

# Bang & Olufsen

Luxury ambition intact, consumer not – Commercial reset in focus



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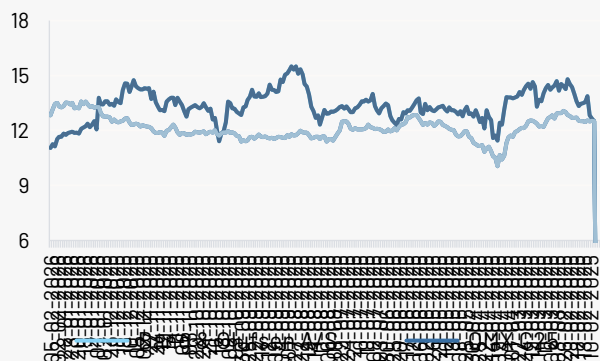
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# Key Financials and Valuation



## Share price



YTD:	-18.8%	1 year:	-10.5%
1 month:	-17.9%	3 years:	-10.2%

Note: We apply closing price from 5 February 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	1,272	-	-
EV/Sales (x)	0.8	0.6	0.5	0.5
EV/EBITDA (x)	7.9	6.6	4.1	2.9
EV/EBIT (x)	134.6	-29.7	68.5	14.8
P/E (x)	-65.7	-265.1	68.0	11.7

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Short- to mid-term results are expected to be negative/well below potential, and withdrawn long-term guidance means estimates are more uncertain, thereby rendering valuation based on multiples less useful.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

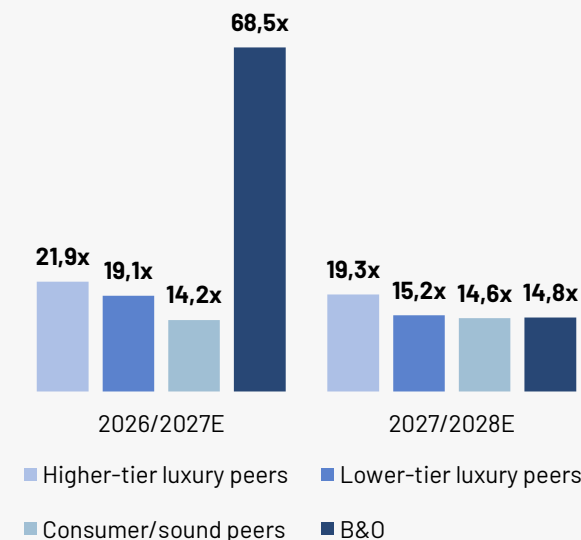
A commercial reset with focus on earnings could spotlight the large discount at which B&O trades on EV/Sales multiples. This is supported by signs that the luxury strategy is partly working, with increasing gross margins lowering the revenue needed to drive earnings.

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





## 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.

**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 Commercial Execution model.

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).



## 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.

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		-2,4%	6.450	7.113	4,3%	37,9%	3,2%	8,2%	9,5%	1,4x	1,0x	0,9x	17,1x	14,2x	14,6x	23,1x	15,6x	16,9x
Median - Lower-tier luxury peers		-6,6%	20.010	20.526	6,7%	45,9%	11,1%	11,7%	9,5%	2,1x	1,8x	1,7x	20,9x	19,1x	15,2x	29,3x	23,9x	18,4x
Median - Higher-tier luxury peers		-8,3%	30.434	45.494	5,5%	68,1%	21,9%	20,4%	21,1%	4,2x	3,3x	3,1x	22,7x	21,9x	19,3x	27,9x	28,3x	23,6x
<b>Median all</b>		<b>-7,3%</b>	<b>12.241</b>	<b>14.184</b>	<b>4,7%</b>	<b>51,7%</b>	<b>11,1%</b>	<b>12,8%</b>	<b>15,0%</b>	<b>2,4x</b>	<b>2,4x</b>	<b>2,2x</b>	<b>20,9x</b>	<b>19,2x</b>	<b>15,6x</b>	<b>26,3x</b>	<b>23,7x</b>	<b>18,4x</b>
<b>Bang &amp; Olufsen A/S</b>	<b>DKK 8,81</b>	<b>-35,2%</b>	<b>168</b>	<b>180</b>	<b>8,0%</b>	<b>54,2%</b>	<b>-2,3%</b>	<b>0,9%</b>	<b>4,0%</b>	<b>0,5x</b>	<b>0,5x</b>	<b>0,4x</b>	<b>-29,7x</b>	<b>68,5x</b>	<b>14,8x</b>	<b>-260,9x</b>	<b>67,0x</b>	<b>11,5x</b>
<i>Premium (+) / Discount (-) to peers</i>										-78%	-80%	-80%	NM	258%	-6%	NM	183%	-38%

Note: Data from 16/04/2026. 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 14,6	-16,7%	1.500	1.241	4,7%	45,4%	-1,2%	8,2%	9,5%	1,3x	1,0x	0,9x	NM	12,0x	9,7x	NM	13,2x	16,9x
Logitech International	CHF 77,8	-4,6%	12.436	10.943	3,9%	41,6%	14,7%	18,7%	18,0%	2,9x	2,7x	2,6x	19,2x	14,2x	14,6x	23,2x	21,0x	20,7x
GN Store Nord A/S	DKK 108,1	1,3%	2.107	3.404	-19,8%	53,2%	10,2%	9,7%	11,0%	1,5x	2,6x	2,4x	15,1x	26,6x	21,3x	23,0x	15,6x	16,1x
Koss Corp.	USD 4,1	-0,2%	33	22	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	36,5%	12.241	17.917	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	-13,4%	10.793	10.823	4,6%	10,7%	3,6%	4,0%	4,1%	0,9x	0,8x	0,7x	24,3x	19,0x	16,1x	26,2x	20,9x	17,6x
<b>Median - Consumer/sound peers</b>		<b>-2,4%</b>	<b>6.450</b>	<b>7.113</b>	<b>4,3%</b>	<b>37,9%</b>	<b>3,2%</b>	<b>8,2%</b>	<b>9,5%</b>	<b>1,4x</b>	<b>1,0x</b>	<b>0,9x</b>	<b>17,1x</b>	<b>14,2x</b>	<b>14,6x</b>	<b>23,1x</b>	<b>15,6x</b>	<b>16,9x</b>
RH	USD 142,7	-20,4%	2.281	5.614	6,7%	45,9%	11,1%	11,7%	9,5%	2,1x	1,8x	1,7x	18,7x	19,3x	15,2x	32,4x	27,0x	14,9x
Porsche AG	EUR 42,6	-6,6%	38.827	43.020	-0,1%	26,3%	2,0%	6,5%	8,4%	1,2x	1,2x	1,2x	28,6x	18,6x	14,2x	NA	23,7x	18,4x
Ralph Lauren Corp.	USD 389,5	10,5%	20.010	20.526	9,1%	66,8%	13,0%	15,9%	16,4%	3,0x	3,0x	2,9x	20,9x	19,1x	17,5x	26,1x	23,9x	21,6x
<b>Median - Lower-tier luxury peers</b>		<b>-6,6%</b>	<b>20.010</b>	<b>20.526</b>	<b>6,7%</b>	<b>45,9%</b>	<b>11,1%</b>	<b>11,7%</b>	<b>9,5%</b>	<b>2,1x</b>	<b>1,8x</b>	<b>1,7x</b>	<b>20,9x</b>	<b>19,1x</b>	<b>15,2x</b>	<b>29,3x</b>	<b>23,9x</b>	<b>18,4x</b>
Prada S.p.A.	HKD 39,3	-14,7%	10.643	14.184	9,7%	79,8%	22,7%	19,9%	20,8%	2,6x	2,2x	2,1x	11,1x	11,0x	9,9x	14,8x	13,3x	11,8x
Kering SA	EUR 248,2	-17,2%	30.434	45.494	3,4%	73,8%	11,1%	12,8%	15,0%	3,4x	3,1x	2,9x	27,7x	24,0x	19,3x	50,7x	37,4x	25,0x
Burberry Group plc	GBP 11,8	-7,3%	4.855	6.117	2,1%	67,7%	1,1%	6,3%	9,9%	2,4x	2,2x	2,1x	65,8x	34,6x	21,1x	NM	58,9x	29,0x
Moncler S.p.A.	EUR 57,2	4,2%	15.546	15.214	5,5%	78,1%	28,9%	29,3%	29,6%	4,8x	4,7x	4,4x	16,8x	16,0x	14,7x	24,3x	24,2x	22,2x
LVMH	EUR 490,6	-23,9%	243.505	268.241	2,8%	67,0%	21,9%	22,0%	22,7%	4,2x	3,3x	3,1x	19,4x	15,1x	13,8x	29,3x	21,7x	18,9x
Richemont	CHF 157,7	-8,3%	101.158	99.332	5,6%	68,1%	21,0%	20,4%	21,1%	4,8x	4,5x	4,2x	22,7x	21,9x	19,7x	26,4x	NA	NA
Ferrari N.V.	EUR 312	-1,0%	55.047	56.523	6,7%	50,1%	29,4%	29,6%	30,0%	8,2x	7,5x	7,0x	28,2x	25,2x	23,2x	35,5x	32,4x	29,6x
<b>Median - Higher-tier luxury peers</b>		<b>-8,3%</b>	<b>30.434</b>	<b>45.494</b>	<b>5,5%</b>	<b>68,1%</b>	<b>21,9%</b>	<b>20,4%</b>	<b>21,1%</b>	<b>4,2x</b>	<b>3,3x</b>	<b>3,1x</b>	<b>22,7x</b>	<b>21,9x</b>	<b>19,3x</b>	<b>27,9x</b>	<b>28,3x</b>	<b>23,6x</b>
<b>Median all</b>		<b>-7,3%</b>	<b>12.241</b>	<b>14.184</b>	<b>4,7%</b>	<b>51,7%</b>	<b>11,1%</b>	<b>12,8%</b>	<b>15,0%</b>	<b>2,4x</b>	<b>2,4x</b>	<b>2,2x</b>	<b>20,9x</b>	<b>19,2x</b>	<b>15,6x</b>	<b>26,3x</b>	<b>23,7x</b>	<b>18,4x</b>
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<i>Premium (+) / Discount (-) to peers</i>										<i>-78%</i>	<i>-80%</i>	<i>-80%</i>	<i>NM</i>	<i>258%</i>	<i>-6%</i>	<i>NM</i>	<i>183%</i>	<i>-38%</i>

Note: Data from 16/04/2026. 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.

# 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.

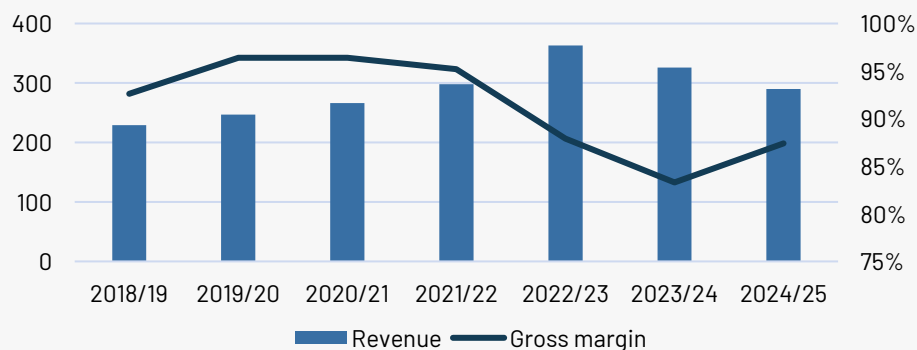
**EBIT margin:** It should be noted that B&O does not disclose EBIT margins specifically for the Brand Partnering & Other Activities segment, but only reports

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



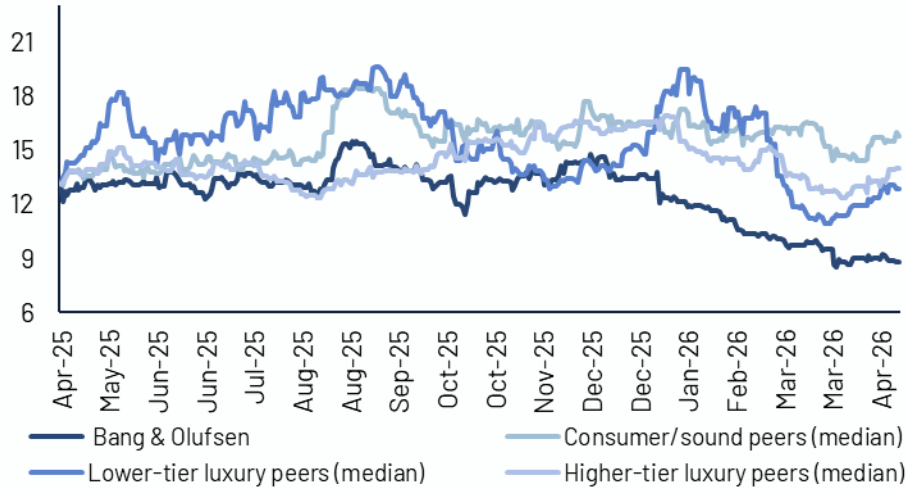
### Sensitivity analysis (DKK per share)

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	<b>15.6</b>	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

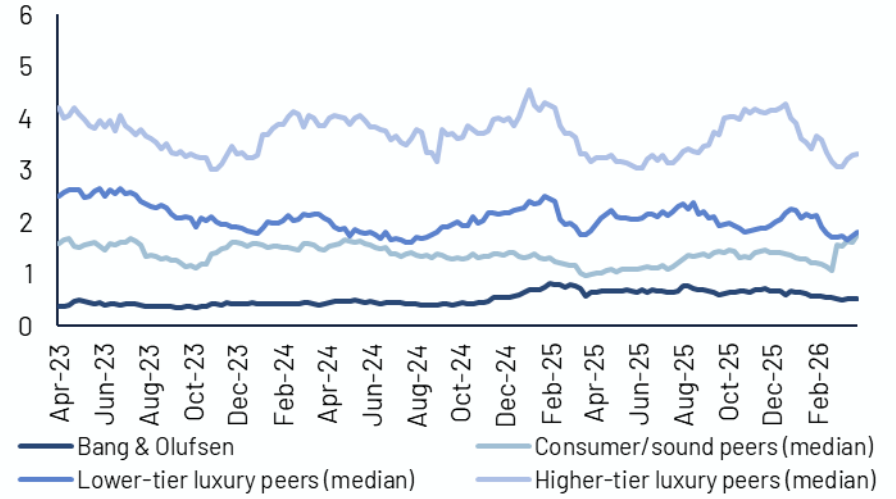
# Valuation vs. Peers



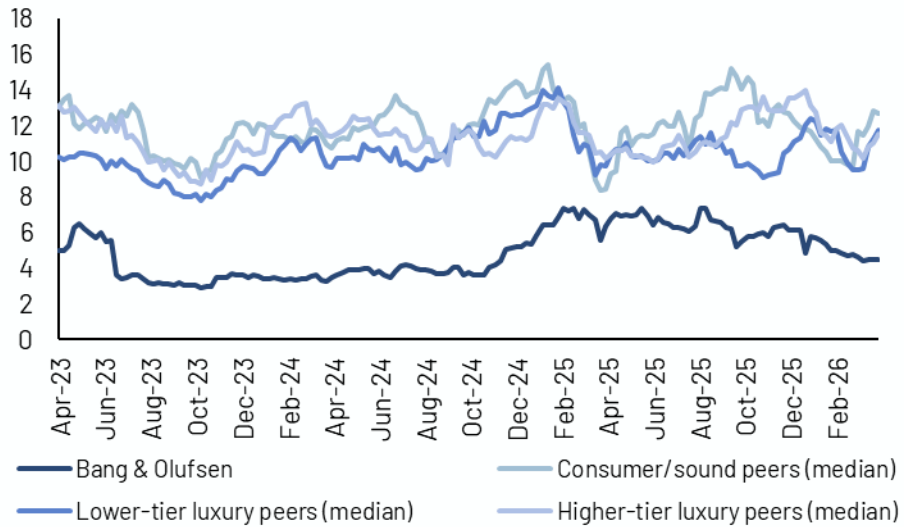
### Bang & Olufsen price return vs peer group median



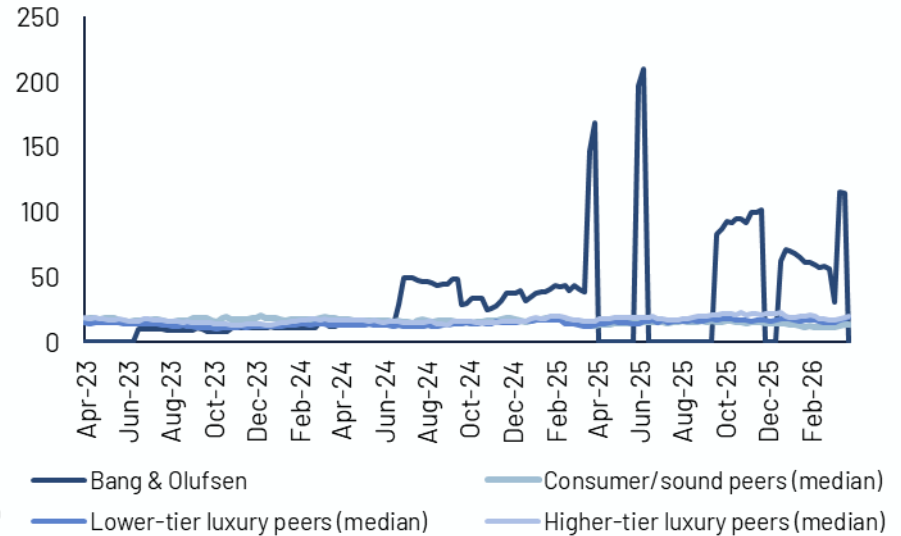
### Bang & Olufsen vs peer group EV/Sales (NTM)



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



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



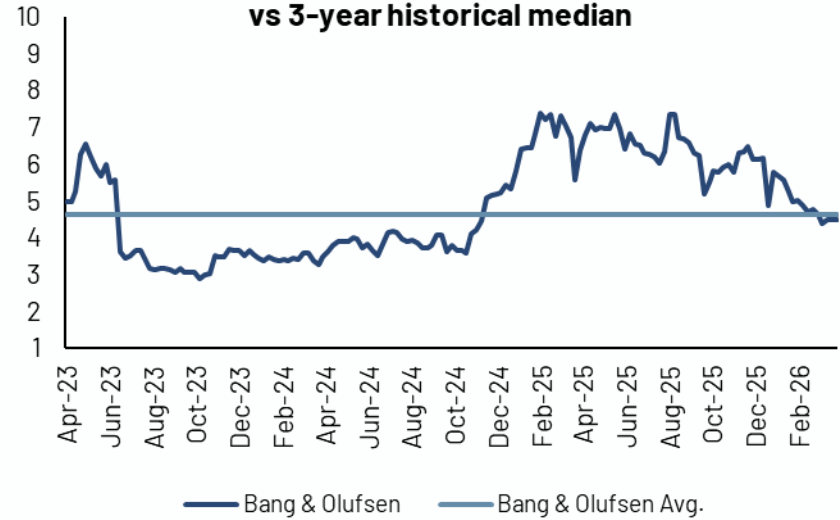
# Valuation vs. Historical



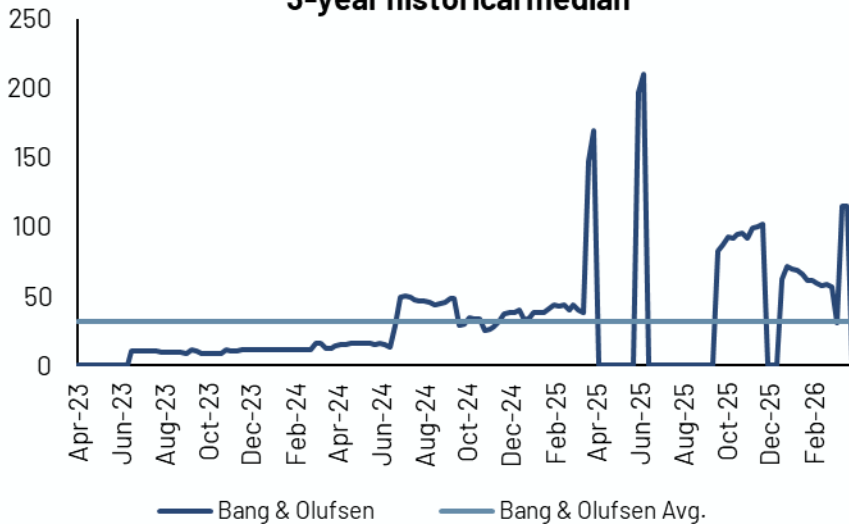
**Bang & Olufsen current EV/Sales multiple (NTM) vs 3-year historical median**



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



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



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