

First quarter results 2018

May 4, 2018 - 8.00 am CET

- > **Sales** **€503 million (+8.1% vs. Q1 2017)**
- > **EBITDA** **€34.5 million (6.9% of sales)**
- > **Net income (group share)** **€22.4 million**

On May 3, 2018 the Board of Directors, chaired by Éric Jacquet, approved the non audited consolidated financial statements for the three months ended March 31, 2018.

€m	Q1 2018	Q1 2017
Sales	502.5	465.0
Gross margin	126.0	121.8
% of sales	25.1%	26.2%
EBITDA ¹	34.5	31.2
% of sales	6.9%	6.7%
Adjusted operating income ¹	29.4	26.9
% of sales	5.9%	5.8%
Operating income	33.4	27.1
Net income (Group share)	22.4	15.3

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 quarter 2018 sales and earnings

Sales amounted to €502.5 million, an increase of +8.1% compared to 2017, including the following effects:

- > Volumes sold: +3.5%;
- > Price: +4.6%. The price effect compared to Q4 2017 was +2.9%.

The gross margin came to €126 million (25.1% of sales) compared to €122 million (26.2% of sales) during the first quarter of 2017. The gross margin rate variation is explained among others by a positive price effect more important in Q1 2017 than in Q1 2018.

Operating charges excluding non recurring items have been controlled and amounted to €96.6 million, compared to €95 million during the first quarter of 2017, an evolution of +1.7% mainly linked to the Group's sales increase.

In this context, EBITDA amounted to €34.5 million (6.9% of sales) compared to €31.2 million in Q1 2017 (6.7% of sales).

Net income (Group share) amounted to €22.4 million (€15.3 million in Q1 2017), after booking a net gain of €2.8 million linked to the disposal of a real estate asset.

Financial position




Operating working capital represents to 23.3% of sales (€415 million of which €444 million of inventory) versus 22% at the end of 2017 (€383 million of which €418 million of inventory).

In this context, Group net debt at March 31, 2018 stood at €192 million, compared to shareholders' equity of €354 million, resulting in a net debt to equity (gearing) ratio of 54% (55.2% at December 31, 2017).

Dividend

The Board of Directors will propose a dividend of €0.70 per share to the General Meeting of Shareholders on June 29, 2018.

Q1 2018 sales by division

	 JACQUET ABRASERVICE Stainless steel and wear-resistant quarto plates	 STAPPERT Stainless steel long products	 ims Engineering steels
m€	Q1 2018	Q1 2018	Q1 2018
Sales	104.1	129.2	268.4
Change vs 2017	6.1%	2.4%	11.5%
Price effect	-1.5%	-0.5%	9.4%
Volume effect	7.6%	2.8%	2.1%
EBITDA^{1 2}	7.5	7.3	17.7
% of sales	7.2%	5.7%	6.6%
Adjusted operating income²	5.7	7.2	15.6
% of sales	5.4%	5.6%	5.8%

¹ Non-division activities (including Jacquet Metal Service SA) contributed €2 million to Q1 2018 EBITDA.

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 75% of its business in Europe and 18% in North America.

Sales amounted to €104.1 million compared to €98.1 million in Q1 2017, an increase of +6.1% (volume effect +7.6%, price effect -1.5%).

The gross margin amounted to €32.7 million (31.5% of sales), compared to €31.1 million in Q1 2017 (31.7% of sales).

EBITDA amounted to €7.5 million (7.2% of sales) compared to €7.1 million (7.2% of sales) in Q1 2017.

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

Sales amounted to €129.2 million compared to €126.2 million in Q1 2017, or an increase of +2.4% (volume effect +2.8%, price effect -0.5%).

The gross margin amounted to €27.8 million (21.5% of sales), compared to €30.5 million in Q1 2017 (24.1% of sales).

EBITDA amounted to €7.3 million (5.7% of sales) compared to €9.7 million (7.7% of sales) in Q1 2017.

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

Sales amounted to €268.4 million compared to €240.7 million in Q1 2017, an increase of +11.5% (volume effect +2.1%, price effect +9.4%).

The gross margin amounted to €63.9 million (23.8% of sales), compared to €60 million in Q1 2017 (24.9% of sales).

EBITDA came to €17.7 million (6.6% of sales), compared to €13.9 million (5.8% of sales) in Q1 2017.

Key financial information

Income statement

€m	Q1 2018	Q1 2017
Sales	502.5	465.0
Gross margin	126.0	121.8
% of sales	25.1%	26.2%
EBITDA¹	34.5	31.2
% of sales	6.9%	6.7%
Adjusted operating income¹	29.4	26.9
% of sales	5.9%	5.8%
Operating income	33.4	27.1
Net income (Group share)	22.4	15.3

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	Q1 2018	Q1 2017
Operating cash flow before change in working capital	30.5	25.1
Change in working capital	(33.8)	16.5
Cash flow from operating activities	(3.3)	41.6
Capital expenditure	(5.3)	(4.1)
Asset disposals	4.1	0.5
Dividends paid to shareholders of Jacquet Metal Service SA	—	—
Interest paid	(2.2)	(2.6)
Other movements	(1.7)	0.1
Change in net debt	(8.4)	35.5
Net debt brought forward	183.1	205.3
Net debt carried forward	191.5	169.7

Balance sheet

€m	31.03.18	31.12.17
Goodwill	68.2	68.3
Net non-current assets	155.8	156.2
Net inventory	444.0	418.0
Net trade receivables	249.5	189.3
Other assets	104.1	94.0
Cash & cash equivalents	124.1	102.1
Total assets	1,145.7	1,027.9
Shareholders' equity	354.4	331.8
Provisions (including provisions for employee benefit obligations)	105.6	106.5
Trade payables	278.3	224.0
Total borrowings	320.0	289.6
Other liabilities	87.4	76.0
Total equity and liabilities	1,145.7	1,027.9

Activity report available: www.jacquetmetalservice.com
First half 2018 results: September 5, 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.

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Reuters : JCQ.PA
Bloomberg : JCQ FP