

2022



JACQUET
METALS

Activity report

December 31, 2022



A leader in the distribution of special metals

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PRESS RELEASE

2022 annual results

14.03.2023 - 6.00PM CET

Sales: €2.68bn (+36% vs 2021)
EBITDA: €312m (11.6% of sales)
Net income (Group share): €180m

Solid performances and international development

In 2022, the Group benefited fully from its investments in new distribution and finishing capacities and from favorable market conditions which boosted both sales and margin despite a decline in demand and raw material prices observed since Q2, which appears to be continuing in 2023.

Sales increased by 36% to €2.68 billion (Q4 +7% to €565 million) and the gross margin by +29% to €681 million, representing 25.4% of sales (Q4 23.5%) compared to 26.7% in 2021.

EBITDA amounted to €312 million, representing 11.6% of sales (Q4 7.6% to €43 million) compared to 10.2% in 2021.

Net income (Group share) amounted to €180 million compared to €121 million in 2021.

In this context, operating **working capital** increased, representing 28% of sales at 2022 year-end, compared to 26% a year earlier.

During the period, the Group generated **operating cash flow** of €43 million and consolidated its financial structure with **shareholders' equity** of €675 million. The net debt to equity ratio (gearing) amounted to 35% at 2022 year-end.

The Group pursued its development on key markets via a sustained **capital expenditure** policy (€30 million in 2022) and the JACQUET division's acquisition of Canadian company Fidelity PAC Metals (€33 million sales).

In early 2023, the Group completed the **acquisition of Delta Acciai** (€10 million sales), an Italian company specializing in the distribution of stainless steel long products. This acquisition gives the **STAPPERT division a foothold in Italy with 2 distribution centers** in Turin and Milan.

The Group also signed a definitive agreement to **acquire 11 distribution centers** from SWISS STEEL Group. This acquisition, due to be completed in Q2, will strengthen the **IMS group division in Central and Eastern Europe**. The transaction perimeter encompasses companies based in the Czech Republic, Poland, Slovakia, Hungary, Lithuania, Estonia and Latvia, which generated sales of €158 million in 2022.

Backed by its financial strength, the Group will continue its capital expenditure and development policy in an environment of reduced visibility.



2022 results

On March 14, 2023 the Board of Directors, chaired by Éric Jacquet, approved the consolidated financial statements for the year ended December 31, 2022, which have been audited by the Statutory Auditors. The certification report is currently in the process of being issued.

€m	Q4 2022	Q4 2021	2022	2021
Sales	565	527	2,683	1,970
Gross margin	133	137	681	526
% of sales	23.5%	26.0%	25.4%	26.7%
EBITDA¹	43	55	312	201
% of sales	7.6%	10.5%	11.6%	10.2%
Adjusted operating income¹	30	58	263	175
% of sales	5.2%	10.9%	9.8%	8.9%
Operating income	30	48	260	163
Net income (Group share)	19	38	180	121

¹ Adjusted for non-recurring items.

Consolidated **sales** amounted to €2,683 million, up +36.2% (Q4 +7.3%) compared to 2021, including the following effects:

- volumes sold: -2.9% (Q4 2022 -10.6% vs Q4 2021);
- prices: +38.1% (Q4 2022 +16.8% vs Q4 2021 and -3.7% vs Q3 2022);
- scope: +1% (Q4 2022 +1.1% vs Q4 2021) following the acquisition of Fidelity PAC Metals in May 2022.

Gross margin amounted to €681 million and represented 25.4% of sales compared to €526 million in 2021 (26.7% of sales). In order to take into account the evolution of market conditions, inventory valuation and gross margin include the recording of an impairment representing 19.6% of the gross value of inventories at 2022 year-end, compared to 17.1% at 2021 year-end.

Current operating expenses* amounted to €369 million (13.7% of sales) compared to €325 million in 2021 (16.5% of sales). Inflation and rising energy costs contributed for around €20 million to the increase in expenses.

* excluding depreciation and amortization €(39)m and provisions €(14)m.

EBITDA amounted to €312 million and represented 11.6% of sales compared to €201 million in 2021 (10.2% of sales).

Adjusted operating income amounted to €263 million (9.8% of sales).

In this context, **Net income (Group share)** amounted to €180 million compared to €121 million in 2021.



Financial position as of December 31, 2022

In 2022, the Group generated positive **operating cash flow** of €43 million.

Operating **working capital** amounted to €746 million (27.7% of sales), including inventories of €780 million, compared to €520 million at 2021 year-end (26.4% of sales), including inventories of €588 million.

After the dividend payment and the financing of its development, net debt amounted to €234 million compared to €171 million at 2021 year-end. The net debt to equity ratio (gearing) amounted to 35%, stable compared to 2021 year-end.

Cash amounted to €254 million while lines of credit totaled €807 million (of which €319 million is unused).

2022 earnings by division

€m	Q4 2022			2022		
	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	133	153	283	619	784	1,301
Change 2022 vs 2021	+12.4%	+1.0%	+8.5%	+44.2%	+28.3%	+37.7%
Price effect	+15.5%	+14.8%	+18.5%	+41.9%	+35.7%	+37.9%
Volume effect	-8.1%	-13.8%	-10.0%	-2.1%	-7.4%	-0.2%
Scope effect	+5.0%	n.a.	n.a.	+4.4%	n.a.	n.a.
EBITDA^{1,2}	16.9	4.0	12.9	101.7	59.8	117.2
% of sales	12.7%	2.6%	4.5%	16.4%	7.6%	9.0%
Adjusted operating income²	14.9	2.4	9.2	93.2	55.7	104.2
% of sales	11.2%	1.6%	3.2%	15.0%	7.1%	8.0%

¹ Excluding IFRS 16 impacts. As of December 31, 2022, non-division operations (mainly holdings and real-estate companies) and the application of IFRS 16 - Leases contributed €15 million and €19 million to EBITDA respectively.

² Adjusted for non-recurring items.
n.a.: Not applicable.

JACQUET

The division specializes in the distribution of **stainless steel quarto plates**. It generates **64% of its business in Europe and 30% in North America**.

In 2022, the division strengthened its positioning in North America with the acquisition of Canadian company Fidelity PAC Metals. The division also continues its organic development and plans to increase its distribution capacities in the medium term, notably in North America and Germany.

Sales amounted to €619 million, up +44.2% (Q4 +12.4%), from €429 million in 2021:

- volumes sold: -2.1% (Q4 2022 -8.1% vs Q4 2021);
- prices: +41.9% (Q4 2022 +15.5% vs Q4 2021 and -5.8% vs Q3 2022);
- scope: +4.4% (Q4 2022 +5% vs Q4 2021) following the acquisition of Fidelity PAC Metals in May 2022.

Gross margin amounted to €208 million, representing 33.5% of sales compared to €155 million in 2021 (36.2% of sales).

EBITDA amounted to €102 million, representing 16.4% of sales compared to €66 million in 2021 (15.4% of sales).



STAPPERT

The division specializes in the distribution of **stainless steel long products** mainly in Europe. It generates **42% of its sales in Germany, the largest European market**.

In 2022, the division set up operations in England with the launch of a distribution center in the Cardiff region. In early 2023, the division acquired the Italian company Delta Acciai, marking the establishment of STAPPERT operations in Italy with 2 distribution centers located in Turin and Milan. The division also intends to continue its organic development, notably in Poland, Italy and Germany.

Sales amounted to €784 million, up +28.3% (Q4 +1%), from €611 million in 2021:

- volumes sold: -7.4% (Q4 2022 -13.8% vs Q4 2021);
- prices: +35.7% (Q4 2022 +14.8% vs Q4 2021 and -3% vs Q3 2022).

Gross margin amounted to €154 million, representing 19.7% of sales compared to €129 million in 2021 (21% of sales).

EBITDA amounted to €60 million, representing 7.6% of sales compared to €42 million in 2021 (6.8% of sales).

IMS group

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

In early 2023, the division signed a definitive agreement to acquire 11 distribution centers from SWISS STEEL Group. This acquisition, due to be completed in Q2, comprises companies based in the Czech Republic, Poland, Slovakia, Hungary, Lithuania, Estonia and Latvia, which generated sales of €158 million in 2022.

Sales amounted to €1,301 million, up +37.7% (Q4 +8.5%) from €945 million in 2021:

- volumes sold: -0.2% (Q4 2022 -10% vs Q4 2021);
- prices: +37.9% (Q4 2022 +18.5% vs Q4 2021 and -3.1% vs Q3 2022).

Gross margin amounted to €319 million, representing 24.5% of sales compared to €242 million in 2021 (25.6% of sales).

EBITDA amounted to €117 million, representing 9% of sales compared to €68 million in 2021 (7.2% of sales).



Key financial information

Income statement

€m	Q4 2022	Q4 2021	2022	2021
Sales	565	527	2,683	1,970
Gross margin	133	137	681	526
% of sales	23.5%	26.0%	25.4%	26.7%
EBITDA ¹	43	55	312	201
% of sales	7.6%	10.5%	11.6%	10.2%
Adjusted operating income ¹	30	58	263	175
% of sales	5.2%	10.9%	9.8%	8.9%
Operating income	30	48	260	163
Net financial expense	(4)	(3)	(16)	(12)
Corporate income tax	(5)	(5)	(53)	(23)
Minority interests	(2)	(2)	(11)	(7)
Net income (Group share)	19	38	180	121

¹ Adjusted for non-recurring items.

Cash flow

€m	2022	2021
Operating cash flow before change in working capital	259	183
Change in working capital	(215)	(175)
Cash flow from operating activities	43	8
Capital expenditure	(30)	(32)
Asset disposals	1	2
Dividends paid to shareholders of JACQUET METALS SA	(23)	(9)
Interest paid	(13)	(12)
Other movements	(42)	(22)
Change in net debt	(63)	(65)
Net debt brought forward	171	106
Net debt carried forward	234	171

Balance sheet

€m	31.12.22	31.12.21
Goodwill	67	66
Net non-current assets	178	168
Right-of-use assets	75	63
Net inventory	780	588
Net trade receivables	218	209
Other assets	146	121
Cash & cash equivalents	254	246
Total assets	1,719	1,460
Shareholders' equity	675	495
Provisions (including provisions for employee benefit obligations)	100	101
Trade payables	252	277
Borrowings	488	417
Other liabilities	127	104
Lease liabilities	78	67
Total equity and liabilities	1,719	1,460

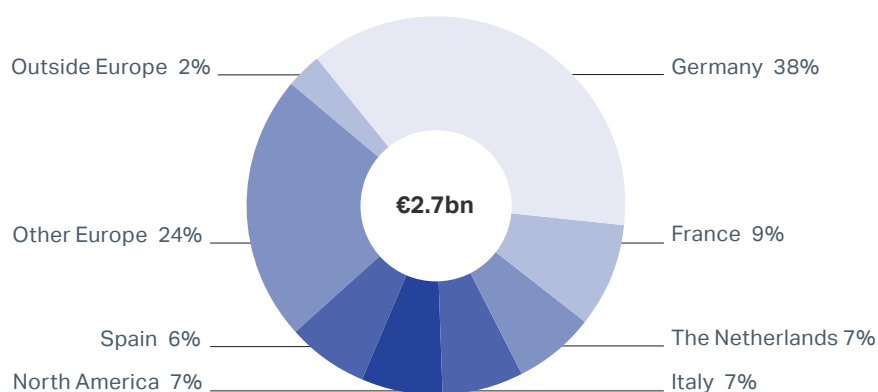
The Group



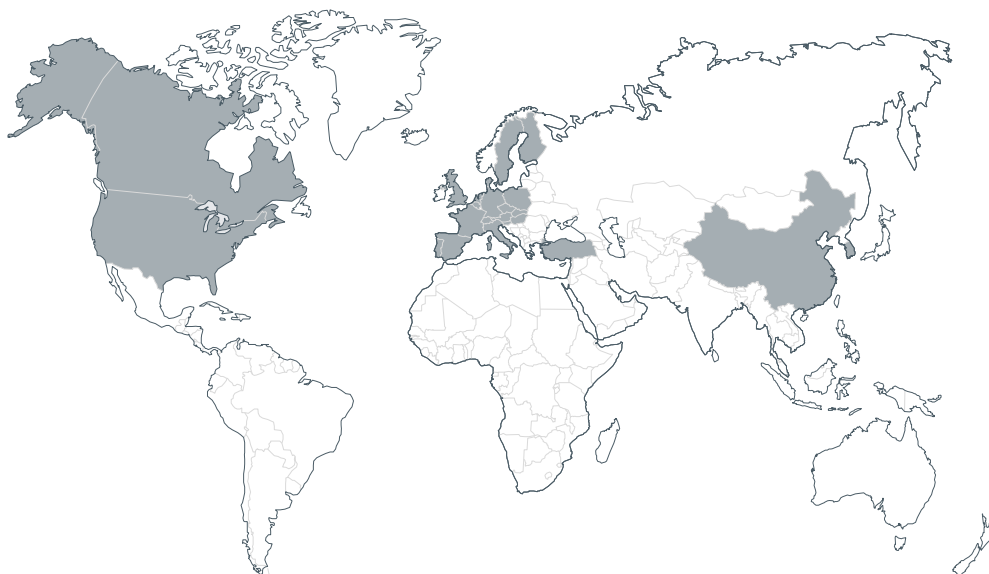
1 A leading distributor of special metals

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

Breakdown of sales



A global player



108 distribution centers located in 24 countries • Staff: 3,060

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 metals 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

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

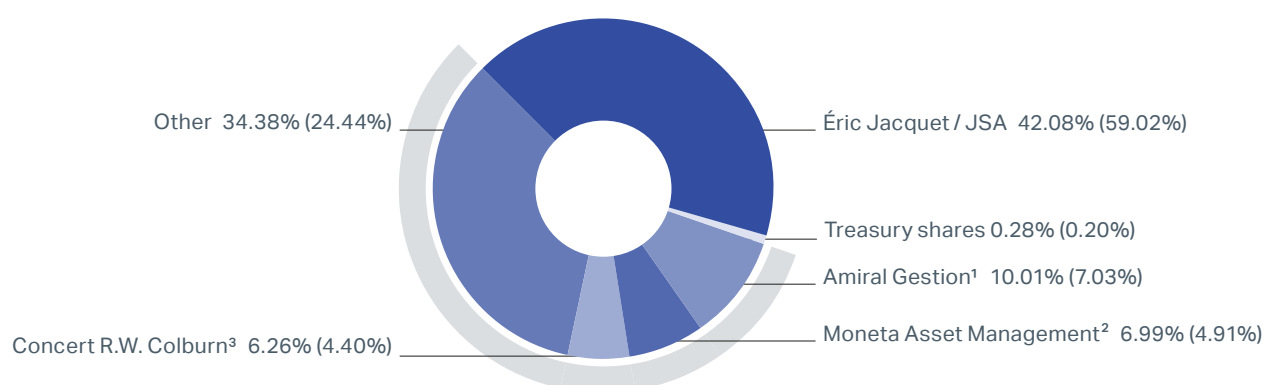
		2022	2021	2020	2019	2018
Number of shares at end of period	numbers of shares	23,022,739	23,022,739	23,461,313	24,028,438	24,028,438
Market capitalization at end of period	€k	384,940	483,478	326,112	370,519	372,921
High	€	25.60	25.30	15.86	18.46	32.90
Low	€	12.40	13.44	7.60	13.76	13.56
Price at end of period	€	16.72	21.00	13.90	15.42	15.52
Average daily traded volume	numbers of shares	21,251	23,249	20,891	34,833	27,351
Average daily traded capital	€	396,163	472,972	233,870	562,702	634,980

As of December 31, 2022 the JACQUET METALS ("JCQ") share price was €16.72. The share price was €17.82 on March 13, 2023.

JACQUET METALS' shares are followed by:

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

Shareholder structure as of December 31, 2022 % capital (% voting rights)



¹ Information dated October 18, 2022. As of December 31, 2022, the Company has not received any additional information.
² Information dated July 25, 2022. As of December 31, 2022, the Company has not received any additional information.
³ Information dated March 12, 2014. As of December 31, 2022, the Company has not received any additional information.

 Free Float

As of December 31, 2022, Éric Jacquet and JSA (which is controlled by Éric Jacquet) held 42.08% of the share capital and 59.02% of the voting rights in JACQUET METALS SA ("the Company").

4 Financial communication schedule

Results as of March 31, 2023	May 10, 2023
General meeting	June 30, 2023
Results as of June 30, 2023	September 13, 2023
Results as of September 30, 2023	November 8, 2023
2023 full-year results	March 2024

Investors and shareholders may obtain complete financial information from the Company's website at:
jacquetmetals.com

Investor relations

JACQUET METALS
NEWCAP

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Activity report 2022

Group's sales and earnings

Results for the year ended December 31, 2022 are compared to the results for 2021, which may be consulted in the 2021 Universal Registration Document filed with the Autorité des Marchés Financiers (AMF, French financial market regulator) on April 14, 2022 (filing No. D.22-0295), and in the activity report as of December 31, 2021.

Solid performances and international development

In 2022, the Group benefited fully from its investments in new distribution and finishing capacities and from favorable market conditions which boosted both sales and margin despite a decline in demand and raw material prices observed since Q2, which appears to be continuing in 2023.

Sales increased by 36% to €2.68 billion (Q4 +7% to €565 million) and the gross margin by +29% to €681 million, representing 25.4% of sales (Q4 23.5%) compared to 26.7% in 2021.

EBITDA amounted to €312 million, representing 11.6% of sales (Q4 7.6% to €43 million) compared to 10.2% in 2021.

Net income (Group share) amounted to €180 million compared to €121 million in 2021.

In this context, operating working capital increased, representing 28% of sales at 2022 year-end, compared to 26% a year earlier.

During the period, the Group generated operating cash flow of €43 million and consolidated its financial structure with shareholders' equity of €675 million. The net debt to equity ratio (gearing) amounted to 35% at 2022 year-end.

The Group pursued its development on key markets via a sustained capital expenditure policy (€30 million in 2022) and the JACQUET division's acquisition of Canadian company Fidelity PAC Metals (€33 million sales).

In early 2023, the Group completed the acquisition of Delta Acciai (€10 million sales), an Italian company specializing in the distribution of stainless steel long products. This acquisition gives the STAPPERT division a foothold in Italy with 2 distribution centers in Turin and Milan.

The Group also signed a definitive agreement to acquire 11 distribution centers from SWISS STEEL Group. This acquisition, due to be completed in Q2, will strengthen the IMS group division in Central and Eastern Europe. The transaction perimeter encompasses companies based in the Czech Republic, Poland, Slovakia, Hungary, Lithuania, Estonia and Latvia, which generated sales of €158 million in 2022.

Backed by its financial strength, the Group will continue its capital expenditure and development policy in an environment of reduced visibility.

€k	Q4 2022	Q4 2021	2022	2021
Sales	565,007	526,756	2,683,479	1,969,739
Gross margin	132,646	137,028	680,601	525,692
% of sales	23.5%	26.0%	25.4%	26.7%
Operating expenses	(89,821)	(81,855)	(368,554)	(325,031)
Net depreciation and amortization	(9,860)	(8,981)	(38,507)	(36,145)
Net provisions	(2,833)	1,615	(14,315)	(1,885)
Gains / losses on disposals of non-current assets	125	(33)	609	265
Operating income	30,257	47,774	259,834	162,896
Net financial expense	(3,875)	(2,863)	(15,857)	(12,476)
Income before tax	26,382	44,911	243,977	150,420
Corporate income tax	(5,322)	(4,530)	(53,498)	(22,942)
Consolidated net income	21,060	40,381	190,479	127,478
Net income (Group share)	19,327	38,399	179,640	120,846
Earnings per share in circulation (€)	0.84	1.67	7.80	5.25
Operating income	30,257	47,774	259,834	162,896
Non-recurring items and gains / losses on disposals	(643)	9,788	3,509	11,883
Adjusted operating income	29,614	57,562	263,343	174,779
% of sales	5.2%	10.9%	9.8%	8.9%
Net depreciation and amortization	9,860	8,981	38,507	36,145
Net provisions	2,833	(1,615)	14,315	1,885
Non-recurring items	518	(9,755)	(4,118)	(12,148)
EBITDA	42,825	55,173	312,047	200,661
% of sales	7.6%	10.5%	11.6%	10.2%

Sales

Consolidated sales amounted to €2,683 million, up +36.2% (Q4 +7.3%) compared to 2021, including the following effects:

- volumes sold: -2.9% (Q4 2022 -10.6% vs Q4 2021);
- prices: +38.1% (Q4 2022 +16.8% vs Q4 2021 and -3.7% vs Q3 2022);
- scope: +1% (Q4 2022 +1.1% vs Q4 2021) after the acquisition of Fidelity PAC Metals in May 2022.

€m	Q4 2022	Q4 2021	2022	2021
Sales	565	527	2,683	1,970
Change 2022 vs 2021	+7.3%		+36.2%	
Price effect	+16.8%		+38.1%	
Volume effect	-10.6%		-2.9%	
Scope effect	+1.1%		+1.0%	

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 December 31, 2022;
- 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, 1st 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, 1st the previous year until the date of disposal.

Gross margin

Gross margin amounted to €681 million and represented 25.4% of sales compared to €526 million in 2021 (26.7% of sales). In order to take into account the evolution of market conditions, inventory valuation and gross margin include the recording of an impairment representing 19.6% of the gross value of inventories at 2022 year-end, compared to 17.1% at 2021 year-end.

€m	Q4 2022	Q4 2021	2022	2021
Sales	565	527	2,683	1,970
Cost of goods sold	(432)	(390)	(2,003)	(1,444)
Incl. purchases consumed	(437)	(364)	(1,934)	(1,390)
Incl. inventory impairment	5	(26)	(69)	(54)
Gross margin	133	137	681	526
% of sales	23.5%	26.0%	25.4%	26.7%

Operating income

Current operating expenses* amounted to €369 million (13.7% of sales) compared to €325 million in 2021 (16.5% of sales). Inflation and rising energy costs contributed for around €20 million to the increase in expenses.

* excluding depreciation and amortization €(39)m and provisions €(14)m.

In 2022, current operating expenses (€369 million) consist of:

- personnel expenses (€203 million);
- other expenses (€165 million) including notably freight costs, consumables, energy, maintenance, fees and insurances.

EBITDA amounted to €312 million and represented 11.6% of sales compared to €201 million in 2021 (10.2% of sales).

Adjusted operating income amounted to €263 million (9.8% of sales).

Operating income includes gains on disposals of non-current assets for €0.6 million and non-recurring charges for €4.1 million (notably including provisions for risk of retroactive taxation on certain imports) and amounted to €260 million.

Net financial expense

Net financial expense amounted to €15.9 million compared to €12.5 million in 2021. This variation is notably due to the revaluation of non-cash items of the subsidiary in Turkey, which is considered as a hyperinflationary country (application of IAS 29).

As of December 31, 2022 the average gross debt rate was 2.1% (average gross debt in 2022: €459 million) compared to 2% at 2021 year-end (average gross debt in 2021: €418 million).

€m	Q4 2022	Q4 2021	2022	2021
Net cost of debt	(3.4)	(2.1)	(10.9)	(9.8)
Other financial items	(0.5)	(0.7)	(5.0)	(2.7)
Net financial expense	(3.9)	(2.9)	(15.9)	(12.5)

Net income

Net income (Group share) amounted to €180 million compared to €121 million in 2021.

In 2022 the tax rate amounted to 21.9%, as some subsidiaries notably benefited from tax loss carryforwards not recognized at 2021 year-end.

€m	Q4 2022	Q4 2021	2022	2021
Income before taxes	26.4	44.9	244.0	150.4
Corporate income tax	(5.3)	(4.5)	(53.5)	(22.9)
Income tax rate	20.2%	10.1%	21.9%	15.3%
Consolidated net income	21.1	40.4	190.5	127.5
Minority interests	(1.7)	(2.0)	(10.8)	(6.6)
Net income (Groupe share)	19.3	38.4	179.6	120.8
% of sales	3.4%	7.3%	6.7%	6.1%

2

Sales and earnings by division

€m	Q4 2022			2022		
	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	133	153	283	619	784	1,301
Change 2022 vs 2021	+12.4%	+1.0%	+8.5%	+44.2%	+28.3%	+37.7%
Price effect	+15.5%	+14.8%	+18.5%	+41.9%	+35.7%	+37.9%
Volume effect	-8.1%	-13.8%	-10.0%	-2.1%	-7.4%	-0.2%
Scope effect	+5.0%	n.a.	n.a.	+4.4%	n.a.	n.a.
EBITDA ^{1 2}	16.9	4.0	12.9	101.7	59.8	117.2
% of sales	12.7%	2.6%	4.5%	16.4%	7.6%	9.0%
Adjusted operating income ²	14.9	2.4	9.2	93.2	55.7	104.2
% of sales	11.2%	1.6%	3.2%	15.0%	7.1%	8.0%

¹ Excluding IFRS 16 impacts. As of December 31, 2022, non-division operations (mainly holdings and real-estate companies) and the application of IFRS 16 - Leases contributed €15 million and €19 million to EBITDA respectively.

² Adjusted for non-recurring items.

n.a.: Non applicable.

JACQUET

The division specializes in the distribution of stainless steel quarto plates. It generates 64% of its business in Europe and 30% in North America.

In 2022, the division strengthened its positioning in North America with the acquisition of Canadian company Fidelity PAC Metals. The division also continues its organic development and plans to increase its distribution capacities in the medium term, notably in North America and Germany.

Sales amounted to €619 million, up +44.2% (Q4 +12.4%), from €429 million in 2021:

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- prices: +41.9% (Q4 2022 +15.5% vs Q4 2021 and -5.8% vs Q3 2022);
- scope: +4.4% (Q4 2022 +5% vs Q4 2021) following the acquisition of Fidelity PAC Metals in May 2022.

Gross margin amounted to €208 million, representing 33.5% of sales compared to €155 million in 2021 (36.2% of sales).

EBITDA amounted to €102 million, representing 16.4% of sales compared to €66 million in 2021 (15.4% of sales).

€m	Q4 2022	Q4 2021	2022	2021
Sales	133.3	118.5	619.3	429.5
Change 2022 vs 2021	+12.4%		+44.2%	
Price effect	+15.5%		+41.9%	
Volume effect	-8.1%		-2.1%	
Scope effect	+5.0%		+4.4%	
Gross margin	42.6	47.0	207.6	155.3
% of sales	32.0%	39.6%	33.5%	36.2%
EBITDA	16.9	23.4	101.7	66.2
% of sales	12.7%	19.7%	16.4%	15.4%
Adjusted operating income	14.9	22.2	93.2	59.4
% of sales	11.2%	18.7%	15.0%	13.8%

STAPPERT

The division specializes in the distribution of stainless steel long products mainly in Europe. It generates 42% of its sales in Germany, the largest European market.

In 2022, the division set up operations in England with the launch of a distribution center in the Cardiff region. In early 2023, the division acquired the Italian company Delta Acciai, marking the establishment of STAPPERT operations in Italy with 2 distribution centers located in Turin and Milan. The division also intends to continue its organic development, notably in Poland, Italy and Germany.

Sales amounted to €784 million, up +28.3% (Q4 +1%), from €611 million in 2021:

- volumes sold: -7.4% (Q4 2022 -13.8% vs Q4 2021);
- prices: +35.7% (Q4 2022 +14.8% vs Q4 2021 and -3% vs Q3 2022).

Gross margin amounted to €154 million, representing 19.7% of sales compared to €129 million in 2021 (21% of sales).

EBITDA amounted to €60 million, representing 7.6% of sales compared to €42 million in 2021 (6.8% of sales).

€m	Q4 2022	Q4 2021	2022	2021
Sales	153.2	151.6	784.3	611.1
Change 2022 vs 2021	+1.0%		+28.3%	
Price effect	+14.8%		+35.7%	
Volume effect	-13.8%		-7.4%	
Gross margin	25.7	30.5	154.3	128.6
% of sales	16.8%	20.1%	19.7%	21.0%
EBITDA	4.0	9.4	59.8	41.5
% of sales	2.6%	6.2%	7.6%	6.8%
Adjusted operating income	2.4	9.1	55.7	40.3
% of sales	1.6%	6.0%	7.1%	6.6%

IMS group

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

In early 2023, the division signed a definitive agreement to acquire 11 distribution centers from SWISS STEEL Group. This acquisition, due to be completed in Q2, comprises companies based in the Czech Republic, Poland, Slovakia, Hungary, Lithuania, Estonia and Latvia, which generated sales of €158 million in 2022.

Sales amounted to €1,301 million, up +37.7% (Q4 +8.5%) from €945 million in 2021:

- volumes sold: -0.2% (Q4 2022 -10% vs Q4 2021);
- prices: +37.9% (Q4 2022 +18.5% vs Q4 2021 and -3.1% vs Q3 2022).

Gross margin amounted to €319 million, representing 24.5% of sales compared to €242 million in 2021 (25.6% of sales).

EBITDA amounted to €117 million, representing 9% of sales compared to €68 million in 2021 (7.2% of sales).

€m	Q4 2022	Q4 2021	2022	2021
Sales	282.9	260.7	1,300.8	944.9
Change 2022 vs 2021	+8.5%		+37.7%	
Price effect	+18.5%		+37.9%	
Volume effect	-10.0%		-0.2%	
Gross margin	64.3	59.6	318.7	241.8
% of sales	22.7%	22.8%	24.5%	25.6%
EBITDA	12.9	15.9	117.2	67.6
% of sales	4.5%	6.1%	9.0%	7.2%
Adjusted operating income	9.2	23.6	104.2	68.3
% of sales	3.2%	9.0%	8.0%	7.2%

Summary balance sheet

€m	31.12.22	31.12.21
Goodwill	67	66
Net non-current assets	178	168
Right-of-use assets	75	63
Net inventory	780	588
Net trade receivables	218	209
Other assets	146	121
Cash & cash equivalents	254	246
Total assets	1,719	1,460
Shareholders' equity	675	495
Provisions (including provisions for employee benefit obligations)	100	101
Trade payables	252	277
Borrowings	488	417
Other liabilities	127	104
Lease liabilities	78	67
Total equity and liabilities	1,719	1,460

Working capital

Operating working capital amounted to €746 million (27.7% of sales), including inventories of €780 million, compared to €520 million at 2021 year-end (26.4% of sales), including inventories of €588 million.

€m	31.12.22	31.12.21	Change
Net inventory	780	588	+193
<i>Days sales inventory¹</i>	198	185	
Net trade receivables	218	209	+9
<i>Days sales outstanding</i>	44	42	
Trade payables	(252)	(277)	+25
<i>Days payables outstanding</i>	53	46	
Net operating working capital	746	520	+227
<i>% of sales¹</i>	27.7%	26.4%	
Other receivables or payables excluding taxes and financial items	(33)	(37)	
Working capital excluding taxes and financial items	713	483	+230
Consolidation and other changes		15	
Working capital before taxes and financial items and adjusted for other changes	713	498	+215
<i>% of sales¹</i>	26.4%	25.3%	

¹ Rolling 12 months (including Fidelity PAC Metals over 12 rolling months).

Provisions for contingencies and charges and employee benefit obligations

Provisions for contingencies and charges and employee benefit obligations amounted to €100 million as of December 31, 2022, compared to €101 million at 2021 year-end. These provisions consist of:

- provisions for employee benefit obligations (€39 million at 2022 year-end compared to €55 million at 2021 year-end) mainly related to pension obligations;
- current and non-current provisions (€61 million at 2022 year-end compared to €46 million at 2021 year-end), mainly relating to reorganization costs, a risk of retroactive taxation on certain imports and contractual commitments (site remediation, etc).

Net debt

As of December 31, 2022, Group net debt stood at €234 million with a shareholders' equity of €675 million resulting in a net debt to equity ratio (gearing) of 35%, stable compared to 2021 year-end.

€m	31.12.22	31.12.21
Borrowings	487.9	416.8
Cash and cash equivalents	254.1	245.7
Net debt	233.8	171.1
<i>Net debt to equity ratio (gearing)</i>	<i>34.6%</i>	<i>34.6%</i>

Borrowings

The Group had €807 million in lines of credit as of December 31, 2022, 60% of which had been used:

€m				Maturity			
				2023	2024-2025	2026-2027	2028 and beyond
	Authorized at 31.12.22	Used at 31.12.22	% used				
Syndicated revolving loan 2024	125	18	14%	-	18	-	-
Schuldsheindarlehen 2024-2025	70	70	100%	-	70	-	-
Schuldsheindarlehen 2026	150	150	100%	-	-	150	-
Term loans	95	95	100%	32	43	18	2
Other lines of credit	125	33	27%	31	2	-	-
JACQUET METALS SA borrowings	565	366	65%	63	133	168	2
Operational lines of credit (letter of credit, etc.)	171	85	50%	80	5	-	-
Factoring	37	3	7%	3	-	-	-
Assets financing (term loans, etc.)	35	35	100%	10	10	8	6
Subsidiaries borrowings	242	122	50%	93	15	8	6
Total	807	488	60%	155	148	177	8

In addition to the financing shown in the above table, the Group also had €88.3 million in non-recourse receivable assignment facilities, €54.7 million of which had been used as of December 31, 2022.

Borrowings by rate:

€m	31.12.22	31.12.21
Fixed rate	115.4	79.9
Floating rate	372.5	336.9
Total borrowings	487.9	416.8

35% of floating rate debt totaling €130 million is hedged against changes in interest rates as follows:

- swaps covering €90 million with 5-year terms expiring between 2023 and 2024;
- caps covering €40 million expiring in 2024.

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

As of December 31, 2022, all financing covenants were in compliance.

	Syndicated revolving loan 2024	Schuldscheindarlehen 2024-2025	Schuldscheindarlehen 2026
Date of signature	June 2019	December 2019	July 2021
Maturity	June 2024	December 2024 (tranche 1: €36 million) and January 2025 (tranche 2: €34 million)	July 2026
Amount	€125 million (€17.5 million used as of December 31, 2022)	€70 million (fully used)	€150 million (fully used)
Amortization	n.a.	<i>in fine</i>	
Guarantee	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	
Main covenants	- net debt to equity ratio (gearing) less than 100%, or - leverage less than 2	Net debt to equity ratio (gearing) less than 100%	

n.a. Not applicable

Cash flow

In 2022, the Group generated positive operating cash flow of €43 million.

€m	2022	2021
Operating cash flow before change in working capital	259	183
Change in working capital	(215)	(175)
Cash flow from operating activities	43	8
Capital expenditure	(30)	(32)
Asset disposals	1	2
Dividends paid to shareholders of JACQUET METALS SA	(23)	(9)
Interest paid	(13)	(12)
Other movements	(42)	(22)
Change in net debt	(63)	(65)
Net debt brought forward	171	106
Net debt carried forward	234	171

In 2022, capital expenditures (excluding external growth) amounted to €30 million.

"Other movements" notably consist of the purchase price of Fidelity PAC Metals and rent expenses pursuant to the application of *IFRS 16 - Leases*.

After the dividend payment and the financing of its development, net debt amounted to €234 million, compared to €171 million at 2021 year-end.

Post balance sheet events

In early 2023, the Group completed the acquisition of Delta Acciai (€10 million sales), an Italian company specializing in the distribution of stainless steel long products. This acquisition gives the STAPPERT division a foothold in Italy with 2 distribution centers in Turin and Milan.

The Group also signed a definitive agreement to acquire 11 distribution centers from SWISS STEEL Group. This acquisition, due to be completed in Q2, will strengthen the IMS group division in Central and Eastern Europe. The transaction perimeter encompasses companies based in the Czech Republic, Poland, Slovakia, Hungary, Lithuania, Estonia and Latvia, which generated sales of €158 million in 2022.



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 3,060 employees, JACQUET METALS has a network of
108 distribution centers in 24 countries in Europe, Asia and North America.

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