

Bang & Olufsen interim report for Q1 2024/25:

Bang & Olufsen reports a Q1 in line with expectations. While revenue declined due to strong comparables last year, the company delivered a record-high gross margin.

“We delivered a first quarter in line with our plans and expectations. We had a decline in revenue. This was mainly due to a strong comparable first quarter last year, which was positively impacted by increased demand ahead of a planned price increase in the following quarter. We continued to improve our gross margin, which landed at a record-high 55.2%. This shows the progress we are making in building a more robust financial foundation for the company.”

“We continued to execute our strategic priorities with a particular focus on increasing global brand awareness, optimising the retail network and creating world-class products. We recently launched our new flagship headphones Beoplay H100 and are delighted to see that they are off to a good start. Simultaneously, we have worked to prepare the acceleration of our strategy execution in order to make the value-creating investments to realise our mid-term growth plan. We were therefore pleased to get strong support for our plan at our Annual General Meeting in August, enabling us to increase the share capital and complete a directed share issue, expectedly before the end of November.”

Kristian Teär, CEO

Financial highlights (Q1 23/24 in brackets)

- Like-for-like sell-out declined by 2% (+8%).
- Revenue declined by 12.4% (+1.2%) year-on-year, or 12% in local currencies (+5%), to DKK 544m (DKK 619m).
- Revenue from Branded channels declined by 4%, also in local currencies (+11%).
- Gross margin was up by 2.6pp to 55.2% (52.6%).
- EBITDA before special items of DKK 39m (DKK 74m), EBITDA margin before special items of 7.1% (12.0%).
- EBIT before special items of DKK -17m (DKK 16m). EBIT margin before special items of -3.1% (2.6%).
- The free cash flow was DKK -36m (DKK -61m).

FY 2024/25 financial guidance maintained

- Revenue growth in local currencies: -3% to 3%.
- EBIT margin before special items: -2% to 1%.
- Free cash flow: DKK -100m to 10m.

Business highlights

- At the AGM on 15 August 2024, a 20% capital increase authorisation was approved. A directed share issue is expected to be conducted before the end of November 2024. The proceeds will be used for investments to realise the announced 3-year growth plan.
- Announcement of global licensing partnership with TCL electronics to bring “Audio by Bang & Olufsen” to TCL's premium and high-end TV portfolio. The partnership spans six years and has several expansion possibilities over the coming years.

- Launch of a new flagship headphone, Beoplay H100.
- Continued optimisation of the retail network, reducing monobrand partners by 22 (net) year-on-year across regions.
- The customer base grew by 4% and the number of customers owning two or more Bang & Olufsen products increased by 3% quarter-on-quarter.

Q1 2024/25 conference call

10 October 2024, at 10.00 CEST via

<https://bangolufsen.eventcdn.net/events/interim-report-1st-quarter>

Dial-in details (Pin: 193621):

DK: +45 78768490

UK: +44 2037696819

US: +1 6467870157

For further information, please contact:

Cristina Rønde Hefting

Investor Relations

Phone: +45 4153 7303

Marie Elbæk

Corporate communications

Phone: +45 6021 2542