

Q1 2017: ORGANIC GROWTH IN SALES OF 4.9%

- A FIRST QUARTER THAT SUPPORTS THE PROSPECT OF A RETURN TO ORGANIC GROWTH OVER THE FULL YEAR
- PARTICULARLY STRONG EXPANSION IN THE WIND POWER AND ELECTRONICS MARKETS
- SHARP INCREASE IN BUSINESS IN ASIA AND EUROPE
- A PROMISING PERFORMANCE THAT REFLECTS THE GROUP'S NEW DYNAMIC

PARIS, APRIL 26, 2017 – Mersen (Euronext FR0000039620 – MRN), a global expert in electrical power and advanced materials, has reported consolidated sales of €203 million for the first quarter of 2017.

“We have started the year with strong organic growth in sales, thanks to an exceptional performance in Asia and Europe,” said Luc Themelin, Mersen's Chief Executive Officer. *“Some of our expanding markets, like wind power, electronics and aeronautics, particularly contributed to the gains. We are extremely satisfied to see how our efforts have fed through to our sales results. All of our employees remain engaged on the road to excellence, both in our operations and in marketing and sales, and I am sure that this will strengthen the Group's positioning in its markets.”*

FIRST-QUARTER 2017 SALES

Consolidated sales amounted to €203 million in the first quarter of 2017, representing a year-on-year increase of 7% as reported, including the favorable currency effect, and of 4.9% on a like-for-like basis.

	Q1 2017	Q1 2016 ⁽²⁾	Total growth	Organic growth ⁽¹⁾
Advanced Materials	111.1	101.3	9.6%	7.4%
Electrical Power	92.4	88.8	4.1%	2.0%
Consolidated total	203.5	190.1	7.0%	4.9%
Europe	69.8	65.4	6.6%	8.1%
Asia-Pacific	53.2	44.3	20.1%	17.4%
North America	72.0	70.6	2.1%	-1.6%
Rest of the world	8.5	9.8	-13.6%	-22.2%
Consolidated total	203.5	190.1	7.0%	4.9%

Unaudited figures

(1) On a like-for-like basis

(2) Adjusted for the high-power switches business sold in first-quarter 2017

Sales in the **Advanced Materials** segment rose by a steep 7.4% year-on-year to end the quarter at €111 million. Every market contributed to growth, with particularly strong gains in the aeronautics, electronics and process industries markets. Business in the chemicals market also increased, due to the low prior-year comparatives.

Electrical Power sales came to €92 million for the quarter, up 2% on a like-for-like basis. Growth was robust in power electronics and wind power, which helped to offset the continued weakness in sales to the electrical distribution market in the United States.

In **Europe**, growth was significant in both segments, in the aeronautics, power electronics and chemicals markets. In particular, the Group saw strong gains in the region's two key countries, France and Germany. The Group also delivered an exceptional performance in **Asia**, with an organic increase of more than 17%. Business was especially dynamic in China, South Korea and India, led by the wind power and electronics markets. In **North America**, sales in the electrical distribution market were again down year-on-year, but leveled off compared with year-end 2016. Overall, business in the region remained slightly lower. The decline in the **Rest of the World** reflected the unfavorable basis of comparison relating to chemicals contracts in Brazil and Morocco.

2017 OUTLOOK

Following the first quarter's good results, the Group expects to see positive momentum in its expanding markets. Despite some favorable signs, the environment remains difficult to predict, especially in the Americas. The Group is therefore confirming the full-year guidance announced at the same time as its 2016 results on March 8, i.e., year-on-year organic sales growth of between 0% and 2% in 2017, with a 50 to 100 basis point improvement in operating margin before non-recurring items.

NEXT REPORTING DATE

First-half 2017 results: July 31, 2017 after market close

ABOUT MERSEN

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 6,100 employees working across 35 countries, recorded sales of €764 million in 2016.

MERSEN IS LISTED ON Euronext Paris – COMPARTMENT B

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