

Bang & Olufsen

Luxury ambition intact, consumer not – Commercial reset in focus



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Corporate customer

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Key Financials and Valuation



Share price



YTD: -35.2% 1 year: -32.7%
1 month: -7.5% 3 years: -5.9%

Note: We apply closing price from 21 April 2026. Source: S&P Capital IQ Pro.

Financials

DKKm	24/25	25/26E	26/27E	27/28E
Revenue	2,553	2,469	2,638	2,882
growth-%	-1%	-3%	7%	9%
EBIT	16	-57	25	114
EBIT-margin	1%	-2%	1%	4%
Net income	-29	-5	19	109
Net debt	248	204	-	-
Market value	1,906	1,247	-	-
EV/Sales (x)	0.8	0.5	0.5	0.5
EV/EBITDA (x)	7.9	6.4	4.0	2.8
EV/EBIT (x)	134.6	-29.7	68.5	14.8
P/E (x)	-65.7	-259.8	66.7	11.4

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	-3.0% to 0.0%	-3.3%
EBIT-margin (bsi.)	-3.0% to -1.0%	-2.3%**
Free cash flow (DKKm)	-200 to -150	-118.0***

B&O revised its expectations for the 2025/26 financial year at the end of March., and withdrew its mid-term abitions (2027/28 targets)

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

Short- to mid-term results are expected to be negative/well below potential, and withdrawn long-term guidance means estimates are more uncertain, thereby rendering valuation based on multiples less useful.

The investment case mid-term therefore now hinges more on a credible commercial reset set out by management, which very likely awaits appointment of the new CEO.

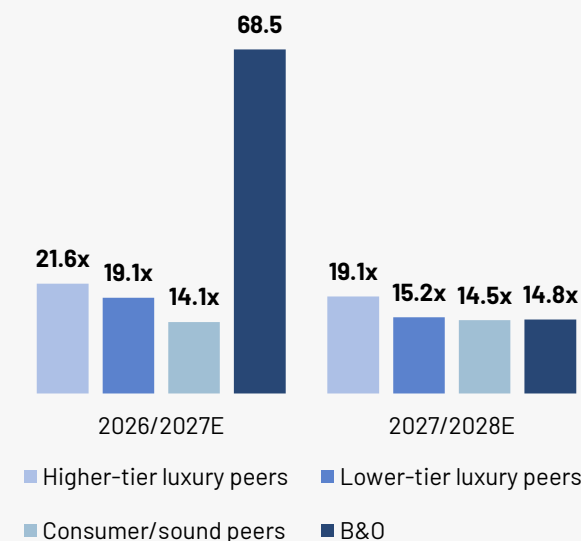
A commercial reset with focus on earnings could spotlight the large discount at which B&O trades on EV/Sales multiples. This is supported by signs that the luxury strategy is partly working, with increasing gross margins lowering the revenue needed to drive earnings.

Measured on EV/EBITDA multiples 2026/27E, B&O trades at a large premium across the different peer groups (note small absolute EBITDA).

Measured on EV/EBITDA multiples 2027/28E (no long-term company guidance to anchor those estimates), B&O trades at small discount/equal across the different peer groups.

A high stand-alone value in the brand licensing segment (vs. current market cap), could create a valuation floor. Based on our analysis (simplified DCF model), this business has a stand-alone value between DKK 12-24 per share. It should be noted that this analysis includes some high-level assumptions (higher uncertainty). Furthermore, results again need to support the stability of this business.

EV/EBIT-Multiple



Investment Case – Commercial reset in focus



Key Investment Reasons

- A high gross margin means high operating leverage providing potential for strong earnings growth and margin recovery, if top-line growth returns.
- The licensing business has significant stand-alone value.
- Potential reset of strategy with focus on execution and earnings.
- The current capital position after the equity raise increases the time B&O can withstand a longer period of depressed consumer sentiment, or a larger-than-expected reset of the business.



Key Investment Risks

- Depressed short-term results can lead to a loss of investor patience on the transformation to a luxury player, due to a lack of visible results.
- Economic growth and consumer confidence pose a risk.
- B&O is dependent on continued successful product launches.
- In the long term, the capital position represents a risk due to capital-intensive investments in brand building and technological development.

Company description: Bang & Olufsen (B&O) produces luxury audio products and was founded in 1925 in Struer, Denmark. The combination of strong design and 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 long-term investment case in B&O still depends on whether the company succeeds in repositioning the business toward the luxury segment. However, with only high-level signs that this transformation is succeeding (sell-out in Win Cities and brand channels, gross margins) and no long-term guidance to anchor expectations, in the short term the investment case will likely be driven by a credible reset of the strategy and execution on this.

Continued delivery on gross margins despite lower-than-expected revenue (and therefore lower cost absorption) supports the view that the market could buy into a strategy reset.

2025/26 guidance on cash flow indicates that B&O enters the next year with a capital position between DKK 208–258m (negative cash flow in 2025/26, a year of large investment and disappointing growth, expected to be negative DKK 150–200m).

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).

The latest performance trend continues to indicate a degree of cyclicity in B&O's business and product categories, despite luxury segments normally being less affected by macroeconomic conditions and consumer sentiment. 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. This is again highlighted by the latest product launches driving some of the disappointments in 2025/26. Recent investments in the product roadmap and development of in-house software platforms (reducing product development time) reduce this risk, but continually delivering on this remains a key investor concern and 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	Total return	Market cap	EV	Revenue growth	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
Median - Consumer/sound peers		-3.8%	6,356	7,019	4.3%	37.9%	3.2%	8.2%	9.5%	1.4x	1.0x	0.9x	17.1x	14.1x	14.5x	23.1x	15.1x	17.3x
Median - Lower-tier luxury peers		-7.5%	19,920	20,438	6.9%	45.9%	11.1%	11.7%	9.5%	2.1x	1.8x	1.7x	20.9x	19.1x	15.2x	29.3x	23.8x	18.2x
Median - Higher-tier luxury peers		-9.4%	29,821	44,881	5.5%	68.1%	21.9%	20.4%	21.1%	4.2x	3.3x	3.1x	22.7x	21.6x	19.1x	27.9x	27.7x	24.5x
Median all		-7.5%	12,351	14,476	4.7%	51.7%	11.1%	12.8%	15.0%	2.4x	2.4x	2.2x	20.9x	19.2x	15.5x	26.3x	23.3x	18.5x
Bang & Olufsen A/S	DKK 8.77	-35.5%	167	179	8.0%	54.2%	-2.3%	0.9%	4.0%	0.5x	0.5x	0.4x	-29.7x	68.5x	14.8x	-259.8x	66.7x	11.4x
<i>Premium (+) / Discount (-) to peers</i>										-78%	-80%	-80%	NM	258%	-6%	NM	186%	-38%

Note: Data from 21/04/2026. 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 14.9	-14.9%	1,536	1,278	4.7%	45.4%	-1.2%	8.2%	9.5%	1.3x	1.0x	0.9x	NM	12.0x	9.7x	NM	13.5x	17.3x
Logitech International	CHF 77.3	-5.2%	12,351	10,859	3.9%	41.6%	14.7%	18.7%	18.0%	2.9x	2.6x	2.6x	19.2x	14.1x	14.5x	23.2x	20.8x	20.6x
GN Store Nord A/S	DKK 104.3	-2.3%	2,031	3,328	-19.8%	53.2%	10.2%	9.7%	11.0%	1.5x	2.5x	2.3x	15.1x	26.0x	20.9x	23.0x	15.1x	15.5x
Koss Corp.	USD 4.2	2.2%	34	23	N/A	34.1%	-21.7%	N/A	N/A	1.9x	NA	NA	NM	NA	NA	NM	NA	NA
LG Electronics Inc.	KRW 126600	38.8%	12,404	18,061	N/A	24.4%	2.8%	4.1%	4.3%	0.3x	0.3x	0.3x	10.1x	8.3x	7.5x	19.1x	11.3x	9.9x
Goertek Inc.	CNY 24.6	-14.5%	10,681	10,711	4.6%	10.7%	3.6%	4.0%	4.1%	0.9x	0.8x	0.7x	24.0x	18.8x	15.9x	26.2x	20.9x	17.6x
Median - Consumer/sound peers		-3.8%	6.356	7.019	4.3%	37.9%	3.2%	8.2%	9.5%	1.4x	1.0x	0.9x	17.1x	14.1x	14.5x	23.1x	15.1x	17.3x
RH	USD 138.6	-22.6%	2,221	5,563	6.9%	45.9%	11.1%	11.7%	9.5%	2.1x	1.8x	1.7x	18.7x	19.3x	15.2x	32.4x	26.3x	14.5x
Porsche AG	EUR 42.2	-7.5%	38,462	42,655	-0.1%	26.3%	2.0%	6.5%	8.4%	1.2x	1.2x	1.2x	28.6x	18.5x	14.1x	NA	23.5x	18.2x
Ralph Lauren Corp.	USD 386.8	9.7%	19,920	20,438	9.1%	66.8%	13.0%	15.9%	16.4%	3.0x	3.0x	2.9x	20.9x	19.1x	17.5x	26.1x	23.8x	21.5x
Median - Lower-tier luxury peers		-7.5%	19,920	20,438	6.9%	45.9%	11.1%	11.7%	9.5%	2.1x	1.8x	1.7x	20.9x	19.1x	15.2x	29.3x	23.8x	18.2x
Prada S.p.A.	HKD 39.3	-12.7%	10,926	14,476	9.7%	79.8%	22.7%	19.9%	20.8%	2.6x	2.2x	2.1x	11.1x	11.2x	10.1x	14.8x	13.3x	11.8x
Kering SA	EUR 243.2	-18.9%	29,821	44,881	3.4%	73.8%	11.1%	12.8%	15.0%	3.4x	3.0x	2.9x	27.7x	23.8x	19.1x	50.7x	36.6x	24.6x
Burberry Group plc	GBP 11.9	-6.1%	4,921	6,184	2.1%	67.7%	1.1%	6.3%	9.9%	2.4x	2.2x	2.1x	65.8x	35.0x	21.3x	NM	59.7x	29.3x
Moncler S.p.A.	EUR 57.6	4.8%	15,639	15,306	5.5%	78.1%	28.9%	29.3%	29.6%	4.8x	4.7x	4.4x	16.8x	16.1x	14.8x	24.3x	24.4x	22.3x
LVMH	EUR 486.0	-24.7%	241,246	265,982	2.8%	67.0%	21.9%	22.0%	22.7%	4.2x	3.3x	3.1x	19.4x	14.9x	13.7x	29.3x	21.5x	18.7x
Richemont	CHF 155.9	-9.4%	99,904	98,079	5.6%	68.1%	21.0%	20.4%	21.1%	4.8x	4.4x	4.1x	22.7x	21.6x	19.5x	26.4x	27.7x	24.5x
Ferrari N.V.	EUR 309.3	-1.8%	54,580	56,055	6.7%	50.1%	29.4%	29.6%	30.0%	8.2x	7.4x	6.9x	28.2x	25.0x	23.0x	35.5x	32.1x	29.6x
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Note: Data from 21/04/2026. Source S&P Capital IQ Pro.

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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.

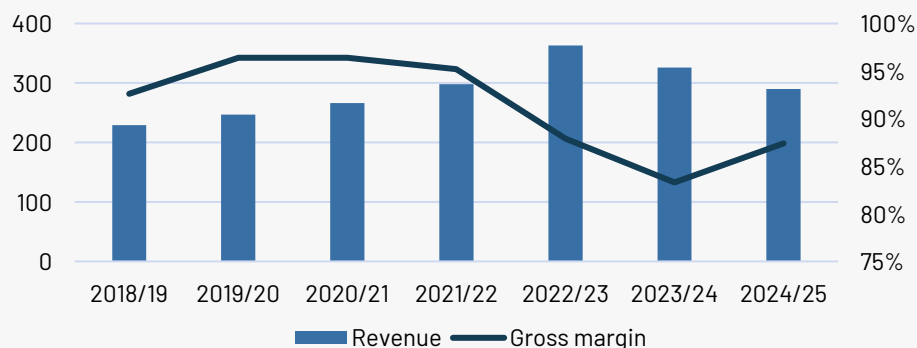
EBIT margin: It should be noted that B&O does not disclose EBIT margins specifically for the Brand Partnering & Other Activities segment, but only reports

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



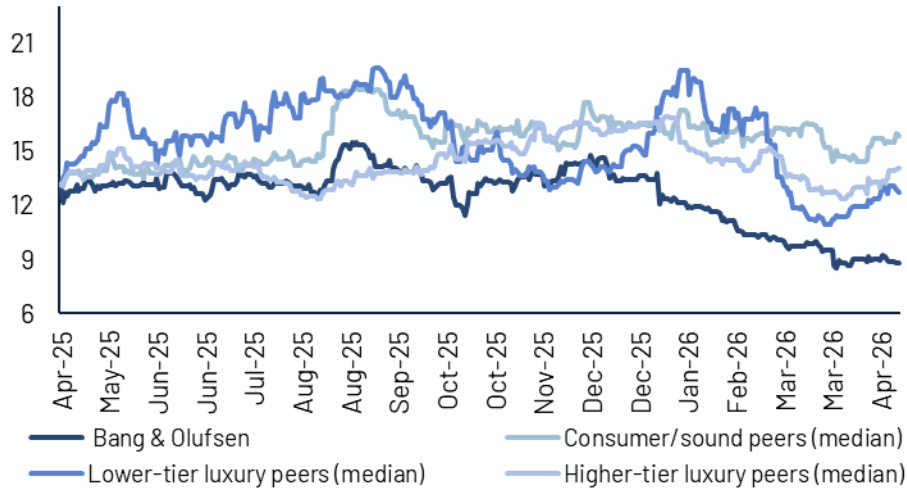
Sensitivity analysis (DKK per share)

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

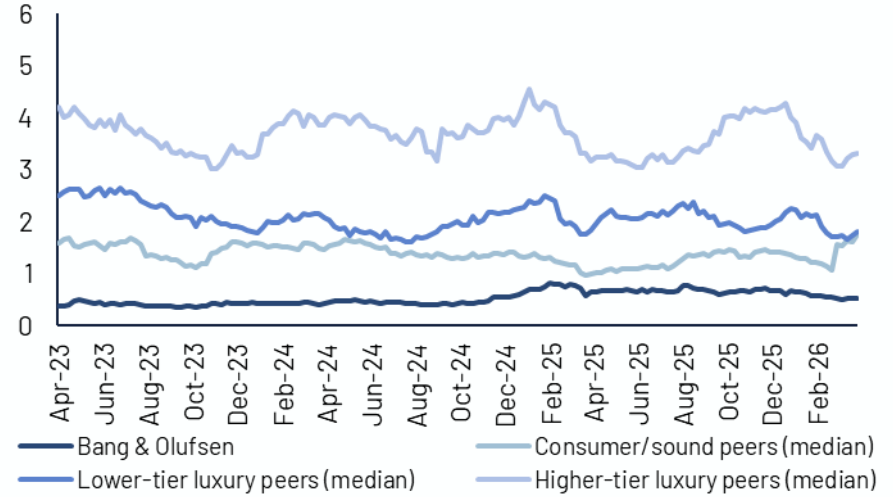
Valuation vs. Peers



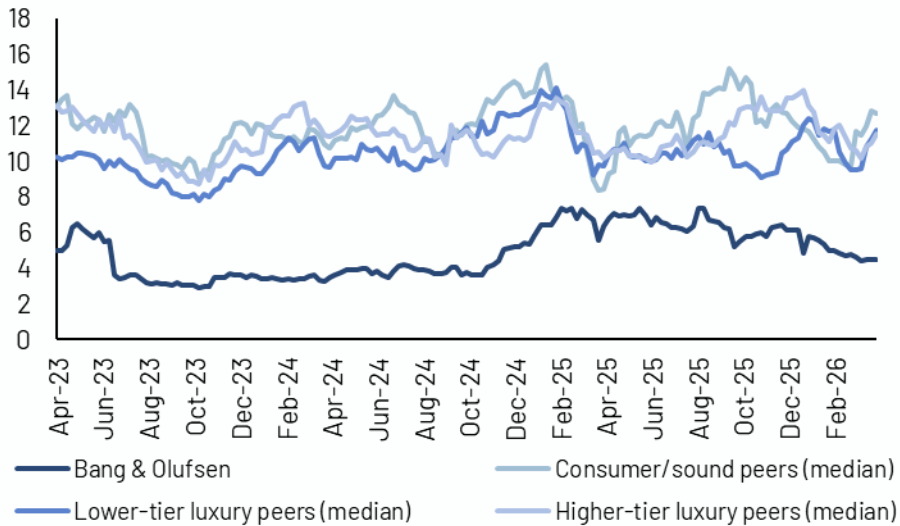
Bang & Olufsen price return vs peer group median



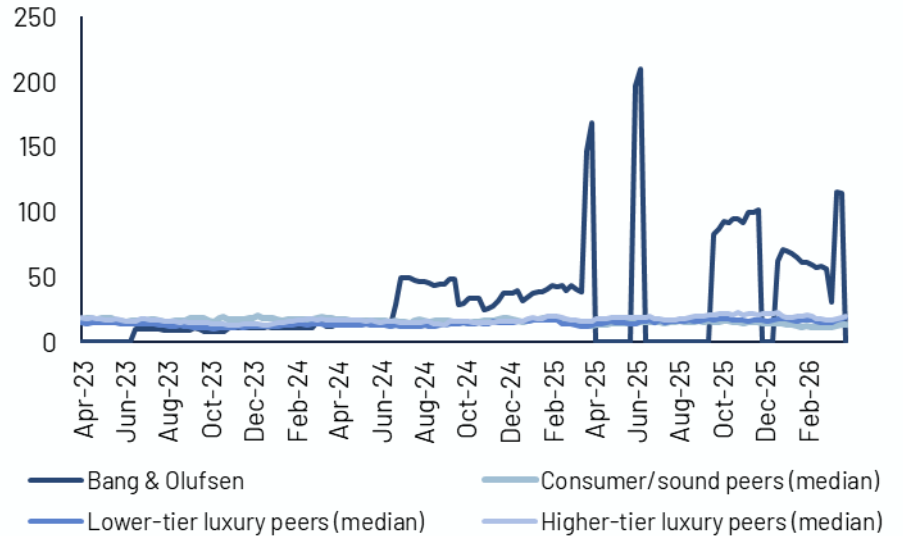
Bang & Olufsen vs peer group EV/Sales (NTM)



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



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

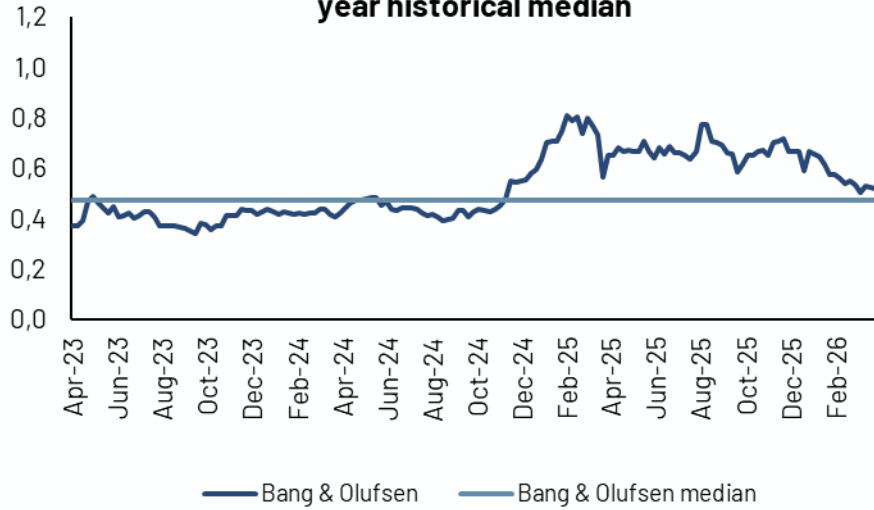


Note: Data from 21/04/2026. Source S&P Capital IQ Pro.

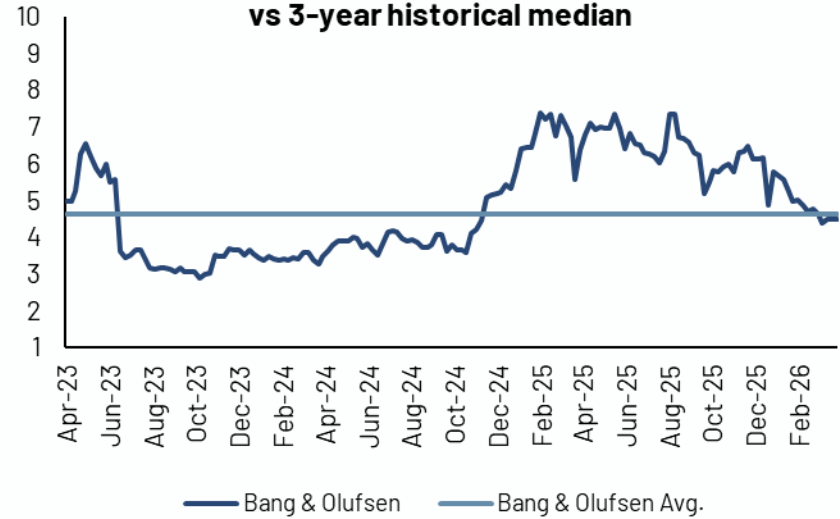
Valuation vs. Historical



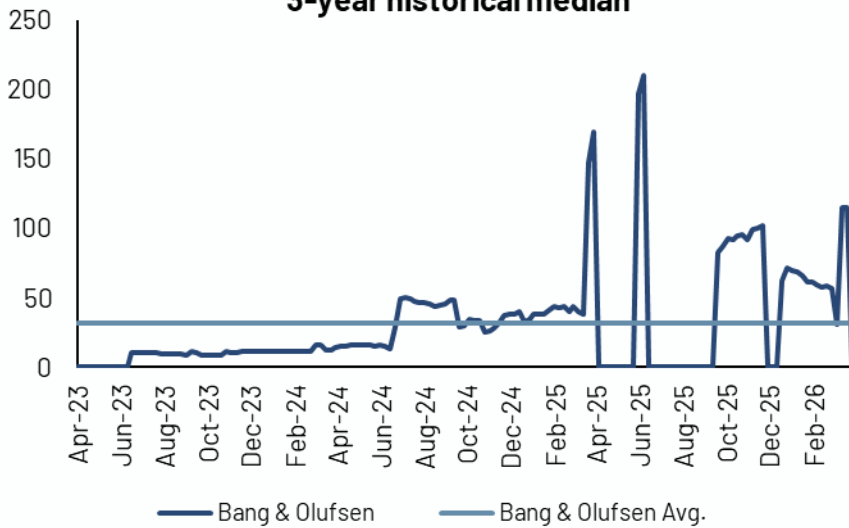
Bang & Olufsen current EV/Sales multiple (NTM) vs 3-year historical median



Bang & Olufsen current EV/EBITDA multiple (NTM) vs 3-year historical median



Bang & Olufsen current EV/EBIT multiple (NTM) vs 3-year historical median



Note: Data from 21/04/2026. Source S&P Capital IQ Pro.

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