

MERSEN: SHARP INCREASE IN SALES TO €879 MILLION FOR 2018

- STRONG MOMENTUM MAINTAINED IN THE FOURTH QUARTER
- FULL-YEAR LIKE-FOR-LIKE GROWTH IN SALES OF NEARLY 10% THAT EXCEEDS THE GROUP'S TARGETS
- FORECAST OPERATING MARGIN BEFORE NON-RECURRING ITEMS OF AROUND 10.4% FOR 2018 CONFIRMED
- CONTINUED CONFIDENCE IN THE GROUP'S MEDIUM-TERM POTENTIAL

PARIS, JANUARY 30, 2019 – Mersen (Euronext FR0000039620 – MRN), a global expert in electrical power and advanced materials, has reported consolidated sales of €879 million for full-year 2018.

Luc Themelin, Mersen's Chief Executive Officer, said: "Mersen continued to grow in the fourth quarter of 2018, despite a high basis of comparison. Our full-year like-for-like growth of 10%, which exceeds our most recent targets, is the result of a particularly dynamic year marked by growth in all of our businesses and across all regions; the acquisition of two new power electronics companies to strengthen our foothold in this industry of the future; and the establishment of a joint venture in China to harness the strong worldwide growth of the solar market. Buoyed by these different factors among others, we are confident in the Group's ability to continue to deliver growth."

2018 SALES

Mersen generated consolidated sales of €879 million in 2018, representing strong like-for-like growth of nearly 10% year on year. Including the consolidation of Idealec and FTCap (+2.1%) and a negative currency effect (-3%), sales grew by 8.6%.

In millions of euros	2018	2017	Like-for-like growth	Scope effect	Currency effect	Reported growth
<i>Advanced Materials</i>	487.1	446.6	12.4%	0.2%	-3.1%	9.1%
<i>Electrical Power</i>	391.4	362.6	6.8%	4.6%	-2.9%	7.9%
Europe	297.1	263.1	8.2%	5.9%	-1.1%	12.9%
Asia-Pacific	250.3	228.7	12.6%	0.4%	-2.9%	9.5%
North America	293.2	282.4	8.4%	0.3%	-4.3%	3.8%
Rest of the World	37.9	35.0	17.4%	0.4%	-8.1%	8.3%
Group	878.5	809.2	9.9%	2.1%	-3.0%	8.6%

Unaudited figures

Advanced Materials sales totaled €487 million in 2018, representing like-for-like growth of more than 12% over the year. All markets contributed to growth, particularly solar and electronics –notably silicon carbide (SiC) solutions.

Electrical Power sales came to €391 million in 2018, up by nearly 7% like-for-like. Activity was driven by strong business in the green mobility, rail and electric vehicle markets, with the segment also benefiting from the contributions of recently acquired companies, Idealec and FTCap.

In **Europe**, the Group performed very well in both business segments, with robust growth in France, Germany Italy and Spain, thanks to the renewable energies and rail and air transportation markets.

Asia recorded another significant increase of nearly 13% in sales. Growth in China was led by the solar, rail and chemicals markets, whereas the slowdown in the photovoltaic installations market and a high basis of comparison caused sales in Japan to contract.

Lastly, **North America** also saw significant growth in both business segments, with sales increasing in the electrical distribution market as well as in electronics.

FOURTH QUARTER 2018 SALES

Fourth quarter 2018 sales came in at €225 million, representing like-for-like growth of 7.4% year on year. Taking into account the consolidation of Idealec and FTCap, sales grew by 11.8%.

In millions of euros	Q4 2018	Q4 2017	Like-for-like growth	Scope effect	Currency effect	Reported growth
<i>Advanced Materials</i>	122.9	111.4	10.1%	0.5%	-0.3%	10.3%
<i>Electrical Power</i>	102.4	90.1	4.1%	9.0%	0.8%	13.6%
Europe	76.7	63.6	9.6%	11.9%	-0.9%	20.6%
Asia-Pacific	61.5	60.8	1.1%	1.0%	-0.6%	1.2%
North America	75.8	67.0	9.6%	0.7%	2.7%	13.1%
Rest of the World	11.3	10.1	16.4%	0.0%	-3.9%	12.2%
Group	225.3	201.5	7.4%	4.3%	0.2%	11.8%

Unaudited figures

The moderate growth reported for Asia in the fourth quarter of 2018 is mainly due to the particularly high basis of comparison with the prior-year period, when the region represented 30% of the Group's sales.

OUTLOOK FOR 2018¹

Based on its full-year sales as reported, Mersen is maintaining its forecast of an operating margin before non-recurring items of around 10.4% of sales.

GLOSSARY

Like-for-like 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 and the impact of IFRS 15.

Scope effect: contribution from companies acquired in the year in relation to sales for the year.

- Idealec, a recognized designer and manufacturer of laminated bus bars, has been consolidated within the Group since April 1, 2018.
- The acquisition of FTCap, a Germany-based company specializing in the development and production of capacitors, was finalized in July 2018. It has been consolidated in the Group's financial statements since July 1, 2018.
- Louisville Graphite Inc. (LGI), a company based in the United States which provides aftermarket and repair services, was acquired in July 2018. It has been consolidated in the Group's financial statements since July 1, 2018.

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.

¹ The financial statements for the year ending December 31, 2018 will be approved by the Board of Directors on March 12, 2019. The figures given here are an estimation and have not yet been verified by the statutory auditors.

FINANCIAL CALENDAR

2018 results: March 13, 2019, before market opening.

ABOUT MERSEN

A 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 6,400 employees working across 35 countries, recorded sales of €879 million in 2018.

MERSEN IS LISTED ON Euronext Paris – COMPARTMENT B

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