

Annual report 2025/26:

Bang & Olufsen reports a year of continued transformation, advancing strategic execution and global brand presence during its centenary year

Bang & Olufsen delivered revenue of DKK 2.5bn for the 2025/26 financial year, corresponding to a decline of 1.6% in local currencies, in line with the adjusted outlook. Amid ongoing geopolitical and macroeconomic challenges, the company achieved a record-high gross margin of 58.2% and the highest gross profit in eight years, reflecting continued progress in executing its strategy and strengthening its position in the luxury audio market. During the year, Bang & Olufsen further improved its retail network, operating model and organisational agility, while celebrating its 100th anniversary.

Bang & Olufsen advanced key strategic initiatives, including new product innovations, expanded the Win City concept and opened new flagship stores in priority markets. However, external market conditions became more challenging than expected, and sales of Beosound Premiere were significantly lower than anticipated, leading to an adjusted outlook in March 2026 and at the same time the withdrawal of the mid-term ambitions through 2028. The company remained focused on disciplined execution and positioning the company for sustainable long-term growth.

"In 2025/2026 we continued to drive our transformation, improving our retail network and operating model while adapting to a challenging macro-economic environment. We are encouraged by the development in our Win City concept and the launch of the Beo Grace earpieces. However, the launch of the Beosound Premiere soundbar highlighted improvements needed in our commercial execution.

To secure continued investment in the development of the business, we adjusted elements of our strategic execution. We have strengthened our go-to-market execution, increased our focus on music through cultural partnerships, and revised our product development model towards greater use of external suppliers. At the same time, we simplified the organisation and implemented efficiency measures, reducing our underlying cost base.

As we look to our next century, we remain committed to elevating the relevance of the Bang & Olufsen brand, expanding in key growth markets and creating innovative products that resonate across generations."

Nikolaj Wendelboe, Interim CEO

Financial highlights, FY 2025/26 (2024/25 in brackets)

- Like-for-like sell-out grew by 4% (4%). Like-for-like sell-out for Branded channels grew by 5% (9%).
- Revenue declined by 3.3% (1.4%) year-on-year, or -1.6% in local currencies (-1.4%), to DKK 2,468m (DKK 2,553m).
- Revenue from Branded channels declined by 3.3% (3.2%), or 2.1% in local currencies (+2.6%).
- Gross margin was up by 3.2pp to 58.2% (55.0%).
- EBITDA before special items was DKK 246m (DKK 271m), EBITDA margin before special items of 10.0% (10.6%).
- EBIT before special items was DKK -13m (DKK 26m). EBIT margin before special items of -0.5% (1.0%).
- Profit before tax was DKK -63m (DKK 2m).
- The free cash flow was DKK -141m (DKK 16m).

Financial highlights, Q4 2025/26 (Q4 2024/25 in brackets)

- Like-for-like sell-out grew by 11% (7%). Like-for-like sell-out for Branded channels grew by 13% (8%).
- Revenue declined by 3.8% (+3.7%) year-on-year, or -3.1% in local currencies (+4.3%), to DKK 654m (DKK 680m).
- Revenue from Branded channels declined by 4.9% (14%), or -3.7% in local currencies (13.9%).

- Gross margin was up by 2.9pp to 58.7% (55.8%).
- EBITDA before special items was DKK 109m (DKK 72m), EBITDA margin before special items of 16.7% (10.5%).
- EBIT before special items was DKK 37m (DKK 7m). EBIT margin before special items of 5.7% (1.0%).
- Profit before tax was DKK -3m (DKK 11m).
- The free cash flow was DKK 5m (DKK 4m).

Business highlights, FY 2025/26

- During the financial year, new product innovations were launched: The earpieces Beo Grace, the soundbar Beosound Premiere and the Reloved programme, offering refurbished and certified pre-owned products with a Bang & Olufsen warranty. In addition, The outdoor speaker Haven, expected to launch in 2027, was introduced.
- For the full year, the Win Cities collectively reported sell-out growth of 18% year-on-year, while Q4 reported 20% year-on-year sell-out growth. Three cities were added during the year, Tokyo, San Francisco and Los Angeles, totalling seven at year-end.
- The monobrand network, including company-owned stores, comprised 315 stores, representing a net reduction of 31 year-on-year. Nine stores were opened and 40 were closed, while uplifts and relocations accounted for 12 and seven, respectively.

Outlook 2026/27

The company's outlook for the financial year 2026/27 is as follows:

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| • Revenue growth (in local currencies): | 1% to 5% |
| • EBIT margin before special items: | 1% to 3% |
| • Free cash flow (DKK): | 25m to 100m |

Please see the Annual Report 2025/26 for further details on outlook and assumptions.

FY 2025/26 conference call

2 July 2026, at 10.00 CEST via <https://bo.nexahub.io/events/annual-report-202526>

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