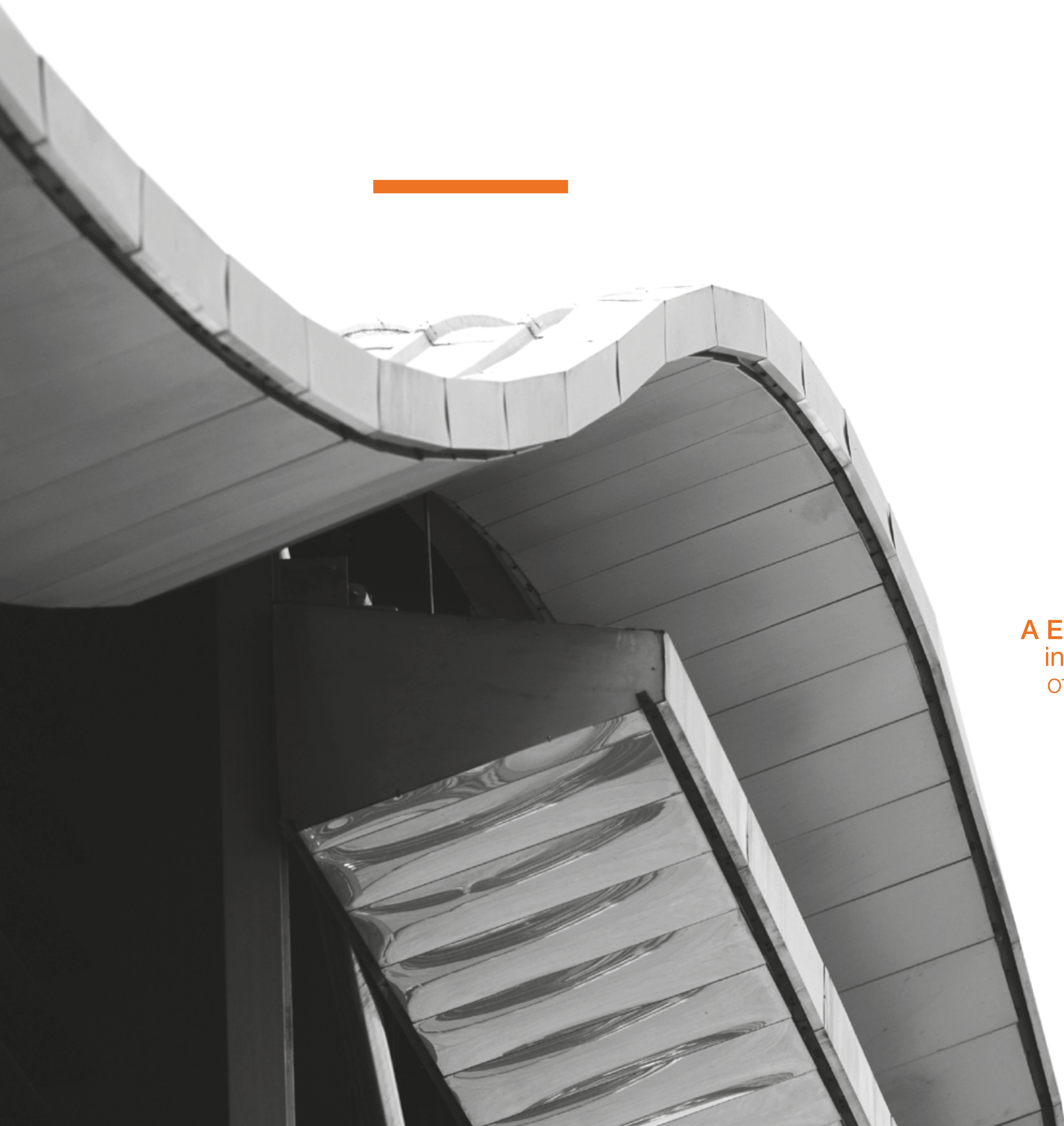
JACQUET METAL SERVICE

Activity report

JUNE 30, **2018**



A European leader
in the distribution
of specialty steels

— Euronext Paris
Compartment B

Press release dated September 5, 2018 - 6.00 pm CET
First half 2018 results

> **Sales** **€984 million (+8% vs. H1 2017)**

> **EBITDA** **€67.3 million (6.8% of sales)**

> **Net income (group share)** **€40.6 million**

On September 5, 2018 the Board of Directors chaired by Éric Jacquet examined the consolidated financial statements for the period ended June 30, 2018, which were subject to a limited review by the Statutory Auditors.

€m	Q2 2018	Q2 2017	H1 2018	H1 2017
Sales	**481.5**	**445.7**	**984.0**	**910.7**
Gross margin	122.9	114.2	248.9	236.0
% of sales	*25.5%*	*25.6%*	*25.3%*	*25.9%*
EBITDA [1]	**32.8**	**29.5**	**67.3**	**60.7**
% of sales	*6.8%*	*6.6%*	*6.8%*	*6.7%*
Adjusted operating income [1]	**28.6**	**23.2**	**58.0**	**50.1**
% of sales	*5.9%*	*5.2%*	*5.9%*	*5.5%*
Operating income	28.7	22.1	62.1	49.2
Net income (Group share)	**18.2**	**12.4**	**40.6**	**27.7**

[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.

First half 2018 sales and earnings

Sales amounted to €984 million, up +8% compared to first half 2017, including the following effects:

> Volumes sold: +2.8% (Q2: +2.1%)
> Price: +5.3% (Q2: +5.9%).

Gross margin amounted to €248.9 million or 25.3% of sales (Q2: 25.5%) compared to €236 million (25.9% of sales) in H1 2017.

Operating expenses excluding non-recurring items amounted to €190.9 million in H1 2018, +2.7% from €185.9 million in H1 2017 mainly due to the increase in Group activity.

EBITDA increased +10.9% and amounted to €67.3 million (Q2: €32.8 million), representing 6.8% of sales, compared to €60.7 million (6.7% of sales) in H1 2017.

Net income (Group share) amounted to €40.6 million (4.1% of sales) compared to €27.7 million (3% of sales) in H1 2017.

Financial position

As of June 30, 2018, operating working capital represented 24.4% of sales and amounted to €442 million (including inventories of €487 million), versus €383 million (including inventories of €418 million) at December 31, 2017.

As a result, as of June 30, 2018 Group net debt stood at €202.3 million compared to shareholders' equity of €352.2 million, resulting in a net debt to equity ratio of 57.4% (55.2% as of December 31, 2017).

First half 2018 sales and earnings by division

€m	JACQUET ABRASERVICE Stainless steel and wear-resistant quarto plates		STAPPERT Stainless steel long products		IMS group Engineering steels	
	Q2 2018	H1 2018	Q2 2018	H1 2018	Q2 2018	H1 2018
Sales	**106.7**	**210.8**	**123.8**	**253.0**	**251.1**	**519.4**
Y.o.y. change	**9.1%**	**7.6%**	**8.2%**	**5.2%**	**8.2%**	**9.9%**
Price effect	2.8%	0.8 %	0.3%	-0.1%	10.2%	9.8%
Volume effect	6.2%	6.8%	7.9%	5.2%	-2.0%	0.1%
EBITDA [1 2]	**10.3**	**17.8**	**7.6**	**14.9**	**13.2**	**30.9**
% of sales	*9.6%*	*8.4%*	*6.1%*	*5.9%*	*5.2%*	*5.9%*
Adjusted operating income [2]	**8.4**	**14.0**	**6.9**	**14.1**	**12.1**	**27.7**
% of sales	*7.8%*	*6.6%*	*5.6%*	*5.6%*	*4.8%*	*5.3%*

1 Non-divisional operations (including Jacquet Metal Service SA) contributed €1.8 million to EBITDA in Q2 2018 and €3.8 million in H1 2018.
2 Adjusted for non-recurring items The activity report includes a definition of non-IFRS financial indicators and explains the methods used to calculate them.

JACQUET – Abraservice specializes in the distribution of stainless steel and wear-resistant quarto plates. JACQUET and Abraservice have separate sales networks. The division generated 73% of its business in Europe and 20% in North America.

Sales amounted to €210.8 million, up +7.6% from €195.9 million in H1 2017: volumes sold +6.8% (Q2: +6.2%), prices +0.8% (Q2: +2.8%).

Gross margin amounted to €68.2 million (32.4% of sales) compared to €60.5 million in H1 2017 (30.9% of sales).

EBITDA amounted to €17.8 million (Q2: €10.3 million), representing 8.4% of sales, compared to €13.5 million (6.9% of sales) in H1 2017.

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

Sales amounted to €253 million, up +5.2% from €240.6 million in H1 2017: volumes sold +5.2% (Q2: +7.9%), prices -0.1% (Q2: +0.3%).

Gross margin amounted to €55.3 million (21.9% of sales) compared to €56.1 million (23.3% of sales) in H1 2017. The gross margin variation is explained among others by a positive price effect more important in Q1 2017 than in Q1 2018.

EBITDA was €14.9 million (Q2: €7.6 million), representing 5.9% of sales, compared to €16.7 million (6.9% of sales) in H1 2017.

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

Sales amounted to €519.4 million, up +9.9% from €472.7 million in H1 2017: volumes sold +0.1% (Q2: -2%), prices +9.8% (Q2: +10.2%).

Gross margin amounted to €123.5 million (23.8% of sales) compared to €116.7 million (24.7% of sales) in H1 2017.

EBITDA amounted to €30.9 million (Q2: €13.2 million), representing 5.9% of sales, compared to €26.5 million (5.6% of sales) in H1 2017.

Key financial information

Income statement

€m	H1 2018	H1 2017
Sales	**984.0**	**910.7**
Gross margin	248.9	236.0
% of sales	*25.3%*	*25.9%*
EBITDA [1]	**67.3**	**60.7**
% of sales	*6.8%*	*6.7%*
Adjusted operating income [1]	**58.0**	**50.1**
% of sales	*5.9%*	*5.5%*
Operating income	62.1	49.2
Net income (Group share)	**40.6**	**27.7**

[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.

Cash flow

€m	H1 2018	H1 2017
Operating cash flow before change in working capital	56.5	49.2
Change in working capital	(63.0)	(1.5)
Cash flow from operating activities	**(6.5)**	**47.7**
Capital expenditure	(10.4)	(8.0)
Asset disposals	4.3	0.6
Dividends paid to shareholders of Jacquet Metal Service SA	–	–
Interest paid	(4.8)	(5.4)
Other movements	(1.8)	(2.2)
Change in net debt	**(19.2)**	**32.8**
Net debt brought forward	**183.1**	**205.3**
Net debt carried forward	**202.3**	**172.5**

Balance sheet

€m	30.06.18	31.12.17
Goodwill	68.3	68.3
Net non-current assets	154.2	156.2
Net inventory	487.3	418.0
Net trade receivables	246.8	189.3
Other assets	99.9	94.0
Cash	118.4	102.1
Total assets	**1,174.9**	**1,027.9**
Shareholders' equity	352.2	331.8
Provisions (including provisions for employee benefit obligations)	102.0	106.5
Trade payables	292.0	224.0
Total borrowings	324.5	289.6
Other liabilities	104.2	76.0
Total equity and liabilities	**1,174.9**	**1,027.9**

Activity report — JUNE 30, 2018

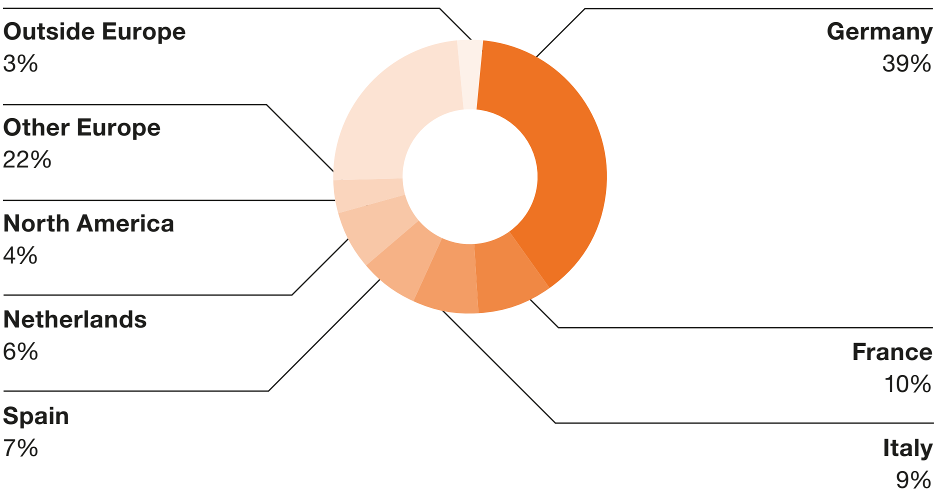
1 A leading distributor of specialty steels

Jacquet Metal Service is a European leader in the distribution of specialty steels and is also active in Asia and North America.

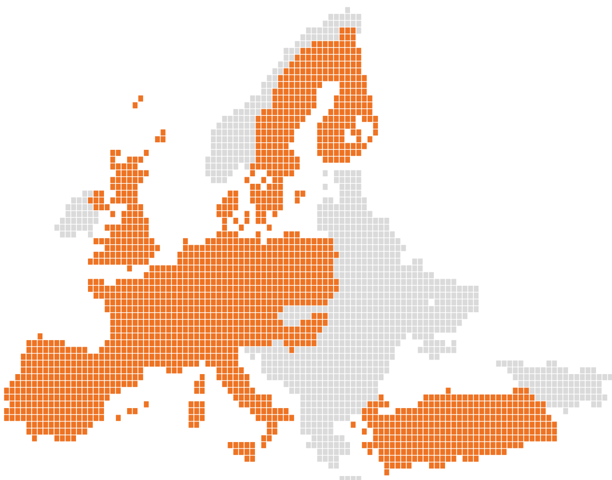
Key figures

> **H1 2018 sales**	**€984 million**
> **Staff**	**3,329**
> **Distribution centers**	**110**
> **Countries of operation**	**25**

Breakdown of sales*



A global player



*Data as of June 30, 2018

2 Brand management

Jacquet Metal Service markets its products through a portfolio of four brands organized into three divisions, each of which targets specific customers and markets.

Each division is run by a Chief Executive or Chief Operating Officer, who is in charge of developing the division in accordance with the strategic options and goals defined by Jacquet Metal Service.

Central functions, the negotiation of purchasing terms, financial and legal affairs, information technology, credit insurance and communications are managed by Jacquet Metal Service SA, in close collaboration with the specialists from each division.

> Stainless steel and wear resistant quarto plates

JACQUET
ABRASERVICE

> Stainless steel long products

STAPPERT

> Engineering steels

ims group

3 Stock market information

Share details and market capitalization

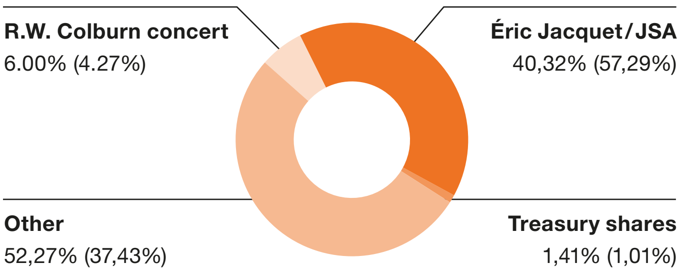
- **Indices** : CAC® All Shares, CAC® All-Tradable, CAC® Basic Materials, CAC® Mid & Small, CAC® PME, CAC® Small, Next 150
- **Market** : Euronext Paris - Compartment B
- **Listed on** : Euronext Paris
- **Code or ticker** : JCQ
- **ISIN code** : FR0000033904
- **Reuters** : JCQ.PA
- **Bloomberg** : JCQ : FP

		H1 2018	2017
Number of shares at end of period	number of shares	24,028,438	24,028,438
Market capitalization at end of period	**€k**	**655,976**	**660,782**
High	€	32.90	29.61
Low	€	25.85	19.45
Price at end of period	**€**	**27.30**	**27.50**
Average daily trading volume	number of shares	23,663	24,330
Average daily traded capital	€	688,311	596,557

As of June 30, 2018, the Jacquet Metal Service (JCQ) share price was €27.3, with little change from the December 31, 2017 closing price. The share price was €24.75 on September 4, 2018.

The Jacquet Metal Service share is followed by Société Générale SGCIB, Oddo Securities and Portzamparc Groupe BNP Paribas.

Shareholder structure as of June 30, 2018 % share capital (% voting rights)



Éric Jacquet and JSA (which he controls) held 40.32% of the share capital and 57.29% of the voting rights in the Company as of June 30, 2018.

The Group did not sell or buy any treasury stock (outside the scope of the liquidity agreement) during H1 2018.

4 Financial communication schedule

- **Results for the nine months ended September 30, 2018:** November 13, 2018
- **2018 full-year results:** March 2019

Investors and shareholders may obtain complete financial information from the Company's website at:
www.jacquetmetalservice.com

Investor relations

- **Jacquet Metal Service** > Thierry Philippe > Chief Financial Officer > comfi@jacquetmetals.com
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Activity report June 30, 2018

1 Group sales and earnings

Results for the period ended June 30, 2018 are compared to the results for 2017, which may be consulted in the 2017 Registration Document filed with the Autorité des Marchés Financiers (or AMF, French financial market regulator) on April 4, 2018 (filing no. D.18-0266) and in the H1 2017 activity report.

€k	Q2 2018	Q2 2017	H1 2018	H1 2017
Sales	**481,481**	**445,728**	**983,994**	**910,685**
Gross margin	122,872	114,182	248,906	235,995
% of sales	*25.5%*	*25.6%*	*25.3%*	*25.9%*
Operating expenses	(90,918)	(85,716)	(182,425)	(176,965)
Net depreciation and amortization	(5,025)	(5,840)	(10,159)	(10,970)
Net provisions	1,652	(565)	1,698	995
Gains / (losses) on disposals of non-current assets	81	72	4,030	162
Operating income	**28,662**	**22,133**	**62,050**	**49,217**
Net financial expense	(2,304)	(3,613)	(4,941)	(6,212)
Income before tax	26,358	18,520	57,109	43,005
Corporate income tax	(7,296)	(5,393)	(14,905)	(13,585)
Consolidated net income	19,062	13,127	42,204	29,420
Net income (Group share)	**18,238**	**12,431**	**40,639**	**27,716**
Earnings per share in circulation (€)	**0.76**	**0.52**	**1.69**	**1.15**

Operating income	**28,662**	**22,133**	**62,050**	**49,217**
Non-recurring items and gains/losses on disposals	(81)	1,067	(4,030)	839
Adjusted operating income	**28,581**	**23,200**	**58,020**	**50,056**
% of sales	*5.9%*	*5.2%*	*5.9%*	*5.5%*

Net depreciation and amortization	5,025	5,840	10,159	10,970
Net provisions	(1,652)	565	(1,698)	(995)
Non-recurring items	858	(139)	858	674
EBITDA	**32,812**	**29,466**	**67,339**	**60,705**
% of sales	*6.8%*	*6.6%*	*6.8%*	*6.7%*

Sales

Group first half sales amounted to €984 million, +8% from first half 2017, including:

- Volumes sold: +2.8% (Q2: +2.1%; Q1: +3.5%).
- Price: +5.3% (Q2: +5.9%; Q1: +4.6%).

€m	Q2 2018	Q2 2017	H1 2018	H1 2017
Sales	**481.5**	**445.7**	**984.0**	**910.7**
Y.o.y. change	**8.0%**		**8.0%**	
Price effect	5.9%		5.3%	
Volume effect	2.1%		2.8%	

The various effects are calculated as follows:

- Volume effect = (Vn - Vn-1) × Pn-1, where V = volumes and P = average sale price converted into euros at the average exchange rate;
- Price effect = (Pn - Pn-1) × Vn;
- The exchange rate effect is included in the price effect. Changes in exchange rates did not have a material impact on first half 2018;
- Change in consolidation (current year acquisitions and disposals):
  - Acquisitions: change in consolidation scope corresponds to the contribution (volumes and sales) of the acquired entity since the acquisition date;
  - Disposals: change in consolidation scope corresponds to the contribution (volumes and sales) made by the sold entity in the year preceding disposal from the date falling one year before the disposal date until the end of the previous year
- Change in consolidation (previous year acquisitions and disposals):
  - Acquisitions: change in consolidation scope corresponds to the contribution (volumes and sales) of the acquired entity in the current year from January 1 until the anniversary of the acquisition;
  - Disposals: change in consolidation scope corresponds to the contribution (volumes and sales) of the sold entity from January 1 the previous year until the date of disposal.

Gross margin

Gross margin amounted to €248.9 million or 25.3% of sales (Q2: 25.5%) compared to €236 million (25.9% of sales) in H1 2017. Excluding inventory impairment, gross margin represented 26% of sales in H1 2018 (Q2: 25.7%) compared to 26.4% in H1 2017 (Q2: 25.4%).

€m	Q2 2018	Q2 2017	H1 2018	H1 2017
Sales	**481.5**	**445.7**	**984.0**	**910.7**
Cost of goods sold	**(358.6)**	(331.5)	**(735.1)**	(674.7)
Incl. purchases consumed	(357.7)	(332.7)	(728.2)	(670.0)
Incl. inventory impairment	(1.0)	1.2	(6.9)	(4.7)
Gross margin	**122.9**	**114.2**	**248.9**	**236.0**
Gross margin rate	25.5%	25.6%	25.3%	25.9%

Operating income

Operating expenses excluding non-recurring items amounted to €190.9 million in H1 2018, +2.7% from €185.9 million in H1 2017 mainly due to the increase in Group activity.

EBITDA increased 10.9% and amounted to €67.3 million (Q2: €32.8 million), representing 6.8% of sales, compared to €60.7 million (6.7% of sales) in H1 2017.

First half 2018 EBITDA is restated by an amount of €0.9 million mainly consisting of non-recurring expenses for which provisions were reversed for the period.

Adjusted operating income amounted to €58.0 million (5.9% of sales) compared to €50.1 million (5.5% of sales) in H1 2017.

First half 2018 operating income amounted to €62.1 million including a €4 million gain on sales of assets.

Net financial expense

First half 2018 net financial expense came to €4.9 million, compared to a €6.2 million net expense in H1 2017.

€m	Q2 2018	Q2 2017	H1 2018	H1 2017
Net cost of debt	**(1.9)**	**(1.9)**	**(3.5)**	**(3.7)**
Other financial items	(0.4)	(1.7)	(1.5)	(2.6)
Net financial expense	**(2.3)**	**(3.6)**	**(4.9)**	**(6.2)**

Net income

Net income (Group share) amounted to €40.6 million (4.1% of sales) compared to €27.7 million (3% of sales) in H1 2017.

€m	Q2 2018	Q2 2017	H1 2018	H1 2017
Income before tax	**26.4**	**18.5**	**57.1**	**43.0**
Corporate income tax	(7.3)	(5.4)	(14.9)	(13.6)
Income tax rate	27.7%	29.1%	26.1%	31.6%
Consolidated net income	**19.1**	**13.1**	**42.2**	**29.4**
Minority interests	(0.8)	(0.7)	(1.6)	(1.7)
Net income (Group share)	**18.2**	**12.4**	**40.6**	**27.7**
% of sales	*3.8%*	*2.8%*	*4.1%*	*3.0%*

2 Sales and earnings by division

	JACQUET-Abraservice Stainless steel and wear-resistant quarto plates		STAPPERT Stainless steel long products		IMS group Engineering steels	
€m	Q2 2018	H1 2018	Q2 2018	H1 2018	Q2 2018	H1 2018
Sales	**106.7**	**210.8**	**123.8**	**253.0**	**251.1**	**519.4**
Y.o.y. change	**9.1%**	**7.6%**	**8.2%**	**5.2%**	**8.2%**	**9.9%**
Price effect	2.8%	0.8%	0.3%	-0.1%	10.2%	9.8%
Volume effect	6.2%	6.8%	7.9%	5.2%	-2.0%	0.1%
EBITDA [1 2]	**10.3**	**17.8**	**7.6**	**14.9**	**13.2**	**30.9**
% of sales	*9.6%*	*8.4%*	*6.1%*	*5.9%*	*5.2%*	*5.9%*
Adjusted operating income [2]	**8.4**	**14.0**	**6.9**	**14.1**	**12.1**	**27.7**
% of sales	*7.8%*	*6.6%*	*5.6%*	*5.6%*	*4.8%*	*5.3%*

[1] Non-divisional operations (including Jacquet Metal Service SA) contributed €1.8 million to EBITDA in Q2 2018 and €3.8 million in H1 2018.
[2] Adjusted for non-recurring items The activity report includes a definition of non-IFRS financial indicators and explains the methods used to calculate them.

JACQUET – Abraservice > Stainless steel and wear-resistant quarto plates

This division specializes in the distribution of stainless steel and wear-resistant quarto plates. JACQUET and Abraservice have separate sales networks. The division generated 73% of its business in Europe and 20% in North America.

Sales amounted to €210.8 million, up +7.6% from €195.9 million in H1 2017: volumes sold +6.8% (Q2: +6.2%), prices +0.8% (Q2: +2.8%).

Gross margin amounted to €68.2 million (32.4% of sales) compared to €60.5 million in H1 2017 (30.9% of sales).

EBITDA was €17.8 million (Q2: €10.3 million), representing 8.4% of sales, compared to €13.5 million (6.9% of sales) in H1 2017.

€m	Q2 2018	Q2 2017	H1 2018	H1 2017
Sales	**106.7**	**97.8**	**210.8**	**195.9**
Y.o.y. change	**9.1%**	**16.2%**	**7.6%**	**15.9%**
Price effect	2.8%		0.8%	
Volume effect	6.2%		6.8%	
Gross margin	**35.4**	**29.4**	**68.2**	**60.5**
% of sales	*33.2%*	*30.0%*	*32.4%*	*30.9%*
EBITDA	**10.3**	**6.4**	**17.8**	**13.5**
% of sales	*9.6%*	*6.6%*	*8.4%*	*6.9%*
Adjusted operating income	**8.4**	**3.9**	**14.0**	**8.9**
% of sales	*7.8%*	*4.0%*	*6.6%*	*4.5%*

STAPPERT > Stainless steel long products

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

Sales amounted to €253 million, up +5.2% from €240.6 million in H1 2017: volumes sold +5.2% (Q2: +7.9%), prices -0.1% (Q2: +0.3%).

Gross margin amounted to €55.3 million (21.9% of sales) compared to €56.1 million in H1 2017 (23.3% of sales). The gross margin variation is explained among others by a positive price effect more important in Q1 2017 than in Q1 2018.

EBITDA was €14.9 million (Q2: €7.6 million), representing 5.9% of sales, compared to €16.7 million (6.9% of sales) in H1 2017.

€m	Q2 2018	Q2 2017	H1 2018	H1 2017
Sales	123.8	114.4	253.0	240.6
Y.o.y. change	8.2%	7.5%	5.2%	11.0%
Price effect	0.3%		-0.1%	
Volume effect	7.9%		5.2%	
Gross margin	27.6	25.7	55.3	56.1
% of sales	22.3%	22.5%	21.9%	23.3%
EBITDA	7.6	7.0	14.9	16.7
% of sales	6.1%	6.1%	5.9%	6.9%
Adjusted operating income	6.9	6.3	14.1	15.8
% of sales	5.6%	5.5%	5.6%	6.6%

IMS group > Engineering steels

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

Sales amounted to €519.4 million, up +9.9% from €472.7 million in H1 2017: volumes sold +0.1% (Q2: -2%), prices +9.8% (Q2: +10.2%).

Gross margin amounted to €123.5 million (23.8% of sales) compared to €116.7 million in H1 2017 (24.7% of sales).

EBITDA was €30.9 million (Q2: €13.2 million), representing 5.9% of sales, compared to €26.5 million (5.6% of sales) in H1 2017.

€m	Q2 2018	Q2 2017	H1 2018	H1 2017
Sales	251,1	232,1	519,4	472,7
Y.o.y. change	8,2%	3,2%	9,9%	4,2%
Price effect	10,2%		9,8%	
Volume effect	-2,0%		0,1%	
Gross margin	59,6	56,7	123,5	116,7
% of sales	23,7%	24,4%	23,8%	24,7%
EBITDA	13,2	12,6	30,9	26,5
% of sales	5,2%	5,4%	5,9%	5,6%
Adjusted operating income	12,1	10,1	27,7	22,6
% of sales	4,8%	4,4%	5,3%	4,8%

3 Consolidated financial position

Summary balance sheet

The summary balance sheet below sets out Jacquet Metal Service's consolidated financial position at June 30, 2018 and December 31, 2017.

€k	30.06.18	31.12.17
Goodwill	68,269	68,345
Net non-current assets	154,174	156,154
Net inventory	487,329	418,012
Net trade receivables	246,805	189,296
Other assets	99,940	93,913
Cash	118,398	102,145
Total assets	**1,174,915**	**1,027,865**
Shareholders' equity	352,224	331,849
Provisions (including provisions for employee benefit obligations)	102,018	106,500
Trade payables	292,040	224,047
Total borrowings	324,460	289,588
Other liabilities	104,173	75,881
Total equity and liabilities	**1,174,915**	**1,027,865**

Working capital

As of June 30, 2018, operating working capital represented 24.4% of sales and amounted to €442 million (including inventories of €487 million), versus €383 million (including inventories of €418 million) at December 31, 2017.

€k	30.06.18	31.12.17	Change
Net inventory	487,329	418,012	
Days sales inventory [1]	*155*	*141*	
Net trade receivables	246,805	189,296	
Days sales outstanding	*48*	*49*	
Trade payables	(292,040)	(224,047)	
Days payable outstanding	*56*	*56*	
Net operating working capital	**442,094**	**383,261**	**58,833**
% of sales [1]	*24.4%*	*22.0%*	
Other receivables or payables excluding taxes and financial items	(45,461)	(28,219)	
Working capital excluding taxes and financial items	**396,633**	**355,042**	
Changes in consolidation and other	—	(21,369)	
Working capital before taxes and financial items and adjusted for other changes	**396,633**	**333,673**	**62,960**
% of sales [1]	*21.9%*	*21.6%*	

[1] Rolling 12 months

Group inventories amounted to €487 million as of June 30, 2018, compared to €418 million as of December 31, 2017. Inventories represented 155 days of sales as of June 30, 2018, compared to 141 days at the 2017 year-end.

Trade receivables amounted to €247 million as of June 30, 2018 with an average customer payment term of around 48 days' sales that was broadly stable compared to December 31, 2017 (excluding the impact of receivables assigned without recourse).

As of June 30, 2018, trade receivables assigned without recourse amounting to €54.2 million, compared to €43.7 million as of December 31, 2017. This change is due to the €63.5 million increase in sales versus Q4 2017.

Trade payables amounted to €292 million as of June 30, 2018, with an average supplier payment term of 56 days' purchases that was stable compared to December 31, 2017.

Net debt

As of June 30, 2018, Group net debt stood at €202.3 million, compared to shareholders' equity of €352.2 million, resulting in a net debt to equity ratio of 57.4% (55.2% as of December 31, 2017).

€k	30.06.18	31.12.17
Borrowings	324,460	289,588
Cash, cash equivalents and other	122,113	106,464
Net debt	**202,347**	**183,124**
Debt to equity ratio	*57.4%*	*55.2%*

Borrowings

The Group had €656 million in lines of credit as of June 30, 2018, of which 49% had been used:

€m	Authorized at 30.06.18	Used at 30.06.18	% used
Jacquet Metal Service SA	**419.4**	**196.0**	**47%**
Syndicated revolving loan	125.0	–	–
Schuldscheindarlehen (private placement of debt instruments under German law)	151.5	151.5	100%
Lines of credit	142.9	44.5	31%
Subsidiaries	**238.2**	**128.5**	**54%**
Lines of credit	146.6	65.6	45%
Factoring	29.1	2.4	8%
Asset financing (term/revolving loans and leasing)	60.4	60.4	100%
Total	**655.6**	**324.5**	**49%**

In addition to the borrowings shown in the above table, the Group also had €73.3 million in non-recourse receivable assignment facilities, €54.2 million of which had been used at June 30, 2018.

Financing covenants mainly apply to the syndicated revolving loan and the Schuldscheindarlehen. These covenants mainly correspond to commitments that must be complied with at Group level.

All financing covenants were in compliance at June 30, 2018.

The main terms of the syndicated revolving loan are as follows:

- Date of signature: June 2017
- Maturity: July 16, 2020
- Amount: €125 million (unused)
- Security: None
- Change of control clause: JSA must hold at least 40% of Jacquet Metal Service SA's share capital and voting rights.
- Main covenants:
  The Company must meet one of the following criteria:
  - Debt to equity ratio less than 1, **or**
  - Leverage less than 2.

The main terms of the Schuldscheindarlehen are as follows:

- Date of signature: February 2018
- Maturity: April 30, 2023
- Amount: €150 million (fully used)
- Repayment: at maturity
- Security: None
- Change of control clause: JSA must hold at least 37% of Jacquet Metal Service SA's share capital and voting rights.
- Main covenant:
  - Debt to equity ratio less than 1.

Cash flow

€k	H1 2018	H1 2017
Operating cash flow before change in working capital	56,482	49,186
Change in working capital	(62,960)	(1,454)
Cash flow from operating activities	**(6,478)**	**47,732**
Capital expenditure	(10,397)	(7,961)
Asset disposals	4,253	621
Dividends paid to Jacquet Metal Service SA shareholders	—	—
Interest paid	(4,806)	(5,415)
Other movements	(1,795)	(2,194)
Change in net debt	**(19,223)**	**32,783**
Net debt brought forward	**183,124**	**205,262**
Net debt carried forward	**202,347**	**172,479**

In H1 2018, the Group posted an operating cash flow before change in working capital of €56 million, a 15% increase compared to H1 2017.

Operating cash flow before change in working capital almost covers the whole change in working capital (+€63 million of which +€69 million of inventories), and as a result, cash flow from operating activities amounted to -€6.5 million.

First half capital expenditure amounted to €10.4 million, mainly relating to new finishing capacity.

Risk factors

Overall risk factors did not change during the first half of 2018. They are set out in the 2017 Registration Document on pages 29-31.

Post balance sheet events

None.

4 Summary interim consolidated financial statements

Consolidated statement of comprehensive income

€k	Notes	30.06.18	30.06.17
Sales	**2.1**	**983,994**	**910,685**
Cost of goods sold	2.1	(735,088)	(674,690)
Gross margin	**2.1**	**248,906**	**235,995**
Operating expenses		(85,270)	(83,312)
Personnel expenses		(96,341)	(93,367)
Miscellaneous taxes		(2,250)	(2,110)
Other net income		1,436	1,824
Net depreciation and amortization		(10,159)	(10,970)
Net provisions		1,698	995
Gains / (losses) on disposals of non-current assets		4,030	162
Operating income		**62,050**	**49,217**
% of sales		*6.3%*	*5.4%*
Net cost of debt		**(3,492)**	**(3,652)**
Other financial income		29	29
Other financial expenses		(1,478)	(2,589)
Net financial expense		**(4,941)**	**(6,212)**
Income before tax		**57,109**	**43,005**
Corporate income tax	2.2	(14,905)	(13,585)
Net income from continued current operations		**42,204**	**29,420**
Net income from discontinued operations		–	–
Total consolidated net income		**42,204**	**29,420**
% of sales		*4.3%*	*3.2%*
Minority interests		(1,565)	(1,704)
Net income (Group share)	**2.3**	**40,639**	**27,716**
% of sales		*4.1%*	*3.0%*
Items that may be reclassified to profit or loss			
Translation differences		(2,878)	(414)
Other		277	(355)
Items not reclassified to profit or loss			
Actuarial gains / (losses)		–	1,463
Total comprehensive net income (Group share)		**38,038**	**28,410**
Minority interests		1,589	1,695
Total comprehensive net income		**39,627**	**30,105**
Earnings per share in circulation (€)		**1.69**	**1.15**
Diluted earnings per share (€)		**1.72**	**1.17**

The Notes are an integral part of the summary interim consolidated financial statements.

Statement of financial position

				30.06.18	31.12.17
€k	Notes	Gross	Dep. amort. prov.	Net	Net
Assets					
Goodwill	2.4	68,269	–	68,269	68,345
Intangible assets	2.5	26,996	23,021	3,975	4,208
Property, plant and equipment	2.5	440,833	290,634	150,199	151,946
Other financial assets		17,487	1,387	16,100	14,947
Deferred tax	2.12	48,095	–	48,095	52,127
Non-current assets		**601,680**	**315,042**	**286,638**	**291,573**
Inventory and work-in-progress	2.1, 2.6	569,719	82,390	487,329	418,012
Trade receivables	2.1, 2.7	254,530	7,725	246,805	189,296
Tax assets receivable		3,445	–	3,445	2,927
Other assets		31,787	36	31,751	23,885
Derivatives		549	–	549	27
Cash and cash equivalents	2.8	118,398	–	118,398	102,145
Current assets		**978,428**	**90,151**	**888,277**	**736,292**
Assets held for sale		**–**	**–**	**–**	**–**
Total assets		**1,580,108**	**405,193**	**1,174,915**	**1,027,865**
Passif					
Share capital				36,631	36,631
Consolidated reserves				302,797	282,277
Shareholders' equity (Group share)				**339,428**	**318,908**
Minority interests				12,796	12,941
Shareholders' equity	**2.9**			**352,224**	**331,849**
Deferred tax	2.12			5,973	5,718
Non-current provisions	2.10			6,068	6,209
Provisions for employee benefit obligations	2.11			62,739	64,517
Other non-current liabilities				4,750	4,481
Long-term borrowings	2.8			209,381	173,435
Non-current liabilities				**288,911**	**254,360**
Short-term borrowings	2.8			115,079	116,153
Trade payables	2.1			292,040	224,047
Current tax liabilities				15,779	12,980
Current provisions	2.10			33,211	35,774
Derivatives				459	598
Other liabilities				77,212	52,104
Total current liabilities				**533,780**	**441,656**
Liabilities held for sale				**–**	**–**
Total equity and liabilities				**1,174,915**	**1,027,865**

The Notes are an integral part of the summary interim consolidated financial statements.

Cash flow statement

€k	Notes	30.06.18	30.06.17
Cash and cash equivalents at beginning of period	**2.8**	**102,145**	**72,951**
Operating activities			
Net income		42,204	29,420
Depreciation, amortization and provisions		7,730	6,792
Capital gains on asset disposals		(4,030)	(162)
Change in deferred taxes		3,347	2,071
Other non-cash income and expenses		28	—
Operating cash flow after tax and cost of borrowings		**49,279**	**38,121**
Cost of borrowings		4,926	5,196
Current income tax		11,561	10,799
Taxes paid		(9,284)	(4,930)
Operating cash flow before change in working capital		**56,482**	**49,186**
Change in inventory and work-in-progress		(72,204)	(11,441)
Change in trade receivables		(60,872)	(59,806)
Change in trade payables		70,745	52,539
Other changes		(629)	17,254
Total change in working capital		**(62,960)**	**(1,454)**
Cash flow from operating activities		**(6,478)**	**47,732**
Investing activities			
Acquisitions of fixed assets		(10,397)	(7,961)
Disposal of assets		4,253	621
Acquisitions of subsidiaries		—	(233)
Changes in consolidation and other		(1,577)	(257)
Cash flow from investing activities		**(7,721)**	**(7,830)**
Financing activities			
Dividends paid to parent company shareholders		—	—
Dividends paid to minority shareholders of consolidated companies		(41)	(1,533)
New borrowings		63,863	—
Change in borrowings		(28,006)	(39,101)
Interest paid		(4,806)	(5,415)
Other changes		(82)	(230)
Cash flow from financing activities		**30,928**	**(46,279)**
Change in cash and cash equivalents		**16,729**	**(6,377)**
Translation differences		(476)	(147)
Net cash at end of period	**2.8**	**118,398**	**66,427**

The Notes are an integral part of the summary interim consolidated financial statements.
Changes are shown at the net book value.
Bank overdrafts are used to finance both short and medium-term investments.
Accordingly, they are analyzed as borrowing transactions and classified as such in the cash flow statement.

Change in consolidated shareholders' equity

€k	Notes	Number of shares	Share capital	Reserves	Translation differences (group share)	Share-holder's equity (group share)	Minority interests	Share-holder's equity
As of 01.01.17	**2.9**	**24,028,438**	**36,631**	**248,234**	**1,381**	**286,246**	**10,276**	**296,522**
Net income		—	—	27,716	—	27,716	1,704	29,420
Translation differences		—	—	—	(414)	(414)	(9)	(423)
Actuarial gains / (losses)		—	—	1,463	—	1,463	—	1,463
Other		—	—	(355)	—	(355)	—	(355)
Total comprehensive net income / (loss)		**—**	**—**	**28,824**	**(414)**	**28,410**	**1,695**	**30,105**
Change in consolidation scope		—	—	(2,062)	—	(2,062)	1,882	(180)
Dividend payments		—	—	(11,847)	—	(11,847)	(1,533)	(13,380)
Other		—	—	(367)	—	(367)	2	(365)
As of 30.06.17	**2.9**	**24,028,438**	**36,631**	**262,782**	**967**	**300,380**	**12,322**	**312,702**
As of 01.01.18	**2.9**	**24,028,438**	**36,631**	**281,899**	**378**	**318,908**	**12,941**	**331,849**
Net income		—	—	40,639	—	40,639	1,565	42,204
Translation differences		—	—	—	(2,878)	(2,878)	22	(2,856)
Actuarial gains / (losses)		—	—	—	—	—	—	—
Other		—	—	277	—	277	2	279
Total comprehensive net income		**—**	**—**	**40,916**	**(2,878)**	**38,038**	**1,589**	**39,627**
Change in consolidation scope		—	—	(389)	—	(389)	389	—
Dividend payments		—	—	(16,579)	—	(16,579)	(2,116)	(18,695)
Other		—	—	(550)	—	(550)	(7)	(557)
As of 30.06.2018	**2.9**	**24,028,438**	**36,631**	**305,297**	**(2,500)**	**339,428**	**12,796**	**352,224**

The Notes are an integral part of the summary interim consolidated financial statements.

Notes to the consolidated financial statements

The consolidated financial statements of Jacquet Metal Service Group for the 6 months ended June 30, 2018 were examined by the Board of Directors on September 5, 2018.

All figures are reported in thousands or millions of euros unless otherwise stated. Some totals may display differences in rounding.

1 Consolidation principles and methods

In accordance with European regulation 1606/2002 dated July 19, 2002 on international financial reporting standards, the summary interim consolidated financial statements of the Jacquet Metal Service Group for the 6 months ended June 30, 2018 and the 2017 comparative financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) in force as of June 30, 2018, as approved by the European Union.

The standards and interpretations applied are those published in the Official Journal of the European Union (OJEU) before June 30, 2018 for compulsory application as from this date.

These guidelines cover all of the standards approved by the International Accounting Standards Board (IASB) and adopted by the EU, i.e. IFRS, International Accounting Standards (IAS) and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) or the former Standing Interpretations Committee (SIC). These accounting standards can be consulted on the European Commission website at:

https://ec.europa.eu/info/law/international-accounting-standards-regulation-ec-no-1606-2002/

The summary interim consolidated financial statements have been prepared in accordance with IAS 34 - Interim Financial Reporting, which allows a condensed presentation of the Notes to the financial statements. The financial statements should therefore be read with reference to the consolidated financial statements for the year ended December 31, 2017 and, in particular, Note 1 "Consolidation principles and methods" and Note 2 "Valuation methods" as contained in the Registration Document filed with the Autorité des Marchés Financiers (AMF) on April 4, 2018 under number D.18-0266 and available for consultation on the company website at: www.jacquetmetalservice.com

With the exception of the points described in the paragraph below, the accounting principles applied are identical to those used in the audited consolidated financial statements for the year ended December 31, 2017.

New standards or amendments adopted by the European Union for compulsory application as from January 1, 2018 have been applied in the summary consolidated financial statements for the 6 months ended June 30, 2018. They comprise the following standards:

- IFRS 15 - Revenue from Contracts with Customers;

This new standard, which replaces IAS 18 – Revenue, IAS 11 – Construction Contracts and related interpretations, defines the principles for the recognition of revenues.

Given the nature of the Group's business activities, the application of the standard has not had a material impact with regard to revenues and adjusted operating income previously published by the Group.

- IFRS 9 - Financial Instruments;

This new standard, replacing IAS 39, defines new principles for the classification and measurement of financial assets, impairment for expected credit losses and hedge accounting.

The application of this standard has had no impact on the Group's consolidated financial statements, given that more than 95% of outstanding trade receivables were insured at December 31, 2017.

- IFRIC 22 : Foreign Currency Transactions and Advance Consideration;
- Amendments to IFRS 2, IAS40 and IAS28.

The application of these new standards has not resulted in any material adjustments.

The Group has chosen not to apply in advance standards and interpretations adopted by the European Union before the balance sheet date but applicable after said date, including:

- IFRS 16 - Leases (applicable as of January 1, 2019)

The Group is currently assessing the impact of IFRS 16 – Leases. This new standard is expected to mainly impact real estate lease agreements relating to warehouses. The Group is currently collecting data related to these leases and has selected a lease processing software application to be deployed over the second half of 2018. The transition procedure has not yet been finalized at this stage.

As of December 31, 2017, lease installments outstanding (to be borne over more than the next 5 financial years) amounted to €87.9 million (Note 5.2 of the 2017 Registration Document).

Use of estimates

The preparation of IFRS-compliant consolidated financial statements requires management to take into account assumptions and estimates that have an impact on the assets and liabilities shown in the statement of financial position and mentioned in the notes to the financial statements, as well as on the income and expenses recorded in the consolidated statement of comprehensive income. The estimates may be revised if the circumstances under which they were based change, or in accordance with new information obtained. Actual results may differ from these estimates.

In accordance with IAS 10, management's estimates are based on the information available at the balance sheet date, taking post balance sheet events into account.

The consolidated half-year financial statements have been established on the basis of rules applied for the 2017 annual financial statements. In this regard, it is appropriate to clarify the treatment of income taxes: for interim financial statements, the current and deferred tax charge is calculated by applying the estimated annual average tax rate for the current financial year to the six-month taxable income for each legal entity or tax group, as adjusted for non-recurring items allocated to the period.

The main estimates as of June 30, 2018 involved:

- Assessing the recoverability of deferred tax assets: the method followed is based on internal five-year business plans, and takes into account the local legislation in effect at the balance sheet date;
- The value of goodwill, which is tested for impairment at least once a year for the annual financial statements and whenever an indication of loss of value arises;
- Inventory valuation: the method followed to determine the net realizable value of inventory is based on the best estimate, as of the date of preparation of the financial statements, of the future sale price in the normal course of business less any estimated selling costs;
- Impairment of receivables, which is reviewed on a case-by-case basis in light of the specific situation of particular customers;
- Employee benefit liabilities, which are measured based on actuarial assumptions;
- Current and non-current provisions, which are estimated to reflect the best estimate of the risks as of the balance sheet date.

1.1 Main changes in consolidation scope

Disposal of Calibracier SAS during the first half of 2018.

2 Notes to the Consolidated Statement of Comprehensive Income

2.1 2.1 Operating segments

The Group is organized on the basis of three divisions:

- JACQUET – Abraservice
- STAPPERT
- IMS group.

The key indicators per operating segment at June 30, 2018 were as follows:

€m	Sales	Gross margin	Adjusted operating income[2]	Operating working capital	Operating working capital (% of sales[3])
JACQUET – Abraservice	210.8	68.2	14.0	123.0	31.3%
STAPPERT	253.0	55.3	14.1	90.6	19.3%
IMS Group	519.4	123.5	27.7	220.9	23.3%
Other[1]	10.3	1.9	2.2	7.5	n.a
Inter-brand eliminations	(9.5)	—	—	—	n.a
Total	**984.0**	**248.9**	**58.0**	**442.1**	**24.4%**

[1] Non-brand activities (including Jacquet Metal Service S.A.)
[2] Adjusted for non-recurring items The activity report includes a definition of non-IFRS financial indicators and explains the methods used to calculate them.
[3] Rolling 12 months sales
n.a: not applicable.

The key indicators per operating segment as of June 30, 2017 were as follows:

€m	Sales	Gross margin	Adjusted operating income[2]	Operating working capital	Operating working capital (% of sales[3])
JACQUET – Abraservice	195.9	60.5	8.9	103.6	29.6%
STAPPERT	240.6	56.1	15.8	91.7	20.9%
IMS Group	472.7	116.7	22.6	183.0	21.1%
Other[1]	10.8	2.7	2.8	10.3	n.a
Inter-brand eliminations	(9.3)	—	—	—	n.a
Total	**910.7**	**236.0**	**50.1**	**388.7**	**23.4%**

[1] Non-brand activities (including Jacquet Metal Service S.A.)
[2] Adjusted for non-recurring items The activity report includes a definition of non-IFRS financial indicators and explains the methods used to calculate them.
[3] Rolling 12 months sales
n.a: not applicable.

2.2 Corporate income tax

Net income includes a €14.9 million tax charge representing 26.1% of income before tax. Tax loss carryforwards are generally not recognized for reasons of prudence.

2.3 Earnings per share

	30.06.18	30.06.17
Net income (Group share) (€k)	**40,639**	**27,716**
Total number of shares	**24,028,438**	**24,028,438**
Treasury shares	339,834	334,941
Total number of shares excluding treasury shares	23,688,604	23,693,497
Basic earnings per share (€)	**1.72**	**1.17**
Bonus shares	—	—
Total diluted number of shares, excluding treasury shares	23,688,604	23,693,497
Diluted earnings per share (€)	**1.72**	**1.17**

2.4 Goodwill – Business combinations

Goodwill amounted to €68.3 million as of June 30, 2018 and did not change during the first half of 2018.

The Group analyzed the results of the various cash-generating units (CGU), which did not reveal any indication of impairment.

2.5 Change in PP&E and intangible assets

Net book value as of December 31, 2017	**156.2**
Acquisitions	10.4
Net disposals and scrap	(0.2)
Net depreciation / impairment	(10.2)
Change in consolidation scope	(1.5)
Translation differences	(0.6)
Net book value as of June 30, 2018	**154.2**

2.6 Inventory and work-in-progress

€m	30.06.18	31.12.17
Gross value	569.7	493.8
Impairment	(82.4)	(75.8)
Net value	**487.3**	**418.0**

Inventory primarily consists of finished goods inventories (whole and cut plates, long products, etc.).

Inventory was adjusted to its estimated net realizable value including a provision amounting to 14.5% of the gross value as of June 30, 2018, compared to 15.4% as of December 31, 2017.

2.7 Trade receivables

€m	30.06.18	31.12.17
Gross value	254.5	197.7
Impairment	(7.7)	(8.4)
Net value	**246.8**	**189.3**

All receivables have a maturity of less than one year. The net value of the receivables does not include receivables assigned on a non-recourse basis, which amounted to €54.2 million as of June 30, 2018 compared to €43.7 million as of December 31, 2017.

2.8 Net cash and borrowings

€m	30.06.18	31.12.17
Cash	118.4	70.5
Cash equivalents	0.0	31.6
Gross value	**118.4**	**102.1**

“Cash equivalents” in 2017 primarily consisted of term deposits.

Net borrowings break down as follows:

€m	30.06.18	31.12.17
Fixed rate borrowings	45.3	57.5
Floating rate borrowings	279.2	232.1
Total borrowings	**324.5**	**289.6**
Long-term loans[1]	**3.7**	**4.3**
Cash and cash equivalents	**118.4**	**102.1**
Net borrowings	**202.3**	**183.1**

[1] Included under "Other financial assets"

2.9 Shareholders' equity

In accordance with a resolution of the June 29, 2018 General Meeting, on July 6, 2018 the Group paid out a dividend of €0.70 per share amounting to €16.6 million in total. This amount is recognized under "Other liabilities" on the balance sheet.

2.10 Current and non-current provisions

€m	31.12.17	Charges	Reversals (used)[1]	Reversals (not used)	Changes in consolida-tion scope	30.06.18
Non-current provisions	6.2	0.7	(0.9)	—	—	6.1
Current provisions	35.8	0.5	(1.7)	(0.4)	(0.9)	33.2
Total	**42.0**	**1.2**	**(2.6)**	**(0.4)**	**(0.9)**	**39.3**

[1] including €1.3 million in reversals of provisions used, classified under personnel expenses in the consolidated statement of comprehensive income.

Current and non-current provisions correspond to disputes with employees, restructuring costs and disputes with customers and suppliers.

2.11 Provisions for employee benefit obligations

In accordance with IAS 34 - Interim Financial Reporting, the change in employee benefit obligations is based on the annual actuarial projection for December 31, 2018 as estimated as of December 31, 2017. The impact on income is accrued straight line over time.

No change in the discount rate was recognized in the half-year financial statements.

2.12 Deferred tax

The origin of deferred tax is as follows:

€m	30.06.18	31.12.17
Temporary differences	18.6	18.6
Tax losses carried forward	5.5	10.2
Other IFRS restatements [1]	24.0	23.3
Deferred tax assets	**48.1**	**52.1**
Temporary differences	1.0	0.7
Other IFRS restatements [1]	(7.0)	(6.4)
Deferred tax liabilities	**(6.0)**	**(5.7)**

[1] These are primarily restatements relating to the rules for harmonizing the accounting process between the subsidiaries.

3 Bank covenants

Financing covenants mainly apply to the syndicated revolving loan and the Schuldscheindarlehen contracted by Jacquet Metal Service SA. These covenants mainly correspond to commitments that must be complied with at Group level.

All financing covenants were in compliance at June 30, 2018.

The main terms of the syndicated revolving loan are as follows:

- Date of signature: June 2017
- Maturity: July 16, 2020
- Amount: €125 million (unused)
- Security: None
- Change of control clause: JSA must hold at least 40% of Jacquet Metal Service SA's share capital and voting rights.
- Main covenants:
  The Company must meet one of the following criteria:
  - Debt to equity ratio less than 1, **or**
  - Leverage less than 2.

The main terms of the Schuldscheindarlehen are as follows:

- Date of signature: February 2018
- Maturity: April 30, 2023
- Amount: €150 million (fully used)
- Repayment: at maturity
- Security: None
- Change of control clause: JSA must hold at least 37% of Jacquet Metal Service SA's share capital and voting rights.
- Main covenant:
  - Debt to equity ratio less than 1.

4 Post balance sheet events

None.

5 Report of the Statutory Auditors on the half-year financial reporting

To the Shareholders of JMS
In compliance with the assignment entrusted to us by your general assemblies and in accordance with the requirements of article L.451-1-2 III of the French monetary and financial code ("code monétaire et financier"), we hereby report to you on:

- the review of the accompanying (condensed) half-yearly consolidated financial statements of Jacquet Metal Service, for the period from January 1 to June, 30, 2018,
- the verification of the information presented in the half-yearly management report.

These condensed half-yearly consolidated financial statements are the responsibility of the board of directors. Our role is to express a conclusion on these financial statements based on our review.

1 Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed half-yearly consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 – standard of the IFRSs as adopted by the European Union applicable to interim financial information.

Without qualifying our conclusion, we draw your attention to the matter set out in note “1 Consolidation principles and methods” to the condensed half-yearly consolidated financial statements regarding the impacts of the first mandatory as of January 1, 2018 of the new accounting standards IFRS 9 “Financial Instruments” and IFRS 15 “Revenue from Contracts with Customers”.

2 Specific verification

We have also verified the information presented in the half-yearly management report on the condensed half-yearly consolidated financial statements subject to our review.

We have no matters to report as to its fair presentation and consistency with the (condensed) half-yearly consolidated financial statements.

Lyon, September 5, 2018

The Statutory Auditors

GRANT THORNTON
French Member of Grant Thornton International

Françoise Mechin

ERNST & YOUNG et Autres

Nicolas Perlier

6 Statement by the person responsible for the half-year financial report

I hereby certify that, to my knowledge, Jacquet Metal Service's summary interim consolidated financial statements for the first half of 2018 have been prepared in accordance with applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and earnings of the company and all companies included in the consolidation scope, and that the activity report for the first half of 2018 gives a true and fair account of the important events that took place in the first six months of the year, their impact on the financial statements and the main transactions between related parties and includes a description of the main risks and uncertainties for the remaining six months of the year.

Saint-Priest, September 5, 2018

Éric Jacquet
Chairman and CEO, Jacquet Metal Service