

**One-GN transformation well on track. Hearing continued strong organic growth, while Enterprise executed well in stabilizing markets and SteelSeries outperformed the market. Sequential margin improvements resulted in strong positive free cash flow**

**- - GN Store Nord**

- GN delivered continued focused execution across the company resulting in 1% revenue growth compared to Q2 2023. Group organic revenue growth was 0%
- Adj. EBITA was DKK 495 million, equal to an adj. EBITA margin improvement of 1.9 percentage points compared to Q2 2023 (0.6 percentage points lower than Q3 2022), driven by tightly managed OPEX. This led to strong free cash flow excl. M&A of DKK 279 million and in combination with the disposal of BelAudição, the net interest-bearing debt decreased from DKK 12,073 million to DKK 11,333 million
- GN announced its transformation into one integrated company to capture innovation synergies, to better serve customer needs, and to simplify the operating model. This will entail freeing up resources to invest in future innovation and ultimately create shareholder value as a fully integrated innovation powerhouse. The company has identified DKK ~600 million in cost synergies (across COGS and OPEX) to be realized by 2026 of which roughly two-thirds will be achieved in 2024
- Reflecting the narrowed guidance for GN Hearing and GN Audio, GN Store Nord's organic revenue growth guidance is narrowed from "-4% to +2%" to "-2% to 0%". As a consequence of the identified cost synergies, the Group will incur a further DKK ~ -300 million in non-recurring items in 2023 due to redundancies and process streamlining activities. No non-recurring items for 2024 are expected to drive these synergies

**- - GN Hearing**

- GN Hearing delivered continued strong organic revenue growth of 15%, driven by strong performance of ReSound OMNIA resulting in continued significant market share gains in a stable growing hearing aid market
- Adj. EBITA margin was 16.4% in the Core business, equal to an increase of 2.3 percentage points compared to Q2 2023 (increase of 5.6 percentage points compared to Q3 2022), driven by tightly managed OPEX
- Following a stronger than expected Q3 2023, GN Hearing is narrowing its organic revenue growth guidance from "9% to 13%" to "11% to 13%". The EBITA margin in the core business of "14% to 16%" is confirmed to allow for further investments to drive growth including launch activities for ReSound Nexia

**- - GN Audio**

- GN Audio executed well resulting in 4% revenue growth compared to Q2 2023. As a consequence of a high comparison base organic revenue growth was -8%
- The Enterprise market experienced general volume stabilization during the quarter, leading to Enterprise revenue in line with Q2 2023 resulting in an organic revenue growth of -13%

- Both Consumer and SteelSeries delivered solid double-digit revenue growth compared to Q2 2023. Strong execution in SteelSeries led to market share gains and organic revenue growth of 10%, while Consumer delivered -8% organic revenue growth
- Adj. EBITA margin was 11.9%, equal to an improvement of 2.4 percentage points compared to Q2 2023 (2.7 percentage points lower than Q3 2022), primarily driven by tightly managed OPEX
- Following a Q3 performance in line with expectations, GN Audio's organic revenue guidance is narrowed from "-10% to -4%" to "-9% to -7%". GN Audio's adj. EBITA margin is confirmed at "10% to 12%"

### Quotes from executive management

Peter Karlstromer, CEO of GN Store Nord, comments: *"During Q3, GN Hearing delivered strong organic growth for the fourth consecutive quarter, our Enterprise business executed well in stabilizing markets, while our consumer-oriented businesses delivered strong double-digit revenue growth sequentially. As a whole, we saw continued strong execution across the company leading to improved margin levels compared to Q2 2023 and healthy cash flow, which together with the disposal of BelAudição supports the successful execution of GN's capital plan. We are also excited to embark on the transformation into a one-company setup, which over time will unlock company-wide synergies due to a simpler, faster, and more powerful operating model."*

### Financial overview Q3 2023

DKK million – Q3 2023	GN Hearing			GN Audio			
	Core	Emerging	GN Hearing	Enterprise	Consumer	SteelSeries	GN Audio
<b>Revenue</b>	<b>1,590</b>	<b>63</b>	<b>1,653</b>	<b>1,838</b>	<b>329</b>	<b>623</b>	<b>2,790</b>
Organic growth	15%	17%	15%	-13%	-8%	10%	-8%
<b>Adj. EBITA**</b>	<b>261</b>	<b>-42</b>	<b>219</b>				<b>331</b>
Adj. EBITA margin **	16.4%		13.2%				11.9%

DKK million	GN Store Nord*			GN Hearing			GN Audio		
	Q3 2023	Q3 2022	Growth	Q3 2023	Q3 2022	Growth	Q3 2023	Q3 2022	Growth
<b>Revenue</b>	<b>4,443</b>	<b>4,701</b>	<b>-5%</b>	<b>1,653</b>	<b>1,554</b>	<b>6%</b>	<b>2,790</b>	<b>3,147</b>	<b>-11%</b>
Organic growth	0%	-1%		15%	0%		-8%	-2%	
<b>Adj. Gross profit**</b>	<b>2,230</b>	<b>2,355</b>	<b>-5%</b>	<b>1,025</b>	<b>1,014</b>	<b>1%</b>	<b>1,205</b>	<b>1,341</b>	<b>-10%</b>
Adj. Gross profit margin**	50.2%	50.1%	0.1%p	62.0%	65.3%	-3.3%p	43.2%	42.6%	0.6%p
<b>Adj. EBITA**</b>	<b>495</b>	<b>548</b>	<b>-10%</b>	<b>219</b>	<b>119</b>	<b>84%</b>	<b>331</b>	<b>461</b>	<b>-28%</b>
Adj. EBITA margin**	11.1%	11.7%	-0.6%p	13.2%	7.7%	5.5%p	11.9%	14.6%	-2.7%p
Non-recurring items	-65	-59		-29	-38		-36	-21	
<b>Adj. Earnings per share (EPS)***</b>	<b>2.33</b>	<b>2.68</b>	<b>-13%</b>						
Free cash flow excl. M&A	279	-217	496	115	60	55	215	21	194

\* Including "Other", \*\* Excluding non-recurring items (DKK -36 million in OPEX in GN Audio, DKK -6 million in COGS in GN Hearing and DKK -23 million in OPEX in GN Hearing), \*\*\* Excluding non-recurring items (DKK -65 million OPEX and COGS) and amortization of acquired intangible assets



## Financial guidance 2023

	Organic revenue growth		Adjusted EBITA margin <sup>2)</sup>		Non-recurring items (DKK million) <sup>3)</sup>	
	New	Old	New	Old	New	Old
<b>GN Hearing</b>	<b>11% to 13%</b>	9% to 13%				
- Core business			<b>14% to 16%</b>	14% to 16%	~ -150	~ -150
- Emerging Business <sup>1)</sup> (DKK million)			~ -150	~ -150		
<b>GN Audio</b>	<b>-9% to -7%</b>	-10% to -4%	<b>10% to 12%</b>	10% to 12%	~ -150	~ -150
Other (DKK million)			~ -200	~ -200	~ -300	
<b>GN Store Nord</b>	<b>-2% to 0%</b>	-4% to +2%			~ -600	~ -300

Note 1) Emerging Business mainly includes the JabraEnhance.com (formerly Lively)

Note 2) Excluding non-recurring items

Note 3) GN is expecting to incur additional non-recurring items of DKK ~ -300 million in Q4 2023 related to the transformation of One-GN due to redundancies and process streamlining activities. These non-recurring items will most likely be incurred across legal entities. No non-recurring items for 2024 are expected to drive these synergies

Based on foreign exchange rates as of November 10, 2023

### Primary risk factors in relation to the financial guidance

The basic assumptions behind the guidance remain more uncertain than normal. Primary risk factors include inflationary pressures, consumer sentiment and general economic uncertainty. GN's supply chains, including component sourcing and local and geopolitical instability and deteriorating trade relations may impact key suppliers and GN's operations.

### Teleconference

GN Store Nord will host a teleconference at 11.00 a.m. CET on November 10, 2023. Please visit [www.gn.com/investor](http://www.gn.com/investor) to access the teleconference. Presentation material will be available on the website prior to the start of the teleconference.

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### Forward-looking statements

The forward-looking statements in this report reflect the management's current expectations of certain future events and financial results. Statements regarding the future are, naturally, subject to risks and uncertainties, which may result in considerable deviations from the outlook set forth. Furthermore, some of these expectations are based on assumptions regarding future events, which may prove incorrect. Changes to such expectation and assumptions will not be disclosed on an ongoing basis, unless required pursuant to general disclosure obligations to which GN is subject.

Factors that may cause actual results to deviate materially from expectations include – but are not limited to – general economic developments and developments in the financial markets, technological developments, changes and amendments to legislation and regulations governing GN's markets, changes in the demand for GN's products, competition, fluctuations in sub-contractor supplies and developments in ongoing litigation (including but not limited to class action and patent infringement litigation in the United States).

The securities offered will not be and have not been registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements

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For more information, see the "Management's report" and "Risk management" elsewhere in the 2022 Annual Report. This Report should not be considered an offer to sell securities in GN.

#### **About GN**

GN brings people closer through our leading intelligent hearing, audio, video, and gaming solutions. Inspired by people and driven by innovation, we deliver technology that enhance the senses of hearing and sight. We help people with hearing loss overcome real-life challenges, improve communication and collaboration for businesses, and provide great experiences for audio and gaming enthusiasts.

GN was founded more than 150 years ago with a vision to connect the world. Today, inspired by our strong heritage, GN touches more lives than ever with our unique expertise and the broadest portfolio of products and services in our history – bringing people closer to what is important to them.

We market our solutions with the brands Jabra, ReSound, SteelSeries, Belton, Interton, BlueParrott, Danavox, and FalCom in 100 countries. Founded in 1869, GN Group employs more than 7,500 people and is listed on Nasdaq Copenhagen (GN.CO).

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