2022



JACQUET METALS

Activity report

September 30, 2022



A European leader in the distribution of specialty steels

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PRESS RELEASE

Results as of September 30, 2022

November 9, 2022 - 6.00 PM

Sales: €2,118m (+46.8% vs September 30, 2021)

EBITDA: €269m (12.7% of sales) Net income (Group share): €160m

Over the first 9 months of 2022, the Group's business and results broadly benefited from favorable market conditions.

However from Q2 onwards, more specifically for the distribution of stainless steel long products, a decline in **demand** occurred.

Similarly, after 18 months of increase, **raw material prices** began to decrease, a trend that is expected to continue over the end of the year.

Inventory valuation at September 30, 2022 and the Q3 2022 gross margin levels reflect these changes, with (I) the recording of an impairment representing 19.7% of the gross value of inventory compared to 17.1% at 2021 year-end and (II) an average gross margin in Q3 2022 representing 22.5% of sales, around 5 percentage points lower than in H1 2022.

As of September 30, 2022 (9 months of activity), **sales** increased by +46.8% to €2,118 million (Q3 +26% to €638 million) and the **gross margin** by +41% to €548 million, representing 25.9% of sales (Q3 22.5%) compared to 26.9% a year earlier.

In this context, **EBITDA** amounted to \leq 269 million, representing 12.7% of sales (Q3 9.5% to \leq 60 million) compared to 10.1% as of September 30, 2021.

Net income (Group share) amounted to €160 million (Q3 €34 million) compared to €82 million a year earlier.

Operating **working capital** increased in line with business growth and represented 29% of sales as of September 30, 2022, compared to 28% as of June 30, 2022 and 26% at 2021 year-end.

Over the first 9 months of the year, the Group generated **operating cash flow** of €25 million and consolidated its financing structure with, at September 30, 2022, **shareholders' equity** of €661 million and a net debt to equity ratio (gearing) of 36% (35% at 2021 year-end).



On November 9, 2022, the Board of Directors, chaired by Éric Jacquet, approved the consolidated financial statements for the period ended September 30, 2022.

€m	Q3 2022	Q3 2021	30.09.22 9 months	30.09.21 9 months
Sales	638	506	2,118	1,443
Gross margin	144	141	548	389
% of sales	22.5%	27.9%	25.9%	26.9%
EBITDA ¹	60	64	269	145
% of sales	9.5%	12.7%	12.7%	10.1%
Adjusted operating income ¹	51	54	234	117
% of sales	8.0%	10.6%	11.0%	8.1%
Operating income	51	54	230	115
Net income (Group share)	34	39	160	82

¹ Adjusted for non-recurring items.

Results as of September 30, 2022

Consolidated **sales** amounted to €2,118 million, up +46.8% compared to September 30, 2021, including the following effects:

- volumes sold: -0.6% (Q3 2022 -6.1% vs Q3 2021);
- prices: +46,5% (Q3 2022 +30.8% vs Q3 2021 and -5.4% vs Q2 2022);
- scope: +0.9% (Q3 2022 +1.3% vs Q3 2021) following the acquisition of Fidelity PAC Metals in May 2022.

Gross margin amounted to €548 million representing 25.9% of sales (Q3 €144 million representing 22.5% of sales) compared to €389 million a year earlier (26.9% of sales).

Current operating expenses* amounted to €279 million (13.2% of sales) compared to €243 million as of September 30, 2021 (16.9% of sales). The increase in energy costs contributed for around €4 million to the increase in current operating expenses.

EBITDA amounted to €269 million and represented 12.7% of sales (Q3 9.5%) compared to €145 million as of September 30, 2021 (10.1% of sales).

Adjusted operating income amounted to €234 million (11% of sales).

In this context, **Net income (Group share)** amounted to €160 million compared to €82 million as of September 30, 2021.

^{*} excluding depreciation, amortization and provisions €(40)m.



Financial position as of September 30, 2022

During the first 9 months of the year, the Group generated positive **operating cash flow** of €25 million.

Operating working capital amounted to €770 million (29% of sales), up from €520 million at 2021 year-end (26% of sales) notably due to the inventory increase (€798 million compared to €588 million at 2021 year-end).

After the dividend payment and the financing of the capital expenditure and the acquisition of Fidelity PAC Metals (Canada), net debt amounted to €239 million compared to €171 million at 2021 year-end. The net debt to equity ratio (gearing) amounted to 36% compared to 35% at 2021 year-end.

As of September 30, 2022, **cash** amounted to €233 million while lines of credit totaled €804 million (of which €332 million is unused).

Earnings by division as of September 30, 2022

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

	JACQUET ainless steel uarto plates		STAPPERT ainless steel ng products	IMS grou Engineering stee		
Q3 2022	30.09.22 9 months	Q3 2022	30.09.22 9 months	Q3 2022	30.09.22 9 months	
152	486	186	631	306	1,018	
+38.1%	+56.3%	+14.6%	+37.4%	+28.4%	+48.8%	
+34.6%	+52.4%	+26.7%	+43.0%	+31.9%	+45.9%	
-2.6%	-0.2%	-12.1%	-5.6%	-3.5%	+2.9%	
+6.1%	+4.1%	n.a.	n.a.	n.a.	n.a.	
20	85	8	56	25	104	
13.0%	17.4%	4.3%	8.8%	8.2%	10.3%	
18	78	7	53	23	95	
11.8%	16.1%	4.0%	8.4%	7.7%	9.3%	

¹ Excluding IFRS 16 impacts. As of September 30, 2022, non-division operations (mainly holdings and real-estate companies) and the application of *IFRS 16 - Leases* contributed €11 million and €14 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 **63% of its business in Europe and 32% in North America**.

Sales amounted to €486 million, up +56.3% from €311 million as of September 30, 2021:

- volumes sold: -0.2% (Q3 2022 -2.6% vs Q3 2021);
- prices: +52.4% (Q3 2022 +34.6% vs Q3 2021 and -9.3% vs Q2 2022);
- scope: +4.1% (Q3 2022 +6.1% vs Q3 2021) following the acquisition of Fidelity PAC Metals in May 2022.

Gross margin amounted to €165 million, representing 33.9% of sales (Q3 €45 million representing 29.8% of sales) compared to €108 million as of September 30, 2021 (34.8% of sales).

EBITDA amounted to €85 million, representing 17.4% of sales (Q3 €20 million representing 13% of sales) compared to €43 million as of September 30, 2021 (13.8% of sales).

STAPPERT

The division specializes in the distribution of **stainless steel long products** mainly in Europe. It generates **43% of its sales in Germany, the largest European market.**

Sales amounted to €631 million, up +37.4% from €459 million as of September 30, 2021:

- volumes sold: -5.6% (Q3 2022 -12.1% vs Q3 2021);
- prices: +43% (Q3 2022 +26.7% vs Q3 2021 and -10.5% vs Q2 2022).

Gross margin amounted to €129 million, representing 20.4% of sales (Q3 €29 million representing 15.8% of sales) compared to €98 million as of September 30, 2021 (21.4% of sales).

EBITDA amounted to €56 million, representing 8.8% of sales (Q3 €8 million representing 4.3% of sales) compared to €32 million as of September 30, 2021 (7% 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**.

Sales amounted to €1,018 million, up +48.8% from €684 million as of September 30, 2021:

- volumes sold: +2.9% (Q3 2022 -3.5% vs Q3 2021);
- prices: +45.9% (Q3 2022 +31.9% vs Q3 2021 and -0.4% vs Q2 2022).

Gross margin amounted to €254 million, representing 25% of sales (Q3 €69 million representing 22.7% of sales) compared to €182 million as of September 30, 2021 (26.6% of sales).

EBITDA amounted to €104 million, representing 10.3% of sales (Q3 €25 million representing 8.2% of sales) compared to €52 million as of September 30, 2021 (7.6% of sales).



Key financial information

Income statement

€m	Q3 2022	Q3 2021	30.09.22 9 months	30.09.21 9 months
Sales	638	506	2,118	1,443
Gross margin	144	141	548	389
% of sales	22.5%	27.9%	25.9%	26.9%
EBITDA ¹	60	64	269	145
% of sales	9.5%	12.7%	12.7%	10.1%
Adjusted operating income ¹	51	54	234	117
% of sales	8.0%	10.6%	11.0%	8.1%
Operating income	51	54	230	115
Net financial expense	(5)	(3)	(12)	(10)
Corporate income tax	(10)	(10)	(48)	(18)
Minority interests	(2)	(2)	(9)	(5)
Net income (Group share)	34	39	160	82

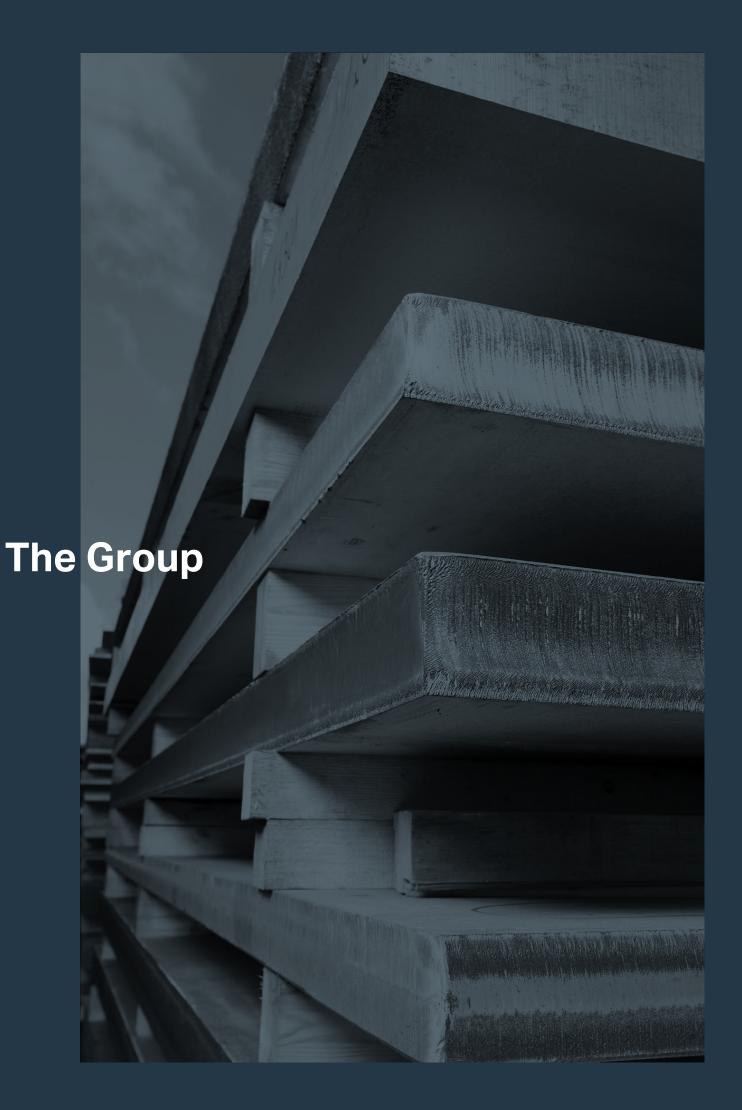
¹ Adjusted for non-recurring items.

Cash flow

€m	30.09.22 9 months	30.09.21 9 months
Operating cash flow before change in working capital	242	138
Change in working capital	(217)	(88)
Cash flow from operating activities	25	50
Capital expenditure	(21)	(24)
Asset disposals	1	1
Dividends paid to shareholders of JACQUET METALS SA	(23)	(9)
Interest paid	(9)	(9)
Other movements	(39)	(16)
Change in net debt	(68)	(7)
Net debt brought forward	171	106
Net debt carried forward	239	113

Balance sheet

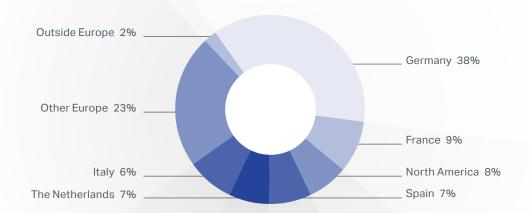
€m	30.09.22	31.12.21
Goodwill	68	66
Net non-current assets	178	168
Right-of-use assets	74	63
Net inventory	798	588
Net trade receivables	277	209
Other assets	140	121
Cash & cash equivalents	233	246
Total assets	1,768	1,460
Shareholders' equity	661	495
Provisions (including provisions for employee benefit obligations)	95	101
Trade payables	305	277
Borrowings	472	417
Other liabilities	157	104
Lease liabilities	77	67
Total equity and liabilities	1,768	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*



106 distribution centers located in 24 countries • Staff: 3,081

^{*} Data as of June 30, 2022.

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 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

Main indicesCAC® All Shares, CAC® All-Tradable, CAC® Basic Materials, CAC® Mid & Small, CAC® SmallMarketEuronext Paris - Compartment BListed onEuronext ParisCode or tickerJCQISIN codeFR0000033904ReutersJCQ.PABloombergJCQ:FP

		30.09.22	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	294,231	483,478
High	€	25.60	25.30
Low	€	12.40	13.44
Price at end of period	€	12.78	21.00
Average daily traded volume	numbers of shares	23,174	23,249
Average daily traded capital	€	447,816	472,972

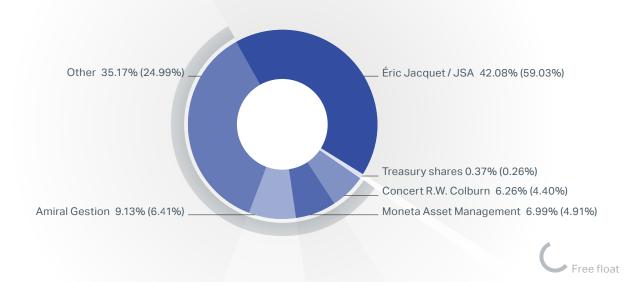
The share price was €16.44 on November 8, 2022.

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 September 30, 2022

% capital (% voting rights)



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") as of September 30, 2022.

4 Financial communication schedule

2022 full-year resultsMarch 14, 2023

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

Investor relations

JACQUET METALS NEWCAP

Thierry Philippe - Chief Financial Officer - comfi@jacquetmetals.com Emmanuel Huynh - T +33 1 44 71 94 94 - jacquetmetals@newcap.eu



1 Group's sales and earnings

Results for the period ended September 30, 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 September 30, 2021.

Over the first 9 months of 2022, the Group's business and results broadly benefited from favorable market conditions.

However from Q2 onwards, more specifically for the distribution of stainless steel long products, a decline in demand occurred.

Similarly, after 18 months of increase, raw material prices began to decrease, a trend that is expected to continue over the end of the year.

Inventory valuation at September 30, 2022 and the Q3 2022 gross margin levels reflect these changes, with (I) the recording of an impairment representing 19.7% of the gross value of inventory compared to 17.1% at 2021 year-end and (II) an average gross margin in Q3 2022 representing 22.5% of sales, around 5 percentage points lower than in H1 2022.

As of September 30, 2022 (9 months of activity), sales increased by +46.8% to €2,118 million (Q3 +26% to €638 million) and the gross margin by +41% to £548 million, representing 25.9% of sales (Q3 22.5%) compared to 26.9% a year earlier.

In this context, EBITDA amounted to €269 million, representing 12.7% of sales (Q3 9.5% to €60 million) compared to 10.1% as of September 30, 2021.

Net income (Group share) amounted to €160 million (Q3 €34 million) compared to €82 million a year earlier.

Operating working capital increased in line with business growth and represented 29% of sales as of September 30, 2022, compared to 28% as of June 30, 2022 and 26% at 2021 year-end.

Over the first 9 months of the year, the Group generated operating cash flow of €25 million and consolidated its financing structure with, at September 30, 2022, shareholders' equity of €661 million and a net debt to equity ratio (gearing) of 36% (35% at 2021 year-end).

€k	Q3 2022	Q3 2021	30.09.22 9 months	30.09.21 9 months
Sales	638,119	506,253	2,118,473	1,442,983
Gross margin	143,766	141,096	547,955	388,664
% of sales	22.5%	27.9%	25.9%	26.9%
Operating expenses	(83,443)	(76,624)	(278,733)	(243,177)
Net depreciation and amortization	(9,813)	(9,027)	(28,647)	(27,163)
Net provisions	422	(1,820)	(11,482)	(3,500)
Gains on disposals of non-current assets	53	216	484	298
Operating income	50,985	53,841	229,577	115,122
Net financial expense	(4,724)	(3,384)	(11,983)	(9,613)
Income before tax	46,261	50,457	217,594	105,509
Corporate income tax	(9,876)	(9,559)	(48,176)	(18,412)
Consolidated net income	36,385	40,898	169,418	87,097
Net income (Group share)	34,488	39,062	160,313	82,447
Earnings per share in circulation (€)	1.50	1.70	6.96	3.58
Operating income	50,985	53,841	229,577	115,122
Non-recurring items and gains on disposals	(53)	(216)	4,152	2,095
Adjusted operating income	50,932	53,625	233,729	117,217
% of sales	8.0%	10.6%	11.0%	8.1%
Net depreciation and amortization	9,813	9,027	28,647	27,163
Net provisions	(422)	1,820	11,482	3,500
Non-recurring items	0	0	(4,636)	(2,392)
EBITDA	60,323	64,472	269,222	145,488
% of sales	9.5%	12.7%	12.7%	10.1%

Sales

Consolidated sales amounted to \leq 2,118 million, up +46.8% compared to September 30, 2021, including the following effects:

- volumes sold: -0.6% (Q3 2022 -6.1% vs Q3 2021);
- prices: +46,5% (Q3 2022 +30.8% vs Q3 2021 and -5.4% vs Q2 2022);
- scope: +0.9% (Q3 2022 +1.3% vs Q3 2021) following the acquisition of Fidelity PAC Metals in May 2022.

€m	Q3 2022	Q3 2021	30.09.22 9 months	
Sales	638	506	2,118	1,443
Change 2022 vs 2021	+26.0%		+46.8%	
Price effect	+30.8%		+46.5%	
Volume effect	-6.1%		-0.6%	
Scope effect	+1.3%		+0.9%	

The various effects are calculated as follows:

- volume effect = $(Vn Vn-1) \times Pn-1$, where V = volumes and P = average sale price converted into euros at the average exchange rate;
- price effect = $(Pn Pn-1) \times Vn$;
- the exchange rate effect is included in the price effect. There was no significant impact as of September 30, 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 €548 million representing 25.9% of sales (Q3 €144 million representing 22.5% of sales) compared to €389 million a year earlier (26.9% of sales).

€m	Q3 2022	Q3 2021	30.09.22 9 months	30.09.21 9 months
Sales	638	506	2,118	1,443
Cost of goods sold	(494)	(365)	(1,571)	(1,054)
Incl. purchases consumed	(485)	(350)	(1,497)	(1,026)
Incl. inventory impairment	(9)	(15)	(74)	(28)
Gross margin	144	141	548	389
% of sales	22.5%	27.9%	25.9%	26.9%

Operating income

Current operating expenses* amounted to €279 million (13.2% of sales) compared to €243 million as of September 30, 2021 (16.9% of sales). The increase in energy costs contributed for around €4 million to the increase in current operating expenses.

EBITDA amounted to €269 million and represented 12.7% of sales (Q3 9.5%) compared to €145 million as of September 30, 2021 (10.1% of sales).

Adjusted operating income amounted to €234 million (11% of sales).

Operating income includes a €0.5 million income on disposal of non-current assets and €4.6 million non-recurring charges (provisions for a risk of retroactive taxation on certain imports) and amounted to €230 million.

Net financial expense

Net financial expense amounted to \le 12 million compared to \le 9.6 million as of September 30, 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 September 30, 2022 the average gross debt rate was 1.9% (average gross debt over rolling 12 months: €441 million), compared to 2% at the end of December 2021 (average gross debt 2021: €418 million).

€m	Q3 2022	Q3 2021	30.09.22 9 months	
Net cost of debt	(2.9)	(2.3)	(7.5)	(7.7)
Other financial items	(1.8)	(1.0)	(4.4)	(2.0)
Net financial expense	(4.7)	(3.4)	(12.0)	(9.6)

^{*} excluding depreciation, amortization and provisions €(40)m.

Net income

Net income (Group share) amounted to €160.3 million compared to €82.4 million as of September 30, 2021.

€m	Q3 2022	Q3 2021	30.09.22 9 months	30.09.21 9 months
Income before taxes	46.3	50.5	217.6	105.5
Corporate income tax	(9.9)	(9.6)	(48.2)	(18.4)
Income tax rate	21.3%	18.9%	22.1%	17.5%
Consolidated net income	36.4	40.9	169.4	87.1
Minority interests	(1.9)	(1.8)	(9.1)	(4.7)
Net income (Groupe share)	34.5	39.1	160.3	82.4
% of sales	5.4%	7.7%	7.6%	5.7%

Sales and earnings by division 2

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

	JACQUET ainless steel juarto plates	STAPPERT Stainless steel long products		IMS gro Engineering stee	
Q3 2022	30.09.22 9 months	Q3 2022	30.09.22 9 months	Q3 2022	30.09.22 9 months
152	486	186	631	306	1,018
+38.1%	+56.3%	+14.6%	+37.4%	+28.4%	+48.8%
+34.6%	+52.4%	+26.7%	+43.0%	+31.9%	+45.9%
-2.6%	-0.2%	-12.1%	-5.6%	-3.5%	+2.9%
+6.1%	+4.1%	n.a.	n.a.	n.a.	n.a.
20	85	8	56	25	104
13.0%	17.4%	4.3%	8.8%	8.2%	10.3%
18	78	7	53	23	95
11.8%	16.1%	4.0%	8.4%	7.7%	9.3%

¹ Excluding IFRS 16 impacts. As of September 30, 2022, non-division operations (mainly holdings and real-estate companies) and the application of *IFRS 16* - Leases contributed €11 million and €14 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 63% of its business in Europe and 32% in North America.

Sales amounted to €486 million, up +56.3% from €311 million as of September 30, 2021:

- volumes sold: -0.2% (Q3 2022 -2.6% vs Q3 2021);
- prices: +52.4% (Q3 2022 +34.6% vs Q3 2021 and -9.3% vs Q2 2022);
- scope: +4.1% (Q3 2022 +6.1% vs Q3 2021) following the acquisition of Fidelity PAC Metals in May 2022.

Gross margin amounted to €165 million, representing 33.9% of sales (Q3 €45 million representing 29.8% of sales) compared to €108 million as of September 30, 2021 (34.8% of sales).

EBITDA amounted to \le 85 million, representing 17.4% of sales (Q3 \le 20 million representing 13.0% of sales) compared to \le 43 million as of September 30, 2021 (13.8% of sales).

€m	Q3 2022	Q3 2021	30.09.22 9 months	30.09.21 9 months
Sales	151.6	109.8	486.0	310.9
Change 2022 vs 2021	+38.1%		+56.3%	
Price effect	+34.6%		+52.4%	
Volume effect	-2.6%		-0.2%	
Scope effect	+6.1%		+4.1%	
Gross margin	45.1	40.7	165.0	108.3
% of sales	29.8%	37.1%	33.9%	34.8%
EBITDA	19.7	19.1	84.8	42.8
% of sales	13.0%	17.4%	17.4%	13.8%
Adjusted operating income	17.9	17.2	78.3	37.2
% of sales	11.8%	15.7%	16.1%	12.0%

STAPPERT

The division specializes in the distribution of stainless steel long products mainly in Europe. It generates 43% of its sales in Germany, the largest European market.

Sales amounted to €631 million, up +37.4% from €459 million as of September 30, 2021:

- volumes sold: -5.6% (Q3 2022 -12.1% vs Q3 2021);
- prices: +43.0% (Q3 2022 +26.7% vs Q3 2021 and -10.5% vs Q2 2022).

Gross margin amounted to €129 million, representing 20.4% of sales (Q3 €29 million representing 15.8% of sales) compared to €98 million as of September 30, 2021 (21.4% of sales).

EBITDA amounted to \le 56 million, representing 8.8% of sales (Q3 \le 8 million representing 4.3% of sales) compared to \le 32 million as of September 30, 2021 (7.0% of sales).

€m	Q3 2022	Q3 2021	30.09.22 9 months	30.09.21 9 months
Sales	185.9	162.2	631.1	459.5
Change 2022 vs 2021	+14.6%		+37.4%	
Price effect	+26.7%		+43.0%	
Volume effect	-12.1%		-5.6%	
Gross margin	29.4	36.0	128.5	98.1
% of sales	15.8%	22.2%	20.4%	21.4%
EBITDA	8.0	14.2	55.7	32.1
% of sales	4.3%	8.7%	8.8%	7.0%
Adjusted operating income	7.4	13.8	53.3	31.1
% of sales	4.0%	8.5%	8.4%	6.8%

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.

Sales amounted to €1,018 million, up +48.8% from €684 million as of September 30, 2021:

- volumes sold: +2.9% (Q3 2022 -3.5% vs Q3 2021);
- prices: +45.9% (Q3 2022 +31.9% vs Q3 2021 and -0.4% vs Q2 2022).

Gross margin amounted to €254 million, representing 25.0% of sales (Q3 €69 million representing 22.7% of sales) compared to €182 million as of September 30, 2021 (26.6% of sales).

EBITDA amounted to \le 104 million, representing 10.3% of sales (Q3 \le 25 million representing 8.2% of sales) compared to \le 52 million as of September 30, 2021 (7.6% of sales).

€m	Q3 2022	Q3 2021	30.09.22 9 months	30.09.21 9 months
Sales	305.6	238.0	1,017.8	684.2
Change 2022 vs 2021	+28.4%		+48.8%	
Price effect	+31.9%		+45.9%	
Volume effect	-3.5%		+2.9%	
Gross margin	69.2	64.4	254.5	182.2
% of sales	22.7%	27.0%	25.0%	26.6%
EBITDA	25.0	23.2	104.4	51.7
% of sales	8.2%	9.7%	10.3%	7.6%
Adjusted operating income	23.5	19.5	95.0	44.8
% of sales	7.7%	8.2%	9.3%	6.5%

3 Consolidated financial position

Summary balance sheet

€m	30.09.22	31.12.21
Goodwill	68	66
Net non-current assets	178	168
Right-of-use assets	74	63
Net inventory	798	588
Net trade receivables	277	209
Other assets	140	121
Cash & cash equivalents	233	246
Total assets	1,768	1,460
Shareholders' equity	661	495
Provisions (including provisions for employee benefit obligations)	95	101
Trade payables	305	277
Borrowings	472	417
Other liabilities	157	104
Lease liabilities	77	67
Total equity and liabilities	1,768	1,460

Working capital

Operating working capital amounted to \in 770 million (29% of sales), up from \in 520 million at 2021 year-end (26% of sales) notably due to the inventory increase (\in 798 million compared to \in 588 million at 2021 year-end).

€m	30.09.22	31.12.21	Change
Net inventory	798	588	+210
Days sales inventory ¹	202	185	
Net trade receivables	277	209	+68
Days sales outstanding	39	42	
Trade payables	(305)	(277)	-29
Days payable outstanding	47	46	
Net Operating working capital	770	520	+250
% of sales ¹	28.9%	26.4%	
Other receivables or payables excluding taxes and financial items	(50)	(37)	-13
Working capital excluding taxes and financial items	720	483	+238
Consolidation and other changes		20	
Working capital before taxes and financial items and adjusted for other changes	720	503	+217
% of sales ¹	27.0%	25.5%	

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

Net debt

As of September 30, 2022, Group net debt stood at €239 million with a shareholder's equity of €661 million resulting in a net debt to equity ratio (gearing) of 36% (35% at 2021 year-end).

€m	30.09.22	31.12.21
Borrowings	472.1	416.8
Cash and cash equivalents	233.4	245.7
Net debt	238.7	171.1
Net debt to equity ratio (gearing)	36.1%	34.6%

Borrowings

The Group had €804 million in lines of credit as of September 30, 2022, 59% of which had been used:

€m							Maturity
	Authorized at 30.09.22	Used at 30.09.22	% used	2022	2023- 2024	2025- 2026	2027 et au delà
Syndicated revolving loan 2024	125	5	4%	-	5	-	-
Schuldsheindarlehen 2024-2025	70	70	100%	-	36	34	-
Schuldsheindarlehen 2026	150	150	100%	-	-	150	-
Term loans	102	102	100%	9	56	29	8
Other lines of credit	124	43	34%	18	17	8	-
JACQUET METALS SA borrowings	572	370	65%	27	114	221	8
Operational lines of credit (letter of credit, etc.)	161	64	40%	52	12	-	-
Factoring	35	1	4%	1	-	-	-
Assets financing (term loans, etc.)	36	36	100%	2	15	11	9
Subsidiaries borrowings	233	102	44%	56	27	11	9
Total	804	472	59%	82	141	232	17

In addition to the financing shown in the above table, the Group also had \in 84 million in non-recourse receivable assignment facilities, \in 60 million of which had been used as of September 30, 2022.

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 September 30, 2022, all borrowings 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 (€5m of which have been used as of September 30, 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 €+25 million as of September 30, 2022.

€m	30.09.22 9 months	30.09.21 9 months
Operating cash flow before change in working capital	242	138
Change in working capital	(217)	(88)
Cash flow from operating activities	25	50
Capital expenditure	(21)	(24)
Asset disposals	1	1
Dividends paid to shareholders of JACQUET METALS SA	(23)	(9)
Interest paid	(9)	(9)
Other movements	(39)	(16)
Change in net debt	(68)	(7)
Net debt brought forward	171	106
Net debt carried forward	239	113

As of September 30, 2022, capital expenditure (excluding external growth) amounted to €21 million.

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

Post balance sheet events

None.

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 3,081 employees, JACQUET METALS has a network of 106 distribution centers in 24 countries in Europe, Asia and North America.

JACQUET METALS: Thierry Philippe - Chief Financial Officer - comfi@jacquetmetals.com **NEWCAP:** Emmanuel Huynh - T +33 1 44 71 94 94 - jacquetmetals@newcap.eu



