



# SPAFID CONNECT

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<i>Testo del comunicato</i>
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Vedi allegato.



PRESS RELEASE

**B&C Speakers S.p.A.:**

**The Board of Directors approves the Interim Report on Operations at 30 September 2019**

- Consolidated revenues equal to € 42.95 million (an increase of 4.18% compared to the € 41.23 million for the same period in 2018);
- Consolidated EBITDA equal to € 10.08 million (an increase of 17.20% compared to the € 8.60 million for the same period in 2018);
- Group profit equal to € 7 million (22.70% up from the € 5.71 million for the same period in 2018);
- Group net financial position negative and equal to € 8.53 million (negative and equal to € 4.59 million at year-end 2018).

*Bagno a Ripoli (Florence), Italy, 13 November 2019* – The **Board of Directors** of **B&C Speakers S.p.A.**, one of the foremost international players in the design, manufacture, distribution and marketing of professional electro-acoustic transducers, approved the Group's Interim Report for the first nine months of 2019 in accordance with IFRS international accounting standards.

***Consolidated revenues***

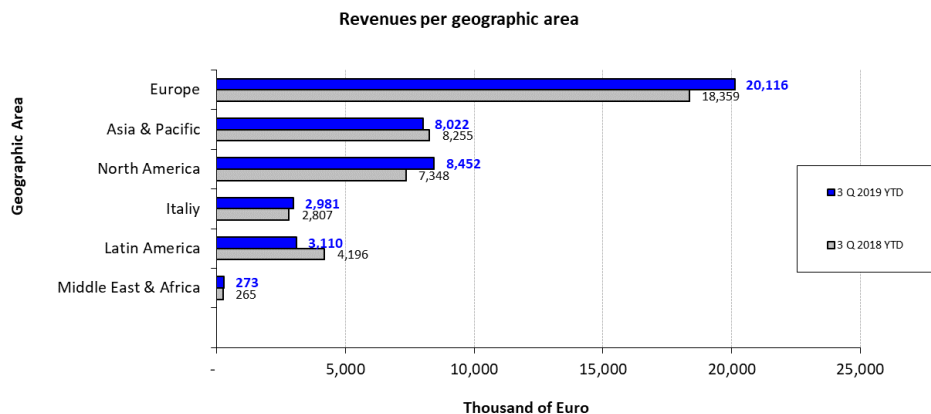
***Consolidated revenues*** in the first nine months of 2019 amounted to € 42.95 million, resulting in growth of 4.18% over the same period in 2018, when turnover stood at € 41.23 million.

During the period, the Group increased its turnover on the European market (+9.6% with sales of € 20.12 million) and the North American market (+15.0% with sales of € 8.45 million). In contrast, there was a decrease in sales in the Latin American market (-25.9%) due to the area's economic difficulties and a slowdown in sales in the Asian markets, particularly in China where sales for the period amounted to € 8.02 million, down 2.8% from the first nine months of 2018.

Below, is a full breakdown for the first nine of 2019 by geographic area compared with the same period in 2018 (amounts in euros):



Revenues per geographic area <i>(values in Euro/thousand)</i>	III Q 2019 YTD	%	III Q 2018 YTD	%	Difference	Difference %
Latin America	3,110	7%	4,196	10%	(1,086)	-25.9%
Europe	20,116	47%	18,359	45%	1,757	9.6%
Italy	2,981	7%	2,807	7%	174	6.2%
North America	8,452	20%	7,348	18%	1,104	15.0%
Middle East & Africa	273	1%	265	1%	8	3.2%
Asia & Pacific	8,022	19%	8,255	20%	(233)	-2.8%
<b>Total</b>	<b>42,955</b>	<b>100%</b>	<b>41,230</b>	<b>100%</b>	<b>1,725</b>	<b>4.2%</b>



### **Cost of sales**

Cost of sales during the first nine months of 2019 improved their impact on revenues compared to the first nine months of 2018, going from 62.13% to 61.01%. This improvement is driven by the improvement in the margins of the subsidiary Eighteen Sound after realising the benefits of streamlining and rendering operational and production processes more efficient.

### **Indirect Personnel**

This category refers to costs for office staff, executives and workers not associated with the production process.

The cost for indirect personnel, though increasing slightly compared to the first nine months of 2018, maintained a consistent impact on turnover, going from 6.64% to 6.70%.

### **Commercial expenses**

This category refers to costs for commercial consultancy, advertising and marketing, travel and subsistence and other minor charges relating to the commercial sector.

Commercial expenses, though showing a slight increase in absolute value compared to the first nine months of the previous year, maintained their impact on turnover, going from 2.02% to 2.05%.

### **Administrative and General**



General and administrative costs decreased by € 740,000, reducing their impact on sales by 2.1%. The effect of this decrease is entirely due to the adoption of the new accounting standard IFRS 16 Leases, effective from 1 January 2019. For comparison, applying the previous accounting methods, these costs would have increased by € 194,000, leaving the impact on revenues substantially unchanged from the first nine months of 2018.

#### ***EBITDA and EBITDA Margin***

Mainly as a result of the changes illustrated above, in the first nine months of 2019, EBITDA rose to € 10.08 million, with an increase of € 1.48 million (17.20%) compared to the same period in 2018. The € 934,000 increase in EBITDA was the result of adopting IFRS 16. Applying the previous accounting methods, EBITDA would have been € 9.14 million, still higher than € 8.60 of the corresponding period in 2018.

***The EBITDA margin*** for the first nine months of 2019 was 23.46% of revenues (20.86% in the first nine months of the previous year). With the previous accounting standard, the ***EBITDA margin*** would have been 21.29%.

#### ***Depreciation and amortisation***

Amortisation and depreciation of tangible and intangible fixed assets and usage rights were € 1.72 (€ 1.05 in the first nine months of 2018). Also in this case, the increase is entirely due to adoption of IFRS 16.

#### ***Group Net Result and Net Financial Position***

The Group's net profit at the end of the first nine months of 2019 was € 7 million and represents 16.31% of consolidated revenues, with a total increase of 22.70% over the corresponding period in 2018. The effect on net profits of adopting IFRS 16 was not significant.

The Net Financial Position at the end of the first nine months of 2019 was negative and equal to € 8.53 million, against a value of € 4.59 million at year-end 2018.



<i>Values in Euro Thousands</i>	<b>30 September 2019</b>	<b>31 December 2018</b>	<b>Change %</b>
A. Cash	5,437	3190	70%
C. Securities held for trading	7,809	6,527	20%
<b>D. Cash and cash equivalent (A+C)</b>	<b>13,246</b>	<b>9,717</b>	<b>36%</b>
F. Bank overdrafts	(835)	(643)	30%
G. Current portion of non current borrowings	(8,074)	(6,451)	25%
H. Other current financial debts	(1,244)	-	
<b>I. Current borrowings (F+G)</b>	<b>(10,153)</b>	<b>(7,095)</b>	<b>43%</b>
<b>J. Current net financial position (D+I)</b>	<b>3,093</b>	<b>2,622</b>	<b>18%</b>
K. Non current borrowings	(8,344)	(7,210)	16%
M. Other non current financial debts	(3,283)	-	
<b>N. Non current borrowings</b>	<b>(11,628)</b>	<b>(7,210)</b>	<b>61%</b>
<b>O. Total net financial position (J+N)</b>	<b>(8,535)</b>	<b>(4,588)</b>	<b>86%</b>

The net financial position at 30 September 2019 was negatively affected by the recognition of usage rights according to IFRS 16. In particular, the non-current net financial position includes financial liabilities related to usage rights for € 3.3 million, and the current net financial position includes financial liabilities related to usage rights for € 1.2 million. The total effect on the nine months is negative for a total of € 4.5 million.



The Group's reclassified Income Statement for the first nine months of 2019 compared with the same period in 2018 is provided below.

Economic trends - Group B&C Speakers

<i>(€ thousands)</i>	III Q 2019 YTD	<i>Incidence</i>	III Q 2018 YTD	<i>Incidence</i>
Revenues	42,955	100.00%	41,230	100.0%
Cost of sales	(26,204)	-61.00%	(25,616)	-62.1%
<b>Gross margin</b>	<b>16,751</b>	<b>39.00%</b>	<b>15,615</b>	<b>37.9%</b>
Other revenues	127	0.30%	337	0.8%
Cost of indirect labour	(2,878)	-6.70%	(2,740)	-6.6%
Commercial expenses	(880)	-2.05%	(833)	-2.0%
General and administrative expenses	(3,040)	-7.08%	(3,780)	-9.2%
<b>Ebitda</b>	<b>10,080</b>	<b>23.47%</b>	<b>8,600</b>	<b>20.9%</b>
Depreciation of tangible assets	(1,505)	-3.50%	(821)	-2.0%
Amortization of intangible assets	(212)	-0.49%	(234)	-0.6%
Writedowns	0	0.00%	(3)	0.0%
<b>Earning before interest and taxes (Ebit)</b>	<b>8,363</b>	<b>19.47%</b>	<b>7,541</b>	<b>18.3%</b>
Financial costs	(415)	-0.97%	(551)	-1.3%
Financial income	878	2.04%	255	0.6%
<b>Earning before taxes (Ebt)</b>	<b>8,825</b>	<b>20.54%</b>	<b>7,245</b>	<b>17.6%</b>
Income taxes	(1,820)	-4.24%	(1,537)	-3.7%
<b>Profit for the year</b>	<b>7,005</b>	<b>16.31%</b>	<b>5,708</b>	<b>13.8%</b>
Minority interest	0	0.00%	0	0.0%
<b>Group Net Result</b>	<b>7,005</b>	<b>16.31%</b>	<b>5,708</b>	<b>13.8%</b>
Other comprehensive result	76	0.18%	34	0.1%
<b>Total Comprehensive result</b>	<b>7,080</b>	<b>16.48%</b>	<b>5,742</b>	<b>13.9%</b>

### Significant events after 30 September 2019

After the close of the quarter, there were no particularly relevant events except for the continuation of the positive trend in sales and new orders.

### Business outlook

The flow of orders from customers and the data available to the management at the date of preparation of this press release suggest that 2019 will be a year of consolidation and growth, in line with the 30 September results.

The B&C Speakers S.p.A. Financial Reporting Manager, Francesco Spapperi, confirms—in accordance with Art. 154-*bis*, paragraph 2 of Italian Legislative Decree No. 58/1998—that the accounting disclosures contained in this press release are consistent with the company's accounting documents, books and records.



**B&C Speakers S.p.A.**

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B&C Speakers S.p.A. is an international leader in the design, production, distribution and marketing of professional electro-acoustic transducers (the main components in acoustic speakers for music, commonly referred to as loudspeakers), supplied mainly to professional audio-system manufacturers (OEM). With around 160 employees, approximately 10% of whom are assigned to its Research and Development Department, B&C Speakers carries out all design, production, marketing and control activities at its offices in Florence and Reggio Emilia for the brands of the Group: B&C, 18SOUND and CIARE. Most of its products are developed according to its key customers' specifications. B&C Speakers also operates in the US and Brazil through two subsidiaries carrying out commercial activities.



## Consolidated Statement of Financial Position as at 30 September 2019.

### CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 September 31 December

(Values in Euro)

2019

2018

#### ASSETS

##### Fixed assets

Tangible assets	3,057,967	3,030,360
Right of use	4,477,642	-
Goodwill	2,318,181	2,318,181
Other intangible assets	346,642	453,866
Investments in non controlled associates	50,000	50,000
Deferred tax assets	548,147	571,322
Other non current assets	627,729	628,836
	<i>related parties</i>	<i>88,950</i>
<b>Total non current assets</b>	<b>11,426,308</b>	<b>7,052,565</b>

##### Currents assets

Inventory	15,045,424	14,001,498
Trade receivables	13,713,337	12,465,753
Tax assets	562,006	1,766,925
Other current assets	8,085,776	6,929,438
Cash and cash equivalents	5,436,699	3,190,266
<b>Total current assets</b>	<b>42,843,242</b>	<b>38,353,880</b>

#### Total assets

54,269,550 45,406,445

#### LIABILITIES

##### Equity

Share capital	1,099,053	1,099,681
Other reserves	5,267,788	5,366,854
Foreign exchange reserve	591,107	500,222
Retained earnings	17,231,146	15,733,541
<b>Total equity attributable to shareholders of the parent</b>	<b>24,189,094</b>	<b>22,700,298</b>

Minority interest

- 0

#### Total equity

24,189,094 22,700,298

##### Non current equity

Long-term borrowings	8,344,251	7,210,266
Long-term lease liabilities	3,283,383	-
	<i>related parties</i>	<i>2,432,987</i>
Severance Indemnities	878,912	874,460
Provisions for risk and charges	40,831	40,831
<b>Total non current liabilities</b>	<b>12,547,377</b>	<b>8,125,557</b>

##### Current liabilities

Short-term borrowings	8,908,845	7,094,917
Short-term lease liabilities	1,243,889	-
	<i>related parties</i>	<i>939,052</i>
Trade liabilities	4,845,357	5,543,421
	<i>related parties</i>	<i>2,845</i>
Tax liabilities	477,711	273,534
Other current liabilities	2,057,277	1,668,718
<b>Total current liabilities</b>	<b>17,533,079</b>	<b>14,580,590</b>

#### Total Liabilities

54,269,550 45,406,445





## Consolidated Statement of Comprehensive Income for the first nine months of 2019

### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(Values in Euro)

III Q 2019 YTD III Q 2018 YTD

	III Q 2019 YTD	III Q 2018 YTD
Revenues	42,954,631	41,230,336
Cost of sales	(26,203,849)	(25,615,560)
Other revenues	126,966	337,031
Cost of indirect labour	(2,878,365)	(2,739,687)
Commercial expenses	(880,165)	(832,599)
General and administrative expenses	(3,039,677)	(3,779,798)
	<i>related parties</i>	<i>0</i>
		<i>(697,417)</i>
Depreciation and amortization	(1,716,928)	(1,055,543)
Writedowns	0	(2,773)
<b>Earning before interest and taxes</b>	<b>8,362,613</b>	<b>7,541,407</b>
Financial costs	(415,391)	(551,427)
	<i>related parties</i>	<i>(68,143)</i>
		<i>-</i>
Financial income	877,644	254,760
<b>Earning before taxes</b>	<b>8,824,866</b>	<b>7,244,740</b>
Income taxes	(1,820,328)	(1,536,702)
<b>Profit for the year (A)</b>	<b>7,004,538</b>	<b>5,708,038</b>
<b>Other comprehensive income/(losses) for the year that will not be reclassified in income statement:</b>		
Actuarial gain/(losses) on DBO (net of tax)	(15,185)	2,158
<b>Other comprehensive income/(losses) for the year that will be reclassified in income statement:</b>		
Exchange differences on translating foreign operations	90,884	32,077
<b>Total other comprehensive income/(losses) for the year (B)</b>	<b>75,699</b>	<b>34,235</b>
<b>Total comprehensive income (A) + (B)</b>	<b>7,080,238</b>	<b>5,742,273</b>
<b>Profit attributable to:</b>		
Owners of the parent	7,004,538	5,708,038
Minority interest	-	-
<b>Total comprehensive income attributable to:</b>		
Owners of the parent	7,080,238	5,742,273
Minority interest	-	-
<b>Basic earning per share</b>	<b>0.64</b>	<b>0.52</b>
<b>Diluted earning per share</b>	<b>0.64</b>	<b>0.52</b>

Fine Comunicato n.0931-25

Numero di Pagine: 10