

Informazione Regolamentata n. 0163-18-2024	Data/Ora Inizio Diffusione 14 Maggio 2024 21:30:02	Euronext Star Milan
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Societa' : IRCE

Identificativo Informazione  
Regolamentata : 190712

Utenza - Referente : IRCEN01 - CASADIO

Tipologia : 3.1

Data/Ora Ricezione : 14 Maggio 2024 21:30:02

Data/Ora Inizio Diffusione : 14 Maggio 2024 21:30:02

Oggetto : Interim Report on operation at 31 March 2024

*Testo del comunicato*

Vedi allegato



## INTERIM REPORT ON OPERATIONS AT 31<sup>ST</sup> MARCH 2024

The Board of Directors has today approved the consolidated financial statements as at 31<sup>st</sup> March 2024.

In the first quarter 2024, IRCE Group (hereinafter also the "Group") recorded a profit of € 2.25 million.

Consolidated turnover was € 100.12 million, down by 11.6% compared to € 113.19 million in in the first quarter of 2023; the reduction was partly due to the fall of copper price (in the first quarter of 2024, the average LME price in Euros was 6.5% lower than in the same period of 2023) and partly to lower volumes sold.

First quarter sales confirm the weakness of market demand in both business lines. In the winding wires sector, the decline in volumes stabilized at the levels of the last quarter of 2023. In the cables sector, the contraction in the traditional markets (construction and cabling) was offset by contracts in the infrastructure sector.

Results are reported in the following table:

Consolidated income statement data (€/million)	31 March 2024 Value	31 March 2023 Value	Change Value
Turnover <sup>1</sup>	100.12	113.19	(13.07)
Turnover without metal <sup>2</sup>	25.49	26.38	(0.89)
EBITDA <sup>3</sup>	5.11	5.51	(0.40)
EBIT	3.61	3.57	0.04
Result before tax	3.48	3.28	0.20
Group Net Result of the period	2.25	2.57	(0.32)
Adjusted EBITDA <sup>4</sup>	5.44	5.73	(0.29)
Adjusted EBIT <sup>4</sup>	3.94	3.79	0.15

  

Consolidated statement of financial position data (€/millioni)	31 March 2024 Value	31 December 2023 Value	Change Value
Net invested capital <sup>5</sup>	195.10	178.98	16.12
Shareholders' equity	154.88	153.33	1.55
Net financial position <sup>6</sup>	40.22	25.65	14.57

<sup>1</sup> The item "Turnover" represents the "Sales revenues" reported in the income statement.

<sup>2</sup> Turnover without metal corresponds to the total turnover less the metal component.

<sup>3</sup> 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.

<sup>4</sup> 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 (€ +0.33 million in first quarter 2024 and € +0.22 million in first quarter 2023). 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.

<sup>5</sup> 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.

<sup>6</sup> 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 of March 31, 2024, net financial position was € 40.22 million, up from € 25.65 million as of December 31, 2023, mainly due to the increase in operating working capital.

The Group's investments in the 1<sup>st</sup> quarter of 2024 amounted to € 5.19 million and mainly concerned the plant in the Czech Republic.

The Group continues to pursue its strategic plan of focusing on sectors with higher growth and more specialized products, including the automotive and the energy generation and transport sectors. The plant in the Czech Republic is expected to start operation at the end of the year and will offer the production capacity necessary for expansion into these priority segments.

The updated forecasts from the main institutional organization on the performance of the European economy indicate slower growth than expected in 2023. The recovery of market demand in the winding wires sector in Europe, the main geographical area of reference, is postponed to second part of the year. Regarding the cable sector, the current order book, largely made up of long-term orders, allows sales to be maintained at good levels.

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 May 2024

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 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 680 employees.*

PRESS RELEASE

## Consolidated statement of financial position

(Thousand of Euro)	2024 31 March	2023 31 December
<b>ASSETS</b>		
<b>Non current assets</b>		
Goodwill and other intangible assets	126	136
Property, plant and machinery	42,609	43,933
Equipments and other tangible assets	1,776	1,852
Assets under constructions and advances	17,948	13,385
Non current financial assets	5	5
Deferred tax assets	2,381	2,495
Other non current assets non financial	1,131	1,196
<b>NON CURRENT ASSETS</b>	<b>65,976</b>	<b>63,002</b>
<b>Current assets</b>		
Inventories	109,239	94,495
Trade receivables	76,578	67,157
Tax receivables	22	22
Other current assets	3,908	4,575
Current financial assets	728	373
Cash and cash equivalent	8,685	14,167
<b>CURRENT ASSETS</b>	<b>199,160</b>	<b>180,789</b>
<b>TOTAL ASSETS</b>	<b>265,136</b>	<b>243,791</b>

## PRESS RELEASE

<b>(Thousand of Euro)</b>	<b>2024 31 March</b>	<b>2023 31 December</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Shareholders' equity</b>		
Share capital	13,766	13,782
Reserves	139,180	131,641
Profit (loss) for the period	2,245	8,226
<b>Shareholders' equity attributable to shareholders of Parent company</b>	<b>155,191</b>	<b>153,649</b>
Shareholders equity attributable to Minority interests	(310)	(322)
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>154,881</b>	<b>153,327</b>
<b>Non current liabilities</b>		
Non current financial liabilities	11,899	13,664
Deferred tax liabilities	260	286
Non current provisions for risks and charges	848	846
Non current provisions for post employment obligation	3,626	3,673
<b>NON CURRENT LIABILITIES</b>	<b>16,633</b>	<b>18,469</b>
<b>Current liabilities</b>		
Current financial liabilities	37,729	26,524
Trade payables	42,505	33,207
Current tax payables	3,600	1,496
<i>(of which related parties)</i>	2,800	1,169
Social security contributions	1,473	2,022
Other current liabilities	8,062	8,507
Current provisions for risks and charges	253	239
<b>CURRENT LIABILITIES</b>	<b>93,622</b>	<b>71,995</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>265,136</b>	<b>243,791</b>



PRESS RELEASE

## Consolidated statement of cash flow

(Thousand of Euro)	2024 31 March	2023 31 March
<b>OPERATING ACTIVITIES</b>		
Result of the period (Group and Minorities)	2,257	2,569
<i>Adjustments for:</i>		
Depreciation / Amortization	1,707	1,629
Net change in deferred tax (assets) / liabilities	114	(76)
Capital (gains) / losses from disposal of fixed assets	(48)	(11)
Losses / (gains) on unrealised exchange rate differences	(212)	(32)
Provisions for risks	-	300
Income taxes	1,109	790
Financial (income) / expenses	(116)	214
<b>Operating result before changes in working capital</b>	<b>4,811</b>	<b>5,383</b>
Income taxes paid	(7)	(2,733)
Financial charges paid	(803)	(1,114)
Financial income collected	919	900
Decrease / (Increase) in inventories	(15,195)	(3,848)
Change in trade receivables	(9,644)	(12,711)
Change in trade payables	9,482	13,993
Net changes in current other assets and liabilities	(665)	4,152
Net changes in current other assets and liabilities - related parties	1,631	-
Net changes in non current other assets and liabilities	25	(114)
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>(9,445)</b>	<b>3,908</b>
<b>INVESTING ACTIVITIES</b>		
Investments in intangible assets	(25)	(20)
Investments in tangible assets	(5,163)	(3,102)
Disposals of tangible and intangible assets	53	189
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>(5,135)</b>	<b>(2,933)</b>
<b>FINANCING ACTIVITIES</b>		
Repayments of loans	(1,804)	(1,863)
Net changes of current financial liabilities	11,338	3,630
Net changes of current financial assets	(357)	(336)
Other effects on shareholders' equity	-	-
Sell/(purchase) of own shares	(56)	-
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>9,121</b>	<b>1,431</b>
<b>NET CASH FLOW FROM THE PERIOD</b>	<b>(5,459)</b>	<b>2,406</b>
<b>CASH BALANCE AT THE BEGINNING OF THE PERIOD</b>	<b>14,167</b>	<b>5,608</b>
Exchange rate differences	(23)	25
<b>NET CASH FLOW FROM THE PERIOD</b>	<b>(5,459)</b>	<b>2,406</b>
<b>CASH BALANCE AT THE END OF THE PERIOD</b>	<b>8,685</b>	<b>8,039</b>

Fine Comunicato n.0163-18-2024

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