



SMART SOLUTIONS IN WINDING WIRE
SMART SOLUTIONS IN WINDING WIRE

FY 2023 Financial Results Presentation



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Company Profile – Highlights

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

| IRCE Today | Uom | FY 2023 | FY 2022 |
|-----------------------------|--------------|--------------|--------------|
| Number of employees FTE | Nr | 671 | 648 |
| TURNOVER | <i>Eur M</i> | 402.8 | 454.7 |
| EBITDA | <i>Eur M</i> | 21.4 | 19.4 |
| EBITDA Adj* | <i>Eur M</i> | 21.5 | 19.9 |
| EBIT | <i>Eur M</i> | 14.4 | 11.6 |
| EBIT Adj* | <i>Eur M</i> | 14.5 | 12.1 |
| RESULT of the period | <i>Eur M</i> | 8.2 | 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

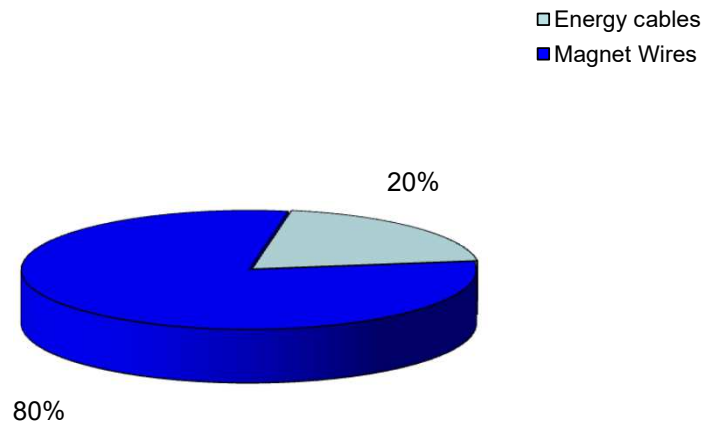
| | |
|------|--|
| 1947 | IRCE began its activity in Imola (Italy) with the production of magnet wires |
| 1961 | The company started the production of PVC insulated low voltage cables |
| 1996 | The Group was listed on the Italian Stock Exchange |
| 1998 | Acquisition of Smit Draad Nijmegen BV (The 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 |
| 2023 | Start the construction of plant in Czech Republic |

Company Profile – The Businesses

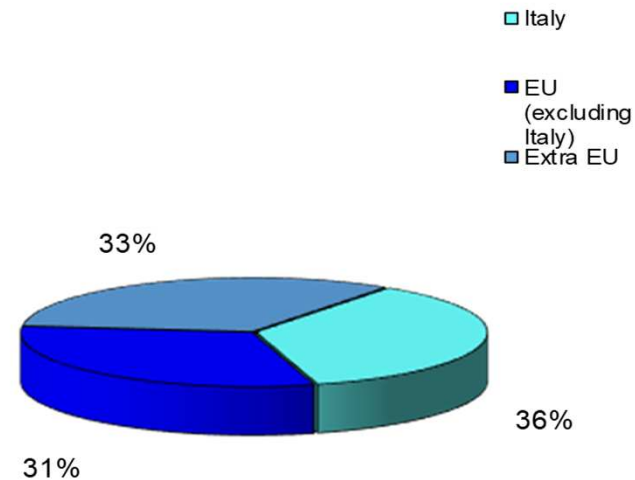
IRCE Group works in two business areas:

- **Magnet wires** **80% of sales**
- **Energy cables** **20% of sales**

Sales breakdown by business areas



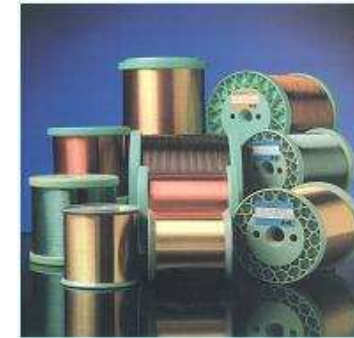
Sales breakdown by geographical area



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).

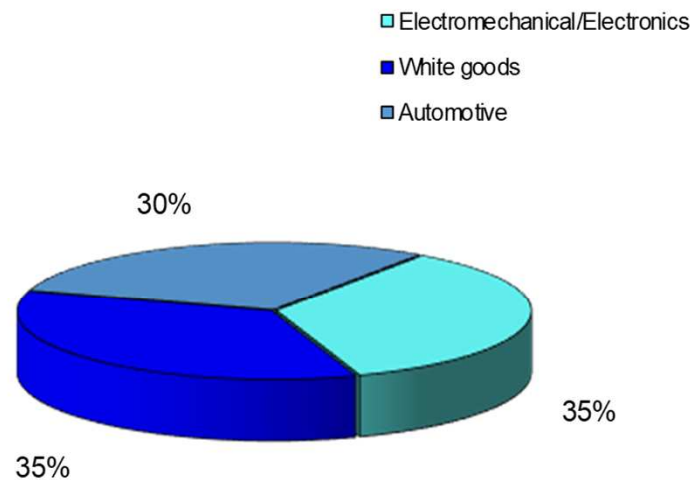
Company Profile – The Businesses

> Magnet Wires

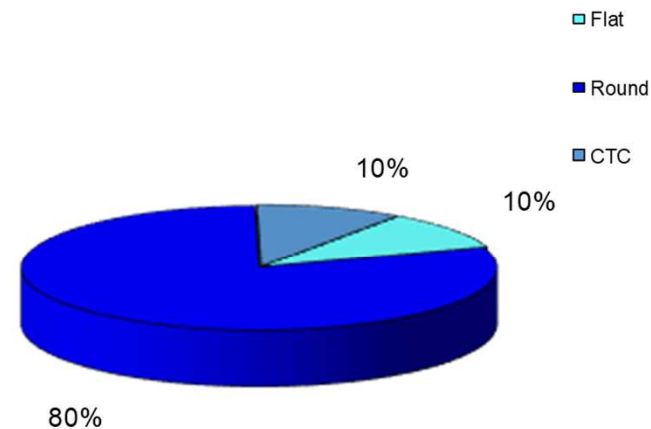
> Market share

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

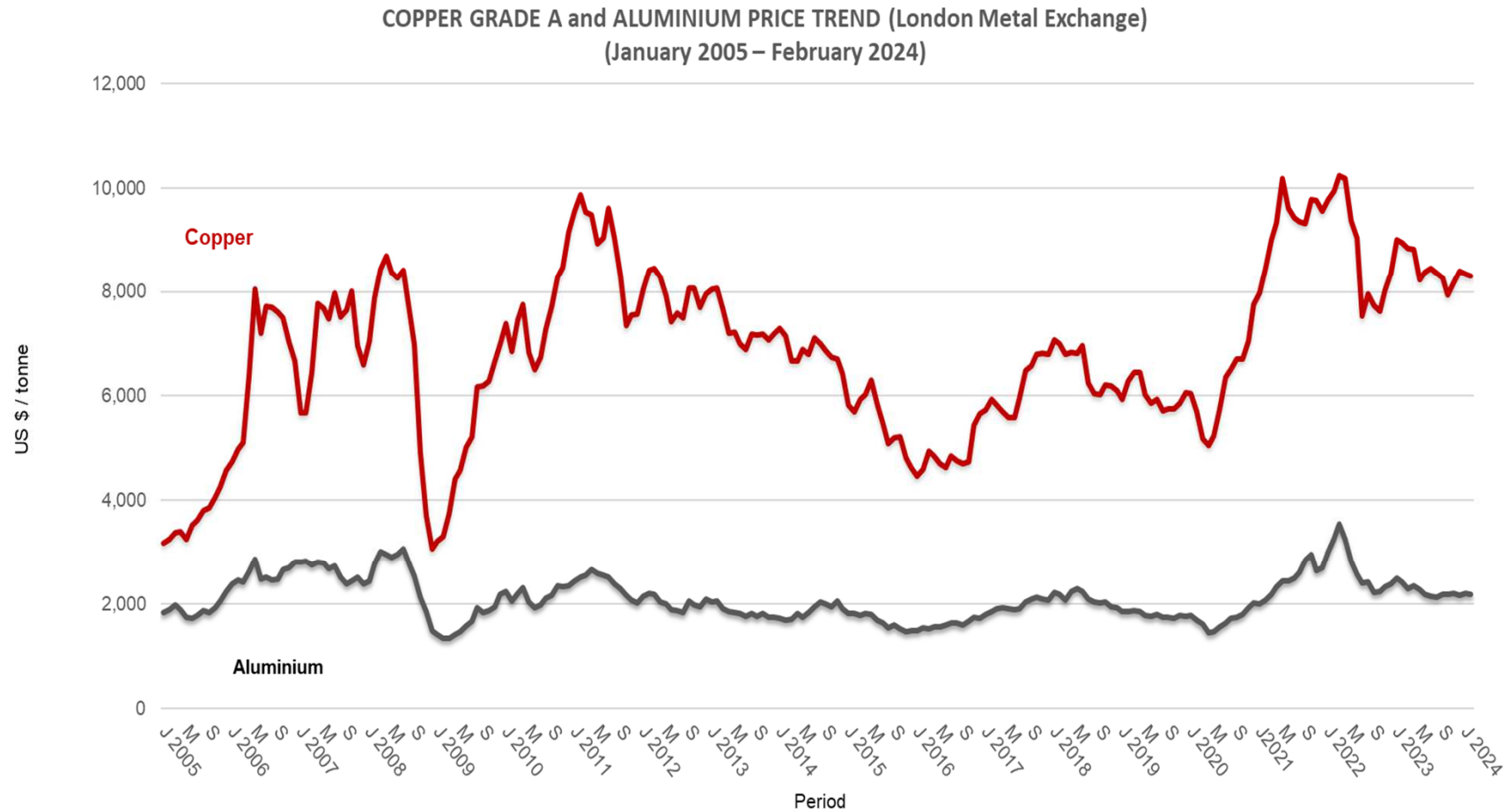


Company Profile – Production Plants



| | | | |
|---|---|--|--|
| 1. IRCE SpA – Headquarters Imola – Italy | Copper and Aluminium Round Magnet Wire and LV Energy Cables | Covered Area: 46,000 Sqm Employees: 234 | ISO 9001 IATF 16949 ISO 14001 |
| 2. IRCE SpA Gugliesi - Italy | LV/MV Energy Cables | Covered Area: 24,000 Sqm Employees: 83 | ISO 9001 |
| 3. IRCE SpA Umbertide - Italy | Copper and Aluminium Round Magnet Wire | Covered Area: 19,400 Sqm Employees: 44 | ISO 9001 |
| 4. Smit Draad Nijmegen BV Nijmegen – The Netherlands | Copper Rectangular Magnet Wire Continuously Transposed Cable (CTC) | Covered Area: 9,800 Sqm Employees: 75 | ISO 9001 |
| 5. FD Sims Ltd Blackburn – UK | Copper and Aluminium Round and Rectangular Magnet Wire | Covered Area: 7,000 Sqm Employees: 34 | 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: 28 | ISO 9001 |
| 8. ISODRA GmbH Kierspe -Germany | Copper Round Magnet Wire | Employees: 13 | ISO 9001 |

IRCE Group – Copper and Aluminium price trend



FY 2023 Financial Results Presentation - Euronext STAR Conference 2024 - Milan, 21 March 2024

Financial Results – Profit and Loss Statement

| Euro million | FY 2023 | % Turn. | FY 2022 | % Turn. | change % | FY 2021 | FY 2020 |
|---|--------------|---------------|--------------|---------------|---------------|--------------|--------------|
| <i>Hollow turnover wires</i> | 71.0 | | 72.2 | | -1.7% | 67.8 | 51.8 |
| <i>Hollow turnover cables</i> | 28.2 | | 24.5 | | 15.1% | 24.6 | 16.5 |
| Total hollow turnover | 99.2 | | 96.7 | | 2.6% | 92.4 | 68.3 |
| TURNOVER (copper included) | 402.8 | 100.0% | 454.7 | 100.0% | -11.4% | 457.1 | 295.3 |
| Other income | 1.8 | 0.4% | 4.9 | 1.1% | -63.3% | 0.6 | 0.8 |
| TOTAL REVENUES | 404.6 | 100.4% | 459.6 | 101.1% | -12.0% | 457.7 | 296.1 |
| Cost of material including change in stock | (314.6) | -78.1% | (361.9) | -79.6% | -13.1% | (366.2) | (231.8) |
| Personnel costs | (30.5) | -7.6% | (30.0) | -6.6% | 1.7% | (30.5) | (28.5) |
| Other costs and services | (38.1) | -9.5% | (48.3) | -10.6% | -21.1% | (37.8) | (25.0) |
| EBITDA | 21.4 | 5.3% | 19.4 | 4.3% | 10.3% | 23.2 | 10.8 |
| Depreciations and provisions | (7.0) | -1.7% | (7.8) | -1.7% | -10.3% | (8.8) | (7.6) |
| EBIT | 14.4 | 3.6% | 11.6 | 2.6% | 24.1% | 14.4 | 3.2 |
| Copper and energy derivatives | 0.1 | 0.0% | 0.5 | 0.1% | 80.0% | (0.2) | 1.4 |
| Net financial charges | (2.0) | -0.5% | (1.8) | -0.4% | | 0.0 | (0.3) |
| RESULT BEFORE TAXES (EBT) | 12.5 | 3.1% | 10.3 | 2.3% | 21.4% | 14.2 | 4.3 |
| Taxes | (4.3) | -1.1% | (1.1) | -0.2% | 290.9% | (4.8) | (1.6) |
| RESULT non-controlling interests | 8.2 | 2.0% | 9.2 | 2.0% | -10.9% | 9.4 | 2.7 |
| Minorities | 0.0 | 0.0% | 0.0 | 0.0% | 0% | 0.0 | 0.0 |
| RESULT OF THE PERIOD | 8.2 | 2.0% | 9.2 | 2.0% | -10.9% | 9.4 | 2.7 |
| EBITDA | 21.4 | 5.3% | 19.4 | 4.3% | 10.3% | 23.2 | 10.8 |
| Copper and energy derivatives | 0.1 | 0.0% | 0.5 | 0.1% | | (0.2) | 1.4 |
| EBITDA Adjusted (*) | 21.5 | 5.3% | 19.9 | 4.4% | 8.0% | 23.0 | 12.2 |
| Depreciation and provisions | (7.0) | -1.7% | (7.8) | -1.7% | 12.8% | (8.8) | (7.6) |
| EBIT Adjusted (*) | 14.5 | 3.6% | 12.1 | 2.7% | 19.8% | 14.2 | 4.6 |
| ROCE (EBIT Adj. / Net Capital Employed)% | 7.6% | | 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.

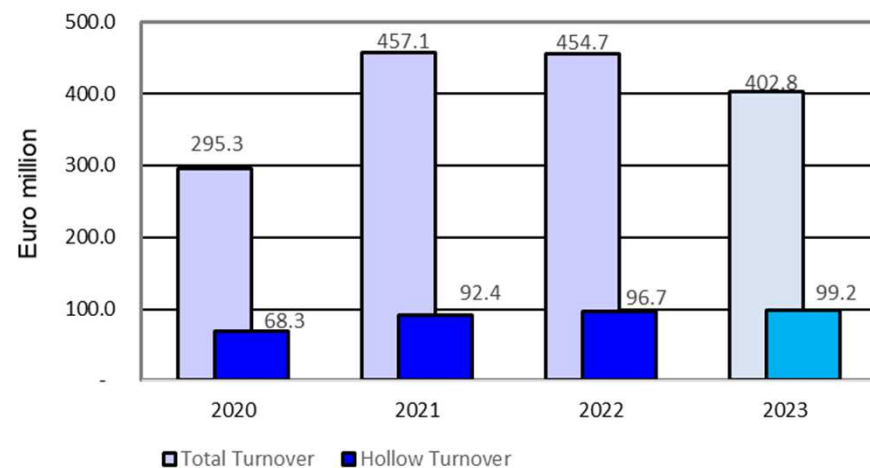
The data includes Miradolo Italian plant sold on June 30, 2022

Financial Results – Balance sheet

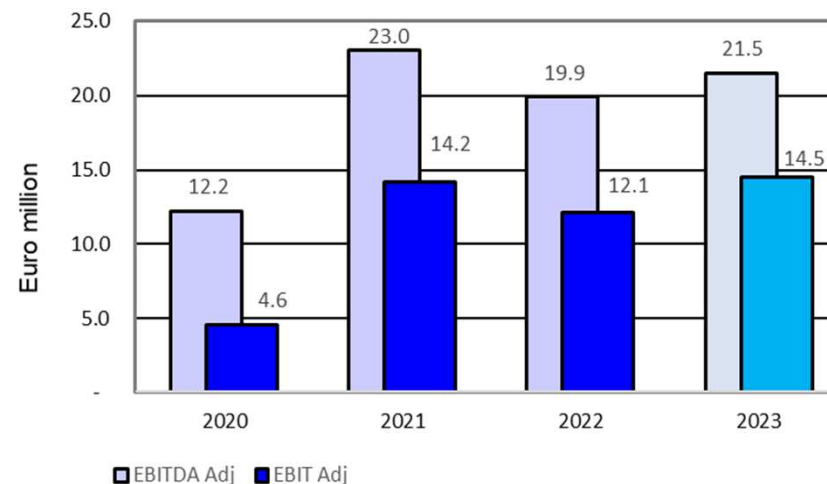
| Euro million | 31 December 2023 | % | 31 December 2022 | % | 31 December 2021 | % | 31 December 2020 | % |
|------------------------------|------------------|---------------|------------------|---------------|------------------|---------------|------------------|---------------|
| Net working capital | 128.4 | 717% | 152.3 | 74.4% | 166.5 | 84.8% | 128.9 | 79.4% |
| Fixed Assets | 59.3 | 33.1% | 51.7 | 25.2% | 44.4 | 22.6% | 43.5 | 26.8% |
| Other assets and liabilities | -8.7 | -4.9% | 0.8 | 0.4% | -14.6 | -7.4% | -10.1 | -6.2% |
| NET CAPITAL EMPLOYED | 179.0 | 100.0% | 204.8 | 100.0% | 196.3 | 100.0% | 162.3 | 100.0% |
| Shareholders' Equity | 153.3 | 85.6% | 144.8 | 70.7% | 132.0 | 67.2% | 122.6 | 75.5% |
| Net Financial Position | 25.7 | 14.4% | 60.0 | 29.3% | 64.3 | 32.8% | 39.7 | 24.5% |
| FINANCING AND EQUITY | 179.0 | 100.0% | 204.8 | 100.0% | 196.3 | 100.0% | 162.3 | 100.0% |
| CAPEX | 14.2 | | 13.6 | | 7.7 | | 2.2 | |

IRCE Group – Business Performance

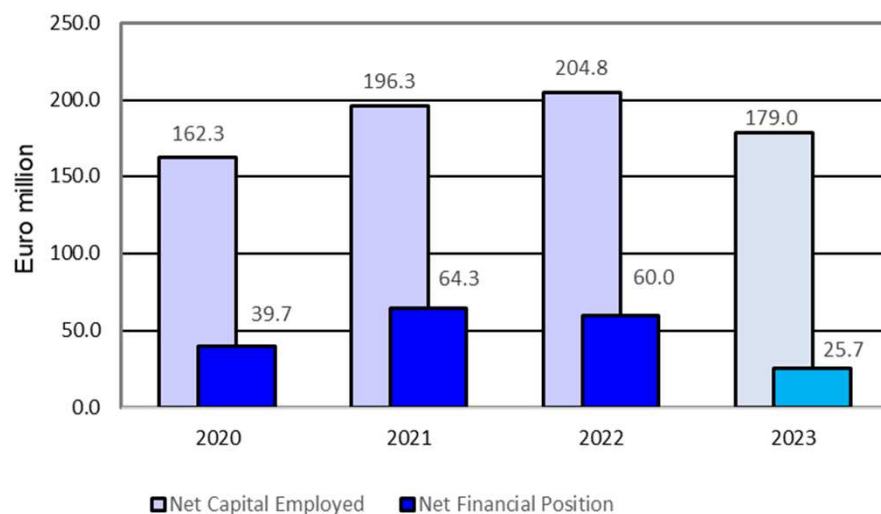
TURNOVER and HOLLOW TURNOVER



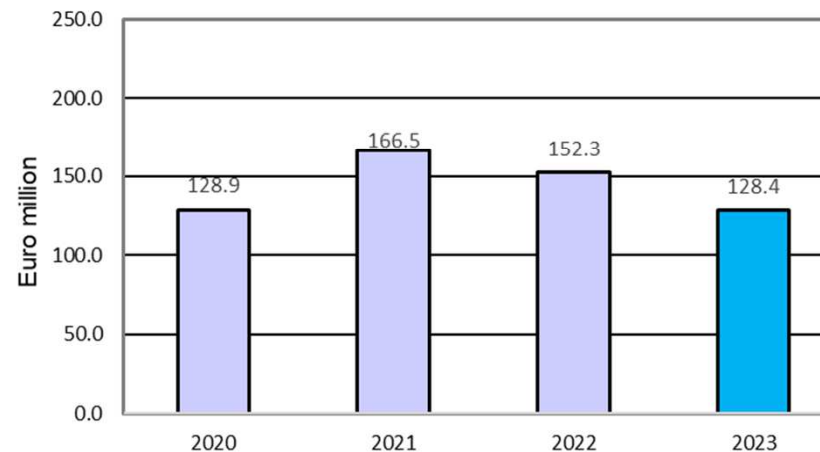
EBITDA Adjusted and EBIT Adjusted



NET CAPITAL EMPLOYED and NET FINANCIAL POSITION

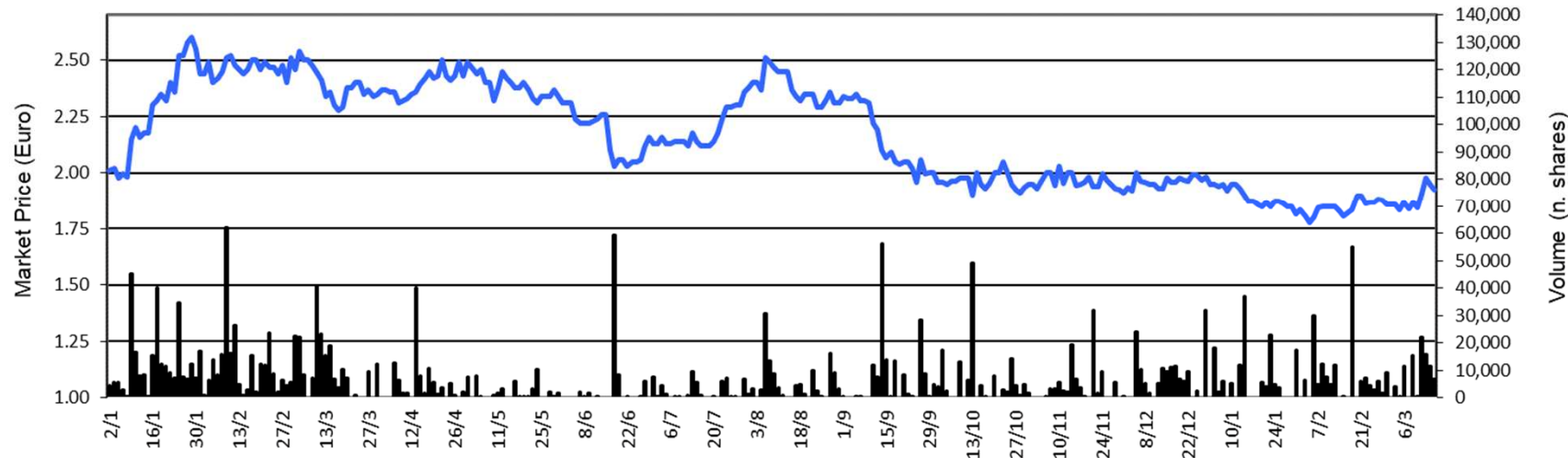


NET WORKING CAPITAL

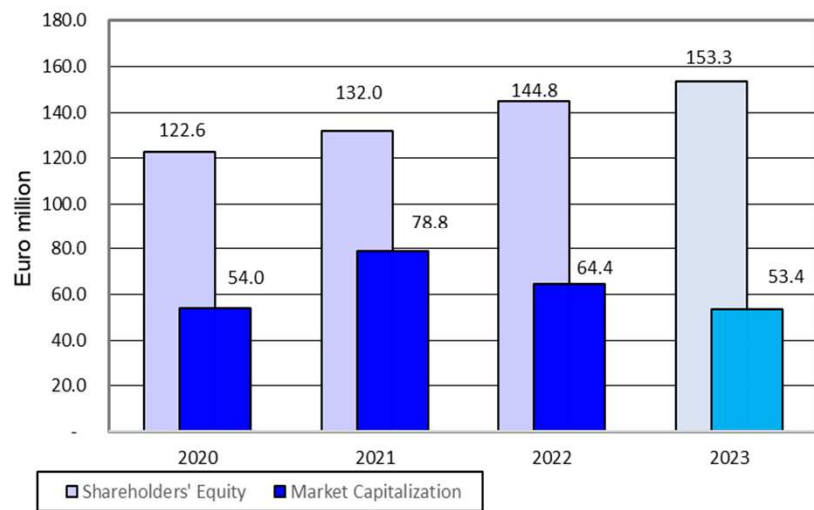


IRCE Group – Market Performance

MARKET PRICE TREND IRCE (Period: 1st January 2023 – 17^h March 2024)



SHAREHOLDERS' EQUITY Vs MARKET CAPITALIZATION



PRICE/BOOK VALUE RATIO

