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I would like to thank all our teams for what they have achieved in the face of such a challenging situation over the past 18 months.

Luc Themelin,  
Chief Executive Officer

## MESSAGE FROM THE CEO

### VERY GOOD STRATEGIC POSITIONING

At the end of July we published excellent results for the first half of 2021. Our remarkable performance once again illustrates our very good strategic positioning, with strong growth in sustainable development markets, which now represent 56% of our sales. This momentum, combined with our heightened operational efficiency, also drove a sharp increase in our operating margin before non-recurring items. I would like to thank all our teams for what they have achieved in the face of such a challenging situation over the past 18 months.

In view of the very brisk customer demand that we have experienced since the beginning of the year and confident in our solid positioning in high-growth markets such as solar power, semiconductors and electric vehicles, in early July we raised our full-year 2021 targets for sales and operating margin before non-recurring items. We now expect full year sales to grow organically by 6% to 8% compared to 2020 and an operating margin before non-recurring items of between 9.2% and 9.6% of sales. •

## + FIRST-HALF 2021 KEY FIGURES

€451  
million in sales

56 %  
of sales linked to sustainable development markets

9.6 %  
operating margin before non-recurring items

## FOCUS

Find out more: for all the latest news, visit [www.mersen.com](http://www.mersen.com)

## CORPORATE

### MERSEN LAUNCHES ITS NEW EMPLOYER BRAND



As a springboard for positioning Mersen as a benchmark employer worldwide and attracting talent, Mersen's new employer brand has a strong identity that reflects who we are and the experiences of our employees. It is embodied by the slogan "Mersen, a genuinely industrial & human culture" and revolves around the proposition to «Be part of the changing world», expressed through three pillars: «Be part of the progress», «Be part of the challenge», and «Be part of the family».

Find out more about the campaign through messages and videos from employees around the world, on the new [mersen.com](http://www.mersen.com) career pages and on social media:  
<https://www.mersen.com/careers/working-mersen>

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# ELECTRIC VEHICLES: A PROMISING MARKET FOR MERSEN

KEY FIGURES  
FOR THE ELECTRIC  
VEHICLE MARKET

**+50%**

increase in sales  
in 2020

**3.1 MILLION**

vehicles sold  
in 2020

**35  
MILLION**

vehicles by 2030  
(EV and pHEV)  
*(estimate)*

In its infancy just a few years ago, the electric vehicle market is now taking off. Its growth is enjoying traction from technological innovations created by specialists like Mersen.

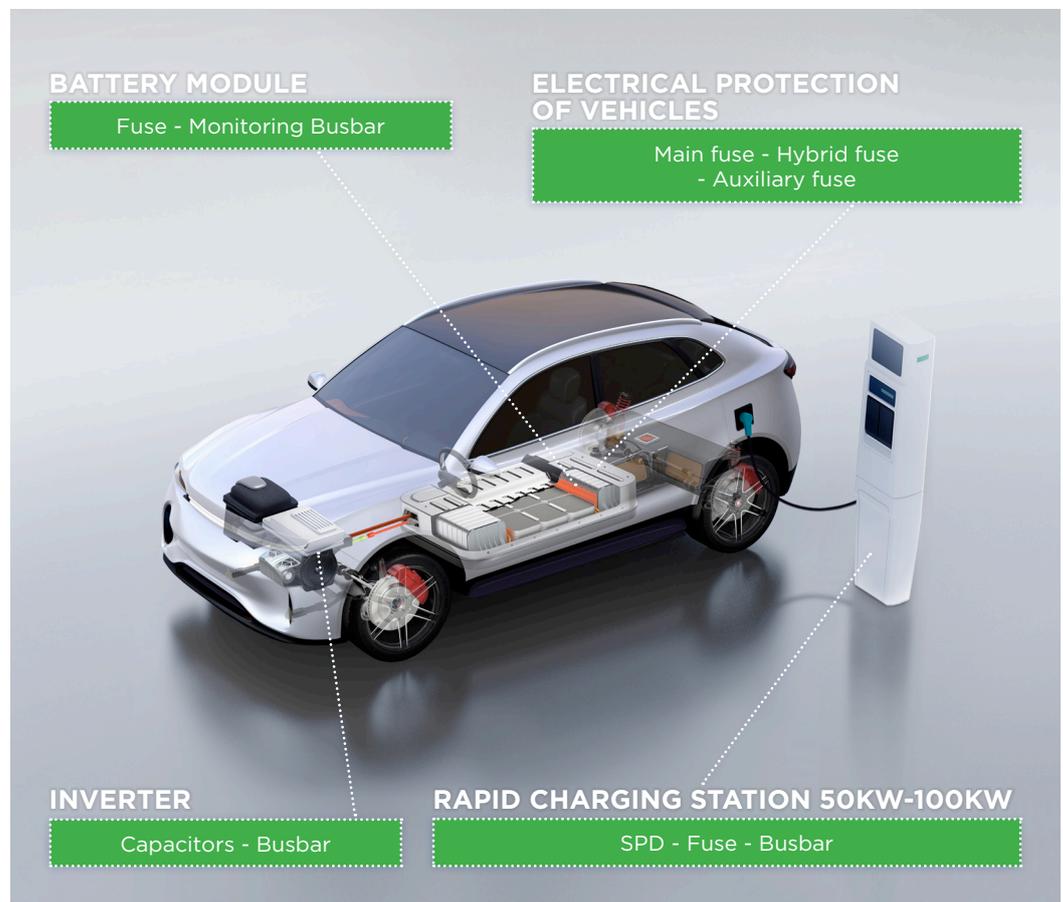
With 3.1 million units sold over the year, the electric vehicle market (all-electric or plug-in hybrid) grew by 50% in 2020. And its momentum doesn't look likely to stop anytime soon, since sales are predicted to reach up to 35 million units - roughly 30% of the automotive market - by 2030.

But the numerous technical challenges have forced manufacturers to take things step by step before embarking on mass production. More widespread adoption has been held back by electric vehicles' short ranges and the lack of charging infrastructure, plus, more generally, battery safety issues. Mersen has been working to resolve all these issues in recent years. The Group works at

various points along the production chain, far upstream for the manufacture of the silicon carbide (SiC) chips required for optimized battery operation, and by supplying fuses, capacitors and busbars for battery power management and electrical safety. Mersen is at the forefront of this market's sustained growth, meaning that future prospects are very bright indeed!

## Collaboration with Autoliv

In April 2021, Mersen and Autoliv, a Swedish manufacturer of safety equipment for the automotive industry, announced a joint collaboration to manufacture high-voltage disconnect devices for electric vehicles (hybrid fuses).



Mersen components by function

# RXHK BRINGS ELECTRICITY TO CHINA WITH MERSEN

**High voltage direct current (HVDC) electric power transmission systems are used for the bulk transmission of electrical power over long distances.**

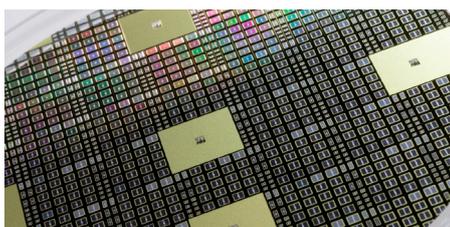
Deployed by the RXHK Group to supply electricity to the Greater Bay Area in China, it required almost 30,000 Mersen cooling plates to protect the power modules.

The new converter stations will be the largest ever built in the world and will ensure a secure supply to the Greater Guangdong-Hong Kong-Macao Bay Area.



Electricity converter station in China

## MERSEN JOINS A EUROPEAN SEMICONDUCTOR NETWORK FOR ELECTRIC VEHICLES



**Silicon carbide (SiC) power electronics are much more energy efficient than systems that use silicon-based semiconductors.**

The EU-funded Transform consortium aims to provide European market players with a reliable source of SiC components and systems based on a wholly European value chain covering needs ranging from substrates to energy converters.

Mersen is bringing its expertise in high-performance materials to the consortium to help improve SiC technologies and develop silicon carbide substrates for increasingly high-performance power semiconductors. The main target markets are power conversion for electric vehicles, renewable energies and manufacturing.

## MERSEN STRENGTHENS ITS MANUFACTURING EFFICIENCY ON EUROPE'S FUSE MARKET

**During the first half of 2021, Mersen acquired the entire share capital of Hungary-based Fusetech, which it had held jointly with the Hager Group since 2007.**

This transaction helps strengthen the Group's manufacturing efficiency on Europe's electric fuse market, as well as

integrating a high-performance site for the manufacture of some of its future product ranges in accordance with European standards (IEC).

With a headcount of around 300, the plant produces cost-competitive industrial fuses for the European market.



Fuse manufacturing workshop

## EXCELLENT RESULTS



“ Net income for the period rose by more than 50%. The Group has also a solid financial structure

Thomas Baumgartner,  
Chief Financial Officer

**M**ersen generated consolidated sales of €451 million in the first six months of 2021, up 7% on an organic basis compared with first-half 2020. Sales were lifted by sustainable development markets, which advanced 11%, driven by electronics, renewable energies and electric vehicles. In the Group's other markets, growth was more modest, coming in at under 4%.

Operating income before non-recurring items came to €43.3 million, resulting in an operating margin before non-recurring items of 9.6% (a 150-basis-point increase compared with first-half 2020). The year-on-year increase was largely due to higher volumes and the effects of the adaptation plans announced in October 2020.

EBITDA stood at €71.0 million and represented 15.7% of sales compared with 14.4% in the same period of 2020.

Net income for the period rose by more than 50% to €27.1 million from €17.8 million in the first half of 2020.

Once again, Mersen's cash flow generation was high in the first half of 2021, with operating activities generating more than €46 million in cash, making it possible to finance capital expenditure of €28 million during the period. Over 70% of this total concerned the Advanced Materials segment, notably specific expansion projects launched by the Group, such as the start-up of the Columbia site in the United States and the increase in manufacturing capacity for the solar power and semiconductor markets.

At June 30, 2021, the Group's net debt stood at €184 million, versus €180 million at December 31, 2020. Following a US private placement

(USPP) set up in May 2021 (the funds of which will be made available in October 2021), the average maturity of the Group's debt will be extended to six years. The Group has a solid financial structure, with €210 million in undrawn credit facilities and €81 million in available cash at end-June 2021.



### Provisional financial calendar

- > Third-quarter 2021 sales: October 27, 2021 after market close
- > Full-year 2021 sales: January 27, 2022 after market close
- > Full-year 2021 results: March 16, 2022 before market opening
- > First-quarter 2022 sales: April 27, 2022 after market close
- > Annual General Meeting: May 19, 2022
- > First-half 2022 results: July 29, 2022 before market opening
- > Third-quarter 2022 sales: October 26, 2022 after market close



### NEW

## ENERGY TO INNOVATE: MERSEN'S NEW MAGAZINE

For 130 years, Mersen has been bringing progress to life. In May, Mersen launched “Energy to Innovate”, a new magazine dedicated to the innovations that have shaped the Group's history. The first issue, published in digital format on the Group's website, features Mersen's latest developments in electric vehicles, some of the key events that have revolutionized the industry in its time, and the highlights of 2020.



You can also obtain a printed copy by sending your request to Mersen's Shareholder Services at: [dri@mersen.com](mailto:dri@mersen.com)