



PRESS RELEASE

B&C Speakers S.p.A.:

The Board of Directors approves the draft Financial Statements for the year 2023

Another record year for the Group which, for the first time in its history, closes the year with a turnover of over € 94 million, posting a growth in revenue of +14.5%.

- Consolidated revenue totals € 94.01 million (an increase of 14.5% compared to € 82.10 million in 2022);
- Consolidated EBITDA totals € 21.80 million (an increase of 7.7% compared to € 20.25 million in 2022);
- Overall Group profit totals € 13.91 million (up by 13.4% compared with € 12.27 million in 2022);
- Group net financial position stands at € 0.65 million (€ 9.4 million at year-end 2022);
- Group order portfolio of € 20.79 million (€ 46.3 million as at 31 December 2022);
- Proposal to distribute an ordinary dividend of € 0.70 per share held with coupon detachment date of 8 May 2024. Increased by 16% with respect to 2022.

Bagno a Ripoli (Florence), 19 March 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, approved the 2023 draft financial statements prepared in accordance with IFRS international accounting standards.

Lorenzo Coppini, Chief Executive Officer of B&C Speakers, commented: *“2023 was another year of excellent growth for the brands of the B&C Speakers Group, driven by the extremely rapid recovery of the entertainment market after the prolonged pause caused by the pandemic. The acquisition of Eminence Loudspeakers, a long-standing US company with sites in Kentucky and southern China, is an important step in our pursuit of a corporate strategy that aims to expand our presence to more key markets to confront the challenges - especially in terms of logistics - of growing international geopolitical tensions. Meanwhile, thanks to the recent development of new proprietary technologies that are attracting a lot of interest on the core market of Pro Audio as well as in the broader Consumer Electronics sector, we are approaching the future with profound optimism and determination.”*



Consolidated revenue

Group revenue reached the record figure of € 94 million (confirming the preliminary data released to the market on 23 January 2024), the highest value ever achieved in B&C Speakers' decades-long history. This marked an increase of +14.5% compared to the € 82.1 million recorded in 2022. Part of this increase (€ 2.5 million) was generated by the new subsidiaries Eminence Speakers LLC and B&C Speakers China, which only contributed to revenue for the final part of the year.

Specifically, this level of turnover was enabled by +6.5% increase in volumes compared to 2022, while the remainder of the growth was attributable to a better sales mix.

Thanks to the growth achieved during the last two years, the Group reported decadal CAGR of 11.27%, while the same data prior to the pandemic stood at 9.18%.

The increase in turnover is mainly concentrated in the European, South American, Asian and domestic markets, which all recorded double-figure growth.

Below is a breakdown of revenue by geographical area for 2023 (amounts in euro):

Geographical Area	2023	%	2022	%	Change	% Change
Latin America	8,116,000	9%	5,092,439	6%	3,023,561	59%
Europe	43,720,047	47%	38,378,014	47%	5,342,033	14%
Italy	6,054,252	6%	4,854,479	6%	1,199,773	25%
North America	18,312,350	19%	18,730,998	23%	(418,648)	-2%
Middle East & Africa	1,362,702	1%	693,237	1%	669,466	97%
Asia & Pacific	16,452,978	17%	14,352,501	17%	2,100,477	15%
Total revenues	94,018,328	100%	82,101,668	100%	11,916,660	15%

Cost of sales

The percentage impact of cost of sales at year-end 2023 was essentially in line with 2022, falling from 63.6% to 63.1%. Specifically, the impact of materials, components and external manufacturing costs increased slightly by +1.5 percentage points, while the impact of direct personnel costs remained unchanged. The easing of transport tensions brought this cost back to pre-pandemic levels, leading to an improvement in its percentage impact on revenue compared to 2022 (-2 percentage points of impact on revenue).

Indirect Personnel

Indirect personnel costs increased compared to 2022 but as a percentage of revenue remained generally stable, increasing from 5.0% to 5.6%, thanks to the increase in production and sales volumes during the year. The entry of the two new subsidiaries into the Group did not lead to any substantial changes in the trend of indirect personnel costs.



Commercial expenses

Commercial expenses remain broadly in line with the previous year. The entry of the two new subsidiaries into the Group did not lead to any substantial changes in the trend of commercial expenses.

Administrative and General

General and administrative costs rose compared to the corresponding figure for 2022, and as a percentage they also rose from 5.7% to 7.6%. The increase in general and administrative expenses is largely due to the increase in external consultancy costs (up by € 976 thousand) associated with the business combination described above, the increase in energy costs (up € 236 thousand), and the consolidation of structural costs, which increased by around € 921 thousand (including the contribution of the new subsidiaries amounting to € 281 thousand).

EBITDA and EBITDA Margin

Due to the trends illustrated above, EBITDA in 2023 was € 21.8 million, a new record in the Group's history, marking an increase of 7.7% compared to 2022.

The EBITDA Margin in 2023 was 23.2% of revenue, down slightly on 2022 when it stood at 24.7% of revenue.

As described above, the operation to acquire Eminence resulted in legal and business consultancy costs totalling € 1,016 thousand. EBITDA and EBITDA Margin before this effect is shown in the following table:

(€ thousands)	2023	Incidence	2022	Incidence
Ebitda	21,801	23.19%	20,250	24.66%
<i>Acquisition costs for business combination</i>	1,016	1.08%	-	0.00%
Ebitda adjusted	22,817	24.27%	20,250	24.66%

The consolidation of the two new subsidiaries also determined a negative contribution on EBITDA of € 269 thousand; this also impacted EBITDA Margin which would have been 26.1% on a like-for-like basis compared to 2022.

Depreciation and amortisation

Depreciation and amortisation of property, plant and equipment, intangible assets and rights of use were substantially in line with 2022.

EBIT and EBIT Margin

EBIT for 2023 amounted to € 19.5 million, up compared with 2022 when the figure was € 18.1 million. The EBIT Margin was at 20.8% of revenue (22.1% in 2022).



Group Profit

The Group's profit in 2023 amounted to € 13.9 million and represents 14.9% of consolidated revenues, with a total increase of +14.3% compared to 2022.

Total **Net Financial Position** was negative and stands at € 0.6 million, compared with € 9.4 million at year-end 2022. Net Financial Position was impacted by the excellent cash generation, which reached a record € 18.5 million, the operational activities resulting from the increase in business volumes, and the efficient management of working capital.

<i>(values in Euro thousands)</i>	31 december 2023 (a)	31 december 2022 (a)	Change
A. Cash	14,613	5,825	151%
C. Other current financial assets	6,979	8,574	-19%
D. Cash and cash equivalent (A+C)	21,591	14,399	50%
E. Current financial indebtness	(2,708)	(476)	
F. Current portion of non current borrowings	(8,855)	(11,519)	-23%
G. Current borrowingse (E+F)	(11,563)	(11,994)	-4%
H. Current net financial indebttness (G+D)	10,028	2,404	317%
I. Non current financial indebttness	(10,681)	(11,818)	-10%
L. Non current financial indebttness	(10,681)	(11,818)	-10%
M. Total financial indebttness (H+L)	(653)	(9,414)	-93%



The Group's reclassified Income Statement for 2023 compared to the previous period is shown in the table below:

(€ thousands)	2023	Incidence	2022	Incidence
Revenues	94,018	100.00%	82,102	100.0%
Cost of sales	(59,287)	-63.06%	(52,233)	-63.6%
Gross margin	34,731	36.94%	29,869	36.4%
Other revenues	501	0.53%	307	0.4%
Cost of indirect labour	(5,305)	-5.64%	(4,145)	-5.0%
Commercial expenses	(1,011)	-1.07%	(1,114)	-1.4%
General and administrative expenses	(7,116)	-7.57%	(4,667)	-5.7%
Ebitda	21,801	23.19%	20,250	24.7%
Depreciation and Amortization	(2,176)	-2.31%	(2,009)	-2.4%
Writedowns	- 93.60	-0.10%	(102)	-0.1%
Earning before interest and taxes (Ebit)	19,531	20.77%	18,138	22.1%
Writedown of investments in non controlled associates	-	0.00%	-	0.0%
Financial costs	(1,675)	-1.78%	(3,220)	-3.9%
Financial income	1,190	1.27%	1,889	2.3%
Earning before taxes (Ebt)	19,047	20.26%	16,808	20.5%
Income taxes	(5,053)	-5.37%	(4,565)	-5.6%
Profit for the year	13,994	14.88%	12,243	14.9%
Minority interest	0	0.00%	0	0.0%
Group Net Result	13,994	14.88%	12,243	14.9%
Other comprehensive result	(89)	-0.09%	23	0.0%
Total Comprehensive result	13,905	14.79%	12,266	14.9%

(€ thousands)	2023	Incidence	2022	Incidence
Ebitda	21,801	23.19%	20,250	24.66%
<i>Acquisition costs for business combination</i>	1,016	1.08%	-	0.00%
Ebitda adjusted	22,817	24.27%	20,250	24.66%

SIGNIFICANT EVENTS SUBSEQUENT TO 31 DECEMBER 2023 AND OUTLOOK FOR THE YEAR

The start of 2024 was marked by continued confidence on the reference market with more stable and consolidated growth predicted compared to the last two financial years, which were particularly affected by the post-Covid recovery.

The year began with the launch of a number development projects involving the newly acquired subsidiaries, Eminence Speakers and B&C China, and it is reasonable to assume that the first benefits of these projects will be seen towards the end of 2024.

SUSTAINABILITY

The Group has continued its path towards sustainable and responsible growth and submitted its sustainability report 2022, produced on a voluntary basis, to be audited for the first time. Furthermore, the Parent Company approved its "Diversity & Inclusion" policy and published it in the Investors section of the company website. The policy promotes the principles of inclusion and diversity within the organisation and regulates the prevention and rejection of all forms of discrimination within the corporate community. These initiatives are aimed at ensuring equal treatment throughout the Group's activities. The Group's Management believes that this commitment, supported by the initiatives adopted



previously, represents an essential step in achieving sustainable growth within an increasingly complex and challenging social context.

OTHER RESOLUTIONS PASSED BY THE SAME BOARD OF DIRECTORS

The Board of Directors has called the Shareholders' Meeting, with a single call for 29 April 2024, with the following Agenda:

- 1) Separate and consolidated financial statements at 31 December 2023. Related and consequent resolutions.
- 2) Appointment of the Board of Directors: determination of the number of members of the Board of Directors; appointment of the Directors; appointment of the Chairperson of the Board of Directors; determination of the remuneration of the members of the Board of Directors. Related and consequent resolutions.
- 3) Appointment of the Board of Statutory Auditors: appointment of the members of the Board of Statutory Auditors and the Chairperson; determination of the remuneration of the members. Related and consequent resolutions.
- 4) Group remuneration and incentives policies for 2024: review of Section I prepared pursuant to Art. 123-ter, paragraph 3 of the Consolidated Law on Finance (TUF). Resolutions pursuant to Art. 123-ter, paragraphs 3-bis and 3-ter of the TUF.
- 5) Appointment of the independent auditor for each of the nine financial years from 31 December 2025 to 31 December 2033. Related and/or consequent resolutions.
- 6) Authorization for the purchase and disposal of treasury shares. Related and consequent resolutions.

DIVIDEND PROPOSAL

The Board of Directors proposes to the Shareholders' Meeting to approve the distribution of a dividend of € 0.70 per share.

The dividend for 2023 shall be paid from 8 May 2024, with coupon detachment date of 6 May and record date (i.e. the date of entitlement to payment of the dividend itself, pursuant to Art. 83-terdecies of the TUF) of 7 May 2024.

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 December 2023, 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 year 2023

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Values in Euro)	31 December 2023	31 December 2022
ASSETS		
Fixed assets		
Tangible assets	3,872,531	2,513,000
Right of use	6,477,332	4,657,737
Goodwill	2,318,181	2,318,181
Other intangible assets	447,843	400,956
Investments in non controlled associates	-	-
Deferred tax assets	906,969	756,478
Other non current assets	579,561	536,368
	<i>related parties</i> 6,700	6,700
Total non current assets	14,602,417	11,182,720
Currents assets		
Inventory	27,623,705	26,420,332
Trade receivables	18,149,825	21,592,254
Tax assets	190,315	19,831
Other current assets	11,168,904	14,968,330
Cash and cash equivalents	14,612,848	5,825,350
Total current assets	71,745,597	68,826,097
Total assets	86,348,014	80,008,817
LIABILITIES		
Equity		
Share capital	1,099,613	1,083,955
Other reserves	5,589,481	3,490,104
Foreign exchange reserve	365,116	442,276
Retained earnings	39,156,125	31,676,850
Total equity attributable to shareholders of the parent	46,210,334	36,693,185
Minority interest	-	-
Total equity	46,210,334	36,693,185
Non current liabilities		
Long-term borrowings	5,452,443	8,183,309
Long-term lease liabilities	5,228,386	3,634,895
	<i>related parties</i> 2,452,012	3,086,130
Severance Indemnities	2,537,875	772,315
Provisions for risk and charges	43,012	41,487
Total non current liabilities	13,261,716	12,632,006
Current liabilities		
Short-term borrowings	10,147,066	10,819,475
Short-term lease liabilities	1,416,216	1,174,874
	<i>related parties</i> 921,670	885,605
Trade liabilities	10,823,737	13,487,204
	<i>related parties</i> 88,737	83,175
Tax liabilities	1,011,163	2,445,913
Other current liabilities	3,477,782	2,756,160
Total current liabilities	26,875,964	30,683,626
Total Liabilities	86,348,014	80,008,817



CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(Values in Euro)

	2023	2022
Revenues	94,018,328	82,101,668
Cost of sales	(59,286,905)	(52,232,943)
Other revenues	501,096	306,719
Cost of indirect labour	(5,304,994)	(4,145,418)
Commercial expenses	(1,010,633)	(1,113,713)
General and administrative expenses	(7,115,671)	(4,666,690)
Depreciation and amortization	(2,176,171)	(2,009,164)
Writedowns	- 93,599.03	(102,233)
Earning before interest and taxes	19,531,452	18,138,225
Writedown of investments in non controlled associates	-	-
Financial costs	(1,674,546)	(3,219,553)
	<i>related parties</i> (80,297)	(84,723)
Financial income	1,189,595	1,889,195
Earning before taxes	19,046,501	16,807,867
Income taxes	(5,052,737)	(4,564,615)
Profit for the year (A)	13,993,764	12,243,252
Other comprehensive income/(losses) for the year that will not be reclassified in income statement:		
Actuarial gain/(losses) on DBO (net of tax)	(11,754)	26,104
Other comprehensive income/(losses) for the year that will be reclassified in income statement:		
Exchange differences on translating foreign operations	(77,160)	(2,967)
Total other comprehensive income/(losses) for the year (B)	(88,915)	23,138
Total comprehensive income (A) + (B)	13,904,850	12,266,390
Profit attributable to:		
Owners of the parent	13,993,764	7,907,959
Minority interest	-	-
Total comprehensive income attributable to:		
Owners of the parent	13,904,850	12,266,390
Minority interest	-	-
Basic earning per share	1.28	1.13
Diluted earning per share	1.28	1.13

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 (Investor Relator),
Email: investors@bcspeakers.com

B&C Speakers S.p.A. is a leading international player in the design, production, distribution and commercialisation of electro-acoustic transducers (commonly known as loudspeakers, the main components of cabinets for the reproduction of music) for professional use, mainly intended for manufacturers of finished professional audio systems (OEM). With about 220 employees, of which about 10% are in the Research and Development Department, B&C Speakers carries out, at its sites in Florence, Reggio Emilia, Eminence (KY-USA) and DongGuan (CN), all design, production, commercialisation and control activities, under the Group's



brands: B&C, 18SOUND, EMINENCE and CIARE. Most products are developed to the specific requirements of major customers. B&C Speakers is also present in the USA and Brazil through two subsidiaries that carry out commercial activities.

Press Office

Spriano Communication

Fiorella Girardo - fgirardo@sprianocommunication.com

Cristina Tronconi - ctronconi@sprianocommunicaton.com

www.sprianocommunication.com