

A large, stylized graphic on the left side of the slide, rendered in a teal color with a fine hatched or cross-hatched texture. It depicts a hand holding a pen, with the pen tip pointing towards the right. The hand is positioned as if writing or presenting. The graphic is partially obscured by the text on the right.

# INVESTOR PRESENTA- TION FINANCIALS 2021



[www.bcspeakers.com](http://www.bcspeakers.com)

# COMPANY OVERVIEW

## MARKET LEADERS

B&C Speakers is a worldwide leader in the design, production, distribution and marketing of professional electro-acoustic transducers.

Designs and distributes loudspeaker components under the brand name "B&C Speakers", "18S" and "Ciare" and supplies branded and non-branded OEM components to a relevant portion of the professional audio market.

## INTERNATIONAL DISTRIBUTION

B&C products are sold directly to OEM manufacturers around the globe, as well as through a network of distributors, with representation in more than 80 countries. B&C also has two direct-to-market distribution subsidiaries in the United States and Brazil; starting from 2021 Sound&Vision is operating as European distributor of all Group's brand.

Listed on the Borsa Italiana's equity market since 2007, STAR segment since 2013.

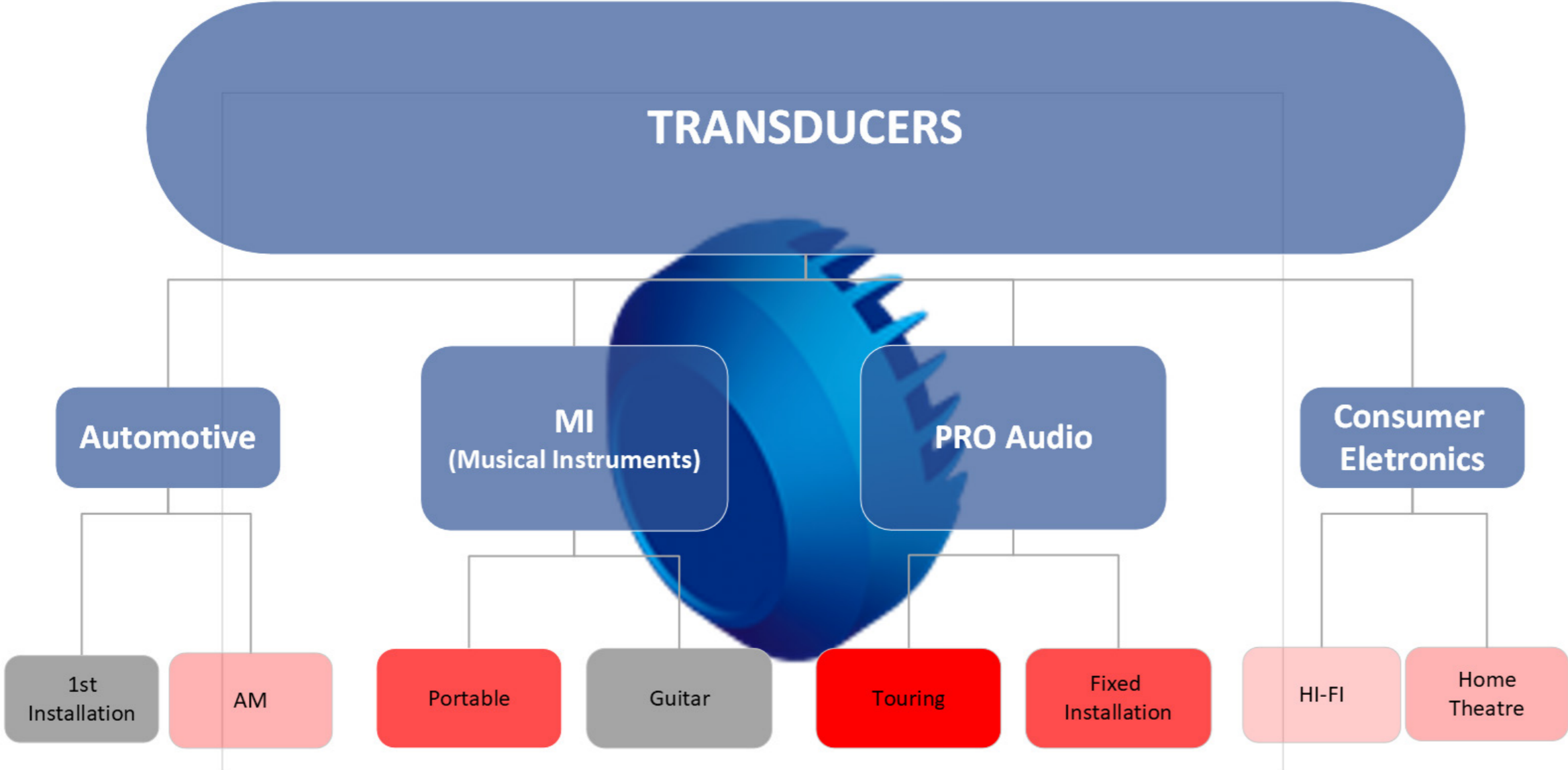
# REFERENCE MARKET

B&C components are typically applied in PRO audio market, also known as "PRO". B&C primarily serves the PRO and Musical Instrument (MI) market segments. Some B&C transducers are also applied in Automotive After Market, Hi-Fi, Home Theatre and mass evacuation systems as well as non-lethal weapons.



Music streaming services have collapsed the recorded music revenue stream for performing artists. Most artists must now go on tour to generate any significant income. This has caused massive growth in the Pro segment.

# MARKET



# PRIMARY RANGE OF PRODUCTS



## LOW FREQUENCY DRIVERS OR CONE DRIVERS 58%

B&C, the first to launch the HPL series in 1998, is today a leader in the development of neodymium woofers for the Pro audio market with four new series. In addition to having optimized frequency response curves, B&C newer woofers maximize power handling, excursion, and heat dissipation



## HIGH FREQUENCY DRIVERS 27%

The use of Neodymium magnets in B&C high frequency drivers has not only allowed to dramatically reduce the size and weight, but also to improve performance and overall value



## HIGH FREQUENCY HORNS 2%

The range includes constant directivity models, known for their great consistency in angular coverage, and exponential models that optimize acoustical load and sound energy transfer. Standardized diameters give designers the freedom to choose the best driver/horn combination for each project



## COAXIAL COMPONENTS 13% COMBINED LOW/HIGH FREQUENCY DRIVERS

Coaxial loudspeakers combine the features of the best cone loudspeakers and compression drivers into a one-piece, point source solution. Their format enables electro-acoustical designers to build very compact and versatile systems

# 100%

# MADE IN ITALY

- + Used in both **large event sound reinforcement systems and fixed installation systems** such as stadiums, theatres, cinemas, and more
- + The R&D Department, with 10% of B&C's 176 employees, is in **constant cooperation with top Pro Audio OEM manufacturers** across the world
- + 5 production buildings have been merged into a single, state of the art factory in Bagno a Ripoli (Florence) of more than 10,500 sqm. Additionally, B&C owns a factory of over 5,000 sqm in Reggio Emilia, Italy, dedicated to the manufacturing of Eighteen Sound and Ciare products





# MI MARKET SEGMENT



# MI MARKET SEGMENT

During the last decade, the quality and performance level of MI products has improved significantly.

After a race to the bottom on selling prices at the turn of this century, **the market is now demanding much higher performance products. Low cost solutions are just not getting the job done**, so many OEM companies are moving up market, and taking their consumers with them.

The market is now seeing this evolution happen in **emerging markets like China and India, where local made components are just not high performance enough** to allow local OEM manufacturers to compete with European or North American alternatives



**B&C is in an excellent position to be competitive in the mid to high end of this market segment**, especially in areas where association with the B&C brand can benefit newer OEM companies



# PRO MARKET SEGMENT



# PRO MARKET SEGMENT

Before the arrival of COVID-19, the global Pro audio market segment was expected to reach around **\$2,5 billion, growing at a CAGR of close to 4% during 2021-2027**, mainly thanks to higher consumer spending on concerts, sporting events, and festivals. **During 2018 and 2019, we saw solid growth**, and good development towards a dramatically expanding market. We need to consider that the pandemic caused a correction period of two years on these expectations. It is, however, expected that market will make a full recovery through 2022.

As more and more entertainment events enter the market, the competition to provide the highest quality experience has increased production budgets significantly, while also **demanding smaller, lighter and more high performance audio, video and lighting systems.**



**B&C Speakers is the global leader in the high end, Pro market segment**, particularly in Touring.

These products require higher technology, light weight, reliable and consistently manufactured transducers. Solutions that most of B&C's competitors are just not in a position to supply. B&C and Eighteen Sound have unique development agreements with virtually every significant OEM in this market area.



Source: Research and Markets, Pro Speaker Market - Global Outlook and Forecast 2022-2027; Arizton, Pro Speaker Market - Global Outlook and Forecast 2022-2027

# B&C SPEAKERS

After a bad 2020, B&C registered a good recover during 2021 with €45,2 mn of revenues.

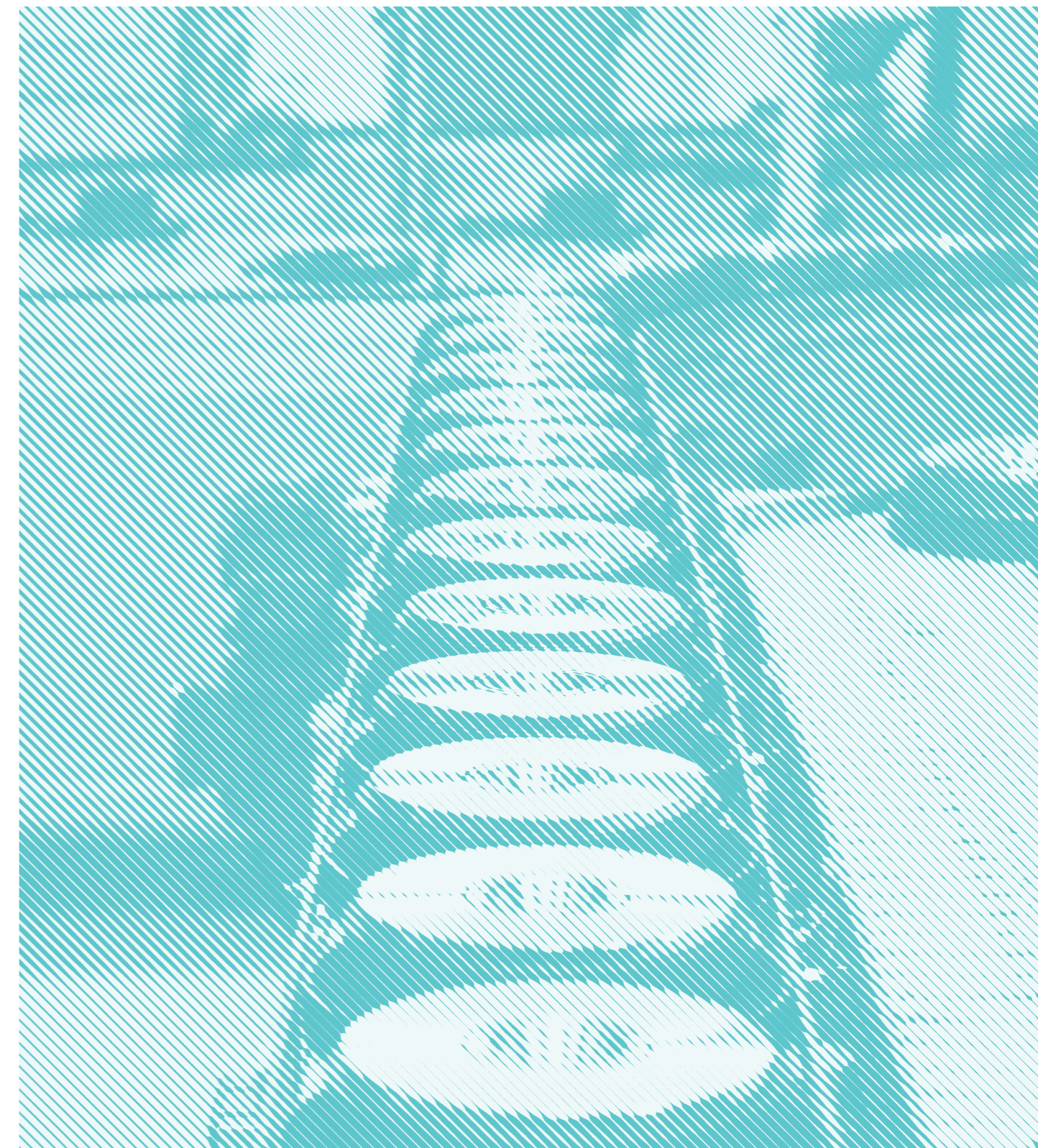
Thanks to increased volumes and efficiencies built during pandemic 19% EBITDA margin was reached back.

Financial stability reinforced, reaching a net cash position of €1.5mn (in May 2021 B&C paid 2.9mn in dividend)

**REVENUE**  
**€45,2M**  
**+41% vs FY 20**

**EBITDA MARGIN**  
**19%**

**ORDER BACK LOG**  
**€38M**



# RECOVERY AFTER COVID 19 CRISIS

- + While revenues from the Pro Audio market segment fell strongly during much of 2020, **B&C enjoyed solid growth in the after-market Car Audio segment, by the IIQ 21 also Pro Audio started again with major orderinflow.**
- + The USA and Central America have seen a **dramatic increase in the demand for high quality, high output transducers.** These can largely be sold at higher prices and margins, with more direct access to end-users through an effective network of retail distributors. In fact EBITDA margin for B&C NA reached the record level of 22%.
- + There are strong indications that B&C will recover fast to pre Covid levels; in particular the **Order Backlog that has reached the record level of €38M**, gives a clear sign of growth. We have already received orders until september 2022 and now We are starting to confirm every new order after september.

# RECOVERY AFTER COVID 19 CRISIS

- + **B&C enjoyed continued growth and strategic alliance development in the Chinese market also during 21** (in 2020 Chinese market was the most performant one during the second half).
- + Many new, higher quality and more sophisticated OEM manufacturers are working hard to approach the performance levels achieved by the major western Pro Audio icons; requiring transducers at a quality and performance level that are not available from domestic Chinese sources.
- + All indications are that **we will see strong growth in the Chinese market for the next period as the demand for higher quality transducers for locally built brands continues to surge.**



# BUSINESS OVERVIEW

## NEW OPPORTUNITIES

### CENTRALISED DISTRIBUTION

Starting from 2020, B&C Group is managing distribution from one single Company, **Sound&Vision**, in order to give customers an higher choice of products for the brands of the Group.

### NEW WOOFER LINE

A brand new line of woofer has been designed and engineered during 2020 with the goal of gaining additional, in respect to the usual customers of B&C, demand.



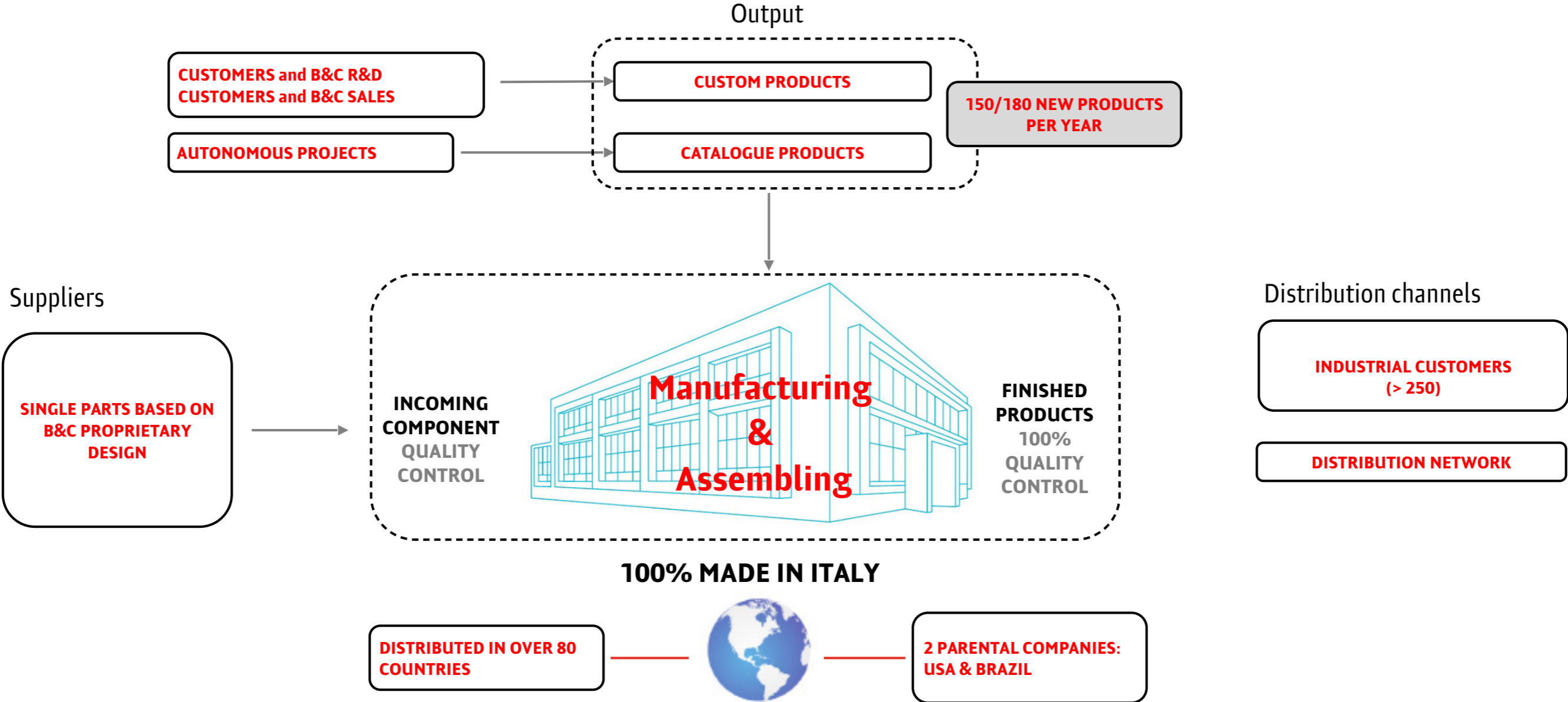
### INVESTMENT

Potential investment for automatic production lines thanks to PNRR resources.

### NEW TRANSDUCER

Mosaic, a patented new transducer aimed to have multiple applications from PRO-audio to PRO-sumers.

# BUSINESS MODEL

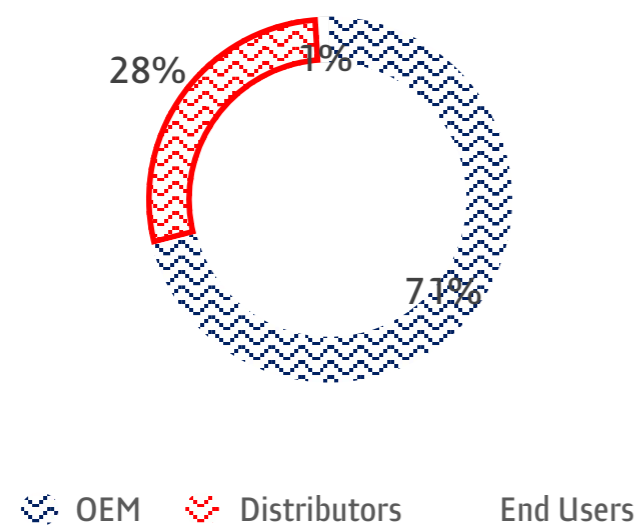


# CLIENTS

B&C's clients are professional audio system producers like Bose, Yamaha, Martin Audio, Nexo, D&B Audiotechnic, QSC Audio, L-Acoustics, Yorkville Sound, Turbosound, Meyer Sound, Electro Voice, etc

Around 80% of the Company sales are of custom-made products, sold directly to these OEMs (Original Equipment Manufacturers). Whereas, the remaining share are catalogue products, that are sold by way of a wide network of distributors, with representation in more than 80 countries around the world

Client Breakdown on Revenues

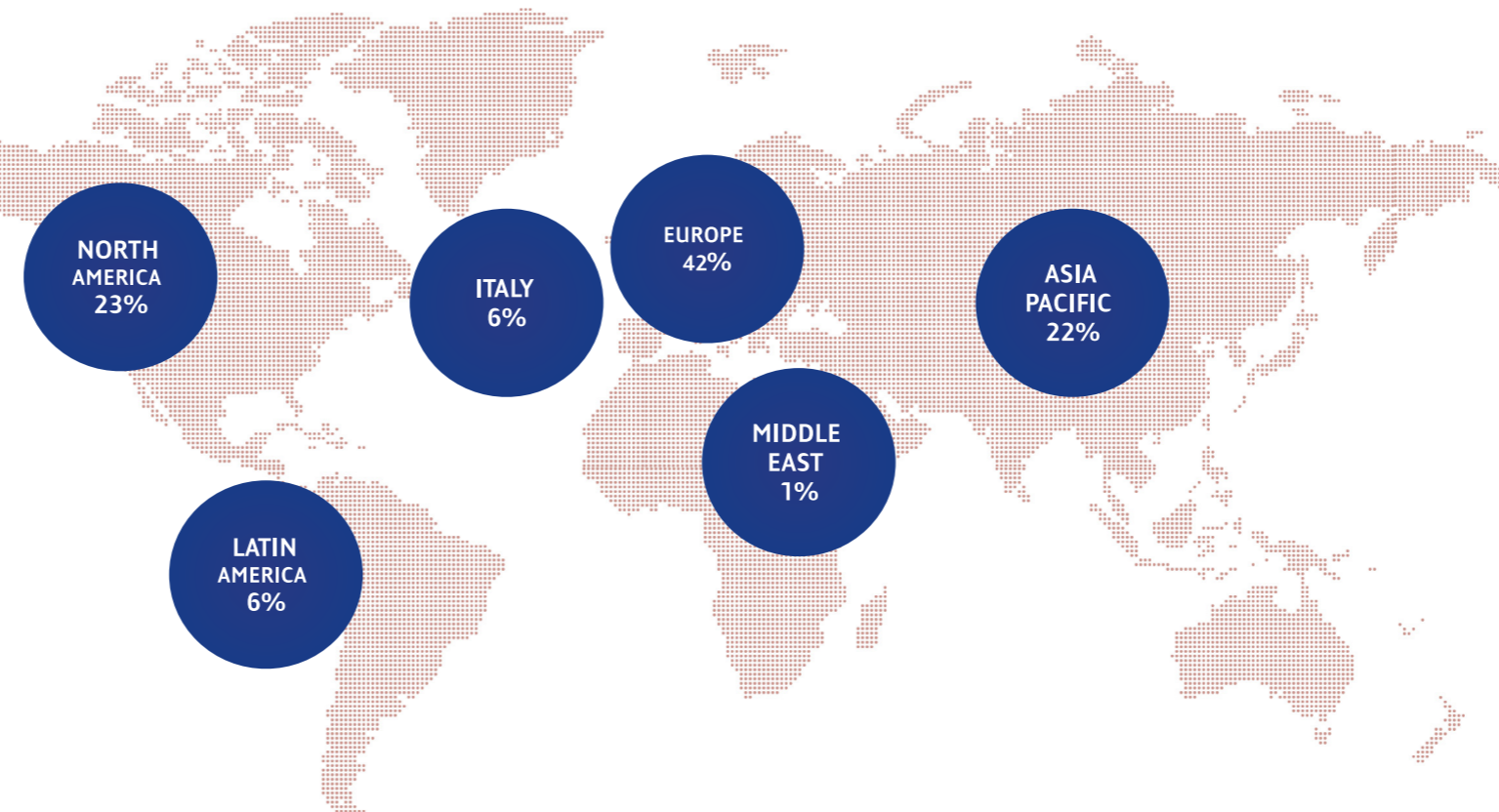


## OEM



# GEOGRAPHICAL REVENUE BREAKDOWN

Revenues by Geographic Region (EUR millions and percentage)	2021	2020	Change
Latin America	2.704	2.038	33%
Europe	19.146	12.233	57%
Italy	2.785	2.413	15%
North America	10.303	8.825	17%
Middle East	411	369	11%
Asia Pacific	9.883	6.096	62%
<b>Total</b>	<b>45.233</b>	<b>31.975</b>	<b>41%</b>



# ARCHITETTURA SONORA



- + Launch in 2009 as a division of the B&C Speakers Group, **Architettura Sonora is a revolutionary designer of unique, high-performance audio solutions and outdoor acoustic experiences**, with an increasing imprint in the indoor world. AS, as we call it, has quickly become a pioneer in the industry
- + All products are manufactured “in-house”, guaranteeing quality and versatility. Each piece is individually and meticulously produced by skilled craftsmen, distinguished by sound quality, innovation, and tactile features that are rarely associated with speaker design



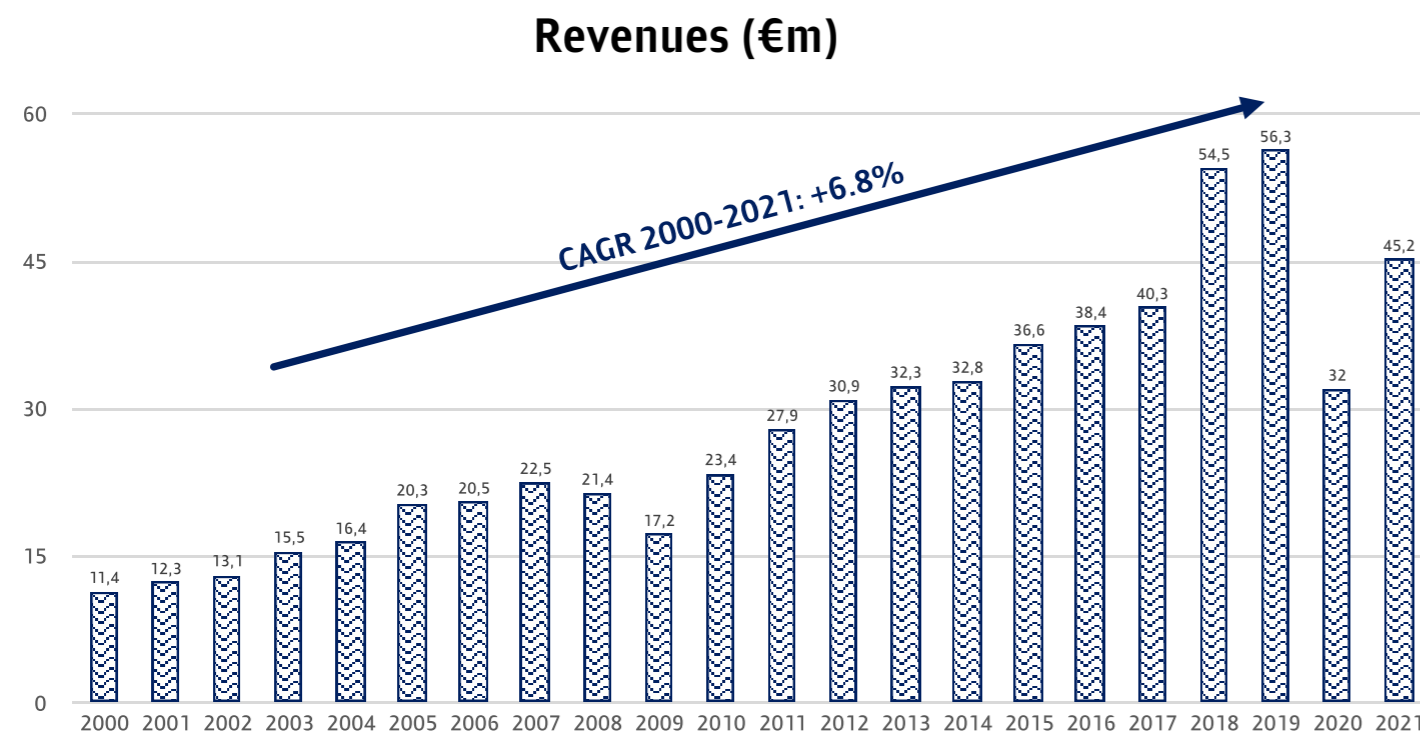
# ARCHITETTURA SONORA



- + Architettura Sonora particularly values sound design in strict relation to architecture and landscape, both for its acoustic qualities but also for the wide range of materials that a client can choose from. This allows designers to harmonize the **“sound layer” with any project of architecture or landscape.**
- + During 2021 AS reached an EBITDA margin of 20% over Revenues and has already overcome the yearly budget; during 2022 a new product will be launched designed with AS style for the consumer market. Good numbers are expected.



# TOP LINE EVOLUTION

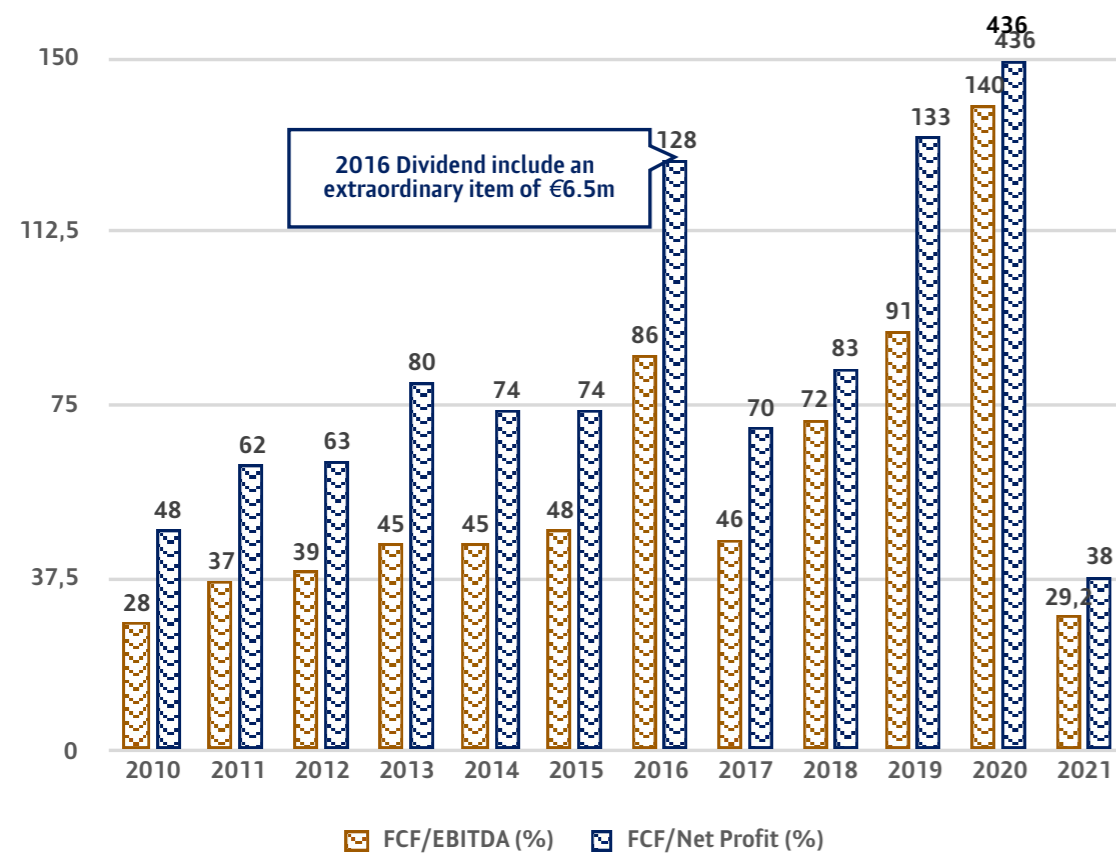


- + Solid revenues growth delivered since the early 2000s.
- + Revenues easily recovered post financial crisis and more than doubled ever since, mainly thanks to a sound business model.
- + **2021** show Group revenues at 45,2M€.
- + Growth has been more recently achieved also inorganically:

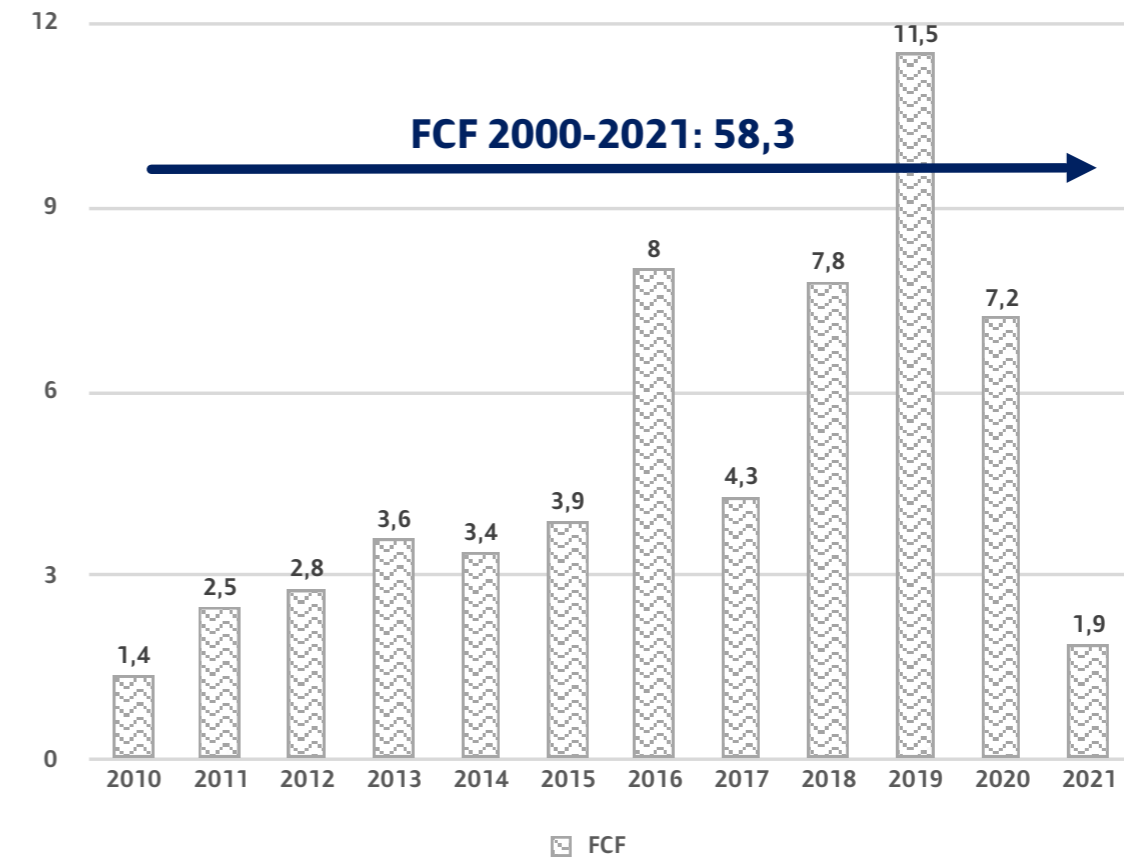
In December 2017, the 100% share capital acquisition of Eighteen Sound Srl, formerly owned by Landi Renzo SpA (through their AEB SpA subsidiary) has been completed for €7.4m (€6.6m post NFP adjustment).

# STRONG CASH GENERATION AND ATTRACTIVE DIVIDEND POLICY

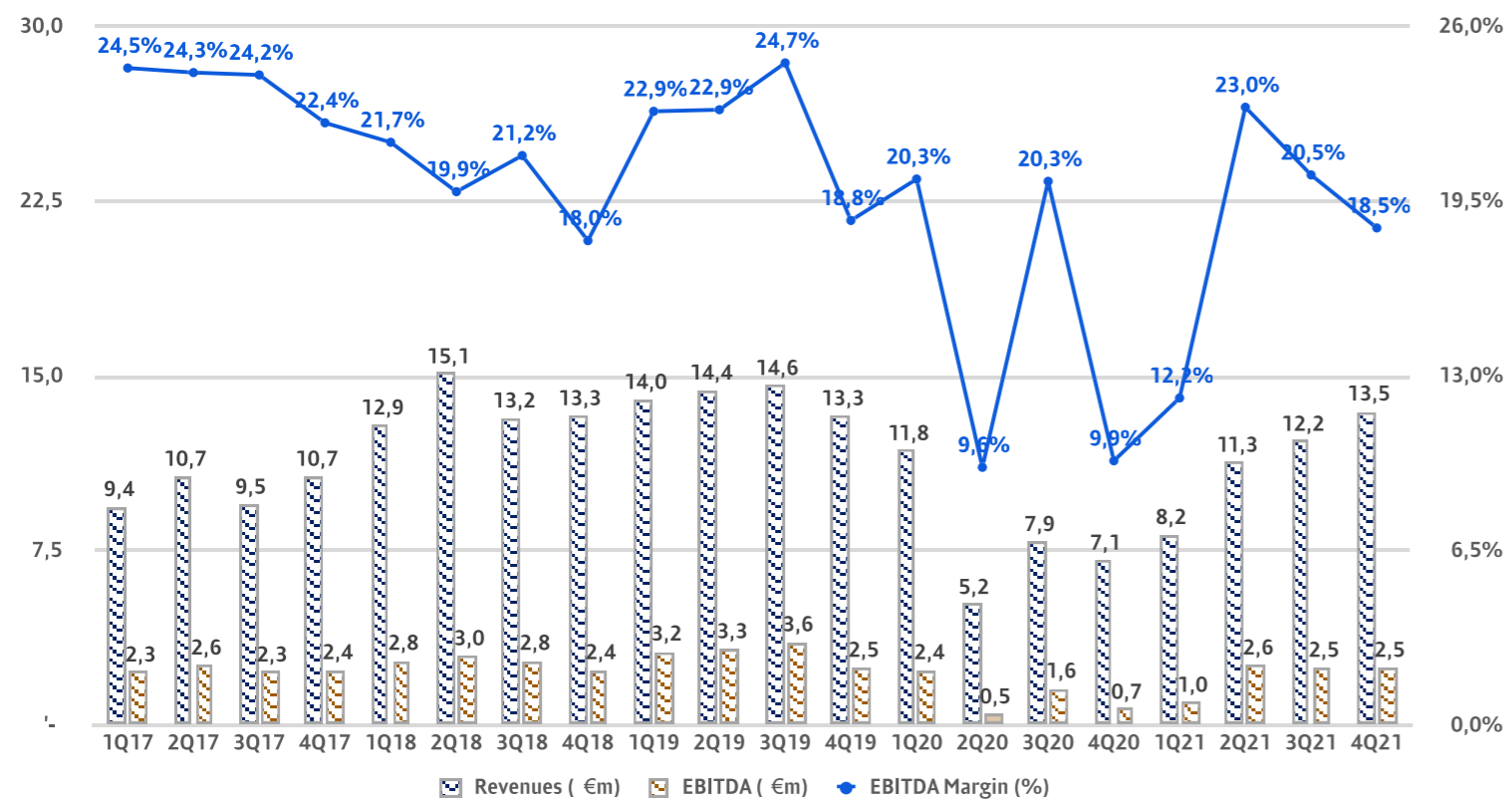
Cash Flow Conversion Ratio



FCF produce per year (€m)

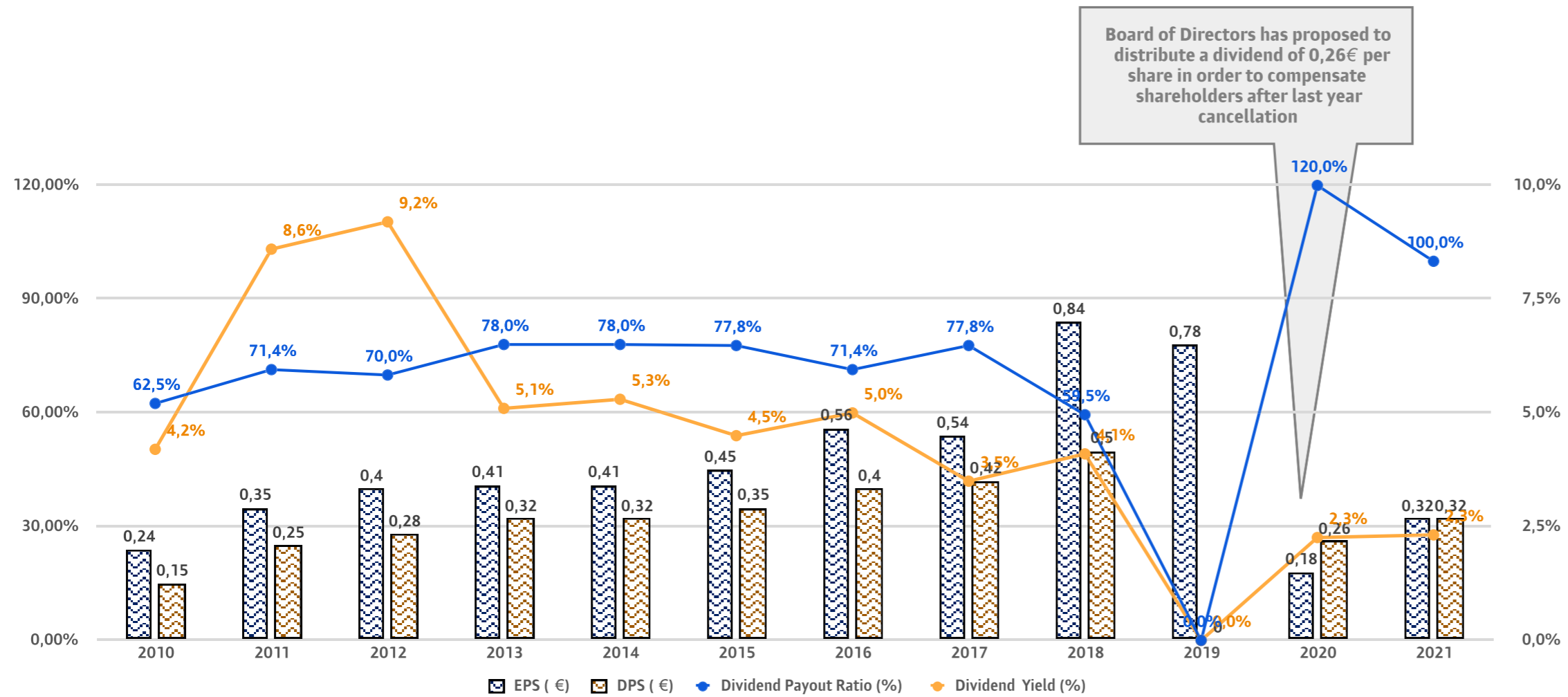


# QUARTER ECONOMICS



- + During 2021 turnover has significantly increased quarter by quarter reaching an amount of sales at Q4 2021 greater than Q4 2019
- + Q4 2021 has been affected by unusually frequent import air freight that have impacted Ebitda margin by 2.5%

# KEY STOCK INFORMATION



- 2016 DPS includes an extraordinary item of €0.60

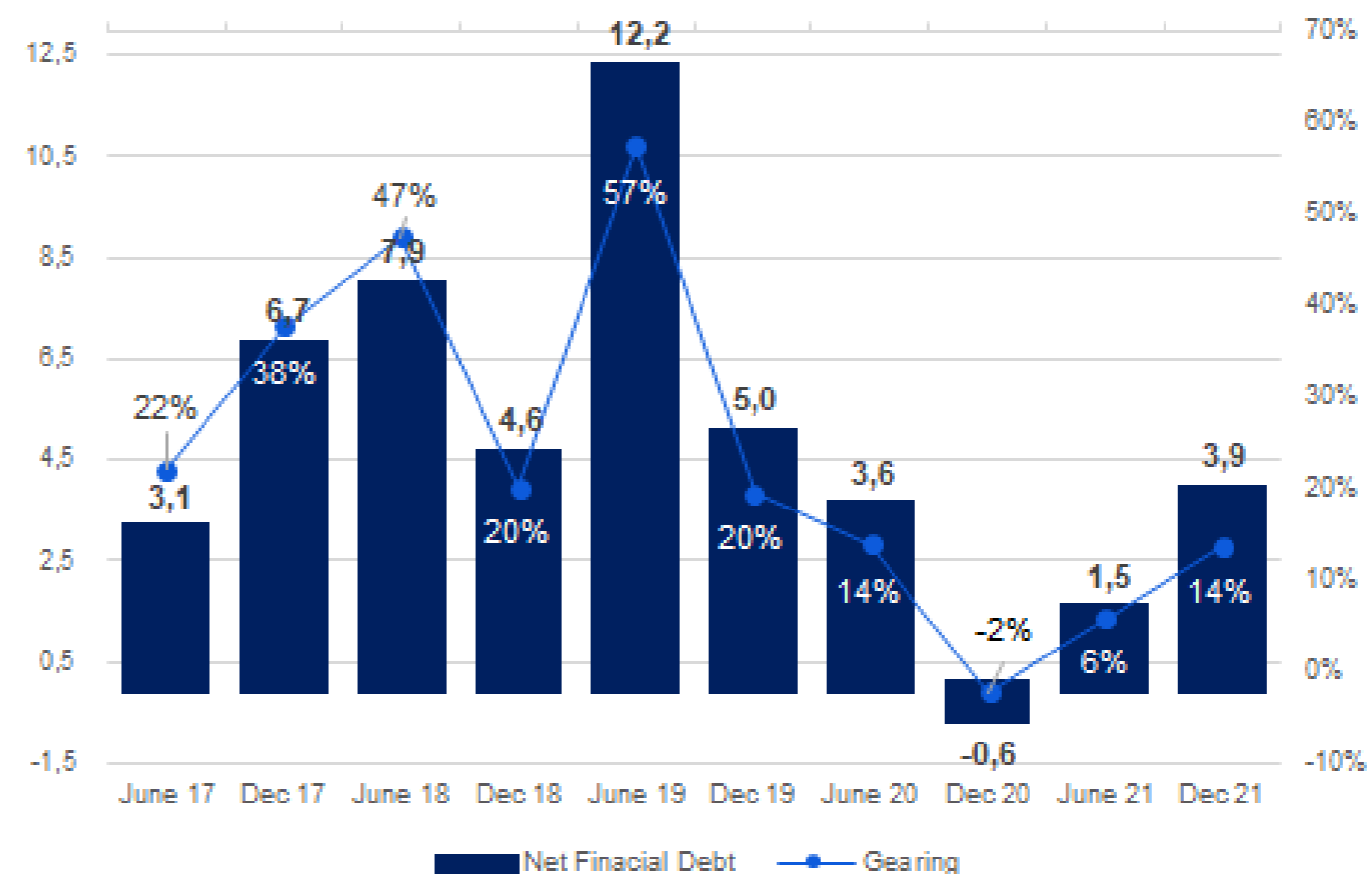
# 2021 SUMMARY

## P&L – CONSOLIDATED

In milion of euros	2019	2020	2021	%Change vs 2020	%Change vs 2019
REVENUE	56.287	31.975	45.233	41%	-20%
GROSS MARGIN	21.714	11.578	16.076	39%	-26%
Other income	232	541	811		
Indirect workforce expenses	(3.895)	(2.943)	(3.501)	19%	-10%
Sales & marketing expenses	(1.297)	(579)	(633)	9%	-51%
General & administrative expenses	(4.174)	(3.474)	(4.141)	19%	-1%
EBITDA	12.580	5.123	8.612	68%	-32%
Amortisation & Deprecation	(2.293)	(2.234)	(2.059)		
EBIT	10.287	2.889	6.553	127%	-36%
Finance costs	364	(605)	130		
EBIT	10.651	2.284	6.683	193%	-37%
Taxes	(2.039)	(367)	(1.708)		
Other cost	55	(269)	142		
<b>NET PROFIT</b>	<b>8.667</b>	<b>1.648</b>	<b>5.117</b>	<b>210%</b>	<b>-41%</b>

# 2021 CASH FLOW STATEMENT SUMMARY CONSOLIDATED

	2020	2021	Change
Beginning cash and equivalents	4.963	13.415	
Cash flow from operations	7.182	1.869	
Cash flow from investing	(453)	(3.146)	
Cash flow from financing	1.722	(4.063)	
Change in cash and equivalents	8.451	(5.340)	
<b>Ending cash and equivalents</b>	<b>13.415</b>	<b>8.075</b>	<b>(5.340)</b>



\*Incorporating for the first time the effects of the acquisition of 18 sound

\*\*Incorporating for the first time the effects of the application of IFRS 16

# CONTACTS

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# SAFE HARBOUR STATEMENT

Certain statements in this slide show, including those addressing the Company's beliefs, plans, objectives, estimates or expectations of possible future results or events, are forward-looking statements.

They are based on the assumptions, beliefs and expectations of our management team as of the date this slide show was prepared. Forward-looking statements involve known or unknown risks, including general economic and business conditions, and conditions in the industry we operate. Forward-looking statements may also be affected if our assumptions turn out to be inaccurate.

Consequently, no forward-looking statement can be guaranteed and actual future results, performance, or achievements may vary materially from those expressed or implied by such forward-looking statements.

For additional information concerning other factors that may affect the Company's current and future business, results of operations and financial condition, we suggest you review the Company's filings with Borsa Italiana. The Company undertakes no obligation to update the forward-looking statements to reflect events or circumstances that may arise after the date hereof.

# THANK YOU!



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