

## Double-digit growth and improved profitability for Bang & Olufsen

*Bang & Olufsen grew 10 per cent and improved its profitability in the third quarter.*

Struer, Denmark, 6 April, 2018

CEO in Bang & Olufsen, Henrik Clausen, comments:

“We realised a solid result with 10 per cent revenue growth and improved profitability. The result was driven by a 25 per cent increase in revenue in the B&O PLAY business unit, strong sales in the Greater China Region; and our continued focus on costs and operational improvements. Overall, we are pleased with the progress we have made in the first three quarters of this financial year, which we expect will continue in the fourth quarter.”

The interim report for the first three quarters is available at <https://www.bang-olufsen.com/en/corporate/investors/company-announcements>

Highlights from the report are listed below:

### **First three quarters 17/18 compared to first three quarters 16/17**

- Group revenue was DKK 2.456 million. This was an increase of 13 per cent (16 per cent in local currency)
- The B&O PLAY business unit realised a growth of 25 per cent (28 per cent in local currency), and the Bang & Olufsen business unit realised a growth of 4 per cent (7 per cent in local currency)
- The Group gross margin was 40.8 per cent against 39.9 per cent in the same period last year. The development comprises a gross margin improvement of 2.1 percentage points in Bang & Olufsen and a flat development in B&O PLAY compared to last year
- Free cash flow in the first three quarters of 2017/18 was negative DKK 80 million against DKK 196 million last year
- Profitability – EBITDAC (earnings before interest, tax, depreciation, amortisation and capitalisation) in the underlying business for the first three quarters of 2017/18 was DKK 195 million, which was an improvement of DKK 129 million compared to last year. EBIT in the underlying business was DKK 55 million compared to negative DKK 34 million last year

### **Outlook for 2017/18**

The Group expect revenue growth to be above 10 per cent compared to 2016/17 (prev. around 10 per cent), and to increase the underlying EBITDAC margin to 8-10 per cent in 2017/18.

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***Bang & Olufsen** was founded in Struer, Denmark, in 1925 by Peter Bang and Svend Olufsen, two innovative, young engineers devoted to high quality audio reproduction. Since then, the brand has become an icon of performance and design excellence through its long-standing craftsmanship tradition and the strongest possible commitment to high-tech research and development.*

*Still at the forefront of domestic technology, Bang & Olufsen has extended its comprehensive experience with integrated audio and video solutions for the home to other areas such as the hospitality and automotive industries in recent years. Consequently, its current product range epitomizes seamless media experiences in the home as well as in the car and on the move.*

*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>.*