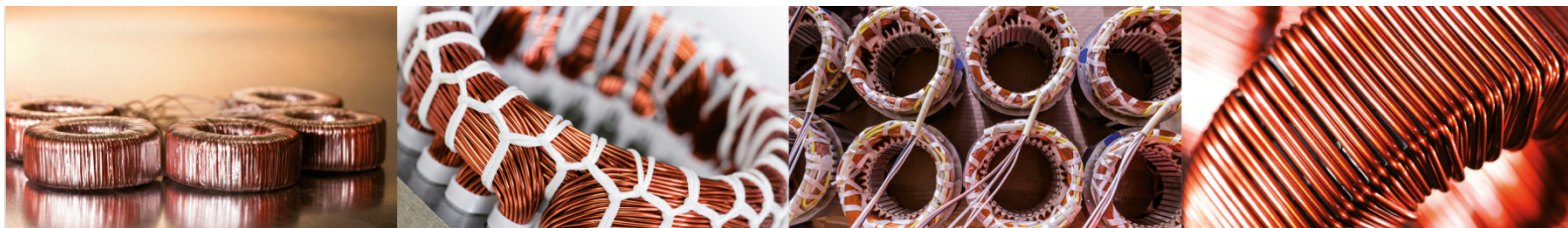




SMART SOLUTIONS IN WINDING WIRE
SMART SOLUTIONS IN WINDING WIRE

FY 2017 Financial Results Presentation



IRCE Group – Contents

Company Profile

- Highlights
- The Businesses
- Production Plants

Financial Results

- Copper and Aluminium Price Trend
- Profit and Loss Statement
- Balance Sheet
- Business Performance
- Market Performance

IRCE Group – Highlights

IRCE is a leading European Group operating in the industries of magnet wires and cables

IRCE Today	FY 2017	FY 2016	U.m.
Number of employees	725	733	Nr
TURNOVER	357.1	295.8	Eur M
EBITDA	18.4	6.9	Eur M
EBIT	10.0	(1.1)	Eur M
NET RESULT	4.7	(0.2)	Eur M

History

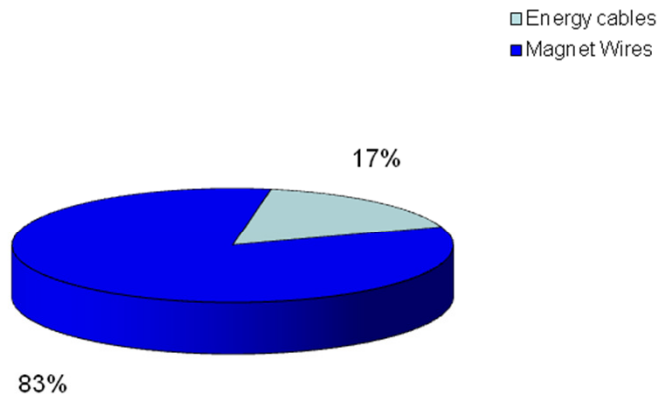
1947	IRCE began its activity in Imola (Italy) with the production of magnet wires
1961	The company started the production of PVC insulated low voltage cables
1996	The Group was listed on the Italian Stock Exchange
1998	Acquisition of Smit Draad Nijmegen BV (The Netherlands)
2001	Acquisition of FD Sims Ltd (UK)
2001	The Group was listed on the Star Market Segment
2007	Construction of Brazil Plant
2007	Acquisition of Stable Magnet Wire P. Ltd (India)
2010	Acquisition of ISODRA GmbH (Germany)
2015	New sales office in Poland

IRCE Group – The Businesses

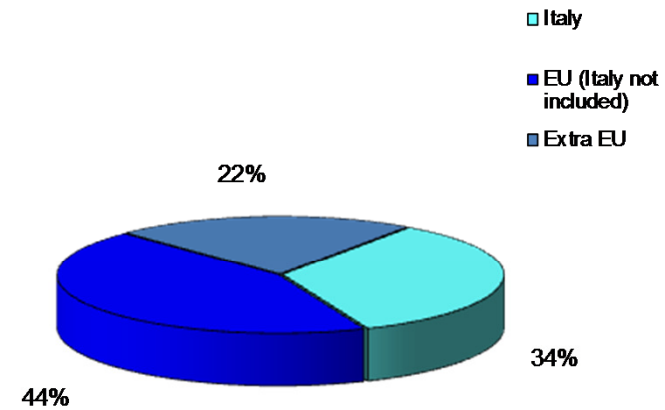
IRCE Group works in two business areas:

- Magnet wires
- Energy cables

Sales breakdown by business areas



Sales breakdown by geographical area



IRCE Group – The Businesses

Magnet Wires

Magnet wires, also known as winding wires or enamelled wires, have multiple applications such as electric motors, generators, transformers, compressors, inductors, relays, solenoid valves, etc. The wire is insulated through the application of many layers of enamels by means of highly sophisticated processes and machines, which demand high levels of investments and large scale of productions.



Energy Cables



Cables produced by the Group encompass the complete range of Low Voltage and Medium Voltage building and industrial cables, and power cords with plugs. Cables can be insulated with PVC, rubber, polyethylene, etc.. They are used for the construction of electricity plants in residential and industrial buildings and for the wiring and cabling of electrical appliances. The principal final industry sectors are the construction industry, housing and industrial applications, and consumer durables industries (domestic appliances and other electrical appliances).

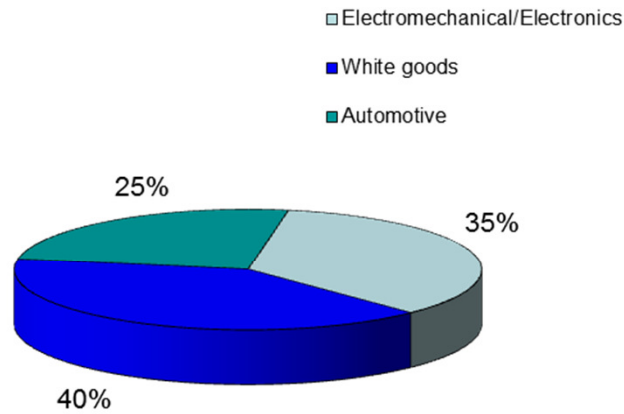
IRCE Group – The Businesses

> Magnet Wires

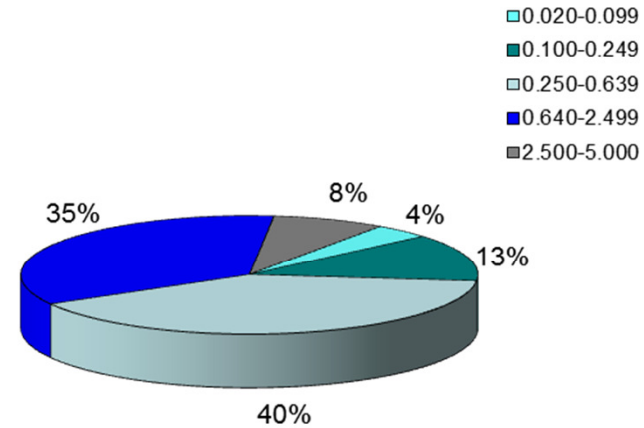
> Market share

In the Magnet Wire business IRCE manufactures and sales the complete range of products, and is mainly engaged in the segments of the fine and medium wires. It mainly operates in Europe, where it is third by size.

Sales breakdown by industry



Sales breakdown by size



IRCE Group – The Businesses

> *Magnet Wires*

> *Major customers by sectors*

White Goods

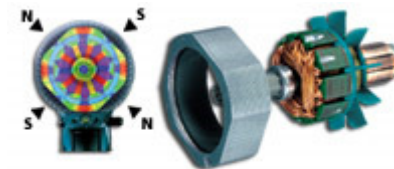
Whirlpool / Embraco
BSH
Nidec Corporation
Ceme
Elica Spa
A.R.S. Elettromeccanica
Cebi Group
Magimix

Automotive

Denso Manufacturing
Robert Bosch
Mahle Letrika D.O.O.
G. Cartier Technologies
Magna Electronics
Buehler motor GmbH
Bontaz Centre

Electromechanical/Electronics

Siemens
Schneider Electric
EBM-Papst Mulfingen
Cummins Generator Technologies
Panasonic
Finder
Tyco Electronics



IRCE Group – The Businesses

> *Energy Cables*

The group produces the full range of low and medium voltage cables and cords with plugs.

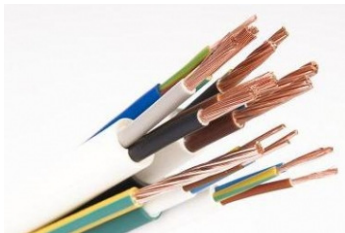
Cable customers are divided into two main sectors:

Distributors of electrical material

Com-Cavi Spa
Sonepar
Tkd Kabel GmbH

Industrial sector (white goods)

Whirlpool Group
Electrolux Group
Unionalpha Spa (Indesit Group supplier)
Bata Srl (Indesit Group supplier)
Selectra Srl
Dieter Eifler GmbH



IRCE Group – Production Plants



1. IRCE SpA – Headquarters Imola – Italy	Copper and Aluminium Round Magnet Wire and LV Energy Cables	Covered Area: 46,000 Sqm Employees: 250
2. IRCE SpA Guglionesi - Italy	LV/MV Energy Cables	Covered Area: 24,000 Sqm Employees: 80
3. IRCE SpA Umbertide - Italy	Copper and Aluminium Round Magnet Wire	Covered Area: 19,400 Sqm Employees: 45
4. IRCE SpA Miradolo – Italy	Power Cords with Plugs	Covered Area: 5,500 Sqm Employees: 35
5. Smit Draad Nijmegen BV Nijmegen – The Netherlands	Copper Rectangular Magnet Wire Continuously Transposed Cable (CTC)	Covered Area: 9,800 Sqm Employees: 105
6. FD Sims Ltd Blackburn – UK	Copper and Aluminium Round and Rectangular Magnet Wire	Covered Area: 7,000 Sqm Employees: 45
7. IRCE Ltda Joinville - Brazil	Copper and Aluminium Round and Rectangular Magnet Wire Continuously Transposed Cable (CTC)	Covered Area: 21,500 Sqm Employees: 90
8. Stable Magnet Wire P. Ltd. Cochin – India	Copper Round Magnet Wire	Employees: 28
9. ISODRA GmbH Kierspe -Germany	Copper Round Magnet Wire	Employees: 14

IRCE Group – Contents

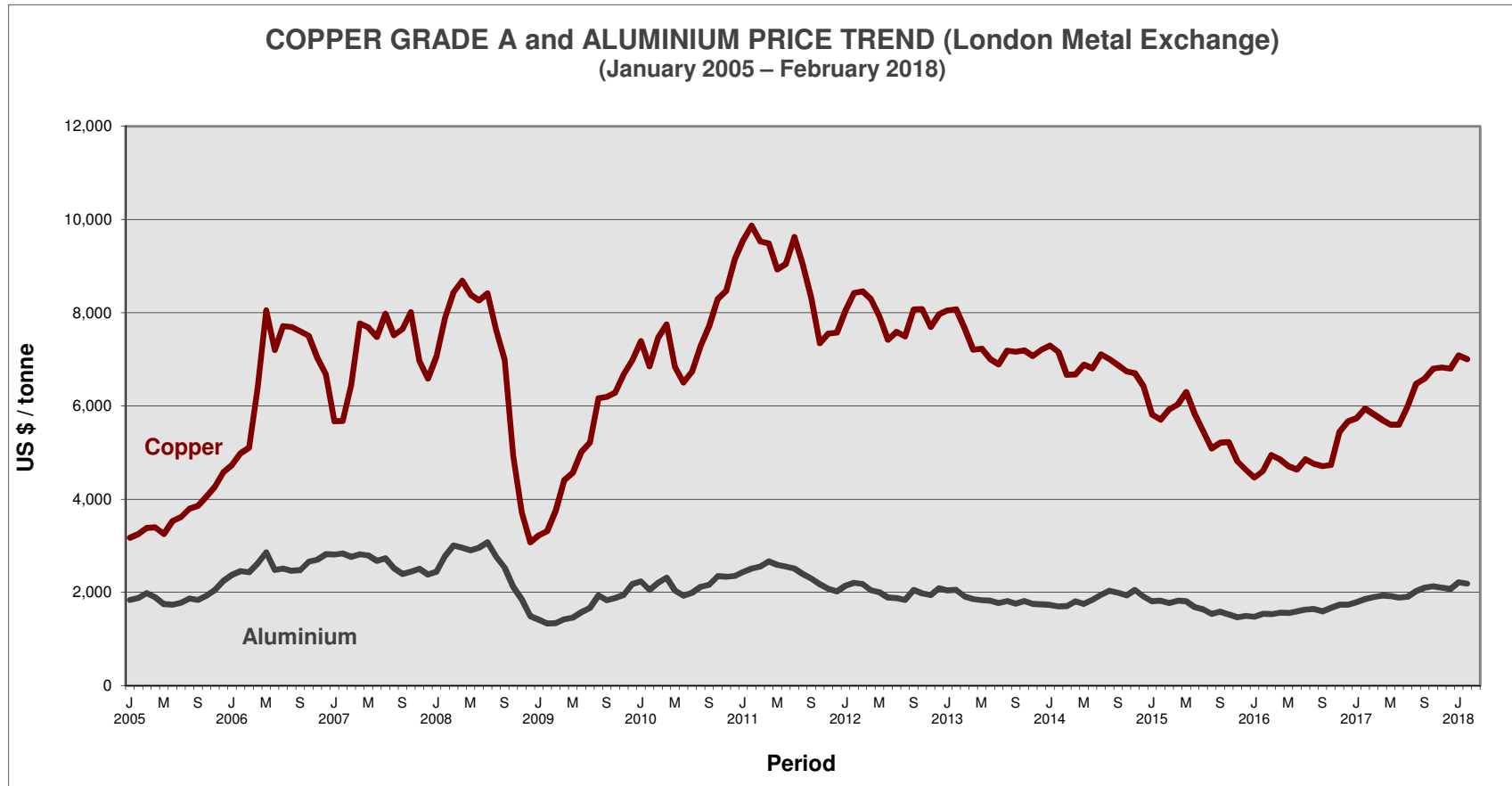
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IRCE Group – Copper and Aluminium price trend



IRCE Group – Profit and Loss Statement

Euro million	FY 2017	% Turn.	FY 2016	% Turn.	change %	FY 2015	% Turn.	FY 2014	% Turn.
<i>Hollow turnover wires</i>	63.7		59.7		6.7%	63.7		65.9	
<i>Hollow turnover cables</i>	16.0		15.2		5.3%	17.1		13.3	
Total hollow turnover	79.7		74.9		6.4%	80.8		79.2	
TURNOVER (copper included)	357.1	100.0%	295.8	100.0%	20.7%	349.9	99.8%	350.6	100.0%
Other income	0.7	0.2%	0.8	0.3%	-12.5%	0.6	0.2%	1.1	0.3%
TOTAL REVENUES	357.8	100.2%	296.6	100.3%	20.6%	350.5	100.0%	351.7	100.3%
Cost of material including change in stock	(273.8)	-76.7%	(226.7)	-76.6%	20.8%	(275.7)	-78.6%	(276.4)	-78.8%
Personnel costs	(31.8)	-8.9%	(30.8)	-10.4%	3.2%	(32.4)	-9.2%	(31.6)	-9.0%
Other costs and services	(33.8)	-9.5%	(32.2)	-10.9%	5.0%	(34.2)	-9.8%	(33.0)	-9.4%
EBITDA	18.4	5.2%	6.9	2.3%	166.7%	8.2	2.3%	10.7	3.1%
Depreciation and provisions	(8.4)	-2.4%	(8.0)	-2.7%	5.0%	(7.5)	-2.1%	(8.3)	-2.4%
EBIT	10.0	2.8%	(1.1)	-0.4%		0.7	0.2%	2.4	0.7%
Copper derivatives	(1.9)	-0.5%	1.7	0.6%	-211.8%	3.0	0.9%	3.2	0.9%
Net financial charges	0.1	0.0%	(0.2)	-0.1%	150.0%	1.7	0.5%	1.3	0.4%
RESULT BEFORE TAXES (EBT)	8.2	2.3%	0.4	0.1%		5.4	1.5%	6.9	2.0%
Taxes	(3.6)	-1.0%	(0.7)	-0.2%	414.3%	(2.4)	-0.7%	(3.1)	-0.9%
NET RESULT non-controlling interests	4.6	1.3%	(0.3)	-0.1%		3.0	0.9%	3.8	1.1%
Minorities	0.1	0.0%	0.1	0.0%	-	0.0	0.0%	0.0	0.0%
NET RESULT	4.7	1.3%	(0.2)	-0.1%		3.0	0.9%	3.8	1.1%
EBITDA	18.4	5.2%	6.9	2.3%	166.7%	8.2	2.3%	10.7	3.1%
Copper derivatives	(1.9)	-0.5%	1.7	0.6%		3.0	0.9%	3.2	0.9%
EBITDA Adjusted (*)	16.5	4.6%	8.6	2.9%	91.9%	11.2	3.2%	13.9	4.0%
Depreciation and provisions	(8.4)	-2.4%	(8.0)	-2.7%		(7.5)	-2.1%	(8.3)	-2.4%
EBIT Adjusted (*)	8.1	2.3%	0.6	0.2%	1,250.0%	3.7	1.1%	5.6	1.6%

(*) For a better comparison of the operating results, we have introduced the concepts of EBITDA and EBIT Adjusted, that are equal to the traditional definitions plus income or loss on copper derivatives.

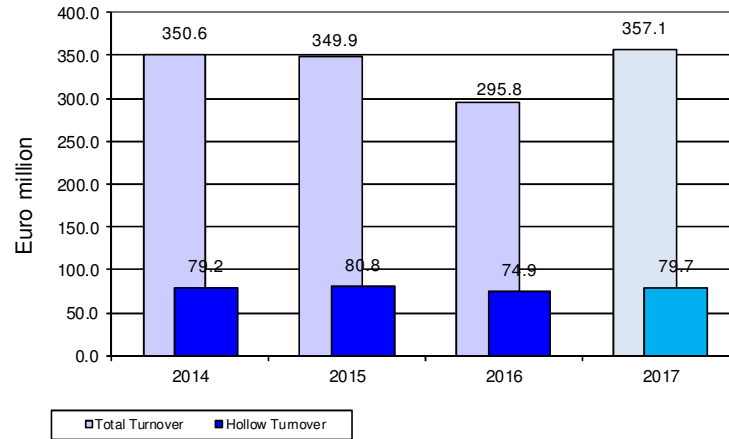
ROCE (EBIT Adj. / Net Capital Employed)%	4.5%	0.4%	2.0%	2.9%
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IRCE Group – Balance sheet

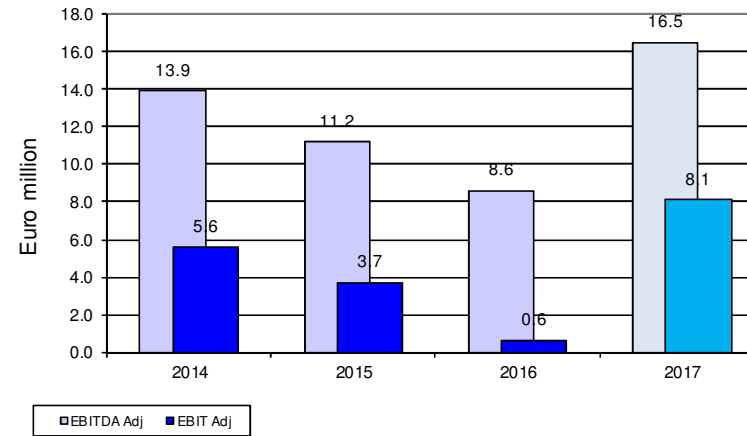
Euro million	31 December 2017	%	31 December 2016	%	31 December 2015	%	31 December 2014	%
Working capital	147.2	78.9%	121.4	70.8%	130.2	73.6%	132.3	70.6%
Fixed Assets	54.9	29.4%	59.9	34.9%	57.3	32.4%	64.4	34.4%
Other assets and liabilities	-15.6	-8.4%	-9.8	-5.7%	-10.5	-5.9%	-9.4	-5.0%
NET CAPITAL EMPLOYED	186.5	100.0%	171.5	100.0%	177.0	100.0%	187.3	100.0%
Net Financial Debt	54.1	29.0%	36.4	21.2%	46.2	26.1%	49.6	26.5%
Shareholders' Equity	132.4	71.0%	135.1	78.8%	130.8	73.9%	137.7	73.5%
FINANCING AND EQUITY	186.5	100.0%	171.5	100.0%	177.0	100.0%	187.3	100.0%
CAPEX	5.9		6.0		4.1		2.7	

IRCE Group – Business Performance

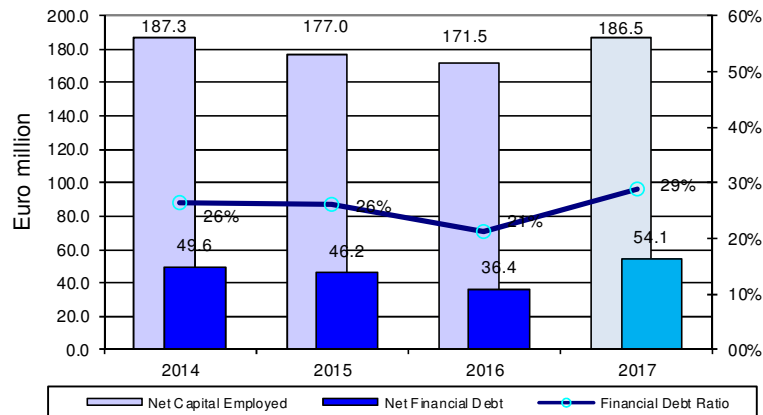
TURNOVER and HOLLOW TURNOVER



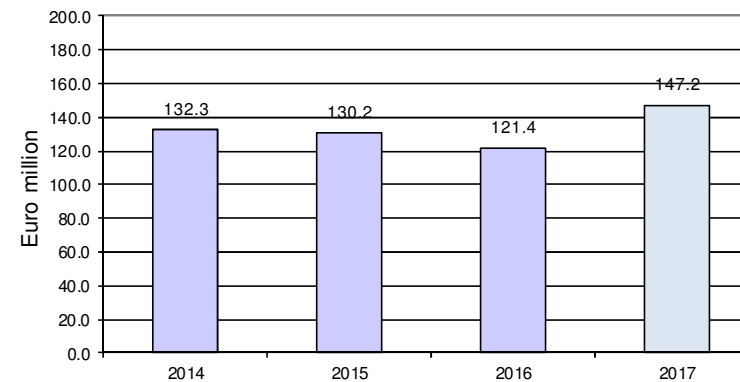
EBITDA Adjusted and EBIT Adjusted



NET CAPITAL EMPLOYED and NET FINANCIAL DEBT

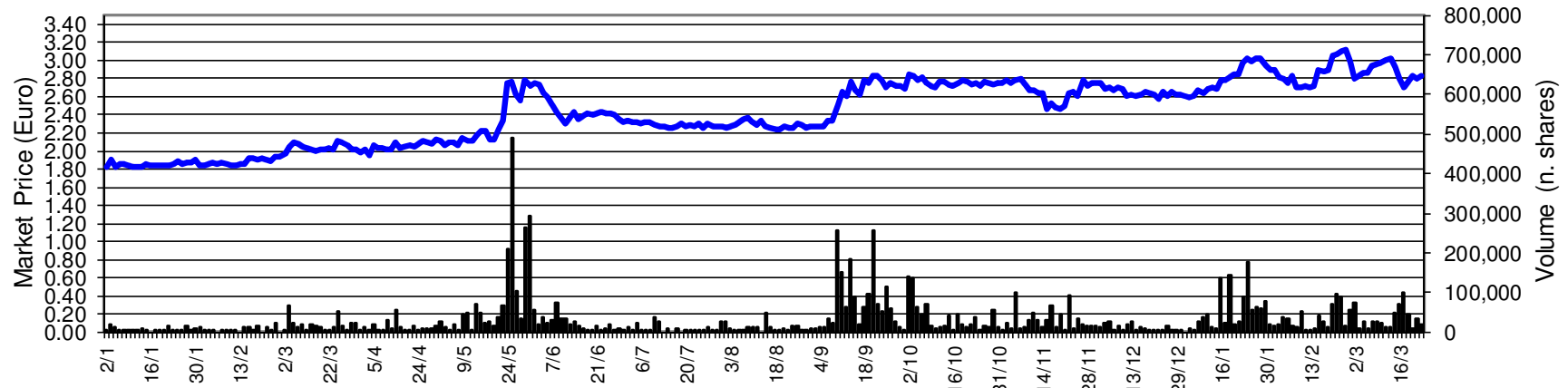


WORKING CAPITAL

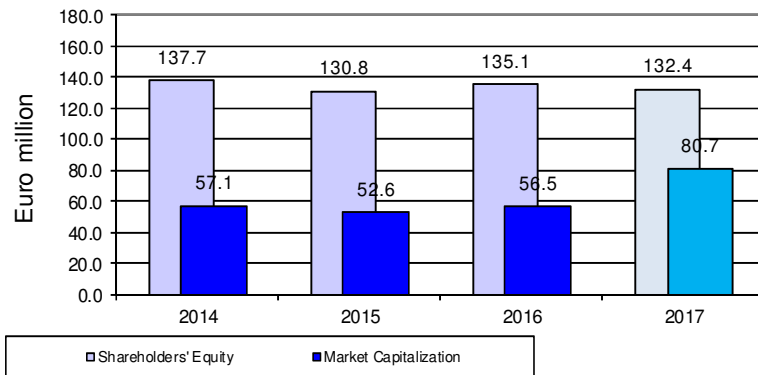


IRCE Group – Market Performance

MARKET PRICE TREND IRCE (Period: 1st January 2017 - 23rd March 2018)



NET EQUITY Vs MARKET CAPITALIZATION



PRICE/BOOK VALUE RATIO

