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Statement

Testo del comunicato

Vedi allegato.



PRESS RELEASE

B&C Speakers S.p.A.:

The Board of Directors approves the Draft Financial Statement for the year 2020

- Consolidated revenues amounted to € 31.98 million (a decrease compared to the € 56,29 million in 2019);
- Consolidated EBITDA equal to € 5.12 million (a decrease compared to the € 10.90 in 2019);
- Group net profit amounted to € 1.65 million, down compared to € 8.67 million in 2019);
- Group net financial position positive and equal to € 0.6 million (it was negative and amounted to € 5.01 million at year-end 2019);
- Continuation of the actions already taken at the beginning of the pandemic to mitigate the financial and economic effects linked to Covid19.
- Proposed distribution to shareholders of an ordinary dividend equal to Euro 0.26 for each share held with ex-dividend date at May 4, 2020

Bagno a Ripoli (Florence - Italy), March 22, 2021 – 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 Draft Financial Statement for the year 2020, drawn up in accordance with IFRS international accounting standards.

CEO Lorenzo Coppini commented: *"after this disastrous year for social relations and aggregation, launching large-scale vaccination operations is bringing renewed optimism. Especially in countries where a strong regression of the pandemic has already been achieved, such as the USA, China and the UK, the entertainment and live music market is resuming with enthusiasm, confirming that public can't wait to have fun again by participating to a ritual, be it the opera at the Theater or the Heavy Metal concert in the mud, which no virtual experience can ever replace. Therefore we're expecting an accelerating year and a gradual exit from the current situation of drastic contraction in demand, waiting for Europe to move too".*

Revenues

As we all know, the Group's reference market suffered the negative effects of the pandemic throughout the year, which actually prohibited any event involving social aggregation and led to the interruption or cancellation of all live music events that would have generated an important business opportunity for B&C Speakers.

The effect of these decisions resulted in a significant decrease in the Group's turnover, equal to Euro 31.98 million for the year 2020, while it was equal to Euro 56.28 million at the end of 2019.

The decrease in the Group's turnover compared to 2019 occurred, albeit with different timing and methods, on all the reference markets, as summarized in the chart below:



Geographical Area	2020	%	2019	%	Change	% Change
Latin America	2.037.630	6%	4.670.023	8%	(2.632.394)	-56%
Europe	12.233.506	38%	25.596.396	45%	(13.362.889)	-52%
Italy	2.413.606	8%	3.745.025	7%	(1.331.419)	-36%
North America	8.825.250	28%	11.284.178	20%	(2.458.928)	-22%
Middle East & Africa	368.524	1%	404.264	1%	(35.740)	-9%
Asia & Pacific	6.096.739	19%	10.587.354	19%	(4.490.616)	-42%
Total revenues	31.975.254	100%	56.287.240	100%	(24.311.986)	-43%

It should be noted that the Asian market, and China in particular, during the quarter just ended, confirmed the signs of a gradual recovery in demand made possible by the good results achieved in that area in containing the virus. The geographical area that, at Group level, has best reacted to such crisis, is in any case the North American one, thanks to the success achieved in the sale of car transducers and in the sale to end-customers through an effective network of retailers, traditional and non-traditional, which they partly offset the loss in turnover suffered by manufacturers.

Cost of sales

As a result of the significant drop in turnover, the cost of sales showed a slight worsening in its incidence on revenues in 2020 compared to the same period of 2019, going from 61.42% to 63.79%; this worsening is attributable to the contraction in sales not entirely balanced by the direct labor cost containment policies that the company has put in place, including the use of the Covid Redundancy fund.

Indirect Personnel

The cost for indirect personnel, although decreasing by 24.4% compared to 2019, increased its incidence on turnover from 6.92% to 9.20%; this is explained by the fact that, despite the use of social safety nets, the cost of labor cannot be treated as a variable cost; within the category in question, it should be also emphasized that R&D activities did not suffer any slowdown throughout the year.

Commercial Expenses

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

Commercial expenses show a sharp decrease in absolute value compared to the previous year and a consequent reduction in the impact on turnover, this contraction is also explained by the cancellation of all trade fairs scheduled during the year.

Administrative and General

General and administrative costs showed a substantial decrease of 16.77% compared to 2019, this decrease was not proportional to the decrease in turnover so the incidence of this category of costs (on revenues) reached 10.9% from 7.4% at the end of 2019.

EBITDA and EBITDA Margin

Mainly due to the dynamics illustrated above, EBITDA of 2020 was equal to Euro 5.12 million, down 59,3% compared to the same period of 2019.



The EBITDA margin therefore goes from 22.35% of revenues at the end of 2019 to 16.02% at the end of 2020.

Depreciation

Depreciation of tangible and intangible fixed assets and rights of use amounted to Euro 1.99 million (same value for the whole 2019).

EBIT

EBIT for 2020 amounts to Euro 2.89 million, another sharp decrease compared to the same period of 2019.

Group Net Profit

The Group's net profit at the end of 2020 amounts to Euro 1.92 million representing a percentage of 5.9% of consolidated revenues with an overall decrease of 77.74% compared to the corresponding period of 2019.

It should be noted that the Group's net profit is also affected by the presumed losses from the exchange of currency surpluses (bank deposits and trade receivables), which has been affected by the depreciation of the US Dollar against Euro occurred during the second half of 2020.

On the other hand, it is a positive thing to point out that the management of the securities held in the portfolio has guaranteed full recovery of the losses reported at the beginning of the year.

The 2020 financial year closed with a positive net result equal to Euro 1.65 million (the same management in 2019 guaranteed, at its full potential, a net profit of Euro 8.67 million)

The overall **Net Financial Position** of the Group (including the securities in portfolio held for use of liquidity) is back to an upward trend and equal to Euro 0.6 million against a (negative) value of Euro 5.01 million at the end of 2019.

The reason for this improvement was the ability of operational management to generate cash, despite the contraction in volumes.



(values in Euro thousands)

	31 december 2020 (a)	31 december 2019 (a)	Variazione
A. Cash	13.415	5.277	154%
C. Securities held for trading	8.044	7.916	2%
D. Cash and cash equivalent (A+C)	21.460	13.194	63%
F. Bank overdrafts	(0)	(314)	-100%
G. Current portion of non current borrowings	(6.904)	(6.686)	3%
H. Current lease liabilities	(944)	(1.138)	
I. Current borrowingse (F+G)	(7.848)	(8.138)	-4%
J. Current net financial position (D+I)	13.612	5.056	169%
K. Non current borrowings	(10.755)	(6.958)	55%
M. Non current lease liabilities	(2.267)	(3.104)	
N. Non current borrowings	(13.022)	(10.062)	29%
O. Total net financial position (J+N)	590	(5.006)	-112%

(a) Informations extracted and / or calculated from the financial statements prepared in accordance with IFRS as adopted by the European Union.

Provided here below the Group's reclassified Income Statement for 2020 compared with the previous year:



Economic trends - Group B&C Speakers

(€ thousands)	2020	Incidence	2019	Incidence
Revenues	31.975	100,00%	56.287	100,0%
Cost of sales	(20.397)	-63,79%	(34.574)	-61,4%
Gross margin	11.578	36,21%	21.714	38,6%
Other revenues	541	1,69%	232	0,4%
Cost of indirect labour	(2.943)	-9,20%	(3.895)	-6,9%
Commercial expenses	(579)	-1,81%	(1.297)	-2,3%
General and administrative expenses	(3.474)	-10,86%	(4.174)	-7,4%
Ebitda	5.123	16,02%	12.580	22,3%
Depreciation of tangible assets	(1.989)	-6,22%	(1.990)	-3,5%
Amortization of intangible assets	(194)	-0,61%	(302)	-0,5%
Writedowns	(51)	-0,16%	(1)	0,0%
Earning before interest and taxes (Ebit)	2.889	9,04%	10.286	18,3%
Financial costs	(983)	-3,07%	(568)	-1,0%
Financial income	378	1,18%	932	1,7%
Earning before taxes (Ebt)	2.284	7,14%	10.650	18,9%
Income taxes	(367)	-1,15%	(2.039)	-3,6%
Profit for the year	1.917	5,99%	8.612	15,3%
Minority interest	0	0,00%	0	0,0%
Group Net Result	1.917	5,99%	8.612	15,3%
Other comprehensive result	(269)	-0,84%	55	0,1%
Total Comprehensive result	1.647	5,15%	8.667	15,4%

Significant events after December 31, 2020

The months following the closing of 2020 were characterized by the presence of some positive signals originated from the areas that are best fighting the Covid-19 pandemic; this confirms that a gradual and progressive return to normality will depend on the effective distribution of vaccines in various areas of the world.

Supported by these positive signals, the Management is working in order to ensure that the Group is ready in terms of positioning and commercial strength by the time signs of economic recovery are accentuated.

Other Resolutions adopted by the BoD

The Board of Directors has also called the Shareholders' Meeting, on single call, to be held on April 29, 2021 with the following Agenda:

- in ordinary session

- 1) Statutory and consolidated financial statements as at December 31, 2020. Related and consequent resolutions;
- 2) Report on Remuneration pursuant to art. 123-ter of Legislative Decree 58/98. Related and consequent resolutions;
- 3) Authorization for the purchase and sale of own shares. Related and consequent resolutions.

In consideration of the non-payment of the bonus with reference to the 2019 financial year and in view of recognizing a bonus to the shareholding structure, the board of directors proposes to the Issuer's meeting to approve a distribution of ordinary dividends for a total of Euro 0.26 for each



outstanding share; it should be noted that the dividend distributed is higher than the profit for the year 2020.

The ex-dividend date is scheduled on May 3, 2020 - in accordance with the provisions issued by Borsa Italiana S.p.A. - with record date on May 4, 2020 and the consequent payment ("payment date") on May 5, 2020.

Below are the Consolidated Balance Sheet and Income Statement schemes relating to the year 2020



CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(Values in Euro)

31 December 2020 **31 December 2019**

	31 December 2020	31 December 2019
ASSETS		
Fixed assets		
Tangible assets	2.768.007	3.252.228
Right of use	3.111.501	4.179.283
Goodwill	2.318.181	2.318.181
Other intangible assets	303.453	351.582
Investments in non controlled associates	50.000	50.000
Deferred tax assets	760.716	612.160
Other non current assets	655.222	665.646
	<i>related parties</i> 6.700	68.392
Total non current assets	9.967.080	11.429.080
Currents assets		
Inventory	12.253.639	13.492.428
Trade receivables	7.084.606	12.842.205
Tax assets	1.739.974	843.794
Other current assets	8.502.546	8.396.516
Cash and cash equivalents	13.415.179	5.277.278
Total current assets	42.995.944	40.852.221
Total assets	52.963.024	52.281.301
LIABILITIES		
Equity		
Share capital	1.088.495	1.097.829
Other reserves	4.745.482	5.043.360
Foreign exchange reserve	296.495	560.962
Retained earnings	20.080.251	18.910.616
Total equity attributable to shareholders of the parent	26.210.723	25.612.766
Minority interest	-	-
Total equity	26.210.723	25.612.766
Non current liabilities		
Long-term borrowings	10.754.968	6.957.599
Long-term lease liabilities	2.267.054	3.104.267
	<i>related parties</i> 1.694.474	2.290.500
Severance Indemnities	935.531	891.965
Provisions for risk and charges	39.271	38.238
Total non current liabilities	13.996.824	10.992.069
Current liabilities		
Short-term borrowings	6.904.309	6.999.955
Short-term lease liabilities	943.509	1.138.075
	<i>related parties</i> 596.026	867.957
Trade liabilities	2.956.786	4.959.909
	<i>related parties</i> 47.976	4.377
Tax liabilities	366.811	720.077
Other current liabilities	1.584.062	1.858.449
Total current liabilities	12.755.477	15.676.465
Total Liabilities	52.963.024	52.281.301



CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(Values in Euro)

	2020	2019
Revenues	31.975.254	56.287.240
Cost of sales	(20.396.953)	(34.573.611)
Other revenues	541.058	231.830
Cost of indirect labour	(2.942.757)	(3.894.779)
Commercial expenses	(579.475)	(1.297.027)
General and administrative expenses	(3.473.916)	(4.174.074)
	<i>related parties</i>	<i>0</i>
Depreciation and amortization	(2.183.381)	(2.292.241)
Writedowns	(50.659)	(996)
Earning before interest and taxes	2.889.172	10.286.343
Financial costs	(983.111)	(568.298)
	<i>related parties</i>	<i>(71.839)</i>
Financial income	377.869	932.439
Earning before taxes	2.283.929	10.650.484
Income taxes	(367.380)	(2.038.929)
Profit for the year (A)	1.916.549	8.611.555
Other comprehensive income/(losses) for the year that will not be reclassified in income statement:		
Actuarial gain/(losses) on DBO (net of tax)	(4.826)	(5.720)
Other comprehensive income/(losses) for the year that will be reclassified in income statement:		
Exchange differences on translating foreign operations	(264.466)	60.739
Total other comprehensive income/(losses) for the year (B)	(269.292)	55.019
Total comprehensive income (A) + (B)	1.647.257	8.666.575
Profit attributable to:		
Owners of the parent	1.916.549	8.611.555
Minority interest	-	-
Total comprehensive income attributable to:		
Owners of the parent	1.647.257	8.666.575
Minority interest	-	-
Basic earning per share	0,18	0,78
Diluted earning per share	0,18	0,78

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.



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 130 employees, approximately 10% of which 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.

Fine Comunicato n.0931-13

Numero di Pagine: 11