

## Bang & Olufsen reports double-digit growth and improved profitability

**In 2017/18, Bang & Olufsen achieved 11 per cent increase in revenue, an EBIT margin of 3 per cent, and a free cash flow of DKK 85 million.**

*Struer, Denmark, 12 July 2018*

Bang & Olufsen has announced the results for the 2017/18 financial year.

CEO in Bang & Olufsen, Henrik Clausen, comments:

“Bang & Olufsen achieved 11 per cent growth, improved profitability, and generated a positive free cash flow for 2017/18. We are satisfied with the results and the overall progress made this financial year. The results reflect our effort to transform the operating model, launch innovative and progressive products and strengthen our brand and distribution setup.”

The annual report is available at <https://www.bang-olufsen.com/en/corporate/investors/company-announcements>

Highlights from the report are listed below

### 2017/18 compared to 2016/17

- **Group revenue** was DKK 3,285 million. This was an increase of 11 per cent (14 per cent in local currencies)
- The B&O PLAY **business unit** realised a growth of 25 per cent (28 per cent in local currencies), and the Bang & Olufsen business unit realised a growth of 1 per cent (4 per cent in local currencies)
- **The Group gross margin** was 40.9 per cent against 38.1 per cent in the same period last year. Both the Bang & Olufsen and the B&O PLAY business unit gross margins improved compared to last year.
- **Profitability** – EBITDAC (earnings before interest, tax, depreciation, amortisation and capitalisation) for the underlying business was DKK 281 million, corresponding to an EBITDAC margin of 9 per cent. EBIT for the underlying business amounted to DKK 110 million, corresponding to an underlying EBIT margin of 3 per cent
- **Net profit** for the Group was DKK 81 million against a net loss of DKK 117 million last year
- **Free cash flow** in 2017/18 was DKK 85 million

### Share buyback programme

Based on the target net cash position and the financial results for 2017/18, the Board of Directors propose to initiate a share buyback programme of DKK 485 million, which will be carried out subject to approval by the shareholders at the Annual General Meeting.

**Outlook for 2018/19**

- Revenue growth for the Group is expected to be above 10 per cent compared to 2017/18
- Capacity costs in percentage of revenue is expected to be unchanged compared to 2017/18
- The EBIT margin is expected to improve compared to 2017/18 and be in the range of 7-9 per cent for 2018/19
- The Group's free cash flow is expected to be above DKK 100 million.

**For more information, please contact:**

Head of Group Communications

Jens Gamborg

Mobile: +45 2496 9371

E-mail: JGAM@bang-olufsen.dk

**About Bang & Olufsen**

Bang & Olufsen is a global luxury-lifestyle brand founded in 1925 in Struer, Denmark by Peter Bang and Svend Olufsen whose devotion and vision remains the foundation for the company.

The rich heritage built around the relentless determination to create products that push the boundaries of audio technology continues to place the company at the forefront of audio innovation. Today, every Bang & Olufsen product is still characterized by the unique combination of beautiful sound, timeless design, and unrivalled craftsmanship.

The company's innovative and progressive audio products are sold worldwide in Bang & Olufsen monobrand stores, online and in multibrand stores. The company employs around 1,000 people and operates in more than 70 markets and Bang & Olufsen's shares are listed on NASDAQ Copenhagen A/S.

*For more information on Bang & Olufsen, please visit [www.bang-olufsen.com](http://www.bang-olufsen.com).  
Images are available free of charge from the Bang & Olufsen media centre:  
<http://mediacenter.bang-olufsen.dk>.*