Interim report 9M 2024/25

June 2024-February 2025

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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Q3 highlights

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 87m (DKK 72m), EBITDA margin before special items of 13.7% (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).

FY 2024/25 financial guidance narrowed

- 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 in the lower end of range. Ebit margin before special items is expected in the mid-range and free cash flow is expected in the top 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.

Revenue growth in LC*	Gross margin	EBIT margin bsi**	Free cash flow, DKK
2%	55.4%	3.8%	18m

* Local currencies ** Before special items

Key figures

	Q3		YTD		Year
(DKK million)	**2024/25**	2023/24	**2024/25**	2023/24	2023/24
Income statement					
Revenue	631	614	1,873	1,933	2,588
EMEA	311	293	914	938	1,249
Americas	86	70	240	209	287
APAC	164	180	511	563	726
Brand Partnering & other activities	70	71	208	223	326
EBITDA before special items	88	72	199	228	300
EBITDA	89	69	193	221	257
EBIT before special items	24	11	19	48	61
EBIT	25	8	13	41	18
Special items, net	1	-3	-6	-7	-43
Financial items, net	-9	-2	-22	-19	-25
Profit/loss before tax (EBT)	16	6	-9	22	-7
Profit/loss for the period	7	3	-23	18	-17
Financial position					
Total assets	2,166	2,220	2,166	2,220	2,297
Equity	1,173	989	1,173	989	956
Cash	129	149	129	149	177
Available liquidity	372	158	372	158	184
Capital resources	532	318	532	318	344
Net interest-bearing deposit/debt	181	-24	181	-24	-34
Net working capital	255	297	255	297	263
Cash flows					
Cash flows from operating activities	77	52	164	113	226
Operational investments	-59	-47	-152	-145	-215
Free cash flow	18	5	12	-32	11

	Q3		YTD		Year
(DKK million)	**2024/25**	2023/24	**2024/25**	2023/24	2023/24
Key figures					
Gross margin, total, %	55.4	53.2	54.7	52.9	53.3
Gross margin, Products, total %	52.2	49.1	50.5	48.5	49.0
Gross margin, Brand Partnering & other activities, %	81.1	84.5	88.4	86.7	83.3
Growth in local currencies, %	2	-3	-4	-7	-5
Like-for- like sell-out growth, %	15	-2	4	3	3
Point of sale - Monobrand, number of doors	359	395	359	395	387
Point of sale - Multibrand, number of doors	1,742	2,410	1,742	2,410	2,317
Point of sale - Custom installers, number of doors	107	101	107	101	101
EBITDA margin before special items, %	13.8	11.7	10.6	11.8	11.6
EBITDA margin, %	14.1	11.2	10.3	11.4	9.9
EBIT margin before special items, %	3.8	1.8	1.0	2.5	2.4
EBIT margin, %	4.0	1.3	0.7	2.1	0.7
Marketing cost ratio, %	6.5	8.6	8.8	10.3	10.2
Incurred development costs before capitalisation ratio, %	13.4	12.0	13.6	11.0	12.2
Return on assets, %	-1.1	0.8	-1.1	0.8	-0.7
Return on invested capital, excl. goodwill, %	12.9	12.6	12.9	12.6	16.7
Return on equity, %	-2.0	1.8	-2.0	1.8	-1.8
Full-time employee (FTE) at end of period	1,027	993	1,027	993	998
Stock-related key figures					
Earnings per share, basic (EPS) and diluted (EPS-D), DKK	0.0	0.0	-0.2	0.1	-0.1
Price/Earnings	205.6	389.2	-62.4	66.2	-75.7

For definitions, see note 8.7 to the Annual Report 2023/24.

Business review

Developments in Q3 2024/25
Our transition year continued in Q3 with positive momentum. Like-for-like sell-out grew by 15%. For the branded channels (company-owned stores, monobrand and e-commerce) like-for-like sell-out grew 18% year-on-year. The like-for-like sell-out growth was positively affected by successful campaigns and the execution of project sales among our partners. In our win cities, the reported sell-out growth collectively was 36% year-on-year.

Revenue (sell-in) in local currencies grew 2% year-on-year. Revenue from our branded channels grew 6% supported by revenue growth in the staged product category. Revenue from the eTail channel declined year-on-year.

Revenue from EMEA grew 6% year-on-year driven by double-digit growth in the branded channels. Despite the current high level of uncertainty in the market, growth was reported across most of the European markets. Moreover, average revenue per multibranded store increased, with the channel reporting double-digit growth combined with a reduction of more than 400 doors year-on-year.

In the Americas, a strong performance was driven by double-digit growth across all branded channels and with fewer stores in the monobrand channel year-on-year.

The APAC region reported negative growth mainly due to challenges in China and especially negative growth in the eTail channels. As part of the investment in future growth, we have initiated the next step towards operating the primary Chinese eTail channels directly. In April we will take over the online flagship store on the eTail platform Tmall. Thereby, operating the two largest eTail platforms in China directly.

The gross margin rose to a record-high 55.4% compared to 53.2% in Q3 last year. The reported gross margin has been above 50% for the past eight consecutive quarters and is thus strengthening the financial foundation for the strategic acceleration.

EBIT margin before special items was 3.8% compared to 1.8% in Q3 of last year. The improvement was driven by the higher reported gross margin and partly offset by higher capacity costs year-on-year.

Free cash flow improved by DKK 13m year-on-year to DKK 18m, supported by increased cash flow from operating activities.

Net available liquidity increased by DKK 213 to DKK 372m during the quarter, mainly due to funding received from the capital raise.

The inventories were reduced by DKK 13m during the quarter to DKK 413m. At quarter end, we reported the lowest inventory level in more than three years with improved composition and ageing within finished goods.

Strategy execution
In the beginning of December, we received the proceeds from the directed issue completed on 27 November 2024. The offering raised gross proceeds of DKK 228 m and DKK 217m net.

The strategy acceleration is progressing with targeted investments aiming to strengthen our position in the luxury audio market by increasing global brand awareness, optimising the retail network and continuing to further enhance the product portfolio.

Following the organisational change implemented in January 2025, consolidating our sales regions into one global sales function, 12 clusters were formed to further enhance our city focus. In addition, we have consolidated our service and support functions under global sales.

New, dedicated functions for new partnerships and the addition of more local sales and marketing resources will also enable us to better serve our customers.

We expect more resources to be onboarded for the remainder of the financial year.

Brand awareness and pricing
We continued our long-term collaboration with Saint Laurent with a release in March to mark the fifth joint creation. For this exclusive release, Saint Laurent and Bang & Olufsen have restored ten original Beogram 4000 Series turntables, originally introduced in the early 1970s.

Each piece is housed in a solid ziricote wood case, individually numbered, accented with aluminium details, and features an etched logo.

The 2025 Formula 1 season kicked off in March 2025 and featured Ferrari's new F1 car with the B&O logo displayed once again with prominent logo placement.

A key strategic focus for B&O is a closer and broader engagement with our customers, and in Q3 we grew our customer base by 5% (quarter-on-quarter). In addition, the number of customers owning two or more B&O products grew 4% during the quarter.

In terms of pricing, modest price increases were implemented on selected products in January 2025. Further price increases will be implemented by 1 May 2025, in response to normal price adjustments and recent tariffs.

Product innovations

Our Beoplay H100, launched in September, continued to perform well in Q3, while the newly launched Beoplay Eleven also got off to a good start.

As part of the strategy acceleration, we continue to elevate our product offering.

In February 2025, we introduced Atelier, offering clients the opportunity to create custom-made products in collaboration with our master artisans in Struer, Denmark. This milestone underscores the brand's rich legacy of unmatched sound quality and craftsmanship, offering opportunities for personal expression through one-of-a-kind creations and an array of customisation options.

In February and March 2025, the Beolab 8 and Beosound Theatre received Cradle to Cradle (C2C) certification at Bronze level, bringing the total number of products with cradle to cradle certification in our product portfolio to five.

Notably, Beosound Theatre is the first soundbar in the world to be Cradle to Cradle Certified®, highlighting our role in leading the movement toward more circular product design and manufacturing.

	Monobrand *		Multibrand		Custom installers	
Points of sale, number of doors	28-02-2025	28-02-2024	28-02-2025	28-02-2024	28-02-2025	28-02-2024
EMEA	260	290	964	1,417	N/A	N/A
Americas	24	30	21	37	107	101
APAC	75	75	757	956	N/A	N/A
Total	**359**	**395**	**1,742**	**2,410**	**107**	**101**

* Monobrand is including company-owned stores

Channel development

A key part of the strategy acceleration is optimising our footprint, and we are working on the pipeline across geographies in accordance with our mid-term plan. Retail excellence is undergoing improvement by training staff, upgrading store designs and increasing brand compliance across the network.

In EMEA, we reduced our monobrand network to 260 stores at quarter-end. During the quarter, we have signed agreements to open a new partner store in Milan and a new company-owned store in Paris. The stores are expected to open in Q4 24/25 and 2025/26, respectively. In London, an agreement is in place to expand our Harrods store and upgrade to our new store design.

Our expansion in the US is also continuing. In California, we are rebuilding a strong presence with our new, resourceful and experienced partner with whom we will open a number of flagship stores. Three stores are currently planned to open in 2025/26.

Partnering with custom installers is an important part of our future setup. Over the past year we have increased our cooperation with Origin Acoustics, a key partner in the Americas.

Out of our 13 defined global Win cities, we have implemented our Concept in four: New York, London, Paris and Hong Kong. In terms of performance, the Win cities collectively reported sell-out growth of 36%, which comprises sell-out across channels in the cities. All cities reported growth.

New York, London and Paris reported double-digit growth. New York was positively impacted by low comparables as one store was in ramp-up after being closed for relocation in October 2023. Hong Kong reported single-digit growth year-on-year. The solid growth rates underpin the planned expansions.

In addition, we have initiated the first phase of the Win City Concept to support and accelerate growth in Los Angeles and Tokyo.

In total, our monobrand network including company-owned stores comprised 359 stores, which was a net reduction of 36 since the end of Q3 last year. This is in line with our ongoing assessment and plan to ensure that all monobrand stores deliver unique and luxurious experiences.

In terms of multibrand, we continue to be more selective. In EMEA, we decided to discontinue our collaboration with selected multibrand partners in accordance with our efforts to optimise our presence in the channel.

License business and Strategic partnerships

We continued the ramp-up of our six-year licensing partnership with TCL, announced in July 2024. Through this partnership, we bring elevated audio experiences to TCL's premium TV portfolio with our 'Audio by Bang & Olufsen' proposition, distributed globally via TCL's channels and customers.

In December 2024, TCL launched the TCL X965 TV, and in January 2025, the C series was lunched as the fourth product featuring 'Audio by Bang & Olufsen'.

Following the successful partnership with Hyundai Motor Group on the Genesis brand since 2018, Bang & Olufsen and HARMAN Automotive will be expanding the partnership into the Hyundai brand, introducing our 'Audio by Bang & Olufsen' in-car proposition. We are excited to bring together Hyundai's tech-forward vision with Bang & Olufsen's expertise in acoustics and digital audio experiences. The first Hyundai vehicle featuring the 'Audio by Bang & Olufsen' system is expected to debut in 2025.

A key strategic focus is to further develop our offering of software propositions in order to expand partnerships and offerings to the hospitality industry.

Case study: Atelier

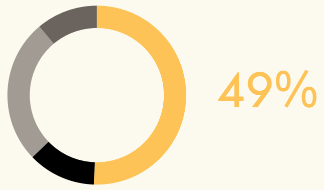
Our Atelier offering delivers customisation opportunities within the following areas:

- Atelier Bespoke: Collaborating directly with an Atelier artisan, clients can create custom product incorporating materials or specific colours for a one-off creation.
- Atelier Catalogue: Customers can choose from over 500,000 possible combinations of fabric, wood and aluminium finishes to customise their product.
- Atelier Editions: Limited editions of iconic products in the portfolio, showcasing the finest Bang & Olufsen craftsmanship.

To celebrate the Atelier launch and 100 years, we have created the Atelier Limited Edition Beosound 2 Gradient Collection. Featuring 10 different gradient combinations inspired by emotions shaped through sound, each colour gradient is limited to 10 engraved and numbered pieces. The meticulous finish is achieved thanks to our aluminium expertise in Factory 5 in Struer, Denmark.

The full Atelier experience will be available at select Bang & Olufsen stores. Customers can also explore customisation opportunities in the newly released digital composer at B&O.com.

Share of total revenue



EMEA

Like-for-like sell-out

In terms of demand from our end customers, like-for-like sell-out in EMEA grew by 18%.

Branded channels all generated double-digit like-for-like sell-out growth supported by successful campaigns. The eTail channel reported like-for-like sell-out growth year-on-year.

In terms of product categories, our Staged and On-the-go categories delivered double-digit growth compared to Q3 last year. The Flexible Living category declined.

Revenue

Revenue was DKK 311m (Q3 23/24: DKK 293m), equivalent to an increase of 6.2% (6% in local currencies).

Our branded channels reported high single-digit growth in revenue year-on-year. Revenue from company-owned stores rose by double digits, while revenue from the monobrand channel experienced single-digit growth. The development was positively impacted by the recent launches of Beoplay H100 and Beoplay Eleven.

The number of multibrand stores was reduced by 453, mainly driven by a decision to close several multibrand doors primarily in Germany in line with the strategic transformation. Despite the reduction in number of stores, revenue from the multibranded channels grew year-on-year. Revenue from eTail declined compared to last year.

Overall, revenue from the Staged category increased by 6%, while the Flexible Living category increased by 10%. Revenue from the On-the-go category increased by 3%.

Gross profit

Gross profit amounted to DKK 160m (Q3 23/24: DKK 143m), corresponding to a gross margin of 51.0% (Q3 23/24: 48.7%).

The margin was mainly driven by improved product margins in the Flexible Living and On-the-go categories.

9M 2024/25

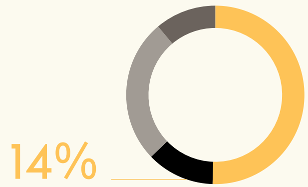
Revenue was DKK 914m (9M 23/24: DKK 938m). This represented a decline of 2.5% (-3% in local currencies). The decline was mainly driven by the Flexible Living and the On-the-go categories.

Gross margin increased by 1.5pp to 49.8%, primarily driven by increased gross margins in the Flexible and On-the-go product categories.

	Q3		YTD	
(DKK million)	2024/25	2023/24	2024/25	2023/24
Like-for-like sell-out growth	18%	-13%	7%	-5%
Revenue	311	293	914	938
Growth in local currencies	6%	-12%	-3%	-4%
Gross profit	160	143	456	453
Gross margin	51.0%	48.7%	49.8%	48.3%

Americas

Share of total revenue



Like-for-like sell-out

Sell-out in the Americas grew by 49%. Branded channels combined reported a high double-digit increase year-on-year driven by solid growth in all channels. Company-owned stores were positively impacted by low comparables in Q3 last year due to ramp up after relocation in Q2 23/24, while the monobrand channel was positively affected by campaigns and the execution of project sales.

Like-for-like sell-out from the eTail channel experienced single-digit growth.

In terms of product categories, growth was reported across product categories, and our Staged category and On-the-go category generated double-digit growth.

Revenue

Revenue was DKK 86m (Q3 23/24: DKK 70m), equivalent to an increase of 23.3% (18% in local currencies).

Revenue growth from branded channels was high double-digit, supported by growth in all channels. Revenue from the monobrand channel generated solid growth year-on-year despite a reduction in the number of stores in California.

We continue with our US expansion. In California, we are rebuilding a strong presence in collaboration with our new resourceful and experienced partner with whom we will open a number of flagship stores. Three stores are currently planned to open in 2025/26.

Revenue growth from Custom installers was stable, while the enterprise channel showed single digit growth and was affected by high comparables due to the ramp up of our collaboration with Genesis in Q3 of last year.

Revenue from the multibrand channel was minimal and comprised a limited share of total revenue in the Americas. This is in line with the strategic transformation to reduce our multibrand presence. At end of quarter, we were present in 21 stores.

In terms of product categories, revenue from our Staged products increased 19% compared to Q3 last year. The Flexible Living category reported a decline of 11%, while the On-the-go category grew by 46%.

Gross profit

Gross profit amounted to DKK 43m (Q3 23/24: DKK 31m). This was equivalent to a gross margin of 49.6% (Q3 23/24: 45.9%). The margin was positively impacted by improved product margins across the product categories.

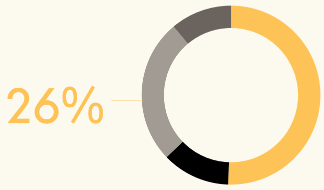
9M 2024/25

Revenue was DKK 240m (9M 23/24: DKK 209m), equivalent to a year-on-year increase of 15.0% (11% in local currencies). The increase was driven by growth in the Staged and On-the-go categories.

Gross margin increased by 4.8pp to 49.5% driven by improved margins across categories as well as positive changes in the product mix.

	Q3		YTD	
(DKK million)	2024/25	2023/24	2024/25	2023/24
Like-for-like sell-out growth	49%	-7%	12%	-3%
Revenue	86	70	240	209
Growth in local currencies	18%	1%	11%	-10%
Gross profit	43	31	119	93
Gross margin	49.6%	45.9%	49.5%	44.7%

Share of total revenue



APAC

Like-for-like sell-out

Like-for-like sell-out in APAC declined by 3%. The branded channels reported double-digit growth year-on-year driven by growth across the channels.

The multibrand channel reported single-digit like-for-like sell-out growth while sell-out in the eTail channel declined.

China like-for-like sell-out declined by 13%. Like-for-like sell-out in the monobrand channel grew year-on-year while eTail declined.

Excluding China, sell-out in APAC experienced single digit growth. South Korea and Taiwan reported sell-out growth while Japan reported a modest decline.

In terms of product categories, our Staged products delivered double-digit growth compared to Q3 of last year. The Flexible Living category and On-the-go category declined.

Revenue

Revenue was DKK 164m (Q3 23/24: DKK 180m), corresponding to a decline of 8.5% (-8% in local currencies).

Revenue from China declined 8.7% (-11% in local currencies) and accounted for approximately 46% of total revenue in APAC. Revenue from our monobrand channel in China reported a modest increase year-on-year which was more than offset by a decline in the eTail channel. As part of the investment in future growth, we have initiated the next step towards operating the primary Chinese eTail channels directly. In April we will take over the online flagship store on the eTail platform Tmall. Thereby, operating the two largest eTail platforms in China directly.

Revenue from South Korea and Taiwan grew, while Japan declined due to currency impact. Adjusted for currency impact, revenue from Japan grew year-on-year.

In terms of product categories, revenue from the Staged category declined by 2%. The Flexible Living category decreased by 22% while the On-the-go category declined by 4%. The Flexible Living category was impacted by end-of-life deals made in Q3 of last year.

Gross profit

Gross profit amounted to DKK 91m (Q3 23/24: DKK 92m), equivalent to a gross margin of 55.7% (Q3 23/24: 50.8%) and an increase of 4.9pp. year-on-year.

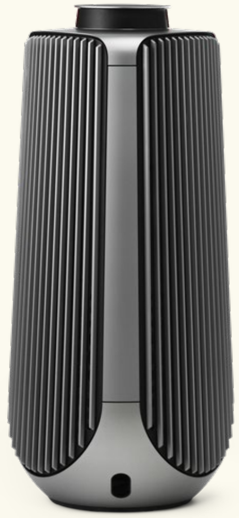
The margin was positively impacted by improved gross margins across product categories and a change in product mix towards higher margin products.

9M 2024/25

Revenue was DKK 511m (9M 23/24: DKK 563m), equivalent to a year-on-year decrease of 9.1% (-9% in local currencies). The Staged category increased, while the Flexible Living and the On-the-go categories declined.

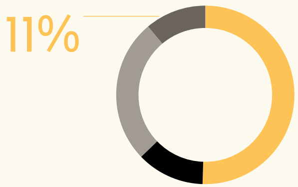
Gross margin increased by 1.8pp to 52.2% driven by margin improvements across product categories and changes in the product mix.

	Q3		YTD	
(DKK million)	**2024/25**	2023/24	**2024/25**	2023/24
Like-for-like sell-out growth	-3%	23%	-3%	21%
Revenue	164	180	511	563
Growth in local currencies	-8%	27%	-9%	-4%
Gross profit	91	92	267	284
Gross margin	55.7%	50.8%	52.2%	50.4%



Brand Partnering & other activities

Share of total revenue



Revenue

Revenue was DKK 70m (Q3 23/24: DKK 71m), corresponding to a decrease of 0.4% (-2% in local currencies).

Overall license revenue declined by 15%. License revenue from the automotive industry grew year-on-year while license income from HP declined in line with our expectations due to the expiry of the agreement. Licensing income accounted for 68% of total revenue in Brand Partnering & other activities (Q3 23/24: 78%).

Revenue from Cisco co-branded products increased year-on-year.

Revenue related to aluminium production for partners increased compared to Q3 of last year.

Gross profit

Gross profit amounted to DKK 57m (Q3 23/24: DKK 60m), equivalent to a gross margin of 81.1% (Q3 23/24: 84.5%). The margin declined due to the change in mix between license and product sales compared to Q3 of last year.

9M 2024/25

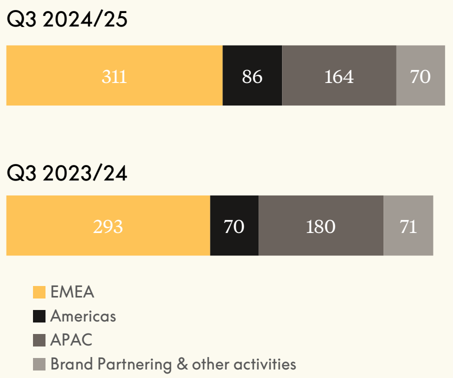
Revenue was DKK 208m (9M 23/24: DKK 223m), equivalent to a year-on-year decrease of 6.4% (-9% in local currencies). The decline was mainly driven by lower license revenue from HP as expected, while automotive increased. License revenue from TCL is ramping up as expected.

Gross margin increased by 1.7pp to 88.4% mainly driven by the lower share of product revenue from our brand collaboration with Cisco.

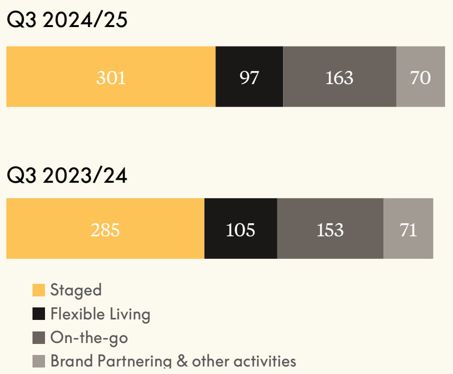
	Q3		YTD	
(DKK million)	**2024/25**	2023/24	**2024/25**	2023/24
Revenue	70	71	208	223
Growth in local currencies	-2%	-17%	-9%	-20%
Gross profit	57	60	184	193
Gross margin	81.1%	84.5%	88.4%	86.7%

Financial review

Revenue split by region, DKKm



Revenue split by category, DKKm



Like-for-like sell-out

Sell-out grew by 15% compared to the same period last year. Excluding end-of-life products, like-for-like sell-out grew by 19% compared to Q3 last year.

Like-for-like sell-out for our branded channels combined grew 21% compared to Q3 of last year.

In terms of product categories, our Staged category grew by 24%, while the Flexible Living category declined by 7% and the On-the-go category grew by 19%.

Revenue in Q3

Revenue in Q3 was DKK 631m compared to DKK 614m in Q3 last year. This was equivalent to an increase of 2.8% year-on-year (2% in local currencies).

The increase in reported revenue related to an increase in product sales of 3.5% (3% in local currencies), while Brand Partnering and other activities experienced a modest decline of DKK 1m to DKK 70m (-2% in local currencies.)

Product revenue, regions

The development in product revenue was driven by reported growth in branded channels. EMEA and the Americas generated growth in branded channels while APAC reported a low single-digit decline.

Reported revenue from the multibrand channel grew year-on-year mainly driven by EMEA despite reduction in the number of doors. In the Americas, revenue from multibrand was limited. Revenue from eTail declined mainly due to declining revenue in China.

Product revenue, categories

Staged category

Revenue increased by 6% to DKK 301m. This was mainly driven by increased revenue from TV's & soundbars.

Flexible Living category

Revenue declined by 8% to DKK 97m. The decline was mainly due to decline in APAC across products. Revenue from the Flexible Living category grew in EMEA.

On-the-go category

Revenue increased by 7% to DKK 163m. Growth was mainly driven by the successful launch of Beoplay H100 and Beoplay Eleven.

Brand Partnering & other activities

The 0.4% decline (-2% in local currencies) to DKK 70m in Brand Partnering & other activities was mainly due to the expected fall in license income from HP year-on-year partly offset by increased revenue from automotive.

Gross profit

Gross profit was DKK 351m (Q3 23/24: DKK 326m), corresponding to a gross margin of 55.4%, an improvement of 2.2pp. compared to 53.2% in Q3 of last year.

Gross profit from regional product sales was DKK 294m (Q3 23/24: DKK 266m), corresponding to a gross margin of 52.2% (Q3 23/24: 49.6%). Improved gross margins were reported across regions. The gross margin for the

LIKE-FOR-LIKE SELL-OUT GROWTH*

	Q3 24/25		Q3 24/25
EMEA	18%	Staged	24%
Americas	49%	Flexible Living	-7%
APAC	-3%	On-the-go	19%
Total	**15%**	**Total**	**15%**

* Defined as sell-out from the same stores, provided they were open and active in both periods.

Staged category experienced a modest increase while the Flexible Living and On-the-go categories reported mid-single-digit growth year-on-year. The On-the-go category was positively impacted by the launch of Beoplay H100 and Beoplay Eleven.

Gross profit from Brand Partnering & other activities was DKK 57m (Q3 23/24: DKK 60m), equivalent to a gross margin of 81.1% (Q3 23/24: 84.5%). The gross margin decreased due to the mix.

Currency movements had a negative impact of 0.2% on the gross margin for the quarter.

Capacity costs

Capacity costs grew 3% to DKK 326m (Q3 23/24: DKK 318m).

Development costs increased by DKK 6m to DKK 78m (Q3 23/24: DKK 72m). Incurred development costs before capitalisation increased by DKK 12m and the ratio was up by 1.4 pp to 13.4% of revenue mainly driven by higher activity to support the strategy.

Distribution and marketing costs decreased by DKK 4m to DKK 213m (Q3 23/24: DKK 217m). The marketing cost ratio was 6.5% compared to 8.6% in Q3 last year. The decrease was driven by lower marketing activity, especially within the regions.

Administrative expenses increased by DKK 6m to DKK 35m (Q3 23/24: DKK 29m) primarily driven by higher advisory costs related to our strategy acceleration plans.

EBITDA

EBITDA was DKK 88m (Q3 23/24: DKK 69m). This was equivalent to a margin of 13.9% (Q3 23/24: 11.2%).

EBITDA before special items was DKK 87m (Q3 23/24: DKK 72m), equivalent to a margin of 13.7% (Q3 23/24: 11.7%).

Special items were an income of DKK 1m (Q2 23/24: DKK 3m) and related to an adjustment of the provision made regarding the re-organisation in Q4 of last year.

EBIT

EBIT was DKK 25m (Q3 23/24: DKK 8m). This was equivalent to an EBIT margin of 4.0% (Q3 23/24: 1.3%).

EBIT before special items was DKK 24m (Q3 23/24: DKK 11m), equivalent to a margin of 3.8% (Q3 23/24: 1.8%).

	Q3		YTD	
GROSS MARGIN	**2024/25**	2023/24	**2024/25**	2023/24
Staged	57.9%	57.2%	57.4%	56.5%
Flexible Living	58.4%	52.6%	54.9%	51.5%
On-the-go	37.9%	31.6%	35.8%	33.3%
Products, total	**52.2%**	**49.1%**	**50.5%**	**48.5%**
Brand Partnering & other activities	81.1%	84.5%	88.4%	86.7%
Total	**55.4%**	**53.2%**	**54.7%**	**52.9%**

Cash flows

Free cash flow was DKK 18m compared to DKK 5m last year. The year-on-year improvement related primarily to increased cash flows from operating activities (DKK 25m) partly offset by an increase in investing activities (DKK 12m) that were primarily driven development projects.

Cash flows from operational investments totalled an outflow of DKK 59m and were DKK 12m higher than last year driven by development projects (Q3 23/24: DKK 47m).

Cash flows from financing activities were a net inflow of DKK 24m (Q3 23/24: outflow of DKK 13m). The amount consists of net proceeds of DKK 217m from the completion of the new share offering offset by repayment of repo and lease liabilities.

The cash position at the end of the quarter was DKK 129m (30 November 2024: DKK 87m). Total available liquidity was DKK 372m (30 November 2024: DKK 159m), consisting of cash DKK 129m and securities DKK 383m less DKK 140m in bank loans related to repo transactions. The bank loans related to repo were lowered by DKK 175m during the quarter supported by the capital increase.

Net working capital

Net working capital increased by DKK 5m during the quarter to DKK 255m (30 November 2024: DKK 250m).

Net working capital to the last 12 months' revenue was 10.1% (Q2 24/25: 10.0%).

Trade receivables decreased by DKK 79m to DKK 269m. The decrease was driven by collections from the higher sales in Q2 as per our normal seasonality. Sales with extended credit accounted for 2% of revenue for the quarter (Q2 24/25: 1%).

Inventories decreased by DKK 13m during the quarter to DKK 413m.

Trade payables decreased by DKK 105m to DKK 321m, mainly related to payments subsequent to the higher activity levels in Q2 and timing.

Other short-term liabilities increased by DKK 13m to DKK 202m during the quarter primarily driven by employee-related liabilities offset by VAT payments.

Net interest-bearing deposits/debt

Net interest-bearing deposit amounted to DKK 181m, compared to a net debt of DKK 34m at 31 May 2024. The decrease was mainly driven by the net proceeds from the capital increase of DKK 217m and the free cash flow of DKK 12m YTD offset by the repayment of lease liabilities. For further details, please see note 7.

Financial performance 9M 2024/25

Revenue amounted to DKK 1,873m (9M 23/24: DKK 1,933m) and declined by 3.1% (-4% in local currencies).

EMEA revenue declined by 2.5% compared to 9M 23/24 (-3% in local currencies). Revenue in branded channels (company-owned stores, monobrand and e-commerce) declined by -0.6% year-on-year (-1% in local currencies). The decline was mainly driven by the Flexible Living and the On-the-go categories.

The Americas reported growth of 15.0% (11% in local currencies) mainly driven by increased revenue from the branded channels. Revenue from the multibrand and eTail channels declined year-on-year.

APAC revenue declined by 9.1% (-9% in local currencies). Revenue from the monobrand channel declined and was impacted by low performance from one partner. Revenue from the eTail channel declined year-on-year whereas the multibrand channel increased.

Revenue in the Staged category grew by 3%, while the Flexible Living and the On-the-go categories decreased by 16% and 3%, respectively.

The revenue from Brand Partnering & other activities decreased 6% year-on-year mainly driven by lower license revenue from HP as expected, while automotive increased. License revenue from TCL is ramping up as expected.

Gross margin was 54.7% (9M 23/24: 52.9%), equivalent to a year-on-year increase of 1.8pp.

The gross margin was favourably impacted by a change in product mix towards higher margin products as well improved gross margins across regions and product categories, supported by implemented prices increases.

Currency movements had a negative impact of 0.3% on the gross margin and a positive effect of 0.1% on the EBIT margin compared to last year.

Capacity costs amounted to DKK 1,013m (9M 23/24: DKK 982m). The increase was driven by higher development costs, while distribution and marketing costs declined.

EBITDA was DKK 193m (9M 23/24: DKK 221m). The decline was driven by increased capacity costs especially within development costs. This was equivalent to a margin of 10.3% vs. 11.4% last year.

EBITDA before special items was DKK 199m (9M 23/24: DKK 228m), equivalent to a margin of 10.6% compared to 11.8% last year.

EBIT was DKK 13m (9M 23/24: DKK 41m), equivalent to a margin of 0.7% (9M 23/24: 2.1%).

EBIT before special items was DKK 19m (9M 23/24: DKK 48m) with a margin of 1.0% (9M 23/24: 2.5%).

Special items were DKK 6m (9M 23/24: DKK 7m) and primarily related to the undertaken re-organisations.

Free cash flow was DKK 12m (9M 23/24: DKK -32m) equivalent to an improvement of DKK 44m. This was primarily due to an improved cash flow from operating activities of DKK 51m to driven by a positive change in net working capital offset by a lower EBITDA.

Our combined capital resources (available liquidity and the undrawn part of our ESG-linked credit facility) amounted to DKK 532m (31 May 2024: DKK 344m). The difference is primarily driven by the completion of the new share offering, raising net proceeds of DKK 217m followed by the positive change in free cash flow offset by the repayment of lease liabilities.

Outlook for 2024/25 maintained

Outlook for 2024/25
The outlook for 2024/25 reflects a transition year prior to accelerating the strategic execution and investments as described in relation to the medium-term ambitions in the annual report 2023/24.

Revenue growth
Revenue growth in local currencies is expected to be from -3% to 3%.

Revenue growth is expected to be in the lower end of the range due to persistent challenges in APAC.

EBIT margin before special items
EBIT margin before special items is expected to be from -2% to 1%.

EBIT margin before special items is expected to be in the mid-range mainly due to the positive development of the gross margin.

Free cash flow
Free cash flow is expected to be from DKK -100m to DKK 0m.

Free cash flow is expected to be in the higher end of the range mainly due to the development in net working capital and secondly timing of capex investments.

Assumptions
The expectations are subject to the following assumptions:
- Launch of one or more product innovations for the remainder of the year.
- No further deterioration in macroeconomic conditions in our main markets.
- No major changes to events impacting our monobrand distribution setup in China.
- Exchange rates against DKK, including in particular USD, CNY and EUR, in line with current exchange rate levels overall.
- CAPEX is expected to be around DKK 250.
- Capacity costs are expected to increase by around DKK 100m from 2023/24.
- No significant impact from tariffs for the remainder of the year.

Sensitivities
The outlook for 2024/25 is subject to uncertainty related to consumer sentiment. In addition, there continues to be geopolitical and economic uncertainty.

Forward-looking expectations
The report contains statements relating to expectations for future developments, including future revenues and operating results, as well as expected business-related events. Such statements, including without limitation those relating to the outlook and the medium-term ambitions, are subject to uncertainty and carry an element of risk since many factors, some of which are beyond Bang & Olufsen's control, may cause actual developments to deviate significantly from the expectations expressed in this report. Without being exhaustive, such factors include general economic and commercial factors, such as market and competitive matters, supplier issues and financial issues in the form of foreign exchange, interest rates, credit and liquidity risk.

Mid-term financial ambitions

Organic growth
8%
CAGR* 25/26-27/28

EBIT margin bsi**
8%
in 27/28

Free cash flow
DKK 250m
in 27/28

* Compound annual growth rate ** Before special items

Assumptions

Our financial ambitions are based on constant currencies and on the current political and economic environment and projections. Any change to these factors may impact the ambitions. The sensitivities relating to the outlook for 2024/25 apply equally to the period for the medium-term ambitions.

Condensed income statement

		Q3		YTD		Year
(DKK million)	Notes	2024/25	2023/24	2024/25	2023/24	2023/24
Revenue	4	631	**614**	1,873	**1,933**	**2,588**
Production costs		-280	-288	-847	-910	-1,209
Gross profit		351	**326**	1,026	**1,023**	**1,379**
Development costs	5	-78	-72	-248	-206	-286
Distribution and marketing costs		-213	-217	-653	-678	-940
Administrative expenses		-35	-29	-112	-98	-135
Operating profit/loss (EBIT)		25	**8**	13	**41**	**18**
Financial income		8	12	43	35	50
Financial expenses		-17	-14	-65	-54	-75
Financial items, net		-9	**-2**	-22	**-19**	**-25**
Profit/loss before tax (EBT)		16	**6**	-9	**22**	**-7**
Income tax		-9	-3	-14	-4	-10
Profit/loss for the period		7	**3**	-23	**18**	**-17**
Earnings per share						
Earnings per share, basic (EPS) and diluted (EPS-D), DKK		0.0	0.0	-0.2	0.1	-0.1

Condensed statement of comprehensive income

	Q3		YTD		Year
(DKK million)	**2024/25**	2023/24	**2024/25**	**2023/24**	2023/24
Profit/loss for the period	**7**	**3**	**-23**	**18**	**-17**
Items that will be reclassified subsequently to the income statement:					
Exchange adjustments of subsidiaries	6	2	11	-	-4
Fair value adjustments of hedging instruments	-	1	-4	-3	-5
Value adjustments of hedging instruments reclassified in					
Revenue	5	-	10	2	3
Production costs	-4	-	-5	5	5
Tax on other comprehensive income/loss	-	-	-	-1	-1
Items that will not be reclassified subsequently to the income statement:					
Actuarial gains/losses on defined benefit plans	0	-	0	-	0
Tax on other comprehensive income	0	-	0	-	0
Other comprehensive income/loss for the period, net of tax	**7**	**3**	**12**	**3**	**-2**
Total comprehensive income/loss for the period	**14**	**6**	**-11**	**21**	**-19**

Condensed statement of financial position

ASSETS

(DKK million)	Notes	**28-02-25**	29-02-24	31-05-24
Goodwill		42	42	42
Acquired rights and software		85	67	72
Completed development projects		180	152	150
Development projects in progress	5	105	108	132
Intangible assets		**412**	**369**	**396**
Property, plant and equipment		213	221	220
Right-of-use assets		112	99	136
Tangible assets		**325**	**320**	**356**
Non-current other receivables		19	22	20
Deferred tax assets		93	101	92
Total non-current assets		**849**	**812**	**864**
Inventories		413	469	447
Trade receivables		269	320	309
Tax receivable		27	11	32
Other receivables		55	43	53
Prepayments		41	26	27
Securities	7	383	390	388
Cash	7	129	149	177
Total current assets		**1,317**	**1,408**	**1,433**
Total assets		**2,166**	**2,220**	**2,297**

EQUITY AND LIABILITIES

(DKK million)	Notes	**28-02-25**	29-02-24	31-05-24
Share capital		737	613	613
Translation reserve		27	20	16
Cash flow hedge reserve		-1	-1	-2
Retained earnings		410	357	329
Total equity		**1,173**	**989**	**956**
Lease liabilities		88	89	117
Pensions		10	10	10
Deferred tax		8	6	8
Provisions		44	38	46
Mortgage loans		51	54	53
Non-current other liabilities		2	2	2
Total non-current liabilities		**203**	**199**	**236**
Lease liabilities		49	37	45
Mortgage loans		3	3	3
Bank loans	7	140	381	381
Provisions		48	49	84
Trade payables		321	424	401
Tax payable		28	2	20
Other liabilities		201	136	171
Total current liabilities		**790**	**1,032**	**1,105**
Total liabilities		**993**	**1,231**	**1,341**
Total equity and liabilities		**2,166**	**2,220**	**2,297**

Condensed statement of cash flows

		Q3		YTD		Year
(DKK million)	Notes	**2024/25**	2023/24	**2024/25**	2023/24	2023/24
Profit/loss before tax (EBT)		16	6	-9	22	-7
Financial items, net		9	2	22	19	25
Depreciation, amortisation and impairment		64	61	180	180	239
Operating profit/loss before depreciation, amortisation and impairment (EBITDA)		**89**	69	**193**	**221**	**257**
Other non-cash items		-3	1	-27	-11	33
Change in net working capital	6	-5	-11	8	-75	-41
Interest received		8	12	43	35	50
Interest paid		-9	-16	-52	-45	-63
Income tax received/paid		-3	-3	-1	-12	-10
Cash flows from operating activities		**77**	**52**	**164**	**113**	**226**
Purchase of intangible non-current assets		-48	-33	-125	-103	-163
Purchase of tangible non-current assets		-11	-15	-28	-44	-55
Sublease payment		-	-	1	1	2
Other cash flows from investing activities		-	1	-	1	1
Operational investments		**-59**	**-47**	**-152**	**-145**	**-215**
Free cash flow		**18**	**5**	**12**	**-32**	**11**
Purchase of securities		-	-	-	-	-
Sale of securities		-1	3	3	6	6
Financial investments		**-1**	**3**	**3**	**6**	**6**
Cash flows from investing activities		**-60**	**-44**	**-149**	**-139**	**-209**

		Q3		YTD		Year
(DKK million)	Notes	**2024/25**	2023/24	**2024/25**	2023/24	2023/24
Repayment of lease liabilities		-11	-11	-35	-32	-45
Repayment of mortgage loans		-1	-1	-2	-2	-3
Proceeds from loans and borrowings		-252	-	-246	-	-6
Repayment of loans and borrowings		77	-1	6	-5	-
Purchase of treasury shares		-6	-	-6	-	-
Capital increase		217	-	217	-	-
Cash flows from financing activities		**24**	**-13**	**-66**	**-39**	**-54**
Cash and cash equivalents, opening balance		87	154	177	216	216
Foreign exchange gain/loss on cash and cash equivalents		1	-	3	-2	-2
Change in cash and cash equivalents		**41**	**-5**	**-51**	**-65**	**-37**
Cash and cash equivalents, closing balance		**129**	**149**	**129**	**149**	**177**
Available liquidity	7	372	158	372	158	184

Condensed statement of changes in equity

(DKK million)	Share capital*	Translation reserve	Cash flow hedge reserve	Retained earnings	**Total**
Equity 1 June 2024	**613**	**16**	**-2**	**329**	**956**
Profit/loss for the period	-	-	-	-23	-23
Exchange adjustments of subsidiaries	-	11	-	-	11
Fair value adjustments of hedging instruments	-	-	-4		-4
Value adjustments of hedging instruments reclassified in				-	
Revenue	-	-	10	-	10
Production costs	-	-	-5	-	-5
Income tax on items that will be reclassified to the income statement	-	-	-	-	-
Comprehensive income/loss for the period	**-**	**11**	**1**	**-23**	**-11**
Share-based payments	-	-	-	17	17
Capital increase	124	-	-	104	228
Costs relating to capital increase	-	-	-	-11	-11
Acquisition of own shares	-	-	-	-6	-6
Equity 28 February 2025	**737**	**27**	**-1**	**410**	1,173
Equity 1 June 2023	**613**	**20**	**-4**	**329**	**958**
Profit/loss for the period	-	-	-	18	18
Exchange adjustments of subsidiaries	-	-	-	-	-
Fair value adjustments of hedging instruments	-	-	-3	-	-3
Value adjustments of hedging instruments reclassified in					
Revenue	-	-	2	-	2
Production costs	-	-	5	-	5
Income tax on items that will be reclassified to the income statement	-	-	-1	-	-1
Comprehensive income/loss for the period	**-**	**-**	**3**	**18**	**21**
Share-based payments	-	-	-	10	10
Equity 29 February 2024	**613**	**20**	**-1**	**357**	**989**

* The company holds a total of 1,805,700 treasury shares (1,768,231 shares as of 31 May 2024).

Notes

1 Basis of reporting

This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting, as adopted by the EU as well as additional Danish disclosure requirements for interim financial reports of listed companies.

No interim report has been prepared for the parent company.

The accounting policies applied in this interim report are consistent with those applied in the Annual Report for 2023/24.

New standards, interpretations and amendments adopted by Bang & Olufsen
Bang & Olufsen has implemented the International Financial Reporting Standards (IFRS) and amendments effective as of 1 June 2024 and endorsed by the EU. The implementation of new or amended standards and interpretations had no impact on the interim financial statements.

2 Critical accounting estimates and judgements

When preparing the interim financial report, Management makes various accounting estimates and assumptions that form the basis of the presentation, recognition and measurement of Bang & Olufsen's assets and liabilities. Estimates and judgements are reassessed on a regular basis.

All critical accounting estimates and judgements are consistent with those applied in note 1.2 to the consolidated financial statements in the 2023/24 Annual Report, to which reference is made.

3 Seasonality

Due to the composition of the Bang & Olufsen business, some degree of seasonality of revenue must be expected. Historically, reported revenue has been the highest in the second quarter due to the seasonal nature of the business.

4 Segment information – Q3

(DKK million)	EMEA	Americas	APAC	**Regions, total**	Brand Partnering & other activities	**All**
Q3 2024/25 revenue by strategic market						
Revenue	**311**	**86**	**164**	**561**	**70**	**631**
Production costs	-151	-43	-73	-267	-13	-280
Gross profit	**160**	**43**	**91**	**294**	**57**	**351**
Gross margin	51.0%	49.6%	55.7%	52.2%	81.1%	55.4%
Q3 2023/24 revenue by strategic market						
Revenue	**293**	**70**	**180**	**543**	**71**	**614**
Production costs	-150	-39	-88	-277	-11	-288
Gross profit	**143**	**31**	**92**	**266**	**60**	**326**
Gross margin	48.7%	45.9%	50.8%	49.1%	84.5%	53.2%

(DKK million)	Staged	Flexible Living	On-the-go	**Products, total**	Brand Partnering & other activities	**All**
Q3 2024/25 revenue by product category						
Revenue	**301**	**97**	**163**	**561**	**70**	**631**
Production costs	-126	-41	-100	-267	-13	-280
Gross profit	**175**	**56**	**63**	**294**	**57**	**351**
Gross margin	57.9%	58.4%	37.9%	52.2%	81.1%	55.4%
Q3 2023/24 revenue by product category						
Revenue	**285**	**105**	**153**	**543**	**71**	**614**
Production costs	-122	-50	-105	-277	-11	-288
Gross profit	**163**	**55**	**48**	**266**	**60**	**326**
Gross margin	57.2%	52.6%	31.6%	49.1%	84.5%	53.2%

Gross profit is a segment KPI. There are no unallocated elements, and total gross profit reconciles to the income statement.

Segment information – YTD

(DKK million)	EMEA	Americas	APAC	**Regions, total**	Brand Partnering & other activities	**All**
2024/25 revenue by strategic market						
Revenue	**914**	**240**	**511**	**1,665**	**208**	**1,873**
Production costs	-458	-121	-244	-823	-24	-847
Gross profit	**456**	**119**	**267**	**842**	**184**	**1,026**
Gross margin	49.8%	49.5%	52.2%	50.5%	88.4%	54.7%
2023/24 revenue by strategic market						
Revenue	**938**	**209**	**563**	**1,710**	**223**	**1,933**
Production costs	-485	-116	-279	-880	-30	-910
Gross profit	**453**	**93**	**284**	**830**	**193**	**1,023**
Gross margin	48.3%	44.7%	50.4%	48.5%	86.7%	52.9%

(DKK million)	Staged	Flexible Living	On-the-go	**Products, total**	Brand Partnering & other activities	**All**
2024/25 revenue by product category						
Revenue	**878**	**292**	**495**	**1,665**	**208**	**1,873**
Production costs	-374	-132	-317	-823	-24	-847
Gross profit	**504**	**160**	**178**	**842**	**184**	**1,026**
Gross margin	57.4%	54.9%	35.8%	50.5%	88.4%	54.7%
2023/24 revenue by product category						
Revenue	**854**	**347**	**509**	**1,710**	**223**	**1,933**
Production costs	-372	-168	-340	-880	-30	-910
Gross profit	**482**	**179**	**169**	**830**	**193**	**1,023**
Gross margin	56.5%	51.5%	33.3%	48.5%	86.7%	52.9%

Gross profit is a segment KPI. There are no unallocated elements, and total gross profit reconciles to the income statement.

5 Development costs

	Q3		YTD		Year
(DKK million)	**2024/25**	2023/24	**2024/25**	2023/24	2023/24
Incurred development costs before capitalisation	85	73	255	213	315
Of which capitalised	-36	-25	-86	-81	-127
Incurred development costs after capitalisation	49	48	169	132	188
Capitalisation (%)	42.4%	34.1%	33.7%	38.3%	40.2%
Total charges and impairment losses on development projects	29	24	79	74	98
Development costs recognised in the consolidated income statement	**78**	**72**	**248**	**206**	**286**
Incurred development costs before capitalisation ratio (% of revenue)	13.4%	12.0%	13.6%	11.0%	12.2%

6 Change in net working capital

(DKK million)	**28-02-25**	31-05-24	Change in Q3 2024/25 YTD	Change in Q3 2023/24 YTD	Change in 2023/24
Inventories	413	447	34	30	-52
Trade receivables	269	309	40	21	-32
Other receivables*	54	52	-3	24	-14
Prepayments	41	27	-14	-2	3
Trade payables	-321	-401	-80	-141	164
Other liabilities	-201	-171	31	-7	-28
Total	**255**	**263**	**8**	**-75**	**41**

*Other receivables were adjusted for financial receivables related to leases of DKK 1m not included as net working capital at 28 February 2025 (31 May 2024: DKK 1m).

7 Net interest-bearing deposit/debt

Net interest-bearing deposit/debt consists of interest-bearing assets less interest-bearing debt. Interest-bearing assets consist of securities, cash and finance lease receivables. Interest-bearing debt consists of mortgage loans, bank loans and lease liabilities. We have placed the majority of our cash in Danish mortgage bonds, all with an AAA S&P rating. To maintain short-term financial flexibility, we use repo transactions, whereby we can access liquidity on an intra-day basis if needed by lending our banks bonds in return for cash while committing to a reverse transaction at a predetermined future date. Bonds are presented as securities on the balance sheet, as ownership of the bonds remains with the company during the term of the repo. The obligation to return cash for bonds under such repo transactions is recognised as short-term bank loans. As of 28 February, repo transactions amounted to DKK 140m.

During the quarter, net interest-bearing debt decreased by DKK 226m to a deposit of DKK 181m.

(DKK million)	**28-02-25**	29-02-24	31-05-24
Mortgage loans (non-current)	-51	-54	-53
Mortgage loans (current)	-3	-3	-3
Bank loans (current)	-140	-381	-381
Lease liabilities (non-current)	-88	-89	-117
Lease liabilities (current)	-49	-37	-45
Other non-current liabilities*	-1	-2	-2
Interest-bearing debt	**-332**	**-566**	**-601**
Finance lease receivables (non-current)	0	2	1
Finance lease receivables (current)	1	1	1
Cash (current)	129	149	177
Securities (current)	383	390	388
Interest-bearing assets	**513**	**542**	**567**
Net interest-bearing deposit/debt	**181**	**-24**	**-34**

* Only the interest-bearing part of Other non-current liabilities has been included in net interest-bearing deposit/debt.

During the quarter, net available liquidity increased by DKK 215 to DKK 374m, consisting of cash and securities offset by repo transactions.

(DKK million)	**28-02-25**	29-02-24	31-05-24
Cash (current)	129	149	177
Securities (current)	383	390	388
Bank loans (current)	-140	-381	-381
Available liquidity	**372**	**158**	**184**

Including the undrawn part of our ESG-linked credit facility, capital resources were DKK 532m (year-end 2023/24: DKK 344m), consisting of available liquidity of DKK 372m and undrawn committed credit facilities of DKK 160m.

8 Financial instruments

Financial instruments by category

(DKK million)	**28-02-25**	29-02-24	31-05-24
Non-current other receivables	19	22	20
Trade receivables	269	320	309
Other receivables	55	43	53
Cash	129	149	177
Financial assets at amortised cost	**472**	**534**	**559**
Securities	383	390	388
Fair value through income statement	**383**	**390**	**388**
Derivatives used for hedge accounting	4	0	1
Fair value through other comprehensive income	**4**	**0**	**1**
Financial assets	**859**	**924**	**948**
Mortgage loans	54	57	56
Bank loans	140	381	381
Lease liabilities	137	126	162
Trade payables	321	424	401
Financial liabilities at amortised cost	**652**	**988**	**1,000**
Derivatives used for hedge accounting	8	4	6
Fair value through other comprehensive income	**8**	**4**	**6**
Financial liabilities	**660**	**992**	**1,006**

The fair value is approximately equal to the carrying amount for all financial assets and liabilities.

Securities

Securities comprise listed Danish mortgage bonds and are measured at fair value with all changes in fair value recorded in the income statement. Bonds are measured using observable market values (level 1 in the fair value hierarchy). We use repo transactions and as ownership of the bonds remains with us during the term of the repo, the bonds remain recognised on the balance sheet.

Derivative financial instruments

Derivative financial instruments comprise primarily foreign exchange contracts used to hedge foreign exchange risk related to unrecognised future transactions. Derivatives are measured at fair value in accordance with level 2 in the fair value hierarchy using valuation techniques that apply market data such as exchange rates, credit risk and volatility.

See note 7.3 to the 2023/24 Annual Report for an overview of foreign exchange contracts.

9 Subsequent events

No events have occurred in the period from the balance sheet date until the presentation of the financial statements that materially affect the assessment of the consolidated financial statements.

Management's statement

The Board of Directors and the Executive Management Board have today discussed and approved the interim report of Bang & Olufsen A/S for the period 1 June 2024 – 28 February 2025.

The interim report, which has not been audited or reviewed by the company's auditor, is presented in accordance with IAS 34 Interim Financial Reporting, as adopted by the EU as well as additional Danish disclosure requirements for interim financial reports of listed companies.

In our opinion, the interim report gives a true and fair view of the Group's assets, liabilities and financial position at 28 February 2025, and of the results of the Group's operations and cash flows for the period 1 June 2024 – 28 February 2025. In our opinion, the Management's review includes a fair review of developments in the Group's operations and financial matters, the results for the period and the financial position in general, as well as a description of the significant risks and uncertainty factors pertaining to the Group.

Struer, 9 April 2025

Executive Management Board:

Kristian Teär
CEO

Nikolaj Wendelboe
EVP, CFO

Line Køhler Ljungdahl
EVP, CCCO

Board of Directors:

Juha Christensen
Chair

Albert Bensoussan
Vice Chair

Anders Colding Friis

Andra Gavrilescu

Dorte Vegeberg

Jesper Jarlbæk

M. Claire Chung

Søren Balling

Tuula Rytilä

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