



SPAFID CONNECT

Informazione Regolamentata n. 0163-19-2017	Data/Ora Ricezione 19 Settembre 2017 19:10:35	MTA - Star
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Societa' : IRCE

Identificativo : 93884

Informazione
Regolamentata

Nome utilizzatore : IRCEN01 - CASADIO

Tipologia : 1.2

Data/Ora Ricezione : 19 Settembre 2017 19:10:35

Data/Ora Inizio : 19 Settembre 2017 19:15:06

Diffusione presunta

Oggetto : Half-Year Consolidated Financial
Statements at 30 June 2017

Testo del comunicato

Vedi allegato.



HALF-YEAR CONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2017

The Board of Directors has today approved the consolidated financial statements as at June 30th 2017.

The first half year 2017 of IRCE Group (hereinafter also the "Group") shows growth in revenues and an improvement in margins and profitability, compared to the first half of 2016.

In the winding wire sector, revenue shows an improvement over the first half of 2016; the Brazilian subsidiary recorded good results and revenues increased also in the in the European market, after a weak start at the beginning of 2017.

The revenues trend in the cable sector was also positive, with sales volumes increasing in the second quarter compared to the first, although being still below the level of the first six months of 2016.

Consolidated turnover amounted to € 185.67 million, compared to € 153.82 million in the first half year 2016, the increase of 21% was largely due to the rise in copper prices.

The results are shown in the following table.

Consolidated income statement data (€/million)	1 st half-year 2017	1 st half-year 2016	Change
Turnover ¹	185.67	153.82	31.85
EBITDA ²	11.93	6.20	5.73
EBIT	5.53	2.34	3.19
Profit before taxes	6.20	2.53	3.67
Net profit	3.85	1.20	2.65
Adjusted EBITDA ³	12.14	6.86	5.28
Adjusted EBIT ³	5.74	3.00	2.74
Consolidated statement of financial position data (€/million)	As of 30.06.2017	As of 31.12.2016	Change
Net invested capital	189.98	173.49	16.49
Shareholders' Equity	135.53	137.24	(1.71)
Net financial debt	54.45	36.25	18.20

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 (€ +0.21 million in the 1^o half-year 2017 and € +0.66 million in the 1^o half-year 2016). 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 2017, was € 54.45 million, up from € 36.25 million at the end of 2016, due to the increase of the net working capital.

The equity reduction is due to the negative variation in the conversion reserve for € 4.29 million and it is relative to the Brazilian Real devaluation against the Euro.

The Group's investments in 1st half year 2017 were € 2.13 million and concern the winding wire sector and made in some European plants.

In the winding wire sector, the Group expects an increase of revenues in the year 2017; while in the cable segment, in a weak market, revenues will be in line with those of the previous year. In this context, the Group expects positive results for the second half of the year, although lower than the first half year.

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, 19th September 2017

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.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS	30.06.2017	31.12.2016
NON- CURRENT ASSETS		
Goodwill and intangibles assets	940,723	1,827,881
Property, plant and equipment	52,182,008	52,627,264
Equipment and other tangible assets	1,216,477	1,209,192
Fixed assets under construction and advance	1,878,422	4,177,393
Non-current financial assets and receivables	119,667	122,677
Non-current tax receivables	811,582	811,582
Deferred tax assets	1,892,417	2,470,294
TOTAL NON -CURRENT ASSETS	59,041,296	63,246,283
CURRENT ASSETS		
Inventory	79,752,448	72,427,659
Trade receivables	92,489,122	75,918,372
Tax receivables	1,753,900	2,442,219
Receivables due from other	1,727,541	2,061,055
Current financial assets	161,312	543,981
Cash and cash equivalents	7,001,336	7,775,737
TOTAL CURRENT ASSETS	182,885,659	161,169,023
TOTAL ASSETS	241,926,955	224,415,306

PRESS RELEASE

SHAREHOLDERS EQUITY AND LIABILITIES	30.06.2017	31.12.2016
SHAREHOLDERS' EQUITY		
SHARE CAPITAL	14,626,560	14,626,560
RESERVES	117,311,438	122,288,345
PROFIT FOR THE PERIOD	3,853,784	54,676
TOTAL SHAREHOLDERS' EQUITY OF THE GROUP	135,791,782	136,969,581
MINORITY INTEREST	(257,496)	266,216
TOTAL SHAREHOLDERS' EQUITY	135,534,286	137,235,797
NON CURRENT LIABILITIES		
Non-current financial liabilities	11,464,293	13,968,266
Deferred tax liabilities	255,396	289,176
Provision for risks and charges	2,428,870	2,434,053
Employee benefits' provision	5,902,299	6,027,372
TOTAL NON-CURRENT LIABILITIES	20,050,858	22,718,867
CURRENT LIABILITIES		
Current financial liabilities	50,061,788	30,132,677
Trade payables	23,895,427	24,991,819
Tax payables	3,545,033	1,340,080
Social security contributions	1,813,849	2,147,394
Other current liabilities	7,025,714	5,848,672
TOTAL CURRENT LIABILITIES	86,341,811	64,460,642
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	241,926,955	224,415,306

CONSOLIDATED INCOME STATEMENT

	30.06.2017	30.06.2016
Revenues	185,671,914	153,815,606
Other revenues and income	307,910	497,026
TOTAL REVENUES	185,979,824	154,312,632
Cost for raw material and consumables	(148,518,149)	(117,836,535)
Change in inventories of work in progress and finished goods	9,420,261	2,113,871
Cost for services	(17,603,947)	(15,831,108)
Personnel costs	(16,648,713)	(16,157,154)
Amortization/depreciation	(4,009,816)	(2,808,028)
Allocation and write-downs	(2,390,793)	(1,055,051)
<i>(of which non recurring)</i>	<i>(1,830,000)</i>	
Other operating costs	(697,729)	(401,953)
EBIT	5,530,938	3,442,524
Financial incomes / (charges)	673,247	196,123
PROFIT / (LOSS) BEFORE TAXES	6,204,185	2,532,798
Income taxes	(2,874,113)	(1,333,460)
PROFIT / (LOSS) BEFORE NON-CONTROLLING INTERESTS	3,330,072	1,199,338
Non-controlling interests	(523,712)	936
PROFIT / (LOSS) FOR THE PERIOD	3,853,784	1,198,402

Earnings/(loss) per share (EPS)

- basic EPS of the year ascribable to ordinary shareholders of the parent company	0.1442	0.0448
- diluted EPS of the year ascribable to ordinary shareholders of the parent company	0.1442	0.0448

PRESS RELEASE

CONSOLIDATED STATEMENT OF CASH FLOWS	30.06.2017	30.06.2016
<i>€/000</i>		
OPERATING ACTIVITIES		
Profit for the year	3,854	1,198
<i>Adjustments for:</i>		
Amortization/depreciation	3,110	2,808
Write off goodwill	900	
Net change in (assets) provision for (advance) deferred taxes	544	(329)
(gains)/losses from sell-off of fixed assets	(2)	(13)
(gains)/losses on unrealized translation differences	186	292
Taxes	2,420	1,341
Financial income/(charge)	(796)	(840)
Operating profit/(loss) before change in working capital	10,215	4,458
Taxes paid	(332)	(358)
Decrease (increase) in inventory	(7,325)	1,862
(Increase) decrease in current assets and liabilities	(15,870)	(5,352)
(increase) decrease in non-current assets and liabilities	(131)	999
Exchange difference on translation of financial statement in foreign currency	(2,688)	2,858
CASH FLOW GENERATED BY OPERATING ACTIVITIES	(16,131)	4,468
INVESTING ACTIVITIES	-	0
Investments in intangible assets	(46)	(11)
Investments in tangible assets	(2,087)	(2,037)
Amount collected from sale of tangible and intangible assets	15	20
	0	0
CASH FLOW USED IN INVESTMENTS	(2,118)	(2,028)
FINANCIAL ACTIVITIES	-	0
Net change in loans	(2,504)	(5,992)
Net change in short-term debt	19,929	4,524
Exchange difference on translation of financial statement in foreign currency	373	(255)
Change in current financial assets	383	(211)
Payment of interest	(527)	(589)
Receipt of interest	1,324	1,429
Change in minority shareholders' capital	(524)	1
Change in translation of financial statements in foreign currency with effects in shareholders' equity	59	140
Dividends paid	(803)	(803)
Sell/purchase own shares	-	(64)
CASH FLOW GENERATED FROM FINANCIAL TRANSACTION	17,709	(1,820)
NET CASH FLOW FOR THE PERIOD	(540)	621
CASH BALANCE AT START OF YEAR	7,776	5,402
TOTAL NET CASH FLOW FOR THE PERIOD	(540)	621
EXCHANGE DIFFERENCE	(235)	135
CASH BALANCE AT THE END OF YEAR	7,001	6,158

Fine Comunicato n.0163-19

Numero di Pagine: 8