

MERSEN: SITUATION AT END-MARCH 2020

- FIRST-QUARTER SALES OF AROUND €225 MILLION, DOWN APPROXIMATELY 9% ON AN ORGANIC BASIS
- 90% OF GROUP PLANTS ARE OPERATIONAL
- SOLID FINANCIAL STRUCTURE, SUBSTANTIAL AVAILABLE CREDIT LINES

PARIS, APRIL 8, 2020 – Mersen (Euronext FR0000039620 – MRN), a global expert in electrical power and advanced materials, announced today that, based on preliminary information, consolidated sales for the first quarter of 2020 are expected to amount to around €225 million, down approximately 9% on an organic basis.

This downturn is explained by a high comparable base in relation to the first three months of 2019, notably for the chemicals and electronics segments, and by the health crisis in China during February and Europe in March.

The Group will publish detailed information regarding its first-quarter sales on April 29, 2020 after the markets close.

At March 31, 2020, approximately 90% of Group plants are operational:

- In Asia (28% of 2019 sales): All plants in China and South Korea resumed normal operations over one month ago, while activity in India is currently suspended.
- In Europe (34% of 2019 sales): Operations have slowed in certain plants in France due to a decline in activity, staff availability issues or supply problems. In Germany, all plants are operational.
- In North America (35% of 2019 sales): Activity is either average or sustained. The Group is closely monitoring the situation in the United States and Mexico.

Globally speaking, the situation is evolving in line with government decisions and regulations and the activity level of our clients and suppliers.

This lack of visibility does not allow us at this stage to provide targets for full-year 2020. However, the Group does anticipate a marked downturn in the second quarter of 2020 in relation to 2019, particularly in Europe and North America.

Given the context, the decision has been taken to:

- limit operational costs;
- reduce industrial investments planned for the first half of 2020, with a detailed review to be carried out over the summer;
- ensure that all staff take a maximum of paid leave before certain plants resort to partial activity measures; and
- strengthen monitoring of the Group's Working Capital Requirements, with a particular focus on client credit and inventories.

With a total of €142 million in unused credit lines and €100 million in available cash (including €40 million covering the maturities on the NEUCP commercial paper program) at end-March 2020, Mersen has a sound financial structure that will see it through this health crisis, even if it were to extend over several months. The Group has not yet noted any issues with client payment terms.

The Group has no major debt maturities to be met before November 2021 other than those linked to the above-mentioned NEUCP program.

FINANCIAL CALENDAR

First quarter 2020 sales: April 29, 2020 after the markets close.

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 IS LISTED ON Euronext Paris – COMPARTMENT B

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