



# 2024 Annual Results

*March 13, 2025*

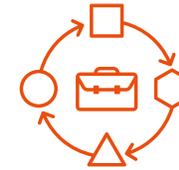
# A solid 2024



Record sales  
**€1,244m**



Strengthened presence in the United States, with **3 acquisitions** in the country



**Growth** in transportation, wind and process industries markets

Solar and semiconductor (Si and SiC) markets **weaker** than expected

# The Group's new dimension helped us generate solid results

**Solid EBITDA margin**  
margin of 16.5%

**Acceleration of the  
adaptation plan**  
(with impact on inventories  
and EBITDA in 2024)

**Excellent cash generation**  
allows us to propose a  
dividend of  
0.90 € per share

**A robust financial  
structure** with a  
leverage ratio of 1.8x

**Secured financing**  
to finance 2029 plan

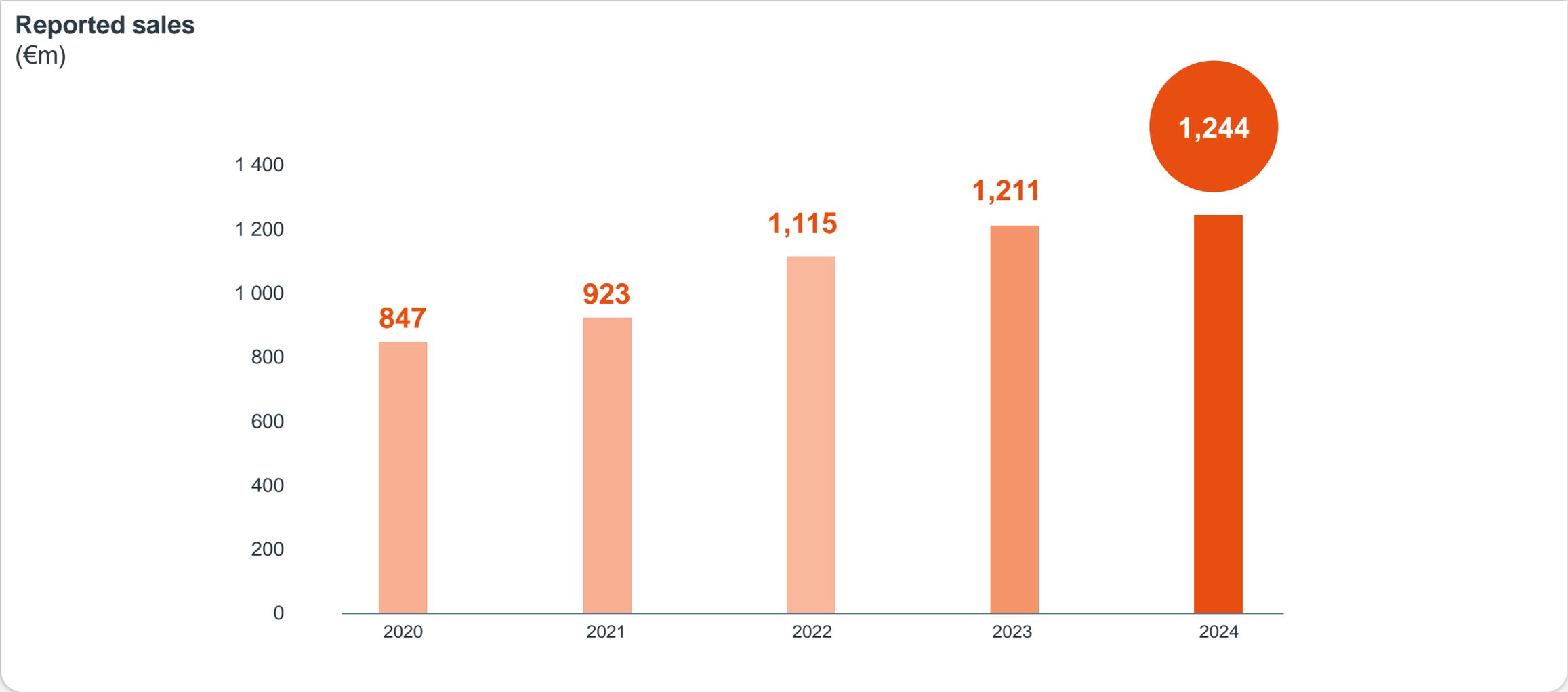
**A solid  
2024**

**01**



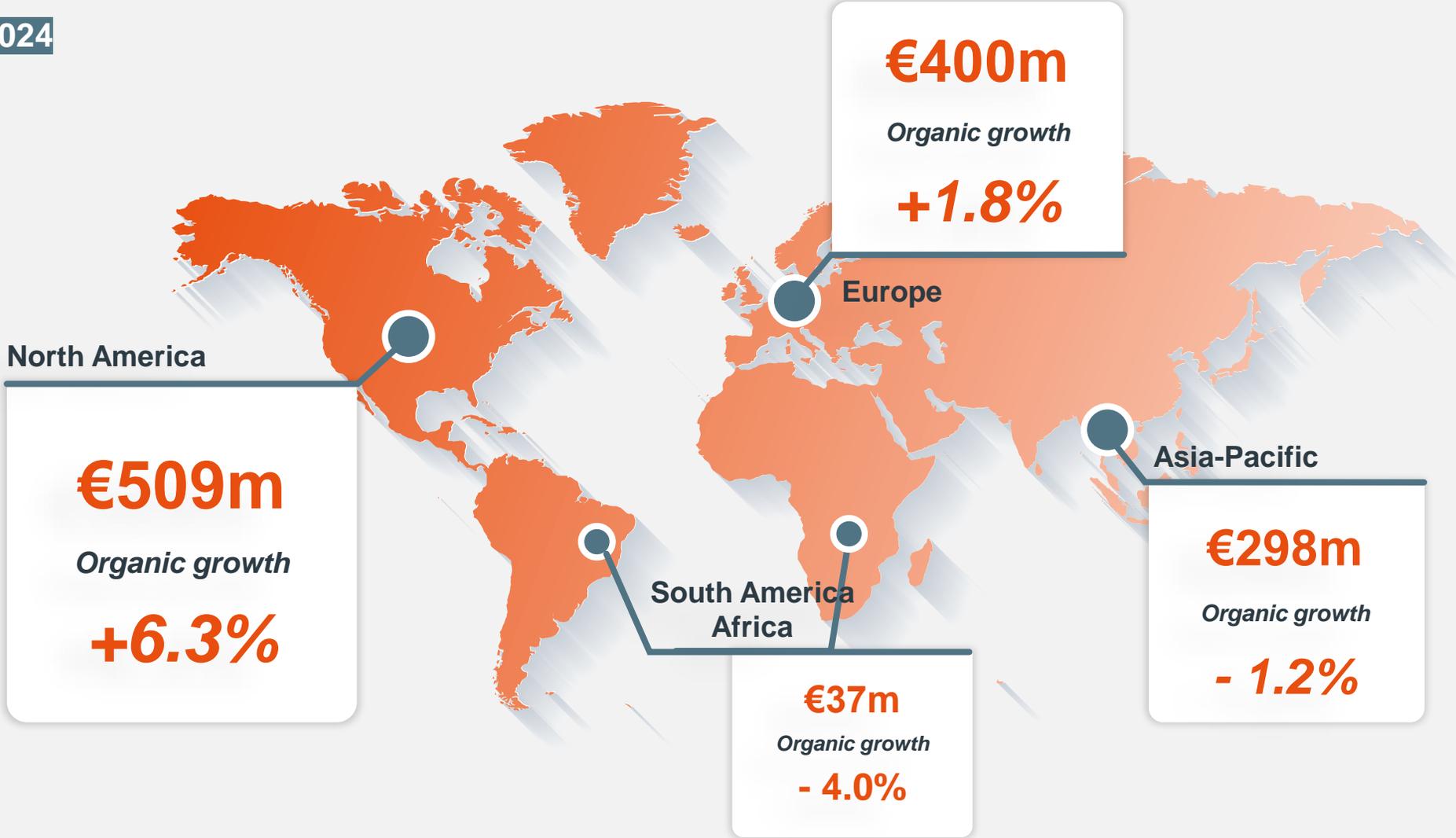
**Thomas Baumgartner**  
**CFO**

# Record sales

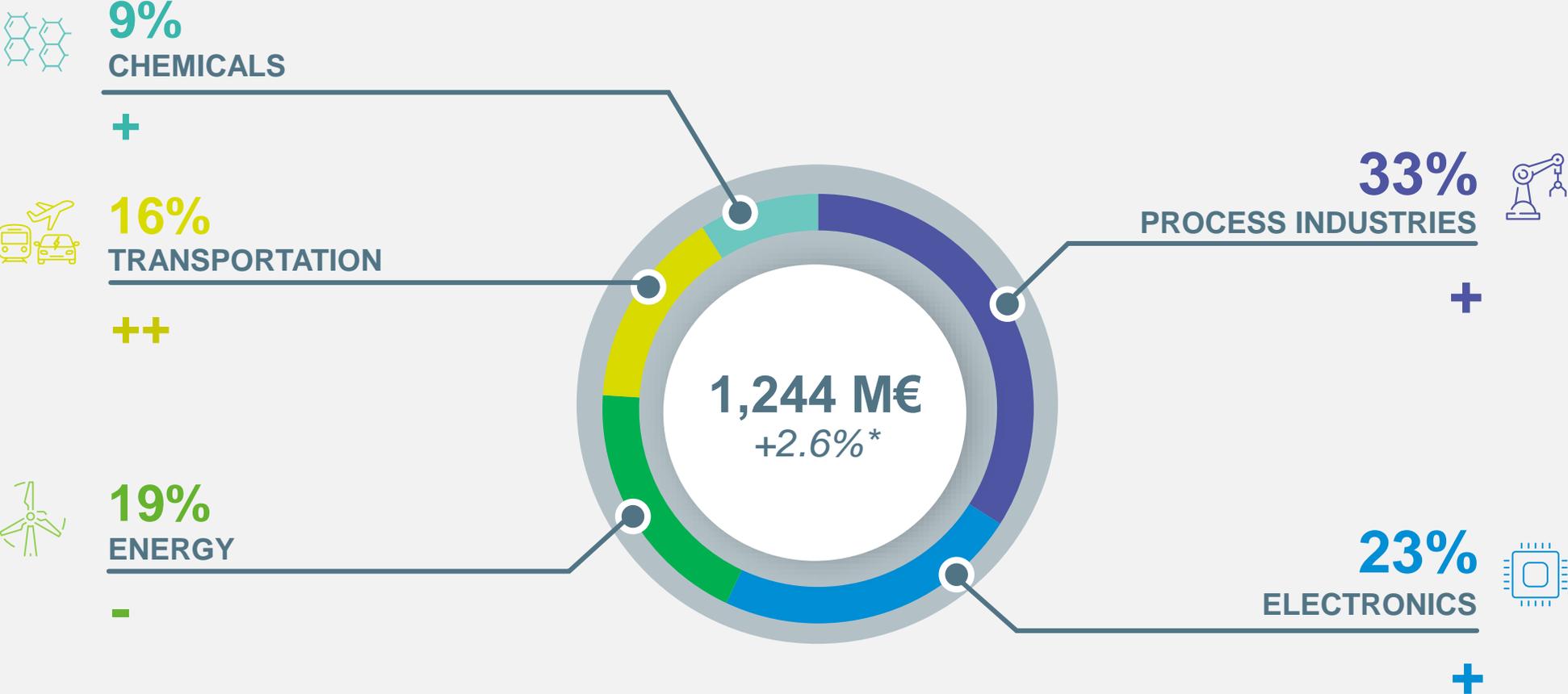


# Strong sales growth in North America in 2024

Sales 2024



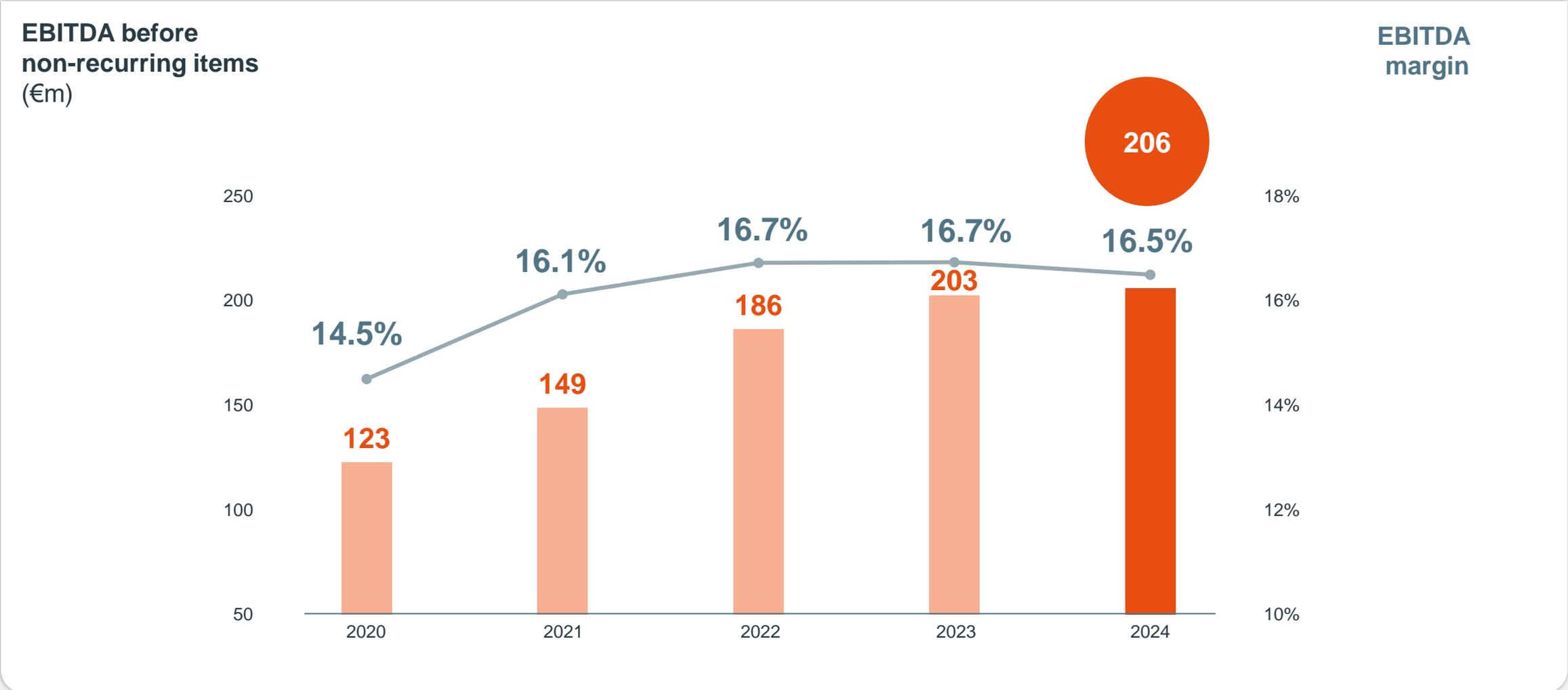
# Growth in end markets over the course of the year, with the exception of the energy market (solar)



Organic growth 2024 vs 2023  
 ++ +10% ; +20% + + 0% ; +10% - -10% ; 0%

\*Estimated breakdown of 2024 sales and organic trend vs. 2023

# Profitability maintained at a high level

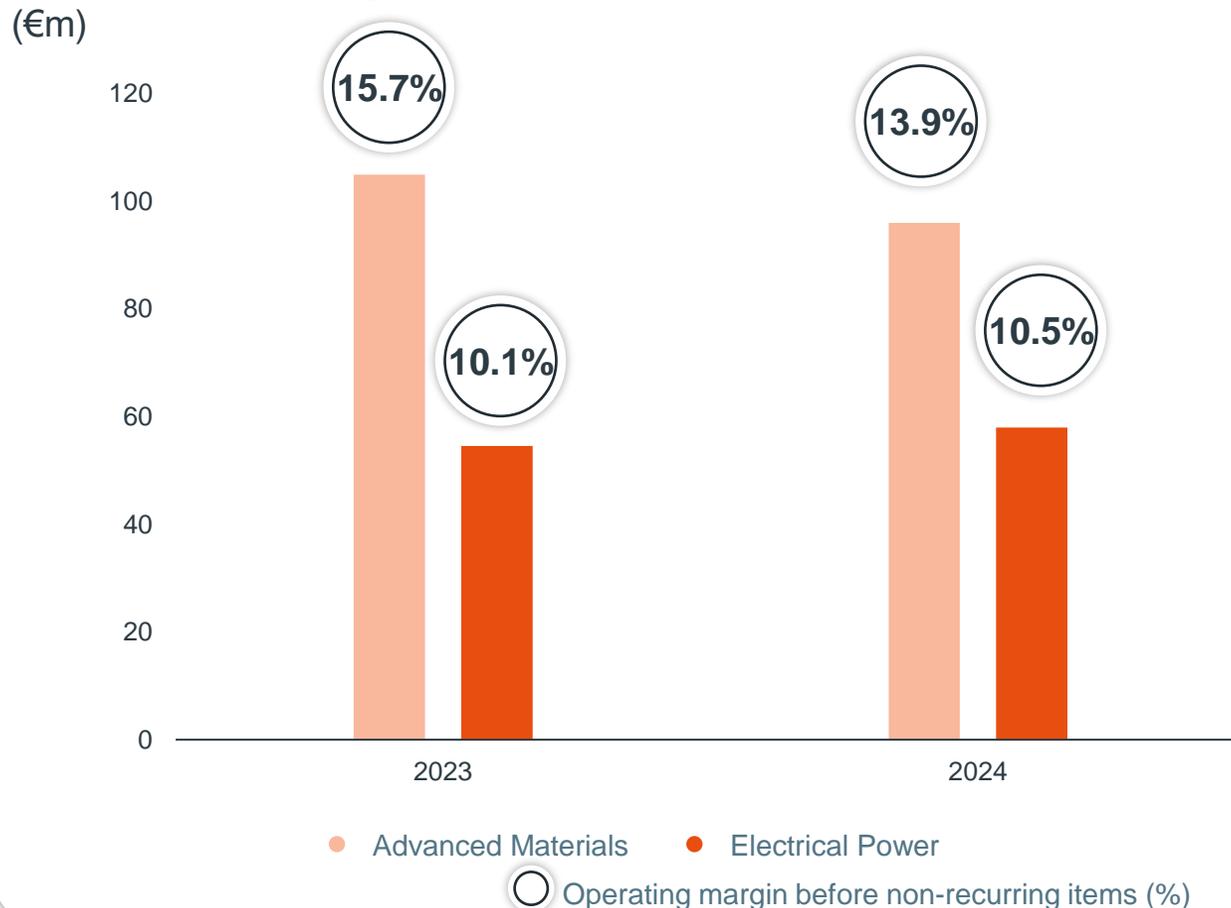


# Operating income before non-recurring items

<i>En M€</i>	2023	2024
<b>EBITDA before non-recurring items</b>	<b>202.7</b>	<b>205.5</b>
<i>As a % of sales</i>	<i>16.7%</i>	<i>16.5%</i>
Depreciation & amortization	(65.4)	(74.5)
<b>Operating income before non-recurring items</b>	<b>137.3</b>	<b>131.1</b>
<i>As a % of sales</i>	<i>11.3%</i>	<i>10.5%</i>

# Two profitable segments

## Operating income before non-recurring items (€m)



### **Advanced Materials**

Profitability impacted by negative mix and higher depreciation and amortization

**Current EBITDA: €147m**

**EBITDA margin: 21.4%**

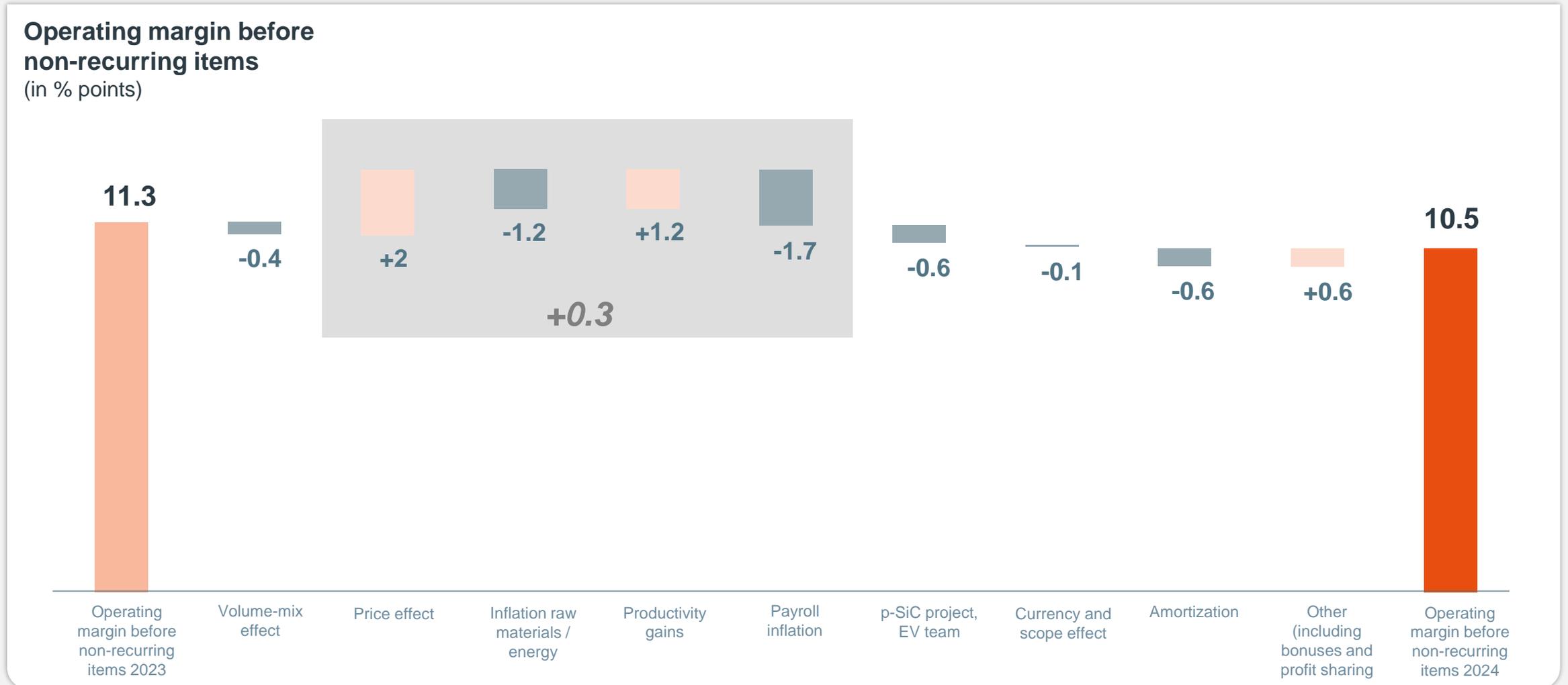
### **Electrical Power**

Higher profitability thanks to price increase and adaptation plan

**Current EBITDA: €78m**

**EBITDA margin: 14.0%**

# Pricing power and productivity gains helped offset inflation



# Acceleration of cost and cash flow optimization measures

Structural **optimization** and **adaptation** measures accelerated at the end of 2024

Reinforced action plan on **inventory management**

Costs 2024-2025: **€23m**  
Cash costs: **€14m** (2025)

Gain: **€17m full year**

Inventory reduction objective  
**-€30m at comparable business level**

# Net income

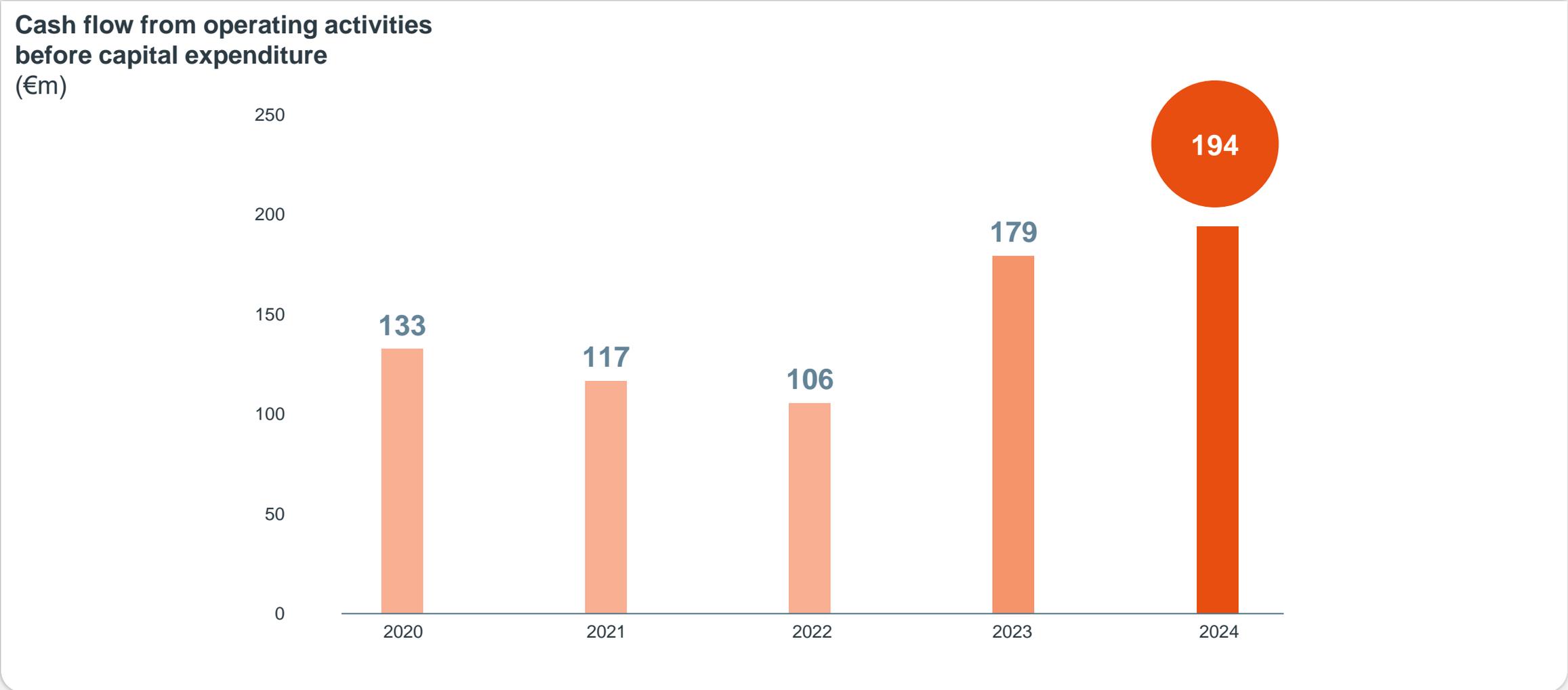
<i>in € million</i>	2023	2024
<b>Operating income before non-recurring items</b>	<b>137.3</b>	<b>131.1</b>
<i>Non-recurring income &amp; expenses</i>	<i>(5.9)</i>	<i>(23.5)</i>
<i>Net financial expense</i>	<i>(19.3)</i>	<i>(24.0)</i>
<i>Income tax</i>	<i>(26.2)</i>	<i>(22.0)</i>
<b>Net income</b>	<b>85.9</b>	<b>61.5</b>
<i>Net income attributable to owners of the parent</i>	<i>81.6</i>	<i>59.0</i>

*Mainly adaptation Plan*

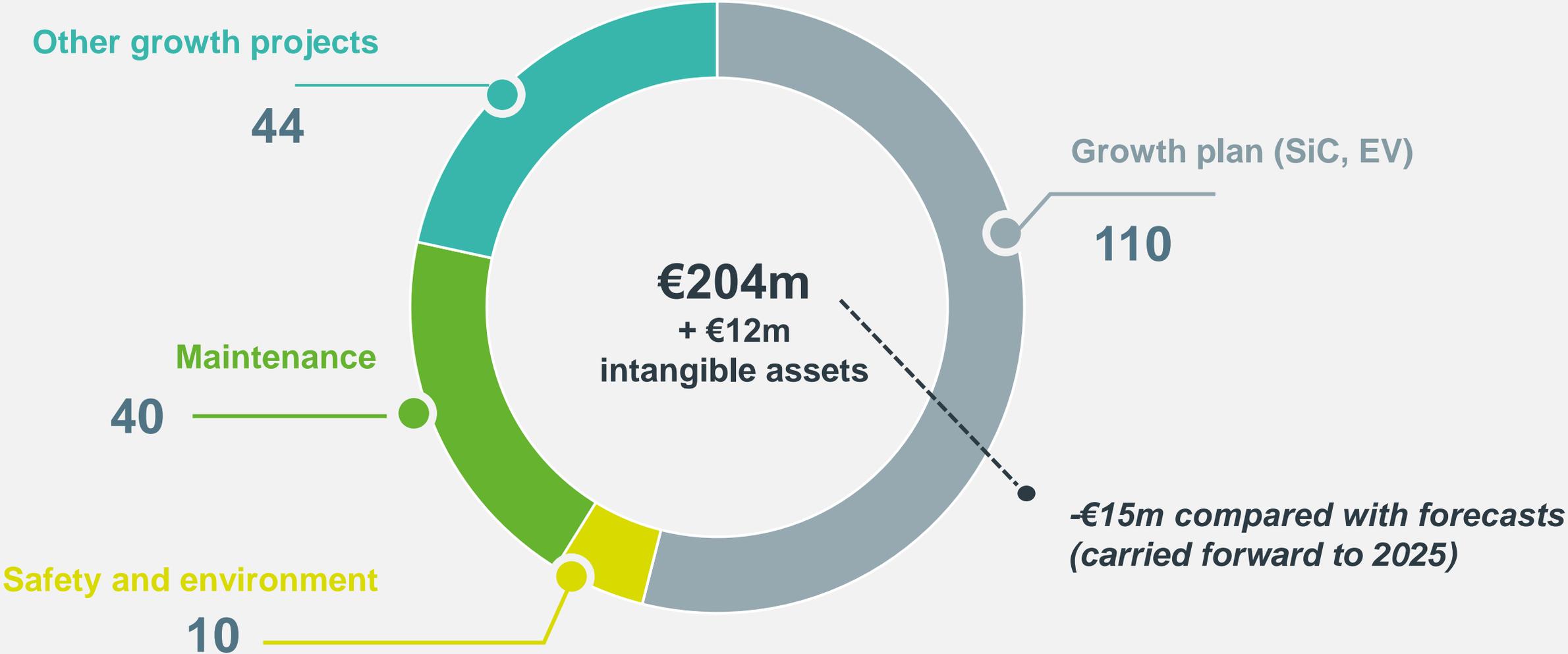
*Increase in gross debt and interest rates*

*Effective tax rate restated from adaptation plan **24%***

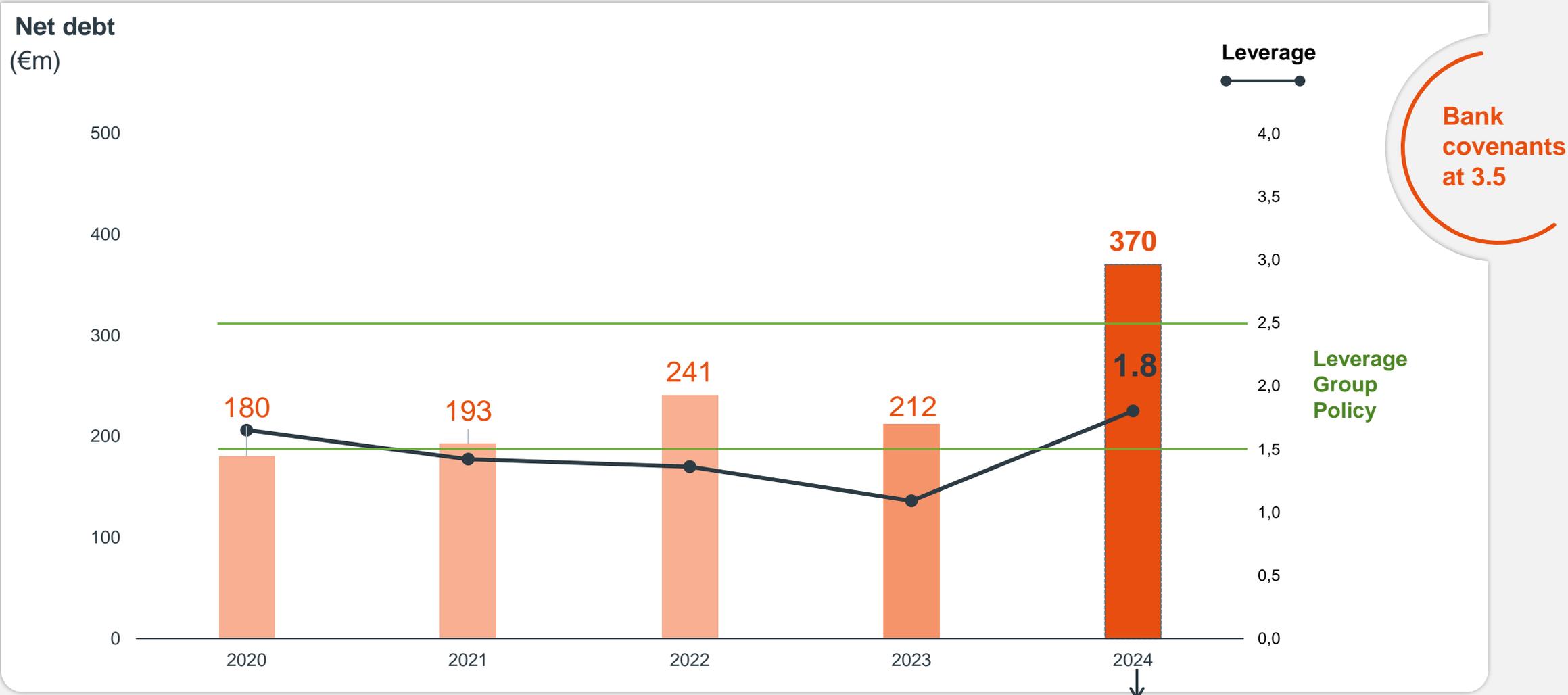
# A cash-generating model



# Capex in line with the revised growth plan

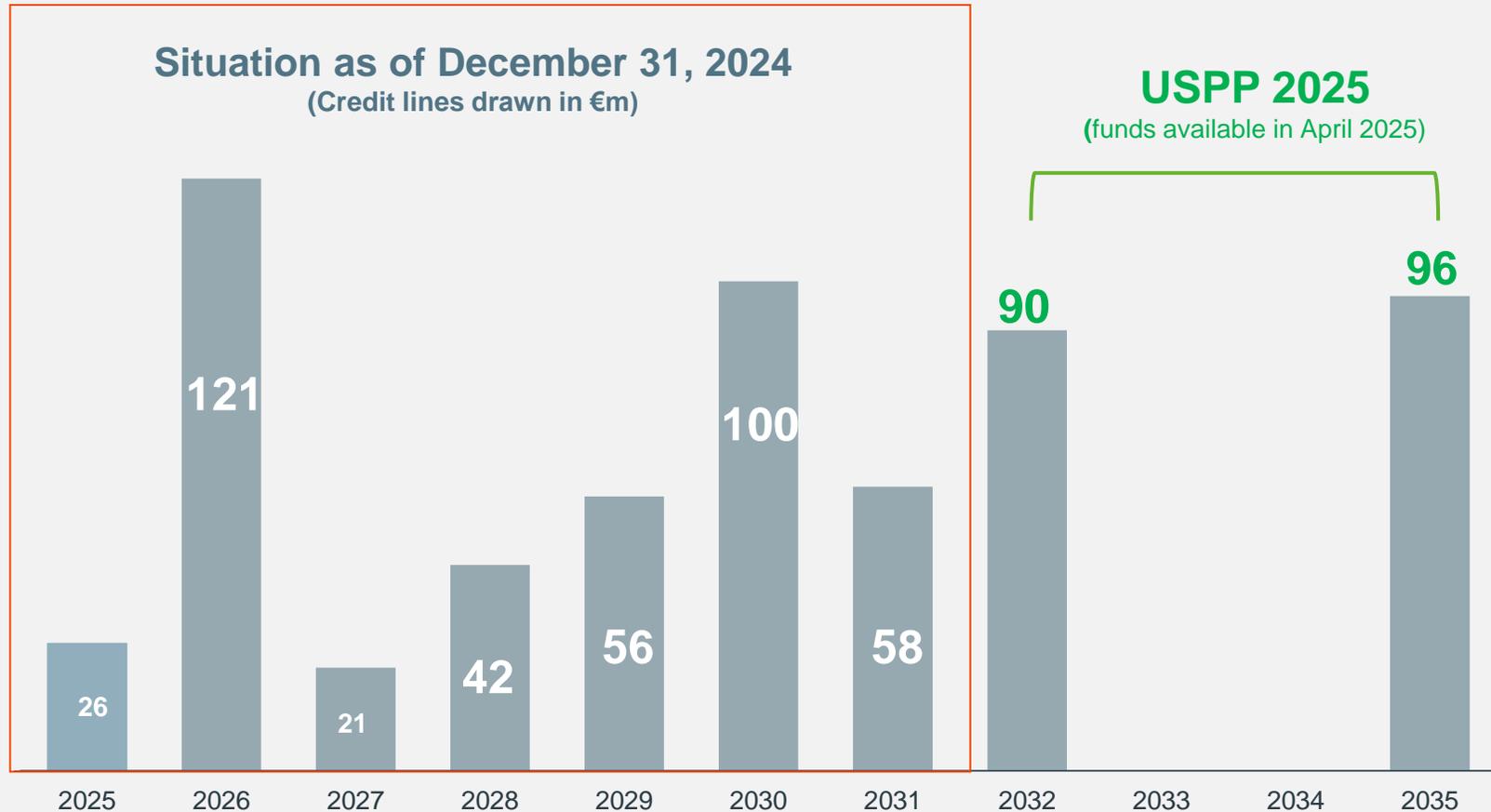


# A financial structure that remains robust



Includes €74m cash-out for the acquisitions of which €8m earn-out payments

# Strong liquidity strengthened by a new USPP to cover medium-term repayments



Situation as of December 31, 2024

## AVAILABLE LIQUIDITY

**~ 265 M€**

(Group bank revolving facility available)

**~ 50 M€**

Cash

**Maturity\***

**3.8 years**

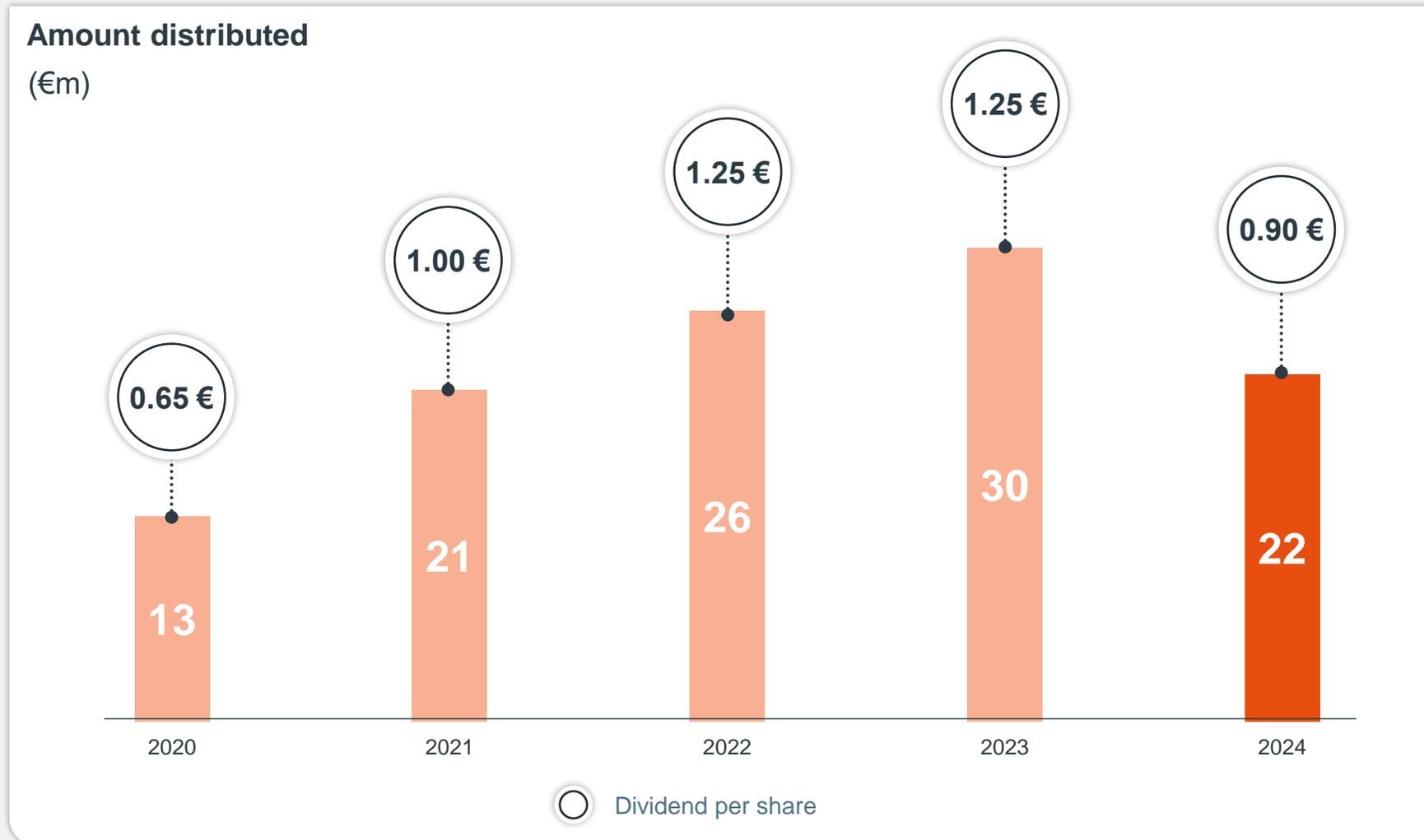
**Fixed rate**

**~ 51 %  
of gross debt**

\* Average maturity based on committed financing utilization

**\* Maturity extended to 5.5 years after USPP 2025**

# Dividend payout in line with Group policy



## PAYOUT RATIO\*:

37% of net income  
30% of restated net income\*\*

In line with the Group's dividend policy  
(30% to 40% payout)

\* Dividend / Group net income

\*\* restated from restructuring costs

# Our Medium-term Growth Drivers

02

Luc Themelin  
CEO

# Our pillars for the medium term

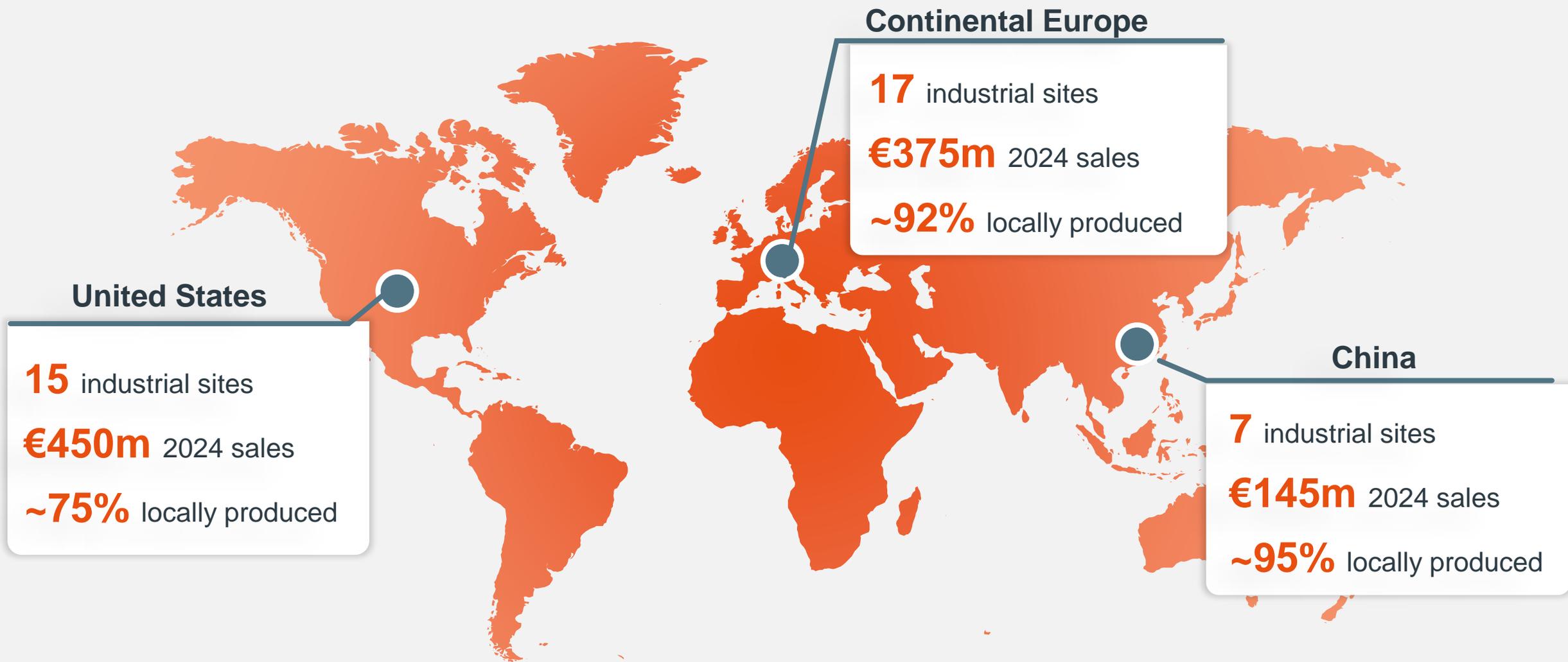


**A global, well-balanced  
geographic footprint**



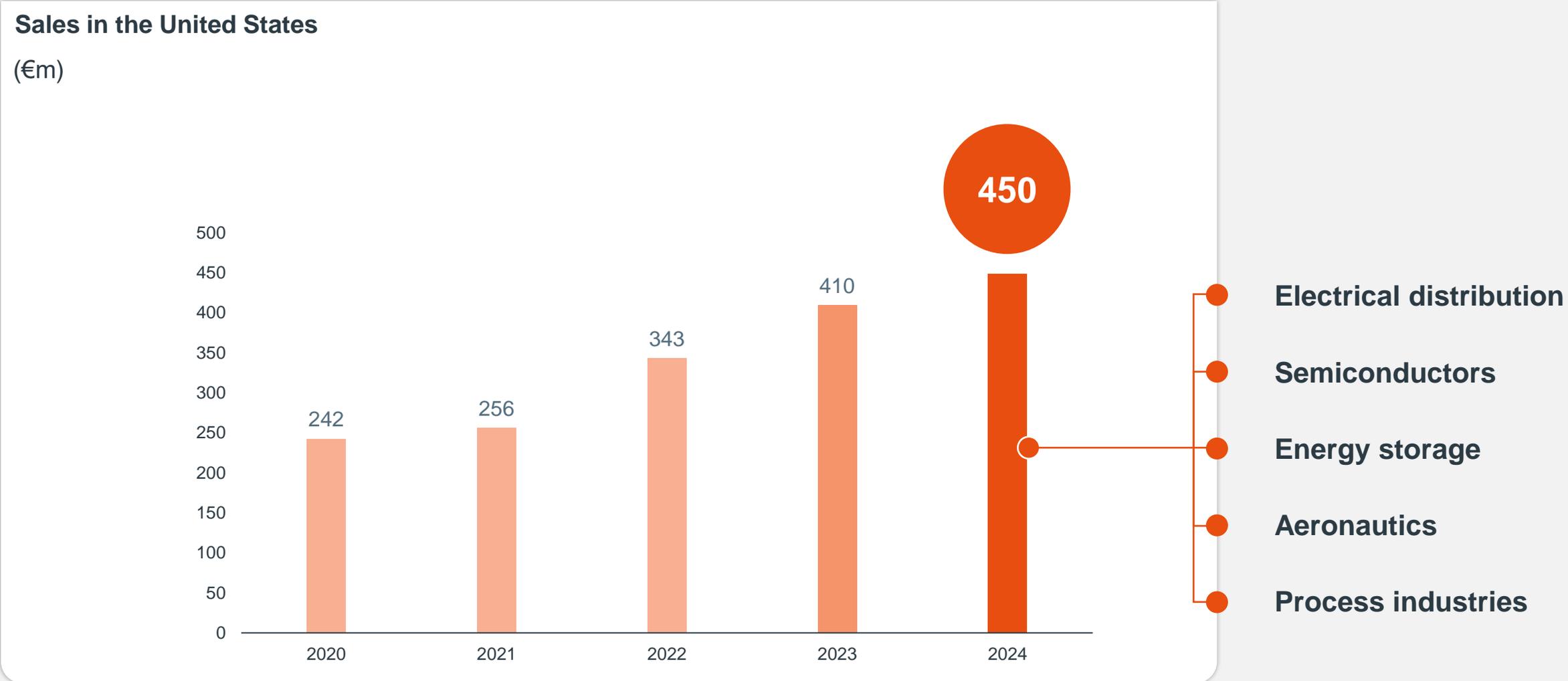
**Energy transition: medium-  
term growth markets**

# A global presence is an asset in the current geopolitical context



Sales of Destination

# The United States: An essential market to accelerate growth



# Acquisitions in 2024: An opportunity for consolidation in a dynamic market



- Graphite consolidation (downstream)
- Annual sales: ~40M USD
- Consolidation from July 1<sup>st</sup> 2024



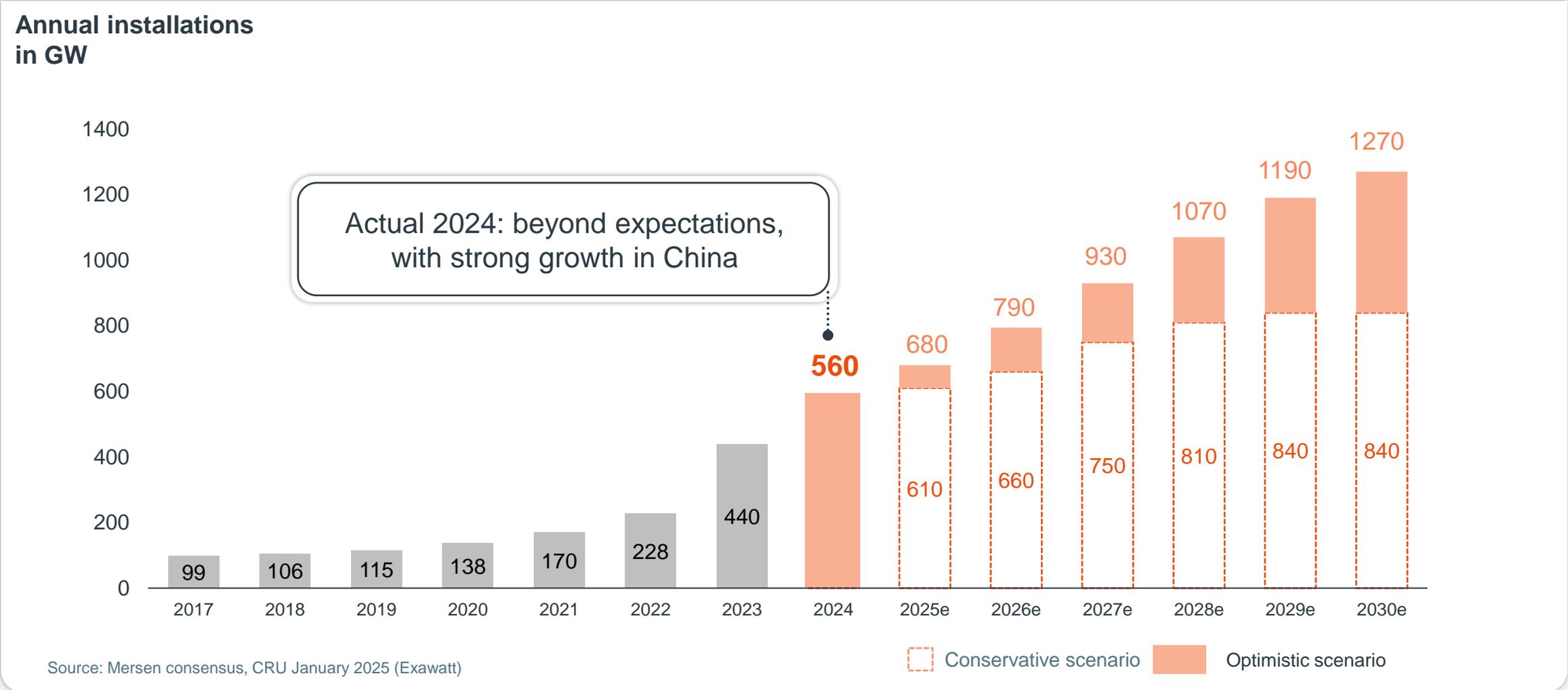
- Expertise in cooling and consolidation of other Mersen expertise at a single site
- Annual sales: ~8M USD
- Consolidation from October 1<sup>st</sup> 2024



- Graphite consolidation (downstream)
- Annual sales: ~15M USD
- Consolidation from November 1<sup>st</sup> 2024

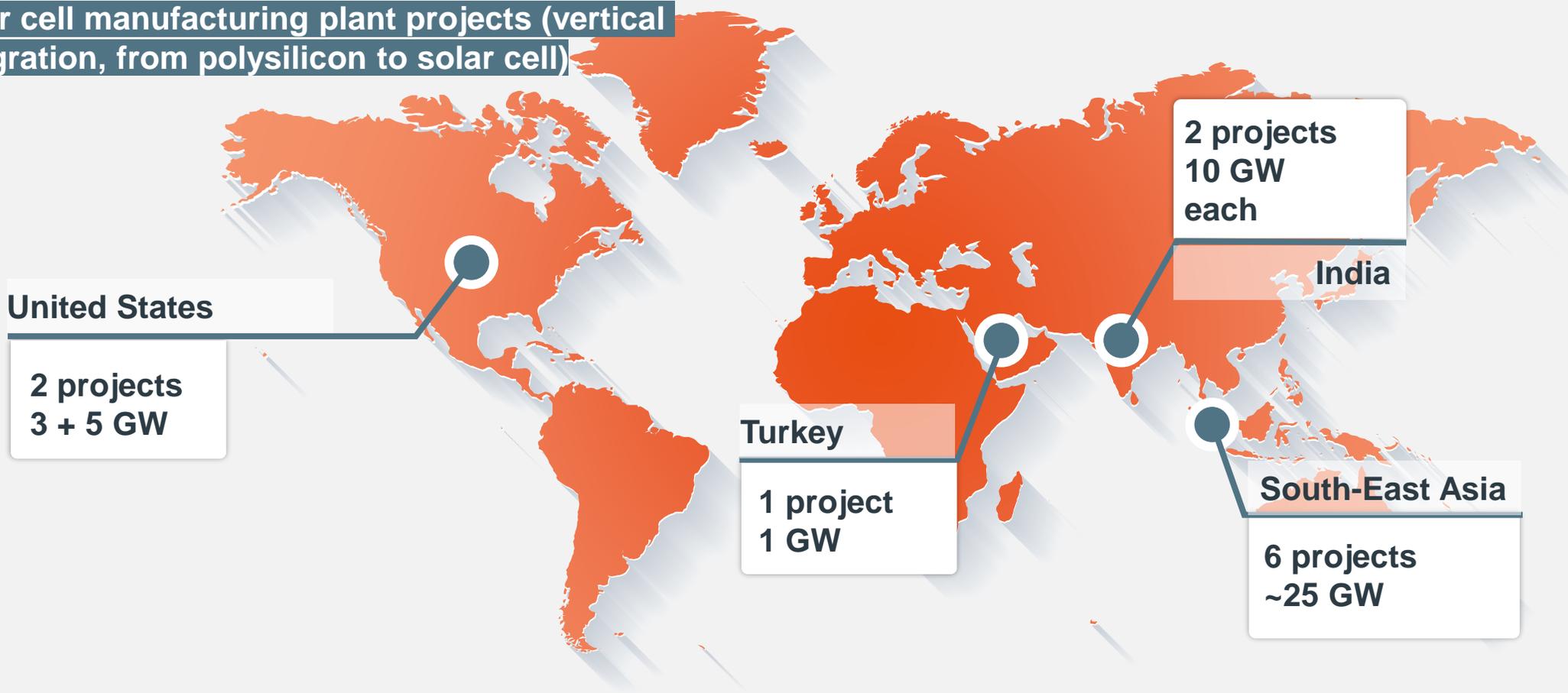
**AVERAGE  
ACQUISITION  
MULTIPLE:  
5x EBITDA**

# Solar energy: Sustained growth in installed capacity to stimulate energy storage and transportation markets



# New solar cell manufacturing projects: Growth potential for Mersen

Solar cell manufacturing plant projects (vertical integration, from polysilicon to solar cell)



**For Mersen, a potential market share greater than that of projects in China**

# Renewable energies: Untapped medium- to long-term potential

**2024**

**Sales €142m**

## **Solar**

Sharp slowdown in the 2<sup>nd</sup> half-year, due to very high inventory levels in the value chain

## **Wind**

Growth in all regions, especially North America, thanks to our large and solid installed base

**2025**

**Trend: downward**

## **Materials**

Solar: Anticipated decline in 1<sup>st</sup> half 2025, due to solar cell inventory levels

Restructuring of the Chinese solar panel manufacturing industry beneficial after H1

Wind power: maintain our market share of installed capacity

## **Electric**

Support the deployment of renewable energies outside China, energy storage and energy conversion

**2029 Horizon**

**Sales > €200m**

## **Materials**

Leverage our industrial capabilities to build strong positions in the solar market outside China

Consolidate our market share in wind power

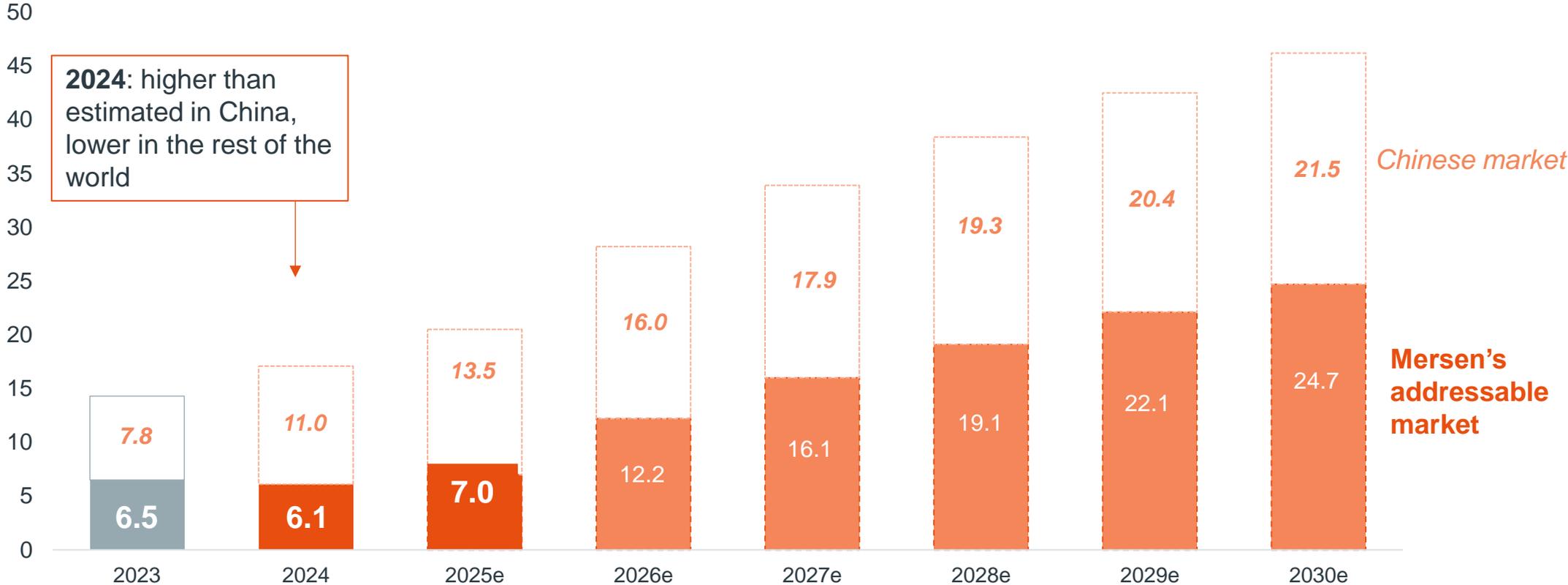
## **Electric**

Gain market share by leveraging our relationships with major OEMs in energy storage and transmission (HVDC) and power conversion

# Electric vehicles's market growth strongly linked to China; For Mersen, the accessible market remains important

BEV and PHEV production in millions

Forecasts for 2026 onwards are still to be confirmed



Source: J.D. Power, S&P Global Mobility; forecast Jan 2025, Mersen estimates

BEV: Battery Electric Vehicles – PHEV: Plug-in Hybrid Electric Vehicles

# A 3-year delay in the EV market, but positive outlook beyond this time horizon

**2024**

**Sales €30m**

Strong growth in sales compared with 2023, mainly fuses

Includes sales for charging stations

**2025**

**Trend:  
moderate growth**

**Continued deliveries to ACC** (small series). Acceleration expected in the 4<sup>th</sup> quarter

**Fuses**

Capture growth in the European market

**7 qualifications** on new programs for 2025

**2029 Horizon**

**Sales ~ €100m**

**Accessible market outside China important** with uncertainties about EVs' commercial success

**Strategy:**

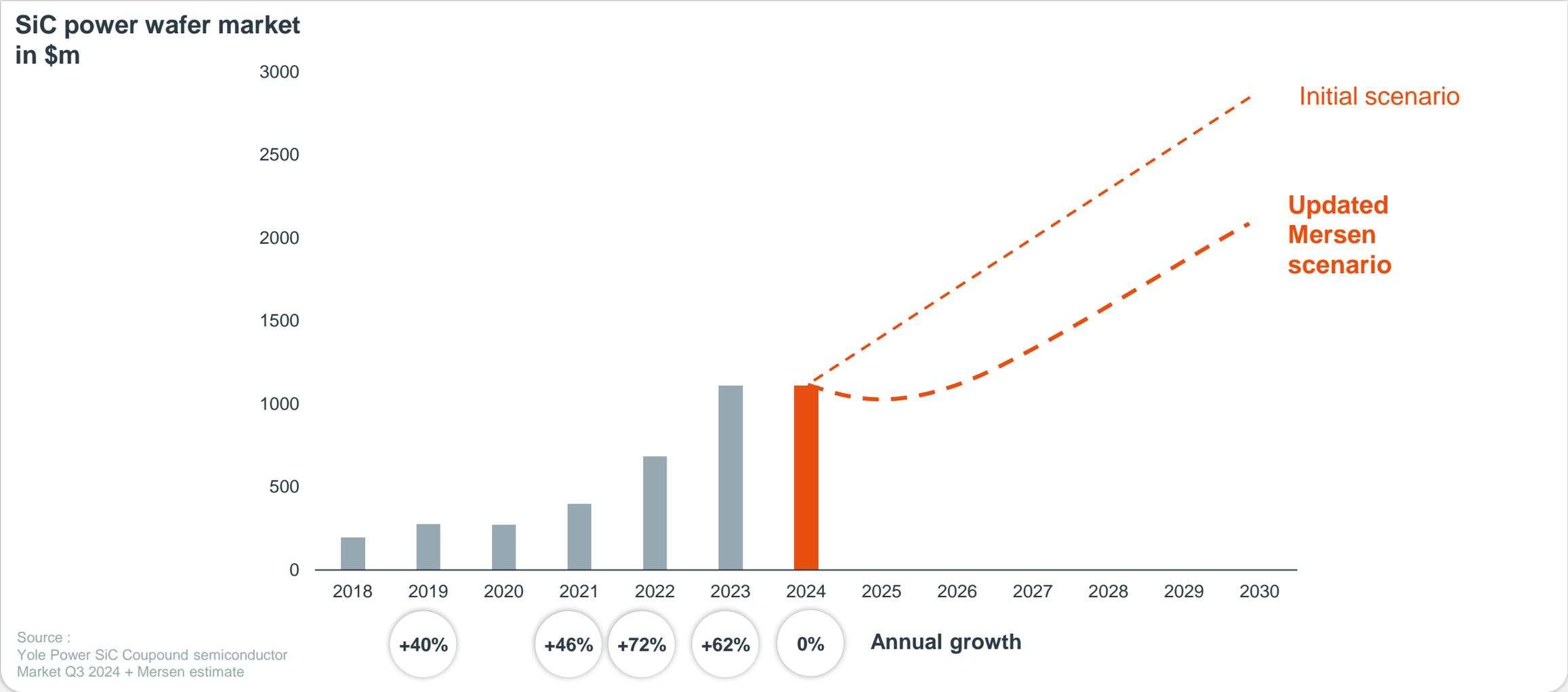
**Busbars**

Strengthen positioning in 2 high value-added applications: cell interconnection and power conversion

**Fuses**

Gain market share and continue to invest in innovation

# High inventory levels impacting SiC market growth rates

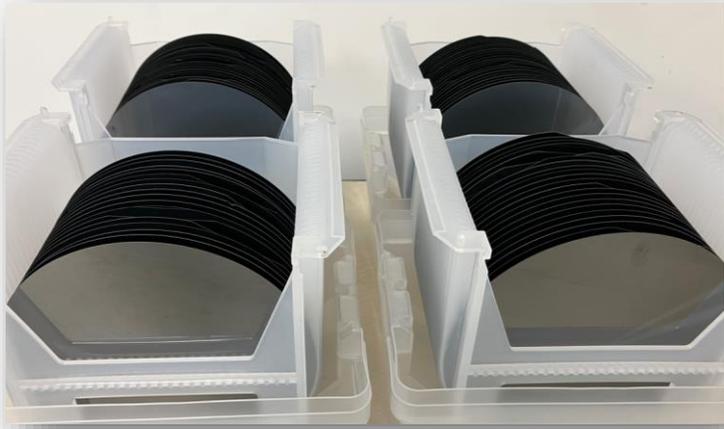


# p-SiC: Industrial project and technical solution developments in 2024

Gennevilliers' site rehabilitation



p-SiC wafers



Installation of equipment



# SiC semiconductors: A 3-year delay compared with the original plan

**2024**

**Sales €100m**

Lower-than-expected growth

Slower growth in 2nd half

**2025**

**Trend: downward**

Decrease in 2025 (cf. 3-year delay in Mersen SiC market and customer inventories)

Delivery of small p-SiC series and start-up of production facilities

Renegotiation of current contracts

**2029 Horizon**

**Sales > €220m**

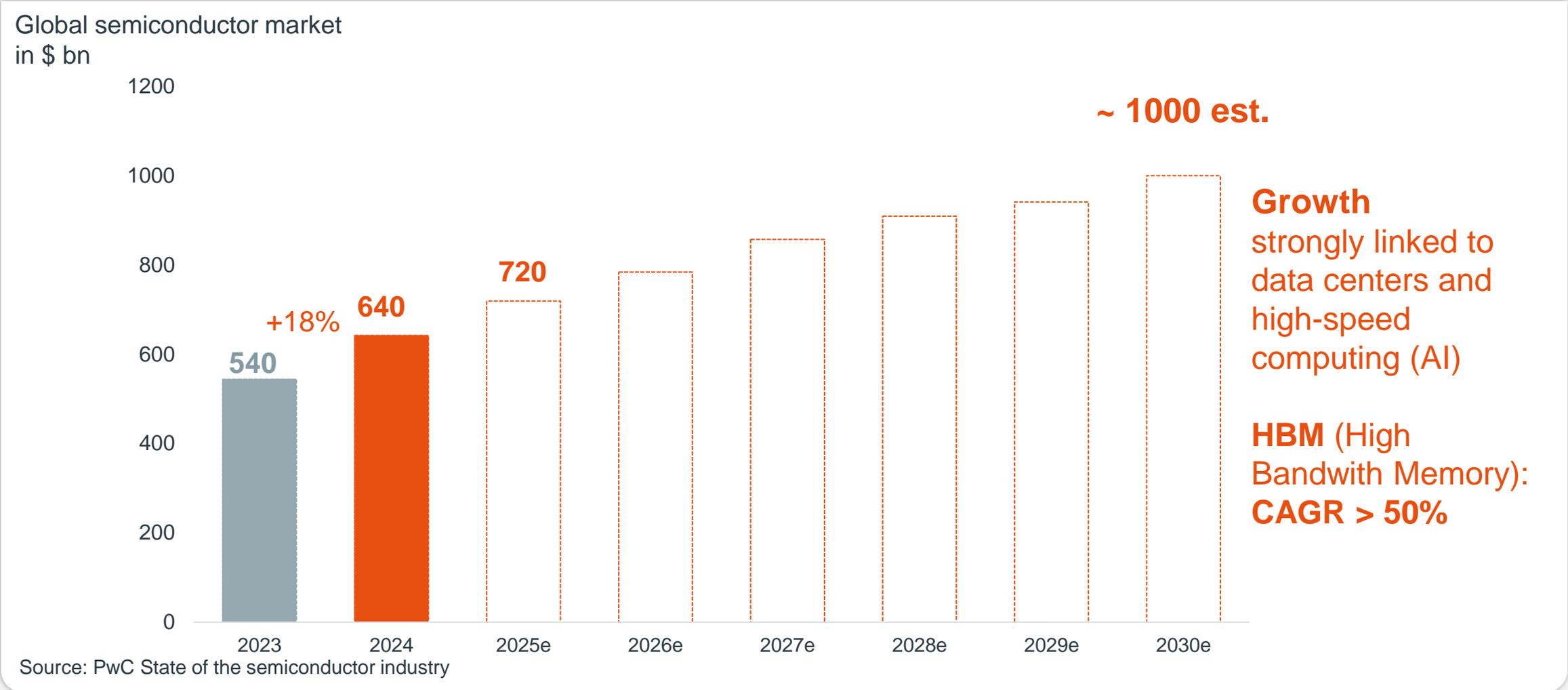
Potential mainly linked to the EV market

## **Strategy:**

Continue to diversify our customer base and support our main customers' transition to 8' through our expertise

Continue working on p-SiC and its transition to 8', to bring the market a high-performance, cost-effective solution tested by the customers

# Silicon semiconductor market outlook boosted by AI and data centers



# Resilient medium-term potential for the silicon semiconductor market

**2024**

**Sales €58m**

Inventory-related decline in 2024, with a recovery at the end of the year

**2025**

**Trend: growth**

Recovery at the end of 2024, continuing into 2025

Mersen's strong position in key stages such as ion implant, ALD

**2029 Horizon**

**Sales > €100m**

Considerable demand for high-speed computing (AI) and data centers

Strong demand for memory (particularly HBM - High Bandwidth Memory)

**Strategy:**

Leverage our relationships with OEMs to gain market share in the technical stages of the process

03

Luc Themelin  
CEO

# Outlook

# 2025 outlook

## Sales

- **Reported sales stable to positive** on the basis of a EUR/USD exchange rate of 1.05 and EUR/RMB of 7.65
- **Implies organic growth of between -5% and 0**

## Profitability

- **EBITDA margin between 16% and 16.5%**
- **Operating margin before non-recurring items between 9% and 9.5%**, including strong growth in depreciation and amortization

## Industrial capex

- **€160-170m of which €15m carried forward from 2024**  
(includes normative capex and growth capex)

# Medium-term plan 2029





# Questions