



# 2017 HALF-YEAR RESULTS

JULY 31, 2017



# KEY HIGHLIGHTS FOR H1 2017

## ■ EFFECTIVENESS OF MEASURES IMPLEMENTED FOR 2 YEARS (ORGANIZATIONAL STRUCTURE, COMPETITIVENESS AND EXCELLENCE PLANS) :

- Sales organic growth: +4.9%
- Current operating margin: 8.9%, ie +120 points vs H1 2016
- Net income: +55%

## ■ ANNUAL GUIDANCE RAISED

# A SOUND ACTIVITY IN BOTH SEGMENTS

## ELECTRICAL POWER

+3%

- Growth in Power Electronics and Process Industries
- Electrical distribution improvement at the end of the semester but still lower than last year

## ADVANCED MATERIALS

+6%

- Growth in electronics, aeronautics, chemicals and process industries (notably, strong contribution of glass forging for smartphones)
- Renewable energies stable

€412m

+5%

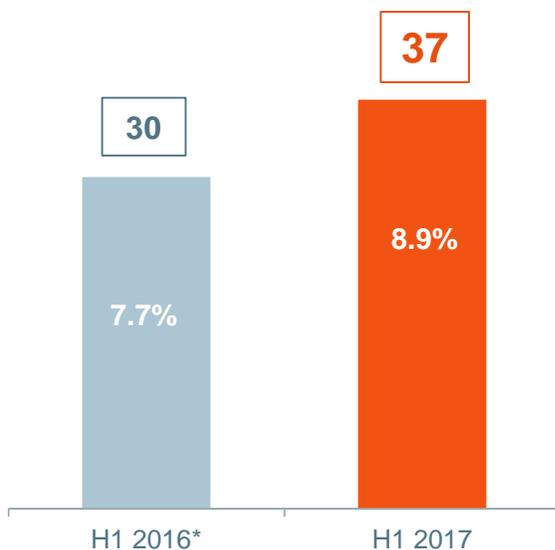
Sales H1 2017 in €million – organic growth vs H1 2016

# A HALF-YEAR MARKED BY A STRONG GROWTH IN ASIA



# STRONG INCREASE IN PROFITABILITY

in €m and % of sales



In %

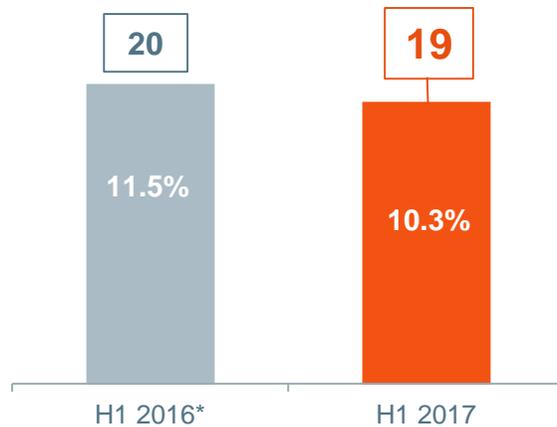
<i>EBITDA margin H1 2016*</i>	12.7%
<b>Current Operating margin H1 2016*</b>	<b>7.7%</b>
Volume /mix effects	+0.8%
Price impact	-0.4%
Competitiveness	+1.9%
Inflation	-1.1%
<b>Current Operating margin H1 2017</b>	<b>8.9%</b>
<b><i>EBITDA margin H1 2017</i></b>	<b>13.6%</b>

\* Restated (cf. press release)

# STRONG VOLUME IMPACT ON ADVANCED MATERIALS SEGMENT

## ■ ELECTRICAL POWER

IN €M AND % OF SALES



- UNFAVORABLE MIX EFFECTS
- LIMITED GAIN FROM COMPETITIVENESS PLANS

## ■ ADVANCED MATERIALS

IN €M AND % OF SALES

Current Operating Margin



- POSITIVE VOLUME EFFECT
- UNFAVORABLE GRAPHITE PRICE EFFECTS
- GAIN FROM COMPETITIVENESS PLANS

\* Restated (cf. press release)

# ON-GOING COMPETITIVENESS PLANS, IN LINE WITH THE OBJECTIVES

	2016	H1 2017	2017 announced*	2018 announced*	Total announced*
<b>Cost savings (€m)</b>	16.5	8	[13-16]	[11-13]	[43-45]
Impact on the P&L before tax (€m)	(22)	(3)	(10)		(32)
Impact on Cash- flow** (€m)	(5)	(8)	(25)	(5)	(35)

\* announce in March 2017

\*\* including capex

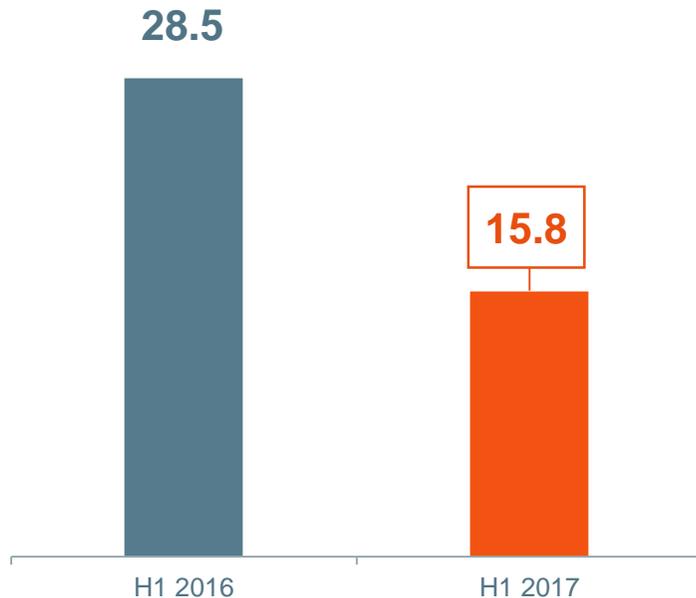
# MORE THAN 50% RISE IN NET INCOME

in € million	H1 2017	H1 2016
<b>Operating income before non-recurring items</b>	<b>36.6</b>	<b>29.9</b>
% of sales	8.9%	7.7%
Non-recurring income and expense	(2.0)	(3.5)
Net financial income/(loss)	(5.4)	(6.0)
Income tax	(9.5)	(7.0)
<b>Net income from continuing operations</b>	<b>19.7</b>	<b>13.4</b>
Net income/(loss) on assets held for sale	(0.6)	(1.1)
<b>Net income</b>	<b>19.1</b>	<b>12.3</b>
<b>Net income attributable to Mersen shareholders</b>	<b>18.1</b>	<b>11.3</b>

■ Mainly costs linked to competitiveness plans  
■ Effective tax rate 33%

# HIGH OPERATING CASH-FLOW IN A PERIOD OF STRONG GROWTH

CASH-FLOW BEFORE CAPEX IN M€

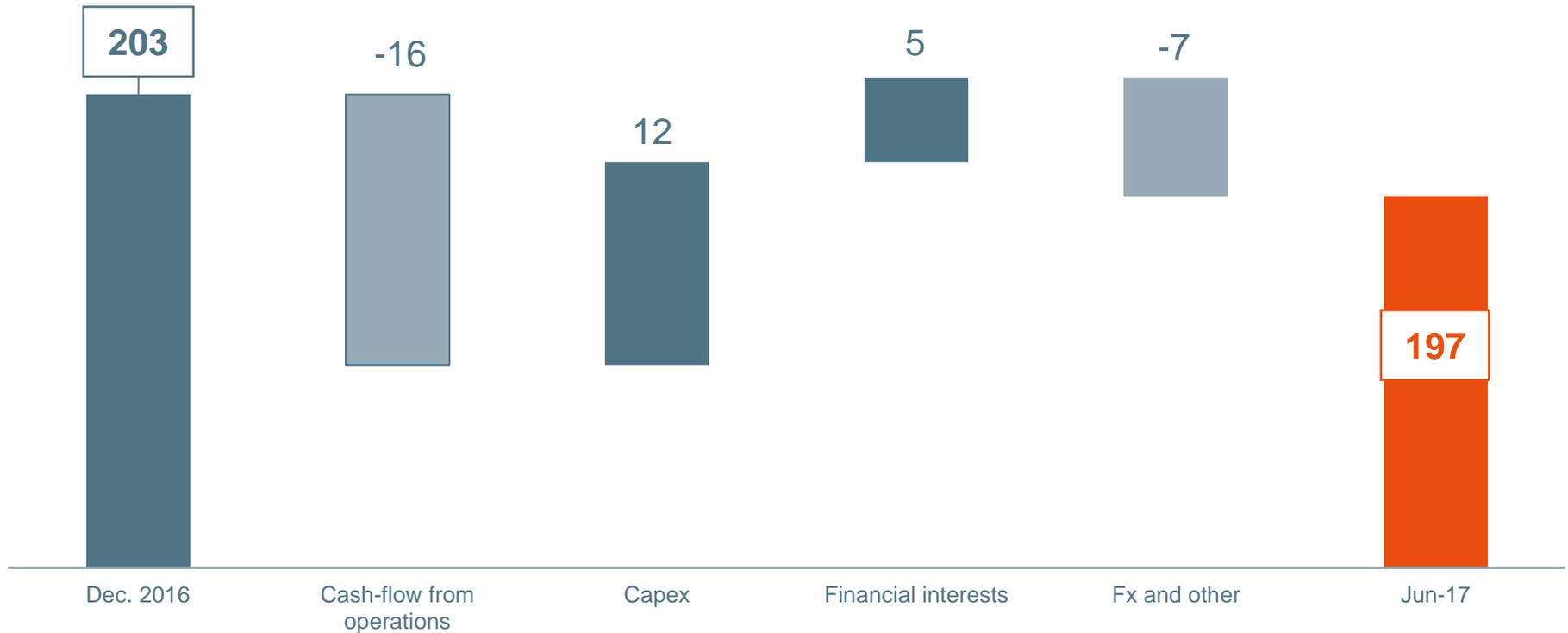


- **ONE-OFF CASH-OUT IN H1 2017 (€8M)**
  - Mainly linked to competitiveness Plans
- **WCR MAINTAINED AT A SOLID LEVEL (21% OF SALES)**
  - Growth in Inventories and Trade receivables due to strong sales growth

# DECREASE IN NET DEBT

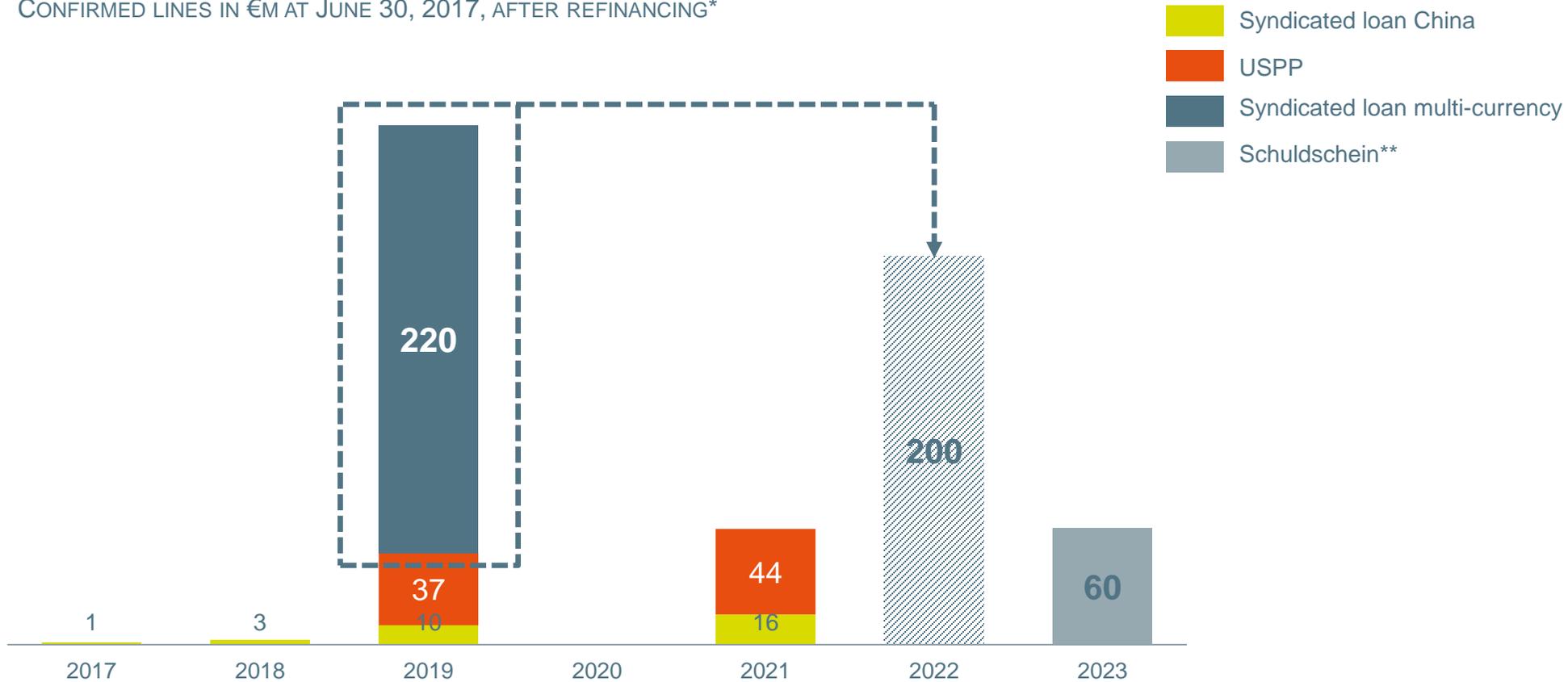
Net Debt/EBITDA	1.8
Net Debt/Equity	42%

IN €M



# A SOLID BALANCE SHEET WITH AN EXTENSION OF THE DEBT MATURITY

CONFIRMED LINES IN €M AT JUNE 30, 2017, AFTER REFINANCING\*



**After refinancing**  
**Maturity > 5 years**

**Unused confirmed lines after commercial paper coverage: €170m**

\* July 18, 2017  
\*\* November 2016

# 2017: ORGANIC GROWTH AND PROFITABILITY ANNUAL GUIDANCE RAISED

- STRONG PERFORMANCE IN H1
- PROMISING OUTLOOK FOR H2 ON OUR GROWTH MARKETS
- ON-GOING COMPETITIVENESS PLANS
- ON-GOING DISPOSAL OF GORCY PLANT

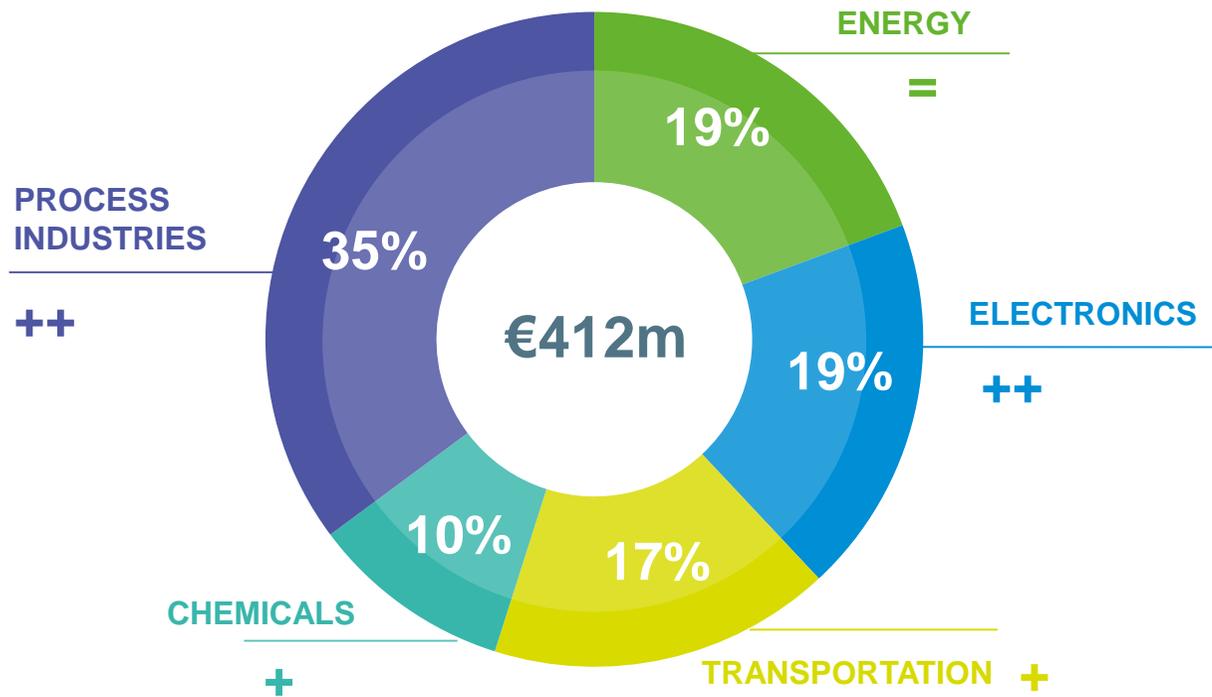
	DISCLOSED IN MARCH 2017	RELEASED ON JULY 19, 2017
ORGANIC GROWTH IN SALES	[0-2%]	[3-5%]
CURRENT OPERATING MARGIN GROWTH	[50-100 POINTS]	[80-130 POINTS]



## APPENDIX

- SALES BY MARKET
- RESTATEMENT

# SALES BY MARKET



Sales H1 2017 in €million

# RESTATEMENT

## BEFORE

	H1 2016	H2 2016	2016
Current Operating Result	30.6	29.3	59.9
<i>Current Operating Margin</i>	7.8%	7.8%	7.8%
Non-recurring income and loss	(3.5)	(23.0)	(26.5)
Amortization of revalued intangible assets	(0.7)	(0.5)	(1.2)
Operating Result	26.4	5.8	32.2

## AFTER

	H1 2016	H2 2016	2016
Current Operating Result	29.9	28.8	58.7
<i>Current Operating Margin</i>	7.7%	7.7%	7.7%
Non-recurring income and loss	(3.5)	(23.0)	(26.5)
Operating Result	26.4	5.8	32.2