	2025	2024	2025	2024	2025	2024
Sales	612.9	689.8	573.4	553.8	1,186.4	1,243.6
EBITDA before non-recurring items	111.4	147.3	97.3	77.7	190.4	205.5
<i>As a % of sales</i>	<i>18.2%</i>	<i>21.4%</i>	<i>17.0%</i>	<i>14.0%</i>	<i>16.0%</i>	<i>16.5%</i>
Operating income before non-recurring items	55.8	96.1	75.7	58.0	109.1	131.1
<i>As a % of sales</i>	<i>9.1%</i>	<i>13.9%</i>	<i>13.2%</i>	<i>10.5%</i>	<i>9.2%</i>	<i>10.5%</i>

CONDENSED STATEMENT OF CASH FLOWS

<i>In millions of euros</i>	2025	2024
Cash generated by operating activities before change in working capital requirement	178.5	197.8
Change in working capital requirement	17.2	9.1
Income tax paid	(9.8)	(12.9)
Net cash generated by operating activities	186.0	194.0
Capital expenditure	(129.3)	(204.3)
Investments in intangible and financial assets	(13.4)	(12.3)
Interest payments	(21.0)	(16.6)
Repayment of lease liabilities	(16.2)	(16.0)
Free cash flow	6.0	(55.3)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Dec. 31, 2025	Dec. 31, 2024
Non-current assets	1,092.6	1,151.3
Right-of-use assets	53.0	59.7
Inventories	257.5	307.8
Trade and other receivables	195.7	205.6
Other assets	9.7	4.5
TOTAL	1,608.5	1,728.9
Total equity	807.2	882.4
Provisions	23.1	22.7
Employee benefit obligations	25.0	32.4
Trade and operating payables	245.7	268.6
Other liabilities	67.5	88.2
Lease liabilities	57.5	64.4
Net debt	382.5	370.3
TOTAL	1,608.5	1,728.9

WORKING CAPITAL TO SALES RATIO

<i>(in millions of euros)</i>	Dec, 2025	Dec, 2024
Inventories	258	308
Trade receivables	159	177
Other operating receivables	33	27
Contract assets	4	2
Trade payables	(73)	(81)
Other operating payables	(117)	(119)
Contract liabilities	(56)	(69)
Working capital requirement	207	245
Sales (4 x fourth quarter)	1,166	1,243
WCR as a % of sales	17.8%	19.7%

ROCE CALCULATION

<i>(in millions of euros)</i>	2025	2024
Operating income before non-recurring items	109.1	131.1
Average capital employed	1,299.4	1,213.1
ROCE	8.4%	10.8%

The Group's results for 2025 will be presented on March 18, 2026 at 10:00 a.m. CET in a [webcast streamed on Mersen's website](#).

FINANCIAL CALENDAR

First-quarter 2026 sales: April 28, 2026 after markets close

ABOUT MERSEN

Mersen is a **global expert in electrical power and advanced materials** for high-tech industries. With more than 50 industrial sites and 24 R&D centers in 32 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, electronics, electric vehicles, aeronautics, space or many other sectors, wherever technology is progressing, you will always find a bit of Mersen.

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GLOSSARY

Average capital employed: Average capital employed for the last three half-year periods.

Capital expenditure: Investments in property, plant and equipment.

EBITDA before non-recurring items: Operating income before non-recurring items, depreciation and amortization.

Free cash flow: Operating cash flow, net of capital expenditures, acquisitions of intangible assets, interest paid, and lease liability repayments

Gearing: Covenant net debt divided by equity.

Leverage: Covenant net debt divided by covenant EBITDA.

Net debt: Sum of long- and medium-term borrowings, current financial liabilities and current bank loans, less current financial assets, cash and cash equivalents.

Operating cash flow: Net cash generated by operating activities.

Operating margin before non-recurring items: Operating income before non-recurring items divided by sales.

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.

Payout ratio: Ratio of dividend per share proposed for the year to earnings per share for the year, calculated based on the number of ordinary shares excluding treasury shares at year-end.

Recurring EBITDA margin: EBITDA before non-recurring items divided by sales.

ROCE: Return on capital employed: operating income before non-recurring items for the last 12 months divided by average capital employed.

WCR: Working capital requirement: sum of trade receivables, inventories, contract assets and other operating receivables, less trade payables, contract liabilities and other operating payables.

WCR ratio: Working capital requirement divided by sales for the last quarter, multiplied by four.

DEFINITION: SALES LINKED TO ENERGY TRANSITION

All Mersen products or solutions that enable:

- reduced use of fossil fuels or materials
- sustainable use of water
- transition to a circular economy, in particular the use of secondary raw materials

The main markets concerned are therefore as follows:

- renewable energy and associated stationary storage systems
- SiC semiconductor manufacturing
- components for power conversion, including systems to improve the quality and transmission of electric current
- low-carbon transport: rail, electric vehicles and electric ships

Some Mersen products are also direct contributors:

- insulation products (flexible or rigid), which make processes more energy-efficient
- scan mirrors, which are more efficient than glass mirrors for laser cutting
- fuses and surge protection devices, which protect electrical systems and help extend the lifespan of end-products.