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Oggetto : Interim report on operation at 31st March 2025

Testo del comunicato

Vedi allegato

PRESS RELEASE

**INTERIM REPORT ON OPERATIONS AT 31ST MARCH 2025**

The Board of Directors has today approved the consolidated financial statements as at 31st March 2025.

In the first quarter 2025, IRCE Group (hereinafter also the "Group") recorded a profit of € 1.95 million.

Consolidated turnover was € 102.71 million, up by 2.6% compared to € 100.12 million in the first quarter of 2024; the increase is due to a higher price of copper (the average LME price in Euros in the first quarter of 2025 was 14.2% higher than in the same period of 2024), while sales volumes decreased.

During the first quarter of 2025, although market demand remained weak, with volumes sold in line with those of the fourth quarter of last year. The difficult moment of the winding wire end markets continues (automotive, white goods appliances and electromechanical/electronic equipment), while cables suffer the complex situation of their traditional markets, construction and cabling.

Results are reported in the following table:

Consolidated income statement data (€/million)	31 March 2025 Value	31 March 2024 Value	Change Value
Turnover ¹	102.71	100.12	2.59
Turnover without metal ²	23.30	25.49	(2.19)
EBITDA ³	5.28	5.11	0.17
EBIT	3.54	3.61	(0.07)
Result before tax	3.06	3.48	(0.42)
Group Net Result of the period	1.95	2.25	(0.30)
Adjusted EBITDA ⁴	5.75	5.44	0.31
Adjusted EBIT ⁴	4.01	3.94	0.07

Consolidated statement of financial position data (€/milioni)	31 March 2025 Value	31 December 2024 Value	Change Value
Net invested capital ⁵	220.45	197.13	23.32
Shareholders' equity	153.68	150.62	3.06
Net financial position ⁶	66.77	46.51	20.26

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 (€ +0.47 million in first quarter 2025 and € +0.33 million in first quarter 2024). 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 net financial position as at 31 March 2025 amounted to € 66.77 million, up from € 46.51 million as at 31 December 2024, the increase is mainly due to the growth in working capital and, to a lesser extent, to the investments made in the period, equal to € 6.98 million, which mostly concerned the projects in the Czech Republic and the People's Republic of China.

Shareholders' equity increased by € 3.06 million, compared to 31 December 2024, thanks to the profit of the period (€ 1.95 million) and to the positive change in the translation reserve for € 1.13 million, generated by the recovery of the Brazilian Real which in the first quarter of 2025 appreciated by approximately 3% against the Euro.

In this context of economic uncertainty and geopolitical instability, demand is expected to recover only in the second half of 2025. However, our medium-long term forecast of significant growth in both business lines, mainly linked to the ongoing energy transition, remains unchanged.

The Group's investment projects continue, in Czech Republic the construction of the plant was completed at the end of February 2025 and production is expected to start within the first half of the year, while in China the construction of the plant will be completed at the end of the year with production starting in the first months of 2026.

To update what was communicated in the 2024 Financial Statements Note, we inform that the production activity of the Dutch subsidiary Smit Draad ended in April and that all the employment contracts will terminate by the end of July of this year.

The manager responsible for preparing the company's financial reports, Mr Massimiliano Bacchini, 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, 15 May 2025

IRCE SPA

Contacts:

Investor relator: Mr. Sepriano Gianfranco
Tel. + 39 0382 77535 e-mail: gianfranco.sepriano@irce-group.com

Head of Corporate Information: Ms. Elena Casadio
Tel. + 39 0542 661220 e-mail: elena.casadio@irce-group.com

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 675 employees.

PRESS RELEASE

Consolidated statement of financial position

(Thousand of Euro)	2025 31 March	2024 31 December
ASSETS		
Non current assets		
Goodwill and other intangible assets	53	50
Property, plant and machinery	43,979	43,064
Equipments and other tangible assets	1,539	1,731
Assets under constructions and advances	46,332	41,609
Non current financial assets	6	7
Deferred tax assets	2,486	2,502
NON CURRENT ASSETS	94,395	88,963
Current assets		
Inventories	114,607	94,345
Trade receivables	68,538	54,083
Tax receivables	108	114
Other current assets	3,940	5,316
Current financial assets	383	412
Cash and cash equivalent	11,290	13,859
CURRENT ASSETS	198,866	168,129
TOTAL ASSETS	293,261	257,092

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	2025 31 March	2024 31 December
(Thousand of Euro)		
EQUITY AND LIABILITIES		
Shareholders' equity		
Share capital	13,751	13,756
Reserves	138,282	130,268
Profit (loss) for the period	1,953	6,900
Shareholders' equity attributable to shareholders of Parent company	153,986	150,924
Shareholders equity attributable to Minority interests	(308)	(308)
TOTAL SHAREHOLDERS' EQUITY	153,679	150,616
Non current liabilities		
Non current financial liabilities	41,867	38,023
Deferred tax liabilities	264	280
Non current provisions for risks and charges	556	558
Non current provisions for post employment obligation	3,638	3,685
NON CURRENT LIABILITIES	46,325	42,546
Current liabilities		
Current financial liabilities	36,571	22,757
Trade payables	40,614	26,010
Current tax payables	1,873	1,277
<i>(of which related parties)</i>	<i>1,244</i>	<i>644</i>
Social security contributions	1,366	2,013
Other current liabilities	9,103	8,513
Current provisions for risks and charges	3,730	3,360
CURRENT LIABILITIES	93,257	63,930
SHAREHOLDERS' EQUITY AND LIABILITIES	293,261	257,092

PRESS RELEASE

Consolidated income statement

(Thousand of Euro)	2025 31 March	2024 31 March
Sales revenues	102,714	100,117
Other revenues and income	666	364
TOTALE REVENUES AND INCOME	103,380	100,481
Raw materials and consumables	(86,868)	(81,929)
Change in inventories of work in progress and finished goods	8,815	5,120
Cost for services	(11,103)	(9,760)
Personnel costs	(8,593)	(8,372)
Amortization /depreciation/write off tangible and intangible assets	(1,731)	(1,707)
Provision and write downs	-	200
Other operating costs	(356)	(426)
EBIT	3,544	3,607
Financial income / (charges)	(481)	(127)
RESULT BEFORE TAX	3,063	3,480
Income taxes	(1,110)	(1,223)
NET RESULT FOR THE PERIOD	1,953	2,257
Net result attributable to non-controlling interests	-	12
Net result attributable to shareholders of the Parent Company	1,953	2,245
EARNINGS/(LOSSES) PER SHARES		
- basic EPS for the period attributable to shareholders of the parent company	0.0738	0.0847
- diluted EPS for the period attributable to shareholders of the parent company	0.0738	0.0847

PRESS RELEASE

Consolidated statement of cash flow

(Thousand of Euro)	2025 31 March	2024 31 March
OPERATING ACTIVITIES		
Result of the period (Group and Minorities)	1,953	2,257
<i>Adjustments for:</i>		
Depreciation / Amortization	1,731	1,707
Net change in deferred tax (assets) / liabilities	10	114
Capital (gains) / losses from disposal of fixed assets	(16)	(48)
Losses / (gains) on unrealised exchange rate differences	(171)	(212)
Income taxes	1,100	1,109
Financial (income) / expenses	134	(116)
Operating result before changes in working capital	4,741	4,811
Income taxes paid	(517)	(7)
Financial charges paid	(1,215)	(803)
Financial income collected	1,081	919
Decrease / (Increase) in inventories	(19,875)	(15,195)
Change in trade receivables	(14,047)	(9,644)
Change in trade payables	14,563	9,482
Net changes in current other assets and liabilities	1,982	(665)
Net changes in current other assets and liabilities - related parties	-	1,631
Net changes in non current other assets and liabilities	(37)	25
CASH FLOW FROM OPERATING ACTIVITIES	(13,324)	(9,445)
INVESTING ACTIVITIES		
Investments in intangible assets	(22)	(25)
Investments in tangible assets	(6,961)	(5,163)
Disposals of tangible and intangible assets	102	53
CASH FLOW FROM INVESTING ACTIVITIES	(6,881)	(5,135)
FINANCING ACTIVITIES		
Repayments of loans	(1,136)	(1,804)
Obtainment of loans	5,000	-
Net changes of current financial liabilities	13,721	11,338
Net changes of current financial assets	19	(357)
Other effects on shareholders' equity	-	-
Sell/(purchase) of own shares	(18)	(56)
CASH FLOW FROM FINANCING ACTIVITIES	17,586	9,121
NET CASH FLOW FROM THE PERIOD	(2,619)	(5,459)
CASH BALANCE AT THE BEGINNING OF THE PERIOD	13,859	14,167
Exchange rate differences	50	(23)
NET CASH FLOW FROM THE PERIOD	(2,619)	(5,459)
CASH BALANCE AT THE END OF THE PERIOD	11,290	8,685

