Juli 2024

FULL YEAR AND Q4 2023/24

Webcast presentation

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Agenda

- # Key Highlights
- # Strategy Update
- # Mid-term ambitions and Outlook 24/25
- # Financial Performance in Q4

Positive earnings and continued focus on luxury positioning despite challenging markets

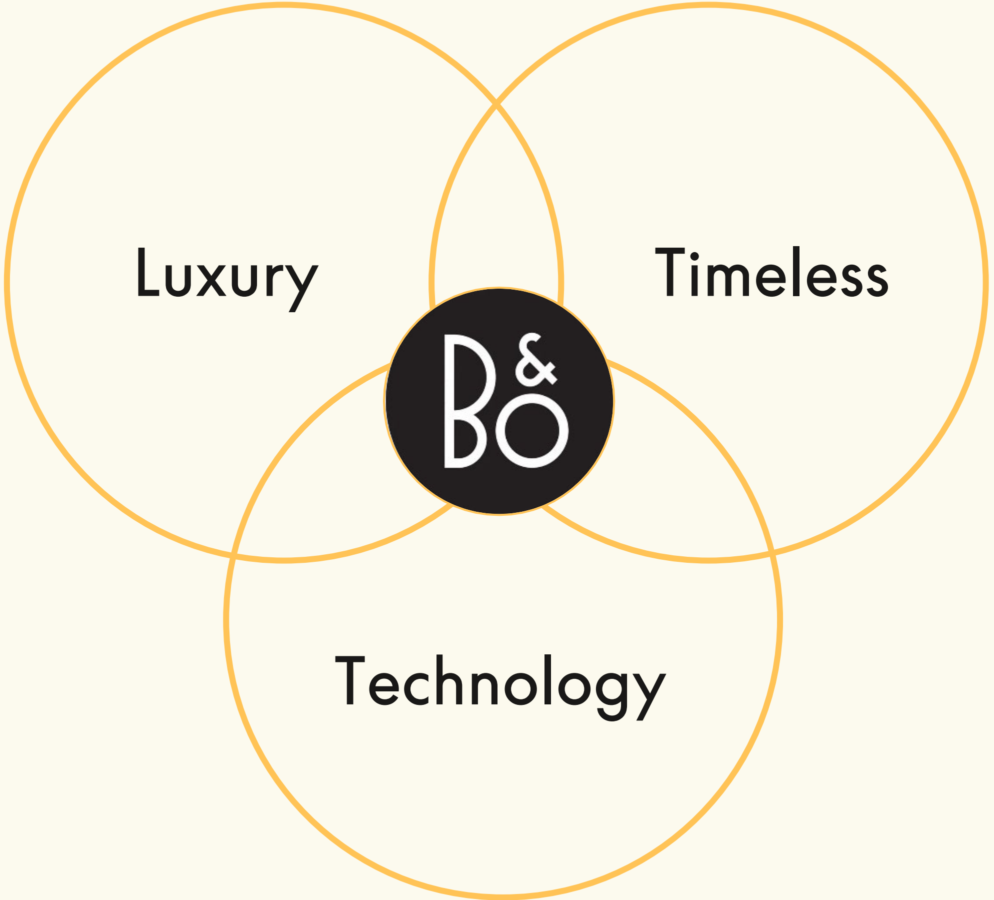
	Q4 2023/24	FY 2023/24
Revenue	DKK 655m 3% growth in local currencies	DKK 2,588m -5% growth in local currencies
Gross margin	54.3% (up from 51.4%)	53.3% (up from 44.2%)
EBIT margin bsi*	1.8% (up from 1.4%)	2.4% (up from -3.8%)
Free cash flow	DKK 43m (up from DKK 27m)	DKK 11m (up from DKK -20m)

Highlights

- Like-for-like sell-out growth of 3%.
- Record high gross margin.
- Positive EBIT margin despite lower revenue.
- Positive free cash flow.

- Price increases implemented.
- Discounting reduced.
- Channel optimisation.

Strategic highlights from the year

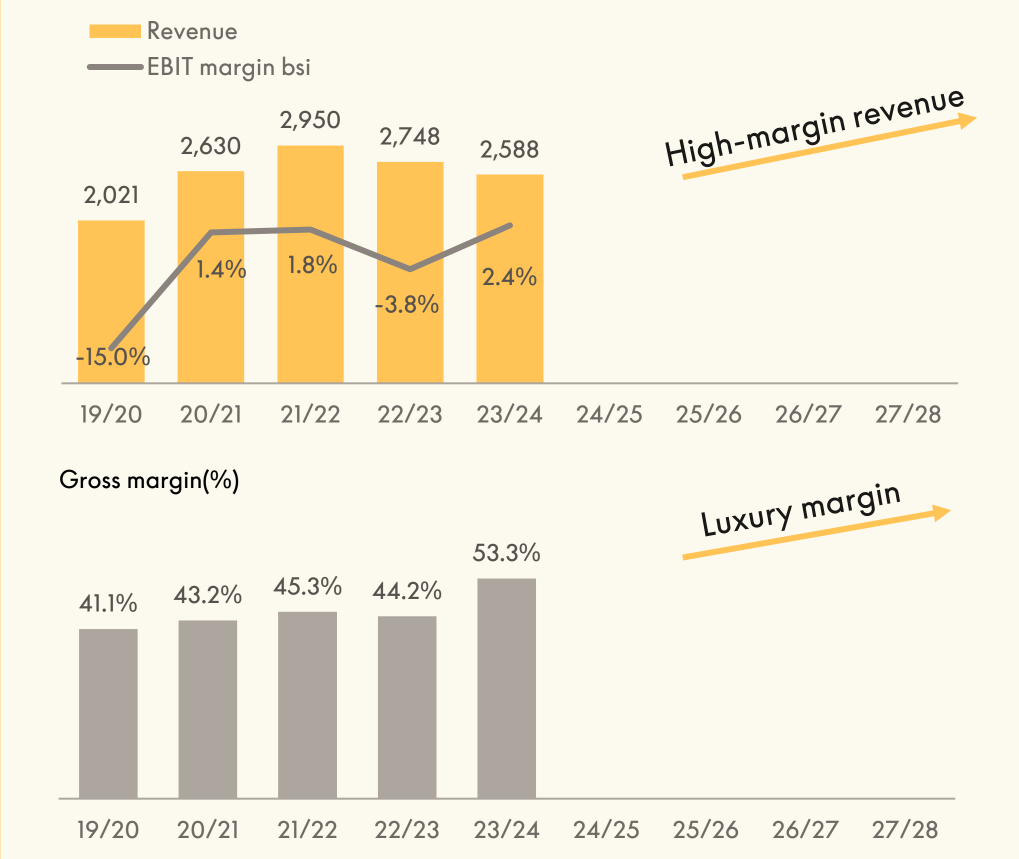


- Luxury positioning: Partnerships with Ferrari and Riva, new brand ambassador, Charles Leclerc.
- Customer base up by 19%, number of customers owning two or more products up by 14%.
- Continued channel optimisation and pricing.
- Six product innovations and our third product cradle-to-cradle certified.
- New store concept launched to support the luxury experience.
- Four new or relocated company-owned stores, Hong Kong added to Win City Concept.

Our five strategic shifts

#1	#2	#3	#4	#5
Brand	Product portfolio	Retail experience	Win key cities	Adjacent businesses

Tapping into market potential by accelerating strategy execution



Growing Luxury Audio & TV market

B&O's current market share is around 4% of an estimated EUR 19 bn expanding market.*

We are on the right track

- Strategic initiatives has yielded results
- Increasing customer base
- Strong product portfolio
- Initial optimisation of channel network

High market potential

- We want to accelerating strategic execution to penetrate an attractive growing luxury Audio and TV market.

Value-creating investments

- We plan to carry out a capital increase of up to 20% of the share capital within the first half of 2024/25.

*Source, BCG analysis 2023 (2022 retail value)

We are accelerating the execution of our five strategic shifts to drive profitable growth

Strategic shifts

#1 Brand

Further enhance brand awareness and brand equity as a luxury audio brand.

Luxury pricing focus.

#2 Product portfolio

Investing in our product portfolio and software platforms.

#3 Retail experience / **#4 Win key cities**

Optimisation of the monobrand store network and store experience.

- Closing underperforming stores.
- Relocating and upgrading existing stores.
- Opening new monobrand and CoCo stores in key cities around the world.

#5 Adjacent businesses

Growing license revenue from strategic partnerships.

Continue building a robust business

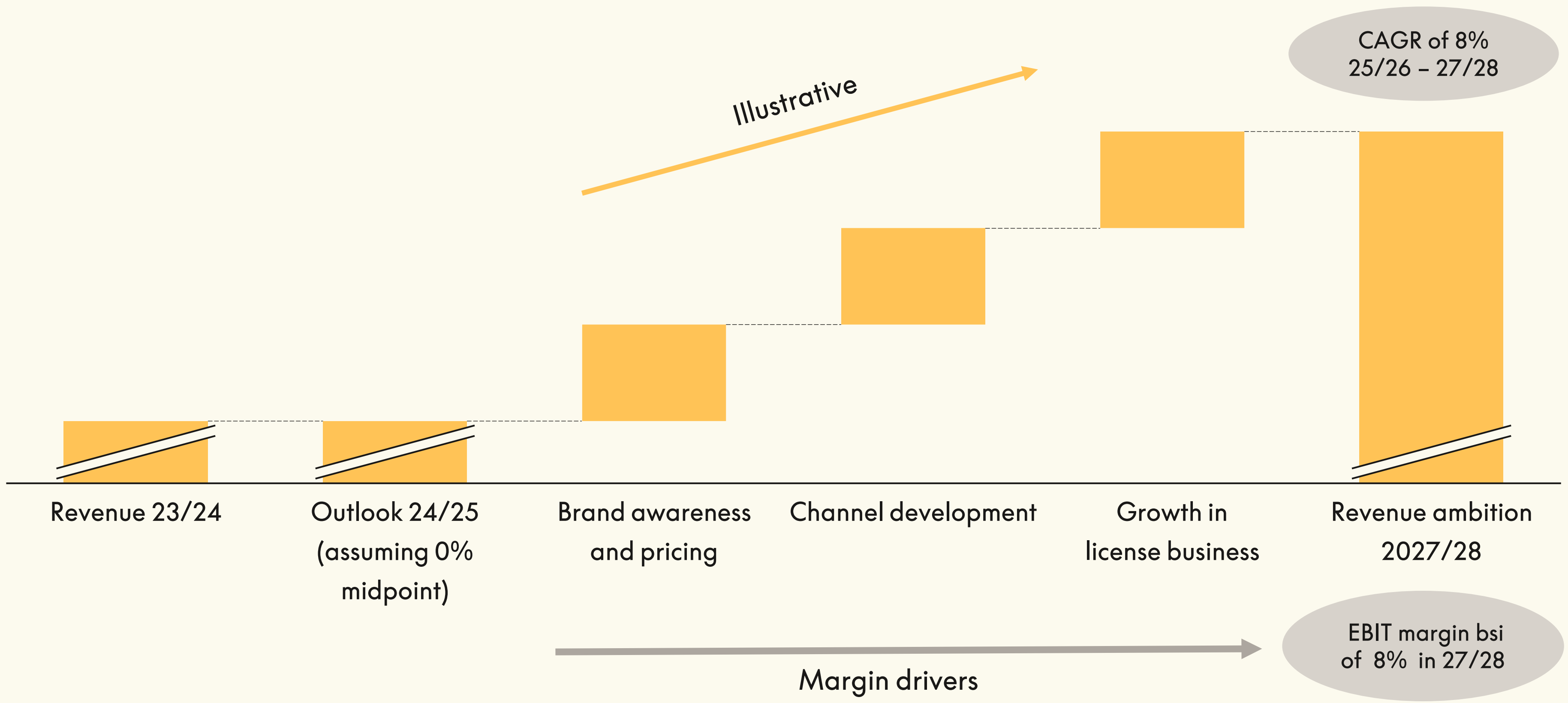
Mid-term financial ambitions 25/26 – 27/28

Organic growth	EBIT margin bsi*	Free cash flow
8% CAGR 25/26 – 27/28	**8%** in 27/28	**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.

*Before special items

Key building blocks to generate revenue growth and margin expansion



Investments:

2025/26 – 27/28

CAPEX: Annual capex expected to be around 30% - 40% higher than the expected level for 24/25.

Capacity costs: Increase by DKK 100-200m per year during the period.

Outlook for 2024/25 - an investment year

	Revenue growth in local currencies	EBIT margin bsi*	Free cash flow
Outlook FY 2023/24	-3% to 3%	-2% to 1%	DKK -100m to 0m
Actuals FY 2023/24	-5%	2.4%	DKK 11m

The outlook is based on the planned accelerated strategic execution, including a capital increase enabling increased investments as described in relation to mid-term ambitions.

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

 | * Before special items

Financial Performance in Q4

Like-for-like sell-out reflected improved market demand in China compared to Q4 last year

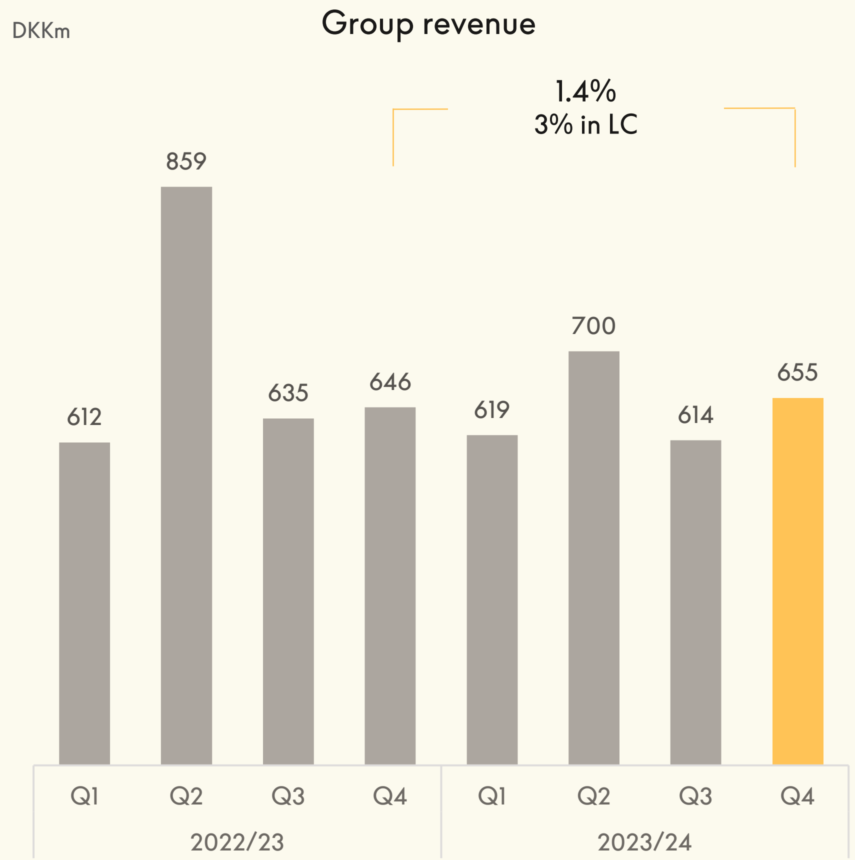
-2%
Sell-out growth

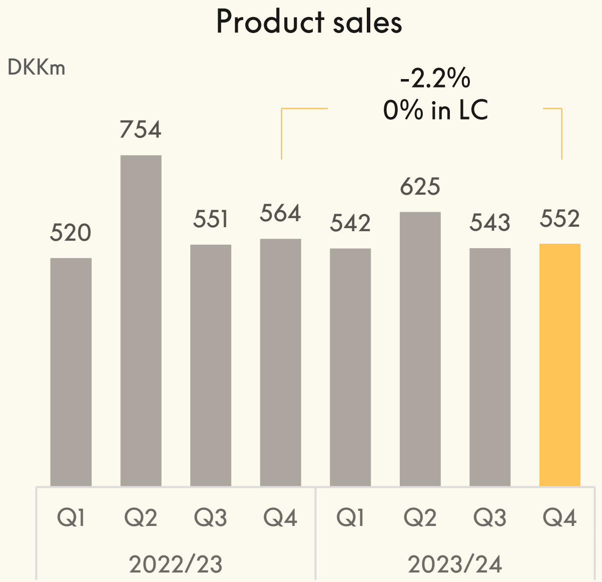
Regions	Product Categories
-5% EMEA	9% Staged
-7% Americas	-3% Flexible Living
6% APAC	-19% On-the-go

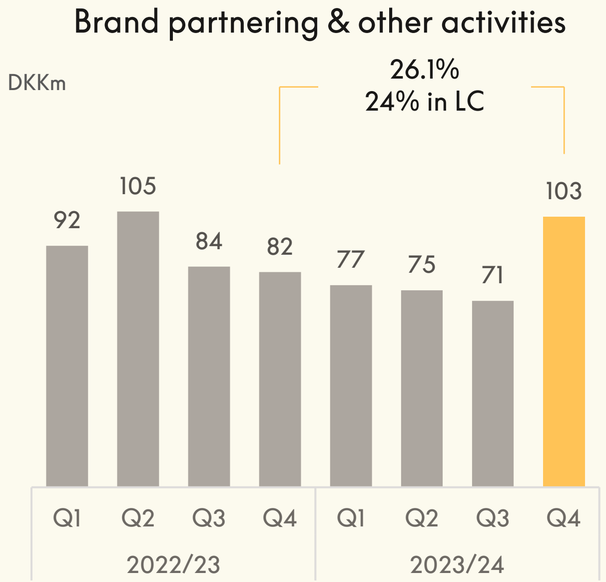
Regions
- **EMEA:** Monobrand was impacted by softer demand in Europe, especially UK, Germany and Scandinavia.
- **Americas:** Company-owned stores grew, monobrand and multibrand declined as expected.
- **APAC:** Growth driven by sell-out growth in China. Monobrand grew. Inventory levels are improving.

Product categories
- Growth in the Staged category of 9%, supported by improved channel mix.

Group revenue increased 3% in local currencies year-on-year



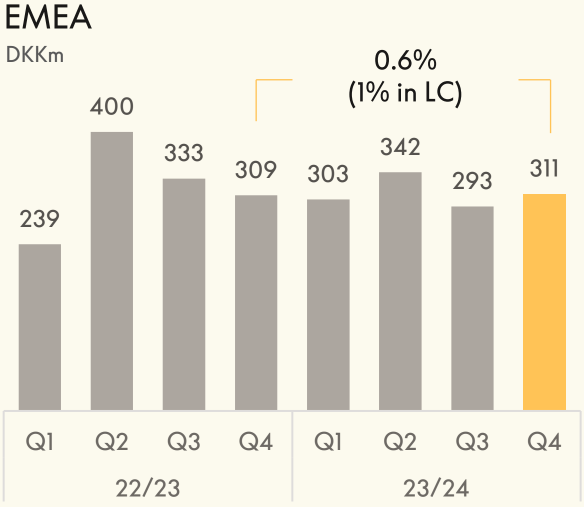


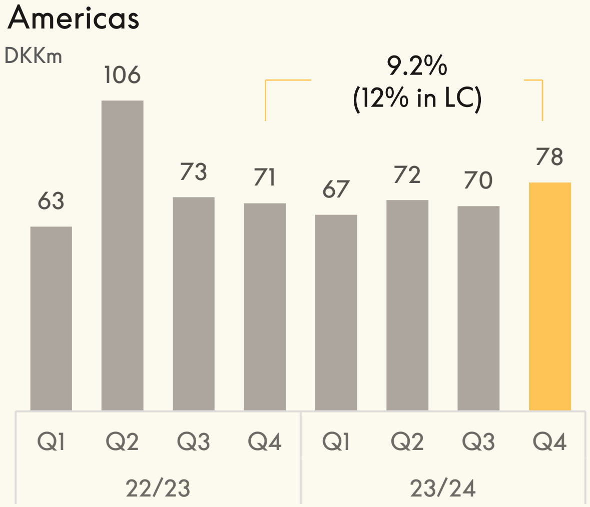


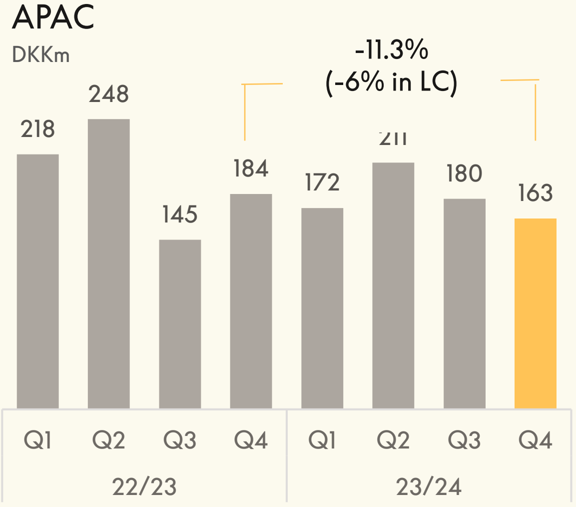
- Revenue from branded channels (company-owned, monobrand and ecommerce) grew single-digit in the period.
- Revenue from multibranded channels declined double-digit.

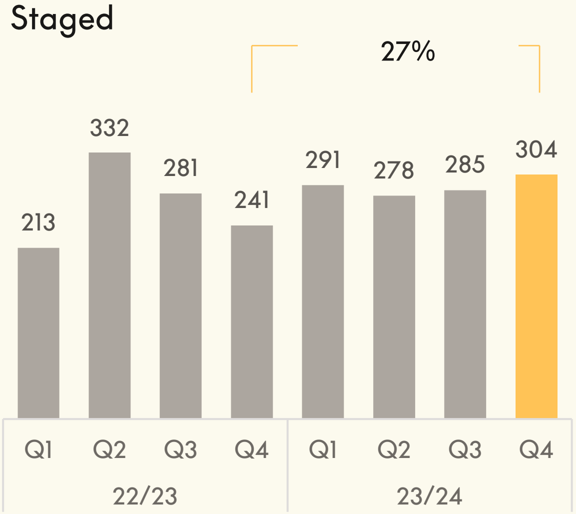
- Higher revenue from Cisco product collaboration
- Higher income from the automotive industry partly offset by reduced income from HP.

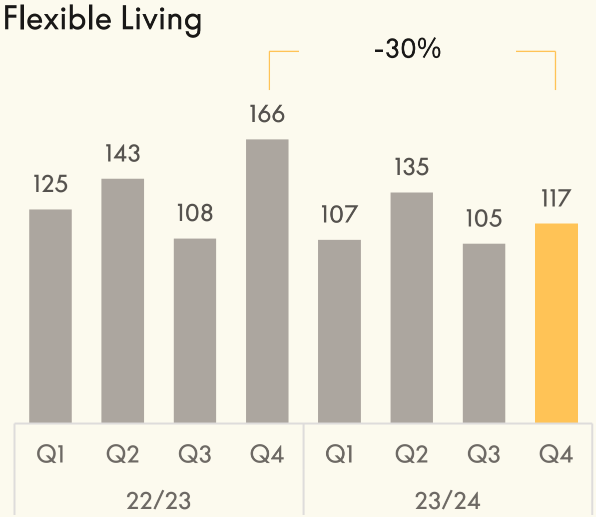
Product revenue on par year-on-year in local currencies

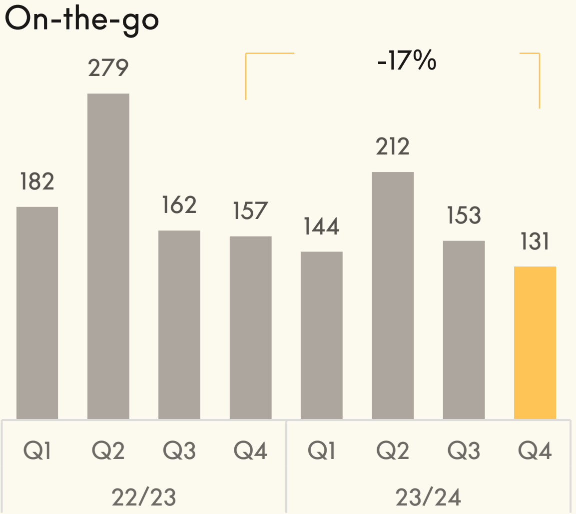












EMEA: Up 1% in LC
Strong performance from Enterprise.

Americas: Up 12% in LC
Increased performance from showroom instalments.

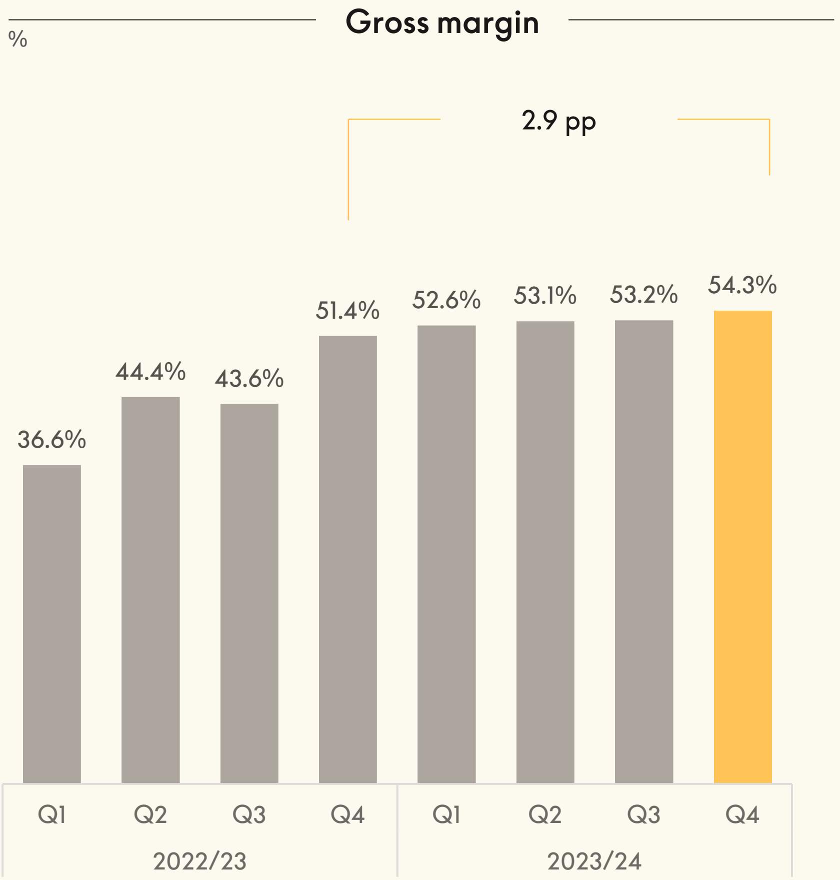
APAC: Down 6% in LC
Revenue from our monobrand channel increased by double-digits.

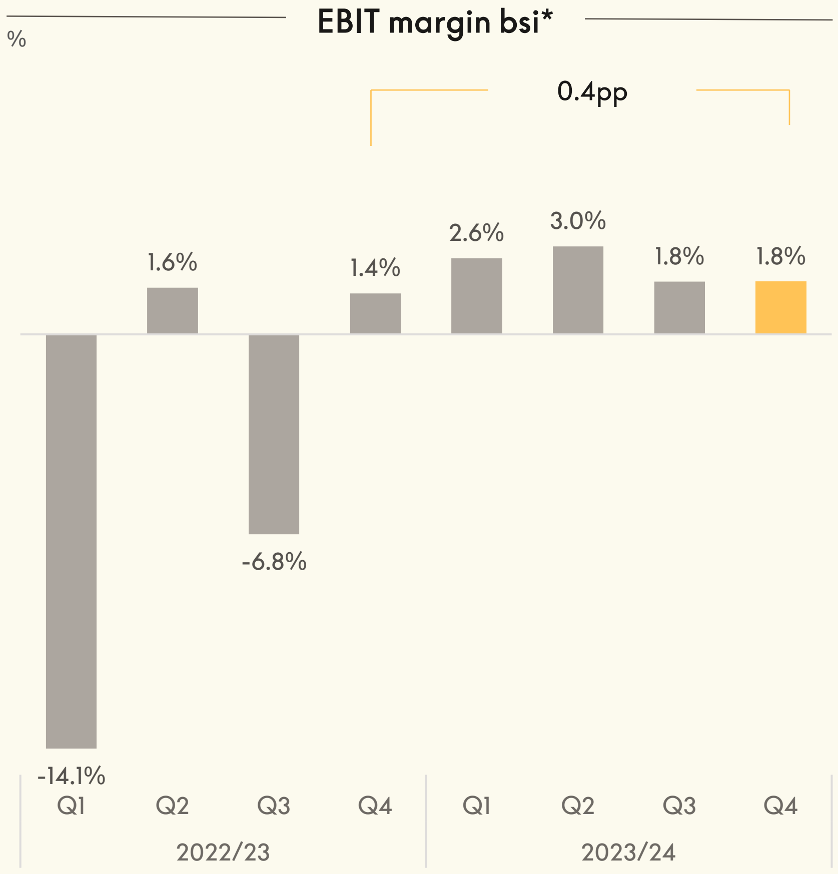
Staged: up 27%
Growth across products. Beolab 8 showed a strong performance.

Flexible Living: Down 30%
Product launches and EOL deals in Q4 of last year.

On-the-go: Down 17%
Decline across products except for Beoplay EX.

Record-high gross margin and positive EBIT margin bsi throughout the year



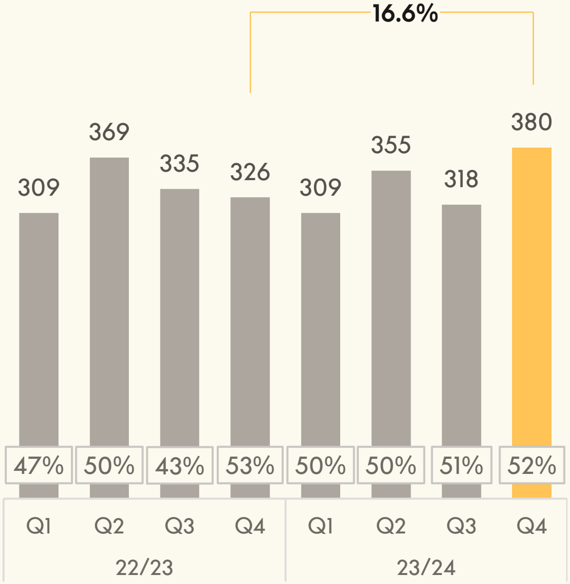


*Before special items

Capacity costs increased mainly due to cost related to reorganisation

Capacity costs

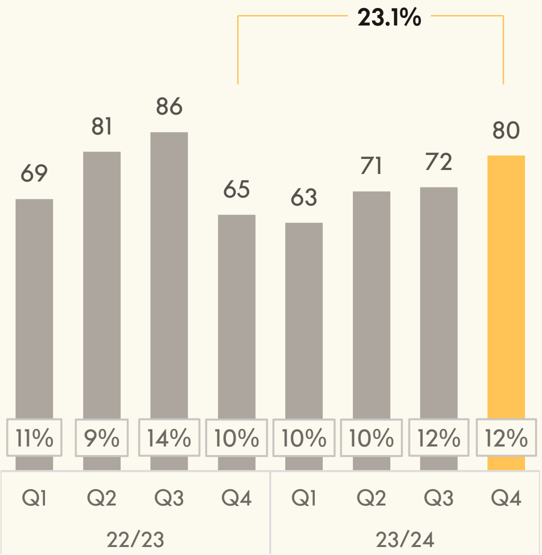
DKKm



- Q4 increase mainly driven by cost related to the reorganisation.
- Excluding special items, capacity costs increased 7% year-on-year.

Development costs

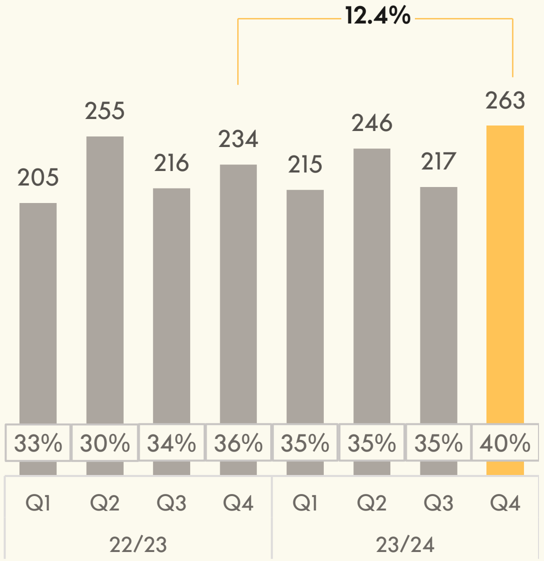
DKKm



- Costs driven by higher incurred costs partly offset by higher capitalisation ratio compared to last year.

Distribution & marketing costs

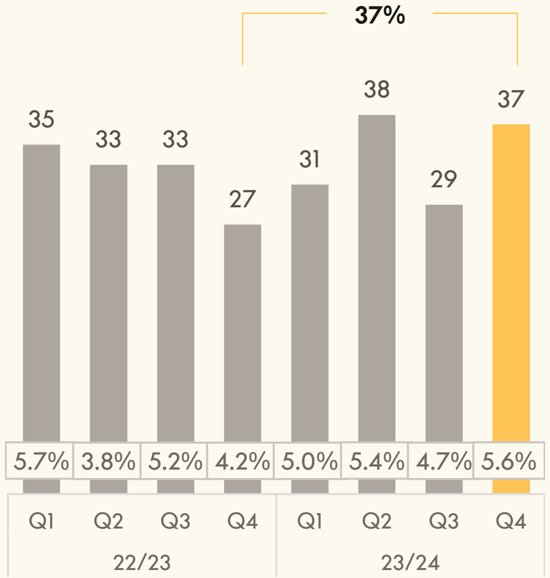
DKKm



- The increase was primarily driven by cost related to the reorganisation.
- Marketing cost to revenue ratio of 9.8% (FY 10.2%).

Administrative costs

DKKm

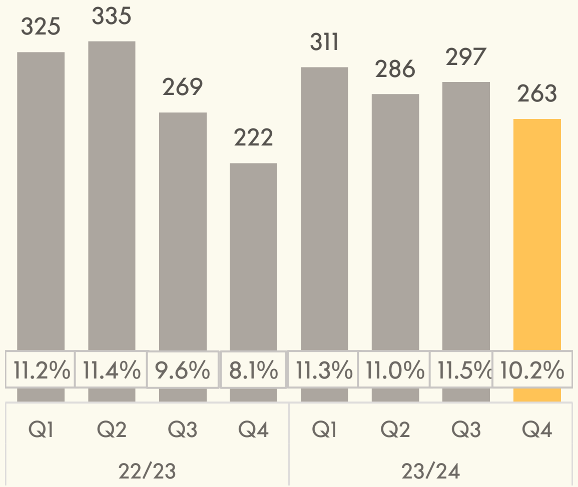


- Increase driven by bonus, advisory costs and cost related to the reorganisation
- Cost ratio of 5.6% to revenue.

Costs relative to revenue

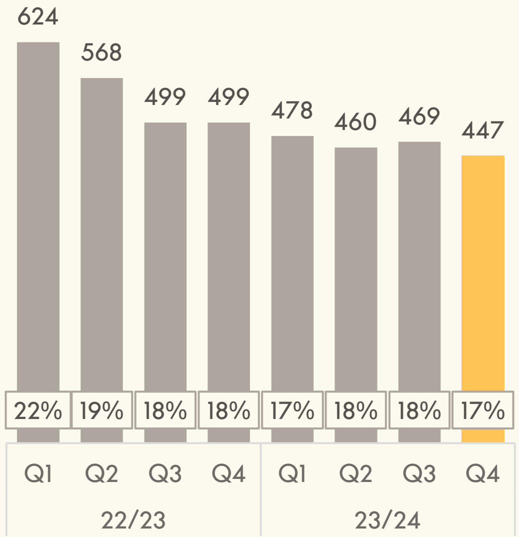
Focus on working capital - Inventory level reduced since 2022/23

Net working capital
DKKm



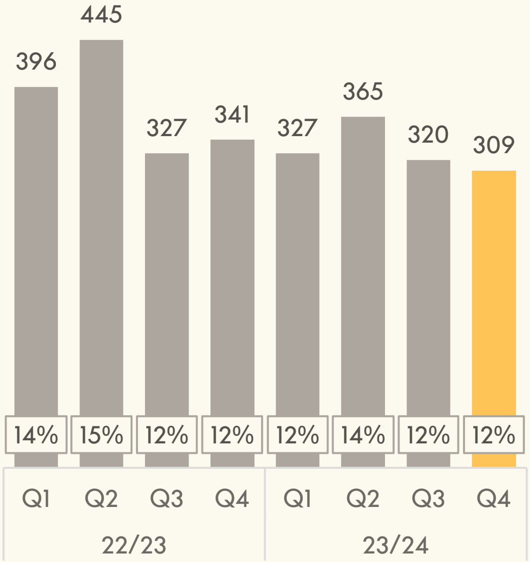
- Lower networking capital during the quarter mainly driven by lower inventory level.
- Other liabilities increased by DKK 35m to DKK 171m primarily related accrual for employee bonus.

Inventory
DKKm



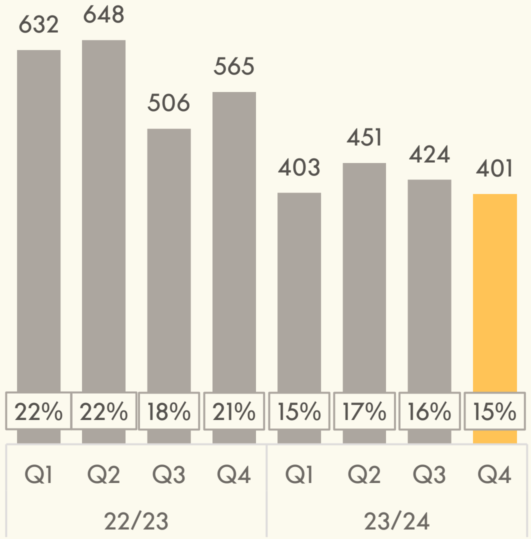
- Inventory decreased by DKK 22m during the quarter, driven by a continued focus on inventory management.

Trade receivables
DKKm



- Receivables decrease by 11m and was driven by collection efforts.
- Sales with extended credit was 2% of revenue compared to 1% in Q3.

Trade payables
DKKm



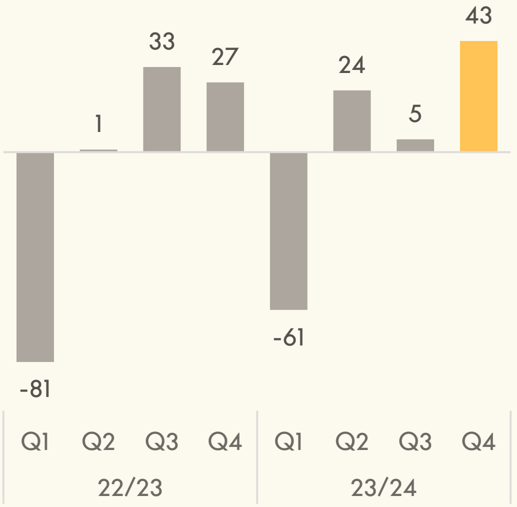
- Payables decreased by 23m to DKK 401m. Mainly related to timing of supply.

% of LTM revenue

Positive free cash flow of DKK 43m for the quarter

Free cash Flow

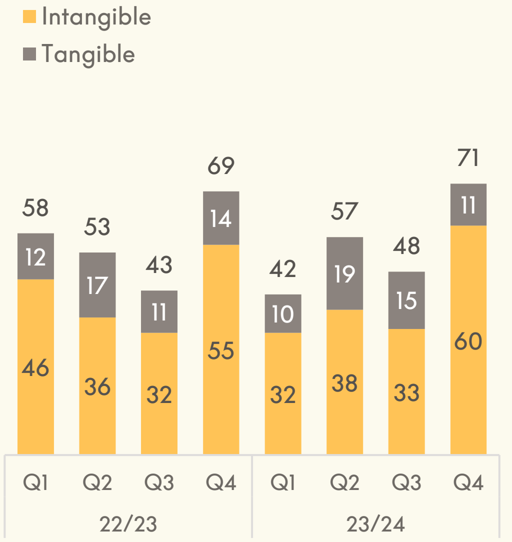
DKKm



- Q4 free cash flow of DKK 43m, up DKK 16m against last year driven by a positive operating cash flow.

CAPEX

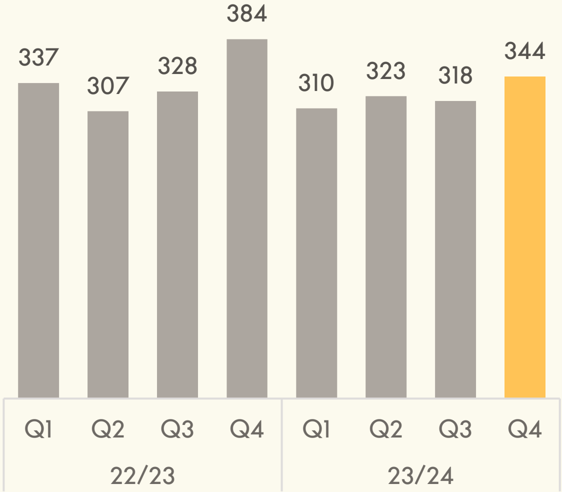
DKKm



- Increased DKK 2m 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 344m.
- Available liquidity was DKK 184m, against DKK 158m at end of Q3.

Summary

Summary

Margins significantly improved, generating positive EBIT margin and best EBIT performance in six years.

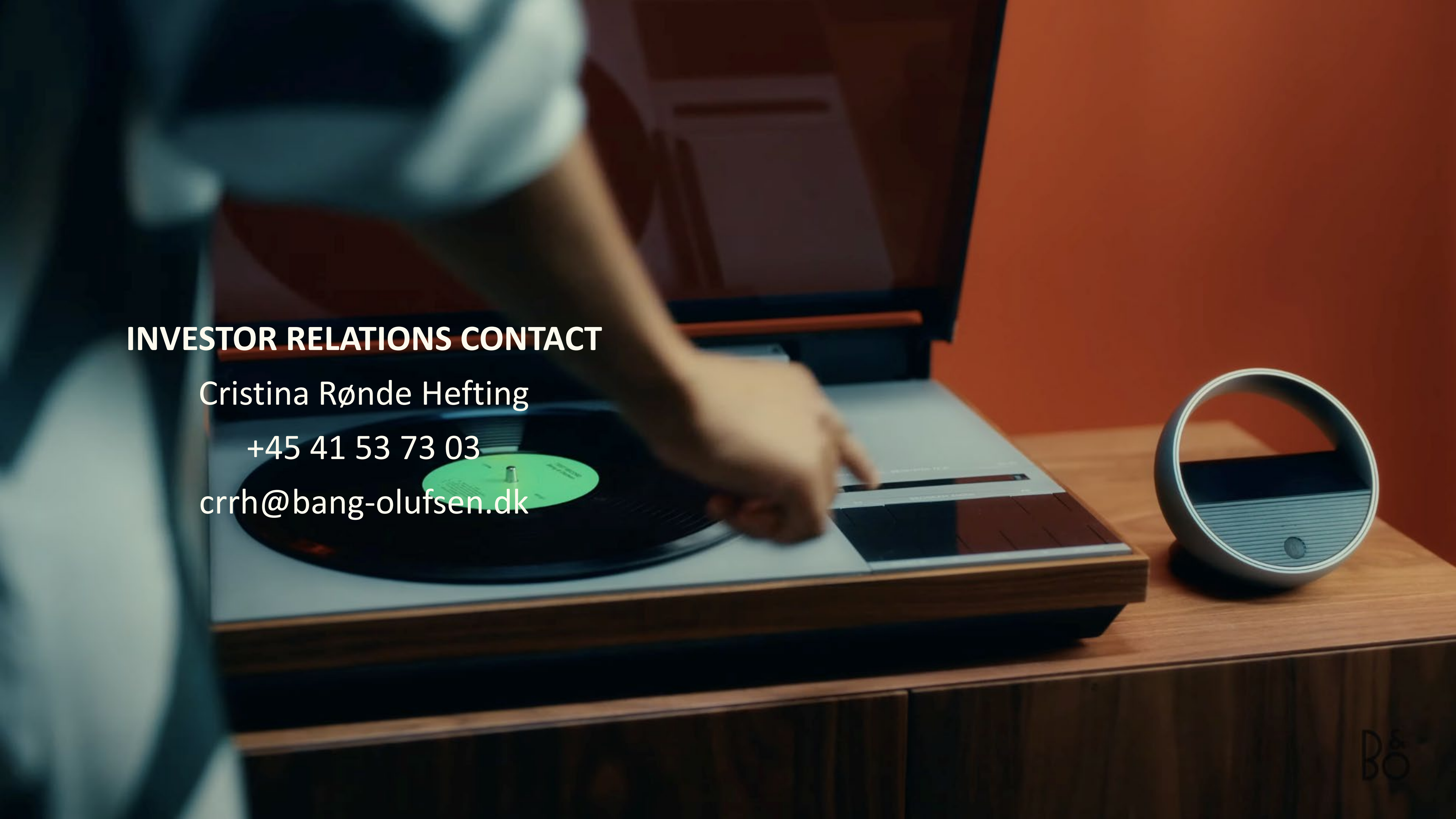
Strategic focus:

- Partnerships reinforcing our luxury positioning.
- Channel optimisation and pricing.
- Four new or relocated company-owned stores during the year.
- Launched new iconic products.

Mid-term ambitions announced.

Outlook for 2024/25 reflecting our planned investments in connection with our mid-term ambitions.


Q&A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