



PRESS RELEASE

First half 2023 results

Lyon, September 13, 2023 - 6.00 PM CEST

Sales: €1,270m (-14.2% vs H1 2022)

EBITDA: €100m (7.9% of sales)

Net income (Group share): €49m

First half 2023 was marked by less favorable economic environment compared to the previous financial year:

- The decline in demand and prices observed at the beginning of the year has intensified since Q2 and is continuing into Q3;
- Demand was affected by the widespread slowdown in manufacturing activities, notably in Germany;
- This trend was concurrent with strong pressure on gross margins.

In this context, the Group posted **sales** of €1,270 million, down 14.2% compared to H1 2022.

The gross margin represented 22.4% of sales compared to 27.3% a year earlier and **EBITDA** amounted to €100 million, representing 7.9% of sales compared to 14.1% a year earlier.

Net income (Group share) amounted to €49 million compared to €126 million at the end of June 2022.

During the period, the Group generated **operating cash flow** of €134 million and consolidated its financial structure with **shareholders' equity** of €690 million and a net debt to equity ratio (**gearing**) of 23% (35% at 2022 year-end).

Capital expenditure (excluding external growth) represented €15 million, mainly dedicated to strengthening distribution centers capacities as well as improving and renewing their equipments.

In early 2023, the STAPPERT division set up operations in Italy with the **acquisition** of Delta Acciai (€10 million sales) and now has 2 distribution centers in Turin and Milan.

More recently, in June 2023 the IMS group division completed the **acquisition** of Cometal Metallhalbzeuge (€15 million sales), a German company specializing in aluminum distribution.

As a reminder, the IMS group division has signed an agreement for the **acquisition** of 7 distribution companies in a few months, which will strengthen its positioning in Central and Eastern Europe. The completion of the transaction is subject to closing conditions, notably the approval of the relevant antitrust authorities.

In Q3 2023, the evolution of market conditions leads the Group to anticipate business levels significantly inferior to those in Q3 2022.

In this environment, the Group will focus on managing its working capital and, backed by its financial strength, will continue its capital expenditure and development policy.



H1 2023 results

On September 13, 2023, the Board of Directors, chaired by Éric Jacquet, approved the consolidated financial statements for the six months ended June 30, 2023, on which the Statutory Auditors had conducted a limited review.

€m	Q2 2023	Q2 2022	H1 2023	H1 2022
Sales	579	757	1,270	1,480
Gross margin	112	205	285	404
<i>% of sales</i>	<i>19.3%</i>	<i>27.0%</i>	<i>22.4%</i>	<i>27.3%</i>
EBITDA¹	24	107	100	209
<i>% of sales</i>	<i>4.1%</i>	<i>14.2%</i>	<i>7.9%</i>	<i>14.1%</i>
Adjusted operating income¹	16	93	84	183
<i>% of sales</i>	<i>2.8%</i>	<i>12.3%</i>	<i>6.6%</i>	<i>12.3%</i>
Operating income	16	89	84	179
Net income (Group share)	5	63	49	126

¹ 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.

Consolidated **sales** amounted to €1,270 million, down -14.2% compared to H1 2022, including the following effects:

- volumes sold: -10.8% (Q1 -10.6%; Q2 -10.8%);
- prices: -4.1% (Q1 +5.1%; Q2 -13.1% and -4.4% vs Q1 2023);
- scope: +0.7% (Q1 +1.1%; Q2 +0.4%) following the acquisitions of Fidelity PAC Metals in May 2022 and Delta Acciai early 2023.

Gross margin amounted to €285 million representing 22.4% of sales (Q1 25%; Q2 19.3%), compared to €404 million a year earlier (27.3% of sales).

Current operating expenses* amounted to €184 million, down -6% compared to H1 2022. Inflation contributed for around €7 million to the increase in expenses.

* excluding depreciation, amortization and provisions €(17)m.

EBITDA amounted to €100 million and represented 7.9% of sales (Q1 11.1%; Q2 4.1%) compared to €209 million in H1 2022 (14.1% of sales).

Adjusted operating income amounted to €84 million (6.6% of sales).

In this context, **Net income (Group share)** amounted to €49 million, compared to €126 million a year earlier.



H1 2023 financial position

The Group generated positive **operating cash flow** of €134 million in H1 2023.

Operating **working capital** amounted to €694 million (28% of sales), compared to €746 million at 2022 year-end (28% of sales), with inventories down by €39 million over the period (€741 million at the end of June 2023 compared to €780 million at 2022 year-end).

After the financing of the capital expenditure and the acquisitions of the companies Delta Acciai and Cometal Metallhalbzeuge, **net debt** stood at €162 million at the end of June compared to €234 million at 2022 year-end. The net debt to equity ratio (gearing) amounted to 23% compared to 35% at 2022 year-end.

As of June 30, 2023, **cash** amounted to €266 million while lines of credit totaled €813 million (of which €385 million are unused).

In July 2023, the financing structure was strengthened with the implementation of a new €160 million syndicated loan maturing in 3 years (July 2026), replacing the previous €125 million syndicated loan.

H1 2023 earnings by division

€m	Q2 2023			H1 2023		
	JACQUET Stainless steel quarto plates	STAPPERT Stainless steel long products	IMS group Engineering steels	JACQUET Stainless steel quarto plates	STAPPERT Stainless steel long products	IMS group Engineering steels
Sales	139	160	284	298	358	625
Change 2023 vs 2022	-21.0%	-27.1%	-22.4%	-10.8%	-19.5%	-12.3%
Price effect	-19.2%	-15.5%	-8.5%	-7.9%	-5.2%	-1.5%
Volume effect	-2.8%	-12.1%	-13.9%	-5.3%	-14.9%	-10.8%
Scope effect	+1.0%	+0.5%	n.a.	+2.4%	+0.6%	n.a.
EBITDA^{1,2}	10	1	6	35	17	34
% of sales	7.0%	0.7%	2.0%	11.6%	4.9%	5.5%
Adjusted operating income²	8	1	5	31	17	33
% of sales	5.5%	0.6%	1.6%	10.4%	4.7%	5.2%

¹ Excluding IFRS 16 impacts. As of June 30, 2023, non-division operations (mainly holdings and real-estate companies) and the application of IFRS 16 - Leases contributed €4 million and €10 million to EBITDA respectively.

² 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.

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 30% in North America**.

Sales amounted to €298 million, down -10.8% from €334 million in H1 2022:

- volumes sold: -5.3% (Q1 -7.4%; Q2 -2.8%);
- prices: -7.9% (Q1 +4.1%; Q2 -19.2% and -5.2% vs Q1 2023);
- scope: +2.4% (Q1 +4%; Q2 +1%) following the acquisition of Fidelity PAC Metals in May 2022.

Gross margin amounted to €88 million, representing 29.5% of sales, compared to €120 million in H1 2022 (35.8% of sales).

EBITDA amounted to €35 million, representing 11.6% of sales, compared to €65 million in H1 2022 (19.5% 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 €358 million, down -19.5% from €445 million in H1 2022:

- volumes sold: -14.9% (Q1 -17.2%; Q2 -12.1%);
- prices: -5.2% (Q1 +4.4%; Q2 -15.5% and -4.4% vs Q1 2023);
- scope: +0.6% (Q1 +0.7%; Q2 +0.5%) following the acquisition of Delta Acciai early 2023.

Gross margin amounted to €63 million, representing 17.5% of sales, compared to €99 million in H1 2022 (22.3% of sales).

EBITDA amounted to €17 million, representing 4.9% of sales, compared to €48 million in H1 2022 (10.7% 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 €625 million, down -12.3% from €712 million in H1 2022:

- volumes sold: -10.8% (Q1 -7.9%; Q2 -13.9%);
- prices: -1.5% (Q1 +6.3%; Q2 -8.5% and -4% vs Q1 2023).

Gross margin amounted to €134 million, representing 21.4% of sales, compared to €185 million in H1 2022 (26% of sales).

EBITDA amounted to €34 million, representing 5.5% of sales, compared to €79 million in H1 2022 (11.1% of sales).



Key financial information

Income statements

€m	Q2 2023	Q2 2022	H1 2023	H1 2022
Sales	579	757	1,270	1,480
Gross margin	112	205	285	404
<i>% of sales</i>	19.3%	27.0%	22.4%	27.3%
EBITDA*	24	107	100	209
<i>% of sales</i>	4.1%	14.2%	7.9%	14.1%
Adjusted operating income*	16	93	84	183
<i>% of sales</i>	2.8%	12.3%	6.6%	12.3%
Operating income	16	89	84	179
Net financial expense	(5)	(4)	(10)	(7)
Corporate income tax	(5)	(18)	(22)	(38)
Minority interests	(1)	(4)	(3)	(7)
Net income (Group share)	5	63	49	126

* 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.

Cash flows

€m	H1 2023	H1 2022
Operating cash flow before change in working capital	72	193
Change in working capital	62	(141)
Cash flow from operating activities	134	52
Capital expenditure	(15)	(13)
Asset disposals	1	1
Dividends paid to shareholders of JACQUET METALS SA	-	-
Interest paid	(8)	(6)
Other movements	(40)	(32)
Change in net debt	72	2
Net debt brought forward	234	171
Net debt carried forward	162	169

Balance sheets

€m	30.06.23	31.12.22
Goodwill	71	67
Net non-current assets	185	178
Right-of-use assets	76	75
Net inventory	741	780
Net trade receivables	263	218
Other assets	142	146
Cash & cash equivalents	266	254
Total assets	1,743	1,719
Shareholders' equity	690	675
Provisions (including provisions for employee benefit obligations)	96	100
Trade payables	310	252
Borrowings	427	488
Other liabilities	139	127
Lease liabilities	80	78
Total equity and liabilities	1,743	1,719



**Half-year financial report available: [jacquetmetals.com](https://www.jacquetmetals.com)
Results as of September 30, 2023: November 7, 2023 - 6.00 PM CET**

Financial analysts meeting (french language): September 14, 2023 - 11.00 AM CEST

Access

[click here](#)

JACQUET METALS is a European leader in the distribution of special metals.
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 3,126 employees, JACQUET METALS has a network of
111 distribution centers in 24 countries in Europe, Asia and North America.

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