

Ercros obtains an ebitda of 4.42 million euros

In the first three months of 2014, Ercros obtained a gross operating profit (ebitda) of EUR 4.42 million, up EUR 3.90 million from the same period in 2013, when ebitda totals reached 0.52 million.

This figure improved despite a 5.2% drop in sales, from EUR 157.86 million to EUR 149.69 million.

This dip is due to the combined effects of the actions taken to increase the company's profitability under the framework of the restructuring plan implemented in March of last year, and declining prices for end products.

Procurements and supplies decreased 12.4% overall, while labour costs fell 4.2%. Last year's first quarter expenses also rose EUR 3.71 million on account of the provision made to meet employee compensations associated with the redundancy procedure applied. Said provision explains the difference in non-recurring ebitda between the two fiscal years.

Depreciation and amortisation expenses totalled EUR -4.65 million (EUR -5.06 million in 2013), and financial results reached EUR -2.45 million (EUR -2.66 million in 2013).

The item entitled "Profit/loss from interrupted activities" corresponds to phosphate activity for animal feed, the sale of which took place on 10 April 2014, for EUR 3.3 million with expected capital gains of EUR 1 million.

As a result of the aforementioned, Ercros closed the first quarter of 2014 with results of EUR -2.78 million up EUR 4.44 million year-on-year, in comparison to the company's Q1 2013 results of EUR -7.22 million.

The balance sheet reflects an increase in working capital of EUR 6.91 million on higher sales and lower outlays for procurements and supplies in the Q1 2014 relative to the close of December 2013, as well as an increase in net financial debt of EUR 3.48 million on greater use of syndicated factoring.

With regard to the remainder of the year, the company expects that a turnaround in activity will result from the reduction of costs arising from the restructuring process and the gradual recovery of demand for its key products, particularly considering that the chemical sector traditionally experiences a seasonal lull in the first quarter.

Income statement

Million euros	1Q 2014	1Q 2013
Income	149.69	157.86
Ebitda	4.42	0.52
Ordinary ebitda	4.66	4.32
Non-recurring ebitda	-0.24	-3.80
Depreciation and amortization expense	-4.65	-5.06
Ebit	-0.23	-4.54
Finance costs	-2.45	-2.66
Profit/loss from interrupted activities	-0.10	-0.04
Profit/loss before tax	-2.78	-7.24
Non-controlling interests	0.00	0.02
Profit/loss for the period attributable to owners of the parent	-2.78	-7.22

Economic analysis of the balance sheet

Million euros	31-03-2014	31-12-2013
Non-current assets	266,53	271,72
Working capital	77,91	71,00
Current assets	225,40	221,42
Current liabilities	-147,49	-150,42
Capital employed	344,44	342,72
Equity	170,37	172,21
Net financial debt	137,13	133,65
Non-current debt	48,51	53,53
Current debt	88,62	80,12
Provisions and other borrowings	36,94	36,86
Source of funds	344,44	342,72

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