

Informazione Regolamentata n. 0931-15-2023	Data/Ora Ricezione 12 Maggio 2023 16:09:09	Euronext Star Milan
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Societa' : B&C SPEAKERS  
Identificativo : 176891  
Informazione  
Regolamentata  
Nome utilizzatore : BCSPEAKERSN02 - SPAPPERI  
Tipologia : REGEM  
Data/Ora Ricezione : 12 Maggio 2023 16:09:09  
Data/Ora Inizio : 12 Maggio 2023 16:09:11  
Diffusione presunta  
Oggetto : B&C Speakers- Interim Financial report as  
of March 31st 2023

*Testo del comunicato*

Vedi allegato.



## PRESS RELEASE

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

## The Board of Directors approves the Interim Report on Operations as at 31 March 2023

Also in the first three months of 2023, the trend of sharp growth in revenues, margins and profits is confirmed

- Consolidated revenue of €24.22 million (an increase of 40% compared to the €17.24 million for the first quarter of 2022);
- Consolidated EBITDA of €6.27 million (an increase of 58% compared to the Euro 3.97 million for the first quarter of 2022);
- Total Group profit of €4.03 million (also significantly up compared with the figure of €2.27 million for the first quarter of 2022);
- Group net financial position of €6.2 million (€9.4 million at year-end 2022);

*Bagno a Ripoli (prov. Florence), Italy, 12 May 2023* – 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 Interim Report on Operations of the Group for the first three months of 2022 prepared in accordance with the IFRS international accounting standards.

### **Revenue**

During the first quarter of 2023, the Group's reference market confirmed a great dynamism in continuity with the best performance of 2022, the consolidated turnover thus reached the value of Euro 24.22 million (up 40% compared to the value for the first quarter of 2022 when it amounted to at Euro 17.24 million).

It was a significant growth in production and sales volumes compared to the same period in 2022 that led this performance; as a result, the order backlog decreased (at 31 March 2023 amounts to Euro 33.5 million, while it amounted to Euro 40 million at the end of the first quarter of 2022).

The growth in turnover was reached thanks to the excellent results achieved within the European market (which represents 44% of the Group's turnover), without forgetting the recovered dynamism of the South American market which has more than doubled compared to the corresponding period of 2022. The domestic market was also particularly brilliant, guaranteeing growth of 76% compared to the first quarter of 2022.



Below is the complete breakdown by geographical area for the first three months of 2023 compared with the same period of 2022 (amounts in Euros):

Revenues per geographic area <i>(values in Euro/thousand)</i>	1Q 2023 YTD	%	1Q 2022 YTD	%	Difference	Difference %
Latin America	2.110	9%	948	5%	1.162	122,6%
Europe	11.854	49%	7.542	44%	4.312	57,2%
Italy	1.745	7%	991	6%	753	76,0%
North America	4.094	17%	4.170	24%	(76)	-1,8%
Middle East & Africa	720	3%	834	5%	(113)	-13,6%
Asia & Pacific	3.693	15%	2.751	16%	942	34,3%
<b>Total</b>	<b>24.217</b>	<b>100%</b>	<b>17.236</b>	<b>100%</b>	<b>6.980</b>	<b>40,5%</b>

The increase in turnover was achieved practically in all the Group's primary markets. It is very evident that the increase in turnover is mostly driven by European and North American customers, although good performance in the Asian market is also notable.

### **Cost of sales**

During the first three months of 2023, the cost of sales showed an improvement as a proportion of revenue compared to the same period of 2022, decreasing from 64.91% to 63.03%. This improvement was ensured by greater efficiency of the operating structure along with the return of transportation costs to normal levels.

### **Indirect Personnel**

The cost of indirect personnel fell in terms of proportion of revenue compared to the first quarter of 2022, dropping from 5.87% to 4.80%. In absolute terms, the figure for the first quarter of 2023 slightly increased following the increase in staff compared to the first quarter of the previous year.

### **Commercial expenses**

Commercial expenses remained stable compared to the first quarter of 2022.

### **Administrative and General**

Administrative and general expenses increased compared to the corresponding figure for 2022, while keeping their incidence constant.

### **EBITDA and EBITDA Margin**

As a consequence of the dynamics described above, EBITDA of the first three months of 2023 was €6.67 million, increasing by € 2.30 million (+58%) compared to the same period in 2022.

Also in terms of the **EBITDA margin**, we can note an improvement, with the figure reaching 25.88% of revenue in the period, compared to the 23.03% of the first quarter of 2022.



### Depreciation and amortisation

Depreciation and amortisation on tangible and intangible fixed assets and rights of use are essentially consistent with the first three months of 2023 and amount to €507 thousand (€490 thousand in the first three months of 2022). Provisions made during this period are zero as there are currently no uncollectible situations from the Group's customers.

Write-downs in the period are zero because, at the moment, there are no situations of uncollectible receivables from the Group's customers.

### EBIT and EBIT margin

EBIT for the first three months of 2023 amounts to €5.76 million, up by 65.6% compared to the same period of 2022 (when it amounted to €3.48 million). The *EBIT margin* is 23.79% of revenue (20.18% in the corresponding period of 2022).

### Group Net Profits

The Group's net profits at the end of the first three months of 2023 amounts to €4.05 million, representing a share of 16.73% of consolidated revenue, with an overall increase of 87.8% compared to the corresponding period in 2022.

The Group's overall *Net Financial Position* is negative and amounts to Euro 6.20 million against a negative value of Euro 9.41 million at the end of 2022. The improvement in the NFP is due to the excellent cash generation in this quarter, which allowed to increase cash and cash equivalents despite the repayment of outstanding loan installments.

<i>(values in Euro thousands)</i>	<b>31 march 2023 (a)</b>	<b>31 december 2022 (a)</b>	<b>Change</b>
A. Cash	7.296	5.825	25%
C. Other current financial assets	8.594	8.574	0%
<b>D. Cash and cash equivalent (A+C)</b>	<b>15.890</b>	<b>14.399</b>	<b>10%</b>
E. Current financial indebtness	(488)	(476)	
F. Current portion of non current borrowings	(10.644)	(11.519)	-8%
<b>G. Current borrowingse (E+F)</b>	<b>(11.133)</b>	<b>(11.994)</b>	<b>-7%</b>
<b>H. Current net financial indebtness (G+D)</b>	<b>4.758</b>	<b>2.405</b>	<b>98%</b>
I. Non current financial indebtness	(10.958)	(11.818)	-7%
<b>L. Non current financial indebtness</b>	<b>(10.958)</b>	<b>(11.818)</b>	<b>-7%</b>
<b>M. Total financial indebtteness (H+L)</b>	<b>(6.201)</b>	<b>(9.414)</b>	<b>-34%</b>



The Group's reclassified Income Statement for the first quarter of 2023 compared to the corresponding period in 2022 is presented below:

Economic trends - Group B&C Speakers

(€ thousands)	1Q 2023	Incidence	1Q 2022	Incidence
Revenues	24.217	100,00%	17.236	100,0%
Cost of sales	(15.265)	-63,03%	(11.188)	-64,9%
<b>Gross margin</b>	<b>8.952</b>	<b>36,97%</b>	<b>6.048</b>	<b>35,1%</b>
Other revenues	54	0,22%	129	0,8%
Cost of indirect labour	(1.162)	-4,80%	(1.012)	-5,9%
Commercial expenses	(185)	-0,77%	(187)	-1,1%
General and administrative expenses	(1.391)	-5,74%	(1.010)	-5,9%
<b>Ebitda</b>	<b>6.268</b>	<b>25,88%</b>	<b>3.969</b>	<b>23,0%</b>
Depreciation and Amortization	(507)	-2,09%	(490)	-2,8%
Writedowns	0	0,00%	0	0,0%
<b>Earning before interest and taxes (Ebit)</b>	<b>5.761</b>	<b>23,79%</b>	<b>3.479</b>	<b>20,2%</b>
Writedown of investments in non controlled associates	0	0,00%	-	0,0%
Financial costs	(734)	-3,03%	(789)	-4,6%
Financial income	553	2,28%	268	1,6%
<b>Earning before taxes (Ebt)</b>	<b>5.580</b>	<b>23,04%</b>	<b>2.957</b>	<b>17,2%</b>
Income taxes	(1.527)	-6,31%	(799)	-4,6%
<b>Profit for the year</b>	<b>4.053</b>	<b>16,73%</b>	<b>2.158</b>	<b>12,5%</b>
Minority interest	0	0,00%	0	0,0%
<b>Group Net Result</b>	<b>4.053</b>	<b>16,73%</b>	<b>2.158</b>	<b>12,5%</b>
Other comprehensive result	(17)	-0,07%	68	0,4%
<b>Total Comprehensive result</b>	<b>4.035</b>	<b>16,66%</b>	<b>2.226</b>	<b>12,9%</b>

### Significant events subsequent to 31 March 2023

The Shareholders' Meeting, held on 28 April 2023, approved the financial statements and resolved the issue of an ordinary dividend of €0.6 per ordinary share outstanding at the ex-dividend date (occurring on May 8, 2023, with a record date on May 9, 2023).

### Business outlook

The atmosphere within the reference market is highly positive with respect to the current year and suggests that 2023 could close with significantly better production and sales levels than in 2022. The Group's management believes that 2023 can be another year of growth. In terms of margins, we note the continuing upward tensions of some important production factors, while a return to normality of all logistics-related costs is being confirmed.



The Consolidated Balance Sheet and Income Statement for 31 March 2023 are shown below:

<b>CONSOLIDATED STATEMENT OF FINANCIAL POSITION</b> <i>(Values in Euro)</i>	<b>31 March 2023</b>	<b>31 December 2022</b>
<b>ASSETS</b>		
<b>Fixed assets</b>		
Tangible assets	2.570.457	2.513.000
Right of use	4.358.910	4.657.737
Goodwill	2.318.181	2.318.181
Other intangible assets	368.964	400.956
Investments in non controlled associates	-	-
Deferred tax assets	999.455	756.478
Other non current assets	544.794	536.368
<i>related parties</i>	6.700	6.700
<b>Total non current assets</b>	<b>11.160.761</b>	<b>11.182.720</b>
<b>Currents assets</b>		
Inventory	27.331.572	26.420.332
Trade receivables	22.375.040	21.592.254
Tax assets	19.767	19.831
Other current assets	15.280.855	14.968.330
Cash and cash equivalents	7.296.400	5.825.350
<b>Total current assets</b>	<b>72.303.634</b>	<b>68.826.097</b>
<b>Total assets</b>	<b>83.464.395</b>	<b>80.008.817</b>
<b>LIABILITIES</b>		
<b>Equity</b>		
Share capital	1.083.690	1.083.955
Other reserves	3.456.505	3.490.104
Foreign exchange reserve	418.324	442.276
Retained earnings	35.735.710	31.676.850
<b>Total equity attributable to shareholders of the parent</b>	<b>40.694.229</b>	<b>36.693.185</b>
Minority interest	-	-
<b>Total equity</b>	<b>40.694.229</b>	<b>36.693.185</b>
<b>Non current liabilities</b>		
Long-term borrowings	7.625.171	8.183.309
Long-term lease liabilities	3.333.008	3.634.895
<i>related parties</i>	2.860.686	3.086.130
Severance Indemnities	774.799	772.315
Provisions for risk and charges	41.487	41.487
<b>Total non current liabilities</b>	<b>11.774.465</b>	<b>12.632.006</b>
<b>Current liabilities</b>		
Short-term borrowings	9.950.974	10.819.475
Short-term lease liabilities	1.181.911	1.174.874
<i>related parties</i>	892.112	885.605
Trade liabilities	12.808.616	13.487.204
<i>related parties</i>	85.312	83.175
Tax liabilities	4.218.395	2.445.913
Other current liabilities	2.835.806	2.756.160
<b>Total current liabilities</b>	<b>30.995.702</b>	<b>30.683.626</b>
<b>Total Liabilities</b>	<b>83.464.396</b>	<b>80.008.817</b>


**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

(Values in Euro)

	<b>1Q 2023</b>	<b>1Q 2022</b>
Revenues	24.216.536	17.236.042
Cost of sales	(15.264.700)	(11.187.934)
Other revenues	54.409	129.335
Cost of indirect labour	(1.162.190)	(1.012.154)
Commercial expenses	(185.267)	(186.682)
General and administrative expenses	(1.391.125)	(1.009.948)
Depreciation and amortization	(506.888)	(489.999)
Writedowns	-	-
<b>Earning before interest and taxes</b>	<b>5.760.776</b>	<b>3.478.660</b>
Writedown of investments in non controlled associates	-	0
Financial costs	(733.703)	(789.329)
<i>related parties</i>	(62.405)	(21.895)
Financial income	552.995	267.626
<b>Earning before taxes</b>	<b>5.580.067</b>	<b>2.956.957</b>
Income taxes	(1.527.475)	(798.851)
<b>Profit for the year (A)</b>	<b>4.052.592</b>	<b>2.158.106</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)	6.526	(1.645)
<b>Other comprehensive income/(losses) for the year that will be reclassified in income statement:</b>		
Exchange differences on translating foreign operations	(23.952)	69.524
<b>Total other comprehensive income/(losses) for the year (B)</b>	<b>(17.426)</b>	<b>67.879</b>
<b>Total comprehensive income (A) + (B)</b>	<b>4.035.167</b>	<b>2.225.985</b>
<b>Profit attributable to:</b>		
Owners of the parent	4.052.592	2.158.106
Minority interest	-	-
<b>Total comprehensive income attributable to:</b>		
Owners of the parent	4.035.167	2.225.985
Minority interest	-	-
<b>Basic earning per share</b>	<b>0,37</b>	<b>0,20</b>
<b>Diluted earning per share</b>	<b>0,37</b>	<b>0,20</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. 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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