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“ Thanks to this excellent performance, we have revised our full-year 2023 guidance upward

Luc Themelin,
Chief Executive Officer

MESSAGE FROM THE CEO

A TURNING POINT FOR THE GROUP

The first half of 2023 marked a turning point for Mersen with the presentation of its 2027 strategic roadmap. This plan represents a major change in dimension for the Group, and illustrates its ideal positioning to support market acceleration in high-performance semiconductors and electric vehicles. The announcement was accompanied by a major investment plan to rapidly increase material production capacity, including through the extension of finishing plants and facilities dedicated to the electric vehicle market. The Group also strengthened its resources, in particular its electric vehicle teams.

To maintain its financial and strategic flexibility, Mersen launched and successfully

completed a €100 million capital increase, giving the Group a very solid financial structure.

In line with its roadmap, the Group delivered an excellent performance in the first half of the year, achieving record half-year sales of €608 million in particular. Both segments reported a strong performance, each generating double-digit organic growth, underlining the Group's positioning in highly dynamic markets, particularly semiconductors and electric vehicles. Operating income before non-recurring items also increased sharply due to greater volumes and a high capacity utilization rate.

NEWS

Find out more: for all the latest news, visit www.mersen.com



CORPORATE

ENERGY TO INNOVATE #3

Mersen's "Energy to Innovate" magazine showcases the innovations that have shaped the Group's history for the past 130 years.

The third issue, published in digital format on the Group's website, features Mersen's latest developments in the semiconductor market, some of the key events that have marked the Group's history, and highlights of 2022 in particular.

▶ You can also obtain a printed copy by sending your request to Mersen's Shareholder Services at: dri@mersen.com

How to contact us?

▶ SITE INTERNET
www.mersen.com

▶ E-MAIL
dri@mersen.com

▶ TÉLÉPHONE
+33 (0)1 46 91 54 49

▶ LINKEDIN
[@company/mersen](https://www.linkedin.com/company/mersen)

▶ FACEBOOK
Mersen

▶ YOUTUBE
MersenGroup

GRAPHITE, THE ALL-ROUND CHAMPION

EXCEPTIONAL PROPERTIES

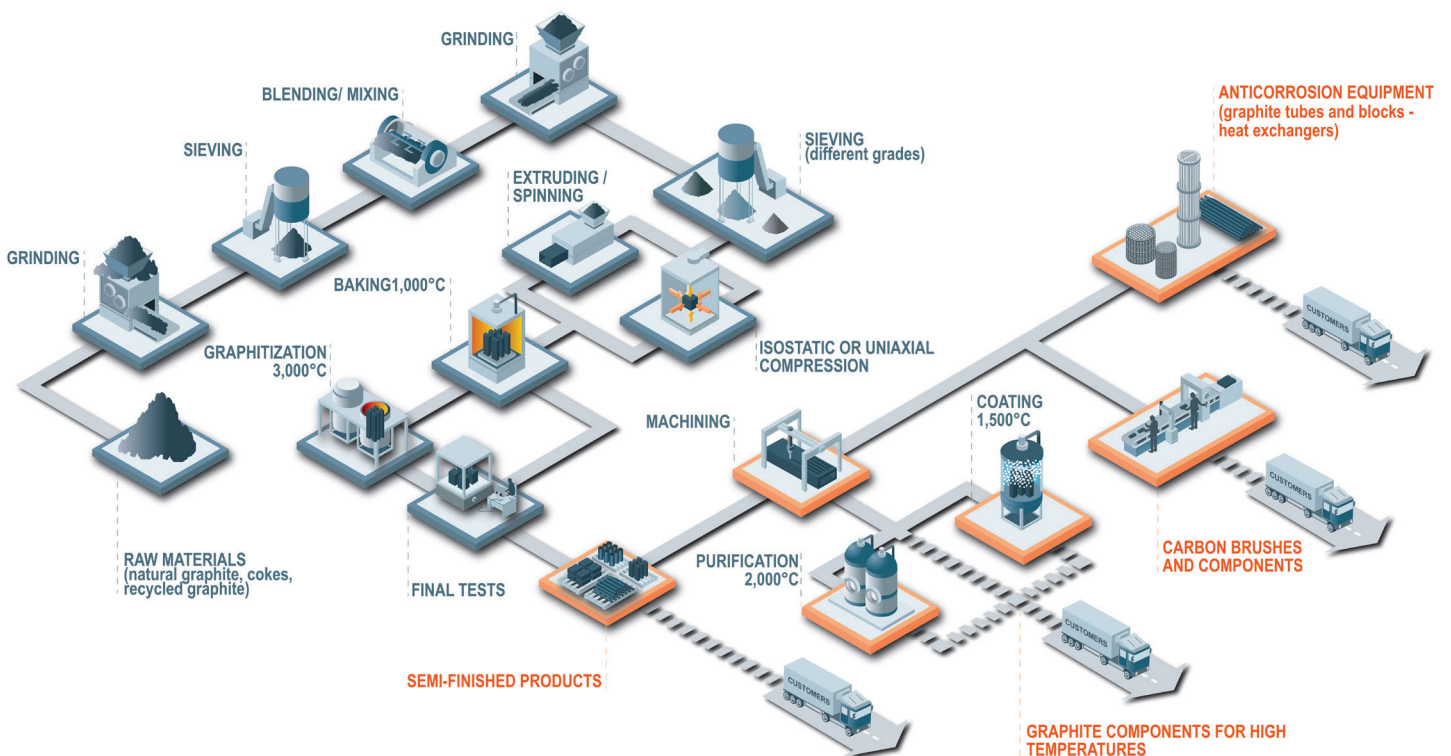
- Refractory (resistant to very high temperatures and corrosion),
- Thermal and electrical conductivity,
- Self-lubricating,
- Mechanical resistance,
- Highly machinable and purifiable,
- Long-lasting.

Since the beginning, Mersen has leveraged the remarkable properties of artificial graphite to a wide range of industrial processes.

Artificial graphite is obtained by graphitizing a mixture of petroleum coke and coal tar pitch at very high temperatures. Initially used in street lighting and motor brushes, it has become increasingly sought after over the years for a wide range of applications. For example, thanks to its temperature resistance (up to 2,500°C), it has been used since the mid-20th century as a hot-zone component in industrial furnaces, such as those used to manufacture solar cells.

Today, artificial graphite has become indispensable to the semiconductor industry thanks to its level of purity, which makes it ideal for manufacturing transistors and computer memory. As a result, this increasingly sophisticated graphite material is playing an ever more important role in the electronics market.

Artificial graphite manufacturing process (isostatic or extruded)



INAUGURATION IN COLUMBIA, USA

On July 11, 2023, Mersen inaugurated a former industrial site acquired in the United States in 2019, thereby reinforcing its graphite production capacities at St Marys, also in the United States, and Chongqing, in China.



Mersen has invested nearly USD 70 million over the past four years in the Columbia (Tennessee) site to address the Group's industrial requirements and accelerate its development in high-growth markets such as solar and semiconductor. It is now a key site in the Group's manufacturing base.

Spanning 240,000 square meters, the site currently employs around 80 people and is set to continue hiring over the coming years to keep pace with very strong growth linked to the semiconductor market.

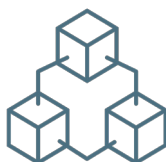
THE INVENTOR



Charles Street

Charles Street, an emblematic figure in the history of Mersen, invented carbon graphitization in 1893 and registered its patent. His invention paved the way for the motor brush industry, which Mersen still dominates today, and was later extended to many other applications.

Columbia: one site covering three areas of expertise



- Production of **extruded graphite**, used in particular for heat exchangers and for certain applications in the process industries.
- Manufacture of **insulating felts** for the solar, semiconductor, and process industries.
- Manufacture of **isostatic graphite** for the semiconductor market.



Block of extruded graphite



Insulating felt for furnaces



Isostatic graphite parts for a silicon solidification furnace

AN EXCELLENT PERFORMANCE IN FIRST-HALF 2023



“ Mersen achieves its highest first half sales ever

Thomas Baumgartner,
Chief Financial Officer

In the first half of 2023, Mersen's consolidated sales totaled €608 million – the highest level ever achieved by the Group. Organic growth was 18.3% year on year, 5% of which was attributable to price increases. Taking into account the unfavorable currency effect, sales grew by 15.9%.

EBITDA before non-recurring items grew by nearly 16% year on year to €100.5 million, representing 16.5% of sales.

Group operating income before non-recurring items totaled €68.8 million in first-half 2023, resulting in an operating margin before non-recurring items of 11.3% of sales, up 80 basis points versus first-half 2022. The year-on-year increase was largely due to greater volumes and a high capacity utilization rate.

Net income attributable to Mersen shareholders rose by more than 25% to €43.9 million in first half 2023, from €35.1 million in first-half 2022.

The Group generated net cash from operating activities of €39.2 million, higher than the €5.3 million reported in first-half 2022, despite a €44.6 million negative change in working capital requirement amid robust business growth. The WCR ratio stood at 23% of sales, considerably lower than at June 30, 2022 thanks to an increase in prepayments on contracts in the SiC semiconductor market.

Capital expenditure totaled €61.7 million, in the context of the Group's medium-term growth plan. More than 55% of the expenditure will be used for capacity increases as part of the Group's medium-term plan, including the expansion of materials finishing plants and the extension of a plant in France serving the electric vehicle market. Approximately 23% of this amount concerned the maintenance, upkeep and modernization of plants and equipment. The remaining amount covered other growth projects and projects to improve safety and the environment at Group sites.

Net debt at June 30, 2023 stood at €189 million, down sharply compared with December 31, 2022 (€241 million), primarily reflecting the capital increase (net of costs) of €96 million completed in May 2023 and, conversely, the significant increase in capital expenditure as part of the Group's growth plan.

The Group improved its financial structure over the period, with leverage of 0.98x (versus 1.36x at December 31, 2022) and gearing of 23% (versus 33% at December 31, 2022). No significant repayment milestones are expected before 2026.



Provisional financial calendar

- > Third-quarter 2023 sales: **October 25, 2023, after market close**
- > Individual shareholders' meeting **November 20, 2023 in Lyon**
- > Full-year 2023 sales: **January 25, 2024, after market close**
- > 2023 full-year results: **March 13, 2024, before market opening**

Main takeaways of the 2023 Annual General Meeting

Mersen's Annual General Meeting was held on May 16, 2023. All of the resolutions were adopted by more than 89%.

In particular, shareholders approved the payment of a dividend of €1.25 per share for fiscal year 2022 (paid on July 6, 2023) and the election of Emmanuelle Picard as a director.

The complete results of the votes on the resolutions are available on the Company's website at <https://www.mersen.com/investors/2023-annual-general-meeting>.