

# Bit Market Services

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| Informazione<br>Regolamentata n.<br>0163-19-2015 | Data/Ora Ricezione<br>28 Agosto 2015<br>18:15:44 | MTA - Star |
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Societa' : IRCE

Identificativo : 62643

Informazione  
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Diffusione presunta

Oggetto : Half-year consolidated financial statements  
at 30 june 2015

*Testo del comunicato*

Vedi allegato.



### **HALF-YEAR CONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2015**

The Board of Directors has today approved the consolidated financial statements as at June 30<sup>th</sup> 2015.

In the first six months of 2015, IRCE Group (hereinafter the "Group") recorded better results than the first half year of 2014.

In the winding wire sector, sales in Europe continued to go down, only partly compensated by higher sales in the Brazilian market. Different was the situation in the cable sector, which, after years of declining demand, sales recorded a significant increase in volumes.

Consolidated revenues amounted to € 188.40 million, up by 3.0%, compared to € 182.99 million of the first half of 2014, mostly due to the higher average selling copper price.

Details are reported in the following table:

| Consolidated income statement data<br>(€/million) | 1° half-year 2015 | 1° half-year 2014 | Change |
|---|-------------------|-------------------|--------|
| Turnover <sup>1</sup>                             | 188.40            | 182.99            | 5.41   |
| EBITDA <sup>2</sup>                               | 7.10              | 7.26              | (0.16) |
| EBIT  | 3.44              | 3.11              | 0.33   |
| Profit before taxes                               | 6.89              | 4.32              | 2.57   |
| Net profit  | 4.37              | 2.17              | 2.20   |
| Adjusted EBITDA <sup>3</sup>                      | 8.96              | 8.35              | 0.61   |
| Adjusted EBIT <sup>3</sup>                        | 5.30              | 4.20              | 1.10   |

  

| Consolidated statement of financial position data<br>(€/million) | As of 30.06.2015 | As of 31.12.2014 | Change |
|--|------------------|------------------|--------|
| Net invested capital   | 189.64           | 187.36           | 2.28   |
| Shareholders' Equity   | 141.27           | 137.72           | 3.55   |
| Net financial debt   | 48.37            | 49.64            | (1.27) |

1 The item "Turnover" represents the "Revenues" reported in the income statement.

2 EBITDA is a performance indicator used by the Management of the Group in order to assess the operating performance of the company and is not identified as an accounting item within IFRS; it is calculated by IRCE S.p.A. by adding amortisation/depreciation, allocations and write-downs to EBIT.

3 Adjusted EBITDA and EBIT are respectively calculated as the sum of EBITDA and EBIT and the income/charges from operations on copper derivatives transactions (€ +1.86 million in the first half year 2015 and € +1.09 million in the first half year 2014). These indicators are used by the Management of the Group in order to monitor and assess the operational performance of the Group and are not identified as accounting items within IFRS. Given that the composition of these measures is not regulated by the reference accounting standards, the criterion used by the Group could potentially not be consistent with that adopted by others and therefore not be comparable.

## PRESS RELEASE

Consolidated net financial debt, at the end of June 2015, was € 48.37 million improved versus € 49.64 million at the end of 2014, thanks to the cash flow generated by operating activities.

The Group's investments in the first half of 2015 were € 1.44 million, mostly made in the winding wire sector.

Despite the uncertainty regarding the international economic situation, in the light the trend of the first half of the year and the book orders, we expect an improvement in the margins and in the results for the full year 2015.

The manager responsible for preparing the company's financial reports, Elena Casadio, declares, pursuant to paragraph 2 of Article 154-bis of the Consolidated Law on Finance that the accounting information contained in this press release corresponds to our books and accounting records.

Imola, 28<sup>th</sup> August 2015

IRCE SPA

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*IRCE Group is an important player in the winding wires and electric cable sector. The production is deployed in 4 facilities in Italy and 5 facilities abroad: Nijmegen (NI), Blackburn (UK), Joinville SC (Brazil), Kochi (India) and Kierspe (Germany). The Group includes also 6 commercial companies; five of them are located outside Italy (Germany, Spain, Switzerland, Turkey and Poland) and the Group employs about 740 employees.*

|   |
|---|
| <b>CONSOLIDATED STATEMENT OF FINANCIAL POSITION</b> |
|---|

| <b>ASSETS</b>                                | <b>30.06.2015</b>  | <b>31.12.2014</b>  |
|--|--------------------|--------------------|
| <b>NON- CURRENT ASSETS</b>                   |                    |                    |
| Goodwill and intangibles assets              | 2,414,388          | 2,418,905          |
| Property, plant and equipment                | 57,039,953         | 59,878,553         |
| Equipment and other tangible assets          | 1,411,912          | 1,623,962          |
| Fixed assets under construction and advance  | 1,448,523          | 441,920            |
| Non-current financial assets and receivables | 121,157            | 111,858            |
| Non-current tax receivables                  | 2,745,240          | 2,894,722          |
| Deferred tax assets                          | 2,810,349          | 3,013,664          |
| <b>TOTAL NON -CURRENT ASSETS</b>             | <b>67,991,522</b>  | <b>70,383,584</b>  |
| <b>CURRENT ASSETS</b>                        |                    |                    |
| Inventory                                    | 95,159,796         | 94,897,885         |
| Trade receivables                            | 76,528,787         | 71,691,779         |
| Tax receivables                              | 1,057,563          | 2,354,565          |
| Receivables due from other                   | 2,036,919          | 1,631,323          |
| Current financial assets                     | 641,631            | 1,185,817          |
| Cash and cash equivalents                    | 6,768,233          | 6,567,380          |
| <b>TOTAL CURRENT ASSETS</b>                  | <b>182,192,929</b> | <b>178,328,749</b> |
| <b>TOTAL ASSETS</b>                          | <b>250,184,451</b> | <b>248,712,333</b> |

PRESS RELEASE

| <b>SHAREHOLDERS EQUITY AND LIABILITIES</b>                            | <b>30.06.2015</b>  | <b>31.12.2014</b>  |
|---|--------------------|--------------------|
| <b>SHAREHOLDERS' EQUITY</b>   |                    |                    |
| SHARE CAPITAL   | 14,626,560         | 14,626,560         |
| RESERVES  | 122,015,960        | 119,029,666        |
| PROFIT OF THE PERIOD  | 4,363,807          | 3,794,509          |
| <b>TOTAL GROUP SHAREHOLDERS' EQUITY OF THE GROUP</b>                  | <b>141,006,327</b> | <b>137,450,735</b> |
| <b>SHAREHOLDERS' EQUITY ATTRIBUTABLE TO NON-CONTROLLING INTERESTS</b> | <b>265,843</b>     | <b>264,740</b>     |
| <b>TOTAL SHAREHOLDERS' EQUITY</b>                                     | <b>141,272,170</b> | <b>137,715,475</b> |
| <b>NON -CURRENT LIABILITIES</b>                                       |                    |                    |
| Non-current financial liabilities                                     | 8,535,914          | 3,251,830          |
| Deferred tax liabilities  | 1,151,723          | 1,099,952          |
| Provisions for risks and charges                                      | 1,916,281          | 1,675,283          |
| Employee benefits' provisions   | 5,784,826          | 5,954,529          |
| <b>TOTAL NON- CURRENT LIABILITIES</b>                                 | <b>17,388,744</b>  | <b>11,981,594</b>  |
| <b>CURRENT LIABILITIES</b>  |                    |                    |
| Current financial liabilities   | 46,644,963         | 53,424,816         |
| Trade payables  | 30,593,805         | 34,290,234         |
| Tax payables  | 4,734,187          | 2,595,190          |
| Social security contributions   | 2,364,558          | 2,105,954          |
| Other current liabilities   | 7,186,024          | 6,599,070          |
| <b>TOTAL CURRENT LIABILITIES</b>                                      | <b>91,523,537</b>  | <b>99,015,264</b>  |
| <b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>                     | <b>250,184,451</b> | <b>248,712,333</b> |

| <b>CONSOLIDATED INCOME STATEMENT</b>                         |                    |                    |
|--|--------------------|--------------------|
|  | <b>30.06.2015</b>  | <b>30.06.2014</b>  |
| Revenues   | 188,402,570        | 182,986,751        |
| Other revenues and income                                    | 301,354            | 557,963            |
| <i>(of which: non-recurring)</i>                             | -                  | 163,000            |
| <b>TOTAL REVENUES</b>  | <b>188,703,924</b> | <b>183,544,714</b> |
| Cost for raw material and consumables                        | (148,155,980)      | (147,866,891)      |
| Change in inventories of work in progress and finished goods | 907,033            | 5,036,329          |
| Cost for services  | (17,206,211)       | (16,976,348)       |
| Personnel costs  | (16,544,545)       | (15,748,120)       |
| Amortization/depreciation                                    | (3,196,472)        | (3,499,950)        |
| Allocation and write-downs                                   | (464,628)          | (643,950)          |
| Other operating costs  | (600,597)          | (731,955)          |
| <b>EBIT</b>  | <b>3,442,524</b>   | <b>3,113,829</b>   |
| Financial incomes / (charges)                                | 3,444,311          | 1,204,946          |
| <b>PROFIT / (LOSS) BEFORE TAXES</b>                          | <b>6,886,835</b>   | <b>4,318,775</b>   |
| Income taxes   | (2,521,927)        | (2,145,481)        |
| <b>PROFIT / (LOSS) BEFORE NON-CONTROLLING INTERESTS</b>      | <b>4,364,908</b>   | <b>2,173,294</b>   |
| Non-controlling interests                                    | (1,101)            | (1,118)            |
| <b>PROFIT / (LOSS) FOR THE PERIOD</b>                        | <b>4,363,807</b>   | <b>2,172,176</b>   |

## Earnings (loss) per share (EPS)

- basic EPS of the year ascribable to ordinary shareholders of the parent company

0.1631

0.0828

- diluted EPS of the year ascribable to ordinary shareholders of the parent company

0.1631

0.0828

PRESS RELEASE

| <b>CONSOLIDATED STATEMENT OF CASH FLOWS</b>  | <b>30/06/2015</b> | <b>30/06/2014</b> |
|--|-------------------|-------------------|
| <i>€/000</i>   |                   |                   |
| <b>OPERATING ACTIVITIES</b>  |                   |                   |
| Net profit for the period  | <b>4,364</b>      | <b>2,172</b>      |
| <i>Adjustments for:</i>  |                   |                   |
| Amortization/depreciation  | 3,196             | 3,500             |
| Change in deferred taxes   | 255               | 252               |
| (Gains)/losses from disposals of fixed assets  | (7)               | (13)              |
| (Gains)/losses on unrealized translation differences                                   | 238               | (96)              |
| Taxes  | 2,479             | 1,723             |
| Financial income/(loss)  | (1,871)           | (1,073)           |
| Operating profit/(loss) before change in working capital                               | <b>8,654</b>      | <b>6,465</b>      |
| Taxes paid   | (465)             | (260)             |
| Decrease (increase) in inventory   | (262)             | (8,294)           |
| Change in current assets and liabilities   | (6,759)           | 45                |
| Change in non-current assets and liabilities   | 62                | 92                |
| Exchange difference on translation of financial statement in foreign currency          | (268)             | 2,015             |
| <b>CASH FLOW PROVIDED BY OPERATING ACTIVITIES</b>                                      | <b>961</b>        | <b>63</b>         |
| <b>INVESTING ACTIVITIES</b>  |                   |                   |
| Investments in intangible assets   | (48)              | (155)             |
| Investments in tangible assets   | (1,395)           | (1,260)           |
| Proceeds from disposals  | 9                 | 149               |
| <b>CASH FLOW USED IN INVESTING ACTIVITIES</b>  | <b>(1,434)</b>    | <b>(1,266)</b>    |
| <b>FINANCIAL ACTIVITIES</b>  |                   |                   |
| Increase of borrowings   | 5,284             | 1,637             |
| Change in current other financial payables   | (6,780)           | (577)             |
| Exchange difference on translation of financial statement in foreign currency          | (23)              | (572)             |
| Change in current financial assets   | 544               | 593               |
| Interest paid  | (1,504)           | (1,465)           |
| Interest received  | 3,375             | 2,538             |
| Change in minority shareholders' capital   | 1                 | 3                 |
| Change in translation of financial statement in foreign currency with effect in equity | (118)             | 564               |
| Shares buy back  | 1,013             | -                 |
| Dividend paid  | (803)             | (262)             |
| <b>CASH FLOW PROVIDED BY FINANCING ACTIVITIES</b>                                      | <b>990</b>        | <b>2,458</b>      |
| <b>NET CASH FLOW FOR THE PERIOD</b>  | <b>517</b>        | <b>1,255</b>      |
| CASH AND EQUIVALENT AT THE BEGINNING OF THE PERIOD                                     | 6,567             | 5,625             |
| TOTAL NET CASH FLOW FOR THE PERIOD   | 517               | 1,255             |
| Exchange difference on translation of financial statement in foreign currency          | (316)             | 144               |
| CASH AND EQUIVALENT AT THE END OF THE PERIOD   | 6,768             | 7,024             |

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