

# 2021



**JACQUET**  
METALS

**Half-year report**



**A European leader in the distribution of specialty steels**

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## PRESS RELEASE

### First half 2021 results

09.09.2021 - 6.00 PM

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**Sales: €937m (+28.9% vs H1 2020)**

**EBITDA: €81m (8.6% of sales)**

**Net income (Group share): €43m**

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#### ***Solid performance***

The Group's business and profitability benefited from both a **well oriented demand** with sold volumes increased by +21.7% compared to H1 2020 and the **increase in raw materials prices**.

Compared to H1 2020, **sales** increased by +29% (to €937 million), and the **gross margin** by 53% (to €248 million representing 26.4% of sales).

In this context, **EBITDA** amounted to €81 million (8.6% of sales versus 2.6% of sales in H1 2020) and Net income (Group share) amounted to €43 million.

Having generated €53 million of **operating cash flow**, the net debt to equity ratio (gearing) amounted to 20% as of June 30, 2021, compared to 28% at 2020 year-end.

The Group pursued its development and consolidation on key markets via a sustained capital expenditure policy (€15 million in H1 2021).

Market conditions **at the beginning of Q3** stayed in line with the Q2 trend.



On September 9, 2021, the Board of Directors, chaired by Éric Jacquet, approved the consolidated financial statements for the six months ended June 30, 2021, on which the Statutory Auditors had conducted a limited review.

€m	Q2 2021	Q2 2020	H1 2021	H1 2020
<b>Sales</b>	<b>492</b>	<b>313</b>	<b>937</b>	<b>726</b>
<b>Gross margin</b>	<b>131</b>	<b>67</b>	<b>248</b>	<b>161</b>
% of sales	26.7%	21.5%	26.4%	22.2%
<b>EBITDA<sup>1</sup></b>	<b>46</b>	<b>3</b>	<b>81</b>	<b>19</b>
% of sales	9.5%	0.9%	8.6%	2.6%
<b>Adjusted operating income / (loss)<sup>1</sup></b>	<b>36</b>	<b>(10)</b>	<b>64</b>	<b>(3)</b>
% of sales	7.3%	-3.2%	6.8%	-0.4%
<b>Operating income / (loss)</b>	<b>35</b>	<b>(14)</b>	<b>61</b>	<b>(7)</b>
<b>Net income / (loss) (Group share)</b>	<b>27</b>	<b>(15)</b>	<b>43</b>	<b>(15)</b>

<sup>1</sup> 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 report is available at [jacquetmetals.com](http://jacquetmetals.com).

### First half 2021 results

**Sales** amounted to €937 million, up +28.9% versus H1 2020 including the following effects:

- volumes: +21.7% (Q1 +6.6%; Q2 +41.6%);
- prices: +7.3% (Q1 +1.2%; Q2 +15.2%), +9.3% compared to Q1 2021.

**Gross margin** amounted to €248 million (Q1 €116 million; Q2 €131 million), representing 26.4% of sales, compared to €161 million in 2020 (22.2% of sales).

After taking into account savings of €3 million, current operating expenses\* amounted to €167 million compared to €142 million in H1 2020. This increase is mainly due to the growth in volumes sold and profitability.

\* excluding depreciation, amortization and provisions.

**EBITDA** amounted to €81 million and represented 8.6% of sales (Q1 7.8%; Q2 9.5%) compared to €19 million in H1 2020 (2.6% of sales).

**Adjusted operating income** amounted to €64 million (6.8% of sales).

In this context, **net income (Group share)** amounted to €43 million compared to -€15 million in H1 2020.



## Financial position

As of June 30, 2021, the Group generated positive **operating cash flow** of €53 million.

**Operating working capital** amounted to €370 million (23.5% of sales), up from €332 million at 2020 year-end (24.3% of sales) mainly due to inventory increase which will continue over the coming months.

**Capital expenditure** amounted to €15 million, taking into account notably the construction of a site in Italy for the JACQUET division.

Group **net debt** stood at €84 million compared to €106 million at 2020 year-end. The net debt to equity ratio (gearing) amounted to 20% (28% at 2020 year-end).

Furthermore, the financing structure was strengthened by a new €150 million five-year **Schuldscheindarlehen** placement repayable at maturity (July 2026). Meanwhile, the maturity of the €125 million syndicated revolving loan was extended by a year to June 2024.

As of June 30, 2021, **cash** amounted to €319 million while lines of credit totaled €712 million (of which €310 million is unused).

## H1 2021 earnings by division

excluding IFRS 16 impacts

€m
<b>Sales</b>
<b>Change vs. 2020</b>
Price effect
Volume effect
<b>EBITDA <sup>1 2</sup></b>
% of sales
<b>Adjusted operating income <sup>2</sup></b>
% of sales

JACQUET Stainless steel quarto plates		STAPPERT Stainless steel long products		IMS group Engineering steels	
Q2 2021	H1 2021	Q2 2021	H1 2021	Q2 2021	H1 2021
107	201	153	297	236	446
40.2%	23.5%	55.0%	29.1%	66.6%	31.4%
12.6%	4.3%	14.3%	7.9%	17.1%	8.2%
27.7%	19.3%	40.8%	21.2%	49.6%	23.2%
13	24	9	18	18	29
12.3%	11.8%	6.0%	6.0%	7.6%	6.4%
11	20	9	17	14	25
10.6%	9.9%	5.9%	5.8%	6.1%	5.6%

<sup>1</sup> As of June 30, 2021, non-division operations and the application of *IFRS 16 - Leases* contributed €2 million and €9 million to EBITDA respectively.

<sup>2</sup> 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 report is available at [jacquetmetals.com](http://jacquetmetals.com).



## JACQUET

The division specializes in the distribution of **stainless steel quarto plates**. It generates **68% of its business in Europe and 25% in North America**.

Sales amounted to €201 million, up +23.5% from €163 million in H1 2020:

- volumes: +19.3% (Q2 +27.7%);
- prices: +4.3% (Q2 +12.6% vs Q2 2020 and +7.8% vs Q1 2021).

Gross margin amounted to €68 million, representing 33.6% of sales, compared to €45 million in H1 2020 (27.4% of sales).

EBITDA amounted to €24 million, representing 11.8% of sales, compared to €5 million in H1 2020 (3.1% of sales).

## STAPPERT

The division specializes in the distribution of **stainless steel long products** mainly in Europe. It generates **41% of its sales in Germany, the largest European market**.

Sales amounted to €297 million, up +29.1% from €230 million in H1 2020:

- volumes: +21.2% (Q2 +40.8%);
- prices: +7.9% (Q2 +14.3% vs Q2 2020 and +7.6% vs Q1 2021).

Gross margin amounted to €62 million, representing 20.9% of sales, compared to €45 million in H1 2020 (19.6% of sales).

EBITDA amounted to €18 million, representing 6.0% of sales, compared to €8 million in H1 2020 (3.7% of sales).

## IMS group

The division specializes in the distribution of **engineering steels**, mostly in the form of long products. It generates **46% of its sales in Germany, the largest European market**.

Sales amounted to €446 million, up +31.4% from €339 million in H1 2020:

- volumes: +23.2% (Q2 +49.6%);
- prices: +8.2% (Q2 +17.1% vs Q2 2020 and +11.2% vs Q1 2021).

Gross margin amounted to €118 million, representing 26.4% of sales, compared to €72 million in H1 2020 (21.1% of sales).

EBITDA amounted to €29 million, representing 6.4% of sales, compared to -€5 million in H1 2020 (-1.5% of sales).



## Key financial informations

### Income statement

€m	Q2 2021	Q2 2020	H1 2021	H1 2020
<b>Sales</b>	<b>492</b>	<b>313</b>	<b>937</b>	<b>726</b>
<b>Gross margin</b>	<b>131</b>	<b>67</b>	<b>248</b>	<b>161</b>
% of sales	26.7%	21.5%	26.4%	22.2%
<b>EBITDA <sup>1</sup></b>	<b>46</b>	<b>3</b>	<b>81</b>	<b>19</b>
% of sales	9.5%	0.9%	8.6%	2.6%
<b>Adjusted operating income / (loss) <sup>1</sup></b>	<b>36</b>	<b>(10)</b>	<b>64</b>	<b>(3)</b>
% of sales	7.3%	-3.2%	6.8%	-0.4%
<b>Operating income / (loss)</b>	<b>35</b>	<b>(14)</b>	<b>61</b>	<b>(7)</b>
Net financial expense	(2)	(3)	(6)	(6)
Corporate income tax	(4)	1	(9)	(0)
Minority interests	(1)	(0)	(3)	(1)
<b>Net income / (loss) (Group share)</b>	<b>27</b>	<b>(15)</b>	<b>43</b>	<b>(15)</b>

<sup>1</sup> 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 report is available at [jacquetmetals.com](http://jacquetmetals.com).

### Cash flow

€m	H1 2021	H1 2020
Operating cash flow before change in working capital	77	11
Change in working capital	(24)	70
<b>Cash flow from operating activities</b>	<b>53</b>	<b>81</b>
Capital expenditure	(15)	(19)
Asset disposals	1	1
Dividends paid to shareholders of JACQUET METALS SA	-	-
Interest paid	(7)	(6)
Other movements	(11)	(15)
<b>Change in net debt</b>	<b>22</b>	<b>42</b>
<b>Net debt brought forward</b>	<b>106</b>	<b>175</b>
<b>Net debt carried forward</b>	<b>84</b>	<b>132</b>

### Balance sheet

€m	30.06.21	31.12.20
Goodwill	66	66
Net non-current assets	160	154
Right-of-use assets	63	70
Net inventory	396	368
Net trade receivables	228	135
Other assets	105	91
Cash & cash equivalents	319	333
<b>Total assets</b>	<b>1,337</b>	<b>1,217</b>
Shareholders' equity	414	373
Provisions (including provisions for employee benefit obligations)	96	96
Trade payables	254	171
Borrowings	402	439
Other liabilities	104	64
Lease liabilities	67	73
<b>Total equity and liabilities</b>	<b>1,337</b>	<b>1,217</b>



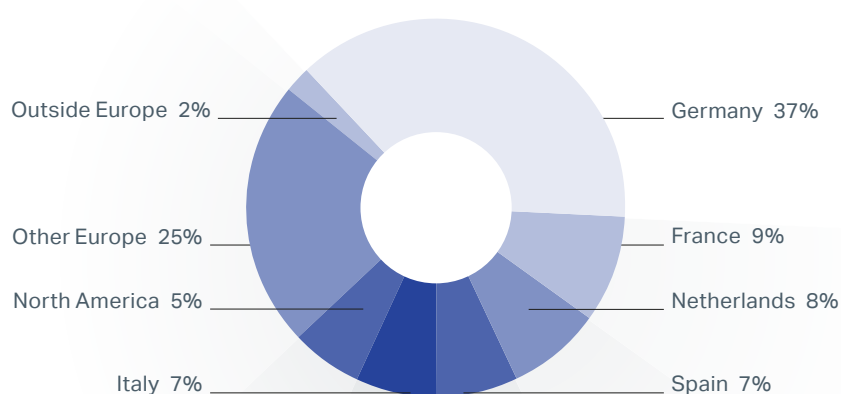
# The Group



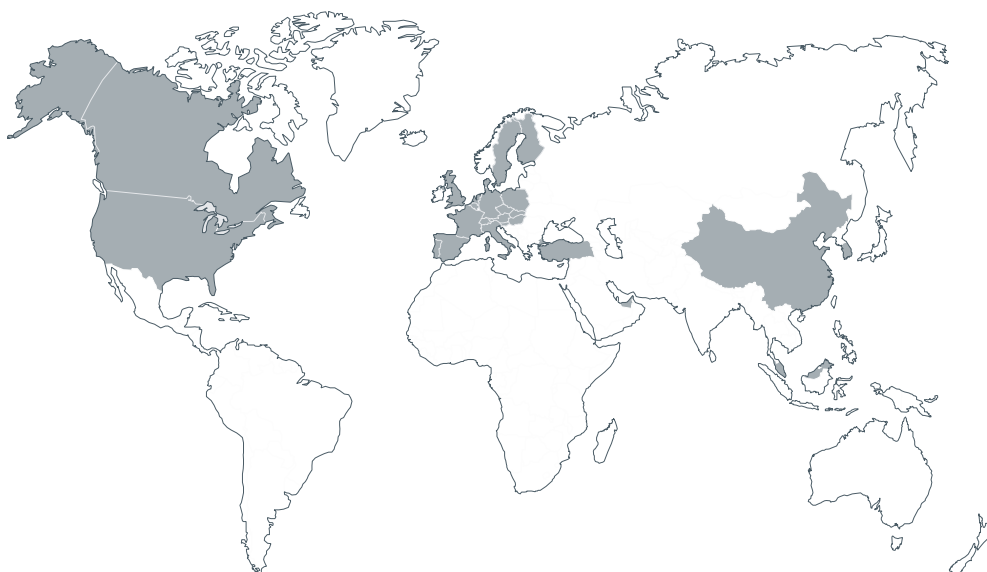
## 1 A leading distributor of specialty steels

JACQUET METALS is a European leader in the distribution of specialty steels and is also active in Asia and North America.

### Breakdown of sales



### A global player



107 distribution centers located in 25 countries • Staff : 2,918

## Brand Management

JACQUET METALS markets its products through a portfolio of three divisions, each of which targets specific customers and markets.

Each division is run by a Chief Executive in charge of developing the division in accordance with the strategic options and goals defined by JACQUET METALS.

Central functions, the negotiation of steel purchasing terms, financial and legal affairs, information technology, credit insurance and communications are managed by JACQUET METALS SA, in close collaboration with the specialists from each division.

### Stainless steel quarto plates



### Stainless steel long products



### Engineering steels



### 3 Stock market information and shareholder structure

<b>Main indices</b>	CAC® All Shares, CAC® All-Tradable, CAC® Basic Materials, CAC® Mid & Small, CAC® Small
<b>Market</b>	Euronext Paris - Compartment B
<b>Listed on</b>	Euronext Paris
<b>Code or ticker</b>	JCQ
<b>ISIN code</b>	FR0000033904
<b>Reuters</b>	JCQ.PA
<b>Bloomberg</b>	JCQ : FP

		30.06.21	31.12.20
Number of shares at end of period	numbers of shares	23,022,739	23,461,313
<b>Market capitalization at end of period</b>	<b>€k</b>	<b>448,943</b>	<b>326,112</b>
High	€	23.40	15.86
Low	€	13.44	7.60
<b>Price at end of period</b>	<b>€</b>	<b>19.50</b>	<b>13.90</b>
Average daily traded volume	numbers of shares	23,623	20,891
Average daily traded capital	€	451,991	233,870

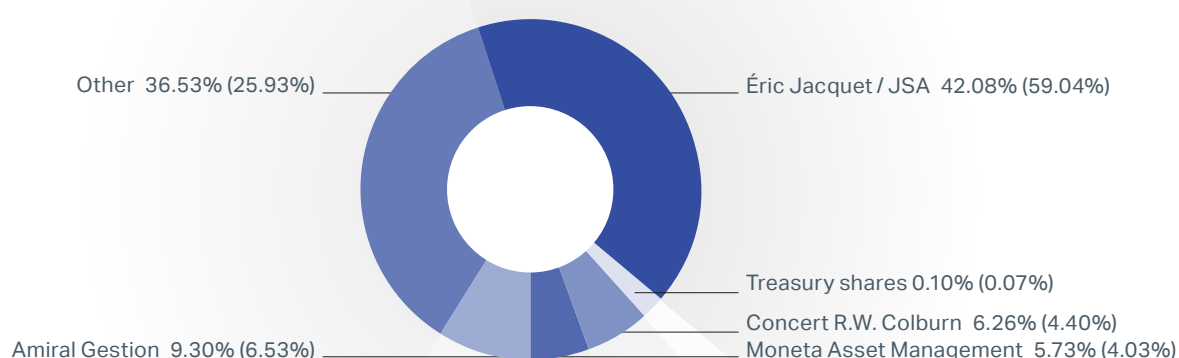
As of June 30, 2021, the JACQUET METALS ("JCQ") share price was €19.50, up from the December 31, 2020 closing price. The share price was €21.90 on September 8, 2021.

JACQUET METALS' shares are followed by:

- Société Générale SGCIB;
- ODDO BHF Corporates & Markets;
- Portzamparc of BNP Paribas group;
- GILBERT DUPONT of Société Générale group.

#### Shareholder structure as of June 30, 2021

% capital (% voting rights)



Éric Jacquet and JSA (which is controlled by Éric Jacquet) held 42.08% of the share capital and 59.04% of the voting rights in JACQUET METALS SA ("the Company") at June 30, 2021.

## Financial communication schedule

**Q3 2021 results**

November 17, 2021

**2021 full-year results**

March 9, 2022

Investors and shareholders may obtain complete financial information from the Company's website at:  
[jacquetmetals.com](http://jacquetmetals.com)

## Investor relations

**JACQUET METALS**  
**NEWCAP**

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# **Activity report - June 30,2021**

## Group's sales and earnings

Results for the period ended June 30, 2021 are compared to the results for 2020, which may be consulted in the 2020 Universal Registration Document filed with the Autorité des Marchés Financiers (AMF, French financial market regulator) on April 19, 2021 (filing No. D.21-0326), and in the activity report for H1 2020.

### Solid performance

The Group's business and profitability benefited from both a well oriented demand with sold volumes increased by +21.7% compared to H1 2020 and the increase in raw materials prices.

Compared to H1 2020, sales increased by +29% (to €937 million), and the gross margin by 53% (to €248 million representing 26.4% of sales).

In this context, EBITDA amounted to €81 million (8.6% of sales versus 2.6% of sales in H1 2020) and Net income (Group share) amounted to €43 million.

Having generated €53 million of operating cash flow, the net debt to equity ratio (gearing) amounted to 20% as of June 30, 2021, compared to 28% at 2020 year-end.

The Group pursued its development and consolidation on key markets via a sustained capital expenditure policy (€15 million in H1 2021).

Market conditions at the beginning of Q3 stayed in line with the Q2 trend.

€k	Q2 2021	Q2 2020	H1 2021	H1 2020
<b>Sales</b>	<b>491,602</b>	<b>313,479</b>	<b>936,730</b>	<b>726,451</b>
<b>Gross margin</b>	<b>131,172</b>	<b>67,489</b>	<b>247,568</b>	<b>161,494</b>
<i>% of sales</i>	26.7%	21.5%	26.4%	22.2 %
Operating expenses	(84,702)	(64,541)	(166,552)	(142,394)
Net depreciation and amortization	(9,143)	(8,907)	(18,138)	(17,732)
Net provisions	(2,796)	(7,852)	(1,680)	(8,959)
Gains on disposals of non-current assets	211	17	83	115
<b>Operating income / (loss)</b>	<b>34,742</b>	<b>(13,794)</b>	<b>61,281</b>	<b>(7,476)</b>
Net financial expense	(2,026)	(2,705)	(6,229)	(6,433)
<b>Income before tax</b>	<b>32,716</b>	<b>(16,499)</b>	<b>55,052</b>	<b>(13,909)</b>
Corporate income tax	(4,221)	1,393	(8,853)	(445)
<b>Consolidated net income / (loss)</b>	<b>28,495</b>	<b>(15,106)</b>	<b>46,199</b>	<b>(14,354)</b>
<b>Net income / (loss) (Group share)</b>	<b>27,041</b>	<b>(15,380)</b>	<b>43,385</b>	<b>(15,208)</b>
<b>Earnings per share in circulation (€)</b>	<b>1.17</b>	<b>(0.66)</b>	<b>1.88</b>	<b>(0.65)</b>
<b>Operating income / (loss)</b>	<b>34,742</b>	<b>(13,794)</b>	<b>61,281</b>	<b>(7,476)</b>
Non-recurring items and gains / losses on disposals	1,182	3,883	2,310	4,485
<b>Adjusted operating income / (loss)</b>	<b>35,924</b>	<b>(9,911)</b>	<b>63,591</b>	<b>(2,991)</b>
<i>% of sales</i>	7.3%	-3.2%	6.8%	-0.4 %
Net depreciation and amortization	9,143	8,907	18,138	17,732
Net provisions	2,796	7,852	1,680	8,959
Non-recurring items	(1,393)	(3,900)	(2,392)	(4,600)
<b>EBITDA</b>	<b>46,470</b>	<b>2,948</b>	<b>81,017</b>	<b>19,100</b>
<i>% of sales</i>	9.5%	0.9%	8.6%	2.6%

## Sales

Sales amounted to €937 million, up +28.9% versus H1 2020 including the following effects:

- volumes: +21.7% (Q1 +6.6%; Q2 +41.6%);
- prices: +7.3% (Q1 +1.2%; Q2 +15.2%), +9.3% compared to Q1 2021.

€m	Q2 2021	Q2 2020	H1 2021	H1 2020
<b>Sales</b>	<b>491.6</b>	<b>313.5</b>	<b>936.7</b>	<b>726.5</b>
<b>Change vs 2020</b>	<b>+56.8%</b>		<b>+28.9%</b>	
Price effect	+15.2%		+7.3%	
Volume effect	+41.6%		+21.7%	

The various effects are calculated as follows:

- volume effect =  $(V_n - V_{n-1}) \times P_{n-1}$ , where V = volumes and P = average sale price converted into euros at the average exchange rate;
- price effect =  $(P_n - P_{n-1}) \times V_n$ ;
- the exchange rate effect is included in the price effect. There was no significant impact as of June 30, 2021;
- change in consolidation (current year acquisitions and disposals):
  - acquisitions: change in consolidation corresponds to the contribution (volumes and sales) of the acquired entity since the acquisition date;
  - disposals: change in consolidation corresponds to the contribution (volumes and sales) made by the sold entity in the year preceding disposal from the date falling one year before the disposal date until the end of the previous year;
- change in consolidation (previous year acquisitions and disposals):
  - acquisitions: the impact of the change in consolidation scope corresponds to the contribution (volumes and sales) of the acquired entity in the current year from January, 1<sup>st</sup> until the anniversary of the acquisition;
  - disposals: the impact of the change in consolidation scope corresponds to the contribution (volumes and sales) of the sold entity from January, 1<sup>st</sup> the previous year until the date of disposal.

## Gross margin

Gross margin amounted to €248 million (Q1 €116 million; Q2 €131 million), representing 26.4% of sales, compared to €161 million in 2020 (22.2% of sales).

€m	Q2 2021	Q2 2020	H1 2021	H1 2020
<b>Sales</b>	<b>491.6</b>	<b>313.5</b>	<b>936.7</b>	<b>726.5</b>
<b>Cost of goods sold</b>	<b>(360.4)</b>	<b>(246.0)</b>	<b>(689.2)</b>	<b>(565.0)</b>
Incl. purchases consumed	(352.5)	(241.6)	(676.4)	(562.5)
Incl. inventory impairment	(8.0)	(4.4)	(12.8)	(2.5)
<b>Gross margin</b>	<b>131.2</b>	<b>67.5</b>	<b>247.6</b>	<b>161.5</b>
% of sales	26.7%	21.5%	26.4%	22.2%

## Operating income

After taking into account savings of €3 million, current operating expenses\* amounted to €167 million compared to €142 million in H1 2020. This increase is mainly due to the growth in volumes sold and profitability.

\* excluding depreciation, amortization and provisions.

**EBITDA** amounted to €81 million and represented 8.6% of sales (Q1 7.8%; Q2 9.5%) compared to €19 million in H1 2020 (2.6% of sales).

**Adjusted operating income** amounted to €64 million (6.8% of sales).



Operating income includes a €0.1 million income on disposal of non-current assets and €2.4 million non-recurring charges (non-cash items) and amounted to €61 million.

## Net financial expense

Net financial expense amounted to €6.2 million compared to €6.4 million in H1 2020.

As of June 30, 2021 the average gross debt rate was 2.2%, stable compared to December 31, 2020.

€m	Q2 2021	Q2 2020	H1 2021	H1 2020
<b>Net cost of debt</b>	<b>(2.6)</b>	<b>(2.7)</b>	<b>(5.3)</b>	<b>(5.1)</b>
Other financial items	0.5	(0)	(0.9)	(1.3)
<b>Net financial expense</b>	<b>(2.0)</b>	<b>(2.7)</b>	<b>(6.2)</b>	<b>(6.4)</b>

## Net income

Net income (Group share) amounted to €43.4 million compared to €-15.2 million in H1 2020.

€m	Q2 2021	Q2 2020	H1 2021	H1 2020
<b>Income before taxes</b>	<b>32.7</b>	<b>(16.5)</b>	<b>55.1</b>	<b>(13.9)</b>
Corporate income tax	(4.2)	1.4	(8.9)	(0.4)
Income tax rate	-12.9%	-8.4%	-16.1%	3.2%
<b>Consolidated net income / (loss)</b>	<b>28.5</b>	<b>(15.1)</b>	<b>46.2</b>	<b>(14.4)</b>
Minority interests	(1.5)	(0.3)	(2.8)	(0.9)
<b>Net income / (loss) (Group share)</b>	<b>27.0</b>	<b>(15.4)</b>	<b>43.4</b>	<b>(15.2)</b>
% of sales	5.5%	-4.9%	4.6%	-2.1%

## 2

## Sales and earnings by division

excluding IFRS 16 impacts

€m	JACQUET Stainless steel quarto plates		STAPPERT Stainless steel long products		IMS group Engineering steels	
	Q2 2021	H1 2021	Q2 2021	H1 2021	Q2 2021	H1 2021
<b>Sales</b>	<b>107</b>	<b>201</b>	<b>153</b>	<b>297</b>	<b>236</b>	<b>446</b>
Change vs. 2020	40.2%	23.5%	55.0%	29.1%	66.6%	31.4%
Price effect	12.6%	4.3%	14.3%	7.9%	17.1%	8.2%
Volume effect	27.7%	19.3%	40.8%	21.2%	49.6%	23.2%
<b>EBITDA <sup>1 2</sup></b>	<b>13</b>	<b>24</b>	<b>9</b>	<b>18</b>	<b>18</b>	<b>29</b>
% of sales	12.3%	11.8%	6.0%	6.0%	7.6%	6.4%
<b>Adjusted operating income <sup>2</sup></b>	<b>11</b>	<b>20</b>	<b>9</b>	<b>17</b>	<b>14</b>	<b>25</b>
% of sales	10.6%	9.9%	5.9%	5.8%	6.1%	5.6%

<sup>1</sup> As of June 30, 2021, non-division operations and the application of IFRS 16 - Leases contributed €2 million and €9 million to EBITDA respectively.

<sup>2</sup> Adjusted for non-recurring items.

## JACQUET

The division specializes in the distribution of stainless steel quarto plates. It generates 68% of its business in Europe and 25% in North America.

Sales amounted to €201 million, up +23.5% from €163 million in H1 2020:

- volumes: +19.3% (Q2 +27.7%);
- prices: +4.3% (Q2 +12.6% vs Q2 2020 and +7.8% vs Q1 2021).

Gross margin amounted to €68 million, representing 33.6% of sales, compared to €45 million in H1 2020 (27.4% of sales).

EBITDA amounted to €24 million, representing 11.8% of sales, compared to €5 million in H1 2020 (3.1% of sales).

### H1 2021 earnings

excluding IFRS 16 impacts

€m	Q2 2021	Q2 2020	H1 2021	H1 2020
<b>Sales</b>	<b>106.5</b>	<b>75.9</b>	<b>201.1</b>	<b>162.8</b>
<b>Change vs. 2020</b>	<b>40.2%</b>		<b>23.5%</b>	
Price effect	12.6%		4.3%	
Volume effect	27.7%		19.3%	
<b>Gross margin</b>	<b>35.5</b>	<b>18.6</b>	<b>67.6</b>	<b>44.6</b>
% of sales	33.3%	24.5%	33.6%	27.4%
<b>EBITDA</b>	<b>13.1</b>	<b>0.2</b>	<b>23.7</b>	<b>5.0</b>
% of sales	12.3%	0.2%	11.8%	3.1%
<b>Adjusted operating income / (loss)</b>	<b>11.3</b>	<b>(2.7)</b>	<b>19.9</b>	<b>0.2</b>
% of sales	10.6%	-3.5%	9.9%	0.1%

## STAPPERT

The division specializes in the distribution of stainless steel long products mainly in Europe. It generates 41% of its sales in Germany, the largest European market.

Sales amounted to €297 million, up +29.1% from €230 million in H1 2020:

- volumes: +21.2% (Q2 +40.8%);
- prices: +7.9% (Q2 +14.3% vs Q2 2020 and +7.6% vs Q1 2021).

Gross margin amounted to €62 million, representing 20.9% of sales, compared to €45 million in H1 2020 (19.6% of sales).

EBITDA amounted to €18 million, representing 6.0% of sales, compared to €8 million in H1 2020 (3.7% of sales).

### H1 2021 earnings

excluding IFRS 16 impacts

€m	Q2 2021	Q2 2020	H1 2021	H1 2020
<b>Sales</b>	<b>152.9</b>	<b>98.6</b>	<b>297.3</b>	<b>230.2</b>
<b>Change vs. 2020</b>	<b>55.0%</b>		<b>29.1%</b>	
Price effect	14.3%		7.9%	
Volume effect	40.8%		21.2%	
<b>Gross margin</b>	<b>31.9</b>	<b>19.9</b>	<b>62.1</b>	<b>45.2</b>
% of sales	20.9%	20.2%	20.9%	19.6%
<b>EBITDA</b>	<b>9.2</b>	<b>3.0</b>	<b>18.0</b>	<b>8.5</b>
% of sales	6.0%	3.0 %	6.0%	3.7%
<b>Adjusted operating income</b>	<b>9.1</b>	<b>1.6</b>	<b>17.3</b>	<b>6.6</b>
% of sales	5.9%	1.7%	5.8%	2.9%

## IMS group

The division specializes in the distribution of engineering steels, mostly in the form of long products. It generates 46% of its sales in Germany, the largest European market.

Sales amounted to €446 million, up +31.4% from €339 million in H1 2020:

- volumes: +23.2% (Q2 +49.6%);
- prices: +8.2% (Q2 +17.1% vs Q2 2020 and +11.2% vs Q1 2021).

Gross margin amounted to €118 million, representing 26.4% of sales, compared to €72 million in H1 2020 (21.1% of sales).

EBITDA amounted to €29 million, representing 6.4% of sales, compared to -€5 million in H1 2020 (-1.5% of sales).

### H1 2021 earnings

excluding IFRS 16 impacts

€m	Q2 2021	Q2 2020	H1 2021	H1 2020
<b>Sales</b>	<b>236.0</b>	<b>141.7</b>	<b>446.1</b>	<b>339.5</b>
<b>Change vs. 2020</b>	<b>66.6%</b>		<b>31.4%</b>	
Price effect	17.1%		8.2%	
Volume effect	49.6%		23.2%	
<b>Gross margin</b>	<b>63.7</b>	<b>29.0</b>	<b>117.8</b>	<b>71.7</b>
% of sales	27.0%	20.5%	26.4%	21.1%
<b>EBITDA</b>	<b>18.0</b>	<b>(6.0)</b>	<b>28.5</b>	<b>(5.2)</b>
% of sales	7.6%	-4.2%	6.4%	-1.5%
<b>Adjusted operating income / (loss)</b>	<b>14.4</b>	<b>(9.2)</b>	<b>25.0</b>	<b>(9.3)</b>
% of sales	6.1%	-6.5%	5.6%	-2.7%

## Summary balance sheet

€m	30.06.21	31.12.20
Goodwill	66	66
Net non-current assets	160	154
Right-of-use assets	63	70
Net inventory	396	368
Net trade receivables	228	135
Other assets	105	91
Cash & cash equivalents	319	333
<b>Total assets</b>	<b>1,337</b>	<b>1,217</b>
Shareholders' equity	414	373
Provisions (including provisions for employee benefit obligations)	96	96
Trade payables	254	171
Borrowings	402	439
Other liabilities	104	64
Lease liabilities	67	73
<b>Total equity and liabilities</b>	<b>1,337</b>	<b>1,217</b>

## Working capital

Operating working capital amounted to €370 million (23.5% of sales), up from €332 million at 2020 year-end (24.3% of sales) mainly due to inventory increase which will continue over the coming months.

€m	30.06.21	31.12.20	Change
Net inventory	396.5	367.7	+28.8
<i>Days sales inventory<sup>1</sup></i>	142	156	
Net trade receivables	227.6	135.4	+92.2
<i>Days sales outstanding</i>	42	44	
Trade payables	(253.9)	(171.1)	-82.8
<i>Days payable outstanding</i>	51	65	
<b>Net Operating working capital</b>	<b>370.1</b>	<b>331.9</b>	<b>+38.2</b>
<i>% of sales<sup>1</sup></i>	23.5%	24.3%	
Other receivables or payables excluding taxes and financial items	(42.2)	(30.2)	-12.0
<b>Working capital excluding taxes and financial items</b>	<b>327.9</b>	<b>301.7</b>	<b>+26.1</b>
Consolidation and other changes		1.7	-1.7
<b>Working capital before taxes and financial items and adjusted for other changes</b>	<b>327.9</b>	<b>303.4</b>	<b>+24.5</b>
<i>% of sales<sup>1</sup></i>	20.8%	22.2%	

<sup>1</sup> Rolling 12 months.

## Net debt

As of June 30, 2021, Group net debt stood at €84 million with a shareholder's equity of €414 million resulting in a net debt to equity ratio (gearing) of 20% (28% at 2020 year-end).

€m	30.06.21	31.12.20
Borrowings	402.5	438.9
Cash and cash equivalents	318.5	333.1
<b>Net debt</b>	<b>83.9</b>	<b>105.8</b>
<i>Net debt to equity ratio (gearing)</i>	20.3%	28.3%

## Borrowings

The Group had €712 million in lines of credit at June 30, 2021, 56% of which had been used:

€m	Authorized at 30.06.21	Used at 30.06.21	% used	Maturity			
				2021	2022-2023	2024-2025	2026 and beyond
Syndicated revolving loan 2024	125.0	-	0%	-	-	-	-
Schuldscheindarlehen 2023	150.0	150.0	100%	-	150.0	-	-
Schuldscheindarlehen 2024-2025	70.0	70.0	100%	-	-	70.0	-
Term loans	103.1	103.1	100%	21.3	55.5	22.0	4.2
Other lines of credit	84.5	21.7	26%	17.5	4.2	-	-
<b>JACQUET METALS SA</b>	<b>532.6</b>	<b>344.7</b>	<b>65%</b>	<b>38.7</b>	<b>209.8</b>	<b>92.0</b>	<b>4.2</b>
Operational lines of credit (letter of credit, etc.)	121.6	29.8	24%	27.3	2.4	-	-
Factoring	31.1	0.8	2%	0.8	-	-	-
Assets financing (term loans, etc.)	27.2	27.2	100%	3.0	14.4	5.6	4.3
<b>Subsidiaries</b>	<b>179.9</b>	<b>57.7</b>	<b>32%</b>	<b>31.1</b>	<b>16.8</b>	<b>5.6</b>	<b>4.3</b>
<b>Total</b>	<b>712.4</b>	<b>402.5</b>	<b>56%</b>	<b>69.8</b>	<b>226.6</b>	<b>97.6</b>	<b>8.5</b>

In addition to the financing shown in the above table, the Group also had €73.3 million in non-recourse receivable assignment facilities, €51.1 million of which had been used at June 30, 2021.

Financing covenants mainly apply to the syndicated revolving loan and the German private placements (Schuldscheindarlehen or SSD) contracted by JACQUET METALS SA. These covenants mainly correspond to commitments that must be complied with at Group level.

**As of June 30, 2021, all financing covenants were in compliance.**

The maturity of the €125 million syndicated revolving loan was extended by a year to June 2024.

In July 2021, the Group entered into a new €150 million five-year Schuldscheindarlehen placement repayable at maturity (July 2026) to replace all or part of the Schuldscheindarlehen signed in 2018. The main characteristics of senior financing are presented in the summary table below:

	Syndicated revolving loan	Schuldscheindarlehen 2023	Schuldscheindarlehen 2024-2025	Schuldscheindarlehen 2026
Date of signature	June 2019	February 2018	December 2019	July 2021
Maturity	June 2024	April 2023	December 2024 (tranche 1: €36 million) and January 2025 (tranche 2: €34 million)	July 2026
Amount	€125 million (unused as of June 30, 2021)	€150 million (fully used)	€70 million (fully used)	€150 million (fully used)
Amortization	n.a.	<i>in fine</i>	<i>in fine</i>	<i>in fine</i>
Guarantee	None	None	None	None
Change of control clause	JSA must hold at least 40% of JACQUET METALS SA's share capital and voting rights	JSA must hold at least 37% of JACQUET METALS SA's share capital and voting rights	JSA must hold at least 37% of JACQUET METALS SA's share capital and voting rights	JSA must hold at least 37% of JACQUET METALS SA's share capital and voting rights
Main covenants	- net debt to equity ratio (gearing) less than 100%, <b>or</b> - leverage less than 2.	Net debt to equity ratio (gearing) less than 100%.	Net debt to equity ratio (gearing) less than 100%.	Net debt to equity ratio (gearing) less than 100%.

n.a.: Not applicable.

## Cash flow

The Group generated operating cash flow of €+53 million in H1 2021.

€m	H1 2021	H1 2020
Operating cash flow before change in working capital	77	11
Change in working capital	(24)	70
<b>Cash flow from operating activities</b>	<b>53</b>	<b>81</b>
Capital expenditure	(15)	(19)
Asset disposals	1	1
Dividends paid to shareholders of JACQUET METALS SA	-	-
Interest paid	(7)	(6)
Other movements	(11)	(15)
<b>Change in net debt</b>	<b>22</b>	<b>42</b>
<b>Net debt brought forward</b>	<b>106</b>	<b>175</b>
<b>Net debt carried forward</b>	<b>84</b>	<b>132</b>

In H1 2021, capital expenditure amounted to €15 million, taking into account notably the construction of a site in Italy for the JACQUET division.

"Other movements" mainly consist of rent expenses (€9 million) pursuant to the application of *IFRS 16 - Leases*.

## Post balance sheet events

None.

## 4 Summary interim consolidated financial statements

### Consolidated statement of comprehensive income

€k	Notes	30.06.21	30.06.20
<b>Sales</b>	<b>4.2.1</b>	<b>936,730</b>	<b>726,451</b>
Cost of goods sold	4.2.1	(689,162)	(564,957)
<b>Gross margin</b>	<b>4.2.1</b>	<b>247,568</b>	<b>161,494</b>
Operating expenses		(71,346)	(63,251)
Personnel expenses		(96,123)	(79,927)
Miscellaneous taxes		(2,082)	(2,154)
Other net expenses income		2,999	2,938
Net depreciation and amortization		(18,138)	(17,732)
Net provisions		(1,680)	(8,959)
Gains / (losses) on disposals of non-current assets		83	115
<b>Operating income / (loss)</b>		<b>61,281</b>	<b>(7,476)</b>
% of sales		6.5%	-1.0%
<b>Net cost of debt</b>		<b>(5,311)</b>	<b>(5,109)</b>
Other financial income		316	-
Other financial expenses		(1,234)	(1,324)
<b>Net financial expense</b>		<b>(6,229)</b>	<b>(6,433)</b>
<b>Income / (loss) before tax</b>		<b>55,052</b>	<b>(13,909)</b>
Corporate income tax	4.2.2	(8,853)	(445)
<b>Net income / (loss) from continued current operations</b>		<b>46,199</b>	<b>(14,354)</b>
Net income from discontinued operations		-	-
<b>Total consolidated net income / (loss)</b>		<b>46,199</b>	<b>(14,354)</b>
% of sales		4.9%	-2.0%
<b>Minority interests</b>		<b>(2,814)</b>	<b>(854)</b>
<b>Net income / (loss) (Group share)</b>	<b>4.2.3</b>	<b>43,385</b>	<b>(15,208)</b>
% of sales		4.6%	-2.1%
<b>Items that may be reclassified to profit or loss</b>			
Translation differences		2,056	(2,767)
Other		104	(210)
<b>Items not reclassified to profit or loss</b>			
Actuarial gains / (losses)		1,673	-
<b>Total comprehensive net income / (loss) (Group share)</b>		<b>47,218</b>	<b>(18,185)</b>
Minority interests		2,858	798
<b>Total comprehensive net income / (loss)</b>		<b>50,076</b>	<b>(17,387)</b>
Basic earnings per share (€)	4.2.3	1.89	(0.66)
Diluted earnings per share (€)	4.2.3	1.89	(0.66)

The notes are an integral part of the summary interim consolidated financial statements.



## Statement of financial position

€k		30.06.21			31.12.20
Assets	Notes	Gross	Dep. amort. Prov.	Net	Net
Goodwill	4.2.4	66,385	-	66,385	66,254
Intangible assets	4.2.5	30,366	26,191	4,175	4,565
Property, plant and equipment	4.2.5	457,699	301,872	155,827	148,999
Right-of-use assets	4.2.6	110,205	46,709	63,496	70,115
Other financial assets		19,875	1,228	18,647	18,282
Deferred tax	4.2.13	53,925	-	53,925	49,366
<b>Non-current assets</b>		<b>738,455</b>	<b>376,000</b>	<b>362,455</b>	<b>357,581</b>
Inventory and work-in-progress	4.2.1, 4.2.7	475,971	79,500	396,471	367,672
Trade receivables	4.2.1, 4.2.8	233,463	5,911	227,552	135,362
Tax assets receivable		1,770	-	1,770	4,012
Other assets		30,451	33	30,418	19,313
Derivatives		92	-	92	183
Cash and cash equivalents	4.2.9	318,534	-	318,534	333,052
<b>Current assets</b>		<b>1,060,281</b>	<b>85,444</b>	<b>974,837</b>	<b>859,594</b>
<b>Assets held for sale</b>		-	-	-	-
<b>Total assets</b>		<b>1,798,736</b>	<b>461,444</b>	<b>1,337,292</b>	<b>1,217,175</b>
<b>Equity and liabilities</b>					
Share capital				35,098	35,767
Consolidated reserves				361,453	322,602
<b>Shareholders' equity (Group share)</b>				<b>396,551</b>	<b>358,369</b>
Minority interests				17,548	15,033
<b>Shareholders' equity</b>	<b>4.2.10</b>			<b>414,099</b>	<b>373,402</b>
Deferred tax	4.2.13			5,955	6,133
Non-current provisions	4.2.11			6,759	6,233
Provisions for employee benefit obligations	4.2.12			55,539	60,207
Other non-current liabilities				4,942	4,978
Long-term borrowings	4.2.9			312,452	347,191
Long-term lease liabilities	4.2.6			50,002	56,081
<b>Non-current liabilities</b>				<b>435,649</b>	<b>480,823</b>
Short-term borrowings	4.2.9			90,016	91,673
Short-term lease liabilities	4.2.6			16,932	17,417
Trade payables	4.2.1			253,920	171,116
Current tax liabilities				10,302	2,073
Current provisions	4.2.11			33,478	29,980
Derivatives				1,039	1,191
Other liabilities				81,857	49,500
<b>Total current liabilities</b>				<b>487,544</b>	<b>362,950</b>
<b>Liabilities held for sale</b>				-	-
<b>Total equity and liabilities</b>				<b>1,337,292</b>	<b>1,217,175</b>

The notes are an integral part of the summary interim consolidated financial statements.

## Cash flow statement

€k	30.06.21	30.06.20
<b>Cash and cash equivalents at beginning of period</b>	<b>333,052</b>	<b>206,007</b>
<b>Operating activities</b>		
<b>Net income / (loss)</b>	<b>46,199</b>	<b>(14,354)</b>
Depreciation, amortization and provisions	19,774	25,225
Capital gains on asset disposals	(78)	(115)
Change in deferred taxes	(5,489)	(2,971)
Other non-cash income and expenses	(75)	18
<b>Operating cash flow after tax and cost of borrowings</b>	<b>60,331</b>	<b>7,803</b>
Cost of borrowings	6,537	6,230
Current income tax	14,342	3,415
Taxes paid	(3,882)	(6,644)
<b>Operating cash flow before change in working capital</b>	<b>77,328</b>	<b>10,804</b>
Change in inventory and work-in-progress	(27,165)	53,828
Change in trade receivables	(87,403)	(4,516)
Change in trade payables	78,398	1,624
Other changes	11,672	18,979
<b>Total change in working capital</b>	<b>(24,498)</b>	<b>69,915</b>
<b>Cash flow from operating activities</b>	<b>52,830</b>	<b>80,719</b>
<b>Investing activities</b>		
Acquisitions of fixed assets	(15,221)	(18,738)
Disposal of assets	1,392	760
Acquisitions of subsidiaries	(50)	-
Changes in consolidation and other	(643)	511
<b>Cash flow from investing activities</b>	<b>(14,522)</b>	<b>(17,467)</b>
<b>Financing activities</b>		
Dividends paid to parent company shareholders	-	-
Dividends paid to minority shareholders of consolidated companies	(67)	(335)
New borrowings	20,982	69,789
Lease liabilities payments	(9,288)	(9,767)
Lease receivables	300	332
Change in borrowings	(58,762)	78,747
Interest paid	(6,506)	(5,686)
Other changes	221	(5,090)
<b>Cash flow from financing activities</b>	<b>(53,120)</b>	<b>127,990</b>
<b>Change in cash and cash equivalents</b>	<b>(14,812)</b>	<b>191,242</b>
Translation differences	294	(465)
<b>Cash and cash equivalents at end of period</b>	<b>318,534</b>	<b>396,784</b>

The notes are an integral part of the summary interim consolidated financial statements. Changes are shown at the net book value.

Bank overdrafts are used to finance both short and medium-term investments. Accordingly, they are analyzed as borrowing transactions and classified as such in the cash flow statement.

## Change in consolidated shareholders' equity

€k	Notes	Number of shares	Share capital	Reserves	Translation differences (Group share)	Shareholders' equity (Group share)	Minority interests	Shareholders' equity
<b>At 01.01.20</b>	<b>4.2.10</b>	<b>24,028,438</b>	<b>36,631</b>	<b>329,086</b>	<b>(1,142)</b>	<b>364,575</b>	<b>14,834</b>	<b>379,409</b>
Net income / (loss)				(15,208)	-	(15,208)	854	(14,354)
Translation differences				-	(2,767)	(2,767)	(57)	(2,824)
Actuarial gains / (losses)				-	-	-	-	-
Other				(210)	-	(210)	1	(209)
<b>Total comprehensive net income</b>				<b>(15,418)</b>	<b>(2,767)</b>	<b>(18,185)</b>	<b>798</b>	<b>(17,387)</b>
Change in consolidation scope				-	-	-	-	-
Dividend payments				(4,616)	-	(4,616)	(335)	(4,951)
Other		(567,125)	(864)	(4,350)	-	(5,214)	-	(5,214)
<b>At 30.06.20</b>	<b>4.2.10</b>	<b>23,461,313</b>	<b>35,767</b>	<b>304,702</b>	<b>(3,909)</b>	<b>336,560</b>	<b>15,297</b>	<b>351,857</b>
<b>At 01.01.21</b>	<b>4.2.10</b>	<b>23,461,313</b>	<b>35,767</b>	<b>330,327</b>	<b>(7,725)</b>	<b>358,369</b>	<b>15,033</b>	<b>373,402</b>
Net income				43,385	-	43,385	2,815	46,199
Translation differences				-	2,056	2,056	37	2,093
Actuarial gains / (losses)				1,673	-	1,673	-	1,673
Other				104	-	104	6	110
<b>Total comprehensive net income</b>				<b>45,162</b>	<b>2,056</b>	<b>47,218</b>	<b>2,858</b>	<b>50,076</b>
Change in consolidation scope				-	-	-	-	-
Dividend payments				(9,200)	-	(9,200)	(343)	(9,543)
Other		(438,574)	(669)	833	-	164	-	164
<b>At 30.06.21</b>	<b>4.2.10</b>	<b>23,022,739</b>	<b>35,098</b>	<b>367,122</b>	<b>(5,669)</b>	<b>396,551</b>	<b>17,548</b>	<b>414,099</b>

The notes are an integral part of the summary interim consolidated financial statements.

## Notes to the consolidated financial statements

The JACQUET METALS Group's consolidated financial statements for the six months ended June 30, 2021 were approved by the Board of Directors on September 9, 2021.

All figures are reported in thousands or millions of euros unless otherwise stated. Some totals may display differences in rounding.

## Consolidation principles and methods

In accordance with European regulation 1606/2002 dated July 19, 2002 on international financial reporting standards, the JACQUET METALS Group summary interim consolidated financial statements for the six months ended June 30, 2021 and the 2020 comparative financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) in force as of June 30, 2021, as approved by the European Union.

The standards and interpretations applied are those published in the official Journal of the European Union (OJEU) before June 30, 2021 and of compulsory application from that date.

These guidelines cover all of the standards approved by the International Accounting Standards Board (IASB) and adopted by the EU, i.e. IFRS, International Accounting Standards (IAS), and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) or the former Standing Interpretations Committee (SIC). These accounting standards can be consulted on the European Commission website at: [https://ec.europa.eu/info/law/international-accounting-standards-regulation-ec-no-1606-2002\\_en](https://ec.europa.eu/info/law/international-accounting-standards-regulation-ec-no-1606-2002_en)

The summary interim consolidated financial statements have been prepared in accordance with *IAS 34 - Interim Financial Reporting*, which allows a condensed presentation of the notes to the financial statements. The financial statements should therefore be read with reference to the consolidated financial statements for the year ended December 31, 2020 and, in particular, §2.1 "Consolidation principles and methods" and §2.2 "Valuation methods" as contained in the Universal Registration Document filed with the Autorité des Marchés Financiers (AMF) on April 19, 2021 under number D.21-0326 and available for consultation on the company website at: [jacquetmetals.com](http://jacquetmetals.com).

With the exception of the points described in the paragraph below, the accounting principles applied are identical to those used in the audited consolidated financial statements for the year ended December 31, 2020.

New standards or amendments adopted by the European Union for compulsory application as from January 1, 2021 have been applied in the summary consolidated financial statements for the six months ended June 30, 2021. They comprise the following standards:

- amendments to *IFRS 9*, *IAS 39*, *IFRS 4*, *IFRS 7* and *IFRS 16* - related to Interest Rate Benchmark Reform, phase 2.

### Use of estimates

The preparation of IFRS-compliant consolidated financial statements requires management to take into account assumptions and estimates that have an impact on the assets and liabilities shown in the statement of financial position, and mentioned in the notes to the financial statements, as well as on the income and expenses recorded in the consolidated statement of comprehensive income. The estimates may be revised if the circumstances under which they were based change, or in accordance with new information obtained. Actual results may differ from these estimates.

In accordance with *IAS 10*, management's estimates are based on the information available at the balance sheet date, taking post balance sheet events into account.

The consolidated half-year financial statements have been established on the basis of rules applied for the 2020 annual financial statements. In this regard, it is appropriate to clarify the treatment of income taxes: for interim financial statements, the current and deferred tax charge is calculated by applying the estimated annual average tax rate for the current financial year to the six-month taxable income for each legal entity or tax group, as adjusted for non-recurring items allocated to the period.

The main estimates at June 30, 2021 involved:

- assessment of the recoverability of deferred tax assets: the method followed is based on internal business plans, and takes into account the local legislation in effect at the balance sheet date;
- the value of goodwill: tested for impairment at least once a year for the annual financial statements and whenever an indication of loss of value arises;
- inventory valuation: the method followed to determine the net realizable value of inventory is based on the best estimate, as of the date of the preparation of the financial statements, of the future sale price in the normal course of business less any estimated selling costs;
- measurement of right-of-use assets and lease liabilities following the adoption of IFRS 16;
- impairment of receivables: reviewed on a case-by-case basis in light of the specific situation of particular customers;
- employee benefit liabilities: measured based on actuarial assumptions;
- current and non-current provisions: estimated to reflect the best estimate of the risks as of the balance sheet date.

#### 4.1.1 Changes in consolidation scope

No change in consolidation scope occurred in H1 2021.

### 4.2 Notes to the consolidated statement of comprehensive income

#### 4.2.1 Operating segments

The Group is organized on the basis of 3 divisions:

- JACQUET                      - STAPPERT                      - IMS group

As of June 30, 2021, the key indicators per operating segment were as follows:

€m	Sales	Gross margin	Adjusted operating income <sup>2</sup>	Operating working capital	Operating working capital (% of sales)
JACQUET	201.1	67.6	19.9	118.2	34.4%
STAPPERT	297.3	62.1	17.3	92.9	18.8%
IMS group	446.1	117.8	25.0	153.6	20.4%
Inter-division eliminations / Other <sup>1</sup>	(7.8)	-	0.9	5.4	n.a.
<b>Total</b>	<b>936.7</b>	<b>247.6</b>	<b>63.6</b>	<b>370.1</b>	<b>23.5%</b>

<sup>1</sup> Non-division activities (including JACQUET METALS SA)

<sup>2</sup> Adjusted for non-recurring items. Adjusted operating income for the three divisions is presented excluding the impact of IFRS 16.  
n.a.: not applicable.

As of June 30, 2020, the key indicators per operating segment were as follows:

€m	Sales	Gross margin	Adjusted operating income <sup>2</sup>	Operating working capital	Operating working capital (% of sales)
JACQUET	162.8	44.6	0.2	116.3	35.5%
STAPPERT	230.2	45.2	6.6	86.5	19.5%
IMS group	339.5	71.7	(9.3)	156.8	22.5%
Inter-division eliminations / Other <sup>1</sup>	(6.0)	(0.0)	(0.9)	4.1	n.a.
<b>Total</b>	<b>726.5</b>	<b>161.5</b>	<b>(3.0)</b>	<b>363.7</b>	<b>25.0%</b>

<sup>1</sup> Non-division activities (including JACQUET METALS SA)

<sup>2</sup> Adjusted for non-recurring items. Adjusted operating income for the three divisions is presented excluding the impact of IFRS 16.  
n.a.: not applicable.

## 4.2.2 Corporate income tax

Net income includes a tax charge of €8.9 million. Tax losses from previous years may have been used, particularly in France, Germany, Belgium and the United States.

## 4.2.3 Earnings per share

	30.06.21	30.06.20
<b>Net income / (loss) (Group share) (€k)</b>	<b>43,385</b>	<b>(15,208)</b>
Total number of shares	23,022,739	23,461,313
Treasury shares	23,800	385,144
Total number of shares excluding treasury shares	22,998,939	23,076,169
<b>Basic earnings per share (€)</b>	<b>1.89</b>	<b>(0.66)</b>
Free shares <sup>1</sup>	-	-
Total diluted number of shares, excluding treasury shares	22,998,939	23,076,169
<b>Diluted earnings per share (€)</b>	<b>1.89</b>	<b>(0.66)</b>

<sup>1</sup> Average number of shares during the period.

## 4.2.4 Goodwill - Business combinations

Goodwill amounted to €66.4 million as of June 30, 2021 and breaks down as follows:

- JACQUET CGU: €10.1 million;
- STAPPERT CGU: €40.4 million;
- IMS group CGU: €15.9 million.

The Group analyzed the results of the various cash-generating units (CGU); no indication of impairment has been identified.

## 4.2.5 Change in PP&E and intangible assets

<b>Net book value at December 31, 2020</b>	<b>153.6</b>
Acquisitions	15.2
Net disposals and scraps	(1.1)
Net depreciation/impairment	(9.2)
Translation differences	1.1
Other	0.3
<b>Net book value at June 30, 2021</b>	<b>160.0</b>

## 4.2.6

## Change in right-of-use assets and lease liabilities

<b>Net book value of right-of-use assets at December 31, 2020</b>	<b>70.1</b>
New right-of-use assets	2.6
Net disposals and scraps	(0.1)
Depreciations	(9.0)
Revaluation of right-of-use assets	(0.0)
Translation differences	0.2
Other	(0.3)
<b>Net book value of right-of-use assets at June 30, 2021</b>	<b>63.5</b>
<b>Lease liabilities at December 31, 2020</b>	<b>73.5</b>
New right-of-use assets	2.6
Repayments of lease liabilities	(9.3)
Revaluation of right-of-use assets	(0.0)
Translation differences	0.1
Other	(0.0)
<b>Lease liabilities at June 30, 2021</b>	<b>66.9</b>

## 4.2.7

## Inventory and work-in-progress

€m	30.06.21	31.12.20
Gross value	476.0	434.4
Impairment	(79.5)	(66.7)
<i>Impairment rate</i>	16.7%	15.4%
<b>Net value</b>	<b>396.5</b>	<b>367.7</b>

Inventory primarily consists of finished goods inventories (whole and cut plates, long products, etc.).

As of June 30, 2021, inventory was adjusted to its estimated net realizable value via an impairment representing 16.7% of its gross value, compared to 15.4% at December 31, 2020.

## 4.2.8

## Trade receivables

€m	30.06.21	31.12.20
Gross value	233.5	141.5
Impairment	(5.9)	(6.1)
<b>Net value</b>	<b>227.6</b>	<b>135.4</b>

As of June 30, 2021, the share of insured trade receivables amounted to 94%.

All receivables have a maturity of less than one year. The net value of receivables does not include the receivables assigned on a non-recourse basis, which amounted to €51.1 million at the end of June 2021, compared to €26.5 million at the end of 2020.

## 4.2.9 Net cash and borrowings

€m	30.06.21	31.12.20
Cash	308.3	322.9
Cash equivalents	10.2	10.2
<b>Gross value</b>	<b>318.5</b>	<b>333.1</b>

Net debt breaks down as follows:

€m	30.06.21	31.12.20
Fixed rate borrowings	88.4	83.3
Floating rate borrowings	314.1	355.6
<b>Total borrowings</b>	<b>402.5</b>	<b>438.9</b>
Cash and cash equivalents	318.5	333.1
<b>Net debt</b>	<b>83.9</b>	<b>105.8</b>

## 4.2.10 Shareholders' equity

In accordance with a resolution of the June 25, 2021 General Meeting, on July 1, 2021 JACQUET METALS SA paid out a dividend of €0.40 per share amounting to €9.2 million in total. This amount is recognized under "Other liabilities" on the balance sheet.

Pursuant to the delegation granted to the Board of Directors by the General Meeting of June 25, 2021, the Board of Directors resolved at its meeting held on June 25, 2021 to cancel 438,574 shares, which included 119,827 shares bought under the shares buyback program with the aim of cancelling them and 318,747 shares reallocated with a view to cancellation (the latter shares were previously held with the purpose of being exchanged or used as payment as part of potential acquisitions). Following this cancellation, the share capital of the Company comprised 23,022,739 shares and 32,777,612 attached theoretical voting rights.

## 4.2.11 Current and non-current provisions

€m	31.12.20	Change in consolidation scope	Additions	Reversals (unused)	Reversals (used) <sup>1</sup>	Translation differences	30.06.21
Non-current provisions	6.2	-	0.7	-	(0.1)	-	6.8
Current provisions	30.0	-	6.7	(1.1)	(2.1)	-	33.5
<b>Total</b>	<b>36.2</b>	<b>-</b>	<b>7.3</b>	<b>(1.1)</b>	<b>(2.2)</b>	<b>-</b>	<b>40.2</b>

<sup>1</sup> Including €0.3 million in reversals of provisions used, classified under personnel expenses in the consolidated statement of comprehensive income.

Current and non-current provisions correspond to disputes with employees, reorganization costs and disputes with customers and suppliers.

## 4.2.12 Provisions for employee benefit obligations

In accordance with IAS 34 - *Interim Financial Reporting*, the change in employee benefit obligations is based on the annual actuarial projection for December 31, 2021 as estimated at December 31, 2020 by external actuaries.

The impact on income is accrued straight line over time. An increase in the discount rates from 0.6% to 0.85% was noted in the half-year accounts, leading to a decrease in provisions for employee benefit obligations of €2.4 million. The net impact after tax on shareholder's equity amounted to €1.7 million.



## 4.2.13 Deferred tax

The origin of deferred tax is as follows:

€m	30.06.21	31.12.20
Temporary differences	14.7	15.6
Tax losses carried forward	14.1	15.3
Other IFRS restatements <sup>1</sup>	25.1	18.4
<b>Deferred tax assets</b>	<b>53.9</b>	<b>49.4</b>
Temporary differences	(0.2)	0.0
Tax losses carried forward	-	-
Other IFRS restatements <sup>1</sup>	(5.7)	(6.2)
<b>Deferred tax liabilities</b>	<b>(6.0)</b>	<b>(6.1)</b>

<sup>1</sup> These are primarily restatements relating to the rules for harmonizing the accounting process between the subsidiaries.

## 4.3 Bank covenants

Financing covenants mainly apply to the syndicated revolving loan and the German private placements (Schuldscheindarlehen or SSD) contracted by JACQUET METALS SA. These covenants mainly correspond to commitments that must be complied with at Group level.

**As of June 30, 2021, all financing covenants were in compliance.**

The maturity of the €125 million syndicated revolving loan was extended by a year to June 2024.

In July 2021, the Group entered into a new €150 million five-year Schuldscheindarlehen placement repayable at maturity (July 2026) to replace all or part of the Schuldscheindarlehen signed in 2018. The main characteristics of senior financing are presented in the summary table below:

	Syndicated revolving loan	Schuldscheindarlehen 2023	Schuldscheindarlehen 2024-2025	Schuldscheindarlehen 2026
Date of signature	June 2019	February 2018	December 2019	July 2021
Maturity	June 2024	April 2023	December 2024 (tranche 1: €36 million) and January 2025 (tranche 2: €34 million)	July 2026
Amount	€125 million (unused as of June 30, 2021)	€150 million (fully used)	€70 million (fully used)	€150 million (fully used)
Amortization	n.a.	<i>in fine</i>	<i>in fine</i>	<i>in fine</i>
Guarantee	None	None	None	None
Change of control clause	JSA must hold at least 40% of JACQUET METALS SA's share capital and voting rights	JSA must hold at least 37% of JACQUET METALS SA's share capital and voting rights	JSA must hold at least 37% of JACQUET METALS SA's share capital and voting rights	JSA must hold at least 37% of JACQUET METALS SA's share capital and voting rights
Main covenants	- net debt to equity ratio (gearing) less than 100%, <b>or</b> - leverage less than 2.	Net debt to equity ratio (gearing) less than 100%.	Net debt to equity ratio (gearing) less than 100%.	Net debt to equity ratio (gearing) less than 100%.

n.a. : Not applicable.

## 4.4 Post balance sheet events

None.

## Statutory Auditors' Review Report on the Half-yearly Financial Information

### GRANT THORNTON

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### JACQUET METALS • For the period from January 1 to June 30, 2021

This is a translation into English of the statutory auditors' review report on the half-yearly financial information issued in French and is provided solely for the convenience of English-speaking users.

This report includes information relating to the specific verification of information given in the Group's half-yearly management report.

This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

To the Shareholders of JACQUET METALS,

In compliance with the assignment entrusted to us by your annual general meetings and in accordance with the requirements of article L.451-1-2 III of the French Monetary and Financial Code ("Code monétaire et financier"), we hereby report to you on:

- the review of the accompanying condensed half-yearly consolidated financial statements of JACQUET METALS, for the period from January 1 to June 30, 2021,
- the verification of the information presented in the half-yearly management report.

Due to the global crisis related to the Covid-19 pandemic, these condensed half-yearly consolidated financial statements have been prepared and reviewed under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organization and the performance of the procedures.

These condensed half-yearly consolidated financial statements are the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

#### 5.1

### Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed half-yearly consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 - standard of the IFRSs as adopted by the European Union applicable to interim financial information.

## Specific verification

We have also verified the information presented in the half-yearly management report on the condensed half-yearly consolidated financial statements subject to our review prepared.

We have no matters to report as to its fair presentation and consistency with the condensed half-yearly consolidated financial statements.

Lyon, September 9, 2021

### The Statutory Auditors

French Original signed by:

#### **GRANT THORNTON**

*French Member of Grant Thornton International*  
Robert Dambo • Partner

#### **ERNST & YOUNG et Autres**

Lionel Denjean • Partner

## Statement by the person responsible for the half-year financial report

I hereby certify that, to my knowledge, JACQUET METALS' summary interim consolidated financial statements for the first half of 2021 have been prepared in accordance with applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and earnings of the company and all companies included in the consolidation scope, and that the activity report for the first half of 2021 gives a true and fair account of the important events that took place in the first six months of the year, their impact on the financial statements and the main transactions between related parties and includes a description of the main risks and uncertainties for the remaining six months of the year.

Saint-Priest, September 9, 2021

Éric Jacquet • Chairman and CEO, JACQUET METALS

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 2,918 employees, JACQUET METALS has a network of  
107 distribution centers in 25 countries in Europe, Asia and North America.

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