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Acquisition

Testo del comunicato

Vedi allegato.



PRESS RELEASE

B&C Speakers S.p.A.:

The B&C Speakers Group continues its strategic development project by acquiring Eminence Speaker, a historic US player in the professional loudspeaker-manufacturing sector.

The acquisition is achieved through two simultaneous operations:

- ***B&C Speakers S.p.A. acquires 100% of the share capital of Eminence Speaker LLC, based in Kentucky, U.S.A., from Eminence Holding LLC;***
- ***B&C Speakers S.p.A. signs a binding commitment to purchase the assets of Eminence Dongguan Enterprise Co. Ltd (APA, Asset Purchase Agreement), a company based in Dongguan, China, entirely controlled by Eminence Holding LLC.***

Bagno a Ripoli (Florence), 8 September 2023 - B&C Speakers S.p.A., one of the leading international operators in the design, production, distribution and marketing of electro-acoustic transducers for professional use - listed on the Euronext STAR Milan segment of the Italian Stock Exchange - announces that it has accomplished a further important step in its development and internationalisation strategy.

B&C Speakers S.p.A. today has acquired 100% of the share capital of **Eminence Speaker LLC** (a company incorporated under US law) from Eminence Holdings LLC and, simultaneously, committed itself to purchase from Eminence Dongguan Enterprise Co. Ltd, (also owned by of Eminence Holdings LLC), a significant portion of its assets through a **NewCo** (whose establishment is an essential condition for the accomplishment of the agreement) entirely owned by B&C.

The establishment of **NewCo**, with the consequent purchase of the assets (Asset Purchase Agreement, APA) from Eminence Dongguan Enterprise Co. Ltd, represents an operation aimed at acquiring the production factors that are considered strategic to consolidate and expand, through additional investments, the business volume achieved on the Asian market by the Eminence brand.

Eminence Speaker LLC has a workforce of about 90 employees and operates in the design and manufacture of electro-acoustic transducers for professional use in the musical instruments (Musical Instruments, MI), alarm systems and car audio after market. The company was established in 1966 at the initiative of Bob Gault and, since the 1990s under the leadership of his son Robert, has established itself as an internationally recognised brand.

The Eminence brand is currently marketed in over fifty countries, mainly through the OEM channel.



The two transactions described above represent a significant step forward in the internationalisation strategy of B&C Speakers. Their aims can be summarised as follows:

- Availability of an additional brand, historically present and deeply rooted in the professional audio market in the United States, especially in the musical instruments sector where B&C hasn't been particularly impactful;
- Strengthening the Eminence brand worldwide, through marketing actions and by launching new products;
- Availability of production facilities in geographical areas where B&C Speakers has been operating commercially for years successfully, which can offer interesting opportunities to expand, streamline and shorten supply chains in South-East Asia. Having two new production facilities will offer the possibility to manage the reshoring process that mainly affects North American manufacturing.

Lorenzo Coppini, CEO of B&C Speakers commented: "This acquisition allows the B&C Group to strengthen its international presence, also offering the opportunity to relaunch and enhance an iconic American brand. By joining forces, we can exploit strong synergies, as happened with the acquisition of Eighteen Sound in 2018. We can offer our customers a broader range of world-class products and build them where they need."

The consideration agreed for the two transactions described above is \$4,495,000 and B&C Speakers financed it by using its own financial resources.

In particular, the consideration, already paid to Eminence Holdings LLC, for the entire share capital of **Eminence Speaker LLC** is \$3,551,000, also including the Net Financial Position, while the consideration for the acquisition of part of the assets (consisting of inventories and tangible assets) from Eminence Dongguan Enterprise Co. Ltd is \$943,000, and will be recognised by B&C Speakers China (**NewCo**) as the establishment process is completed.

In the year 2022, Eminence Speaker LLC recorded revenue of \$11,900 thousand and EBITDA of \$481 thousand; also in the year 2022, Eminence Dongguan Enterprise Co.Ltd recorded revenue of \$6,526 thousand and EBITDA of \$1,119 thousand.

In this transactions, B&C Speakers S.p.A. was advised by KT&Partners as Financial Advisor, by the law firms Nelson Mullins Riley and Scarborough LLP for aspects of US law, and by GWA for aspects of Chinese law. Deloitte provided the due diligence activities.

The transactions do not require the preparation of the Information Document pursuant to Article 71 of the Issuers' Regulation adopted by Consob with resolution No. 11971 of 14 May 1999 and subsequent amendments and additions, as the significance parameters with respect to the size of the Issuer, indicated for this type of transaction in Annex 3B of the Issuers' Regulation itself, are not exceeded.



B&C Speakers S.p.A. is a leading international player in the design, production, distribution and marketing of electro-acoustic transducers for professional use (the main components of cabinets for the reproduction of music, commonly known as loudspeakers) mainly intended for manufacturers of finished professional audio systems (Original Equipment Manufacturer, OEM). With about 185 employees, of which about 10% in the Research and Development Department, B&C Speakers carries out all design, production, marketing and control activities under the Group's brands: B&C, 18SOUND and CIARE, at its headquarters in Florence and Reggio Emilia. Most of the products are developed on the specific needs of the main customers. B&C Speakers is also present in the USA and Brazil through two subsidiaries that carry out commercial activities.

B&C Speakers S.p.A.

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