



SMART SOLUTIONS IN WINDING WIRE  
SMART SOLUTIONS IN WINDING WIRE

## FY 2022 Financial Results Presentation



## IRCE Group – Contents

### Company Profile

- Highlights
- The Businesses
- Production Plants

### Financial Results

- Copper and Aluminium Price Trend
- Profit and Loss Statement
- Balance Sheet
- Business Performance
- Market Performance

## Company Profile – Highlights

IRCE is a leading European Group operating in the industries of magnet wires and cables

| <b>IRCE Today</b>           | <b>Uom</b>   | <b>FY 2022</b> | <b>FY 2021</b> |
|-----------------------------|--------------|----------------|----------------|
| Number of employees FTE     | Nr           | 648            | 717            |
| <b>TURNOVER</b>             | <i>Eur M</i> | <b>454.7</b>   | <b>457.1</b>   |
| <b>EBITDA</b>               | <i>Eur M</i> | <b>19.4</b>    | <b>23.2</b>    |
| <b>EBITDA Adj*</b>          | <i>Eur M</i> | <b>19.9</b>    | <b>23.0</b>    |
| <b>EBIT</b>                 | <i>Eur M</i> | <b>11.6</b>    | <b>14.4</b>    |
| <b>EBIT Adj*</b>            | <i>Eur M</i> | <b>12.1</b>    | <b>14.2</b>    |
| <b>RESULT of the period</b> | <i>Eur M</i> | <b>9.2</b>     | <b>9.4</b>     |

*The data includes Miradolo italian plant sold on June 30, 2022*

*(\*) Including gains/losses on copper and energy derivatives transactions*

### History

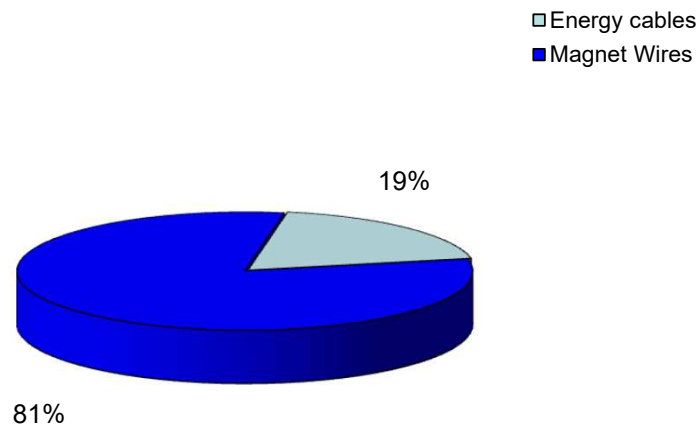
|      |  |
|------|--|
| 1947 | IRCE began its activity in Imola (Italy) with the production of magnet wires                               |
| 1961 | The company started the production of PVC insulated low voltage cables                                     |
| 1996 | The Group was listed on the Italian Stock Exchange   |
| 1998 | Acquisition of Smit Draad Nijmegen BV (The Netherlands)  |
| 2001 | Acquisition of FD Sims Ltd (UK)  |
| 2001 | The Group was listed on the Star Market Segment  |
| 2007 | Construction of Brazil Plant   |
| 2007 | Acquisition of Stable Magnet Wire P. Ltd (India)   |
| 2010 | Acquisition of ISODRA GmbH (Germany)   |
| 2015 | New sales office in Poland   |
| 2018 | Established the Company in China   |
| 2021 | Established the Company in Czech Republic  |
| 2022 | June 30, sold the branch of the company for the production of power cables located in Miradolo Terme Italy |

## Company Profile – The Businesses

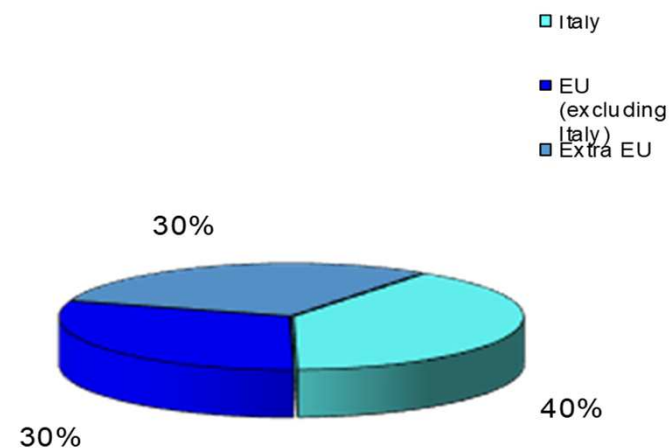
IRCE Group works in two business areas:

- **Magnet wires**      **81% of sales**
- **Energy cables**      **19% of sales**

Sales breakdown by business areas



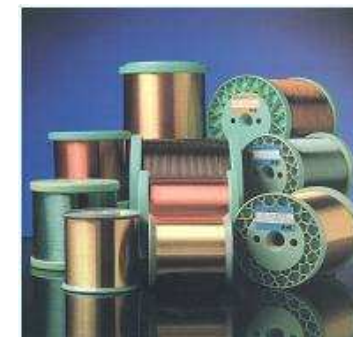
Sales breakdown by geographical area



## Company Profile – The Businesses

### Magnet Wires

Magnet wires, also known as winding wires or enamelled wires, have multiple applications such as electric motors, generators, transformers, compressors, inductors, relays, solenoid valves, etc. The wire is insulated through the application of many layers of enamels by means of highly sophisticated processes and machines, which demand high levels of investments and large scale of productions.



### Energy Cables



Cables produced by the Group encompass the complete range of Low Voltage and Medium Voltage for building and industrial sector. Cables can be insulated with PVC, rubber, polyethylene, etc.. They are used for the construction of electricity plants in residential and industrial buildings and for the wiring and cabling of electrical appliances. The principal final industry sectors are the construction industry, housing and industrial applications, and consumer durables industries (domestic appliances and other electrical appliances).

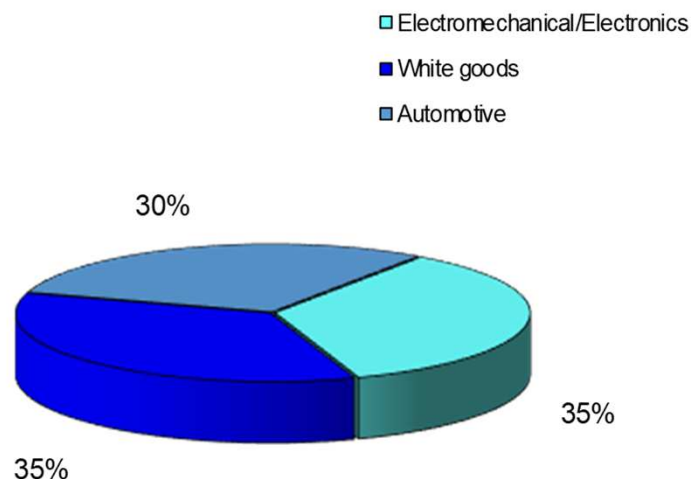
## Company Profile – The Businesses

### > Magnet Wires

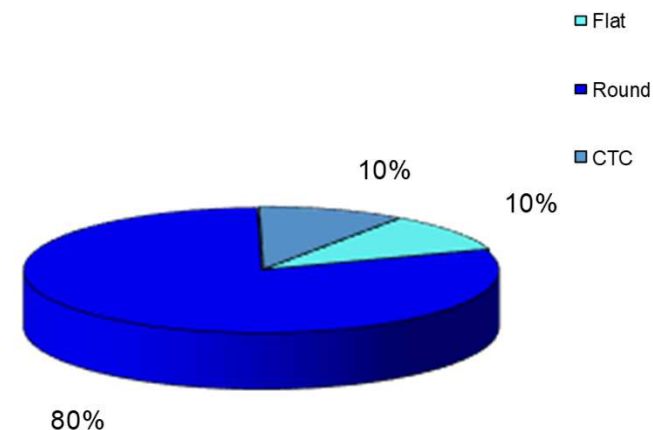
#### > Market share

In the Magnet Wire business IRCE manufactures and sales the complete range of products, and is mainly engaged in the segments of the fine and medium wires. It mainly operates in Europe, where it is one of the top three producers by size.

Sales breakdown by industry



Sales breakdown by product



## Company Profile – The Businesses

### > Magnet Wires

### > Major customers by sectors

#### White Goods

Embraco (Nidec Group)  
BSH  
Secop  
Ceme  
A.R.S. Elettromeccanica  
Cebi Group  
Domel D.O.O.

#### Electromechanical/Electronics

Siemens  
Schneider Electric  
SGB-SMIT Group  
General Electric  
EBM-Papst Mulfingen  
Panasonic  
Finder  
TE Connectivity  
Wuerth

#### Automotive

Denso Manufacturing  
Robert Bosch  
Mahle Group  
G. Cartier Technologies  
Hanon Systems  
Buehler motor GmbH  
Spal Automotive Srl  
Bontaz



## Company Profile – The Businesses

### > *Energy Cables*

The group produces the full range of low and medium voltage cable.

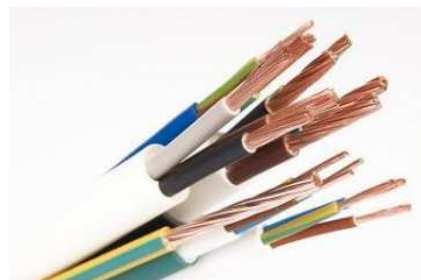
Cable customers are divided into two main sectors:

#### Distributors of electrical material

E.B. Elettrofornitura Borghini SpA  
Com-Cavi Spa  
Comoli Ferrari & C. SpA  
Strano SpA

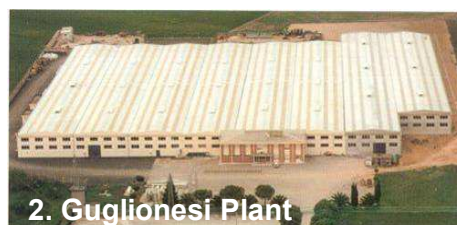
#### Industrial sector

Unionalpha Spa (Whirlpool Group supplier)  
Batav Srl (Whirlpool Group supplier)  
Selectra Srl  
Bitron SpA  
RFI (Rete Ferroviaria Italiana)





## Company Profile – Production Plants



|   |   |  |
|---|---|--|
| 1. IRCE SpA – Headquarters<br>Imola – Italy             | Copper and Aluminium Round Magnet Wire<br>and LV Energy Cables                                | Covered Area: 46,000 Sqm<br>Employees: 237 |
| 2. IRCE SpA<br>Guglionesi - Italy                       | LV/MV Energy Cables   | Covered Area: 24,000 Sqm<br>Employees: 81  |
| 3. IRCE SpA<br>Umbertide - Italy                        | Copper and Aluminium Round Magnet Wire  | Covered Area: 19,400 Sqm<br>Employees: 45  |
| 4. Smit Draad Nijmegen BV<br>Nijmegen – The Netherlands | Copper Rectangular Magnet Wire<br>Continuously Transposed Cable (CTC)                         | Covered Area: 9,800 Sqm<br>Employees: 78   |
| 5. FD Sims Ltd<br>Blackburn – UK                        | Copper and Aluminium Round and Rectangular Magnet Wire  | Covered Area: 7,000 Sqm<br>Employees: 31   |
| 6. IRCE Ltda<br>Joinville - Brazil                      | Copper and Aluminium Round and Rectangular Magnet Wire<br>Continuously Transposed Cable (CTC) | Covered Area: 21,500 Sqm<br>Employees: 114 |
| 7. Stable Magnet Wire P. Ltd.<br>Cochin – India         | Copper Round Magnet Wire  | Employees: 29                              |
| 8. ISODRA GmbH<br>Kierspe -Germany                      | Copper Round Magnet Wire  | Employees: 12                              |

## IRCE Group – Contents

### Company Profile

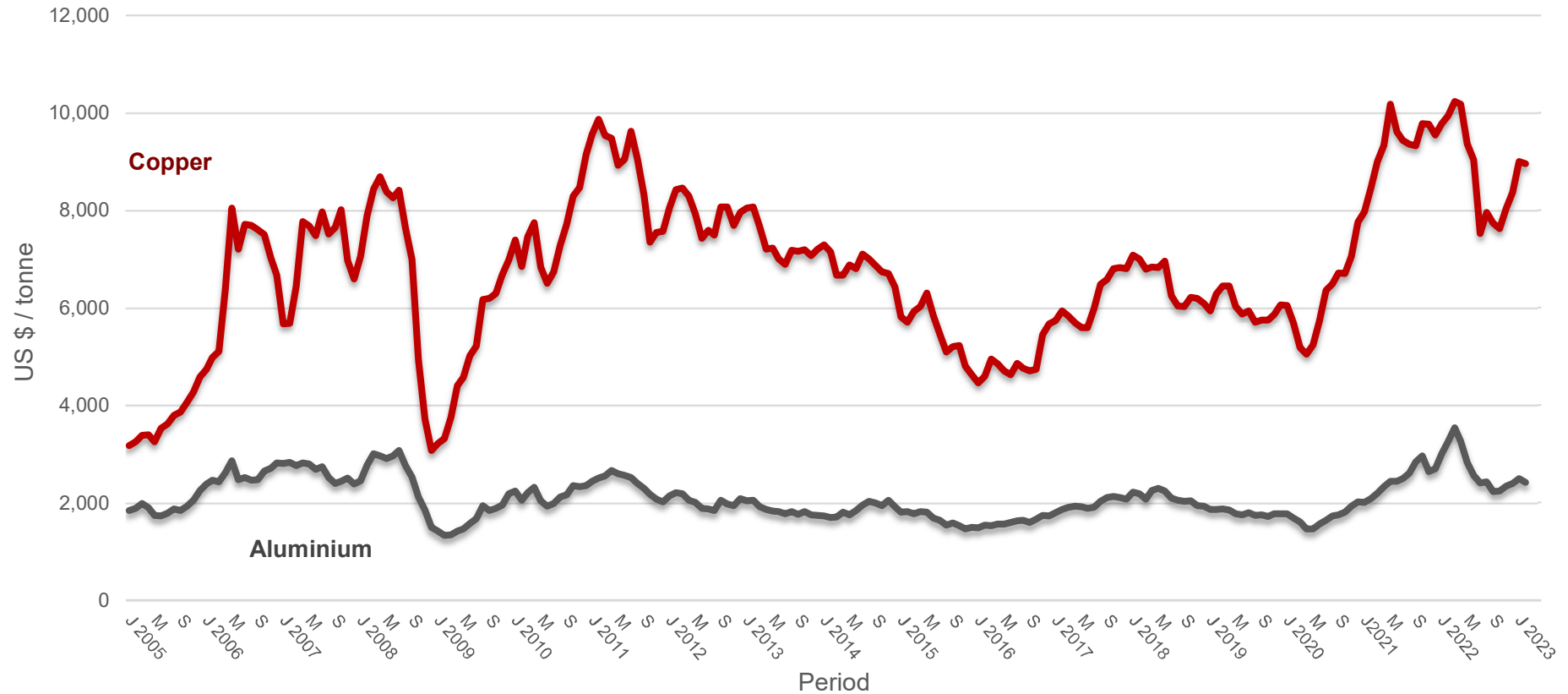
- Highlights
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### Financial Results

- Copper and Aluminium Price Trend
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## IRCE Group – Copper and Aluminium price trend

**COPPER GRADE A and ALUMINIUM PRICE TREND (London Metal Exchange)  
(January 2005 – February 2023)**



## Financial Results – Profit and Loss Statement

| Euro million                                    | FY 2022      | % Turn.       | FY 2021      | % Turn.       | change %      | FY 2020      | % Turn.       | FY 2019      | % Turn.       |
|---|--------------|---------------|--------------|---------------|---------------|--------------|---------------|--------------|---------------|
| Hollow turnover wires                           | 72.2         |               | 67.8         |               | 6.5%          | 51.8         |               | 56.4         |               |
| Hollow turnover cables                          | 24.5         |               | 24.6         |               | -0.4%         | 16.5         |               | 14.0         |               |
| <b>Total hollow turnover</b>                    | <b>96.7</b>  |               | <b>92.4</b>  |               | <b>4.7%</b>   | <b>68.3</b>  |               | <b>70.4</b>  |               |
| <b>TURNOVER (copper included)</b>               | <b>454.7</b> | <b>100.0%</b> | <b>457.1</b> | <b>100.0%</b> | <b>-0.5%</b>  | <b>295.3</b> | <b>100.0%</b> | <b>311.9</b> | <b>100.0%</b> |
| Other income                                    | 4.9          | 1.1%          | 0.6          | 0.1%          | 716.7%        | 0.8          | 0.3%          | 1.0          | 0.3%          |
| <b>TOTAL REVENUES</b>                           | <b>459.6</b> | <b>101.1%</b> | <b>457.7</b> | <b>100.1%</b> | <b>0.4%</b>   | <b>296.1</b> | <b>100.3%</b> | <b>312.9</b> | <b>100.3%</b> |
| Cost of material including change in stock      | (361.9)      | -79.6%        | (366.2)      | -80.1%        | -1.2%         | (231.8)      | -78.5%        | (246.1)      | -78.9%        |
| Personnel costs                                 | (30.0)       | -6.6%         | (30.5)       | -6.7%         | -1.6%         | (28.5)       | -9.7%         | (30.2)       | -9.7%         |
| Other costs and services                        | (48.3)       | -10.6%        | (37.8)       | -8.3%         | 27.8%         | (25.0)       | -8.5%         | (28.8)       | -9.2%         |
| <b>EBITDA</b>                                   | <b>19.4</b>  | <b>4.3%</b>   | <b>23.2</b>  | <b>5.1%</b>   | <b>-16.4%</b> | <b>10.8</b>  | <b>3.7%</b>   | <b>7.8</b>   | <b>2.5%</b>   |
| Depreciations and provisions                    | (7.8)        | -1.7%         | (8.8)        | -1.9%         | -11.4%        | (7.6)        | -2.6%         | (7.4)        | -2.4%         |
| <b>EBIT</b>                                     | <b>11.6</b>  | <b>2.6%</b>   | <b>14.4</b>  | <b>3.2%</b>   | <b>-19.4%</b> | <b>3.2</b>   | <b>1.1%</b>   | <b>0.4</b>   | <b>0.1%</b>   |
| Copper and energy derivatives                   | 0.5          | 0.1%          | (0.2)        | 0.0%          | 350.0%        | 1.4          | 0.5%          | 1.8          | 0.6%          |
| Net financial charges                           | (1.8)        | -0.4%         | 0.0          | 0.0%          |               | (0.3)        | -0.1%         | 0.5          | 0.2%          |
| <b>RESULT BEFORE TAXES (EBT)</b>                | <b>10.3</b>  | <b>2.3%</b>   | <b>14.2</b>  | <b>3.1%</b>   | <b>-27.5%</b> | <b>4.3</b>   | <b>1.5%</b>   | <b>2.7</b>   | <b>0.9%</b>   |
| Taxes   | (1.1)        | -0.2%         | (4.8)        | -1.1%         | -77.1%        | (1.6)        | -0.5%         | (0.7)        | -0.2%         |
| <b>RESULT non-controlling interests</b>         | <b>9.2</b>   | <b>2.0%</b>   | <b>9.4</b>   | <b>2.1%</b>   | <b>-2.1%</b>  | <b>2.7</b>   | <b>0.9%</b>   | <b>2.0</b>   | <b>0.6%</b>   |
| Minorities                                      | 0.0          | 0.0%          | 0.0          | 0.0%          | 0%            | 0.0          | 0.0%          | (0.1)        | 0.0%          |
| <b>RESULT OF THE PERIOD</b>                     | <b>9.2</b>   | <b>2.0%</b>   | <b>9.4</b>   | <b>2.1%</b>   | <b>-2.1%</b>  | <b>2.7</b>   | <b>0.9%</b>   | <b>1.9</b>   | <b>0.6%</b>   |
| <b>EBITDA</b>                                   | <b>19.4</b>  | <b>4.3%</b>   | <b>23.2</b>  | <b>5.1%</b>   | <b>-16.4%</b> | <b>10.8</b>  | <b>3.7%</b>   | <b>7.8</b>   | <b>2.5%</b>   |
| Copper and energy derivatives                   | 0.5          | 0.1%          | (0.2)        | 0.0%          |               | 1.4          | 0.5%          | 1.8          | 0.6%          |
| <b>EBITDA Adjusted (*)</b>                      | <b>19.9</b>  | <b>4.4%</b>   | <b>23.0</b>  | <b>5.0%</b>   | <b>-13.5%</b> | <b>12.2</b>  | <b>4.1%</b>   | <b>9.6</b>   | <b>3.1%</b>   |
| Depreciation and provisions                     | (7.8)        | -1.7%         | (8.8)        | -1.9%         | 0.0%          | (7.6)        | -2.6%         | (7.4)        | -2.4%         |
| <b>EBIT Adjusted (*)</b>                        | <b>12.1</b>  | <b>2.7%</b>   | <b>14.2</b>  | <b>3.1%</b>   | <b>-14.8%</b> | <b>4.6</b>   | <b>1.6%</b>   | <b>2.2</b>   | <b>0.7%</b>   |
| <b>ROCE (EBIT Adj. / Net Capital Employed)%</b> | <b>6.0%</b>  |               | <b>7.9%</b>  |               |               | <b>2.7%</b>  |               | <b>1.2%</b>  |               |

(\*) For a better comparison of the operating results, we have introduced the concepts of EBITDA and EBIT Adjusted, that are equal to the traditional definitions plus income or loss on copper and energy derivatives.

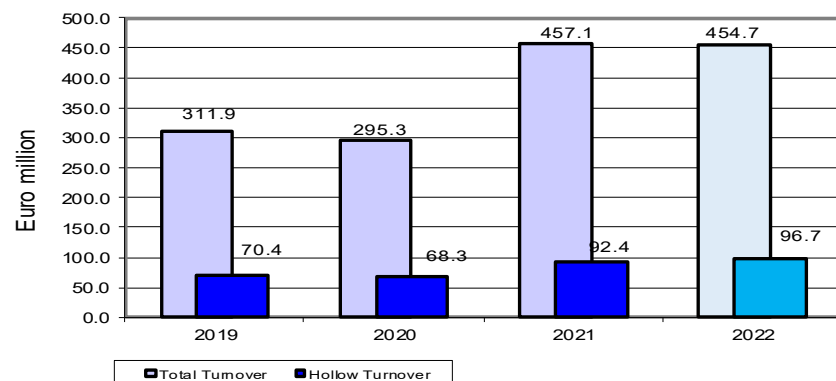
The data includes Miradolo Italian plant sold on June 30, 2022

## Financial Results – Balance sheet

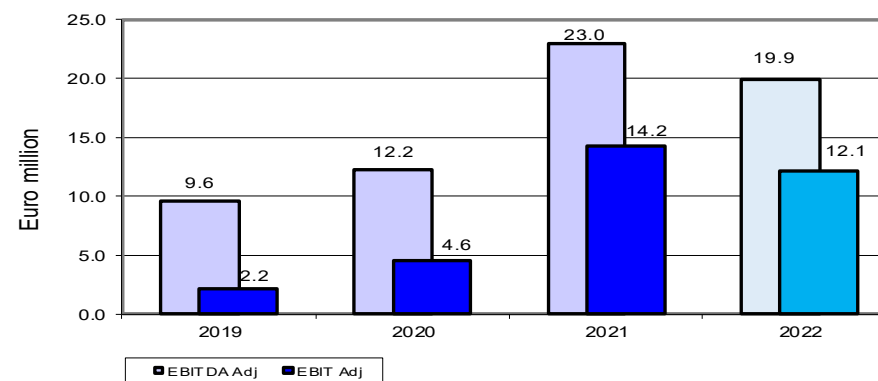
| Euro million                 | 31 December 2022 |               | 31 December 2021 |               | 31 December 2020 |               | 31 December 2019 |               |
|------------------------------|------------------|---------------|------------------|---------------|------------------|---------------|------------------|---------------|
|                              |                  | %             |                  | %             |                  | %             |                  | %             |
| Net working capital          | 152.3            | 74.4%         | 166.5            | 84.8%         | 128.9            | 79.4%         | 130.2            | 75.0%         |
| Fixed Assets                 | 51.7             | 25.3%         | 44.4             | 22.6%         | 43.5             | 26.8%         | 51.9             | 29.9%         |
| Other assets and liabilities | 0.7              | 0.3%          | -14.6            | -7.4%         | -10.1            | -6.2%         | -8.6             | -5.0%         |
| <b>NET CAPITAL EMPLOYED</b>  | <b>204.7</b>     | <b>100.0%</b> | <b>196.3</b>     | <b>100.0%</b> | <b>162.3</b>     | <b>100.0%</b> | <b>173.5</b>     | <b>100.0%</b> |
| Shareholders' Equity         | 144.8            | 70.7%         | 132.0            | 67.2%         | 122.6            | 75.5%         | 131.5            | 75.8%         |
| Net Financial Debt           | 59.9             | 29.3%         | 64.3             | 32.8%         | 39.7             | 24.5%         | 42.0             | 24.2%         |
| <b>FINANCING AND EQUITY</b>  | <b>204.7</b>     | <b>100.0%</b> | <b>196.3</b>     | <b>100.0%</b> | <b>162.3</b>     | <b>100.0%</b> | <b>173.5</b>     | <b>100.0%</b> |
| <b>CAPEX</b>                 | <b>13.6</b>      |               | <b>7.7</b>       |               | <b>2.2</b>       |               | <b>6.1</b>       |               |

## IRCE Group – Business Performance

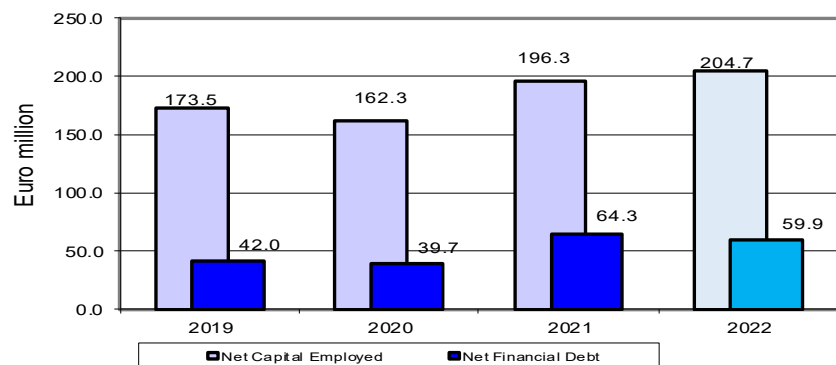
**TURNOVER and HOLLOW TURNOVER**



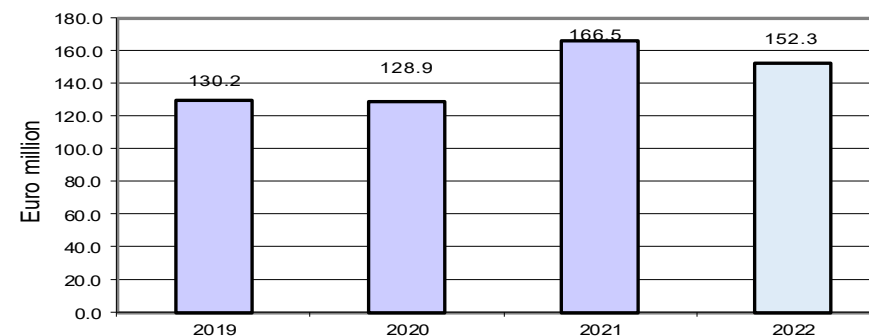
**EBITDA Adjusted and EBIT Adjusted**



**NET CAPITAL EMPLOYED and NET FINANCIAL DEBT**

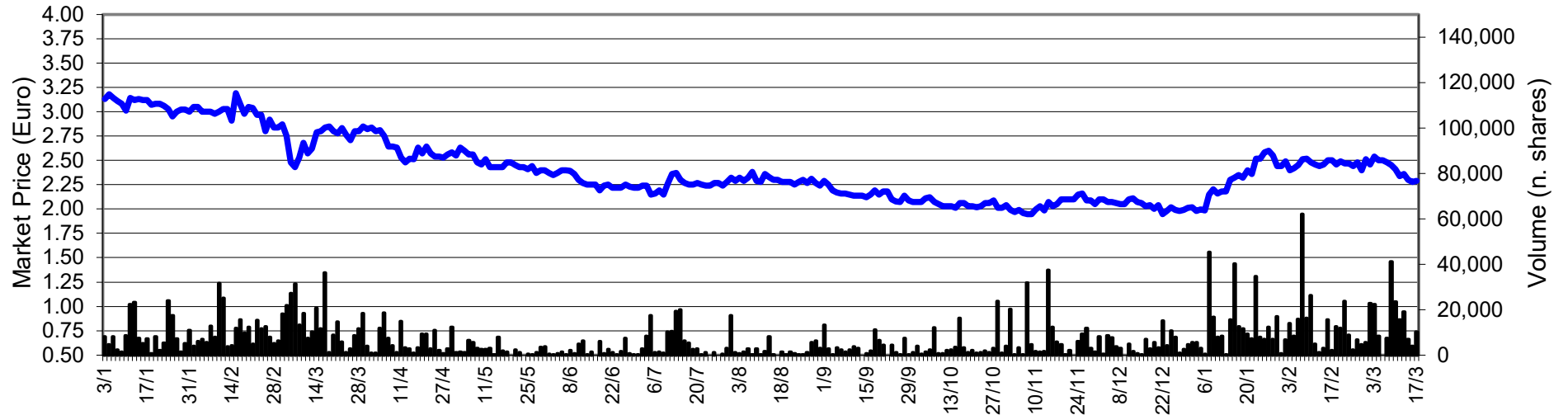


**NET WORKING CAPITAL**

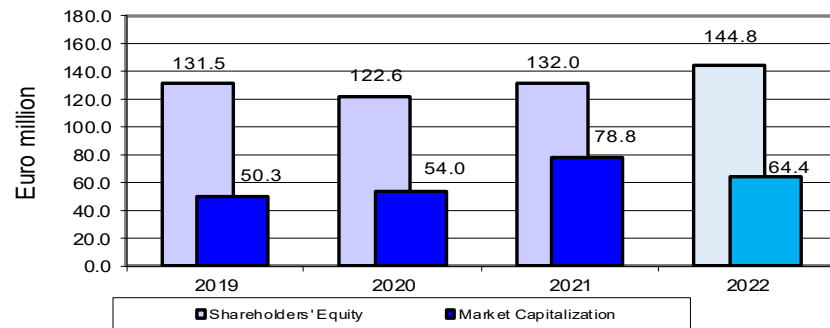


# IRCE Group – Market Performance

MARKET PRICE TREND IRCE (Period: 1<sup>st</sup> January 2022 – 17<sup>th</sup> March 2023)



NET EQUITY Vs MARKET CAPITALIZATION



PRICE/BOOK VALUE RATIO

