

# 2023



**JACQUET**  
METALS

**Half-year financial report**



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

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## PRESS RELEASE

### First half 2023 results

Lyon, September 13, 2023 - 6.00 PM CEST

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**Sales: €1,270m (-14.2% vs H1 2022)**

**EBITDA: €100m (7.9% of sales)**

**Net income (Group share): €49m**

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First half 2023 was marked by less favorable economic environment compared to the previous financial year:

- The decline in demand and prices observed at the beginning of the year has intensified since Q2 and is continuing into Q3;
- Demand was affected by the widespread slowdown in manufacturing activities, notably in Germany;
- This trend was concurrent with strong pressure on gross margins.

In this context, the Group posted **sales** of €1,270 million, down 14.2% compared to H1 2022.

The gross margin represented 22.4% of sales compared to 27.3% a year earlier and **EBITDA** amounted to €100 million, representing 7.9% of sales compared to 14.1% a year earlier.

**Net income (Group share)** amounted to €49 million compared to €126 million at the end of June 2022.

During the period, the Group generated **operating cash flow** of €134 million and consolidated its financial structure with **shareholders' equity** of €690 million and a net debt to equity ratio (**gearing**) of 23% (35% at 2022 year-end).

**Capital expenditure** (excluding external growth) represented €15 million, mainly dedicated to strengthening distribution centers capacities as well as improving and renewing their equipments.

In early 2023, the STAPPERT division set up operations in Italy with the **acquisition** of Delta Acciai (€10 million sales) and now has 2 distribution centers in Turin and Milan.

More recently, in June 2023 the IMS group division completed the **acquisition** of Cometal Metallhalbzeuge (€15 million sales), a German company specializing in aluminum distribution.

As a reminder, the IMS group division has signed an agreement for the **acquisition** of 7 distribution companies in a few months, which will strengthen its positioning in Central and Eastern Europe. The completion of the transaction is subject to closing conditions, notably the approval of the relevant antitrust authorities.

In Q3 2023, the evolution of market conditions leads the Group to anticipate business levels significantly inferior to those in Q3 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.



## H1 2023 results

On September 13, 2023, the Board of Directors, chaired by Éric Jacquet, approved the consolidated financial statements for the six months ended June 30, 2023, on which the Statutory Auditors had conducted a limited review.

€m	Q2 2023	Q2 2022	H1 2023	H1 2022
<b>Sales</b>	<b>579</b>	<b>757</b>	<b>1,270</b>	<b>1,480</b>
<b>Gross margin</b>	<b>112</b>	<b>205</b>	<b>285</b>	<b>404</b>
<i>% of sales</i>	<i>19.3%</i>	<i>27.0%</i>	<i>22.4%</i>	<i>27.3%</i>
<b>EBITDA<sup>1</sup></b>	<b>24</b>	<b>107</b>	<b>100</b>	<b>209</b>
<i>% of sales</i>	<i>4.1%</i>	<i>14.2%</i>	<i>7.9%</i>	<i>14.1%</i>
<b>Adjusted operating income<sup>1</sup></b>	<b>16</b>	<b>93</b>	<b>84</b>	<b>183</b>
<i>% of sales</i>	<i>2.8%</i>	<i>12.3%</i>	<i>6.6%</i>	<i>12.3%</i>
<b>Operating income</b>	<b>16</b>	<b>89</b>	<b>84</b>	<b>179</b>
<b>Net income (Group share)</b>	<b>5</b>	<b>63</b>	<b>49</b>	<b>126</b>

<sup>1</sup> Adjusted for non-recurring items. The half-year financial report includes a definition of non-IFRS financial indicators and explains the methods used to calculate them. The half-year financial report is available at [jacquetmetals.com](http://jacquetmetals.com).

Consolidated **sales** amounted to €1,270 million, down -14.2% compared to H1 2022, including the following effects:

- volumes sold: -10.8% (Q1 -10.6%; Q2 -10.8%);
- prices: -4.1% (Q1 +5.1%; Q2 -13.1% and -4.4% vs Q1 2023);
- scope: +0.7% (Q1 +1.1%; Q2 +0.4%) following the acquisitions of Fidelity PAC Metals in May 2022 and Delta Acciai early 2023.

**Gross margin** amounted to €285 million representing 22.4% of sales (Q1 25%; Q2 19.3%), compared to €404 million a year earlier (27.3% of sales).

**Current operating expenses\*** amounted to €184 million, down -6% compared to H1 2022. Inflation contributed for around €7 million to the increase in expenses.

\* excluding depreciation, amortization and provisions €(17)m.

**EBITDA** amounted to €100 million and represented 7.9% of sales (Q1 11.1%; Q2 4.1%) compared to €209 million in H1 2022 (14.1% of sales).

**Adjusted operating income** amounted to €84 million (6.6% of sales).

In this context, **Net income (Group share)** amounted to €49 million, compared to €126 million a year earlier.



## H1 2023 financial position

The Group generated positive **operating cash flow** of €134 million in H1 2023.

Operating **working capital** amounted to €694 million (28% of sales), compared to €746 million at 2022 year-end (28% of sales), with inventories down by €39 million over the period (€741 million at the end of June 2023 compared to €780 million at 2022 year-end).

After the financing of the capital expenditure and the acquisitions of the companies Delta Acciai and Cometal Metallhalbzeuge, **net debt** stood at €162 million at the end of June compared to €234 million at 2022 year-end. The net debt to equity ratio (gearing) amounted to 23% compared to 35% at 2022 year-end.

As of June 30, 2023, **cash** amounted to €266 million while lines of credit totaled €813 million (of which €385 million are unused).

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

## H1 2023 earnings by division

€m	Q2 2023			H1 2023		
	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>139</b>	<b>160</b>	<b>284</b>	<b>298</b>	<b>358</b>	<b>625</b>
Change 2023 vs 2022	-21.0%	-27.1%	-22.4%	-10.8%	-19.5%	-12.3%
Price effect	-19.2%	-15.5%	-8.5%	-7.9%	-5.2%	-1.5%
Volume effect	-2.8%	-12.1%	-13.9%	-5.3%	-14.9%	-10.8%
Scope effect	+1.0%	+0.5%	n.a.	+2.4%	+0.6%	n.a.
<b>EBITDA<sup>1,2</sup></b>	<b>10</b>	<b>1</b>	<b>6</b>	<b>35</b>	<b>17</b>	<b>34</b>
% of sales	7.0%	0.7%	2.0%	11.6%	4.9%	5.5%
<b>Adjusted operating income<sup>2</sup></b>	<b>8</b>	<b>1</b>	<b>5</b>	<b>31</b>	<b>17</b>	<b>33</b>
% of sales	5.5%	0.6%	1.6%	10.4%	4.7%	5.2%

<sup>1</sup> Excluding IFRS 16 impacts. As of June 30, 2023, non-division operations (mainly holdings and real-estate companies) and the application of IFRS 16 - Leases contributed €4 million and €10 million to EBITDA respectively.

<sup>2</sup> Adjusted for non-recurring items. The half-year financial report includes a definition of non-IFRS financial indicators and explains the methods used to calculate them. The half-year financial report is available at [jacquetmetals.com](http://jacquetmetals.com).  
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 30% in North America**.

Sales amounted to €298 million, down -10.8% from €334 million in H1 2022:

- volumes sold: -5.3% (Q1 -7.4%; Q2 -2.8%);
- prices: -7.9% (Q1 +4.1%; Q2 -19.2% and -5.2% vs Q1 2023);
- scope: +2.4% (Q1 +4%; Q2 +1%) following the acquisition of Fidelity PAC Metals in May 2022.

Gross margin amounted to €88 million, representing 29.5% of sales, compared to €120 million in H1 2022 (35.8% of sales).

EBITDA amounted to €35 million, representing 11.6% of sales, compared to €65 million in H1 2022 (19.5% 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 €358 million, down -19.5% from €445 million in H1 2022:

- volumes sold: -14.9% (Q1 -17.2%; Q2 -12.1%);
- prices: -5.2% (Q1 +4.4%; Q2 -15.5% and -4.4% vs Q1 2023);
- scope: +0.6% (Q1 +0.7%; Q2 +0.5%) following the acquisition of Delta Acciai early 2023.

Gross margin amounted to €63 million, representing 17.5% of sales, compared to €99 million in H1 2022 (22.3% of sales).

EBITDA amounted to €17 million, representing 4.9% of sales, compared to €48 million in H1 2022 (10.7% of sales).

## IMS group

The division specializes in the distribution of **engineering steels**, mostly in the form of long products. It generates **48% of its sales in Germany, the largest European market.**

Sales amounted to €625 million, down -12.3% from €712 million in H1 2022:

- volumes sold: -10.8% (Q1 -7.9%; Q2 -13.9%);
- prices: -1.5% (Q1 +6.3%; Q2 -8.5% and -4% vs Q1 2023).

Gross margin amounted to €134 million, representing 21.4% of sales, compared to €185 million in H1 2022 (26% of sales).

EBITDA amounted to €34 million, representing 5.5% of sales, compared to €79 million in H1 2022 (11.1% of sales).



## Key financial information

### Income statements

€m	Q2 2023	Q2 2022	H1 2023	H1 2022
<b>Sales</b>	<b>579</b>	<b>757</b>	<b>1,270</b>	<b>1,480</b>
<b>Gross margin</b>	<b>112</b>	<b>205</b>	<b>285</b>	<b>404</b>
<i>% of sales</i>	19.3%	27.0%	22.4%	27.3%
<b>EBITDA*</b>	<b>24</b>	<b>107</b>	<b>100</b>	<b>209</b>
<i>% of sales</i>	4.1%	14.2%	7.9%	14.1%
<b>Adjusted operating income*</b>	<b>16</b>	<b>93</b>	<b>84</b>	<b>183</b>
<i>% of sales</i>	2.8%	12.3%	6.6%	12.3%
<b>Operating income</b>	<b>16</b>	<b>89</b>	<b>84</b>	<b>179</b>
Net financial expense	(5)	(4)	(10)	(7)
Corporate income tax	(5)	(18)	(22)	(38)
Minority interests	(1)	(4)	(3)	(7)
<b>Net income (Group share)</b>	<b>5</b>	<b>63</b>	<b>49</b>	<b>126</b>

\* Adjusted for non-recurring items. The half-year financial report includes a definition of non-IFRS financial indicators and explains the methods used to calculate them. The half-year financial report is available at [jacquetmetals.com](http://jacquetmetals.com).

### Cash flows

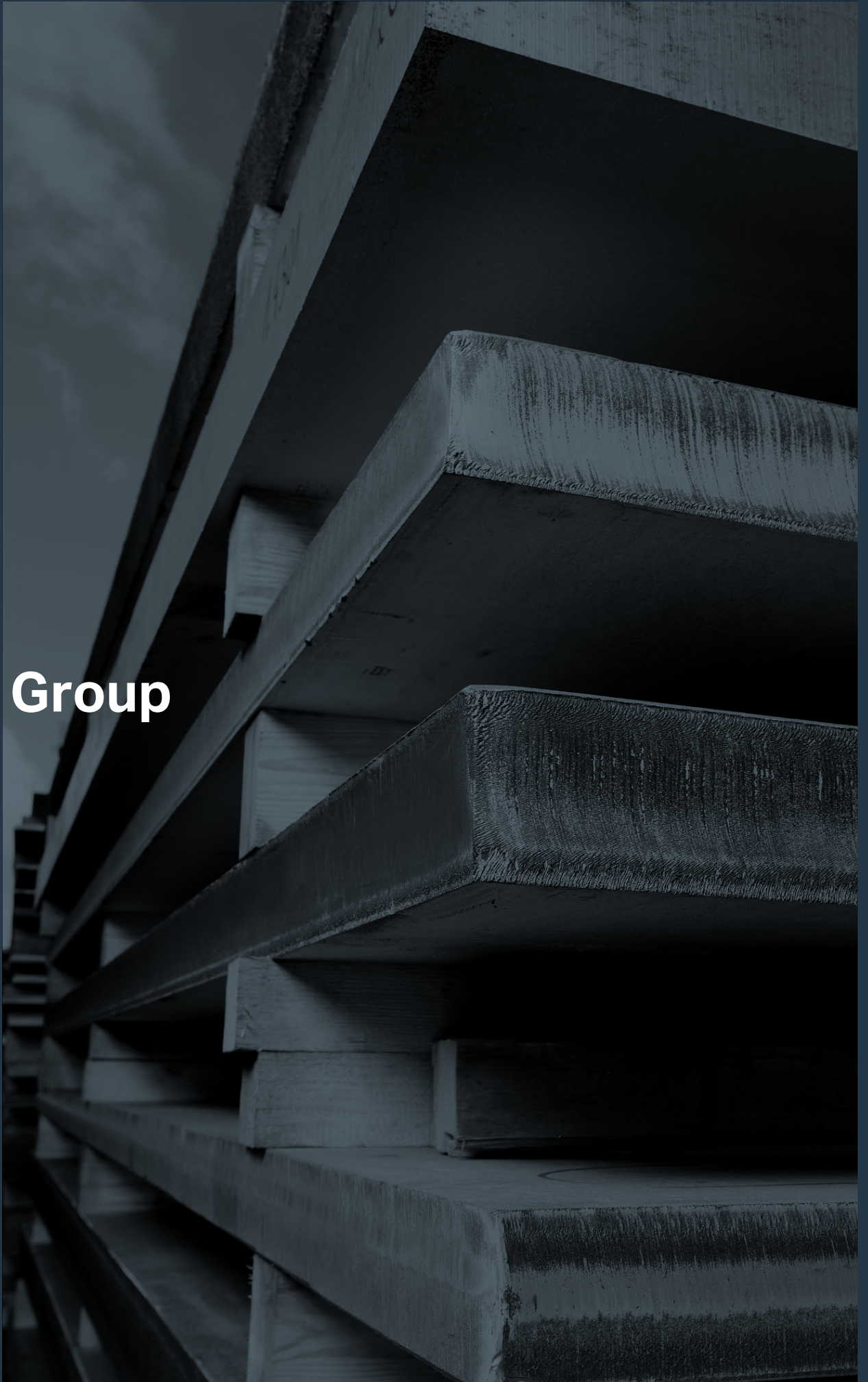
€m	H1 2023	H1 2022
Operating cash flow before change in working capital	72	193
Change in working capital	62	(141)
<b>Cash flow from operating activities</b>	<b>134</b>	<b>52</b>
Capital expenditure	(15)	(13)
Asset disposals	1	1
Dividends paid to shareholders of JACQUET METALS SA	-	-
Interest paid	(8)	(6)
Other movements	(40)	(32)
<b>Change in net debt</b>	<b>72</b>	<b>2</b>
<b>Net debt brought forward</b>	<b>234</b>	<b>171</b>
<b>Net debt carried forward</b>	<b>162</b>	<b>169</b>

### Balance sheets

€m	30.06.23	31.12.22
Goodwill	71	67
Net non-current assets	185	178
Right-of-use assets	76	75
Net inventory	741	780
Net trade receivables	263	218
Other assets	142	146
Cash & cash equivalents	266	254
<b>Total assets</b>	<b>1,743</b>	<b>1,719</b>
Shareholders' equity	690	675
Provisions (including provisions for employee benefit obligations)	96	100
Trade payables	310	252
Borrowings	427	488
Other liabilities	139	127
Lease liabilities	80	78
<b>Total equity and liabilities</b>	<b>1,743</b>	<b>1,719</b>



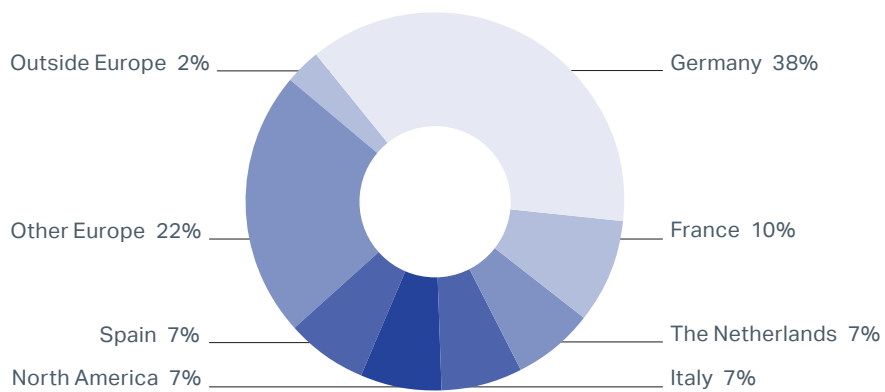
# The Group



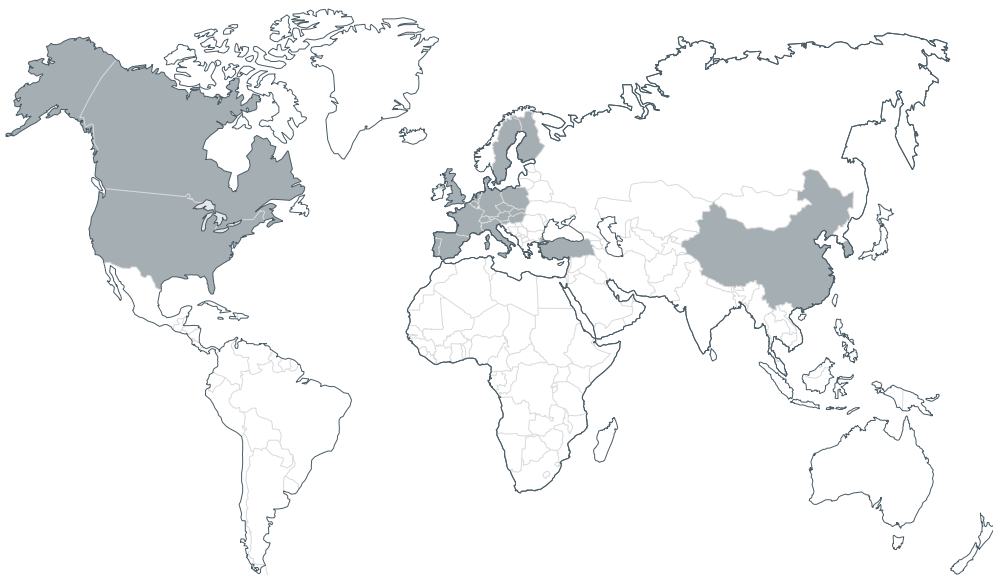
## 1 A leading distributor of special metals

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

### H1 2023 breakdown of sales



### A global player



111 distribution centers located in 24 countries • Staff: 3,126

## 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

		30.06.23	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>431,437</b>	<b>384,940</b>
High	€	20.05	25.60
Low	€	16.84	12.40
<b>Price at end of period</b>	<b>€</b>	<b>19.00</b>	<b>16.72</b>
Average daily trading volume	shares	15,178	21,251
Average daily traded capital	€	276,231	396,163

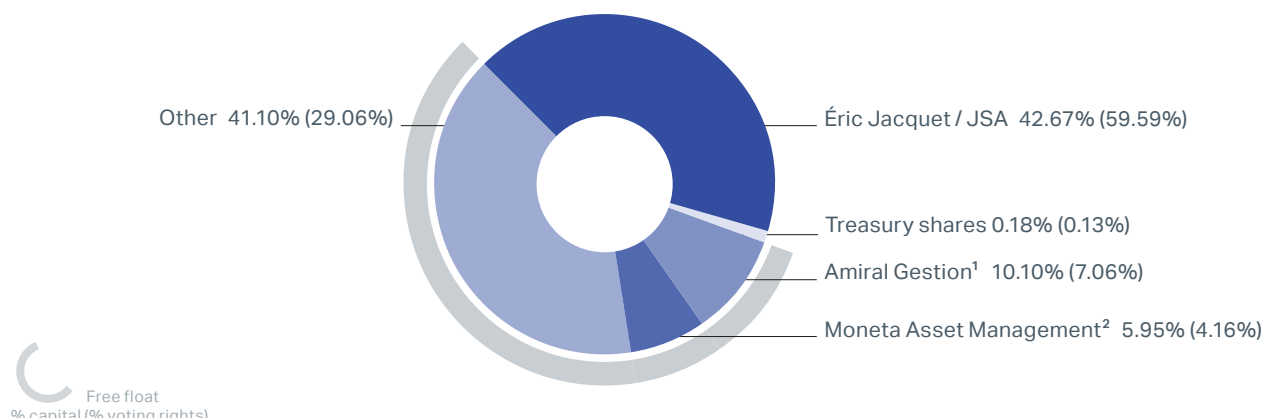
Pursuant to the delegation granted to the Board of Directors by the General Meeting of June 24, 2022, the Board of Directors, at its meeting held on May 10, 2023, resolved to cancel 315,530 shares purchased for cancellation under the share buyback program. Following this cancellation, the share capital of the Company comprised 22,707,209 shares and 32,472,624 attached theoretical voting rights as of June 30, 2023.

On June 30, 2023, the JACQUET METALS ("JCQ") share price was €19.00. The share price was €17.76 on September 12, 2023.

JACQUET METALS' shares are followed by:

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

#### Shareholder structure as of June 30, 2023



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

<sup>2</sup> Information dated June 5, 2023. As of June 30, 2023, the Company has not received any additional information.

As of June 30, 2023, Éric Jacquet and JSA (which is controlled by Éric Jacquet) held 42.67% of the share capital and 59.59% of the voting rights in JACQUET METALS SA ("the Company").

## 4 Financial communication schedule

**Results as of September 30, 2023**  
**2023 full-year results**

November 7, 2023  
March 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**

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Emmanuel Huynh - T +33 1 44 71 94 94 - [jacquetmetals@newcap.eu](mailto:jacquetmetals@newcap.eu)



**Half-year activity report  
June 30, 2023**

## 1 Group's sales and earnings

Results for the period ended June 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 2022 half-year financial report.

First half 2023 was marked by less favorable economic environment compared to the previous financial year:

- The decline in demand and prices observed at the beginning of the year has intensified since Q2 and is continuing into Q3;
- Demand was affected by the widespread slowdown in manufacturing activities, notably in Germany;
- This trend was concurrent with strong pressure on gross margins.

In this context, the Group posted sales of €1,270 million, down 14.2% compared to H1 2022.

The gross margin represented 22.4% of sales compared to 27.3% a year earlier and EBITDA amounted to €100 million, representing 7.9% of sales compared to 14.1% a year earlier.

Net income (Group share) amounted to €49 million compared to €126 million at the end of June 2022.

During the period, the Group generated operating cash flow of €134 million and consolidated its financial structure with shareholders' equity of €690 million and a net debt to equity ratio (gearing) of 23% (35% at 2022 year-end).

Capital expenditure (excluding external growth) represented €15 million, mainly dedicated to strengthening distribution centers capacities as well as improving and renewing their equipments.

In early 2023, the STAPPERT division set up operations in Italy with the acquisition of Delta Acciai (€10 million sales) and now has 2 distribution centers in Turin and Milan.

More recently, in June 2023 the IMS group division completed the acquisition of Cometal Metallhalbzeuge (€15 million sales), a German company specializing in aluminum distribution.

As a reminder, the IMS group division has signed an agreement for the acquisition of 7 distribution companies in a few months, which will strengthen its positioning in Central and Eastern Europe. The completion of the transaction is subject to closing conditions, notably the approval of the relevant antitrust authorities.

In Q3 2023, the evolution of market conditions leads the Group to anticipate business levels significantly inferior to those in Q3 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	Q2 2023	Q2 2022	H1 2023	H1 2022
<b>Sales</b>	<b>578,677</b>	<b>756,715</b>	<b>1,270,334</b>	<b>1,480,354</b>
<b>Gross margin</b>	<b>111,715</b>	<b>204,602</b>	<b>284,695</b>	<b>404,189</b>
<i>% of sales</i>	19.3%	27.0%	22.4%	27.3%
Operating expenses	(87,840)	(97,342)	(184,207)	(195,289)
Net depreciation and amortization	(9,968)	(9,658)	(19,882)	(18,835)
Net provisions	2,111	(8,791)	3,332	(11,904)
Gains on disposals of non-current assets	195	223	239	431
<b>Operating income</b>	<b>16,213</b>	<b>89,034</b>	<b>84,177</b>	<b>178,592</b>
Financial result	(4,550)	(4,182)	(9,540)	(7,259)
<b>Income before tax</b>	<b>11,663</b>	<b>84,852</b>	<b>74,637</b>	<b>171,333</b>
Corporate income tax	(5,410)	(18,260)	(22,328)	(38,300)
<b>Consolidated net income</b>	<b>6,253</b>	<b>66,592</b>	<b>52,309</b>	<b>133,033</b>
<b>Net income (Group share)</b>	<b>5,419</b>	<b>62,584</b>	<b>49,188</b>	<b>125,825</b>
<b>Earnings per share in circulation (€)</b>	<b>0.24</b>	<b>2.72</b>	<b>2.17</b>	<b>5.47</b>
<b>Operating income</b>	<b>16,213</b>	<b>89,034</b>	<b>84,177</b>	<b>178,592</b>
Non-recurring items and gains on disposals	(195)	3,877	(239)	4,205
<b>Adjusted operating income</b>	<b>16,018</b>	<b>92,911</b>	<b>83,938</b>	<b>182,797</b>
<i>% of sales</i>	2.8%	12.3%	6.6%	12.3%
Net depreciation and amortization	9,968	9,658	19,882	18,835
Net provisions	(2,111)	8,791	(3,332)	11,904
Non-recurring items	-	(4,100)	-	(4,636)
<b>EBITDA</b>	<b>23,875</b>	<b>107,260</b>	<b>100,488</b>	<b>208,900</b>
<i>% of sales</i>	4.1%	14.2%	7.9%	14.1%

## Sales

Consolidated sales amounted to €1,270 million, down -14.2% compared to H1 2022 including the following effects:

- volumes sold: -10.8% (Q1 -10.6%; Q2 -10.8%);
- prices: -4.1% (Q1 +5.1%; Q2 -13.1% and -4.4% vs Q1 2023);
- scope: +0.7% (Q1 +1.1%; Q2 +0.4%) following the acquisitions of Fidelity PAC Metals in May 2022 and Delta Acciai early 2023.

€m	Q2 2023	Q2 2022	H1 2023	H1 2022
<b>Sales</b>	<b>579</b>	<b>757</b>	<b>1,270</b>	<b>1,480</b>
<b>Change 2023 vs 2022</b>	<b>-23.5%</b>		<b>-14.2%</b>	
Price effect	-13.1%		-4.1%	
Volume effect	-10.8%		-10.8%	
Scope effect	+0.4%		+0.7%	



The various effects are calculated as follows:

- volume effect =  $(V_n - V_{n-1}) \times P_{n-1}$ , where V = volumes and P = average sale price converted into euros at the average exchange rate;
- price effect =  $(P_n - P_{n-1}) \times V_n$ ;
- the exchange rate effect is included in the price effect. There was no significant impact as of June 30, 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 €285 million representing 22.4% of sales (Q1 25%; Q2 19.3%), compared to €404 million a year earlier (27.3% of sales).

€m	Q2 2023	Q2 2022	H1 2023	H1 2022
<b>Sales</b>	<b>579</b>	<b>757</b>	<b>1,270</b>	<b>1,480</b>
<b>Cost of goods sold</b>	<b>(467)</b>	<b>(552)</b>	<b>(986)</b>	<b>(1,076)</b>
Incl. purchases consumed	(466)	(507)	(1,007)	(1,012)
Incl. inventory impairment	(1)	(45)	22	(65)
<b>Gross margin</b>	<b>112</b>	<b>205</b>	<b>285</b>	<b>404</b>
<i>% of sales</i>	<i>19.3%</i>	<i>27.0%</i>	<i>22.4%</i>	<i>27.3%</i>

## Operating income

Current operating expenses\* amounted to €184 million, down -6% compared to H1 2022. Inflation contributed for around €7 million to the increase in expenses.

\* excluding depreciation, amortization and provisions €(17)m.

EBITDA amounted to €100 million and represented 7.9% of sales (Q1 11.1%; Q2 4.1%) compared to €209 million in H1 2022 (14.1% of sales).

Adjusted operating income amounted to €84 million (6.6% of sales).

Operating income includes gains on disposals of non-current assets for €239,000 and amounted to €84 million.

## Financial result

Net financial loss amounted to €9.5 million compared to €7.3 million in H1 2022.

As of June 30, 2023 the average gross debt rate was 3.6% (average gross debt over rolling 6 months: €449 million), compared to 2.1% at the end of December 2022 (average gross debt 2022: €459 million).

€m	Q2 2023	Q2 2022	H1 2023	H1 2022
<b>Net cost of debt</b>	<b>(3.4)</b>	<b>(2.3)</b>	<b>(7.2)</b>	<b>(4.6)</b>
Other financial items	(1.1)	(1.9)	(2.3)	(2.6)
<b>Financial result</b>	<b>(4.6)</b>	<b>(4.2)</b>	<b>(9.5)</b>	<b>(7.3)</b>

## Net income

Net income (Group share) amounted to €49.2 million compared to €125.8 million in H1 2022.

€m	Q2 2023	Q2 2022	H1 2023	H1 2022
<b>Income before taxes</b>	<b>11.7</b>	<b>84.9</b>	<b>74.6</b>	<b>171.3</b>
Corporate income tax	(5.4)	(18.3)	(22.3)	(38.3)
Income tax rate	46.4%	21.5%	29.9%	22.4%
<b>Consolidated net income</b>	<b>6.3</b>	<b>66.6</b>	<b>52.3</b>	<b>133.0</b>
Minority interests	(0.8)	(4.0)	(3.1)	(7.2)
<b>Net income (Groupe share)</b>	<b>5.4</b>	<b>62.6</b>	<b>49.2</b>	<b>125.8</b>
% of sales	0.9%	8.3%	3.9%	8.5%

## 2

## Sales and earnings by division

€m	Q2 2023			H1 2023		
	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>139</b>	<b>160</b>	<b>284</b>	<b>298</b>	<b>358</b>	<b>625</b>
Change 2023 vs 2022	-21.0%	-27.1%	-22.4%	-10.8%	-19.5%	-12.3%
Price effect	-19.2%	-15.5%	-8.5%	-7.9%	-5.2%	-1.5%
Volume effect	-2.8%	-12.1%	-13.9%	-5.3%	-14.9%	-10.8%
Scope effect	+1.0%	+0.5%	n.a.	+2.4%	+0.6%	n.a.
<b>EBITDA<sup>1,2</sup></b>	<b>10</b>	<b>1</b>	<b>6</b>	<b>35</b>	<b>17</b>	<b>34</b>
% of sales	7.0%	0.7%	2.0%	11.6%	4.9%	5.5%
<b>Adjusted operating income<sup>2</sup></b>	<b>8</b>	<b>1</b>	<b>5</b>	<b>31</b>	<b>17</b>	<b>33</b>
% of sales	5.5%	0.6%	1.6%	10.4%	4.7%	5.2%

<sup>1</sup> Excluding IFRS 16 impacts. As of June 30, 2023, non-division operations (mainly holdings and real-estate companies) and the application of IFRS 16 - Leases contributed €4 million and €10 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 63% of its business in Europe and 30% in North America.

Sales amounted to €298 million, down -10.8% from €334 million in H1 2022:

- volumes sold: -5.3% (Q1 -7.4%; Q2 -2.8%);
- prices: -7.9% (Q1 +4.1%; Q2 -19.2% and -5.2% vs Q1 2023);
- scope: +2.4% (Q1 +4%; Q2 +1%) following the acquisition of Fidelity PAC Metals in May 2022.

Gross margin amounted to €88 million, representing 29.5% of sales, compared to €120 million in H1 2022 (35.8% of sales).

EBITDA amounted to €35 million, representing 11.6% of sales, compared to €65 million in H1 2022 (19.5% of sales).

€m	Q2 2023	Q2 2022	H1 2023	H1 2022
<b>Sales</b>	<b>139.2</b>	<b>176.3</b>	<b>298.3</b>	<b>334.3</b>
<b>Change 2023 vs 2022</b>	<b>-21.0%</b>		<b>-10.8%</b>	
Price effect	-19.2%		-7.9%	
Volume effect	-2.8%		-5.3%	
Scope effect	+1.0%		+2.4%	
<b>Gross margin</b>	<b>36.0</b>	<b>61.3</b>	<b>88.2</b>	<b>119.8</b>
<i>% of sales</i>	<i>25.8%</i>	<i>34.8%</i>	<i>29.5%</i>	<i>35.8%</i>
<b>EBITDA</b>	<b>9.7</b>	<b>33.1</b>	<b>34.8</b>	<b>65.1</b>
<i>% of sales</i>	<i>7.0%</i>	<i>18.8%</i>	<i>11.6%</i>	<i>19.5%</i>
<b>Adjusted operating income</b>	<b>7.7</b>	<b>30.4</b>	<b>30.9</b>	<b>60.4</b>
<i>% of sales</i>	<i>5.5%</i>	<i>17.2%</i>	<i>10.4%</i>	<i>18.1%</i>

## 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 €358 million, down -19.5% from €445 million in H1 2022:

- volumes sold: -14.9% (Q1 -17.2%; Q2 -12.1%);
- prices: -5.2% (Q1 +4.4%; Q2 -15.5% and -4.4% vs Q1 2023);
- scope: +0.6% (Q1 +0.7%; Q2 +0.5%) following the acquisition of Delta Acciai early 2023.

Gross margin amounted to €63 million, representing 17.5% of sales, compared to €99 million in H1 2022 (22.3% of sales).

EBITDA amounted to €17 million, representing 4.9% of sales, compared to €48 million in H1 2022 (10.7% of sales).

€m	Q2 2023	Q2 2022	H1 2023	H1 2022
<b>Sales</b>	<b>160.3</b>	<b>219.9</b>	<b>358.5</b>	<b>445.2</b>
<b>Change 2023 vs 2022</b>	<b>-27.1%</b>		<b>-19.5%</b>	
Price effect	-15.5%		-5.2%	
Volume effect	-12.1%		-14.9%	
Scope effect	+0.5%		+0.6%	
<b>Gross margin</b>	<b>23.3</b>	<b>45.3</b>	<b>62.9</b>	<b>99.1</b>
% of sales	14.5%	20.6%	17.5%	22.3%
<b>EBITDA</b>	<b>1.1</b>	<b>19.3</b>	<b>17.4</b>	<b>47.7</b>
% of sales	0.7%	8.8%	4.9%	10.7%
<b>Adjusted operating income</b>	<b>1.0</b>	<b>18.4</b>	<b>16.8</b>	<b>45.8</b>
% of sales	0.6%	8.4%	4.7%	10.3%

## IMS group

The division specializes in the distribution of engineering steels, mostly in the form of long products. It generates 48% of its sales in Germany, the largest European market.

Sales amounted to €625 million, down -12.3% from €712 million in H1 2022:

- volumes sold: -10.8% (Q1 -7.9%; Q2 -13.9%);
- prices: -1.5% (Q1 +6.3%; Q2 -8.5% and -4% vs Q1 2023).

Gross margin amounted to €134 million, representing 21.4% of sales, compared to €185 million in H1 2022 (26% of sales).

EBITDA amounted to €34 million, representing 5.5% of sales, compared to €79 million in H1 2022 (11.1% of sales).

€m	Q2 2023	Q2 2022	H1 2023	H1 2022
<b>Sales</b>	<b>284.0</b>	<b>366.1</b>	<b>624.6</b>	<b>712.3</b>
<b>Change 2023 vs 2022</b>	<b>-22.4%</b>		<b>-12.3%</b>	
Price effect	-8.5%		-1.5%	
Volume effect	-13.9%		-10.8%	
<b>Gross margin</b>	<b>52.5</b>	<b>98.0</b>	<b>133.7</b>	<b>185.3</b>
<i>% of sales</i>	18.5%	26.8%	21.4%	26.0%
<b>EBITDA</b>	<b>5.6</b>	<b>44.6</b>	<b>34.3</b>	<b>79.4</b>
<i>% of sales</i>	2.0%	12.2%	5.5%	11.1%
<b>Adjusted operating income</b>	<b>4.6</b>	<b>37.8</b>	<b>32.8</b>	<b>71.5</b>
<i>% of sales</i>	1.6%	10.3%	5.2%	10.0%

## Consolidated financial position

### Summary balance sheets

€m	30.06.23	31.12.22
Goodwill	71	67
Net non-current assets	185	178
Right-of-use assets	76	75
Net inventory	741	780
Net trade receivables	263	218
Other assets	142	146
Cash & cash equivalents	266	254
<b>Total assets</b>	<b>1,743</b>	<b>1,719</b>
Shareholders' equity	690	675
Provisions (including provisions for employee benefit obligations)	96	100
Trade payables	310	252
Borrowings	427	488
Other liabilities	139	127
Lease liabilities	80	78
<b>Total equity and liabilities</b>	<b>1,743</b>	<b>1,719</b>

### Working capital

Operating working capital amounted to €694 million (28% of sales), compared to €746 million at 2022 year-end (28% of sales), with inventories down by €39 million over the period (€741 million at the end of June 2023 compared to €780 million at 2022 year-end).

€m	30.06.23	31.12.22	Change
Net inventory	741	780	-39
<i>Days sales inventory*</i>	195	198	
Net trade receivables	263	218	+45
<i>Days sales outstanding</i>	43	44	
Trade payables	(310)	(252)	-59
<i>Days payables outstanding</i>	53	53	
<b>Net operating working capital</b>	<b>694</b>	<b>746</b>	<b>-53</b>
<i>% of sales*</i>	28.0%	27.7%	
Other receivables / payables excluding taxes and financial items	(36)	(33)	-2
<b>Working capital excluding taxes and financial items</b>	<b>658</b>	<b>713</b>	<b>-55</b>
Consolidation and other changes		7	
<b>Working capital before taxes and financial items and adjusted for other changes</b>	<b>658</b>	<b>720</b>	<b>-62</b>
<i>% of sales*</i>	26.6%	26.7%	

\* 12 rolling months (including Fidelity PAC Metals and Delta Acciai over 12 rolling months).

## Net debt

As of June 30, 2023, Group net debt stood at €162 million with a shareholders' equity of €690 million resulting in a net debt to equity ratio (gearing) of 23% (35% at 2022 year-end).

€m	30.06.23	31.12.22
Borrowings	427	488
Cash and cash equivalents	266	254
<b>Net debt</b>	<b>162</b>	<b>234</b>
<i>Net debt to equity ratio (gearing)</i>	<i>23.4%</i>	<i>34.6%</i>

## Borrowings

As of June 30, 2023, the Group had €813 million in lines of credit, 53% of which had been used:

€m	Authorized as of 30.06.23	Used as of 30.06.23	% used	Maturity			
				2023	2024-2025	2026-2027	2028 and beyond
Syndicated revolving loan 2024	125	-	0%	-	-	-	-
Schuldscheindarlehen 2024-2025	70	70	100%	-	70	-	-
Schuldscheindarlehen 2026	150	150	100%	-	-	150	-
Term loans	83	83	100%	15	45	20	3
Other lines of credit	125	33	27%	31	2	-	-
<b>JACQUET METALS SA borrowings</b>	<b>554</b>	<b>337</b>	<b>61%</b>	<b>47</b>	<b>117</b>	<b>170</b>	<b>3</b>
Operational lines of credit (letter of credit, etc.)	173	44	25%	40	4	-	-
Factoring	40	0	1%	0	-	-	-
Assets financing (term loans, etc.)	46	46	100%	3	13	16	14
<b>Subsidiaries borrowings</b>	<b>259</b>	<b>91</b>	<b>35%</b>	<b>43</b>	<b>18</b>	<b>16</b>	<b>14</b>
<b>Total</b>	<b>813</b>	<b>427</b>	<b>53%</b>	<b>89</b>	<b>135</b>	<b>187</b>	<b>17</b>

In addition to the financing shown in the above table, the Group also had €88 million in non-recourse receivable assignment facilities, €58 million of which had been used as of June 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 June 30, 2023, all borrowings covenants were in compliance.**

In July 2023, the financing structure was strengthened with the implementation of a new €160 million syndicated loan maturing in 3 years (July 2026), replacing the previous €125 million syndicated loan. The main commitments and covenants are unchanged.

	Syndicated revolving loan 2024	Syndicated revolving loan 2026	Schuldscheindarlehen 2024-2025	Schuldscheindarlehen 2026
Date of signature	June 2019	July 2023	December 2019	July 2021
Maturity	Ended in July 2023	July 2026	December 2024 (tranche 1: €36 million) and January 2025 (tranche 2: €34 million)	July 2026
Amount	€125 million (unused as of June 30, 2023)	€160 million	€70 million (fully used as of June 30, 2023)	€150 million (fully used as of June 30, 2023)
Amortization	n.a.	n.a.	<i>in fine</i>	
Guarantee	None	None	None	
Change of control clause	JSA must hold at least 40% of JACQUET METALS SA's share capital and voting rights	JSA must hold at least 37% of JACQUET METALS SA's share capital and voting rights	JSA must hold at least 37% of JACQUET METALS SA's share capital and voting rights	
Main covenants	- net debt to equity ratio (gearing) less than 100%, <b>or</b> - leverage less than 2	- net debt to equity ratio (gearing) less than 100%, <b>or</b> - leverage less than 2	Net debt to equity ratio (gearing) less than 100%	

n.a.: Not applicable.

## Cash flows

The Group generated positive operating cash flow of €134 million in H1 2023.

€m	H1 2023	H1 2022
Operating cash flow before change in working capital	72	193
Change in working capital	62	(141)
<b>Cash flow from operating activities</b>	<b>134</b>	<b>52</b>
Capital expenditure	(15)	(13)
Asset disposals	1	1
Dividends paid to shareholders of JACQUET METALS SA	-	-
Interest paid	(8)	(6)
Other movements	(40)	(32)
<b>Change in net debt</b>	<b>72</b>	<b>2</b>
<b>Net debt brought forward</b>	<b>234</b>	<b>171</b>
<b>Net debt carried forward</b>	<b>162</b>	<b>169</b>

In H1 2023, capital expenditure (excluding external growth) amounted to €15 million.

"Other movements" notably consists of the purchase price of the companies Delta Acciai and Cometal Metallhalbzeuge and rent expenses pursuant to the application of *IFRS 16 - Leases*.

After the financing of the capital expenditure and the acquisitions of Delta Acciai and Cometal Metallhalbzeuge, net debt amounted to €162 million, compared to €234 million at 2022 year-end.

## Post balance sheet events

None.



## 4 Summary interim consolidated financial statements

### Consolidated statement of comprehensive income

€k	Notes	30.06.23	30.06.22
<b>Sales</b>	4.2.1	<b>1,270,334</b>	<b>1,480,354</b>
Cost of goods sold	4.2.1	(985,639)	(1,076,165)
<b>Gross margin</b>	4.2.1	<b>284,695</b>	<b>404,189</b>
Operating expenses		(84,769)	(84,928)
Personnel expenses		(99,886)	(110,932)
Miscellaneous taxes		(2,509)	(2,350)
Other income		2,957	2,921
Net depreciation and amortization		(19,882)	(18,835)
Net provisions		3,332	(11,904)
Gains on disposals of non-current assets		239	431
<b>Operating income</b>		<b>84,177</b>	<b>178,592</b>
<i>% of sales</i>		6.6%	12.1%
Net cost of debt		(7,219)	(4,616)
Other financial income		-	-
Other financial expenses		(2,321)	(2,643)
<b>Net financial loss</b>		<b>(9,540)</b>	<b>(7,259)</b>
<b>Income before tax</b>		<b>74,637</b>	<b>171,333</b>
Corporate income tax	4.2.2	(22,328)	(38,300)
<b>Net income from continued operations</b>		<b>52,309</b>	<b>133,033</b>
Net income from discontinued operations		-	-
<b>Total consolidated net income</b>		<b>52,309</b>	<b>133,033</b>
<i>% of sales</i>		4.1%	9.0%
<b>Minority interests</b>		<b>(3,121)</b>	<b>(7,208)</b>
<b>Net income (Group share)</b>	4.2.3	<b>49,188</b>	<b>125,825</b>
<i>% of sales</i>		3.9%	8.5%
<b>Items that may be reclassified to profit</b>			
Translation differences		519	3,459
Cash flow hedging		(565)	3,158
Hyperinflation	4.1.1	574	1,250
<b>Items not reclassified to profit</b>			
Actuarial gains		-	11,867
<b>Total comprehensive net income (Group share)</b>		<b>49,716</b>	<b>145,559</b>
Minority interests		3,266	7,320
<b>Total comprehensive net income</b>		<b>52,982</b>	<b>152,879</b>
Basic earnings per share (€)	4.2.3	2.15	5.47
Diluted earnings per share (€)	4.2.3	2.15	5.47

## Statement of financial position

€k	Notes	30.06.23	31.12.22
		Net	Net
<b>Assets</b>			
Goodwill	4.2.4	70,713	67,320
Intangible assets	4.2.5	3,087	3,363
Property, plant and equipment	4.2.5	182,043	175,058
Right-of-use assets	4.2.6	75,799	75,315
Other financial assets		25,825	21,569
Deferred tax	4.2.13	59,301	68,588
<b>Non-current assets</b>		<b>416,768</b>	<b>411,213</b>
Inventory	4.2.1, 4.2.7	741,128	780,270
Trade receivables	4.2.1, 4.2.8	262,816	217,766
Tax assets receivable		5,821	4,046
Other assets		44,389	44,395
Derivatives		6,507	7,406
Cash and cash equivalents	4.2.9	265,732	254,062
<b>Current assets</b>		<b>1,326,393</b>	<b>1,307,945</b>
<b>Assets held for sale</b>		<b>-</b>	<b>-</b>
<b>Total assets</b>		<b>1,743,161</b>	<b>1,719,158</b>
<b>Equity and liabilities</b>			
Share capital		34,617	35,098
Consolidated reserves		634,251	612,146
<b>Shareholders' equity (Group share)</b>		<b>668,868</b>	<b>647,244</b>
Minority interests		21,285	27,654
<b>Shareholders' equity</b>	<b>4.2.10</b>	<b>690,153</b>	<b>674,898</b>
Deferred tax	4.2.13	7,591	7,515
Non-current provisions	4.2.11	9,731	9,730
Provisions for employee benefit obligations	4.2.12	37,795	38,814
Other non-current liabilities		4,531	4,617
Long-term borrowings	4.2.9	313,966	332,842
Long-term lease liabilities	4.2.6	61,020	59,671
<b>Non-current liabilities</b>		<b>434,634</b>	<b>453,189</b>
Short-term borrowings	4.2.9	113,374	155,039
Short-term lease liabilities	4.2.6	19,383	18,774
Trade payables	4.2.1	310,237	251,609
Current tax liabilities		23,523	36,251
Current provisions	4.2.11	48,886	51,199
Derivatives		365	344
Other liabilities		102,606	77,855
<b>Total current liabilities</b>		<b>618,374</b>	<b>591,071</b>
<b>Liabilities held for sale</b>		<b>-</b>	<b>-</b>
<b>Total equity and liabilities</b>		<b>1,743,161</b>	<b>1,719,158</b>

## Cash flow statement

€k	30.06.23	30.06.22
<b>Cash and cash equivalents at beginning of period</b>	<b>254,062</b>	<b>245,709</b>
<b>Operating activities</b>		
<b>Net income</b>	<b>52,309</b>	<b>133,033</b>
Depreciation, amortization and provisions	16,446	30,606
Capital gains on asset disposals	(239)	(431)
Change in deferred taxes	9,551	(12,339)
Other non-cash income and expenses	1,021	696
<b>Operating cash flow after tax and cost of borrowings</b>	<b>79,088</b>	<b>151,566</b>
Cost of borrowings	8,457	5,636
Current income tax	12,778	50,640
Taxes paid	(27,861)	(14,623)
<b>Operating cash flow before change in working capital</b>	<b>72,462</b>	<b>193,219</b>
Change in inventory	44,269	(155,664)
Change in trade receivables	(42,728)	(121,827)
Change in trade payables	58,263	109,090
Other changes	2,062	27,328
<b>Total change in working capital</b>	<b>61,866</b>	<b>(141,073)</b>
<b>Cash flow from operating activities</b>	<b>134,328</b>	<b>52,146</b>
<b>Investing activities</b>		
Acquisitions of fixed assets	(15,209)	(13,126)
Disposal of assets	1,241	841
Acquisitions of subsidiaries	(20,096)	(10,684)
Changes in consolidation and other	4,131	(837)
<b>Cash flow from investing activities</b>	<b>(29,933)</b>	<b>(23,806)</b>
<b>Financing activities</b>		
Dividends paid to parent company shareholders	-	-
Dividends paid to minority shareholders of consolidated companies	(7,462)	(1,906)
New borrowings	20,000	48,445
Lease liabilities payments	(10,322)	(9,764)
Lease receivables	368	455
Change in borrowings	(81,776)	(40,137)
Interest paid	(8,215)	(5,907)
Other changes	(5,249)	(426)
<b>Cash flow from financing activities</b>	<b>(92,656)</b>	<b>(9,240)</b>
<b>Change in cash and cash equivalents</b>	<b>11,739</b>	<b>19,100</b>
Translation differences	(69)	373
<b>Cash and cash equivalents at end of period</b>	<b>265,732</b>	<b>265,182</b>

## Change in consolidated shareholders' equity

€k	Notes	Number of shares	Share capital	Reserves	Translation differences (Group share)	Shareholders' equity (Group share)	Minority interests	Shareholders' equity
<b>At 01.01.22</b>	<b>4.2.10</b>	<b>23,022,739</b>	<b>35,098</b>	<b>443,550</b>	<b>(4,069)</b>	<b>474,579</b>	<b>20,000</b>	<b>494,579</b>
Net income				125,825	-	125,825	7,208	133,033
Translation differences				-	3,459	3,459	111	3,570
Actuarial gains				11,867	-	11,867	-	11,867
Other				4,408	-	4,408	-	4,408
<b>Total comprehensive net income</b>				<b>142,100</b>	<b>3,459</b>	<b>145,559</b>	<b>7,320</b>	<b>152,879</b>
Change in consolidation scope				-	-	-	-	-
Dividend payments				(23,023)	-	(23,023)	(1,970)	(24,993)
Other				(269)	-	(269)	(1)	(270)
<b>At 30.06.22</b>	<b>4.2.10</b>	<b>23,022,739</b>	<b>35,098</b>	<b>562,358</b>	<b>(610)</b>	<b>596,846</b>	<b>25,349</b>	<b>622,195</b>
<b>At 01.01.23</b>	<b>4.2.10</b>	<b>23,022,739</b>	<b>35,098</b>	<b>616,532</b>	<b>(4,386)</b>	<b>647,244</b>	<b>27,654</b>	<b>674,898</b>
Net income				49,188	-	49,188	3,121	52,309
Translation differences				-	519	519	149	668
Actuarial gains				-	-	-	-	-
Other				9	-	9	(5)	4
<b>Total comprehensive net income</b>				<b>49,197</b>	<b>519</b>	<b>49,716</b>	<b>3,265</b>	<b>52,982</b>
Change in consolidation scope				(152)	-	(152)	(2,174)	(2,326)
Dividend payments				(22,663)	-	(22,663)	(7,462)	(30,125)
Other		(315,530)	(481)	(4,795)	-	(5,276)	1	(5,275)
<b>At 30.06.23</b>	<b>4.2.10</b>	<b>22,707,209</b>	<b>34,617</b>	<b>638,118</b>	<b>(3,867)</b>	<b>668,868</b>	<b>21,285</b>	<b>690,153</b>

## Notes to the consolidated financial statements

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

The JACQUET METALS Group's ("the Group") consolidated financial statements for the six months ended June 30, 2023 were approved by the Board of Directors on September 13, 2023.

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

## Consolidation principles and methods

Pursuant to European Regulation 1606/2002 of July 19, 2002 on international financial reporting standards, the Group summary interim consolidated financial statements for the six months ended June 30, 2023 and the comparative 2022 financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) in force as of June 30, 2023, as approved by the European Union.

The standards and interpretations applied are those published in the Official Journal of the European Union (OJEU) before June 30, 2023 for compulsory application as from this date.

These guidelines cover all of the standards approved by the International Accounting Standards Board (IASB) and adopted by the EU, i.e. IFRS, International Accounting Standards (IAS), and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) or the former Standing Interpretations Committee (SIC).

The summary interim consolidated financial statements have been prepared in accordance with *IAS 34 - Interim Financial Reporting*, which allows a condensed presentation of the notes to the financial statements. The financial statements should therefore be read with reference to the consolidated financial statements for the year ended December 31, 2022 and, in particular, §2.1 "Consolidation principles and methods" and §2.2 "Valuation methods" as contained in the Universal Registration Document filed with the Autorité des Marchés Financiers ("AMF") on April 13, 2023 under number D.23-0278 and available for consultation on the Company website at: [jacquetmetals.com](http://jacquetmetals.com).

With the exception of the points described in the paragraph below, the accounting principles applied are identical to those used in the audited consolidated financial statements for the year ended December 31, 2022.

The new legislation or amendments adopted by the European Union for compulsory application as from January 1, 2023 have been applied in the summary interim consolidated financial statements for the six months ended June 30, 2023. They comprise the following amendments:

- amendments to *IAS 1 - disclosure of accounting policies*;
- amendment to *IAS 8 - definition of an accounting estimate*;
- amendments to *IAS 12 - deferred taxes on assets and liabilities arising from the same transaction*.

### Use of estimates

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

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

The summary consolidated interim financial statements have been established on the basis of rules applied for the 2022 annual financial statements. In this regard, it is appropriate to clarify the treatment of income taxes: for interim financial statements, the current and deferred tax charge is calculated by applying the estimated annual average tax rate for the current financial year to the six-month taxable income for each legal entity or tax group, as adjusted for non-recurring items allocated to the period.

As of June 30, 2023, the main estimates involved:

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

#### 4.1.1 **Hyperinflation**

Since June 30, 2022, the Group applies *IAS 29 - Financial Reporting in Hyperinflationary Economies* to the financial statements of IMS Özel Çelik located in Turkey. The financial statements of this entity have been restated to reflect the evolution of general purchasing power in the functional currency, with an impact of €0.6 million in consolidated reserves as of June 30, 2023 and a €0.4 million charge in H1 2023 net financial expense.

#### 4.1.2 **Changes in consolidation scope**

On February 7, 2023, the Group completed the acquisition of the Italian company Delta Acciai (€10 million of sales), specializing in the distribution of stainless steel long products. This acquisition gives the STAPPERT division a foothold in Italy with 2 distribution centers in Turin and Milan. The summary consolidated financial statements as of June 30, 2023 include the activity of this new entity since January 1<sup>st</sup>, 2023.

On June 30, 2023, the Group also acquired the German company Cometal Metallhalbzeuge GmbH (€15 million of sales). The new company's balance sheet was not included in the summary consolidated financial statements as of June 30, 2023, given its non-material impact (total assets of €3 million). This company's activity will be included in the consolidated financial statements from July 1<sup>st</sup>, 2023 (IMS group division).

In February 2023, the IMS group division has signed an agreement for the acquisition of 7 distribution companies in a few months, which will strengthen its positioning in Central and Eastern Europe. The completion of the transaction is subject to closing conditions, notably the approval of the relevant antitrust authorities.

### 4.2 **Notes to the consolidated statement of comprehensive income and to the statement of financial position**

#### 4.2.1 **Operating segments**

The Group is organized on the basis of 3 divisions:

- JACQUET
- STAPPERT
- IMS group

As of June 30, 2023, the key indicators per operating segment were as follows:

€m	JACQUET	STAPPERT	IMS group	Other <sup>1</sup>	Inter-brand eliminations	Total
<b>Sales</b>	<b>298</b>	<b>358</b>	<b>625</b>	-	<b>(11)</b>	<b>1,270</b>
Change 2023 vs 2022	-10.8%	-19.5%	-12.3%	n.a.	n.a.	-14.2%
Price effect	-7.9%	-5.2%	-1.5%	n.a.	n.a.	-4.1%
Volume effect	-5.3%	-14.9%	-10.8%	n.a.	n.a.	-10.8%
Scope effect	+2.4%	+0.6%	n.a.	n.a.	n.a.	+0.7%
<b>Gross margin</b>	<b>88</b>	<b>63</b>	<b>134</b>	-	<b>0</b>	<b>285</b>
<b>Adjusted operating income<sup>2</sup></b>	<b>31</b>	<b>17</b>	<b>33</b>	<b>3</b>	-	<b>84</b>
<b>Operating working capital</b>	<b>180</b>	<b>142</b>	<b>367</b>	<b>5</b>	-	<b>694</b>
<b>% of sales<sup>3</sup></b>	<b>30.9%</b>	<b>20.2%</b>	<b>30.3%</b>	<i>n.a.</i>	<i>n.a.</i>	<b>28.0%</b>

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

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

<sup>3</sup> Rolling 12 months (including Fidelity PAC Metals and Delta Acciai over rolling 12 months).

n.a.: Not applicable.

As of June 30, 2022, the key indicators per operating segment were as follows:

€m	JACQUET	STAPPERT	IMS group	Other <sup>1</sup>	Inter-brand eliminations	Total
<b>Sales</b>	<b>334</b>	<b>445</b>	<b>712</b>	-	<b>(12)</b>	<b>1,480</b>
Change 2022 vs 2021	+66.3%	+49.8%	+59.7%	n.a.	n.a.	+58.0%
Price effect	+62.4%	+52.5%	+54.0%	n.a.	n.a.	+55.5%
Volume effect	+0.9%	-2.7%	+5.7%	n.a.	n.a.	+1.9%
Scope effect	+3.0%	n.a.	n.a.	n.a.	n.a.	+0.6%
<b>Gross margin</b>	<b>120</b>	<b>99</b>	<b>185</b>	-	-	<b>404</b>
<b>Adjusted operating income<sup>2</sup></b>	<b>60</b>	<b>46</b>	<b>71</b>	<b>5</b>	-	<b>183</b>
<b>Operating working capital</b>	<b>183</b>	<b>131</b>	<b>386</b>	<b>9</b>	-	<b>709</b>
<b>% of sales<sup>3</sup></b>	<b>30.9%</b>	<b>17.2%</b>	<b>31.9%</b>	<i>n.a.</i>	<i>n.a.</i>	<b>27.9%</b>

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

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

<sup>3</sup> Rolling 12 months (including Fidelity PAC Metals over rolling 12 months).

n.a.: Not applicable.

## 4.2.2 Corporate income tax

Net income includes a tax charge of €22.3 million. Tax losses from previous years may have been used, particularly in France, Italy and the United States.

## 4.2.3 Earnings per share

	30.06.23	30.06.22
<b>Net income (Group share) (€k)</b>	<b>49,188</b>	<b>125,825</b>
Weighted average number of shares	22,933,833	23,022,739
Treasury shares	41,641	32,202
Weighted average number of shares excluding treasury shares	22,892,192	22,990,537
<b>Basic earnings per share (€)</b>	<b>2.15</b>	<b>5.47</b>
Free shares *	4,417	7,500
Weighted diluted average number of shares, excluding treasury shares	22,896,608	22,998,037
<b>Diluted earnings per share (€)</b>	<b>2.15</b>	<b>5.47</b>

\* Average number of shares during the period.

#### 4.2.4 Goodwill - Business combinations

Goodwill amounted to €70.7 million as of June 30, 2023 and breaks down as follows:

- JACQUET CGU: €11.0 million;
- STAPPERT CGU: €43.8 million, including the temporary goodwill related to the company Delta Acciai;
- IMS group CGU: €15.9 million.

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

#### 4.2.5 Change in PP&E and intangible assets

<b>Net book value as of December 31, 2022</b>	<b>178.4</b>
Acquisitions	15.2
Net disposals and scraps	(1.0)
Net depreciation / amortization	(9.9)
Translation differences	0.3
Change in consolidation scope	2.1
Other	0.0
<b>Net book value as of June 30, 2023</b>	<b>185.1</b>

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

<b>Net book value of right-of-use assets as of December 31, 2022</b>	<b>75.3</b>
New right-of-use assets	4.1
Net depreciation	(10.0)
Revaluation of right-of-use assets	8.4
Translation differences	(0.3)
Change in consolidation scope	-
Other	(1.7)
<b>Net book value of right-of-use assets as of June 30, 2023</b>	<b>75.8</b>
<b>Lease liabilities as of December 31, 2022</b>	<b>78.4</b>
New right-of-use assets	4.1
Repayments of lease liabilities	(10.3)
Revaluation of right-of-use assets	8.4
Translation differences	(0.1)
Change in consolidation scope	-
Other	(0.0)
<b>Lease liabilities as of June 30, 2023</b>	<b>80.4</b>

#### 4.2.7 Inventory

€m	30.06.23	31.12.22
Gross value	910	971
Impairment	(169)	(190)
<b>Net value</b>	<b>741</b>	<b>780</b>

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

As of June 30, 2023, after taking into account inventory turnover and net realizable value, inventory was adjusted via an impairment amounting to 18.5% of its gross value, compared to 19.6% as of December 31, 2022.



#### 4.2.8 Trade receivables

€m	30.06.23	31.12.22
Gross value	269	224
Impairment	(6)	(6)
<b>Net value</b>	<b>263</b>	<b>218</b>

As of June 30, 2023, the share of insured trade receivables amounted to 96%.

All receivables have a maturity of less than one year. The net value of receivables does not include the receivables assigned on a non-recourse basis, which amounted to €58.3 million at the end of June 2023, compared to €54.7 million at 2022 year-end.

#### 4.2.9 Net cash and borrowings

€m	30.06.23	31.12.22
Cash	164	197
Cash equivalents	102	57
<b>Gross value</b>	<b>266</b>	<b>254</b>

Net debt breaks down as follows:

€m	30.06.23	31.12.22
Fixed rate borrowings	115	115
Floating rate borrowings	312	373
<b>Total borrowings</b>	<b>427</b>	<b>488</b>
Cash and cash equivalents	266	254
<b>Net debt</b>	<b>162</b>	<b>234</b>

38% of floating rate debt totaling €120 million is hedged (swap and cap) against changes in interest rates by 2024.

#### 4.2.10 Shareholders' equity

In accordance with a resolution of the June 30, 2023 General Meeting, on July 7, 2023, the Company JACQUET METALS SA paid out a dividend of €1 per share amounting to €23 million in total. This amount is recognized under "Other liabilities" on the balance sheet.

Pursuant to the delegation granted to the Board of Directors by the General Meeting of June 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 32,472,624 attached theoretical voting rights as of June 30, 2023.

#### 4.2.11 Current and non-current provisions

€m	31.12.22	Change in consolidation scope	Additions	Reversals (unused)	Reversals (used)	Translation differences	30.06.23
Non-current provisions	10	-	0	0	0	0	10
Current provisions	51	-	1	(1)	(3)	0	49
<b>Total</b>	<b>61</b>	<b>-</b>	<b>1</b>	<b>(1)</b>	<b>(3)</b>	<b>0</b>	<b>59</b>

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

## 4.2.12 Provisions for employee benefit obligations

In accordance with *IAS 34 - Interim Financial Reporting*, the change in employee benefit obligations is based on the annual actuarial projection for December 31, 2023 as estimated as of December 31, 2022 by external actuaries.

The impact on income is accrued straight line over time. The 3.5% discount rate applied as of December 31, 2022 was maintained as of June 30, 2023.

In France, the pension reform (which has raised the legal retirement age from 62 to 64 years old and increased the contribution period from 42 to 43 years) was considered a change to the pension plan and therefore treated as a past service cost. The impact on comprehensive income was €0.3 million.

## 4.2.13 Deferred tax

The origin of deferred tax is as follows:

€m	30.06.23	31.12.22
Temporary differences	21	19
Tax losses carried forward	3	5
Other IFRS restatements*	36	45
<b>Deferred tax assets</b>	<b>59</b>	<b>69</b>
Temporary differences	5	4
Tax losses carried forward	0	0
Other IFRS restatements*	(12)	(12)
<b>Deferred tax liabilities</b>	<b>(8)</b>	<b>(8)</b>

\* These are primarily restatements relating to the rules for harmonizing the accounting process between the subsidiaries.

## 4.3 Borrowings covenants

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 June 30, 2023, all borrowings covenants were in compliance.**

In July 2023, the financing structure was strengthened with the implementation of a new €160 million syndicated loan maturing in 3 years (July 2026), replacing the previous €125 million syndicated loan. The main commitments and covenants are unchanged.

	Syndicated revolving loan 2024	Syndicated revolving loan 2026	Schuldscheindarlehen 2024-2025	Schuldscheindarlehen 2026
Date of signature	June 2019	July 2023	December 2019	July 2021
Maturity	Ended in July 2023	July 2026	December 2024 (tranche 1: €36 million) and January 2025 (tranche 2: €34 million)	July 2026
Amount	€125 million (unused as of June 30, 2023)	€160 million	€70 million (fully used as of June 30, 2023)	€150 million (fully used as of June 30, 2023)
Amortization	n.a.	n.a.	<i>in fine</i>	
Guarantee	None	None	None	
Change of control clause	JSA must hold at least 40% of JACQUET METALS SA's share capital and voting rights	JSA must hold at least 37% of JACQUET METALS SA's share capital and voting rights	JSA must hold at least 37% of JACQUET METALS SA's share capital and voting rights	
Main covenants	- net debt to equity ratio (gearing) less than 100%, <b>or</b> - leverage less than 2	- net debt to equity ratio (gearing) less than 100%, <b>or</b> - leverage less than 2	Net debt to equity ratio (gearing) less than 100%	

n.a.: Not applicable.

4.4

## **Post balance sheet events**

None.

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

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### **JACQUET METALS • For the period from January 1 to June 30, 2023**

This is a translation into English of the statutory auditors' review report on the half-yearly financial information issued in French and is provided solely for the convenience of English-speaking users. This report includes information relating to the specific verification of the information given in the Group's half-year activity report. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

To the Shareholders,

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

- the review of the accompanying condensed half-yearly consolidated financial statements of JACQUET METALS, for the period from January 1 to June 30, 2023,
- the verification of the information presented in the half-year activity report.

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

### 5.1 **Conclusion on the financial statements**

We conducted our review in accordance with professional standards applicable in France.

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

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

## Specific verification

We have also verified the information presented in the half-year activity report on the condensed half-yearly consolidated financial statements subject of our review.

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

Lyon, September 13, 2023,

### The Statutory Auditors

French Original signed by:

#### **GRANT THORNTON**

*French Member of Grant Thornton International*

Françoise Méchin • Partner

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

Lionel Denjean • Partner

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

I hereby certify that, to my knowledge, JACQUET METALS' summary interim consolidated financial statements for the first half of 2023 have been prepared in accordance with applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and earnings of the Company and all companies included in the consolidation scope, and that the activity report for the first half of 2023 gives a true and fair account of the important events that took place in the first six months of the year, their impact on the financial statements and the main transactions between related parties and includes a description of the main risks and uncertainties for the remaining six months of the year.

Saint-Priest, September 13, 2023

Éric Jacquet • Chairman and CEO, JACQUET METALS



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 3,126 employees, JACQUET METALS has a network of  
111 distribution centers in 24 countries in Europe, Asia and North America.

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