

## Third quarter 2017 earnings

9 months

November 14, 2017 – 6.00pm CET

- > **Sales** **€1,323 m (+8.6% vs. September 30, 2016)**
- > **Doubled EBITDA** **€83 m (6.3% of sales)**

On November 14, 2017 the Board of Directors chaired by Éric Jacquet examined the consolidated financial statements for the period ended September 30, 2017.

€m	Q3 2017	Q3 2016	30.09.17 9 months	30.09.16 9 months
Sales	412.5	379.2	1 323.2	1 218.8
Gross margin	99.2	95.2	335.2	290.8
% of sales	24.1%	25.1%	25.3%	23.9%
EBITDA <sup>1</sup>	22.1	15.9	82.8	40.1
% of sales	5.4%	4.2%	6.3%	3.3%
Operating income before non-recurring items <sup>1</sup>	16.6	11.7	66.7	25.7
% of sales	4.0%	3.1%	5.0%	2.1%
Operating income	16.8	12.1	66.0	26.6
Net income (Group share)	9.4	5.4	37.1	7.8

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

## Sales and earnings for the period ended September 30, 2017

Group sales amounted to €1,323 million, +8.6% compared to September 30, 2016 (Q3: +8.8%), including the following effects:

- > Volumes sold -0.7% (Q3: +1.9%),
- > Price: +9.3% (Q3: +6.9%).

Gross margin amounted to €335 million, representing 25.3% of sales (Q3: 24.1%) compared to 23.9% as of September 30, 2016.

Operating expenses excluding non recurring items have been controlled : +1.3% compared to September 30, 2016 (Q3: -1.1%).

EBITDA came to €82.8 million (Q3: €22.1 million), amounting to 6.3% of sales compared to €40.1 million (3.3% of sales) as of September 30, 2016.




Operating income before non-recurring items amounted to €66.7 million (5% of sales) and net income (Group share) amounted to €37.1 million (2.8% of sales) compared to €25.7 and €7.8 million as of September 30, 2016 respectively.

### Financial position

As of September 30, 2017, operating working capital amounted to €394 million, including inventories of €389 million, and represented 23.3% of sales, stable compared to the 2016 year-end and June 30, 2017. Operating cash flow generated by the Group since the beginning of the year amounted to €58 million (compared to €33 million as of September 30, 2016) and capital expenditure amounted to €20 million.

Group net debt stood at €189 million, compared to shareholders' equity of €322 million, resulting in a net debt to equity ratio (gearing) of 59% (69% as of December 31, 2016).

## Earnings as of September 30, 2017 by division

€m						
	<b>ABRASERVICE</b>		<b>STAPPERT</b>		<b>Engineering steels</b>	
	<b>Stainless steel and wear-resistant quarto plates</b>		<b>Stainless steel long products</b>		<b>Engineering steels</b>	
	Q3 2017	30.09.17 9 months	Q3 2017	30.09.17 9 months	Q3 2017	30.09.17 9 months
Sales	90.6	286.6	111.1	351.7	208.5	681.2
Change vs 2016	17.1%	16.3%	7.3%	9.8%	5.8%	4.6%
Price effect	1.3%	9.7%	7.2%	13.4%	8.9%	7.2%
Volume effect	15.8%	6.6%	0.1%	-3.6%	-3.2%	-2.5%
EBITDA <sup>12</sup>	4.2	17.7	5.5	22.2	8.8	35.3
% of sales	4.6%	6.2%	4.9%	6.3%	4.2%	5.2%
Operating income before non-recurring items <sup>2</sup>	2.0	10.9	4.9	20.7	6.9	29.5
% of sales	2.2%	3.8%	4.4%	5.9%	3.3%	4.3%

<sup>1</sup> Non-division operations contributed €3.6 million to Q3 2017 EBITDA, and €7.6 million as of September 30, 2017.

<sup>2</sup> 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** This division specializes in the distribution of stainless steel and wear-resistant quarto plates. JACQUET and Abraservice have separate sales networks. The division generates 74% of its sales in Europe and 18% in North America.

Sales amounted to €286.6 million compared to €246.5 million as of September 30, 2016, an increase by +16.3%: Volumes sold rose +6.6% (Q3: +15.8%), prices rose +9.7% (Q3: +1.3%).

The gross margin rate rose 0.3 percentage point to 30.3% of sales (Q3: 29.1%) and came to €86.8 million compared to €74 million as of September 30, 2016.

EBITDA amounted to €17.7 million (Q3: €4.2 million), representing 6.2% of sales, compared to €7.6 million (3.1% of sales) as of September 30, 2016.

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

Sales amounted to €351.7 million, +9.8% from €320.3 million as of September 30, 2016, an increase by +9.8%: Volumes sold decreased by -3.6% (Q3: +0.1%), prices rose +13.4% (Q3: +7.2%).

The gross margin rate rose 1.1 percentage point to 22.6% of sales (Q3: 20.9%), while the gross margin came to €79.3 million compared to €68.7 million as of September 30, 2016.

EBITDA amounted to €22.2 million (Q3: €5.5 million), representing 6.3% of sales, compared to €13.2 million as of September 30, 2016 (4.1% of sales).

**IMS group** This division specializes in the distribution of engineering steels, mostly in the form of long products. It generates 48% of its sales in Germany, the largest European market.

Sales amounted to €681.2 million compared to €650.9 million as of September 30, 2016, an increase by +4.6%: Volumes sold decreased by -2.5% (Q3: -3.2%), prices increased +7.2% (Q3: +8.9%).

The gross margin rate rose 2 percentage points to 24.2% of sales (Q3: 23%), while the gross margin came to €164.6 million compared to €144.5 million as of September 30, 2016.

EBITDA amounted to €35.3 million (Q3: €8.8 million), representing 5.2% of sales, compared to €13.8 million (2.1% of sales) as of September 30, 2016. S+B Distribution (the distribution activity acquired from Schmolz+Bickenbach group in July 2015) contributed €13.7 million (3.5% of sales) to EBITDA, compared to €2.1 million as of September 30, 2016.

## Key financial information

### Income statement

€m	30.09.17 9 months	30.09.16 9 months
Sales	1,323.2	1,218.8
Gross margin	335.2	290.8
% of sales	25.3%	23.9%
EBITDA <sup>1</sup>	82.8	40.1
% of sales	6.3%	3.3%
Operating income before non-recurring items <sup>1</sup>	66.7	25.7
% of sales	5.0%	2.1%
Operating income	66.0	26.6
Net income (Group share)	37.1	7.8

<sup>1</sup> 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	30.09.17	31.12.16
Goodwill	68.4	68.5
Net non-current assets	151.6	147.6
Net inventory	389.4	376.2
Net trade receivables	209.6	171.3
Other assets	87.9	91.7
Cash	66.0	73.0
<b>Total assets</b>	<b>972.8</b>	<b>928.3</b>
Shareholders' equity	322.1	296.5
Provisions (including provisions for employee benefit obligations)	104.5	112.3
Trade payables	205.1	176.4
Borrowings	258.9	281.2
Other liabilities	82.1	61.8
<b>Total equity and liabilities</b>	<b>972.8</b>	<b>928.3</b>

### Cash flow

€m	30.09.17 9 months	31.12.16 12 months
Operating cash flow before change in working capital	67.2	45.3
Change in working capital	(8.8)	(2.2)
<b>Cash flow from operating activities</b>	<b>58.4</b>	<b>43.1</b>
Capital expenditure	(20.2)	(18.3)
Asset disposals	0.9	1.2
Dividends paid to shareholders of Jacquet Metal Service SA	(11.8)	(9.5)
Interest paid	(7.5)	(9.6)
Other movements	(4.0)	1.3
<b>Change in net debt</b>	<b>15.8</b>	<b>8.3</b>
<b>Net debt brought forward</b>	<b>205.3</b>	<b>213.5</b>
<b>Net debt carried forward</b>	<b>189.5</b>	<b>205.3</b>

The activity report may be downloaded from: [www.jacquetmetalservice.com](http://www.jacquetmetalservice.com)

2017 Full year results: March 7, 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 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.