

A new dimension

May, 2023

MERSEN



A global player **at the heart of technologies** who drives the industry forward and shapes **a more sustainable society**

2022 Key figures

 SALES
1,115 M€

 CURRENT EBITDA
€186m.
16.7% of sales

 R&D CENTERS
18

 EMPLOYEES
7,315

 COUNTRIES
34

2 Expertises with leading positions

Advanced Materials (56% of sales): High value-added customized solutions (graphite)
Electrical Power (44% of sales): A unique product portfolio serving electrical protection and power conversion (fuses)

Recognized **CSR** commitment and strategy

MSCI
ESG RATINGS



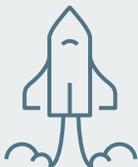
CCC B BB BBB A AA AAA



WE SUPPORT

CDP
DISCLOSURE
2022

CSR ambitions fully included in our strategic plan



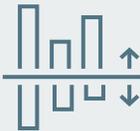
Fostering growth in buoyant **sustainable development markets** by offering innovative and sustainable solutions

Energy efficiency
Renewable energies
Electric vehicles



Pursuing the development of on-demand solutions by relying on our **high value-added expertise**

Global footprint to limit intercontinental transfer
Develop trusted relationships with all stakeholders



Continuing to implement an operational efficiency program while taking a **socially responsible approach**

Safety first
Reduce environmental footprint



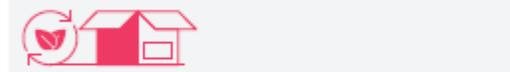
Ensuring **human capital development** by building on Mersen's strong identity

Respect local cultures
Provide social protection for all
Help employees grow

4-pillar CSR strategy 2022-2025

RESPONSIBLE PARTNER

Mersen meets the expectation of suppliers, users, partners and other stakeholders across the value chain, driven by a commitment to progress for all and guided by strict ethical principles.



ENSURING RESPONSIBLE PURCHASING

- Strategic suppliers CSR self-assessment
- 100%** of suppliers in 2022
- Conduct audits or visits to suppliers based on their CSR rating



LIMITING OUR ENVIRONMENTAL IMPACT

Mersen has a responsibility to limit the environmental impact of its operations, particularly by reducing CO₂ emissions.

 <p>LIMITING GREENHOUSE GAS EMISSIONS</p> <ul style="list-style-type: none"> • Reduce GHG emission intensity by 20% (vs. 2018) 	 <p>RECYCLING WASTE</p> <ul style="list-style-type: none"> • Increase the share of waste recycled to 75% 	 <p>LIMITING WATER CONSUMPTION</p> <ul style="list-style-type: none"> • Reduce water consumption by 10% (vs. 2018)
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HUMAN CAPITAL

Around the world, Mersen strives to help employees, communities and talent grow while paying the utmost respect to human rights, health and safety, and diversity.

 <p>PROMOTING EQUAL OPPORTUNITY AND DIVERSITY</p> <ul style="list-style-type: none"> • Encourage gender diversity in the workplace: <ul style="list-style-type: none"> - % women in senior management positions: 25% - % women engineers and managers: > 27% • Improve inclusion of people with disabilities: increase their number x2 	 <p>PROMOTING A SOCIAL RESPONSIBILITY POLICY FOR ALL</p> <ul style="list-style-type: none"> • Provide social protection with a universal indemnity in the event of death in service • Standardize profit-sharing schemes • Adopt a minimum amount of paid leave in all countries <p>Employee beneficiaries 100%</p>	 <p>PROMOTING WELL-BEING, HEALTH AND SAFETY AT WORK</p> <ul style="list-style-type: none"> • Keep LTIR ≤1,8 and SIR ≤60 • Continue prevention efforts: increase the number of management safety visits by 20%
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ETHICS AND COMPLIANCE CULTURE

Mersen owes its development to a great extent to the trust and confidence that the Group inspires in its stakeholders.

- Compulsory ethics training for new hires
Compulsory refresher training every 2 years (individual or theme-based training by site)
- Compulsory cybersecurity training for employees with a personal computer

CSR governance

BOARD OF DIRECTORS

CSR Strategy review

Magali Joessel, designated as director responsible for CSR issues

AUDIT & ACCOUNT COMMITTEE OF THE BOARD

CSR risk analysis review

EXECUTIVE COMMITTEE Promotes the Group's CSR strategy and implements it

HSE committee

- CEO
- HR
- Operational Excellence
- Business segments

CSR committee

- CEO
- HR
- CFO
- Operational Excellence
- Compliance

Compliance committee

- CEO
- HR
- CFO
- Compliance

Diversity committee

- HR
- COMEX sponsors
- Internal communication

CSR included in remuneration policy

- **Increased weight of CSR criterion** in the variable remuneration of the CEO: from 40% in 2022 to 45% in 2023 of non financial variable compensation
- **Annual variable compensation policy** for 2023: non-financial criteria for 30% with
 - 20% on safety criteria
 - 25% on environmental criteria
- **Composite CSR criterion in long term incentive plans** for all members of top management and managers for 33% with 3 measurable objectives:
 - proportion of women engineers and managers,
 - increase in waste recycling
 - reduction of CO₂ emissions intensity

2022 main achievements on CSR roadmap



91% of employees proud to work at Mersen (2022 survey)

A strategy valued by CSR rating agencies



72



49

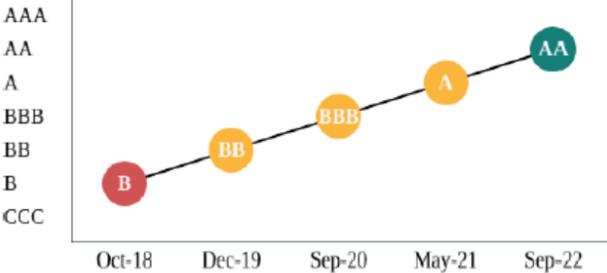


61



67

ESG Rating history



Climate Change



Dynamic growth in all markets in 2022, particularly **semiconductors, electric vehicles and solar**

 **Chemicals**

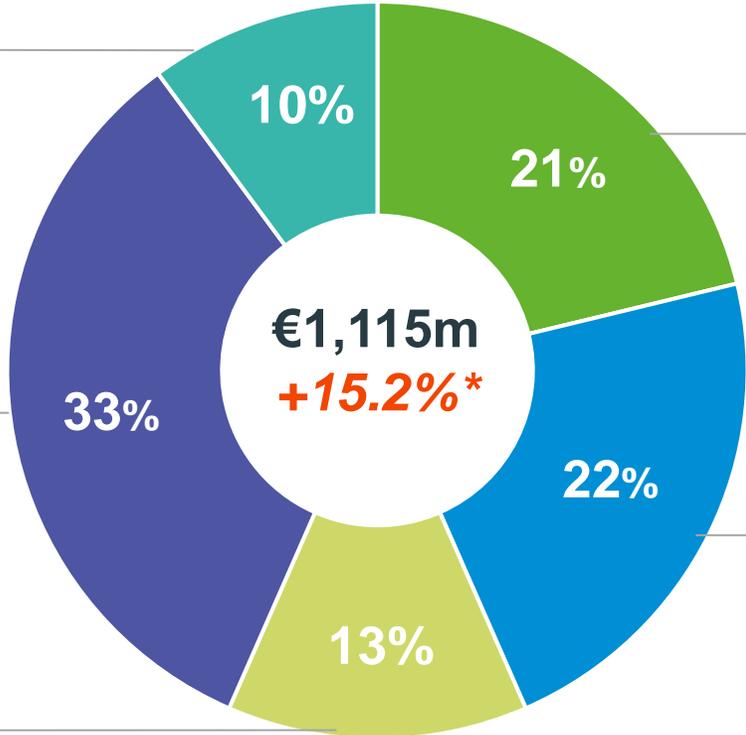
+

 **Process industries**

++

 **Transportation**

Rail 
 Aeronautics 
 EV 



 **Energies**

Solar 
 Wind 

 **Electronics**

SiC semiconductors 
 Si semiconductors 

Organic growth – 2022 vs. 2021
 +++ >+20%
 ++ +15%; +20%
 + +10%

* Organic growth - 2022 vs 2021

Targeting markets acting for a more sustainable society

56% of total 2022 sales dedicated to sustainable development markets
(Energy efficiency, renewable energies, semiconductors, power electronics, green transportation)

EU Green taxonomy - Sales	
Eligible	29%
Qualifying	48%
Total	77%
<i>Incl. aligned</i>	<i>14%</i>

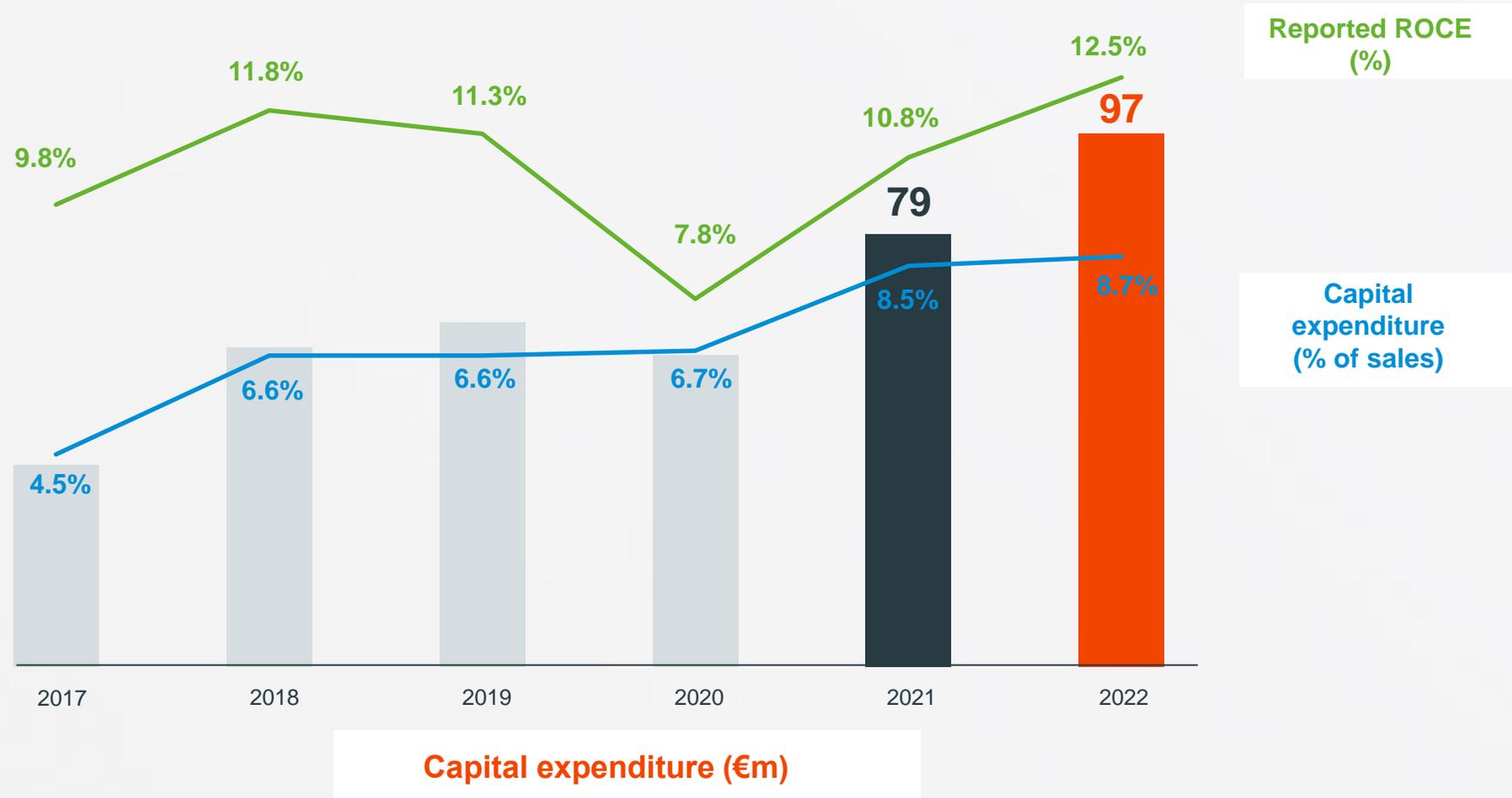
EU Green taxonomy - Capex	
Eligible	27%
Qualifying	37%
Total	64%
<i>Incl. aligned</i>	<i>13%</i>

Strong pricing power and ability to pass on inflation

		(% points)
2021 operating margin before non-recurring items		10.0%
Volume/mix effect		+3.1
Price effect		+3.7
Raw material/energy inflation		-2.3
Productivity gains		+0.9
Wage inflation		-2.2
Columbia start-up, EV team		-1.4
Depreciation and amortization		-0.5
Other (including currency effect)		-0.4
2022 operating margin before non-recurring items		10.9%

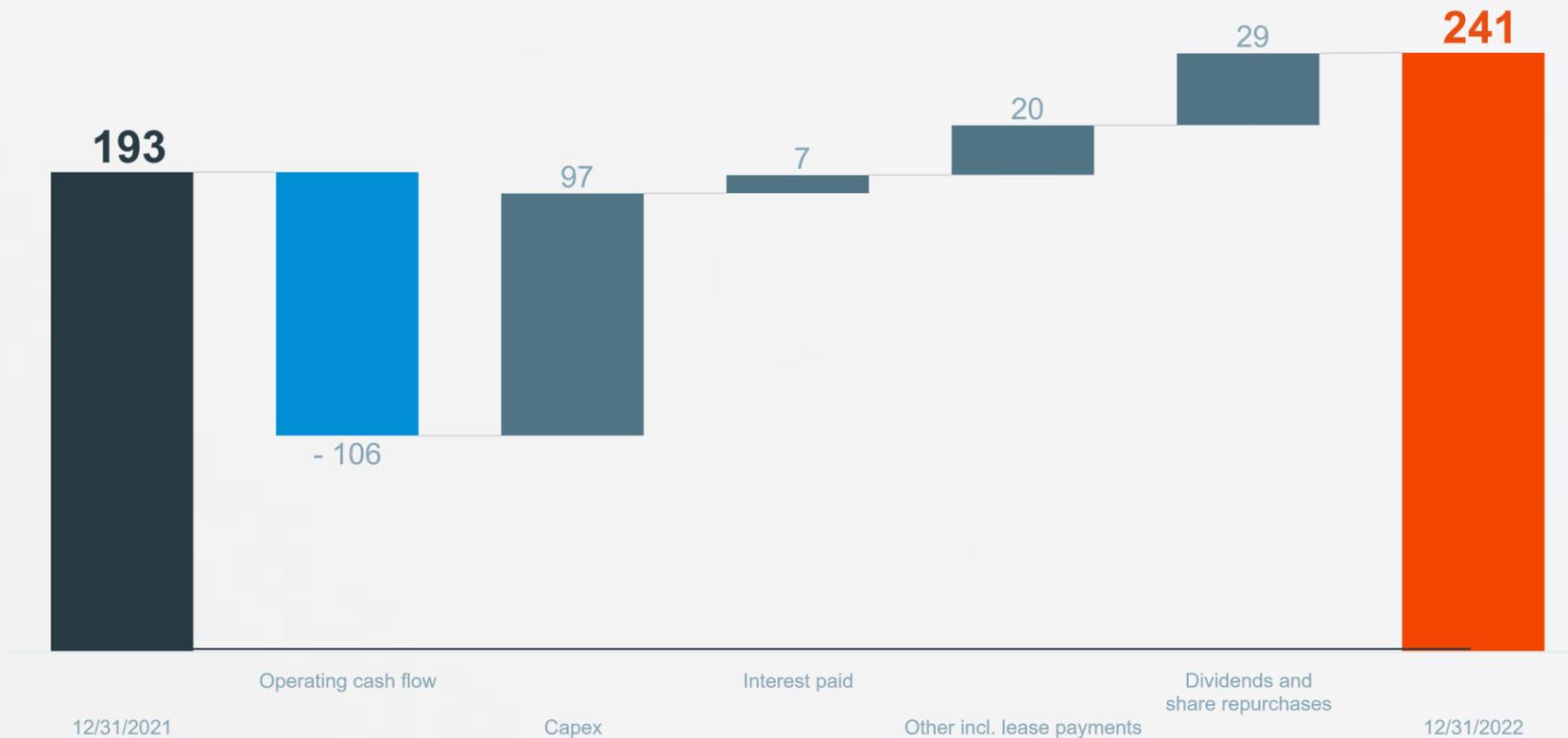
	+0.1	High-tech customized products with limited cost versus total cost
		Operational excellence, purchasing optimization
		+5% on average over the year

ROCE up despite increased capex to anticipate future growth



Solid, well-controlled leverage

Net debt (€m)



Leverage: 1.36x
(1.42x in 2021)

Does not include lease liabilities

€55m

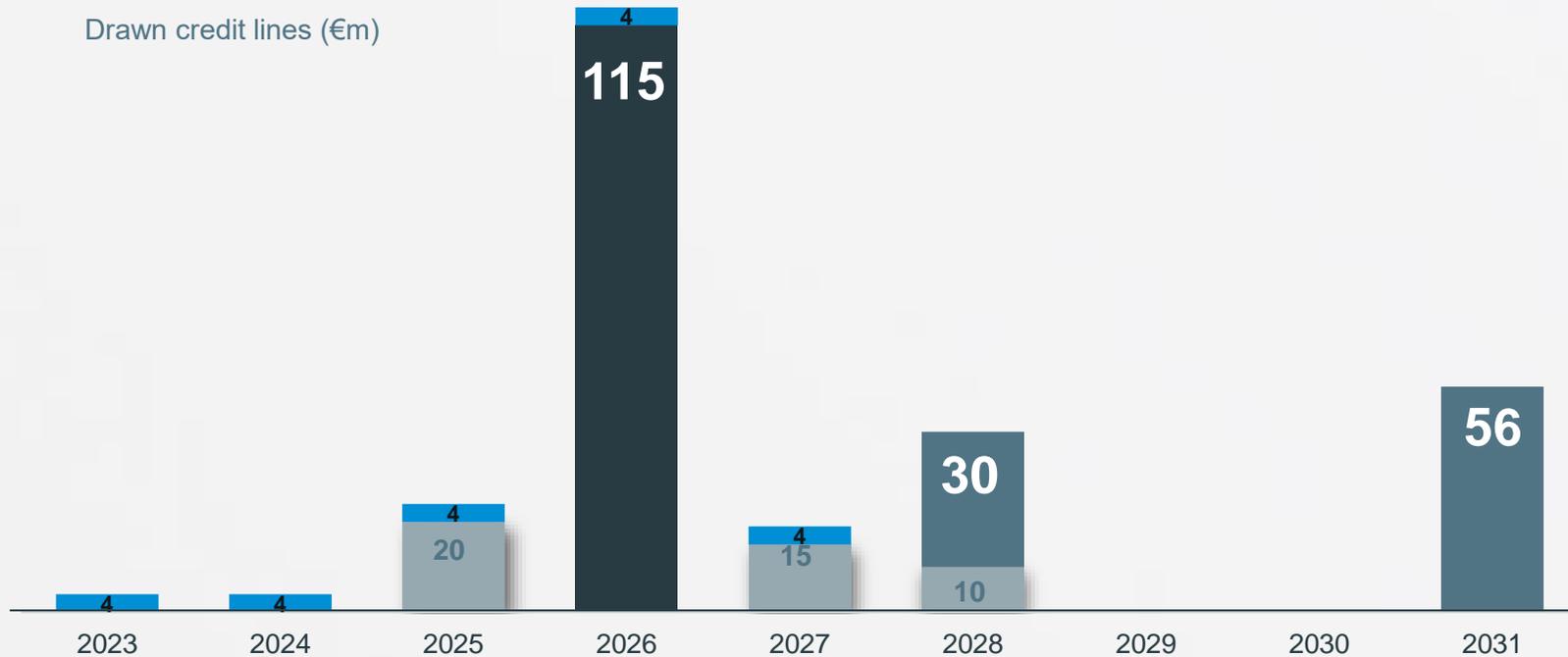
(vs. €53m at Dec. 31, 2021)

and pension obligations

€39m

(vs. €49m at Dec. 31, 2021)

No significant refinancing before 2026



* Calculated based on the use of committed credit lines.
NEU MTN: Negotiable European Medium-Term Note

● USPP ● Schuldschein ● NEU MTN ● BPI

UNDRAWN COMMITTED CREDIT LINES

(€m) DECEMBER 31, 2022

~€265m

~€60m

Available cash

Maturity

~5 years*

Fixed rate

~66% of gross debt

Q1 2023 sales: 18%- growth



- 1 **Europe**
+16% vs Q1 2022
- 2 **North America**
+32% vs Q1 2022
- 3 **South America / Africa**
+7% vs Q1 2022
- 4 **Asia-Pacific**
+6% vs Q1 2022

↓
€302m
+18.3%
Organic Growth

Organic growth (in % of sales)

2023 objectives



SALES

Organic growth
of between
5% and 10%



OPERATING MARGIN BEFORE NON-RECURRING ITEMS

Between
10.5% and 11%
of sales



CAPITAL EXPENDITURE

Between
€150m and €200m

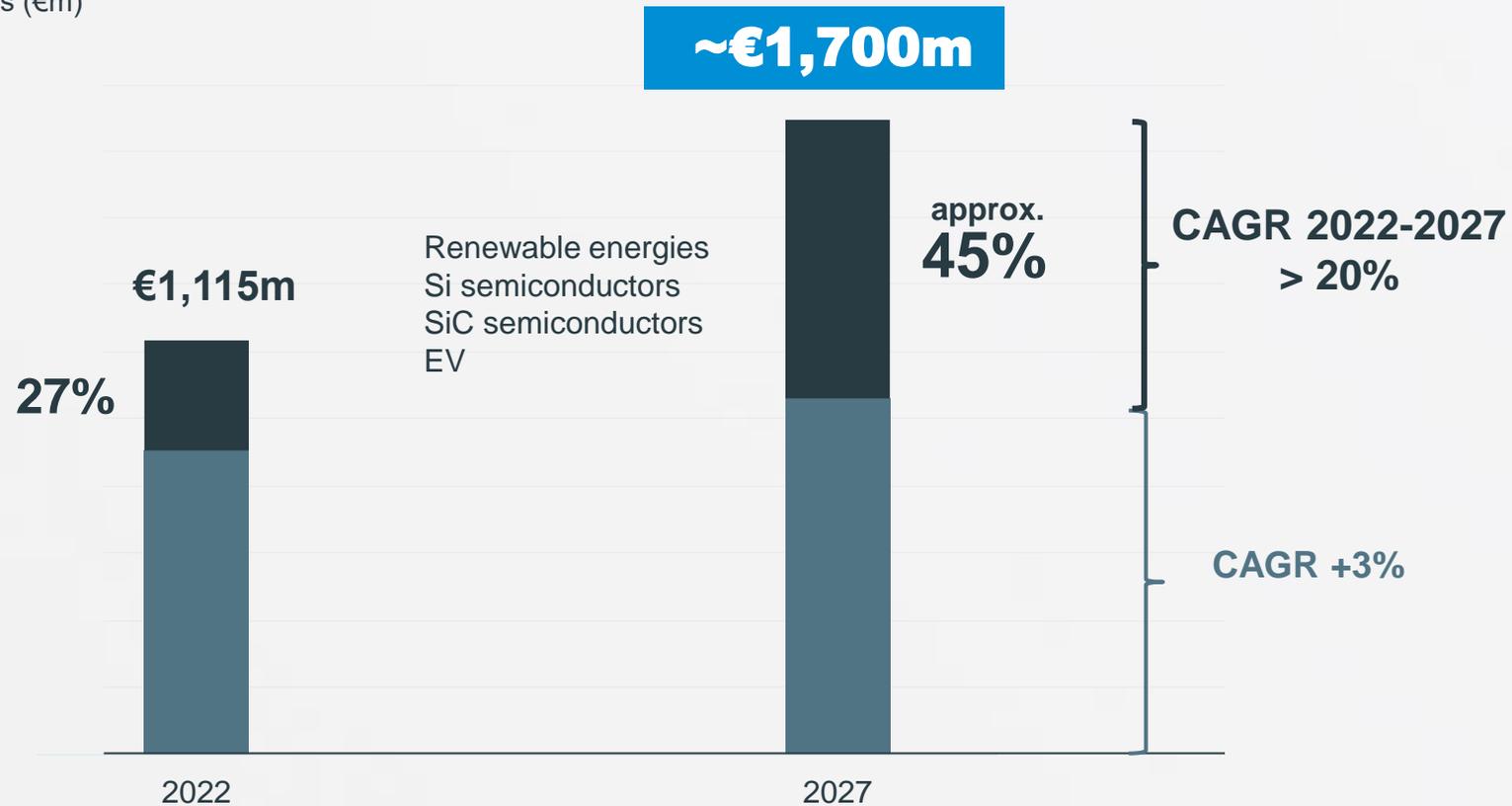
- Strong growth in SiC semiconductors market
- Voluntarily moderate growth in the solar market
- Growth in the EV market
- Growth in process industries linked to the economic environment

- Wage and energy inflation partially offset by price increases
- Additional resources for EV
- Increase in depreciation and amortization

- As part of the 2027 medium-term plan:
 - Columbia (USA)
 - Automated workshop in St Bonnet (France),
 - New equipment for the SiC market (France, USA)

2027: a new dimension

Sales (€m)



By 2027

OPERATING MARGIN BEFORE
NON-RECURRING ITEMS

12% ±50pts

RECURRING EBITDA MARGIN

19% ±50pts

ROCE

13% ±50pts

Why “a new dimension”?



2022

good results thanks to
judicious strategic
choices



56% of sales
generated in
sustainable
development markets

Sharp acceleration in
4 buoyant markets*
representing **27% of
2022 sales**

* Renewable energies, Si and SiC semiconductors, EVs



**Ahead of
plan** on our
2022-2025
roadmap



**New
objectives for
2027**

Mersen is ideally positioned to capture growth in the EV market, both upstream and downstream

MATERIALS EXPERTISE



SiC wafer



SiC power
semiconductors

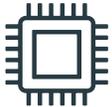
ELECTRICAL EXPERTISE



Electric vehicles



Mersen's unique position in the complex manufacturing process for SiC – PVT process



2022 sales
€52m

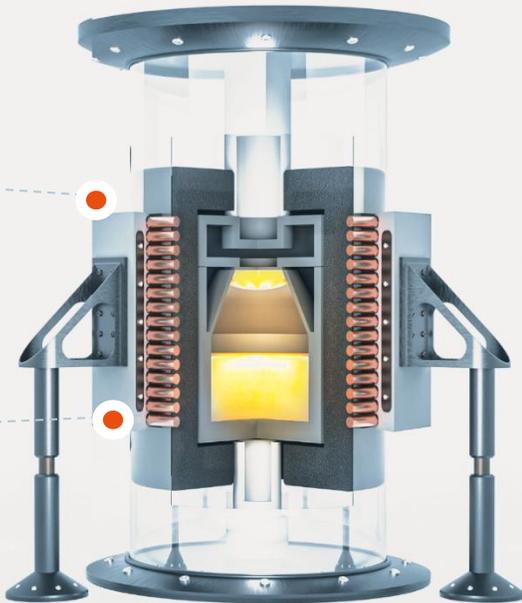
SILICON INGOT SUBLIMATION



INSULATION FELT
 (flexible or rigid)



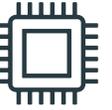
PURIFIED ISOSTATIC
 (crucibles, guides, etc.)



POWER SEMICONDUCTORS



A major contract with Wolfspeed to accelerate the energy transition



Leader in SiC technologies, a longstanding partner of Mersen



Major investments in progress (USA, Germany)



Agreements with EV players: BorgWarner, ZF, Mercedes Benz, Jaguar Land Rover ...

Sales potential over 5 years

USD400m

Capital expenditure (2023-2025)

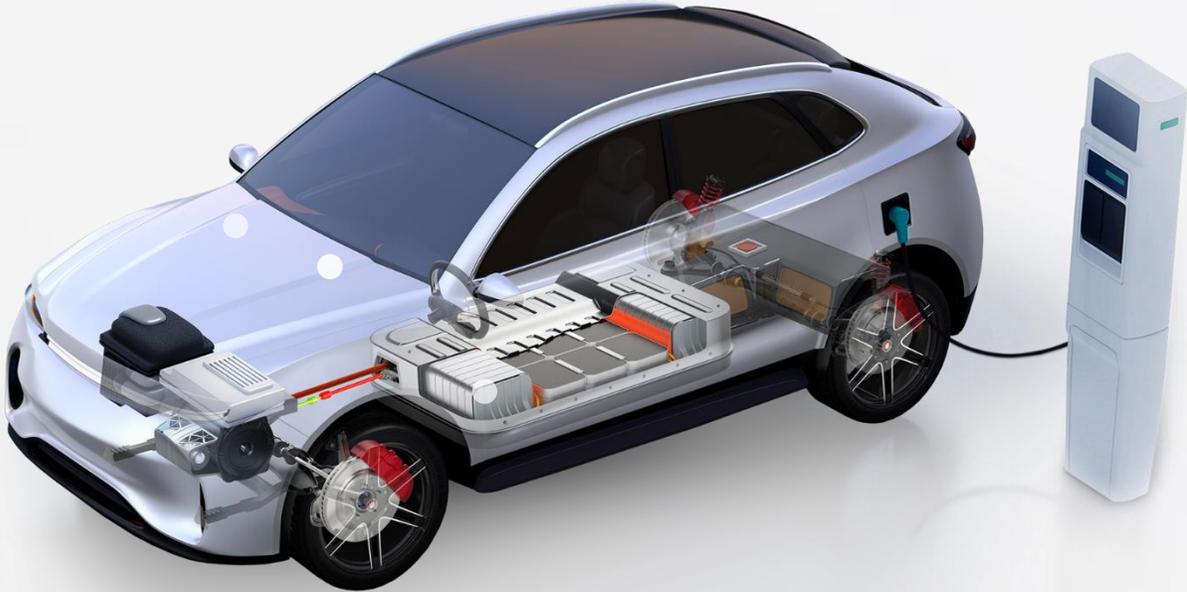
USD120m

Creation of **200 jobs** mainly in the United States

Mersen's electric vehicle offering



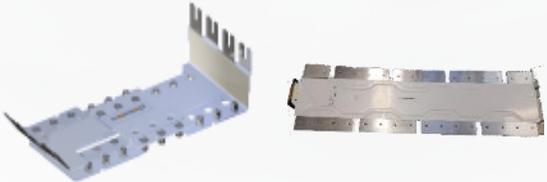
Mersen sales potential per car
€15-€300



Mersen 2022 sales
€20m

2 PRODUCT LINES

Busbars



Fuses



ACC contract: first major contract with a battery manufacturer



Location of the future Gigafactory in Douvrain (France)



Smart laminated busbars for ACC modules

Sales potential over 7 years

€200m

Investments for a dedicated workshop in St Bonnet (France) 2023-2024

€15m-€20m

Two other growth markets

Silicon semiconductors

Investments ongoing (e.g., TSMC, Samsung, Intel, SMIC, SKhynix)

Mersen positioned on the most sophisticated stages of the manufacturing process (ALD, Ion implant)



2022 sales

€60m

Solar

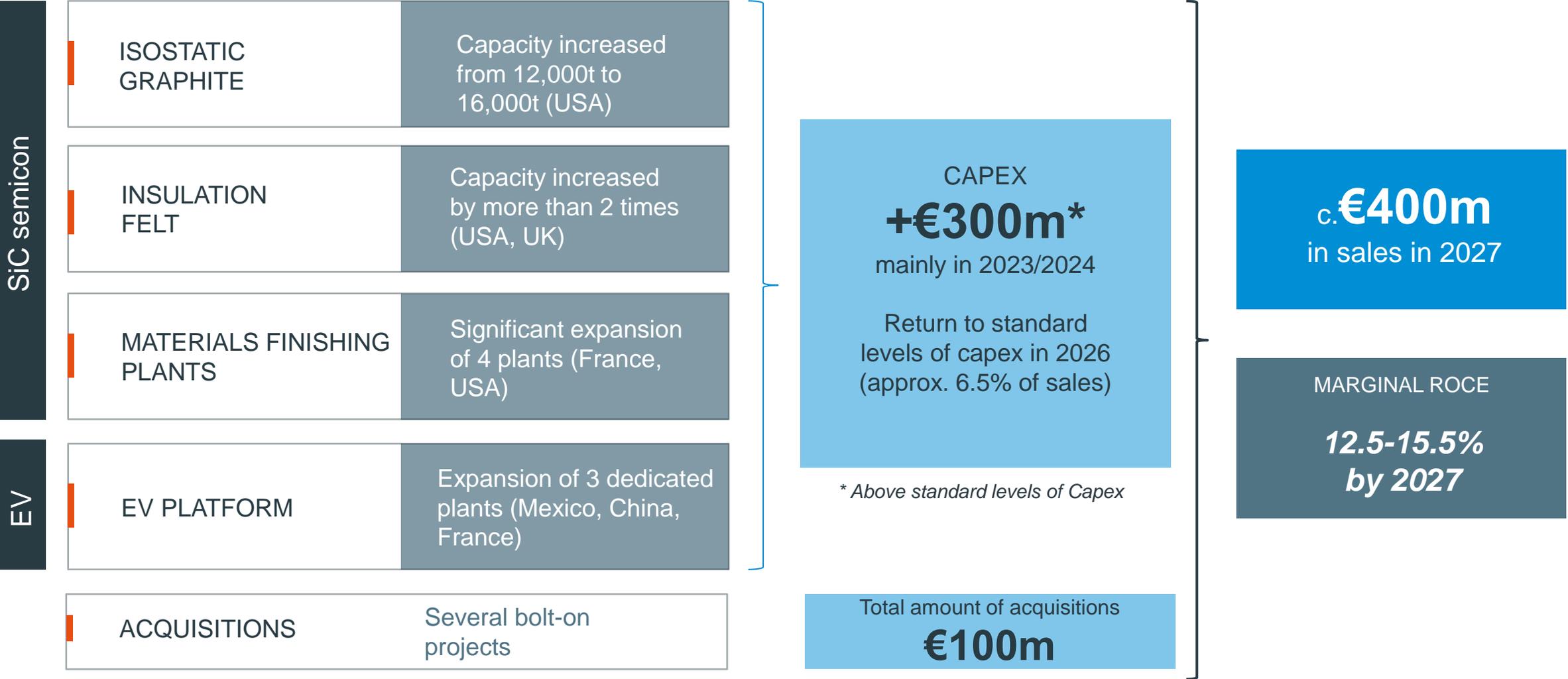
Voluntarily limited production capacity in China
Ongoing: recently announced investments in the United States and India



2022 sales

€101m

An investment plan to support this strong growth



Capital increase of approx. € 100 million



IMPLEMENTING THE NEW 2027 ROADMAP...



...WHILE MAINTAINING FINANCIAL AND STRATEGIC FLEXIBILITY



ASSOCIATE ALL SHAREHOLDERS TO THIS NEW DIMENSION



Capital increase with preferential subscription rights for existing shareholders of approx. €100million, supported by Bpifrance Participations, a strategic shareholder of Mersen.

Success of the capital increase

Offer Size	<ul style="list-style-type: none">Capital increase of c.€100 million with preferential rights for shareholders3,573,408 new shares (ie 17.1% of capital)
Subscription price	<ul style="list-style-type: none">€28.0 per new shareRepresenting 25.11% discount to TERP (based on a share price of €39.0 – ie. the reference share as of April 14th, 2023)
Subscription commitment	<ul style="list-style-type: none">Bpifrance Participations committed to subscribe 100% of its rights (c.10.8% of capital)
Total demand	<ul style="list-style-type: none">€202.6 million, ie an oversubscription rate of 2.0x
Subscription on an irreducible basis	<ul style="list-style-type: none">3,356,088 new shares subscribed on an irreducible basis ie c. 93.92% of new shares to be issued
Subscription on a reducible basis	<ul style="list-style-type: none">217,320 new shares (coefficient of 0.032 calculated according to the number of rights submitted)

A new dimension

A **controlled** acceleration...

+ In high tech segments

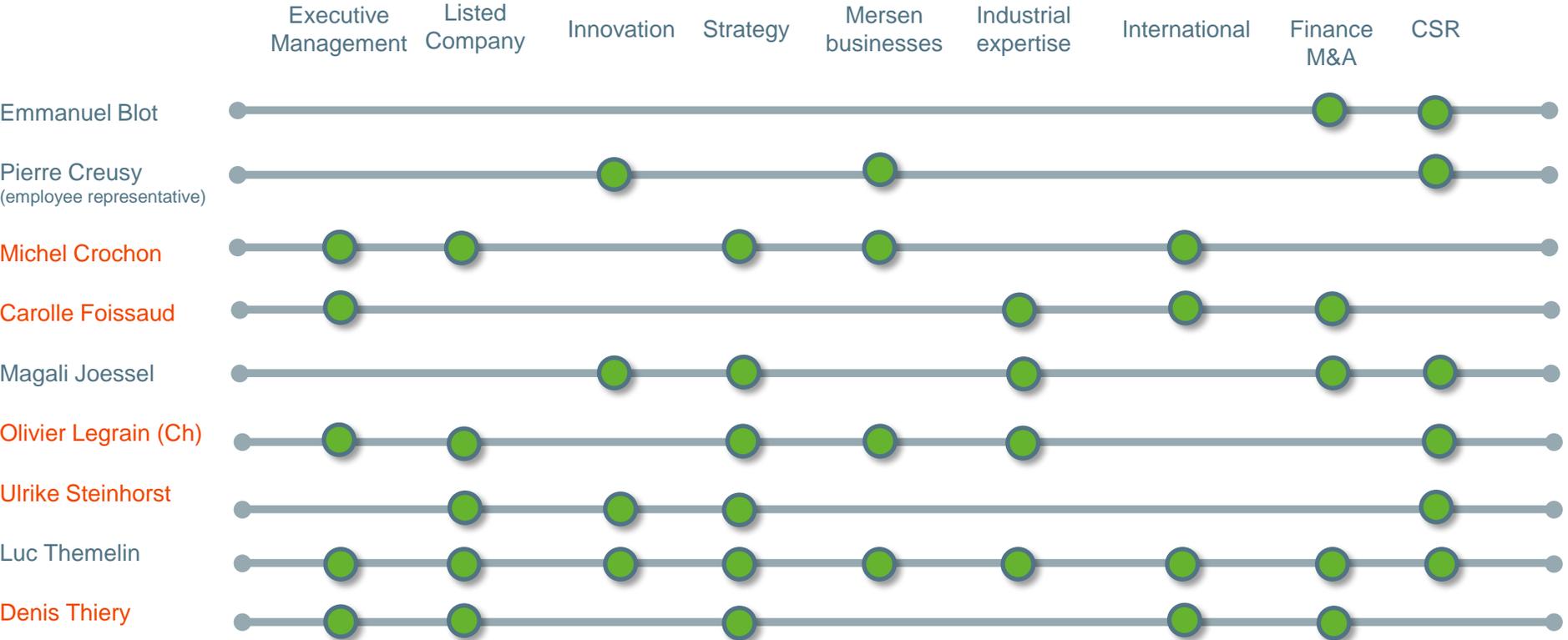
**+ To serve energy
transition markets**

... by drawing on the Group's strengths:
international presence, leadership, expertise, close
relationships with customers

APPENDIX



A solid board of directors



62% independent

60y average age

100%
attendance rate in 2022
(9 meetings)

Independent members

A qualified & experienced executive team



01. Luc THEMELIN, Chief Executive Officer
02. Thomas BAUMGARTNER, CFO
03. Gilles BOISSEAU, Executive Vice President, Electrical Power
04. Christophe BOMMIER, CTO
05. Thomas FARKAS, Group Vice President, Strategy & Development
06. Jean-Philippe FOURNIER, Group Vice President, Operational Excellence
07. Eric GUAJIOTY, Executive Vice President, Advanced Materials
08. Sylvie GUIGANTI, Group Chief Information Officer
09. Delphine JACQUEMONT, Legal Vice President
10. Estelle LEGRAND, Group Vice President Human Resources