

Bang & Olufsen

Top-line growth,
the last piece of the puzzle



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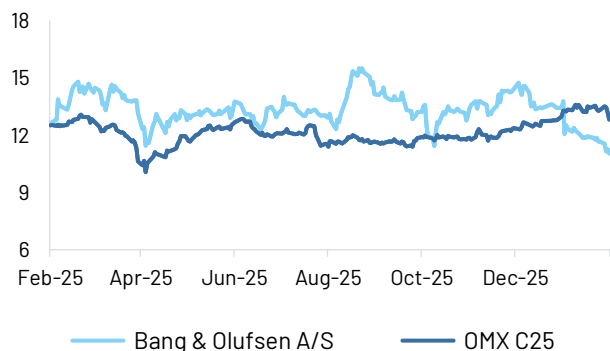


Corporate customer
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06.02.2026



Key Financials and Valuation

Share price



Financials

DKKm	24/25	25/26E	26/27E	27/28E
Revenue	2,553	2,581	2,865	3,159
growth-%	-1%	1%	11%	10%
EBIT	16	-46	97	200
EBIT-margin	1%	-2%	3%	6%
Net income	-29	-27	49	152
Net debt	248	204	-	-

Market value	1,906	1,570	-	-
EV/Sales (x)	0.8	0.6	0.6	0.5
EV/EBITDA (x)	7.9	6.8	4.3	3.0
EV/EBIT (x)	134.6	-36.5	17.3	8.4
P/E (x)	-65.7	-57.3	32.4	10.3

Note: Estimates are based on two analyst inputs, whereas net income is based on only one. Source: S&P Capital IQ Pro.

Guidance 2025/26E

	B&O	Consensus
Revenue growth	1.0% to 8.0%	1.1%
EBIT-margin (bsi.)	-3.0% to 1.0%	-1.8%**
Free cash flow	-100 to 0	-53.1***

Guidance Mid-term 2027/28E

	B&O	Consensus
Revenue growth (CAGR)	8.0%*	10.6%*
EBIT-margin (bsi.)	8.0%	6.3%**
Free cash flow	250	108.0***

Note: *The CAGR covers the period 2025/26E-2027/28E. ** EBIT-margin estimates include special items. ***Free cash flow estimates are based on one analyst input. Source: S&P Capital IQ Pro.

Valuation Perspectives

If B&O is successful in its transformation to be a Luxury sound company and delivers on its financial mid-term targets, B&O is trading with a solid discount to peers.

In 2025/26E, earnings are expected to remain negative due to ongoing strategic investments, rendering short-term multiples less meaningful. Analyst estimates expect a topline growth above mid-term targets, but B&O is not reaching its EBIT-margin potential in 2027/28, with analysts estimating 6.3% margins vs. B&O's targets of 8%.

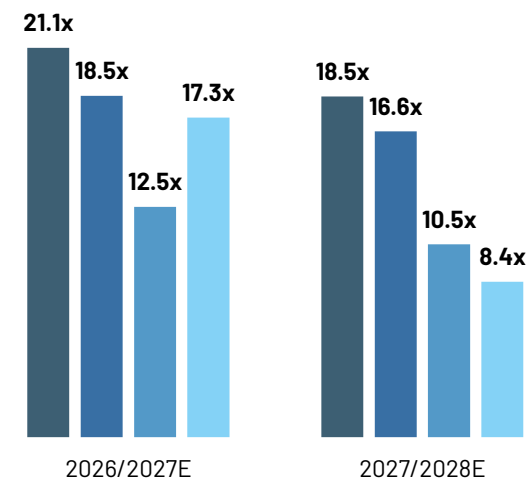
A high stand-alone value in the brand licensing business segment, compared to current market value, could create a valuation floor if short-term results disappoint.

Peer - Consumer/sound: The companies are similar to B&O in terms of being consumer-facing electronics business. However, using them as peers could lead to underestimating B&O's high gross margin and stronger pricing power.

Peer - Lower-tier luxury: B&O appears to retain some sensitivity to macroeconomic trends, similar to lower-tier luxury brands, making these companies reasonable peers. However, B&O's higher gross margin and lower price sensitivity may not be fully reflected.

Peer - Higher-tier luxury: These peers have gross margins broadly in line with B&O's. However, B&O is not yet fully positioned and has not yet the proven same pricing power. A direct comparison may therefore currently overestimate valuation.

EV/EBIT-Multiple



■ Higher-tier luxury peers ■ Lower-tier luxury peers
■ Consumer/sound peers ■ B&O

Investment Case – Transformation to Luxury Sound



Key Investment Reasons

- The luxury strategy offers upside potential. If successful, it could lead to more stable growth and higher valuation multiples.
- The licensing business has significant stand-alone value.
- Executing its strategy, with early underlying signs of improvement.
- A high gross margin means high operating leverage providing potential for strong earnings growth and margin recovery, if top-line growth returns.
- Equity raise has secured capital to carry out first part of transformation phase.

Company description: Bang & Olufsen (B&O) produces luxury audio products and was founded in 1925 in Struer, Denmark. The idea of combining strong design, and the most advanced sound technology has made B&O a recognized luxury brand worldwide. Today, B&O operates in more than 70 countries and has its own stores in several markets, located in prime locations. B&O was listed on Nasdaq Copenhagen in 1977.

Investment case: The investment case in B&O depends on whether the company succeeds in repositioning the business toward the luxury segment and delivering on its 2027/28 mid-term targets. A successful transformation would reduce sensitivity to macroeconomic fluctuations, increase earnings stability, and support a higher valuation. The strategy requires consistent execution of the three-year plan, which in the short term entails significant investments in the store network and therefore pressure on results. However, the capital raising in spring 2025 has ensured B&O a solid capital structure in the short term.

The first step in regaining investor confidence and increasing willingness to value B&O in line with its midterm targets is to deliver growth in H2 2025/26 (midrange new 2025/26 guidance indicates 14% growth). This is supported by underlying H1 2025/26 indicators such as positive like-for-like growth, especially in Win cities, fresh new product-launches, early signs of recovery



Key Investment Risk

- Large upfront investments can lead to a loss of investor patience due to a lack of visible results.
- Economic growth and consumer confidence poses a risk.
- B&O is dependent on product launches. This risk is lower in the short term, with two significant launches.
- In the long term, the capital position represents a risk due to capital-intensive investments in brand building and technological development.

in the Chinese luxury market, and reduced drag from the negative effects of inventory clean-up and dual-branded dealers.

The Brand Partnering & Other Activities business area (licensing business) contributes stability, very high earnings, and strong cash flow. Our simplified stand-alone DCF valuation indicates a value of DKK 11.8–23.7 per share (see page 5 for assumptions).

B&O's performance trend continues to indicate a degree of cyclicity, despite luxury segments normally being less affected by macroeconomic conditions. This points to B&O still, to some degree, being exposed to more price-sensitive, aspirational luxury consumers.

Historically, delayed product launches and a less strong product roadmap have been key drivers of growth disappointments. Recent investments in the product roadmap, development of in-house software platforms (reducing product development time), as well as two recent launches, reduce near-term risk. Continually delivering on this, however, remains a key investor concern, and delays could revive doubts about whether B&O has sufficient scale and capital strength to fund product innovation and brand building over the long run.

Peer Group (1/2) – Higher Multiples if Luxury Strategy Succeeds

The peer group for Bang & Olufsen (B&O) comprises a number of companies that are comparable to B&O in various respects. Accordingly, the peers are divided into three distinct categories.

Consumer/sound peers: This category includes companies operating within the consumer electronics and sound segments. These companies represent the closest peers to B&O when product functionality is considered in isolation. Nevertheless, significant differences remain between these peers and B&O, and it is acknowledged that no perfect peer exists. Consequently, the comparison between B&O and this peer group is primarily based on technological aspects, sound capabilities, and general consumer behavior. However, the companies in this category differ substantially from B&O in terms of design focus, pricing levels, and target customer segments. Companies in this category are typically valued at multiples broadly in line with other consumer-related companies.

Lower-tier luxury peers: This category includes selected companies operating in the lower end of the luxury segment. While these peers do not closely resemble B&O in terms of specific products, they show partial comparability in product price points within their respective categories. Similar to B&O, these

companies emphasize quality and design and target a relatively stable customer segment. However, the lower luxury segment represents an area from which B&O is currently moving away under its existing strategic plan. Peers in this category are typically priced above standard consumer products, with multiples driven by brand positioning and access to a more stable and less price-sensitive customer base.

Higher-tier luxury peers: This category comprises companies operating in the upper luxury segment, characterized by a consistently strong customer base and brand associations with the highest perceived quality within their respective industries. As part of its current strategic direction, B&O aims to move toward this segment, making it a relevant long-term target. Peers in this category are typically valued at higher multiples, reflecting both the strength of their brand equity and their ability to serve a stable, relatively demand-inelastic customer base that is less sensitive to economic fluctuations.

Company	Price (local)	Total return YTD	Market cap (EURm)	EV (EURm)	Revenue growth (CAGR) 2025-2027E	Gross margin (%) 2024	EBIT-margin(%)			EV/Sales			EV/EBIT			P/E		
							2025E	2026E	2027E	2025E	2026E	2027E	2025E	2026E	2027E	2025E	2026E	2027E
Median - Consumer/sound peers		-6,8%	5.881	6.352	4,5%	37,9%	3,2%	8,2%	9,5%	1,3x	1,1x	1,0x	15,8x	12,5x	10,5x	21,2x	14,0x	18,0x
Median - Lower-tier luxury peers		-4,2%	17.417	17.915	7,9%	45,9%	11,1%	11,8%	12,5%	2,1x	2,3x	2,1x	20,9x	18,5x	16,6x	32,4x	21,9x	20,5x
Median - Higher-tier luxury peers		-11,6%	31.815	48.302	6,0%	68,1%	21,9%	21,4%	22,2%	4,2x	3,5x	3,4x	22,7x	21,1x	18,5x	27,9x	27,4x	22,4x
Median all		-10,0%	11.264	12.961	4,7%	49,5%	11,2%	13,5%	15,8%	2,4x	2,2x	2,0x	20,9x	18,6x	15,7x	27,8x	22,1x	18,8x
Bang & Olufsen A/S*	DKK 11,04	-18,8%	210	222	10,6%	54,2%	-1,8%	3,4%	6,3%	0,6x	0,5x	0,5x	NM	17,3x	8,4x	NM	32,4x	10,3x
<i>Premium (+) / Discount (-) to peers</i>										-74%	-75%	-76%	NM	-7%	-46%	NM	47%	-45%

Note: Data from 05/02/2026

Source S&P Capital IQ Pro

*Bang & Olufsen(B&O) has a skewed financial year, meaning that 2025E in the table corresponds to B&O's reporting year 2025/26.

Peer Group (2/2) – Full Overview

Company	Price	Total return	Market cap	EV	Revenue growth (CAGR)	Gross margin (%)	EBIT-margin(%)			EV/Sales			EV/EBIT			P/E		
	(local)	YTD	(EURm)	(EURm)	2025-2027E	2024	2025E	2026E	2027E	2025E	2026E	2027E	2025E	2026E	2027E	2025E	2026E	2027E
Sonos Inc.	USD 16,6	-5,6%	1.700	1.442	4,7%	45,4%	-1,2%	8,2%	9,5%	1,3x	1,1x	1,0x	NM	12,9x	10,5x	NM	14,0x	18,0x
Logitech International	CHF 69,4	-14,9%	11.089	9.597	3,9%	41,6%	14,7%	18,7%	18,0%	2,9x	2,3x	2,3x	19,2x	12,5x	12,8x	23,2x	18,8x	18,6x
GN Store Nord A/S	DKK 92,8	-13,1%	1.809	3.107	4,6%	53,2%	9,8%	10,6%	12,2%	1,3x	1,2x	1,2x	12,4x	10,2x	9,0x	12,4x	9,2x	7,6x
Koss Corp.	USD 4,6	10,4%	37	26	N/A	34,1%	-21,7%	N/A	N/A	1,9x	NA	NA	NM	NA	NA	NM	NA	NA
LG Electronics Inc.	KRW 100300	9,1%	9.954	12.961	N/A	24,4%	2,8%	3,7%	4,1%	0,3x	0,2x	0,2x	10,1x	6,5x	5,7x	19,1x	9,5x	8,3x
Goertek Inc.	CNY 26,4	-8,0%	11.264	11.293	4,4%	10,7%	3,6%	4,0%	4,2%	0,9x	0,8x	0,7x	25,6x	20,0x	16,6x	27,8x	22,3x	18,5x
Median - Consumer/ sound peers		-6,8%	5.881	6.352	4,5%	37,9%	3,2%	8,2%	9,5%	1,3x	1,1x	1,0x	15,8x	12,5x	10,5x	21,2x	14,0x	18,0x
RH	USD 195,4	9,1%	3.112	6.444	9%	45,9%	11,1%	11,8%	12,5%	2,1x	2,3x	2,1x	18,7x	19,1x	16,6x	32,4x	29,7x	20,5x
Porsche AG	EUR 40,7	-10,8%	37.087	41.167	1%	26,3%	1,4%	8,0%	9,3%	1,1x	1,1x	1,1x	78,4x	13,9x	11,6x	94,3x	18,0x	15,0x
Ralph Lauren Corp.	USD 338,7	-4,2%	17.417	17.915	8%	66,8%	13,0%	15,7%	15,8%	3,0x	2,9x	2,8x	20,9x	18,5x	17,5x	26,1x	21,9x	20,6x
Median - Lower-tier luxury peers		-4,2%	17.417	17.915	7,9%	45,9%	11,1%	11,8%	12,5%	2,1x	2,3x	2,1x	20,9x	18,5x	16,6x	32,4x	21,9x	20,5x
Prada S.p.A.	HKD 40,8	-9,2%	11.343	13.568	10%	79,8%	23,4%	21,4%	22,2%	2,4x	2,1x	2,0x	10,2x	9,8x	8,9x	13,1x	12,7x	11,3x
Kering SA	EUR 259,5	-13,4%	31.815	48.302	5%	0,0%	11,3%	13,5%	16,2%	3,3x	3,2x	3,0x	29,0x	23,7x	18,5x	46,0x	31,6x	22,4x
Burberry Group plc	GBP 11,2	-11,6%	4.651	5.913	2%	73,8%	1,1%	6,2%	9,8%	2,4x	2,1x	2,0x	65,8x	33,9x	20,4x	NM	55,5x	27,6x
Moncler S.p.A.	EUR 48,6	-11,6%	13.189	13.188	6%	67,7%	28,5%	28,8%	28,9%	4,3x	4,1x	3,8x	15,1x	14,3x	13,3x	22,0x	20,9x	19,1x
LVMH	EUR 538,2	-16,6%	267.158	291.894	4%	78,1%	21,9%	22,0%	22,7%	4,2x	3,5x	3,4x	19,4x	16,1x	14,7x	29,3x	23,0x	20,0x
Richemont	CHF 154,9	-10,0%	99.264	97.439	6%	67,0%	21,1%	20,4%	21,3%	4,8x	4,3x	4,0x	22,7x	21,1x	18,8x	26,4x	27,4x	24,0x
Ferrari N.V.	EUR 285,4	-10,4%	50.540	52.036	7%	68,1%	29,2%	29,0%	29,8%	7,3x	6,9x	6,4x	25,1x	23,8x	21,6x	32,1x	30,2x	27,3x
Median - Higher-tier luxury peers		-11,6%	31.815	48.302	6,0%	68,1%	21,9%	21,4%	22,2%	4,2x	3,5x	3,4x	22,7x	21,1x	18,5x	27,9x	27,4x	22,4x
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Bang & Olufsen A/S*	DKK 11,04	-18,8%	210	222	10,6%	54,2%	-1,8%	3,4%	6,3%	0,6x	0,5x	0,5x	NM	17,3x	8,4x	NM	32,4x	10,3x
<i>Premium (+) / Discount (-) to peers</i>										-74%	-75%	-76%	NM	-7%	-46%	NM	47%	-45%

Note: Data from 05/02/2026

Source S&P Capital IQ Pro

*Bang & Olufsen(B&O) has a skewed financial year, meaning that 2025E in the table corresponds to B&O's reporting year 2025/26.

Valuation Perspective – Brand Partnering a High Stand-alone Value

To illustrate the underlying value embedded in B&O's Brand Partnering & Other Activities segment, which primarily consists of licensing activities, we have estimated a simplified DCF model focusing exclusively on this business unit. The analysis is intended purely as an illustrative reference and is based on a number of high-level assumptions. As reflected in the sensitivity analysis, the value per share spans a relatively wide range, highlighting both the model's sensitivity to input assumptions and the fact that it should be viewed as indicative rather than a precise valuation.

Based on the model and assumptions outlined above, the Brand Partnering & Other Activities business area is estimated to have a stand-alone value in the range of DKK 11.8–23.7 per share.

Assumptions:

Revenue growth: The Brand Partnering & Other Activities segment is generally considered a stable business. However, revenue growth may fluctuate from year to year. The collaboration with HP was not renewed in 2024, but this was offset by B&O entering into new partnerships with TCL and Cisco. Based on the assumption of broadly stable development with limited structural growth, we apply a conservative growth outlook, assuming low single-digit positive growth rates during the forecast period and 0% growth in the terminal year.

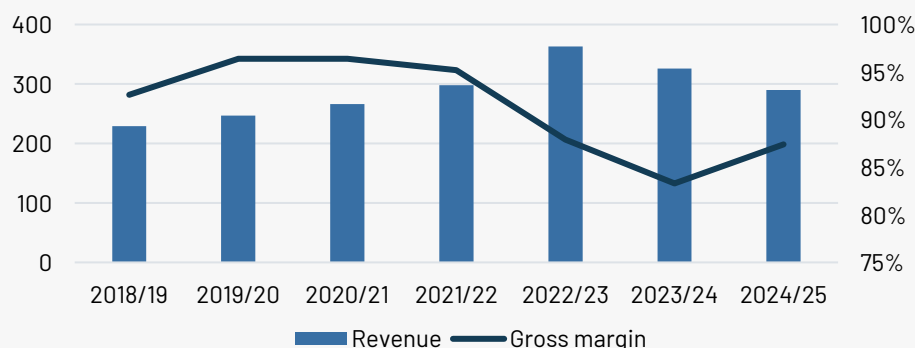
EBIT margin: It should be noted that B&O does not disclose EBIT margins specifically for the Brand Partnering & Other Activities segment, but only reports

gross margins in the range of 83.3% to 94.6% for the period from 2019/20 to 2024/25. For the budget period, a gross margin of 86% is assumed, corresponding to the average of the past three years. For a license-based business with limited operating costs, EBIT margins are typically expected to be close to gross margin levels. EBIT margins in the range of 60–80% are often seen in pure licensing peers such as Qualcomm with limited R&D and capital investment, Dolby in the mid-range, and Arm, which is more R&D heavy. Anecdotal evidence points to B&O's licensing business being less R&D and capital intensive.

CAPEX: The model assumes a very limited level of capital expenditure, which is typical for a license-based business and further reflects its high profitability. CAPEX is assumed to equal 1.5% of revenue, which is considered reasonable for a licensing-focused business model. Net working capital, given the stable revenue profile, is expected to remain stable.

WACC: For B&O at the group level, a WACC of approximately 10% is estimated, reflecting the company's historically volatile earnings, cyclical demand profile, and overall business risk. For the Brand Partnering & Other Activities segment, a lower WACC of 8.5% is applied, reflecting the significantly more stable business model supported by long-term contracts and limited earnings volatility.

Brand Partnering & Other Activities

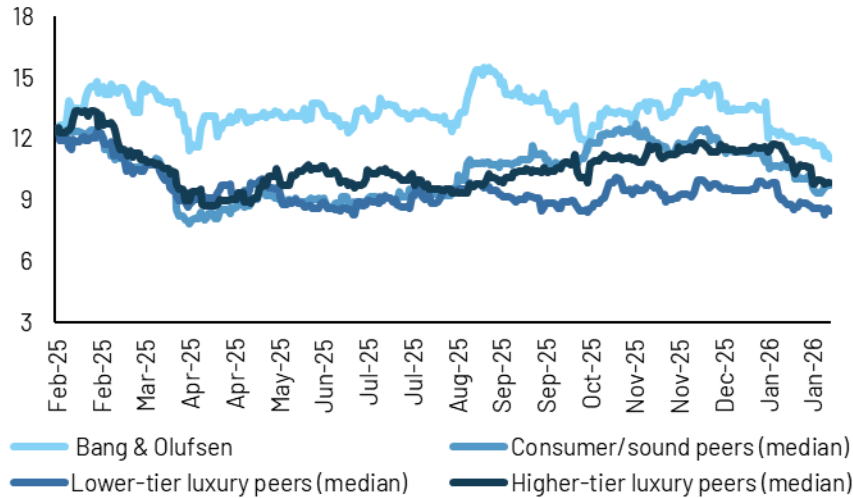


Sensitivity analysis (DKK per share)

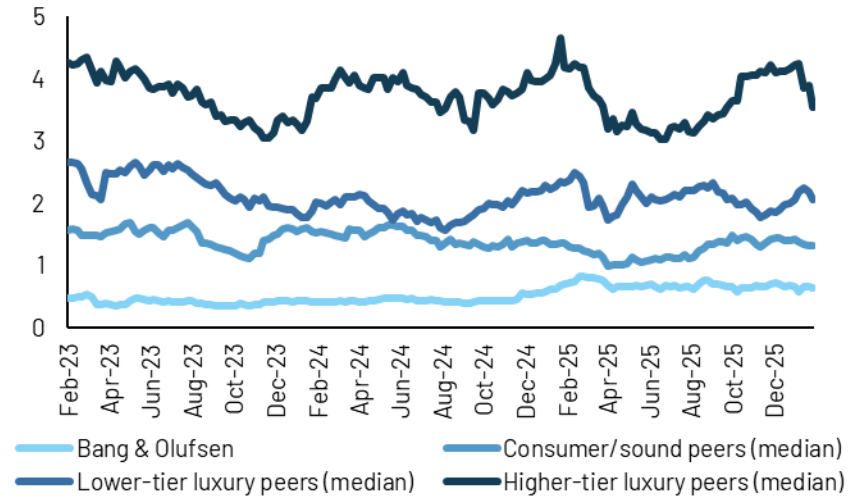
Estimated value per share (DKK)			Revenue growth (%)				
			Bear		Base	Bull	
			-3.0%	-1.5%	0.0%	1.5%	3.0%
EBIT-margin (%)	Bear	60%	11.8	12.8	14.2	16.1	19.2
		65%	12.3	13.4	14.9	17.0	20.3
	Base	70%	12.8	14.0	15.6	17.9	21.4
		75%	13.3	14.6	16.3	18.8	22.5
	Bull	80%	13.8	15.2	17.0	19.6	23.7

Valuation vs. Peers

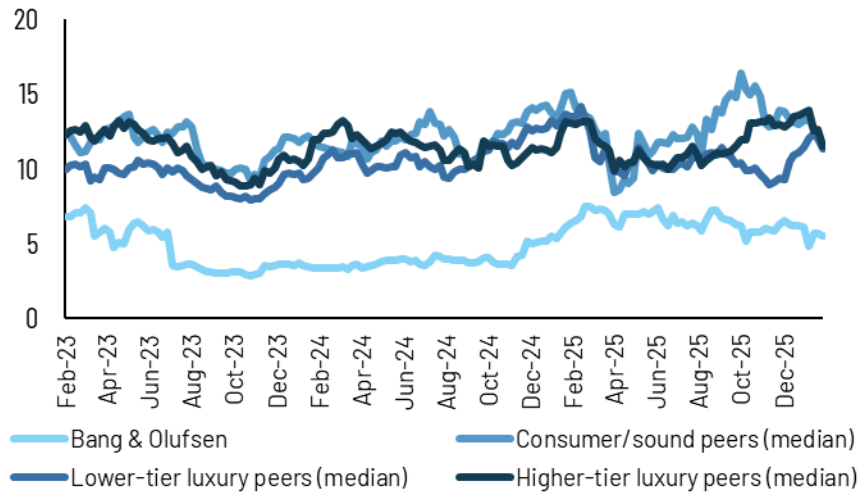
Bang & Olufsen price return vs peer group median



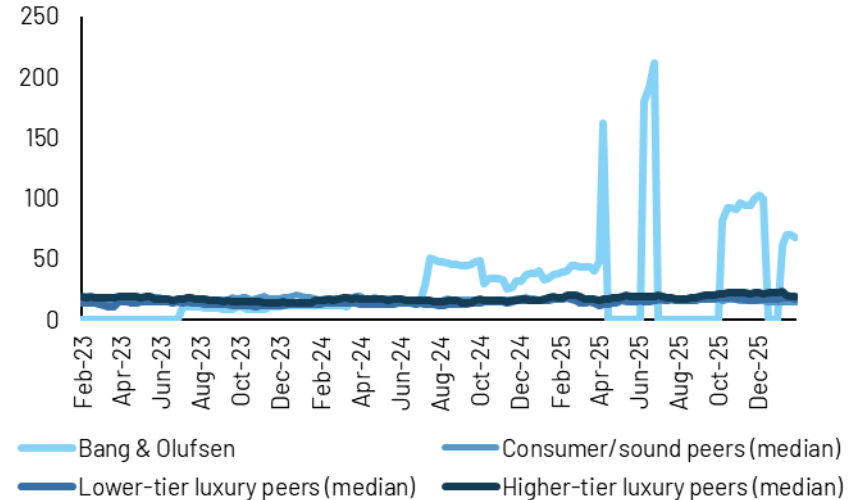
Bang & Olufsen vs peer group EV/Sales (NTM)



Bang & Olufsen vs peer group EV/EBITDA (NTM)

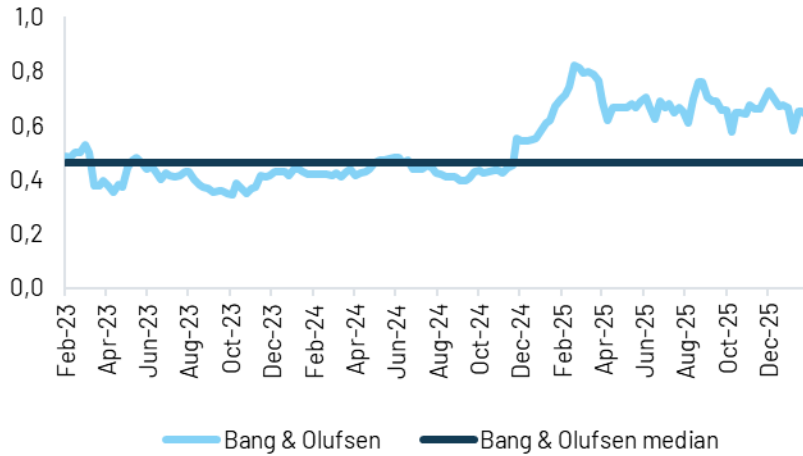


Bang & Olufsen vs peer group EV/EBIT (NTM)

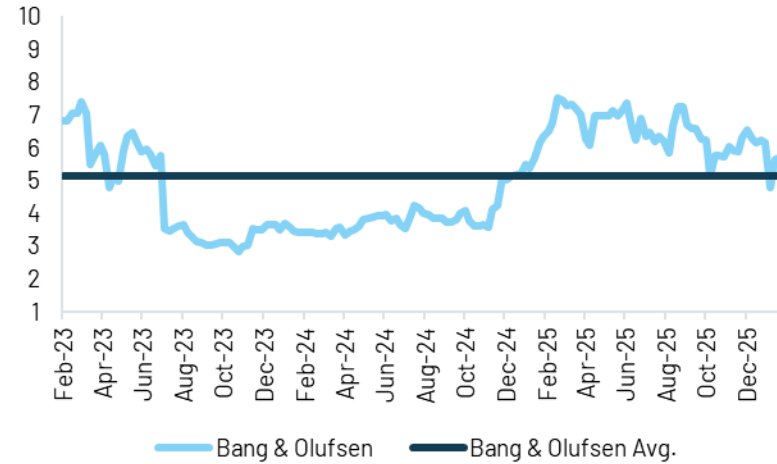


Valuation vs. Historical

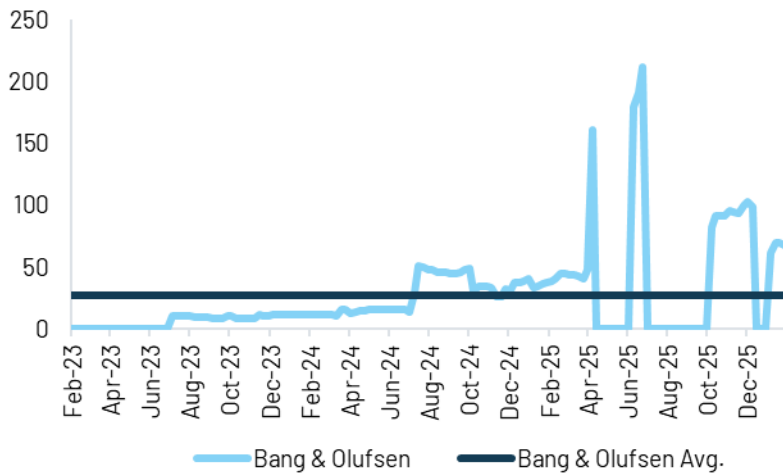
Bang & Olufsen vs 3-year median EV/Sales (NTM)



Bang & Olufsen vs peer group EV/EBITDA (NTM)



Bang & Olufsen vs peer group EV/EBIT (NTM)



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