

# 2023



**JACQUET**  
METALS

## **Activity report**

September 30, 2023



**A European leader in the distribution of special metals**

## Table of contents

Press release dated November 7, 2023 - Results as of September 30, 2023	04
The Group	09
1 A leading distributor of special metals	10
2 Brand management	11
3 Stock market information and shareholder structure	12
4 Financial communication schedule	13
Activity report - September 30, 2023	14
1 Group's sales and earnings	15
2 Sales and earnings by division	18
3 Consolidated financial position	22



## PRESS RELEASE

### Results as of September 30, 2023

November 7, 2023 - 6.00 PM CET

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**Sales: €1,764m (-16.7% vs 30.09.22)**

**EBITDA: €118m (6.7% of sales)**

**Net income (Group share): €49m**

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Market conditions in 2023 were mainly characterized by low demand and a decline in prices, corresponding to slowdown in industrial activities, notably in Germany. These trends, particularly marked during the third quarter, are exerting strong pressure on gross margins and volumes sold.

In these conditions, the Group posted **sales** of €1,764 million, down 16.7% compared to the previous year.

As of September 30, 2023 (9 months of activity), the gross margin represented 21.5% of sales (Q3 19.3%) compared to 25.9% a year earlier, and **EBITDA** amounted to €118 million, representing 6.7% of sales (Q3 3.6%) compared to 12.7% a year earlier.

**Net income (Group share)** amounted to €49 million (Q3 breakeven) compared to €160 million as of September 30, 2022.

In this context, the Group generated **operating cash flow** of €132 million and consolidated its financial structure with shareholders' equity of €686 million. As of September 30, 2023, the net debt to equity ratio (gearing) amounted to 34% (compared to 35% at 2022 year-end).

**Capital expenditure** (excluding external growth) represented €44 million, mainly dedicated to strengthening distribution center capacities as well as improving and renewing their equipment. During the third quarter the Group notably invested in the JACQUET division by acquiring a real estate asset in Germany (Stuttgart region) and a land in Canada (Toronto region) for its ROLARK subsidiary.

Following the **acquisitions** of an Italian company, DELTA ACCIAI (STAPPERT division), and a German company, COMETAL Metallhalbzeuge (IMS group division), on October 31, 2023 (post balance sheet), IMS group finalized the acquisition from Swiss Steel Group of companies in the Czech Republic, Poland, Slovakia, Hungary, Lithuania, Estonia and Latvia, that have generated sales of €158 million in 2022 with 267 employees.

In Q4 2023, the evolution of market conditions leads the Group to anticipate business levels significantly inferior to those in Q4 2022.

In this environment, the Group will focus on managing its working capital and, backed by its financial strength, will continue its capital expenditure and development policy.



## Results as of September 30, 2023

On November 7, 2023, the Board of Directors, chaired by Éric Jacquet, approved the consolidated financial statements as of September 30, 2023.

€m	Q3 2023	Q3 2022	30.09.23 9 months	30.09.22 9 months
<b>Sales</b>	<b>494</b>	<b>638</b>	<b>1,764</b>	<b>2,118</b>
<b>Gross margin</b>	<b>95</b>	<b>144</b>	<b>380</b>	<b>548</b>
<i>% of sales</i>	<i>19.3%</i>	<i>22.5%</i>	<i>21.5%</i>	<i>25.9%</i>
<b>EBITDA<sup>1</sup></b>	<b>18</b>	<b>60</b>	<b>118</b>	<b>269</b>
<i>% of sales</i>	<i>3.6%</i>	<i>9.5%</i>	<i>6.7%</i>	<i>12.7%</i>
<b>Adjusted operating income<sup>1</sup></b>	<b>7</b>	<b>51</b>	<b>91</b>	<b>234</b>
<i>% of sales</i>	<i>1.5%</i>	<i>8.0%</i>	<i>5.2%</i>	<i>11.0%</i>
<b>Operating income</b>	<b>8</b>	<b>51</b>	<b>92</b>	<b>230</b>
<b>Net income (Group share)</b>	<b>0</b>	<b>34</b>	<b>49</b>	<b>160</b>

<sup>1</sup> Adjusted for non-recurring items.

Consolidated **sales** amounted to €1,764 million, down -16.7% compared to September 30, 2022, including the following effects:

- volumes sold: -10.8% (Q3 -10.9%);
- prices: -6.5% (Q3 -12.1% and -4.3% vs Q2 2023);
- scope: +0.6% (Q3 +0.4%) following the acquisitions of FIDELITY PAC Metals in May 2022, DELTA ACCIAI early 2023 and COMETAL Metallhalbzeuge at the end of June 2023.

**Gross margin** amounted to €380 million representing 21.5% of sales (Q1 25%; Q2 19.3%; Q3 19.3%), compared to €548 million a year earlier (25.9% of sales).

**Current operating expenses\*** amounted to €262 million, down -6% compared to September 30, 2022. Inflation contributed for around €7 million to the increase in expenses.

\* excluding depreciation, amortization and provisions €(27)m.

**EBITDA** amounted to €118 million and represented 6.7% of sales (Q1 11.1%; Q2 4.1%; Q3 3.6%) compared to €269 million as of September 30, 2022 (12.7% of sales).

**Adjusted operating income** amounted to €91 million (5.2% of sales).

In this context, **Net income (Group share)** amounted to €49 million, compared to €160 million a year earlier.



### Financial position as of September 30, 2023

During the first 9 months of 2023, the Group generated positive **operating cash flow** of €132 million.

Operating **working capital** amounted to €698 million (30% of sales), compared to €746 million at 2022 year-end (28% of sales), with inventories down by €79 million over the period (€701 million at the end of September 2023 compared to €780 million at 2022 year-end).

After the dividend payment, financing of the capital expenditure and the acquisitions of the companies DELTA ACCIAI and COMETAL Metallhalbzeuge, **net debt** stood at €232 million at the end of September compared to €234 million at 2022 year-end. The net debt to equity ratio (gearing) amounted to 34% compared to 35% at 2022 year-end.

As of September 30, 2023, **cash** amounted to €263 million while lines of credit totaled €914 million (of which €419 million are unused).

In Q3 2023, the financing structure changed through the implementation of a new €160 million syndicated loan maturing in 3 years (July 2026), replacing the previous €125 million syndicated loan.

Moreover, a term loan totaling €55 million (€40 million raised in September and €15 million in October) has been set up maturing in 8 years (2031).

### Results as of September 30, 2023 by division

€m	Q3 2023			30.09.23 9 months		
	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
<b>Sales</b>	<b>117</b>	<b>141</b>	<b>240</b>	<b>415</b>	<b>500</b>	<b>865</b>
Change 2023 vs 2022	-23%	-24%	-21.4%	-14.6%	-20.8%	-15%
Price effect	-14%	-10.4%	-12.1%	-9.9%	-6.8%	-4.7%
Volume effect	-8.9%	-14%	-10%	-6.4%	-14.6%	-10.6%
Scope effect	n.a.	+0.4%	+0.7%	+1.7%	+0.5%	+0.2%
<b>EBITDA<sup>1,2</sup></b>	<b>6</b>	<b>2</b>	<b>3</b>	<b>40</b>	<b>19</b>	<b>37</b>
% of sales	4.8%	1.2%	1.1%	9.7%	3.8%	4.3%
<b>Adjusted operating income<sup>2</sup></b>	<b>4</b>	<b>1</b>	<b>2</b>	<b>34</b>	<b>18</b>	<b>34</b>
% of sales	3.1%	0.5%	0.6%	8.3%	3.5%	4%

<sup>1</sup> Excluding IFRS 16 impacts. As of September 30, 2023, non-division operations (mainly holdings and real-estate companies) and the application of IFRS 16 - Leases contributed €7 million and €15 million to EBITDA respectively.

<sup>2</sup> Adjusted for non-recurring items.  
n.a. : Not applicable.



## JACQUET

The division specializes in the distribution of **stainless steel quarto plates**. It generates **62% of its business in Europe and 31% in North America**.

Sales amounted to €415 million, down -14.6% from €486 million as of September 30, 2022:

- volumes sold: -6.4% (Q3 -8.9%);
- prices: -9.9% (Q3 -14% and -4.9% vs Q2 2023);
- scope: +1.7% following the acquisition of FIDELITY PAC Metals in May 2022.

Gross margin amounted to €118 million, representing 28.3% of sales (Q3 €29 million, representing 25.2% of sales), compared to €165 million as of September 30, 2022 (33.9% of sales).

EBITDA amounted to €40 million, representing 9.7% of sales (Q3 €6 million, representing 4.8% of sales), compared to €85 million as of September 30, 2022 (17.4% of sales).

## STAPPERT

The division specializes in the distribution of **stainless steel long products** mainly in Europe. It generates **44% of its sales in Germany, the largest European market**.

Sales amounted to €500 million, down -20.8% from €631 million as of September 30, 2022:

- volumes sold: -14.6% (Q3 -14%);
- prices: -6.8% (Q3 -10.4% and -4.8% vs Q2 2023);
- scope: +0.5% (Q3 +0.4%) following the acquisition of DELTA ACCIAI early 2023.

Gross margin amounted to €84 million, representing 16.8% of sales (Q3 €21 million, representing 15% of sales), compared to €129 million as of September 30, 2022 (20.4% of sales).

EBITDA amounted to €19 million, representing 3.8% of sales (Q3 €2 million, representing 1.2% of sales), compared to €56 million as of September 30, 2022 (8.8% 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**.

Sales amounted to €865 million, down -15% from €1,018 million as of September 30, 2022:

- volumes sold: -10.6% (Q3 -10%);
- prices: -4.7% (Q3 -12.1% and -3.9% vs Q2 2023);
- scope: +0.2% (Q3 +0.7%) following the acquisition of COMETAL Metallhalbzeuge at the end of June 2023.

Gross margin amounted to €178 million, representing 20.6% of sales (Q3 €44 million, representing 18.5% of sales), compared to €254 million as of September 30, 2022 (25% of sales).

EBITDA amounted to €37 million, representing 4.3% of sales (Q3 €3 million, representing 1.1% of sales), compared to €104 million as of September 30, 2022 (10.3% of sales).



## Key financial information

### Income statements

€m	Q3 2023	Q3 2022	30.09.23 9 months	30.09.22 9 months
<b>Sales</b>	<b>494</b>	<b>638</b>	<b>1,764</b>	<b>2,118</b>
<b>Gross margin</b>	<b>95</b>	<b>144</b>	<b>380</b>	<b>548</b>
% of sales	19.3%	22.5%	21.5%	25.9%
<b>EBITDA*</b>	<b>18</b>	<b>60</b>	<b>118</b>	<b>269</b>
% of sales	3.6%	9.5%	6.7%	12.7%
<b>Adjusted operating income*</b>	<b>7</b>	<b>51</b>	<b>91</b>	<b>234</b>
% of sales	1.5%	8.0%	5.2%	11.0%
<b>Operating income</b>	<b>8</b>	<b>51</b>	<b>92</b>	<b>230</b>
Net financial expense	(4)	(5)	(14)	(12)
Corporate income tax	(3)	(10)	(25)	(48)
Minority interests	(0)	(2)	(4)	(9)
<b>Net income (Group share)</b>	<b>0</b>	<b>34</b>	<b>49</b>	<b>160</b>

\* Adjusted for non-recurring items.

### Cash flows

€m	30.09.23 9 months	30.09.22 9 months
Operating cash flow before change in working capital	79	242
Change in working capital	53	(217)
<b>Cash flow from operating activities</b>	<b>132</b>	<b>25</b>
Capital expenditure	(44)	(21)
Asset disposals	1	1
Dividends paid to shareholders of JACQUET METALS SA	(23)	(23)
Interest paid	(12)	(9)
Other movements	(54)	(39)
<b>Change in net debt</b>	<b>2</b>	<b>(68)</b>
<b>Net debt brought forward</b>	<b>234</b>	<b>171</b>
<b>Net debt carried forward</b>	<b>232</b>	<b>239</b>

### Balance sheets

€m	30.09.23	31.12.22
Goodwill	72	67
Net non-current assets	209	178
Right-of-use assets	73	75
Net inventory	701	780
Net trade receivables	216	218
Other assets	133	146
Cash & cash equivalents	263	254
<b>Total assets</b>	<b>1,668</b>	<b>1,719</b>
Shareholders' equity	686	675
Provisions (including provisions for employee benefit obligations)	97	100
Trade payables	219	252
Borrowings	495	488
Other liabilities	92	127
Lease liabilities	79	78
<b>Total equity and liabilities</b>	<b>1,668</b>	<b>1,719</b>



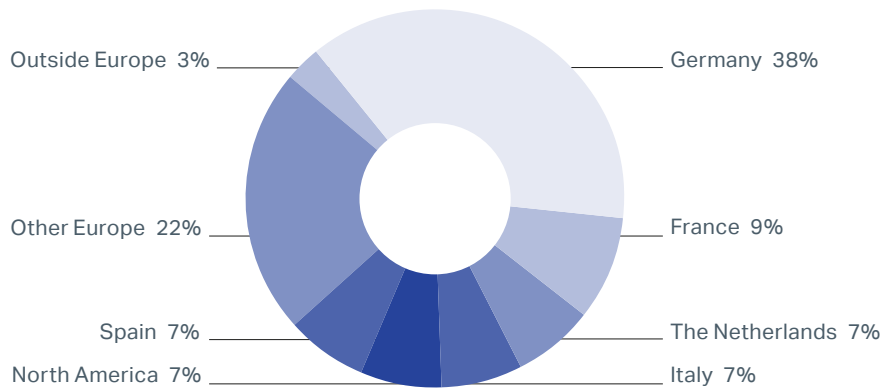
# The Group



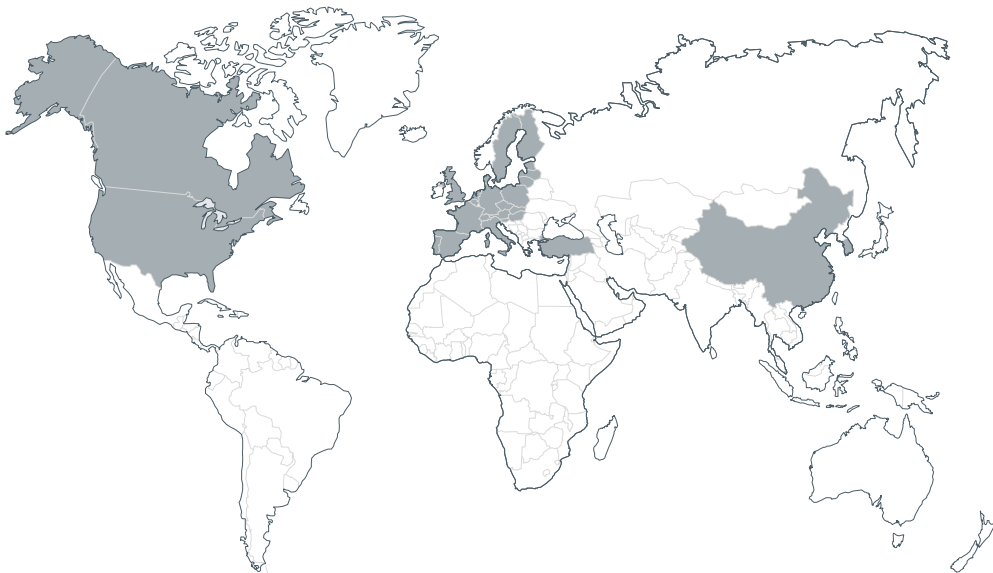
## 1 A leading distributor of special metals

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

### Breakdown of sales as of September 30, 2023



### A global player



122 distribution centers located in 27 countries • Staff: 3,393\*

\*data including the acquisition of distribution activities in Central and Eastern Europe on October 31, 2023.

## 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 purchasing terms of special metals, 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

#### Stock market information

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

		30.09.23	31.12.22
Number of shares at end of period	shares	22,707,209	23,022,739
<b>Market capitalization at end of period</b>	<b>€k</b>	<b>365,586</b>	<b>384,940</b>
High	€	20.05	25.60
Low	€	15.28	12.40
<b>Price at end of period</b>	<b>€</b>	<b>16.10</b>	<b>16.72</b>
Average daily trading volume	shares	14,369	21,251
Average daily traded capital	€	258,038	396,163

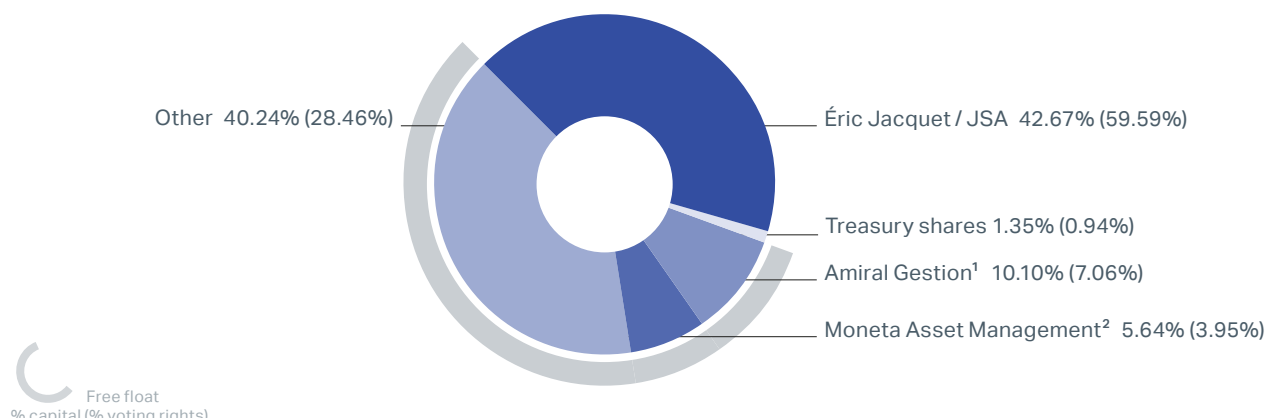
Pursuant to the delegation granted to the Board of Directors by the General Meeting of June 24, 2022, the Board of Directors, at its meeting held on May 10, 2023, resolved to cancel 315,530 shares purchased for cancellation under the share buyback program. Following this cancellation, the share capital of the Company comprised 22,707,209 shares and 32,472,954 attached theoretical voting rights as of September 30, 2023.

On September 30, 2023, the JACQUET METALS ("JCQ") share price stood at 16.10 euros. On November 6, 2023, the share price was €16.30.

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, 2023



<sup>1</sup> Information dated January 19, 2023. As of September 30, 2023, the Company has not received any additional information.  
<sup>2</sup> Information dated August 7, 2023. As of September 30, 2023, the Company has not received any additional information.

As of September 30, 2023, Éric Jacquet and JSA (which he controls) held 42.67% of the capital and 59.59% of the voting rights of JACQUET METALS SA ("the Company").

## 4 Financial communication schedule

**2023 full-year results**

March 13, 2024

The Company reserves the right to change this schedule at any time.

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

### Investor relations

**JACQUET METALS**  
**NEWCAP**

Thierry Philippe - Chief Financial Officer - [comfi@jacquetmetals.com](mailto:comfi@jacquetmetals.com)  
Emmanuel Huynh - T +33 1 44 71 94 94 - [jacquetmetals@newcap.eu](mailto:jacquetmetals@newcap.eu)



**Activity report**  
September 30, 2023

## 1 Group's sales and earnings

Results for the period ended September 30, 2023 are compared to the results for 2022, which may be consulted in the 2022 Universal Registration Document filed with the Autorité des Marchés Financiers (AMF, French financial market regulator) on April 13, 2023 (filing No. D.23-0278), and in the activity report as of September 30, 2022.

Market conditions in 2023 were mainly characterized by low demand and a decline in prices, corresponding to slowdown in industrial activities, notably in Germany. These trends, particularly marked during the third quarter, are exerting strong pressure on gross margins and volumes sold.

In these conditions, the Group posted sales of €1,764 million, down 16.7% compared to the previous year.

As of September 30, 2023 (9 months of activity), the gross margin represented 21.5% of sales (Q3 19.3%) compared to 25.9% a year earlier, and EBITDA amounted to €118 million, representing 6.7% of sales (Q3 3.6%) compared to 12.7% a year earlier.

Net income (Group share) amounted to €49 million (Q3 breakeven) compared to €160 million as of September 30, 2022.

In this context, the Group generated operating cash flow of €132 million and consolidated its financial structure with shareholders' equity of €686 million. As of September 30, 2023, the net debt to equity ratio (gearing) amounted to 34% (compared to 35% at 2022 year-end).

Capital expenditure (excluding external growth) represented €44 million, mainly dedicated to strengthening distribution center capacities as well as improving and renewing their equipment. During the third quarter the Group notably invested in the JACQUET division by acquiring a real estate asset in Germany (Stuttgart region) and a land in Canada (Toronto region) for its ROLARK subsidiary.

Following the acquisitions of an Italian company, DELTA ACCIAI (STAPPERT division), and a German company, COMETAL Metallhalbzeuge (IMS group division), on October 31, 2023 (post balance sheet), IMS group finalized the acquisition from Swiss Steel Group of companies in the Czech Republic, Poland, Slovakia, Hungary, Lithuania, Estonia and Latvia, that have generated sales of €158 million in 2022 with 267 employees.

In Q4 2023, the evolution of market conditions leads the Group to anticipate business levels significantly inferior to those in Q4 2022.

In this environment, the Group will focus on managing its working capital and, backed by its financial strength, will continue its capital expenditure and development policy.

€k	Q3 2023	Q3 2022	30.09.23 9 months	30.09.22 9 months
<b>Sales</b>	<b>494,106</b>	<b>638,119</b>	<b>1,764,440</b>	<b>2,118,473</b>
<b>Gross margin</b>	<b>95,180</b>	<b>143,766</b>	<b>379,874</b>	<b>547,955</b>
<i>% of sales</i>	19.3%	22.5%	21.5%	25.9%
Operating expenses	(77,360)	(83,443)	(261,564)	(278,733)
Net depreciation and amortization	(10,048)	(9,813)	(29,931)	(28,647)
Net provisions	(319)	422	3,012	(11,482)
Gains on disposals of non-current assets	64	53	303	484
<b>Operating income</b>	<b>7,517</b>	<b>50,985</b>	<b>91,694</b>	<b>229,577</b>
Financial result	(4,301)	(4,724)	(13,841)	(11,983)
<b>Income before tax</b>	<b>3,216</b>	<b>46,261</b>	<b>77,853</b>	<b>217,594</b>
Corporate income tax	(2,706)	(9,876)	(25,033)	(48,176)
<b>Consolidated net income</b>	<b>510</b>	<b>36,385</b>	<b>52,820</b>	<b>169,418</b>
<b>Net income (Group share)</b>	<b>48</b>	<b>34,488</b>	<b>49,236</b>	<b>160,313</b>
<b>Earnings per share in circulation (€)</b>	<b>0</b>	<b>1.50</b>	<b>2.17</b>	<b>6.96</b>
<b>Operating income</b>	<b>7,517</b>	<b>50,985</b>	<b>91,694</b>	<b>229,577</b>
Non-recurring items and gains on disposals	(64)	(53)	(303)	4,152
<b>Adjusted operating income</b>	<b>7,453</b>	<b>50,932</b>	<b>91,391</b>	<b>233,729</b>
<i>% of sales</i>	1.5%	8.0%	5.2%	11.0%
Net depreciation and amortization	10,048	9,813	29,931	28,647
Net provisions	319	(422)	(3,012)	11,482
Non-recurring items	-	-	-	(4,636)
<b>EBITDA</b>	<b>17,820</b>	<b>60,323</b>	<b>118,310</b>	<b>269,222</b>
<i>% of sales</i>	3.6%	9.5%	6.7%	12.7%

## Sales

Consolidated sales amounted to €1,764 million, down -16.7% compared to September 30, 2022, including the following effects:

- volumes sold: -10.8% (Q3 -10.9%);
- prices: -6.5% (Q3 -12.1% and -4.3% vs Q2 2023);
- scope: +0.6% (Q3 +0.4%) following the acquisitions of FIDELITY PAC Metals in May 2022, DELTA ACCIAI early 2023 and COMETAL Metallhalbzeuge at the end of June 2023.

€m	Q3 2023	Q3 2022	30.09.23 9 months	30.09.22 9 months
<b>Sales</b>	<b>494</b>	<b>638</b>	<b>1,764</b>	<b>2,118</b>
<b>Change 2023 vs 2022</b>	<b>-22.6%</b>		<b>-16.7%</b>	
Price effect	-12.1%		-6.5%	
Volume effect	-10.9%		-10.8%	
Scope effect	+0.4%		+0.6%	



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 September 30, 2023;
- change in consolidation (current year acquisitions and disposals):
  - acquisitions: change in consolidation corresponds to the contribution (volumes and sales) of the acquired entity since the acquisition date;
  - disposals: change in consolidation corresponds to the contribution (volumes and sales) made by the sold entity in the year preceding disposal from the date falling one year before the disposal date until the end of the previous year;
- change in consolidation (previous year acquisitions and disposals):
  - acquisitions: the impact of the change in consolidation scope corresponds to the contribution (volumes and sales) of the acquired entity in the current year from January, 1<sup>st</sup> until the anniversary of the acquisition;
  - disposals: the impact of the change in consolidation scope corresponds to the contribution (volumes and sales) of the sold entity from January, 1<sup>st</sup> the previous year until the date of disposal.

## Gross margin

Gross margin amounted to €380 million representing 21.5% of sales (Q1 25%; Q2 19.3% ; Q3 19.3%), compared to €548 million a year earlier (25.9% of sales).

€m	Q3 2023	Q3 2022	30.09.23 9 months	30.09.22 9 months
<b>Sales</b>	494	638	1,764	2,118
<b>Cost of goods sold</b>	(399)	(494)	(1,385)	(1,571)
Incl. purchases consumed	(406)	(485)	(1,413)	(1,497)
Incl. inventory impairment	7	(9)	29	(74)
<b>Gross margin</b>	95	144	380	548
<i>% of sales</i>	19.3%	22.5%	21.5%	25.9%

## Operating income

Current operating expenses\* amounted to €262 million, down -6% compared to September 30, 2022. Inflation contributed for around €7 million to the increase in expenses.

\* excluding depreciation, amortization and provisions €(27)m.

EBITDA amounted to €118 million and represented 6.7% of sales (Q1 11.1%; Q2 4.1%; Q3 3.6%) compared to €269 million as of September 30, 2022 (12.7% of sales) and does not include any non-recurring items.

Adjusted operating income amounted to €91 million (5.2% of sales).

Operating income includes gains on disposals of non current assets amounting to €303 thousand, and amounted to €92 million.

## Financial result

Net financial expense amounted to €14 million compared to €12 million as of September 30, 2022.

As of September 30, 2023, the average gross debt rate was 3.9% (average gross debt over rolling 9 months: €455 million), compared to 2.1% at the end of December 2022 (2022 average gross debt: €459 million).

€m	Q3 2023	Q3 2022	30.09.23 9 months	30.09.22 9 months
<b>Net cost of debt</b>	<b>(3.6)</b>	<b>(2.9)</b>	<b>(10.8)</b>	<b>(7.5)</b>
Other financial items	(0.7)	(1.8)	(3.0)	(4.4)
<b>Financial result</b>	<b>(4.3)</b>	<b>(4.7)</b>	<b>(13.8)</b>	<b>(12.0)</b>

## Net income

Net income (Group share) amounted to €49.2 million compared to €160.3 million as of September 30, 2022.

€m	Q3 2023	Q3 2022	30.09.23 9 months	30.09.22 9 months
<b>Income before taxes</b>	<b>3.2</b>	<b>46.3</b>	<b>77.9</b>	<b>217.6</b>
Corporate income tax	(2.7)	(9.9)	(25.0)	(48.2)
Income tax rate	84.1%	21.3%	32.2%	22.1%
<b>Consolidated net income</b>	<b>0.5</b>	<b>36.4</b>	<b>52.8</b>	<b>169.4</b>
Minority interests	(0.5)	(1.9)	(3.6)	(9.1)
<b>Net income (Group share)</b>	<b>0.0</b>	<b>34.5</b>	<b>49.2</b>	<b>160.3</b>
% of sales	0.0%	5.4%	2.8%	7.6%

## 2

## Sales and earnings by division

€m	Q3 2023			30.09.23 9 months		
	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
<b>Sales</b>	<b>117</b>	<b>141</b>	<b>240</b>	<b>415</b>	<b>500</b>	<b>865</b>
Change 2023 vs 2022	-23%	-24%	-21.4%	-14.6%	-20.8%	-15%
Price effect	-14%	-10.4%	-12.1%	-9.9%	-6.8%	-4.7%
Volume effect	-8.9%	-14%	-10%	-6.4%	-14.6%	-10.6%
Scope effect	n.a.	+0.4%	+0.7%	+1.7%	+0.5%	+0.2%
<b>EBITDA<sup>1,2</sup></b>	<b>6</b>	<b>2</b>	<b>3</b>	<b>40</b>	<b>19</b>	<b>37</b>
% of sales	4.8%	1.2%	1.1%	9.7%	3.8%	4.3%
<b>Adjusted operating income<sup>2</sup></b>	<b>4</b>	<b>1</b>	<b>2</b>	<b>34</b>	<b>18</b>	<b>34</b>
% of sales	3.1%	0.5%	0.6%	8.3%	3.5%	4%

<sup>1</sup> Excluding IFRS 16 impacts. As of September 30, 2023, non-division operations (mainly holdings and real-estate companies) and the application of IFRS 16 - Leases contributed €7 million and €15 million to EBITDA respectively.

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

n.a. : Not applicable.

## JACQUET

The division specializes in the distribution of stainless steel quarto plates. It generates 62% of its business in Europe and 31% in North America.

Sales amounted to €415 million, down -14.6% from €486 million as of September 30, 2022:

- volumes sold: -6.4% (Q3 -8.9%);
- prices: -9.9% (Q3 -14% and -4.9% vs Q2 2023);
- scope: +1.7% following the acquisition of FIDELITY PAC Metals in May 2022.

Gross margin amounted to €118 million, representing 28.3% of sales (Q3 €29 million, representing 25.2% of sales), compared to €165 million as of September 30, 2022 (33.9% of sales).

EBITDA amounted to €40 million, representing 9.7% of sales (Q3 €6 million, representing 4.8% of sales), compared to €85 million as of September 30, 2022 (17.4% of sales).

€m	Q3 2023	Q3 2022	30.09.23 9 months	30.09.22 9 months
<b>Sales</b>	<b>116.8</b>	<b>151.6</b>	<b>415.2</b>	<b>486.0</b>
<b>Change 2023 vs 2022</b>	<b>-23%</b>		<b>-14.6%</b>	
Price effect	-14%		-9.9%	
Volume effect	-8.9%		-6.4%	
Scope effect	n.a.		+1.7%	
<b>Gross margin</b>	<b>29.5</b>	<b>45.1</b>	<b>117.6</b>	<b>165.0</b>
% of sales	25.2%	29.8%	28.3%	33.9%
<b>EBITDA</b>	<b>5.6</b>	<b>19.7</b>	<b>40.3</b>	<b>84.8</b>
% of sales	4.8%	13.0%	9.7%	17.4%
<b>Adjusted operating income</b>	<b>3.6</b>	<b>17.9</b>	<b>34.5</b>	<b>78.3</b>
% of sales	3.1%	11.8%	8.3%	16.1%

## STAPPERT

The division specializes in the distribution of stainless steel long products mainly in Europe. It generates 44% of its sales in Germany, the largest European market.

Sales amounted to €500 million, down -20.8% from €631 million as of September 30, 2022:

- volumes sold: -14.6% (Q3 -14%);
- prices: -6.8% (Q3 -10.4% and -4.8% vs Q2 2023);
- scope: +0.5% (Q3 +0.4%) following the acquisition of DELTA ACCIAI early 2023.

Gross margin amounted to €84 million, representing 16.8% of sales (Q3 €21 million, representing 15% of sales), compared to €129 million as of September 30, 2022 (20.4% of sales).

EBITDA amounted to €19 million, representing 3.8% of sales (Q3 €2 million, representing 1.2% of sales), compared to €56 million as of September 30, 2022 (8.8% of sales).

€m	Q3 2023	Q3 2022	30.09.23 9 months	30.09.22 9 months
<b>Sales</b>	<b>141.2</b>	<b>185.9</b>	<b>499.6</b>	<b>631.1</b>
<b>Change 2023 vs 2022</b>	<b>-24%</b>		<b>-20.8%</b>	
Price effect	-10.4%		-6.8%	
Volume effect	-14%		-14.6%	
Scope effect	+0.4%		+0.5%	
<b>Gross margin</b>	<b>21.2</b>	<b>29.4</b>	<b>84.1</b>	<b>128.5</b>
% of sales	15.0%	15.8%	16.8%	20.4%
<b>EBITDA</b>	<b>1.7</b>	<b>8.0</b>	<b>19.2</b>	<b>55.7</b>
% of sales	1.2%	4.3%	3.8%	8.8%
<b>Adjusted operating income</b>	<b>0.7</b>	<b>7.4</b>	<b>17.5</b>	<b>53.3</b>
% of sales	0.5%	4.0%	3.5%	8.4%

## 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 €865 million, down -15% from €1,018 million as of September 30, 2022:

- volumes sold: -10.6% (Q3 -10%);
- prices: -4.7% (Q3 -12.1% and -3.9% vs Q2 2023);
- scope: +0.2% (Q3 +0.7%) following the acquisition of COMETAL Metallhalbzeuge at the end of June 2023.

Gross margin amounted to €178 million, representing 20.6% of sales (Q3 €44 million, representing 18.5% of sales), compared to €254 million as of September 30, 2022 (25% of sales).

EBITDA amounted to €37 million, representing 4.3% of sales (Q3 €3 million, representing 1.1% of sales), compared to €104 million as of September 30, 2022 (10.3% of sales).

€m	Q3 2023	Q3 2022	30.09.23 9 months	30.09.22 9 months
<b>Sales</b>	<b>240.1</b>	<b>305.6</b>	<b>864.7</b>	<b>1 017.8</b>
<b>Change 2023 vs 2022</b>	<b>-21.4%</b>		<b>-15%</b>	
Price effect	-12.1%		-4.7%	
Volume effect	-10.0%		-10.6%	
Scope effect	+0.7%		+0.2%	
<b>Gross margin</b>	<b>44.5</b>	<b>69.2</b>	<b>178.1</b>	<b>254.5</b>
% of sales	18.5%	22.7%	20.6%	25.0%
<b>EBITDA</b>	<b>2.7</b>	<b>25.0</b>	<b>37.0</b>	<b>104.4</b>
% of sales	1.1%	8.2%	4.3%	10.3%
<b>Adjusted operating income</b>	<b>1.5</b>	<b>23.5</b>	<b>34.3</b>	<b>95.0</b>
% of sales	0.6%	7.7%	4.0%	9.3%

## 3

## Consolidated financial position

## Summary balance sheets

€m	30.09.23	31.12.22
Goodwill	72	67
Net non-current assets	209	178
Right-of-use assets	73	75
Net inventory	701	780
Net trade receivables	216	218
Other assets	133	146
Cash & cash equivalents	263	254
<b>Total assets</b>	<b>1,668</b>	<b>1,719</b>
Shareholders' equity	686	675
Provisions (including provisions for employee benefit obligations)	97	100
Trade payables	219	252
Borrowings	495	488
Other liabilities	92	127
Lease liabilities	79	78
<b>Total equity and liabilities</b>	<b>1,668</b>	<b>1,719</b>

## Working capital

Operating working capital amounted to €698 million (30% of sales) compared to €746 million at 2022 year-end (28% of sales), with inventory down by €79 million over the period (€701 million at the end of September 2023 compared with €780 million at end 2022).

€m	30.09.23	31.12.22	Change
Net inventory	701	780	-79
<i>Days sales inventory*</i>	196	198	
Net trade receivables	216	218	-2
<i>Days sales outstanding</i>	42	44	
Trade payables	(219)	(252)	32
<i>Days payables outstanding</i>	55	53	
<b>Net operating working capital</b>	<b>698</b>	<b>746</b>	<b>-48</b>
<i>% of sales*</i>	30.0%	27.7%	
Other receivables / payables excluding taxes and financial items	(28)	(33)	5
<b>Working capital excluding taxes and financial items</b>	<b>670</b>	<b>713</b>	<b>-43</b>
Consolidation and other changes		10	
<b>Working capital before taxes and financial items and adjusted for other changes</b>	<b>670</b>	<b>723</b>	<b>-53</b>
<i>% of sales*</i>	28.7%	27.0%	

\* Rolling 12 months (including FIDELITY PAC Metals, DELTA ACCIAI and COMETAL Metallhalbzeuge over rolling 12 months).

## Net debt

As of September 30, 2023, Group net debt stood at €232 million with a shareholder's equity of €686 million resulting in a net debt to equity ratio (gearing) of 34% (35% at 2022 year-end).

€m	30.09.23	31.12.22
Borrowings	495	488
Cash and cash equivalents	263	254
<b>Net debt</b>	<b>232</b>	<b>234</b>
<i>Net debt to equity ratio (gearing)</i>	<i>33.9%</i>	<i>34.6%</i>

## Borrowings

As of September 30, 2023, the Group had €914 million in lines of credit, 54% of which had been used:

€m	Authorized as of 30.09.23	Used as of 30.09.23	% used	Maturity			
				2023	2024-2025	2026-2027	2028 and beyond
Syndicated revolving loan 2026	160	0	0%	-	-	-	-
Schuldscheindarlehen 2024-2025	70	70	100%	-	70	-	-
Schuldscheindarlehen 2026	150	150	100%	-	-	150	-
Term loan PPR 2031	40	40	100%	-	-	3	38
Term loans	87	87	100%	9	48	24	5
Other lines of credit	147	45	31%	35	11	-	-
<b>JACQUET METALS SA borrowings</b>	<b>654</b>	<b>392</b>	<b>60%</b>	<b>44</b>	<b>128</b>	<b>177</b>	<b>43</b>
Operational lines of credit (letter of credit. etc.)	175	56	32%	47	9	-	-
Factoring	40	1	2%	1	-	-	-
Assets financing (term loans. etc.)	45	45	100%	2	13	16	14
<b>Subsidiaries borrowings</b>	<b>260</b>	<b>103</b>	<b>40%</b>	<b>50</b>	<b>23</b>	<b>16</b>	<b>14</b>
<b>Total</b>	<b>914</b>	<b>495</b>	<b>54%</b>	<b>94</b>	<b>151</b>	<b>193</b>	<b>57</b>

In addition to the financing shown in the above table, the Group also had €81 million in non-recourse receivable assignment facilities, €51 million of which had been used as of September 30, 2023.

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, 2023, all borrowings covenants were in compliance.

In Q3 2023, the financing structure changed through the implementation of a new €160 million syndicated loan maturing in 3 years (July 2026), replacing the previous €125 million syndicated loan.

Moreover, a term loan totaling €55 million (€40 million raised in September and €15 million in October) has been set up maturing in 8 years (2031).

	Syndicated revolving loan 2026	Schuldscheindarlehen 2024-2025	Schuldscheindarlehen 2026
Date of signature	July 2023	December 2019	July 2021
Maturity	July 2026	December 2024 (tranche 1: €36 million) and January 2025 (tranche 2: €34 million)	July 2026
Amount	€160 million (unused as of September 30, 2023)	€70 million (fully used as of September 30, 2023)	€150 million (fully used as of September 30, 2023)
Amortization	n.a.	<i>in fine</i>	
Guarantee	none	none	
Change of control clause	JSA must hold at least 37% of JACQUET METALS SA's share capital and voting rights	JSA must hold at least 37% of JACQUET METALS SA's share capital and voting rights	
Main covenants	- net debt to equity ratio (gearing) less than 100%, or - leverage less than 2	Net debt to equity ratio (gearing) less than 100%	

n.a.: Not applicable.

## Cash flows

As of September 30, 2023, the Group generated operating cash flow of €+132 million.

€m	30.09.23 9 months	30.09.22 9 months
Operating cash flow before change in working capital	79	242
Change in working capital	53	(217)
<b>Cash flow from operating activities</b>	<b>132</b>	<b>25</b>
Capital expenditure	(44)	(21)
Asset disposals	1	1
Dividends paid to shareholders of JACQUET METALS SA	(23)	(23)
Interest paid	(12)	(9)
Other movements	(54)	(39)
<b>Change in net debt</b>	<b>2</b>	<b>(68)</b>
<b>Net debt brought forward</b>	<b>234</b>	<b>171</b>
<b>Net debt carried forward</b>	<b>232</b>	<b>239</b>

As of September 30, 2023, capital expenditure (excluding external growth) amounted to €44 million.

"Other movements" notably consist of the purchase price of DELTA ACCIAI and COMETAL Metallhalbzeuge, shares buyback (€10 million) as well as rent expenses pursuant to the application of *IFRS 16 - Leases*.

After payment of the dividend and financing of capital expenditure and the acquisitions of DELTA ACCIAI and COMETAL Metallhalbzeuge, net debt amounted to €232 million, compared to €234 million at 2022 year-end.

## Post balance sheet events

On October 31, 2023, IMS group finalized the acquisition from Swiss Steel Group of companies in the Czech Republic, Poland, Slovakia, Hungary, Lithuania, Estonia and Latvia, that have generated sales of €158 million in 2022, with 267 employees.





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 3,393 employees, JACQUET METALS has a network of  
122 distribution centers in 27 countries in Europe, Asia and North America.

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