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2021

Testo del comunicato

Vedi allegato.



INTERIM REPORT ON OPERATIONS AT 31ST MARCH 2021

The Board of Directors has today approved the consolidated financial statements as at 31st March 2021.

IRCE Group's first quarter 2021 (hereinafter also the "Group") closed with a profit of the period of € 3.34 million.

Consolidated turnover was € 103.53 million, up by 34.0% compared to the € 77.26 million of first quarter of 2020, thanks to the growth in sale volumes and copper price (LME quoted in Euro +38.0% quarter 2021 to quarter 2020).

In the first quarter of this year, sales in both our areas of business, winding wires and energy cables, confirm the recovery of market demand, which began in the second half of 2020 and record a further improvement vis-à-vis the fourth quarter of last year.

Results are reported in the following table.

| Consolidated income statement data (€/million) | 1 st quarter 2021 | 1 st quarter 2020 | Change |
|---|------------------------------|------------------------------|--------|
| Turnover ¹ | 103.53 | 77.26 | 26.27 |
| Turnover without metal ² | 22.26 | 17.46 | 4.80 |
| EBITDA ³ | 7.17 | 2.91 | 4.26 |
| EBIT | 4.64 | 1.06 | 3.58 |
| Result before taxes | 4.22 | (1.02) | 5.24 |
| Result of the period of the Parent Company | 3.34 | (0.87) | 4.21 |
| Adjusted EBITDA ⁴ | 6.45 | 0.49 | 5.96 |
| Adjusted EBIT ⁴ | 3.92 | (1.36) | 5.28 |

| Consolidated statement of financial position data (€/million) | As of 31.03.2021 | As of 31.12.2020 | Change |
|--|------------------|------------------|--------|
| Net invested capital | 185.05 | 162.36 | 22.69 |
| Shareholders' Equity | 124.35 | 122.62 | 1.73 |
| Net financial debt | 60.70 | 39.74 | 20.96 |

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 and electricity derivatives transactions (€ -0.72 million in the first quarter of 2021 and € -2.42 million in the first quarter of 2020). 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 March 2021, was € 60.70 million, up from € 39.74 million at the end of 2020, as a result of the growth in sales volumes and the copper price.

Shareholders' equity was negatively affected by the change in the translation reserve mainly due to the devaluation of the Brazilian real (which accounted for € 1.78 million), which, from the beginning of the year, went down by 6%.

The Group's investments, in the first quarter 2021, were € 0.73 million.

The forecasts for 2021, which also consider the uncertainty about the recovery time of the economy after the pandemic, remain positive and we expect a significant recovery in demand compared to the last year.

To date, the Group has not had any significant impacts due to the Coronavirus pandemic and has in fact continued to produce continuously. For an update on the situation, please refer to a specific note in the Interim Report on Operations at 31 March 2021.

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 May 2021

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 two companies currently inoperative (China and Czech Republic). The Group employs 710 employees.

| CONSOLIDATED STATEMENT OF FINANCIAL POSITION | | |
|---|--------------------|--------------------|
| (Unit of Euro) | | |
| ASSETS | 31.03.2021 | 31.12.2020 |
| NON CURRENT ASSETS | | |
| Goodwill and Other intangible assets | 119,482 | 133,008 |
| Property, plant and machinery | 38,603,759 | 40,862,438 |
| Equipments and other tangible assets | 1,433,479 | 1,542,621 |
| Assets under constructions and advances | 1,512,389 | 971,478 |
| Investments | 106,995 | 102,137 |
| Non current financial assets | 144,437 | 124,882 |
| Deferred tax assets | 1,408,040 | 1,386,848 |
| NON CURRENT ASSETS | 43,328,581 | 45,123,412 |
| CURRENT ASSETS | | |
| Inventories | 87,245,564 | 76,230,890 |
| Trade receivables | 89,549,904 | 73,906,499 |
| Tax receivables | 8,075 | 7,236 |
| Other current assets | 2,655,149 | 1,935,970 |
| Current financial assets | 322,719 | 1,903,141 |
| Cash and cash equivalent | 6,160,137 | 10,259,995 |
| CURRENT ASSETS | 185,941,548 | 164,243,731 |
| | | |
| TOTAL ASSETS | 229,270,129 | 209,367,143 |

| EQUITY AND LIABILITIES | 31.03.2021 | 31.12.2020 |
|--|--------------------|--------------------|
| SHAREHOLDERS' EQUITY | | |
| Share capital | 13,821,563 | 13,821,563 |
| Reserves | 107,502,911 | 106,384,781 |
| Result for the period | 3,335,829 | 2,725,715 |
| Shareholders' equity attributable to shareholders of Parent company | 124,660,303 | 122,932,058 |
| Shareholders' equity attributable to Minority interests | (306,392) | (308,043) |
| TOTAL SHAREHOLDERS' EQUITY | 124,353,911 | 122,624,015 |
| NON CURRENT LIABILITIES | | |
| Non current financial liabilities | 27,811,610 | 21,311,962 |
| Deferred tax liabilities | 235,029 | 181,882 |
| Non current provisions for risks and charges | 321,538 | 309,344 |
| Non current provisions for post employment obligation | 4,961,232 | 4,990,269 |
| NON CURRENT LIABILITIES | 33,329,409 | 26,793,456 |
| CURRENT LIABILITIES | | |
| Current financial liabilities | 39,373,136 | 30,594,634 |
| Trade payables | 23,108,802 | 21,200,554 |
| Current tax payables <i>(of which related parties)</i> | 1,092,250 - | 594,843 155,914 |
| Social security contributions | 1,295,643 | 1,950,195 |
| Other current liabilities | 6,507,289 | 5,414,449 |
| Current provisions for risks and charges | 209,689 | 194,995 |
| CURRENT LIABILITIES | 71,586,809 | 59,949,670 |
| | | |
| SHAREHOLDERS' EQUITY AND LIABILITIES | 229,270,129 | 209,367,141 |

| CONSOLIDATED INCOME STATEMENT | | |
|---|--------------------|--------------------|
| (Unit of Euro) | 31.03.2021 | 31.03.2020 |
| Sales revenues | 103,524,777 | 77,258,265 |
| Other revenues and income | 237,115 | 386,223 |
| TOTAL REVENUES | 103,761,892 | 77,644,488 |
| Raw materials and consumables | (88,733,516) | (66,849,387) |
| Change in inventories of work in progress and finished goods | 7,911,302 | 6,656,524 |
| Cost for services | (7,434,985) | (6,652,488) |
| Personnel costs | (7,747,538) | (7,651,601) |
| Amortization /depreciation/write off tangible and intangible assets | (2,321,129) | (1,818,153) |
| Provision and write downs | (209,735) | (28,592) |
| Other operating costs | (590,735) | (236,990) |
| EBIT | 4,635,556 | 1,063,800 |
| Financial income / (charges) | (412,093) | (2,086,383) |
| RESULT BEFORE TAX | 4,223,463 | (1,022,583) |
| Income taxes | (885,983) | 165,166 |
| RESULT FOR THE PERIOD | 3,337,480 | (857,417) |
| Result for the period attributable to non-controlling interests | 1,651 | 7,529 |
| Result for the period attributable to the Parent company | 3,335,829 | (864,946) |

Earnings / losses per shares

| | | |
|---|-------|---------|
| - basic EPS for the period attributable to shareholders of the parent company | 0.126 | (0.033) |
| - diluted EPS for the period attributable to shareholders of the parent company | 0.126 | (0.033) |

| CONSOLIDATED STATEMENT OF CASH FLOWS | | |
|--|-------------------|-------------------|
| (Thousand of Euro) | 31.03.2021 | 31.03.2020 |
| OPERATING ACTIVITIES | | |
| Result for the period (Group and Minorities) | 3,337 | (857) |
| <i>Adjustments for:</i> | | |
| Depreciation / Amortization | 2,321 | 1,818 |
| Net changes in deferred tax (assets) / liabilities | 40 | (285) |
| Capital (gains) / losses from disposal of fixed assets | (6) | - |
| Losses / (gains) on unrealised exchange rate differences | (39) | (132) |
| Income taxes | 846 | (161) |
| Financial (income) / expenses | 725 | 2,509 |
| Operating result before changes in working capital | 7,224 | 2,892 |
| Income taxes paid | (4) | - |
| Financial charges paid | (759) | (2,736) |
| Financial income collected | 34 | 227 |
| Decrease / (increase) in inventories | (11,531) | (11,889) |
| Change in trade receivables | (16,341) | (8,878) |
| Change in trade payables | 1,986 | 12,845 |
| Net changes in current other assets and liabilities | (435) | 2,617 |
| Net changes in current other assets and liabilities - related parties | (156) | - |
| Net changes in non current other assets and liabilities | 6 | (314) |
| CASH FLOW FROM OPERATING ACTIVITIES | (19,976) | (5,236) |
| INVESTING ACTIVITIES | | |
| Investments in intangible assets | (4) | - |
| Investments in tangible assets | (729) | (533) |
| Investments in subsidiaries, associates, other entities | - | - |
| Disposals of tangible and intangible assets | 10 | - |
| CASH FLOW FROM INVESTING ACTIVITIES | (723) | (533) |
| FINANCING ACTIVITIES | | |
| Repayments of loans | (462) | (747) |
| Obtainments of loans | 7,000 | - |
| Net changes of current financial liabilities and others financial liabilities (includes IFRS 16) | 8,826 | 4,724 |
| Net changes of current financial assets and others financial receivables | 1,222 | (1,672) |
| Management of own shares (sales/purchase) | - | (14) |
| CASH LOW FROM FINANCING ACTIVITIES | 16,586 | 2,291 |
| NET CASH FLOW FROM THE PERIOD | (4,113) | (3,478) |
| CASH BALANCE AT THE BEGINNING OF THE PERIOD | 10,260 | 8,632 |
| Exchange rate differences | 13 | (169) |
| NET CASH FLOW FROM THE PERIOD | (4,113) | (3,478) |
| CASH BALANCE AT THE END OF THE PERIOD | 6,160 | 4,985 |

Fine Comunicato n.0163-15

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