

JACQUETMETALSERVICE

Forum ODDO MidCap

January 2018

Contact: Thierry PHILIPPE, Group CFO
Email: t.philippe@jacquetmetals.com
Phone: +33 4 37 42 79 31
website: www.jacquetmetalservice.com

A leader in the distribution of specialty steels

AGENDA

1. A leader in the distribution of specialty steels

2. Development

3. September 30, 2017 financial results

POSITIONING

Commodities steel market 95%

Typology:

Large volume

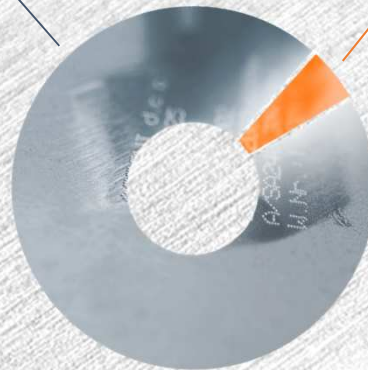
"Volumes" strategy

Players:

Aperam,

ThyssenKrupp Materials,

Kloeckner



Specialty steel market 5%

Typology:

Targeted applications

"Margin" strategy

Players:

Amari Metal,

Ta Chen International,

Jacquet Metal Service



ACTIVITY / VALUE ADDED

Suppliers

- 20 suppliers for 50% of purchases
- Delivery time from 1 to 12 months

Jacquet Metal Service

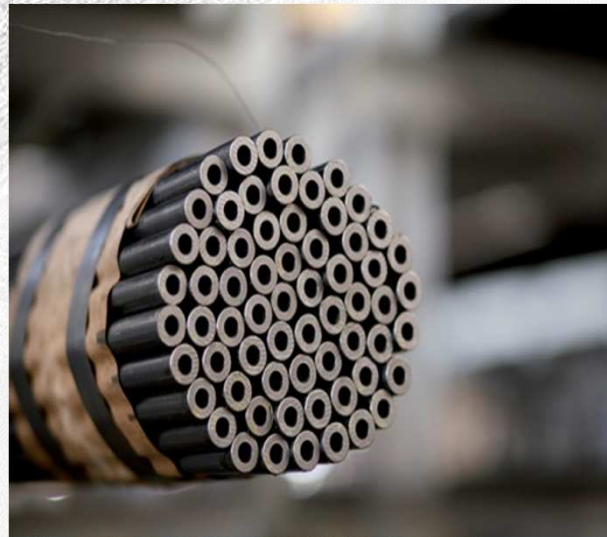
- Purchasing prices
- Storage of specialty steels
- Managing price fluctuations
- Finishing services

Customers

- 60,000 customers, average invoice < € 3,000
- Delivery time +/- 1 week



SPECIALTY STEELS



ORGANIZATION IN 3 DIVISIONS

Stainless steel and wear-resistant quarto plates

JACQUET
ABRASERVICE

Stainless steel long products


STAPPERT

Engineering steels



Sales:

€350m (21%)

€450m (26%)

€900m (53%)



Applications:

Chemical, agro foods, gas treatment & storage, environment, energy, yellow goods, steel works, mines & quarries, cement works, green goods, machinery, lifting, waste treatment

Chemical, agro foods, gas treatment & storage, environment, energy

General engineering, transport, public works equipment, machines centers, farming machinery, energy

Senior Management



Eric JACQUET (FR)
Chairman & CEO



David FARIAS (ARG)
COO JACQUET – Abraservice
(since 2015)



Marc STEFFEN (DE)
COO STAPPERT
(since 2007)



Philippe GOCZOL (BE)
Deputy CEO
(since 2001)



Thierry PHILIPPE (FR)
CFO
(since 2005)



José BERTHELIER (FR)
COO IMS group
(since 2014)

A european leader,
also active in Asia and North America

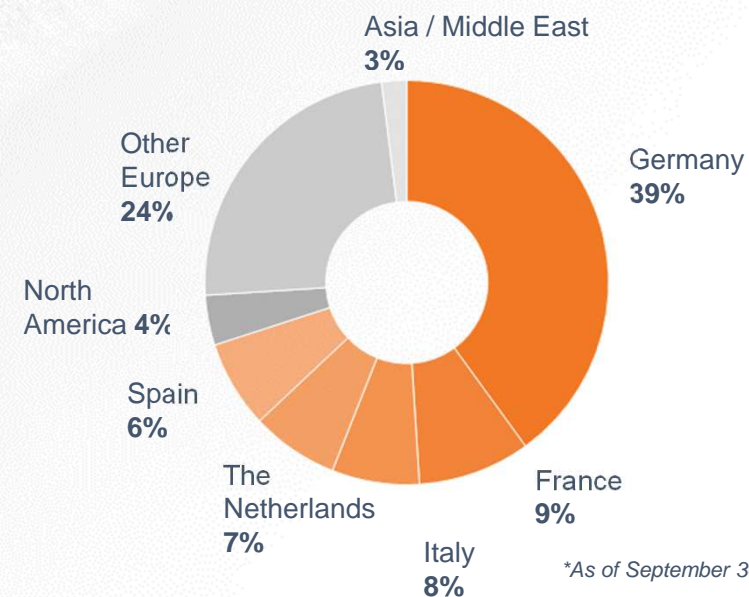


GROUP OVERVIEW

Group key figures

Sales	€ 1.7 Bn
Staff	3,317
Distribution centers	109
Countries	26

Sales breakdown*

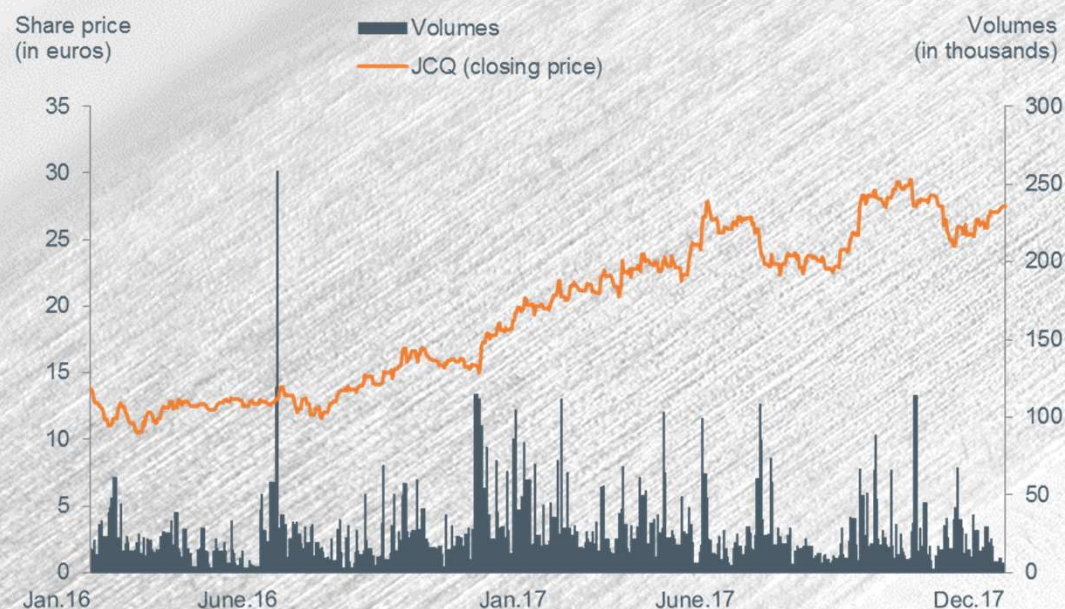


*As of September 30, 2017

STOCK MARKET

Market capitalization (31 December 2017): € 661m

(+39% vs. 31.12.2016)



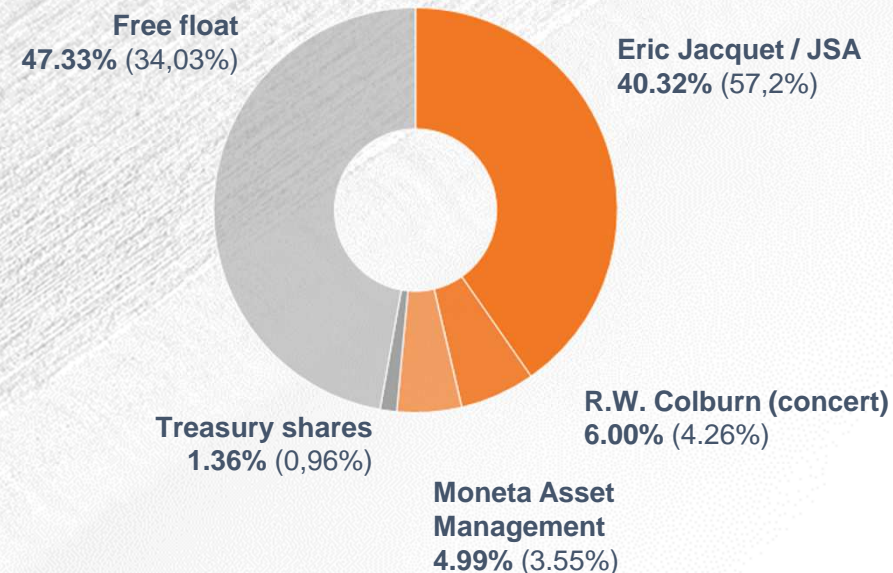
Euronext Paris

ISIN



FR0000033904

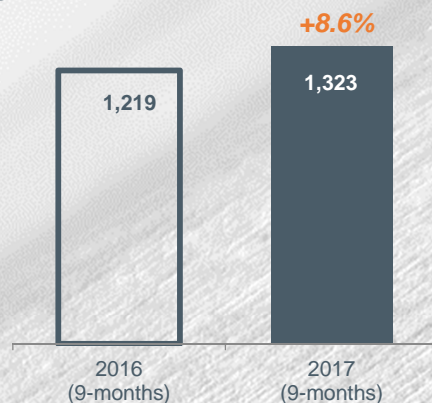
Share capital (voting rights) *



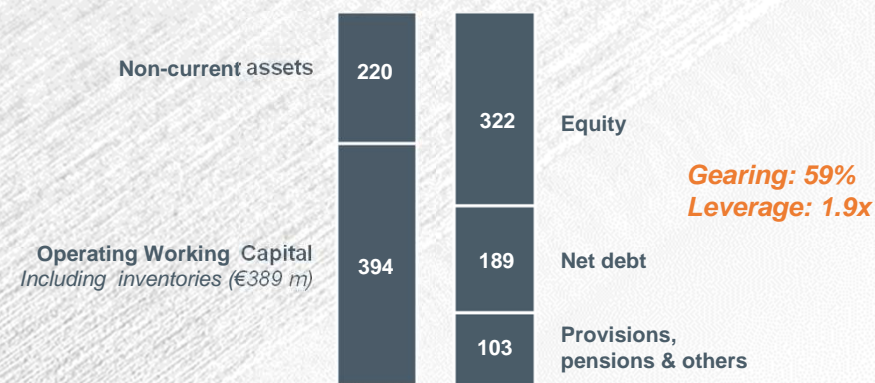
*As of November 30, 2017

KEY METRICS AS OF SEPTEMBER 30, 2017 (9 MONTHS)

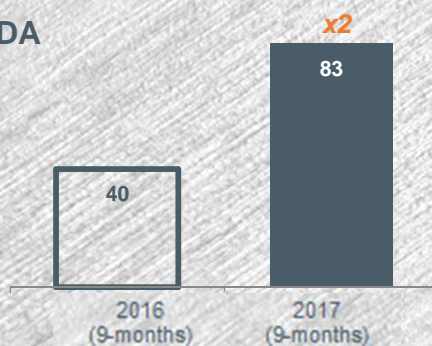
Sales *In €m*



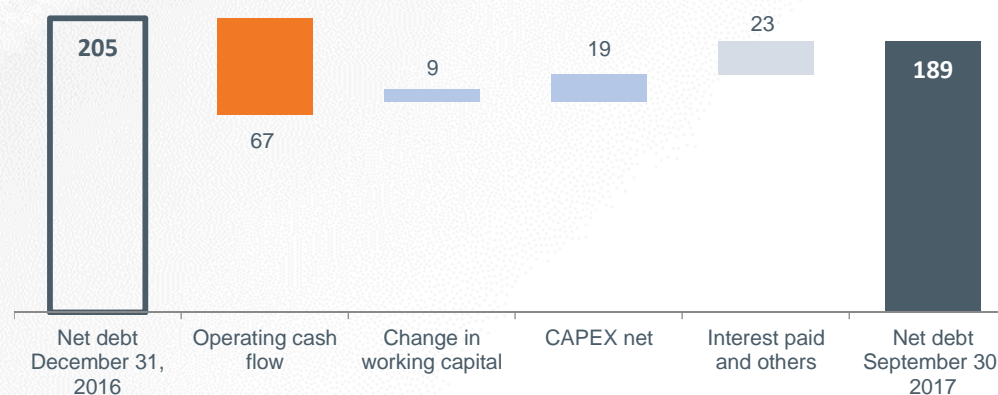
Balance Sheet *In €m*



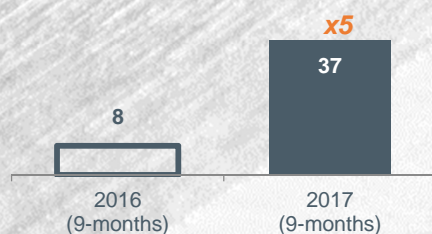
EBITDA *In €m*



Cash flow: +75% vs. September 30, 2016 *In €m*



Net income (group share) *In €m*



AGENDA

1. A leader in the distribution of specialty steels

2. Development

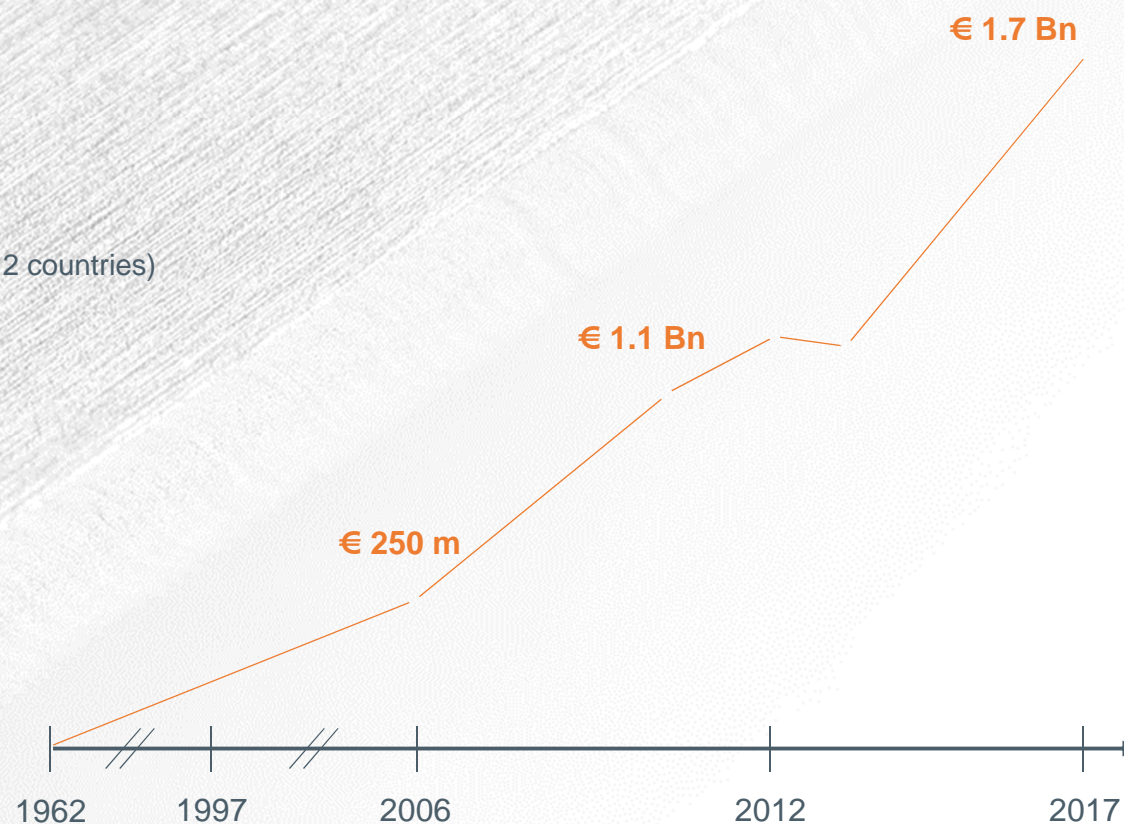
3. September 30, 2017 financial results

HISTORY

Key events

H2-2015 / H1-2017	Acquisition and integration of S+B Distribution (Germany, The Netherlands, Belgium, Austria)
2014	Acquisition of Rolark group (Canada)
2013	Acquisition of Finkenholl (Germany)
2010/2012	Acquisition and integration of IMS (public exchange offer / 17 companies located in 12 countries)
2006	Development of JACQUET in the United States and China
1997	JACQUET Metals is listed on the Paris Stock Exchange
1994	Eric Jacquet creates Jacquet Industries, which controls 100% of the Group.
1962	Foundation of Etablissements JACQUET by Michel Jacquet in Lyon

Sales evolution



2015 – 2017 ACQUISITION & INTEGRATION OF S+B DISTRIBUTION (1/2)

SAME PRODUCT OFFERING

Engineering steel and quality steel



Tubes & pipes



Bright steel



CRITICAL SIZE

Purchasing power: 1 million tons



GEOGRAPHICAL SYNERGIES

European leader



 Historical perimeter

 Ex-S+B Distribution

2015 – 2017

ACQUISITION & INTEGRATION OF S+B DISTRIBUTION (2/2)

July 2015

Acquisition

February 2016

New management S+B Distributions GmbH (Germany)



Dr. Jürgen Oblrich

Président of Thyssenkrupp VDM Metals -
2005 / 2015

September 2016

Signing of VEGA plan



Operational reorganization
Costs reduction
Capital expenditures

January 2017

S+B Distribution rebranded



Q4 2017

VEGA plan completed

INTEGRATION

- **Integration completed in Q4-2017**
- **VEGA plan: €7 m savings on a full-year basis**
(starting January 2018)

PROFITABILITY IMPROVEMENT

Ex-S+B Distribution In €m	<u>2015</u> (12 months)	<u>2016</u> (12 months)	<u>Sept.2017</u> (9 months)
Sales	228	505	397
% EBITDA	-2.7%	0.5%	3.5%

FUTURE MAIN DEVELOPMENT AREAS



Aggregating volumes to benefit from better purchasing conditions

United States of America

Germany

Italy

United-Kingdom

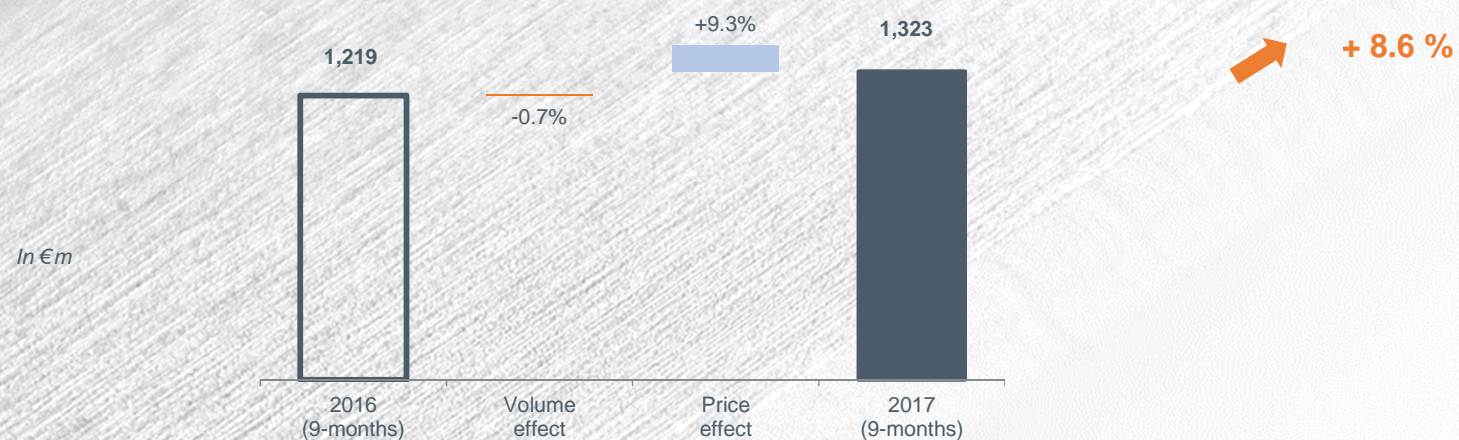
AGENDA

1. A leader in the distribution of specialty steels

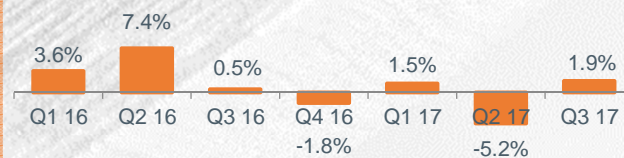
2. Development

3. September 30, 2017 financial results

SALES

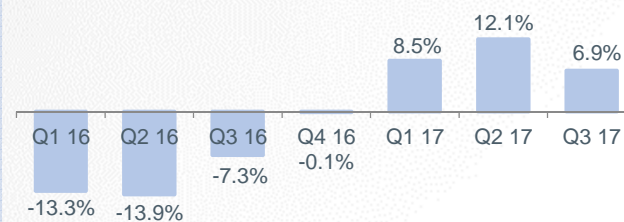


Volume effect



Datas y.o.y

Price effect



Datas y.o.y

SALES by division

JACQUET
ABRASERVICE

+ 16.3%

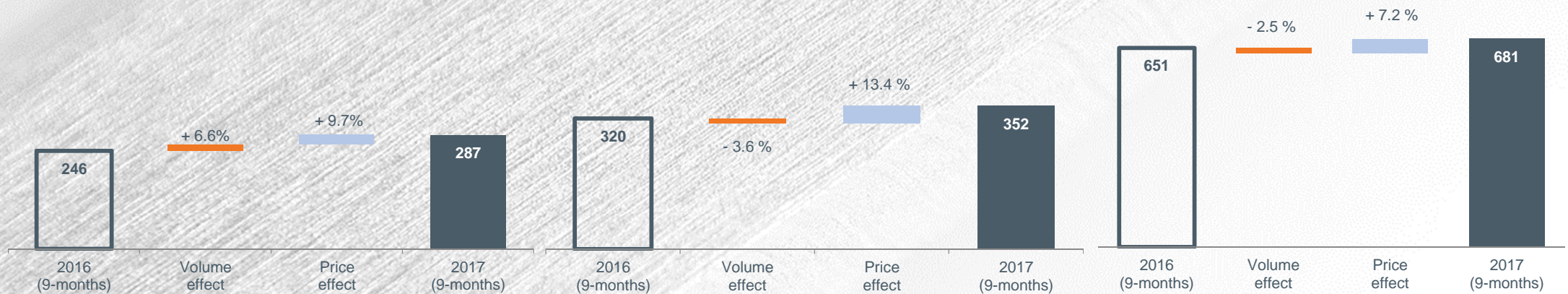
STAPPERT

+ 9.8%

ims
GROUP

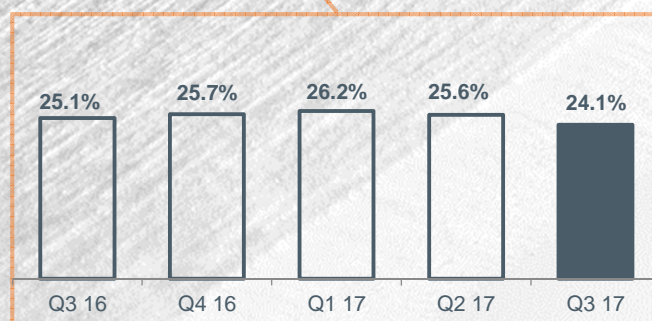
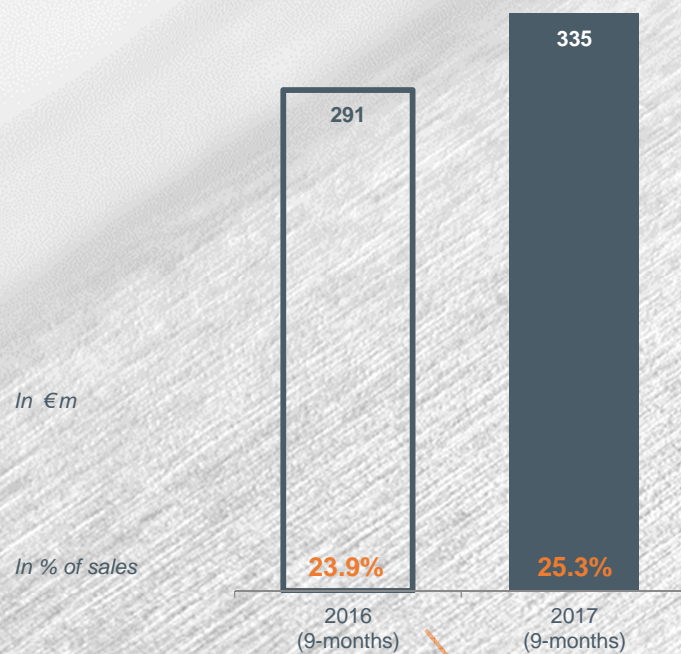
+ 4.6%




In €m



GROSS MARGIN

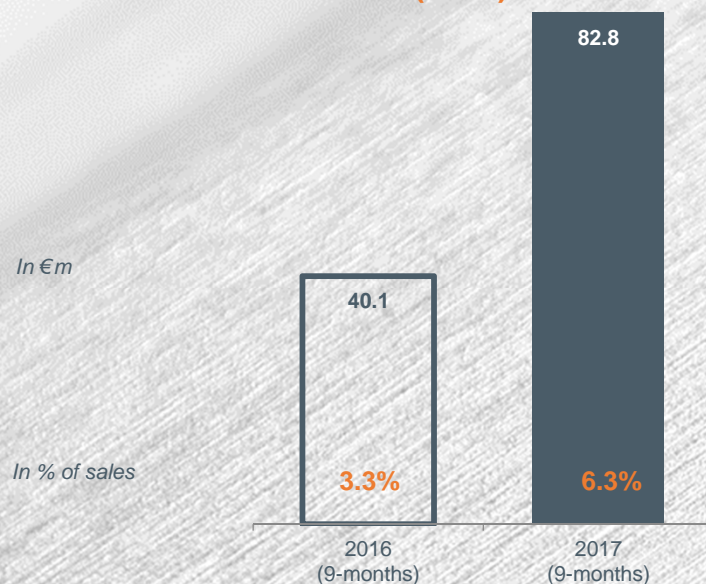
Gross Margin: €335 m, 25.3% of sales  + 1.5 pt



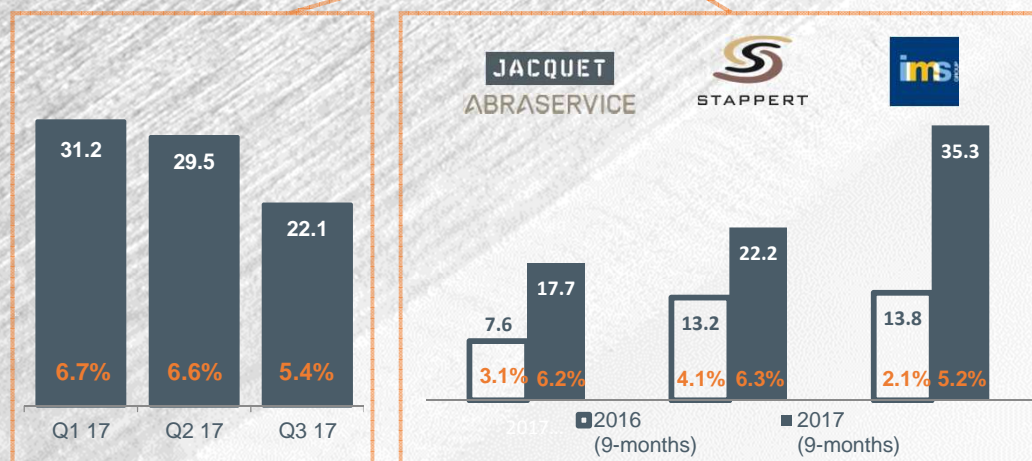
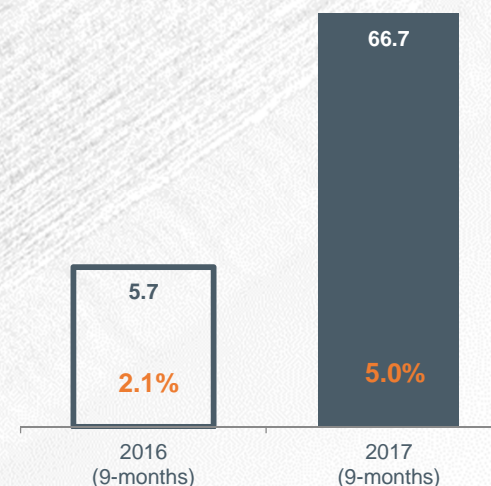
	September 30, 2017		Q3 2017	
	30.3%	+ 0.3 pt	29.1%	- 2 pts
	22.6%	+ 1.1 pt	20.9%	-2.8 pts
	24.2%	+ 2 pts	23%	+ 0.1 pt

OPERATING RESULT

> EBITDA: €82.8 m (x 2.1)



> Operating income before non-recurring items: €66.7 m (x 2.6)



INCOME STATEMENT

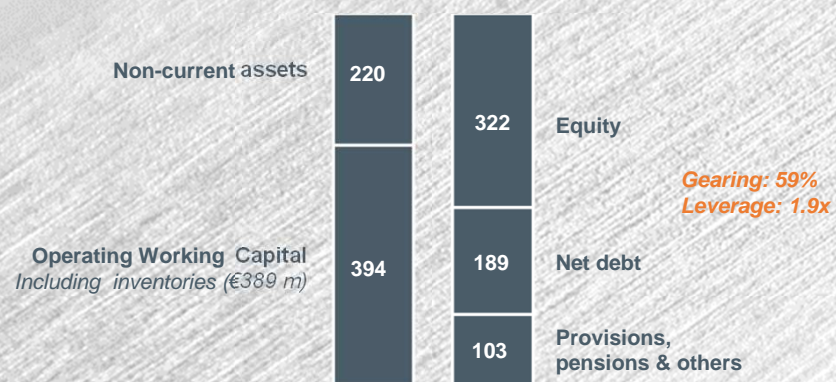
> **Net income (Group share) : €37.1 m (x5)**

(in €m)	Q3 2017	Q3 2016	2017 (9-months)	2016 (9-months)
Sales	412.5	379.2	1,323.2	1,218.8
EBITDA	22.1	15.9	82.8	40.1
<i>% of sales</i>	<i>5.4%</i>	<i>4.2%</i>	<i>6.3%</i>	<i>3.3%</i>
Operating income before non-recurring items	16.6	11.7	66.7	25.7
<i>% of sales</i>	<i>4.0%</i>	<i>3.1%</i>	<i>5.0%</i>	<i>2.1%</i>
Operating income	16.8	12.1	66.0	26.6
Net income (Group share)	9.4	5.4	37.1	7.8
<i>Earnings per share in circulation (€)</i>	<i>0.39</i>	<i>0.23</i>	<i>1.55</i>	<i>0.32</i>

BALANCE SHEET / CASH FLOW

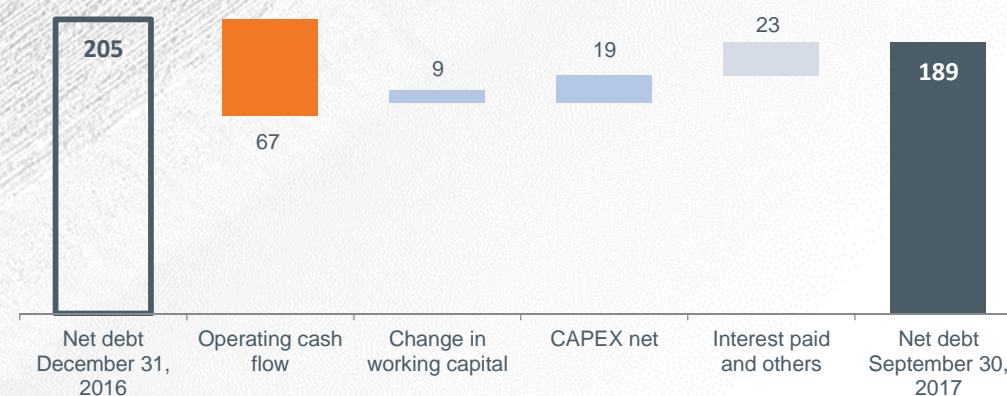
Balance Sheet

In €m



Cash flow: +75% vs September 30, 2016

In €m



BORROWINGS (Sept. 30, 2017)

Authorized borrowings: €569 m

Utilization rate: 46% as of September 30th, 2017

In €m	Authorized at 30.09.2017	Used at 30.09.2017	% used
Jacquet Metal Service SA:	349	154	44%
Syndicated revolving loan	125	0	0%
Schuldscheindarlehen	88	88	100%
Lines of credit	136	66	48%
Subsidiaries:	220	105	48%
Lines of credit	146	61	42%
Factoring	30	1	3%
Assets financing (term loans, revolving and leasing)	44	44	100%
Total	569	259	46%

Syndicated revolving loan:

- Maturity: July 2020
- Unsecured
- 5 banks
- Covenants: Compliance with one of the following ratios:
 - > Net debt to equity ratio less than 1
 - or
 - > Leverage less than 2

Schuldscheindarlehen:

- Maturity: October 2020
- Unsecured
- 5 banks
- Covenant: Net debt to equity ratio less than 1

AGENDA

Appendices

INCOME STATEMENTS

(€000)	2017 (9-months)	2016 (9-months)
Sales	1,323,217	1,218,759
Gross margin	335,241	290,810
% of sales	25.3%	23.9%
Operating expenses	-254,124	-254,837
Net depreciation and amortization	-16,219	-15,532
Net provisions	1,064	5,990
Gains on disposals of non-current assets	67	159
Non-recurring income and expenses	0	0
Operating income	66,029	26,590
% of sales	5.0%	2.2%
Net financial expense	-8,981	-7,771
Income before tax	57,048	18,819
Corporate income tax	-17,704	-9,735
Consolidated net income	39,344	9,084
Net income (Group share)	37,126	7,757
Earnings per share in circulation (€)	1.55	0.32
EBITDA	82,792	40,122
% of sales	6.3%	3.3%
Operating income before non-recurring items	66,665	25,743
% of sales	5.0%	2.1%

BALANCE SHEETS

(€000)	30.09.2017	31.12.2016
Goodwill	68,405	68,489
Net non-current assets	151,570	147,598
Net inventory	389,383	376,243
Net trade receivables	209,557	171,315
Other assets	87,879	91,707
Cash	66,003	72,951
Total assets	972,797	928,303
Shareholders' equity	322,095	296,522
Provisions (<i>incl. provisions for employee benefit obligations</i>)	104,538	112,274
Trade payables	205,114	176,429
Borrowings	258,927	281,231
Other liabilities	82,123	61,847
Total equity and liabilities	972,797	928,303

JACQUETMETALSERVICE

Euronext Paris

ISIN : FR0000033904

JCQ
LISTED
EURONEXT
