



SMART SOLUTIONS IN WINDING WIRE
SMART SOLUTIONS IN WINDING WIRE

1°Half 2023 Financial Results Presentation



IRCE Group – Contents

Company Profile

- Highlights
- The Businesses
- Production Plants

Financial Results

- Copper and Aluminium Price Trend
- Profit and Loss Statement
- Balance Sheet
- Business Performance
- Market Performance

Company Profile – Highlights

IRCE is a leading European Group operating in the industries of magnet wires and cables

IRCE Today	Uom	1°H 2023	1°H 2022	FY 2022
Number of employees FTE	Nr	657	719	648
TURNOVER	Eur M	219.0	261.0	454.7
EBITDA	Eur M	11.4	8.5	19.4
EBITDA Adj*	Eur M	11.3	8.9	19.9
EBIT	Eur M	7.6	4.8	11.6
EBIT Adj*	Eur M	7.5	5.2	12.1
RESULT of the period	Eur M	4.9	4.2	9.2

The data includes Miradolo italian plant sold on June 30, 2022

(*) Including gains/losses on copper and energy derivatives transactions if realized

History

1947	IRCE began its activity in Imola (Italy) with the production of magnet wires
1961	The company started the production of PVC insulated low voltage cables
1996	The Group was listed on the Italian Stock Exchange
1998	Acquisition of Smit Draad Nijmegen BV (The Netherlands)
2001	Acquisition of FD Sims Ltd (UK)
2001	The Group was listed on the Star Market Segment
2007	Construction of Brazil Plant
2007	Acquisition of Stable Magnet Wire P. Ltd (India)
2010	Acquisition of ISODRA GmbH (Germany)
2015	New sales office in Poland
2018	Established the Company in China
2021	Established the Company in Czech Republic
2022	June 30, sold the branch of the company for the production of power cables located in Miradolo Terme Italy

Headquarters:

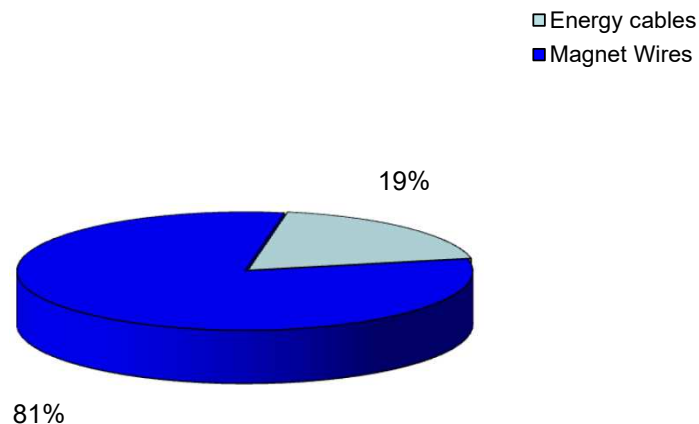
IRCE Spa, Via Lasie, 12/A - 40026 Imola BO – Italy www.irce.it

Company Profile – The Businesses

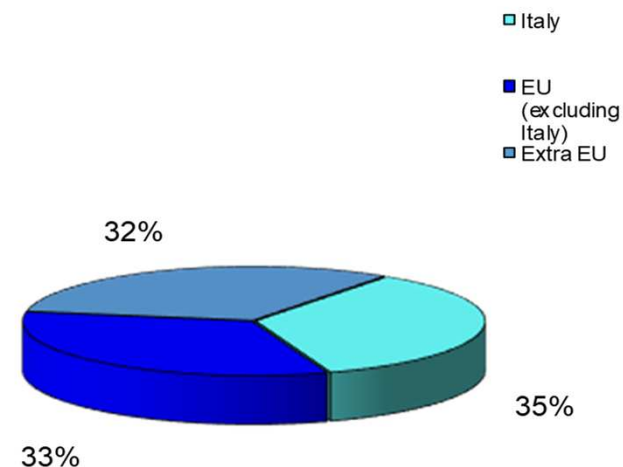
IRCE Group works in two business areas:

- **Magnet wires** **81% of sales**
- **Energy cables** **19% of sales**

Sales breakdown by business areas



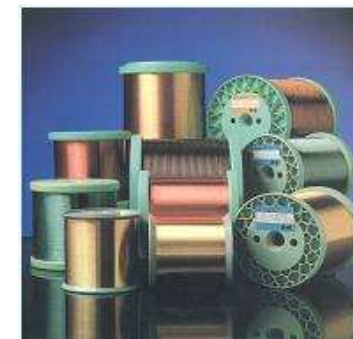
Sales breakdown by geographical area



Company Profile – The Businesses

Magnet Wires

Magnet wires, also known as winding wires or enamelled wires, have multiple applications such as electric motors, generators, transformers, compressors, inductors, relays, solenoid valves, etc. The wire is insulated through the application of many layers of enamels by means of highly sophisticated processes and machines, which demand high levels of investments and large scale of productions.



Energy Cables



Cables produced by the Group encompass the complete range of Low Voltage and Medium Voltage for building and industrial sector. Cables can be insulated with PVC, rubber, polyethylene, etc.. They are used for the construction of electricity plants in residential and industrial buildings and for the wiring and cabling of electrical appliances. The principal final industry sectors are the construction industry, housing and industrial applications, and consumer durables industries (domestic appliances and other electrical appliances).

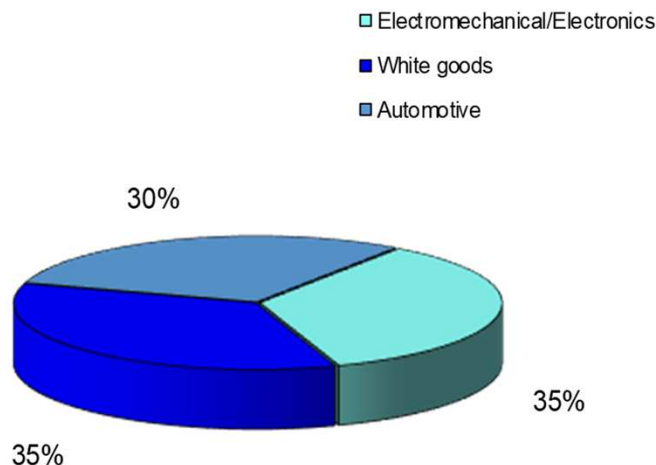
Company Profile – The Businesses

> Magnet Wires

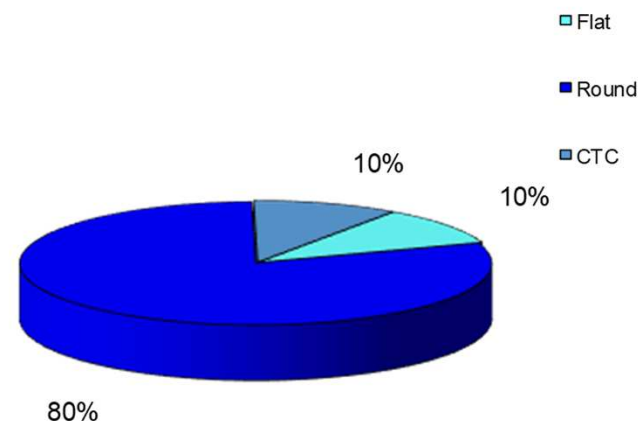
> Market share

In the Magnet Wire business IRCE manufactures and sales the complete range of products, and is mainly engaged in the segments of the fine and medium wires. It mainly operates in Europe, where it is one of the top three producers by size.

Sales breakdown by industry



Sales breakdown by product



Company Profile – The Businesses

> Magnet Wires

> Major customers by sectors

White Goods

Embraco (Nidec Group)
BSH
Secop
Ceme
A.R.S. Elettromeccanica
Cebi Group
Domel D.O.O.

Electromechanical/Electronics

Schneider Electric
SGB-SMIT Group
Siemens
EBM-Papst Mulfingen
Panasonic
Finder
TE Connectivity
Wuerth

Automotive

Denso Manufacturing
Robert Bosch
Mahle Group
G. Cartier Technologies
Hanon Systems
Buehler motor GmbH
Spal Automotive Srl
Bontaz



Company Profile – The Businesses

> *Energy Cables*

The group produces the full range of low and medium voltage cable.

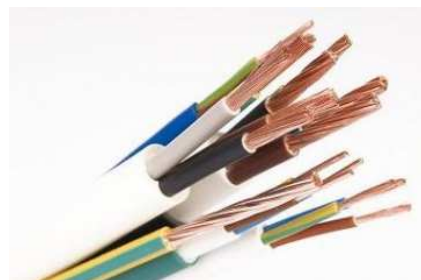
Cable customers are divided into two main sectors:

Distributors of electrical material

E.B. Elettrofornitura Borghini SpA
Com-Cavi Spa
Comoli Ferrari & C. SpA
Strano SpA

Industrial sector

Unionalpha Spa (Whirlpool Group supplier)
Batav Srl (Whirlpool Group supplier)
Selectra Srl
Bitron SpA
RFI (Rete Ferroviaria Italiana)



Company Profile – Production Plants



1. IRCE SpA – Headquarters Imola – Italy	Copper and Aluminium Round Magnet Wire and LV Energy Cables	Covered Area: 46,000 Sqm Employees: 233	ISO 9001 IATF 16949 ISO 14001
2. IRCE SpA Guglionesi - Italy	LV/MV Energy Cables	Covered Area: 24,000 Sqm Employees: 81	ISO 9001
3. IRCE SpA Umbertide - Italy	Copper and Aluminium Round Magnet Wire	Covered Area: 19,400 Sqm Employees: 45	ISO 9001
4. Smit Draad Nijmegen BV Nijmegen – The Netherlands	Copper Rectangular Magnet Wire Continuously Transposed Cable (CTC)	Covered Area: 9,800 Sqm Employees: 71	ISO 9001
5. FD Sims Ltd Blackburn – UK	Copper and Aluminium Round and Rectangular Magnet Wire	Covered Area: 7,000 Sqm Employees: 31	ISO 9001 IATF 16949 ISO 14001 ISO 45001
6. IRCE Ltda Joinville - Brazil	Copper and Aluminium Round and Rectangular Magnet Wire Continuously Transposed Cable (CTC)	Covered Area: 21,500 Sqm Employees: 117	ISO 9001 IATF 16949
7. Stable Magnet Wire P. Ltd. Cochin – India	Copper Round Magnet Wire	Employees: 29	ISO 9001
8. ISODRA GmbH Kierspe -Germany	Copper Round Magnet Wire	Employees: 12	ISO 9001

IRCE Group – Contents

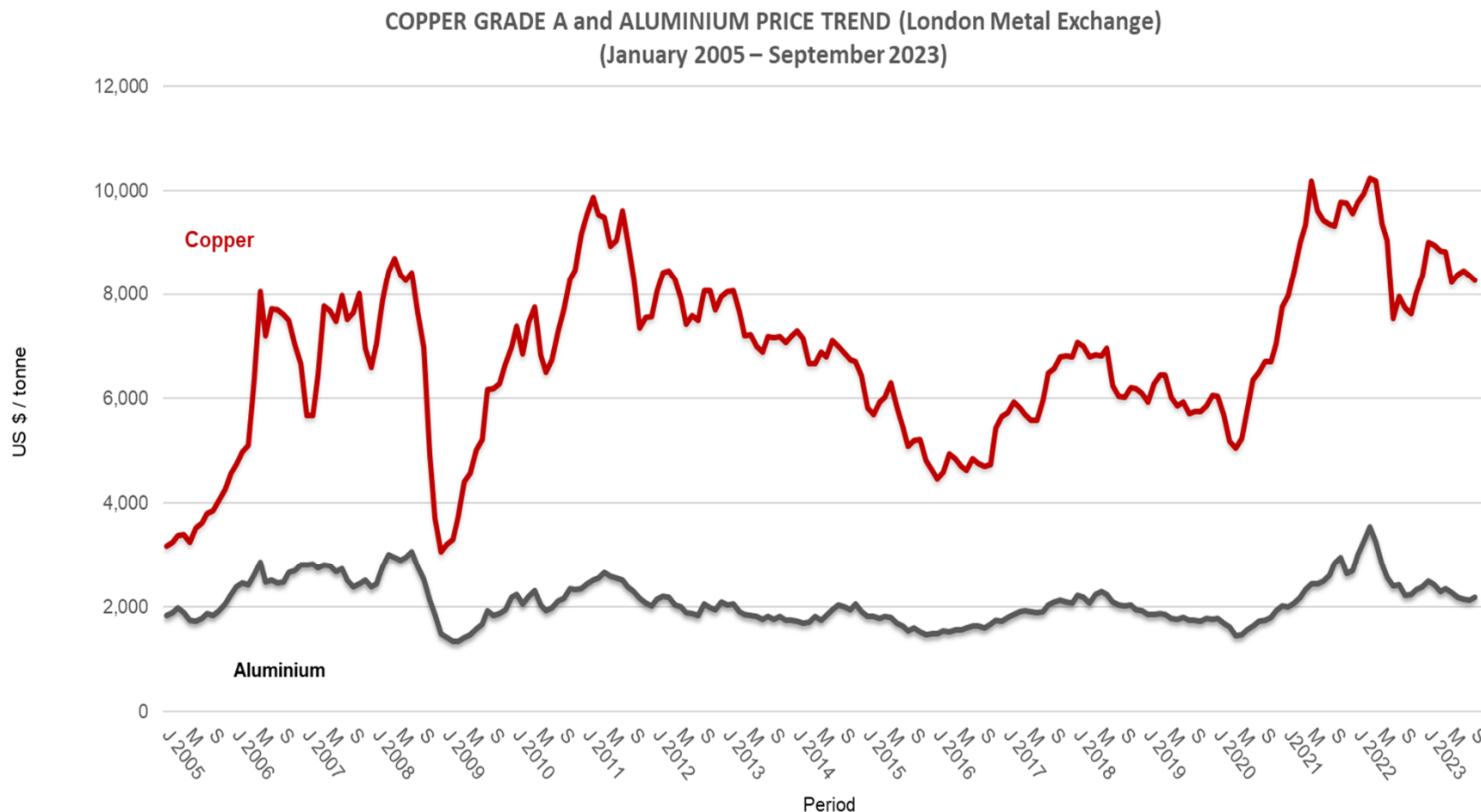
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Financial Results – Copper and Aluminium price trend



Financial Results – Profit and Loss Statement

Euro million	1 st H 2023	% Turn.	1 st H 2022	% Turn.	change %	FY 2022	FY 2021	FY 2020
<i>Hollow turnover wires</i>	39.2		37.9		3.5%	72.2	67.8	51.8
<i>Hollow turnover cables</i>	13.1		14.0		-6.3%	24.5	24.6	16.5
Total hollow turnover	52.3		51.9		0.9%	96.7	92.4	68.3
TURNOVER (copper included)	219.0	100.0%	261.0	100.0%	-16.1%	454.7	457.1	295.3
Other income	0.7	0.3%	1.6	0.6%	-58.6%	4.9	0.6	0.8
TOTAL REVENUES	219.6	100.3%	262.6	100.6%	-16.4%	459.6	457.7	296.1
Cost of material including change in stock	(172.2)	-78.7%	(212.5)	-81.4%	-18.9%	(361.9)	(366.2)	(231.8)
Personnel costs	(15.5)	-7.1%	(15.9)	-6.1%	-2.8%	(30.0)	(30.5)	(28.5)
Other costs and services	(20.5)	-9.4%	(25.7)	-9.8%	-20.2%	(48.3)	(37.8)	(25.0)
EBITDA	11.4	5.2%	8.5	3.3%	34.5%	19.4	23.2	10.8
Depreciations and provisions	(3.8)	-1.7%	(3.7)	-1.4%	2.4%	(7.8)	(8.8)	(7.6)
EBIT	7.6	3.5%	4.8	1.8%	59.2%	11.6	14.4	3.2
Copper and energy derivatives	(0.1)	0.0%	0.4	0.2%	125.0%	0.5	(0.2)	1.4
Net financial charges	(1.0)	-0.5%	(0.7)	-0.3%		(1.8)	0.0	(0.3)
RESULT BEFORE TAXES (EBT)	6.5	3.0%	4.5	1.7%	45.4%	10.3	14.2	4.3
Taxes	(1.6)	-0.7%	(0.3)	-0.1%	433.3%	(1.1)	(4.8)	(1.6)
RESULT non-controlling interests	4.9	2.3%	4.2	1.6%	17.7%	9.2	9.4	2.7
Minorities	0.0	0.0%	0.0	0.0%	-100.0%	0.0	0.0	0.0
RESULT OF THE PERIOD	4.9	2.3%	4.2	1.6%	17.1%	9.2	9.4	2.7
EBITDA	11.4	5.2%	8.5	3.3%	34.5%	19.4	23.2	10.8
Copper and energy derivatives	(0.1)	0.0%	0.4	0.2%		0.5	(0.2)	1.4
EBITDA Adjusted (*)	11.3	5.2%	8.9	3.4%	27.3%	19.9	23.0	12.2
Depreciation and provisions	(3.8)	-1.7%	(3.7)	-1.4%	137.8%	(7.8)	(8.8)	(7.6)
EBIT Adjusted (*)	7.5	3.4%	5.2	2.0%	45.1%	12.1	14.2	4.6
ROCE (EBIT Adj. / Net Capital Employed)%						6.0%	7.9%	2.7%

(*) For a better comparison of the operating results, we have introduced the concepts of EBITDA and EBIT Adjusted, that are equal to the traditional definitions plus income or loss on copper and energy derivatives if realized.

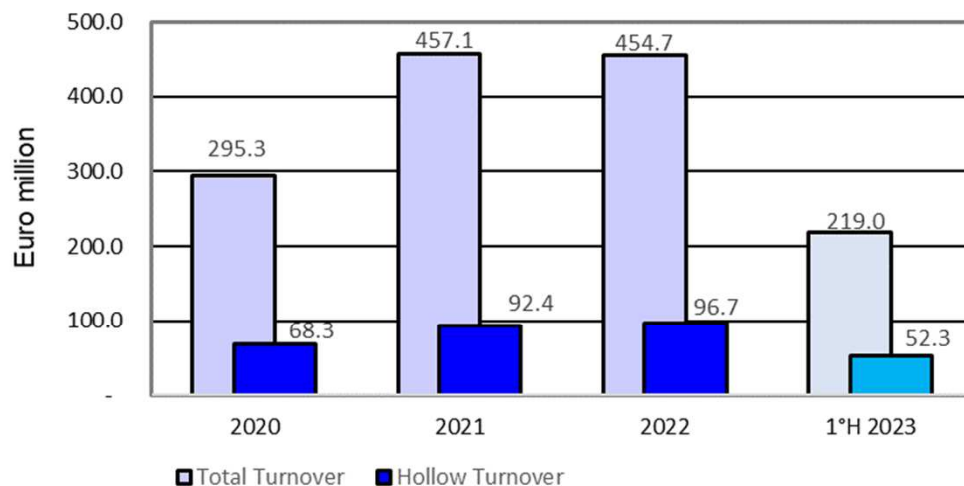
The data includes Miradolo Italian plant sold on June 30, 2022

Financial Results – Balance sheet

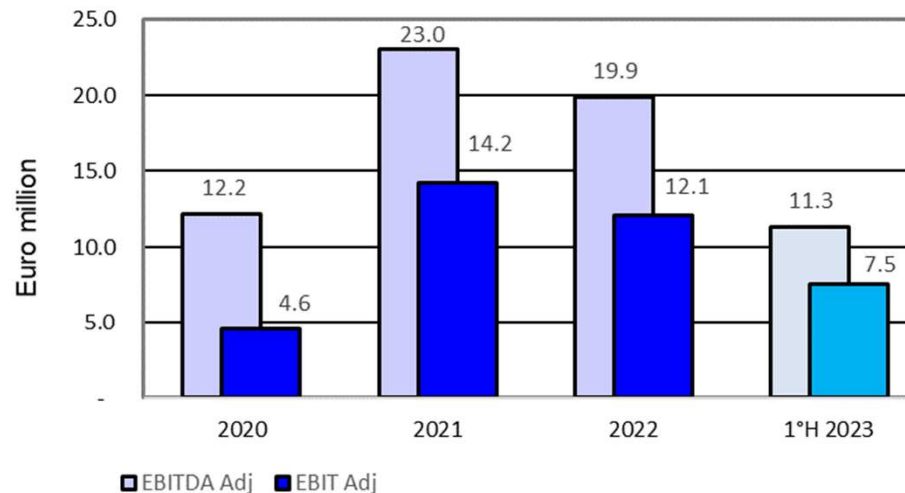
Euro million	30 June 2023	%	31 December 2022	%	31 December 2021	%	31 December 2020	%
Net working capital	167.5	77.2%	152.3	74.4%	166.5	84.8%	128.9	79.4%
Fixed Assets	53.8	24.8%	51.7	25.2%	44.4	22.6%	43.5	26.8%
Other assets and liabilities	-4.5	-2.1%	0.8	0.4%	-14.6	-7.4%	-10.1	-6.2%
NET CAPITAL EMPLOYED	216.9	100.0%	204.8	100.0%	196.3	100.0%	162.3	100.0%
Shareholders' Equity	150.7	69.5%	144.8	70.7%	132.0	67.2%	122.6	75.5%
Net Financial Position	66.2	30.5%	60.0	29.3%	64.3	32.8%	39.7	24.5%
FINANCING AND EQUITY	216.9	100.0%	204.8	100.0%	196.3	100.0%	162.3	100.0%
CAPEX	5.1		13.6		7.7		2.2	

Financial Results – Business Performance

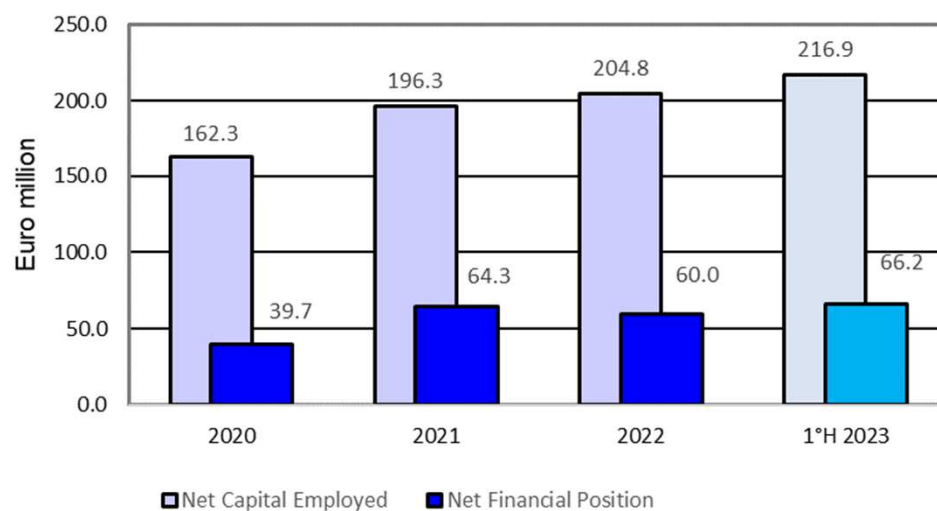
TURNOVER and HOLLOW TURNOVER



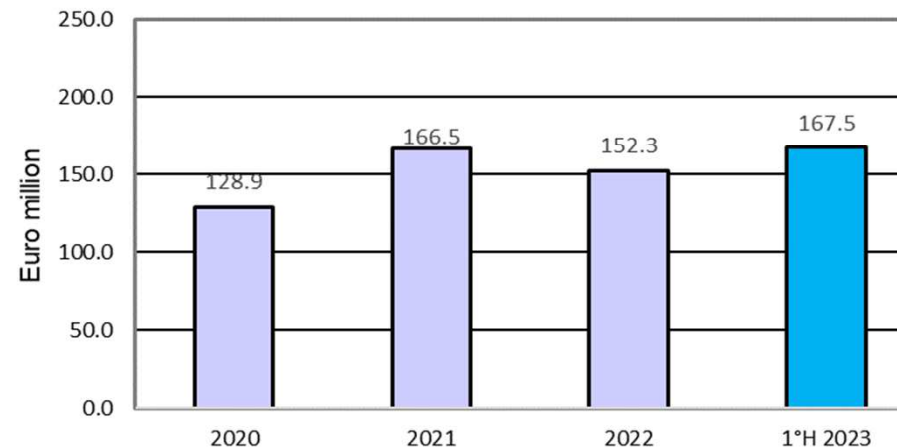
EBITDA Adjusted and EBIT Adjusted



NET CAPITAL EMPLOYED and NET FINANCIAL POSITION



NET WORKING CAPITAL

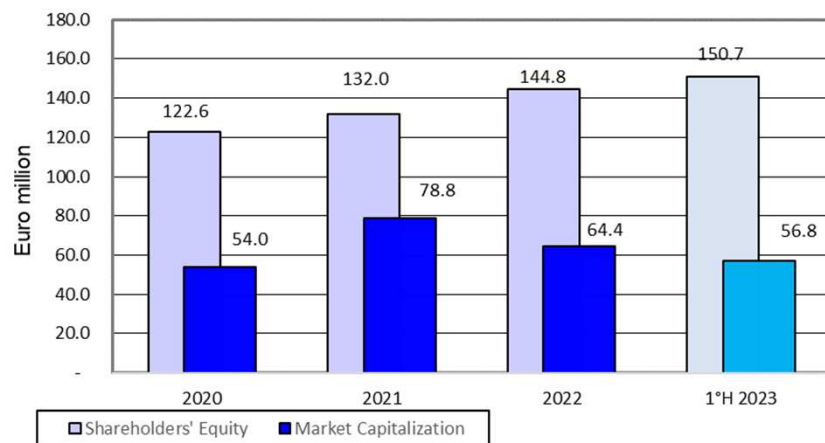


Financial Results – Market Performance

MARKET PRICE TREND IRCE (Period: 1st January 2023 – 30th September 2023)



SHAREHOLDERS' EQUITY Vs MARKET CAPITALIZATION



PRICE/BOOK VALUE RATIO

