July 2023

FULL YEAR AND Q4 2022/23

Webcast presentation

Disclaimer

This presentation does not constitute or form part of and should not be construed as an offer to sell or issue or the solicitation of an offer to buy or acquire securities issued by Bang & Olufsen a/s in any jurisdiction, including the United States of America, Canada, Australia, Japan or the United Kingdom, or an inducement to enter into investment activity in any jurisdiction.

This presentation contains forward looking statements. Such statements concern management's current expectations, beliefs, intentions or strategies relating to future events and hence involve substantial risks and uncertainties. Actual future results and performance may differ materially from those contained in such statements. This presentation does not imply that Bang & Olufsen a/s has undertaken to revise these forward-looking statements, except what is required under applicable law or stock exchange regulation.

No part of the information contained in this presentation should form the basis of or be relied upon in connection with any contract or commitment or investment decision whatsoever. Neither Bang & Olufsen a/s nor any of its affiliates, advisors or other representatives shall have any liability whatsoever (in negligence or otherwise) for any loss howsoever arising from any use of this presentation or its contents.

Agenda

- # Key Highlights and Strategy Update
- # Financial Performance in Q4
- # Outlook
- # Q&A

Key Highlights and Strategy Update

A challenging year marked by headwinds

- Product sales declined 11% in local currencies, mainly driven by Asia. China declined 28% due to lockdowns and a surge in COVID-19 cases.
- Brand Partnering & other activities grew 17% in local currencies, driven by new partnerships.
- Like-for-like sell-out declined 2%, mainly related to the Chinese market situation and headwinds in Europe.
- Gross margin of 44.2% was down 1.1pp due to change in product mix towards lower margin products. Gross margin of 51.4% in Q4 as no component costs impacted the quarter.
- EBIT margin negative due to lower revenue and gross margin.
- Free cash flow up by DKK 152m to negative DKK 20m. Q4 free cash flow of DKK 27m. Third consecutive quarter with positive free cash flow.
- Next year's financial performance subject to uncertainty due to macroeconomic development.

>

	FY 2022/23	Q4 2022/23	Outlook FY 2023/24
Revenue	DKK 2,752m -8% growth in local currencies	DKK 646m -10% growth in local currencies	0% to 9% growth in LC**
EBIT margin bsi*	-3.8% EBIT bsi* DKK -105m (1.8%)	1.4% EBIT bsi* DKK 9m (1.7%)	0% to 6%
Free cash flow	DKK -20m (DKK -172m)	DKK 27m (DKK -190m)	DKK -50m to 100m

* Before special items ** local currencies

Sell-out: Relatively robust full-year demand except for China

-2%

Sell-out growth

Regions

- **EMEA:** Company-owned stores grew 41%, multibrand and eTail grew. Monobrand declined.
- **Americas:** Growth driven by monobrand, company-owned stores and eTail.
- **Asia:** Sell-out decline across products and channels except for eCom, mainly impacted by regional lockdowns followed by slow economic recovery in China.

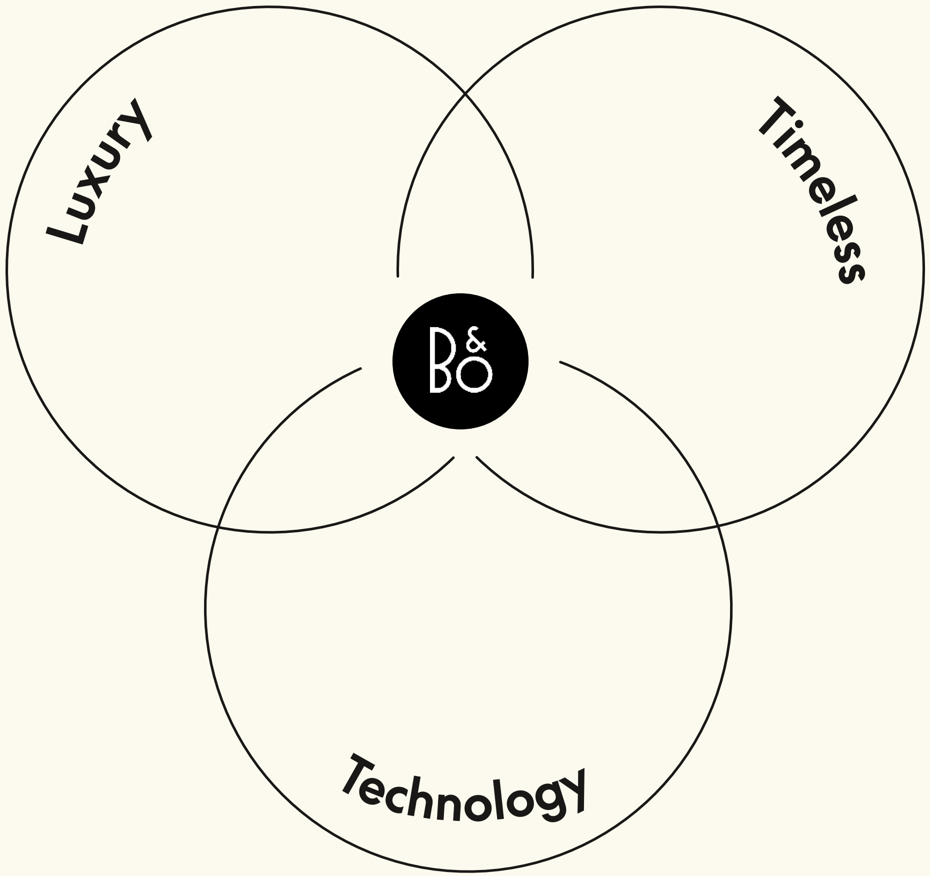
Product categories

- On-the-go had positive sell-out growth. Staged category saw a small decline. Flexible Living had a decline of 12%, reflecting higher sensitivity to changes in consumer behaviour.

>

Regions	Product Categories
-1% EMEA	-1% Staged
4% Americas	-12% Flexible Living
-7% Asia	2% On-the-go

Our strategic direction



Our five strategic shifts – highlights from the year

#1

Culturally relevant luxury love brand

- Scuderia Ferrari
- Brand reignite
- Brand ambassadors
- Added more customers

#2

Seamlessly connected product portfolio bridging our past, present and future

- Seven product innovations
- Atelier Editions
- Cradle to Cradle
- Software updates

#3

Magical moments in key touch points

- Enhanced stores experience
- Discontinued partners unfit for brand

#4

Winning in key cities

- Strong sell-out numbers in London and Paris
- Playbook developed
- Added New York

#5

Exploring and commercialising new and existing business adjacencies

- Ferrari collaboration
- Balenciaga collab
- MS Teams certifications of enterprise products
- Hospitality growing

Continued customer base growth and increasing average ownership

25%
Customer Growth* (Q4: 5%)

27%
Growth in Customers with 2+ Products Owned (Q4: 6%)

Increased customer base

Higher average product ownership

More newsletter subscribers

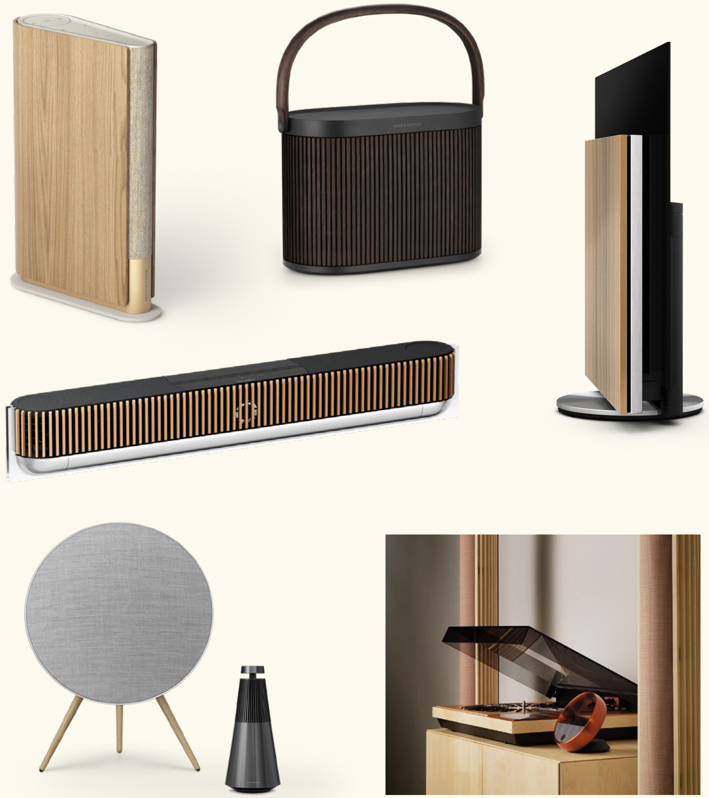
Increased duration of visits at our website

Key activations, e.g., Ferrari and Atelier Editions drove significant traffic to our website

* YTD growth in registered customers in the company's B&O App

Our product portfolio was significantly strengthened this year

Seven product innovations



Introducing Atelier limited Editions

Collabs and certifications

Proprietary software platforms to enable a seamless product ecosystem

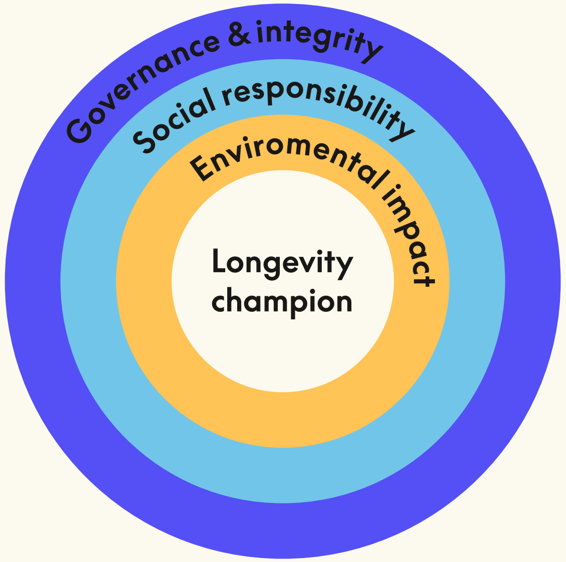
ESG & Sustainability highlights

Delivering on our product longevity promise

- Two products now certified with Cradle to Cradle
- All new products innovation prepared certification

Climate impact

- New long-term emission reduction targets across operations and our value chain.
- Aim is to achieve net zero across our value chain in 2040.
- Own operations now running 100% on zero-emission electricity.

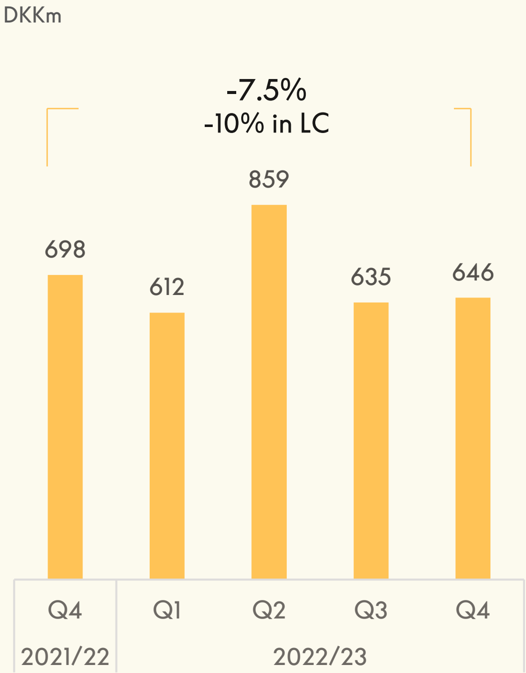


*We will achieve our operational net zero target in 2026/27, our near-term Scope 3 target in 2029/30 meaning that we will have achieved an absolute reduction in our Scope 3 emissions of at least 37.8% in 2029/30, and our long-term net zero target in 2039/40. All targets are subject to validation by the SBT

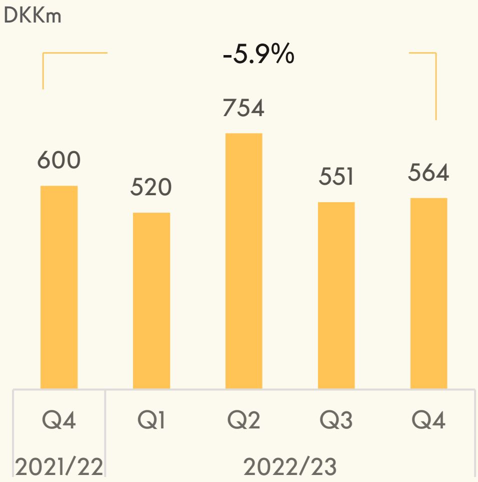
Financial Performance in Q4

Revenue impacted by slow economic recovery in China and macroeconomic headwinds

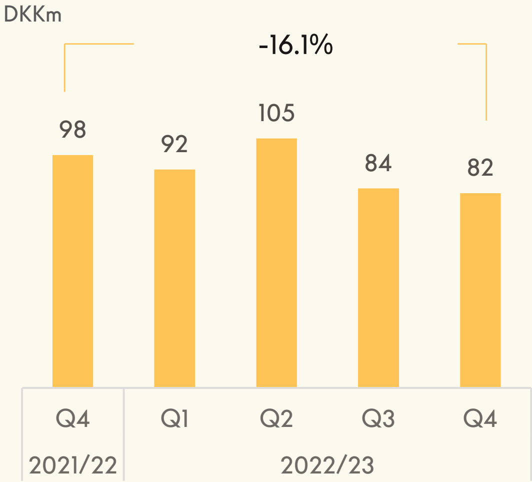
Group revenue



Regional product revenue



Brand partnering & other activities

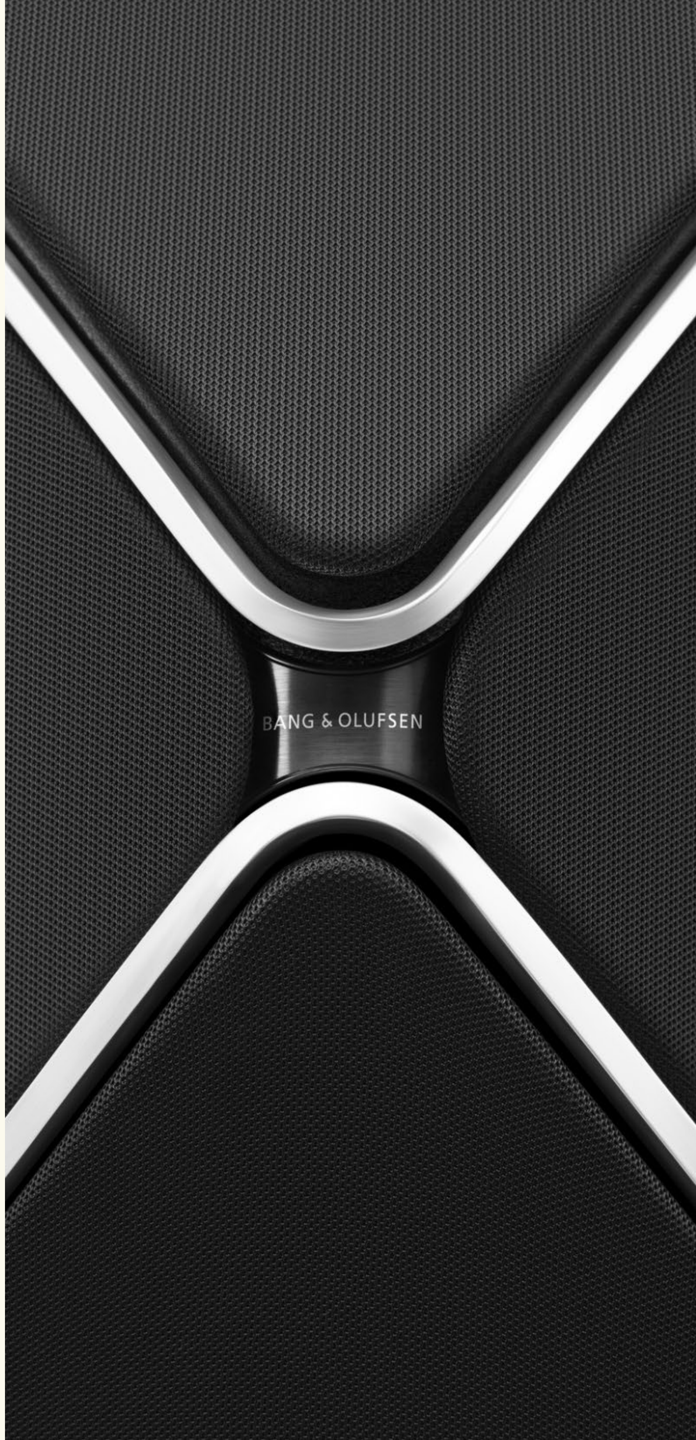


Regional product sales declined 5.9%,

- In local currencies, revenue declined 8%
- Slow economic recovery in China
- Headwinds in Europe and Americas
- Retail partners in EMEA remained cautious about inventory replenishment

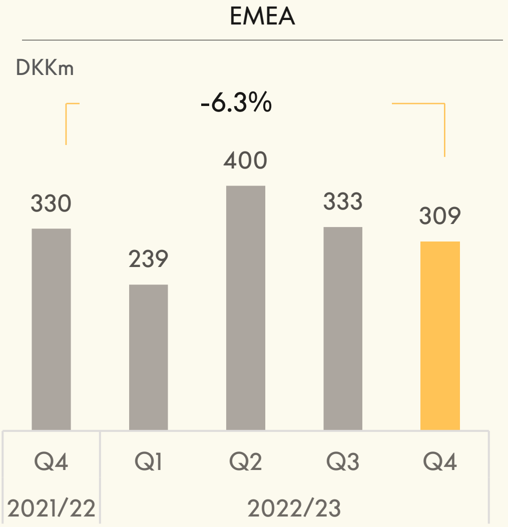
Brand Partnering & other activities Declined 16.1%

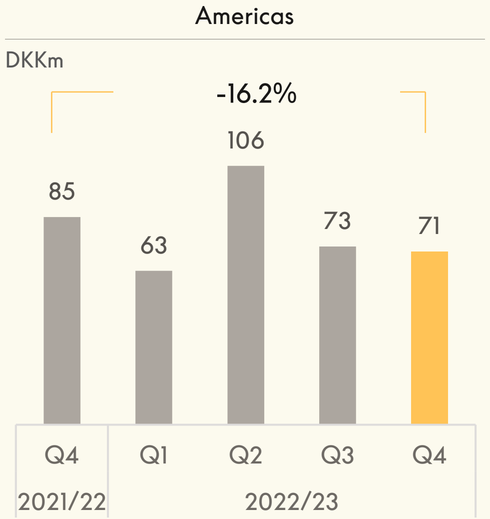
- In local currencies, revenue declined 20%
- Driven by lower license income from HP
- High comparable in product related revenue as Q4 last year had launch order for Cisco

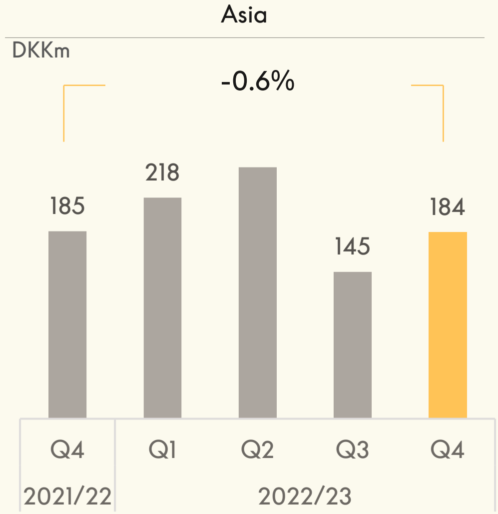


Regional product sales impacted by the general market situation

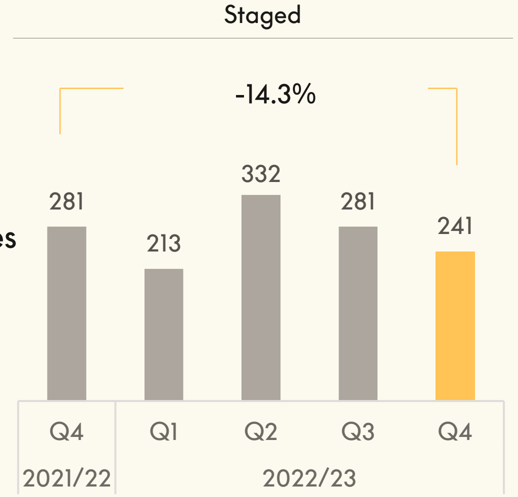
Regions

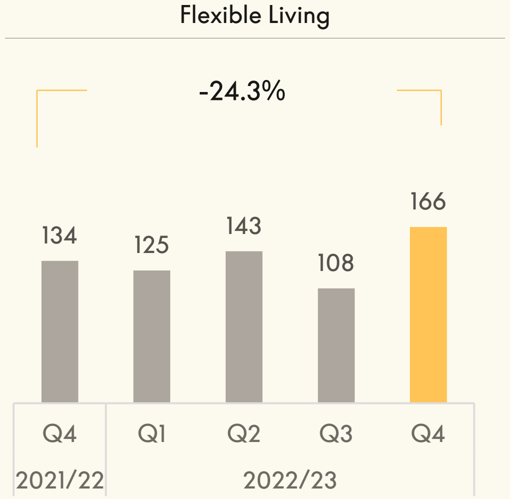


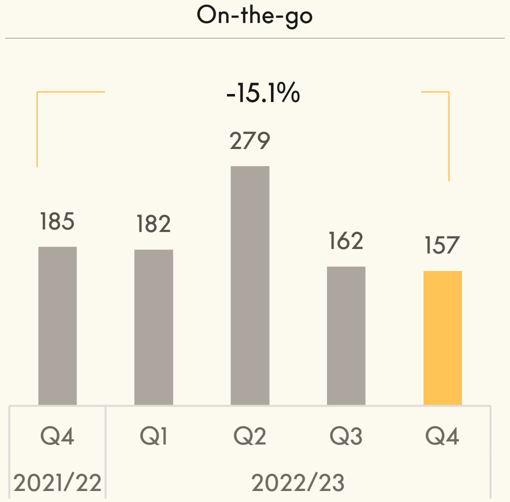




Product categories







EMEA: Down 6% in local currencies

- Monobrand partners cautious and held off replenishing inventories.
- Company-owned stores grew revenue 10%.
- Staged and On-the-go declined, Flexible living increased.

Americas: Down 23% in local currencies

- The decline was across all channels except Enterprise (Custom Installations) that delivered solid growth.
- Strategic optimisation in Multibrand and digital channels.
- Staged and On-the-go declined while Flexible living was up y-o-y.

Asia: Down 5% in local currencies

- Development impacted slow recovery in China and regional lockdown last year.
- 30% Sell-out growth in Q4.
- Staged and Flexible Living had a modest increase due to high comparable. On-the-go declined.

Positive sell-out figures for all product categories in the quarter

7%

Sell-out growth

Regions

- **EMEA:** Solid growth from company-owned stores 27%, monobrand on par. Digital channels declined. Staged and Flexible Living grew. On-the-go declined.
- **Americas:** Sell-out declined across the channels except for eTail. All product categories declined.
- **Asia:** Sell-out grew by 30% across most channels. China grew 50% across all channels and categories, coming from a low comparable due to regional lockdowns last year.

Product categories

- All product categories had positive sell-out supported by the growth in Asia

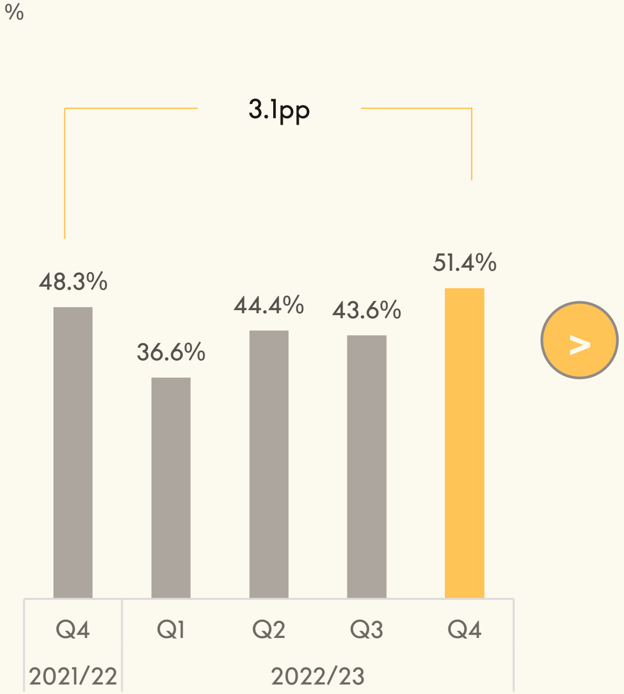
>

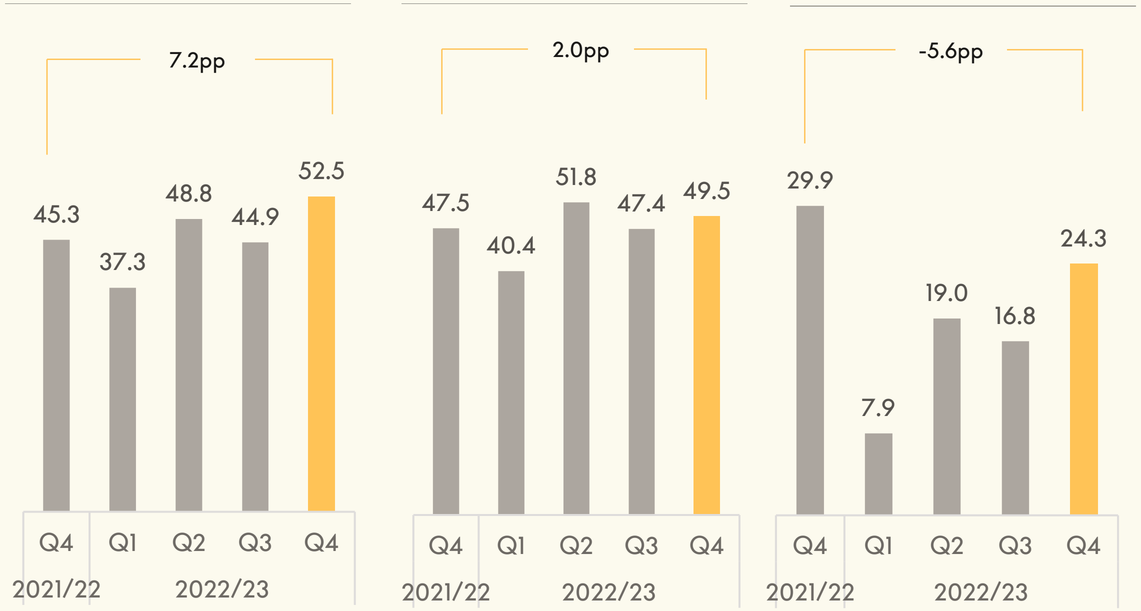
Regions	Product Categories
1% EMEA	5% Staged
-5% Americas	5% Flexible Living
30% Asia	11% On-the-go

B&O

Increased gross margin and positive EBIT margin in Q4 despite headwinds

Gross margin

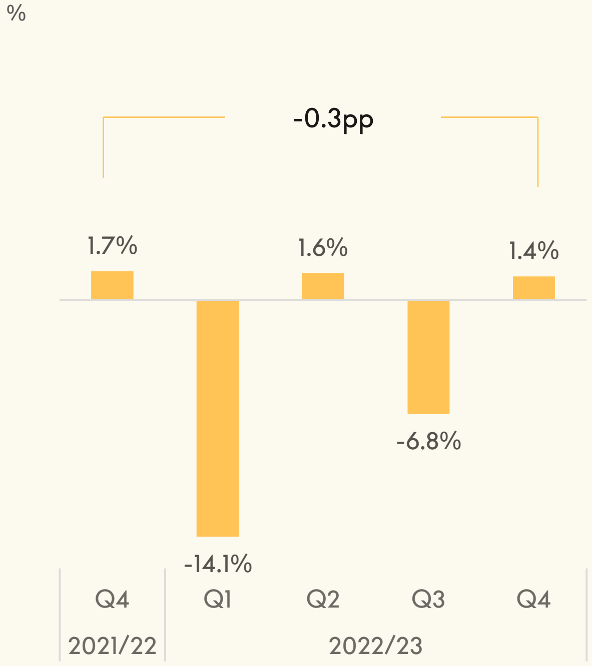




- Product gross margin up by 4.9pp to 45.9%. No components costs in Q4 22/23 and margin further supported by price increases.
- Brand partnering down 2.9% to 89.8% due to higher share of product-related income.

- Improvement in gross margin for both the Staged and Flexible living categories were supported by price increases and no spot buys.
- Gross margin for On-the-go declined 5.6pp compared to Q4 due to deals made within bluetooth speakers and headphones yet ended at the highest level for the year.

EBIT margin bsi*

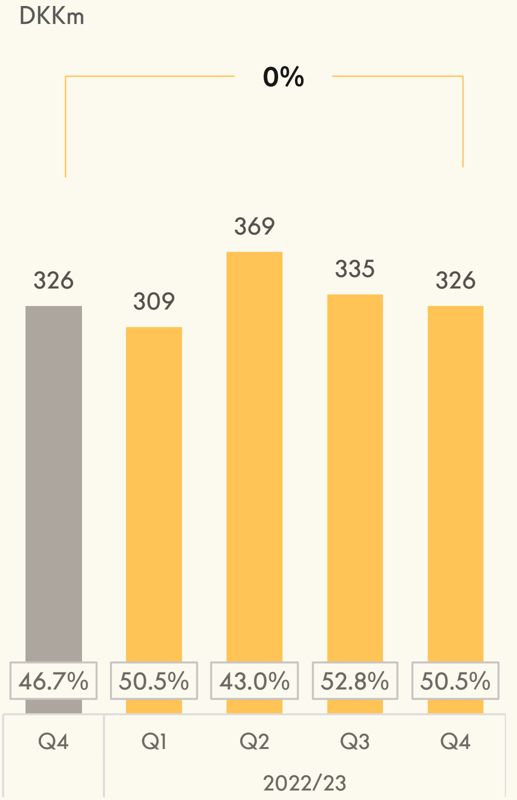


- EBIT margin before special items declined by 0.3pp driven by lower revenue partly offset by the improved gross margin but ended the year positive.

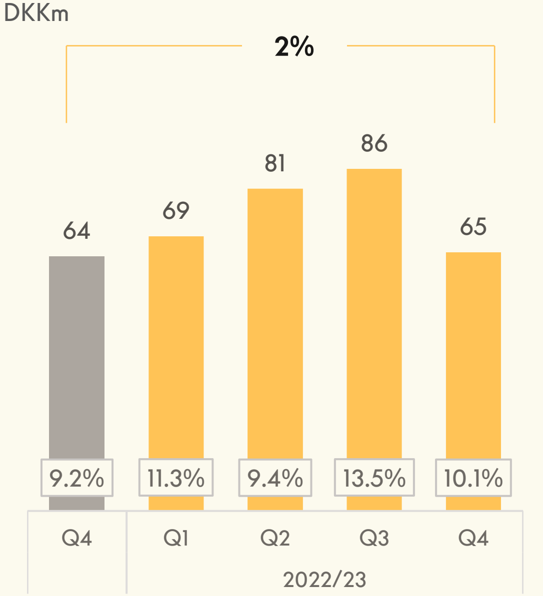
*Before special items

Capacity costs on par with Q4 of last year

Capacity costs

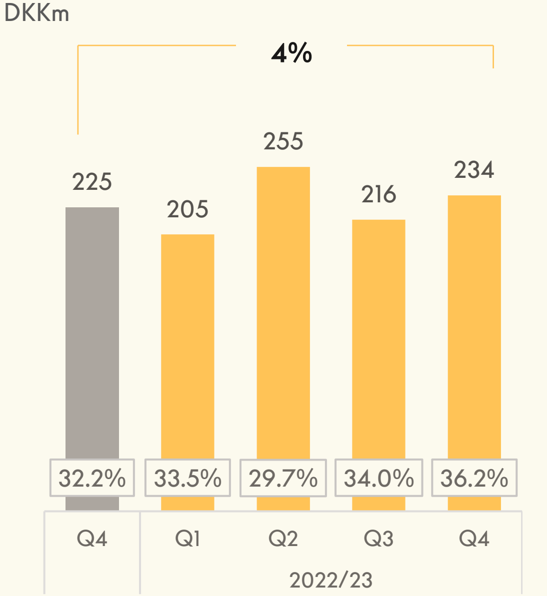


Development costs



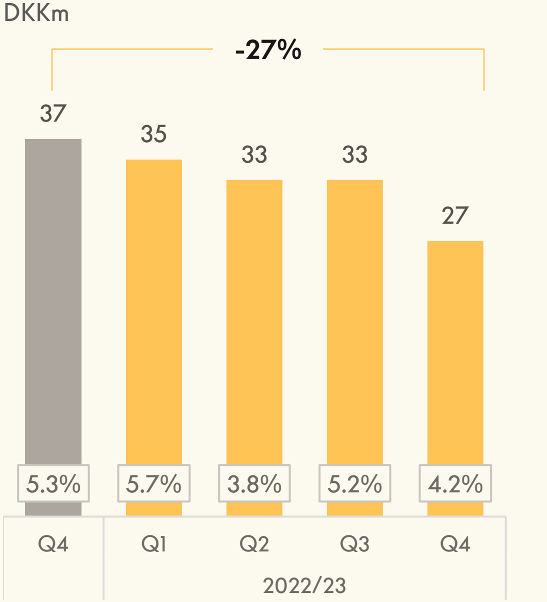
- Q4 development cost was on par with last year
- Incurred development costs declined 22% to DKK 80m due to lower bonuses and advisory costs
- Lower capitalisations in Q4 compared to last year

Distribution & marketing costs



- Distribution & marketing costs up 4% to DKK 234m
- Mainly related to higher training, consultancy and warranty costs
- The marketing cost to revenue ratio was 9.9%, against 10.0% in Q4 last year

Administrative costs



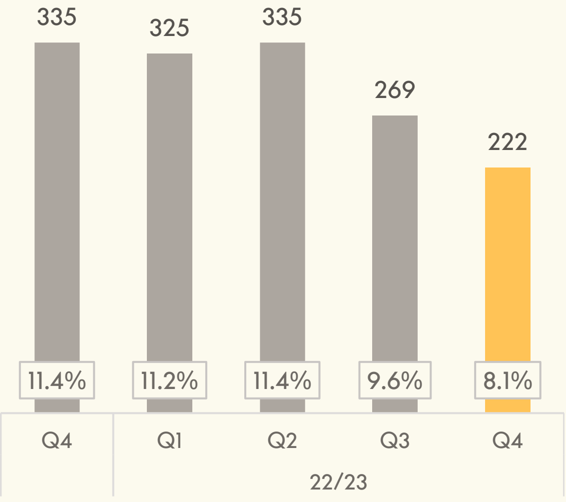
- Administrative costs were DKK 27m and decreased 27% compared to last year, leading to a cost ratio of 4.2%
- Lower accruals for employee bonuses and lower advisory costs

Costs relative to revenue

Focus on working capital - Inventory reduced since Q4 21/22

Net working capital

DKKm

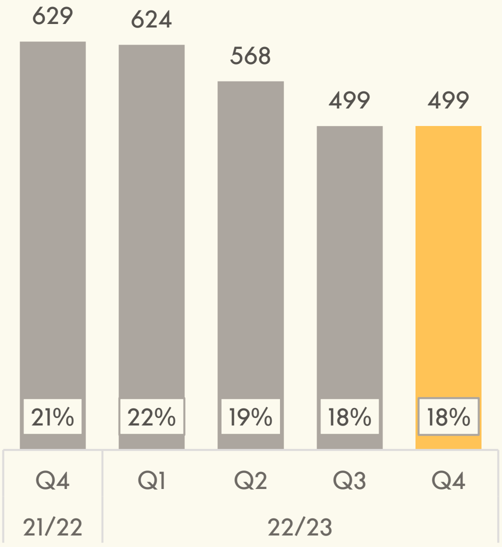


Net working capital decreased by DKK 113m to DKK 222m (NWC ratio of 8.1%)

- Inventory down by DKK 130m
- Trade receivables decreased DKK 56m
- Trade payables decreased DKK 16m
- Other liabilities down by DKK 69m, primarily due to lower accruals for employee bonus

Inventory

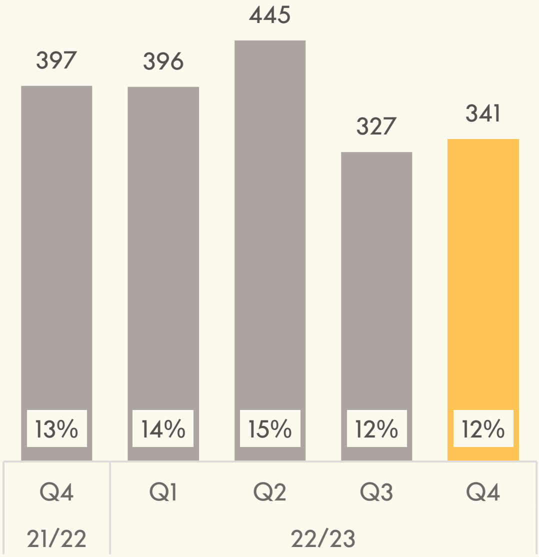
DKKm



- Reduced by DKK 130m
- Continued focus on inventory management
- Inventory no longer impacted by spot buys
- Compared to Q3 the inventory level was on par due launch of new products in Q4

Trade receivables

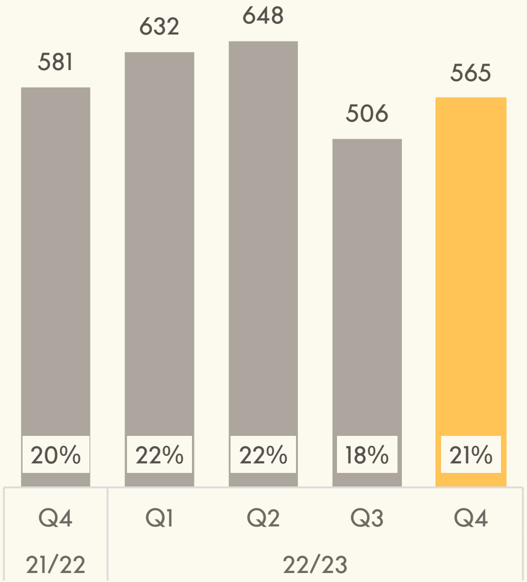
DKKm



- Receivables decreased by DKK 56m to DKK 341m
- Result of collection efforts and lower revenue compared to last year
- Sales with extended credit was 6% compared to 5% in Q3 – driven by product launches in Q4

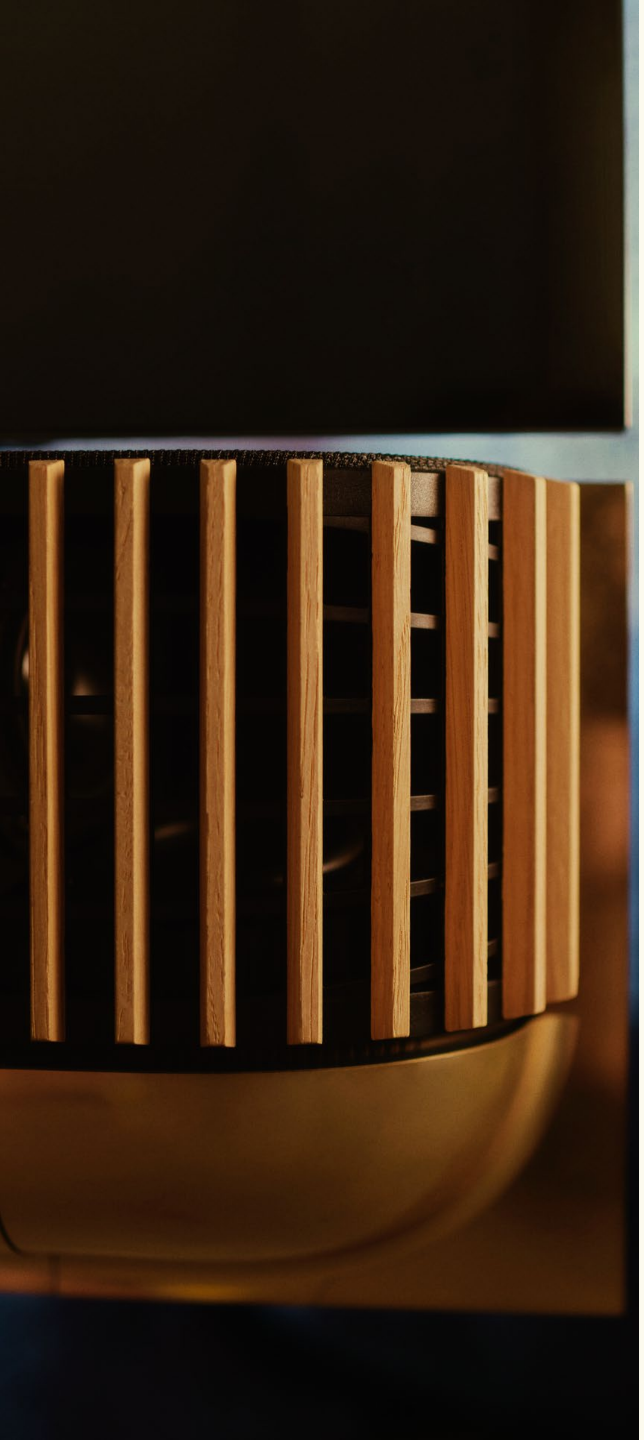
Trade payables

DKKm



- Payables decreased DKK 16m to DKK 565m
- Driven by higher activities due to product launches and timing of payments

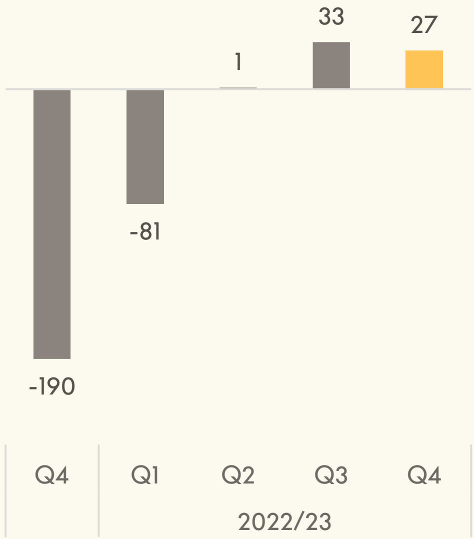
% of LTM revenue



Positive free cash flow for the last three quarters

Free cash Flow

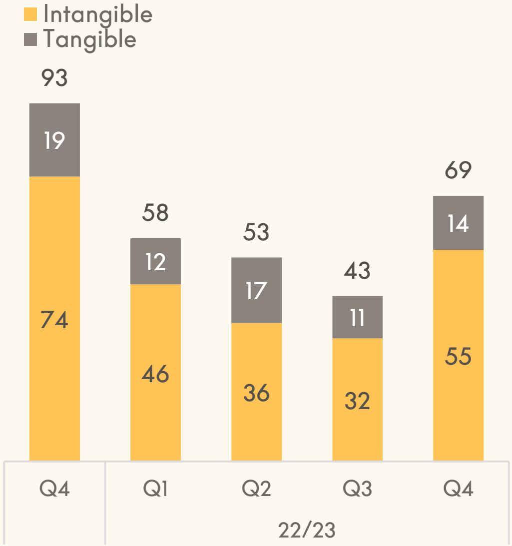
DKKm



- Q4 free cash flow positive DKK 27m, up DKK 217m against last year
- Positively impacted by reduced working capital
- Decrease in operational investments offset by lower earnings
- FY free cash flow of DKK -20m, up DKK 152m against last year

CAPEX

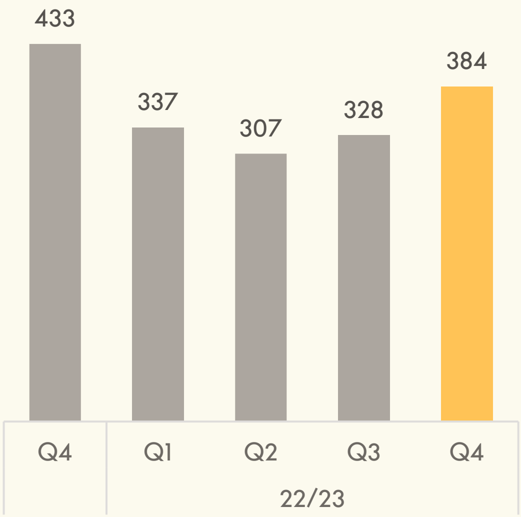
DKKm



- Reduced DKK 24m from last year
- Investments primarily within intangible assets and related to new products and platforms

Capital resources

DKKm



- Capital resources of DKK 384m
- Improvement since Q3 of DKK 56m, mainly due to increased RCF commitment and the positive free cash flow
- Available liquidity at year-end was DKK 224m, down DKK 77m y-o-y

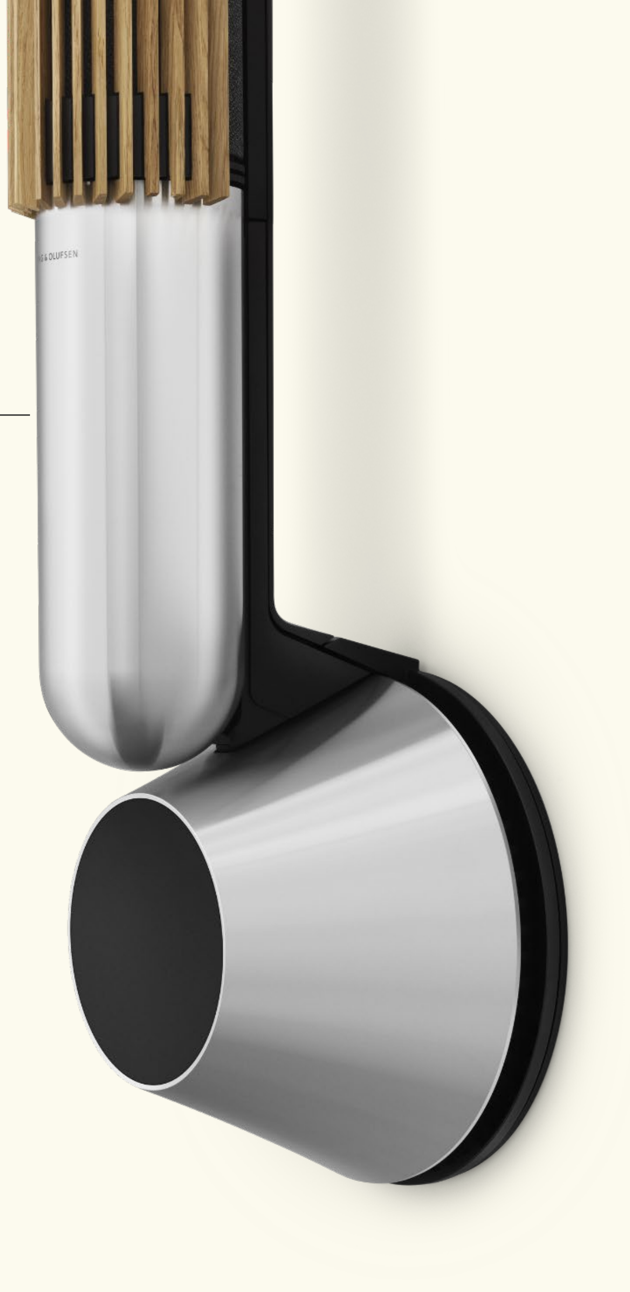

Outlook

Outlook 2023/24 subject to uncertainty

Outlook	
Revenue growth in local currencies	0% to 9%
EBIT margin BSI*	0% to 6%
Free cash flow	DKK -50m to DKK 100m

Main assumptions

- Improved market conditions in China
- Macroeconomic conditions in Europe and US will improve during the year
- Launch of six or more product innovations
- No impact on product availability due to geopolitical changes or COVID-19 related lockdowns
- No major COVID-19 related lockdowns
- Exchange rates against DKK, including in particular USD, CNY and EUR, in line with current exchange rate levels, overall.
- No pressure on sourcing components through spot buys
- Improved inventories



* BSI: Before special items

Summary

- A year marked by macroeconomic headwinds and COVID-19 developments in China. Q4 was impacted by slow economic recovery in China and headwinds in EMEA and Americas.
- Relatively robust sell-out, except for China. Improved gross margin in Q4, and a third consecutive quarter with positive cash flow
- We continued to strengthen our luxury timeless technology proposition
    - Ferrari partnership supporting brand awareness, customer growth and increasing average ownership
    - Seven new product innovations and launch of Atelier Editions
    - Cradle to Cradle product certification and long-term climate targets
    - Win-City concept is working in London and Paris
    - Adjacent businesses growing, 22% in brand partnering
- Outlook for next year subject to continued uncertainty
- A clear direction for the future

Q&A