



### **INTERIM REPORT ON OPERATIONS AT 31<sup>ST</sup> MARCH 2021**

The Board of Directors has today approved the consolidated financial statements as at 31<sup>st</sup> March 2021.

IRCE Group's first quarter 2021 (hereinafter also the "Group") closed with a profit of the period of € 3.34 million.

Consolidated turnover was € 103.53 million, up by 34.0% compared to the € 77.26 million of first quarter of 2020, thanks to the growth in sale volumes and copper price (LME quoted in Euro +38.0% quarter 2021 to quarter 2020).

In the first quarter of this year, sales in both our areas of business, winding wires and energy cables, confirm the recovery of market demand, which began in the second half of 2020 and record a further improvement vis-à-vis the fourth quarter of last year.

Results are reported in the following table.

Consolidated income statement data (€/million)	1 <sup>st</sup> quarter 2021	1 <sup>st</sup> quarter 2020	Change
Turnover <sup>1</sup>	103.53	77.26	26.27
Turnover without metal <sup>2</sup>	22.26	17.46	4.80
EBITDA <sup>3</sup>	7.17	2.91	4.26
EBIT	4.64	1.06	3.58
Result before taxes	4.22	(1.02)	5.24
Result of the period of the Parent Company	3.34	(0.87)	4.21
Adjusted EBITDA <sup>4</sup>	6.45	0.49	5.96
Adjusted EBIT <sup>4</sup>	3.92	(1.36)	5.28

  

Consolidated statement of financial position data (€/million)	As of 31.03.2021	As of 31.12.2020	Change
Net invested capital	185.05	162.36	22.69
Shareholders' Equity	124.35	122.62	1.73
Net financial debt	60.70	39.74	20.96

1 The item "Turnover" represents the "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 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.

4 Adjusted EBITDA and EBIT are respectively calculated as the sum of EBITDA and EBIT and the income/charges from operations on copper and electricity derivatives transactions (€ -0.72 million in the first quarter of 2021 and € -2.42 million in the first quarter of 2020). 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 the end of March 2021, was € 60.70 million, up from € 39.74 million at the end of 2020, as a result of the growth in sales volumes and the copper price.

Shareholders' equity was negatively affected by the change in the translation reserve mainly due to the devaluation of the Brazilian real (which accounted for € 1.78 million), which, from the beginning of the year, went down by 6%.

The Group's investments, in the first quarter 2021, were € 0.73 million.

The forecasts for 2021, which also consider the uncertainty about the recovery time of the economy after the pandemic, remain positive and we expect a significant recovery in demand compared to the last year.

To date, the Group has not had any significant impacts due to the Coronavirus pandemic and has in fact continued to produce continuously. For an update on the situation, please refer to a specific note in the Interim Report on Operations at 31 March 2021.

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, 14<sup>th</sup> May 2021

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 two companies currently inoperative (China and Czech Republic). The Group employs 710 employees.*

<b>CONSOLIDATED STATEMENT OF FINANCIAL POSITION</b>		
(Unit of Euro)		
<b>ASSETS</b>	<b>31.03.2021</b>	<b>31.12.2020</b>
<b>NON CURRENT ASSETS</b>		
Goodwill and Other intangible assets	119,482	133,008
Property, plant and machinery	38,603,759	40,862,438
Equipments and other tangible assets	1,433,479	1,542,621
Assets under constructions and advances	1,512,389	971,478
Investments	106,995	102,137
Non current financial assets	144,437	124,882
Deferred tax assets	1,408,040	1,386,848
<b>NON CURRENT ASSETS</b>	<b>43,328,581</b>	<b>45,123,412</b>
<b>CURRENT ASSETS</b>		
Inventories	87,245,564	76,230,890
Trade receivables	89,549,904	73,906,499
Tax receivables	8,075	7,236
Other current assets	2,655,149	1,935,970
Current financial assets	322,719	1,903,141
Cash and cash equivalent	6,160,137	10,259,995
<b>CURRENT ASSETS</b>	<b>185,941,548</b>	<b>164,243,731</b>
<b>TOTAL ASSETS</b>	<b>229,270,129</b>	<b>209,367,143</b>

<b>EQUITY AND LIABILITIES</b>	<b>31.03.2021</b>	<b>31.12.2020</b>
<b>SHAREHOLDERS' EQUITY</b>		
Share capital	13,821,563	13,821,563
Reserves	107,502,911	106,384,781
Result for the period	3,335,829	2,725,715
<b>Shareholders' equity attributable to shareholders of Parent company</b>	<b>124,660,303</b>	<b>122,932,058</b>
Shareholders' equity attributable to Minority interests	(306,392)	(308,043)
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>124,353,911</b>	<b>122,624,015</b>
<b>NON CURRENT LIABILITIES</b>		
Non current financial liabilities	27,811,610	21,311,962
Deferred tax liabilities	235,029	181,882
Non current provisions for risks and charges	321,538	309,344
Non current provisions for post employment obligation	4,961,232	4,990,269
<b>NON CURRENT LIABILITIES</b>	<b>33,329,409</b>	<b>26,793,456</b>
<b>CURRENT LIABILITIES</b>		
Current financial liabilities	39,373,136	30,594,634
Trade payables	23,108,802	21,200,554
Current tax payables <i>(of which related parties)</i>	1,092,250 -	594,843 155,914
Social security contributions	1,295,643	1,950,195
Other current liabilities	6,507,289	5,414,449
Current provisions for risks and charges	209,689	194,995
<b>CURRENT LIABILITIES</b>	<b>71,586,809</b>	<b>59,949,670</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>229,270,129</b>	<b>209,367,141</b>

<b>CONSOLIDATED INCOME STATEMENT</b>		
<b>(Unit of Euro)</b>	<b>31.03.2021</b>	<b>31.03.2020</b>
Sales revenues	103,524,777	77,258,265
Other revenues and income	237,115	386,223
<b>TOTAL REVENUES</b>	<b>103,761,892</b>	<b>77,644,488</b>
Raw materials and consumables	(88,733,516)	(66,849,387)
Change in inventories of work in progress and finished goods	7,911,302	6,656,524
Cost for services	(7,434,985)	(6,652,488)
Personnel costs	(7,747,538)	(7,651,601)
Amortization /depreciation/write off tangible and intangible assets	(2,321,129)	(1,818,153)
Provision and write downs	(209,735)	(28,592)
Other operating costs	(590,735)	(236,990)
<b>EBIT</b>	<b>4,635,556</b>	<b>1,063,800</b>
Financial income / (charges)	(412,093)	(2,086,383)
<b>RESULT BEFORE TAX</b>	<b>4,223,463</b>	<b>(1,022,583)</b>
Income taxes	(885,983)	165,166
<b>RESULT FOR THE PERIOD</b>	<b>3,337,480</b>	<b>(857,417)</b>
Result for the period attributable to non-controlling interests	1,651	7,529
<b>Result for the period attributable to the Parent company</b>	<b>3,335,829</b>	<b>(864,946)</b>

Earnings / losses per shares

- basic EPS for the period attributable to shareholders of the parent company	0.126	(0.033)
- diluted EPS for the period attributable to shareholders of the parent company	0.126	(0.033)

<b>CONSOLIDATED STATEMENT OF CASH FLOWS</b>		
<b>(Thousand of Euro)</b>	<b>31.03.2021</b>	<b>31.03.2020</b>
<b>OPERATING ACTIVITIES</b>		
Result for the period (Group and Minorities)	3,337	(857)
<i>Adjustments for:</i>		
Depreciation / Amortization	2,321	1,818
Net changes in deferred tax (assets) / liabilities	40	(285)
Capital (gains) / losses from disposal of fixed assets	(6)	-
Losses / (gains) on unrealised exchange rate differences	(39)	(132)
Income taxes	846	(161)
Financial (income) / expenses	725	2,509
<b>Operating result before changes in working capital</b>	<b>7,224</b>	<b>2,892</b>
Income taxes paid	(4)	-
Financial charges paid	(759)	(2,736)
Financial income collected	34	227
Decrease / (increase) in inventories	(11,531)	(11,889)
Change in trade receivables	(16,341)	(8,878)
Change in trade payables	1,986	12,845
Net changes in current other assets and liabilities	(435)	2,617
Net changes in current other assets and liabilities - related parties	(156)	-
Net changes in non current other assets and liabilities	6	(314)
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>(19,976)</b>	<b>(5,236)</b>
<b>INVESTING ACTIVITIES</b>		
Investments in intangible assets	(4)	-
Investments in tangible assets	(729)	(533)
Investments in subsidiaries, associates, other entities	-	-
Disposals of tangible and intangible assets	10	-
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>(723)</b>	<b>(533)</b>
<b>FINANCING ACTIVITIES</b>		
Repayments of loans	(462)	(747)
Obtainments of loans	7,000	-
Net changes of current financial liabilities and others financial liabilities (includes IFRS 16)	8,826	4,724
Net changes of current financial assets and others financial receivables	1,222	(1,672)
Management of own shares (sales/purchase)	-	(14)
<b>CASH LOW FROM FINANCING ACTIVITIES</b>	<b>16,586</b>	<b>2,291</b>
<b>NET CASH FLOW FROM THE PERIOD</b>	<b>(4,113)</b>	<b>(3,478)</b>
<b>CASH BALANCE AT THE BEGINNING OF THE PERIOD</b>	<b>10,260</b>	<b>8,632</b>
Exchange rate differences	13	(169)
NET CASH FLOW FROM THE PERIOD	(4,113)	(3,478)
<b>CASH BALANCE AT THE END OF THE PERIOD</b>	<b>6,160</b>	<b>4,985</b>