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Societa' : B&C SPEAKERS

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Oggetto : B&C Speakers- Interim Consolidated Financial  
Statement as of March 31st 2024

*Testo del comunicato*

Vedi allegato



## PRESS RELEASE

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

## Board of Directors approves the Interim Management Report at 31 March 2024

- Consolidated revenue totals €23.85m (up by 1.5% compared to €24.22m in the first quarter of 2023);
- Consolidated EBITDA at €5.03m (down by 19.8% compared to €6.27m for the first quarter of 2023);
- Overall Group result of €3.33m (down by 17.4% compared to €4.03m in the first quarter of 2023);
- Group net financial position positive at €3.68m (negative at €0.65m at the end of the 2023 financial year);
- Order book shows significant growth compared to 1Q 2023.

*Bagno a Ripoli (Florence), 14 May 2024* – 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 Interim Report at 31 March 2024 in accordance with IFRS international accounting standards.

### **Consolidated revenue**

Consolidated revenue reached a record value of €23.8m, a decrease of 1.5% compared to the first three months of 2023, when the figure was €24.2m.

The revenue contribution made by the new subsidiaries during the quarter was €2.7m, with the following geographical distribution: *Eminence KY* achieved a turnover of €1.5m, mainly on the North American market, while *B&C Speakers Cina* achieved €1.2m on the Asian market. On the Group's main markets, the drop in sales during the quarter was primarily due to the temporary slowdown in the two biggest markets, Europe and America, combined with the effect of overstock affecting many customers.

However, the trend in new orders rose steadily during the first part of 2024, showing that this downturn in sales is only temporary. During the quarter, orders amounted to €26m, compared to 13.8m during the same period of 2023 and 17.5m during the final quarter of 2023.

Below is the full breakdown by region for the first three months of 2024, compared to the same period in 2023 (amounts in euro).



Revenues per geographic area <i>(values in Euro/thousand)</i>	1Q 2024	%	1Q 2023	%	Difference	Difference %
Latin America	1,657	7%	2,110	9%	(453)	-21.5%
Europe	11,429	48%	11,854	49%	(425)	-3.6%
Italy	1,566	7%	1,745	7%	(179)	-10.2%
North America	4,743	20%	4,094	17%	649	15.8%
Middle East & Africa	171	1%	720	3%	(549)	-76.3%
Asia & Pacific	4,292	18%	3,693	15%	599	16.2%
<b>Total</b>	<b>23,858</b>	<b>100%</b>	<b>24,217</b>	<b>100%</b>	<b>(358)</b>	<b>-1.5%</b>

### **Cost of sales**

During the first three months of 2024, the cost of sales remained essentially constant in terms of its impact on revenues when compared to the same period in 2023 (63%).

This trend was driven by the significant improvements in efficiency relative to the cost of production components, whose impact on revenues has risen by 3 percentage points compared to the same period in 2023. Conversely, there was a higher impact of direct personnel costs, due to the combined effect of lower volumes and the integration of the two new subsidiaries.

### **Indirect Personnel**

Indirect personnel costs have risen as a percentage of revenue, from 4.8% to 7% compared to the first three months of 2023. In absolute terms, the figure for the first three months of 2024 is up 43% on the first quarter of 2023, mainly due to the inclusion of the two new subsidiaries in the scope of consolidation.

### **Commercial expenses**

Commercial expenses showed an increase compared to the first three months of 2023, both in absolute terms and as a percentage of revenues, rising from 0.8% to 1.2%. This increase is mainly due to the inclusion of the two new subsidiaries in the scope of consolidation.

### **Administrative costs and overheads**

Overheads and administrative costs, at €518 thousand, have risen compared to the corresponding figure for 2023, and as a percentage of revenues have also risen, from 5.7% to 8%. €414 thousand of these costs are due to the inclusion of the two new subsidiaries in the scope of consolidation.

### **EBITDA and EBITDA margin**

As a result of these trends, EBITDA for the first three months of 2024 was €5.03m, a decrease of €1.24m (-19.8%) compared to the same period in 2023.

The EBITDA margin for the first three months of 2024 was 21.1% of revenues, compared to 25.9% for the same period of 2023. The drop in margins is partly due to the lower volumes during the period, and partly to the effect of the two new subsidiaries, whose margins are lower than those of B&C Speakers.

With the same scope as 1Q 2023, the EBITDA margin would have stood at 23.7%.



### Depreciation and amortisation

Depreciation and amortisation of property, plant and equipment, intangible assets and rights of use have increased compared to the first three months of 2023, amounting to €634m (€507 thousand in the first three months of 2023). This increase is mainly due to the inclusion of the two new subsidiaries. Write-offs for bad debts in the period were zero, because at the moment there are no uncollectable accounts from Group customers.

### EBIT and EBIT margin

EBIT for the first three months of 2024 amounted to €3.26m, which represents a drop of 23.7% compared to the same period in 2023 (when it was €5.76m). The EBIT margin was 18.4% of revenue (23.8% in the same period of 2023).

### Overall Group Profit

The Overall Group profit at the end of the first three months of 2024 amounted to €3.33m, representing 14.0% of consolidated revenue, with a total decrease of 16.7% overall, compared to the corresponding period of 2023.

The overall **Net Financial Position (NFP)** was positive at €3.68m, compared to a negative figure of €0.65m at the end of 2023. As mentioned, the improvement in **NFP** is due to the significant generation of cash during the period (€5.3m from operating activities). This has increased net cash and cash equivalents, despite the repayment of outstanding loan instalments.

<i>(values in Euro thousands)</i>	<b>31 march 2024 (a)</b>	<b>31 december 2023 (a)</b>	<b>Change</b>
A. Cash	13,877	14,613	-5%
C. Other current financial assets	0	6,979	-100%
<b>D. Cash and cash equivalent (A+C)</b>	<b>13,877</b>	<b>21,591</b>	<b>-36%</b>
E. Current financial indebtness	(1,000)	(2,708)	
F. Current portion of non current borrowings	(6,643)	(8,855)	-25%
<b>G. Current borrowingse (E+F)</b>	<b>(7,643)</b>	<b>(11,563)</b>	<b>-34%</b>
<b>H. Current net financial indebtness (G+D)</b>	<b>6,234</b>	<b>10,028</b>	<b>-38%</b>
I. Non current financial indebtness	(9,720)	(10,681)	-9%
<b>L. Non current financial indebtness</b>	<b>(9,720)</b>	<b>(10,681)</b>	<b>-9%</b>
<b>M. Total financial indebtness (H+L)</b>	<b>(3,486)</b>	<b>(653)</b>	<b>434%</b>



The Group's reclassified Income Statement for the first quarter of 2024 compared to the corresponding period in the previous year is presented below:

Economic trends - Group B&C Speakers

<i>(€ thousands)</i>	<b>3 months 2024</b>	<i>Incidence</i>	<b>3 months 2023</b>	<i>Incidence</i>
Revenues	23,858	100.00%	24,217	100.0%
Cost of sales	(15,035)	-63.02%	(15,265)	-63.0%
<b>Gross margin</b>	<b>8,823</b>	<b>36.98%</b>	<b>8,952</b>	<b>37.0%</b>
Other revenues	54	0.23%	54	0.2%
Cost of indirect labour	(1,664)	-6.97%	(1,162)	-4.8%
Commercial expenses	(275)	-1.15%	(185)	-0.8%
General and administrative expenses	(1,910)	-8.00%	(1,391)	-5.7%
<b>Ebitda</b>	<b>5,029</b>	<b>21.08%</b>	<b>6,268</b>	<b>25.9%</b>
Depreciation and Amortization	(634)	-2.66%	(507)	-2.1%
Writedowns	-	0.00%	0	0.0%
<b>Earning before interest and taxes (Ebit)</b>	<b>4,395</b>	<b>18.42%</b>	<b>5,761</b>	<b>23.8%</b>
Writedown of investments in non controlled associates	-	0.00%	-	0.0%
Financial costs	(358)	-1.50%	(734)	-3.0%
Financial income	490	2.05%	553	2.3%
<b>Earning before taxes (Ebt)</b>	<b>4,527</b>	<b>18.97%</b>	<b>5,580</b>	<b>23.0%</b>
Income taxes	(1,269)	-5.32%	(1,527)	-6.3%
<b>Profit for the year</b>	<b>3,257</b>	<b>13.65%</b>	<b>4,053</b>	<b>16.7%</b>
Minority interest	0	0.00%	0	0.0%
<b>Group Net Result</b>	<b>3,257</b>	<b>13.65%</b>	<b>4,053</b>	<b>16.7%</b>
Other comprehensive result	76	0.32%	(17)	-0.1%
<b>Total Comprehensive result</b>	<b>3,333</b>	<b>13.97%</b>	<b>4,035</b>	<b>16.7%</b>

### **SIGNIFICANT EVENTS SUBSEQUENT TO 31 March 2024 AND OUTLOOK FOR THE YEAR**

The Shareholders' Meeting, held on 29 April 2024, approved the financial statements and resolved the distribution of an ordinary dividend of €0.70 per ordinary share outstanding at the ex-dividend date (on 6 May, with record date 7 May and payment on 8 May). On that occasion, the Shareholders' Meeting also re-elected the officers of the company. The Board of Directors' meeting, held today, authorised the powers and appointments of the Board Committees.

During the first part of 2024, the number of new orders has risen steadily, compared to the same period in 2023, and this trend continued even after the quarterly reporting date. At the end of April, the number of new orders was significantly higher than in 2023 (+85% for the first 4 months of the financial year).

Group Management therefore considers that, based on the data, there may be a positive reversal of the trend in turnover during the second half of the year.

The Board has also verified that the independent directors meet the independence criteria prescribed by law and the bylaws.



*The Financial Reporting Manager of B&C Speakers S.p.A., Francesco Spapperi, hereby certifies, pursuant to Art. 154-bis, section 2 of Italian Legislative Decree No. 58/1998, that the accounting disclosures relating to the figures for the year ended 31 March 2024, as presented in this press release, are consistent with the company's accounting documents, books and records.*



## The table below shows the Consolidated Income Statement and Balance Sheet for the first quarter of 2024

<b>CONSOLIDATED STATEMENT OF FINANCIAL POSITION</b> (Values in Euro)	<b>31 March 2024</b>	<b>31 December 2023</b>
<b>ASSETS</b>		
<b>Fixed assets</b>		
Tangible assets	4,366,839	3,872,531
Right of use	6,115,079	6,477,332
Goodwill	2,318,181	2,318,181
Other intangible assets	432,927	447,843
Investments in non controlled associates	-	-
Deferred tax assets	906,097	906,969
Other non current assets	583,808	579,561
<i>related parties</i>	6,700	6,700
<b>Total non current assets</b>	<b>14,722,931</b>	<b>14,602,417</b>
<b>Currents assets</b>		
Inventory	27,319,394	27,623,705
Trade receivables	20,137,903	18,149,825
Tax assets	192,614	190,315
Other current assets	10,838,718	11,168,904
Cash and cash equivalents	13,877,288	14,612,848
<b>Total current assets</b>	<b>72,365,917</b>	<b>71,745,597</b>
<b>Total assets</b>	<b>87,088,848</b>	<b>86,348,014</b>
<b>LIABILITIES</b>		
<b>Equity</b>		
Share capital	1,097,356	1,099,613
Other reserves	5,190,531	5,589,481
Foreign exchange reserve	442,167	365,116
Retained earnings	42,411,755	39,156,124
<b>Total equity attributable to shareholders of the parent</b>	<b>49,141,809</b>	<b>46,210,334</b>
Minority interest	-	-
<b>Total equity</b>	<b>49,141,809</b>	<b>46,210,334</b>
<b>Non current liabilities</b>		
Long-term borrowings	4,762,664	5,452,443
Long-term lease liabilities	4,957,721	5,228,386
<i>related parties</i>	2,247,441	2,452,012
Severance Indemnities	2,542,508	2,537,875
Provisions for risk and charges	43,012	43,012
<b>Total non current liabilities</b>	<b>12,305,905</b>	<b>13,261,716</b>
<b>Current liabilities</b>		
Short-term borrowings	6,297,545	10,147,066
Short-term lease liabilities	1,345,343	1,416,216
<i>related parties</i>	895,234	921,670
Trade liabilities	12,238,642	10,823,737
<i>related parties</i>	86,981	88,737
Tax liabilities	2,297,160	1,011,163
Other current liabilities	3,462,444	3,477,782
<b>Total current liabilities</b>	<b>25,641,134</b>	<b>26,875,964</b>
<b>Total Liabilities</b>	<b>87,088,848</b>	<b>86,348,014</b>

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

(Values in Euro)

	<b>1Q 2024</b>	<b>1 Q 2023</b>
Revenues	23,858,450	24,216,536
Cost of sales	(15,035,188)	(15,264,700)
Other revenues	54,015	54,409
Cost of indirect labour	(1,663,824)	(1,162,190)
Commercial expenses	(275,291)	(185,267)
General and administrative expenses	(1,909,614)	(1,391,125)
Depreciation and amortization	(633,650)	(506,888)
Writedowns	-	0
<b>Earning before interest and taxes</b>	<b>4,394,897</b>	<b>5,760,776</b>
Writedown of investments in non controlled associates	-	-
Financial costs	(358,270)	(733,703)
<i>related parties</i>	<i>(17,423)</i>	<i>(20,263)</i>
Financial income	490,060	552,995
<b>Earning before taxes</b>	<b>4,526,687</b>	<b>5,580,067</b>
Income taxes	(1,269,462)	(1,527,475)
<b>Profit for the year (A)</b>	<b>3,257,225</b>	<b>4,052,592</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)	(1,333)	6,526
<b>Other comprehensive income/(losses) for the year that will be reclassified in income statement:</b>		
Exchange differences on translating foreign operations	77,051	(23,952)
<b>Total other comprehensive income/(losses) for the year (B)</b>	<b>75,718</b>	<b>(17,426)</b>
<b>Total comprehensive income (A) + (B)</b>	<b>3,332,943</b>	<b>4,035,167</b>
<b>Profit attributable to:</b>		
Owners of the parent	3,257,225	4,052,592
Minority interest	-	-
<b>Total comprehensive income attributable to:</b>		
Owners of the parent	3,332,943	4,035,167
Minority interest	-	-
<b>Basic earning per share</b>	<b>0.30</b>	<b>0.37</b>
<b>Diluted earning per share</b>	<b>0.30</b>	<b>0.37</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.**

Francesco Spapperi (Head of Investor Relations),  
Email: investors@bcspeakers.com





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 220 employees, approximately 10% of whom are in its Research and Development Department, B&C Speakers carries out all design, production, marketing and control activities under the Group's brands at its offices in Florence, Reggio Emilia, Eminence (KY-USA) and DongGuan (CN): B&C, 18SOUND, EMINENCE 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.

#### **Press Office**

#### **Spriano Communication**

**Fiorella Girardo - [fgirardo@sprianocommunication.com](mailto:fgirardo@sprianocommunication.com)**

**Cristina Tronconi - [ctronconi@sprianocommunicaton.com](mailto:ctronconi@sprianocommunicaton.com)**

**[www.sprianocommunication.com](http://www.sprianocommunication.com)**

