



May 2020

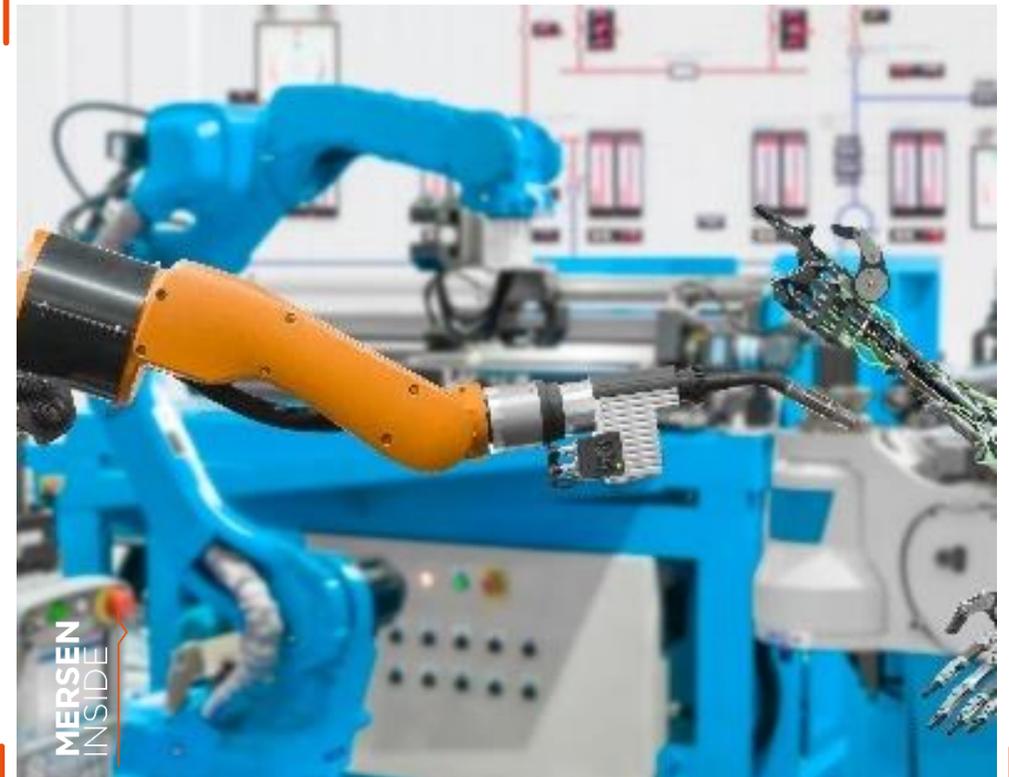
**Developing the best technologies for the
industries of the future**

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



Advanced Materials: High value-added made-to-measure solutions relying on a unique materials expertise

ANTICORROSION EQUIPMENT



Engineering systems



Columns, reactors and pressure vessels



Heat exchangers



GRAPHITE SPECIALTIES



Laser galvo scanning mirrors in Sintered SiC



Wafers carrier in ultra pure graphite for Semicon



Ultra pure graphite electrodes for polysilicon production



Carbon insulation for high temperature furnaces

POWER TRANSFER TECHNOLOGIES



Brushes and brush holders



Slip-rings



Total Monitoring & DustCollector



Lubricating sticks & applicators for wheel/rail contact

Advanced Materials: A comprehensive offering in materials expertise

ISOSTATIC
GRAPHITE



EXTRUDED
GRAPHITE



RIGID/FLEXIBLE
INSULATION



SINTERED
SILICON CARBIDE



CARBON - CARBON
COMPOSITES



Electrical Power: A unique portfolio serving two key applications

ELECTRICAL PROTECTION



Fuses and fuse holders

Surge protection devices

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

POWER CONVERSION



Fuses for semiconductors

Busbars

Cooling devices

Capacitors

Only customized offering of bundled passive components on the market

Recent acquisitions to speed up growth



**COLUMBIA
AGM ITALY**



**MERSEN GALAXY
CIRPROTEC
MERSEN HATAN**



**FTCAP
IDEALEC
CALY TECHNOLOGIES**



**LGI
GAB NEUMANN**

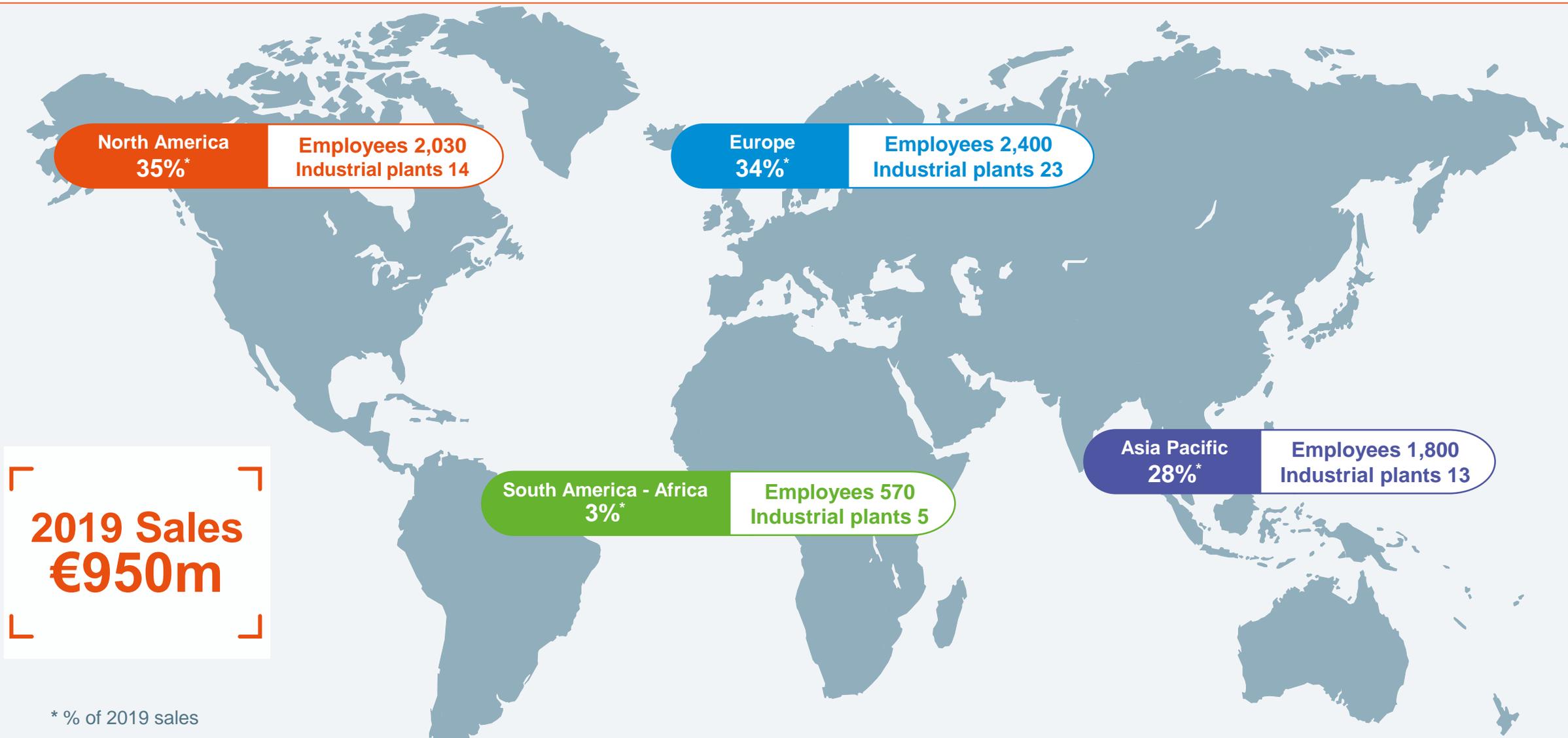
**SHAPE
THE FUTURE**
by acquiring
production capacity

ACCELERATE EXPANSION
in sustainable development
markets

**STRENGTHEN
EXPERTISE**
and accelerate innovation

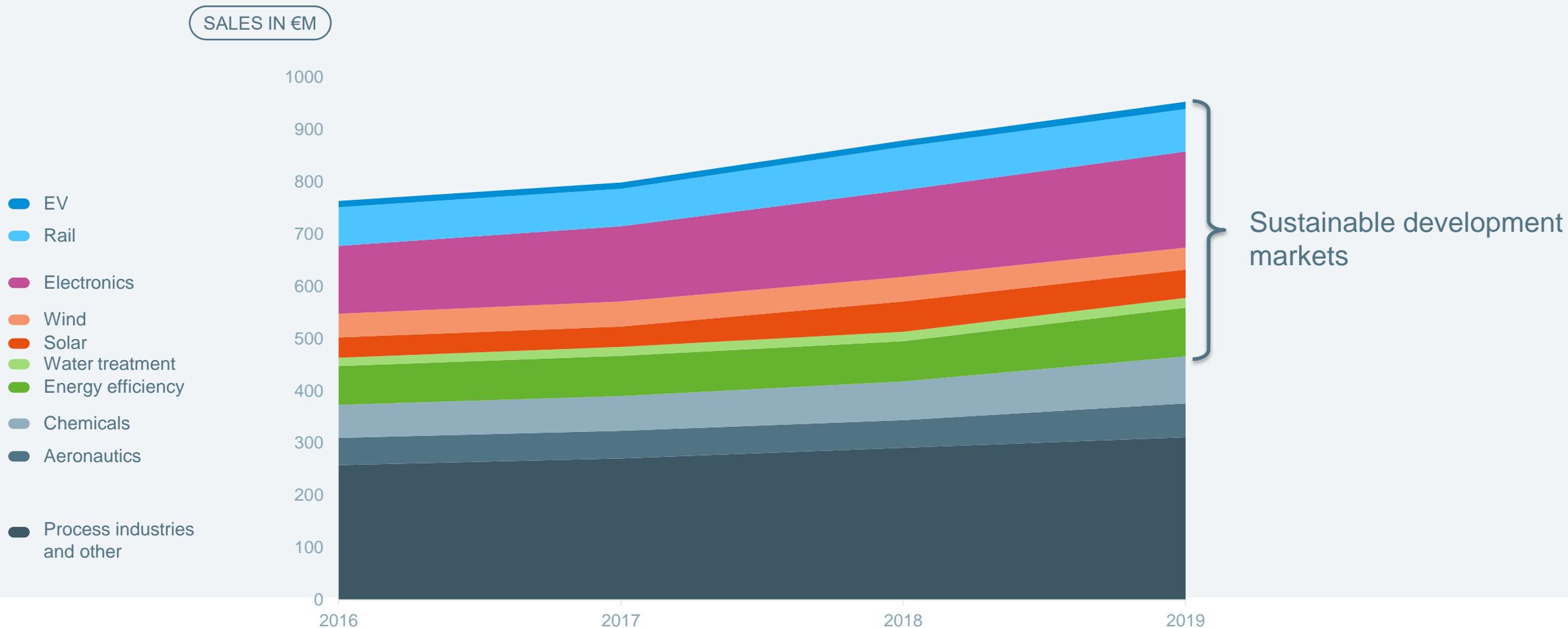
**DEVELOP
A SERVICES BUSINESS**
for the chemicals industry

A global footprint



* % of 2019 sales

Strong growth in our sustainable development markets



Fundamentals of Mersen's CSR policy



Developing innovative and **sustainable** products



Promoting **environmentally-sound** practices at all facilities



Optimizing **human capital** development thanks to a collaboration-oriented organization and a strong health and safety culture



Protecting the Group and its **reputation** and share **ethical behavior** with all its employees

Developing human capital

DEVELOPING HUMAN CAPITAL IN ALL ITS DIVERSITY



35% women

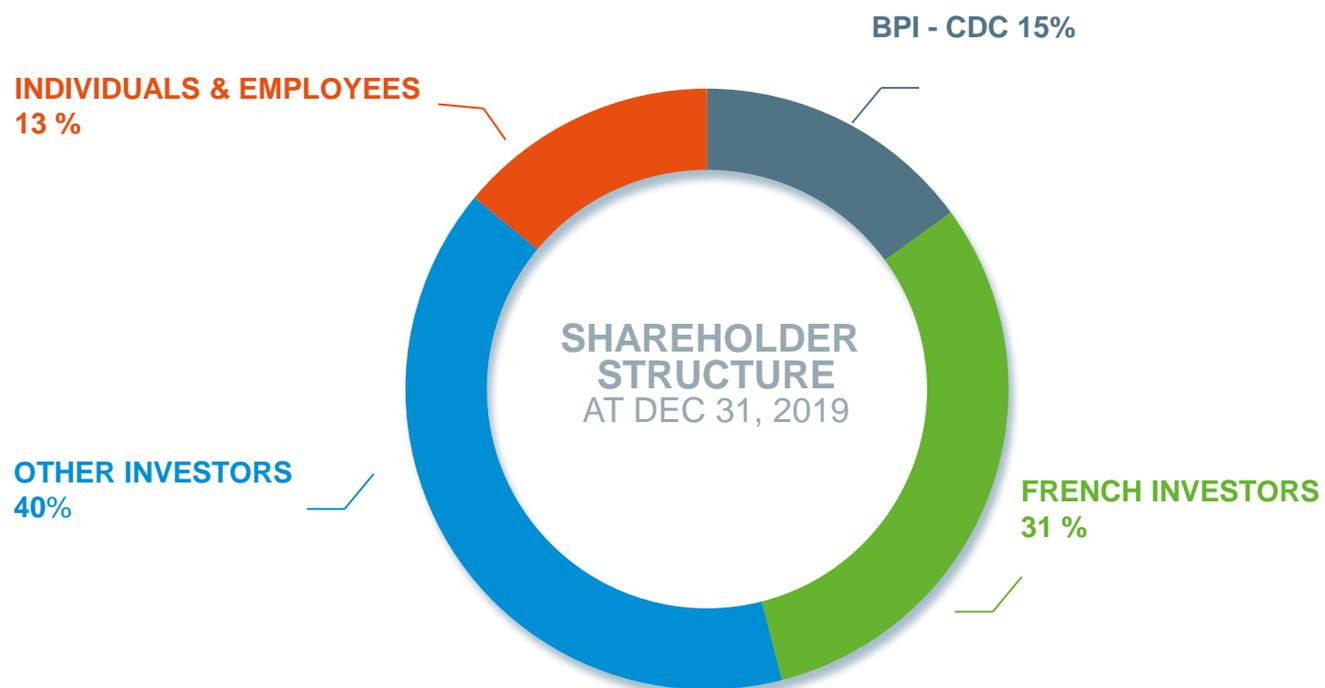
90% of site managers employed locally

A STRONG HEALTH AND SAFETY CULTURE

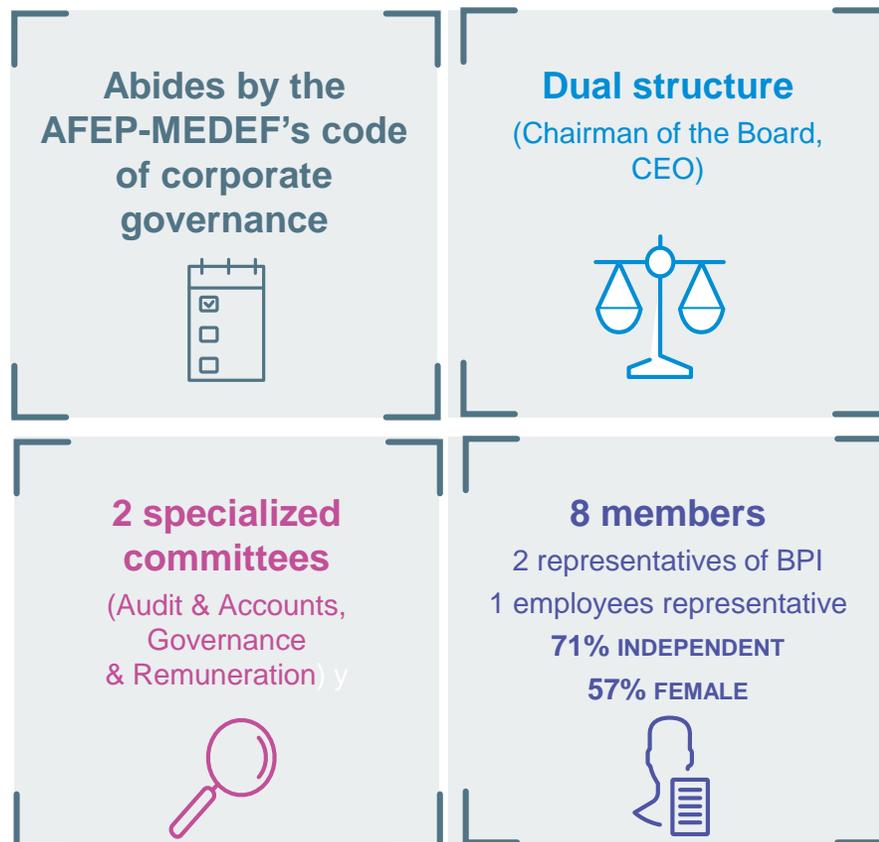


 89% of employees stated that they were proud to be part of the Group in 2018

Shareholding structure as of Dec. 2019



CORPORATE GOVERNANCE STRUCTURE



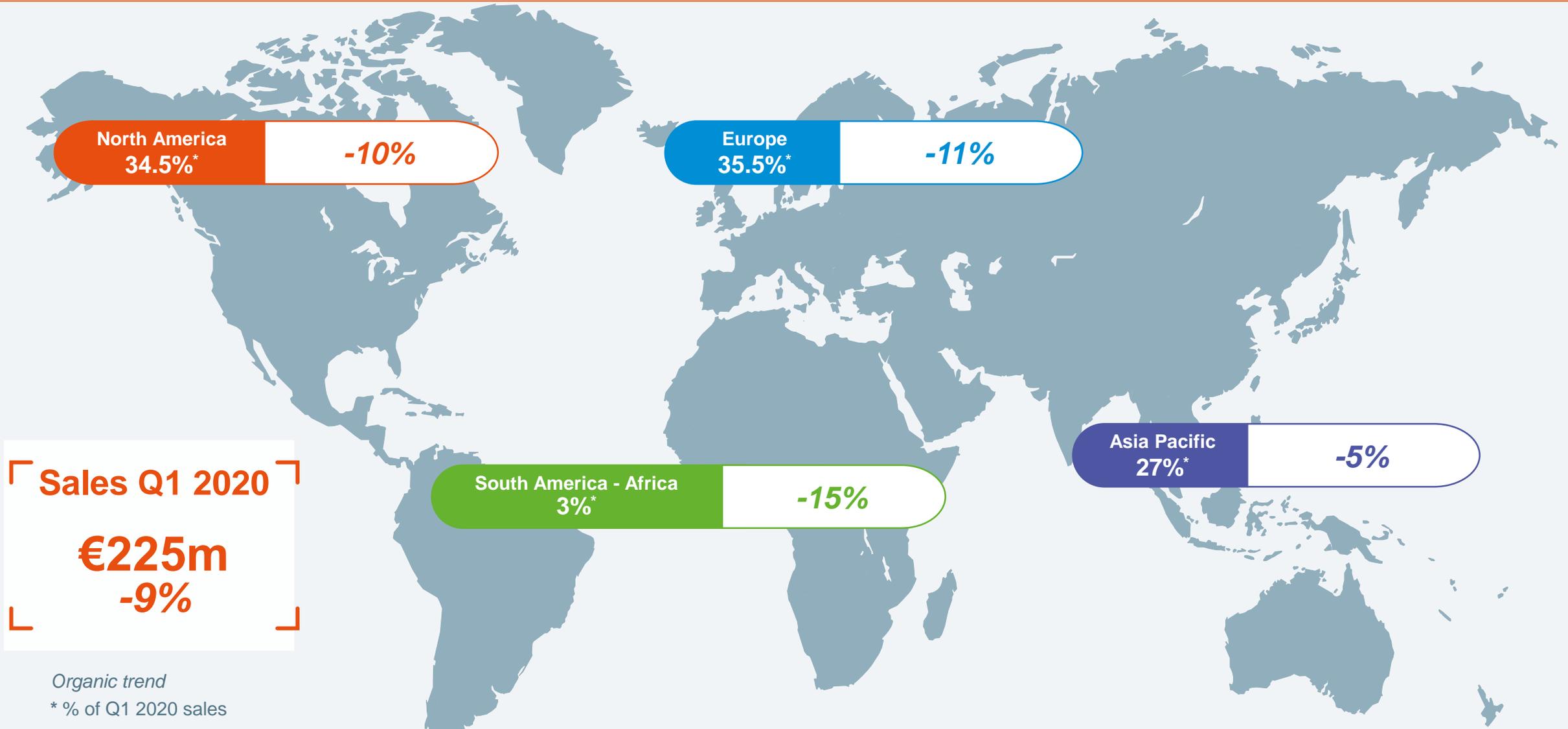
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Beginning of 2020

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Q1 2020: decline in sales linked to the unprecedented context of Covid-19 and a very high comparison base vs Q1 2019



Evolving operational situation

- **Impact of the Covid crisis from January to April:**
 - Starting with China and other Far East countries (Japan, South Korea)
 - In Europe and India, impact on operations began mid-March
 - And in North America, at the end of March
- **In April, approximately 85% of Group plants were operational (wholly or partly)**
- **May: end of the lockdown in a lot of countries**
 - A vast majority of Group plants are operational
 - Workload depends on customers, end markets, and countries

Keep strong financial structure and adapt to current environment

- Dividend cancelled
- Strong leverage at December 2019: 1.5
- Greater flexibility negotiated for the financial covenants at end of June

Liquidity as the end of April

€132 million in undrawn credit lines

€100 million in cash*

- Cost control measures
 - Limit operational costs
 - strengthen monitoring of the Group's WCR, (trade receivables and inventories)
 - Reduce Capex
 - Furlough implemented when possible and relevant

*including €30 million covering the maturities on the NEUCP commercial paper program

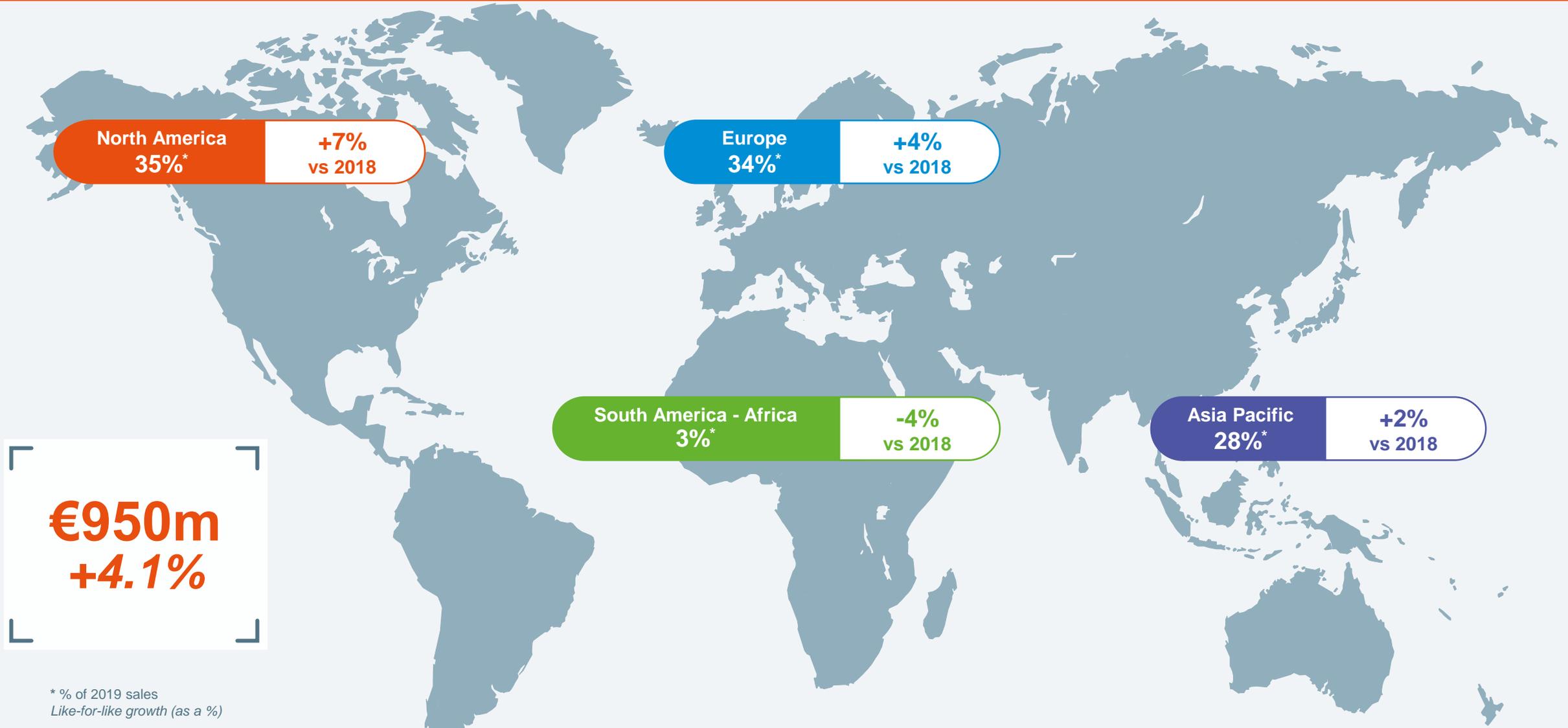
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2019 Financial performance (excluding IFRS 16)

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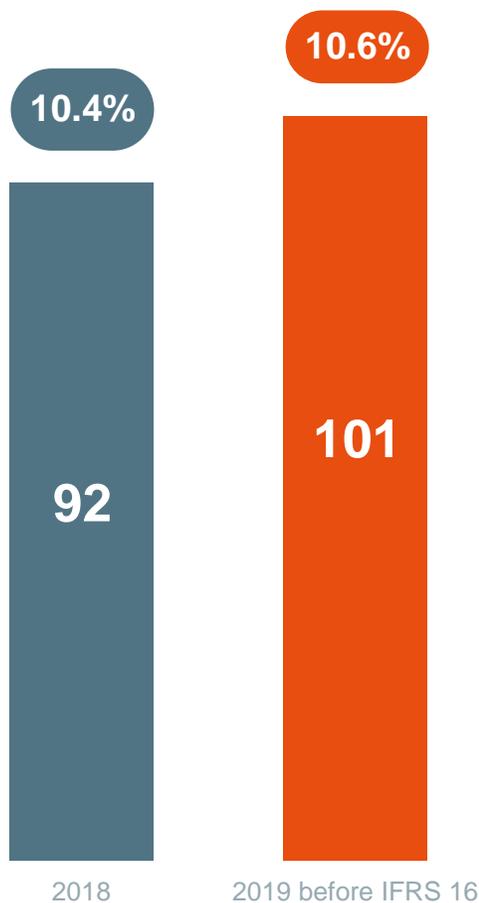
2019 sales: Growth in all key regions



* % of 2019 sales
Like-for-like growth (as a %)

Increase in profitability

Operating income before non-recurring items (€m)



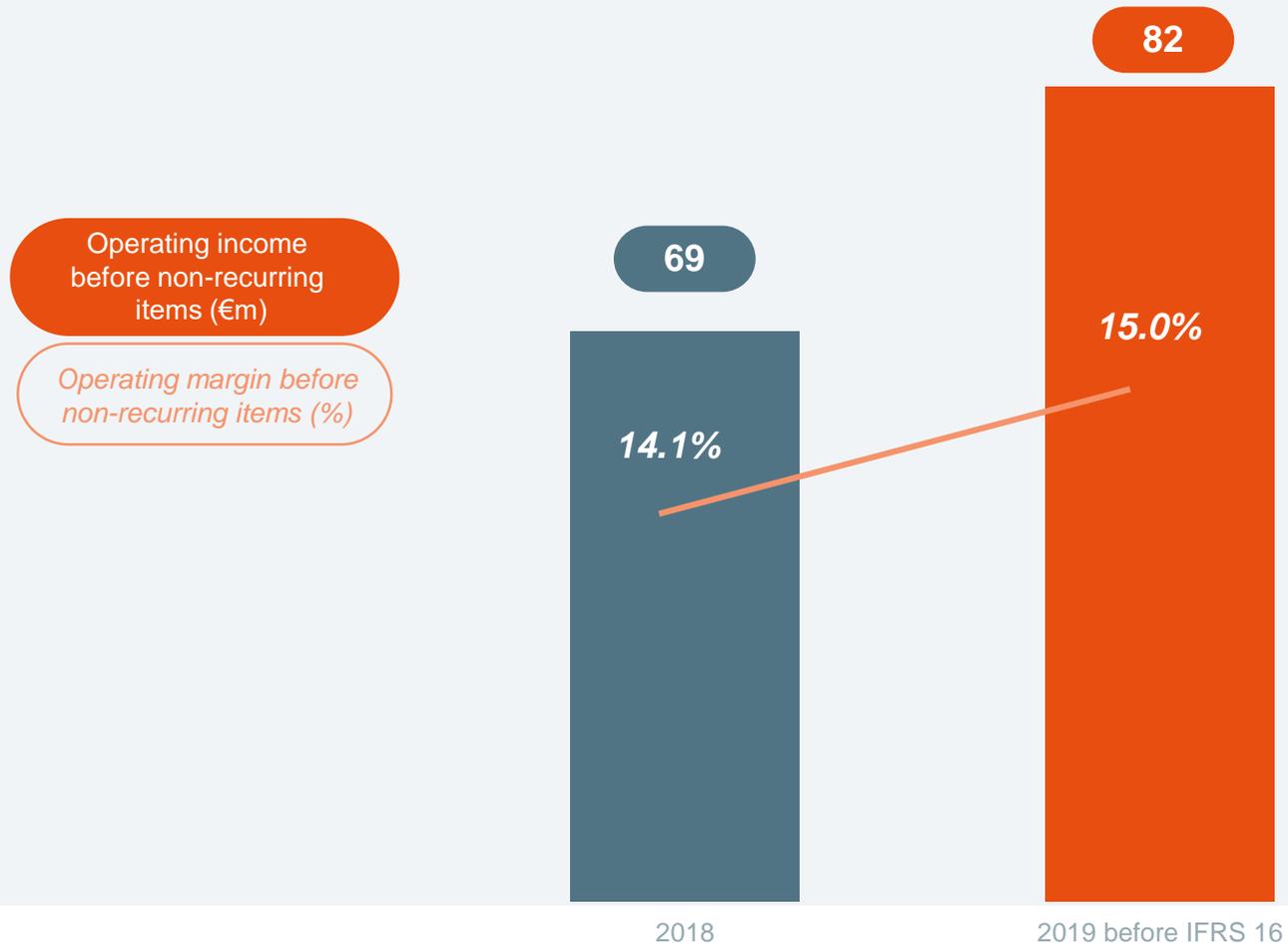
As a %

2018 operating margin before non-recurring items	10.4%
Volume/mix effects	+0.6
Price effect	+1.0
Commodity risk and customs tariffs	-0.6
Productivity gains	+1.7
Cost inflation	-1.8
Impact from exchange rates, scope and others	-0.7
2019 operating margin before non-recurring items	10.6%

Productivity gains
Purchasing and productivity workshop

Cost inflation
primarily payroll costs

Advanced Materials: Increase in profitability supported by volumes

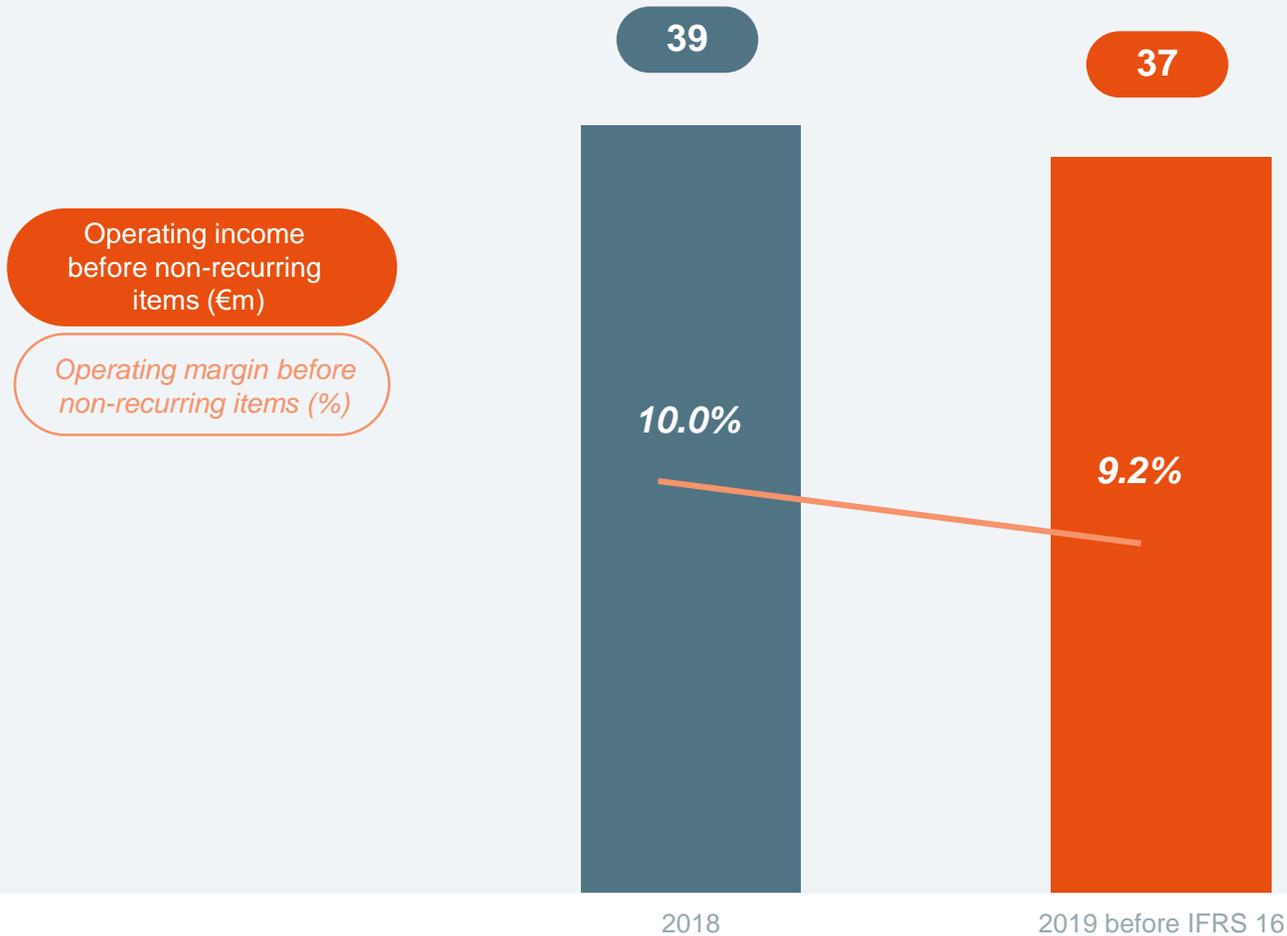


- Strong leverage from volumes
- Significant price increases
- Efficient productivity

2019 EBITDA: €112m
20.6% of sales

2019 ROCE: 13.9%

Electrical Power: Positive price effects, but a less favorable product mix



- Price increases
- Less favorable product mix
- Dilutive effect of acquisitions on margin

2019 EBITDA: €48m
11.8% of sales

2019 ROCE: 13.6%

Increase in net income

In €m	2018	2019 before IFRS 16
Operating income before non-recurring items	91.6	100.6
Non-recurring income and expenses	(3.8)	(11.2)
Net financial income/(costs)	(10.3)	(10.3)
Income tax	(18.3)	(18.2)
Net income	59.2	60.9
Net income, Group share	56.5	58.4

+3%

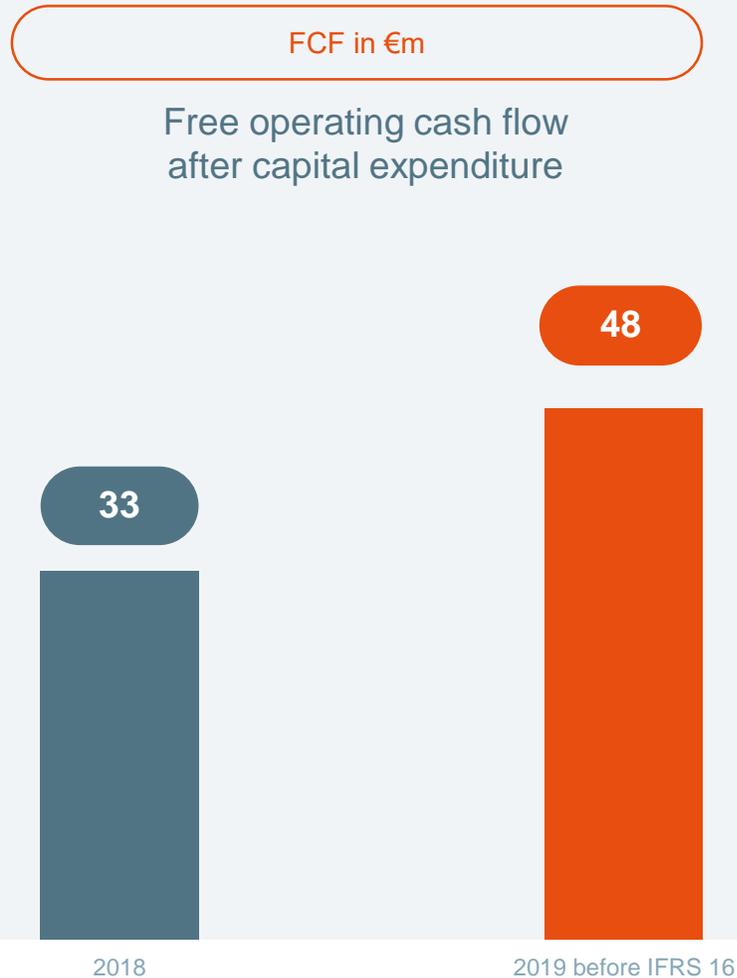
Non-recurring expenses

- Impairment of hybrid protection development costs (€5.3m)
- Acquisition costs
- Litigation and other costs

Effective tax rate

23% (32% in 2017)

Sharp rise in free cash flow



Cash-Flow conversion* :
77%

Funding for investments



Limited rise in WCR

* Operating cash-flow/EBITDA

Stable net debt despite significant investments in 2019 (capex and acquisitions)

