



INTERIM REPORT ON OPERATIONS AT 31ST MARCH 2019

The Board of Directors has today approved the consolidated financial statements as at March 31st 2019.

IRCE Group's first quarter 2019 (the "Group") closed with a net profit of € 1.52 million.

Consolidated turnover was € 85.20 million, down by 9.6% compared to € 94.21 million of first quarter 2018. The reduction is mainly explained by the decrease in volumes, but also reflects the negative impact of the decrease in copper prices; the average LME price of the first three months was 3% lower than in the first quarter of last year.

The reduction in sales involved both the winding wire and the cable sector. The first was affected by the slowdown in demand on the European market, which has lasted for about a year, while sales on Extra-European markets are growing. The cable sector shows a decrease mainly in Italian market.

The results are shown in the following table.

Consolidated income statement data (€/million)	1 st quarter 2019	1 st quarter 2018	Change
Turnover ¹	85.20	94.21	(9.01)
EBITDA ²	2.73	5.66	(2.93)
EBIT	0.97	3.70	(2.73)
Profit before taxes	2.36	4.78	(2.42)
Net / (Loss) of the period	1.52	2.96	(1.44)
Adjusted EBITDA ³	4.10	6.80	(2.70)
Adjusted EBIT ³	2.34	4.84	(2.50)

Consolidated statement of financial position data (€/million)	As of 31.03.2019	As of 31.12.2018	Change
Net invested capital	185.84	191.01	(5.17)
Shareholders' Equity	133.62	131.30	2.32
Net financial debt	52.22	59.71	(7.49)

1 The item "Turnover" represents the "Revenues" reported in the income statement.

2 EBITDA is a performance indicator used by the Management of the Group in order to assess the operating performance of the company and is not identified as an accounting item within IFRS; it is calculated by IRCE S.p.A. by adding amortisation/depreciation, allocations and write-downs to EBIT.

3 Adjusted EBITDA and EBIT are respectively calculated as the sum of EBITDA and EBIT and the income/charges from operations on copper derivatives transactions (€ +1.37 million in the first quarter of 2019 and € +1.14 million in the first quarter of 2018). These indicators are used by the Management of the Group in order to monitor and assess the operational performance of the Group and are not identified as accounting items within IFRS. Given that the composition of these measures is not regulated by the reference accounting standards, the criterion used by the Group could potentially not be consistent with that adopted by others and therefore not be comparable.

PRESS RELEASE

Consolidated net financial debt at March 31, 2019 was € 52.22 million, down compared to December 31, 2018 (€ 59.71 million), thanks to the generated operating cash flow.

The Group's investments, in the first quarter 2019, were € 0.33 million and mainly concerned IRCE SpA.

For 2019 we expect a slowdown in demand in our markets; the situation is strongly conditioned by the uncertainty about the economic growth in Europe and on the evolution of the international macroeconomic scenarios, which could have important impacts on the economic trend and on our business segments. Our strategy remains focused on technical innovation and cost reduction.

The manager responsible for preparing the company's financial reports, 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, 14th May 2019

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 4 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 a new company in China. The Group employs 723 employees.