



SPAFID CONNECT

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Oggetto : Half-Year Consolidated Financial
Statements at 30 June 2019

Testo del comunicato

Vedi allegato.



HALF-YEAR CONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2019

The Board of Directors has today approved the consolidated financial statements as at June 30th 2019.

IRCE Group's (hereinafter also the "Group") first six months of 2019 closed with a net profit of € 2.60 million.

Consolidated turnover was € 170.45 million, down by 11.5% compared to € 192.51 million of first half of 2018. The reduction is linked to the decline of the turnover without metal and to the decrease of the LME average copper price in the first half of 4.5%, compared to the same half of last year.

Sales show a reduction in both sectors in which the company operates as occurred in the first part of the year. In the winding wire sector, the decline on the European market is partly offset by sales on outside European markets. In the cable sector, the important drop is concentrated on the Italian market.

The results are shown in the following table.

Consolidated income statement data (€/million)	1 st half-year 2019	1 st half-year 2018	Change
Turnover ¹	170.45	192.51	(22.06)
Turnover without metal ²	38.87	42.29	(3.42)
EBITDA ³	5.46	10.42	(4.96)
EBIT	1.93	6.52	(4.59)
Profit before taxes	3.25	8.17	(4.92)
Net Profit / (Loss) of the period	2.60	4.98	(2.38)
Adjusted EBITDA ⁴	6.60	11.92	(5.32)
Adjusted EBIT ⁴	3.07	8.02	(4.95)

Consolidated statement of financial position data (€/million)	As of 30.06.2019	As of 31.12.2018	Change
Net invested capital	195.42	191.01	4.41
Shareholders' Equity	133.32	131.30	2.02
Net financial debt	62.10	59.71	2.39

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

2 Turnover without metal corresponds to the total turnover less the metal component.

3 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.

4 Adjusted EBITDA and EBIT are respectively calculated as the sum of EBITDA and EBIT and the income/charges from operations on copper derivatives transactions (€ +1.14 million in the 1^o half-year 2019 and € +1.50 million in the 1^o half-year 2018). 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 2019, was € 62.10 million, up from € 59.71 million at the end of 2018, due to the increase of the net working capital.

The Group's investments, in the first half 2019, were € 1.43 million and mainly concerned IRCE SpA.

In the short term, we do not foresee changes in the general economy conditions. In any case, for the second part of the year, IRCE expects positive results.

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, 12nd September 2019

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 5 commercial companies; four of them are located outside Italy (Germany, Spain, Switzerland, Poland) and a new company in China. The Group employs 720 employees.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Euros)

ASSETS	30.06.2019	31.12.2018
NON- CURRENT ASSETS		
Intangibles assets	108,174	127,491
Property, plant and equipment	46,277,240	48,595,984
Equipment and other tangible assets	1,632,763	1,427,154
Fixed assets under construction and advance	3,120,349	2,399,588
Non-current financial assets and receivables	236,620	111,850
Non-current tax receivables	811,582	811,582
Deferred tax assets	1,952,085	1,879,382
TOTAL NON -CURRENT ASSETS	54,138,813	55,353,031
CURRENT ASSETS		
Inventory	96,251,923	95,785,674
Trade receivables	85,298,017	70,214,345
Receivables due from other	3,673,854	4,039,416
Current financial assets	892,256	589,977
Cash and cash equivalents	6,977,162	7,019,127
TOTAL NON -CURRENT ASSETS	193,093,212	177,648,539
TOTAL ASSETS	247,232,025	233,001,570

PRESS RELEASE

SHAREHOLDERS EQUITY AND LIABILITIES	30.06.2019	31.12.2018
SHAREHOLDERS' EQUITY		
SHARE CAPITAL	14,626,560	14,626,560
RESERVES	116,464,990	111,168,471
PROFIT (LOSS) FOR THE PERIOD	2,597,783	5,875,885
TOTAL SHAREHOLDERS' EQUITY OF THE GROUP	133,689,333	131,670,916
MINORITY INTEREST	(366,337)	(375,091)
TOTAL SHAREHOLDERS' EQUITY	133,322,996	131,295,825
NON CURRENT LIABILITIES		
Non-current financial liabilities	14,106,419	17,032,831
Deferred tax liabilities	296,365	704,309
Provision for risks and charges	852,454	1,893,027
Employee benefits' provision	5,176,087	5,312,834
TOTAL NON-CURRENT LIABILITIES	20,431,325	24,943,001
CURRENT LIABILITIES		
Current financial liabilities	55,501,253	49,995,296
Trade payables	25,731,675	16,212,015
Tax payables	2,090,035	1,025,696
<i>(of which: related parties)</i>	<i>185,668</i>	<i>185,668</i>
Social security contributions	1,722,072	1,964,232
Other current liabilities	8,432,669	7,565,505
TOTAL CURRENT LIABILITIES	93,477,704	76,762,744
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	247,232,025	233,001,570

CONSOLIDATED INCOME STATEMENT

(Euros)

	30.06.2019	30.06.2018
Revenues	170,450,112	192,512,089
Other revenues and income	516,644	395,633
TOTAL REVENUES	170,966,756	192,907,722
Cost for raw material and consumables	(137,402,843)	(163,689,306)
Change in inventories of work in progress and finished goods	3,272,519	13,014,651
Cost for services	(14,938,676)	(14,887,962)
Personnel costs	(15,791,640)	(16,234,443)
Amortization/depreciation	(3,454,570)	(3,536,247)
Allocation and write-downs	(75,290)	(366,617)
Other operating costs	(649,921)	(687,045)
EBIT	1,926,335	6,520,753
Financial incomes / (charges)	1,325,491	1,652,015
PROFIT / (LOSS) BEFORE TAXES	3,251,826	8,172,768
Income taxes	(645,290)	(3,197,058)
PROFIT / (LOSS) BEFORE NON-CONTROLLING INTERESTS	2,606,536	4,975,710
Non-controlling interests	(8,753)	819
PROFIT / (LOSS) FOR THE PERIOD	2,597,783	4,976,530

Earnings/(loss) per share (EPS)

- basic EPS of the year ascribable to ordinary shareholders of the parent company	0.0976	0.1866
- diluted EPS of the year ascribable to ordinary shareholders of the parent company	0.0976	0.1866

PRESS RELEASE

CONSOLIDATED STATEMENT OF CASH FLOWS	30.06.2019	30.06.2018
<i>€/000</i>		
OPERATING ACTIVITIES		
Profit for the year	2,598	4,977
<i>Adjustments for:</i>		
Amortization/depreciation	3,410	3,536
Net change in (assets) provision for (advance) deferred taxes	(481)	898
(Gains)/Losses from sell-off of fixed assets	(18)	(3)
(Gains)/Losses on unrealized translation differences	(40)	115
Taxes	(1,108)	(2,383)
Financial charges / (incomes)	(1,322)	(1,553)
Operating profit/(loss) before change in working capital	3,038	5,587
Taxes paid	(191)	(459)
Financial charges	(528)	(586)
Received financial income	1,855	2,139
Decrease (increase) in inventory	(466)	(11,402)
Change in account receivables	(15,084)	(11,059)
Change in account payables	9,520	1,546
(Increase) decrease in current assets and liabilities	3,399	(4,187)
(increase) decrease in non-current assets and liabilities	(1,296)	9,098
Exchange difference on translation of financial statement in foreign currency	461	(2,666)
CASH FLOW GENERATED BY OPERATING ACTIVITIES	707	(11,989)
INVESTING ACTIVITIES		
Investments in intangible assets	(2)	(68)
Investments in tangible assets	(1,430)	(3,480)
Amount collected from sale of tangible and intangible assets	8	18
CASH FLOW USED IN INVESTMENTS	(1,424)	(3,530)
FINANCIAL ACTIVITIES		
Increase in loans	-	3,126
Decrease in loans	(3,090)	-
Net change in short-term loans	5,419	12,747
Exchange difference on translation of financial statement in foreign currency	(31)	87
Change in current financial assets	(302)	(485)
Change in minority shareholders' capital	9	(1)
Change in translation reserve and other effects on shareholder's equity	(26)	212
Dividends paid	(1,330)	(1,333)
Sell/purchase own shares	(21)	(144)
CASH FLOW GENERATED FROM FINANCIAL TRANSACTION	626	14,209
NET CASH FLOW FOR THE PERIOD	(91)	(1,310)
CASH BALANCE AT START OF YEAR	7,019	7,752
TOTAL NET CASH FLOW FOR THE PERIOD	(91)	(1,310)
EXCHANGE DIFFERENCE	49	(361)
CASH BALANCE AT THE END OF YEAR	6,977	6,080

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