

## 2016 SALES IN LINE WITH EXPECTATIONS

- SALES OF €764 MILLION IN 2016, STABLE COMPARED WITH 2015
- STRONG GROWTH IN ASIA
- IMPROVEMENT IN NORTH AMERICA IN Q4
- 2016 TARGET OPERATING MARGIN BEFORE NON-RECURRING ITEMS OF AROUND 7.8%, VS AN INITIAL TARGET OF AROUND 7.5%

PARIS, JANUARY 26, 2017 – Mersen (Euronext FR0000039620 – MRN), a global expert in electrical power and advanced materials, has reported consolidated sales of €764 million for full-year 2016.

*"Mersen's 2016 sales are closely in line with 2015. Strong performances in the renewable energy and transportation markets, and in Asia in general, helped to offset the sharp decline recorded throughout most of the year in North America's oil and electrical distribution sectors.*

*Mersen is well-equipped to deliver medium-term growth, thanks to the diversification of our markets and sales regions, our strong presence in fast-growing, high-potential markets and our ambitious plan to boost competitiveness, which has enabled us to raise our 2016 target operating margin before non-recurring items. The key decisions made during 2016 will also continue to deliver results in the medium term. The Group looks to the future with confidence as 2017 gets under way. Supported by our new organizational structure, all of our employees are committed to making a difference in tomorrow's economic environment,"* commented Luc Themelin, Chief Executive Officer of Mersen.

## 2016 SALES

As expected, Mersen's consolidated sales for full-year 2016 were closely in line with 2015, at €764 million. They included €6 million relating to the consolidation of ASP (China), acquired at the start of the year, as well as a negative €8 million currency effect mainly attributable to declines in the British pound, the Chinese yuan and the Canadian dollar.

	2016	2015 <sup>(2)</sup>	Total growth	Organic growth <sup>(1)</sup>
Advanced Materials	411.8	419.5	-1.8%	-0.1%
Electrical Power	351.8	348.1	+1.1%	-0.6%
<b>Group total</b>	<b>763.6</b>	<b>767.6</b>	<b>-0.5%</b>	<b>-0.3%</b>
Europe	258.2	261.6	-1.3%	-0.1%
Asia-Pacific	194.4	177.9	+9.3%	+6.6%
North America	273.5	288.4	-5.1%	-4.7%
Rest of the world	37.4	39.8	-5.9%	-1.5%
<b>Group total</b>	<b>763.6</b>	<b>767.6</b>	<b>-0.5%</b>	<b>-0.3%</b>

(1) On a like-for-like basis

(2) Adjusted for operations held for sale (high-voltage switches)

Unaudited figures

In the **Advanced Materials** segment, sales totaled €412 million in 2016, in line with 2015 on a like-for-like basis. The full-year figure reflects a decline in sales to the chemicals sector in the first half of 2016, which was largely offset by a strong performance in the renewable energy, aerospace and electronics markets.

In the **Electrical Power** segment, sales amounted to €352 million over the full year, down very slightly on a like-for-like basis. Demand was strong in the renewable energy and electric vehicle markets, but declined in the process industries in particular due to the downturn in the oil and electrical distribution sectors in North America.

In **Europe**, like-for-like sales were stable compared with 2015. The region's key countries – France and Germany – performed in line with the previous year. In **Asia**, organic growth came out at nearly 7% for the full year. Sales were particularly buoyant in India, China and Japan thanks to the Group's positioning in the renewable energy and transportation markets. In **North America**, business improved in the fourth quarter, but was impacted over the full year by declines in the chemicals, electrical distribution and oil sectors.

#### FOURTH-QUARTER 2016 SALES

Sales amounted to €188 million in the fourth quarter of 2016.

	Q4 2016	Q4 2015 <sup>(2)</sup>	Total growth	Organic growth <sup>(1)</sup>
Advanced Materials	98.3	99.5	-1.2%	-1.2%
Electrical Power	89.5	87.0	+2.9%	-0.2%
<b>Group total</b>	<b>187.8</b>	<b>186.5</b>	<b>+0.7%</b>	<b>-0.7%</b>
Europe	60.2	65.1	-7.5%	-5.8%
Asia-Pacific	53.7	46.1	+16.6%	+11.1%
North America	65.2	65.1	+0.1%	-0.9%
Rest of the world	8.7	10.2	-15.0%	-20.9%
<b>Group total</b>	<b>187.8</b>	<b>186.5</b>	<b>+0.7%</b>	<b>-0.7%</b>

(1) On a like-for-like basis

(2) Adjusted for operations held for sale (high-voltage switches)

Unaudited figures

In **North America**, the situation was more favorable in the fourth quarter, particularly in the electrical distribution sector. Business was also satisfactory in electronics but slowed temporarily in wind power. In **Europe**, the decline was largely attributable to non-recurring chemical sector sales in 2015, which could not be fully offset by sound performances in the solar and power electronics sectors. **Asia**, on the other hand, recorded particularly strong growth, with solid performances in China, India and Korea driven by the transportation market and certain process industries.

## 2016 RESULTS

Mersen is now expecting an operating margin before non-recurring items for full-year 2016 of around 7.8% of sales (initial guidance was 7.5% of sales).

As announced in September 2016, the Group will record around €25 million in non-recurring costs in its 2016 consolidated financial statements in respect of the vast majority of the costs relating to the operational excellence plan.

## FINANCIAL CALENDAR

2016 results: March 8, 2017 before market opening – Meeting at 10.00am

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## 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 IS LISTED ON Euronext Paris – COMPARTMENT B

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