

Third quarter 2015

- Sales **€378m (up 35.4% vs Q3 2014)**
- Adjusted EBITDA **€9.4m**
- Net income (Group share) **€48.7m**

Integration of Schmolz+Bickenbach distribution

On November 12, 2015, the Board of Directors, chaired by Eric Jacquet, examined the unaudited consolidated financial statements for the nine months ended September 30, 2015.

€ millions	Q3 2015 ⁽¹⁾	Q3 2014	2015 9-month ⁽¹⁾	2014 9-month
Sales	378.0	279.2	1,000.8	856.8
Gross margin	78.2	69.4	228.7	212.2
% of sales	20.7%	24.9%	22.8%	24.8%
Adjusted EBITDA ⁽²⁾	9.4	16.4	37.4	46.4
% of sales	2.5%	5.9%	3.7%	5.4%
Operating income before non-recurring items	3.7	12.5	24.4	34.5
% of sales	0.9%	4.5%	2.4%	4.0%
Operating income	52.7	12.5	73.3	34.6
Net income (Group share)	48.7	6.9	59.6	18.1

(1) Including the distribution business purchased from Schmolz+Bickenbach from July 22, 2015

(2) Adjusted for non-recurring items (non-IFRS financial indicators)

Third quarter 2015 sales and earnings

On July 22, 2015, via its IMS group division, the Group acquired certain Schmolz+Bickenbach group's distribution businesses, based mainly in Germany. The business generates annual sales of around €600 million. The new operations are consolidated in the Group financial statements from July 22, 2015.

Group third quarter sales including this acquisition amounted to €378.0 million, +35.4% higher than Q3 2014:

- volume effect at constant consolidation: up 3.1%; all divisions increased their volumes distributed (Jacquet-Abraservice +9.9%, Stappert +0.2%, IMS group +2.1%),
- change in consolidation: up 39.6%, mainly due to the Schmolz+Bickenbach distribution acquisition (sales of €104 million recorded between July 22 and September 30, 2015),
- price effect: down 7.3%; the third quarter was marked by a decline in raw material prices that had a knock-on effect on sale prices.

The consolidated gross margin rate amounted to 20.7% of sales (22.9% at constant consolidation) versus 24.9% in Q3 2014.

EBITDA adjusted for non-recurring items came to €9.4 million (2.5% of sales) and operating income before non-recurring items amounted to €3.7 million.

Third quarter operating income amounted to €52.7 million, which includes non-recurring expenses of €8.5 million mainly related to the Schmolz+Bickenbach distribution acquisition. It includes a provisional €57 million goodwill gain arising from first consolidation.

Third quarter net income (Group share) came to €48.7 million.

Acting in an environment characterized by low prices, the Group is focusing on continuously improving the operating efficiency of its divisions and, in particular, turning round the Schmolz+Bickenbach distribution companies currently generating insufficient results.

Sales and earnings for the period ended September 30, 2015

Sales for the nine months ended September 30, 2015 amounted to €1,000.8 million, up 16.8% versus the same period in 2014 (+17.9% volume effect, including a 3.4% volume increase at constant consolidation and consolidation changes of +14.5%; -1.1% price effect).

EBITDA adjusted for non-recurring items came to €37.4 million (3.7% of sales), operating income to €73.3 million and net income (Group share) was €59.6 million.

Proforma sales for the period ended September 30, 2015 (i.e. including Schmolz+Bickenbach distribution sales as from January 1, 2015) amounted to €1,330 million, generating adjusted EBITDA of €36.9 million.

Financial position at September 30, 2015

The Group consolidated balance sheet shows total assets of over €1 billion. Operating working capital amounted to €394 million, or 22% of sales.




Group net debt stood at €216.8 million compared to shareholders' equity of €302 million, resulting in a net debt to equity ratio of 72%.

On October 30, 2015 the Group, advised by Bayern LB, carried out a Schuldschein issue (private placement of debt securities under German law), which enabled it to raise €88 million (5-year bullet loan), mainly used to refinance the €48.6 million paid out for the acquisition of Schmolz+Bickenbach distribution.

Earnings per division

As of the third quarter 2015, the Jacquet Metal Service group has reorganized its financial communication on the basis of three divisions:

- Jacquet-Abraservice: the two brands, specialized in the distribution of quarto plates respectively in stainless steel and wear-resistant steel, now form a single division under the same operating management, given that they offer opportunities for synergies in terms of procurement. This combination will not affect the sales networks, which will remain separate.
- Stappert: division specialized in the distribution of long stainless steel products.
- IMS group: division specialized in the distribution of engineering steels, mainly in the form of long products. This division now includes the Schmolz+Bickenbach distribution businesses.

	Stainless steel and wear-resistant quarto plates		Long stainless steel products		Engineering steels	
						
€ millions	Q3 2015 ⁽²⁾	2015 9-month ⁽²⁾	Q3 2015 ⁽²⁾	2015 9-month ⁽²⁾	Q3 2015 ⁽²⁾	2015 9-month ⁽²⁾
Sales	79.8	261.6	109.1	345.9	189.8	395.0
Change vs. 2014	+7.2%	+19.3%	-6.6%	-1.3%	+118.4%	+37.4%
Price effect	-11.4%	-0.4%	-6.9%	+0.7%	-3.5%	-3.3%
Volume effect	+9.9%	+10.5%	+0.2%	-2.1%	+2.1%	+4.5%
Changes in consolidation	+8.7%	+9.2%	0.0%	0.0%	+119.8%	+36.2%
Adjusted EBITDA ⁽¹⁾⁽³⁾	1.4	7.6	3.1	13.5	1.2	10.7
% of sales	1.8%	2.9%	2.9%	3.9%	0.6%	2.7%
Operating income before non-recurring items	(0.5)	1.8	2,5	12,1	(1.3)	6,0
% of sales	-0.7%	0,7%	2,2%	3,5%	-0,7%	1,5%

⁽¹⁾ Non-brand operations (including Jacquet Metal Service SA) contributed €3.7 million to Q3 2015 adjusted EBITDA and €5.6 million to 2015 9-month adjusted EBITDA.

⁽²⁾ Including the distribution business purchased from Schmolz+Bickenbach from July 22, 2015

⁽³⁾ Adjusted for non-recurring items (non-IFRS financial indicators)

- Jacquet-Abraservice

Q3 2015 sales totaled €79.8 million, up 7.2% versus Q3 2014 (+18.6% volume effect, including a 9.9% volume increase at constant consolidation and consolidation changes of +8.7%; -11,4% price effect), while adjusted EBITDA came to €1.4 million. Third quarter earnings were impacted by falling prices and challenging market conditions in the United States.

The division posted sales of €261.6 million for the nine months ended September 30, 2015, up 19.3% versus 2014 (+19.7% volume effect including consolidation changes of +10.5%; -0.4% price effect). Accordingly, Jacquet-Abraservice reported adjusted EBITDA of €7.6 million.

- Stappert

For the third quarter of 2015, the division posted sales of €109.1 million, down 6.6% from the same period in 2014 (+0.2% volume effect; -6.9% price effect), and adjusted EBITDA of €3.1 million. Quarterly earnings were impacted by falling prices.

The division posted sales of €345.9 million for the nine months ended September 30, 2015, down 1.3% versus 2014 (-2.1% volume effect; +0.7% price effect). Adjusted EBITDA came to €13.5 million.

- IMS group

For the third quarter of 2015, sales amounted to €189.8 million, up 118.4% versus Q3 2014 (+121.9% volume effect, including a +2.1% volume increase at constant consolidation and consolidation changes of +119.8% resulting from the consolidation of Schmolz+Bickenbach distribution; -3.5% price effect). Accordingly, adjusted EBITDA came to €1.2 million, including a €1.4 million loss generated by Schmolz+Bickenbach distribution.

The division posted sales of €395 million for the nine months ended September 30, 2015, up 37.4% versus 2014 (+40.7% volume effect including consolidation changes of +36.2%; -3.3% price effect). IMS group posted adjusted EBITDA of €10.7 million.

September 30, 2015 interim report available: www.jacquetmetalservice.com.

2015 Annual report: Thursday, March 10, 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 3,275 people and has a network of 100 distribution centers across 24 countries spanning Europe, China and North America.

Jacquet Metal Service
Thierry Philippe
comfi@jacquetmetals.com

NewCap - Investor relations
Emmanuel Huynh / Julien Perez
Tel. : +33 1 44 71 94 94
jacquetmetalservice@newcap.fr

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Compartment B
ISIN : FR0000033904
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