

Bang & Olufsen's Board of Directors approves a cost reduction programme with a targeted annual saving of DKK 175 million when fully implemented

Reference is made to the company announcement no. 19.19 concerning the adjusted outlook for 2019/20 and the acceleration of a cost reduction programme, initiated in December 2019, intended to improve the profitability of the company.

The company's Board of Directors has today approved a cost reduction programme with an aim to deliver sustainable cost savings to improve the company's financial performance. Part of the cost savings will be realised through a reduction of the workforce with approximately 115 employees, primarily in support functions in Denmark.

The programme has a targeted annual saving of DKK 175 million when fully implemented in 2021/22. A large part of the cost reduction is expected to be realised in 2020/21, while the programme is not expected to yield any significant cost savings in the financial year 2019/20 ending 31 May 2020. The company will make a provision for restructuring costs amounting to approximately DKK 30 million, of which DKK 3 million is related to Q3. The provision will be included under special items in the annual report for 2019/20. Consequently, the cost reduction programme will not impact the financial outlook shared in company announcement no. 19.19.

As communicated in the Q2 interim report in January, the cost reduction programme is one of several initiatives aimed at improving the company's financial performance through streamlining of operations and investing in product development, sales and marketing.

CEO Kristian Teär comments:

"The company is in a situation where we need to improve our profitability, and unfortunately that also means saying goodbye to valued colleagues. We have had a thorough process to assess where we could become leaner, simplify tasks and prioritise our resources better to help strengthen the profitability of Bang & Olufsen in the future. We will now work hard to ensure that the organisation continues to be motivated and fully focused on the key priorities while implementing the leaner organisation. At the same time, we will do our best to help affected colleagues move on and into their next job."

Conference call for analysts and investors

Following today's announcement, the company will host a conference call for analysts and investors today at 11.00 am CET.

https://bo.eventcdn.net/20200316_update/

Participants in the Q&A need to register following this [Link](#)

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