BANG & OLUFSEN

Trading statement Q3 2025/26

December 2025-February 2026

Q3 highlights

Q3 2025/26 conference call

16 April 2026, at 10.00 CEST via
https://bo.nexahub.io/events/trading-statement-3rd-quarter-202526

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Bang & Olufsen generated 1% revenue growth in local currencies for the quarter, which was lower than expected. The gross margin continued its solid trajectory and was 57.5%, an increase of 2.1 percentage points from last year. Like-for-like sell-out increased by 1%, with Win Cities reporting sell-out growth of 16%.

"While we delivered revenue growth of 1% for the quarter, one of our new product launches did not generate the uplift we had expected. Combined with intensified geopolitical and economic uncertainty, this led us to adjust our outlook and withdraw our mid-term financial ambitions on 23 March 2026.

Our ambition to become a leader in luxury audio remains unchanged. However, we need to strengthen our commercial discipline and execution to ensure the commercial machine is ready to do our products justice. We have already begun strengthening our ways of working across the company.

While the improvement in gross margin is encouraging, securing a sound financial foundation is fundamental to everything we do and will guide both our investment priorities and our cost management in the coming period."

Nikolaj Wendelboe, CEO (interim) & CFO

Financial highlights (Q3 24/25 in brackets)

- Like-for-like sell-out grew by 1% (15%). Like-for-like sell-out for Branded channels grew by 2% (21%).
- Reported revenue declined by 1.7% (+2.8%) year-on-year or grew by 1.3% in local currencies (2.3%), to DKK 621m (DKK 631m).
- Revenue from Branded channels decreased by 0.2% (6.1%) or grew by 1.0% in local currencies (5.3%).
- Gross margin was up by 2.1pp to 57.5% (55.4%).
- EBITDA before special items was DKK 76m (DKK 88m). EBITDA margin before special items of 12.2% (13.8%).
- EBIT before special items was DKK 12m (DKK 24m). EBIT margin before special items of 1.9% (3.8%).
- Special items were positive DKK 19m including DKK38m of interest received (DKK -1m).
- The free cash flow was DKK 22m (DKK 18m).

FY 2025/26 financial guidance (adjusted 23 March 2026)

- Revenue growth in local currencies: -3% to 0% (previously 1% to 5%)
- EBIT margin before special items: -3% to -1% (previously -3% to 1%)
- Free cash flow: DKK -200m to DKK -150m (previously DKK -100m to -50m)

CAPEX is expected to be around DKK 280m-300m (previously DKK 320-360m). Capacity costs are expected to increase by around DKK 100m from 2024/25 (previously around DKK 150m). For further details on unchanged assumptions, please see interim report H1 2025/26.

Business highlights

- Opening of our largest flagship store to date in San Francisco in December 2025, showcasing the Culture Store design concept.
- Opening of our first Culture Store in China, located in Shenzhen in January 2026, as part of a broader upgrade of the store network in China.
- Opening of a new 250 m² store in the HafenCity district in Hamburg, Germany, in February.
- Beosound Premiere relaunched after quarter-end on 16 March with two additional colourways and at a revised price point.

Revenue growth in LC*	Gross margin	EBIT margin bsi**	Free cash flow, DKK
1.3%	57.5%	1.9%	22m

* Local currencies ** Before special items

Business update

Developments in Q3 2025/26

Q3 2025/26 revenue came in below expectations. While the newly launched earpieces, Beo Grace, performed as expected, the sales performance of Beosound Premiere was significantly lower than anticipated. In addition, armed conflicts, geopolitical tensions, and economic uncertainty have intensified and are expected to impact the remainder of the financial year.

Consequently, the FY 2025/26 outlook for revenue and free cash flow was adjusted on 23 March 2026. In connection with the adjusted outlook for FY 2025/26, the previously communicated mid-term financial ambitions for the period through 2027/28 were withdrawn (see company announcement 25.43).

Q3 like-for-like sell-out grew by 1%. For the branded channels (company-owned stores, monobrand and e-commerce) like-for-like sell-out grew by 2% year-on-year. The increase was driven by double-digit growth in the company-owned stores, offset by low single-digit declines reported by e-commerce and the monobrand channels. Collectively, sell-out growth from our five Win Cities was 16%, with growth across all cities. Particularly strong performance was reported from our company-owned stores in Hong Kong. San Francisco was not included in the index, as no sales were reported for the comparable period.

Revenue (sell-in) was DKK 621m and grew by 1.3% year-on-year in local currencies (-1.7% in reported revenue).

Revenue from our branded channels grew by 1.0% in local currencies. Company-owned stores delivered double-digit revenue growth, while the monobrand channel reported a low single-digit decline and e-commerce was on par year-on-year.

In terms of product categories, revenue from the Staged category increased by 3%. Beosound Premiere contributed to a softer topline development in the quarter than anticipated. The product was relaunched in March with two additional colourways and at a new price point. Revenue from the Flexible Living category increased by 9%, with growth reported across most speakers. Revenue from the On-the-go category declined by 10% year-on-year. This was mainly due to strong comparables from H100 and Beoplay Eleven performance in Q3 of last year. The sales performance of our newly launched Beo Grace was off to a good start.

The gross margin increased by 2.1pp to 57.5% from 55.4% in Q3 last year. The development was driven by a shift in product mix towards higher-margin products, with further gross margin expansion in the Flexible Living category and in the On-the-go category.

Currency movements had a negative impact of 0.4pp on the gross margin.

EBIT margin before special items was 1.9% compared to 3.8% in Q3 last year. The development was driven by lower-than-expected revenue. Capex investments were DKK 47m compared to DKK 59m in Q3 last year.

Special items related to EBIT amounted to DKK -19m for the quarter, mainly comprising reorganisation activities and severance costs (DKK 27m), of which DKK 21m was related to the severance package for the former CEO. In addition, DKK 8m of proceeds, received in connection with a favourable ruling an old dispute with the Danish Customs Authority, had a positive impact. Special items related to EBT comprised DKK 38m of interest received in connection with the above-mentioned ruling. Total special items amounted to positive DKK 19m.

Free cash flow was DKK 22m for the quarter compared to DKK 18m in Q3 last year. Net working capital decreased by DKK 19m to DKK 270m during the quarter (Q3 24/25: 255m).

Net available liquidity was DKK 112m compared to DKK 372m at end of Q3 last year and DKK 350m at year-end. The development since year-end was mainly driven by the free cash flow development. Capital resources were DKK 262m compared to DKK 532m at end of Q3 last year and DKK 600m at year-end.

Inventories were DKK 451m at quarter-end compared to DKK 487m at end of Q2 and DKK 447m at year-end.

Events after balance sheet day

In March 2026, we received a cash inflow of DKK 63m, comprising proceeds from a favourable ruling on an old dispute with the Danish Customs Authority. The inflow comprised DKK 38m of interest, which was recognized as Financial income. In addition, DKK 25m was received in proceeds, of which DKK 8m was recognised as Other income. Both were posted as special items in Q3 2025/26. The remaining amount of DKK 17m was recognised in 2006/07.

Segment performance

EMEA

Like-for-like sell-out in EMEA declined by 8%.

Like-for-like sell-out for branded channels declined by a single-digit. Company-owned stores delivered double-digit growth, whereas e-commerce declined and monobrand saw a single-digit decrease. Multibrand and e-Tail declined by double-digits, mainly due to lower sales of On-the-go products year-on-year.

Revenue was DKK 309m compared to DKK 311m in Q3 last year, representing a decline of 0.9% or 1.1% in local currencies. Revenue from company-owned stores rose by double-digits, while revenue from the monobrand channel declined by a single-digit compared to last year. Multibrand and e-tail reported single-digit and double-digit declines, respectively.

In February 2026, we opened a new 250 m² store in Hamburg's dynamic, urban HafenCity district. As part of our ongoing footprint optimisation in EMEA, we have closed 27 monobrand stores since Q3 last year, including one during the quarter.

Gross profit was DKK 160m, unchanged from Q3 last year, corresponding to a gross margin of 51.9% compared to 51.0% last year. The product mix was largely similar to last year, while the gross margin in the On-the-go category increased, supported by the launch of Beo Grace.

Americas

Like-for-like sell-out in the Americas declined by 16%.

Branded channels reported low single-digit negative like-for-like sell-out growth. Sell-out from company-owned stores grew by double-digits, while e-tail declined at a double-digit rate.

Revenue was DKK 73m compared to DKK 86m in Q3 last year, representing a decline of 14.8% or –3.2% in local currencies. Revenue from branded channels grew by a single-digit, driven by growth in both the monobrand channel and e-commerce. Revenue from company-owned stores declined by a single-digit. Revenue from the multibrand channel and e-tail declined by double-digits.

During the quarter, we opened what is now our largest flagship store to date in San Francisco, featuring the Culture store design concept. In Q4 2025/26, we expect to expand further in California with two additional store openings in Palo Alto and West Hollywood. Our third store in New York is expected to open in the first half of 2026/27.

Gross profit was DKK 38m compared to DKK 43m in Q3 last year, corresponding to a gross margin of 51.8% compared to 49.6% in Q3 last year. The improvement in margin reflected a shift towards higher-margin product categories, further supported by stronger gross margins in the On-the-go category driven by Beo Grace.

APAC

Like-for-like sell-out in APAC grew by 28%. Like-for-like sell-out in the branded channels grew at a double-digit rate, supported by strong developments across all channels. Multibrand and e-Tail each delivered double-digit growth year-on-year. Like-for-like sell-out in China increased by 23%, driven by growth across channels.

Revenue was DKK 178m compared to DKK 164m in Q3 last year, representing an increase of 8.6% or 14.3% in local currencies.

Revenue from China increased by 16.7% year-on-year, equivalent to growth of 26.0% in local currencies. China accounted for approximately 49% of total revenue in APAC. The E-Tail channel delivered high double-digit growth following the shift to operating the Tmall channel directly, while the monobrand channel recorded a single-digit decline.

Revenue from South Korea declined year-on-year, mainly driven by lower sell-in as partners reduced inventory levels.

During the quarter, we opened our first store featuring our Culture design concept in China, located in Shenzhen. After quarter-end, our Beijing SKP store was upgraded to the Culture store concept, and we plan to open an additional store with our Culture design concept in Shanghai in June.

In terms of multibrand stores, several underperforming stores in the region were discontinued during the quarter.

Gross profit increased to DKK 105m from DKK 91m in Q3 last year, corresponding to a gross margin of 58.7%, up from 55.7%. The product mix was largely unchanged, with gross margin improvements across product categories, primarily driven by the On-the-go category, particularly Beo Grace, and supported by the direct operation of the Tmall channel.

	Monobrand *		Multibrand		Custom installers	
Points of sale, number of doors	28-02-2026	28-02-2025	28-02-2026	28-02-2025	28-02-2026	28-02-2025
EMEA	233	260	900	964	N/A	N/A
Americas	22	24	10	21	125	107
APAC	70	75	569	757	N/A	N/A
Total	**325**	**359**	**1,479**	**1,742**	**125**	**107**

* Monobrand is including company-owned stores

Brand Partnering & other activities

Revenue from Brand Partnering & Other Activities was DKK 61m compared to DKK 70m in Q3 last year, a decline of 12.8% or 12.7% in local currencies.

The decrease was mainly due to the TCL ramp-up not yet offsetting the expected lower revenue from HP. In addition, the revenue from Cisco partnership declined year-on-year.

Gross profit amounted to DKK 54m compared to DKK 57m last year, corresponding to a gross margin of 89.4% versus 81.1% in Q3 last year. The improvement in gross margin was driven by a higher share of license income.

Segment overview

Segments – geographics – Q3

(DKK million)	**Q3 2025/26 Revenue**	Q3 2024/25 Revenue	Change	Growth in local currencies	**Q3 2025/26 Gross margin**	Q3 2024/25 Gross margin
EMEA	309	311	-0.9%	-1.1%	51.9%	51.0%
Americas	73	86	-14.8%	-3.2%	51.8%	49.6%
APAC	178	164	8.6%	14.3%	58.7%	55.7%
Regions, total	**560**	**561**	**-0.2%**	**3.1%**	**54.0%**	**52.2%**
Brand Partnering & other activities	61	70	-12.8%	-12.7%	89.4%	81.1%
All	**621**	**631**	**-1.7%**	**1.3%**	**57.5%**	**55.4%**

Segments – product category – Q3

(DKK million)	**Q3 2025/26 Revenue**	Q3 2024/25 Revenue	Change	Growth in local currencies	**Q3 2025/26 Gross margin**	Q3 2024/25 Gross margin
Staged	308	301	2.6%	NA	55.1%	57.9%
Flexible Living	105	97	8.7%	NA	59.0%	58.4%
On-the-go	147	163	-9.9%	NA	48.2%	37.9%
Products, total	**560**	**561**	**-0.2%**	**3.1%**	**54.0%**	**52.2%**
Brand Partnering & other activities	61	70	-12.8%	-12.7%	89.4%	81.1%
All	**621**	**631**	**-1.7%**	**1.3%**	**57.5%**	**55.4%**

Segments – geographics – YTD

(DKK million)	**YTD 2025/26**	YTD 2024/25	Change	Growth in local currencies	**Q3 2025/26 Gross margin**	Q3 2024/25 Gross margin
EMEA	885	914	-3.2%	-3.3%	52.0%	49.8%
Americas	214	240	-10.7%	-2.9%	49.8%	49.5%
APAC	522	511	2.2%	5.9%	59.3%	52.2%
Regions, total	**1,621**	**1,665**	**-2.7%**	**-0.4%**	**54.1%**	**50.5%**
Brand Partnering & other activities	193	208	-7.2%	-6.4%	90.9%	88.4%
All	**1,814**	**1,873**	**-3.2%**	**-1.1%**	**58.0%**	**54.7%**

Segments – product category – YTD

(DKK million)	**YTD 2025/26**	YTD 2024/25	Change	Growth in local currencies	**Q3 2025/26 Gross margin**	Q3 2024/25 Gross margin
Staged	863	878	-1.7%	NA	56.9%	57.4%
Flexible Living	319	292	9.4%	NA	58.6%	54.9%
On-the-go	439	495	-11.3%	NA	45.2%	35.8%
Products, total	**1,621**	**1,665**	**-2.7%**	**-0.4%**	**54.1%**	**50.5%**
Brand Partnering & other activities	193	208	-7.2%	-6.4%	90.9%	88.4%
All	**1,814**	**1,873**	**-3.2%**	**-1.1%**	**58.0%**	**54.7%**

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