



SPAFID CONNECT

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Testo del comunicato

Vedi allegato.



APPROVAL OF 2016 SEPARATED AND CONSOLIDATED FINANCIAL STATEMENTS

The Board of Directors has today approved the separated and the consolidated financial statements of the year 2016.

In the year 2016 IRCE Group (Followed Even the "Group") has been negatively affected by the market trend characterized by a decline in demand and a consequent pressure on margins.

The sales volume in the winding wire sector has recorded a decrease in line with the reduction in market demand; this reduction has been particularly sharp in the Brazilian market. The continuing slowdown in the demand is also cause of the decrease of sales in the cable industry.

Consolidated revenues were to € 295.90 million compared to € 349.93 million in 2015, the decrease of 15.4% is also due to the copper price reduction (the average LME copper price of 2016 compared to the average of 2015 was 11% lower).

The results are shown in the following table.

Consolidated income statement data (€/million)	year 2016	year 2015	Change
Turnover ¹	295.90	349.93	(54.03)
EBITDA ²	7.17	8.24	(1.07)
EBIT	(0.74)	0.67	(1.41)
Profit before taxes	0.76	5.38	(4.62)
Net profit	0.06	2.95	(2.89)
Adjusted EBITDA ³	8.85	11.26	(2.41)
Adjusted EBIT ³	0.94	3.69	(2.75)

Consolidated statement of financial position data (€/million)	As of 31.12.2016	As of 31.12.2015	Change
Net invested capital	173.49	177.07	(3.58)
Shareholders' Equity	137.24	130.84	6.40
Net financial debt	36.25	46.23	(9.98)

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 (€ +1.68 million in 2016 and € +3.02 million in 2015). 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 December 2016, was € 36.25 million, down from € 46.23 million at the end of 2015 as a result of the operating cash flow and the change in working capital.

The increase in Shareholders' Equity is due to the positive change in the translation reserve, mainly related to the revaluation of the Brazilian Real against the Euro.

The Group's investments in the year 2016 were € 6.05 million, mostly made by IRCE S.p.A..

The market situation, deteriorating in the last quarter, has not allowed the repetition of the 2015 results. The trend of the first months of the year shows a evident improvement. The target of the Group remains oriented to the reduction of the production costs through recovery of efficiency and profitability.

The Board of Directors resolved a proposal to distribute a dividend of € 0.03 per share, with dividend date on May 22nd 2017, record date May 23rd 2017 and day of payment May 24th 2017.

The shareholders meeting is called on April 28th 2017 (first call) and on May 5th 2017 (second call).

Both the consolidated and IRCE S.p.A. financial statements as at 31st December 2016 are currently being checked by the Independent Auditors.

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, 15th March 2017

IRCE SPA

Contacts:

Investor relation. Sepriano Gianfranco
Tel. + 39 0382 77535 e-mail gianfranco.sepriano@irce-group.com

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 733 employees at the end of December 2016.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS	31.12.2016	31.12.2015
NON- CURRENT ASSETS		
Goodwill and intangibles assets	1,827,881	2,378,476
Property, plant and equipment	52,627,264	50,706,211
Equipment and other tangible assets	1,209,192	1,236,816
Fixed assets under construction and advance	4,177,393	2,957,721
Non-current financial assets and receivables	122,677	120,874
Non-current tax receivables	811,582	1,330,996
Deferred tax assets	2,470,294	2,504,948
TOTAL NON -CURRENT ASSETS	63,246,283	61,236,042
CURRENT ASSETS		
Inventory	72,427,659	79,967,782
Trade receivables	75,918,372	65,108,753
Tax receivables	2,442,219	2,935,873
Receivables due from other	2,061,055	1,987,463
Current financial assets	543,981	314,482
Cash and cash equivalents	7,775,737	5,401,842
TOTAL CURRENT ASSETS	161,169,023	155,716,195
TOTAL ASSETS	224,415,306	216,952,237

PRESS RELEASE

SHAREHOLDERS EQUITY AND LIABILITIES	31.12.2016	31.12.2015
SHAREHOLDERS' EQUITY		
SHARE CAPITAL	14,626,560	14,626,560
RESERVES	122,288,345	112,993,474
PROFIT FOR THE PERIOD	54,676	2,948,503
TOTAL SHAREHOLDERS' EQUITY OF THE GROUP	136,969,581	130,568,537
MINORITY INTEREST	266,216	265,886
TOTAL SHAREHOLDERS' EQUITY	137,235,797	130,834,423
NON CURRENT LIABILITIES		
Non-current financial liabilities	13,968,266	22,461,891
Deferred tax liabilities	289,176	991,376
Provision for risks and charges	2,434,053	2,035,769
Employee benefits' provision	6,027,372	5,735,559
TOTAL NON-CURRENT LIABILITIES	22,718,867	31,224,595
CURRENT LIABILITIES		
Current financial liabilities	30,132,677	29,183,770
Trade payables	24,991,819	14,917,943
Tax payables	1,340,080	2,347,197
Social security contributions	2,147,394	2,007,135
Other current liabilities	5,848,672	6,437,174
TOTAL CURRENT LIABILITIES	64,460,642	54,893,219
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	224,415,306	216,952,237

CONSOLIDATED INCOME STATEMENT

	31.12.2016	31.12.2015
Revenues	295,901,236	349,928,648
Other revenues and income	818,658	643,586
TOTAL REVENUES	296,719,894	350,572,234
Cost for raw material and consumables	(222,435,922)	(266,905,870)
Change in inventories of work in progress and finished goods	(4,303,692)	(8,828,969)
Cost for services	(31,271,075)	(32,961,127)
Personnel costs	(30,763,577)	(32,368,625)
Amortization/depreciation	(6,316,051)	(6,600,975)
Allocation and write-downs	(1,598,679)	(965,716)
Other operating costs	(772,215)	(1,272,405)
EBIT	(741,317)	668,547
Financial incomes / (charges)	1,502,868	4,710,030
PROFIT / (LOSS) BEFORE TAXES	761,551	5,378,577
Income taxes	(706,544)	(2,428,928)
PROFIT / (LOSS) BEFORE NON-CONTROLLING INTERESTS	55,007	2,949,649
Non-controlling interests	(331)	(1,146)
PROFIT / (LOSS) FOR THE PERIOD	54,676	2,948,503

Earnings/(loss) per share (EPS)

- basic EPS of the year ascribable to ordinary shareholders of the parent company	0.0014	0.1105
- diluted EPS of the year ascribable to ordinary shareholders of the parent company	0.0014	0.1105

PRESS RELEASE

CONSOLIDATED STATEMENT OF CASH FLOWS	31.12.2016	31.12.2015
<i>€/000</i>		
OPERATING ACTIVITIES		
Profit for the year	55	2,949
<i>Adjustments for:</i>		
Amortization/depreciation	5,816	6,601
Goodwill writedown	500	-
Net change in (assets) provision for (advance) deferred taxes	(668)	400
(gains)/losses from sell-off of fixed assets	224	(23)
(gains)/losses on unrealized translation differences	811	100
Taxes	657	2,474
Financial income/(charge)	(2,238)	(2,850)
Operating profit/(loss) before change in working capital	5,158	9,651
Paid taxes	(2,224)	(2,250)
Decrease (increase) in inventory	7,540	14,930
(Increase) decrease in current assets and liabilities	(497)	(12,993)
(increase) decrease in non-current assets and liabilities	689	141
Exchange difference on translation of financial statement in foreign currency	3,058	(5,609)
CASH FLOW GENERATED BY OPERATING ACTIVITIES	13,724	3,870
INVESTING ACTIVITIES		0
Investments in intangible assets	(45)	(76)
Investments in tangible assets	(6,003)	(4,037)
Amount collected from sale of tangible and intangible assets	68	26
	0	0
CASH FLOW USED IN INVESTMENTS	(5,980)	(4,087)
FINANCIAL ACTIVITIES		0
Net change in loans	(8,494)	19,210
Net change in short-term debt	949	(24,241)
Exchange difference on translation of financial statement in foreign currency	588	(35)
Change in current financial assets	(229)	871
Payment of interest	(788)	(2,903)
Receipt of interest	3,026	5,753
Change in minority shareholders' capital	0	1
Change in translation of financial statements in foreign currency with effect in shareholders' equity	(802)	(803)
	(289)	35
Sell/purchase own shares	(66)	1,001
CASH FLOW GENERATED FROM FINANCIAL TRANSACTION	(6,105)	(1,110)
NET CASH FLOW FOR THE PERIOD	1,639	(1,328)
CASH BALANCE AT START OF YEAR	5,402	6,567
TOTAL NET CASH FLOW FOR THE PERIOD	1,639	(1,328)
EXCHANGE DIFFERENCE	735	163
CASH BALANCE AT THE END OF YEAR	7,776	5,402

SEPARATED ASSETS AND LIABILITIES STATEMENT

ASSETS	31.12.2016	31.12.2015
NON-CURRENT ASSETS		
Intangible assets	205,530	257,115
Property, plant and machinery	17,171,656	15,766,034
Equipment and other tangible fixed assets	566,556	612,042
Fixed assets under construction and on account	3,059,126	2,092,650
Financial assets and non-current receivables	13,247,261	14,668,883
<i>of which: to related parties</i>	<i>13,247,093</i>	<i>14,668,883</i>
Equity investments	74,279,414	74,411,843
Tax credits	811,582	811,582
Advanced taxes	1,112,926	1,058,439
TOTAL NON-CURRENT ASSETS	110,454,051	109,678,588
CURRENT ASSETS		
Inventories	50,997,453	53,211,116
Trade receivables	47,682,836	43,468,384
Receivables from subsidiaries	6,532,996	6,868,972
Tax credits	821,721	483,272
Other receivables	1,418,548	1,456,293
Current financial assets	543,981	314,482
Cash and cash equivalents	567,197	793,696
TOTAL CURRENT ASSETS	108,564,732	106,596,215
TOTAL ASSETS	219,018,783	216,274,803

PRESS RELEASE

SHAREHOLDERS' EQUITY AND LIABILITIES	31.12.2016	31.12.2015
SHAREHOLDERS' EQUITY		
COMPANY CAPITAL	14.626.560	14,626,560
RESERVES	125.208.615	123,594,307
PROFIT / (LOSS) FOR THE PERIOD	1.456.716	2,725,637
TOTAL SHAREHOLDERS' EQUITY	141,291,891	140,946,504
NON-CURRENT LIABILITIES		
Non-current financial liabilities	13,968,266	18,963,968
Provisions for risks and charges	7,825,649	7,172,162
Provisions for employee benefits	4,546,676	4,379,437
TOTAL NON-CURRENT LIABILITIES	26,340,591	30,515,567
CURRENT LIABILITIES		
Current financial liabilities	22,713,812	26,597,118
Trade payables	20,426,522	9,314,332
Payables to subsidiaries	1,952,568	1,212,433
Tax payables	638,852	1,833,322
Amounts due to social security	1,696,996	1,719,399
Other current liabilities	3,957,551	4,136,128
TOTAL CURRENT LIABILITIES	51,386,301	44,812,732
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	219,018,783	216,274,803

SEPARATE INCOME STATEMENT

	31.12.2016	31.12.2015
Revenues	193,866,516	228,235,697
<i>of which: to related parties</i>	<i>8,508,483</i>	<i>11,562,586</i>
Other revenues and income	632,741	658,107
<i>of which: to related parties</i>	<i>63,676</i>	<i>148,720</i>
TOTAL REVENUES	194,499,257	228,893,804
Cost for raw material and consumables	(146,640,474)	(171,605,331)
<i>Of which to subsidiaries</i>	<i>(2,286,444)</i>	<i>(1,934,097)</i>
Change in inventories of work in progress and finished goods	(1,531,550)	(8,493,344)
Cost for services	(23,922,333)	(23,891,064)
<i>of which: to related parties</i>	<i>(861,521)</i>	<i>(774,094)</i>
Personnel costs	(16,627,473)	(17,872,600)
Amortization/depreciation	(2,463,906)	(2,796,477)
Allocation and write-downs	(1,177,229)	(926,020)
Other operating costs	(375,003)	(520,050)
EBIT	1,761,289	2,788,918
Devaluation of investment participation	(668,057)	(1,995,943)
Financial income / (expenses)	998,193	3,955,990
<i>of which: to related parties</i>	<i>106,025</i>	<i>133,624</i>
PROFIT (LOSS) BEFORE TAXES	2,091,425	4,748,965
Income taxes	(634,709)	(2,023,328)
PROFIT (LOSS) FOR THE PERIOD	1,456,716	2,725,637

PRESS RELEASE

SEPARATED STATEMENT OF CASH FLOWS	31.12.2016	31.12.2015
<i>€/000</i>		
OPERATING ACTIVITIES		
Net profit for the period	1,457	2,726
<i>Adjustments for:</i>		
Amortization/depreciation	2,464	2,796
Change in deferred taxes	(54)	88
(Gains)/losses from disposal of fixed assets	225	(23)
(Gains)/losses on unrealized translation difference	576	65
Taxes	597	1,965
Financial income/(loss)	(1,607)	(2,699)
Operating profit/(loss) before change in working capital	3,657	4,918
Taxes paid	(2,184)	(1,520)
Decrease (increase) in inventory	2,214	15,852
Change in current assets and liabilities	6,213	(17,637)
Change in current assets and liabilities to related parties	1,076	537
Change in non current assets and liabilities	821	1,792
Change in non current assets and liabilities to related parties	1,554	465
CASH FLOW PROVIDED BY OPERATING ACTIVITIES	13,351	4,408
INVESTING ACTIVITIES		
Investments in intangible assets	(32)	(47)
Investments in tangible assets	(5,000)	(2,911)
Equity investments	0	(48)
Proceeds from disposal	68	26
CASH FLOW USED IN INVESTMENTS ACTIVITIES	(4,964)	(2,980)
FINANCIAL ACTIVITIES		
Repayment of borrowings	(4,996)	18,964
Change in current other financial payables	(3,883)	(24,334)
Change in current financial assets	(229)	871
Interest paid	(315)	(611)
Interest received	1,922	3,311
Dividend paid	(802)	(803)
Change in minority shareholders' capital	(244)	101
Shares buy back	(66)	1,001
CASH FLOW PROVIDED BY FINANCING ACTIVITIES	(8,613)	(1,500)
NET CASH FLOW FOR THE PERIOD	(227)	(73)
CASH AND EQUIVALENT AT THE BEGINNING OF THE PERIOD	794	867
TOTAL NET CASH FLOW FOR THE PERIOD	(227)	(73)
CASH AND EQUIVALENT AT THE END OF YEAR	567	794

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