



MERSEN: OUR MISSION...

TECHNOLOGICAL PROGRESS

CAPITAL MARKETS DAY – NOVEMBER 29, 2018

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A SERIES OF MEASURES TO IMPROVE THE GROUP'S COMPETITIVENESS

ADAPTATION MEASURES

TRANSFORM PLAN
Simplification of the Group's industrial organization and processes and adaptation of its chemicals business in line with market needs

REORGANIZATION
of the 2 business segments to strengthen synergies, efficiency and innovation

LAUNCH
of the **Operational Excellence** plan to enhance competitiveness

LAUNCH
of **Mersen Excellence Journey**



DISPOSAL OF CYCLICAL BUSINESSES

Discontinuation of carbon steel equipment (China) following the sale of 2 plants in France in 2012 linked to chemicals

Discontinuation of brazing technology business

Sale of 2 plants in France (high-power switches)

-€55m*

ACQUISITIONS IN GROWTH MARKETS

Cirprotec

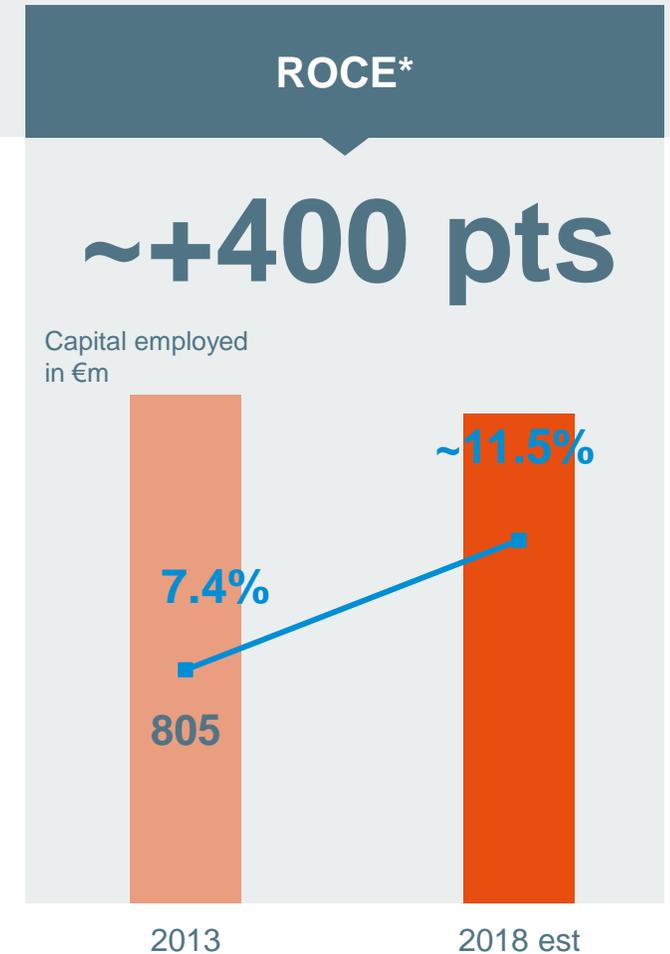
ASP

FTCap, Idealec

+€45m

* Including Kapp and Lump

CONCLUSIVE RESULTS



* Operating income before non-recurring items/average weighted capital employed

THAT ARE REFLECTED IN MERSEN'S GUIDANCE FOR 2018

ORGANIC GROWTH*
IN SALES VERSUS 2017

2018

OPERATING MARGIN BEFORE
NON-RECURRING ITEMS

Announced
in March 2018

Adjusted
in July 2018

Press release
in October 2018

Between 3% and 6%

**BETWEEN
7% AND 9%**

AROUND 9%

+2% linked
to acquisitions

At constant exchange rates

Between 9.6% and
10.1%
of sales
(vs. 9.2% in 2017)

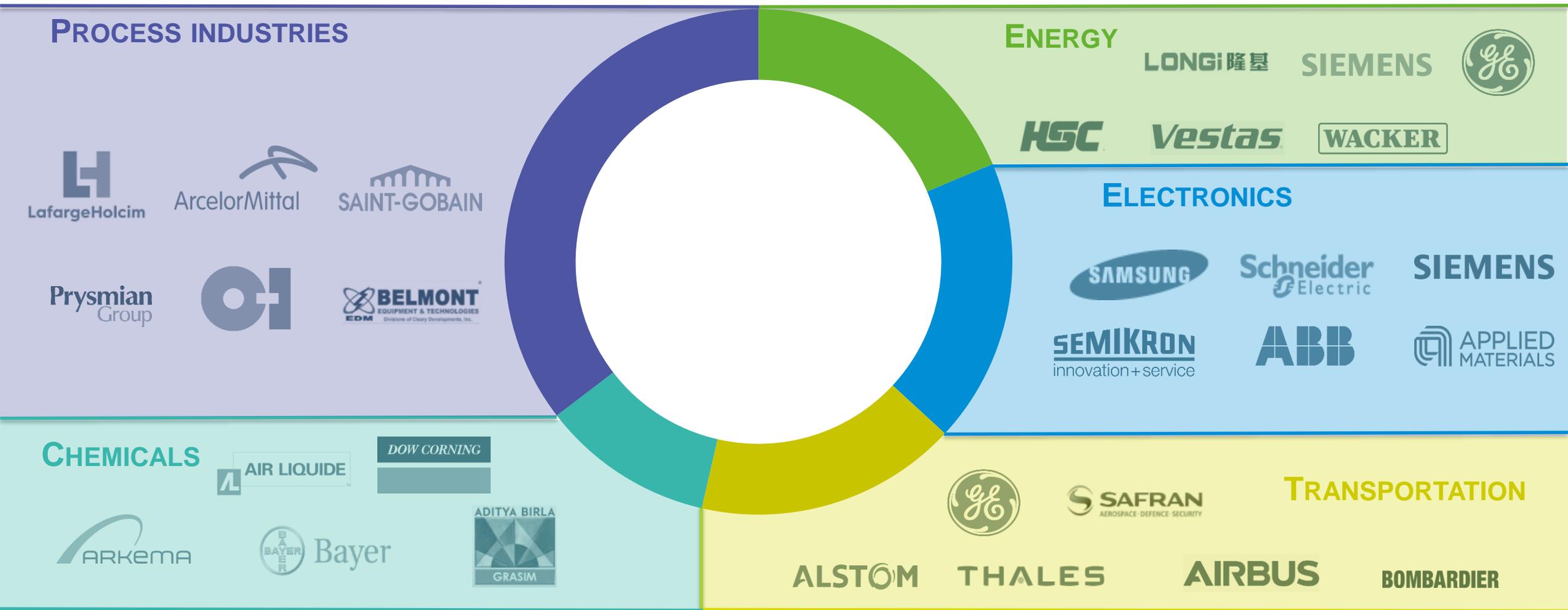
**BETWEEN 10.1%
AND 10.4% OF
SALES**

AROUND 10.4%

Including the impact
of acquisitions

* At constant exchange rates and scope of consolidation

MERSEN'S STRENGTHS FOR THE FUTURE: DIVERSIFIED CUSTOMER PORTFOLIO AND MARKETS



LEADERSHIP POSITIONS THAT ARE A SOURCE OF PROFITABILITY

MERSEN'S STRENGTHS



Leadership position:
#1 or #2 worldwide
in niche markets

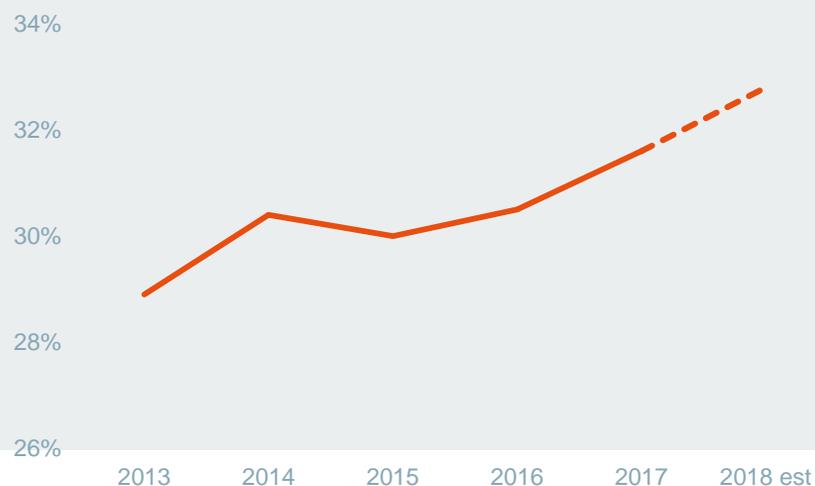


> 65%
of products are
built for purpose



Expertise:
high barriers
to entry

GROSS MARGIN



PRICE EFFECT

2011-2016

-0.6% on average/year
Solid performance despite
two back-to-back crises
(solar, chemicals)

2017

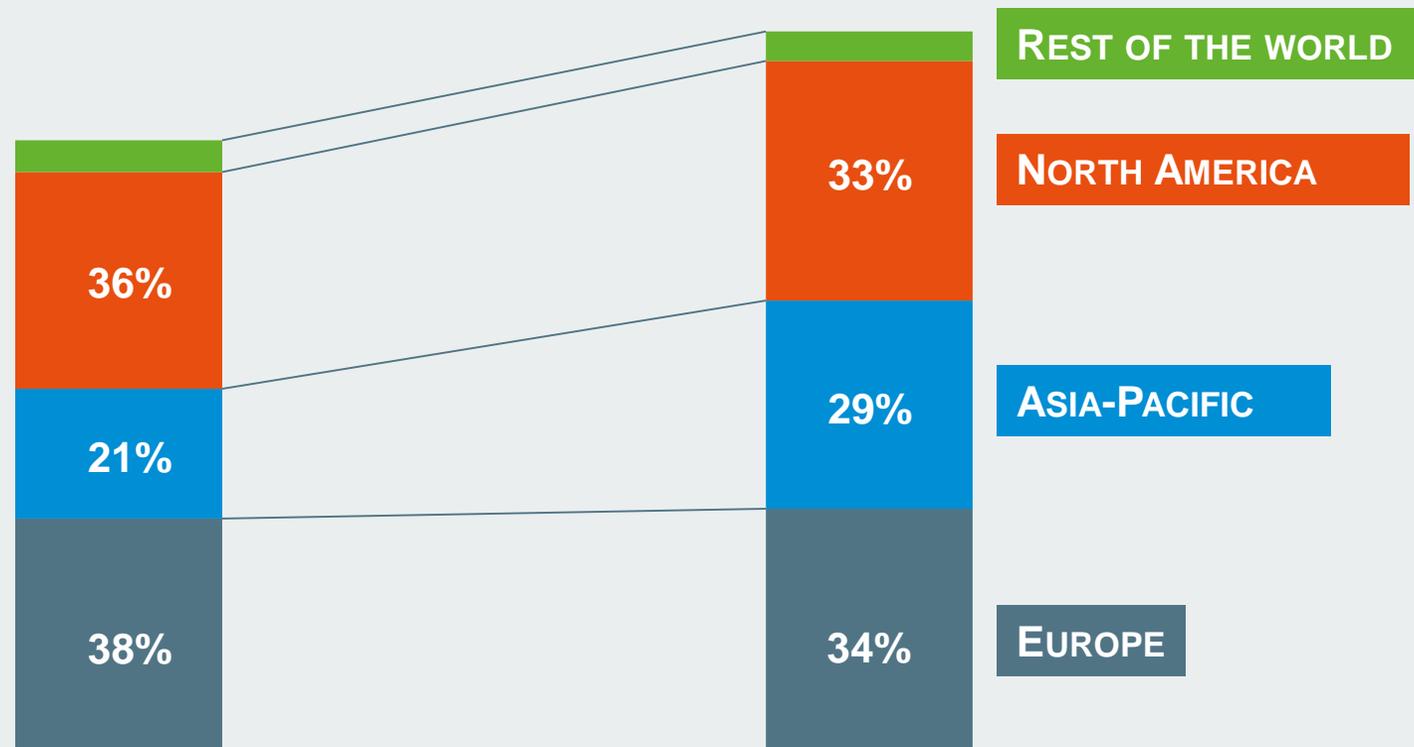
Stable

2018

+1.6%* * 9 months

Ability to raise prices

A BALANCED GEOGRAPHIC FOOTPRINT FOR MORE OPPORTUNITIES AND GREATER DIVERSIFICATION

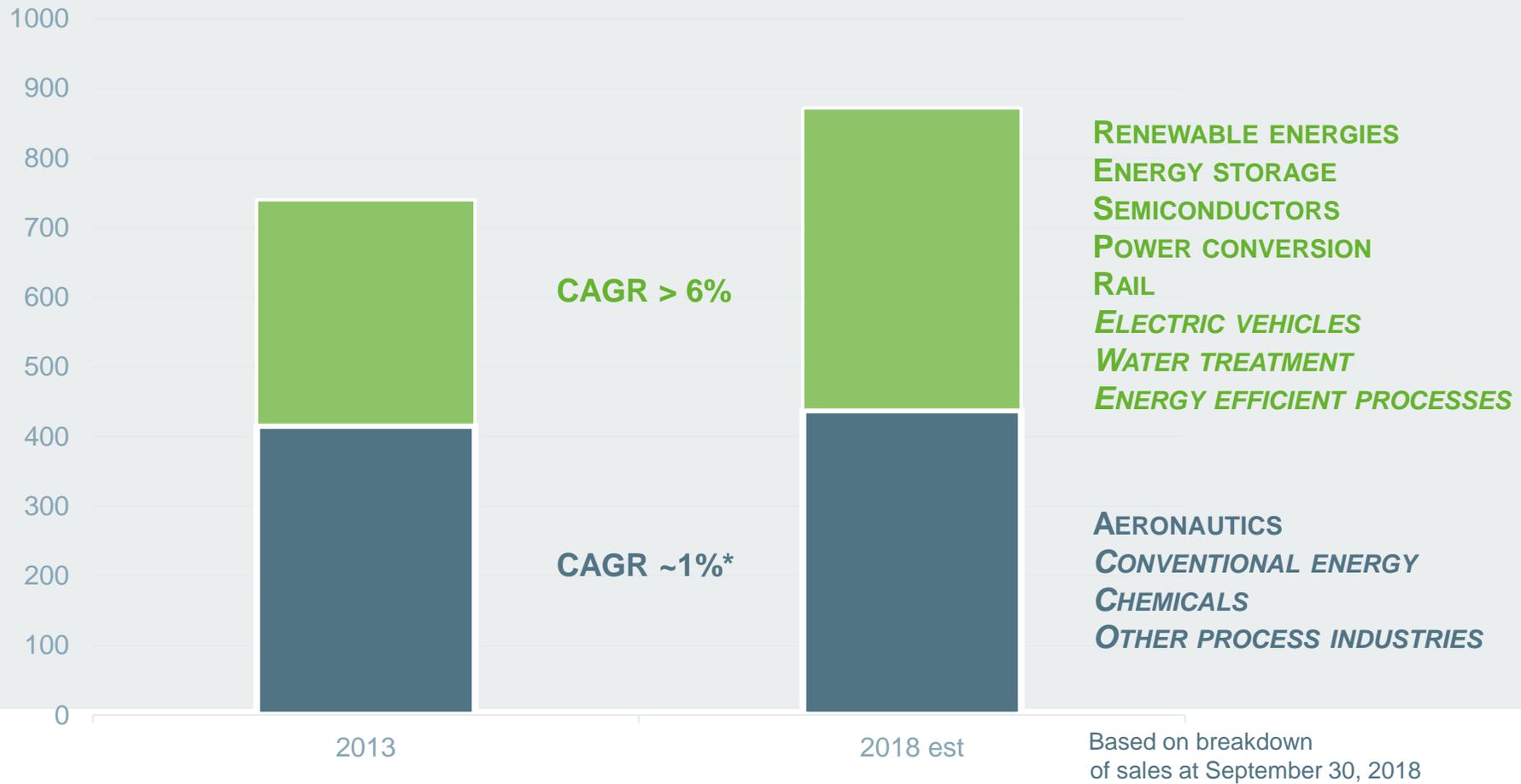


2013

2018 est

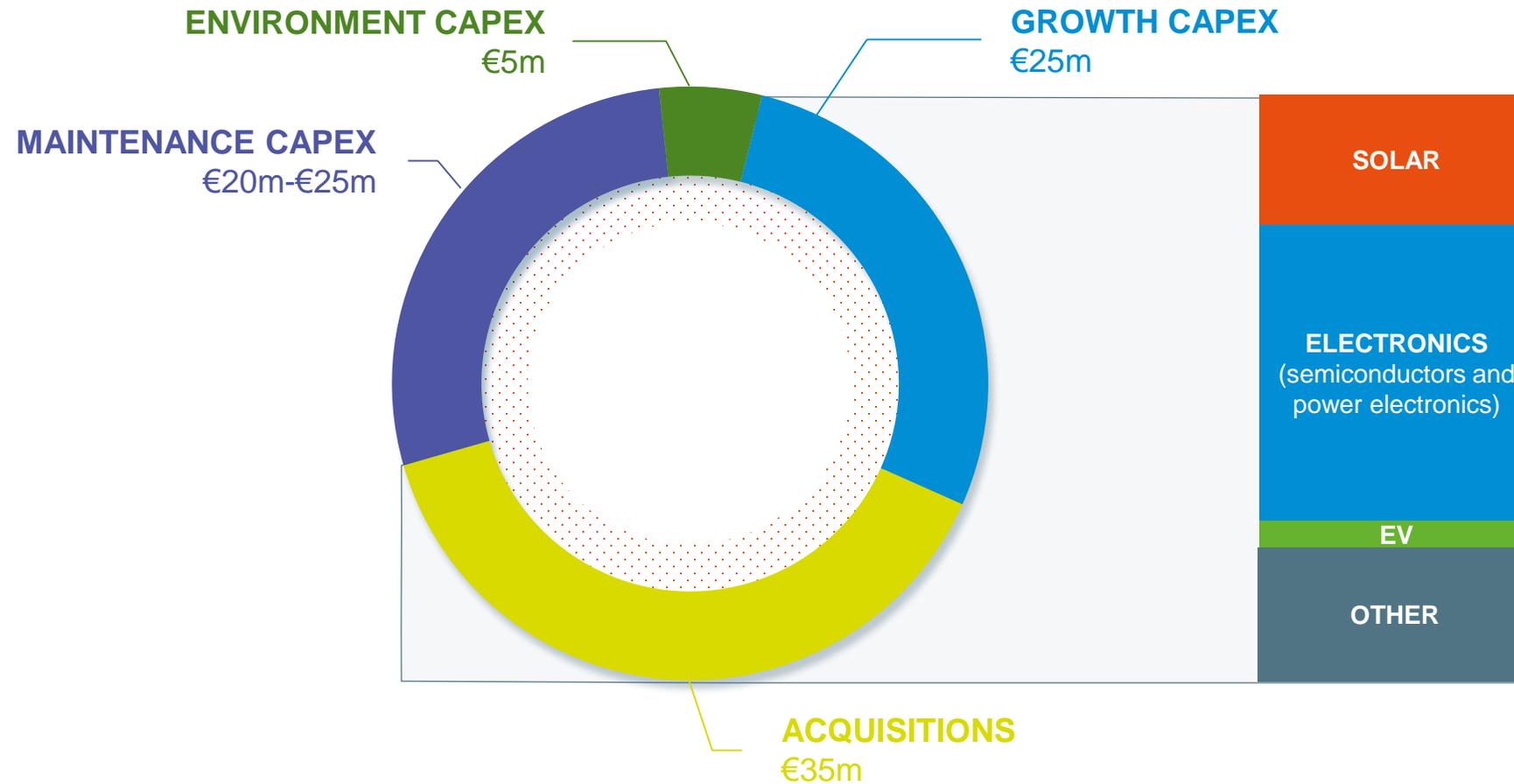
Based on geographical
breakdown at September 30, 2018

MARKETS WITH MAJOR GROWTH POTENTIAL IN THE MEDIUM TERM

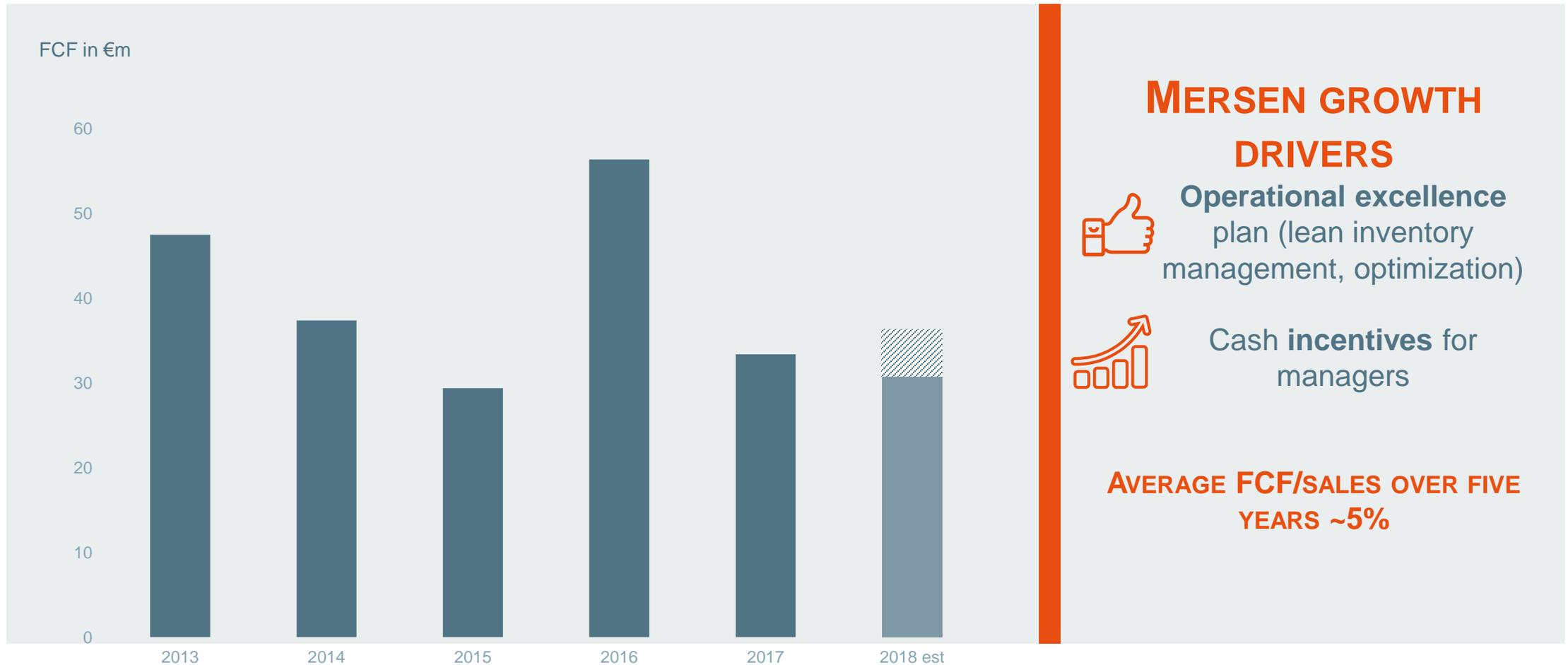


*including -5% of CAGR for chemicals over the period

UNDERPINNED BY STRATEGIC INVESTMENT IN 2018 TO DRIVE FUTURE GROWTH



A GROUP THAT REMAINS FOCUSED ON CASH GENERATION



MERSEN GROWTH DRIVERS



Operational excellence
plan (lean inventory
management, optimization)



Cash incentives for
managers

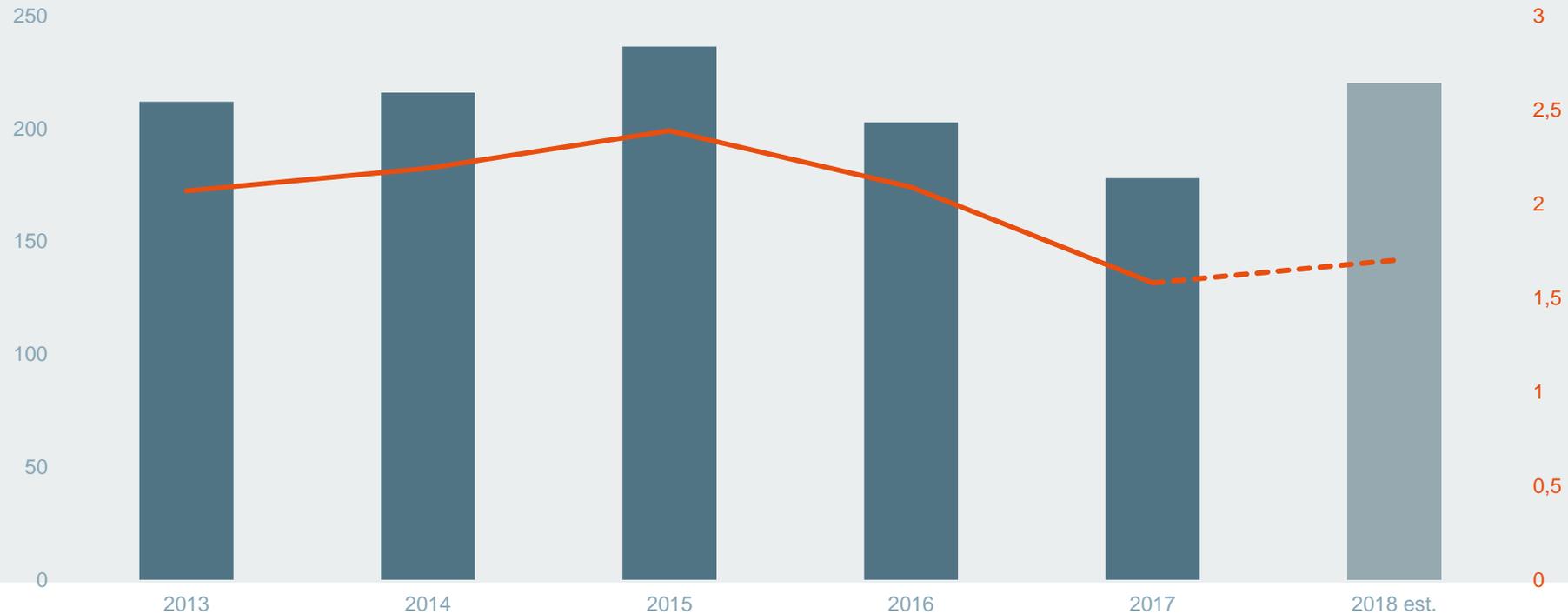
**AVERAGE FCF/SALES OVER FIVE
YEARS ~5%**

FCF: Free cash flow before restructuring and after financial interest
excluding acquisitions and non-capital expenditure

A ROBUST FINANCIAL STRUCTURE AND SIGNIFICANT INVESTMENT AND ACQUISITIONS IN 2018

Net debt in €m

Leverage



**MATERIAL IMPACTS
IN 2018 (estimated)**

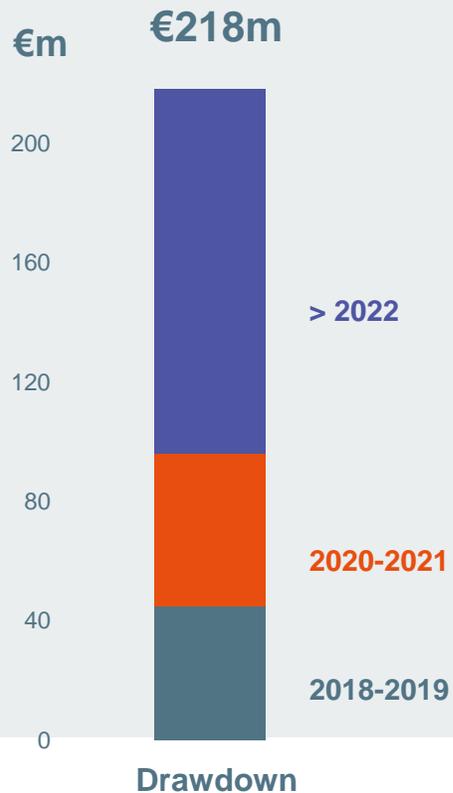
■ Acquisitions: €35m

■ Capex: €55m

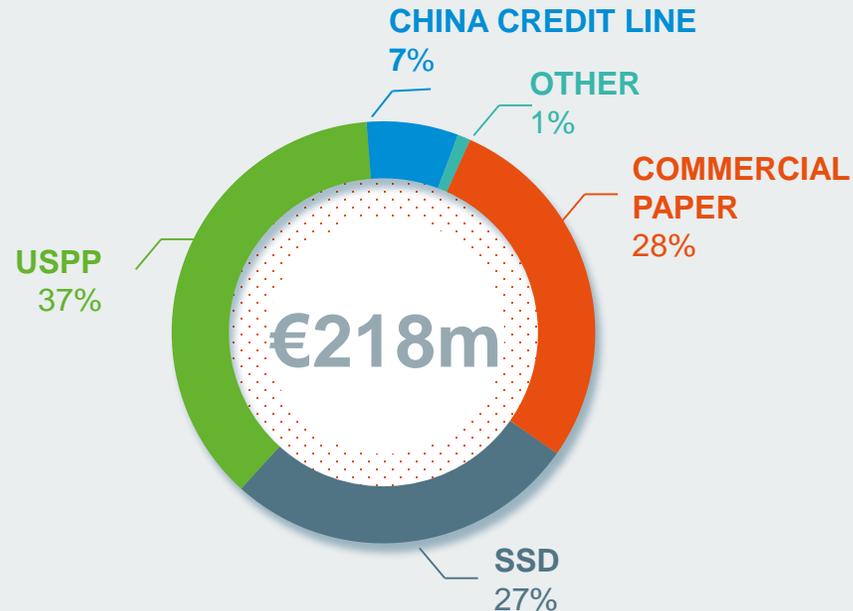
■ Competitiveness plan: €15m

A SOLID BALANCE SHEET WITH DIVERSIFIED FINANCING

MATURITY PROFILE OF 4.7 YEARS*



SOURCES OF FINANCING (including commercial paper)



UNDRAWN CONFIRMED CREDIT LINES

€148m

(taking into account the back-up line available in the commercial paper program)

Fixed rates

For 50% of the total
100% of confirmed credit
lines in US\$

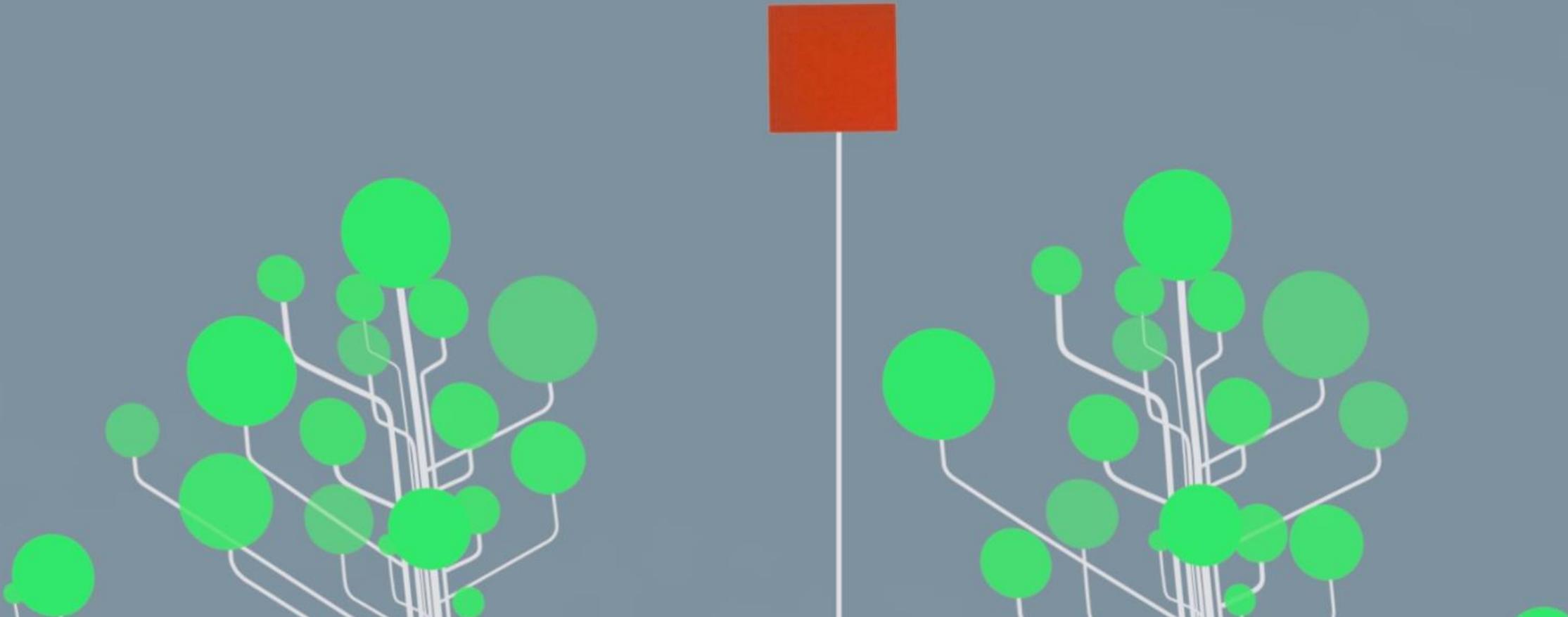
Figures at June, 30 2018

* For credit lines drawn down



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CONCLUSION



Mersen is committed to sustainable development

Inside Mersen, a continuous improvement process

Mersen Inside, growth markets



Mersen has increased its competitiveness and consolidated its growth drivers

Expanding markets

A customer, global and competitive positioning that delivers high margins

A solid balance sheet and strong cash flow generation



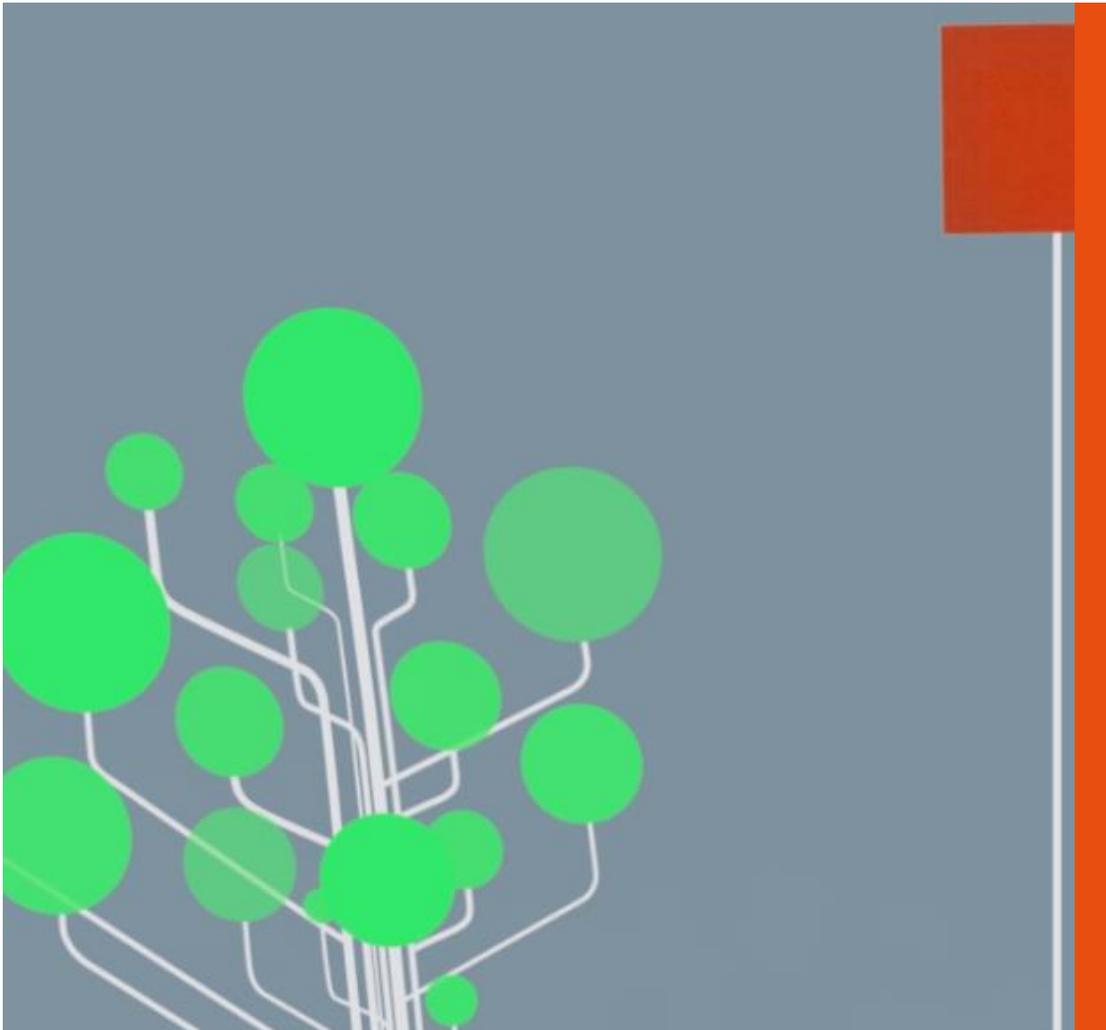
Mersen is committed to operational excellence at every level

Mersen Excellence Journey



Mersen's expertise makes it a key partner for all of tomorrow's industries





QUESTIONS ?