



PRESS RELEASE

B&C Speakers S.p.A.:

The Board of Directors approves the Draft Financial Statement for 2022

Record results for the Group, which closed the year for the first time in its history over 80 million in turnover with a growth in revenues of +81.5%.

Positive variations in triple digits also for margins and profits.

- Consolidated revenues amounted to Euro 82.10 million (rising by 81.5% compared to Euro 45.23 million in 2021);
- Consolidated EBITDA equal to Euro 20.25 million (up by 135.1% compared to Euro 8.61 million in 2021);
- Overall Group profit equal to Euro 12.27 million (rising by 139% compared to Euro 5.12 million in 2021);
- Group Net financial position equal to Euro 9.4 million (positive and equal to Euro 3.9 million at the end of the 2021 financial year);
- Group order book amounted to Euro 46.3 million (Euro 27.9 million as of December 31, 2021).
- Proposal to distribute to shareholders an ordinary dividend of EUR 0.60 for each share held with an ex-dividend date on May 8, 2023.

Bagno a Ripoli (Florence-ITALY), March 21, 2023 –The **Board of Directors of B&C Speakers S.p.A.**, one of the leading international players in designing, producing, distributing and marketing professional electro-acoustic transducers, approved the Draft Financial Statements for the 2022 fiscal year prepared in accordance with IFRS International Financial Reporting Standards.

CEO Lorenzo Coppini commented: *"The impressive results of the past year clearly tell us that the pandemic did not change people's habits and that as soon as they could, people returned to enjoy the live experience, which remains a unique and extraordinary pleasure. And they also tell us about our ability to manage such a significant jump in demand, which is still continuing these months and makes us look forward to the current year with optimism."*

Consolidate Revenues

Group Revenues reached the record figure of Euro 82.10 million, a value never achieved before in the decades-long history of B&C Speakers and were up by more than 80% compared to the same figure in 2021.

In particular, this level of turnover was made possible by a significant growth in volumes, +45% compared to 2021, while the remaining part of the growth is due to a better sales mix



and by the effect of the price increase needed in order to balance increased raw material costs.

In addition, the sales volumes achieved in 2022 were about 21% higher than the corresponding data achieved in 2019, confirming a more than complete recovery of pre-pandemic levels. Furthermore, the Group, thanks to the growth achieved during 2022, brought the ten-year CAGR back to a value of 9.78%, while the same figure, before the pandemic, showed a value of 9.18%.

The chart below shows the breakdown of turnover by geographical area.

Geographical Area	2022	%	2021	%	Change	% Change
Latin America	5,092,439	6%	2,704,387	6%	2,388,053	88%
Europe	38,378,014	47%	19,146,275	42%	19,231,739	100%
Italy	4,854,479	6%	2,784,614	6%	2,069,865	74%
North America	18,730,998	23%	8,603,430	19%	10,127,568	118%
Middle East & Africa	693,237	1%	410,788	1%	282,449	69%
Asia & Pacific	14,352,501	17%	11,583,469	26%	2,769,032	24%
Total revenues	82,101,668	100%	45,232,962	100%	36,868,706	82%

All geographic areas confirm growth over 2021; the European and American markets both showed growth of more than 10 million Euros compared to the turnover in 2021.

Cost of Sales

The cost of sales at the end of 2022 improved compared to the same figure in 2021 and its incidence on revenues decreased from 64.5% to 63.6%; this figure, contextualized in the 2022 macroeconomic background that was characterized by strong tensions on the cost of raw materials and on the logistics front, best represents the level of Group's performance; in this scenario, the important contribution given by the efficiency of the direct workforce, which showed the best figure since 2019, should not be forgotten,.

Indirect Personnel

The cost for indirect personnel, while increasing compared to 2022, reduced their incidence on turnover from 7.74% to 5.0%, thanks to the increase in production and sales volumes achieved in the period. In addition to the reduced cost incidence, the company maintained its process of strengthening the structure by adding new people in various company divisions and in the technical department.

Commercial Expenses

Commercial expenses returned to their usual levels, as a direct result of the regained possibility to participate in trade shows and to deal directly with international customers.

Administrative and General

General and administrative costs increased compared to 2021 (mainly due to higher costs incurred for the general structure and for the increased rewarding of company management), although to a much lower extent than revenues; as a result, their share of revenues has decreased to 5.7% from 9.2% at the end of 2021.



EBITDA and EBITDA Margin

As a result of the dynamics illustrated above, EBITDA in 2022 is equal to Euro 20.25 million, figure never reached throughout company history, with an increase of 135% compared to 2021.

EBITDA Margin for 2022 is equal to 27.7% of revenues and is clearly up on the 2021 figure, when it was equal to 19% of revenues.

Depreciation

The depreciation of tangible and intangible fixed assets and rights of use are basically stable compared to 2021.

EBIT and EBIT Margin

EBIT for 2022 amounts to Euro 18.14 million, a significant increase compared to 2021, when it was equal to Euro 6.55 million. EBIT *margin* is equal to 22.1% of revenues (14.5% in 2021).

Group Net Profit

The Group's net profit at the end of 2022 amounted to Euro 12.27 million, representing 14.9% of consolidated revenues, with an overall increase of 140% compared to 2021.

The overall **Net Financial Position** is equal to Euro 9.4 million against a value of Euro 3.9 million at the end of 2021. The Net Financial Position was affected by the liquidity-absorbing working capital needed to fund the recovery, as well as the distribution of dividend, equal to Euro 3.5 million, taking place in May 2022.

In terms of cash flows it should be noted that, while during the first half of the year there was a significant cash absorption, for Euro 3.7 million, needed to finance the strong recovery in orders, the second part of the year it was able to produce operating cash flow of approximately 5.4 million, confirming the recovered and high financial efficiency of the Group.

<i>(values in Euro thousands)</i>	31 december 2022 (a)	31 december 2021 (a)	Change
A. Cash	5,825	8,075	-28%
C. Other current financial assets	8,574	10,829	-21%
D. Cash and cash equivalent (A+C)	14,399	18,904	-24%
E. Current financial indebtness	(476)	0	
F. Current portion of non current borrowings	(11,519)	(10,275)	12%
G. Current borrowings (E+F)	(11,994)	(10,275)	17%
H. Current net financial indebtness (G+D)	2,405	8,628	-72%
I. Non current financial indebtness	(11,818)	(12,542)	-6%
L. Non current financial indebtness	(11,818)	(12,542)	-6%
M. Total financial indebtness (H+L)	(9,414)	(3,912)	141%



The following chart shows the reclassified Group Income Statement relating 2022 financial year, compared with the previous year:

(€ thousands)	2022	Incidence	2021	Incidence
Revenues	82,102	100.00%	45,233	100.0%
Cost of sales	(52,233)	-63.62%	(29,157)	-64.5%
Gross margin	29,869	36.38%	16,076	35.5%
Other revenues	307	0.37%	811	1.8%
Cost of indirect labour	(4,145)	-5.05%	(3,501)	-7.7%
Commercial expenses	(1,114)	-1.36%	(633)	-1.4%
General and administrative expenses	(4,667)	-5.68%	(4,141)	-9.2%
Ebitda	20,250	24.66%	8,612	19.0%
Depreciation and Amortization	(2,009)	-2.45%	(2,010)	-4.4%
Writedowns	(102)	-0.12%	(49)	-0.1%
Earning before interest and taxes (Ebit)	18,138	22.09%	6,553	14.5%
Writedown of investments in non controlled associates	0	0.00%	19.18	0.0%
Financial costs	(3,220)	-3.92%	(491)	-1.1%
Financial income	1,889	2.30%	640	1.4%
Earning before taxes (Ebt)	16,808	20.47%	6,683	14.8%
Income taxes	(4,565)	-5.56%	(1,708)	-3.8%
Profit for the year	12,243	14.91%	4,975	11.0%
Minority interest	0	0.00%	0	0.0%
Group Net Result	12,243	14.91%	4,975	11.0%
Other comprehensive result	23	0.03%	142	0.3%
Total Comprehensive result	12,266	14.94%	5,117	11.3%

SIGNIFICANT EVENTS AFTER DECEMBER 31, 2022

The company's business performance remained very brilliant even in the beginning of 2023, always showing the growth trend in production volumes and sales, significantly up compared to the same period in 2022.

SUSTAINABILITY TOPICS

The Group has continued on its path towards sustainable and responsible growth by approving a sustainability policy and making it available on the company website in the Investors section. The policy defines the priority areas of commitment as part of the path towards an ever more complete integration of sustainability in the conduct of daily activities. The sustainability policy has been included in a sustainability plan which defines the concrete actions to be implemented over the next three years and the related KPIs for monitoring the achievement of the objectives. Group Management considers this commitment a priority in order to achieve sustainable growth in an increasingly complex and challenging environmental and social context.

CdA Other Resolutions adopted by the same BoD

The Board convened the Ordinary Shareholders' Meeting, in single call, for April 28, 2023 with the following Agenda

- 1) Statutory and consolidated financial statements as at December 31, 2022.



- Related and consequent resolutions;
- 2) Report on Remuneration pursuant to art. 123-ter of Legislative Decree 58/98. Related and consequent resolutions;
- 3) Proposal for confirmation as Director of the board member Valerie Sun, already appointed by co-optation pursuant to Article 2386 of the Civil Code.
- 4) Authorization for the purchase and sale of own shares. Related and consequent resolutions.

The Board of Directors proposes to the Issuer's shareholders' meeting to resolve the distribution of a dividend equal to EUR 0.60 per each outstanding share.

The dividend for the 2022 financial year will be payable as of May 10, 2023, with the "ex-dividend" date on May 8 and the "record date" (i.e. the date when the dividend payment itself is authorized, pursuant to Article 83-terdecies of the TUF) coinciding with May 9."



The Consolidated Balance Sheet and Income Statement for the year 2022 are shown below:

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Values in Euro)	31 December 2022	31 December 2021
ASSETS		
Fixed assets		
Tangible assets	2,513,000	2,530,233
Right of use	4,657,737	4,888,298
Goodwill	2,318,181	2,318,181
Other intangible assets	400,956	314,159
Investments in non controlled associates	-	-
Deferred tax assets	756,478	869,899
Other non current assets	536,368	496,824
	<i>related parties</i>	<i>6,700</i>
Total non current assets	11,182,720	11,417,594
Currents assets		
Inventory	26,420,332	17,325,538
Trade receivables	21,592,254	12,995,603
Tax assets	19,831	267,450
Other current assets	14,968,330	13,680,165
Cash and cash equivalents	5,825,350	8,075,158
Total current assets	68,826,097	52,343,914
Total assets	80,008,817	63,761,508
LIABILITIES		
Equity		
Share capital	1,083,955	1,087,901
Other reserves	4,045,363	4,186,497
Foreign exchange reserve	442,276	445,242
Retained earnings	31,121,591	22,656,388
Total equity attributable to shareholders of the parent	36,693,185	28,376,029
Minority interest	-	-
Total equity	36,693,185	28,376,029
Non current liabilities		
Long-term borrowings	8,183,309	8,620,901
Long-term lease liabilities	3,634,895	3,921,073
	<i>related parties</i>	<i>3,086,130</i>
Severance Indemnities	772,315	775,447
Provisions for risk and charges	41,487	40,291
Total non current liabilities	12,632,006	13,357,712
Current liabilities		
Short-term borrowings	10,819,475	9,183,071
Short-term lease liabilities	1,174,874	1,092,438
	<i>related parties</i>	<i>885,605</i>
Trade liabilities	13,487,204	9,020,141
	<i>related parties</i>	<i>83,175</i>
Tax liabilities	2,445,913	188,520
Other current liabilities	2,756,160	2,543,597
Total current liabilities	30,683,626	22,027,767
Total Liabilities	80,008,817	63,761,508



CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(Values in Euro)

	2022	2021
Revenues	82,101,668	45,232,962
Cost of sales	(52,232,943)	(29,157,063)
Other revenues	306,719	810,792
Cost of indirect labour	(4,145,418)	(3,500,996)
Commercial expenses	(1,113,713)	(632,630)
General and administrative expenses	(4,666,690)	(4,141,209)
Depreciation and amortization	(2,009,164)	(2,009,838)
Writedowns	- 102,233.00	- 49,257.53
Earning before interest and taxes	18,138,225	6,552,760
Writedown of investments in non controlled associates	-	(19,182)
Financial costs	(3,219,553)	(490,797)
	<i>related parties</i>	(80,947)
Financial income	1,889,195	639,930
Earning before taxes	16,807,867	6,682,712
Income taxes	(4,564,615)	(1,707,944)
Profit for the year (A)	12,243,252	4,974,767
Other comprehensive income/(losses) for the year that will not be reclassified in income statement:		
Actuarial gain/(losses) on DBO (net of tax)	26,104	(6,579)
Other comprehensive income/(losses) for the year that will be reclassified in income statement:		
Exchange differences on translating foreign operations	(2,967)	148,747
Total other comprehensive income/(losses) for the year (B)	23,138	142,168
Total comprehensive income (A) + (B)	12,266,390	5,116,935
Profit attributable to:		
Owners of the parent	12,243,252	4,974,767
Minority interest	-	-
Total comprehensive income attributable to:		
Owners of the parent	12,266,390	5,116,935
Minority interest	-	-
Basic earning per share	1.13	0.46
Diluted earning per share	1.13	0.46

The Financial Reporting Manager of B&C Speakers S.p.A., Dr. Francesco Spapperi, hereby certifies - pursuant to Art. 154-bis, paragraph 2 of the Italian Legislative Decree No. 58/1998 - that the accounting disclosure relating to the data as of December 31, 2022, as shown in this press release, corresponds to documentary evidence, corporate books, and accounting records.

B&C Speakers S.p.A.

Francesco Spapperi (Investor Relator),

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B&C Speakers S.p.A. is an international leader in the design, production, distribution and commercialization 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). Counting roughly 180 employees, with approximately 10% of staff assigned to its Research and Development Department, the Company – under the brands of the Group: B&C SPEAKERS, 18SOUND and CIARE carries out all design, production, commercialization, and control activities at its facility in Florence and Reggio Emilia, Italy. 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.

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