



## PRESS RELEASE

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

#### **The Board of Directors approves the Interim Report on Operations as at 31 March 2022**

- Consolidated revenue of €17.24 million (an increase of 110% compared to the €8.20 million for the first quarter of 2021);
- Consolidated EBITDA of €3.97 million (an increase of 299% compared to the €0.99 million for the first quarter of 2021);
- Total Group profit of €2.23 million (also up significantly compared with the figure of €0.55 million for the first quarter of 2021);
- Group net financial position of €7.9 million (€3.9 million at year-end 2021);
- Resignation of the independent director Gabriella Egidi.

*Bagno a Ripoli (prov. Florence), Italy, 13 May 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, 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.

***The Chief Executive Officer Lorenzo Coppini commented: “in the quarter just ended, the accelerated growth in demand in the reference market brought the Group to exceed levels, in terms of quality and quantity, prior to the pandemic. We therefore look to the near future with great confidence, although we are aware of the critical issues of the period, such as the constant increase in the price of semi-finished products and logistics”.***

#### **Consolidated revenue**

The Group's primary market benefited from a quarter of full and growing activity that ensured total turnover of €17.24 million, much higher than the figure for the first quarter of 2021, when it came out at €8.20 million.

This performance was determined by a significant increase in volume, which grew by 80% compared to the same period of 2021. The remaining part 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 quarter of 2022 were 10% higher compared to the corresponding figures achieved in the first quarter of 2019, confirming the full recovery of pre-pandemic levels.



Below is the breakdown by geographical area for the quarter:

Revenues per geographic area (values in Euro/thousand)	1 Q 2022 YTD	%	1 Q 2021 YTD	%	Difference	Difference %
Latin America	948	5%	591	7%	357	60,5%
Europe	7.542	44%	3.212	39%	4.330	134,8%
Italy	991	6%	592	7%	399	67,4%
North America	4.170	24%	1.473	18%	2.697	183,1%
Middle East & Africa	834	5%	78	1%	756	965,0%
Asia & Pacific	2.751	16%	2.255	27%	496	22,0%
<b>Total</b>	<b>17.236</b>	<b>100%</b>	<b>8.202</b>	<b>100%</b>	<b>9.034</b>	<b>110,2%</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 2022, the cost of sales showed a relevant improvement as a proportion of revenue compared to the same period of 2021, dropping from 67.3% to 64.9%. This improvement was ensured by greater efficiency of the operating structure which more than offset the always high transport costs and the costs of procuring raw materials that remained at their end-of-2021 highs.

### Indirect Personnel

The cost of indirect personnel fell in terms of proportion of revenue compared to the first quarter of 2021, dropping from 9.4% to 5.87%. In absolute terms, the figure for the first quarter of 2022 increased following the recruitment of a number of resources at the commercial and technical structure.

### Commercial expenses

Commercial expenses remained stable compared to the first quarter of 2021. During the second quarter of the year, trade fair events will finally resume and, therefore, also the related commercial activities.

### Administrative and General

Administrative and general expenses increased compared to the corresponding figure for 2021, but their proportion decreased sharply, going down from 10.3% to 5.86%.

### EBITDA and EBITDA Margin

As a consequence of the growth described above, EBITDA of the first three months of 2022 was €3.97 million, while it was €0.99 million at the end of the first quarter of 2021. Also in terms of the **EBITDA margin**, we can note a sharp improvement, with the figure reaching 23.03% of revenue in the period, compared to the 12.14% of the first quarter of 2021.

### Depreciation, amortisation and write-downs



Depreciation and amortisation of property, plant and equipment and intangible fixed assets and rights of use amounted to €0.5 million, substantially unchanged compared to the first three months of 2021.

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

### **EBIT and EBIT margin**

EBIT for the first three months of 2022 amounted to €3.5 million, also sharply up compared with the same period of 2021, when the figure was €0.5 million.

The **EBIT margin** was 20.2% of revenue, while, in the corresponding period of 2021, it was 6% (of revenue).

### **Group Net Profits**

The Group's net profits at the end of the first three months of 2022 amounted to €2.16 million (12.52% of revenue of the quarter), a figure more than tripled compared to the first quarter of 2021.

The Group's overall **Net Financial Position** was (negative) €7.96 million, a sharp increase compared to the €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. We can note also that the corresponding figure at the end of the first quarter of 2019 (year of reference not affected by COVID-19 and a year of record growth for the Group) was also negative at €8.81 million.

<i>(values in Euro thousands)</i>	<b>31 march 2022 (a)</b>	<b>31 december 2021 (a)</b>	<b>Change</b>
A. Cash	7.483	8.075	-7%
C. Other current financial assets	10.014	10.829	-8%
<b>D. Cash and cash equivalent (A+C)</b>	<b>17.497</b>	<b>18.905</b>	<b>-7%</b>
E. Current financial indebttness	0	0	
F. Current portion of non current borrowings	(9.909)	(10.275)	-4%
<b>G. Current borrowingse (E+F)</b>	<b>(9.909)</b>	<b>(10.275)</b>	<b>-4%</b>
<b>H. Current net financial indebttness (G+D)</b>	<b>7.588</b>	<b>8.628</b>	<b>-12%</b>
I. Non current financial indebttness	(15.551)	(12.542)	24%
<b>L. Non current financial indebttness</b>	<b>(15.551)</b>	<b>(12.542)</b>	<b>24%</b>
<b>M. Total financial indebttness (H+L)</b>	<b>(7.963)</b>	<b>(3.912)</b>	<b>104%</b>



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

Economic trends - Group B&C Speakers

(€ thousands)	1Q 2022	Incidence	1Q 2021	Incidence
Revenues	17.236	100,00%	8.202	100,0%
Cost of sales	(11.188)	-64,91%	(5.519)	-67,3%
<b>Gross margin</b>	<b>6.048</b>	<b>35,09%</b>	<b>2.682</b>	<b>32,7%</b>
Other revenues	129	0,75%	41	0,5%
Cost of indirect labour	(1.012)	-5,87%	(771)	-9,4%
Commercial expenses	(187)	-1,08%	(112)	-1,4%
General and administrative expenses	(1.010)	-5,86%	(844)	-10,3%
<b>Ebitda</b>	<b>3.969</b>	<b>23,03%</b>	<b>996</b>	<b>12,1%</b>
Depreciation of tangible assets	(467)	-2,71%	(473)	-5,8%
Amortization of intangible assets	(23)	-0,13%	(29)	-0,4%
Writedowns	0	0,00%	0	0,0%
<b>Earning before interest and taxes (Ebit)</b>	<b>3.479</b>	<b>20,18%</b>	<b>494</b>	<b>6,0%</b>
Writedown of investments in non controlled associates	0	0,00%	19,18	-0,2%
Financial costs	(789)	-4,58%	(151)	-1,8%
Financial income	268	1,55%	394	4,8%
<b>Earning before taxes (Ebt)</b>	<b>2.957</b>	<b>17,16%</b>	<b>718</b>	<b>8,8%</b>
Income taxes	(799)	-4,63%	(194)	-2,4%
<b>Profit for the year</b>	<b>2.158</b>	<b>12,52%</b>	<b>524</b>	<b>6,4%</b>
Minority interest	0	0,00%	0	0,0%
<b>Group Net Result</b>	<b>2.158</b>	<b>12,52%</b>	<b>524</b>	<b>6,4%</b>
Other comprehensive result	68	0,39%	31	0,4%
<b>Total Comprehensive result</b>	<b>2.226</b>	<b>12,91%</b>	<b>555</b>	<b>6,8%</b>

### Significant events subsequent to 31 March 2022

Also after the end of the quarter, the Group maintained a high level in terms of turnover — so much so that the Parent Company had its best month in April in terms of sales — and in terms new orders, with the order portfolio at more than €46 million as of the date of this press release.

The Shareholders' Meeting, held on 29 April 2022, also approved the financial statements and resolved the issue of an ordinary dividend of €0.32 per ordinary share outstanding at the ex-dividend date (occurring on 9 May).

### Business outlook

The data available can only allow us to foresee a progressive and constant recovery of production and turnover that will be even better than what was achieved during 2019, which, as it was the last year of record growth before COVID broke out, has now become the term of comparison as regards financial year 2022.



## The Consolidated Balance Sheet and Income Statement for 31 March 2022 are presented below

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Values in Euro)	31 March 2022	31 December 2021
<b>ASSETS</b>		
<b>Fixed assets</b>		
Tangible assets	2.492.841	2.530.233
Right of use	4.599.020	4.888.298
Goodwill	2.318.181	2.318.181
Other intangible assets	343.960	314.159
Investments in non controlled associates	-	-
Deferred tax assets	829.475	869.899
Other non current assets	496.961	496.824
	<i>related parties</i> 6.700	6.700
<b>Total non current assets</b>	<b>11.080.438</b>	<b>11.417.594</b>
<b>Currents assets</b>		
Inventory	21.852.550	17.325.538
Trade receivables	15.572.757	12.995.603
Tax assets	359.476	267.450
Other current assets	13.445.571	13.680.165
Cash and cash equivalents	7.483.149	8.075.158
<b>Total current assets</b>	<b>58.713.503</b>	<b>52.343.914</b>
<b>Total assets</b>	<b>69.793.941</b>	<b>63.761.508</b>
<b>LIABILITIES</b>		
<b>Equity</b>		
Share capital	1.087.089	1.087.901
Other reserves	4.081.506	4.186.497
Foreign exchange reserve	514.766	445.242
Retained earnings	24.812.847	22.656.388
<b>Total equity attributable to shareholders of the parent</b>	<b>30.496.208</b>	<b>28.376.029</b>
Minority interest	-	-
<b>Total equity</b>	<b>30.496.208</b>	<b>28.376.029</b>
<b>Non current liabilities</b>		
Long-term borrowings	11.887.605	8.620.901
Long-term lease liabilities	3.663.272	3.921.073
	<i>related parties</i> 3.323.957	3.524.407
Severance Indemnities	791.728	775.447
Provisions for risk and charges	40.291	40.291
<b>Total non current liabilities</b>	<b>16.382.896</b>	<b>13.357.712</b>
<b>Current liabilities</b>		
Short-term borrowings	8.840.266	9.183.071
Short-term lease liabilities	1.068.621	1.092.438
	<i>related parties</i> 827.826	843.493
Trade liabilities	10.266.683	9.020.141
	<i>related parties</i> 78.826	81.227
Tax liabilities	310.350	188.520
Other current liabilities	2.428.917	2.543.597
<b>Total current liabilities</b>	<b>22.914.837</b>	<b>22.027.767</b>
<b>Total Liabilities</b>	<b>69.793.941</b>	<b>63.761.508</b>



CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (Values in Euro)	3 months 2021	3 months 2020
Revenues	17.236.042	8.201.549
Cost of sales	(11.187.934)	(5.519.091)
Other revenues	129.335	40.985
Cost of indirect labour	(1.012.154)	(770.755)
Commercial expenses	(186.682)	(112.493)
General and administrative expenses	(1.009.948)	(844.487)
Depreciation and amortization	(489.999)	(501.862)
Writedowns	0	0
<b>Earning before interest and taxes</b>	<b>3.478.660</b>	<b>493.845</b>
Writedown of investments in non controlled associates	0 -	19.182,00
Financial costs	(789.329)	(150.663)
	<i>related parties</i> (21.895)	(15.259)
Financial income	267.626	393.835
<b>Earning before taxes</b>	<b>2.956.957</b>	<b>717.835</b>
Income taxes	(798.851)	(194.139)
<b>Profit for the year (A)</b>	<b>2.158.106</b>	<b>523.696</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)	(1.645)	(1.206)
<b>Other comprehensive income/(losses) for the year that will be reclassified in income statement:</b>		
Exchange differences on translating foreign operations	69.524	32.537
<b>Total other comprehensive income/(losses) for the year (B)</b>	<b>67.879</b>	<b>31.331</b>
<b>Total comprehensive income (A) + (B)</b>	<b>2.225.985</b>	<b>555.027</b>
<b>Profit attributable to:</b>		
Owners of the parent	2.158.106	1.916.549
Minority interest	-	-
<b>Total comprehensive income attributable to:</b>		
Owners of the parent	2.225.985	555.027
Minority interest	-	-
<b>Basic earning per share</b>	<b>0,20</b>	<b>0,05</b>
<b>Diluted earning per share</b>	<b>0,20</b>	<b>0,05</b>

### **Resignation of the independent director Gabriella Egidì**

The Company informs that today it has received the resignation of Dr. Gabriella Egidì, an independent and non-executive member of the Board of Directors, as well as a member of the control and risk committee, of the remuneration committee and of the nomination committee.

The resignation is linked to her professional commitments, which do not allow her to maintain the position of director of the Company.



To the best of the Company's knowledge, Dr. Gabriella Egidì does not hold equity investments in B&C Speakers spa.

It should be noted that, following the termination of the office, the award or recognition of indemnities and / or other benefits of any kind is not envisaged.

The Company thanks Gabriella Egidì for the work she has done over the years and expresses its best wishes for her professional activity.

Following the resignation of Dr. Gabriella Egidì, the Board of Directors will take the appropriate measures pursuant to the law and the Articles of Association.

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.