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2022

Testo del comunicato

Vedi allegato.



INTERIM REPORT ON OPERATIONS AT 31ST MARCH 2022

The Board of Directors has today approved the consolidated financial statements as at 31st March 2022.

In the first quarter 2022, IRCE Group (hereinafter also the "Group") recorded a profit of the period of € 1.65 million.

Consolidated turnover was € 126.12 million, up 21.8% compared to € 103.53 million in the first quarter 2021, as a result of the increase in the copper price (in the first quarter of 2022, LME average copper price in euro were 26.5% higher than in the same period of 2021).

The increase in the prices of raw materials and, mostly, in the cost of energy, which, with the conflict in Ukraine, reached in March the highest level, continued to negatively affect the results of the quarter. The Group continues its activity of transferring the cost increases to the market in order to limit their negative impact on results.

The pressure on production costs was combined with a slowdown in demand in the business area of winding wires, which recorded a small contraction in volumes. As regards the energy cables, volumes remained at the same levels as in the first quarter of last year.

Results are reported in the following table.

Consolidated income statement data (€/million)	1 st quarter 2022	1 st quarter 2021	Change
Turnover ¹	126.12	103.53	22.59
Turnover without metal ²	24.85	22.26	2.59
EBITDA ³	5.38	7.17	(1.79)
EBIT	3.23	4.64	(1.41)
Result before taxes	2.82	4.22	(1.40)
Result of the period	1.65	3.34	(1.69)
Adjusted EBITDA ⁴	6.04	6.45	(0.41)
Adjusted EBIT ⁴	3.89	3.92	(0.03)

Consolidated statement of financial position data (€/million)	As of 31.03.2022	As of 31.12.2021	Change
Net invested capital	216.90	196.25	20.65
Shareholders' Equity	140.00	131.96	8.04
Net financial debt ⁵	76.90	64.29	12.61

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 (€ +0.66 million in the first quarter of 2022 and € -0.72 million in the first quarter of 2021). 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.

⁵ The methods for measuring the net financial position as defined by Consob's Notice no. 5/21 of 29 April 2021, which incorporates the ESMA Guideline published on 4 March 2021.

PRESS RELEASE

As at March 31, 2022 net financial debt was € 76.90 million, up from € 64.29 million as at December 31, 2021; this growth must be related to the increase in working capital.

Shareholders' equity increased by € 8,04 million, thanks to the positive change in the translation reserve (€ 6.40 million) generated by the revaluation of the Brazilian real, which, since the beginning of the year appreciated by almost 20% over the euro.

The Group's investments, in the first quarter 2022, were € 2.65 million, mainly related to IRCE S.p.A.

The sharp increases in the cost of raw materials and energy, combined with the effects on the global economy of the Russian-Ukrainian conflict, are reason for considerable uncertainty regarding the trend in demand in the coming months and on the group's sales margin, despite the activity of transferring to the market the cost increases.

The manager responsible for preparing the company's financial reports, Mrs Elena Casadio, declares, pursuant to paragraph 2 of Article 154-bis of the Consolidated Law on Finance that the accounting information included in this press release is consistent with the supporting documentation, accounting books and records.

Imola, 11th May 2022

IRCE SPA

Contacts:

Investor relator: Mr. Sepriano Gianfranco

Tel. + 39 0382 77535 e-mail: gianfranco.sepriano@irce-group.com

Head of Corporate Information: Ms. Elena Casadio

Tel. + 39 0542 661220 e-mail: elena.casadio@irce-group.com

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 715 employees.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Thousand of Euro)	2022 31 March	2021 31 December
ASSETS		
Non current assets		
Goodwill and Other intangible assets	55	60
Property, plant and machinery	37,219	37,267
Equipments and other tangible assets	1,374	1,445
Assets under constructions and advances	7,961	5,475
Investments	136	111
Non current financial assets	5	5
Deferred tax assets	1,957	2,002
NON CURRENT ASSETS	48,707	46,365
Current assets		
Inventories	120,921	104,985
Trade receivables	94,149	91,924
Tax receivables	28	18
Other current assets	4,448	1,680
Current financial assets	1,013	673
Cash and cash equivalent	5,242	10,678
CURRENT ASSETS	225,801	209,959
TOTAL ASSETS	274,508	256,323

PRESS RELEASE

(Thousand of Euro)	2022 31 March	2021 31 December
EQUITY AND LIABILITIES		
Shareholders' equity		
Share capital	13,802	13,802
Reserves	124,879	109,089
Profit (loss) for the period	1,647	9,376
Shareholders' equity attributable to shareholders of Parent company	140,328	132,267
Shareholders equity attributable to Minority interests	(325)	(305)
TOTAL SHAREHOLDERS' EQUITY	140,003	131,962
Non current liabilities		
Non current financial liabilities	17,183	17,846
Deferred tax liabilities	72	87
Non current provisions for risks and charges	445	167
Non current provisions for post employment obligation	4,888	4,842
NON CURRENT LIABILITIES	22,588	22,942
Current liabilities		
Current financial liabilities	65,975	57,790
Trade payables	33,184	30,402
Current tax payables	3,774	2,986
<i>(of which related parties)</i>	<i>2,947</i>	<i>2,163</i>
Social security contributions	1,515	1,897
Other current liabilities	7,207	8,045
Current provisions for risks and charges	262	299
CURRENT LIABILITIES	111,917	101,419
SHAREHOLDERS' EQUITY AND LIABILITIES	274,508	256,323

CONSOLIDATED INCOME STATEMENT

(Thousand of Euro)	2022 31 March	2021 31 March
Sales revenues	126,115	103,525
Other revenues and income	285	237
TOTAL REVENUES	126,400	103,762
Raw materials and consumables	(107,011)	(88,733)
Change in inventories of work in progress and finished goods	7,238	7,911
Cost for services	(12,991)	(7,435)
Personnel costs	(7,797)	(7,747)
Amortization /depreciation/write off tangible and intangible assets	(1,662)	(2,321)
Provision and write downs	(494)	(210)
Other operating costs	(456)	(591)
EBIT	3,227	4,636
Financial income / (charges)	(407)	(412)
RESULT BEFORE TAX	2,820	4,224
Income taxes	(1,193)	(886)
NET RESULT FOR THE PERIOD	1,627	3,338
Net result for the period attributable to non-controlling interests	(20)	2
Net result for the period attributable to the parent company	1,647	3,336

Earnings/(loss) per share (EPS)

- basic EPS for the period attributable to ordinary shareholders of the Parent Company	0.063	0.126
- diluted EPS for the period attributable to ordinary shareholders of the Parent Company	0.063	0.126

CONSOLIDATED STATEMENT OF CASH FLOWS

(Thousand of Euro)	2022 31 March	2021 31 March
OPERATING ACTIVITIES		
Result of the period (Group and Minorities)	1,627	3,338
<i>Adjustments for:</i>		
Deprecitation / Amortization	1,662	2,321
Net change in deferred tax (assets) / liabilities	54	40
Capital (gains) / losses from disposal of fixed assets	(16)	(6)
Losses / (gains) on unrealised exchange rate differences	(84)	(39)
Provisions for risks	300	-
Income taxes	1,139	846
Financial (income) / expenses	(125)	725
Operating result before changes in working capital	4,557	7,225
Income taxes paid	(821)	(420)
Financial charges paid	(1,342)	(759)
Financial income collected	1,466	34
Decrease / (Increase) in inventories	(12,851)	(11,531)
Change in trade receivables	(520)	(16,341)
Change in trade payables	2,593	1,986
Net changes in current other assets and liabilities	(4,176)	(19)
Net changes in current other assets and liabilities - related parties	784	(156)
Net changes in non current other assets and liabilities	18	6
CASH FLOW FROM OPERATING ACTIVITIES	(10,292)	(19,976)
INVESTING ACTIVITIES		
Investments in intangible assets	-	(4)
Investments in tangible assets	(2,620)	(729)
Investments in subsidiaries, associates, other entities	(25)	-
Disposals of tangible and intangible assets	22	11
CASH FLOW FROM INVESTING ACTIVITIES	(2,623)	(723)
FINANCING ACTIVITIES		
Repayments of loans	(657)	(462)
Obtainment of loans	-	7,000
Net changes of current financial liabilities	7,826	8,826
Net changes of current financial assets	(279)	1,221
Sell/(purchase) of own shares	(3)	-
CASH LOW FROM FINANCING ACTIVITIES	6,887	16,586
NET CASH FLOW FROM THE PERIOD	(6,028)	(4,113)
CASH BALANCE AT THE BEGINNING OF THE PERIOD	10,678	10,260
Exchange rate differences	592	13
NET CASH FLOW FROM THE PERIOD	(6,028)	(4,113)
CASH BALANCE AT THE END OF THE PERIOD	5,242	6,160

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