

STRONG LIKE-FOR-LIKE SALES GROWTH OF 9.2% IN THE THIRD QUARTER OF 2017

- SUCCESS FOR THE GROUP'S SALES AND OPERATIONAL EXCELLENCE MEASURES, AMID A FAVORABLE ECONOMIC BACKDROP
- FULL-YEAR GUIDANCE FOR 2017 REVISED UPWARDS:
 - ANNUAL LIKE-FOR-LIKE SALES GROWTH OF BETWEEN 7% AND 8%
 - OPERATING MARGIN BEFORE NON-RECURRING ITEMS UP BY 150 TO 170 BASIS POINTS, COMING IN AT BETWEEN 9% AND 9.2% VERSUS 7.5% IN 2016 (RESTATED)

PARIS, OCTOBER 25, 2017 - Mersen (Euronext FR0000039620 - MRN), a global expert in electrical power and advanced materials, announces that its consolidated sales for the first nine months of 2017 amounted to €608 million.

Luc Themelin, Mersen's Chief Executive Officer, commented: *"We had an excellent third quarter all round, demonstrating how effectively we were able to implement our strategy in a more favorable economic environment. Our performance in Asia was once again outstanding and we also saw a significant improvement in the United States. In view of these factors, we estimate that growth in both our sales and operating margin for full-year 2017 will be higher than previously forecast."*

2017 THIRD-QUARTER SALES

Mersen generated consolidated sales of €198 million in the third quarter of 2017, representing strong like-for-like growth of 9.2% year on year. The currency effect was a negative €6 million during the period, with half of the total due to the depreciation of the US dollar.

	Q3 2017	Q3 2016 ⁽²⁾	Total growth	Like-for-like growth ⁽¹⁾
Advanced Materials	108.0	103.0	4.9%	7.9%
Electrical Power	90.0	84.1	6.9%	10.8%
Group total	198.0	187.1	5.8%	9.2%
Europe	63.6	62.8	1.4%	2.3%
Asia-Pacific	57.6	48.5	18.7%	24.4%
North America	68.8	67.4	2.1%	6.6%
Rest of the world	8.0	8.4	-4.9%	-3.2%
Group total	198.0	187.1	5.8%	9.2%

(1) At constant scope of consolidation and exchange rates (like-for-like).

(2) Restated to reflect the reclassification of operations held for sale.

Sales for the **Advanced Materials** segment rose 7.9% like-for-like to €108 million in third-quarter 2017, led by sustained growth in the electronics and process industries markets, particularly the oil & gas and glass forming sectors. Trends in the chemicals market were also more positive during the period.

Electrical Power sales came to €90 million for the quarter, up by more than 10% on a like-for-like basis. This increase was driven by sustained business levels in electrical distribution and good performances in the electronics and transportation markets.

In terms of the Group's geographical areas, the most significant event of the period was the excellent performance delivered by the **Asia-Pacific** region, where like-for-like growth came in at over 24%. After an already impressive first half of the year, China, South Korea, Japan and India reported double-digit growth propelled by the renewable energy, electronics and process industries markets. In **North America**, sales were up 6.6% on a like-for-like basis, confirming the upswing observed at the end of the second quarter, with a year on year rise for electrical distribution and sustained growth in the electronics market. **Europe** reported 2.3% like-for-like growth despite a slowdown in sales in Germany, mainly caused by the timing of projects in the railway market. Growth in France was primarily driven by the aerospace sector.

NINE-MONTH 2017 SALES

Mersen's restated consolidated sales for the first nine months of 2017 totaled €608 million, up by more than 6% on the same period of 2016. Sales for the high-power switch and contactor business, which was sold in October 2017, have been classified under "Discontinued operations".

	9 months 2017	9 months 2016 ⁽²⁾	Total growth	Like-for-like growth ⁽¹⁾
Advanced Materials	335.2	313.5	6.9%	6.8%
Electrical Power	272.5	258.6	5.4%	5.8%
Group total	607.7	572.1	6.2%	6.4%
Europe	199.5	195.2	2.2%	3.5%
Asia-Pacific	168.0	140.1	19.9%	20.5%
North America	215.3	208.3	3.4%	3.0%
Rest of the world	24.9	28.5	-12.4%	-17.2%
Group total	607.7	572.1	6.2%	6.4%

(1) At constant scope of consolidation and exchange rates (like-for-like).

(2) Restated to reflect the reclassification of discontinued operations.

DISCONTINUED OPERATION

The high-power switch and contactor business was sold to a French manufacturer in October 2017. Consequently, it will be classified as a discontinued operation in the 2017 consolidated financial statements in accordance with IFRS 5, and the 2016 financial statements will be restated accordingly. This business generated sales of €4.6 million in 2016 and €2.5 million in the first half of 2017. Its impact on the Group's operating margin before non-recurring items was a negative 0.15 of a point in 2016 and a negative 0.1 of a point in first-half 2017. Its sale will generate a cash flow of around €7 million and a pre-tax disposal gain.

OUTLOOK FOR 2017

In view of its third-quarter performance and the more positive overall economic environment, the Group now expects like-for-like sales growth (i.e. at constant scope of consolidation and exchange rates) for full-year 2017 to come in at between 7% and 8%. Operating margin before non-recurring items is expected to rise by a very significant 150 to 170 basis points compared with 2016 and therefore to represent between 9.0% and 9.2% of sales (taking into account the restatement related to the sale of the high-power switch and contactor business).

The Group's previous guidance was like-for-like sales growth of between 3% and 5% and an increase of between 80 and 130 basis points for operating margin before non-recurring items.

FINANCIAL CALENDAR

2017 sales: January 29, 2018, after close of trading.

ABOUT MERSEN

Global expert in electrical power and advanced materials, Mersen designs innovative solutions to address its clients' specific needs to enable them to optimize their manufacturing performance in sectors such as energy, electronics, transportation, chemicals & pharmaceuticals and process industries.

Mersen, with its 6,100 employees working across 35 countries, recorded restated sales of €759 million in 2016.

MERSEN IS LISTED ON EURONEXT PARIS – COMPARTMENT B

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