





Global Expert in Electrical Power and Advanced Materials

JANUARY, 2023

A GLOBAL PLAYER AT THE HEART OF TECHNOLOGIES WHO DRIVES THE INDUSTRY FORWARD AND SHAPES A MORE SUSTAINABLE SOCIETY

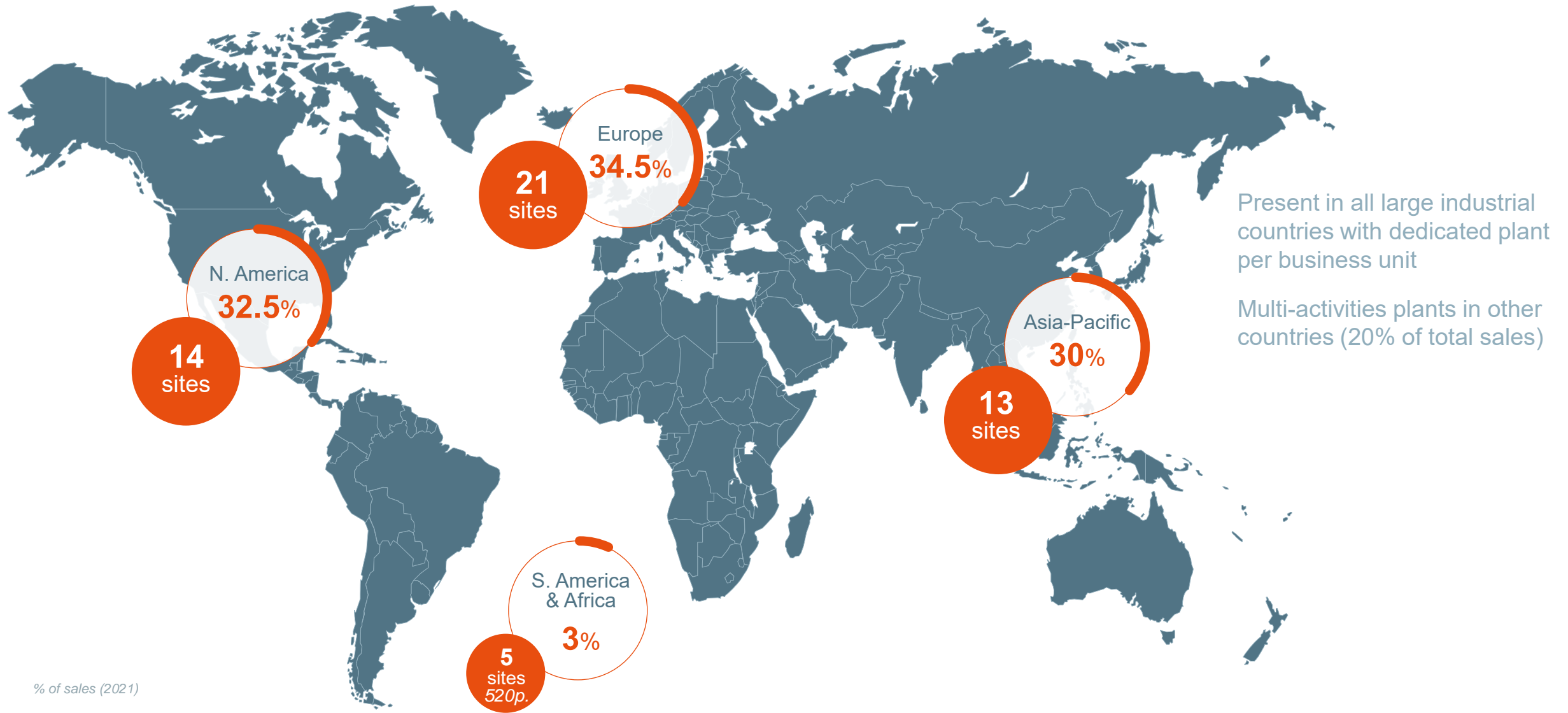


KEY FIGURES 2021

	EBITDA 16.1% OF SALES		SALES €923m
	EMPLOYEES 7,000		R&D CENTERS 18
			COUNTRIES 35

MSCI ESG RATINGS CCC B BB BBB A AA AAA				 WE SUPPORT
---	---	---	---	---

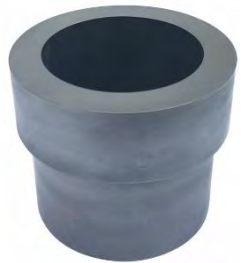
A GLOBAL FOOTPRINT TO MAXIMIZE CUSTOMER INTIMACY, LIMIT INTER-CONTINENTAL TRANSFERS AND EXCHANGE RATE EXPOSURE



ADVANCED MATERIALS: HIGH VALUE-ADDED CUSTOMIZED SOLUTIONS RELYING ON A UNIQUE MATERIALS EXPERTISE

GRAPHITE SPECIALITIES

#1
WORLDWIDE



Crucible in graphite



Electrode in graphite for edm



Wafers carrier in graphite for Semicon



Carbon insulation for high temperature furnaces



Laser galvo scanning mirrors in Sintered SiC

MAIN COMPETITORS

SGL Carbon (Ger), Tokai Carbon (Jp), Toyo Tanso (Jp), Schunk (Ger)

POWER TRANSFER TECHNOLOGIES

#1-2
WORLDWIDE

Brushes and brush holders



Pantograph strips



Slip-rings



MAIN COMPETITORS

Morgan Advanced Materials (UK), Schunk (Ger)

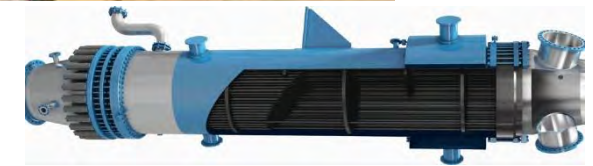
ANTICORROSION EQUIPMENT

#1-2
WORLDWIDE



Engineering systems

Heat exchangers



MAIN COMPETITORS

SGL Carbon (Ger)

WITH 20% - 30% MARKET SHARE

ELECTRICAL POWER: A UNIQUE PORTFOLIO SERVING TWO KEY APPLICATIONS

ELECTRICAL PROTECTION

#2 IN INDUSTRIAL FUSES
WORLDWIDE

Coverage of all standards worldwide: UL, IEC, DIN, etc.



MAIN COMPETITORS

Eaton(US), Littelfuse (US)

POWER CONVERSION

#2 COMPONENTS
WORLDWIDE



MAIN COMPETITORS

Eaton (US), Rogers (US), Methode (US), Lytron (US), Cornell Dubilier (US), Panasonic (Jp)

WITH ~30% MARKET SHARE

A BUSINESS MODEL WITH STRONG PRICING POWER AND ABILITY TO MITIGATE INFLATION

In percentage points

H1 2021 operating margin before non-recurring items	9.6%	
Volume/mix effect	+2.9	
Price effect	+2.9	On-demand products Customer intimacy High-tech products with limited cost compared to total cost
Raw material/energy inflation	-2.3	
Productivity gains	+1.1	Operational excellence Purchase efficiency
Inflation (mainly wages)	-1.8	
Columbia start-up, EV team	-1.2	
Depreciation and amortization	-0.5	
Other (including currency effect)	-0.2	
H1 2022 operating margin before non-recurring items	10.5%	

PRODUCTION SITES WITH DIFFERENT MANUFACTURING PROCESSES REQUIRING DIFFERENT LEVEL OF ENERGY

North America - 247 GWh
40% electricity
60% gas

EMEA – 127 GWh
60% electricity
40% gas



Asia-Pacific - 101GWh
60% electricity
40% gas

2021

Energy consumption
475 GWh with **4 sites**
representing **62% of total**
energy consumption

Total cost of energy
<5% of total sales

*Est. 2023 : [4-6]% of total
sales*

% of sales (2021)

7000 PEOPLE ACROSS THE WORLD WITH THE SAME VALUES

North America
2,150p



Europe
2,660p



Asia
1,640p



South America
180p



Africa
340p



2021 figures

2021

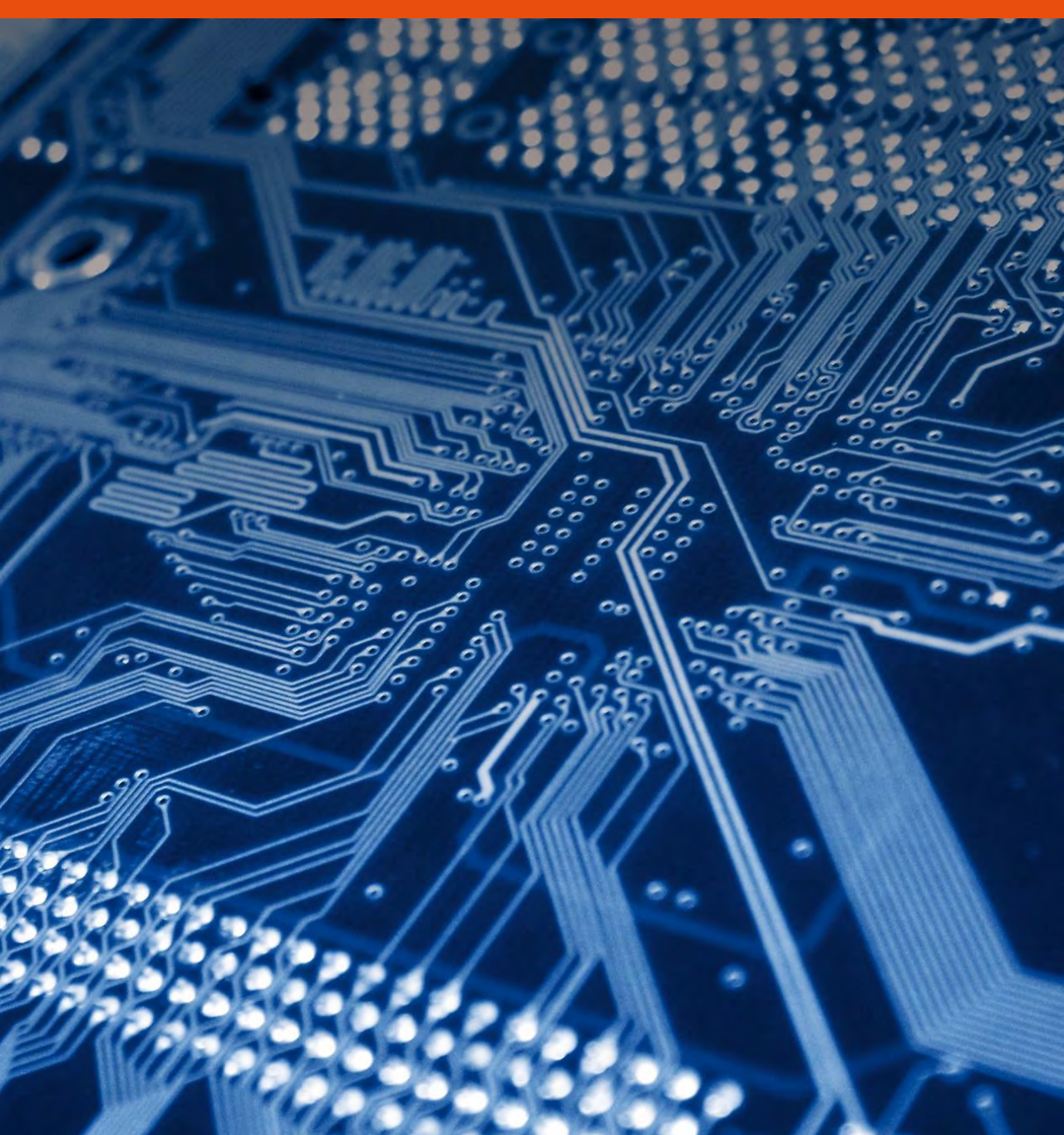
6,970 persons
24% women engineers and managers

Wages: ~€ 300m
Estimated inflation in 2022
~6%

MERSEN VALUES

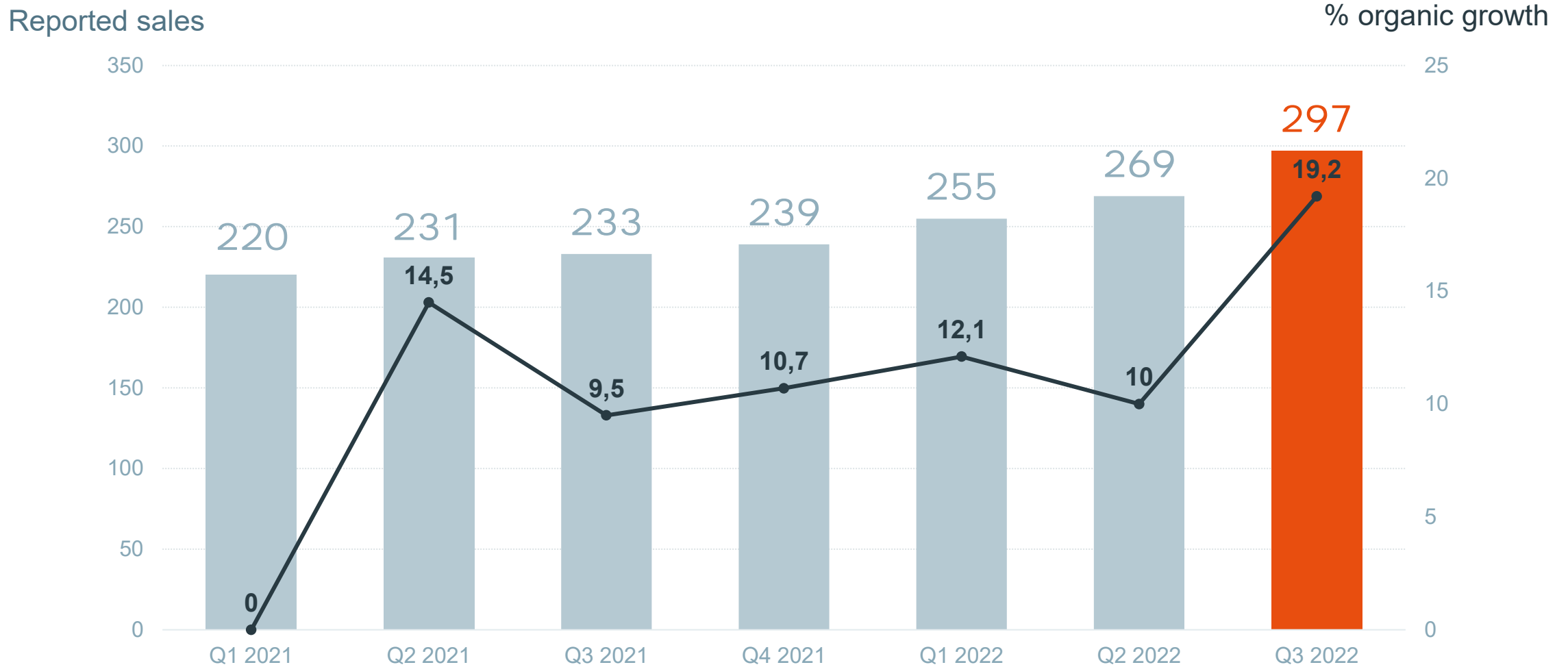
- People First
- One Step Ahead
- Cross Collaboration
- Innovate for our Customers

91% of employees proud to be part of the Group

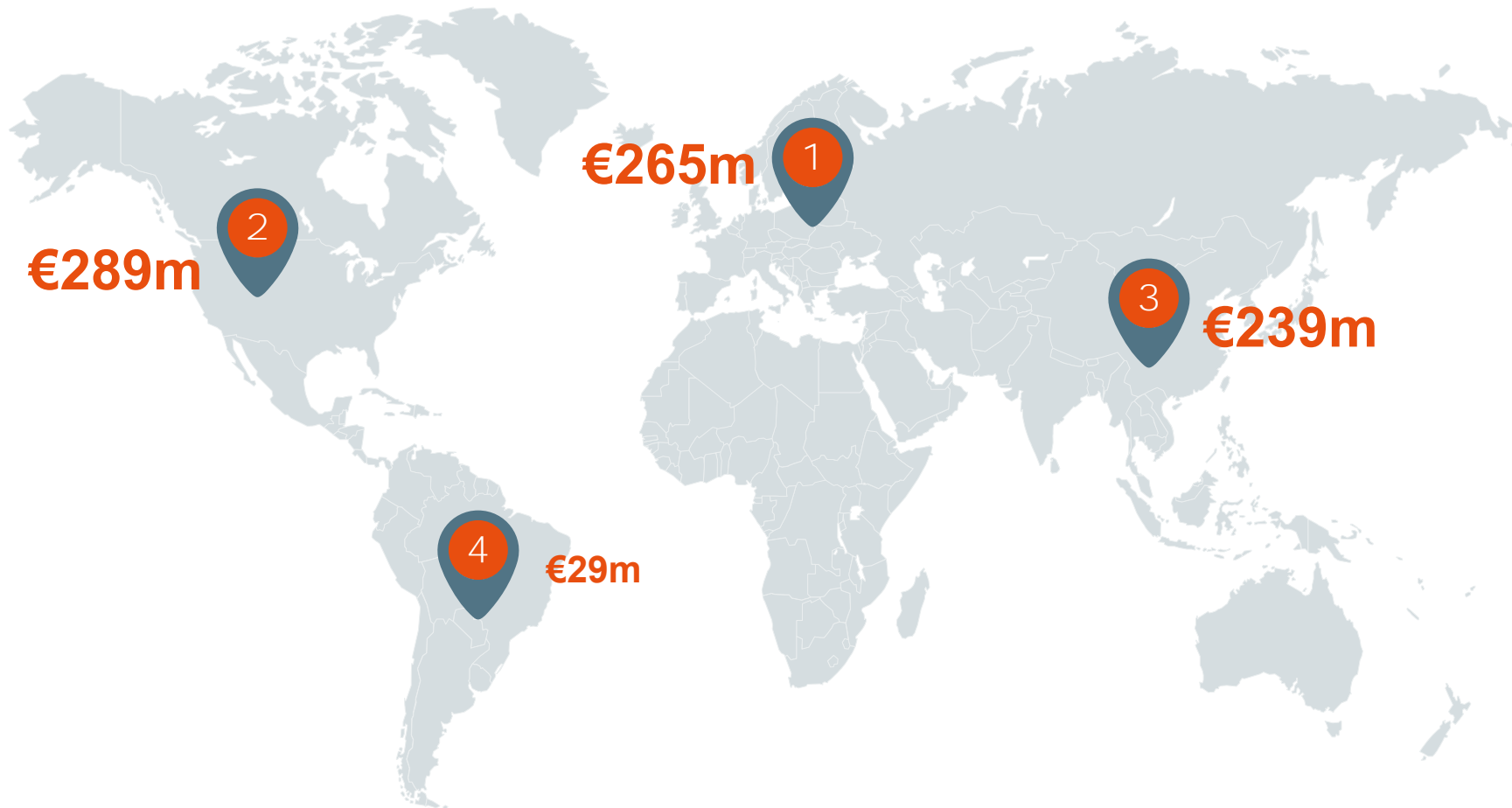


Dynamic Markets

6 CONSECUTIVE QUARTERS OF STRONG GROWTH



RECORD SALES IN THE FIRST 9-MONTH 2022: SHARP GROWTH IN ALL GEOGRAPHIES, MAINLY VOLUME

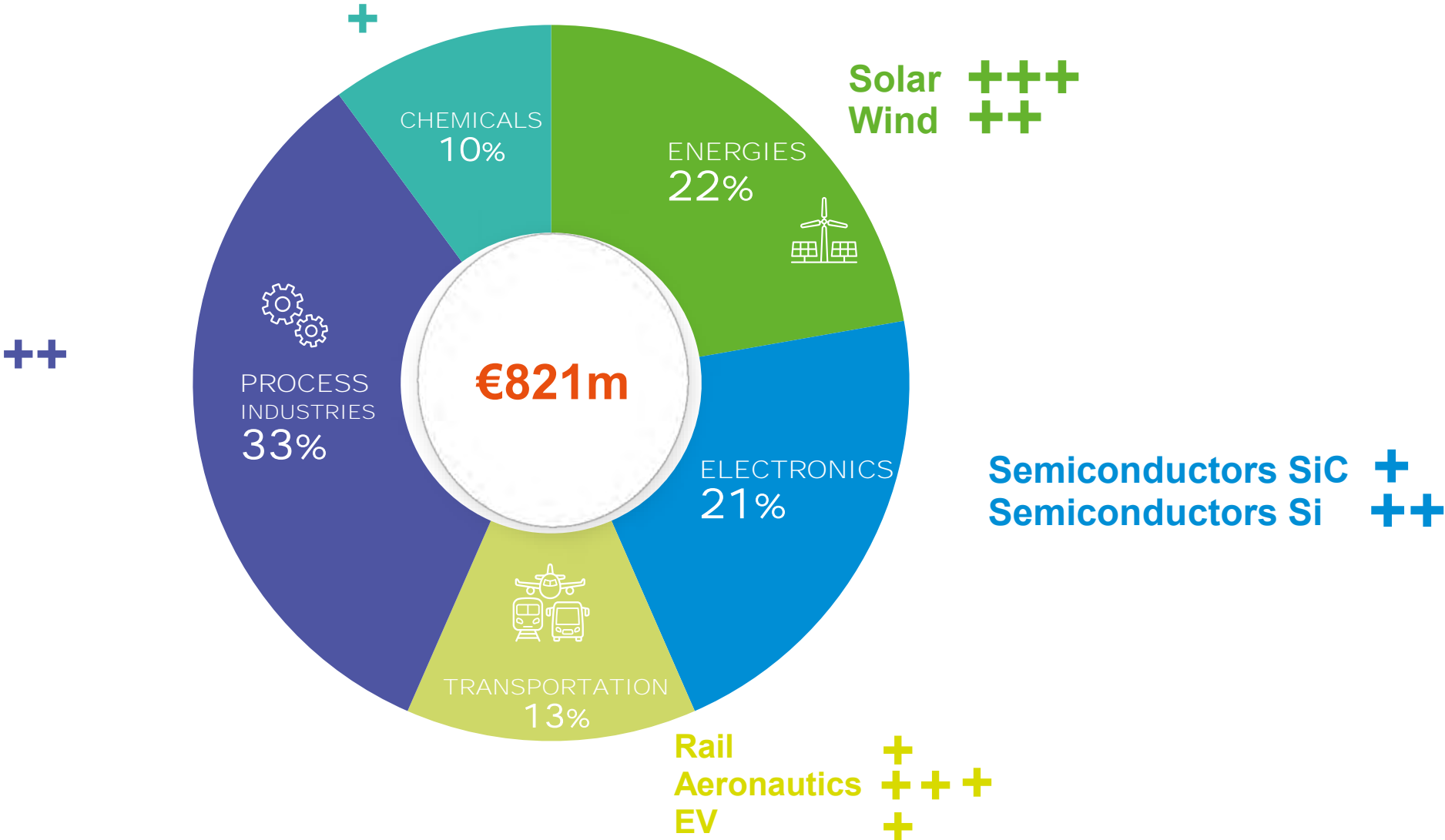


€821m
+14% organic
+3.5% price
+10.5% volume

- 1 **Europe**
+11% vs. 9-m 2021
- 2 **North America**
+18% vs. 9-m 2021
- 3 **Asia-Pacific**
+11% vs. 9-m 2021
- 4 **South America – Africa**
+16% vs. 9-m 2021

Organic growth (%)

DYNAMIC MOMENTUM ACROSS ALL MARKETS, IN PARTICULAR RENEWABLE ENERGIES AND SEMICONDUCTORS



GROWTH MARKET POTENTIAL CONFIRMED

Sales growth 9-months 2022 Outlook Q4 2022 - 2023

SOLAR POWER



++++

++

Limited graphite volume allocation for the solar industry

SI SEMICONDUCTOR MANUFACTURING



+++

++

Significant medium-term potential for Mersen.
Increase capacity in South Korea

SIC SEMICONDUCTOR MANUFACTURING



++

+++

Very high order intake, for after 2022
Increase capacity in Columbia

ELECTRIC VEHICLES



+

++

Several important awards in the first 9 months

SOLAR: A MAJOR SUPPLIER ACROSS THE VALUE CHAIN



PROCESS
STAGE



Silicon ingot
manufacturing



Cell
manufacturing
(PECVD)

Electricity
generation



Electrical panel
protection

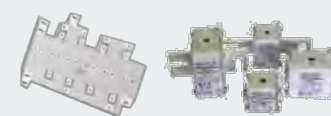
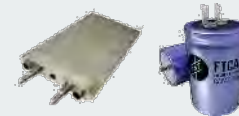
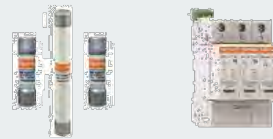


Storage

Power
conversion



MERSEN
EXPERTISE



CUSTOMERS

LONGI 隆基



Jinko Solar

EIFFAGE
CLEMESSEY

VINCI

shoals
INVENTING SIMPLE®

**SOLAR
BOS**



SIEMENS

TMEiC
We drive industry

POWER ELECTRONICS
PURE ENERGY

ABB

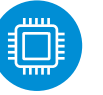
northvolt®



2021 SALES
€71m

2025 EST. SALES
€100m

ESSENTIAL MATERIALS EXPERTISE IN THE SI SEMICONDUCTOR MANUFACTURING PROCESS



PROCESS
STAGE



Ingot pulling
& wafer cutting



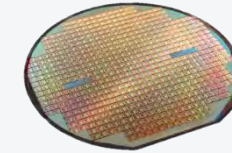
Wafer epitaxy

Deposition



Photolithography

Etching



Ion
implantation



MERSEN
EXPERTISE



CUSTOMERS



2021 SALES
€47m

2025 EST. SALES
€60m

UNIQUE POSITION IN THE SOPHISTICATED AND INTRICATE SIC MANUFACTURING PROCESS



PVT
PROCESS

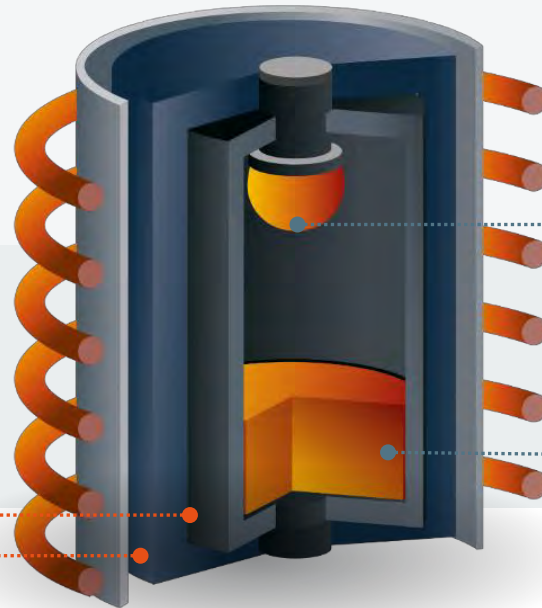
2,400°C +/- 1°C



MERSEN
EXPERTISE



CUSTOMERS



Monocrystalline
SiC ingot



Wafer
epitaxy

SiC wafer



Ion
implantation

Power
semiconductors



TOSHIBA

onsemi

SICC

Wolfspeed

SiCrystal
A ROHM Group Company



2021 SALES

€36m

2025 EST. SALES

€80m

SOITEC PARTNERSHIP: DEVELOPING A NEW RANGE OF SUBSTRATES FOR THE EV MARKET



SiC ingot



Monocrystalline SiC wafer



P-SiC wafer

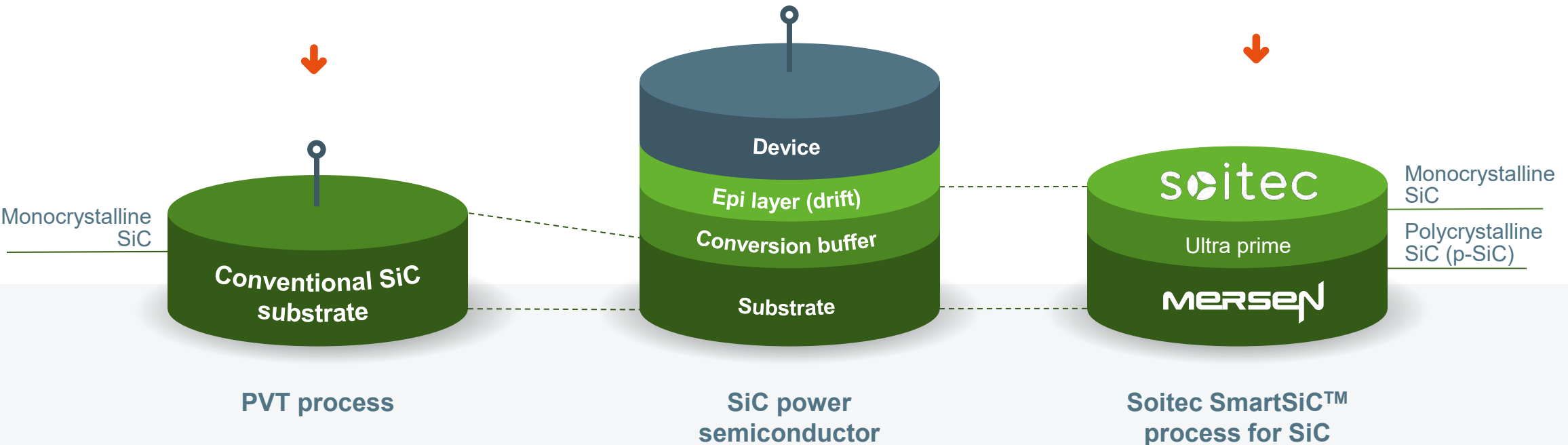


2021 SALES

€0m

2025 EST. SALES

€30m



MERSEN'S OFFERING FOR EV/HEV APPLICATIONS



MERSEN
EXPERTISE

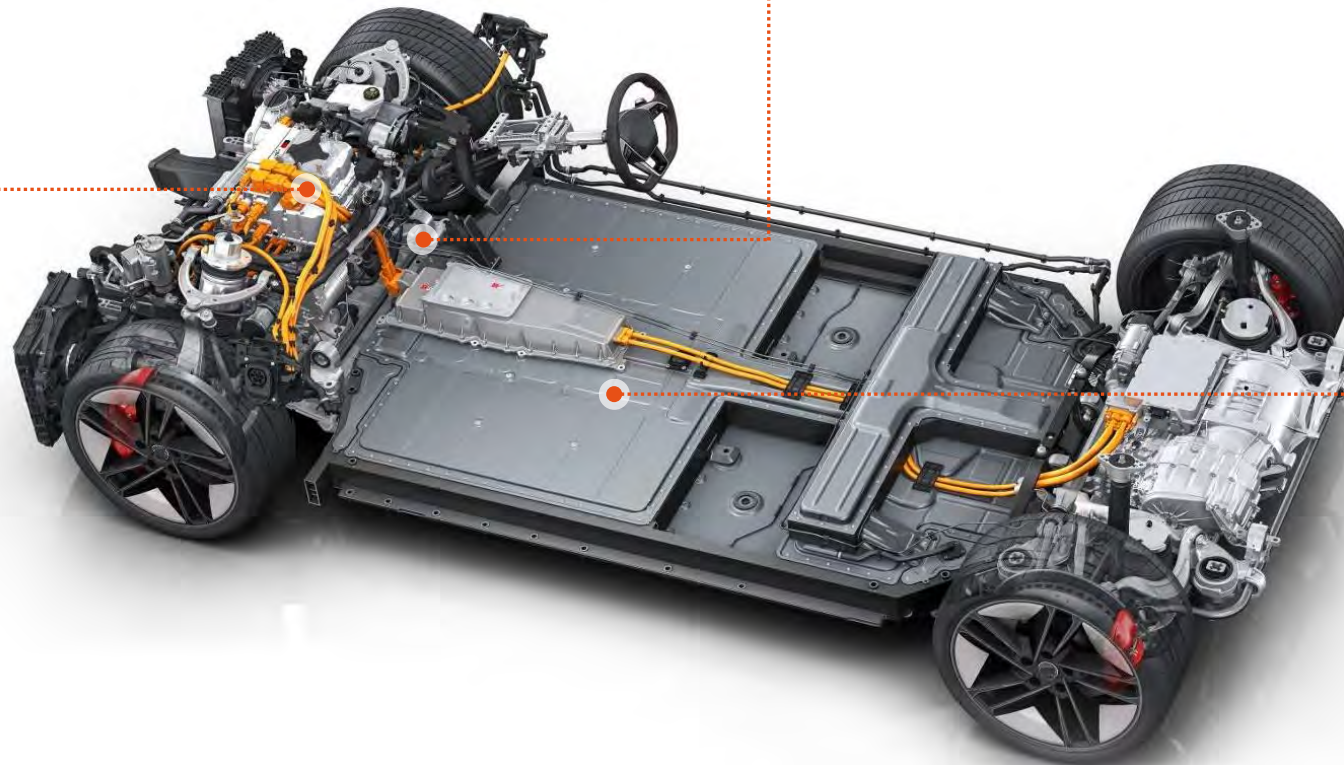


Inverter
Bus bars

Electrical circuit
protection
Courtesy: Würth Electronic



Battery
Courtesy: Exagon



2021 SALES
€16m

2025 EST. SALES
€40-70m

THE MEANS TO GROW



A powerful industrial tool

3 sites IATF-qualified or in progress - **fuses** (Shanghai, Juarez, Kaposvar)

1 site IATF-qualified - **bus bars** (Angers)



A dedicated product range

Fuses
Bus bars



Partnerships with industry manufacturers

Autoliv

€10-€1,000 per vehicle



A strengthened team

50 people (in the 3 regions) at end-2021

80 people by end-2022



Industry Leading References

Rivian
Lucid
BAE
Marquardt
Panasonic
Arrival
Lordstown



A DIVERSIFIED ACCESSIBLE MARKET FOR MERSEN



Car
manufacturers

Tier-1
suppliers

Battery module
manufacturers



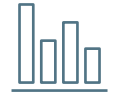

New entrants



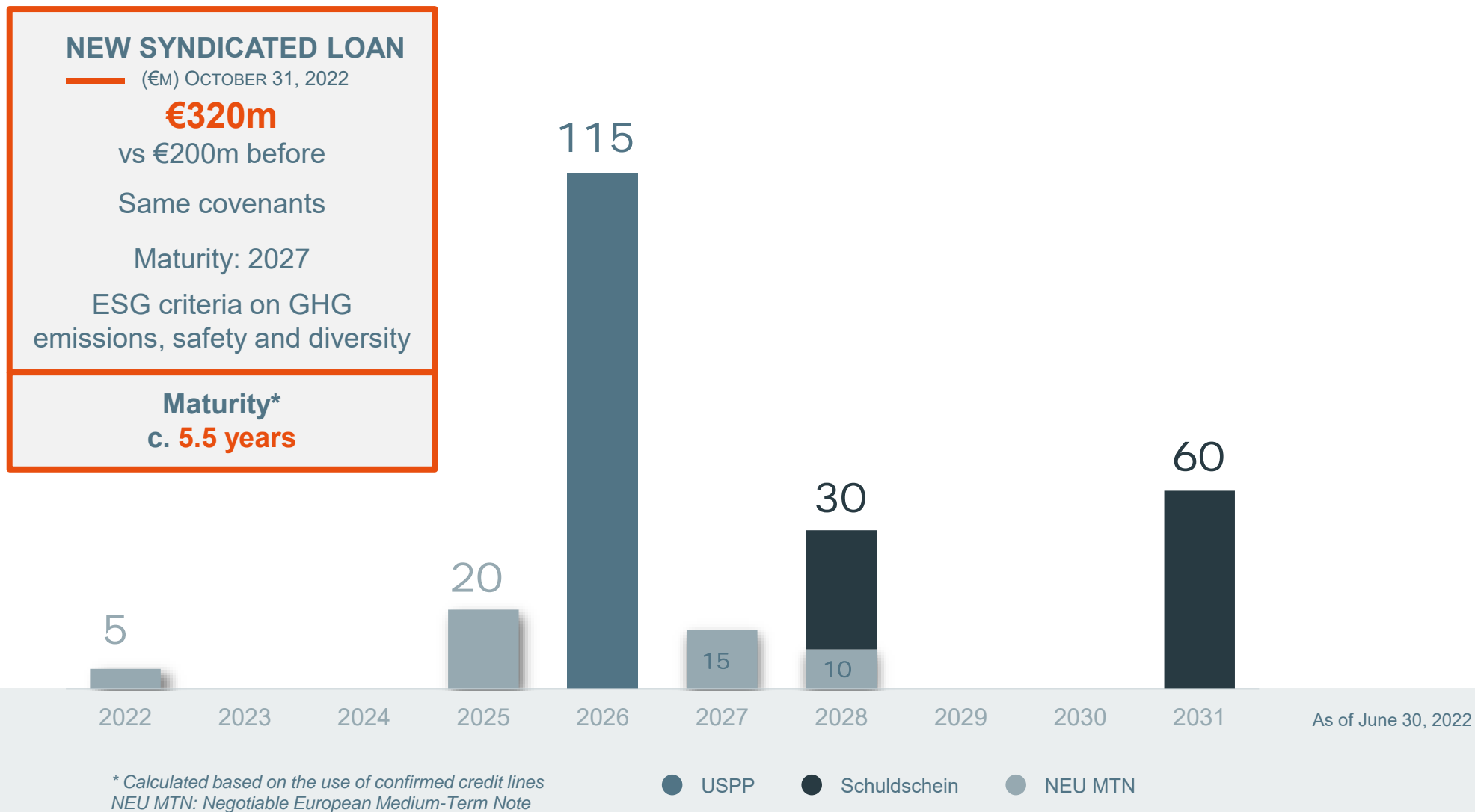


Outlook

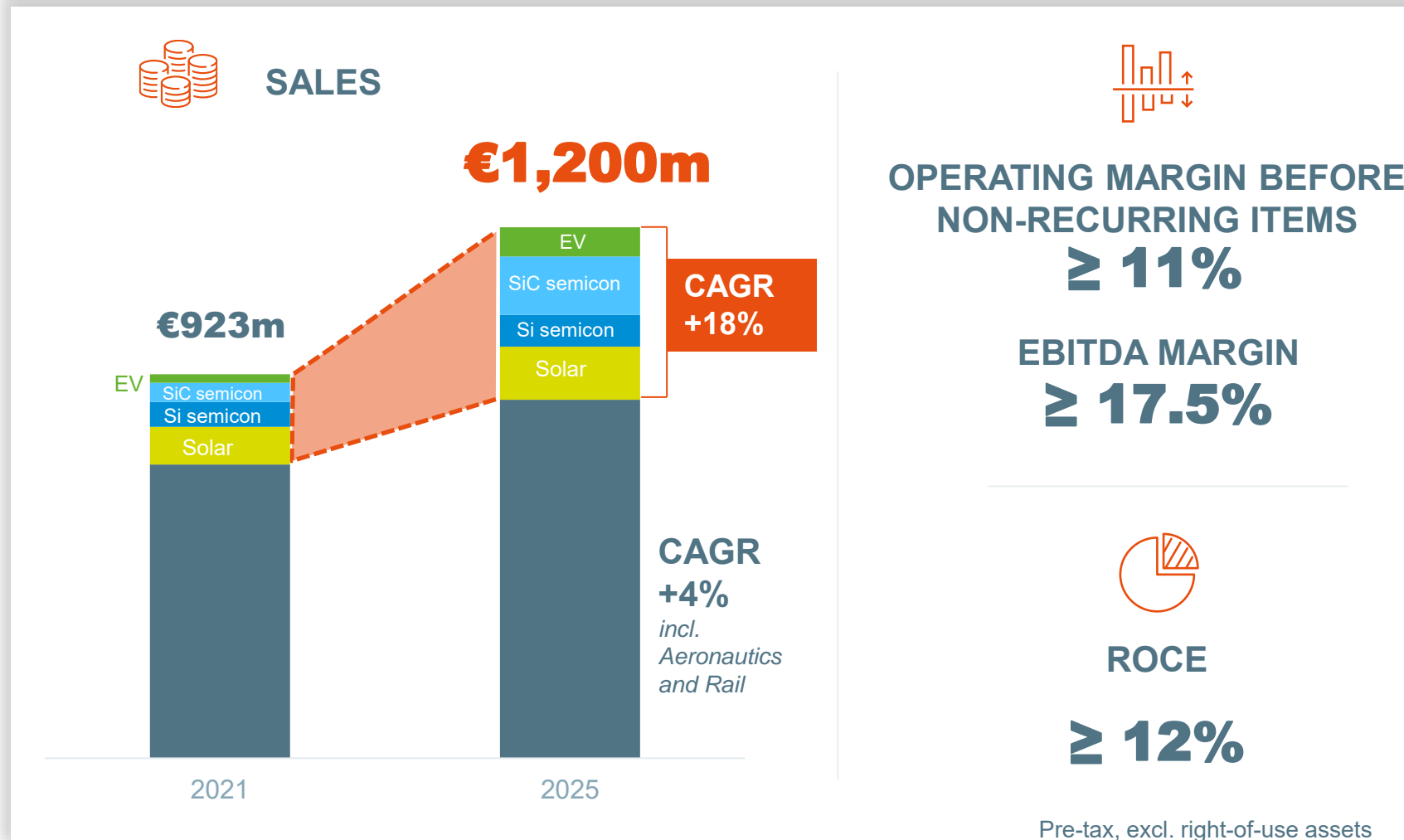
2022 TARGETS RAISED FOR THE 2ND TIME, BASED ON EXCELLENT PERFORMANCE FOR THE FIRST 9-MONTHS

	 SALES	 OPERATING MARGIN BEFORE NON-RECURRING ITEMS	 CAPITAL EXPENDITURE	 EBITDA MARGIN
MARCH	Organic growth of between 3% and 6%	Around 10%	Around €80m-€85m	Growth of 20-30 bps
JULY	Organic growth of between 8% and 10%	Around 10.5%	Around €85m-€90m	Growth of around 50 bps
OCTOBER	Organic growth around 13%	Around 10.8%	Around €90m	Growth of around 50 bps

INCREASED LEVEL OF FINANCING AND IMPROVED FINANCING MATURITY WITH THE NEW SYNDICATED LOAN



AMBITIOUS MEDIUM-TERM PLAN ANNOUNCED IN MARCH 2022



*To be revisited
in Q1 2023*

COMMITTED TO SUSTAINABILITY: 2022-2025 ROAD-MAP

RESPONSIBLE PARTNER

Mersen meets the expectation of suppliers, users, partners and other stakeholders across the value chain, driven by a commitment to progress for all and guided by strict ethical principles.



ENSURING RESPONSIBLE PURCHASING

- Supplier CSR self-assessment
- 100%** of suppliers in 2022
- Supplier map
- Supplier CSR progress measured through audits and action plans



LIMITING OUR ENVIRONMENTAL IMPACT

Mersen has a responsibility to limit the environmental impact of its operations, particularly by reducing CO₂ emissions.



LIMITING GREENHOUSE GAS EMISSIONS

- Reduce GHG emission intensity by **20%** (vs. 2018)



RECYCLING WASTE

- Increase the share of waste recycled to **75%**



LIMITING WATER CONSUMPTION

- Reduce water consumption by **10%** (vs. 2018)



HUMAN CAPITAL

Around the world, Mersen strives to help employees, communities and talent grow while paying the utmost respect to human rights, health and safety, and diversity.



PROMOTING EQUAL OPPORTUNITY AND DIVERSITY

- Encourage gender diversity in the workplace:
 - % women in senior management positions: **25%**
 - % women engineers and managers: **> 25%** in 2022
- Improve inclusion of people with disabilities: increase their number **x2**



PROMOTING A SOCIAL RESPONSIBILITY POLICY FOR ALL

- Provide social protection with a universal indemnity in the event of death in service
- Standardize profit-sharing schemes
- Adopt a minimum amount of paid leave in all countries

Employee beneficiaries **100%**



PROMOTING WELL-BEING, HEALTH AND SAFETY AT WORK

- Keep LTIR $\leq 1,8$ and SIR ≤ 60
- Continue prevention efforts: increase the number of management safety visits by **20%**

ETHICS AND COMPLIANCE CULTURE

Mersen owes its development to a great extent to the trust and confidence that the Group inspires in its stakeholders.



- Compulsory ethics training for new hires
- Compulsory refresher training every 2 years (individual or theme-based training by site)

- Compulsory cybersecurity training for employees with a personal computer

A LONGSTANDING CSR STRATEGY



KEY TAKEAWAYS

- Strong growth drivers for the **semiconductors** industry despite temporary slowdown
- **EV** very active in terms of nomination - production will start beginning of 2024
- **Solar** sales very high
- Still high level of **orders**
- **Price increase** passed on to customer so far
- **Energy costs** in Europe to be managed in 2023 (even if the impact should be moderate for the Group because the most energy-intensive sites are not in Europe)
- Acceleration of **strategic investment in Columbia** (USA): building additional capacities in iso graphite to meet market demand
- **Increase liquidity** to finance growing business
- Committed to **sustainability** for long-term business and stakeholder value