MERSEN: A STRONG PERFORMANCE IN 2024,

CONFIRMING MEDIUM-TERM AMBITIONS

- RECORD SALES OF €1,244 MILLION
- EXCELLENT OPERATING CASH FLOW BEFORE CAPITAL EXPENDITURE, ABOVE THE 2023 LEVEL
- NET INCOME ATTRIBUTABLE TO MERSEN SHAREHOLDERS OF €59M
- SOLID FINANCIAL STRUCTURE: NET DEBT AND LEVERAGE AT 1.8X, BETTER THAN EXPECTED
- PROPOSED 2024 DIVIDEND OF €0.90 PER SHARE, IN LINE WITH THE GROUP'S DISTRIBUTION POLICY
- 2025 GUIDANCE:
  - REPORTED SALES TO REMAIN STABLE OR INCREASE COMPARED WITH 2024
  - EBITDA MARGIN BEFORE NON-RECURRING ITEMS OF BETWEEN 16% AND 16.5% OF SALES
- CONFIRMATION OF THE MEDIUM-TERM OBJECTIVES COMMUNICATED ON DECEMBER 5, 2024 (I.E., TWO-YEAR DELAY IN THE MEDIUM-TERM PLAN)

PARIS, MARCH 13, 2025 – Mersen (Euronext FR0000039620 – MRN), a global expert in electrical power and advanced materials, has released its consolidated results for the year ended December 31, 2024. The Board of Directors met on March 11, 2025 and approved the audited 2024 financial statements for publication.

Luc Themelin, Mersen's Chief Executive Officer, said: *“Mersen achieved another year of growth in 2024 with record sales. Thanks to the agility and responsiveness of its teams, the Group was able to rapidly adapt to the delay in some of its markets, posting an operating margin before non-recurring items of 10.5% and generating strong operating cash flow. Thanks to these results, we are proposing to our shareholders a dividend of €0.90 per share for 2024, in line with the Group's policy.*
Mersen will leverage its leading positions, balanced international presence and the contribution of last year's acquisitions in the United States to target further sales growth in 2025. The Group will continue its adaptation and cost optimization initiatives. This success is thanks to the high level of commitment and expertise of the Group's employees. I would like to thank them for all their hard work, and reiterate my confidence in our strategic plan amid a turbulent environment, and in the achievement of our medium-term goals.”

	2024	2023
Sales (€m)	**1,244**	**1,211**
Operating margin before non-recurring items	*10.5%*	*11.3%*
EBITDA margin before non-recurring items	*16.5%*	*16.7%*
Net income attributable to Mersen shareholders (€m)	59.0	81.6
ROCE	***10.8%***	***13.0%***
Leverage ratio	*1.82*	*1.09*
Dividend per share (€)	**0.90**	**1.25**

For the definitions, please refer to the glossaries at the end of the press release.

The consolidated financial statements have been audited. The Statutory Auditors' report will be issued after the verification of the management report, and in particular the information regarding the sustainability statement (CSRD).

SALES, EBITDA BEFORE NON-RECURRING ITEMS AND OPERATING INCOME BEFORE NON-RECURRING ITEMS

Mersen's consolidated sales for full-year 2024 totaled €1,244 million, up by 2.6% on an organic basis versus 2023. Over 2% of this growth was attributable to price increases. The unfavorable €9 million currency effect was mainly due to the depreciation of the Chinese renminbi, the Japanese yen and the South Korean won. The scope effect corresponds partly to the disposal of a chemicals business in Germany in August 2023 and of a rail brush business in China in April 2024. It also reflects the consolidation of GMI starting July 1, 2024, of KTK starting October 1, 2024, and of Bar-Lo starting November 1, 2024.

In all, sustainable development markets (including renewable energies, electronics and green transportation) represented 55% of sales in 2024[1].

Group EBITDA before non-recurring items was 1.4% higher year on year, at €205.5 million. The EBITDA margin before non-recurring items in 2024 was 16.5%, close to the margin of 16.7% achieved in 2023.

This change was due to a slightly negative volume/mix effect. Price increases and productivity gains linked in part to the acceleration of the adaptation plan, more than offset the inflation in raw material, energy and labor costs. The EBITDA margin before non-recurring items includes costs related to the p-SiC project and the dedicated EV team, while sales in these markets remain limited.

Operating income before non-recurring items stood at €131.1 million, down slightly compared to 2023 (€137.3 million). The operating margin before non-recurring items was 10.5%, compared with 11.3% in 2023,

[1] This definition does not replace those used in the EU Taxonomy Regulation and Delegated Acts.

mainly due to higher depreciation and amortization related to investments under the growth plan and the slight decline in the EBITDA margin.

Advanced Materials segment

Advanced Materials sales totaled €690 million, up 2.6% on an organic basis over the year. As expected, sales in the solar and silicon semiconductor markets were dampened due to high customer inventory levels. Growth was particularly robust in the transportation market (aeronautics and rail). Sales for the SiC semiconductors market increased by around 10%. Lastly, growth in the chemicals and process industries markets was higher than the Group average.

The EBITDA margin before non-recurring items for the Advanced Materials segment was 21.4%, down compared to 2023 (22.4%). While price increases and productivity gains offset inflation in raw material, energy and labor costs, the mix effect was negative. The EBITDA also reflected higher development costs for the p-SiC project than in 2023.

The operating margin before non-recurring items for the Advanced Materials segment was 13.9%, down on the 15.7% achieved in 2023, due to the lower EBITDA margin and the substantial increase in depreciation and amortization in line with the investment plan.

Electrical Power segment

Electrical Power sales came to €554 million for the year, representing organic year-on-year growth of 2.6%. Sales to the electrical distribution market in the United States remained strong, albeit slightly down on last year. Sales for electric vehicles remained buoyant, as did other transportation markets (rail and aeronautics). However, sales were stable in power electronics.

The EBITDA margin before non-recurring items for the Electrical Power segment grew by 60 basis points to 14.0% (13.4% in 2023). The volume/mix effect was positive and offset the costs of the electric vehicle team. In addition, price increases and productivity gains largely offset the impact of higher raw material and labor costs.

The operating margin before non-recurring items for the Electrical Power segment grew by 40 basis points to 10.5% (10.1% in 2023).

NET INCOME

Net income attributable to owners of the parent amounted to €59.0 million for 2024, compared with €81.6 million in 2023.

Non-recurring items represented a net expense of €23.5 million in 2024, including nearly €17 million in expenses and provisions related to the adaptation plan and €3 million in expenses related to disposals and acquisitions. The remaining costs of the adaptation plan, estimated at €6 million, should be recognized in 2025.

The net financial expense of €24 million, an increase on 2023, was due to higher average gross debt (€392 million in 2024 vs. €314 million in 2023) and higher interest rates on the variable portion of debt.

Income tax expense was €22.0 million, representing an effective tax rate of 26.4%, an increase compared to the 2023 rate (23.4%), due to restructuring costs which did not give rise to tax savings. Excluding this factor, the effective tax rate would be around 24%.

Income from non-controlling interests essentially included Mersen Yantai (China) and Mersen Galaxy (China), in which Mersen holds a 60% stake.

CASH AND NET DEBT

The Group generated very strong cash flow from operating activities of €194 million, up more than 8% compared to last year.

At the end of October, the Group decided to launch a specific inventory reduction plan, which reaped rewards in the fourth quarter of 2024. Inventory was reduced by 5% compared with the end of 2023 (down €14 million), excluding the effect of exchange rates and changes in the scope of consolidation linked to the acquisitions made during the year. In addition, prepayments on contracts in the SiC semiconductor market increased by more than €10 million. These favorable effects were partially offset by substantial bonus payments in respect of 2023.

As a result, there was a positive change in the working capital requirement of €5.9 million. The WCR ratio remained below 20%, at 19.7%, versus 19.1% in 2023.

Taxes paid amounted to €12.9 million, down sharply on the previous year, mainly due to a decrease in earnings linked to non-recurring expenses, and the use of tax receivables.

In 2024, the Group finalized three acquisitions in the United States for cash consideration of €66 million, plus earn-out payments estimated at €8 million, depending on the acquired companies' future results.

In 2024, capital expenditure reached a high point for the Group at €204.3 million. This figure includes €110 million for the Group's growth plan, over €40 million for other growth projects, €40 million for the maintenance, upkeep and modernization of plants and equipment, and €10 million for safety and the environment.

Regarding the Group's growth plan, more than 88% of this expenditure is related to the capacity required for the semiconductor market, including a proportion that can also be used for other markets. The remainder relates to the electric vehicle market.

Investments in intangible assets (€12.3 million) related to the plan to digitize and modernize information systems which began in 2020 and to the capitalization of certain R&D expenses on the p-SiC project.

Net debt at the end of 2024 stood at €370.3 million, an increase compared to December 31, 2023 (€212.5 million), primarily reflecting the financing of investments and acquisitions as part of the Group's growth plan.

The Group recorded return on capital employed (ROCE) of 10.8% in 2024 (13.0% in 2023). The change reflects the Group's major investment cycle, which is expected to pay off in 2028/2029.

FINANCIAL STRUCTURE

The Group's financial structure as of December 31, 2024 remained solid with a leverage ratio of 1.8x and a 42% gearing ratio, better than anticipated.

Changes in financial structure since December 31, 2024:

As part of its growth plan and in order to refinance its 2025-2026 loan maturities, on February 4, 2025 Mersen took out a second US private placement for USD 100 million, maturing in 2035, and €90 million, maturing in 2032, redeemable at maturity, with a pool of North American investors. The funds will become available in April 2025.

DIVIDEND

At the Annual General Meeting to be held on May 16, 2025, the Board of Directors will recommend the payment of a €0.90 cash dividend per share. This would represent a total payout of around €22 million. The dividend would correspond to 37% of net income attributable to owners of the parent, or 30% of net income adjusted for restructuring costs, in line with Mersen's dividend policy (i.e., a payout of between 30% and 40% of net income attributable to owners of the parent). The dividend payment date will be July 9, 2025.

2025 GUIDANCE

Mersen believes that 2025 will be a year of transition due to a temporary slowdown in the electric vehicle and SiC semiconductor markets, which has led it to push back its medium-term targets communicated in March 2023 by two years, from 2027 to 2029.

For 2025, the Group has the following expectations of its medium-term growth markets:

- a temporary slowdown in the solar market at the beginning of the year, following on from the trend at the end of 2024;
- a significant drop in the silicon carbide (SiC) semiconductors market, impacted by a three-year lag in demand. Mersen is renegotiating contracts with its customers with the aim of adjusting its production rate over the next three years;
- dynamic growth in the silicon semiconductor market after a sluggish 2024;
- moderate growth in the electric vehicle market.

In its other markets, the Group expects to see:

- growth in the rail market;
- continued brisk business growth in aeronautics;
- lower sales in chemicals after a record year in 2024;
- growth depending on macro-economic trends for process industries.

To adapt to this year of transition, the Group will continue to implement its cost and inventory adaptation plan.

Consequently, in 2025, the Group is aiming for:

- reported sales to remain stable or increase compared with 2024, based on EUR/USD exchange rates of 1.05 and EUR/RMB exchange rates of 7.65, representing organic growth of between -5% and 0;
- EBITDA margin before non-recurring items of between 16% and 16.5% of sales;
- operating margin before non-recurring items of between 9 and 9.5% of sales, reflecting a significant increase in depreciation and amortization;
- capital expenditure of between €160 million and €170 million, including €15 million pushed back from the end of 2024.

NEW CORPORATE SUSTAINABILITY REPORTING DIRECTIVE (CSRD)

The Group has complied with the European Corporate Sustainability Reporting Directive (CSRD) and will publish its first sustainability report this year, by late March.

2029 MEDIUM-TERM PLAN

The Group confirms the objectives of its 2029 growth plan as communicated on December 5, 2024, namely:

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

CONDENSED CONSOLIDATED STATEMENT OF INCOME

In millions of euros	2024	2023
Sales	**1,243.6**	**1,210.9**
Gross income	385.8	385.4
Selling, marketing and other expenses	(90.2)	(88.5)
Administrative and research expenses	(163.1)	(158.5)
Amortization of revalued intangible assets	(1.4)	(1.2)
Operating income before non-recurring items	**131.1**	**137.3**
As a % of sales	*10.5%*	*11.3%*
Non-recurring income and expenses	(23.5)	(5.9)
Operating income	**107.5**	**131.4**
Net financial expense	(24.0)	(19.3)
Current and deferred income tax	(22.0)	(26.2)
Net income	**61.5**	**85.9**
Attributable to Mersen shareholders	59.0	81.6

SEGMENT ANALYSIS

In millions of euros	Advanced Materials		Electrical Power		Group	
	2024	2023	2024	2023	2024	2023
Sales	689.8	669.4	553.8	541.5	1,243.6	1,210.9
EBITDA before non-recurring items	147.3	149.8	77.7	72.8	205.5	202.7
As a % of sales	*21.4%*	*22.4%*	*14.0%*	*13.4%*	*16.5%*	*16.7%*
Operating income before non-recurring items	96.1	105.0	58.0	54.6	131.1	137.3
As a % of sales	*13.9%*	*15.7%*	*10.5%*	*10.1%*	*10.5%*	*11.3%*

CONDENSED STATEMENT OF CASH FLOWS

In millions of euros	2024	2023
Cash generated by operating activities before change in working capital requirement	197.8	201.0
Change in working capital requirement	9.1	3.2
Income tax paid	(12.9)	(25.0)
Net cash generated by operating activities	**194.0**	**179.3**
Capital expenditure	(204.3)	(176.3)
Disposals of assets and other	3.1	1.6
Net cash generated by/(used in) operating activities after capital expenditure, net of disposals	**(7.2)**	**4.5**
Investments in intangible and financial assets	(12.3)	(11.0)
Changes in scope of consolidation	(66.4)	2.1
Net cash used in operating and investing activities	**(85.9)**	**(4.4)**

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

In millions of euros	Dec. 31, 2024	Dec. 31, 2023
Non-current assets	1,151.3	903.9
Right-of-use assets	59.7	50.6
Inventories	307.8	299.2
Trade and other receivables	205.6	199.5
Other assets	4.5	16.3
TOTAL	**1,728.9**	**1,469.6**
Total equity	882.4	817.7
Provisions	22.7	13.8
Employee benefit obligations	32.4	40.4
Trade and operating payables	268.6	268.6
Other liabilities	88.2	62.7
Lease liabilities	64.4	53.9
Net debt	370.3	212.5
TOTAL	**1,728.9**	**1,469.6**

WORKING CAPITAL TO SALES RATIO

In millions of euros	2024	2023
Inventories	308	299
Trade receivables	177	169
Other operating receivables	27	27
Contract assets	2	3
Trade payables	(81)	(84)
Other operating payables	(119)	(121)
Contract liabilities	(69)	(64)
Working capital requirement	**245**	**230**
Sales (4 x fourth quarter)	1,243	1,205
WCR as a % of sales	**19.7%**	**19.1%**

The Group's results for 2024 will be presented on March 13, 2025 at 10:00 a.m. CET in a webcast streamed on Mersen's website.

FINANCIAL CALENDAR

First-quarter 2025 sales: April 24, 2025 after the markets close

ABOUT MERSEN

Mersen is a **global expert in electrical power and advanced materials** for high-tech industries. With more than 50 industrial sites and 21 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 has focused tirelessly on innovation** to accompany its clients and meet their needs. Be it in wind power, solar, electronics, electric vehicles, aeronautics, space or many other sectors, wherever technology is progressing, you will always find a bit of Mersen.

MERSEN IS PART OF THE SBF 120 INDEX (EURONEXT PARIS – COMPARTMENT B)

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GLOSSARY

Average capital employed: Average capital employed for the last three half-year periods.

Capital expenditure: Investments in property, plant and equipment.

EBITDA before non-recurring items: Operating income before non-recurring items, depreciation and amortization.

Gearing: Covenant net debt divided by equity.

Leverage: Covenant net debt divided by covenant EBITDA.

Net debt: Sum of long- and medium-term borrowings, current financial liabilities and current bank loans, less current financial assets, cash and cash equivalents.

Operating cash flow: Net cash generated by operating activities.

Operating margin before non-recurring items: Operating income before non-recurring items divided by sales.

Organic 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.

Payout ratio: Ratio of dividend per share proposed for the year to earnings per share for the year, calculated based on the number of ordinary shares excluding treasury shares at year-end.

Recurring EBITDA margin: EBITDA before non-recurring items divided by sales.

ROCE: Return on capital employed: operating income before non-recurring items for the last 12 months divided by average capital employed.

WCR: Working capital requirement: sum of trade receivables, inventories, contract assets and other operating receivables, less trade payables, contract liabilities and other operating payables.

WCR ratio: Working capital requirement divided by sales for the last quarter, multiplied by four.