

2015 annual results

- **Sales** €1,377 million (up 22.3% from 2014)
- **Adjusted EBITDA** €38.0 million
- **Net income (Group share)** €50.5 million

On March 9, 2016 the Board of Directors, chaired by Eric Jacquet, approved the consolidated financial statements for the year ended December 31, 2015.

€m	Q4 2015	Q4 2014	2015 ⁽¹⁾	2014
Sales	376.7	269.3	1,377.5	1,126.0
Gross margin	83.2	71.3	311.9	283.5
% of sales	22.1%	26.5%	22.6%	25.2%
Adjusted EBITDA ⁽²⁾	0.7	11.6	38.0	58.1
% of sales	0.2%	4.3%	2.8%	5.2%
Operating income/(loss) before non-recurring items ⁽²⁾	(2.7)	10.5	21.7	44.9
% of sales	-0.7%	3.9%	1.6%	4.0%
Operating income/(loss)	(2.5)	10.5	70.8	45.2
% of sales	-0.7%	3.9%	5.1%	4.0%
Net income/(loss) (Group share)	(9.1)	7.1	50.5	25.2

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

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

2015 sales and earnings

2015 Headlines

2015 was marked by:

- A 3.5% increase in volumes (at constant consolidation),
- The July acquisition of Schmolz+Bickenbach Distribution, which operates in Germany, Austria, the Netherlands and Belgium and generates annual sales of around €600 million. Including this acquisition, 2015 proforma sales (12 months) should amount to €1.7 billion, 42% of which was earned in Germany, the Group's principal market.
- Market conditions, particularly challenging from the third quarter onwards related to an ongoing decline in raw material prices, bringing down both sale prices and gross margins.

Fourth quarter 2015

Fourth quarter sales amounted to €377 million, up 40% from the previous year and including:

- Volume effect: +4.2% (at constant consolidation), with volume growth across all brands,
- Change in consolidation: +45.8%,
- Price effect: -10.2%

Adjusted EBITDA came to €0.7 million, compared to €11.6 million in the same period last year. This change is mainly due to the decline in the gross margin rate and the performance of Schmolz+Bickenbach Distribution in Germany.

Full-year results

The Group posted full-year sales of €1.38 billion, up 22.3% from 2014, with volumes up 3.5% (at constant consolidation), average prices down 3.3%, and a +22.1% change in consolidation following the acquisition of Schmolz+Bickenbach Distribution in July 2015.

The 2015 gross margin amounted to €311.9 million or 22.6% of sales (24% at constant consolidation) versus 25.2% in 2014.

Operating expenses before non-recurring items were kept under control and increased by 0.4% at constant consolidation compared to the previous year.

As a result, adjusted EBITDA came to €38.0 million (2.8% of sales), while operating income before non-recurring items amounted to €21.7 million (1.6% of sales).

Operating income amounted to €70.8 million, which includes net non-recurring income of €48.1 million mainly related to the Schmolz+Bickenbach Distribution acquisition (including a €57 million goodwill gain).

Net income (Group share) came to €50.5 million (i.e. €2.10 per share), compared to €25.2 million in 2014.

At the beginning of 2016, the market was still marked by low raw material prices. In 2016, the Group will focus on improving the operating efficiency of each of its brands and, primarily, on turning around the business of Schmolz+Bickenbach Distribution.

Financial position




At December 31, 2015 operating working capital amounted to €372.5 million, or 27% of sales, including inventories of €390.3 million.

In 2015, the Group generated operating cash flow of €43 million, compared to a €11.9 million outflow in 2014.

Group capital expenditure for the year (excluding the acquisition price for Schmolz+Bickenbach Distribution) mainly related to new finishing capacity and amounted to €28.9 million, compared to €14.2 million in 2014.

At December 31, 2015, Group net debt stood at €213.5 million compared to shareholders' equity of €295.4 million, resulting in a net debt to equity ratio of 72.3%.

2015 operations and brand development

€m	 Stainless steel and wear-resistant quarto plates		 Long stainless steel products		 Engineering steels	
	Q4 2015	2015	Q4 2015	2015	Q4 2015	2015 ⁽¹⁾
Sales	75.8	337.4	93.9	439.8	206.7	601.7
Change vs. 2014	-0.8%	14.2%	-8.3%	-2.9%	128.6%	59.2%
Price effect	-11.5%	-2.7%	-10.7%	-1.8%	-8.8%	-5.0%
Volume effect	9.5%	9.7%	2.5%	-1.1%	2.0%	3.9%
Change in consolidation	1.3%	7.2%	0.0%	0.0%	135.4%	60.3%
Adjusted EBITDA ^{(2) (3)}	0.1	7.7	0.3	13.8	(2.9)	7.7
% of sales	0.1%	2.3%	0.4%	3.1%	-1.4%	1.3%
Operating income before non-recurring ⁽³⁾	(1.8)	(0.0)	(0.5)	11.1	(3.1)	3.0
% of sales	-2.4%	0.0%	-0.5%	2.5%	-1.5%	0.5%

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

⁽²⁾ Non-division operations (including Jacquet Metal Service SA) contributed €3.2 million to Q4 2015 adjusted EBITDA and €8.8 million to 2015 full-year adjusted EBITDA.

- **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.

Fourth quarter volumes were up 9.5% from fourth quarter 2014. The division's sales and earnings were nevertheless impacted by falling prices (down 11.5%) and by particularly challenging market conditions in the United States. Accordingly, the division posted adjusted EBITDA of €0.1 million, compared to €2.2 million in fourth quarter 2014.

Jacquet-Abraservice posted full-year sales of €337.4 million, up 14.2% from 2014 (including 9.7% volume growth at constant consolidation, a -2.7% price effect and a +7.2% change in consolidation resulting from the acquisition of the Canadian Rolark group in 2014).

The division posted adjusted EBITDA of €7.7 million (2.3% of sales), compared to €10.2 million in 2014.

In 2016, the division will focus on improving operating efficiency in each of its regions.

- **Stappert**

Fourth quarter volumes were up 2.5% from fourth quarter 2014. Stappert results, specialist of the distribution of long stainless steel products, were impacted by falling prices (down 10.7%). Accordingly, fourth quarter adjusted EBITDA came to €0.3 million, compared to €5.8 million in fourth quarter 2014.

The division posted full-year sales of €439.8 million, down 2.9% from 2014 (-1.1% volume effect; -1.8% price effect).

2015 adjusted EBITDA amounted to €13.8 million (3.1% of sales), compared to €26.5 million in 2014. This change is mainly due to falling prices in the second half of 2015.

Stappert will focus 2016 capital expenditure on Europe. In the medium term, the brand may also set up operations in North America.

- **IMS group**

IMS group specializes in the distribution of engineering steels, mainly in the form of long products. Schmolz+Bickenbach Distribution has been part of this division since July 22, 2015.

The division's fourth quarter results were impacted by challenging market conditions and the performance of Schmolz+Bickenbach Distribution in Germany.

The division posted full-year sales of €601.7 million, up 59.2% versus 2014 (+3.9% volume effect at constant consolidation; -5.0% price effect; +60.3% change in consolidation).

2015 adjusted EBITDA amounted to €7.7 million (1.3% of sales). At constant consolidation (i.e. excluding Schmolz+Bickenbach Distribution), IMS group adjusted EBITDA came to €13.9 million, compared to €15.3 million in 2014.

In 2016, the division will focus mainly on turning around the business of Schmolz+Bickenbach Distribution.

**Financial report available: www.jacquetmetalservice.com
Q1 2016 results: Tuesday, 3rd May 2016, after the market closes**

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.

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

JCQ
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Compartment B
ISIN : FR0000033904
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