

## **Bang & Olufsen reports preliminary results for H1 2020/21 and increases the financial outlook for the year**

The preliminary results for H1 2020/21 (Q2 2020/21) are as follows:

- Revenue of DKK 1,155m, equivalent to 11% year-on-year growth in local currency (Q2: DKK 693m, equivalent to 11% year-on-year growth in local currency)
- EBIT before special items of DKK -11m (Q2: DKK 28m)
- Free cash flow of DKK 77m (Q2: DKK 139m)

The financial performance for the first half of the year has been better than expected due to strong strategic execution, seven successful product launches, and higher consumer demand for home entertainment products. Higher global demand for consumer electronics and scarcity on certain components impacted product supply and led to increased costs.

Based on the preliminary results for H1 2020/21 and the updated expectations for the rest of the year, the outlook for 2020/21 is adjusted as follows:

- Revenue: DKK 2.3 to 2.5bn (previously approx. DKK 2.2bn)
- EBIT before special items: DKK -50 to +25m (previously approx. DKK -100m)
- Free cash flow: DKK -50 to +100m (previously approx. DKK -200m)

The outlook is based on the assumptions set out in the Q1 2020/21 interim financial report with the following adjustments:

- that the impact of COVID-19 in the remainder of 2020/21 will not be materially different from the first half of the year
- that component and logistics costs continue to be at the current higher than normal level throughout the remainder of the financial year
- that the company is able to successfully launch more than five new and upgraded products in the second half of the year

The free cash flow in the second half of the year is negatively impacted by the expected ramp-up of production to meet demand.

Due to the ongoing implications of the COVID-19 pandemic, the outlook continues to remain subject to a high level of uncertainty.

The company will announce its financial report for H1 2020/21 on 12 January 2021 as planned.

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