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at 30 june 2020

Testo del comunicato

Vedi allegato.



HALF-YEAR CONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2020

The Board of Directors has today approved the consolidated financial statements as at June 30th 2020.

The first half of 2020 of the IRCE Group (hereinafter also the "Group") shows a loss of € 0.43 million, result heavily influenced by the consequences of COVID-19.

Consolidated turnover was € 136.69 million, down by 19.8% compared to the € 170.45 million of first half of 2019; the decrease was mainly due to the decline in volumes.

The reduction of sales, which began last year, following a slowdown of demand, accelerated in the second quarter of this year because of the worldwide spread of the Coronavirus. Sales of the winding wire sector decreased more than the cables market, because of the strong fall of demand from the automotive industry.

The results are shown in the following table:

Consolidated income statement data (€/million)	1 st half-year 2020	1 st half-year 2019	Change
Turnover ¹	136.69	170.45	(33.76)
Turnover without metal ²	30.87	38.87	(8.00)
EBITDA ³	2.58	5.46	(2.88)
EBIT	(0.99)	1.93	(2.92)
Result before taxes	(0.27)	3.25	(3.52)
Result of the period	(0.43)	2.60	(3.03)
Adjusted EBITDA ⁴	2.94	6.60	(3.66)
Adjusted EBIT ⁴	(0.63)	3.07	(3.70)

Consolidated statement of financial position data (€/million)	As of 30.06.2020	As of 31.12.2019	Change
Net invested capital	159.34	173.89	(14.55)
Shareholders' Equity	120.79	131.50	(10.71)
Net financial debt	38.55	42.39	(3.84)

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 (€ +0.36 million in the 1^o half-year 2020 and € +1.14 million in the 1^o half-year 2019). 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 2020, was € 38.55 million, down from € 42.39 million at the end of 2019, as a result of the reduction of net working capital.

The decrease of consolidated shareholders' equity is due to the consolidation of our Brazilian subsidiary. The devaluation of the Brazilian Real (around 26% against the Euro), has in fact required an increase of € 10.04 million of the negative value of the translation reserve.

The Group's investments, in the first half 2020, were € 0.82 million; they mainly concerned IRCE S.p.A. and the Brazilian subsidiary IRCE Ltda.

For the second part of the year, we expect an improvement in demand; at the same time, consolidated turnover should recover against the first six months of the year.

In addition, thanks to the containment of costs that will continue in the second part of the year, the Group foresees, for the entire 2020, an improvement in EBIT vis-à-vis the first half year. All this, on condition that there is no worsening of the pandemic, which could cause exceptional situations and decisions.

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, 16th September 2020

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 700 employees.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Euros)

ASSETS	30.06.2020	31.12.2019
NON- CURRENT ASSETS		
Intangibles assets	235,778	256,300
Property, plant and equipment	42,576,717	48,354,131
Equipment and other tangible assets	1,579,444	1,750,118
Fixed assets under construction and advance	1,535,863	1,436,379
Non-current financial assets and receivables	359,193	234,765
Non-current tax receivables	-	375,564
Deferred tax assets	1,576,956	1,375,021
TOTAL NON-CURRENT ASSETS	47,863,951	53,782,278
CURRENT ASSETS		
Inventory	83,415,409	82,308,481
Trade receivables	53,347,944	63,130,268
Tax receivables	760,275	832,772
<i>(of which: related parties)</i>	-	196,803
Receivables due from other	1,643,251	2,053,794
Current financial assets	2,744,108	385,919
Cash and cash equivalents	9,552,759	8,631,545
TOTAL NON -CURRENT ASSETS	151,493,746	157,342,779
TOTAL ASSETS	199,357,697	211,125,057

SHAREHOLDERS EQUITY AND LIABILITIES	30.06.2020	31.12.2019
SHAREHOLDERS' EQUITY		
SHARE CAPITAL	14,626,560	14,626,560
RESERVES	106,928,263	115,276,611
PROFIT (LOSS) FOR THE PERIOD	(429,144)	1,942,159
TOTAL SHAREHOLDERS' EQUITY OF THE GROUP	121,125,679	131,845,330
MINORITY INTEREST	(336,453)	(343,966)
TOTAL SHAREHOLDERS' EQUITY	120,789,226	131,501,364
NON CURRENT LIABILITIES		
Non-current financial liabilities	7,140,415	8,746,825
Deferred tax liabilities	107,924	127,125
Provision for risks and charges	624,206	901,284
Employee benefits' provision	4,966,431	5,099,185
TOTAL NON-CURRENT LIABILITIES	12,838,976	14,874,419
CURRENT LIABILITIES		
Current financial liabilities	42,579,165	42,300,450
Trade payables	14,221,929	13,454,746
Tax payables	178,522	126,082
Social security contributions	1,372,678	1,848,422
Other current liabilities	7,377,201	7,019,574
TOTAL CURRENT LIABILITIES	65,729,495	64,749,274
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	199,357,697	211,125,057

CONSOLIDATED INCOME STATEMENT

(Euros)

	30.06.2020	30.06.2019
Revenues	136,687,527	170,450,112
Other revenues and income	588,281	516,644
TOTAL REVENUES	137,275,808	170,966,756
Cost for raw material and consumables	(109,853,158)	(137,402,843)
Change in inventories of work in progress and finished goods	1,194,011	3,272,519
Cost for services	(11,275,378)	(14,938,676)
Personnel costs	(14,328,588)	(15,791,640)
Amortization/depreciation	(3,528,816)	(3,454,570)
Allocation and write-downs	(48,717)	(75,290)
Other operating costs	(428,819)	(649,921)
EBIT	(993,657)	1,926,335
Financial incomes / (charges)	727,422	1,325,491
RESULT BEFORE TAXES	(266,325)	3,251,826
Income taxes	(155,395)	(645,290)
RESULT BEFORE NON-CONTROLLING INTERESTS	(421,630)	2,606,536
Non-controlling interests	(7,514)	(8,753)
RESULT FOR THE PERIOD	(429,144)	2,597,783

Earnings/(loss) per share (EPS)

- basic EPS of the year ascribable to ordinary shareholders of the parent company	(0.0161)	0.0976
- diluted EPS of the year ascribable to ordinary shareholders of the parent company	(0.0161)	0.0976

PRESS RELEASE

CONSOLIDATED STATEMENT OF CASH FLOWS	30.06.2020	30.06.2019
<i>€/000</i>		
OPERATING ACTIVITIES		
Result before non-controlling interests	(422)	2,607
<i>Adjustments for:</i>		
Depreciation/Amortization	3,485	3,410
Net change in deferred tax (assets)/liabilities	272	463
Capital (gains)/losses from the realisation of fixed assets	12	(18)
(Gains)/Losses on unrealized exchange rate differences	22	(40)
Current taxes	427	1,108
Financial charges / (incomes)	(286)	(1,322)
Operating profit/(loss) before change in working capital	3,510	6,207
Taxes paid	(148)	(191)
Financial charges paid	(250)	(519)
Financial income received	532	1,840
Decrease (increase) in inventories	(4,612)	29
Change in account receivables	6,606	(14,770)
Change in account payables	1,049	9,393
Net change in current assets and liabilities for the period	639	982
Net change in non-current assets and liabilities for the period	(1,051)	(2,261)
CASH FLOW GENERATED BY OPERATING ACTIVITIES	6,275	710
INVESTING ACTIVITIES		
Investments in intangible assets	(22)	(2)
Investments in tangible assets	(803)	(1,420)
Amount collected from sale of tangible and intangible assets	-	8
CASH FLOW USED IN INVESTMENTS	(825)	(1,414)
FINANCIAL ACTIVITIES		
Financing refunds	(1,086)	(3,112)
Net change in short-term loans	413	5,410
Change in current financial assets	(2,388)	(302)
Change in translation reserve and other effects in shareholders' equity	43	(26)
Dividends paid	-	(1,330)
Management of own shares (sales/purchases)	(14)	(21)
CASH FLOW GENERATED FROM FINANCIAL TRANSACTION	(3,033)	618
NET CASH FLOW FOR THE PERIOD	2,417	(87)
CASH BALANCE AT START OF YEAR	8,632	7,019
TOTAL NET CASH FLOW FOR THE PERIOD	2,417	(87)
EXCHANGE RATE DIFFERENCE	(1,496)	45
CASH BALANCE AT THE END OF YEAR	9,553	6,977

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