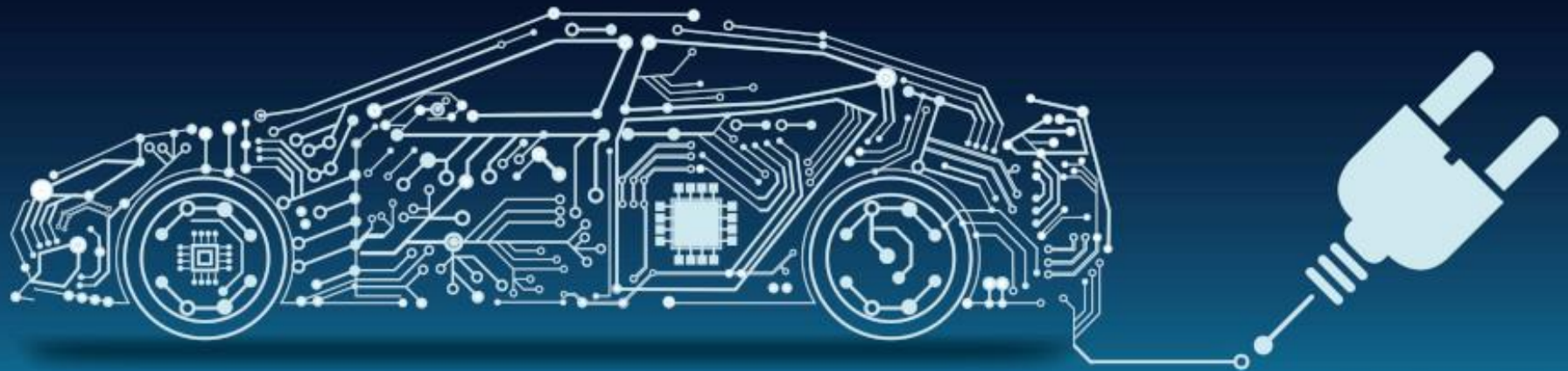


FIRST-HALF 2023 RESULTS

July 28, 2023



A remarkable first-half



SALES

*Record
half-year sales*



CONTRACTS

*Major contracts signed
with
Wolfspeed and ACC*



MID-TERM OUTLOOK

2027 roadmap unveiled



CAPITAL INCREASE

*€100m capital increase
to support growth*

Dynamic growth in all markets, particularly SiC semiconductors and electric vehicles


Chemicals

++


Process Industries

++


Transportation

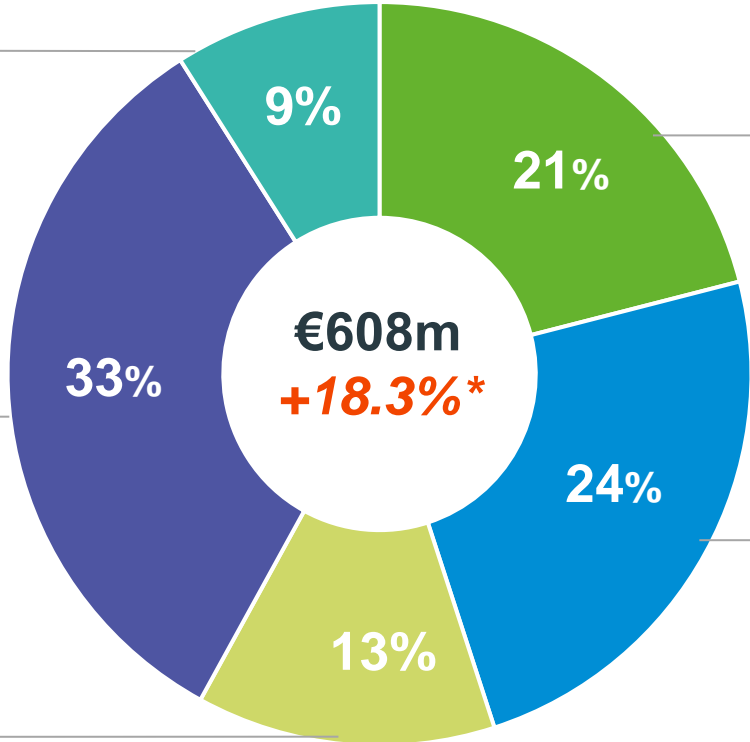
Rail ++
Aeronautics ++
EV ++++


Energy

Solar +
Wind +


Electronics

SiC semiconductors +++
Si semiconductors ++



Organic growth H1 2023 vs H1 2022

+++	>+20%
++	+10% ; +20%
+	+0% ; +10%

*Organic growth H1 2023 vs H1 2022

Growth market potential confirmed

Sales growth
H1 2023

Organic growth
vs H1 2022

**ELECTRIC
VEHICLES**



€10m

+++

Continued significant quotations

**SI SEMICONDUCTOR
MANUFACTURING**



€33m

++

Positioned on the most important stages of the manufacturing process (ALD, Ion implant)

**SIC SEMICONDUCTOR
MANUFACTURING**



€43m

+++

Boost in demand from customers, including Wolfspeed

**RENEWABLES
ENERGIES**



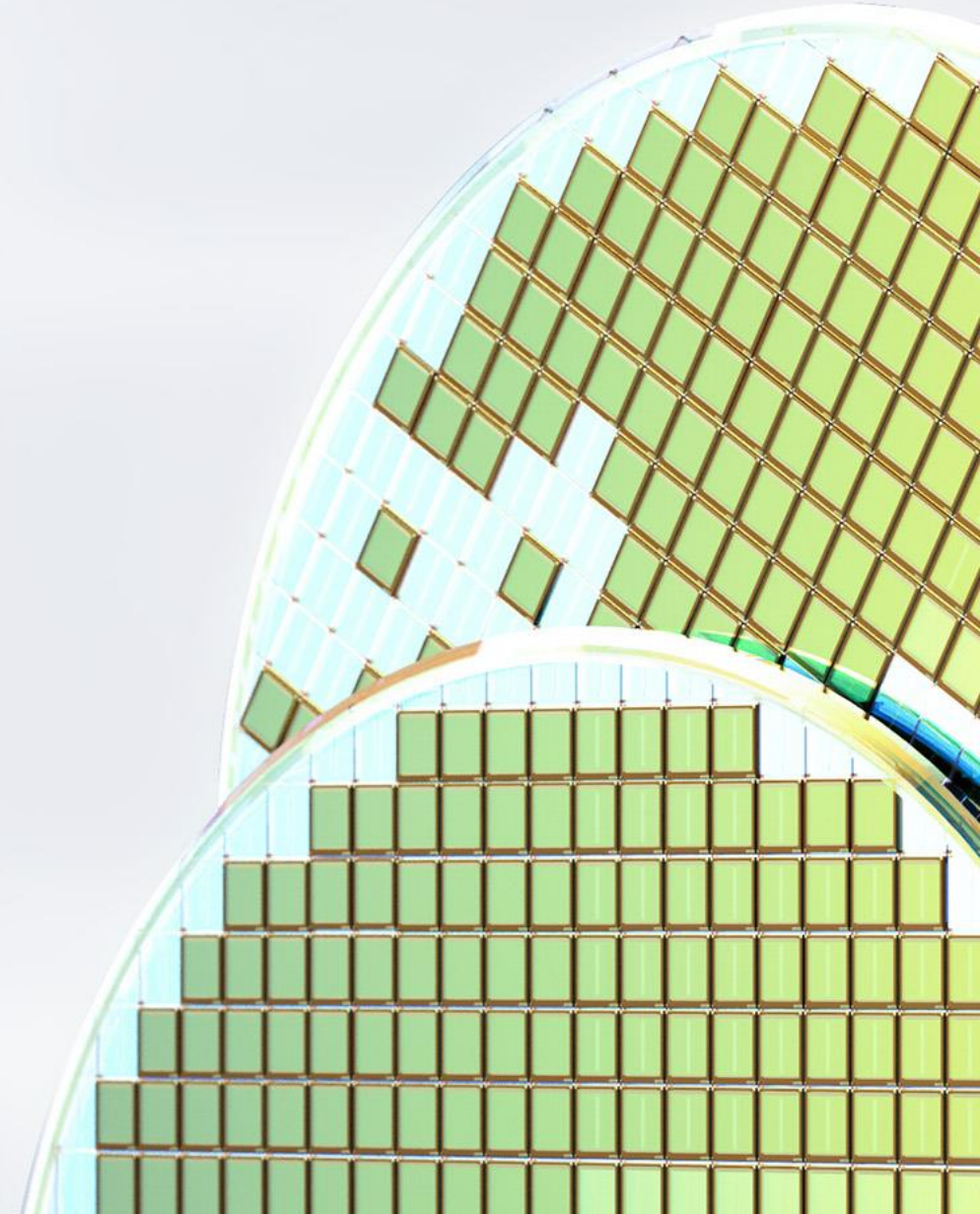
€81m

+

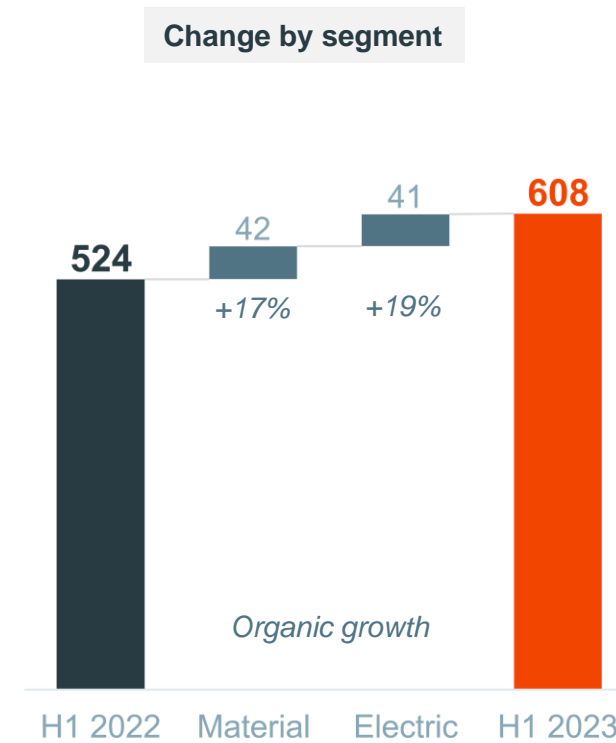
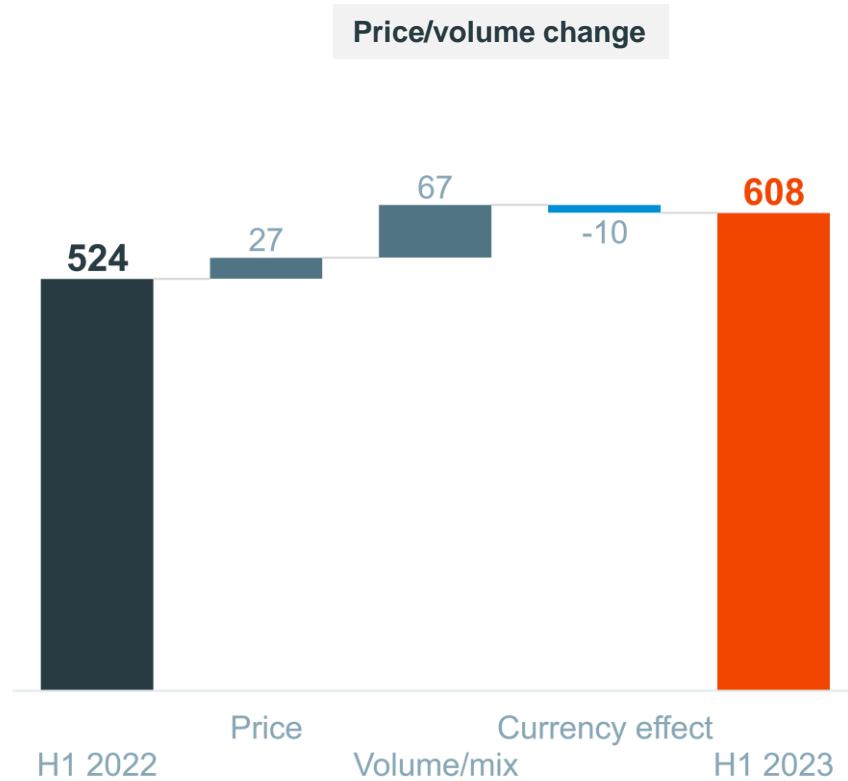
Limited graphite volume allocation for the solar industry in China

FIRST-HALF 2023 RESULTS

THOMAS BAUMGARTNER



Dynamic sales growth in the 2 segments thanks to price and volume



Sales in € million

Strong growth in profitability

<i>in € million</i>	H1 2022	H1 2023	
EBITDA before non-recurring items	86.9	100.5	+16%
<i>Recurring EBITDA margin</i>	16.6%	16.5%	
Depreciation & Amortization	(31.9)	(31.7)	
Operating income before non-recurring items	55.0	68.8	+25%
<i>Operating income before non-recurring items</i>	10.5%	11.3%	

- **Stable Depreciation & Amortization:**
High level of Capex in the first half to be commissioned in the coming half years
- **ROCE = 13.3%, temporarily high**
Very favorable context, with full capacity utilization

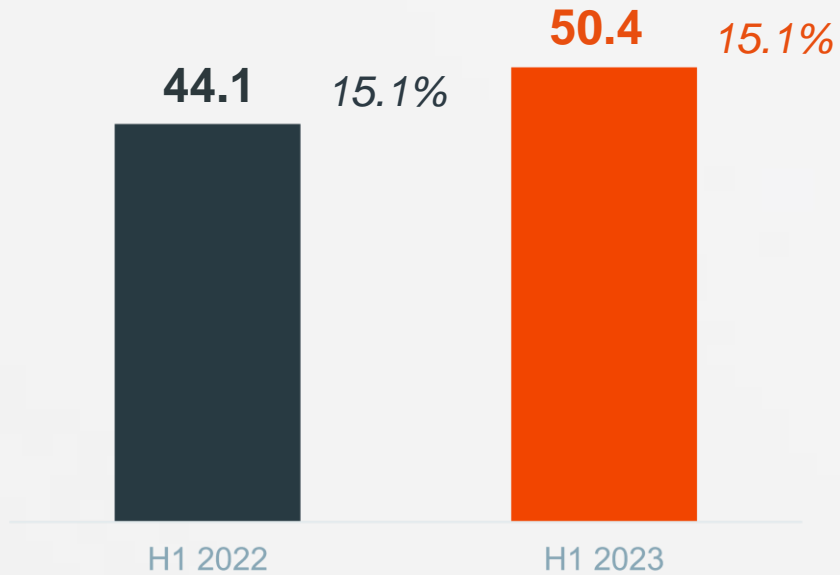
Strong pricing power to pass on inflation

	Basis point	
H1 2022 operating margin before non-recurring items	10.5%	
Volume/mix effect	+2.6	
Price effect	+4.0	} 0 High-tech customized products with limited cost vs total cost Operational Excellence, purchasing optimization +6% on average over the period
Raw material/energy inflation	-3.5	
Productivity gains	+1.2	
Wage inflation	-1.7	
Columbia ramp-up, EV team, Soitec	-0.8	
Bonuses & profit-sharing	-0.3	
Other (including currency effects and depreciation)	-0.7	
H1 2023 operating margin before non-recurring items	11.3%	

Robust operating margin in both segments

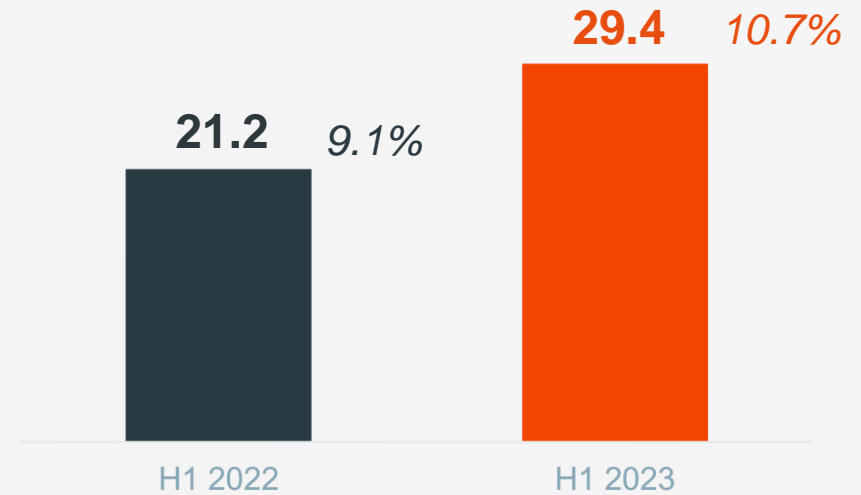
Operating income before non-recurring items (in €m)
Current operating margin in % of sales

Advanced Materials segment



- Positive volume/mix effect
- Price increase and productivity partially offsetting inflation
- Extra charges linked to Columbia and Soitec

Electrical Power segment



- Positive volume/mix effect
- Price and productivity effects more than cover inflation
- Extra EV team expenses

Net income up by a sharp 25%

in € million	H1 2022	H1 2023
Operating income before non recurring items	55.0	68.8
Non recurring income and expenses	(0.7)	(0.1)
Net financial expense	(5.3)	(9.0)
Income tax	(10.8)	(13.6)
Net income	38.2	46.1
Attributable to Mersen shareholders	35.1	43.9

- Higher net financial expense
 - Average 4% rise in EUR and USD interest rates in H1
 - 70% of gross debt at fixed rates
- Effective tax rate of 23%

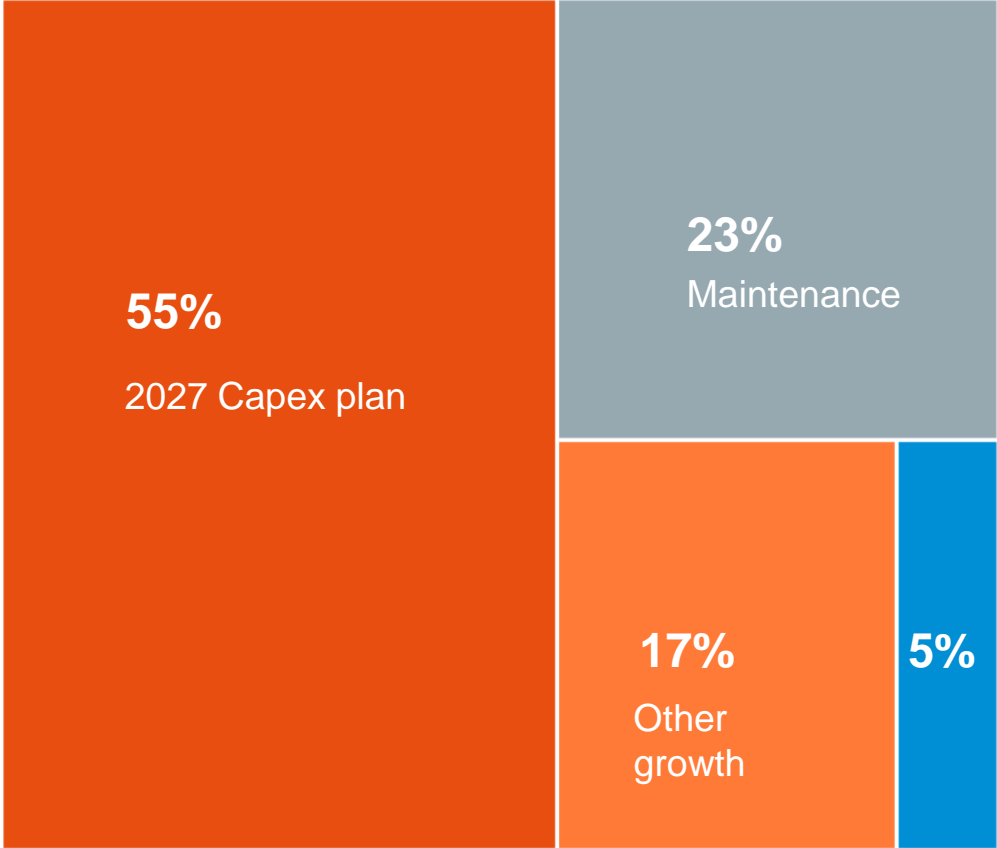
Improvement in operating Cash-flow

in € million	H1 2022	H1 2023
Operating cash flow before change in WCR	82.0	99.2
Change in WCR	(70.6)	(44.6)
<i>o/w change in inventories</i>	(55.2)	(40.4)
Income tax paid	(6.1)	(15.4)
Operating cash-flow	5.3	39.2

- WCR ratio: 22,9% (vs 24,8% in June 2022)
- Increased income tax paid :
 - Accelerated tax depreciation in the USA in 2022
 - Shift in 2023 in China of taxes from previous years (Covid measures)

Capex aligned with with 2027 roadmap

€62m



ACC dedicated workshop in St Bonnet de Mure, France



« New Thermal Treatment » project in Amiens, France

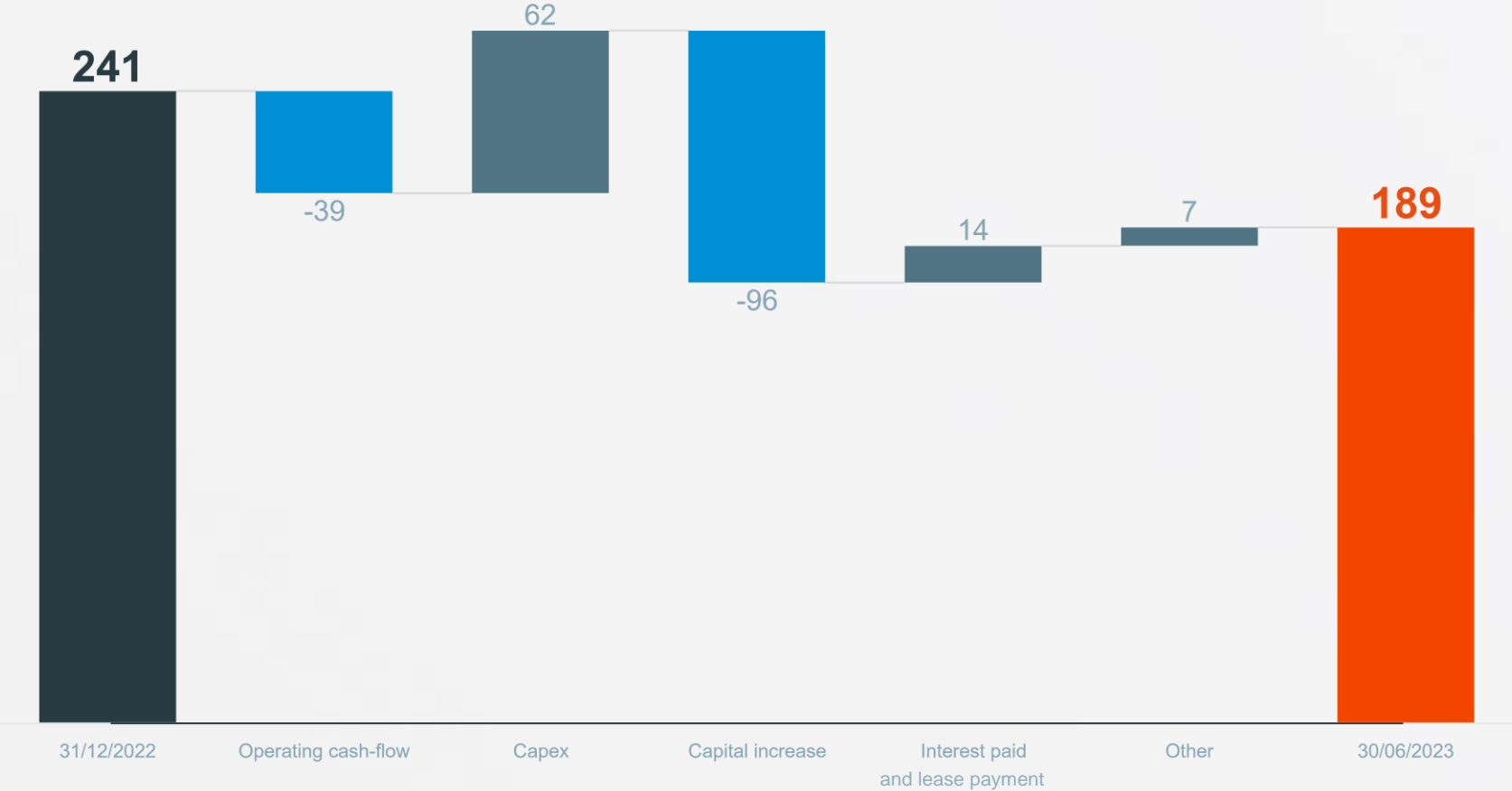


Official ribbon cutting ceremony at the Columbia plant (United States)

Safety and Environment

Capital increase improves leverage ratio

Net debt in €m



Leverage : 0.98x
(1.36x end of 2022)

Does not include lease liabilities

€54m

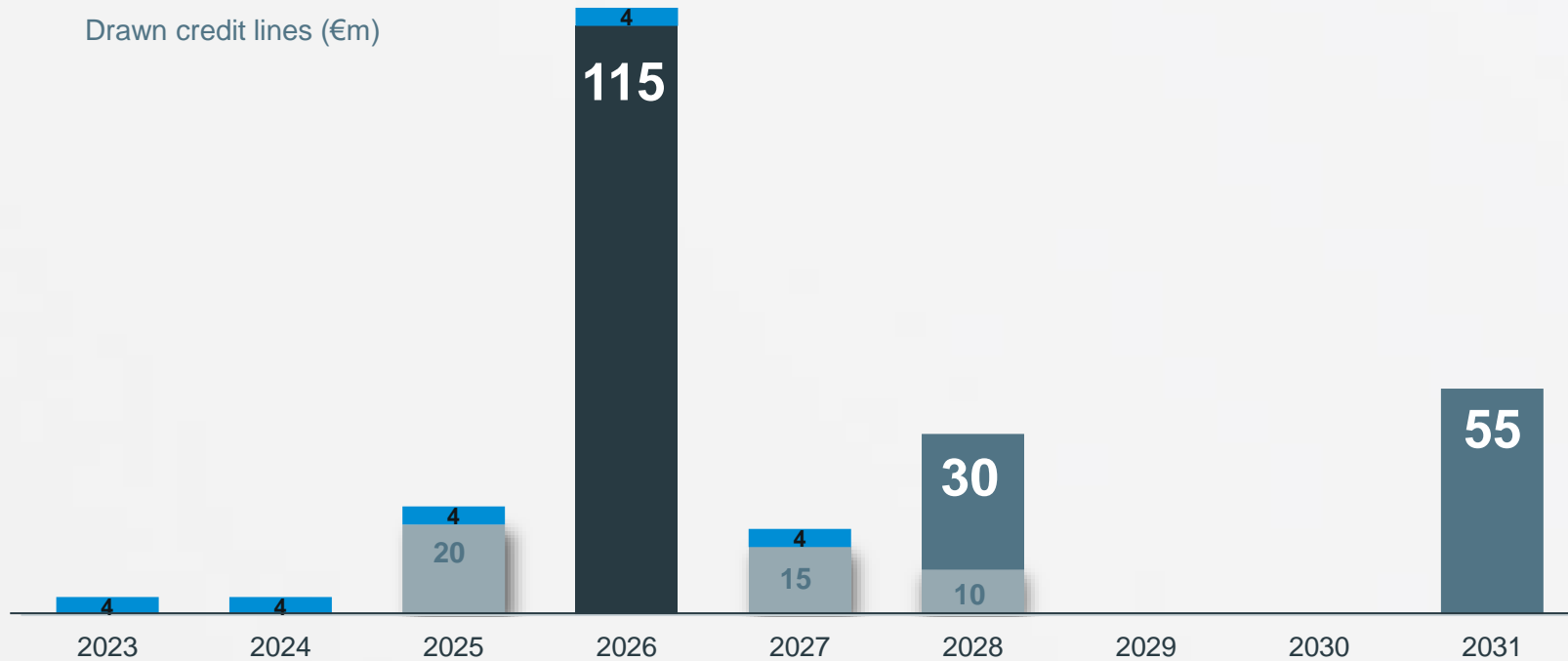
(vs. €55m at Dec. 31, 2022)

and pension obligations

€40m

(vs. €39m at Dec. 31, 2022)

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

(IN €M) AT JUNE 30, 2023

~€320m

~€50m

Available cash

Average maturity

~ 4.5 years *

Fixed rate

70 % of gross debt



OUTLOOK

LUC THEMELIN

2023 Targets raised



SALES



OPERATING MARGIN BEFORE NON RECURRING ITEMS



CAPEX

INITIAL

Organic growth of between

5% et 10%

Between

10.5% and 11%

of sales

Between

€150m and €200m

NEW

Organic growth of between

10% and 12%

Between

11% and 11.2%

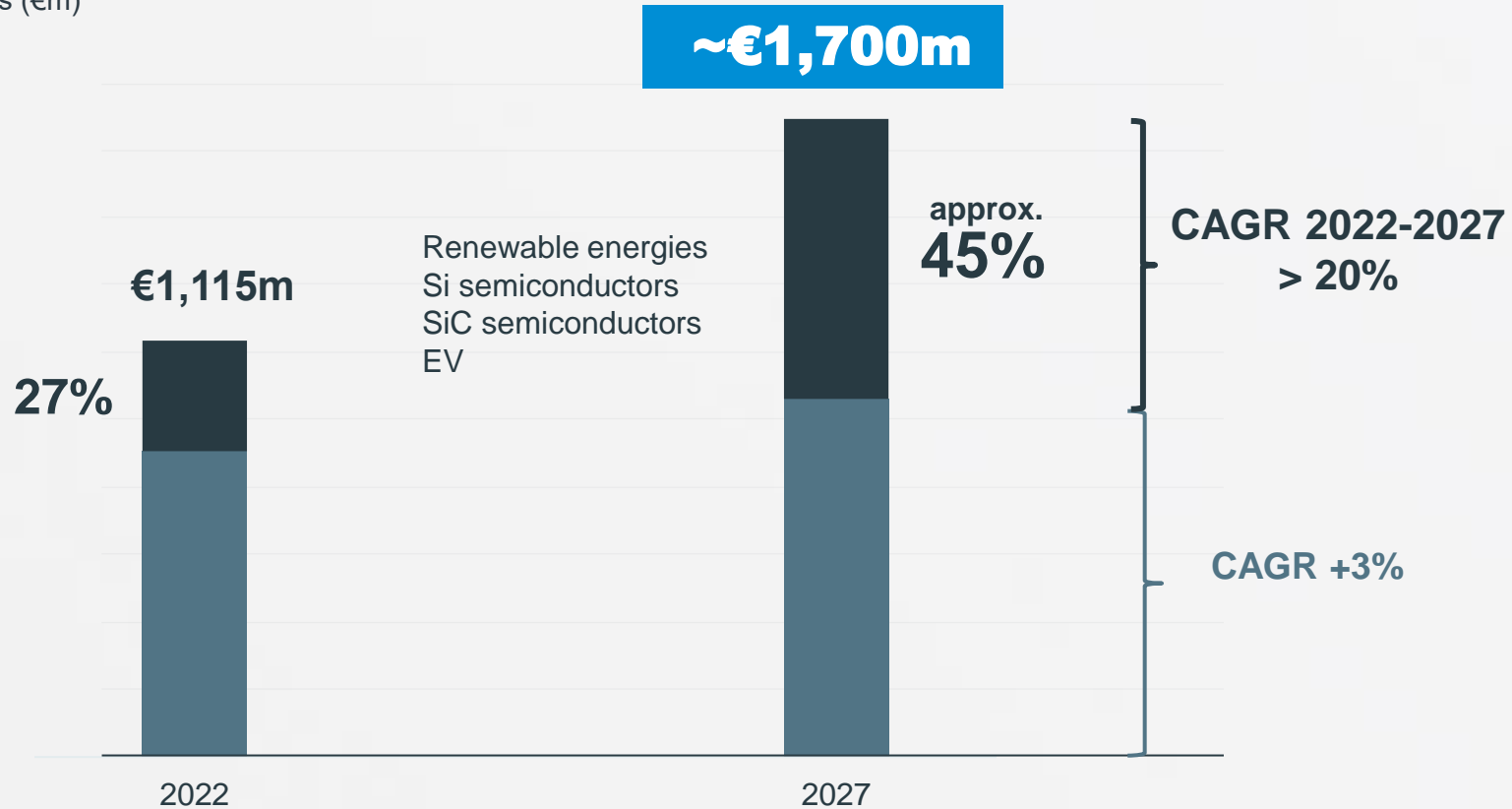
of sales

Between

€150m and €200m

2027 roadmap confirmed

Sales (€m)



By 2027

OPERATING MARGIN BEFORE
NON-RECURRING ITEMS

12% ±50pts

RECURRING EBITDA MARGIN

19% ±50pts

ROCE

13% ±50pts