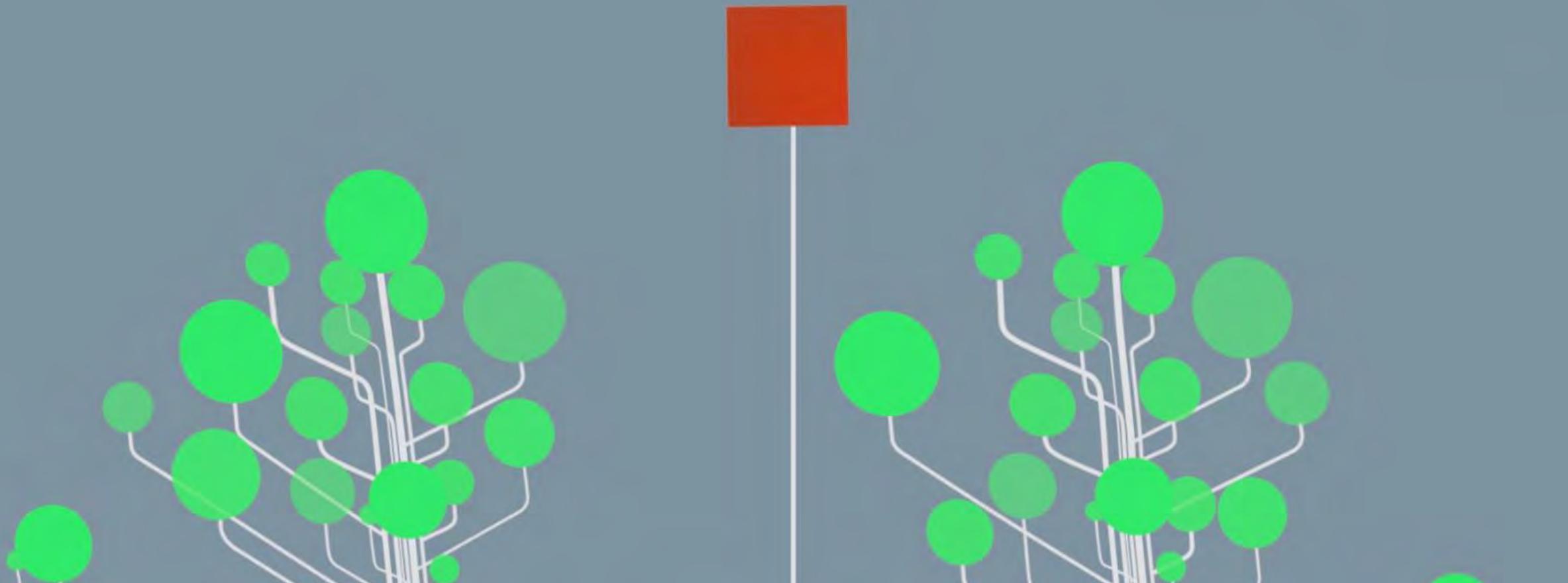




CAPITAL MARKETS DAY

NOVEMBER 29, 2018



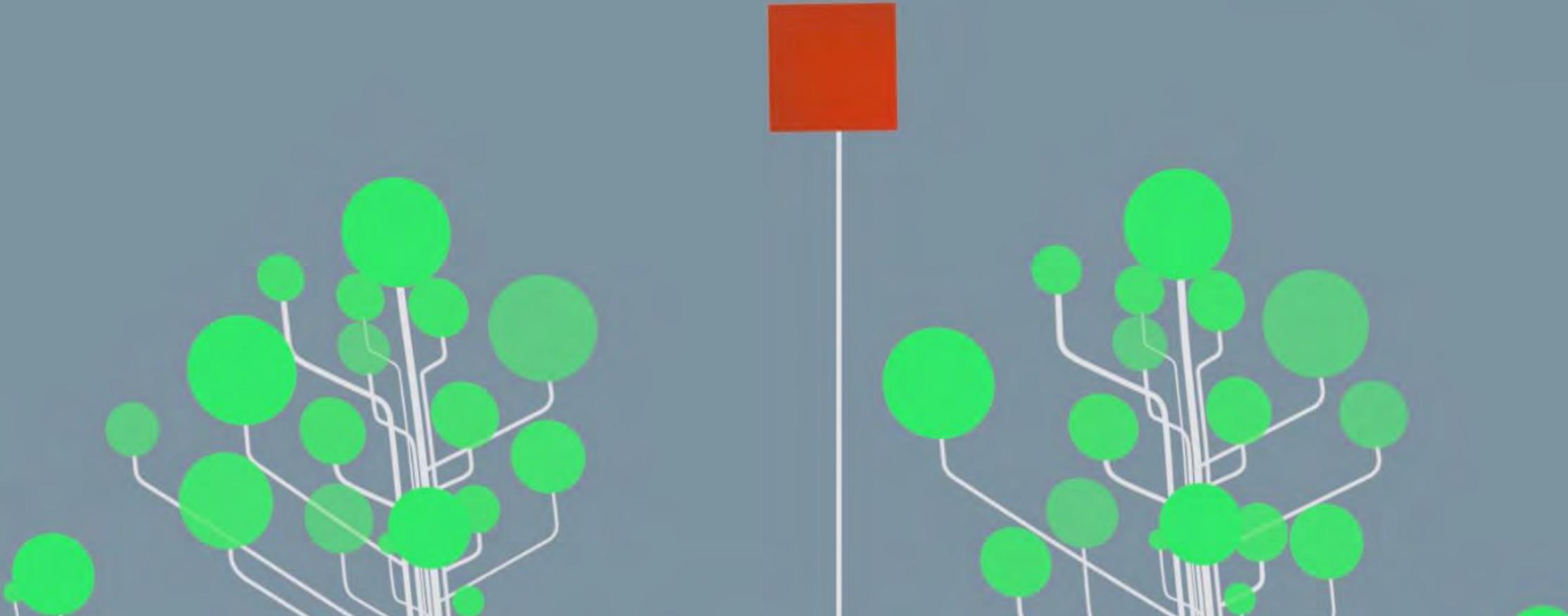
AGENDA

9:00 – 9:25	Mersen: Creating value for our stakeholders	<i>Luc Themelin</i>
9:25 – 10:10	Mersen's contribution to Solar Energy	<i>Philippe Chemin Laurent Marcenac</i>
10:10 – 10:40	Batteries for Energy Storage Systems	<i>Philippe Roussel</i>
<i>Break</i>		
11:10 – 12:00	Energy Efficiency at Mersen	<i>Christophe Bommier</i>
12:00 – 12:15	Mersen's Financial Business model	<i>Thomas Baumgartner</i>
<i>Lunch</i>		



MERSEN: CREATING VALUE FOR OUR STAKEHOLDERS

CAPITAL MARKETS DAY – NOVEMBER 29, 2018
LUC THEMELIN, CHIEF EXECUTIVE OFFICER

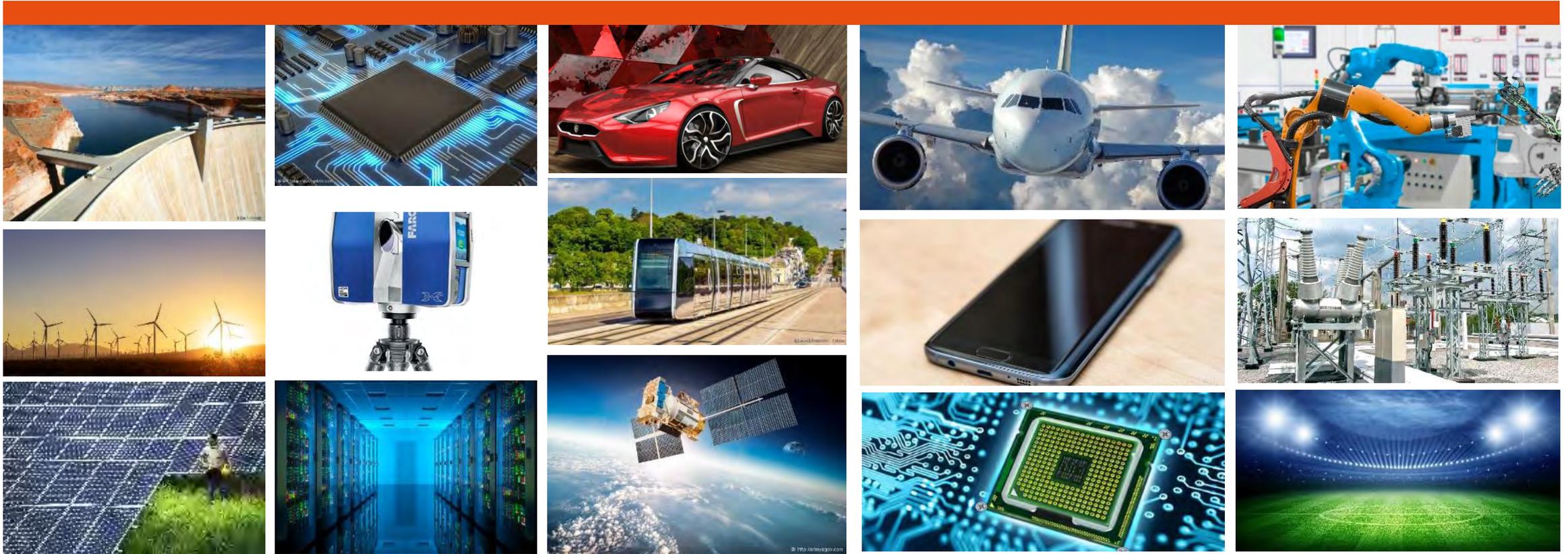


MERSEN: OUR MISSION, TECHNOLOGICAL PROGRESS

WE ARE DEVELOPING
THE **BEST TECHNOLOGIES**
FOR THE INDUSTRIES OF THE FUTURE



WE PROVIDE INDUSTRIAL COMPANIES
WORLDWIDE WITH **INNOVATIVE SOLUTIONS**
ENHANCING THE PERFORMANCE OF THEIR
PRODUCTS AND SERVICES



CREATING THE VALUE THAT DRIVES OUR STAKEHOLDERS



**OUR
EMPLOYEES**

**OUR
CUSTOMERS**

**OUR
SHAREHOLDERS**

OUR PARTNERS

THE GROUP'S FOUNDATION: HUMAN CAPITAL

OUR
EMPLOYEES

DEVELOP A SENSE OF BELONGING

Strengthen the Company's attractiveness
Anchor our values
Promote collaboration

6,500 employees
50+ sites in **35** countries

WORK TO KEEP EVERYONE SAFE

Training, prevention and Golden Rules
Health and safety weeks
Safety audits

Keep the rate of accidents (TF1*)
very low
1.4 in 2017

DEVELOP SKILLS

Management Academy
OpenExpert Program
Mentoring, Development Center

100% of managers trained
within two years

* TF1: number of lost-time occupational accidents per million hours worked

PRESTIGIOUS AND EXACTING CUSTOMERS...

OUR CUSTOMERS

as a % of sales in 2017



> 65% customized products

Replacement market
65% of sales

Largest client
~3% of sales

Longstanding ties



ALSTOM

SIEMENS



BOMBARDIER



AIRBUS



SIEMENS



LONGi 隆基



THALES



...WHO BENEFIT FROM OUR EXPERTISE FOR GREATER PERFORMANCE AND EFFICIENCY

OUR
CUSTOMERS

ELECTRICAL POWER

NO. 2 WORLDWIDE
Industrial fuses



**ELECTRICAL PROTECTION
& CONTROL**

NO. 2 WORLDWIDE
Components
for power electronics



**SOLUTIONS FOR
POWER MANAGEMENT**

ADVANCED MATERIALS

**NO. 1-2
WORLDWIDE**
Graphite
anticorrosion
equipment



**ANTICORROSION
EQUIPMENT**

**NO. 1-2
WORLDWIDE**
High-temperature
applications



**GRAPHITE
SPECIALTIES**

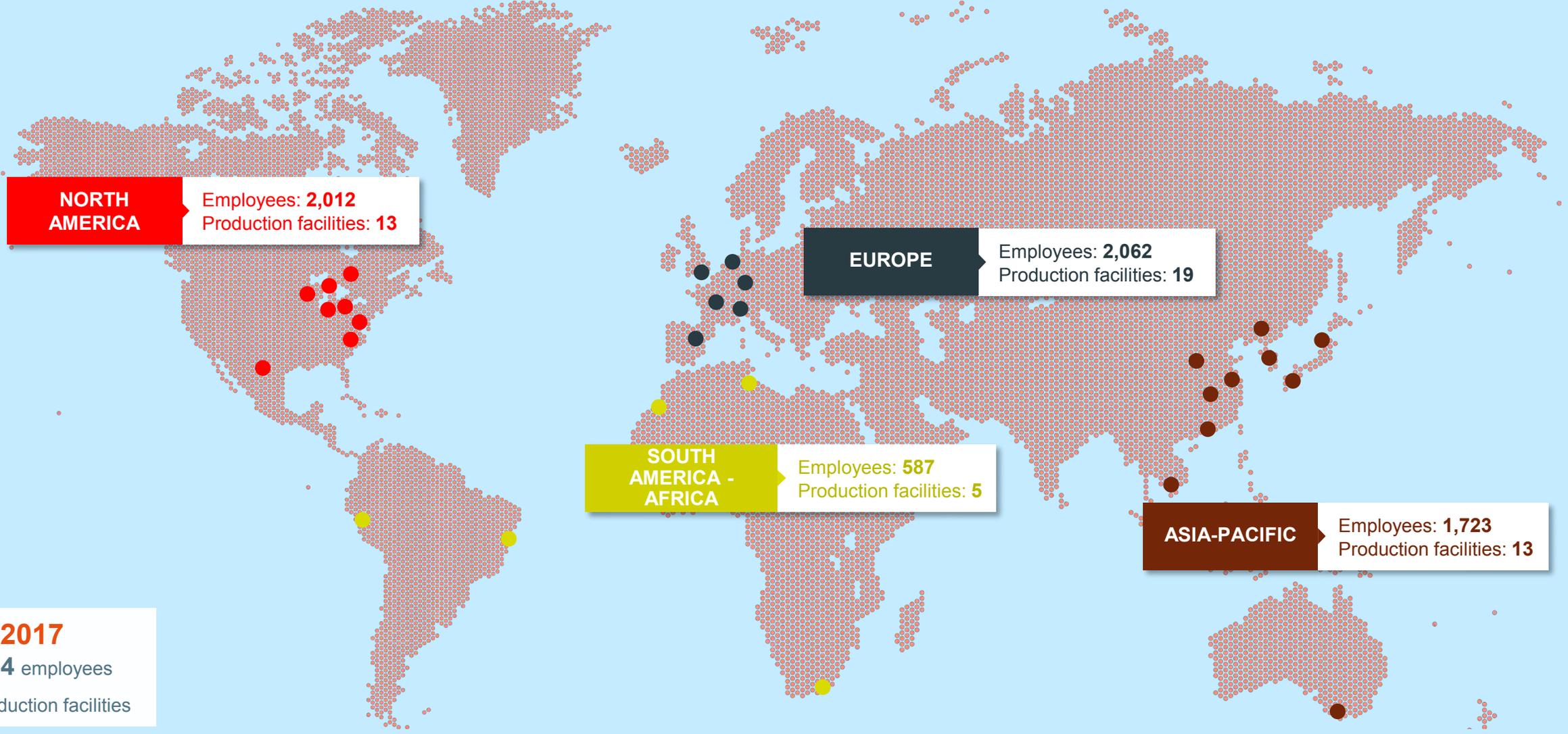
**NO. 1-2
WORLDWIDE**
Brushes for industrial
motors



**POWER TRANSFER
TECHNOLOGIES**

8% of sales reinvested in R&D and innovations to help us better serve our customers

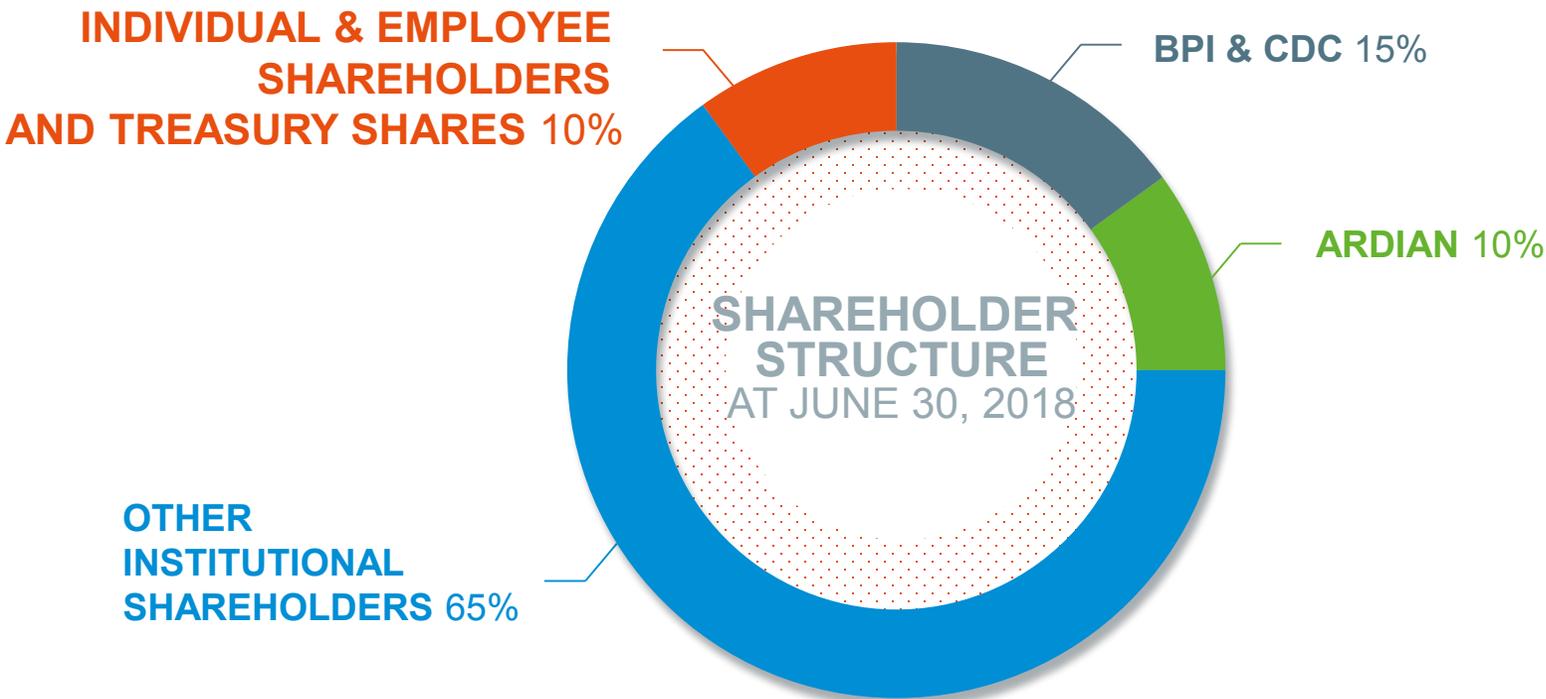
...AS WELL AS FROM OUR GLOBAL OPERATIONS



2017
6,384 employees
50 production facilities

LONG-TERM RELATIONSHIPS WITH OUR SHAREHOLDERS THAT ARE BASED ON TRUST

OUR SHAREHOLDERS



DIVIDEND POLICY:
PAYOUT RATIO OF

30%-40%

RIGOROUS FINANCIAL
MANAGEMENT:

**AVERAGE FCF*/SALES.
OVER FIVE YEARS ~5%**

* Free Cash-flow before restructuring and after financial interests

PARTNERS THAT ARE CRITICAL TO OUR DEVELOPMENT

OUR
PARTNERS

FINANCIAL PARTNERS

Long-term relationships
Diversified sources of financing

Net debt/EBITDA ratio: **1.5***
Debt maturity: **4.7 years***

SUPPLIERS

Inclusion of environmental/ethics criteria
Focus on quality and reliability

400 strategic suppliers
“under control”
Priority given to local suppliers

REGIONS

Extensive delegation
of responsibilities across each entity
Respect for cultural differences

90% of plant managers
are locals

* At June 2018 – Maturity on authorized lines

BALANCED GOVERNANCE



Compliance with the AFEP-MEDEF corporate governance code



Separation of control and management functions

(Chairman of the Board, Chief Executive Officer)



3 Specialized Board Committees

(Audit and Accounts, Strategy, Governance & Remuneration)



An 11-member Board

2 representatives from Ardian
2 representatives from BPI
6 independent members
1 employee director



Compliance: Chief Compliance Officer

Reports to the Chief Executive Officer

Signatory of the UN Global Compact since 2009



WE SUPPORT

INSIDE MERSEN: A REDUCED ENVIRONMENTAL FOOTPRINT

...FROM PRODUCT DESIGN TO RECYCLING



ECO-FRIENDLY PRODUCTS

No Mersen product is harmful to the environment



CLEAN PROCESSES

Graphite manufacturing: a “best available technology” process

Fuse manufacturing: component assembly



PROACTIVE WASTE MANAGEMENT

Percentage of waste recycled:
42% in 2017

+5 points vs. 2016



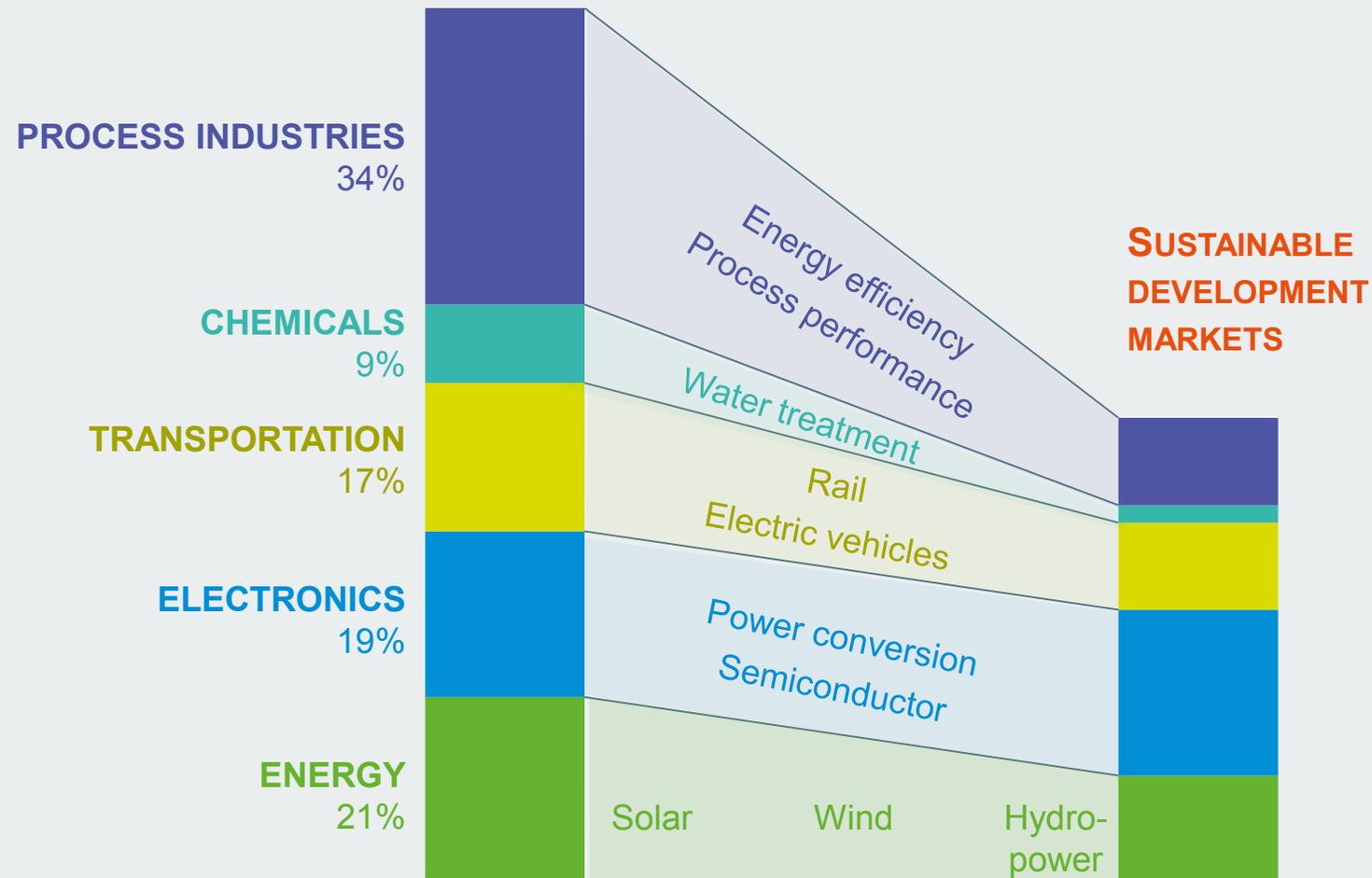
ONGOING RECYCLING

100% of graphite powder recycled during the process

Fuse and electrical component recycling (external service provider)

* At constant scope of consolidation

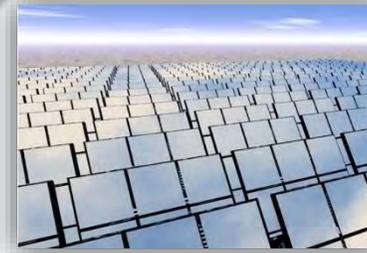
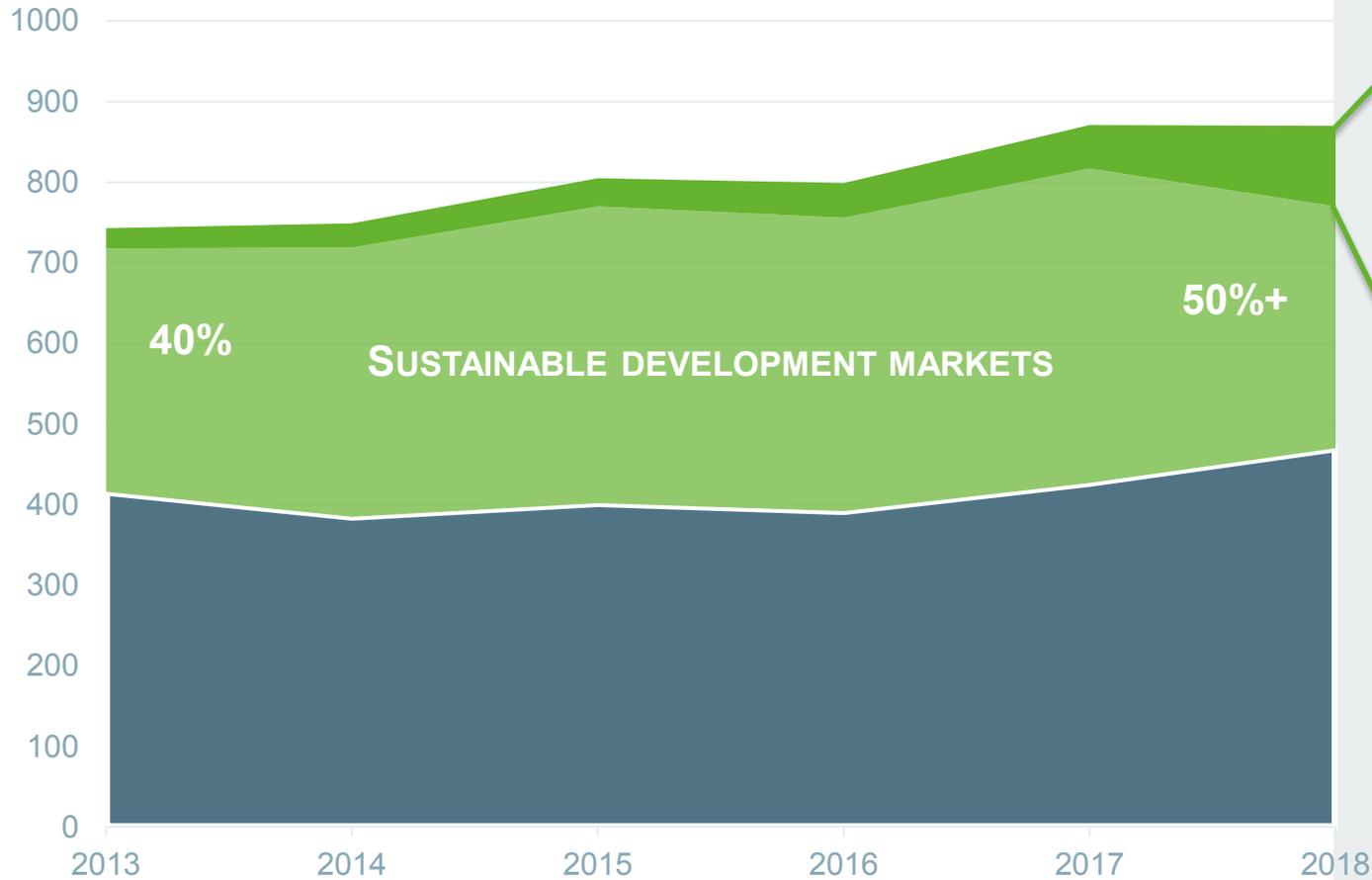
MERSEN INSIDE: MORE THAN HALF OF MERSEN SOLUTIONS ARE FOR SUSTAINABLE DEVELOPMENT MARKETS



Breakdown of 2017 sales

MARKETS WITH MAJOR GROWTH POTENTIAL IN THE MEDIUM TERM

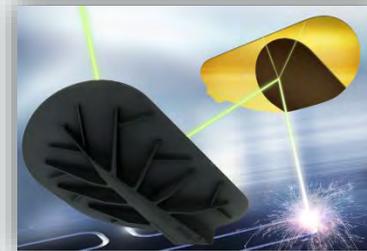
Sales in €m



SOLAR PHOTOVOLTAICS



ENERGY STORAGE



SiC LASER MIRRORS



SiC SEMICONDUCTEURS

CAGR 2018-2023
[+10-15%]*

* In the initial version circulated at the Capital Markets Day, the CAGR was wrongly mentioned to reach 15-20%