



## PRESS RELEASE

### First half 2022 results

07.09.2022 - 6.00 PM

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**Sales: €1,480m (+58% vs H1 2021)**

**EBITDA: €209m (14.1% of sales)**

**Net income (Group share): €126m**

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In H1 2022, the Group benefited from a favorable environment mainly marked by the **increase in raw materials prices**.

Volumes distributed also rose in the H1 (+1.9% compared to H1 2021). **Demand**, which was well oriented at the beginning of the year, showed a decline from Q2 onwards.

Likewise, after 18 months of increase, **raw material prices** began to decrease, leading to a decrease in purchase prices, a trend that is expected to continue in Q4. However this decrease should be mitigated by the increase in steel production costs, heavily impacted by energy costs.

The inventory valuation as of June 30, 2022 takes this evolution into account, with the recording of an impairment representing 19.8% of the gross value of inventory compared to 17.1% as of December 31, 2021.

**Sales** increased by +58% to €1,480 million and the **gross margin** by +63% to €404 million, representing 27.3% of sales, compared to 26.4% a year earlier.

In this context, **EBITDA** amounted to €209 million in H1 2022 (14.1% of sales versus 8.6% in H1 2021) and **Net income (Group share)** amounted to €126 million, compared to €43 million a year earlier.

Operating **working capital** also increased and represented 28% of sales as of June 30, 2022 compared to 26% at 2021 year-end.

During the period, the Group generated **operating cash flow** of €52 million and strengthened its financing structure with a **shareholders' equity** of €622 million and a net debt to equity ratio (gearing) of 27% (35% at 2021 year-end).

**Capital expenditure** (excluding external growth) amounted to €13 million in H1 2022.

In early May, **the Group acquired the Canadian company Fidelity PAC Metals** (annual sales: €33 million) specializing in master distribution of stainless steel long products and operating 3 logistics centers in Toronto, Montreal and Vancouver. Fidelity PAC Metals will strengthen the JACQUET division's positioning in North America, the largest market of the division, now representing one third of its sales.



On September 7, 2022, the Board of Directors, chaired by Éric Jacquet, approved the consolidated financial statements for the six months ended June 30, 2022, on which the Statutory Auditors had conducted a limited review.

€m	Q2 2022	Q2 2021	H1 2022	H1 2021
<b>Sales</b>	<b>757</b>	<b>492</b>	<b>1,480</b>	<b>937</b>
<b>Gross margin</b>	<b>205</b>	<b>131</b>	<b>404</b>	<b>248</b>
<i>% of sales</i>	<i>27.0%</i>	<i>26.7%</i>	<i>27.3%</i>	<i>26.4%</i>
<b>EBITDA<sup>1</sup></b>	<b>107</b>	<b>46</b>	<b>209</b>	<b>81</b>
<i>% of sales</i>	<i>14.2%</i>	<i>9.5%</i>	<i>14.1%</i>	<i>8.6%</i>
<b>Adjusted operating income<sup>1</sup></b>	<b>93</b>	<b>36</b>	<b>183</b>	<b>64</b>
<i>% of sales</i>	<i>12.3%</i>	<i>7.3%</i>	<i>12.3%</i>	<i>6.8%</i>
<b>Operating income</b>	<b>89</b>	<b>35</b>	<b>179</b>	<b>61</b>
<b>Net income (Group share)</b>	<b>63</b>	<b>27</b>	<b>126</b>	<b>43</b>

<sup>1</sup> Adjusted for non-recurring items. The half-year financial report includes a definition of non-IFRS financial indicators and explains the methods used to calculate them. The half-year financial report is available at [jacquetmetals.com](http://jacquetmetals.com).

## H1 2022 results

**Sales** amounted to €1,480 million, up +58% versus H1 2021 including the following effects:

- volumes: +1.9% (Q1 +8.9%; Q2 -4.9%);
- prices: +55.5% (Q1 +53.7%; Q2 +57.6%; Q2 2022 +15.4% compared to Q1 2022);
- scope: +0.6% (Q2 +1.2%) following the acquisition of Fidelity PAC Metals at the beginning of May 2022.

**Gross margin** amounted to €404 million (Q1 €200 million; Q2 €205 million), representing 27.3% of sales, compared to €248 million a year earlier (26.4% of sales).

**Current operating expenses\*** amounted to €195 million (13.2% of sales) compared to €167 million in H1 2021 (17.8 % of sales). The increase in energy costs contributed for €2.5 million to the increase in H1 current operating expenses.

\* excluding depreciation, amortization and provisions €(31)m.

**EBITDA** amounted to €209 million and represented 14.1% of sales (Q1 14.0%; Q2 14.2%) compared to €81 million in H1 2021 (8.6% of sales).

**Adjusted operating income** amounted to €183 million (12.3% of sales).

In this context, **Net income (Group share)** amounted to €126 million compared to €43 million in H1 2021.



## H1 2022 financial position

As of June 30, 2022, the Group generated positive **operating cash flow** of €52 million.

Operating **working capital** amounted to €709 million (28% of sales), up from €520 million at 2021 year-end (26% of sales), notably due to the inventory increase (€757 million compared to €588 million at 2021 year-end).

After the financing of the acquisition of Fidelity PAC Metals and capital expenditure, **net debt** amounted to €169 million compared to €171 million at 2021 year-end. The net debt to equity ratio (gearing) amounted to 27% compared to 35% at 2021 year-end.

As of June 30, 2022, **cash** amounted to €265 million while lines of credit totaled €776 million (of which €341 million are unused).

## H1 2022 earnings by division

€m	JACQUET Stainless steel quarto plates		STAPPERT Stainless steel long products		IMS group Engineering steels	
	Q2 2022	H1 2022	Q2 2022	H1 2022	Q2 2022	H1 2022
<b>Sales</b>	<b>176</b>	<b>334</b>	<b>220</b>	<b>445</b>	<b>366</b>	<b>712</b>
<b>Change 2022 vs 2021</b>	<b>+65.5%</b>	<b>+66.3%</b>	<b>+43.8%</b>	<b>+49.8%</b>	<b>+55.1%</b>	<b>+59.7%</b>
Price effect	+67.8%	+62.4%	+56.3%	+52.5%	+53.6%	+54.0%
Volume effect	-8.0%	+0.9%	-12.5%	-2.7%	+1.5%	+5.7%
Scope effect	+5.7%	+3.0%	n.a.	n.a.	n.a.	n.a.
<b>EBITDA<sup>1,2</sup></b>	<b>33</b>	<b>65</b>	<b>19</b>	<b>48</b>	<b>45</b>	<b>79</b>
% of sales	18.8%	19.5%	8.8%	10.7%	12.2%	11.1%
<b>Adjusted operating income<sup>2</sup></b>	<b>30</b>	<b>60</b>	<b>18</b>	<b>46</b>	<b>38</b>	<b>71</b>
% of sales	17.2%	18.1%	8.4%	10.3%	10.3%	10.0%

<sup>1</sup> Excluding IFRS 16 impacts. As of June 30, 2022, non-division operations (mainly holdings and real-estate companies) and the application of *IFRS 16 - Leases* contributed €8 million and €9 million to EBITDA respectively.

<sup>2</sup> Adjusted for non-recurring items. The half-year financial report includes a definition of non-IFRS financial indicators and explains the methods used to calculate them. The half-year financial report is available at [jacquetmetals.com](http://jacquetmetals.com).

n.a.: Not applicable.



## JACQUET

The division specializes in the distribution of **stainless steel quarto plates**. It generates **62% of its business in Europe and 33% in North America**.

Sales amounted to €334 million, up +66.3% from €201 million in H1 2021:

- volumes: +0.9% (Q1 +10%; Q2 -8%);
- prices: +62.4% (Q1 +57.1%; Q2 +67.8%; Q2 2022 +19.7% vs Q1 2022);
- scope: +3% (Q2 +5.7%) following the acquisition of Fidelity PAC Metals at the beginning of May 2022.

Gross margin amounted to €120 million, representing 35.8% of sales, compared to €68 million in H1 2021 (33.6% of sales).

EBITDA amounted to €65 million, representing 19.5% of sales, compared to €24 million in H1 2021 (11.8% of sales).

## STAPPERT

The division specializes in the distribution of **stainless steel long products** mainly in Europe. It generates **42% of its sales in Germany, the largest European market**.

Sales amounted to €445 million, up +49.8% from €297 million in H1 2021:

- volumes: -2.7% (Q1 +7%; Q2 -12.5%);
- prices: +52.5% (Q1 +49% ; Q2 +56.3%; Q2 2022 +17.1% vs Q1 2022).

Gross margin amounted to €99 million, representing 22.3% of sales, compared to €62 million in H1 2021 (20.9% of sales).

EBITDA amounted to €48 million, representing 10.7% of sales, compared to €18 million in H1 2021 (6% of sales).

## IMS group

The 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 €712 million, up +59.7% from €446 million in H1 2021:

- volumes: +5.7% (Q1 +9.9%; Q2 +1.5%);
- prices: +54% (Q1 +54.9% ; Q2 +53.6%; Q2 2022 +12.3% vs Q1 2022).

Gross margin amounted to €185 million, representing 26.0% of sales, compared to €118 million in H1 2021 (26.4% of sales).

EBITDA amounted to €79 million, representing 11.1% of sales, compared to €29 million in H1 2021 (6.4% of sales).



## Key financial information

### Income statements

€m	Q2 2022	Q2 2021	H1 2022	H1 2021
<b>Sales</b>	<b>757</b>	<b>492</b>	<b>1,480</b>	<b>937</b>
<b>Gross margin</b>	<b>205</b>	<b>131</b>	<b>404</b>	<b>248</b>
<i>% of sales</i>	27.0%	26.7%	27.3%	26.4%
<b>EBITDA<sup>1</sup></b>	<b>107</b>	<b>46</b>	<b>209</b>	<b>81</b>
<i>% of sales</i>	14.2%	9.5%	14.1%	8.6%
<b>Adjusted operating income<sup>1</sup></b>	<b>93</b>	<b>36</b>	<b>183</b>	<b>64</b>
<i>% of sales</i>	12.3%	7.3%	12.3%	6.8%
<b>Operating income</b>	<b>89</b>	<b>35</b>	<b>179</b>	<b>61</b>
Net financial expense	(4)	(2)	(7)	(6)
Corporate income tax	(18)	(4)	(38)	(9)
Minority interests	(4)	(1)	(7)	(3)
<b>Net income (Group share)</b>	<b>63</b>	<b>27</b>	<b>126</b>	<b>43</b>

<sup>1</sup> Adjusted for non-recurring items. The half-year financial report includes a definition of non-IFRS financial indicators and explains the methods used to calculate them. The half-year financial report is available at [jacquetmetals.com](http://jacquetmetals.com).

### Cash flow

€m	H1 2022	H1 2021
Operating cash flow before change in working capital	193	77
Change in working capital	(141)	(24)
<b>Cash flow from operating activities</b>	<b>52</b>	<b>53</b>
Capital expenditure	(13)	(15)
Asset disposals	1	1
Dividends paid to shareholders of JACQUET METALS SA	-	-
Interest paid	(6)	(7)
Other movements	(32)	(11)
<b>Change in net debt</b>	<b>2</b>	<b>22</b>
<b>Net debt brought forward</b>	<b>171</b>	<b>106</b>
<b>Net debt carried forward</b>	<b>169</b>	<b>84</b>

### Balance sheet

€m	30.06.22	31.12.21
Goodwill	68	66
Net non-current assets	173	168
Right-of-use assets	73	63
Net inventory	757	588
Net trade receivables	339	209
Other assets	128	121
Cash & cash equivalents	265	246
<b>Total assets</b>	<b>1,803</b>	<b>1,460</b>
Shareholders' equity	622	495
Provisions (including provisions for employee benefit obligations)	96	101
Trade payables	387	277
Borrowings	434	417
Other liabilities	187	104
Lease liabilities	77	67
<b>Total equity and liabilities</b>	<b>1,803</b>	<b>1,460</b>



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**Half-year financial report available: [jacquetmetals.com](http://jacquetmetals.com)  
September 30, 2022 earnings: November 9, 2022 - 6.00 PM**

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**Financial analysts meeting (french language): September 8, 2022 - 11.00 AM CEST**

**Access**

[click here](#)

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JACQUET METALS is a European leader in the distribution of specialty steels.  
The Group develops and operates a portfolio of three brands:

**JACQUET** stainless steel quarto plates - **STAPPERT** stainless steel long products - **IMS group** engineering steels

With a headcount of 3,081 employees, JACQUET METALS has a network of  
106 distribution centers in 24 countries in Europe, Asia and North America.

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