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Oggetto : Quarterly consolidated financial statements
at 30 september 2020

Testo del comunicato

Vedi allegato.



QUARTERLY CONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2020

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

The first nine months of the year 2020 of the IRCE Group (hereinafter also the "Group") show a profit of € 0.65 million, an improvement compared to the result of the first half.

Consolidated turnover was € 205.95 million, down by 14.5% compared to the € 240.94 million of first nine month of 2019; the decrease due to the decline in volumes.

Sales, after the sharp decline in the second quarter, due to the worldwide spread of the Coronavirus, saw a recovery in the third quarter, in particular, the cable sector recorded growth concentrated on the domestic market.

The results are shown in the following table:

Consolidated income statement data (€/million)	9 months 2020	9 months 2019	Change
Sales ¹	205.95	240.94	(34.99)
Turnover without metal ²	48.18	54.47	(6.29)
EBITDA ³	6.16	6.25	(0.09)
EBIT	(0.24)	0.93	(1.17)
Result before taxes	1.41	2.78	(1.37)
Result of the period	0.65	2.13	(1.48)
Adjusted EBITDA ⁴	7.35	7.60	(0.25)
Adjusted EBIT ⁴	0.95	2.28	(1.33)

Consolidated statement of financial position data (€/million)	As of 30.09.2020	As of 31.12.2019	Change
Net invested capital	156.25	173.53	(17.28)
Shareholders' Equity	119.40	131.50	(12.10)
Net financial debt	36.85	42.03	(5.18)

1 The item "Sales" represents the "Sales 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 (€ +1.19 million in nine months 2020 and € +1.35 million in nine months 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 September 2020, was € 36.85 million, down from € 42.03 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 32% against the Euro from the beginning of the year), has in fact required an increase of € 12.53 million of the negative value of the translation reserve.

The Group's investments, in first nine months of 2020, were € 1.17 million; they mainly concerned IRCE S.p.A. and the Brazilian subsidiary IRCE Ltda.

The policies implemented by European governments to combat the pandemic in progress are causing considerable uncertainty on the market demand. In this scenario, the Group still continues its cost containment actions, and expects, for the entire 2020, a further improvement of 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, 13rd November 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	30.09.2020	31.12.2019
NON- CURRENT ASSETS		
Intangibles assets	202,230	256,300
Property, plant and equipment	39,888,463	48,354,131
Equipment and other tangible assets	1,502,867	1,750,118
Fixed assets under construction and advance	1,835,750	1,436,379
Non-current financial assets and receivables	216,583	234,765
Non-current tax receivables	0	375,564
Receivables for deferred tax assets	1,424,087	1,375,021
TOTAL NON -CURRENT ASSETS	45,069,980	53,782,278
CURRENT ASSETS		
Inventory	74,554,386	82,308,481
Trade receivables	69,743,591	63,130,268
Tax receivables	754,802	832,772
Receivables due from others	1,517,020	2,053,794
Current financial assets	2,693,279	385,919
Cash and cash equivalents	5,777,893	8,631,545
TOTAL CURRENT ASSETS	155,040,971	157,342,780
TOTAL ASSETS	200,110,951	211,125,058

SHAREHOLDERS EQUITY AND LIABILITIES	30.09.2020	31.12.2019
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PRESS RELEASE

SHAREHOLDERS' EQUITY		
SHARE CAPITAL	14,626,560	14,626,560
RESERVES	104,422,478	115,276,611
PROFIT FOR THE PERIOD	650,366	1,942,159
TOTAL SHAREHOLDERS' EQUITY ATTRIBUTABLE TO GROUP SHAREHOLDERS	119,699,404	131,845,330
SHAREHOLDERS' EQUITY ATTRIBUTABLE TO NON CONTROLLING INTERESTS	(304,853)	(343,966)
TOTAL SHAREHOLDERS' EQUITY	119,394,551	131,501,364
NON CURRENT LIABILITIES		
Non-current financial liabilities	21,790,565	8,746,825
Deferred tax liabilities	123,569	127,125
Provision for risks and charges	851,781	901,284
Provisions for employee benefits	4,944,303	5,099,185
TOTAL NON-CURRENT LIABILITIES	27,710,218	14,874,419
CURRENT LIABILITIES		
Current financial liabilities	23,533,068	42,300,450
Trade payables	20,107,459	13,454,746
Tax payables	400,199	126,082
Social security contributions	1,774,901	1,848,422
Other current liabilities	7,190,555	7,019,575
TOTAL CURRENT LIABILITIES	53,006,182	64,749,275
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	200,110,951	211,125,058

CONSOLIDATED INCOME STATEMENTS

	30.09.2020	30.09.2019	III° Quart. 20	III° Quart. 19
Sales revenues	205,953,771	240,940,125	69,266,244	70,490,013
Other income	614,008	813,329	25,726	296,685
TOTAL REVENUES	206,567,778	241,753,454	69,291,970	70,786,698
Cost for raw material and consumables	(160,616,684)	(190,432,350)	(50,763,526)	(53,029,508)
Change in inventories of work in progress and finished goods	(1,001,820)	(325,216)	(2,195,831)	(3,597,735)
Costs for services	(16,934,989)	(21,313,268)	(5,659,611)	(6,374,592)
Personnel costs	(20,879,212)	(22,595,384)	(6,550,624)	(6,803,745)
Amortisation/depreciation and impairment of tangible and intangible assets	(5,746,961)	(5,236,399)	(2,218,145)	(1,781,828)
Provisions and write-downs	(643,391)	(91,789)	(594,674)	(16,498)
Other operating costs	(979,474)	(834,101)	(550,655)	(184,182)
EBIT	(234,752)	924,946	758,905	(1,001,391)
Financial incomes / (charges)	1,641,620	1,852,300	914,198	526,809
PRE TAX-PROFIT	1,406,868	2,777,247	1,673,104	(474,582)
Income taxes	(717,388)	(606,450)	(561,993)	38,840
GROUP AND THIRD PARTY PROFIT	689,480	2,170,797	1,111,110	(435,742)
(Profit) / loss for the peoriod attributable to non-controlling interests	(39,114)	(39,217)	(31,600)	(30,464)
IRCE GROUP PROFIT	650,366	2,131,580	1,079,511	(466,206)

Earnings/(loss) per share (EPS)

- basic EPS for the year attributable to shareholders of the parent company	0.0245	0.0801
- diluted EPS for the year attributable to shareholders of the parent company	0.0245	0.0801

PRESS RELEASE

CONSOLIDATED STATEMENT OF CASH FLOWS	30.09.2020	30.09.2019
<i>€/000</i>		
OPERATING ACTIVITIES		
Profit/(loss) for the year	689	2,171
<i>Adjustments for:</i>		
Depreciation/Amortization	5,747	5,267
Net change in deferred tax (assets)/liabilities	(110)	514
Capital (gains)/losses from the realisation of fixed assets	(0)	(19)
Costs for the use of third-party assets (IFRS 16)	(82)	(98)
(Profit)/loss on unrealised exchange rate differences	747	(109)
Current taxes	828	(1,120)
Financial (income)/charges	(1,282)	(1,640)
Operating profit/(loss) before changes in working capital	6,537	4,965
Taxes paid	(329)	(2,337)
Financial charges paid	(618)	(667)
Financial income received	1,905	2,307
Decrease/(increase) in inventories	4,431	1,822
Change in trade receivables	(14,544)	3,548
Change in trade payables	7,532	5,676
Net change in current assets and liabilities for the period	1,259	2,120
Net change in non-current assets and liabilities for the period	(252)	(2,355)
CASH FLOW GENERATED FROM OPERATING ACTIVITIES	5,921	15,079
INVESTING ACTIVITIES		
Investments in intangible assets	(4)	(2)
Investments in tangible assets	(1,163)	(2,879)
Consideration received for the sale of tangible and intangible assets	-	8
CASH GENERATED FROM/USED IN INVESTING ACTIVITIES	(1,167)	(2,873)
FINANCING ACTIVITIES		
Financing refunds	13,550	(7,530)
Net change in short-term financial payables	(18,248)	(2,643)
Change in current financial assets	(2,307)	(26)
Change in translation reserve and other effects on shareholder's equity	-	(25)
Dividends paid	-	(1,330)
Management of own shares (sales/purchases)	(14)	(32)
CASH GENERATED FROM/USED IN FINANCING ACTIVITIES	(7,021)	(11,587)
NET CASH FLOW FOR THE PERIOD	(2,266)	620
CASH BALANCE AT THE BEGINNING OF THE PERIOD	8,632	7,019
COMPREHENSIVE NET CASH FLOW FOR THE PERIOD	(2,266)	620
Exchange rate difference	(587)	(10)
CASH BALANCE AT THE END OF THE PERIOD	5,778	7,629

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