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PRESS RELEASE

B&C Speakers S.p.A.:

Board of Directors approves Interim Management Report as at 30 September 2023

- Consolidated revenue of EUR 71.20 million (up 22.6% compared to EUR 58.1 million in the first nine months of 2022);
- Consolidated EBITDA of EUR 17.50 million (up 26.6% compared to EUR 13.80 million in the first nine months of 2022);
- Group Comprehensive Income of EUR 11.9 million (also significantly up from the value of EUR 8.3 million in the first nine months of 2022);
- Group net financial position of EUR 3.4 million (equal to €9.4 million at the end of 2022);

Bagno a Ripoli (Fi), 14 November 2023 - The **Board of Directors of B&C Speakers S.p.A.**, one of the leading international players in the field of design, production, distribution and marketing of electroacoustic transducers for professional use, approved the Group's Interim Report for the first nine months of 2023 prepared in accordance with IFRS.

Revenues

In the first nine months of 2023, the Group's reference market confirmed its great dynamism keeping with the best performance of 2022. The consolidated turnover thus reached a record value of Euro 71.2 million, an increase of 22.6% compared to the value for the first nine months of 2022, when it stood at Euro 58.10 million.

In particular, the achieved turnover level is due to both a significant volume growth (+11.5% compared to the same period in 2022) and the achievement of a better sales mix.

The group achieved revenue growth thanks to the excellent results realized within the European market (which accounts for 46 percent of the Group's business volume) in addition to the renewed dynamism of the South American market, whose turnover almost doubled compared to the corresponding period of 2022.

The domestic and Asian markets also performed particularly well, providing growth of 46 percent and 57 percent, respectively, over the same period in 2022.

Below is the complete breakdown by geographical area for the first nine months of 2023 compared to the same period of 2022 (all values are in Euro):

Revenues per geographic area <i>(values in Euro/thousand)</i>	9 months 2023	%	9 months 2022	%	Difference	Difference %
Latin America	6,166	9%	3,139	5%	3,027	96.4%
Europe	32,686	46%	26,610	46%	6,076	22.8%
Italy	4,965	7%	3,402	6%	1,563	46.0%
North America	13,857	19%	13,989	24%	(132)	-0.9%
Middle East & Africa	1,176	2%	3,067	5%	(1,891)	-61.6%
Asia & Pacific	12,394	17%	7,899	14%	4,495	56.9%
Total	71,245	100%	58,106	100%	13,139	22.6%

Cost of sales

During the first six nine of 2023, cost of sales showed an improvement in its incidence on revenues compared to the same period of 2022, from 64.11 % to 62.71%. This improvement was due to a greater efficiency of the operating structure together with the return of transportation costs to normal levels.

Indirect personnel

The cost for indirect personnel decreased as a percentage of revenues from 5.65% to 5.14% in the first nine months of 2022. In absolute terms, the figure for the first nine months of 2023 was slightly greater in value, following the hiring of some resources at the technical and production structure.

Commercial expenses

Commercial expenses remained essentially unchanged compared to 2022.

General and administrative

General and administrative expenses rose compared to the corresponding figure for 2022, also increasing their incidence from 5.5% to 7.1%. The rise in general and administrative expenses was mainly due to the increase in costs for external advice, amounting to €861,000, related to the corporate acquisition of Eminence Speakers LLC, a transaction that was ratified on September 8, 2023.

EBITDA and EBITDA Margin

As a consequence of the described above dynamics, EBITDA for the first nine months of 2023 amounted to Euro 17.5 million, showing an increase of Euro 3.68 million (+26.6%) compared to the same period in 2022.

There was an improvement in terms of EBITDA margin as well, with a figure reaching 24.57% of revenue (23.78% in the first nine months of the previous year).

The acquisition of Eminence Speakers entailed financing consulting expenses aimed at defining the transaction itself; the effect of these nonrecurring costs, amounting to approximately 861 thousand euros, led to a decrease in the EBITDA margin of approximately 1 percentage point. EBITDA and EBITDA margin gross and net of this effect are shown in the table below:

<i>(€ thousands)</i>	9 months 2023	<i>Incidence</i>	9 months 2022	<i>Incidence</i>
Ebitda	17,506	24.57% ✓	13,820	23.78%
<i>Acquisition costs for business combination</i>	861	1.21%	-	0.00%
Ebitda adjusted	18,367	25.78% ✓	13,820	23.78%

Amortisation and depreciation

Amortisation and depreciation of tangible and intangible assets and utilisation rights were substantially in line with the first nine months of the previous year and amounted to Euro 1.57

million (Euro 1.50 million in the corresponding period of 2022). Provisions made in the period were zero, as there are currently no uncollectible situations from the Group's customers.

EBIT and EBIT Margin

EBIT for the first nine months of 2023 amounted to Euro 15.93 million, an increase of 30.3% compared to the same period of 2022 (Euro 12.22 million). The EBIT margin is 22.36% of revenue (21.04% in the same period of 2022).

Group Net Profit

The Group Net Profit, at the end of the first nine months of 2023, amounted to Euro 11.67 million and represented 16.38% of consolidated revenue, with an overall increase of 47.5% compared to the corresponding period of 2022.

The overall **Net Financial Position** was negative and amounted to Euro 3.39 million, compared to a value of Euro 9.41 million at fiscal year-end 2022. The improvement in the NFP is due to the excellent cash generation during the period, which allowed cash and cash equivalents to increase despite the repayment of outstanding loan instalments. The value of the NFP at the end of the third quarter of the previous year reported a negative balance of 11.2 million euros.

<i>(values in Euro thousands)</i>	30 september 2023 (a)	31 december 2022 (a)	Change
A. Cash	12,729	5,825	119%
C. Other current financial assets	8,148	8,574	-5%
D. Cash and cash equivalent (A+C)	20,877	14,399	45%
E. Current financial indebtness	(4,489)	(476)	
F. Current portion of non current borrowings	(9,648)	(11,519)	-16%
G. Current borrowingse (E+F)	(14,136)	(11,994)	18%
H. Current net financial indebttness (G+D)	6,741	2,405	180%
I. Non current financial indebttness	(10,137)	(11,818)	-14%
L. Non current financial indebttness	(10,137)	(11,818)	-14%
M. Total financial indebttness (H+L)	(3,396)	(9,414)	-64%

Below is the reclassified Group Income Statement for the first nine months of 2023 compared to the corresponding period of 2022:

Economic trends - Group B&C Speakers

(€ thousands)	9 months 2023	Incidence	9 months 2022	Incidence
Revenues	71,245	100.00%	58,106	100.0%
Cost of sales	(44,678)	-62.71%	(37,253)	-64.1%
Gross margin	26,567	37.29%	20,853	35.9%
Other revenues	327	0.46%	172	0.3%
Cost of indirect labour	(3,661)	-5.14%	(3,284)	-5.7%
Commercial expenses	(696)	-0.98%	(717)	-1.2%
General and administrative expenses	(5,031)	-7.06%	(3,205)	-5.5%
Ebitda	17,506	24.57%	13,820	23.8%
Depreciation and Amortization	(1,573)	-2.21%	(1,505)	-2.6%
Writedowns	-	0.00%	(91)	-0.2%
Earning before interest and taxes (Ebit)	15,933	22.36%	12,224	21.0%
Writedown of investments in non controlled associates	-	0.00%	-	0.0%
Financial costs	(1,334)	-1.87%	(2,926)	-5.0%
Financial income	1,074	1.51%	1,444	2.5%
Earning before taxes (Ebt)	15,672	22.00%	10,742	18.5%
Income taxes	(4,005)	-5.62%	(2,834)	-4.9%
Profit for the year	11,668	16.38%	7,908	13.6%
Minority interest	0	0.00%	0	0.0%
Group Net Result	11,668	16.38%	7,908	13.6%
Other comprehensive result	246	0.35%	367	0.6%
Total Comprehensive result	11,914	16.72%	8,275	14.2%

Eminence Speakers Acquisition Updates

As previously announced to the market in a press release dated September 8, 2023, it should be noted that on that date, the Parent Company B&C Speakers S.p.A. acquired a stake equal to the entire share capital of Eminence Speaker LLC from Eminence Holdings LLC (Unit Purchase Agreement - UPA), and, at the same time, committed to take over from Eminence Dongguan Enterprise Co. Ltd, (also under the control of Eminence Holdings LLC), a significant part of its assets through a NewCo wholly owned by B&C.

The acquisition of the shares representing 100% of the share capital of Eminence Speaker LLC a total consideration of €3.3 million, which, net of the Net Financial Position as of the closing date, resulted in a final consideration of €2.4 million. This acquisition resulted in the consolidation of the newly acquired company as of the acquisition date (September 8, 2023).

The acquisition, from an industrial point of view, is at the stage of knowing and understanding of the strategies to be adopted in the near future in order to give a new momentum to the newly acquired activities. What clearly emerges is the possibility of significantly improving results in the distribution area, as well as the possibility of achieving significant efficiencies in terms of procurement.

Furthermore, the trade show season will shortly begin where, for the first time, Eminence Speakers will take part as an integral part of the B&C Speakers Group.

Events after September 30, 2023

After the end of the quarter, no particularly significant events occurred that could affect the positive trend throughout 2023. New order intake was also in line with the average intake for 2023, and the order book guarantees full production for at least one quarter.

Foreseeable development of operations

The mood within the target market continues to be very positive toward the current and next year, confirming that the year can close on significantly better production and sales levels than in 2022.

The Group's management, given the return to normality of logistics costs and given the current stability of input costs, believes that the conditions are in place to ensure a progressive improvement in overall corporate margins.

The Consolidated Balance Sheet and Consolidated Income Statement as at 30 September 2023 are shown below

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Values in Euro)	30 September 2023	31 December 2022
ASSETS		
Fixed assets		
Tangible assets	3,663,332	2,513,000
Right of use	4,088,258	4,657,737
Goodwill	2,318,181	2,318,181
Other intangible assets	425,162	400,956
Investments in non controlled associates	-	-
Deferred tax assets	894,538	756,478
Other non current assets	586,076	536,368
	<i>related parties</i>	<i>6,700</i>
Total non current assets	11,975,547	11,182,720
Currents assets		
Inventory	29,346,442	26,420,332
Trade receivables	22,474,788	21,592,254
Tax assets	49,341	19,831
Other current assets	12,281,394	14,968,330
Cash and cash equivalents	12,729,350	5,825,350
Total current assets	76,881,315	68,826,097
Total assets	88,856,862	80,008,817
LIABILITIES		
Equity		
Share capital	1,099,613	1,083,955
Other reserves	6,108,575	3,490,104
Foreign exchange reserve	687,222	442,276
Retained earnings	36,324,257	31,676,850
Total equity attributable to shareholders of the parent	44,219,666	36,693,185
Minority interest	-	-
Total equity	44,219,666	36,693,185
Non current liabilities		
Long-term borrowings	7,124,300	8,183,309
Long-term lease liabilities	3,012,624	3,634,895
	<i>related parties</i>	<i>2,669,751</i>
Severance Indemnities	2,786,714	772,315
Provisions for risk and charges	41,487	41,487
Total non current liabilities	12,965,125	12,632,006
Current liabilities		
Short-term borrowings	12,900,712	10,819,475
Short-term lease liabilities	1,235,726	1,174,874
	<i>related parties</i>	<i>932,963</i>
Trade liabilities	10,695,500	13,487,204
	<i>related parties</i>	<i>86,662</i>
Tax liabilities	3,366,050	2,445,913
Other current liabilities	3,474,082	2,756,160
Total current liabilities	31,672,070	30,683,626
Total Liabilities	88,856,862	80,008,817

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
9 months 2023 9 months 2022

(Values in Euro)

Revenues		71,244,859	58,106,278
Cost of sales		(44,677,960)	(37,252,938)
Other revenues		326,994	172,317
Cost of indirect labour		(3,660,707)	(3,283,915)
Commercial expenses		(695,560)	(716,588)
General and administrative expenses		(5,031,352)	(3,204,661)
Depreciation and amortization		(1,573,429)	(1,505,076)
Writedowns		-	(91,037)
Earning before interest and taxes		15,932,845	12,224,379
Writedown of investments in non controlled associates		-	-
Financial costs		(1,334,405)	(2,926,253)
	<i>related parties</i>	(61,679)	(62,405)
Financial income		1,074,028	1,444,160
Earning before taxes		15,672,469	10,742,286
Income taxes		(4,004,654)	(2,834,327)
Profit for the year (A)		11,667,815	7,907,959
Other comprehensive income/(losses) for the year that will not be reclassified in income statement:			
Actuarial gain/(losses) on DBO (net of tax)		1,423	36,602
Other comprehensive income/(losses) for the year that will be reclassified in income statement:			
Exchange differences on translating foreign operations		244,946	330,646
Total other comprehensive income/(losses) for the year (B)		246,369	367,248
Total comprehensive income (A) + (B)		11,914,184	8,275,207
Profit attributable to:			
Owners of the parent		11,667,815	7,907,959
Minority interest		-	-
Total comprehensive income attributable to:			
Owners of the parent		11,914,184	8,275,207
Minority interest		-	-
Basic earning per share		1.07	1.10
Diluted earning per share		1.07	1.10

The Manager in charge of preparing the corporate accounting documents of B&C Speakers S.p.A., Francesco Spapperi, certifies - pursuant to Article 154-bis, paragraph 2 of Legislative Decree 58/1998 - that the accounting information contained in this press release corresponds to the documented results, books and accounting records.

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 238 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 and one subsidiary that carry out commercial and production activities.

B&C Speakers S.p.A.

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