THE PATH TO A NEW DIMENSION

November, December 2023
A global player at the heart of technologies who drives the industry forward and shapes a more sustainable society

2022 Key figures

SALES 1,115 M€

CURRENT EBITDA €186m. 16.7% of sales

R&D CENTERS 18

EMPLOYEES 7,315

COUNTRIES 34

2 Expertises with leading positions

Advanced Materials (56% of sales): High value-added customized solutions (graphite)
Electrical Power (44% of sales): A unique product portfolio serving electrical protection and power conversion (fuses)

Recognized CSR commitment and strategy
Positioned on **promising markets** (EV, new-generation of semiconductors, renewable energies)
- Solid medium-term growth prospects (> 20% CAGR over the next 5 years on those markets)
- Ambitious capex plan with high return on investment

High **added-value expertise**
- Strong culture of innovation (customized products)
- High barriers to entry
- Leadership position with 15-30% market share

Significant **value creation potential**
- Strong pricing power
- Culture of operational excellence and cash flow
- A solid, fully integrated CSR strategy
2 expertises with strong market shares

**ADVANCED MATERIALS**

High value-added customized solutions relying on a unique materials expertise

- N°1-2 worldwide
- Customized products
- Mainly consumables
- High barriers to entry
  - Graphite Formulation
  - Manufacturing capacity
  - Worldwide footprint
- Competitors: SGL Carbon, Tokai Carbon, Toyo Tanso, Morgan Advanced Materials

**ELECTRICAL POWER**

A unique portfolio serving two key applications: electrical protection and power conversion

- N°2 worldwide
- Customized products and catalog (fuses)
- High barriers to entry
  - Broad range of products
  - Homologation & standards
  - Worldwide footprint
- Competitors: Eaton, Littelfuse, Rogers, Methode, Lytron, Panasonic

High value-added customized solutions relying on a unique materials expertise
A global footprint to maximize customer intimacy

2022 figures

- **NORTH AMERICA**: 32% employees, 14 manufacturing sites, 36% sales
- **EUROPE**: 38% employees, 21 manufacturing sites, 32% sales
- **ASIA-PACIFIC**: 23% employees, 13 manufacturing sites, 29% sales
- **REST OF THE WORLD**: 7% employees, 4 manufacturing sites, 3% sales
Dynamic markets (semiconductors, electric vehicles and renewable energies) that will sustain future growth

- Chemicals
- Process industries
- Transportation
  - Rail
  - Aeronautics
- Energies
  - Solar
  - Wind
  - Hydro
- Electronics
- SiC semiconductors
- Si semiconductors

€1,115m in 2022
2027: a new dimension

By 2027

- Operating margin before non-recurring items: 12% ± 50pts
- Recurring EBITDA margin: 19% ± 50pts
- ROCE: 13% ± 50pts

Sales (€m)

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales</th>
<th>CAGR 2022-2027</th>
<th>Renewable energies</th>
</tr>
</thead>
<tbody>
<tr>
<td>2022</td>
<td>€1,115m</td>
<td>-20%</td>
<td>Si semiconductors, SiC semiconductors, EV</td>
</tr>
<tr>
<td>2027</td>
<td>~€1,700m</td>
<td>+45%</td>
<td></td>
</tr>
</tbody>
</table>

CAGR +3%
An investment plan to support this strong growth

**CAPEX +€300m*** mainly in 2023/2024

- Return to standard levels of capex in 2026 (approx. 6.5% of sales)

- CAPEX in sales in 2027: c. €400m

**MARGINAL ROCE**

12.5-15.5% by 2027

**ISOSTATIC GRAPHITE**
- Capacity increased from 12,000t to 16,000t (USA)

**INSULATION FELT**
- Capacity increased by more than 2 times (USA, UK)

**MATERIALS FINISHING PLANTS**
- Significant expansion of 4 plants (France, USA)

**EV PLATFORM**
- Expansion of 3 dedicated plants (Mexico, China, France)

**ACQUISITIONS**
- Several bolt-on projects

**Total amount of acquisitions**
€100m

**Mersen** - November 2023
Capital increase of approx. €100 million

Capital increase with preferential subscription rights for existing shareholders of approx. €100 million, supported by Bpifrance Participations, a strategic shareholder of Mersen.
Mersen is ideally positioned to capture growth in the EV market, both upstream and downstream.
Mersen’s unique position in the complex manufacturing process for SiC – PVT process
A major contract with Wolfspeed to accelerate the energy transition

- Leader in SiC technologies, a longstanding partner of Mersen
- Major investments in progress (USA, Germany)
- Agreements with EV players: BorgWarner, ZF, Mercedes Benz, Jaguar Land Rover ...
- Capital expenditure (2023-2025): USD120m
- Sales potential over 5 years: USD400m
- Creation of 200 jobs mainly in the United States
Soitec SmartSiC™: another technology serving the SiC power semiconductor market

SOITEC SMARTSIC™ ON POLY-SIC PRODUCT

- High-quality monocrystalline SiC layer - few µ
- Polycrystalline SiC (p-SiC) - 400 µ

<table>
<thead>
<tr>
<th></th>
<th>PVT</th>
<th>SmartSiC</th>
</tr>
</thead>
<tbody>
<tr>
<td>COST</td>
<td>High</td>
<td>Low (CVD + SmartCut)</td>
</tr>
<tr>
<td>DOPING</td>
<td>Limited by technology</td>
<td>High to reduce resistivity</td>
</tr>
</tbody>
</table>
Mersen’s electric vehicle offering

Mersen sales potential per car
€15-€300

2 PRODUCT LINES
- Busbars
- Fuses
ACC contract: first major contract with a battery manufacturer

Location of the future Gigafactory in Douvrain (France)

Smart laminated busbars for ACC modules

Sales potential over 7 years

€200m

Investments for a dedicated workshop in St Bonnet (France)
2023-2024

€15m-€20m
Two other growth markets

**Silicon semiconductors**

Investments ongoing (e.g., TSMC, Samsung, Intel, SMIC, SKhynix)

Mersen positioned on the most sophisticated stages of the manufacturing process (ALD, Ion implant)

**Solar**

Voluntarily limited production capacity in China

*Ongoing*: recently announced investments in the United States and India
FIRST-HALF 2023 RESULTS

AND 3\textsuperscript{RD} QUARTER SALES
H1 2023: dynamic growth in all markets, particularly SiC semiconductors and electric vehicles

- **Chemicals**: ++
- **Energy**:
  - Solar: +
  - Wind: +
- **Process Industries**: ++
- **Transportation**:
  - Rail: ++
  - Aeronautics: ++
  - EV: +++

- **Electronics**:
  - SiC semiconductors: ++++
  - Si semiconductors: ++

**Organic growth H1 2023 vs H1 2022**
- +++: >+20%
- ++: +10%; +20%
- +: +0%; +10%

*Organic growth H1 2023 vs H1 2022*
Dynamic sales growth in the 2 segments thanks to price and volume

**Price/volume change**

<table>
<thead>
<tr>
<th>H1 2022</th>
<th>Price</th>
<th>Volume/mix</th>
<th>Currency effect</th>
<th>H1 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>524</td>
<td>27</td>
<td>67</td>
<td>-10</td>
<td>608</td>
</tr>
</tbody>
</table>

**Change by segment**

<table>
<thead>
<tr>
<th>H1 2022</th>
<th>Material</th>
<th>Electric</th>
<th>H1 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>524</td>
<td>42</td>
<td>41</td>
<td>608</td>
</tr>
</tbody>
</table>

+17%  +19%

Sales in € million
Strong growth in profitability

<table>
<thead>
<tr>
<th>in € million</th>
<th>H1 2022</th>
<th>H1 2023</th>
<th>+16%</th>
<th>+25%</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA before non-recurring items</td>
<td>86.9</td>
<td>100.5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Recurring EBITDA margin</td>
<td>16.6%</td>
<td>16.5%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation &amp; Amortization</td>
<td>(31.9)</td>
<td>(31.7)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating income before non-recurring items</td>
<td>55.0</td>
<td>68.8</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating income before non-recurring items</td>
<td>10.5%</td>
<td>11.3%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- **Stable Depreciation & Amortization:** High level of Capex in the first half to be commissioned in the coming half years

- **ROCE = 13.3%, temporarily high**
  Very favorable context, with full capacity utilization

Strong growth in profitability.
### Strong pricing power to pass on inflation

<table>
<thead>
<tr>
<th></th>
<th>Basis point</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1 2022 operating margin before non-recurring items</td>
<td>10.5%</td>
</tr>
<tr>
<td>Volume/mix effect</td>
<td>+2.6</td>
</tr>
<tr>
<td>Price effect</td>
<td>+4.0</td>
</tr>
<tr>
<td>Raw material/energy inflation</td>
<td>-3.5</td>
</tr>
<tr>
<td>Productivity gains</td>
<td>+1.2</td>
</tr>
<tr>
<td>Wage inflation</td>
<td>-1.7</td>
</tr>
<tr>
<td>Columbia ramp-up, EV team, Soitec</td>
<td>-0.8</td>
</tr>
<tr>
<td>Bonuses &amp; profit-sharing</td>
<td>-0.3</td>
</tr>
<tr>
<td>Other (including currency effects and depreciation)</td>
<td>-0.7</td>
</tr>
</tbody>
</table>

- **Price effect** +4.0: High-tech customized products with limited cost vs total cost
- **Raw material/energy inflation** -3.5
- **Productivity gains** +1.2: Operational Excellence, purchasing optimization
- **Wage inflation** -1.7: +6% on average over the period

<table>
<thead>
<tr>
<th></th>
<th>11.3%</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1 2023 operating margin before non-recurring items</td>
<td></td>
</tr>
</tbody>
</table>
Robust operating margin in both segments

<table>
<thead>
<tr>
<th>Segment</th>
<th>H1 2022</th>
<th>H1 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advanced Materials</td>
<td>44.1</td>
<td>50.4</td>
</tr>
<tr>
<td>Electrical Power</td>
<td>21.2</td>
<td>29.4</td>
</tr>
</tbody>
</table>

Operating income before non-recurring items (in €m)
Current operating margin in % of sales

- Positive volume/mix effect
- Price increase and productivity partially offsetting inflation
- Extra charges linked to Columbia and Soitec

- Positive volume/mix effect
- Price and productivity effects more than cover inflation
- Extra EV team expenses
Net income up by a sharp 25%

<table>
<thead>
<tr>
<th></th>
<th>H1 2022</th>
<th>H1 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating income before non recurring items</td>
<td>55.0</td>
<td>68.8</td>
</tr>
<tr>
<td>Non recurring income and expenses</td>
<td>(0.7)</td>
<td>(0.1)</td>
</tr>
<tr>
<td>Net financial expense</td>
<td>(5.3)</td>
<td>(9.0)</td>
</tr>
<tr>
<td>Income tax</td>
<td>(10.8)</td>
<td>(13.6)</td>
</tr>
<tr>
<td>Net income</td>
<td>38.2</td>
<td>46.1</td>
</tr>
<tr>
<td><strong>Attributable to Mersen shareholders</strong></td>
<td>35.1</td>
<td>43.9</td>
</tr>
</tbody>
</table>

- Higher net financial expense
  - Average 4% rise in EUR and USD interest rates in H1
  - 70% of gross debt at fixed rates
- Effective tax rate of 23%
Improvement in operating Cash-flow

<table>
<thead>
<tr>
<th>in € million</th>
<th>H1 2022</th>
<th>H1 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating cash flow before change in WCR</td>
<td>82.0</td>
<td>99.2</td>
</tr>
<tr>
<td>Change in WCR</td>
<td>(70.6)</td>
<td>(44.6)</td>
</tr>
<tr>
<td>o/w change in inventories</td>
<td>(55.2)</td>
<td>(40.4)</td>
</tr>
<tr>
<td>Income tax paid</td>
<td>(6.1)</td>
<td>(15.4)</td>
</tr>
<tr>
<td>Operating cash-flow</td>
<td>5.3</td>
<td>39.2</td>
</tr>
</tbody>
</table>

- WCR ratio: 22.9% (vs 24.8% in June 2022)
- Increased income tax paid:
  - Accelerated tax depreciation in the USA in 2022
  - Shift in 2023 in China of taxes from previous years (Covid measures)
Capex aligned with 2027 roadmap

- 55% 2027 Capex plan
- 23% Maintenance
- 17% Other growth
- 5% Safety and Environment

€62m

ACC dedicated workshop in St Bonnet de Mure, France

« New Thermal Treatment » project in Amiens, France

Official ribbon cutting ceremony at the Columbia plant (United States)
Capital increase improves leverage ratio

Leverage: 0.98x
(1.36x end of 2022)

Net debt in €m

<table>
<thead>
<tr>
<th>31/12/2022</th>
<th>Operating cash-flow</th>
<th>Capex</th>
<th>Capital increase</th>
<th>Interest paid and lease payment</th>
<th>Other</th>
<th>30/06/2023</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>241</td>
<td></td>
<td>62</td>
<td>-39</td>
<td>14</td>
<td>189</td>
</tr>
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<td></td>
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</tbody>
</table>

Does not include lease liabilities

€54m
(vs. €55m at Dec. 31, 2022)

and pension obligations

€40m
(vs. €39m at Dec. 31, 2022)
No significant refinancing before 2026

* Calculated based on the use of committed credit lines. NEU MTN: Negotiable European Medium-Term Note

UNDRAWN COMMITTED CREDIT LINES

(IN €m) AT JUNE 30, 2023

~€320m

~€50m
Available cash

Average maturity
~ 4.5 years *

Fixed rate
70 % of gross debt

Drawn credit lines (€m)

2023 2024 2025 2026 2027 2028 2029 2030 2031

4 20 115 15 30 55

USPP Schuldchein NEU MTN BPI

* Calculated based on the use of committed credit lines. NEU MTN: Negotiable European Medium-Term Note
9-month sales: strong growth in semicon SiC and EV

- Solar Wind: 21%
- Chemicals: 8%
- Process Industries: 33%
- Transportation: 14%
- Electronics: 24%
- Semiconductors SiC
- Semiconductors Si

€910m +15%

2023-9 month figures

28 | Mersen - November 2023
### 2023 External targets raised in July
Narrowed on organic growth and capex in October

<table>
<thead>
<tr>
<th></th>
<th>Sales</th>
<th>Operating Margin Before Non Recurring Items</th>
<th>Capex</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Initial</strong></td>
<td>Organic growth of between</td>
<td>5% et 10%</td>
<td>Between</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>€150m and €200m</td>
</tr>
<tr>
<td><strong>July</strong></td>
<td>Organic growth of between</td>
<td>10% and 12%</td>
<td>Between</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>€150m and €200m</td>
</tr>
<tr>
<td><strong>October</strong></td>
<td>Organic growth of between</td>
<td>11% and 12%</td>
<td>Between</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>€175m and €200m</td>
</tr>
</tbody>
</table>

- Between of sales
APPENDIX
Advanced Materials: High value-added customized solutions relying on a unique materials expertise

**Anticorrosion Equipment**  
*N° 1-2 Worldwide*

- Engineering systems
- Heat exchangers

**Graphite Specialties**  
*N° 1 Worldwide*

- Laser galvo scanning mirrors in Sintered SiC
- Wafers carrier in ultra pure graphite for Semicon
- Crucible in graphite
- Carbon insulation for high temperature furnaces

**Power Transfer Technologies**  
*N° 1-2 Worldwide*

- Slip-rings
- Brushes and brush holders
- Pantograph strips

Competitors:

- SGL Carbon (Ger)
- SGL Carbon (Ger), Tokai Carbon (Jp), Toyo Tanso (Jp), Schunk (Ger)
- Morgan Advanced Materials (UK), Schunk (Ger)
Electrical Power: A unique portfolio serving two key applications

**Electrical Protection**
*N° 2 Worldwide in industrial fuses*

- Fuses and fuse holders
- Surge protection devices

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

*Competitors: Eaton (US), Littelfuse (US)*

**Power Conversion**
*N° 2 Worldwide (components)*

- Fuses for semiconductors
- Fuses for EV
- Busbars
- Cooling devices
- Capacitors

Only customized offering of **bundled passive components** on the market

*Competitors: Eaton (US), Rogers (US), Methode (US), Lytron (US), Cornell Dubilier (US), Panasonic (JP)*
4-pillar CSR strategy 2022-2025

**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**
- Strategic suppliers CSR self-assessment
- 100% of suppliers in 2022
- Conduct audits or visits to suppliers based on their CSR rating

**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 G4/G emission intensity by 20% (vs. 2018)

- **RECYCLING WASTE**
  - Increase the share of waste recycled to 75% (vs. 2018)

- **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: 25%
  - 5 women in senior management positions: 25%
  - 5 women engineers and managers: >27%
  - 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 LTI ≤1.0 and SR ≤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
Targeting markets acting for a more sustainable society

56% of total 2022 sales dedicated to sustainable development markets (Energy efficiency, renewable energies, semiconductors, power electronics, green transportation)

<table>
<thead>
<tr>
<th>EU Green taxonomy - Sales</th>
<th>EU Green taxonomy - Capex</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eligible</td>
<td>Eligible</td>
</tr>
<tr>
<td>29%</td>
<td>27%</td>
</tr>
<tr>
<td>Qualifying</td>
<td>Qualifying</td>
</tr>
<tr>
<td>48%</td>
<td>37%</td>
</tr>
<tr>
<td>Total</td>
<td>Total</td>
</tr>
<tr>
<td>77%</td>
<td>64%</td>
</tr>
<tr>
<td>Incl. aligned</td>
<td>Incl. aligned</td>
</tr>
<tr>
<td>14%</td>
<td>13%</td>
</tr>
</tbody>
</table>
Shareholder’s structure as of June 2023

- BPI 11%
- Other French institutional investors 35%
- Other institutional investors 38%
- Individuals & treasury shares 16%