



PRESS RELEASE

Results as of September 30, 2022

November 9, 2022 - 6.00 PM

Sales: €2,118m (+46.8% vs September 30, 2021)

EBITDA: €269m (12.7% of sales)

Net income (Group share): €160m

Over the first 9 months of 2022, the Group's business and results broadly benefited from favorable market conditions.

However from Q2 onwards, more specifically for the distribution of stainless steel long products, a decline in **demand** occurred.

Similarly, after 18 months of increase, **raw material prices** began to decrease, a trend that is expected to continue over the end of the year.

Inventory valuation at September 30, 2022 and the Q3 2022 gross margin levels reflect these changes, with (i) the recording of an impairment representing 19.7% of the gross value of inventory compared to 17.1% at 2021 year-end and (ii) an average gross margin in Q3 2022 representing 22.5% of sales, around 5 percentage points lower than in H1 2022.

As of September 30, 2022 (9 months of activity), **sales** increased by +46.8% to €2,118 million (Q3 +26% to €638 million) and the **gross margin** by +41% to €548 million, representing 25.9% of sales (Q3 22.5%) compared to 26.9% a year earlier.

In this context, **EBITDA** amounted to €269 million, representing 12.7% of sales (Q3 9.5% to €60 million) compared to 10.1% as of September 30, 2021.

Net income (Group share) amounted to €160 million (Q3 €34 million) compared to €82 million a year earlier.

Operating **working capital** increased in line with business growth and represented 29% of sales as of September 30, 2022, compared to 28% as of June 30, 2022 and 26% at 2021 year-end.

Over the first 9 months of the year, the Group generated **operating cash flow** of €25 million and consolidated its financing structure with, at September 30, 2022, **shareholders' equity** of €661 million and a net debt to equity ratio (gearing) of 36% (35% at 2021 year-end).



On November 9, 2022, the Board of Directors, chaired by Éric Jacquet, approved the consolidated financial statements for the period ended September 30, 2022.

€m	Q3 2022	Q3 2021	30.09.22 9 months	30.09.21 9 months
Sales	638	506	2,118	1,443
Gross margin	144	141	548	389
% of sales	22.5%	27.9%	25.9%	26.9%
EBITDA¹	60	64	269	145
% of sales	9.5%	12.7%	12.7%	10.1%
Adjusted operating income¹	51	54	234	117
% of sales	8.0%	10.6%	11.0%	8.1%
Operating income	51	54	230	115
Net income (Group share)	34	39	160	82

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. The activity report is available at jacquetmetals.com.

Results as of September 30, 2022

Consolidated **sales** amounted to €2,118 million, up +46.8% compared to September 30, 2021, including the following effects:

- volumes sold: -0.6% (Q3 2022 -6.1% vs Q3 2021);
- prices: +46,5% (Q3 2022 +30.8% vs Q3 2021 and -5.4% vs Q2 2022);
- scope: +0.9% (Q3 2022 +1.3% vs Q3 2021) following the acquisition of Fidelity PAC Metals in May 2022.

Gross margin amounted to €548 million representing 25.9% of sales (Q3 €144 million representing 22.5% of sales) compared to €389 million a year earlier (26.9% of sales).

Current operating expenses* amounted to €279 million (13.2% of sales) compared to €243 million as of September 30, 2021 (16.9% of sales). The increase in energy costs contributed for around €4 million to the increase in current operating expenses.

* excluding depreciation, amortization and provisions €(40)m.

EBITDA amounted to €269 million and represented 12.7% of sales (Q3 9.5%) compared to €145 million as of September 30, 2021 (10.1% of sales).

Adjusted operating income amounted to €234 million (11% of sales).

In this context, **Net income (Group share)** amounted to €160 million compared to €82 million as of September 30, 2021.



Financial position as of September 30, 2022

During the first 9 months of the year, the Group generated positive **operating cash flow** of €25 million.

Operating **working capital** amounted to €770 million (29% of sales), up from €520 million at 2021 year-end (26% of sales) notably due to the inventory increase (€798 million compared to €588 million at 2021 year-end).

After the dividend payment and the financing of the capital expenditure and the acquisition of Fidelity PAC Metals (Canada), **net debt** amounted to €239 million compared to €171 million at 2021 year-end. The net debt to equity ratio (gearing) amounted to 36% compared to 35% at 2021 year-end.

As of September 30, 2022, **cash** amounted to €233 million while lines of credit totaled €804 million (of which €332 million is unused).

Earnings by division as of September 30, 2022

€m	JACQUET Stainless steel quarto plates		STAPPERT Stainless steel long products		IMS group Engineering steels	
	Q3 2022	30.09.22 9 months	Q3 2022	30.09.22 9 months	Q3 2022	30.09.22 9 months
Sales	152	486	186	631	306	1,018
Change 2022 vs 2021	+38.1%	+56.3%	+14.6%	+37.4%	+28.4%	+48.8%
Price effect	+34.6%	+52.4%	+26.7%	+43.0%	+31.9%	+45.9%
Volume effect	-2.6%	-0.2%	-12.1%	-5.6%	-3.5%	+2.9%
Scope effect	+6.1%	+4.1%	n.a.	n.a.	n.a.	n.a.
EBITDA ^{1,2}	20	85	8	56	25	104
% of sales	13.0%	17.4%	4.3%	8.8%	8.2%	10.3%
Adjusted operating income ²	18	78	7	53	23	95
% of sales	11.8%	16.1%	4.0%	8.4%	7.7%	9.3%

¹ Excluding IFRS 16 impacts. As of September 30, 2022, non-division operations (mainly holdings and real-estate companies) and the application of IFRS 16 - Leases contributed €11 million and €14 million to EBITDA respectively.

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. The activity report is available at jacquetmetals.com.
n.a.: Not applicable.



JACQUET

The division specializes in the distribution of **stainless steel quarto plates**. It generates **63% of its business in Europe and 32% in North America**.

Sales amounted to €486 million, up +56.3% from €311 million as of September 30, 2021:

- volumes sold: -0.2% (Q3 2022 -2.6% vs Q3 2021);
- prices: +52.4% (Q3 2022 +34.6% vs Q3 2021 and -9.3% vs Q2 2022);
- scope: +4.1% (Q3 2022 +6.1% vs Q3 2021) following the acquisition of Fidelity PAC Metals in May 2022.

Gross margin amounted to €165 million, representing 33.9% of sales (Q3 €45 million representing 29.8% of sales) compared to €108 million as of September 30, 2021 (34.8% of sales).

EBITDA amounted to €85 million, representing 17.4% of sales (Q3 €20 million representing 13% of sales) compared to €43 million as of September 30, 2021 (13.8% of sales).

STAPPERT

The division specializes in the distribution of **stainless steel long products** mainly in Europe. It generates **43% of its sales in Germany, the largest European market**.

Sales amounted to €631 million, up +37.4% from €459 million as of September 30, 2021:

- volumes sold: -5.6% (Q3 2022 -12.1% vs Q3 2021);
- prices: +43% (Q3 2022 +26.7% vs Q3 2021 and -10.5% vs Q2 2022).

Gross margin amounted to €129 million, representing 20.4% of sales (Q3 €29 million representing 15.8% of sales) compared to €98 million as of September 30, 2021 (21.4% of sales).

EBITDA amounted to €56 million, representing 8.8% of sales (Q3 €8 million representing 4.3% of sales) compared to €32 million as of September 30, 2021 (7% of sales).

IMS group

The division specializes in the distribution of **engineering steels**, mostly in the form of long products. It generates **49% of its sales in Germany, the largest European market**.

Sales amounted to €1,018 million, up +48.8% from €684 million as of September 30, 2021:

- volumes sold: +2.9% (Q3 2022 -3.5% vs Q3 2021);
- prices: +45.9% (Q3 2022 +31.9% vs Q3 2021 and -0.4% vs Q2 2022).

Gross margin amounted to €254 million, representing 25% of sales (Q3 €69 million representing 22.7% of sales) compared to €182 million as of September 30, 2021 (26.6% of sales).

EBITDA amounted to €104 million, representing 10.3% of sales (Q3 €25 million representing 8.2% of sales) compared to €52 million as of September 30, 2021 (7.6% of sales).



Key financial information

Income statement

€m	Q3 2022	Q3 2021	30.09.22 9 months	30.09.21 9 months
Sales	638	506	2,118	1,443
Gross margin	144	141	548	389
% of sales	22.5%	27.9%	25.9%	26.9%
EBITDA¹	60	64	269	145
% of sales	9.5%	12.7%	12.7%	10.1%
Adjusted operating income¹	51	54	234	117
% of sales	8.0%	10.6%	11.0%	8.1%
Operating income	51	54	230	115
Net financial expense	(5)	(3)	(12)	(10)
Corporate income tax	(10)	(10)	(48)	(18)
Minority interests	(2)	(2)	(9)	(5)
Net income (Group share)	34	39	160	82

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. The activity report is available at jacquetmetals.com.

Cash flow

€m	30.09.22 9 months	30.09.21 9 months
Operating cash flow before change in working capital	242	138
Change in working capital	(217)	(88)
Cash flow from operating activities	25	50
Capital expenditure	(21)	(24)
Asset disposals	1	1
Dividends paid to shareholders of JACQUET METALS SA	(23)	(9)
Interest paid	(9)	(9)
Other movements	(39)	(16)
Change in net debt	(68)	(7)
Net debt brought forward	171	106
Net debt carried forward	239	113

Balance sheet

€m	30.09.22	31.12.21
Goodwill	68	66
Net non-current assets	178	168
Right-of-use assets	74	63
Net inventory	798	588
Net trade receivables	277	209
Other assets	140	121
Cash & cash equivalents	233	246
Total assets	1,768	1,460
Shareholders' equity	661	495
Provisions (including provisions for employee benefit obligations)	95	101
Trade payables	305	277
Borrowings	472	417
Other liabilities	157	104
Lease liabilities	77	67
Total equity and liabilities	1,768	1,460



Activity report available: jacquetmetals.com
2022 full-year results: March 14, 2023 6.00 PM

Financial analysts meeting (french language): November 9, 2022 - 6.15 PM CET

Access

[click here](#)

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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