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## PRESS RELEASE

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

**The Board of Directors approves the Interim Report on Operations as at 30 September 2022. The growth of revenues and margins is continuing:**

- **Consolidated revenues of € 58.11 million (+83% compared to € 31.75 million in the first nine months of 2021)**
- **Consolidated EBITDA of € 13.82 million (+127% compared to € 6.08 million in the first nine months of 2021);**
- **Total Group profit of € 7.91 million (significantly up compared to € 3.53 million in the first nine months of 2021)**
- **Group net financial position of €11.2 million (€3.9 million at year-end 2021)**

*Bagno a Ripoli (Florence), Italy, 11 November 2022* – 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, has approved the Group's Interim Report for the first nine months of 2022 prepared in accordance with the IFRS international accounting standards.

#### ***Consolidated revenue***

The Group's primary market, in the period in question, benefited from full and growing activity that ensured total turnover of € 58.11 million, much higher than the figure of € 31.75 million in the corresponding period of 2021 (+83% vs 9M2021). After the positive performance achieved during the first half of the year, the third quarter of 2022 also determined for the Group record levels in terms of both quantities sold and turnover achieved.

In particular, this level of turnover was made possible by a significant increase in volumes, +51% compared to the same period of 2021, while the remainder of the increase was the result of a better sales mix and the effect of the price increases made necessary to partially offset the higher costs of raw materials.

In addition, we must stress that the volume of sales achieved during the first nine months of 2022 was approximately 20% higher compared to the corresponding figure achieved in 2019, confirming the more than complete recovery of pre-pandemic levels.

Below is the breakdown by geographical area for the first nine months of financial years 2022 and 2021:



Revenues per geographic area <i>(values in Euro/thousand)</i>	9 months 2022 YTD	%	9 months 2021 YTD	%	Difference	Difference %
Latin America	3.138	5%	1.522	5%	1.616	106,2%
Europe	26.610	46%	12.410	39%	14.200	114,4%
Italy	3.402	6%	2.192	7%	1.210	55,2%
North America	13.989	24%	6.229	20%	7.760	124,6%
Middle East & Africa	3.067	5%	292	1%	2.776	951,7%
Asia & Pacific	7.899	14%	9.103	29%	(1.204)	-13,2%
<b>Total</b>	<b>58.106</b>	<b>100%</b>	<b>31.748</b>	<b>100%</b>	<b>26.358</b>	<b>83,0%</b>

The increase in turnover was achieved practically in all the Group's primary markets, and it is very evident that the increase in turnover is mostly driven by European and North American customers.

### **Cost of sales**

The cost of sales during the first nine months of 2022 showed a slight increase as a proportion of revenue compared to the same period of 2021, going up from 63.8% to 64.1%; this change was determined by a higher proportion of transport costs not completely offset by the increased efficiency in the use of direct personnel.

At the moment no further negative movements can be noted in terms of proportion of costs for procurement, while personnel expenses, despite the higher number of direct operators, are returning to the levels of efficiency typical of the usual periods for the Group.

### **Indirect Personnel**

The cost for indirect personnel fell in terms of proportion of revenue, going down from 7.8% in the first nine months of 2021 to 5.6% in the first nine months of 2022. In absolute terms the figure for the nine months of 2022 increased following the recruitment of new resources in the commercial and technical structure.

### **Commercial expenses**

Commercial expenses increased compared to the first nine months of 2021, as during the year trade fairs resumed and therefore the related commercial activities.

### **Administrative and General**

Administrative and general expenses were substantially stable compared to the corresponding figure for 2021 and their proportion therefore decreased sharply, going down from 9.4% to 5.5%.

### **EBITDA and EBITDA Margin**

Due to the trends illustrated above, EBITDA in the first nine months of 2022 came out at € 13.8 million, increasing by € 7.7 million, +127% compared to the same period of 2021.

A sharp improvement was observed also in terms of **EBITDA margin**, 23.8% of revenue in the period compared to 19.2% in the first nine months of 2021.

### **Depreciation, amortisation and provisions**



The depreciation and amortisation of property, plant and equipment, intangible assets and rights of use was in line with the first nine months of the previous year and amounted to € 1.5 million.

Provisions set aside in the period, of € 91 thousand, reflect the limited risk of uncollectable receivables from the Group's customers.

### **EBIT and EBIT margin**

EBIT for the first nine months of 2022 amounted to € 12.2 million, up by 169% compared to € 4.5 million in the same period of 2021. **The EBIT margin** was 21% of revenues (14.3% in the corresponding period of 2021).

### **Group Net Profit**

The Group net profit at the end of the first nine months of 2022 came out at € 7.9 million with a total increase of 124% compared to the corresponding period of 2021, with a proportion of 13.6% of consolidated revenue.

The overall **Net Financial Position** was a negative € 11.2 million compared to a negative figure of € 3.91 million at the end of 2021. This trend is explained by the need to finance net working capital, in particular inventories of stock, to cope with the very strong recovery in demand. The Net Financial Position at 30 September 2022 was sharply improved compared to the figure for 30 June 2022 (when it was a negative € 13.67 million) despite the decrease in the value of short-term securities that recorded a loss in fair value of € 1.5 million (at 30 June 2022 the corresponding loss in the Fair Value of securities was € 1.4 million).

We can note also that during 2022 short-term securities were disposed of for a figure of approximately € 1 million without incurring capital losses.

<i>(values in Euro thousands)</i>	<b>30 september 2022 (a)</b>	<b>31 december 2021 (a)</b>	<b>Change</b>
A. Cash	7.122	8.075	-12%
C. Other current financial assets	8.282	10.829	-24%
<b>D. Cash and cash equivalent (A+C)</b>	<b>15.404</b>	<b>18.905</b>	<b>-19%</b>
E. Current financial indebtness	0	0	
F. Current portion of non current borrowings	(14.657)	(10.275)	43%
<b>G. Current borrowingse (E+F)</b>	<b>(14.657)</b>	<b>(10.275)</b>	<b>43%</b>
<b>H. Current net financial indebtness (G+D)</b>	<b>747</b>	<b>8.628</b>	<b>-91%</b>
I. Non current financial indebtness	(11.953)	(12.542)	-5%
<b>L. Non current financial indebtness</b>	<b>(11.953)</b>	<b>(12.542)</b>	<b>-5%</b>
<b>M. Total financial indebtteness (H+L)</b>	<b>(11.207)</b>	<b>(3.912)</b>	<b>186%</b>



The Group's reclassified Income Statement for the first nine months of 2022 compared with the corresponding period in 2021 is presented below:

Economic trends - Group B&C Speakers

<i>(€ thousands)</i>	9 months 2022	<i>Incidence</i>	9 months 2021	<i>Incidence</i>
Revenues	58.106	100,00%	31.748	100,0%
Cost of sales	(37.253)	-64,11%	(20.270)	-63,8%
<b>Gross margin</b>	<b>20.853</b>	<b>35,89%</b>	<b>11.478</b>	<b>36,2%</b>
Other revenues	172	0,30%	472	1,5%
Cost of indirect labour	(3.284)	-5,65%	(2.472)	-7,8%
Commercial expenses	(717)	-1,23%	(393)	-1,2%
General and administrative expenses	(3.205)	-5,52%	(3.000)	-9,4%
<b>Ebitda</b>	<b>13.820</b>	<b>23,78%</b>	<b>6.085</b>	<b>19,2%</b>
Depreciation and amortiation	(1.505)	-2,59%	(1.510)	-4,8%
Writedowns	(91)	-0,16%	(39)	-0,1%
<b>Earning before interest and taxes (Ebit)</b>	<b>12.224</b>	<b>21,04%</b>	<b>4.537</b>	<b>14,3%</b>
Writedown of investments in non controlled associates	0	0,00%	19,18	-0,1%
Financial costs	(2.926)	-5,04%	(322)	-1,0%
Financial income	1.444	2,49%	533	1,7%
<b>Earning before taxes (Ebt)</b>	<b>10.742</b>	<b>18,49%</b>	<b>4.728</b>	<b>14,9%</b>
Income taxes	(2.834)	-4,88%	(1.198)	-3,8%
<b>Profit for the year</b>	<b>7.908</b>	<b>13,61%</b>	<b>3.531</b>	<b>11,1%</b>
Minority interest	0	0,00%	0	0,0%
<b>Group Net Result</b>	<b>7.908</b>	<b>13,61%</b>	<b>3.531</b>	<b>11,1%</b>
Other comprehensive result	367	0,63%	86	0,3%
<b>Total Comprehensive result</b>	<b>8.275</b>	<b>14,24%</b>	<b>3.616</b>	<b>11,4%</b>

### Significant events subsequent to 30 September 2022

Also after the end of the first nine months of the year the Group maintained at record levels the volume of production output as well as the turnover recorded (net also of the price list effect). Also the order Backlog remains very interesting at the value of 54.6 million of Euro.

### Business outlook

The figures available show that financial year 2022 will end at a level of turnover never previously reached by the Group thanks also to a last quarter in line with the best performance of this fiscal year.

At the moment initial negative consequences for the company's business deriving from the energy crisis in progress are affecting the Company; these negative impacts could become more significant during the winter time.



The Consolidated Balance Sheet and Income Statement for 30 September 2022 are presented below

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Values in Euro)	30 September 2022	31 December 2021
<b>ASSETS</b>		
<b>Fixed assets</b>		
Tangible assets	2.506.979	2.530.233
Right of use	4.517.035	4.888.298
Goodwill	2.318.181	2.318.181
Other intangible assets	424.085	314.159
Investments in non controlled associates	-	-
Deferred tax assets	997.473	869.899
Other non current assets	499.376	496.824
	<i>related parties</i> 6.700	6.700
<b>Total non current assets</b>	<b>11.263.129</b>	<b>11.417.594</b>
<b>Currents assets</b>		
Inventory	27.529.468	17.325.538
Trade receivables	19.803.068	12.995.603
Tax assets	72.320	267.450
Other current assets	10.931.601	13.680.165
Cash and cash equivalents	7.121.993	8.075.158
<b>Total current assets</b>	<b>65.458.450</b>	<b>52.343.914</b>
<b>Total assets</b>	<b>76.721.579</b>	<b>63.761.508</b>
<b>LIABILITIES</b>		
<b>Equity</b>		
Share capital	1.085.089	1.087.901
Other reserves	4.163.895	4.186.497
Foreign exchange reserve	775.889	445.242
Retained earnings	26.796.149	22.656.388
<b>Total equity attributable to shareholders of the parent</b>	<b>32.821.022</b>	<b>28.376.029</b>
Minority interest	-	-
<b>Total equity</b>	<b>32.821.022</b>	<b>28.376.029</b>
<b>Non current liabilities</b>		
Long-term borrowings	8.391.037	8.620.901
Long-term lease liabilities	3.562.403	3.921.073
	<i>related parties</i> 2.918.455	3.524.407
Severance Indemnities	741.087	775.447
Provisions for risk and charges	40.291	40.291
<b>Total non current liabilities</b>	<b>12.734.818</b>	<b>13.357.712</b>
<b>Current liabilities</b>		
Short-term borrowings	13.557.505	9.183.071
Short-term lease liabilities	1.099.690	1.092.438
	<i>related parties</i> 804.783	843.493
Trade liabilities	12.977.113	9.020.141
	<i>related parties</i> 81.407	81.227
Tax liabilities	583.031	188.520
Other current liabilities	2.948.400	2.543.597
<b>Total current liabilities</b>	<b>31.165.739</b>	<b>22.027.767</b>
<b>Total Liabilities</b>	<b>76.721.579</b>	<b>63.761.508</b>



<b>CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME</b> (Values in Euro)	<b>9 months 2021</b>	<b>9 months 2020</b>
Revenues	58.106.278	31.748.116
Cost of sales	(37.252.938)	(20.269.970)
Other revenues	172.317	472.242
Cost of indirect labour	(3.283.915)	(2.471.892)
Commercial expenses	(716.588)	(393.398)
General and administrative expenses	(3.204.661)	(2.999.729)
Depreciation and amortization	(1.505.076)	(1.510.017)
Writedowns	(91.037)	(38.589)
<b>Earning before interest and taxes</b>	<b>12.224.379</b>	<b>4.536.763</b>
Writedown of investments in non controlled associates	-	(19.182)
Financial costs	(2.926.253)	(322.355)
<i>related parties</i>	(62.405)	(57.125)
Financial income	1.444.160	533.213
<b>Earning before taxes</b>	<b>10.742.286</b>	<b>4.728.438</b>
Income taxes	(2.834.327)	(1.197.883)
<b>Profit for the year (A)</b>	<b>7.907.959</b>	<b>3.530.555</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)	36.602	4.193
<b>Other comprehensive income/(losses) for the year that will be reclassified in income statement:</b>		
Exchange differences on translating foreign operations	330.646	81.411
<b>Total other comprehensive income/(losses) for the year (B)</b>	<b>367.248</b>	<b>85.604</b>
<b>Total comprehensive income (A) + (B)</b>	<b>8.275.207</b>	<b>3.616.159</b>
<b>Profit attributable to:</b>		
Owners of the parent	7.907.959	3.530.555
Minority interest	-	-
<b>Total comprehensive income attributable to:</b>		
Owners of the parent	8.275.207	3.616.159
Minority interest	-	-
<b>Basic earning per share</b>	<b>1,10</b>	<b>0,32</b>
<b>Diluted earning per share</b>	<b>1,10</b>	<b>0,32</b>

B&C Speakers S.p.A. Financial Reporting Manager Francesco Spapperi certifies – in accordance with Art. 154-bis, section 2 of Italian Legislative Decree No. 58/1998 — that the accounting disclosures contained in this press release are consistent with 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 150 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.



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