Annual general meeting, 13 August 2026 – Speaking notes

(In the event of discrepancy between the oral and written version, the oral version prevails)

Good afternoon and welcome to Bang & Olufsen's Annual General Meeting 2026.
On behalf of the Board of Directors, I would like to thank all of you shareholders who have come here to Struer, and those of you following online.

The last time we met here, we were on the threshold of our 100th anniversary. On 17 November last year, we celebrated the day – with our customers, our partners and our employees. We marked the anniversary all over the world, from the Harrods windows on Brompton Road in London to Times Square in New York and our exhibitions in cities such as Shanghai, Tokyo and Hong Kong. And not least a major celebration for all our employees here in Struer. The local museum here in town has also created a new B&O exhibition this year to mark our anniversary, which you have had the opportunity to visit ahead of today's meeting. All in all, it has been a year in which Bang & Olufsen was truly seen and talked about.

At the same time, I should be transparent: it was also a year in which we did not deliver commercially what we had set out to. We ended the year with revenue that declined. Today we will tell you both what we are proud of and what we have done about the things that did not work.

As announced, Kristian Teär stepped down earlier this year. Since then, Nikolaj has served as interim Chief Executive Officer, and over the past six months we have taken important steps to refocus our strategy execution. Nikolaj will say more about that today. I would like to take this opportunity to thank Nikolaj for the significant progress he has driven during his time as interim CEO.

I would also like to welcome our Chief Executive Officer, Gianfilippo Testa, who takes up his position today, and to invite him on stage for a short introduction. The meeting will then continue in Danish as usual.

Gianfilippo please join me on stage for a short intro.

God dag, og tusind tak. Det er en stor fornøjelse at være her i dag.

I am going to switch into English, as this is only my first week in Denmark – and I haven't quite gotten hold of the Danish language yet.

My name is Gianfilippo. I am Italian, and I am incredibly happy and excited to be here as I begin my journey with this iconic company, Bang & Olufsen.

For me, there is something very powerful about B&O. It sits at the intersection of two things that have defined my career and the way I think: logic and magic.

My background is in engineering - aerospace engineering, in fact. So, numbers, data, facts and logic are naturally at the forefront of how I think. But my career has also taken me into the world of luxury – an industry I have always been deeply passionate about.

And I have built my career step by step.

I come from humble beginnings - I have worked my way up, learned from the people around me, taken on greater responsibilities and earned every opportunity I have been given. That path has taught me something important: you don't build great companies through titles or short-term rewards. You build them through passion, hard work and dedicated people.

That is also why Bang & Olufsen already means so much to me.

Because luxury, at its best, is not about price. It is about meaning, craftsmanship, emotion and the feeling that something is truly special.

And that brings me to the second element: magic.

Magic is about feeling. It is about emotion. It is about how we experience the world.

And that is exactly what makes Bang & Olufsen so special.

We don't simply make products. We create experiences. We create something that people listen to, look at, live with – and feel.

That is a rare privilege, and it comes with a great responsibility.

I am deeply honoured to be joining a company with such an extraordinary heritage. A century of beautiful sound, uncompromising craftsmanship and a belief that technology can be something deeply human.

My ambition is not simply to preserve that heritage. My ambition is to build on it.

To take everything that makes Bang & Olufsen unique and make it even more relevant for the next generation of customers around the world.

And I believe that requires the logic and the magic.

The logic to make the right choices. To focus the business. To execute. To create sustainable value for our customers, our people and our shareholders.

The luxury mindset to protect what makes B&O rare and desirable. And the magic to never lose sight of why people choose Bang & Olufsen in the first place.

Struer is truly a magical place. Having had the privilege of working and living in many great places around the world, I cannot wait for my family and me to discover Struer, Denmark and the Danish way of life - with Copenhagen as our new home.

Before I close, I want to extend my sincere thanks to Juha and the Board for trusting me with this important responsibility.

And to all the people at Bang & Olufsen who have already welcomed me so warmly - thank you.

I have only just arrived, but I can already feel that this is going to become a very important part of my life.

So thank you. It is a privilege to be here.

And I look forward to building the next century of Beautiful Sound - together.

Thank you.

Thank you, Gianfilippo. We now continue with the formal part of the meeting.

Before I hand over to the Chair of the Meeting, let me mention that once the formal part is over, we will as always serve food and drinks next door. There you can also see demonstrations of selected products and meet some of the people behind them.

We also have a service desk available, where you can raise specific questions about your own products. I would therefore encourage you to direct more technical questions to our B&O colleagues at the desk rather than from the floor.

With that, I will hand over to our Chair of the Meeting, Anders Ørjan, whom the Board has appointed to conduct today's meeting.

Thank you, Anders.

I will now take you through the past year and our financial results. I will then hand over to Nikolaj Wendelboe, our Chief Financial Officer and interim Chief Executive Officer over the past six months. Nikolaj will go into detail on how we have executed on the strategy – and what we have changed along the way. Finally, I will return with our outlook for the current year, 2026/27.

Let me start with the big picture for 2025/26.

As mentioned, 2025/26 was a very special year, marking B&O's 100th anniversary. It is a proud milestone in the company's history, and we celebrated 100 years globally with campaigns, exhibitions and product launches. We have measured a clear improvement in brand awareness across markets.

On the screen behind me is a selection of the various events. Beyond those already mentioned, I would like to highlight that in the Danish market we launched "100 år med Bang & Olufsen" – 100 Years with Bang & Olufsen – in which Danish artists reinterpret iconic songs from the past ten decades as a tribute to Danish music history. I hope some of you have had the chance to listen to several of the songs. The playlist can be found on Spotify, among other places, under "100 år med Bang & Olufsen".

The year was marked by contrasts. We strengthened brand awareness, delivered another record-high gross margin and advanced important strategic initiatives. During the first financial half-year, we launched three product innovations. The Beo Grace earphones showed Bang & Olufsen at its best and redefined the category through exceptional sound, a jewellery-inspired sculptural aluminium design and strong commercial performance that confirmed market demand. With the introduction of the Reloved programme, which extends the life cycle of our iconic products, we strengthened our commitment to circular design and confirmed strong customer interest. The launch of the Beosound Premiere soundbar, by contrast, was challenged and highlighted improvements that were needed in our commercial operating model.

This meant revenue was lower than we had initially expected, but we maintained the expected EBIT margin. This was driven by the continued improvement in our gross margin. It rose 3.2 percentage points to 58.2 per cent. That is the highest level in the company's history.

There are bright spots in the numbers worth noting.

Our Win Cities delivered double-digit sell-out growth for the eighth consecutive quarter. And in the second half we implemented a number of efficiency measures and strengthened the commercial operating model, so that we enter the new year on a tighter and more focused footing. Nikolaj will go into more detail on this shortly.

The year also marked a change in leadership, as mentioned. During his time as interim CEO, Nikolaj Wendelboe has led the effort to maintain momentum and has, together with the entire organisation, remained focused on executing our strategy and building on our century-long foundation. It has been highly successful, and we look forward to the newly constituted leadership team – CEO Gianfilippo Testa; Jesper Hessel as new CCO, Chief Commercial Officer, who joins as soon as his obligations to his current employer are completed; and Nikolaj Wendelboe as COO and CFO – carrying this forward.

Here you can see how the year ended compared with the guidance we issued when we started 2025/26.

Revenue growth in local currencies was minus 1.6 per cent against an original range of 1 to 8 per cent. The EBIT margin before special items was minus 0.5 per cent, which is within the original range of minus 3 to plus 1 per cent. Free cash flow was minus DKK 141 million against an original range of minus 100 to zero.

We adjusted guidance in March on revenue and free cash flow, while the range for the EBIT margin before special items was narrowed. The adjustment was a consequence of external market conditions becoming more challenging than expected, and of sales of Beosound Premiere being significantly below expectations.

The reported figures are in line with the adjusted guidance. Although we delivered an EBIT margin within the originally guided range, it is of course not satisfactory that two of three parameters landed below what we communicated at the start of the year.

On the following slides I will go through the main components of the results.

Let me first address revenue.

Revenue was DKK 2,468 million, a decline of 1.6 per cent in local currencies.

The main explanation for the negative growth relative to expectations is Beosound Premiere, which primarily affected our monobrand channel. Nikolaj will return to the circumstances around this shortly.

On the partnership side, Brand Partnering revenue declined as expected. Licence income from HP ceased as planned, while the TCL partnership is ramping up as assumed on a full-year basis.

What I would like to highlight on this slide is the channel split between what we call branded and non-branded channels. That is, the stores and our own e-commerce that sell B&O exclusively, as against stores and e-commerce that sell a selection of several brands.

The share of revenue coming from our branded channels – our own stores, monobrand partners and e-commerce – has risen markedly since 2021/22. This is a deliberate shift. While it can have an effect on revenue in the short term, it increases the quality of that revenue – which is a primary contributor to the fact that the quality of our revenue and our gross margin have improved as much as they have.

A better indicator of real customer demand than our own revenue is sell-out – that is, what is actually sold from stores to end customers.

For the year, sell-out on a comparable basis rose 4 per cent for the group. That is worth noting when our own revenue declined. The difference is primarily because our partners reduced their inventories during the year.

Regionally the picture was mixed. APAC grew 15 per cent, EMEA was level with last year, while the Americas declined 2 per cent.

By product category, Flexible Living rose 13 per cent, while Staged and On-the-go each rose 2 per cent.

And then the figure I pay particular attention to as an important strategic indicator: 18 per cent sell-out growth in our Win Cities. The Win City concept is now implemented in seven cities – New York, London, Paris, Hong Kong, Tokyo, Los Angeles and San Francisco – of which five are included in the growth figure. That is the eighth consecutive quarter of double-digit growth in these cities. It tells us that when we invest in a market in a coordinated way – in stores, in marketing and in the customer experience at the same time – it works. That is the model we are building on.

The gross margin was 58.2 per cent for the year. That is 3.2 percentage points higher than last year and the highest level ever. The fourth quarter ended at 58.7 per cent.

The improvement comes from several things at once: the continued shift towards branded channels, a stronger pricing policy with fewer discounts, and improved earnings across the product portfolio. We saw improvements in all regions and in all product categories.

It is also important to mention that in the fourth quarter we received a refund of US customs duties paid, which had a positive effect on the year of DKK 20 million. That offset the majority of the costs we incurred during the year of DKK 24 million, and therefore gives a more accurate picture of the development in the gross margin.

Gross profit was, as mentioned, the highest in eight years. That is worth holding on to: even in a year of declining revenue, we earn more kroner on each item sold than we have in almost a decade.

Capacity costs before special items rose 6 per cent to DKK 1,460 million.

The increase was planned and reflects the strategic investments we announced at the start of the year – in product development, in marketing and in the store network. In addition came extraordinary marketing costs of around DKK 38 million in the second quarter for the anniversary activations around the world.

The combination of the absent revenue growth and the higher cost level meant that the EBIT margin before special items ended at minus 0.5 per cent against plus 1.0 per cent the year before, and therefore in line with guidance.

Looking behind the figures, the cost growth is concentrated in two places.

Development costs rose 10 per cent to DKK 375 million, primarily driven by software development and work on the product portfolio.

Distribution and marketing costs rose 13 per cent to DKK 1,009 million. That covers both the anniversary activations and the build-out of the store network.

Administrative costs, by contrast, fell 9 per cent to DKK 139 million.

In total – and now including special items – capacity costs were DKK 1,523 million, an increase of 10 per cent. The special items of DKK 30 million in total related primarily to the leadership changes we have made and the reorganisation we carried out in the fourth quarter, which Nikolaj will address. In addition, we were positively affected by a ruling in an old customs case, which affected special items by DKK 63 million.

Free cash flow was minus DKK 141 million against plus DKK 16 million the year before, driven by the lower EBITDA. The year was at the same time an investment year, which is also reflected here.

Working capital rose DKK 133 million to DKK 349 million. The increase is due to lower trade payables and higher receivables, part of which relates to the US customs refund we had not yet received at year-end. In addition, we reduced inventories through the year as a result of continued focus on inventory management.

Operational investments were DKK 245 million, an increase of 2 per cent, reflecting the strategic investments.

Capital resources were DKK 294 million at year-end against DKK 600 million the year before. The decline reflects the year's cash flows. We continue to have resources that support our plans for the coming year and, as you will see, we expect positive free cash flow in 2026/27.

With that, I will hand over to Nikolaj.

Thank you, Juha.

Juha has taken you through how the year went in numbers. I will spend the next few minutes telling you what we have worked on – and what we have changed during the year.

Let me start with the most important message: our direction is unchanged. Our ambition to be a global leader in luxury audio stands firm.

We have sharpened our execution during the year, and we will continue at the same pace under the newly constituted leadership.

On the slide behind me, you see the framework around everything we do.

Our purpose is to create magical moments, designed for life.

Our ambition is to be the world leader in luxury audio and to create sustainable, long-term, profitable growth. And our foundation is a hundred years of craftsmanship and innovation.

The strategy is translated into action through four clear priorities.

- The first is to maintain and develop our iconic design and product leadership. We design, sell and service long-lasting products, with collector's value, combining iconic design with pure, authentic sound – from portable solutions to fully integrated home audio systems.
- Next, we will build a strong brand with cultural relevance. A brand anchored in Beautiful Sound, built through disciplined marketing, based on recognisability, on data, and on partnerships with a focus on music.
- We will build a strong retail and experience universe. Consistent luxury experiences across touch points, supported by a stronger position in key cities and a more balanced global presence.

- And as the fourth priority, we will expand our licensing partnerships. We extend our offering within sound and design through selected partners in relevant industries, including automotive and consumer technology.

This is not new. It is the strategy we have been working to, and it remains the right one.

What is new is how we execute the strategy. In the second half of the past year, we implemented a number of changes.

First, we adjusted the go-to-market model. We have brought marketing planning, retail execution and product launches into one coordinated model.

The launch of Beosound Premiere showed us very clearly what happens when those three things do not work together. The improvements were introduced in the second half, and we enter 2026/27 with a commercial model that is better equipped to support the market position we are pursuing.

We have also adjusted our approach to product development. We have introduced a structured concept phase, where we take decisions on scope, risk and technology early in the development process rather than late.

We have adjusted the division of roles between ourselves and our external suppliers and partners, so that we use them where they are strongest and concentrate our own efforts on what we do best: design, acoustics and craftsmanship.

The result is shorter development time and the ability to launch more products at more accessible prices – while maintaining, and also increasing, our gross margin.

The third area is brand and retail. Our marketing activities and our in-store activities are becoming more consistent, so that our brand will appear the same across channels.

We are also shifting our cultural partnerships towards music, which sits closer to our core. As an important step in that direction, we announced a two-year partnership with the American artist John Legend as global brand ambassador.

It is a partnership we are very excited about and one that reflects a shared philosophy that music is more than sound – and is anchored in Beautiful Sound.

We are continuing our retail transformation with more stores in the Americas and APAC, as well as optimisation of the store network in EMEA. And we are rolling out a new IT platform in all our own stores during 2026/27.

Our transformation plan for the coming year is just as ambitious as it was in the year just ended, and we are increasing our focus on being present in global key cities.

The fourth area was a review of our costs, which we carried out in May. We have simplified the organisation and focused our efforts on the most important areas. Among other things, this meant a reduction in the workforce of around 5 per cent, equivalent to approximately 60 colleagues.

I therefore want to say it as it is: it is never easy to say goodbye to skilled and committed colleagues, and we do so with great gratitude for the effort, the commitment and the mark they have left on B&O along the way.

They have been an important part of the community here, and their contribution has made a difference – both professionally and personally.

In total, the cost measures have reduced the underlying cost base by around DKK 200 million, which enables continued investment in our strategic execution while keeping costs for the coming year level with the financial year just ended.

So, overall: we have cleaned up, we have regrouped, and we have put the company in a better position to deliver long-term profitable growth.

I would therefore like to say a sincere thank you to all employees for your commitment, your persistence and the way you have stood together on this task. It is your effort that makes the difference, and that gives us a strong starting point for what lies ahead.

So to the products.

We launched three new products during the year and presented a fourth that is on its way.

Beo Grace came to market in November. It is a new expression within earphones, built in hand-polished aluminium and on our Amadeus software platform.

The product was well received, delivered in line with expectations and drove double-digit growth in our earphone sales. It also strengthened the gross margin in the On-the-go category.

Beosound Premiere was launched in December. As communicated earlier in the year, sales were initially significantly below our expectations.

We carried out a thorough review, and the conclusion was that the problem was the way we brought the product to market. We therefore relaunched the product in March with two new colours, an adjusted price and an improved presentation in stores.

We launched Reloved in October. For the first time, we offer certified pre-owned products directly from Bang & Olufsen, with our own warranty, through our own e-commerce.

All products released sold out within a short time – some within 24 hours.

Reloved is both good business and a concrete expression of the fact that our products are built to last.

Finally, we presented Beosound Haven, our first outdoor speaker, which is expected to launch in 2027. It is built to withstand the elements – and brings Beautiful Sound outdoors, to the garden and to the terrace.

We used our anniversary year to make Bang & Olufsen visible in a way we have not been for many years.

In London, we took over the Brompton Road windows at Harrods for three weeks in November.

Customer traffic rose 60 per cent year on year, and it became the store's highest-revenue month ever.

In New York, we ran a digital activation on Times Square on New Year's Eve. More than a million people experienced the brand on site, and the reach was extended across the world through online channels.

In Shanghai, our exhibition "100 Years. And Counting." had more than 10,000 registered visitors. The exhibition then toured to Tokyo and Hong Kong.

And in addition come a range of partnerships, collaborations and limited editions that have broadened our audience across design, music, fashion and sport – including Fragment Design, G-DRAGON, Vollebak, Antolini and the five Beolab 90 Atelier Anniversary Editions.

We can measure the effect clearly. Brand awareness has increased across markets, and that is the foundation we need to convert into sales in the coming years.

On retail, we have improved our network of stores during the year.

We went from 346 to 315 monobrand stores. Behind that figure lie 9 openings and 40 closures, that is 31 net closures, plus 12 upgrades and 7 relocations. In total, more than 65 adjustments to our network in one year.

We close the stores that do not deliver, or that do not match our brand ambition. Openings happen where the potential is greatest.

We opened new flagship stores in Paris, San Francisco and West Hollywood, and we opened in Hamburg's HafenCity. We also opened our first Culture Stores in China – in Shenzhen and Beijing – and in Singapore.

The Culture Store concept presents the brand as a destination in its own right, not merely as a shop.

In July we opened our new store at Copenhagen Airport. Some of you who travelled through the airport over the summer may have had the chance to visit it.

The Win City concept was extended to Tokyo, San Francisco and Los Angeles, so that we now have seven active cities. As Juha mentioned, they delivered 18 per cent sell-out growth – which is eight consecutive quarters of double-digit growth.

Finally, we are working to improve the in-store experience itself: optimised store design and visual merchandising, focused sales training, and a more structured approach to our customer relationships, so that we can deliver a more personal experience.

The new IT platform I mentioned earlier is the technical foundation for that work.

For us, sustainability is an integrated part of the business, and it is first and foremost about longevity and circularity. It is part of the core of our products.

Important areas include the Reloved programme, which offers refurbished products. As I mentioned earlier, every release has sold out.

We see this as good evidence that customers have strong demand for our older iconic products, and we are particularly pleased that we can extend the life of our products.

In addition, we now have nine Cradle to Cradle Certified products.

We have certified products in all of our product categories, and the most recent addition is the soundbar Beosound Premiere.

Responsible development and production of our products is very important to us, and the certification is evidence that we take sustainability seriously throughout our value chain.

On general environmental impact, I can mention that we continue to run on 100 per cent renewable electricity in our own production. At the same time, more than 70 per cent of our vehicle fleet is now electric.

Our targets are validated by the Science Based Targets initiative.

We will reduce our scope 1 and 2 emissions by 90 per cent by 2029, measured against 2022 as the baseline. And by 2040 at the latest, our total net climate footprint will be zero.

These are ambitious targets, but we are well on the way to delivering on them, and we are quite satisfied with that.

With that, I hand back to Juha.

Thank you, Nikolaj.

So to the year we are now in.

Let me start with the uncertainties, because they are still there. Both macroeconomic and geopolitical conditions. The progress we expect to see next year assumes that current conditions do not worsen. We also believe that with our strategy and continued transformation we are well positioned for the future.

We maintain our focus on strengthening our brand, expanding, and driving the continued innovation that has been at the core of this company for more than a century.

With that said, the outlook for 2026/27 is as follows:

- Revenue growth in local currencies is expected to be in the range of 1 to 5 per cent.
- The EBIT margin before special items is expected to be between 1 and 3 per cent.
- Free cash flow is expected to be between DKK 25 and 100 million.

Note the movement in the EBIT margin. It comes from our expectation of keeping capacity costs before special items broadly unchanged compared with 2025/26, while at the same time expecting to grow the top line.

We are at the same time continuing to invest. CAPEX is expected to be between DKK 270 and 310 million, an increase on last year. Investments focus on the continued improvement of the store network and on the product portfolio.

A couple of specific assumptions behind the outlook. We expect to launch three or more products during the year. The first, the Beosystem 3000c Recreated Classics, came in June, while the remainder are expected in the fourth quarter. On retail, we have more openings than closures in the plan, including two new stores of our own – in New York and in Paris – both expected in the first half.

We have also addressed the global shortage of memory chips. Demand from data centres and artificial intelligence has created acute constraints in the market for the type of memory chips we use, and three of our four approved suppliers have scaled back production to prioritise newer and more profitable variants. This challenges both production continuity and launch plans.

We have acted on it. We have secured supply agreements and approved spot purchases covering the coming twelve months of production, and we are working in parallel on an upgraded version of our hardware platform.

We adjusted prices as of 1 July, which reduces the net effect on the gross margin to around half a percentage point, and the expected cash effect of DKK 35 to 45 million is thereby included in the outlook for 2026/27.

Finally, a few words on our medium-term financial ambitions, which we withdrew in March. There should be no doubt that our ambition remains profitable growth, which this year's outlook also reflects.

Finally, I would like to take this opportunity to thank Bang & Olufsen's customers, employees and partners around the world.

And a special thank you to you, our shareholders. 2025/26 was not the year we had hoped for financially. But it was a year in which we celebrated a hundred years, in which we strengthened the brand, in which we delivered the best gross margin in the company's history – and in which we tackled the things that were not working. We enter the new year with a clear direction, a tighter organisation, and expectations of growth and positive cash flow.

On behalf of the Board, I would like to thank you for attending and participating in the general meeting – both those of you present in person and those who have followed online. I would also like to thank the Chair of the Meeting for conducting the meeting well.

Thank you for today.