

Bang & Olufsen interim report for 9M 2024/25:

Bang & Olufsen reports a Q3 with topline growth, margin improvement and profit

Our strategic transition continued according to plans during Q3. Group revenue grew by 2% in local currencies driven by growth in EMEA and the Americas, while APAC declined. The gross margin rose to a record-high 55.4% and the quarter generated an EBIT margin before special items of 3.8%, net profit and a positive free cash flow of DKK 18m.

“We are pleased with the performance in Q3, with revenue growth of 2% led by most markets in EMEA and a strong performance in the Americas. We also achieved, a record-high gross margin of 55.4%, positive earnings and a positive free cash flow. Amid geopolitical uncertainties including the recent announced tariffs and possibility of further tariff changes, we are continuing our strategic transition by investing the proceeds of our recent capital raise in future profitable growth.

With the aim to strengthen our position in the luxury audio market even further, we will continue to enhance our product portfolio, opening stores in key cities and creating awareness of our unmatched sound quality and craftsmanship. During the quarter we introduced Bang & Olufsen Atelier, offering our clients the opportunity to create custom-made products in collaboration with our master artisans.”

Kristian Teär, CEO

Financial highlights (Q3 23/24 in brackets)

- Like-for-like sell-out grew by 15% (-2%). Like-for-like sell-out for Branded channels grew 21% (-8%).
- Revenue increased by 2.8% (-3.4%) year-on-year, or 2% in local currencies (-3%), to DKK 631m (DKK 614m).
- Revenue from Branded channels increased by 6% (0%), or 5% in local currencies (0%).
- Gross margin was up by 2.2pp to 55.4% (53.2%).
- EBITDA before special items was DKK 88m (DKK 72m), EBITDA margin before special items of 13.8% (11.7%).
- EBIT before special items was DKK 24m. (DKK 11m). EBIT margin before special items of 3.8% (1.8%).
- The free cash flow was DKK 18m (DKK 5m).

Ranges narrowed for FY 2024/25 financial outlook

- Revenue growth in local currencies: -3% to 3%.
- EBIT margin before special items: -2% to 1%.
- Free cash flow: DKK -100m to 0m.

Revenue growth in local currencies is expected at the lower end of the range. EBIT margin before special items is expected in the mid-range and free cash flow is expected in the top of the range.

Business highlights

- On 4 December 2024, we received funds raised through the directed issue completed on 27 November 2024. DKK 217 million in net proceeds was raised and will be used for investments to realise the announced 3-year growth plan.
- Bang & Olufsen Atelier was launched, offering custom-made products.
- Launch of a recreated Beogram 4000c product collaboration with Saint Laurent.
- The Beolab 8 and the Beosound Theatre received Cradle to Cradle (C2C) certification.
- Win-cities collectively reported sell-out growth of 36%.
- Locations in place for one new store in Paris and three stores in California, with openings expected in 2025/26.
- The customer base grew by 5% and the number of customers owning two or more Bang & Olufsen products increased by 4% quarter-on-quarter.

Q3 2024/25 conference call

9 April 2025, at 10.00 CEST via

<https://bangolufsen.eventcdn.net/events/interim-report-3rd-quarter-202425>

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