

MERSEN REPORTS FIRST-QUARTER 2021 SALES OF €220 MILLION

STRONG GROWTH ON SUSTAINABLE DEVELOPMENT MARKETS

- SALES AT €220 MILLION, STABLE ON AN ORGANIC BASIS VERSUS FIRST-QUARTER 2020
- GROWTH OF MORE THAN 10% ON SUSTAINABLE DEVELOPMENT MARKETS
- STRONG 9% GROWTH IN THE ASIA-PACIFIC REGION
- 2021 GUIDANCE CONFIRMED

PARIS, APRIL 29, 2021 – Mersen (Euronext FR0000039620 – MRN), a global expert in electrical power and advanced materials, has reported consolidated sales of €220 million for the first quarter of 2021. This represents a 2.4% drop in sales compared with the first quarter of 2020 and takes into account a negative currency effect and the integration of companies recently acquired.

Sustainable development markets reported a growth of more than 10 % driven by wind power and especially by electronics, while the process industries posted a moderate decline. These solid performances were mitigated by the continued sharp decline in aeronautics at the beginning of the year and the more moderate decrease of chemicals.

In millions of euros	Q1 2021	Q1 2020	Organic growth	Scope effect	Currency effect	Reported growth
<i>Advanced Materials</i>	122.3	128.8	-2.5%	1.2%	-3.8%	-5.0%
<i>Electrical Power</i>	97.4	96.4	3.4%	1.8%	-4.1%	1.0%
Europe	79.1	79.4	-3.2%	3.5%	-0.7%	-0.4%
Asia-Pacific	65.1	61	9.4%	0.1%	-2.6%	6.6%
North America	68.2	77.5	-5.3%	0.6%	-7.5%	-11.9%
Rest of the World	7.3	7.3	12.6%	0.8%	-12.5%	-0.6%
Group	219.7	225.2	0.0%	1.5%	-3.9%	-2.4%

Unaudited figures

See glossary

Mersen’s Chief Executive Officer, Luc Themelin, said: “Our good first-quarter performance once again validates our strategic decision to position ourselves in sustainable development markets, which saw fast-paced growth, led by renewable energies and semiconductors. Our recent alliance with Autoliv, a leader in automotive safety systems, gives us an ideal position on the electric vehicle market. Overall, business has been upbeat since the beginning of March, with a good level of new orders, and I reiterate my confidence in our ability to deliver growth in 2021.”

PERFORMANCE BY SEGMENT

Advanced Materials sales amounted to €122 million in the first quarter of 2021, down 2.5% on an organic basis in comparison with the same period last year. The renewable energies and semiconductor markets reported vigorous growth. As expected due to the comparable base, the aeronautics market is down sharply, by almost 40%, while the decline was less pronounced in the chemicals and process industries.

Electrical Power sales amounted to €97 million for the quarter, up over 3% on an organic basis. Renewable energies and power electronics saw sustained growth, whereas the slowdown in traffic continued to affect the rail market. Electrical distribution was up slightly compared to a fairly strong first-quarter 2020.

PERFORMANCE BY REGION

In **Europe**, the situation improved considerably in March in most countries, thanks to strong momentum on certain markets such as wind power, stationary energy storage and electric vehicles. However, Covid-related shutdowns continued to take a heavy toll on the aeronautics industry.

In **Asia**, China reported growth of over 13% for the quarter, led by the solar power and electronics markets. India also delivered strong growth of above 25%, benefiting from a favorable comparable base. The rail sector was upbeat across the region, whereas chemicals retreated following the high level of invoicing in 2020.

Lastly, **North America** continued to experience a slowdown in process industries, particularly in the Advanced Materials segment. Aeronautics also contracted sharply. In contrast, the electronics market remained bullish, led by SiC semiconductors.

JOINT-COLLABORATION WITH AUTOLIV

On April 20, 2021, Mersen and Autoliv, the worldwide leader in automotive safety systems, announced that they are embarking on a multi-year alliance to develop devices that will make electric vehicles safer. The alliance will produce disconnect devices that utilize Autoliv's proven pyrotechnical Safety Switch technology and Mersen's fuse hybridization concepts.

GUIDANCE CONFIRMED

Based on its first-quarter performance, the Group is confident that it will achieve its objectives for the year, buoyed by its positions on sustainable development markets. Mersen is confirming its objectives for 2021 as announced on March 11, 2021, i.e., organic sales growth of between 2% and 6% and an operating margin before non-recurring items of between 8% and 8.8% of sales.

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.

- In February 2020, the Group finalized the acquisition of GAB Neumann, a specialist in the design, manufacture and sale of graphite and silicon carbide (SiC) heat exchangers for the chemicals market. It has been consolidated since March 1, 2020.
- The acquisition of the insulation business of American company Americarb, a long-standing player in carbon fiber insulation, was finalized during the summer of 2020. It has been consolidated since September 1, 2020.
- Mersen acquired the Hager group's stake in Fusetech, a manufacturer of industrial fuses based in Kaposvar, Hungary. Fusetech has been consolidated since January 1, 2021.

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.

Sustainable development markets: mainly renewable energies, power electronics and semiconductors, as well as the rail and electric vehicle markets.

FINANCIAL CALENDAR: First-half 2021 results: July 30, 2021 before trading.

ABOUT MERSEN

Mersen is a **global expert in electrical specialties and advanced materials** for high-tech industries. With more than 50 industrial sites and 16 R&D centers in 35 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 power, electronics, electric vehicles, aeronautics, space or countless other sectors, wherever technology is progressing, you will always find a bit of Mersen.

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