

Bang & Olufsen reports 15 percent growth for the first 6 months

Bang & Olufsen grew 15 per cent and improved its profitability in the first half-year of the 2017/18 financial year.

Struer, Denmark, 11 January, 2018

CEO in Bang & Olufsen, Henrik Clausen, comments:

"In the second quarter, we delivered double-digit growth and improved our profitability, and we remain on track for the full year. The result was driven by strong sales in B&O PLAY, cost control and positive developments across all markets. All in all, I am pleased with the progress that we have made in the first 6 months. It underlines that we have a strong product portfolio and that our continued focus on creating a scalable business model is paying off."

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

Highlights from the report are listed below:

1st half-year 17/18 compared to 1st half-year 16/17

- Group revenue was DKK 1591 million. This was an increase of 15 per cent (17 per cent in local currency)
- The B&O PLAY business unit realised a growth of 25 per cent (27 per cent in local currency), and the Bang & Olufsen business unit realised a growth of 8 per cent (10 per cent in local currency)
- The Group gross margin was 40.7 per cent against 38.3 per cent in the same period last year. The development comprises a gross margin improvement of 2.4 percentage points in Bang & Olufsen and 2.8 percentage points in B&O PLAY compared to last year
- Free cash flow in the first half of 2017/18 was negative DKK 114 million against DKK 99 million last year
- Profitability – EBITDAC (earnings before interest, tax, depreciation, amortisation and capitalisation) in the underlying business for the first half of 2017/18 was DKK 93 million, which was an improvement of DKK 90 million compared to last year. EBIT in the underlying business was DKK 5 million compared to negative DKK 52 million last year

Outlook for 2017/18

The Group expects to increase revenue by around 10 per cent compared to 2016/17, 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. Images are available free of charge from the **Bang & Olufsen media centre**: <http://mediacenter.bang-olufsen.dk>.*