

Bang & Olufsen interim report for H1 2024/25:

Bang & Olufsen reports a Q2 in line with expectations

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. The gross margin increased year-on-year to 53.7%. As planned, the directed share issue was successfully completed in November 2024, raising DKK 228 million in gross proceeds.

“Our financial year 2024/25 is a transition year, and the second quarter was in line with our expectations and plans. The EMEA region and the Americas generated positive revenue growth year-on-year, while group revenue declined marginally as the Chinese market continues to be challenged. Gross margin improved further year-on-year, providing us with a more robust financial foundation.

Demand for our newly launched flagship headphones, H100, exceeded expectations, confirming our strategic direction of strengthening our position in the luxury audio market. We successfully completed the directed share issue as planned, which was a key event in the quarter. We are now ready to accelerate our strategic execution to drive long-term profitable growth.”

Kristian Teär, CEO

Financial highlights (Q2 23/24 in brackets)

- Like-for-like sell-out grew by 1% (2%). Like-for-like sell out for Branded channels grew 5% (0%).
- Revenue declined by 0.4% (-18.5%) year-on-year, or -1% in local currencies (-16%), to DKK 698m (DKK 700m).
- Revenue from Branded channels declined by 5% (-7%), or -6% in local currencies (-5%).
- Gross margin was up by 0.6pp to 53.7% (53.1%).
- EBITDA before special items was DKK 72m (DKK 82m), EBITDA margin before special items of 10.2% (11.7%).
- EBIT before special items was DKK 12m (DKK 21m). EBIT margin before special items of 1.7% (3.0%).
- The free cash flow was DKK 30m (DKK 24m).

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 0m.

Business highlights

- A directed share issue was successfully completed, raising DKK 228 million in gross proceeds. The proceeds were received in the beginning of December and will be used for investments to realise the announced 3-year growth plan.
- Demand for flagship headphones, H100, launched in September 2024, exceeded expectations.
- Beoplay Eleven earphones with enhanced Active Noise Cancellation were launched.
- Continued optimisation of the retail network, reducing monobrand partners by 36 (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 4% quarter-on-quarter.

Q2 2024/25 conference call

10 January 2025, at 10.00 CET via

<https://bangolufsen.eventcdn.net/events/interim-report-2nd-quarter>

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