

First half 2016

- Sales **€839.5 million (up 34.8%)**
- EBITDA ⁽¹⁾ **€24.2 million**

On September 7, 2016 the Board of Directors chaired by Eric Jacquet examined the consolidated financial statements for the period ended June 30, 2016, which were subject to a limited review by the Statutory Auditors.

€m	Q2 2016	Q2 2015	H1 2016	H1 2015
Sales	417.0	306.4	839.5	622.9
Gross margin	101.5	74.5	195.6	150.5
% of sales	24.3%	24.3%	23.3%	24.2%
EBITDA ⁽¹⁾	15.4	13.5	24.2	27.9
% of sales	3.7%	4.4%	2.9%	4.5%
Operating income before non-recurring items ⁽¹⁾	10.0	9.3	14.1	20.6
% of sales	2.4%	3.0%	1.7%	3.3%
Operating income	10.1	9.6	14.5	20.6
Net income (Group share)	3.4	4.6	2.3	10.9

(1) Adjusted for non-recurring items. The 2016 Half-Year results include a definition of non-IFRS financial indicators and explain the methods used to calculate them.

First half 2016 sales and earnings

Sales amounted to €839.5 million, up 34.8% compared to first half 2015, including:

- volumes up 5.4% (Q1: up 3.6%; Q2: up 7.4%) at constant consolidation and up 48.4% including the acquisition of Schmolz+Bickenbach Distribution by the IMS group division in July 2015 (six companies operating in Germany, Austria, the Netherlands and Belgium);
- a price effect of -13.6% (Q1: -13.3%; Q2: -13.9%) at constant consolidation, with a knock-on effect on gross margin and income. The Q2 2016 price effect compared to Q1 2016 was -1.9%.

Gross margin amounted to €195.6 million or 23.3% of sales (25.1% at constant consolidation - Q1: 24.3%; Q2: 25.8%) versus 24.2% in H1 2015.

At constant consolidation, operating expenses were down 1.1% compared to H1 2015.

Accordingly, EBITDA came to €24.2 million (Q1: €8.8 million; Q2: €15.4 million) and operating income before non-recurring items was €14.1 million (Q1: €4.1 million; Q2: €10 million) versus €20.6 million in H1 2015. This change was mainly due to the decline in Group gross margin caused by falling sale prices and the impact of Schmolz+Bickenbach Distribution's performance on the IMS group results.

The improvement in results between Q1 and Q2 2016 is mainly resulting from the increase in the gross margin rate.

Net income (Group share) amounted to €2.3 million.




Financial position

As of June 30, 2016, operating working capital amounted to €369.3 million, or 23.2% of sales compared to 27% as of December 31, 2015.

First half 2016 Group operating cash flow amounted to €28 million, while capital expenditure mainly related to new finishing capacity totaled €9.5 million.

As of June 30, 2016, Group net debt stood at €200.3 million compared to shareholders' equity of €283.6 million, resulting in a net debt to equity ratio of 70.6% compared to 72.3% at December 31, 2015.

First half 2016 earnings by division

	 stainless steel and wear-resistant quarto plates		 long stainless steel products		 engineering steels	
€m	Q2 2016	H1 2016	Q2 2016	H1 2016	Q2 2016	H1 2016
Sales	84.2	169.1	106.4	216.7	224.8	453.8
Change vs 2015	-7.3%	-7.0%	-7.4%	-8.5%	123.7%	121.1%
Price effect	-17.3%	-17.8%	-17.0%	-15.4%	-6.7%	-7.1%
Volume effect	10.0%	10.8%	9.6%	6.9%	0.4%	-2.1%
Change in consolidation	0.0%	0.0%	0.0%	0.0%	130.0%	130.3%
EBITDA ^{(1) (2)}	2.7	4.6	4.1	6.7	6.6	9.4
% of sales	3.2%	2.7%	3.9%	3.1%	2.9%	2.1%
Operating income before non-recurring items ⁽²⁾	0.8	0.8	3.5	5.7	4.4	5.4
% of sales	1.0%	0.4%	3.3%	2.7%	2.0%	1.2%

⁽¹⁾ Non-division operations (including Jacquet Metal Service SA) contributed €2.0 million to Q2 2016 EBITDA and €3.5 million to H1 2016 EBITDA.

⁽²⁾ Adjusted for non-recurring items. The definition and calculation method of the non-IFRS financial indicators are integrated on the 2016 Half-Year results.

Jacquet-Abraservice

This division comprises the Jacquet and Abraservice brands, respectively specialized in the distribution of stainless steel and wear-resistant quarto plates. Jacquet and Abraservice have separate sales networks.

First half volumes rose 10.8% compared to H1 2015 (Q1: up 11.6%; Q2: up 10%).

Sales amounted to €169.1 million, down 7% from €181.7 million in H1 2015, impacted by falling prices (-17.8% price effect versus H1 2015 - Q1: -18.1%; Q2: -17.3%). The Q2 price effect compared to Q1 2016 was -1.3%.

The gross margin rate rose 1.2 percentage points to 29.5%, while gross margin came to €49.9 million compared to €51.4 million in H1 2015.

EBITDA came to €4.6 million (Q1: €1.9 million; Q2: €2.7 million), down from €6.2 million in first half 2015. The division's earnings were impacted by falling sale prices and challenging market conditions in North America.

- **Stappert**

First half volumes rose 6.9% compared to H1 2015 (Q1: up 4.4%; Q2: up 9.6%), including 6.2% growth in Germany (a market accounting for nearly half of the division's sales).

Sales came to €216.7 million (down 8.5% from H1 2015), given that Stappert's business was also affected by the fall in prices (-15.4% versus H1 2015, including Q1: -13.9%; Q2: -17.0%). The Q2 price effect compared to Q1 2016 was -2.8%.

The gross margin rate rose 0.4 percentage points to 20.4%, while gross margin came to €44.1 million compared to €47.4 million in H1 2015.

EBITDA came to €6.7 million (Q1: €2.6 million; Q2: €4.1 million), down from €10.4 million in first half 2015 mainly due to falling sale prices.

- **IMS group**

At constant consolidation, first half 2016 volumes fell 2.1% compared to H1 2015 (Q1: down 4.2%; Q2: up 0.4%).

IMS group sales came to €453.8 million, up 121.1% from H1 2015 (-2.1% volume effect at constant consolidation; +130.3% change in consolidation, i.e. €267 million corresponding to Schmolz+Bickenbach Distribution H1 2016 sales; -7.1% price effect, including Q1: -7.8%; Q2: -6.7%). The Q2 price effect compared to Q1 2016 was -1.6%.

Gross margin amounted to €99.3 million or 21.9% of sales (25.4% at constant consolidation) versus 24% in H1 2015.

EBITDA was €9.4 million (Q1: €2.8 million; Q2: €6.6 million), compared to €9.5 million in H1 2015.

For 2016, the division is focusing mainly on integrating and turning around the business of Schmolz+Bickenbach Distribution.

**The half-year report may be downloaded from: www.jacquetmetalservice.com.
September 30, 2016 YTD results: Wednesday, November 9, 2016 after close of trading**

Jacquet Metal Service is a European leader in the distribution of specialty steels. The Group operates and develops a portfolio of four brands: JACQUET (stainless steel quarto plates), Stappert (long stainless steel products), Abraservice (wear-resistant quarto plates) and IMS group (engineering steels). Jacquet Metal Service employs 3,356 people and has a network of 109 distribution centers across 26 countries spanning Europe, China and North America.

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