

MERSEN & YOU

°50
March 2024

LETTER TO SHAREHOLDERS

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“The year ahead will see Mersen continue its development.”

Luc Themelin,
Chief Executive Officer

MESSAGE FROM THE CEO

MERSEN MAINTAINED ITS STRONG GROWTH MOMENTUM

We achieved excellent results in 2023, with sales of €1.2 billion for an organic growth of 13%, far exceeding initial forecasts.

Operating income before non-recurring items increased sharply from 2022, taking into account the costs required to build our position in the electric vehicle market and to develop the new p-SiC technology for power semiconductors, as well as costs of ramping up production at the Columbia plant in the United States.

We also significantly increased our capital expenditure, particularly at our Advanced

Materials sites in the United States, in line with our road-map.

Our non-financial performance in 2023 was equally remarkable, with a particularly noteworthy 26% reduction in CO₂ emissions intensity compared with 2022. On top of that, the proportion of women in engineering and managerial positions rose to more than 26%.

In 2024, we will continue to implement our strategic plan with care and enthusiasm by bringing all our teams on board. I strongly believe that the year ahead will see Mersen continue its development, with even more value created for all our stakeholders. •

NEWS

Find out more: for all the latest news, visit www.mersen.com

CERTIFICATION

GREAT PLACE TO WORK



The Chinese and Indian sites, Mersen's head office in Paris (France) and the Service Center in Germany all obtained "Great Place to Work" certification in 2023. The label rewards companies deemed to be a good workplace based on employee answers to survey questions.

GOVERNANCE

CHANGES TO THE BOARD OF DIRECTORS

With the departure of Magali Joëssel, permanent representative of Bpifrance Investissement on the Board since May 2018, the Board of Directors is evolving!

Carolle Foissaud is resigning as an independent director of Mersen and becoming a permanent representative of Bpifrance Investissement. To replace Carolle Foissaud as an independent director, the Board of Directors has appointed Jocelyne Vassoille, currently Vice-President, Human Resources and member of the Executive Committee of Vinci. She will bring to the Board her extensive experience in human resources management for major international groups, as well as in governance and CSR issues. Her appointment is subject to ratification by the next Annual General Meeting.



Jocelyne Vassoille

How to contact us

🌐 SITE INTERNET
www.mersen.com

☎ TÉLÉPHONE
+33 (0)1 46 91 54 49

📘 FACEBOOK
Mersen

📷 INSTAGRAM
MersenGroup

✉ E-MAIL
dri@mersen.com

🌐 LINKEDIN
[@company/mersen](https://www.linkedin.com/company/mersen)

▶ YOUTUBE
MersenGroup

COMBINING GROWTH AND CSR: MERSEN'S COMMITMENTS

Mersen is already a major player in sustainable development markets, with 56% of its sales going to these markets. But Mersen wants to go even further in managing the social and environmental footprint of its business. To this end, it has been taking an ambitious, results-oriented approach for several years.

In March 2024, the Group set itself a new 2027 CSR roadmap, in line with its strategic objectives and with a view to growing its business in a responsible and sustainable way. Mersen's commitment to CSR is reflected in several objectives across the entire value chain, built on four pillars:

- **Be a responsible partner** by improving social and environmental practices throughout our value chain;
- **Limit our environmental footprint** and contribute to decarbonizing and mitigating the impact of our activities on climate change;
- **Develop our human capital** by welcoming diversity, promoting a social responsibility policy for all and offering good working conditions and career prospects;
- **Cultivate an ethics and regulatory compliance culture.**

Mersen is laying the foundations for a sustainable future thanks to the commitment of all its employees.

Examples of 2027 targets:

Achieve a minimum of 85% of external purchases with local suppliers

Increase the share of renewable electricity to 80%

Increase the share of waste recycled to 80%

Promoting a social responsibility policy for all (for 100% of its employees worldwide):

- Provide social protection with a universal life insurance
- Standardize profit-sharing schemes
- Adopt a minimum amount of paid leave in all countries

SPOTLIGHT ON A FEW LOCAL INITIATIVES:

Mersen promotes initiatives implemented by local teams, as well as working alongside local charities. Through these initiatives, the sites and teams collectively engage in community outreach actions that in turn provide them with a sense of pride and meaning.

INDIA: PRESERVING WATER SUPPLY

The Bangalore site in India has had a water conservation plan since 2019. It is working collectively to find solutions to save water, such as reprocessing wastewater or installing water savers. The site also benefits from a 200,000-liter reservoir to collect rainwater.

WIN NETWORK

The Women in Mersen network (WiN) offers more visibility and development opportunities to women in the Group. Structured around regional representatives, the Asian, American and European networks run events and practical initiatives to promote diversity.



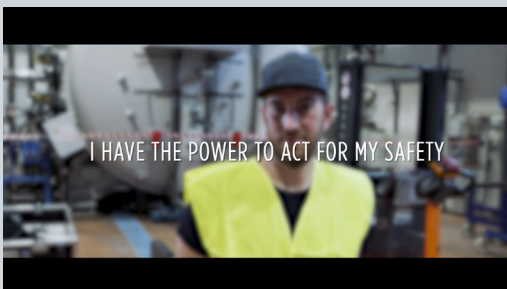
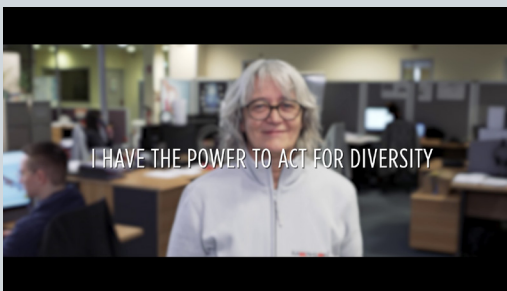
FRANCE: FUNDING CANCER RESEARCH

Some 706 Mersen employees in France took part in the Institut Curie's "A Daffodil Against Cancer" connected race. Thanks to their engagement, Mersen covered a total of 41,695 kilometers. For each kilometer covered, the Group donated €1 to cancer research, for a total of €41,695.

Power to act

Group employees are talking about how each and every one of us can take action for society and the environment.

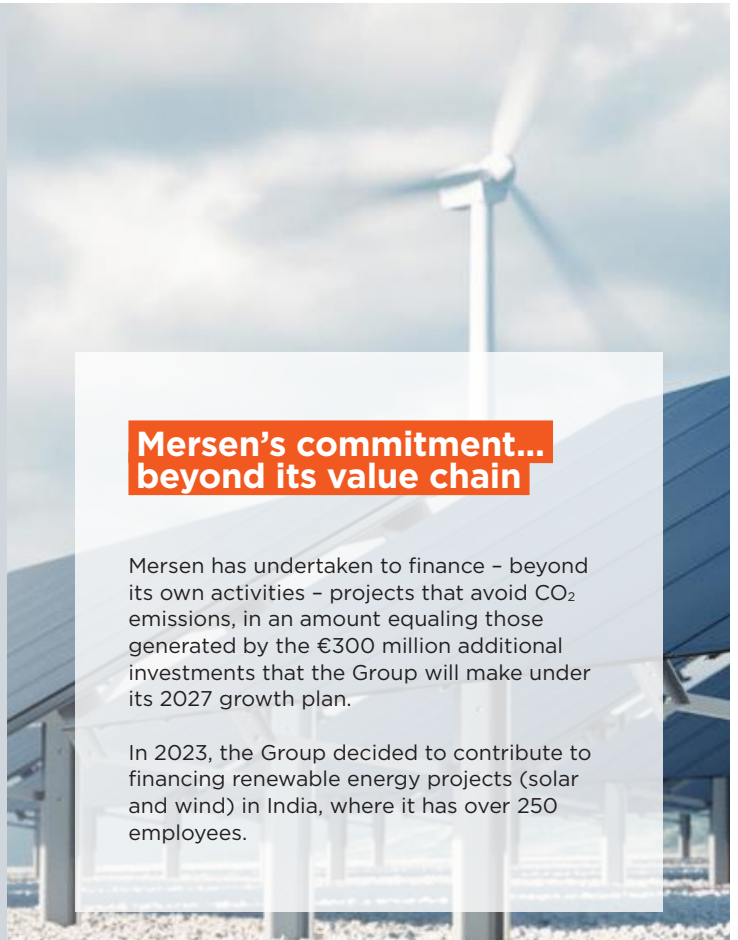
Discover their practical commitment to safety and diversity on Mersen's YouTube channel.



Mersen's commitment... beyond its value chain

Mersen has undertaken to finance - beyond its own activities - projects that avoid CO₂ emissions, in an amount equaling those generated by the €300 million additional investments that the Group will make under its 2027 growth plan.

In 2023, the Group decided to contribute to financing renewable energy projects (solar and wind) in India, where it has over 250 employees.



REMARKABLE PERFORMANCE IN 2023

Mersen has substantially outperformed the targets it set itself in early 2023. Sales for full-year 2023 totaled €1.2 billion, up by 13.2% on an organic basis versus 2022. Around 5% of this growth was attributable to price increases. The currency effect was an unfavorable €39 million.

Operating income before non-recurring items rose by 19% at constant exchange rates, including temporary additional costs to prepare for future growth. This very good performance is due in particular to the Group's ability to offset inflation through price increases. The operating margin before non-recurring items also increased to 11.3%, versus 10.9% in 2022.

The Group generated very strong cash flow from operating activities, thanks to improved operational profitability and a positive change in working capital requirement. This change was driven by an increase in advance payments on contracts in the SiC semiconductor market.

In line with its roadmap, Mersen carried out a significant level of capital expenditure, to the tune of €176 million. Almost 54% of this

amount (€95 million) relates to the growth plan presented by the Group in March 2023. Another 21% relates to the maintenance, upkeep and modernization of plants and equipment, and 25% to other Group growth projects, including environmental and safety improvements at our sites.

Consequently, net debt at December 31, 2023 stood at €212.5 million, down compared with December 31, 2022 (€240.6 million), primarily reflecting the capital increase completed in May 2023 and, conversely, the significant increase in capital expenditure as part of the Group's growth plan.

The Group's financial structure at December 31, 2023 remained solid with a leverage ratio of 1.09x and a 25% gearing ratio. Furthermore, as part of its growth plan, Mersen successfully completed a Schuldschein private placement on March 7, 2024 for €100 million and a term of almost six years.



“ This very good performance is due to the Group's ability to offset inflation through price increases.

Thomas Baumgartner,
Chief Financial Officer

+2023 KEY FIGURES

Sales:

€1,211M

Net income attributable to Mersen shareholders:

€82M

Capital expenditure:

€176M

Dividend per share*:

€ 1,25

* Subject to shareholder approval at the Annual General Meeting.

Dividend

At the Annual General Meeting to be held on May 16, 2024, the Board of Directors will ask shareholders to approve the payment of a **€1.25** per share cash dividend, stable compared with 2022. This would result in a total payout of around €30 million, **up 17% from 2022** due to a higher number of shares following the capital increase, representing 37% of net income attributable to Mersen shareholders, up from 33% in 2022.

The dividend payment date will be July 4, 2024.





2024 ANNUAL GENERAL MEETING

The Annual General Meeting will be held at 10 a.m. on **Thursday, May 16, 2024**, at the Tour Trinity Auditorium. It will be broadcast live on Mersen's website.



Getting there:
Tour Trinity Auditorium
1 bis place de la Défense - 92400 Courbevoie, France
(Metro/RER: "La Défense Grande Arche" station, Exit F "Calder Miro". Parking: CNIT)

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 resolutions proposed by the Board of Directors.

HOW TO VOTE

- **Online:** between **9 a.m. on April 26, 2024** and **3 p.m. on May 15, 2024** (Paris time) via Votaccess, the secure online voting platform.

Holders of registered shares

Log onto <https://www.sharinbox.societegenerale.com> and follow the instructions on the screen.

You will then automatically be redirected to the VOTACCESS online platform.

Holders of bearer shares

To access the VOTACCESS platform, log onto your custodian's web portal and follow the instructions on the screen.

From the VOTACCESS site, you can:

- Vote directly on resolutions.
- Request to attend the Annual General Meeting in person.
- Give proxy to the Chairman of the meeting or to a third-party; revoke a proxy.

- By post **using the voting form.**
The voting form must reach Société Générale by May 13, 2024, at the latest.

Holders of registered shares

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

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

Holders of bearer shares

Send the completed voting form and your shareholding certificate to your custodian, which will send them to Société Générale.

The voting form can be obtained from your custodian or 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 10, 2024:

ag-mersen-2024@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 acknowledgment 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 any share-related questions and requests you may have.

The Management platform **Sharinbox** can be used to access your Mersen securities portfolio and to **contact Société Générale**.



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

Enter your 8-digit access code or email address (if you have already activated your account on Sharinbox by SG Market) and your password. For all inquiries, contact Société Générale Securities Services at +33 (0)2 51 85 67 89.



Postal address

Société Générale Securities Services
SGSS/SBO/CIS/ISS/SRP
32 rue du Champ de Tir - CS 30812
44308 Nantes CEDEX 3
FRANCE



OPT FOR SIMPLE AND SUSTAINABLE NOTICES OF MEETING

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 onto www.sharinbox.societegenerale.com, go to the "My account" section and then click on "My profile".

You have until April 11, 2024 to make this choice for the Annual General Meeting of May 16, 2024. After this date, your choice will apply for subsequent meetings.