

STRATEGIC ACQUISITION OF ADDITIONAL AND MODULAR SPECIALTY GRAPHITE PRODUCTION CAPACITY

- MODULAR INVESTMENT DEPENDING ON FUTURE MARKET NEEDS
- REPATRIATION OF THE PRODUCTION OF GRAPHITE GRADES
- €5 MILLION TO €10 MILLION MINIMUM IMPROVEMENT IN GROUP EBITDA BY 2023

PARIS, JULY 8, 2019 – Mersen (Euronext FR0000039620 – MRN), a global expert in electrical power and advanced materials, has announced the acquisition of assets in the graphite business of the former Graftech site in Columbia (Tennessee).

Luc Themelin, Mersen's Chief Executive Officer, said: *"Given today's particularly buoyant market, our goal at Mersen was to find a solution that would give us the additional graphite production capacity we need to satisfy market demand from 2020 and beyond. This acquisition is an excellent opportunity to fulfil several objectives: limited initial investment despite the quality of the assets, a gradual ramp-up in line with market dynamics, and additional capacity to give us a new competitive advantage on certain materials that the Group currently purchases from outside suppliers."*

The operation concerns the acquisition of land, buildings and equipment for a total of USD 7 million and coupled with additional, modular investment, will enable the Group to meet several strategic goals over time:

- Access to complementary isostatic graphite production capacity for a much lower cost than building a new factory.
- Repatriation within the Group of the production of specialty extruded graphite which is currently purchased from outside suppliers and is used for heat exchangers and certain applications in the process industries and oil and gas, thereby securing supply and benefiting from the associated margins.

The Group could invest between €25 million and €35 million over the next three to five years to ensure the optimal commissioning of the facilities that will give it an additional production capacity of between 2,000 and 4,000 tons per year for each isostatic and extruded graphite specialties segments. These investments will start in 2019, for an estimated amount of €5 million.

The operation is expected to have a positive impact of at least €5 million to €10 million on Group EBITDA by 2023.

Graitech is a key player in synthetic graphite that disposed of its various specialty carbon product operations in 2016/2017, selling its Columbia site to GT Columbia LLC and GT Acquisition Holdings LLC in 2017. Mersen is buying the assets to these 2 companies.

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 6,900 employees working across 35 countries, recorded sales of €878 million in 2018.

MERSEN IS LISTED ON Euronext Paris – COMPARTMENT B

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