

Zound showed progress in a challenging year

In a year marked by the pandemic net sales for Zound Industries amounted to 1,756 MSEK in 2020, down 12% from 1,997 MSEK in 2019. Operating profit for the full year, was positive at 9.4 MSEK.

2020 was a year of highs and lows for Zound as the global COVID-19 pandemic presented many challenges. Demand dropped when key markets introduced restrictions in the early spring and once demand started to recover in the middle of the year, component shortages and logistic challenges hit the electronics industry and impacted Zound's product availability. These challenges are expected to continue throughout the first half of 2021.

A reorganization and several relevant product launches aided recovery and after a record breaking Q3 and a stable Q4, Zound ended the year down only 12 percent for the full year.

“There is no no doubt that the global pandemic shaped our year. But the team pulled together and worked incredibly hard to overcome the challenges the year threw at us, to launch some excellent products in 2020 and to keep future product development progressing for 2021 and beyond,” comments Jeremy de Maillard, CEO at Zound.

Despite the challenges, there were some clear success stories. Zound's own ecommerce channels grew by an impressive 42% and the US and China, both key markets for the company, experienced double-digit growth.

In terms of products, Zound started the year with the launch of Marshall's Monitor II ANC headphones that won widespread praise for its performance. The launch of Marshall Emberton followed in the summer, a portable speaker that quickly became Zound's fastest ever selling product. Rounding up the year, Marshall released an update to its best-selling headphone franchise with the Major IV. Urbanears launched its first true wireless products, Luma and Alby, and adidas broadened its portfolio with the RPD-01, a wireless headphone tuned for runners.

“Although sales were down in 2020, we are in a good position heading into 2021 with a healthy financial position driven by strong cash flow and positive net debt. Looking ahead, we are finalizing our new strategic plan and navigating the supply chain issues which will continue to affect our business and industry until Q3. Our product



roadmap is strong and we're pushing harder than ever before on innovation and sustainability", comments Jeremy de Maillard, CEO at Zound.

Most recently, on March 4th 2021, Zound unveiled the first true wireless product from Marshall – the Mode II alongside the new campaign Never Stop Listening starring Iggy Pop.

The full 2020 Annual Report will be published before the AGM later this spring.

For more information, please contact

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About Zound Industries International AB

Zound Industries designs and develops speakers and headphones under the brand names adidas, Marshall and Urbanears. With a strong focus on innovative technology and user-centered design, Zound has launched a wide range of iconic, award-winning products. Zound currently has around 250 employees, with offices in Stockholm, New York, London, Paris, Shenzhen and Hong Kong. In 2020 turnover reached about SEK 1.8 billion.