

MERSEN: CONTINUED POSITIVE MOMENTUM

- 10% LIKE-FOR-LIKE GROWTH IN SALES IN THE THIRD QUARTER OF 2018, LEADING TO GROWTH OF 10.7% FOR THE FIRST NINE MONTHS OF THE YEAR
- FIRST CONTRIBUTIONS FROM ACQUISITIONS IN POWER ELECTRONICS
- FULL-YEAR FORECASTS REVISED TO THE UPPER RANGE OF THE PREVIOUSLY PUBLISHED GUIDANCE:
 - FULL-YEAR LIKE-FOR-LIKE GROWTH OF AROUND 9%
 - OPERATING MARGIN BEFORE NON-RECURRING ITEMS OF AROUND 10.4%

PARIS, OCTOBER 24, 2018 – Mersen (Euronext FR0000039620 – MRN), a global expert in electrical power and advanced materials, has reported consolidated sales of €653 million for the first nine months of 2018.

Luc Themelin, Mersen’s Chief Executive Officer, said: *“We turned in an excellent performance in the third quarter, with all of our businesses contributing to growth in all geographic areas. Given these good results, we expect to end the year with results in the upper range of the previously published guidance. Thanks to our positioning in niche markets such as solar power, compound semi-conductors and power electronics, we are confident in the Group’s growth potential in the medium term, despite the seemingly less favorable geopolitical context compared with the first half of the year.”*

THIRD-QUARTER 2018 SALES

Mersen generated consolidated sales of €223 million in the third quarter of 2018, representing strong like-for-like growth of 10% year on year. Including the consolidation of Idealec and FTCap (+3.8%) and a slightly negative currency effect (-1%), sales grew by nearly 13% as reported.

In millions of euros	Q3 2018	Q3 2017	Like-for-like growth	Scope effect	Currency effect	Reported growth
<i>Advanced Materials</i>	124.0	108.0	16.1%	0.2%	-1.3%	14.8%
<i>Electrical Power</i>	98.9	90.0	2.8%	8.0%	-0.7%	10.2%
Europe	73.4	63.6	6.1%	10.6%	-1.3%	15.4%
Asia-Pacific	64.2	57.6	12.7%	0.4%	-1.2%	11.8%
North America	75.5	68.8	8.8%	0.5%	0.5%	9.9%
Rest of the World	9.8	8.0	36.2%	1.3%	-7.1%	22.5%
Group	222.9	198.0	10.0%	3.8%	-1.0%	12.7%

Advanced Materials sales totaled €124 million, representing like-for-like growth of more than 16% over the quarter, lifted by the solar and electronics markets. The chemicals market was also particularly strong in Asia.

Electrical Power sales came to €99 million for the quarter, up by nearly 3% like-for-like. This increase was driven by strong business levels in electrical distribution and good performances in the solar and energy storage markets. The segment also reaped the rewards of the first contributions from recently acquired companies Idealec and FTCap.

In **Europe**, the Group performed very well in both business segments, with robust growth in France, Germany and Spain, thanks to the renewable energies, aeronautics and rail transportation markets.

Asia recorded another significant increase of nearly 13% in sales. Growth in China was led by the solar, rail and chemicals markets, while an upturn in wind power projects boosted sales in India.

Lastly, **North America** also saw significant growth in both business segments. Electrical distribution sales were healthy, and the electronics sector delivered strong growth, particularly the silicon carbide (SiC) application.

NINE-MONTH 2018 SALES

Mersen's consolidated sales for the first nine months of 2018 totaled €653 million, representing like-for-like growth of nearly 11% year on year. Including the negative impact of exchange rates for approximately €25 million and the effect of the first-time consolidation of Idealec and FTCap, growth amounted to 7.6%.

In millions of euros	9 months 2018	9 months 2017	Like-for-like growth	Scope effect	Currency effect	Reported growth
<i>Advanced Materials</i>	364.2	335.2	13.2%	0.1%	-4.1%	8.6%
<i>Electrical Power</i>	289.0	272.5	7.7%	3.1%	-4.1%	6.4%
Europe	220.3	199.5	7.7%	3.9%	-1.1%	10.4%
Asia-Pacific	188.9	168.0	16.9%	0.2%	-3.7%	12.8%
North America	217.4	215.3	7.9%	0.2%	-6.5%	1.1%
Rest of the World	26.6	24.9	17.7%	0.4%	-9.7%	6.7%
Group	653.2	607.7	10.7%	1.4%	-4.1%	7.6%

OUTLOOK FOR 2018

For full-year 2018, Mersen now expects like-for-like growth in sales of around 9%, which is in the upper range of the previously published guidance estimating growth of between 7% and 9%. As a result, the Group's operating margin before non-recurring items should come to around 10.4%, which, again, is in the upper range of the previously reported guidance (between 10.1% and 10.4%).

To meet sustained demand in some of its expanding markets, such as solar and electronics, the Group's investment outlay for 2018 is expected to total around €55 million, compared with the €50 million that was initially planned¹.

GLOSSARY

Like-for-like growth: determined by comparing sales for the year with sales for the previous year, restated at the current year's exchange rate, excluding acquisitions and/or disposals and the impact of IFRS 15.

Scope effect: contribution from companies acquired in the year in relation to sales for the year.

- Idealec, a recognized designer and manufacturer of laminated bus bars, has been consolidated within the Group since April 1, 2018.
- The acquisition of FTCap, a Germany-based company specializing in the development and production of capacitors, was finalized in July 2018. It has been consolidated in the Group's financial statements since July 1, 2018.
- Louisville Graphite Inc. (LGI), a company based in the United States which provides aftermarket and repair services, was acquired in July 2018. It has been consolidated in the Group's financial statements since July 1, 2018.

Currency effect: calculated by comparing sales for the previous year, at the exchange rate of the previous year, with sales for the previous year at the exchange rate of the current year.

¹ Excluding investments for the competitiveness plan

FINANCIAL CALENDAR

Fourth-quarter and full-year 2018 sales: January 30, 2019, after close of trading.

ABOUT MERSEN

A global expert in electrical power and advanced materials, Mersen designs innovative solutions to address its clients' specific needs to enable them to optimize their manufacturing performance in sectors such as energy, electronics, transportation, chemicals & pharmaceuticals and process industries.

Mersen, with its 6,400 employees working across 35 countries, recorded sales of €809 million in 2017.

MERSEN IS LISTED ON Euronext Paris – COMPARTMENT B

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