Trading Statement Q1 2025/26

June 2025-August 2025

Q1 highlights

Bang & Olufsen reports a Q1 with record-high gross margin of 58.7%. The company-owned stores and e-commerce posted double-digit growth, even as revenue fell 4% in local currencies, primarily reflecting lower sell-in as monobrand partners reduced inventories. Like-for-like sell-out increased by 1%. The strategic transition continued according to plan with investments in future growth through retail excellence, marketing and product development.

“We continued our strategy execution in Q1 by investing in future profitable growth. Although revenue declined by 4%, we are pleased that we once again achieved a record-high gross margin and our win cities experienced strong demand, leading to double-digit growth in line with our strategy.

The announcement of our new earpieces Beo Grace in September marks the start of celebrations for Bang & Olufsen’s 100th anniversary. We have redefined what earpieces can be, and Beo Grace distils everything we have stood for since 1925 – beautiful sound, unrivalled craftsmanship and timeless luxury.”

Kristian Teär, CEO

Financial highlights (Q1 24/25 in brackets)

- Like-for-like sell-out increased by 1% year-on-year (-2%). Like-for-like sell-out for Branded channels declined by 1% (-4%).
- Reported revenue declined by 5.0% (-12.4%) year-on-year, or 4% in local currencies (-12%), to DKK 517m (DKK 544m).
- Revenue from Branded channels declined by 12% (-4%), or 10% in local currencies (-4%).
- Gross profit increased to DKK 304m (DKK 301m). Gross margin was up by 3.5pp to 58.7% (55.2%).
- EBITDA before special items was DKK 27m (DKK 39m), EBITDA margin before special items of 6.5% (7.1%).
- EBIT before special items was DKK -27m (DKK -17m). EBIT margin before special items of -5.2% (-3.1%).
- EBIT was DKK-34m (DKK -20m DKK).
- The free cash flow was DKK -135m (DKK -36m).

FY 2025/26 financial outlook maintained

- Revenue growth in local currencies: 1% to 8%.
- EBIT margin before special items: -3% to 1%.
- Free cash flow: DKK -100m to 0m.

Please see the Annual Report 2024/25 for further details on outlook and assumptions.

Q1 2025/26 conference call

9 October 2025, at 10.00 CEST via
https://bangolufsen.eventcdn.net/events/trading-statement-1st-quarter-202526

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Business update

Developments in Q1 2025/26

Q1 2025/26 was characterised by continued investment in our future, to advance the positive trajectory of our strategy execution. Amid geopolitical uncertainties, we stayed focused on our growth opportunities: optimising our retail footprint, enhancing our product portfolio, and elevating brand awareness and brand equity.

Like-for-like sell-out grew by 1%. For the branded channels (company-owned stores, monobrand and e-commerce) like-for-like sell-out declined by 1% year-on-year. The company-owned stores and own e-commerce generated double-digit sell-out growth, while our monobrand stores were impacted by lower footfall, in particular in EMEA. Sell-out growth from our four win cities, which comprises sell-out across channels, reached 16% with growth reported across the cities.

Revenue (sell-in) was DKK 517m and declined by 4% year-on-year in local currencies. Revenue from our branded channels declined by 10% in local currencies mainly due to our monobrand partners being hesitant to replenish inventory across most markets. Company-owned stores and our own e-commerce reported double-digit growth. Revenue from the eTail channel grew year-on-year.

In terms of product categories, revenue for the Staged and Flexible Living categories decreased, reflecting the revenue development in the monobrand channel. Revenue in the On-the-go category increased, supported by the launch of A1 3rd gen. in May 2025.

Continuing its upward trend, the gross margin rose to a record-high 58.7% compared to 55.2% in Q1 last year. Improvements were seen across product categories. Currency movements had a positive impact of 0.5pp on the gross margin.

Effective 1 May 2025, global price increases were implemented, followed by additional adjustments for the US market in June 2025, in response to recent tariff announcements.

EBIT margin before special items was -5.2% compared to -3.1% in Q1 last year. The development was driven by strategic investments and scaling up of resources. Capex investments were DKK 58m compared to DKK 39m in Q1 last year.

Free cash flow was DKK -135m for the quarter compared to DKK -36m in Q1 last year, reflecting strategic investments and general seasonality. Net working capital increased by DKK 100m to DKK 316m from a low level of DKK 216m at year-end.

Net available liquidity was DKK 198m compared to DKK 139m at end of Q1 last year and DKK 350m at year-end. The development since year-end was driven by the free cash flow development.

Capital resources were DKK 448m compared to DKK 299m at end of Q1 last year and DKK 600m at year-end. The general level was supported by funding received from the capital raise completed in November 2024 and refinancing of the credit facility in June 2025.

Inventories were DKK 474m at quarter-end compared to DKK 447m at year-end. The increased level reflected general seasonality.

Out of our 13 defined global Win cities, we have implemented our concept in four: New York, London, Paris and Hong Kong. We have initiated the first phase of development for our upcoming win cities, Los Angeles, Tokyo and San Francisco, to accelerate growth in these key cities.

During the quarter, we prepared to announce our new earpiece, Beo Grace, to the market, in celebration of the 100th anniversary of Bang & Olufsen. With Beo Grace, we have redefined what earpieces can be, and the earpieces distils everything we have stood for since 1925; beautiful sound, unrivalled craftmanship and timeless luxury.

Segment performance

EMEA

Like-for-like sell-out in EMEA declined by 5%.

Like-for-like sell-out for company-owned stores and e-commerce grew, while monobrand stores experienced lower footfall in most markets. In total, like-for-like sell-out for branded channels declined by single-digit. The multiband and eTail channels reported like-for-like sell-out growth year-on-year.

Revenue was DKK 234m compared to DKK 251m in Q1 last year, a decline of 6.8% or -7% in local currencies.

The decline was mainly driven by our monobrand partners being hesitant to replenish inventory across most markets. Revenue from company-owned stores and own e-commerce rose by double-digits, while revenue from the monobrand channel declined by double-digit.

During the quarter, we opened and uplifted stores, most notably the opening of a partner store in Andorra, while our store in Harrods, London, was upgraded to our new store concept design. During the quarter, we worked on the opening of a company-owned store in Paris, expected to open in 2025/26. As part of our footprint optimisation, we have closed 37 monobrand stores since Q1 of last year.

Gross profit increased to DKK 127m from DKK 123m in Q1 last year, corresponding to a gross margin of 53.9%, up from 48.9% in Q1 last year. Gross margin improvements were seen across all product categories.

Americas

Like-for-like sell-out in the Americas grew by 18%. Branded channels combined reported a single-digit increase year-on-year with growth rates across channels. Sell-out growth from eTail increased double-digit.

Revenue was DKK 62m compared to DKK 68m in Q1 last year, a decline of 8.7% or -3% in local currencies.

Revenue from branded channels declined by 23%, mainly driven by the monobrand stores as we saw lower footfall and partners being hesitant in terms of replenishment.

Revenue from eTail grew double-digit, driven by campaigns. The enterprise channel showed single-digit growth, while revenue from Custom installers reported single-digit decline.

In California, three stores are planned to open in 2025/26 as part of ongoing efforts to reestablish a presence in the region. Since August, our products have been on display at an interior designer store in West Hollywood and a luxury furniture store in San Francisco. In addition, a third company-owned store is planned for opening in New York at the end of 2025/26.

Gross profit was DKK 24m compared to DKK 35m in Q1 last year. This was equivalent to a gross margin of 39.3% compared to 51.3% in Q1 last year. In addition to current tariff conditions, the gross margin was impacted by change in product mix towards On-the-go products.

APAC

Like-for-like sell-out in APAC grew by 5%. The branded channels reported double-digit growth year-on-year driven by growth across monobrand and company-owned stores. The multibrand channel reported like-for-like sell-out growth while sell-out in the eTail channel declined.

Like-for-like sell-out in China declined by 7%. Like-for-like sell-out in the multibrand channel grew while monobrand declined.

Revenue was DKK 159m compared to DKK 165m in Q1 last year, a decline of 3.9% or -2% in local currencies.

Revenue from China declined by 0.5% while revenue grew by 6% in local currencies, accounting for approximately 51% of total revenue in APAC. Excluding one partner, revenue from our monobrand channel in China reported single-digit increase year-on-year. The eTail channel reported strong double-digit growth. In April 2025, we took over the online flagship store on the eTail platform Tmall, thereby operating the two largest eTail platforms in China directly.

Revenue from South Korea declined year-on-year and was impacted by high inventory levels with our partners.

Gross profit increased to DKK 95m from DKK 89m in Q1 last year, equivalent to a gross margin of 59.8%, an increase of 5.8pp compared to 54.0% in Q1 last year.

This increase was driven by improvements across product categories and supported by operating the Tmall channel directly.

Brand Partnering & other activities

Revenue was DKK 62m, corresponding to a 3.2% increase, or 4% in local currencies, compared to DKK 60m last year. The development in Brand Partnering & other activities was mainly due to increased license income from automotive. The ramp-up of TCL continued as planned.

Gross profit from Brand Partnering & other activities increased to DKK 58m from DKK 54m in Q1 last year, equivalent to a gross margin of 93.2% compared to 89.3% in Q1 last year. The gross margin increased due to the relatively higher share of license income compared to last year (86% vs. 80%).

In September, following the end of the quarter, RayNeo, a subsidiary of TCL, announced an audio partnership with Bang & Olufsen. This development extends the existing relationship with TCL to include AR glasses. The integration of our audio technology into RayNeo's AR glasses is planned for 2025/26.

By integrating "Audio by Bang & Olufsen" into RayNeo forthcoming AR glasses, we are transforming audio into an integral part of how to interact with the surroundings, consume content, and stay connected.

	Monobrand *		Multibrand		Custom installers	
Points of sale, number of doors	31-08-2025	31-08-2024	31-08-2025	31-08-2024	31-08-2025	31-08-2024
EMEA	239	276	971	1,445	N/A	N/A
Americas	22	30	22	20	108	42
APAC	71	77	765	788	N/A	N/A
Total	**332**	**383**	**1,758**	**2,253**	**108**	**42**

* Monobrand is including company-owned stores

Segment overview

Segments - geographics – Q1

(DKK million)	**Q1 2025/26 Revenue**	Q1 2024/25 Revenue	Change	Growth in local currencies	**Q1 2025/26 Gross margin**	Q1 2024/25 Gross margin
EMEA	234	251	-6.8%	-7%	53.9%	48.9%
Americas	62	68	-8.7%	-3%	39.3%	51.3%
APAC	159	165	-3.9%	-2%	59.8%	54.0%
Regions, total	**455**	**484**	**-6.1%**	**-5%**	**54.0%**	**51.0%**
Brand Partnering & other activities	62	60	3.2%	4%	93.2%	89.3%
All	**517**	**544**	**-5.0%**	**-4%**	**58.7%**	**55.2%**

Segments - product category – Q1

(DKK million)	**Q1 2025/26 Revenue**	Q1 2024/25 Revenue	Change	Growth in local currencies	**Q1 2025/26 Gross margin**	Q1 2024/25 Gross margin
Staged	239	280	-14.6%	NA	58.4%	57.2%
Flexible Living	85	95	-10.2%	NA	59.5%	52.7%
On-the-go	131	109	19.6%	NA	42.4%	33.4%
Products, total	**455**	**484**	**-6.1%**	**-5%**	**54.0%**	**51.0%**
Brand Partnering & other activities	62	60	3.2%	4%	93.2%	89.3%
All	**517**	**544**	**-5.0%**	**-4%**	**58.7%**	**55.2%**

B&O

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