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Oggetto : First half year 2024 Financial results

Testo del comunicato

Vedi allegato



FIRST HALF YEAR 2024 FINANCIAL RESULTS

The Board of Directors has today approved the consolidated financial statements as at June 30th 2024.

The consolidated financial statements of IRCE Group (hereinafter also the "Group") for the first half of 2024 recorded a profit of € 4.84 million.

Consolidated turnover was € 208.41 million, down by 4.8% compared to the first six months of last year (€ 218.96 million); the reduction was mainly due to lower volumes, only partially offset by the increase in the price of copper (the average LME price in Euro, in the first half of 2024, was 4.5% higher than in the same period of 2023).

In the first half of the year, sales confirmed the weakness of market demand in both business lines. In the winding conductor sector, volumes were at the low levels of the last two quarters. In cables, the contraction in the traditional markets - construction and cabling - persisted but it was offset by orders in the infrastructure sector.

Results are reported in the following table:

Consolidated income statement data (€/million)	30 June 2024 Value	30 June 2023 Value	Change Value
Turnover ¹	208.41	218.96	(10.55)
Turnover without metal ²	51.98	52.30	0.32
EBITDA ³	12.41	11.39	1.02
EBIT	8.37	7.60	0.77
Result before tax	7.99	6.51	1.48
Group Net Result of the period	4.84	4.94	(0.10)
Adjusted EBITDA ⁴	13.03	11.32	1.71
Adjusted EBIT ⁴	8.99	7.53	1.46

Consolidated statement of financial position data (€/milioni)	30 June 2024 Value	31 December 2023 Value	Change Value
Net invested capital ⁵	206.74	178.98	27.76
Shareholders' equity	152.33	153.33	(1.00)
Net financial position ⁶	54.41	25.65	28.76

The net financial position as at 30 June 2024 amounted to € 54.41 million, up from € 25.65 million as of 31 December 2023, mainly due to the increase in operating working capital and the investment in the Czech Republic.

The decrease in shareholders' equity of € 1.00 million, in addition to the payment of the dividend, is due to the negative change in the translation reserve of € 4.19 million, caused by the devaluation of the Brazilian Real, which depreciated by almost 10% against the Euro since the beginning of the year.

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 (€ +0.62 million in first half of 2024 and € -0.07 million in first half of 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.

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

The Group's investments in H1 2024 amounted to € 15.2 million and mainly concerned the investment in the plant in the Czech Republic.

Our forecast for 2024 assumed a gradual growth, expected to start by the end of the first half of the year; in light of the current slowdowns of market demand, especially in the winding conductor sector, a recovery is expected only in the last period of the year. It should be noted that for the cable sector, the current order book, which consists of multi-year orders, assures good levels of turnover.

Our medium-long term forecast remains unchanged, demand will record significant growth, driven by the ongoing energy transition.

As for the plant in the Czech Republic, production is expected to start in the first half of 2025. The construction of the China plant began in July with the target of starting production by 2025.

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, 13 September 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 (NL), 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 685 employees.

PRESS RELEASE

Consolidated statement of financial position

(Thousand of Euro)	2024 30 June	2023 31 December
ASSETS		
Non current assets		
Goodwill and other intangible assets	106	136
Property, plant and machinery	43,015	43,933
Equipments and other tangible assets	1,706	1,852
Assets under constructions and advances	25,376	13,385
Non current financial assets	7	5
Deferred tax assets	2,673	2,495
Other non current assets non financial	1,093	1,196
NON CURRENT ASSETS	73,976	63,002
Current assets		
Inventories	116,929	94,495
Trade receivables	73,939	67,157
Tax receivables	39	22
Other current assets	3,676	4,575
Current financial assets	405	373
Cash and cash equivalent	17,626	14,167
CURRENT ASSETS	212,614	180,789
TOTAL ASSETS	286,590	243,791

PRESS RELEASE

(Thousand of Euro)	2024 30 June	2023 31 December
EQUITY AND LIABILITIES		
Shareholders' equity		
Share capital	13,766	13,782
Reserves	134,031	131,641
Profit (loss) for the period	4,844	8,226
Shareholders' equity attributable to shareholders of Parent company	152,641	153,649
Shareholders equity attributable to Minority interests	(311)	(322)
TOTAL SHAREHOLDERS' EQUITY	152,330	153,327
Non current liabilities		
Non current financial liabilities	20,600	13,664
Deferred tax liabilities	210	286
Non current provisions for risks and charges	1,049	846
Non current provisions for post employment obligation	3,570	3,673
NON CURRENT LIABILITIES	25,429	18,469
Current liabilities		
Current financial liabilities	51,845	26,524
Trade payables	40,433	33,207
Current tax payables	5,310	1,496
<i>(of which related parties)</i>	3,809	1,169
Social security contributions	2,291	2,022
Other current liabilities	8,579	8,507
Current provisions for risks and charges	373	239
CURRENT LIABILITIES	108,831	71,995
SHAREHOLDERS' EQUITY AND LIABILITIES	286,590	243,791

PRESS RELEASE

Consolidated income statement

(Thousand of Euro)	2024 30 June	2023 30 June
Sales revenues	208,407	218,956
Other revenues and income	672	663
TOTALE REVENUES AND INCOME	209,079	219,619
Raw materials and consumables	(170,773)	(181,049)
Change in inventories of work in progress and finished goods	11,455	8,817
Cost for services	(19,514)	(19,994)
Personnel costs	(16,868)	(15,456)
Amortization /depreciation/write off tangible and intangible assets	(3,834)	(3,545)
Provision and write downs	(200)	(243)
Other operating costs	(974)	(552)
EBIT	8,371	7,597
Financial income / (charges)	(382)	(1,087)
RESULT BEFORE TAX	7,989	6,510
Income taxes	(3,134)	(1,565)
NET RESULT FOR THE PERIOD	4,855	4,945
Net result attributable to non-controlling interests	11	1
Net result attributable to shareholders of the Parent Company	4,844	4,944
EARNINGS/(LOSSES) PER SHARES		
- basic EPS for the period attributable to shareholders of the parent company	0.1829	0.1864
- diluted EPS for the period attributable to shareholders of the parent company	0.1829	0.1864

PRESS RELEASE

Consolidated statement of cash flow

(Thousand of Euro)	2024 30 June	2023 30 June
OPERATING ACTIVITIES		
Result of the period (Group and Minorities)	4,855	4,945
<i>Adjustments for:</i>		
Depreciation / Amortization	3,834	3,545
Net change in deferred tax (assets) / liabilities	(253)	(336)
Capital (gains) / losses from disposal of fixed assets	(175)	(20)
Losses / (gains) on unrealised exchange rate differences	(301)	(287)
Provisions/write down (release/reversal)	200	633
Income taxes	3,387	1,901
Financial (income) / expenses	304	1,133
Operating result before changes in working capital	11,851	11,514
Income taxes paid	(416)	(1,406)
Financial charges paid	(1,523)	(2,412)
Financial income collected	1,753	1,278
Decrease / (Increase) in inventories	(24,363)	650
Change in trade receivables	(8,746)	(17,308)
Change in trade payables	7,702	3,758
Net changes in current other assets and liabilities	1,406	3,064
Net changes in current other assets and liabilities - related parties	1,133	605
Net changes in non current other assets and liabilities	(95)	1,069
CASH FLOW FROM OPERATING ACTIVITIES	(11,298)	812
INVESTING ACTIVITIES		
Investments in intangible assets	(38)	(76)
Investments in tangible assets	(15,168)	(5,036)
Disposals of tangible and intangible assets	194	28
CASH FLOW FROM INVESTING ACTIVITIES	(15,012)	(5,084)
FINANCING ACTIVITIES		
Repayments of loans	(3,075)	(3,132)
Obtainment of loans	10,000	-
Net changes of current financial liabilities	24,965	12,832
Net changes of current financial assets	(250)	(27)
Dividends paid to shareholders	(1,588)	(1,592)
Sell/(purchase) of own shares	(57)	(38)
CASH FLOW FROM FINANCING ACTIVITIES	29,995	8,043
NET CASH FLOW FROM THE PERIOD	3,686	3,771
CASH BALANCE AT THE BEGINNING OF THE PERIOD		
Exchange rate differences	(227)	180
NET CASH FLOW FROM THE PERIOD	3,686	3,771
CASH BALANCE AT THE END OF THE PERIOD	17,626	9,559

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