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2024

*Testo del comunicato*

Vedi allegato

PRESS RELEASE



## INTERIM REPORT ON OPERATIONS AS OF 30 SEPTEMBER 2024

The Board of Directors has approved today the consolidated financial statements as at September 30<sup>th</sup> 2024.

The consolidated financial statements of IRCE Group (hereinafter also the "Group") for the first nine months of 2024 recorded a profit of € 7.11 million.

Consolidated turnover was € 306.04 million, down 1.7% compared to € 311.31 million in the first nine months of 2023; reduction mainly due to lower volumes sold, only partially offset by the increase in the price of copper (the average LME price in Euro in the first nine months of 2024 was 6.0% higher than in the same period of 2023).

In the first nine months of 2024, market demand remains weak with a consequent overall decline in sales in both business lines. In the winding wires sector, volumes sold are low and are at the levels of recent quarters. In cables, the contraction continued in the traditional markets, construction and cabling, with a worsening of sales in the third quarter.

Results are reported in the following table:

Consolidated income statement data (€/million)	30 September 2024 Value	30 September 2023 Value	Change Value
Turnover <sup>1</sup>	306.04	311.31	(5.27)
Turnover without metal <sup>2</sup>	74.39	75.66	(1.27)
EBITDA <sup>3</sup>	18.64	15.64	3.00
EBIT	12.75	10.53	2.22
Result before tax	11.95	9.66	2.29
Group Net Result of the period	7.11	6.55	0.56
Adjusted EBITDA <sup>4</sup>	19.34	15.91	3.43
Adjusted EBIT <sup>4</sup>	13.45	10.80	2.65

Consolidated statement of financial position data (€/milioni)	30 September 2024 Value	31 December 2023 Value	Change Value
Net invested capital <sup>5</sup>	203.23	178.98	24.25
Shareholders' equity	152.88	153.33	(0.45)
Net financial position <sup>6</sup>	50.35	25.65	24.70

<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 (€ +0.70 million in the first nine months of 2024 and € + 0,27 in first nine months 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.

<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.

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The net financial position as at 30 September 2024 amounted to € 50.35 million, up from € 25.65 million as at 31 December 2023, mainly due to the investments made in the period, amounting to € 25.90 million, which largely relate to the project in the Czech Republic.

The decrease in shareholders' equity of € 0.45 million compared to 31 December 2023 is attributable, in addition to the payment of the dividend of € 1.59 million, to the negative change in the translation reserve of € 5.91 million caused by the devaluation of the Brazilian Real which in these nine months depreciated by approximately 12% against the Euro, only partially offset by the result for the period.

In the light of current weakness of the economy, we expect the slowdown of demand in our markets to continue in the fourth quarter, particularly in the winding wire sector. Cables' current orders book contains multi-years contracts, which will limit the effect of lower sales in the traditional markets. Despite this difficult context, in 2024, we expect to achieve results in line with 2023.

Our medium-long term forecast of a significant growth in demand in both business sectors remain unchanged, mainly linked to the ongoing energy transition.

As for the company in the Czech Republic, it is expected to start production in the first half of 2025. In addition, construction of the plant in China began in July, in which production is expected to start by the end of 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, 14 November 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 685 employees.*

## PRESS RELEASE

## Consolidated statement of financial position

(Thousand of Euro)	2024 30 September	2023 31 December
<b>ASSETS</b>		
<b>Non current assets</b>		
Goodwill and other intangible assets	82	136
Property, plant and machinery	41,947	43,933
Equipments and other tangible assets	1,792	1,852
Assets under constructions and advances	35,092	13,385
Non current financial assets	7	5
Deferred tax assets	2,606	2,495
Other non current assets non financial	785	1,196
<b>NON CURRENT ASSETS</b>	<b>82,311</b>	<b>63,002</b>
<b>Current assets</b>		
Inventories	107,631	94,495
Trade receivables	71,959	67,157
Tax receivables	108	22
Other current assets	4,720	4,575
Current financial assets	284	373
Cash and cash equivalent	14,639	14,167
<b>CURRENT ASSETS</b>	<b>199,341</b>	<b>180,789</b>
<b>TOTAL ASSETS</b>	<b>281,652</b>	<b>243,791</b>

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<b>(Thousand of Euro)</b>	<b>2024</b>	<b>2023</b>
	<b>30 September</b>	<b>31 December</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Shareholders' equity</b>		
Share capital	13,764	13,782
Reserves	132,311	131,641
Profit (loss) for the period	7,109	8,226
<b>Shareholders' equity attributable to shareholders of Parent company</b>	<b>153,184</b>	<b>153,649</b>
Shareholders equity attributable to Minority interests	(309)	(322)
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>152,875</b>	<b>153,327</b>
<b>Non current liabilities</b>		
Non current financial liabilities	39,281	13,664
Deferred tax liabilities	212	286
Non current provisions for risks and charges	1,150	846
Non current provisions for post employment obligation	3,523	3,673
<b>NON CURRENT LIABILITIES</b>	<b>44,166</b>	<b>18,469</b>
<b>Current liabilities</b>		
Current financial liabilities	25,996	26,524
Trade payables	44,947	33,207
Current tax payables	2,575	1,496
<i>(of which related parties)</i>	<i>1,671</i>	<i>1,169</i>
Social security contributions	1,681	2,022
Other current liabilities	9,047	8,507
Current provisions for risks and charges	365	239
<b>CURRENT LIABILITIES</b>	<b>84,611</b>	<b>71,995</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>281,652</b>	<b>243,791</b>

## PRESS RELEASE

## Consolidated income statement

(Thousand of Euro)	2024 30 September	2023 30 September
Sales revenues	306,043	311,311
Other revenues and income	1,213	1,016
<b>TOTALE REVENUES AND INCOME</b>	<b>307,256</b>	<b>312,327</b>
Raw materials and consumables	(242,827)	(241,716)
Change in inventories of work in progress and finished goods	7,586	(3,814)
Cost for services	(27,898)	(28,079)
Personnel costs	(24,261)	(22,239)
Amortization /depreciation/write off tangible and intangible assets	(5,573)	(5,147)
Provision and write downs	(311)	45
Other operating costs	(1,219)	(844)
<b>EBIT</b>	<b>12,753</b>	<b>10,533</b>
Financial income / (charges)	(808)	(873)
<b>RESULT BEFORE TAX</b>	<b>11,945</b>	<b>9,660</b>
Income taxes	(4,823)	(3,106)
<b>NET RESULT FOR THE PERIOD</b>	<b>7,122</b>	<b>6,554</b>
Net result attributable to non-controlling interests	13	2
<b>Net result attributable to shareholders of the Parent Company</b>	<b>7,109</b>	<b>6,552</b>
<b>EARNINGS/(LOSSES) PER SHARES</b>		
- basic EPS for the period attributable to shareholders of the parent company	0.2690	0.2472
- diluted EPS for the period attributable to shareholders of the parent company	0.2690	0.2472

## PRESS RELEASE

## Consolidated statement of cash flow

(Thousand of Euro)	2024 30 September	2023 30 September
<b>OPERATING ACTIVITIES</b>		
Result of the period (Group and Minorities)	7,122	6,554
<i>Adjustments for:</i>		
Depreciation / Amortization	5,573	5,147
Net change in deferred tax (assets) / liabilities	(195)	(10)
Capital (gains) / losses from disposal of fixed assets	(210)	(88)
Losses / (gains) on unrealised exchange rate differences	(323)	(191)
Provisions/write down (release/reversal)	309	633
Income taxes	5,017	3,116
Financial (income) / expenses	1,032	1,232
<b>Operating result before changes in working capital</b>	<b>18,325</b>	<b>16,393</b>
Income taxes paid	(1,440)	591
Financial charges paid	(2,735)	(3,449)
Financial income collected	2,365	2,217
Decrease / (Increase) in inventories	(15,278)	19,328
Change in trade receivables	(7,642)	(12,086)
Change in trade payables	12,597	400
Net changes in current other assets and liabilities	(183)	(839)
Net changes in current other assets and liabilities - related parties	(1,958)	1,465
Net changes in non current other assets and liabilities	136	1,533
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>4,187</b>	<b>25,553</b>
<b>INVESTING ACTIVITIES</b>		
Investments in intangible assets	(52)	(76)
Investments in tangible assets	(25,842)	(9,056)
Disposals of tangible and intangible assets	239	108
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>(25,655)</b>	<b>(9,024)</b>
<b>FINANCING ACTIVITIES</b>		
Repayments of loans	(4,408)	(4,917)
Obtainment of loans	30,000	-
Net changes of current financial liabilities	(1,023)	(5,925)
Net changes of current financial assets	(260)	(256)
Dividends paid to shareholders	(1,588)	(1,592)
Sell/(purchase) of own shares	(67)	(82)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>22,654</b>	<b>(12,772)</b>
<b>NET CASH FLOW FROM THE PERIOD</b>	<b>1,186</b>	<b>3,757</b>
<b>CASH BALANCE AT THE BEGINNING OF THE PERIOD</b>		
Exchange rate differences	(714)	106
<b>NET CASH FLOW FROM THE PERIOD</b>	<b>1,186</b>	<b>3,757</b>
<b>CASH BALANCE AT THE END OF THE PERIOD</b>	<b>14,639</b>	<b>9,471</b>

