

10 January 2025

Q2 2024/25 - September-November 2024

# Webcast presentation

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# Agenda

- # Key Highlights
- # Business review
- # Financial review
- # Outlook 24/25



# Key highlights – Q2 in line with our plans and expectations



	Q2 2024/25	H1 2024/25
Revenue	<b>DKK 698m</b> -1% growth in local currencies	<b>DKK 1,242m</b> -6% growth in local currencies
Gross margin	<b>53.7%</b> (up from 53.1%)	<b>54.3%</b> (up from 52.8%)
EBIT margin bsi*	<b>1.7%</b> (down from 3.0%)	<b>-0.4%</b> (down from 2.8%)
Free cash flow	<b>DKK 30m</b> (up from DKK 24m)	<b>DKK -6m</b> (up from DKK -37m)

- While the EMEA region and the Americas generated positive revenue growth year-on-year group revenue was 1% lower due to negative growth in China.
- Improved gross margin to 53.7%, which shows the progress we are making in building a more robust financial foundation for the company.
- Demand for our newly launched flagship headphones, H100, exceeded expectations, confirming our strategic direction of strengthening our position in the luxury audio market.
- Launch of Beoplay Eleven with enhanced Active Noise Cancellation.
- Capital raise of DKK 228m in gross proceeds completed. The proceeds will be used for value-creating investments to realise the announced mid-term growth plan.
- FY 2024/25 outlook unchanged.

# Directed issue completed

- On 27 November 2024, we successfully completed a capital increase as a directed issue and private placement without pre-emptive rights for existing shareholders.
- The offering raised gross proceeds of DKK 228 million through the issuance of 24,554,416 new shares at an offer price of DKK 9.27 per share.
- Proceeds are intended to fund our acceleration of the strategic execution and drive long-term profitable growth.





# Strategy acceleration

- **Investments to strengthen our position in the luxury audio market by**
  - increasing global brand awareness.
  - optimising the retail network.
  - invest in our product portfolio.
- **To ensure better and faster execution of our growth plans, we are changing our sales organisation.**
  - The three regional sales functions will be consolidated into a single global sales function.
  - Establishing dedicated functions for new partnerships and adding more local sales and marketing resources.
- **These changes will enhance our focus on key cities and enable us to better serve our customers.**



# Channel development - preparing for strategy acceleration

PoS	Monobrand *		Multibrand	
	Q2 2024/25	Q2 2023/24	Q2 2024/25	Q2 2023/24
EMEA	270	298	961	1,422
Americas	24	29	20	37
APAC	73	76	809	941
<b>Total</b>	<b>367</b>	<b>403</b>	<b>1,790</b>	<b>2,400</b>

## EMEA

Opening of monobrand store in Abu Dhabi.  
Reduction in multibrand, primarily in Germany.

## Americas

Reduction of 5 monobrand stores. We will open flagship stores in California with new partner.

## APAC

Expansion of travel retail in multibrand.

*Win cities: Q2 sell-out growth of 24% with growth across all win cities*

# New product launches and product collabs

Beoplay H100



Beoplay Eleven



Special Ferrari edition



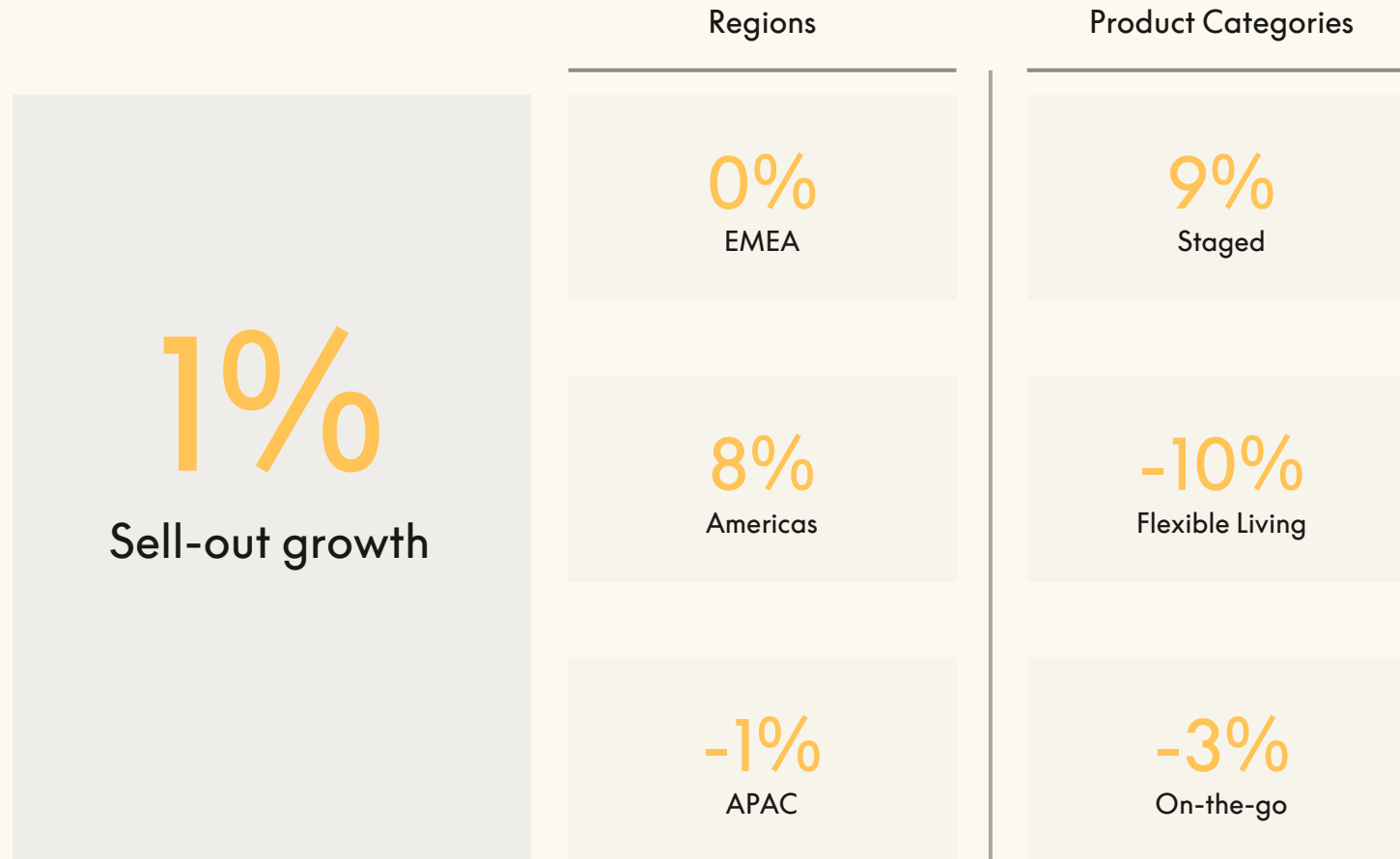




# Financial Review Q2

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# Like-for-like sell-out growth of 5% in branded channels



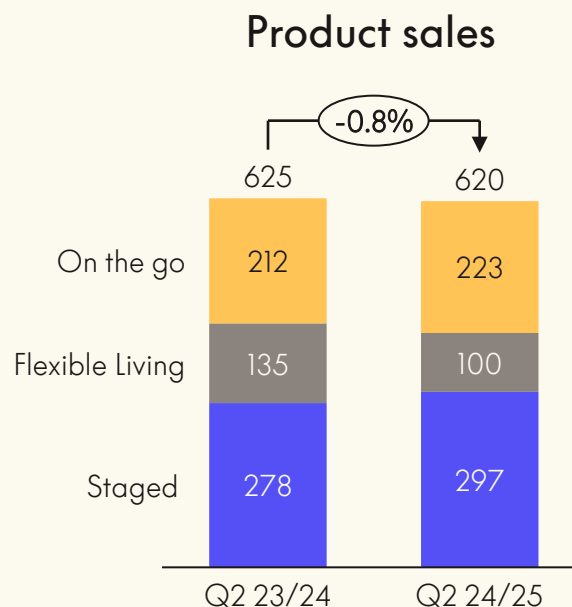
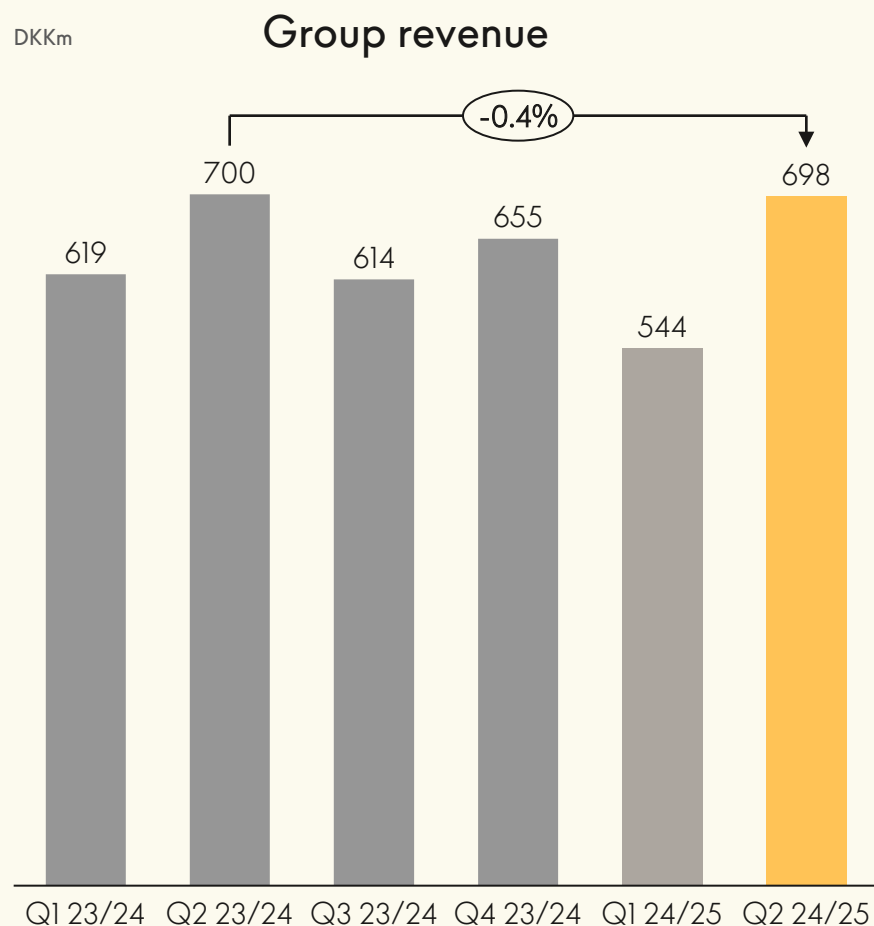
## Regions

- **EMEA:** Excluding EOL deals, like-for-like sell-out grew year-on-year. Company-owned stores, monobrand and eTail grew. Multibrand declined.
- **Americas:** Company-owned stores and monobrand stores grew. Etail declined.
- **APAC:** Growth across branded channels. Mutibrand and eTail declined.

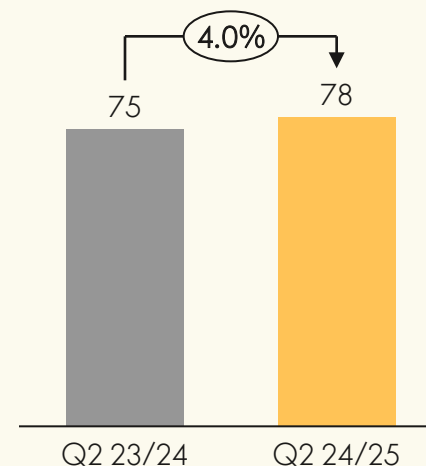
## Product categories

- Growth in the Staged category of 9%, reflected the branded channels performance.

# Group revenue in local currencies declined marginally, in line with our expectations



### Brand partnering & other activities

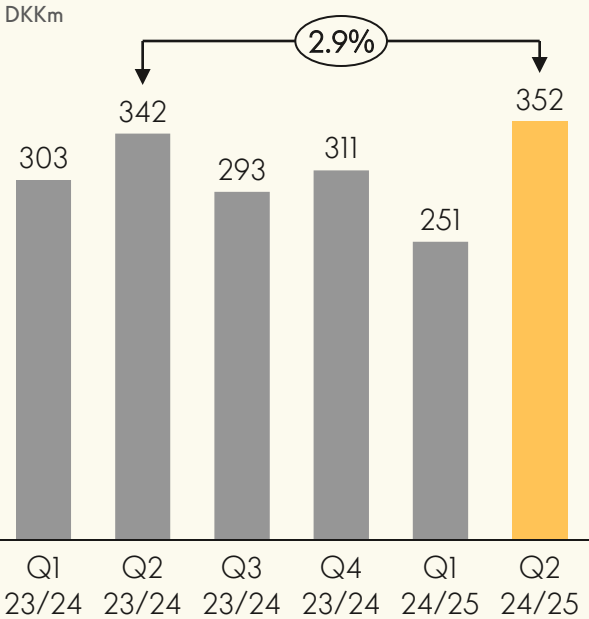


- Increase in Staged category in EMEA and Americas partly offset by decline in APAC.
- Increase in On-the-go reflecting launch of Beoplay H100.
- Revenue from branded channels outperformed multibranded channels.

- License revenue from the automotive industry grew year-on-year while license from HP declined in line with our expectations due to the expiry of the agreement.
- Licensing income accounted for 89% of total revenue in Brand Partnering & other activities (Q2 23/24: 74%).

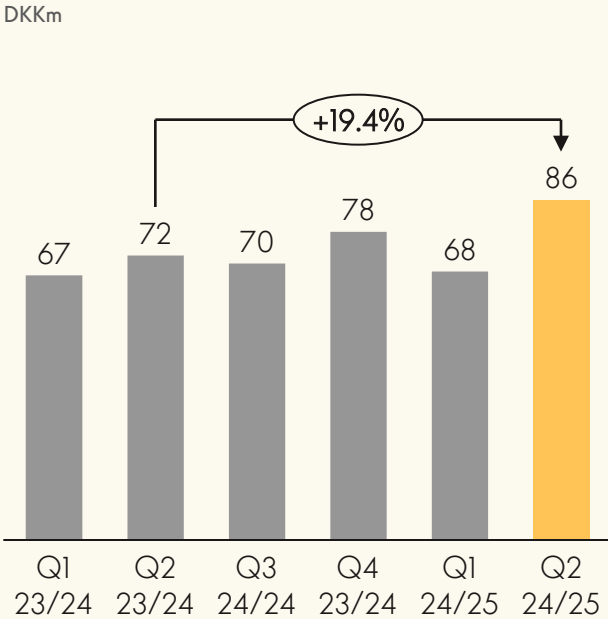
# The EMEA region and the Americas generated positive revenue growth, while group revenue was 1% lower due to negative growth in China

## EMEA



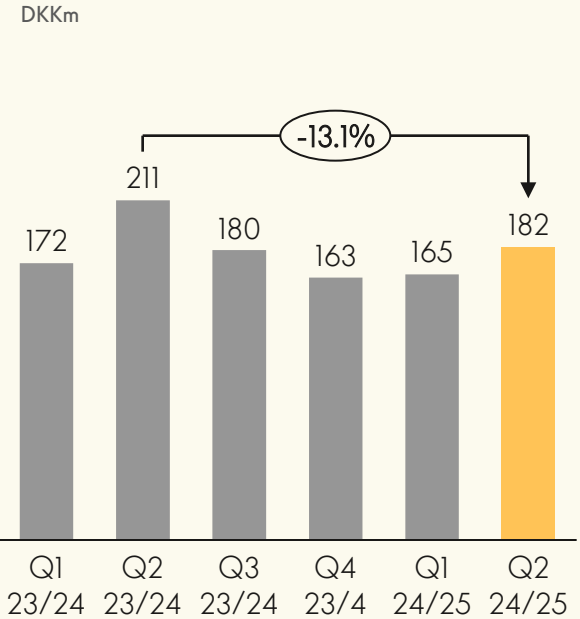
Revenue up 3% in local currencies  
 Gross margin: 49.3% up from 48.5%

## Americas



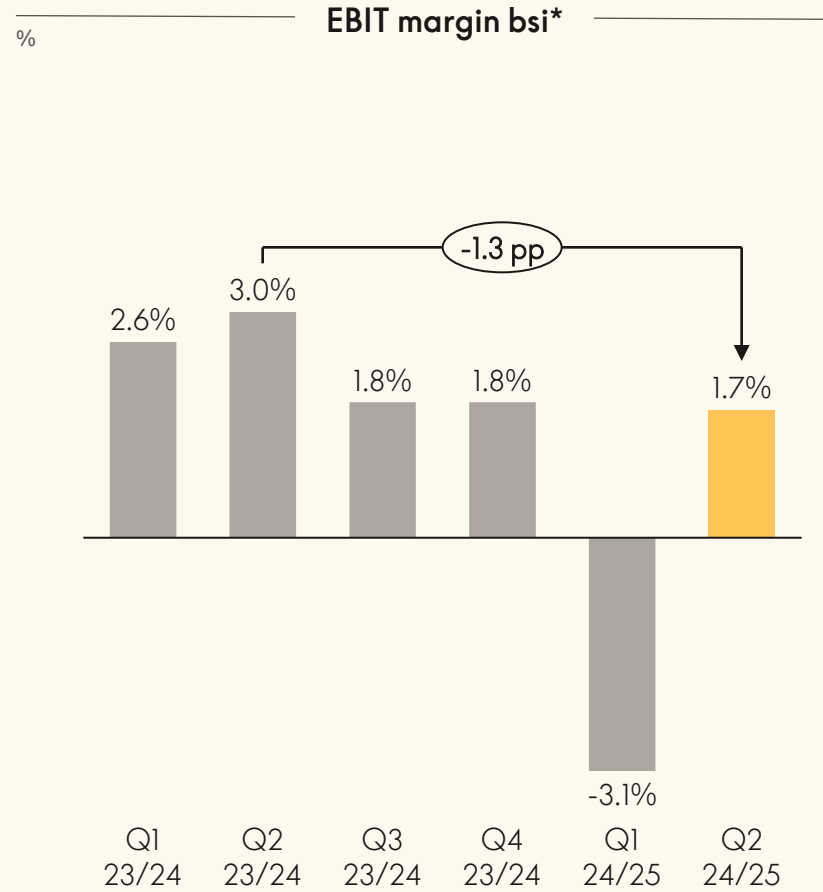
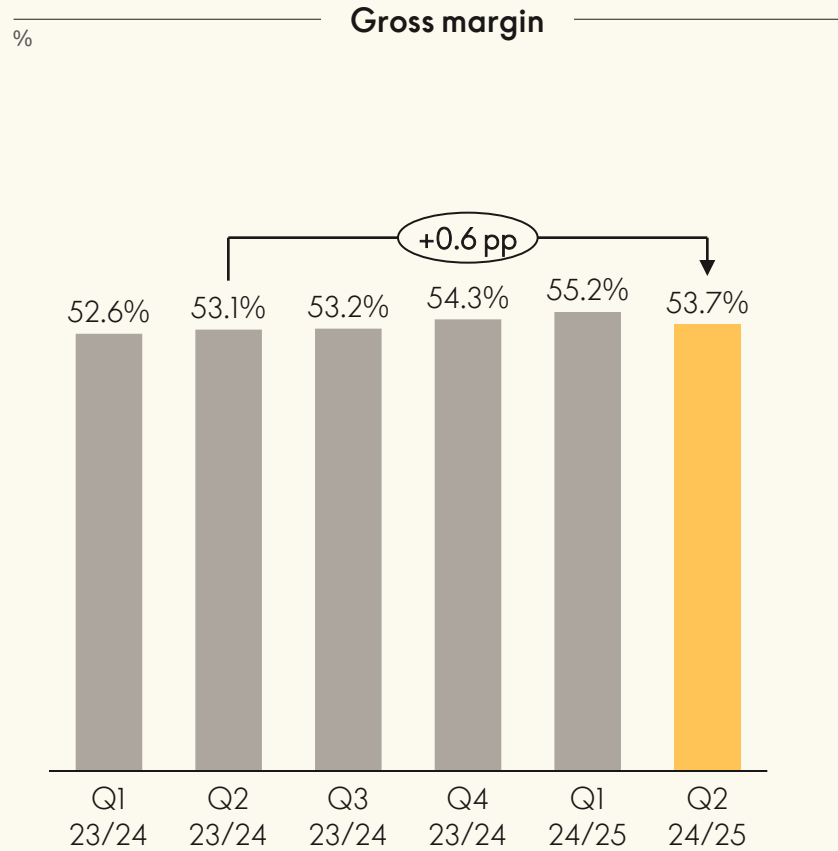
Revenue Up 17% in local currencies  
 Gross margin: 48.0% up from 42.9%

## APAC



Revenue down 13% in local currencies  
 Gross margin: 47.4% down from 51.6%

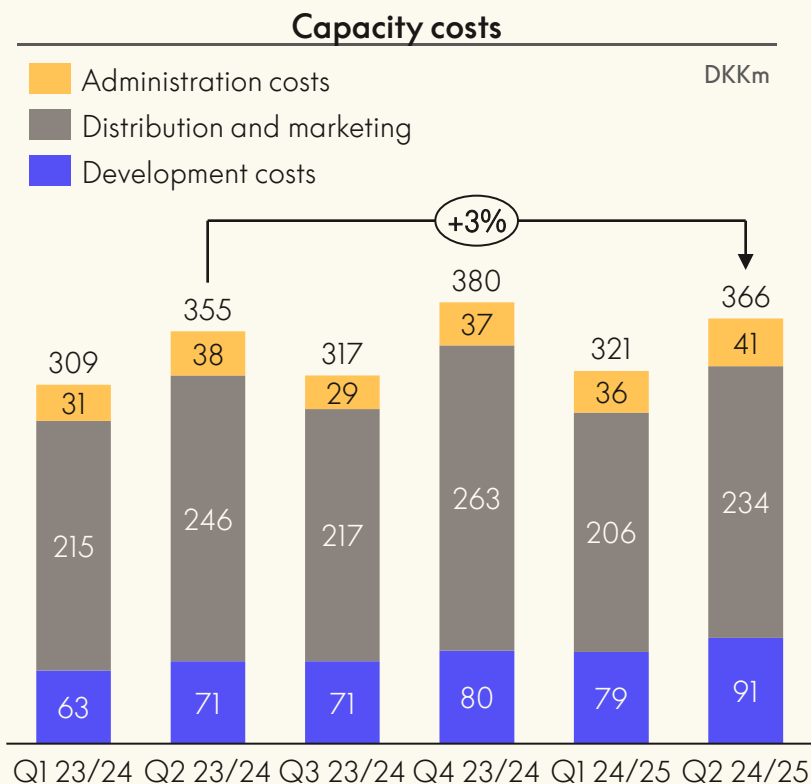
# Gross margin above Q2 LY. EBIT margin bsi mainly impacted by higher development costs



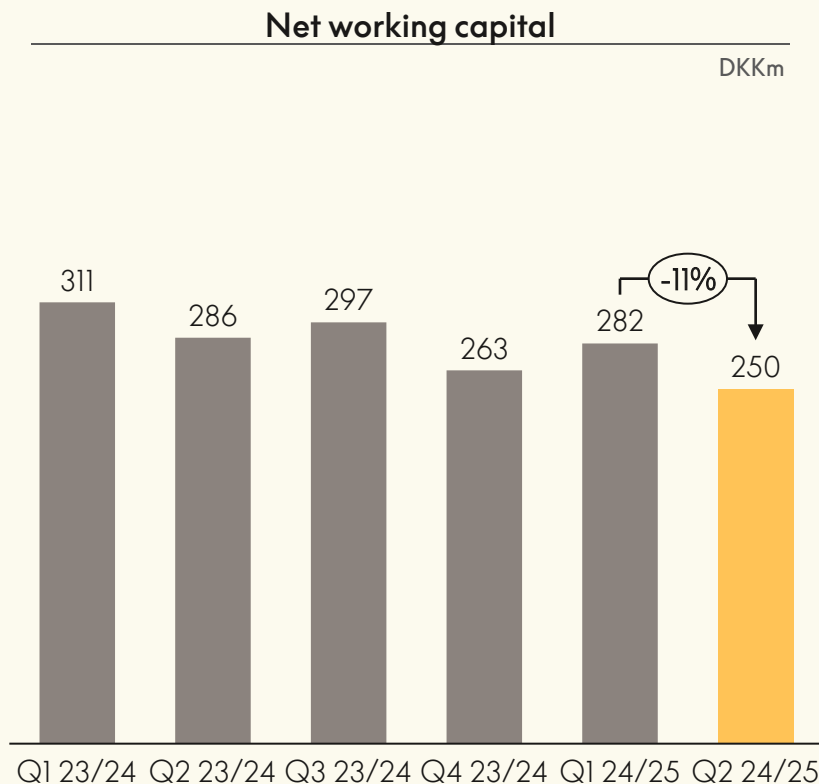
\*Before special items



# Capacity costs increased mainly due to increased development costs. Networking capital improved during the quarter



- Q2 increase mainly driven by increased development cost.
- Marketing ratio 9.3% (10.6%).



- Lower networking capital during the quarter.
- Inventories decreased by DKK 25m during the quarter to DKK 426m.

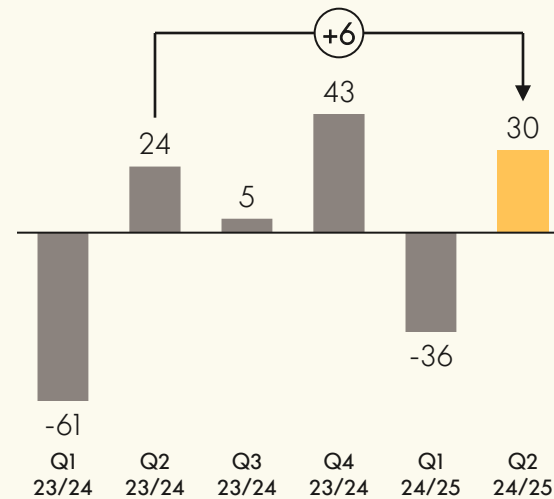


# Free cash flow improved by DKK 6m year-on-year



## Free cash Flow

DKKm

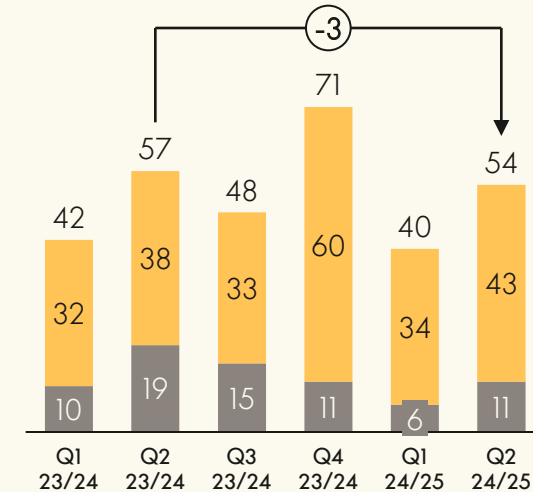


- Q2 free cash flow of DKK 30m, up DKK 24m against last year driven by a positive operating cash flow.

## CAPEX

DKKm

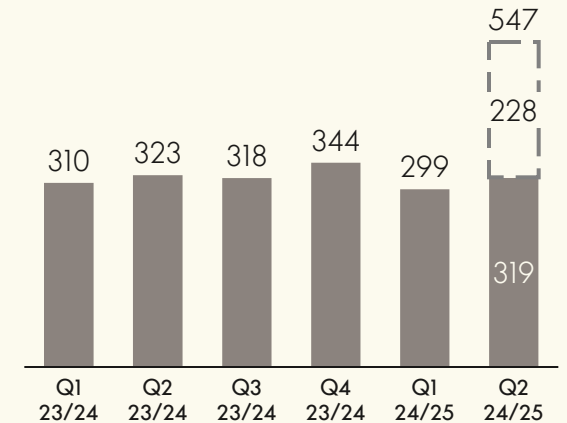
Intangible  
Tangible



- CAPEX decreased DKK 3m from last year.
- Investments primarily within intangible assets and related to new products and platforms.

## Capital resources

DKKm



- Capital resources, consisting of available liquidity and available credit facility, totalling DKK 319m. Available liquidity was DKK 159m.
- Capital raise of DKK 228m not included as funds were transferred on 2 December 2024.

# Outlook for 2024/25 maintained

	Revenue growth in local currencies	EBIT margin bsi*	Free cash flow
Outlook FY 2024/25	-3% to 3%	-2% to 1%	DKK -100m to 0m
Actuals Q2 2024/25	-1%	1.7%	DKK 30m

CAPEX expected to be around DKK 250 to 275m. Capacity costs are expected to increase by around DKK 100m from 2023/24.

## 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

### Assumptions

The 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.

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