



Luc Themelin



Thomas Baumgartner

First-Half 2024 Results

July 30, 2024



An excellent first-half 2024



RECORD HALF-YEAR SALES

€624m

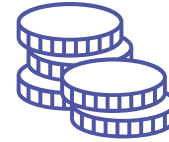
Organic growth of
4.9%



STRONG CASH FLOW GENERATION

EBITDA margin: 16.9%

Operating cash flow
up 39%



ROLLOUT OF THE CAPEX PLAN

€83m, including
€63m for the 2027
growth plan



ACQUISITION OF GMI

Annual sales:
USD 40m

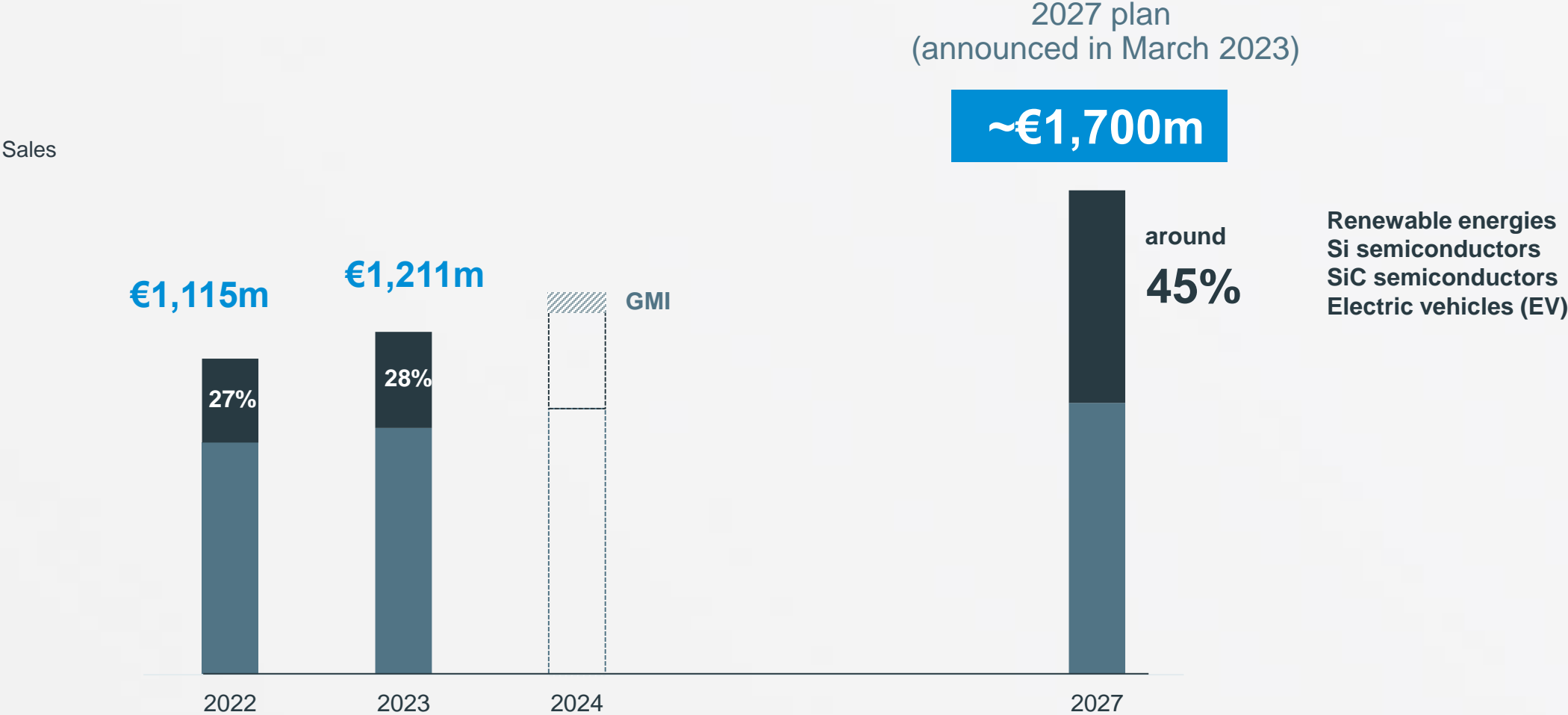
Part of the
2027 plan



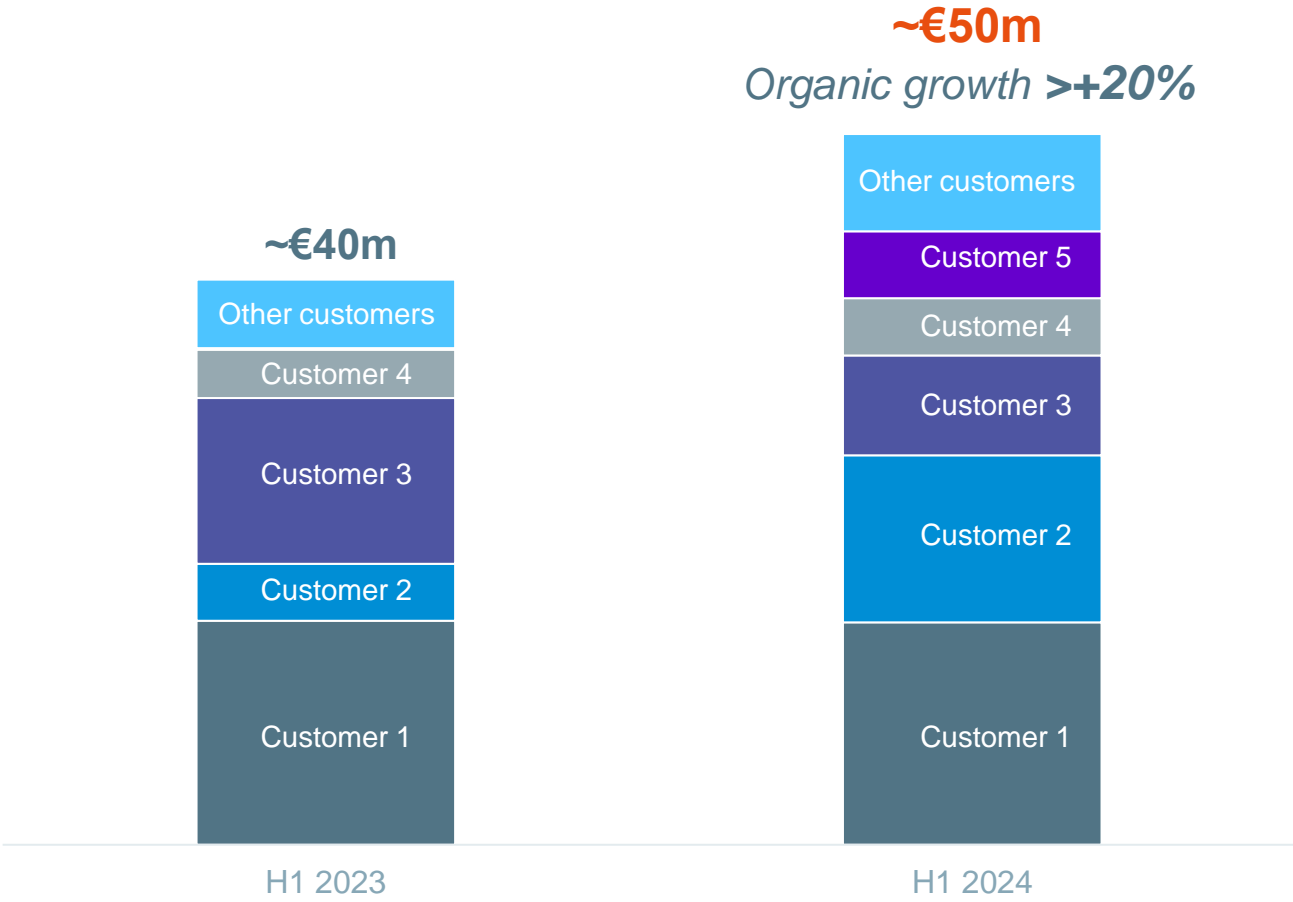
Luc Themelin
Chief Executive Officer

MERSEN, ON TRACK FOR 2027

Well on track to meeting our 2027 targets



SiC semiconductors: a significant market for Mersen, set to further improve thanks to EV opportunities



- Organic growth >+20% H1 2024 vs. H1 2023
- Current end markets: manufacturing, solar power, EV charging stations
- EV market set to become a growth driver from 2026-2027
- Customers in all three major regions
- p-SiC project with Soitec: 2024 sales below €1m 6' and 8' wafer prototyping

Mersen's EV expertise built around **two product categories**

→ **EV fuses** (auxiliary circuits and batteries)

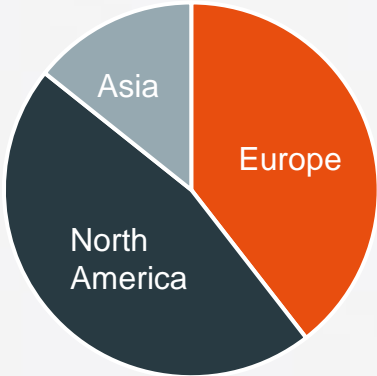
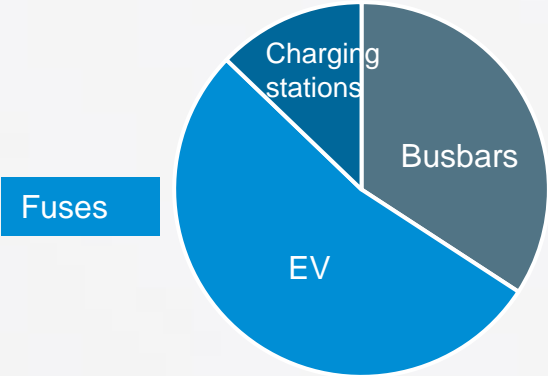
Fuses for charging stations



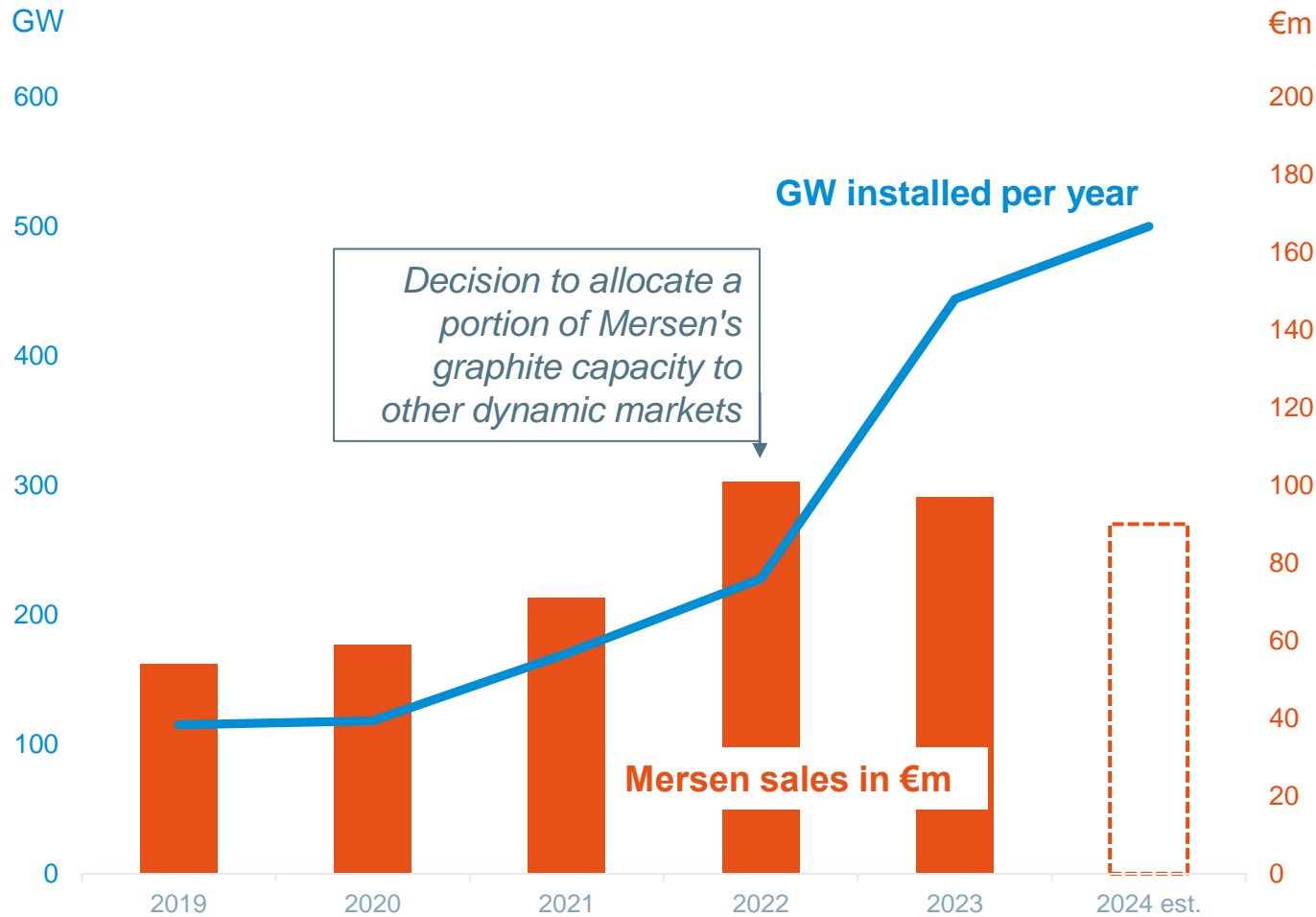
→ **Busbars for batteries** (first ACC deliveries scheduled for H2) and heavy vehicle converters



Sales of ~€13m (H1 2024)
Organic growth **>+20%**



Solar power: Mersen focusing on high value-added products



Sources: IHS, IEA, Solar Power Europe, Mersen consensus.

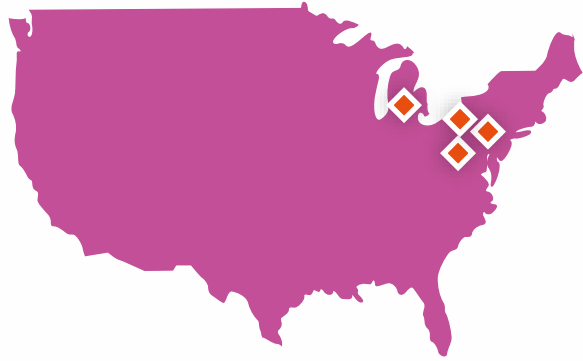
→ A selective strategy

- Limiting the volume of graphite dedicated to solar power
- Positioned in the premium graphite market (added value)
- Broad offering in electrical protection (surge protection devices, fuses) and power conversion

→ H1 2024 at a glance

- Slowdown in Europe (decline in electrical protection and power conversion)
- Temporary overstocking of solar cells in China

Acquisition of GMI, strengthening our leading position in the United States



**THE LARGEST INDEPENDENT
GRAPHITE MACHINING FACILITY
IN THE UNITED STATES**

PURIFICATION CAPACITY

**AN EXPERT IN
INSULATION FELTS
AND EXTRUDED AND
ISOSTATIC GRAPHITE**

**ANNUAL SALES:
USD 40m**
CASH-OUT: USD 50m

◆ Machining and purification – GMI



Thomas Baumgartner
Chief Financial Officer

FIRST-HALF 2024 FINANCIAL RESULTS

Record half-year sales

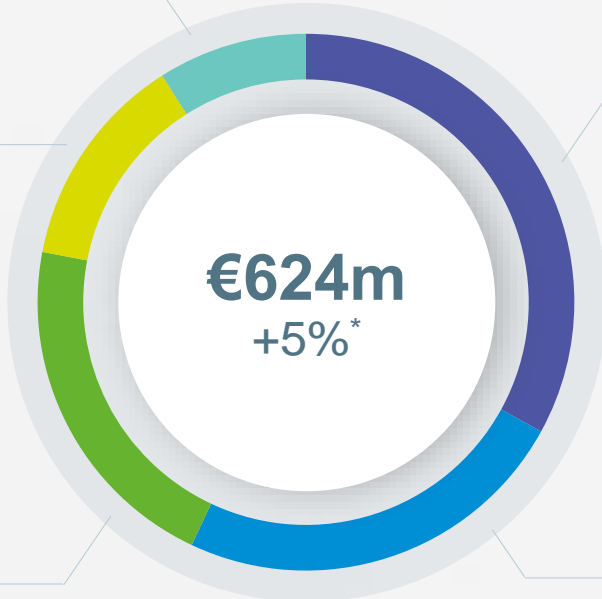
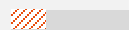
9%
CHEMICALS



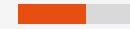
15%
TRANSPORTATION



19%
ENERGIES



33%
PROCESS INDUSTRIES



24%
ELECTRONICS



ORGANIC GROWTH
H1 2024 vs. H1 2023

- +10% - +20%
- +0% - +10%
- 10% - 0%

* Organic growth H1 2024 vs. H1 2023

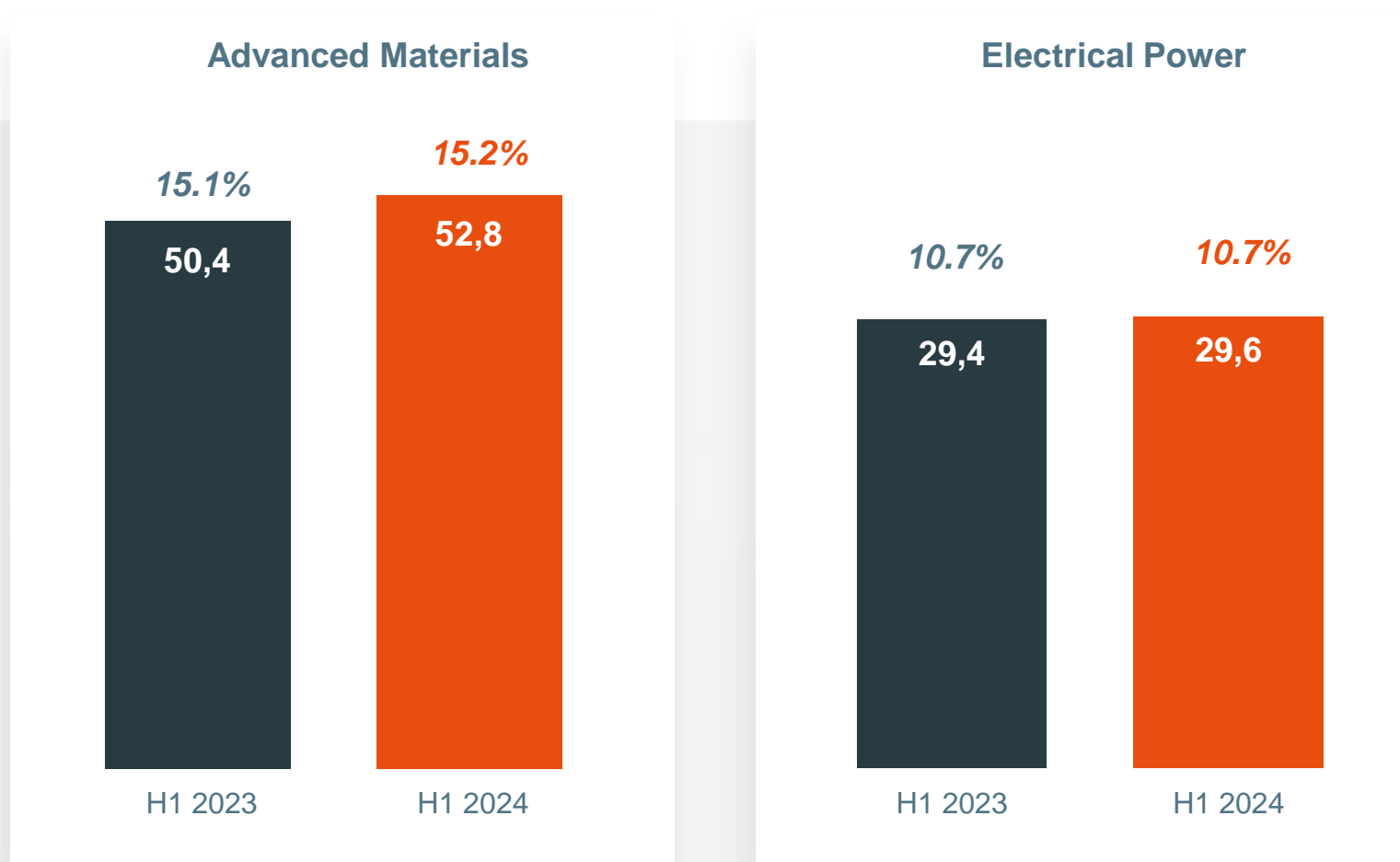
Growth in EBITDA margin and increase in depreciation and amortization

(€m)	H1 2023	H1 2024	
EBITDA before non-recurring items	100.5	105.5	+5%
<i>Recurring EBITDA margin</i>	16.5%	16.9%	
Depreciation and amortization	(31.7)	(35.4)	
Operating income before non-recurring items	68.8	70.1	+2%
<i>Operating margin before non-recurring items</i>	11.3%	11.2%	
ROCE	13.3%	12.4%	

Pricing power that protects our margins

	In % points	
H1 2023 operating margin before non-recurring items	11.3%	
Volume/mix effect	+0.1	
Price effect	+2.2	<p>→ High-tech customized products with limited cost versus total cost</p> <p>+ 0.6 pts</p> <p>→ Operational excellence, purchasing optimization</p> <p>→ +6% on average over the year</p>
Raw material/energy inflation	-1.1	
Optimization measures and productivity gains	+1.1	
Wage inflation	-1.6	
p-SiC project, EV team and hiring for the growth plan	-1.0	
Ramp-up at Columbia site	+0.6	
Depreciation and amortization	-0.5	
H1 2024 operating margin before non-recurring items	11.2%	

Slight growth in operating income before non-recurring items in both segments



● ● Operating income before non-recurring items in €m
Operating income before non-recurring items as a % of sales

Change from H1 2023 to H1 2024

- Slightly favorable **volume effect**, negative **mix effect**
- **Selling price rises** offsetting **inflation** in wages and costs
- **Positive effects** of operational optimization measures
- Increase in **depreciation and amortization** (particularly in the Advanced Materials segment)
- EV and p-SiC projects

Net income including an increase in non-recurring expenses

(€m)	H1 2023	H1 2024
Operating income before non-recurring items	68.8	70.1
<i>Non-recurring income and expenses</i>	<i>(0.1)</i>	<i>(5.4)</i>
<i>Net financial expense</i>	<i>(9.0)</i>	<i>(10.3)</i>
<i>Income tax</i>	<i>(13.6)</i>	<i>(13.0)</i>
Net income	46.1	41.3
<i>Attributable to Mersen shareholders</i>	<i>43.9</i>	<i>38.9</i>

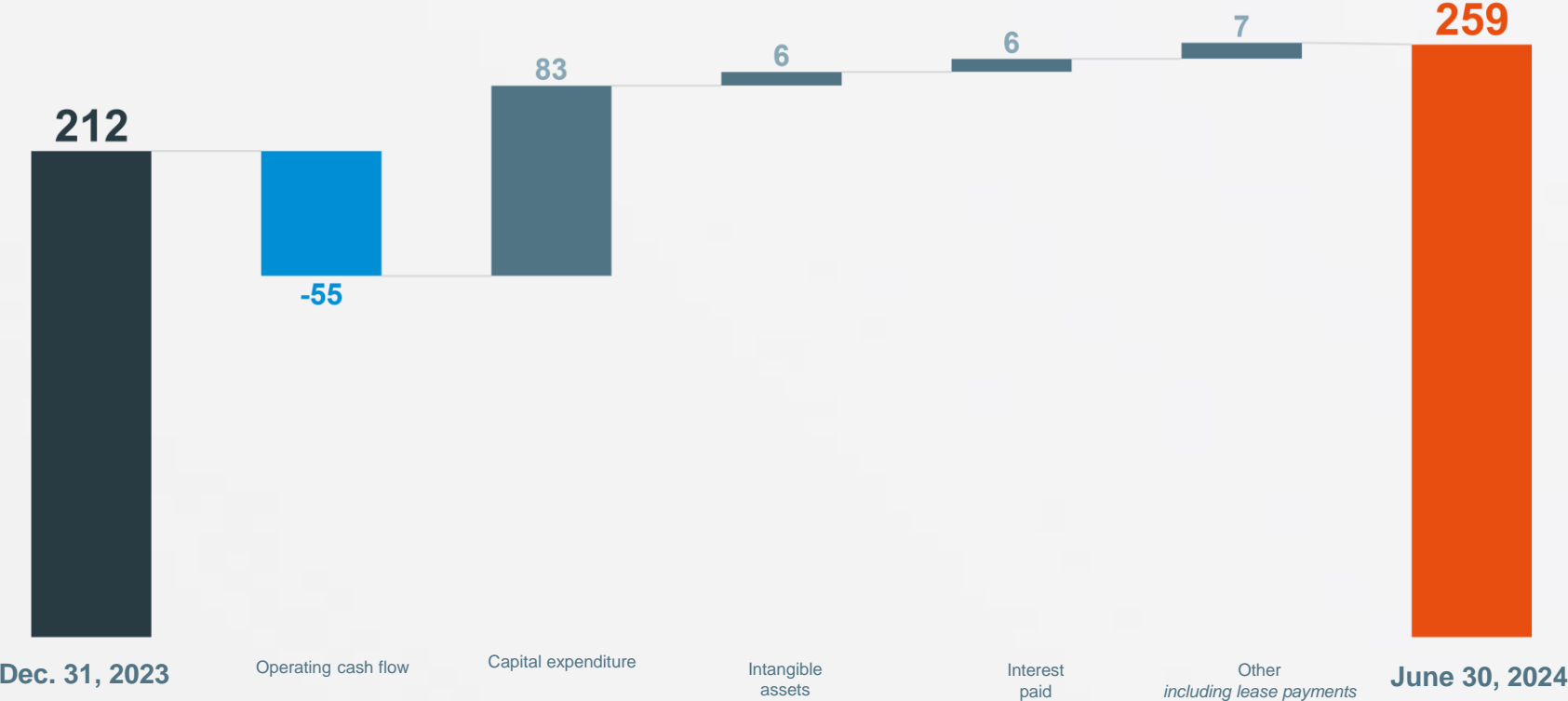
- Acquisition-related costs, optimization measures
- Higher interest rates and increase in average gross debt
- Effective tax rate of **24%**

Growth in operating cash flow partly financing the capital expenditure plan

(€m)	H1 2023	H1 2024	
Operating cash flow before change in WCR	99.2	101.3	
<i>Change in WCR</i>	<i>(44.6)</i>	<i>(40.5)</i>	→ WCR ratio of 21.8% (vs. 22.9% at June 30, 2023)
<i>o/w change in inventories</i>	<i>(40.4)</i>	<i>(22.3)</i>	
<i>Income tax paid</i>	<i>(15.4)</i>	<i>(6.3)</i>	→ One-off rise in 2023
Operating cash flow	39.2	54.5	+39%

A sound financial structure

Net debt (€m)



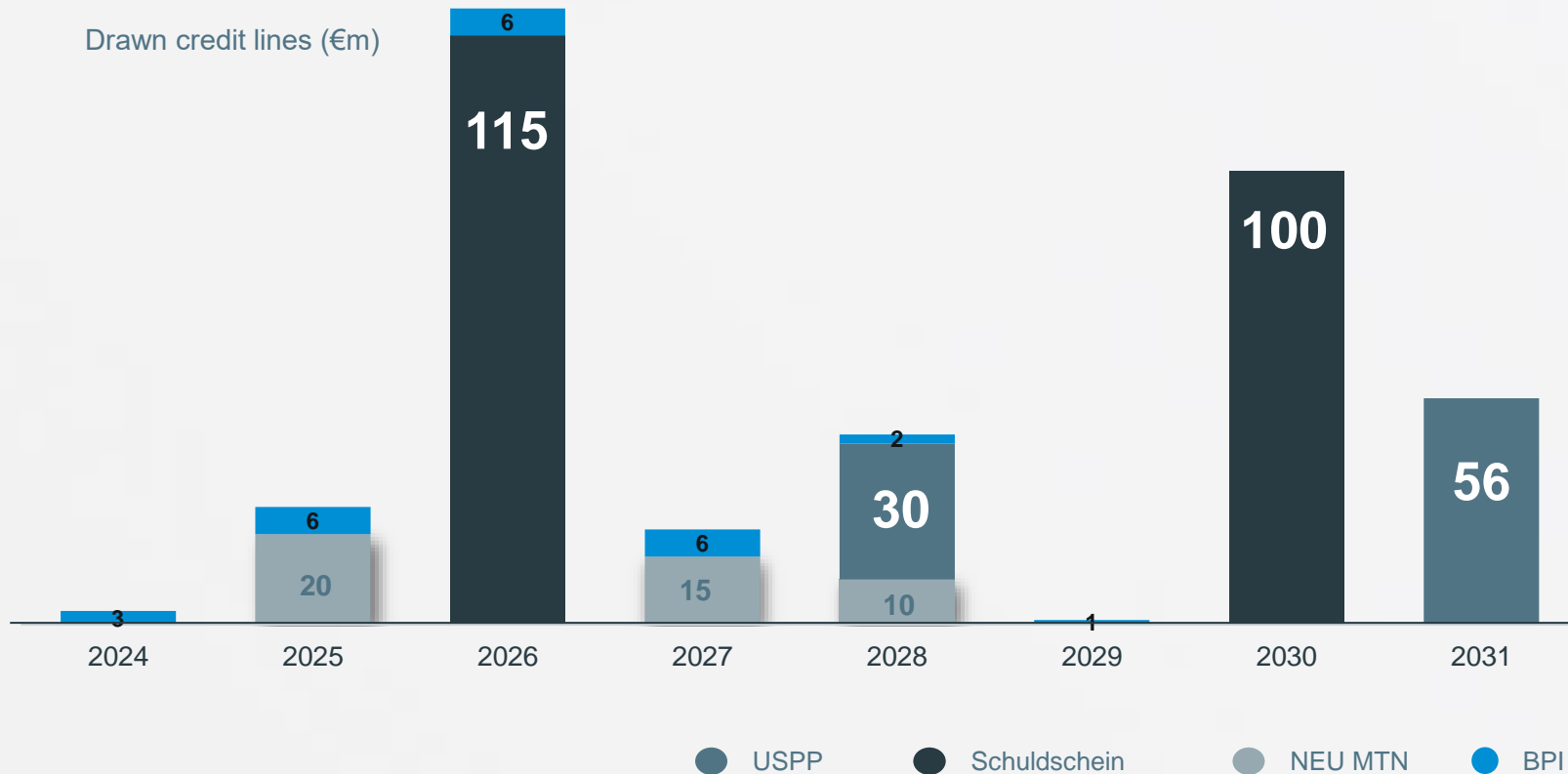
LEVERAGE: 1.33x

(vs. 1.09x at Dec. 31, 2023)

→ Does not include lease liabilities
€52m
 (vs. €54m at Dec. 31, 2023)

→ and pension obligations
€37m
 (vs. €40m at Dec. 31, 2023)

Significant liquidity available for the growth plan



AVAILABLE LIQUIDITY

~€320m
(undrawn Group syndicated loan)
+~€100m
cash

Maturity
4.3 years*

Fixed rate
~58%
of gross debt

At June 30, 2024

* Average maturity calculated based on committed authorized facilities.
NEU MTN: Negotiable European Medium-Term Note.

2024 and 2027 objectives **confirmed**

2024



ORGANIC GROWTH IN SALES

Around **5%**



OPERATING MARGIN BEFORE NON-RECURRING ITEMS

Around **11%**

of sales



CAPITAL EXPENDITURE

between **€200m** and **€240m**

2027



SALES

Around **€1,700m**



OPERATING MARGIN BEFORE NON-RECURRING ITEMS

12% ± 50 pts
of sales



RECURRING EBITDA MARGIN

19% ± 50 pts
of sales



ROCE

13% ± 50 pts
of sales