

<p>Informazione Regolamentata n. 0163-26-2023</p>	<p>Data/Ora Inizio Diffusione 14 Novembre 2023 19:00:06</p>	<p>Euronext Star Milan</p>
---	---	----------------------------

Societa' : IRCE

Identificativo : 183420

Informazione
Regolamentata

Nome utilizzatore : IRCEN01 - CASADIO

Tipologia : 3.1

Data/Ora Ricezione : 14 Novembre 2023 18:57:11

Data/Ora Inizio
Diffusione : 14 Novembre 2023 19:00:06

Oggetto : Interim report on operations at 30
september 2023

Testo del comunicato

Vedi allegato.



INTERIM REPORT ON OPERATIONS AT 30 SEPTEMBER 2023

The Board of Directors has approved today the consolidated financial statements as at September 30th 2023.

The consolidated financial statements of IRCE Group (hereinafter also the "Group") for the first nine months of 2023 closed with a profit of € 6.55 million.

Consolidated turnover was € 311.31 million, down by 15.0% compared to € 366.39 million of the same period of 2022, a reduction due to lower volumes and to the drop in the copper price (LME average price in Euro, in the first nine months of 2023, was -6,8% lower than in the same period of 2022). EBITDA and EBIT improved due to higher margins and better efficiency linked to the introduction of new machineries.

In this first nine months of the year, we are witnessing a weak market demand in both business units. In the winding wires, the decline of volumes went on also in the third quarter and continue. In the cable business, volumes were down compared to the nine months of 2022, but we have recorded a recovery in recent months, thanks to the acquisition of some important public contracts in the infrastructure sector.

Results are reported in the following table:

Consolidated income statement data (€/million)	30 September 2023 Value	30 September 2022 Value	Change Value
Turnover ¹	311.31	366.39	(55.08)
Turnover without metal ²	75.66	75.12	0.54
EBITDA ³	15.64	12.33	3.31
EBIT	10.53	6.11	4.42
Result before tax	9.66	5.60	4.06
Group Net Result of the period	6.55	4.99	1.56
Adjusted EBITDA ⁴	15.91	12.72	3.19
Adjusted EBIT ⁴	10.80	6.50	4.30

Consolidated statement of financial position data (€/milioni)	30 September 2023 Value	31 December 2022 Value	Change Value
Net invested capital ⁵	197.17	204.84	(7.67)
Shareholders' equity	151.83	144.79	7.04
Net financial position ⁶	45.34	60.05	(14.71)

¹ The item "Turnover" 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 the Group's Management uses to assess the operating performance of the company and is not an IFRS measure; IRCE S.p.A. calculates it by adding depreciation/amortisation, provisions and write-downs to EBIT.

⁴ Adjusted EBITDA and EBIT are calculated as the sum of EBITDA and EBIT and the gains/losses on copper and electricity derivatives transactions if realized (€ +0.27 million in nine months of 2023 and € +0.39 million in nine months of 2022). These are indicators the Group's Management uses to monitor and assess its own operating performance and are not IFRS measures. Given that the composition of these measures is not regulated by the reference accounting standards, the criterion used by the Group may not be consistent with that adopted by others and is therefore not comparable.

⁵ Net invested capital is the sum of net working capital, fixed assets, other receivables net of other payables, provisions for risks and charges and provisions for employee benefits.

⁶ 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 September 30, 2023 net financial position was € 45.34 million, lower than € 60.05 million as at December 31, 2022, thanks to the cash flow generated by operating activities and the reduction in working capital.

The Group's investments, in the first nine months of 2023, were € 9.13 million, they mainly concerned the parent company IRCE S.p.A and related to the winding wires sector.

The economic situation of the main economies makes it difficult and uncertain the forecast of the recovery of market demand. Europe, in particular, IRCE's main reference market, is more importantly affected by the ongoing slowdown. In the winding wires business, sales volumes remain at low levels and there are no signs of improvement by the end of the year. In the cable business, instead, the current order book should allow us to end the year with a significant recovery in volumes. The group continues its strategy of focusing on more highly specialized sectors and products with expected significant growth, including the automotive industry and that of energy generation and transport.

Excluding further reductions in copper prices within the year, we confirm the forecast of a year-end result in line with that of the last year.

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 contained in this press release corresponds to our books and accounting records.

Imola, 14 November 2023

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 3 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 three companies currently inoperative (Czech Republic, China and India). The Group employed globally 660 employees.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Thousand of Euro)	2023 30 September	2022 31 December
ASSETS		
Non current assets		
Goodwill and other intangible assets	79	49
Property, plant and machinery	39,224	37,961
Equipments and other tangible assets	1,416	1,374
Assets under constructions and advances	15,385	12,278
Non current financial assets	5	5
Deferred tax assets	2,380	2,357
Other non current assets non financial	1,185	2,813
NON CURRENT ASSETS	59,674	56,837
Current assets		
Inventories	99,965	117,988
Trade receivables	74,519	61,498
Tax receivables	765	2,676
<i>(of which related parties)</i>	710	2,175
Other current assets	2,657	5,659
Current financial assets	600	490
Cash and cash equivalent	9,471	5,608
CURRENT ASSETS	187,977	193,919
TOTAL ASSETS	247,651	250,756

(Thousand of Euro)	2023	2022
	30 September	31 December
EQUITY AND LIABILITIES		
Shareholders' equity		
Share capital	13,782	13,802
Reserves	131,815	122,084
Profit (loss) for the period	6,552	9,224
Shareholders' equity attributable to shareholders of Parent company	152,149	145,110
Shareholders equity attributable to Minority interests	(324)	(325)
TOTAL SHAREHOLDERS' EQUITY	151,825	144,785
Non current liabilities		
Non current financial liabilities	14,873	19,777
Deferred tax liabilities	319	338
Non current provisions for risks and charges	892	280
Non current provisions for post employment obligation	3,378	3,449
NON CURRENT LIABILITIES	19,462	23,844
Current liabilities		
Current financial liabilities	40,533	46,366
Trade payables	27,852	27,240
Current tax payables	132	555
Social security contributions	1,693	2,000
Other current liabilities	5,915	5,709
Current provisions for risks and charges	239	257
CURRENT LIABILITIES	76,364	82,127
SHAREHOLDERS' EQUITY AND LIABILITIES	247,651	250,756

CONSOLIDATED INCOME STATEMENT

(Thousand of Euro)	2023 30 September	2022 30 September
Sales revenues	311,311	366,386
Other revenues and income	1,016	1,817
TOTALE REVENUES AND INCOME	312,327	368,203
Raw materials and consumables	(241,716)	(295,191)
Change in inventories of work in progress and finished goods	(3,814)	338
Cost for services	(28,079)	(37,112)
Personnel costs	(22,239)	(22,670)
Amortization /depreciation/write off tangible and intangible assets	(5,147)	(5,616)
Provision and write downs	45	(603)
Other operating costs	(844)	(1,240)
EBIT	10,533	6,109
Financial income / (charges)	(873)	(511)
RESULT BEFORE TAX	9,660	5,598
Income taxes	(3,106)	(625)
NET RESULT FOR THE PERIOD	6,554	4,973
Net result attributable to non-controlling interests	2	(18)
Net result attributable to shareholders of the Parent Company	6,552	4,992
EARNINGS/(LOSS) PER SHARE (EPS)		
- basic EPS for the period attributable to ordinary shareholders of the Parent Company	0.2472	0.1881
- diluted EPS for the period attributable to ordinary shareholders of the Parent Company	0.2472	0.1881

CONSOLIDATED STATEMENT OF CASH FLOW

(Thousand of Euro)	2023 30 September	2022 30 September
OPERATING ACTIVITIES		
Result of the period (Group and Minorities)	6,554	4,973
<i>Adjustments for:</i>		
Depreciation / Amortization	5,147	5,616
Net change in deferred tax (assets) / liabilities	(10)	(206)
Capital (gains) / losses from disposal of fixed assets	(88)	(699)
Losses / (gains) on unrealised exchange rate differences	(191)	(358)
Provisions for risks	633	200
Income taxes	3,116	831
Financial (income) / expenses	1,232	26
Operating result before changes in working capital	16,393	10,383
Income taxes paid	591	(5,278)
Financial charges paid	(3,449)	(2,629)
Financial income collected	2,217	2,603
Decrease / (Increase) in inventories	19,328	(8,909)
Change in trade receivables	(12,086)	7,828
Change in trade payables	400	12,937
Net changes in current other assets and liabilities	(839)	(1,940)
Net changes in current other assets and liabilities - related parties	1,465	(3,003)
Net changes in non current other assets and liabilities	1,533	(376)
CASH FLOW FROM OPERATING ACTIVITIES	25,553	11,616
INVESTING ACTIVITIES		
Investments in intangible assets	(76)	(13)
Investments in tangible assets	(9,056)	(9,276)
Investments in subsidiaries, associates, other entities	-	(73)
Disposals of tangible and intangible assets	108	713
CASH FLOW FROM INVESTING ACTIVITIES	(9,024)	(8,649)
FINANCING ACTIVITIES		
Repayments of loans	(4,917)	(9,224)
Obtainment of loans	-	7,000
Net changes of current financial liabilities	(5,925)	(4,205)
Net changes of current financial assets	(256)	44
Other effects on shareholders' equity	-	1
Dividends paid to shareholders	(1,592)	(1,327)
Sell/(purchase) of own shares	(82)	(3)
CASH FLOW FROM FINANCING ACTIVITIES	(12,772)	(7,714)
NET CASH FLOW FROM THE PERIOD	3,757	(4,747)
CASH BALANCE AT THE BEGINNING OF THE PERIOD	5,608	10,678
Exchange rate differences	106	909
NET CASH FLOW FROM THE PERIOD	3,757	(4,747)
CASH BALANCE AT THE END OF THE PERIOD	9,471	6,840

Fine Comunicato n.0163-26

Numero di Pagine: 8