

## CAPITAL MARKET DAY: UPDATING MERSEN'S ROADMAP

- Mersen has undergone a transformation and taken on a new dimension with an improved growth profile and a more profitable, less cyclical and more cash-generating model
- The Group is well positioned in energy transition markets with strong growth potential, despite a temporary slowdown in the electric vehicle and SiC semiconductors markets. The Group's other markets remain solid
- Mersen confirms its previously announced targets for sales of around €1.7 billion, operating margin before non-recurring items of around 12%, EBITDA margin of around 19% and ROCE of around 13%, but is pushing them back by two years, to 2029

**PARIS, DECEMBER 5, 2024** – Mersen (Euronext FR0000039620 – MRN), a global expert in electrical power and advanced materials, is meeting its investors today in Paris at 2 p.m. CET for its Capital Markets Day. The Group will brief investors on its operations, its new dimension and its updated financial targets.

Luc Themelin, Mersen's Chief Executive Officer, commented: *"In recent years, Mersen has taken on a new dimension and acquired a more global, dynamic, profitable and resilient profile. The Group combines unique expertise in two segments – electrical specialties and advanced materials – with an international presence and a global leadership position. It also plays a key role in the value chain with a diversified base of major customers in markets that are shaping a more sustainable society, such as renewable energies and electrification. 2025 will be a year of transition for Mersen due to a temporary slowdown in the electric vehicle and SiC semiconductor markets, which has led us to push back our previously communicated medium-term targets by two years. Nevertheless, we remain very confident about medium- and long-term trends that will enable Mersen to continue its growth trajectory."*

### A new dimension

In recent years, Mersen has taken on a new dimension with an improved growth profile, higher profitability and a more cash-generating model. The Group has strengthened its position in buoyant markets driven by favorable underlying trends: electric vehicles, semiconductors and renewable energies.

### **An improved profile**

Mersen crossed the €1 billion sales milestone in 2022 and has achieved a step-up in terms of profitability: the average EBITDA margin grew by 60 basis points compared with the 2017-2019 period to reach 16.6% for 2021-2023.

Mersen's cash-generating model is now more effective: cash generated by operating activities was €134 million from 2021 to 2023 compared with €101 million between 2017 and 2019, representing an increase of 33%.

This improved cash-generating capacity gives Mersen a solid balance sheet and greater financial flexibility, enabling the Group to finance its investments.

The Group has also demonstrated its improved resilience in difficult market conditions thanks to the synergies between its two segments, Advanced Materials and Electrical Power, and its positioning in more dynamic markets.

### **2024 objectives**

The Group confirms its objectives for 2024 as communicated last October, namely organic sales growth of between 1% and 2%, recurring operating margin of between 10% and 10.5% of sales, and capital expenditure of around 220 million euros.

Net debt should reach between €400 million and €430 million at year-end, leading to a leverage ratio of between 2x and 2.3x, in line with Group policy.

### **Updated mid-term financial targets**

On the strength of its positioning in high-potential markets, the Group is still aiming to achieve its previously announced medium-term targets:

- sales of around €1.7 billion;
- operating margin before non-recurring items of 12% of sales, which may vary by +/-50 basis points;
- EBITDA margin before non-recurring items of 19% of sales, which may vary by +/-50 basis points;
- ROCE of 13%, which may vary by +/-50 basis points.

Mersen estimates that the electric vehicle market and the related SiC semiconductor market will be delayed by three years. Its other markets remain solid. As a result, the Group's above-mentioned targets, initially set for 2027, are now set for 2029.

Investments made as part of the Group's growth plan will be adjusted to this new context. They are now expected to total between €280 million and €290 million over the 2023-2025 period, a reduction of €30 million to €40 million, excluding the impact of inflation, on the amount initially planned in 2023.

Cost adjustment measures will be accelerated, generating around €17 million in savings, including €3 million in 2024. The measures will require the Group to recognize around €23 million in non-recurring expenses in the 2024 financial statements, including €3 million recorded in the first half. This breaks down into €14 million in cash expenses and €9 million in impairment losses. These amounts have been adjusted since the October 2024 press release. The measures will be accompanied by a plan to reduce inventories by €30 million on a like-for-like basis.

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### ABOUT MERSEN

Mersen is a **global expert in electrical specialties and advanced materials** for high-tech industries. With more than 50 industrial sites and 18 R&D centers in 33 countries around the world, Mersen develops **custom-built solutions** and delivers key products for clients in order to meet the new technological challenges shaping tomorrow's world. **For over 130 years, Mersen's teams have focused tirelessly on innovation** to accompany its clients and meet their needs. Be it in solar power, electronics, electric vehicles, aerospace or other sectors, wherever technology is progressing, you will always find a bit of Mersen. We work to constantly contribute to progress, striving daily to improve people's lives and protect the planet. This **corporate commitment** has been recognized by external rating agencies, EcoVadis (Gold Medal) and MSCI (AA rating).

### MERSEN IS PART OF THE SBF120 INDEX – COMPARTMENT B

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