

First half 2018 results

September 5, 2018 - 6.00 pm CET

- > **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%
EBITDA¹	32.8	29.5	67.3	60.7
% of sales	6.8%	6.6%	6.8%	6.7%
Adjusted operating income¹	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), compared to €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	 ABRASERVICE Stainless steel and wear-resistant quarto plates		 Stainless steel long products		 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 income²	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%
EBITDA¹	67.3	60.7
% of sales	6.8%	6.7%
Adjusted operating income¹	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 available : www.jacquetmetalservice.com
Q3 2018 results: November 13, 2018 after close of trading

Jacquet Metal Service is a European leader in the distribution of specialty steels. The Group operates and develops a portfolio currently comprising four brands: JACQUET (stainless steel quarto plates), STAPPERT (long stainless steel products), Abraservice (wear-resistant quarto plates) and IMS group (engineering steels). With 3,329 employees, Jacquet Metal Service has a network of 110 distribution centers located in 25 countries in Europe, China and North America.