

First half 2017 results

September 6, 2017

- > **Sales:** **€911 million (+8.5% vs H1 2016)**
- > **EBITDA:** **€60.7 million (6.7% of sales)**
- > **Net income (Group share):** **€27.7 million**

On September 6, 2017 the Board of Directors chaired by Éric Jacquet examined the consolidated financial statements for the period ended June 30, 2017, which were subject to a limited review by the Statutory Auditors.

€m	Q2 2017	Q2 2016	H1 2017	H1 2016
Sales	445.7	417.0	910.7	839.5
Gross margin	114.2	101.5	236.0	195.6
% of sales	25.6%	24.3%	25.9%	23.3%
EBITDA ¹	29.5	15.4	60.7	24.2
% of sales	6.6%	3.7%	6.7%	2.9%
Operating income before non-recurring items ¹	23.2	10.0	50.1	14.1
% of sales	5.2%	2.4%	5.5%	1.7%
Operating income	22.1	10.1	49.2	14.5
Net income (Group share)	12.4	3.4	27.7	2.3

¹ Adjusted for non-recurring items. The business review includes a definition of non-IFRS financial indicators and explains the methods used to calculate them.

First half 2017 sales and earnings

Group sales amounted to €911 million, +8.5% compared to first half 2016, including the following effects:

- > Volumes sold -1.8% (Q2: -5.2%);
- > Price: +10.3% (Q2: +12.1%).

Gross margin amounted to €236 million or 25.9% of sales (Q2: 25.6%) compared to 23.3% in H1 2016.

EBITDA came to €60.7 million (Q2: €29.5 million), amounting to 6.7% of sales compared to 2.9% in H1 2016.

Operating income before non-recurring items amounted to €50.1 million (5.5% of sales) compared to €14.1 million (1.7% of sales) in H1 2016.

Net income (Group share) amounted to €27.7 million (3% of sales) compared to €2.3 million (0.3% of sales) in H1 2016.

Financial position

The Group generated operating cash flow of €48 million during H1 2017. As of June 30, 2017, operating working capital amounted to €389 million, including inventories of €387 million, and represented 23.4% of sales, stable compared to year end 2016.

As of June 30, 2017, Group net debt stood at €172 million, compared with shareholders' equity of €313 million, resulting in a net debt to equity ratio of 55% (69% as of December 31st, 2016).

First half 2017 earnings by division

€m	JACQUET		STAPPERT		ims group	
	ABRASERVICE		Long stainless steel products		Engineering steels	
	Q2 2017	H1 2017	Q2 2017	H1 2017	Q2 2017	H1 2017
Sales	97.8	195.9	114.4	240.6	232.1	472.7
Change vs 2016	16.2%	15.9%	7.5%	11.0%	3.2%	4.2%
Price effect	13.3%	13.3%	18.2%	16.3%	8.8%	6.4%
Volume effect	2.8%	2.6%	-10.7%	-5.3%	-5.6%	-2.3%
EBITDA ^{1,2}	6.4	13.5	7.0	16.7	12.6	26.5
% of sales	6.6%	6.9%	6.1%	6.9%	5.4%	5.6%
Operating income before non-recurring items ²	3.9	8.9	6.3	15.8	10.1	22.6
% of sales	4.0%	4.5%	5.5%	6.6%	4.4%	4.8%

¹ Non-division operations contributed €3.4 million to Q2 2017 EBITDA and €4.0 million to H1 2017 EBITDA.

² Adjusted for non-recurring items. The business review includes a definition of non-IFRS financial indicators and explains the methods used to calculate them.

JACQUET – Abraservice This division specializes in the distribution of stainless steel and wear-resistant quarto plates. Jacquet and Abraservice have separate sales networks. The division generated 72% of its business in Europe and 18% in North America.

Sales amounted to €195.9 million, +15.9% from €169.1 million in H1 2016: volumes sold +2.6% (Q2: +2.8%), prices +13.3% (Q2:+13.3%).

The gross margin rate rose 1.4 percentage points to 30.9% of sales, while gross margin came to €60.5 million compared to €49.9 million in H1 2016.

EBITDA amounted to €13.5 million (Q2: €6.4 million), representing 6.9% of sales, compared to €4.6 million (2.7% of sales) in H1 2016.

STAPPERT This division specializes in the distribution of long stainless steel products in Europe. It generated 41% of its sales in Germany, the largest European market.

Sales amounted to €240.6 million, +11% from €216.7 million in H1 2016: volumes sold -5.3% (Q2: -10.7%), prices +16.3% (Q2: +18.2%).

The gross margin rate rose 3 percentage points to 23.3% of sales, while the gross margin came to €56.1 million compared to €44.1 million in H1 2016.

EBITDA amounted to €16.7 million (Q2: €7 million), representing 6.9% of sales, compared to €6.7 million (3.1% of sales) in H1 2016.

IMS group IMS group specializes in the distribution of engineering steels, mostly in the form of long products. The division generated 47% of its sales in Germany, the largest European market.

Sales amounted to €472.7 million, +4.2% from €453.8 million in H1 2016: volumes sold -2.3% (Q2: -5.6%), prices +6.4% (Q2: +8.8%).

The gross margin rate rose 2.8 percentage points to 24.7% of sales, while the gross margin came to €116.7 million compared to €99.3 million in H1 2016.

EBITDA amounted to €26.5 million (Q2: €12.6 million), representing 5.6% of sales, compared to €9.4 million (2.1% of sales) in H1 2016. S+B Distribution contributed €10.2 million (3.8% of sales) to EBITDA, compared to €1 million in H1 2016.

Key financial information

Results

€m	H1 2017	H1 2016
Sales	910.7	839.5
Gross margin	236.0	195.6
% of sales	25.9%	23.3%
EBITDA ¹	60.7	24.2
% of sales	6.7%	2.9%
Operating income before non-recurring items ¹	50.1	14.1
% of sales	5.5%	1.7%
Operating income	49.2	14.5
Net income (Group share)	27.7	2.3

¹ Adjusted for non-recurring items. The activity report includes a definition of non-IFRS financial indicators and explains the methods used to calculate them.

Balance sheet

€m	30.06.2017	31.12.2016
Goodwill	68.4	68.5
Net non-current assets	144.8	147.6
Net inventory	387.2	376.2
Net trade receivables	230.6	171.3
Other assets	92.4	91.7
Cash	66.4	73.0
Total assets	989.9	928.3
Shareholders' equity	312.7	296.5
Provisions (including provisions for employee benefit obligations)	105.6	112.3
Trade payables	229.1	176.4
Borrowings	242.2	281.2
Other liabilities	100.3	61.8
Total equity and liabilities	989.9	928.3

Cash flow

€m	H1 2017	2016
Operating cash flow before change in working capital	49.2	45.3
Change in working capital	(1.5)	(2.2)
Cash flow from operating activities	47.7	43.1
Capital expenditure	(8.0)	(18.3)
Asset disposals	0.6	1.2
Dividends paid to shareholders of Jacquet Metal Service SA	—	(9.5)
Interest paid	(5.4)	(9.6)
Other movements	(2.2)	1.3
Change in net debt	32.8	8.3
Net debt brought forward	205.3	213.5
Net debt carried forward	172.5	205.3

The half-year report may be downloaded from: www.jacquetmetalservice.com.

Q3 2017 results: Wednesday, November 15, 2017 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 3 317 people and has a network of 109 distribution centers across 26 countries spanning Europe, China and North America.