



SPAFID CONNECT

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at 30 september 2019

Testo del comunicato

Vedi allegato.



QUARTERLY CONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2019

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

IRCE Group's (hereinafter also the "Group") first nine months of 2019 closed with a net profit of € 2.13 million.

Consolidated turnover was € 240.94 million, down by 12.4% compared to € 275.01 million of first nine of 2018. The reduction was mainly linked to the decline in the volumes and in the turnover without metal², and was also influenced by the copper price reduction (-3.24% LME of the first nine months of 2019, compared to the value of the same period of the last year).

Sales decrease is explained by the demand slowdown in both business sectors in which the company operates. In particular, in the winding wire sector, there was a deterioration in the European market, which was partly offset by sales outside Europe. The cable sector shows an important drop concentrated in the Italian market, while foreign sales grow.

The results are reported in the following table.

Consolidated income statement data (€/million)	9 months 2019	9 months 2018	Change
Turnover ¹	240.94	275.01	(34.07)
Turnover without metal ²	54.47	59.88	(5.41)
EBITDA ³	6.25	13.34	(7.09)
EBIT	0.93	7.82	(6.89)
Profit before taxes	2.78	10.40	(7.62)
Net Profit / (Loss) of the period	2.13	6.54	(4.41)
Adjusted EBITDA ⁴	7.60	15.54	(7.94)
Adjusted EBIT ⁴	2.28	10.02	(7.74)

Consolidated statement of financial position data (€/million)	As of 30.09.2019	As of 31.12.2018	Change
Net invested capital	180.63	191.01	(10.38)
Shareholders' Equity	131.46	131.30	0.16
Net financial debt	49.17	59.71	(10.54)

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 (€ +1.35 million in nine months 2019 and € +2.20 million in nine months 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 September 2019, was € 49.17 million, down from € 59.71 million at the end of 2018, thanks to the decrease of the net working capital.

The Group's investments, in the nine months 2019, were € 2.88 million and mainly concerned IRCE SpA.

The worsening of our markets, combined with general uncertainty of the economic situation, do not lead us to foresee a recovery of demand in the short term. However, IRCE expects for year 2019 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, 14th November 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 710 employees.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Euros)

ASSETS	30.09.2019	30.06.2019	31.12.2018
NON - CURRENT ASSETS			
Intangibles assets	97,687	108,174	127,491
Property, plant and machinery	44,972,516	46,277,240	48,595,984
Equipment and other tangible other assets	1,743,037	1,632,763	1,427,154
Fixed assets under construction and on account	3,657,804	3,120,349	2,399,588
Other non-current financial assets and receivables	239,106	236,620	111,850
Non-current tax receivables	811,582	811,582	811,582
Deferred taxes assets	1,935,383	1,952,085	1,879,382
TOTAL NON- CURRENT ASSETS	53,457,115	54,138,813	55,353,031
CURRENT ASSETS			
Inventories	94,040,047	96,251,923	95,785,674
Trade receivables	66,463,257	85,298,017	70,214,345
Current tax receivables	390,199	-	-
Receivables due from others	3,376,947	3,673,854	4,039,416
Current financial assets	614,678	892,256	589,977
Cash and cash equivalent	7,629,578	6,977,162	7,019,127
TOTAL CURRENT ASSETS	172,514,706	193,093,212	177,648,539
TOTAL ASSETS	225,971,821	247,232,025	233,001,570

PRESS RELEASE

SHAREHOLDERS EQUITY AND LIABILITIES	30.09.2019	30.06.2019	31.12.2018
SHAREHOLDERS' EQUITY			
SHARE CAPITAL	14,626,560	14,626,560	14,626,560
RESERVES	115,040,088	116,464,990	111,168,471
PROFIT FOR THE PERIOD	2,131,580	2,597,783	5,875,885
TOTAL SHAREHOLDERS' EQUITY OF THE GROUP	131,798,228	133,689,333	131,670,916
MINORITY INTEREST	(335,873)	(366,337)	(375,091)
TOTAL SHAREHOLDERS' EQUITY	131,462,355	133,322,996	131,295,825
NON CURRENT LIABILITIES			
Non-current financial liabilities	9,861,322	14,106,419	17,032,831
Deferred tax liabilities	297,557	296,365	704,309
Provision for risks and charges	832,353	852,454	1,893,027
Employee benefits' provision	5,168,500	5,176,087	5,312,834
TOTAL NON-CURRENT LIABILITIES	16,159,732	20,431,325	24,943,001
CURRENT LIABILITIES			
Current financial liabilities	47,370,971	55,501,253	49,995,296
Trade payables	22,130,121	25,731,675	16,212,015
Tax payables	92,330	2,090,035	1,025,696
<i>(of which: related parties)</i>	<i>196,803</i>	<i>185,668</i>	<i>185,668</i>
Social security contributions	1,579,669	1,722,072	1,964,232
Other current liabilities	7,176,643	8,432,669	7,565,505
TOTAL CURRENT LIABILITIES	78,349,734	93,477,704	76,762,744
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	225,971,821	247,232,025	233,001,570

CONSOLIDATED INCOME STATEMENT

(Euros)

	30.09.2019	30.09.2018	III quarter 2019	III quarter 2018
Sales revenues	240,940,125	275,007,474	70,490,013	82,495,385
Other income	813,329	574,618	296,685	178,985
TOTAL REVENUES	241,753,454	275,582,092	70,786,698	82,674,370
Cost for raw material and consumables	(190,432,350)	(224,070,907)	(53,029,507)	(60,381,601)
Change in work in progress and finished goods	(325,216)	8,805,780	(3,597,735)	(4,208,871)
Cost for services	(21,313,268)	(22.151,900)	(6,374,592)	(7,263,939)
Personnel costs	(22,595,384)	(23,860,548)	(6,803,744)	(7,626,105)
Depreciation/Amortisation and impairment of fixed assets	(5,236,399)	(5,136,578)	(1,781,829)	(1,600,331)
Provisions and write-downs	(91,789)	(383,688)	(16,499)	(17,071)
Other operating costs	(834,101)	(964,672)	(184,180)	(277,627)
EBIT	924,946	7,819,579	(1,001,388)	1,298,825
Financial incomes / (charges)	1,852,300	2,578,411	526,809	926,396
PROFIT / (LOSS) BEFORE TAXES	2,777,247	10,397,990	(474,579)	2,225,221
Income taxes	(606,450)	(3,840,752)	38,840	(643,694)
RESULT OF THE GROUP AND NON-CONTROLLING INTERESTS	2,170,797	6,557,238	(435,739)	1,581,528
Non-controlling interests	(39,217)	(17,847)	(30,464)	(18,666)
RESULT OF IRCE GROUP	2,131,580	6,539,391	(466,203)	1,562,861

Earnings/(loss) per shares (EPS)

- basic EPS for the period	0.0801	0.2453
- diluted EPS for the period	0.0801	0.2453

PRESS RELEASE

CONSOLIDATED STATEMENT OF CASH FLOWS	30.09.2019	30.09.2018
<i>€/000</i>		
OPERATING ACTIVITIES		
Profit for the year	2,132	6,539
<i>Adjustments for:</i>		
Amortization/depreciation	5,169	5,137
Net change in (assets) provision for (advance) deferred taxes	(463)	806
(Gains)/Losses from sell-off of fixed assets	(19)	(16)
(Gains)/Losses on unrealized translation differences	(109)	(195)
Taxes	(1,120)	(3,126)
Financial charges / (incomes)	(1,640)	(2,384)
Operating profit/(loss) before change in working capital	3,950	6,761
Taxes paid	(2,337)	(1,697)
Financial charges	(676)	(785)
Received financial income	2,323	3,169
Decrease (increase) in inventory	1,746	(10,214)
Change in account receivables	3,751	10,959
Change in account payables	5,918	2,274
(Increase) decrease in current assets and liabilities	2,140	85
(increase) decrease in non-current assets and liabilities	(1,332)	203
Exchange difference on translation of financial statement in foreign currency	(443)	(3,430)
CASH FLOW GENERATED BY OPERATING ACTIVITIES	15,039	7,325
INVESTING ACTIVITIES		
Investments in intangible assets	(2)	(70)
Investments in tangible assets	(2,879)	(3,955)
Amount collected from sale of tangible and intangible assets	8	86
CASH FLOW USED IN INVESTMENTS	(2,873)	(3,939)
FINANCIAL ACTIVITIES		
Increase in loans	-	918
Decrease in loans	(7,373)	-
Net change in short-term loans	(2,654)	(3,450)
Exchange difference on translation of financial statement in foreign currency	(146)	69
Change in current financial assets	(26)	(528)
Change in minority shareholders' capital	39	18
Change in translation reserve and other effects on shareholder's equity	(25)	212
Dividends paid	(1,330)	(1,333)
Sell/purchase own shares	(32)	(163)
CASH FLOW GENERATED FROM FINANCIAL TRANSACTION	(11,546)	(4,257)
NET CASH FLOW FOR THE PERIOD	620	(871)
CASH BALANCE AT START OF YEAR	7,019	7,752
TOTAL NET CASH FLOW FOR THE PERIOD	620	(871)
EXCHANGE DIFFERENCE	(10)	(431)
CASH BALANCE AT THE END OF YEAR	7,629	6,450

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