



PRESS RELEASE

B&C Speakers S.p.A.:

Board of Directors approves the Interim Management Report at 30 June 2024

- Consolidated revenues of € 51.25 million (up 5.6% compared with € 48.54 million for the first half of 2023);
- Consolidated EBITDA of € 11.48 million (down 4.8% compared with € 12.06 million for the first half of 2023);
- Overall Group profit of € 11.83 million (up 45.4% compared to € 8.14 million in the first half of 2023);
- Group net financial position of € 1.80 million (€ 0.65 million at the end of 2023);
- Order book continuing to grow with respect to the first half of 2023 (+64% compared to the first half of 2023)

Bagno a Ripoli (Florence), 10 September 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 30 June 2024 in accordance with IFRS international accounting standards.

Consolidated revenue

Consolidated revenue reached € 51.2 million, up 5.6% with respect to the figure in the first six months of 2023, when the amount was € 48.5 million.

The contribution made by the new subsidiaries to turnover during the half came to € 6.3 million, distributed as follows in geographic terms: *Eminence KY* achieved turnover of € 3.6 million, mainly on the North American market, while *B&C Speakers Cina* achieved turnover of € 2.7 million on the Asian market.

With respect to sales by the rest of the B&C Group (under the B&C and 18s brands), note that the first half of 2024 ended on a downturn with respect to the same period in 2023. This decrease, equal to 7.5%, is mainly due to a slowdown on the Chinese market and the figure has improved significantly with respect to the figure recorded for the first quarter of 2024 (when the decrease in terms of sales was 12.7%).

New orders received during the first half of 2024 came to a total of 50 million (+64% compared to 2023), while in the same period of 2023 the amount was 30 million. This figure confirms the overall loyalty and stability of customers with respect to the Group's brands. Below is a full breakdown by geographic area for the first half of 2024, compared with the same period in 2023 (amounts in €):



Geographical Area	1st half 2024	%	1st half 2023	%	Change	Change %
Latin America	4,004,485	7.8%	3,946,663	8.1%	57,822	1%
Europe	24,766,440	48.3%	23,128,674	47.6%	1,637,766	7%
Italy	3,663,457	7.1%	3,513,022	7.2%	150,435	4%
North America	10,822,330	21.1%	8,913,217	18.4%	1,909,114	21%
Middle East & Africa	378,655	0.7%	836,642	1.7%	(457,987)	-55%
Asia & Pacific	7,611,750	14.9%	8,203,644	16.9%	(591,894)	-7%
Total	51,247,118	100.0%	48,541,862	100.0%	2,705,257	5.57%

Cost of sales

During the first six months of 2024 the cost of sales was fairly consistent in terms of its impact on revenues when compared to the same period in 2023, going from 62.7% to 62.5%. This trend was driven by significant improvements in efficiency relative to the cost of production components, which saw its impact on revenues improved by more than 2 percentage points compared to the same period in 2023. Conversely, direct personnel costs had a greater impact, 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 when compared to the first six months of 2023, going from 5.1% to 6.7%. In absolute terms, the figure for the first six months of 2024 is up 37% with respect to the first half of 2023, mainly due to the addition of new employees within the technical and sales structures of the two new subsidiaries in the scope of consolidation.

Commercial expenses

Commercial expenses saw a 33.6% increase in absolute terms when compared to the first six months of 2023. This increase is for the most part due to the inclusion of the two new subsidiaries in the scope of consolidation, with their respective commercial expenses rising to carry out development projects for Eminence-brand products.

Administrative costs and overheads

Administrative costs and overheads increased by € 603 thousand with respect to the corresponding figure in 2023, and their impact on revenues also rose from 6.6% to 7.5%. The increase in administrative costs and overheads is entirely due to the inclusion of the two new subsidiaries in the scope of consolidation. In fact, with the same scope as the first half of 2023, administrative costs and overheads would have fallen by 4.8%.

EBITDA and EBITDA Margin

As a result of these trends, EBITDA for the first six months of 2024 was € 11.5 million, down by € 0.6 million (-4.8%) with respect to the same period in 2023.

The EBITDA margin for the first six months of 2024 was equal to 22.4% of revenues, compared to 24.8% in the same period in 2023. The dilution of margins is due to the inclusion of the two new subsidiaries, whose margins are lower than those of B&C Speakers.



Note that utilising the same scope as in the first half of 2023, the EBITDA margin would have been better - 25.2% compared to 24.8% in the first half of 2023 - demonstrating the well-established efficiency of the original structure of the B&C Speakers Group.

Depreciation and amortisation

Depreciation and amortisation of property, plant and equipment, intangible assets and rights of use increased compared to the first six months of 2023, amounting to € 1.3 million (€ 1 million in the first six months of 2023). This increase is mainly due to the inclusion of the two new subsidiaries.

EBIT and EBIT Margin

EBIT for the first six months of 2024 amounted to € 10.2 million, down by 7.5% with respect to the same period in 2023 (when the amount was € 11 million). The EBIT margin was 19.9% of revenue (22.7% in the same period of 2023).

Overall Group Profit

Overall Group Profit at the end of the first six months of 2024 came to € 11.8 million, representing 23.1% of consolidated revenue, with an overall increase of 45.4% with respect to the same period in 2023.

This trend is mainly due to the Patent Box subsidy, which was renewed for the 2020 tax period and subsequent four tax periods in the first half of 2024, after the ruling proceedings with the Revenues Agency was finalised.

The positive effect of this subsidy on the annual income statement is equal to € 3,957 thousand.

The ***Net Financial Position (NFP)*** is equal to € 1.8 million, compared to € 0.6 million at the end of 2023. The excellent cash flow coming from operations (€ 7.98 million) had a positive impact on the NFP, making it possible to limit the effects associated with repayments of existing loans and the distribution of dividends for € 7.7 million in May.



(values in Euro thousands)

	30 June 2024 (a)	31 December 2023 (a)	Change %
A. Cash	10,368	14,613	-29%
C. Other current financial assets	7,027	6,979	1%
D. Cash and cash equivalent (A+C)	17,395	21,592	-19%
E. Bank overdrafts	(2,500)	(2,708)	-
F. Current portion of non current borrowings	(6,693)	(8,855)	-24%
G. Current borrowingse (E+F)	(9,193)	(11,563)	-20%
H. Current net financial indebttness (G+D)	8,202	10,029	-18%
I. Non current financial indebttness	(10,009)	(10,681)	-6%
L. Non current financial indebttness	(10,009)	(10,681)	-6%
M. Total financial indebttness (H+L)	(1,807)	(652)	177%

The Group's reclassified Income Statement for the first half of 2024 compared with the same period in the previous year is presented below:

Economic trends - Group B&C Speakers

(€ thousands)

	6 months 2024	Incidence	6 months 2023	Incidence
Revenues	51,247	100.00%	48,542	100.0%
Cost of sales	(32,041)	-62.52%	(30,468)	-62.8%
Gross margin	19,207	37.48%	18,073	37.2%
Other revenues	159	0.31%	170	0.3%
Cost of indirect labour	(3,428)	-6.69%	(2,490)	-5.1%
Commercial expenses	(640)	-1.25%	(479)	-1.0%
General and administrative expenses	(3,818)	-7.45%	(3,216)	-6.6%
Ebitda	11,480	22.40%	12,059	24.8%
Depreciation and Amortization	(1,289)	-2.52%	(1,035)	-2.1%
Writedowns	-	0.00%	0	0.0%
Earning before interest and taxes (Ebit)	10,191	19.89%	11,024	22.7%
Writedown of investments in non controlled associates	-	0.00%	-	0.0%
Financial costs	(659)	-1.29%	(981)	-2.0%
Financial income	994	1.94%	785	1.6%
Earning before taxes (Ebt)	10,526	20.54%	10,828	22.3%
Income taxes	1,202	2.35%	(2,715)	-5.6%
Profit for the year	11,728	22.89%	8,113	16.7%
Minority interest	0	0.00%	0	0.0%
Group Net Result	11,728	22.89%	8,113	16.7%
Other comprehensive result	105	0.20%	26	0.1%
Total Comprehensive result	11,833	23.09%	8,138	16.8%



SIGNIFICANT EVENTS SUBSEQUENT TO 30 JUNE 2024 AND OUTLOOK FOR THE YEAR

New orders received during 2024 up to the date of this press release have seen constant growth with respect to the same period in 2023, even if during the summer a slowing was seen in terms of incoming orders with respect to the beginning of the year. Group management believes, based on available information, that 2024 will end with better production and sales levels than those registered in 2023.



Below are the Consolidated Income Statement and Balance Sheet schedules for the first half of 2024

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Values in Euro)	30 June 2024	31 December 2023
ASSETS		
Fixed assets		
Tangible assets	4,790,125	3,872,531
Right of use	5,751,153	6,477,332
Goodwill	2,318,181	2,318,181
Other intangible assets	502,280	447,843
Deferred tax assets	981,904	906,969
Other non current assets	579,028	579,561
	<i>related parties</i> 6,700	6,700
Total non current assets	14,922,671	14,602,417
Currents assets		
Inventory	28,536,578	27,623,705
Trade receivables	25,450,410	18,149,825
Tax assets	1,311,177	190,315
Other current assets	9,284,994	11,168,904
Cash and cash equivalents	10,368,291	14,612,848
Total current assets	74,951,450	71,745,597
Total assets	89,874,121	86,348,014
LIABILITIES		
Equity		
Share capital	1,099,370	1,099,613
Other reserves	5,523,008	5,589,481
Foreign exchange reserve	462,761	365,116
Retained earnings	43,211,352	39,156,124
Total equity attributable to shareholders of the parent	50,296,490	46,210,334
Minority interest	-	-
Total equity	50,296,490	46,210,334
Non current liabilities		
Long-term borrowings	5,331,926	5,452,443
Long-term lease liabilities	4,676,598	5,228,386
	<i>related parties</i> 2,034,972	2,452,012
Severance Indemnities	845,037	2,537,875
Provisions for risk and charges	43,012	43,012
Total non current liabilities	10,896,573	13,261,716
Current liabilities		
Short-term borrowings	7,912,087	10,147,066
Short-term lease liabilities	1,281,272	1,416,216
	<i>related parties</i> 875,489	921,670
Trade liabilities	14,943,780	10,823,737
	<i>related parties</i> 86,981	88,737
Tax liabilities	859,064	1,011,163
Other current liabilities	3,684,854	3,477,782
Total current liabilities	28,681,057	26,875,964
Total Liabilities	89,874,121	86,348,014



CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(Values in Euro)

	1 H 2024	1 H 2023
Revenues	51,247,119	48,541,861
Cost of sales	(32,040,610)	(30,468,416)
Other revenues	159,171	169,770
Cost of indirect labour	(3,427,927)	(2,489,662)
Commercial expenses	(639,502)	(478,825)
General and administrative expenses	(3,818,352)	(3,215,746)
Depreciation and amortization	(1,289,005)	(1,035,166)
Writedowns	-	0
Earning before interest and taxes	10,190,893	11,023,817
Writedown of investments in non controlled associates	-	-
Financial costs	(659,181)	(981,259)
	<i>related parties</i> (33,640)	(41,873)
Financial income	994,308	785,471
Earning before taxes	10,526,020	10,828,029
Income taxes	1,202,470	(2,715,429)
Profit for the year (A)	11,728,491	8,112,600
Other comprehensive income/(losses) for the year that will not be reclassified in income statement:		
Actuarial gain/(losses) on DBO (net of tax)	7,006	1,008
Other comprehensive income/(losses) for the year that will be reclassified in income statement:		
Exchange differences on translating foreign operations	97,645	24,867
Total other comprehensive income/(losses) for the year (B)	104,652	25,875
Total comprehensive income (A) + (B)	11,833,142	8,138,475
Profit attributable to:		
Owners of the parent	11,728,491	8,112,600
Minority interest	-	-
Total comprehensive income attributable to:		
Owners of the parent	11,833,142	8,138,475
Minority interest	-	-
Basic earning per share	1.07	0.75
Diluted earning per share	1.07	0.75

The Financial Reporting Manager of B&C Speakers S.p.A., Francesco Spapperi, hereby declares, pursuant to Art. 154-bis, section 2 of Italian Legislative Decree 58/1998 — that the accounting disclosures contained in this press release are consistent with the 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 347 employees, approximately 12% 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.

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