

## 2016 results

*Frankfurt am Main*

*March 17<sup>th</sup>, 2017*

- 1. A leader in the distribution of special steels**

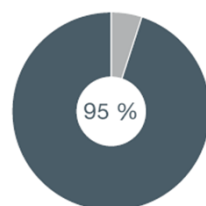
- 2. 2016 results**

# A leader in the distribution of special steels

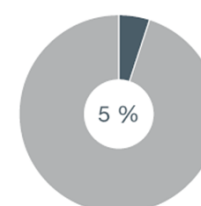
## Positioning

JACQUETMETALSERVICE

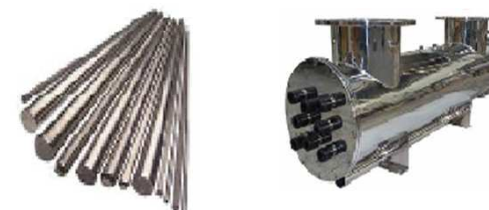
Worldwide steel production:  
1.6 billion tons



**Commodities  
Steel market**



**Specialty  
Steel market**



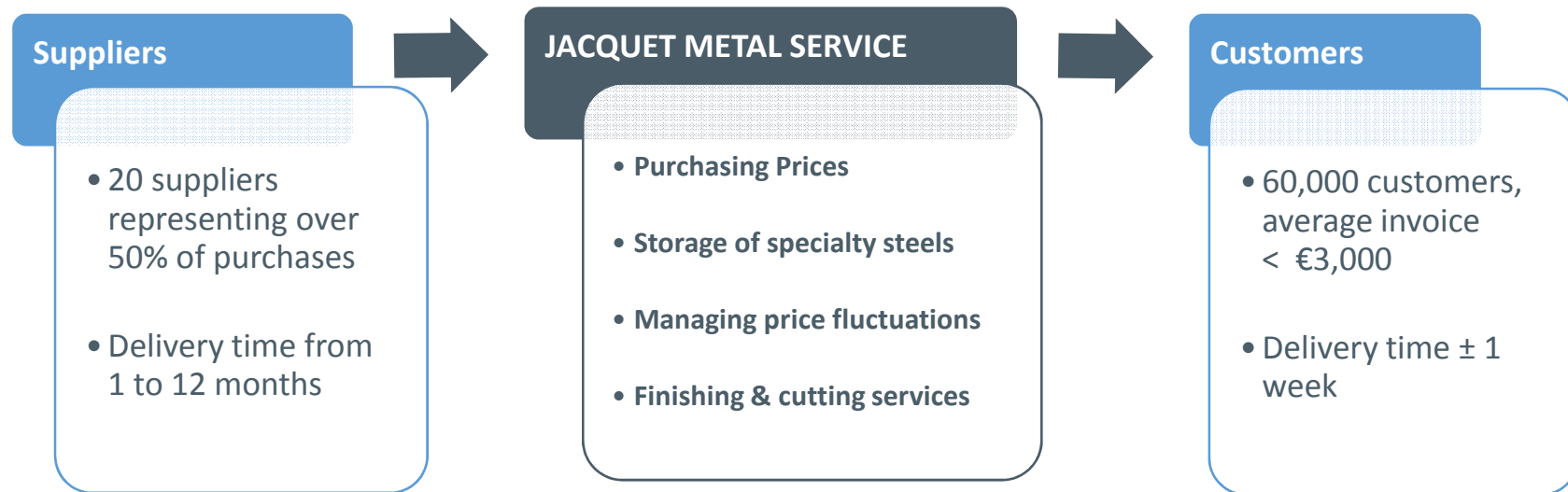
<b>Typology</b>	Large volume / Tonnage strategy	Targeted applications / Margin strategy
<b>Players</b>	Aperam, Inoxum, Kloeckner, ...	Amari Metal, <b>Jacquet Metal Service</b> , ...

Source: Jacquet Metal Service

# A leader in the distribution of special steels

## Added value

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# A leader in the distribution of special steels

## Key figures

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**1.6 bn**  
sales



**3,317**  
employees

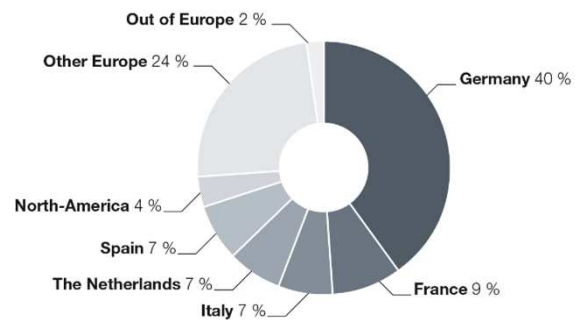


**26**  
countries



**109**  
Distribution centers

Breakdown of 2016 sales



Geographic footprint



# A leader in the distribution of special steels

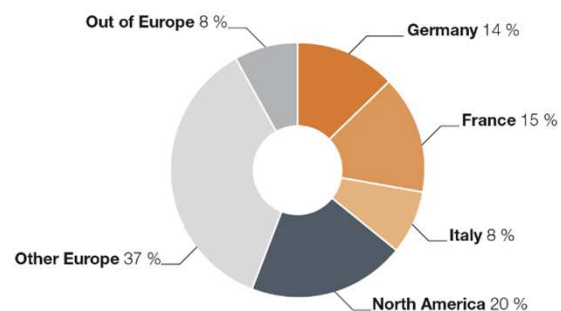
## Key figures by division

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Stainless steel and  
wear-resistant  
Quarto plates



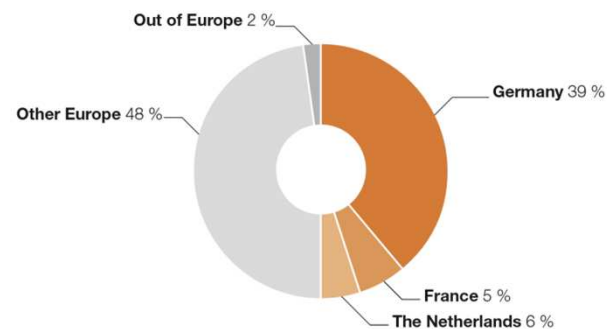
Sales €330 m



Stainless steel  
long products



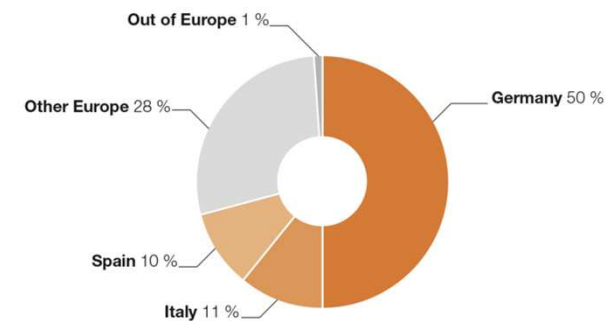
Sales €420 m



Engineering  
steels



Sales €850 m



Sales breakdown

# A leader in the distribution of special steels

## 2016 main events

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	<u>2016</u>	<u>2015</u>
Sales	€1,588 m	€1,378 m
EBITDA	€55 m	€38 m
Operating income before non-recurring items	€34 m	€22 m



- Volumes sold: +3.7% *(excluding S+B Distribution)*
- Sales price: -8% vs. 2015  
Improvement in H2-16
- Initial positive impacts of actions aiming at improving the operating efficiency of S+B Distribution

# A leader in the distribution of special steels

## S+B Distribution



July 2015

Acquisition

February 2016

New management S+B Distributions GmbH (Germany)



*Dr. Jürgen Oblich*

- President of Thyssenkrupp VDM Metals - 2005 / 2015

September 2016

Signing of VEGA plan



- Operational reorganization
- Costs reduction
- Capital expenditures

Q4 2016

VEGA initial actions

January 2017

Stop of using S+B name; now products sold under IMS brand



Q4 2017

Last VEGA actions

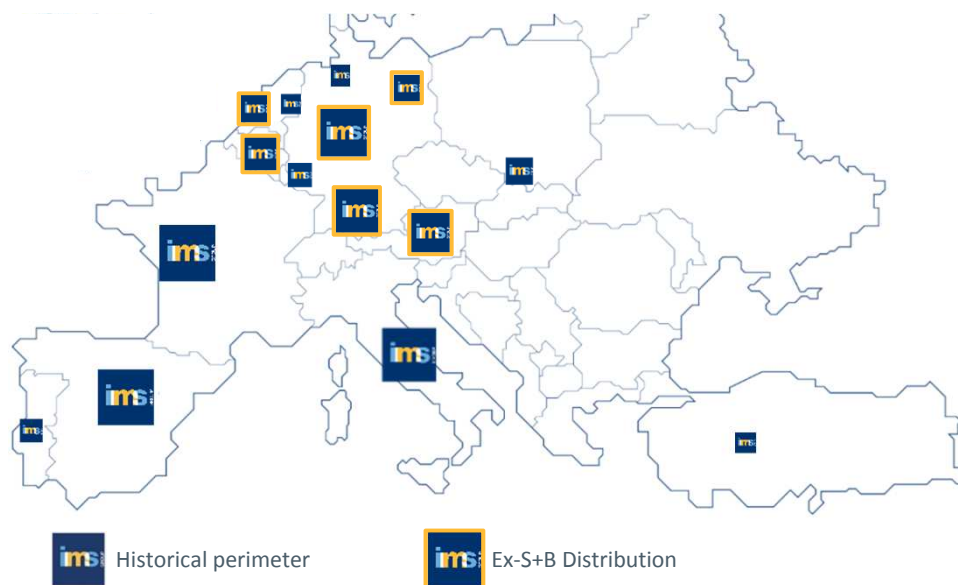
**VEGA: €7 m savings on a full-year basis**

# A leader in the distribution of special steels

## IMS group including S+B Distribution



### European leader



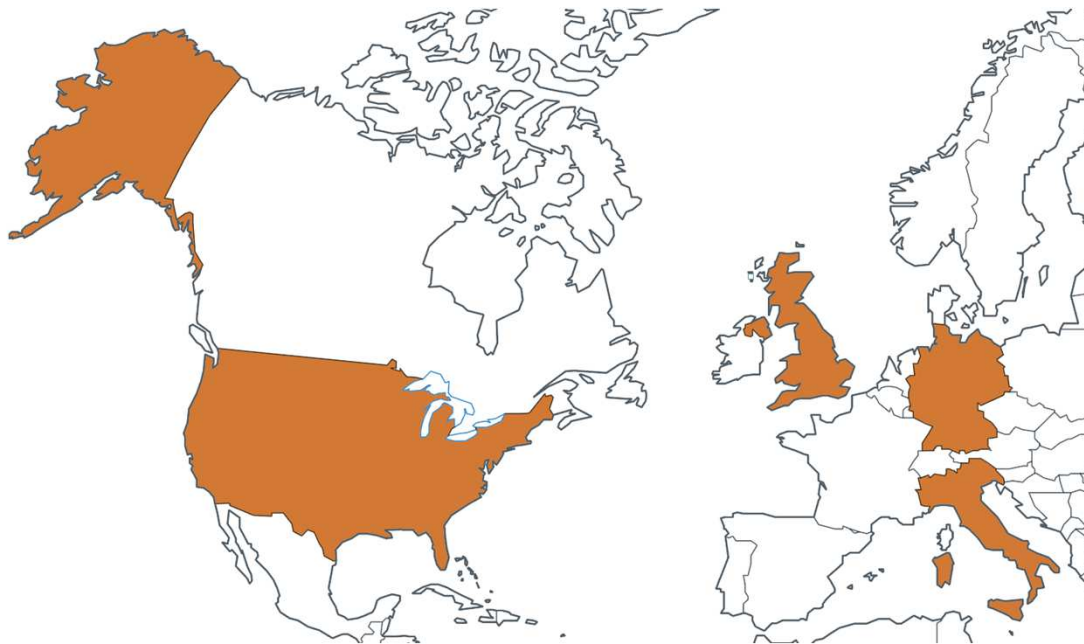
### 2016 key figures

	Sales (in €m)	% EBITDA
Historical perimeter	342	4.6%
Ex-S+B Distribution	505	0.5%
<b>IMS group</b>	<b>847</b>	<b>2.2%</b>

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## Development areas

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- Aggregating volumes to benefit from better purchasing conditions
- North America
- Germany
- Italy
- United-Kingdom

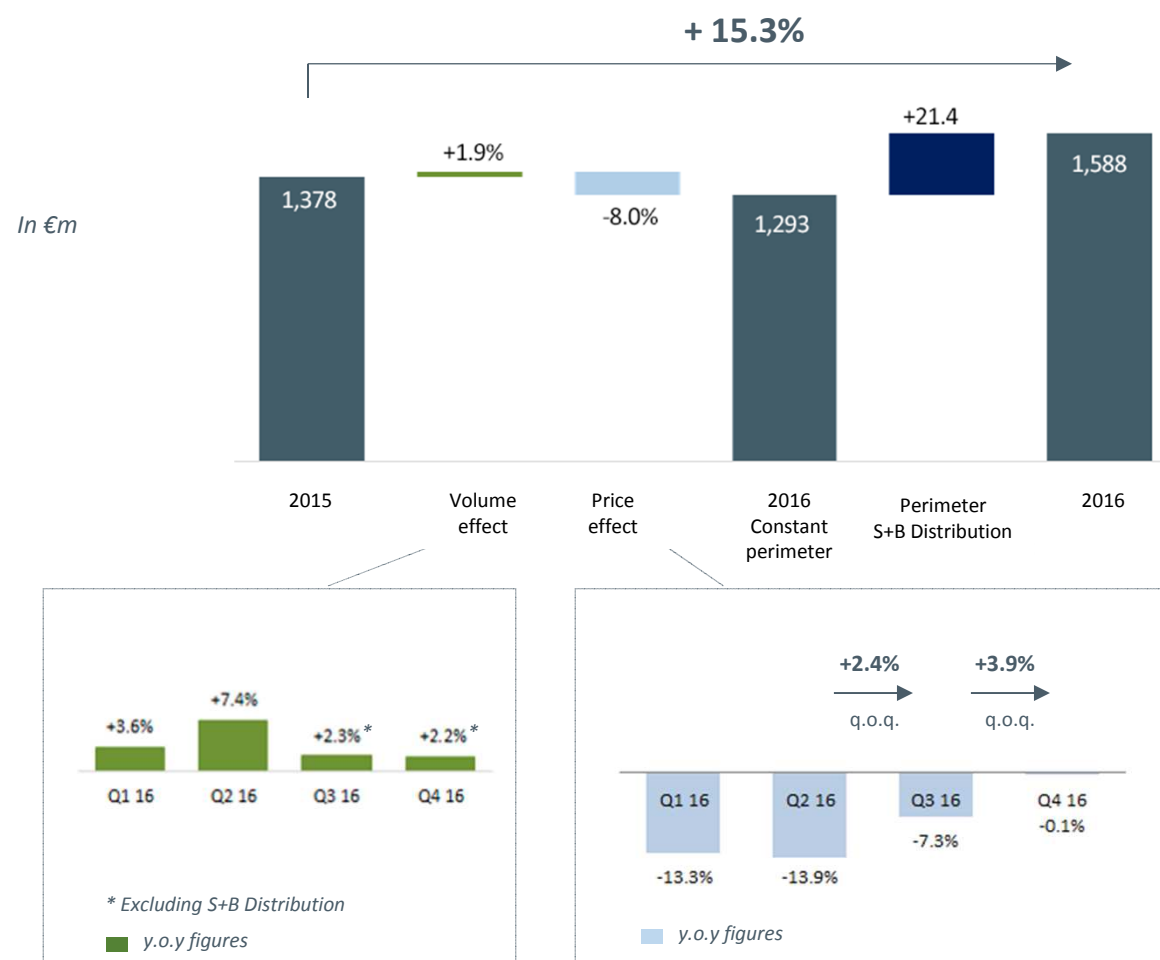
### **1. A leader in the distribution of special steels**

### **2. 2016 results**

# 2016 results

## Sales

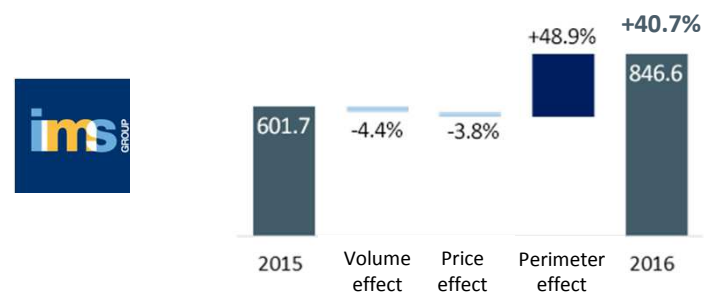
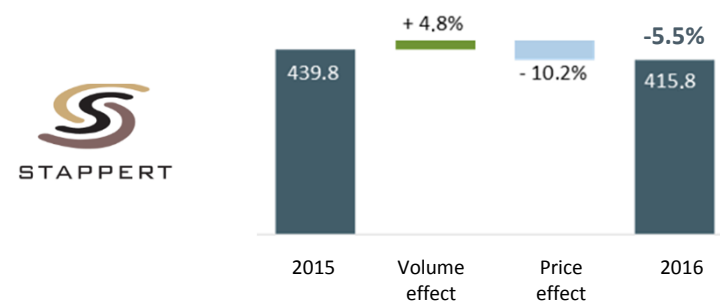
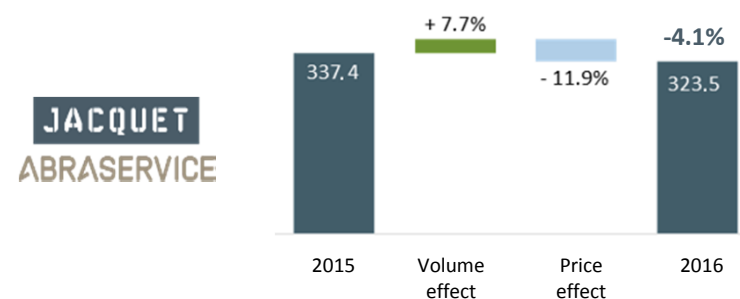
JACQUETMETALSERVICE



# 2016 results

## Sales by division

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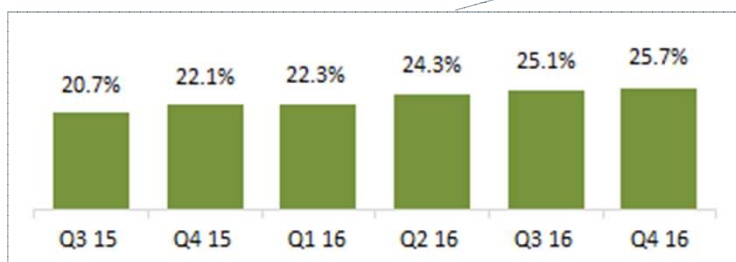
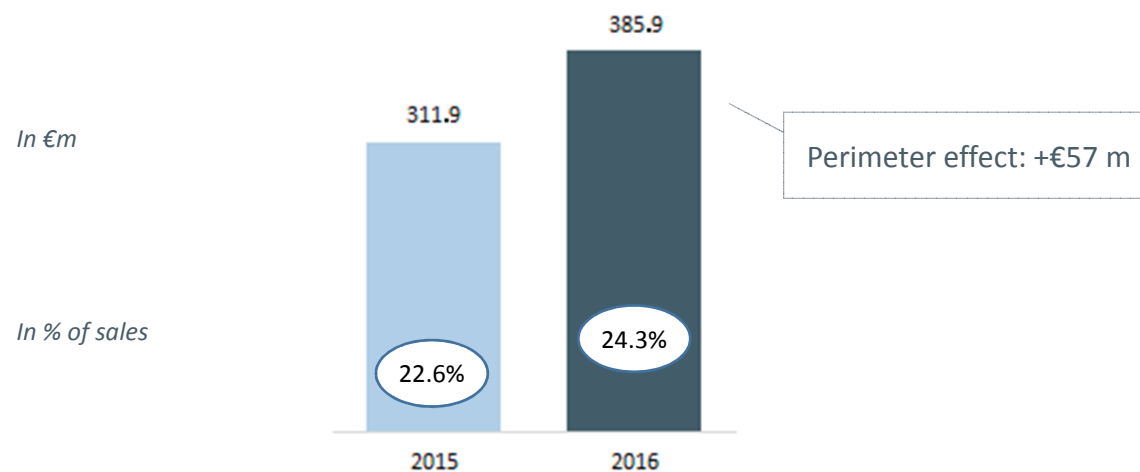


# 2016 results

## Gross Margin

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€386 m - 24.3% of sales



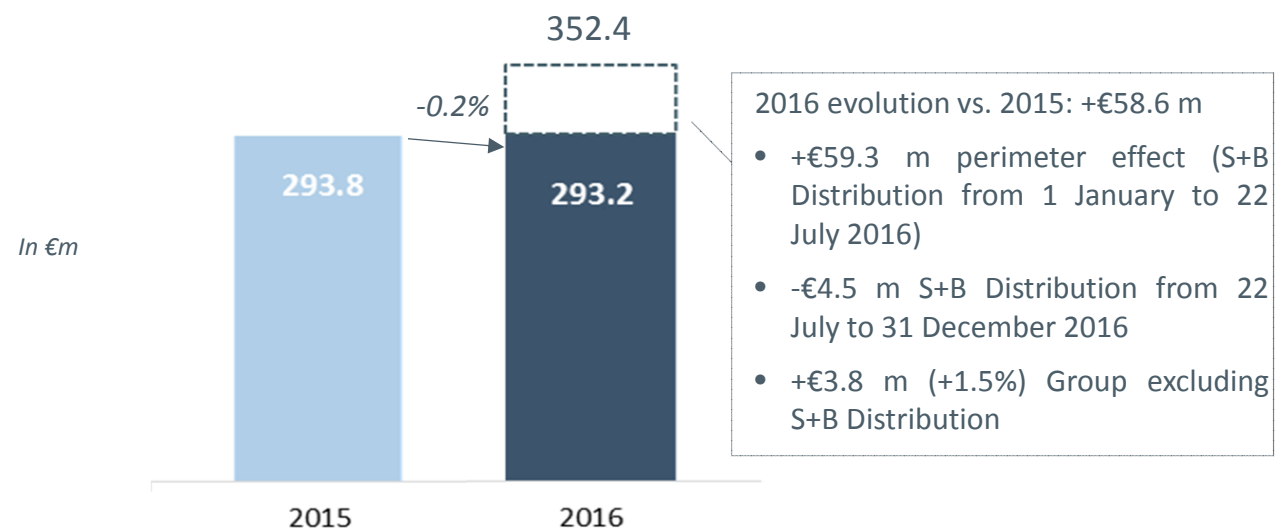
	JACQUET ABRASERVICE	STAPPERT	ims
2016 GM%	30.8%	21.7%	22.5%
Evol. y.o.y	(+2.6pts)	(+2.2pts)	(+1.6pt)

# 2016 results

## Operating expenses

JACQUETMETALSERVICE

-0.2% vs. 2015\*



\* At constant consolidation scope and adjusted for non-recurring items

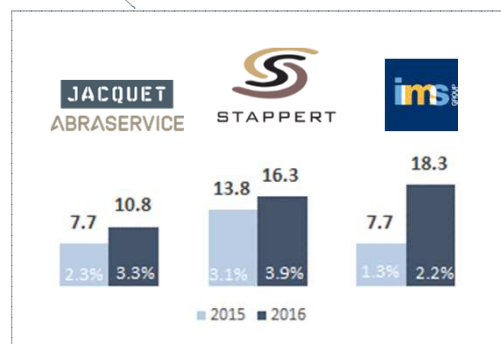
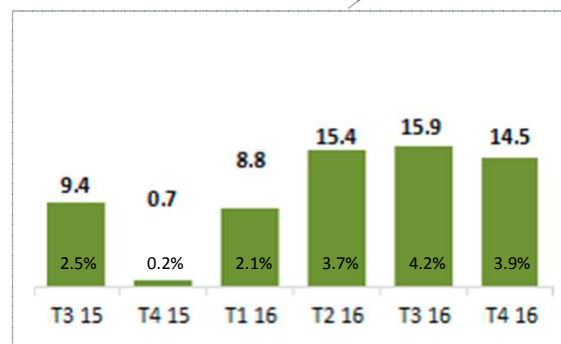
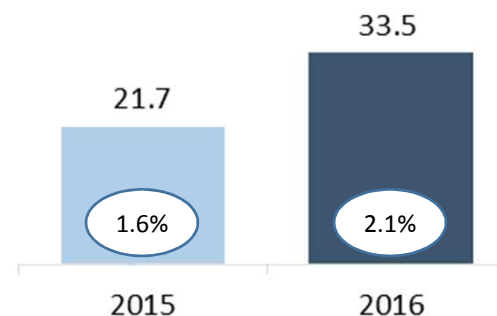
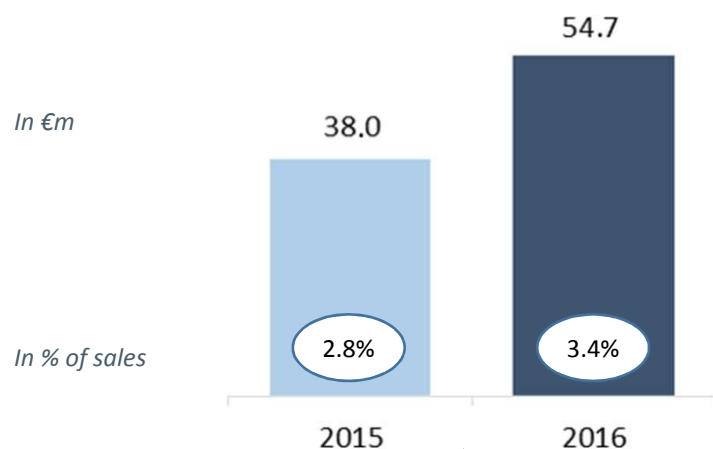
# 2016 results

## Operating income

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**EBITDA \*: +44%**

**Income before non  
recurring items \*: +55%**



\* Adjusted for non-recurring items

# 2016 results

## Income statements

JACQUET METAL SERVICE

(€m)	2016	2015
Sales	1,588.3	1,377.5
EBITDA	54.7	38
<i>In % of sales</i>	3.4%	2.8%
Operating income / (loss) before non-recurring items	33.5	21.7
<i>In % of sales</i>	2.1%	1.6%
Operating income / (loss)	40.8 <sup>(1)</sup>	70.8 <sup>(2)</sup>
Net income / (loss) (Group share)	16 <sup>(1)</sup>	50.5 <sup>(2)</sup>
Earnings per share in circulation (€)	0.7	2.1

<sup>(1)</sup> 2016 operating income and net income (Group share) include non-recurring income of 6.4 million recorded in the fourth quarter and relating to the acquisition of Schmolz+Bickenbach Distribution in 2015.

<sup>(2)</sup> 2015 operating income and net income (Group share) include non-recurring income of 48.1 million, which is also related to this acquisition.

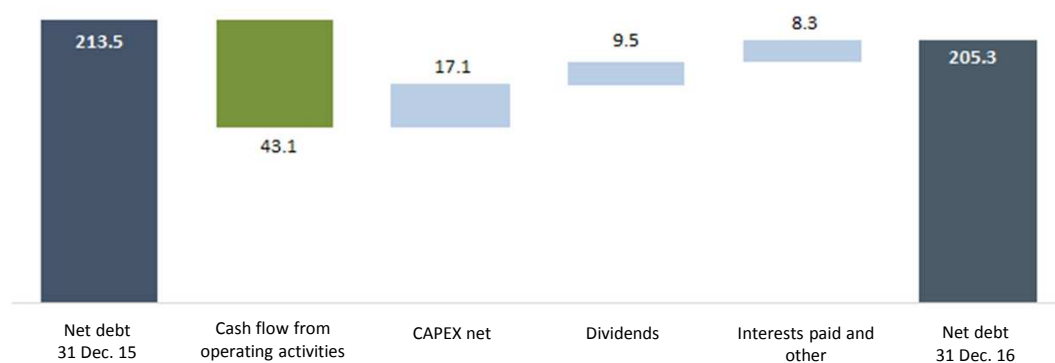
# 2016 results

## Cash flow / Balance sheet

JACQUETMETALSERVICE

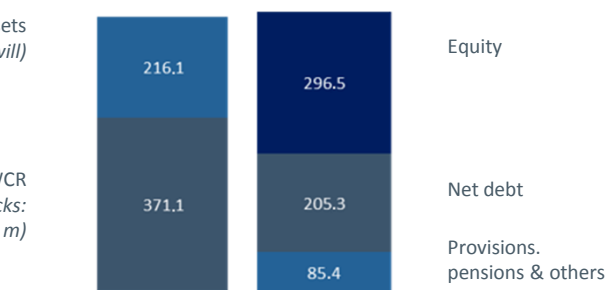
**Cash flow: €43 m** (€44 m in 2015)

**Gearing: 69.2%**



Non current assets  
(including goodwill)

Net operating WCR  
(including stocks:  
€367.2 m)



## Financing utilization rate: 51%

**Syndicated revolving loan**

- Amount: €125 m (utilisation : 0)
- Maturity: July 2018
- Unsecured

**Schuldscheindarlehen**

- Amount: €88 m
- Maturity: October 2020
- Unsecured

	Authorized as of 31 Dec. 16	Used as of 31 Dec. 16	% used
<b>Jacquet Metal Service SA financing:</b>	<b>330.6</b>	<b>151.4</b>	<b>46%</b>
Syndicated revolving loan	125.0	0.0	0%
Schuldscheindarlehen	88.0	88.0	100%
Credit lines & asset financing	117.6	63.4	54%
<b>Subsidiary financing:</b>	<b>215.9</b>	<b>129.8</b>	<b>60%</b>
Credit lines	130.4	72.9	56%
Factoring	28.9	2.3	8%
Asset financing (term loans, revolving and leasing)	56.6	54.5	96%
<b>Total</b>	<b>546.5</b>	<b>281.2</b>	<b>51%</b>

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JACQUETMETALSERVICE



## Appendix

# A leader in the distribution of special steels

## Organization in 3 divisions (1/2)

JACQUETMETALSERVICE

JACQUETMETALSERVICE



Eric Jacquet  
Chief Executive Officer

Philippe Goczol  
Deputy Chief Executive Officer

Thierry Philippe  
Chief Financial Officer

David Farias  
Chief Executive Officer Jacquet Abraservice

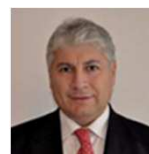
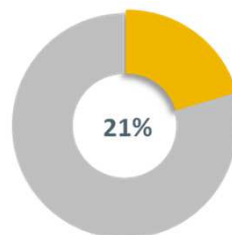
Sales breakdown by division:

Chief Operating Officers:

Support functions

Stainless steel and wear-resistant Quarto plates

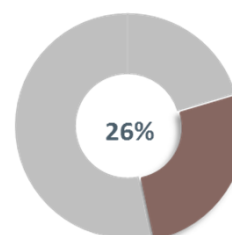
JACQUET  
ABRASERVICE



David Farias

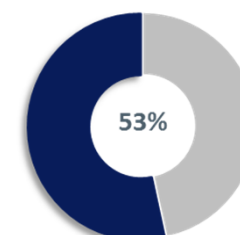
Long stainless steel products

STAPPERT



Marc Steffen

Engineering steels



José Berthelien

Purchasing negotiation

Finance - Legal

Communication

IT – Credit insurance

# A leader in the distribution of special steels

## Organization in 3 divisions (2/2)

JACQUET METAL SERVICE

Stainless steel  
and wear-resistant  
Quarto plates

JACQUET  
ABRASERVICE



Long stainless  
steel products

STAPPERT



Engineering  
steels

INSI



Sales

±€ 330 m

±€ 420 m

±€ 850 m

Applications

Chemical. Agro foods  
Gases treatment & storage  
Environment. Energy  
Public-works equipment  
Steel works. Mines & quarries.  
Cement works. Farming  
machinery.  
Lifting. Waste treatment

Chemical  
Agro foods  
Gases treatment &  
storage  
Environment  
Energy

General engineering  
Transport  
Public-works equipment  
Machines centers  
Farming machinery  
Energy

# A leader in the distribution of special steels

## Income statement

JACQUET METAL SERVICE

((€000))	Q4 2016	Q4 2015	2016	2015
<b>Sales</b>	<b>369,522</b>	<b>376,678</b>	<b>1,588,281</b>	<b>1,377,507</b>
Gross margin	95,135	83,222	385,945	311,879
% of sales	25.7%	22.1%	24.3%	22.6%
Operating expenses	-81,755	-84,170	-336,592	-285,939
Net depreciation and amortization	-5,645	-5,319	-21,177	-17,086
Net provisions	131	3,594	6,121	3,901
Gains on disposals of non-current assets	-44	525	115	1,008
Non-recurring income and expenses	6,417	-346	6,417	57,008
<b>Operating income</b>	<b>14,239</b>	<b>-2,494</b>	<b>40,829</b>	<b>70,771</b>
% of sales	2.1%	-0.7%	2.6%	5.1%
Net financial expense	-1,941	-2,081	-9,712	-9,673
Income before tax	12,298	-4,575	31,117	61,098
Corporate income tax	-3,604	-3,747	-13,339	-9,353
<b>Consolidated net income</b>	<b>8,694</b>	<b>-8,322</b>	<b>17,778</b>	<b>51,745</b>
<b>Net income (group share)</b>	<b>8,268</b>	<b>-9,110</b>	<b>16,025</b>	<b>50,473</b>
<b>Earnings per share in circulation (€)</b>	<b>0.34</b>	<b>-0.38</b>	<b>0.67</b>	<b>2.10</b>
<b>EBITDA</b>	<b>14,501</b>	<b>687</b>	<b>54,669</b>	<b>38,037</b>
% of sales	3.9%	0.2%	3.4%	2.8%
<b>Operating income before non recurring items</b>	<b>7,751</b>	<b>-2,690</b>	<b>33,527</b>	<b>21,687</b>
% of sales	2.1%	-0.7%	2.1%	1.6%

# A leader in the distribution of special steels

## Balance sheet

JACQUET METAL SERVICE

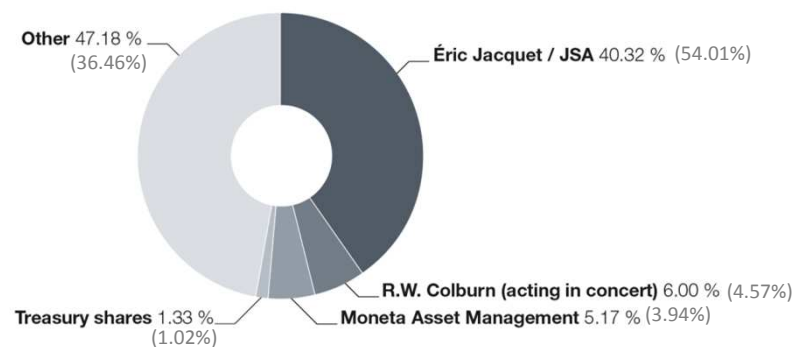
((€000))	December 31, 2016	December 31, 2015
Goodwill	68,489	68,356
Net non-current assets	147,598	151,015
Net inventory	376,243	390,268
Net trade receivables	171,315	175,197
Other assets	91,707	83,887
Cash	72,951	90,588
<b>Total assets</b>	<b>928,303</b>	<b>959,311</b>
Shareholders' equity	296,522	295,427
Provisions (including provisions for employee benefit obligations)	112,274	106,029
Trade payables	176,429	192,932
Borrowings	281,231	306,594
Other liabilities	61,847	58,329
<b>Total equity and liabilities</b>	<b>928,303</b>	<b>959,311</b>

# A leader in the distribution of special steels

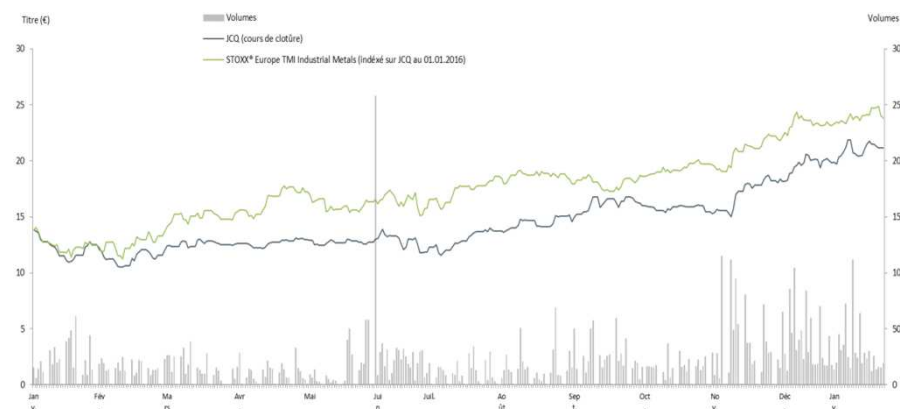
## Shareholding & Stocks information

JACQUETMETALSERVICE

### Share capital (voting rights) \*



### Market capitalization as of March 10, 2017 : €548 m



\* As of December 31st, 2016

JCQ  
LISTED  
EURONEXT

JACQUETMETALSERVICE

Euronext Paris

ISIN : FR0000033904

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