2022



JACQUET METALS

Activity report

March 31, 2022



A European leader in the distribution of specialty steels

Table of content

n	2	_	00
۲	ч	ອ	CS

 10 1 A leading distributor of specialty steels 11 2 Brand management 	results
The state of the s	
3 Stock market information and shareholder structure4 Financial communication schedule	
14 Activity report - March 31, 2022	
 15 1 Group's sales and earnings 18 2 Sales and earnings by division 21 3 Consolidated financial position 	



PRESS RELEASE

First quarter 2022 results

11.05.2022 - 6.00 PM

Sales: €724m (+62.6% vs Q1 2021) EBITDA: €102m (14% of sales) Net income (Group share): €63m

In Q1 2022, the Group benefited from an environment marked by a **well oriented demand** and the **increase** in raw materials prices.

Compared to Q1 2021, volumes sold rose +8.9% and average sale prices were +53.7% higher (+14.5% compared to Q4 2021).

Sales increased by +62.6% to €724 million and the gross margin by +71% to €200 million, representing 28% of sales, compared to 26% a year earlier.

At the beginning of Q2, market conditions remained favorable with however an inflexion in volumes sold.

In this context, **EBITDA** as of March 31, 2022 amounted to €102 million, representing 14% of sales versus 7.8% as of March 31, 2021.

Net income (Group share) amounted to €63 million compared to €16 million in 2021 a year earlier.

In Q1, **operating working capital** increased and represented 28.5% of sales at the end of March 2022 compared to 26.4% at the end of December 2021.

During the period, the Group generated **operating cash flow** of €2 million and strengthened its financing structure with a **shareholders' equity** of €562 million and a net debt to equity ratio (gearing) of 33% (35% at 2021 year-end).

Capital expenditures amounted to €6 million in Q1.

In addition, in early May the Group acquired the Canadian company Fidelity PAC Metals (annual sales: €33 million) specializing in master distribution of stainless steel long products and operating 3 logistics centers in Toronto, Montreal and Vancouver. Fidelity PAC Metals will strengthen the JACQUET division's positioning in North America.

The Board of Directors will propose a **dividend** of €1.00 per share to the General Meeting of shareholders on June 24, 2022.



On May 11, 2022, the Board of Directors, chaired by Éric Jacquet, approved the consolidated financial statements for the period ended March 31, 2022.

€m	Q1 2022	Q1 2021
Sales	724	445
Gross margin	200	116
% of sales	27.6%	26.1%
EBITDA ¹	102	35
% of sales	14.0%	7.8%
Adjusted operating income / (loss) ¹	90	28
% of sales	12.4%	6.2%
Operating income / (loss)	90	27
Net income / (loss) (Group share)	63	16

¹ Adjusted for non-recurring items.

Q1 2022 Results

Consolidated **sales** amounted to €724 million, up +62.6% compared to March 31, 2021, including the following effects:

- volumes: +8.9%;
- prices: +53.7% (+14.5% vs Q4 2021).

Gross margin amounted to €200 million representing 27.6% of sales compared to €116 million as of March 31, 2021 (26.1% of sales).

Current operating expenses* amounted to €98 million (13.5% of sales) compared to €82 million a year earlier (18.4% of sales).

EBITDA amounted to \le 102 million and represented 14% of sales compared to \le 35 million as of March 31, 2021 (7.8% of sales).

Adjusted operating income amounted to €90 million (12.4% of sales) compared to €28 million as of March 31, 2021 (6.2% of sales).

In this context, **net income (Group share)** amounted to €63 million compared to €16 million in Q1 2021.

^{*} excluding depreciation, amortization and provisions €(12) million.



Q1 2022 Financial position

As of March 31, 2022, the Group generated positive operating cash flow of €2 million.

Operating working capital amounted to €642 million (28.5% of sales) compared to €520 million at 2021 yearend (26.4% of sales), due notably to inventory increase (€656 million compared to €588 million at 2021 yearend). This increase will continue over the coming months.

Capital expenditure amounted to €6 million.

Group **net debt** stood at €186 million compared to €171 million at 2021 year-end. The net debt to equity ratio (gearing) amounted to 33% compared to 35% at 2021 year-end.

As of March 31, 2022, **cash** amounted to €249 million while lines of credit totaled €745 million (of which €311 million is unused).

Q1 2022 Earnings by division

€m
Sales
Change Q1 2022 vs. Q1 2021
Price effect
Volume effect
EBITDA 12
% of sales
Adjusted operating income ²
% of sales

JACQUET Stainless steel quarto plates	STAPPERT Stainless steel long products	IMS group Engineering steels
Q1 2022	Q1 2022	Q1 2022
158	225	346
+67.1%	+56.0%	+64.8%
+57.1%	+49.0%	+54.9%
+10.0%	+7.0%	+9.9%
32	28	35
20.2%	12.6%	10.0%
30	27	34
19.0%	12.2%	9.7%

¹ Excluding IFRS 16 impacts. As of March 31, 2022, non-division operations (mainly holdings and real-estate companies) and the application of *IFRS 16 - Leases* contributed €2 million and €4 million to EBITDA respectively. ² Adjusted for non-recurring items.

JACQUET

The division specializes in the distribution of stainless steel quarto plates. It generates 69% of its business in Europe and 25% in North America.

Sales amounted to €158 million, up +67.1% from €95 million in Q1 2021:

- volumes: +10%;
- prices: +57.1% (+15.8% vs Q4 2021).

Gross margin amounted to €59 million, representing 37% of sales, compared to €32 million in Q1 2021 (33.9% of sales).

EBITDA amounted to €32 million, representing 20.2% of sales, compared to €11 million in Q1 2021 (11.3% 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 €225 million, up +56% from €144 million in Q1 2021:

- volumes: +7%:
- prices: +49% (+16.4% vs Q4 2021).

Gross margin amounted to €54 million, representing 23.9% of sales, compared to €30 million in Q1 2021 (20.9% of sales).

EBITDA amounted to €28 million, representing 12.6% of sales, compared to €9 million in Q1 2021 (6.1% of sales).

IMS group

The division specializes in the distribution of **engineering steels**, mostly in the form of long products. It generates **47% of its sales in Germany, the largest European market**.

Sales amounted to €346 million, up +64.8% from €210 million in Q1 2021:

- volumes: +9.9%;
- prices: +54.9% (+12.8% vs Q4 2021).

Gross margin amounted to €87 million, representing 25.2% of sales, compared to €54 million in Q1 2021 (25.8% of sales).

EBITDA amounted to €35 million, representing 10% of sales, compared to €10 million in Q1 2021 (5% of sales).



Key financial information

Income statements

€m	Q1 2022	Q1 2021
Sales	724	445
Gross margin	200	116
% of sales	27.6%	26.1%
EBITDA ¹	102	35
% of sales	14.0%	7.8%
Adjusted operating income ¹	90	28
% of sales	12.4%	6.2%
Operating income	90	27
Net financial expense	(3)	(4)
Corporate income tax	(20)	(5)
Minority interests	(3)	(1)
Net income (Group share)	63	16

 $^{^{\}rm 1}\,$ Adjusted for non-recurring items.

Cash flow

€m	Q1 2022	Q1 2021
Operating cash flow before change in working capital	96	32
Change in working capital	(93)	(9)
Cash flow from operating activities	2	23
Capital expenditure	(6)	(5)
Asset disposals	0	0
Dividends paid to shareholders of JACQUET METALS SA	-	-
Interest paid	(3)	(3)
Other movements	(8)	(5)
Change in net debt	(15)	10
Net debt brought forward	171	106
Net debt carried forward	186	96

Balance sheet

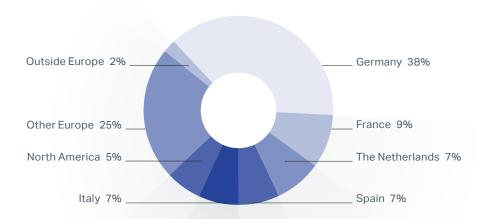
€m	31.03.22	31.12.21
Goodwill	67	66
Net non-current assets	170	168
Right-of-use assets	65	63
Net inventory	656	588
Nettrade receivables	347	209
Other assets	129	121
Cash & cash equivalents	249	246
Total assets	1,682	1,460
Shareholders' equity	562	495
Provisions (including provisions for employee benefit obligations)	104	101
Trade payables	360	277
Borrowings	435	417
Other liabilities	151	104
Lease liabilities	69	67
Total equity and liabilities	1,682	1,460



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*



105 distribution centers located in 24 countries • Staff: 2,951

^{*} Data as of December 31, 2021

2 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 Officer 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



Stock market information and shareholder structure 3

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 JCQ:FP **Bloomberg**

		31.03.22	31.12.21
Number of shares at end of period	numbers of shares	23,022,739	23,022,739
Market capitalization at end of period	€k	452,167	483,478
High	€	25.60	25.30
Low	€	16.32	13.44
Price at end of period	€	19.64	21.00
Average daily traded volume	numbers of shares	31,964	23,249
Average daily traded capital	€	676,410	472,972

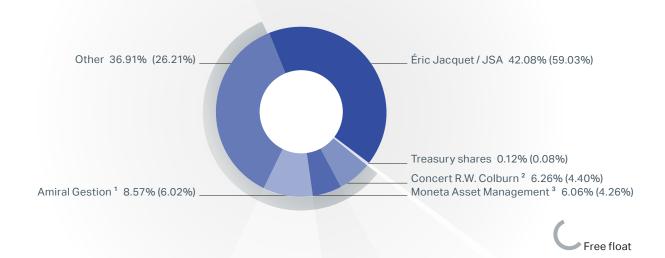
On March 31, 2022, the JACQUET METALS ("JCQ") share price was €19.64, down from the December 31, 2021 closing price. The share price was €19.50 on May 10, 2022.

JACQUET METALS' shares are followed by:

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

Shareholder structure at March 31, 2022

% capital (% voting rights)



On March 31, 2022, Éric Jacquet and JSA (which is controlled by Éric Jacquet) held 42.08% of the share capital and 59.03% of the voting rights in JACQUET METALS SA ("the Company").

Information dated March 01, 2022. As of March 31, 2022, the Company has not received any additional information.
 Information dated March 12, 2014. As of March 31, 2022, the Company has not received any additional information.
 Information dated January 31, 2022. As of March 31, 2022, the Company has not received any additional information.

4 Financial communication schedule

General meeting H1 2022 results Q3 2022 results 2022 full year results June 24, 2022 September 7, 2022 November 9, 2022 March 2023

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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1 Group's sales and earnings

Results for the period ended March 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 for Q1 2021.

In Q1 2022, the Group benefited from an environment marked by a well oriented demand and the increase in raw materials prices.

Compared to Q1 2021, volumes sold rose +8.9% and average sale prices were +53.7% higher (+14.5% compared to Q4 2021).

Sales increased by +62.6% to €724 million and the gross margin by +71% to €200 million, representing 28% of sales, compared to 26% a year earlier.

At the beginning of Q2, market conditions remained favorable with however an inflexion in volumes sold.

In this context, EBITDA as of March 31, 2022 amounted to €102 million, representing 14% of sales versus 7.8% as of March 31, 2021.

Net income (Group share) amounted to €63 million compared to €16 million in 2021 a year earlier.

In Q1, operating working capital increased and represented 28.5% of sales at the end of March 2022 compared to 26.4% at the end of December 2021.

During the period, the Group generated operating cash flow of $\[\in \]$ 2 million and strengthened its financing structure with a shareholders' equity of $\[\in \]$ 562 million and a net debt to equity ratio (gearing) of 33% (35% at 2021 year-end).

Capital expenditures amounted to €6 million in Q1.

In addition, in early May the Group acquired the Canadian company Fidelity PAC Metals (annual sales: €33 million) specializing in master distribution of stainless steel long products and operating 3 logistics centers in Toronto, Montreal and Vancouver. Fidelity PAC Metals will strengthen the JACQUET division's positioning in North America.

Gross margin 199,587 1** % of sales 27,696 Operating expenses (97,947) (8 Net depreciation and amortization (9,176) (Net provisions (3,114) (Gains on disposals of non-current assets 207 (Operating income 89,557 2 Net financial expense (3,077) (Income before tax 86,480 2 Corporate income tax (20,039) (Consolidated net income 66,441 66,441 Net income (Group share) 63,241 5 Earnings per share in circulation (€) 2,75 5 Operating income 89,557 2 Non-recurring items and gains on disposals 329 Adjusted operating income 89,886 2 % of sales 12,496 Net depreciation and amortization 9,176 Net provisions 3,114 Non-recurring items (536) (636)	€k	Q1 2022	Q1 2021
% of sales 27.6% Operating expenses (97,947) (8 Net depreciation and amortization (9,176) (Net provisions (3,114) (3,114) Gains on disposals of non-current assets 207 Operating income 89,557 2 Net financial expense (3,077) (Income before tax 86,480 2 Corporate income tax (20,039) (Consolidated net income 66,441 4 Net income (Group share) 63,241 3 Earnings per share in circulation (€) 2,75 Operating income 89,557 2 Non-recurring items and gains on disposals 329 Adjusted operating income 89,886 2 % of sales 12.4% Net depreciation and amortization 9,176 Net provisions 3,114 Non-recurring items (536)	Sales	723,639	445,127
Operating expenses (97,947) (8 Net depreciation and amortization (9,176) (Net provisions (3,114) (3,114) Gains on disposals of non-current assets 207 Operating income 89,557 2 Net financial expense (3,077) (Income before tax (20,039) (Corporate income tax (20,039) (Consolidated net income 66,441 (Net income (Group share) 63,241 4 Earnings per share in circulation (€) 2,75 4 Operating income 89,557 2 Non-recurring items and gains on disposals 329 Adjusted operating income 89,886 2 % of sales 12,4% Net depreciation and amortization 9,176 Net provisions 3,114 Non-recurring items (536)	Gross margin	199,587	116,397
Net depreciation and amortization (9,176) (9,176) (1,114) Net provisions (3,114) (3,114) (3,114) Gains on disposals of non-current assets 207 Operating income 89,557 2 Net financial expense (3,077) (1,000) Income before tax 86,480 2 Corporate income tax (20,039) (1,000) Consolidated net income 66,441 Net income (Group share) 63,241 3 Earnings per share in circulation (€) 2,75 Operating income 89,557 2 Non-recurring items and gains on disposals 329 Adjusted operating income 89,886 2 % of sales 12,4% Net depreciation and amortization 9,176 Net provisions 3,114 Non-recurring items (536)	% of sales	27.6%	26.1%
Net provisions (3,114) Gains on disposals of non-current assets 207 Operating income 89,557 2 Net financial expense (3,077) (1 Income before tax 86,480 2 Corporate income tax (20,039) (1 Consolidated net income 66,441 1 Net income (Group share) 63,241 1 Earnings per share in circulation (€) 2.75 1 Operating income 89,557 2 Non-recurring items and gains on disposals 329 Adjusted operating income 89,886 2 % of sales 12,4% Net depreciation and amortization 9,176 Net provisions 3,114 Non-recurring items (536)	Operating expenses	(97,947)	(81,849)
Gains on disposals of non-current assets 207 Operating income 89,557 2 Net financial expense (3,077) (1 Income before tax 86,480 2 Corporate income tax (20,039) (1 Consolidated net income 66,441 4 Net income (Group share) 63,241 1 Earnings per share in circulation (€) 2.75 2 Operating income 89,557 2 Non-recurring items and gains on disposals 329 2 Adjusted operating income 89,886 2 % of sales 12,4% 2 Net depreciation and amortization 9,176 3,114 Net provisions 3,114 3,114 Non-recurring items (536) (6	Net depreciation and amortization	(9,176)	(8,996)
Operating income 89,557 2 Net financial expense (3,077) (Income before tax 86,480 2 Corporate income tax (20,039) (Consolidated net income 66,441 . Net income (Group share) 63,241 . Earnings per share in circulation (€) 2.75 . Operating income 89,557 . Non-recurring items and gains on disposals 329 Adjusted operating income 89,886 . % of sales 12,4% Net depreciation and amortization 9,176 Net provisions 3,114 Non-recurring items (536)	Net provisions	(3,114)	1,116
Net financial expense (3,077) (6 Income before tax 86,480 2 Corporate income tax (20,039) (6 Consolidated net income 66,441 1 Net income (Group share) 63,241 1 Earnings per share in circulation (€) 2.75 1 Operating income 89,557 2 Non-recurring items and gains on disposals 329 1 Adjusted operating income 89,886 2 % of sales 12.4% 1 Net depreciation and amortization 9,176 1 Net provisions 3,114 1 Non-recurring items (536) (6	Gains on disposals of non-current assets	207	(129)
Section Sect	Operating income	89,557	26,539
Corporate income tax (20,039) (20,039) Consolidated net income 66,441 Net income (Group share) 63,241 1 Earnings per share in circulation (€) 2.75 Operating income 89,557 2 Non-recurring items and gains on disposals 329 Adjusted operating income 89,886 2 % of sales 12.4% Net depreciation and amortization 9,176 Net provisions 3,114 Non-recurring items (536) (Net financial expense	(3,077)	(4,202)
Consolidated net income 66,441 Net income (Group share) 63,241 Earnings per share in circulation (€) 2.75 Operating income 89,557 Non-recurring items and gains on disposals 329 Adjusted operating income 89,886 % of sales 12.4% Net depreciation and amortization 9,176 Net provisions 3,114 Non-recurring items (536)	Income before tax	86,480	22,337
Net income (Group share) 63,241 Earnings per share in circulation (€) 2.75 Operating income 89,557 Non-recurring items and gains on disposals 329 Adjusted operating income 89,886 % of sales 12.4% Net depreciation and amortization 9,176 Net provisions 3,114 Non-recurring items (536)	Corporate income tax	(20,039)	(4,632)
Earnings per share in circulation (€) 2.75 Operating income 89,557 2 Non-recurring items and gains on disposals 329 Adjusted operating income 89,886 2 % of sales 12.4% Net depreciation and amortization 9,176 Net provisions 3,114 Non-recurring items (536)	Consolidated net income	66,441	17,705
Operating income 89,557 2 Non-recurring items and gains on disposals 329 Adjusted operating income 89,886 2 % of sales 12.4% Net depreciation and amortization 9,176 Net provisions 3,114 Non-recurring items (536)	Net income (Group share)	63,241	16,343
Non-recurring items and gains on disposals 329 Adjusted operating income 89,886 % of sales 12.4% Net depreciation and amortization 9,176 Net provisions 3,114 Non-recurring items (536)	Earnings per share in circulation (€)	2.75	0.70
Adjusted operating income 89,886 2 % of sales 12.4% Net depreciation and amortization 9,176 Net provisions 3,114 Non-recurring items (536)	Operating income	89,557	26,539
% of sales 12.4% Net depreciation and amortization Net provisions Net provisions Non-recurring items (536)	Non-recurring items and gains on disposals	329	1,129
Net depreciation and amortization 9,176 Net provisions 3,114 Non-recurring items (536)	Adjusted operating income	89,886	27,668
Net provisions 3,114 Non-recurring items (536)	% of sales	12.4%	6.2%
Non-recurring items (536)	Net depreciation and amortization	9,176	8,996
7	Net provisions	3,114	(1,116)
EBITDA 101,640 3	Non-recurring items	(536)	(1,000)
	EBITDA	101,640	34,548

Sales

Consolidated sales amounted to €724 million, up +62.6% compared to March 31, 2021, including the following effects:

- volumes: +8.9%;
- prices: +53.7% (+14.5% vs Q4 2021).

€m	Q1 2022	Q1 2021
Sales	724	445
Change	+62.6%	
Price effect	+53.7%	
Volume effect	+8.9%	

The various effects are calculated as follows:

- volume effect = (Vn Vn-1) × Pn-1, where V = volumes and P = average sale price converted into euros at the average exchange rate;
- price effect = (Pn Pn-1) × Vn;
- the exchange rate effect is included in the price effect. There was no significant impact as of March 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 €200 million representing 27.6% of sales compared to €116 million in Q1 2021 (26.1% of sales).

€m	Q1 2022	Q1 2021
Sales	724	445
Cost of goods sold	(524)	(329)
Incl. purchases consumed	(504)	(324)
Incl. inventory impairment	(20)	(5)
Gross margin	200	116
% of sales	27.6%	26.1%

Operating income

Current operating expenses* amounted to €98 million (13.5% of sales) compared to €82 million a year earlier (18.4% of sales).

EBITDA amounted to €102 million and represented 14% of sales compared to €35 million as of March 31, 2021 (7.8% of sales).

Adjusted operating income amounted to €90 million (12.4% of sales) compared to €28 million as of March 31, 2021 (6.2% of sales).

Operating income includes a \in 0.2 million income on disposal of non-current assets and \in 0.5 million non-recurring charges (non-cash items) and amounted to \in 90 million.

Net financial expense

Net financial expense amounted to €3.1 million compared to €4.2 million in Q1 2021.

As of March 31, 2022, the average gross debt rate was 1.9%, compared to 2% at the end of December 2021.

€m	Q1 2022	Q1 2021
Net cost of debt	(2.3)	(2.7)
Other financial items	(0.7)	(1.5)
Net financial expense	(3.1)	(4.2)

Net income

Net income (Group share) amounted to €63.2 million compared to €16.3 million in Q1 2021.

€m	Q1 2022	Q1 2021
Income before taxes	86.5	22.3
Corporate income tax	(20.0)	(4.6)
Income tax rate	23.2%	20.7%
Consolidated net income	66.4	17.7
Minority interests	(3.2)	(1.4)
Net income (Groupe share)	63.2	16.3
% of sales	8.7%	3.7%

^{*} excluding depreciation, amortization and provisions €(12)m.

2 Sales and earnings by division

€m	
Sales	
Change Q1 2022 vs. Q1 202	1
Price effect	
Volume effect	
EBITDA 12	
% of sales	
Adjusted operating income	,2
% of sales	

JACQUET Stainless steel	STAPPERT Stainless steel	IMS group
quarto plates	long products	Engineering steels
Q1 2022	Q1 2022	Q1 2022
158	225	346
+67.1%	+56.0%	+64.8%
+57.1%	+49.0%	+54.9%
+10.0%	+7.0%	+9.9%
32	28	35
20.2%	12.6%	10.0%
30	27	34
19.0%	12.2%	9.7%

¹ Excluding IFRS 16 impacts. As of March 31, 2022, non-division operations (mainly holdings and real-estate companies) and the application of IFRS 16 - Leases contributed €2 million and €4 million to EBITDA respectively. 2 Adjusted for non-recurring items.

JACQUET

The division specializes in the distribution of stainless steel quarto plates. It generates 69% of its business in Europe and 25% in North America.

Sales amounted to €158 million, up +67.1% from €95 million in Q1 2021:

- volumes: +10%;
- prices: +57.1% (+15.8% vs Q4 2021).

Gross margin amounted to €59 million, representing 37% of sales, compared to €32 million in Q1 2021 (33.9% of sales).

EBITDA amounted to €32 million, representing 20.2% of sales, compared to €11 million in Q1 2021 (11.3% of sales).

€m	Q1 2022	Q1 2021
Sales	158.1	94.6
Change Q1 2022 vs. Q1 2021	+67.1%	
Price effect	+57.1%	
Volume effect	+10.0%	
Gross margin	58.5	32.1
% of sales	37.0%	33.9%
EBITDA	32.0	10.7
% of sales	20.2%	11.3%
Adjusted operating income	30.0	8.7
% of sales	19.0%	9.2%

- 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 €225 million, up +56% from €144 million in Q1 2021:

- volumes: +7%;
- prices: +49% (+16.4% vs Q4 2021).

Gross margin amounted to €54 million, representing 23.9% of sales, compared to €30 million in Q1 2021 (20.9% of sales).

EBITDA amounted to €28 million, representing 12.6% of sales, compared to €9 million in Q1 2021 (6.1% of sales).

2022	Q1 2021
225.4	144.5
6.0%	
19.0%	
+7.0%	
53.8	30.2
23.9%	20.9%
28.5	8.8
12.6%	6.1%
27.4	8.3
12.2%	5.7%
12	2.6% 27.4

- IMS group

The division specializes in the distribution of engineering steels, mostly in the form of long products. It generates 47% of its sales in Germany, the largest European market.

Sales amounted to €346 million, up +64.8% from €210 million in Q1 2021:

- volumes: +9.9%;
- prices: +54.9% (+12.8% vs Q4 2021).

Gross margin amounted to €87 million, representing 25.2% of sales, compared to €54 million in Q1 2021 (25.8% of sales).

EBITDA amounted to €35 million, representing 10% of sales, compared to €10 million in Q1 2021 (5% of sales).

€m	Q1 2022	Q1 2021
Sales	346.1	210.1
Change Q1 2022 vs. Q1 2021	+64.8%	
Price effect	+54.9%	
Volume effect	+9.9%	
Gross margin	87.3	54.1
% of sales	25.2%	25.8%
EBITDA	34.8	10.5
% of sales	10.0%	5.0%
Adjusted operating income	33.7	10.8
% of sales	9.7%	5.1%

3 Consolidated financial position

Summary balance sheet

€m	31.03.22	31.12.21
Goodwill	67	66
Net non-current assets	170	168
Right-of-use assets	65	63
Net inventory	656	588
Net trade receivables	347	209
Other assets	129	121
Cash & cash equivalents	249	246
Total assets	1,682	1,460
Shareholders' equity	562	495
Provisions (including provisions for employee benefit obligations)	104	101
Trade payables	360	277
Borrowings	435	417
Other liabilities	151	104
Lease liabilities	69	67
Total equity and liabilities	1,682	1,460

Working capital

Operating working capital amounted to \le 642 million (28.5% of sales) compared to \le 520 million at 2021 year-end (26.4% of sales), due notably to inventory increase (\le 656 million compared to \le 588 million at 2021 year-end). This increase will continue over the coming months.

€m	31.03.22	31.12.21	Changes
Net inventory	656	588	+68
Days sales inventory ¹	187	185	
Net trade receivables	347	209	+138
Days sales outstanding	39	42	
Trade payables	(360)	(277)	-84
Days payable outstanding	45	46	
Net Operating working capital	642	520	+122
% of sales ¹	28.5%	26.4%	
Other receivables or payabes excluding taxes and financial items	(65)	(37)	-28
Working capital excluding taxes and financial items	577	483	+94
Consolidation and other changes		1	
Working capital before taxes and financial items and adjusted for other changes	577	483	+93
% of sales ¹	25.7%	24.5%	

¹ Rolling 12 months.

Net debt

As of March 31, 2022, Group net debt stood at €186 million with a shareholder's equity of €562 million resulting in a net debt to equity ratio (gearing) of 33% (35% at 2021 year-end).

		_
€m	31.03.22	31.12.21
Borrowings	434.7	416.8
Cash and cash equivalents	248.7	245.7
Net debt	185.9	171.1
Net debt to equity ratio (gearing)	33.1%	34.6%

Borrowings

The Group had €745 million in lines of credit at March 31, 2022, 58% of which had been used:

€m				Maturit			
	Authorized at 31.03.22	Used at 31.03.22	% used	2022	2023- 2024	2025- 2026	2027 & beyond
Syndicated revolving loan 2024	125	-	0%	-	-	-	-
Schuldsheindarlehen 2024-2025	70	70	100%	-	36	34	-
Schuldsheindarlehen 2026	150	150	100%	-	-	150	-
Term loans	95	95	100%	20	55	17	4
Other lines of credit	114	25	22%	17	8	-	-
JACQUET METALS SA	554	340	61%	36	99	201	4
Operational lines of credit (letter of credit, etc.)	134	64	48%	64	-	-	
Factoring	34	7	20%	7	-	-	-
Assets financing (term loans, etc.)	24	24	100%	3	12	6	3
Subsidiaries	191	95	50%	74	12	6	3
Total	745	435	58%	110	111	207	7

In addition to the financing shown in the above table, the Group also had \in 72 million in non-recourse receivable assignment facilities, \in 62 million of which had been used at March 31, 2022.

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 March 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 (unused as of March 31, 2022)	€70 million (fully used)	€150 million (fully used)
Amortization	n.a.	in fine	
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

The Group generated operating cash flow of €+2 million in Q1 2022.

€m	Q1 2022	Q1 2021
Operating cash flow before change in working capital	96	32
Change in working capital	(93)	(9)
Cash flow from operating activities	2	23
Capital expenditure	(6)	(5)
Asset disposals	0	0
Dividends paid to shareholders of JACQUET METALS SA	-	-
Interest paid	(3)	(3)
Other movements	(8)	(5)
Change in net debt	(15)	10
Net debt brought forward	171	106
Net debt carried forward	186	96

In Q1 2022, capital expenditure amounted to €6 million.

"Other movements" mainly consist of rent expenses (€5 million) pursuant to the application of *IFRS 16 - Leases*.

Post balance sheet events

In early May, the Group acquired the Canadian company Fidelity PAC Metals (annual sales: \leqslant 33 million) specializing in master distribution of stainless steel long products and operating 3 logistics centers in Toronto, Montreal and Vancouver. Fidelity PAC Metals will strengthen the JACQUET division's positioning in North America.

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 2,951 employees, JACQUET METALS has a network of 105 distribution centers in 24 countries in Europe, Asia and North America.

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