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“These dynamic markets should help us achieve sales of around €1.2bn and an operating margin before non-recurring items of at least 11% by 2025.”

Luc Themelin, Chief Executive Officer

MESSAGE FROM THE CEO

AN AMBITIOUS PLAN FOR 2025

Our ambition is to play a role in improving the way we live, which is increasingly linked to protecting the environment and its resources. The Group's products and solutions, designed on demand for exacting customers, are essential to progress and technological innovation.

Our strategy will shape the Mersen of 2025. It will see us leverage our positioning in markets buoyed by strong long-term growth trends, namely solar power, electric vehicles and semiconductors,

where annual growth is expected to average around 18% through 2025. These dynamic markets should help us achieve sales of around €1.2 billion and an operating margin before non-recurring items of at least 11% by 2025.

This positive outlook has also been made possible by the unwavering commitment of our teams worldwide, and by the support of our shareholders. I would like to take this opportunity to thank you for that. •

How to contact us?

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- FACEBOOK Mersen
- YOUTUBE MersenGroup

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CSR

MERSEN PUBLISHES ITS NEW CSR ROADMAP

Mersen has just unveiled a new CSR roadmap, building on the solid achievement of its first roadmap between 2018 and 2021. It is designed to help Mersen continue on its positive trajectory and better manage the social and environmental footprint of its operations. The new roadmap is based on the following priorities: being a responsible partner driven by a commitment to progress for all; limiting environmental impact through commitments to reduce

greenhouse gas emission intensity and water consumption and to increase waste recycling; developing human capital by promoting equal opportunity, diversity, a social responsibility policy for all and health and safety at work; and

deploying an exemplary ethics and compliance culture. To support this ambitious policy, the Board of Directors has decided to designate Magali Joëssel as director responsible for CSR issues.



Magali Joëssel

+ REVIEW OF THE 2018-2021 CSR ROADMAP

56%

of sales linked to sustainable development

62%

Waste recycling rate

1.6

LTIR*

* Lost time injury rate

SEMICONDUCTOR MARKET: MAJOR GROWTH POTENTIAL FOR MERSEN

KEY FIGURES

Average annual growth in the SiC semiconductor market between 2021 and 2030:

+23%

Estimated sales potential for Mersen in 2030

€230M TO €280M

Mersen held a virtual “Chip-Chat” last December to present its strategy in the semiconductor market: a must-have given market complexity.



Mersen has set out an ambitious strategy to meet accelerating needs for semiconductors around the world. The Group is deploying its unique expertise in materials and insulating felts to tackle some of the technical challenges inherent in manufacturing silicon- and silicon carbide-based semiconductors.

The Group will also help develop a new family of polycrystalline silicon carbide substrates specifically for the electric vehicle market through its partnership with Soitec (see box opposite).

Mersen expects sales in the semiconductor market to reach €140-170 million in 2025 and €230-280 million in 2030, depending on the success of the Soitec-developed technology.

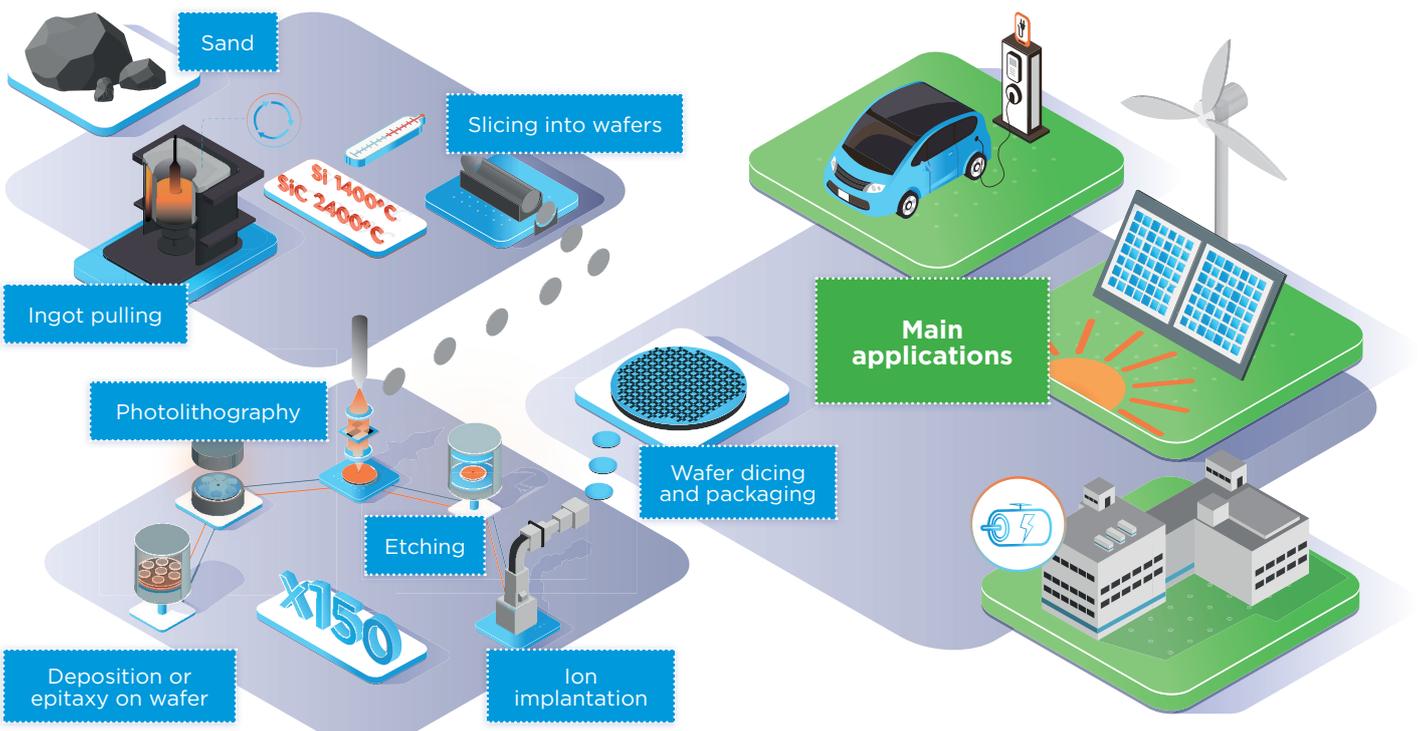
Mersen is at the forefront of this market’s sustained growth, meaning that future prospects are very bright indeed!

Strategic partnership with Soitec

Last November, Mersen announced a strategic technical partnership with Soitec, a world leader in the design and production of innovative semiconductor materials. The main aim of this partnership is to develop a new family of polycrystalline silicon carbide substrates. The technology used will make it possible to offer the electronics industry a high-performance, cost-effective substrate for the production of power semiconductors, especially for the electric vehicle market.

The semiconductor manufacturing process

[▶ See an animated version of the process](#)



MERSEN TECHNOLOGY ABOARD NASA'S JAMES WEBB TELESCOPE

The successor to the Hubble Telescope, the NASA-developed James Webb Space Telescope, launched in late 2021, promises to be the world's next great space science observatory. Orbiting 1.5 million kilometers from Earth, it will be the largest telescope ever sent into space.

Mersen's silicon carbide was selected for the manufacture of one of the four onboard instruments, the Near Infrared Spectrograph (NIRSpec), due to the extreme thermo-mechanical stability that it offers at temperatures as low as -230°C. The NIRSpec is capable of measuring the infrared spectra of more than a hundred space objects such as stars and galaxies, with high spectral resolutions.



Almost a month after its launch, the James Webb Space Telescope has reached its final orbit, 1.5 million kilometers from Earth!



NEW

ENERGY TO INNOVATE: DAZZLING INNOVATIONS

For 130 years, Mersen has been bringing progress to life. In 2021, Mersen inaugurated its "Energy to Innovate" magazine dedicated to the innovations that have marked the Group's history.

The second issue, published in digital format on the Group's website, features Mersen's latest developments in solar power, some of the key events that have revolutionized the industry in its time, and the highlights of 2021.



Receive a printed copy by sending your request to Mersen's Shareholders service at: dri@mersen.com

REMARKABLE PERFORMANCE IN 2021

Mersen reported consolidated sales of €923 million in 2021, up 8.6% on an organic basis compared with 2020. Sustainable development markets grew by nearly 10% year on year to 56% of total sales, compared with 51% of total sales in 2019.

Operating income before non-recurring items came to €92.6 million, resulting in an operating margin before non-recurring items of 10% of sales, an increase of 190 basis points compared with 2020.

Group EBITDA came to €148.8 million, representing a margin of 16.1%, up 160 basis points on 2020.

Net income for the period amounted to €54.4 million in 2021, versus a net loss of €12 million in 2020.

The Group generated strong operating cash flow in the year (€117 million) despite an increase in working capital requirement due to the upturn in business.

This very good performance enabled Mersen to finance

the significant investment program planned for 2021.

Cash generated by operating activities before change in working capital requirement and restructuring surpassed €146 million, versus €119 million in 2020, representing an increase of nearly 23%.

The Group reported a significant level of industrial capital expenditure in 2021 at nearly €79 million, in line with the amount anticipated at the start of the year. In addition to maintenance expenditure, outlays primarily related to the installation of insulation production lines and the start-up of the extruded graphite production line at the Columbia site in the United States, as well as the increase in production capacity to serve the SiC semiconductor market.

Consequently, net debt at end-2021 was €193 million, versus €180 million at end-2020.

Mersen maintained a solid financial structure during the year. The Group carried out a private placement in 2021 for a combined amount of USD 60 million and €30 million, which enabled it to extend the maturity of its debt drawn down to six years. •



“ Mersen reported consolidated sales of €923m in 2021, up 8.6% on an organic basis compared with 2020.”

Thomas Baumgartner,
Chief Financial Officer

+2021 KEY FIGURES

Sales

€923M

Net income

€54M

Capex

€79M

Dividend per share*

€1

* Subject to shareholder approval at the General Meeting.

Dividend

At the Annual General Meeting to be held on May 19, 2022, the Board of Directors will ask shareholders to approve the payment of a €1 per share cash dividend. This payout reflects the good full-year performance and the strength of Mersen's balance sheet while rewarding shareholder loyalty.

The dividend payment date will be July 7, 2022.





2022 ANNUAL GENERAL MEETING

The Annual General Meeting will be held on **Thursday, May 19, 2022 at 10 a.m.**, at Auditorium Coeur Défense. It will be broadcast live on Mersen's website.



Access plan:
Auditorium Coeur Défense
110 Esplanade du Général de Gaulle
92400 Courbevoie
France

The Annual General Meeting is an opportunity to review developments in Mersen's business activity and its outlook. As a shareholder, you are invited to vote on the draft resolutions proposed by the Board of Directors.

HOW TO VOTE?

- **Online:** between **9 a.m. on May 2, 2022 and 3 p.m. on May 18, 2022**, Paris time, via Votaccess, the secure online voting platform.

Registered shareholders

Log on to www.sharinbox.societegenerale.com and follow the on-screen instructions.

You will automatically be redirected to the Votaccess online platform.

Holders of bearer shares

Connect to the web portal of your financial intermediary to access the Votaccess platform, and follow the on-screen instructions.

From the Votaccess site, you can:

- Vote directly on resolutions,
- Request to attend the General Meeting in person,
- Give proxy to the Chairman of the Meeting or to a third-party, or revoke any proxies.

- By postal **mail using the voting form.**
The voting form must reach Société Générale by May 16, 2022, at the latest.

Registered shareholders

You will receive the voting form by post, unless you have otherwise opted to receive it electronically.

Return the completed, dated and signed form to Société Générale.

Holders of bearer shares

Send the completed voting form to your custodian who will send it to Société Générale.

The voting form can be obtained from your custodian or be downloaded from Mersen's website.



IF YOU HAVE ANY QUESTIONS

Send any questions for the Chairman of the Board of Directors to the following dedicated email address by May 13, 2022:

ag-mersen-2022@mersen.com,

Questions must be accompanied by a share registration certificate. Answers will be given during the Meeting.

You can also send questions by registered letter with proof of receipt to the Group's registered office: Tour Trinity, 1 bis place de la Défense - 92400 Courbevoie - France

YOUR REGISTERED SHAREHOLDER SERVICE

The management of registered shares has been entrusted to **Société Générale**, your contact for the management of your shares.

The management platform

The **Sharinbox** platform is now used to access your Mersen securities portfolio and is also your point of contact for **communicating with Société Générale**.



To access Sharinbox, go to <https://sharinbox.societegenerale.com/>

First-time connection:

Enter your 8-figure access code, the default password and security code sent to you by post.



Postal address

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SHAREHOLDER QUESTIONS

HOW TO RECEIVE YOUR NOTICE ELECTRONICALLY?

Mersen offers its registered shareholders the possibility of receiving their notice of meeting by email, known as "e-convocation". Choosing this option means a simple, fast, secure and cost-efficient way of receiving notices of meeting. By doing so, you help protect the environment by enabling us to avoid printing and mailing hard-copy notices and thereby reduce our carbon footprint.

To choose the e-convocation, simply log into www.sharinbox.societegenerale.com, go to the "My account" section and then click on "My profile".

You have until April 14 to make this choice for the Annual General Meeting of May 19, 2022. After this date, your choice will apply for subsequent meetings.