



GN

Interim Report

Q2 2024

GN Store Nord A/S

Strong execution leading to 5% organic growth and margin expansion

- **GN** executed strongly across the three divisions resulting in 5% organic revenue growth for the Group
- The **Hearing** division continued to gain significant market share leading to 10% organic revenue growth, resulting in 5.3 percentage point increase in the divisional profit margin supported by synergies and the successful ReSound Nexia roll-out
- The **Enterprise** division continued its focused execution leading to -3% organic revenue growth in a stabilizing market. The divisional profit margin increased by 1.3 percentage points driven by synergies, product mix, and strict cost control
- The **Gaming & Consumer** division delivered organic revenue growth of 12% following strong execution in Gaming. The decision to gradually wind-down Elite and Talk product lines resulted as planned in increased promotional activities towards the end of the quarter. Excluding the earlier announced extraordinary write-

downs, the divisional profit margin was 9.0% compared to 3.1% in Q2 2023 driven by synergies, on top of channel investments

- Group reported **EBITA** ended at DKK 374 million (including DKK -155 million in extraordinary costs related to the gradual wind-down). Excluding these extraordinary costs, EBITA ended at DKK 529 million, equal to an EBITA margin of 11.8% driven by group-wide synergies of DKK ~100 million and business mix, partly off-set by net investments into IT and R&D
- **Free cash flow excl. M&A** ended at DKK 155 million in Q2 2024 as a result of the healthy earnings level and a stable development in net working capital. Consequently, the net interest-bearing debt further declined resulting in an adj. leverage of 3.9x
- The full year guidance, which was adjusted on June 11, is confirmed

5% Organic growth

8.3% Reported EBITA margin

11.8% EBITA margin excluding extraordinary wind-down costs

155 Free cash flow excl. M&A (DKK m)

Financial overview Q2 2024

DKK million	GN Store Nord			Hearing division			Enterprise division			Gaming & Consumer division		
	Q2 2024	Q2 2023	Growth	Q2 2024	Q2 2023	Growth	Q2 2024	Q2 2023	Growth	Q2 2024	Q2 2023	Growth
Revenue	4,499	4,394	2%	1,792	1,719	4%	1,785	1,861	-4%	922	814	13%
Organic growth	5%	-8%		10%	15%		-3%	-23%		12%	-4%	
Gross profit	2,334	2,222	5%	1,131	1,039	9%	977	986	-1%	226	197	15%
Gross profit margin	51.9%	50.6%	1.3%p	63.1%	60.4%	2.7%p	54.7%	53.0%	1.7%p	24.5%	24.2%	0.3%p
Divisional profit	1,239	1,128	10%	598	483	24%	618	620	0%	23	25	-8%
Divisional profit margin	27.5%	25.7%	1.8%p	33.4%	28.1%	5.3%p	34.6%	33.3%	1.3%p	2.5%	3.1%	-0.6%p
EBITA	374	331	13%									
EBITA margin	8.3%	7.5%	0.8%p									
Free cash flow excl. M&A	155	622	-467									

Financial highlights

DKK million	Q2 2024 (unaud.)	Q2 2023 (unaud.)	YTD 2024 (unaud.)	YTD 2023 (unaud.)	Full year 2023 (aud.)
GN Store Nord					
Revenue	4,499	4,394	8,802	8,608	18,120
Revenue growth	2%	-10%	2%	-1%	-3%
Organic growth	5%	-8%	5%	-1%	-1%
Gross profit margin	51.9%	50.6%	52.4%	49.5%	49.4%
EBITA*	374	331	912	504	1,200
EBITA margin*	8.3%	7.5%	10.4%	5.9%	6.6%
Profit (loss) before tax	144	56	487	-	343
Effective tax rate	22.2%	23.2%	22.4%	0.0%	22.4%
EBITDA	473	444	1,112	726	1,751
ROIC (EBITA*/Average invested capital)	7%	7%	7%	7%	5%
Earnings per share, basic (EPS)	0.66	0.23	2.40	-0.17	1.64
Earnings per share, fully diluted (EPS diluted)	0.66	0.23	2.40	-0.17	1.64
Free cash flow excl. M&A	155	622	201	44	1,092
Cash conversion (Free cash flow excl. M&A/EBITA*)	41%	188%	22%	9%	91%
Equity ratio	34.2%	30.7%	34.2%	30.7%	31.3%
Net interest-bearing debt**	10,548	12,073	10,548	12,073	10,567
Net interest-bearing debt (period-end)/EBITDA**	4.9	6.0	4.9	6.0	6.0
Outstanding shares, end of period (thousand)	145,613	145,295	145,613	145,295	145,613
Average number of outstanding shares (thousand)	145,613	136,635	145,613	132,304	138,883
Average number of outstanding shares, fully diluted (thousand)	145,613	136,825	145,636	132,473	138,991
Treasury shares, end of period (thousand)	5,300	5,600	5,300	5,600	5,300
Share price at the end of the period	194.1	170.2	194.1	170.2	171.8
Market capitalization	28,263	24,729	28,263	24,729	25,016
Number of employees, end of period	7,162	7,483	7,162	7,483	7,165

ROIC and NIBD/EBITDA are calculated based on EBITA and EBITDA for the latest four quarters

* Excluding gain (loss) on divestments of operations etc. and amortization of acquired intangible assets but including amortization of development projects and software developed in-house.

** NIBD including Loans to dispensers

DKK million	Q2 2024 (unaud.)	Q2 2023 (unaud.)	YTD 2024 (unaud.)	YTD 2023 (unaud.)	Full year 2023 (aud.)
Hearing division					
Revenue	1,792	1,719	3,529	3,341	6,802
Revenue growth	4%	12%	6%	17%	9%
Organic growth	10%	15%	12%	15%	13%
Gross profit margin	63.1%	60.4%	62.9%	60.4%	59.9%
Divisional profit	598	483	1,197	875	1,874
Divisional margin	33.3%	28.1%	33.9%	26.2%	27.6%
Enterprise division					
Revenue	1,785	1,861	3,536	3,628	7,463
Revenue growth	-4%	-24%	-3%	-15%	-14%
Organic growth	-3%	-23%	-2%	-15%	-13%
Gross profit margin	54.7%	53.0%	54.9%	51.5%	52.3%
Divisional profit	618	620	1,231	1,138	2,442
Divisional margin	34.6%	33.3%	34.8%	31.4%	32.7%
Gaming & Consumer division					
Revenue	922	814	1,737	1,639	3,855
Revenue growth	13%	-5%	6%	3%	2%
Organic growth	12%	-4%	6%	4%	5%
Gross profit margin	24.5%	24.2%	25.8%	22.9%	25.1%
Divisional profit	23	25	60	31	232
Divisional margin	2.5%	3.1%	3.5%	1.9%	6.0%

GN Store Nord

GN delivered organic revenue growth of 5%, and improved underlying margins. The One-GN transformation is on track and delivered synergies in line with plans

Revenue

In Q2 2024, GN delivered organic revenue growth of 5%. This led to group revenue of DKK 4,499 million, equal to revenue growth of 2%, with -1% impact from the development in foreign exchange rates and -2% impact from M&A driven by retail disposals including BelAudição. In the first 6 months of the year, the organic revenue growth was 5%.

Gross profit

Gross profit increased to DKK 2,334 million in Q2 2024, including DKK -60 million in inventory write-downs in connection with Elite and Talk product lines, corresponding to a gross margin of 51.9%. Excluding the extraordinary write-down, the gross margin ended at 53.2% compared to an adj. gross margin of 50.8% in Q2 2023. The increase reflects group-wide synergies and positive business mix, while partly being offset by retail disposals including BelAudição. In the first 6 months of the year, the gross profit was DKK 4,609 million, equivalent to a gross margin of 52.4% (excluding the extraordinary write-downs the gross margin was 53.0%).

Divisional profit

As a function of the increase in gross profit as well as the prudently managed sales and distribution costs, the divisional profit ended at DKK 1,239 million in Q2 2024, including DKK -60 million in inventory write-downs in connection with the Elite and Talk product lines.

Excluding the extraordinary write-downs, the divisional profit margin ended at 28.9%. In the first 6 months of the year, the divisional profit was DKK 2,488 million, equivalent to a divisional profit margin of 28.3% (excluding the extraordinary write-downs the divisional profit margin was 28.9%).

Development costs

Development costs ended at DKK -442 million compared to adj. development costs of DKK -333 million in Q2 2023. The increase reflects timing effects of product roadmaps as well as DKK -95 million in extraordinary write-downs in connection with the Elite and Talk product lines. Excluding the extraordinary write-downs, the development costs ended at DKK -347 million, which was slightly higher than in Q2 2023.

Management and administration costs

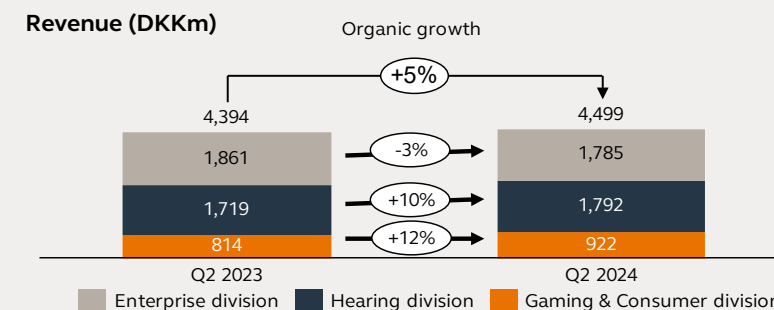
Management and administration costs increased by 2% compared to adj. management and administration costs in Q2 2023 reflecting continued investments into IT and the new financial shared service center currently being established in Poland.

EBITA

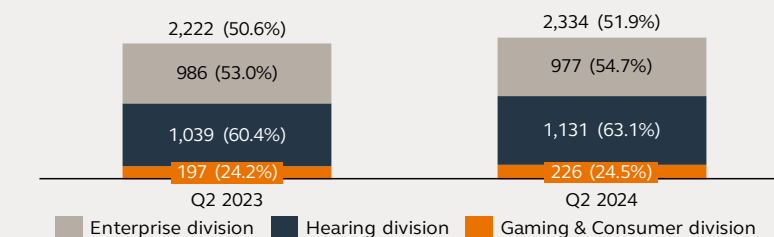
Group EBITA ended at DKK 374 million, which included DKK -155 million in extraordinary write-downs in connection with the Elite and Talk product lines. Excluding the extraordinary write-downs, the EBITA ended at DKK 529 million compared to the adj. EBITA of DKK 404 million in Q2 2023 driven by group-wide synergies, partly off-set by net investments into IT and R&D, corresponding to an EBITA margin of 11.8%. In the first 6 months of the year, the EBITA was DKK 912 million, equivalent to an EBITA margin of 10.4% (excluding the extraordinary write-downs the EBITA margin was 12.1%).

Other financial highlights

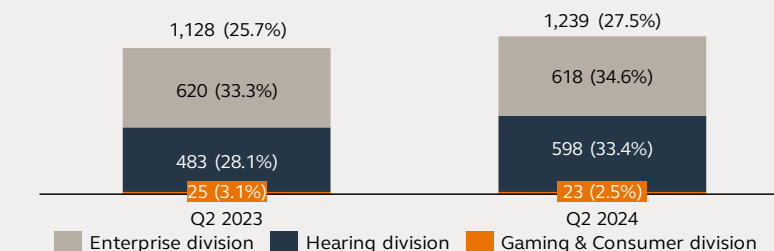
Amortization of acquired intangible assets amounted to DKK -89 million compared to DKK -101 million in Q2 2023. Financial items were



Gross profit (DKKm) and gross margin (%)



Divisional profit (DKKm) and divisional profit margin (%)



DKK -140 million in the quarter compared to DKK -129 million in Q2 2023. Share of profit (loss) in associates was DKK 0 million compared to DKK -46 million in Q2 2023, while loss on disposals were DKK -1 million in the quarter.

Profit before tax was DKK 144 million with the effective tax rate at 22.2%, leading to a net profit of DKK 112 million.

Cash flow development

GN Store Nord’s operational free cash flow increased by 10% leading to DKK 722 million compared to DKK 654 million in Q2 2023, driven by the strong earnings growth, while Q2 2023 was supported by a significant improvement in trade payables driven by a new commercial agreement with a major manufacturing and logistics provider. Investment activities excl. M&A ended at DKK -384 million, which was slightly lower than in Q2 2023, leading to a free cash flow excl. M&A of DKK 155 million. In the first 6 months of the year, free cash flow excl. M&A was DKK 201 million

Capital structure

Net interest-bearing debt ended at DKK 10,548 million, slightly lower than the level realized in Q1 2024 following the positive cash flow generation. Driven by the strong underlying performance, adj. leverage ended at 3.9x (reported leverage of 4.9x). By Q2 2024, GN had cash and cash equivalents of DKK 694 million. Moreover, GN has access to an undrawn revolving credit facility of DKK 3.9 billion (EUR 520 million) with maturity in Q2 2027.

One-GN

To set up GN for future success, a simplified governance setup was executed during 2023. As part of the process, GN identified company-wide synergies which will support and accelerate the margin improvement across the Group. The company has identified DKK ~600 million

in cost synergies (across COGS and OPEX) to be realized by 2026 of which roughly two-thirds is expected to be achieved in 2024.

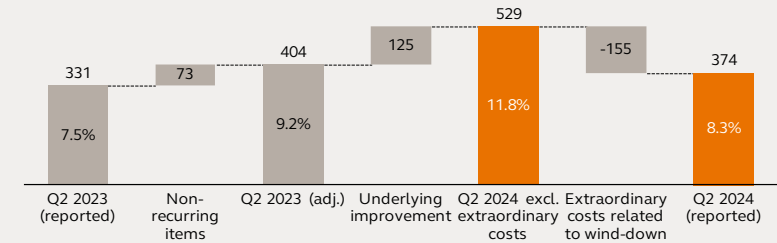
In Q2 2024, synergies worth of DKK ~100 million were realized as a result of the organizational changes executed last year, as well as synergies of the merged operations team leveraging both structural and operational synergies within sourcing, manufacturing, and distribution. In the first 6 months of the year, GN has realized DKK ~190 million in synergies.

Management quote

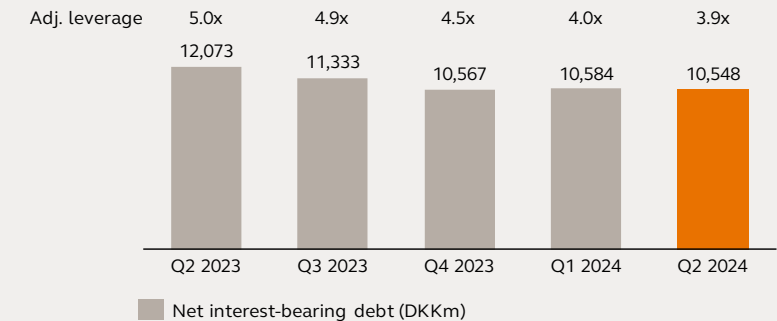
“In Q2, we continued to execute well. We defended, or expanded, our market leading positions, while improving our underlying margins. In parallel, we are pursuing the One-GN transformation leading to synergies and a set-up that helps us drive further success into the future. The wind-down of the Elite and Talk product lines is progressing in accordance with our plans. Recently, we also announced our decision to divest Dansk HøreCenter, which will allow us to further focus our resources and energy to drive innovation and success for our customers worldwide.”

Peter Karlstromer, CEO of GN Store Nord

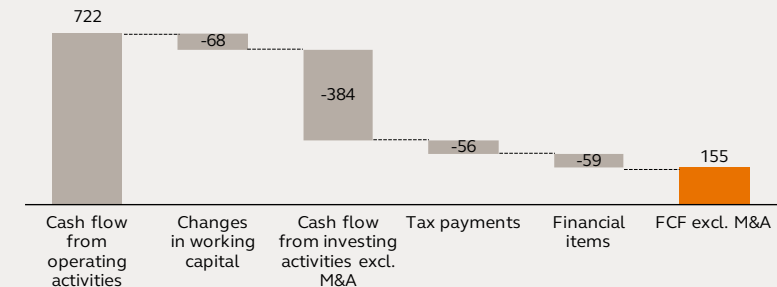
EBITA (DKKm)



Net interest-bearing debt (DKKm)

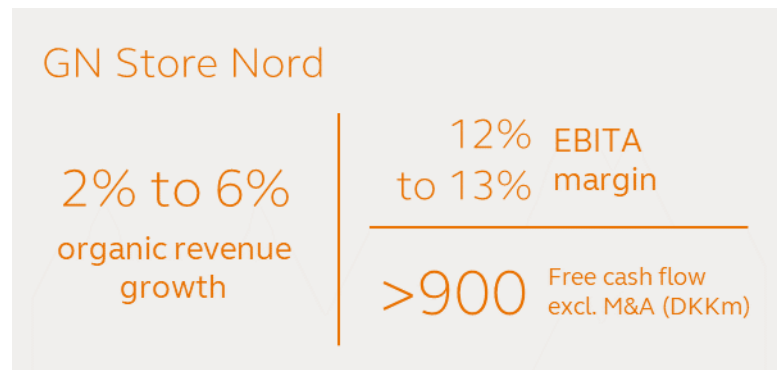


Free cash flow (DKKm)



Financial guidance 2024

Confirmed as communicated on June 11, 2024



Key assumptions

Hearing division

Following very strong market growth in 2023, GN expects the markets to return to historical growth rates in 2024 supported by ongoing favorable demographic trends. As such, GN projects 4-6% market volume growth and -1% to -2% market ASP decline.

Driven by the overwhelmingly positive feedback on ReSound Nexia, GN expects continued strong market share gains on top of a very successful 2023. Thanks to the market success, the Hearing division is trending towards the upper half of the overall organic growth assumption of 8% to 12%. GN is also well underway to deliver an EBITA margin of 18% to 20% in the core hearing aid business.

Enterprise division

Following a longer period of difficulties in the broader Enterprise equipment market we have seen a gradual stabilization. This stabilization has continued in the first half of 2024, but the market is yet to return to positive growth. The long-term attractiveness of the market is fully intact, but the return to growth has taken slightly longer than earlier assumed. As we assess it now, we believe that the addressable Enterprise market will return to positive value growth, but most likely not until the end of 2024.

GN expects to be able to continue to defend its market-leading position in Enterprise headsets driven by the updated and innovation-led product portfolio and to win market share in Enterprise video due to industry-leading offering, channel access strength, and strong partnerships. As a result of this, the Enterprise division is trending towards the lower half of the overall organic growth assumption of -3% to +5%.

Gaming & Consumer division

GN continues to project a slightly growing value market for GN's addressable Gaming & Consumer market in 2024. Because of the gradual wind-down of the Elite and Talk product lines the Gaming & Consumer division is assumed to deliver organic revenue growth of -10% to -2% reflecting the announcement on June 11, 2024. This reflects around DKK 450 million lower revenue in Consumer compared to 2023, as well as an assumption that Gaming is currently trending towards the upper half of the original +2% to +10% organic growth assumption. As a result of the gradual wind-down the group will incur extraordinary costs of around DKK -200 million in 2024, including severance payments, write-down of prior development projects and inventories, of which the majority is expected to be non-cash.

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 as well as foreign exchange rates, 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).

For more information, please see the "Management's report" and "Risk management" sections in the Annual Report 2023. This Interim Report should not be considered an offer to sell securities in GN.

Hearing division

ReSound Nexia is driving significant market share gains, leading to 10% organic revenue growth and strong margin improvement

Revenue

The Hearing division continued to gain market shares by delivering 10% organic revenue growth driven by the global success of ReSound Nexia. In Q2, the global hearing aid market is estimated to have grown in line with the historical value growth rates driven by a continued strong U.S. market, while the European and Rest of World (RoW) markets grew slower than the global average.

The organic revenue growth was a result of market share gains across all three regions with particular strong performance in North America, the U.K., Spain and India. During the quarter, ReSound Nexia was launched into VA resulting in a solid early uptake. The performance in the quarter led to an overall revenue of DKK 1,792 million, equal to 4% revenue growth, due to -2% impact from the development in foreign exchange rates and -4% impact from M&A driven by the disposal of BelAudição and Beltone corporate retail. In the first 6 months of the year, the organic revenue growth was 12%.

Gross profit

Gross profit reached DKK 1,131 million, translating into a gross margin of 63.1%, which was 2.1 percentage points higher than the adj. gross margin in Q2 2023 supported by group synergies and the continued success of ReSound Nexia, but partly off-set by retail disposals including BelAudição.

Sales and distribution costs

Sales and distribution costs decreased by 3% to DKK -533 million in Q2 2024 compared to DKK -547 million in Q2 2023. The reduction was supported by retail disposals including BelAudição.

Divisional profit

Divisional profit was DKK 598 million equal to 19% growth compared to adj. divisional profit in Q2 2023. This was driven by the strong top-line growth, the gross margin improvement, and tightly managed sales and distribution costs. As a result, the divisional profit margin increased by 4.1 percentage points compared to Q2 2023. In the first 6 months of the year, the divisional profit margin was 33.9%.

EBITA margin

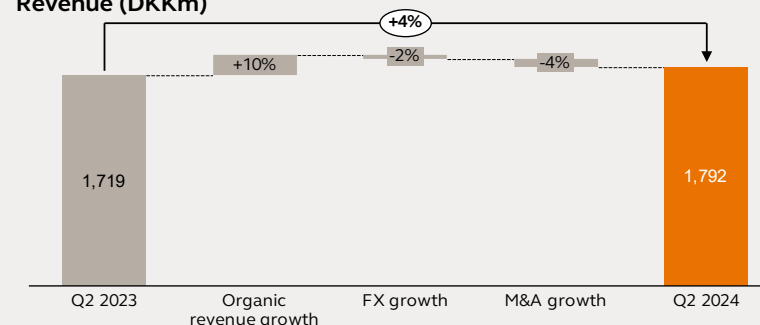
The EBITA margin in the core hearing aid business ended at 18.1% using 2023 cost allocation methodology on group development costs and general and administrative costs compared to 14.1% in Q2 2023. In the first 6 months of the year, the EBITA margin in the core business was 18.9%.

Business highlights

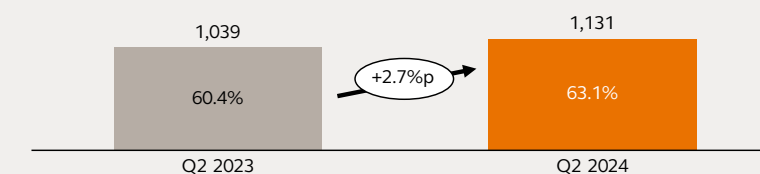
At the beginning of August, GN announced an expansion to the ReSound Nexia family with its smallest wireless In the Canal (ITC) hearing aid in a non-rechargeable design and a new wireless CROS BTE solution.

In August, GN announced the divestment of Dansk HøreCenter. The transaction demonstrates GN's commitment to its successful strategy of not owning retail and focus on being a key partner to strong independent hearing aid dispensers. In line with this strategy, GN has over the past couple of years divested the majority of its retail stores to focus its investments on synergetic assets that are accretive to growth and margins.

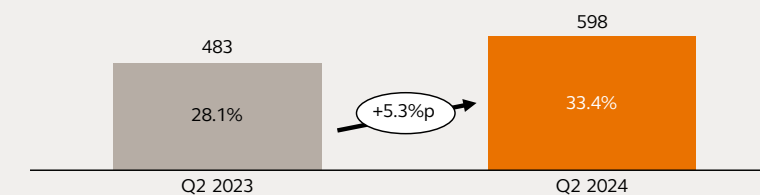
Revenue (DKKm)



Gross profit (DKKm)



Divisional profit (DKKm)



Enterprise division

In a quarter with continued market stabilization, the organic revenue growth ended at -3%. Focused cost control led to an improvement in the divisional profit margin of 1.3%p

Revenue

In Q2 2024, the Enterprise division delivered organic revenue growth of -3%, including flat growth in professional headsets.

In the quarter, the Enterprise market continued its stabilization phase. The market is estimated to be declining slightly year-over-year, which was also the case in Q1 2024. The long-term attractiveness of the enterprise market driven by hybrid working and the continued upgrade of collaboration tools to make the experience seamless and more efficient is fully intact, but the return to market growth is taking slightly longer than anticipated in the beginning of the year. It is still expected that the addressable Enterprise market is returning to positive growth, but most likely not until the end of 2024. This is further supported by overall datapoints on increasing IT budgets.

The development in the quarter led to an overall revenue of DKK 1,785 million, equal to revenue growth of -4%, due to -1% impact foreign exchange effects. In the first 6 months of the year, the organic revenue growth was -2%.

Gross profit

Gross profit decreased by 1% to DKK 977 million, translating into a gross margin of 54.7%, reflecting a 1.7 percentage points improvement

compared to Q2 2023 supported by group synergies. In the first 6 months of the year, the gross margin was 54.9%.

Sales and distribution costs

Sales and distribution costs decreased by 2% to DKK -359 million in Q2 2024 compared to DKK -366 million in Q2 2023. The development reflects continued channel investments, while being more than off-set by focused cost control.

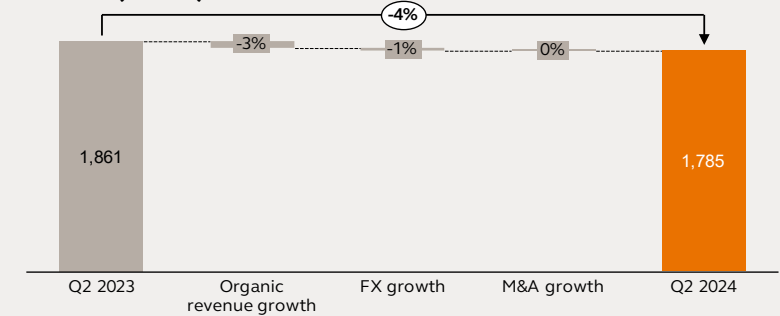
Divisional profit

Divisional profit was DKK 618 million compared to DKK 620 million in Q2 2023 primarily as a result of the topline development. The divisional profit margin increased by 1.3 percentage points to 34.6% driven by group synergies despite slightly lower volumes. In the first 6 months of the year, the divisional profit margin was 34.8%.

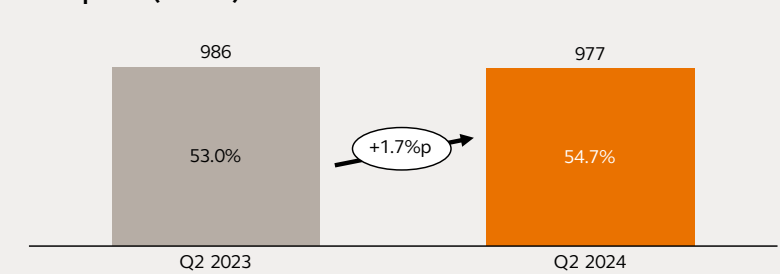
Business highlights

In July, GN launched Jabra+ for admins which allows IT professionals to manage their installed base of Jabra video products in a seamless and scalable way. GN is strongly committed to further drive enterprise class benefits across the portfolio by combining leading hardware and software solutions.

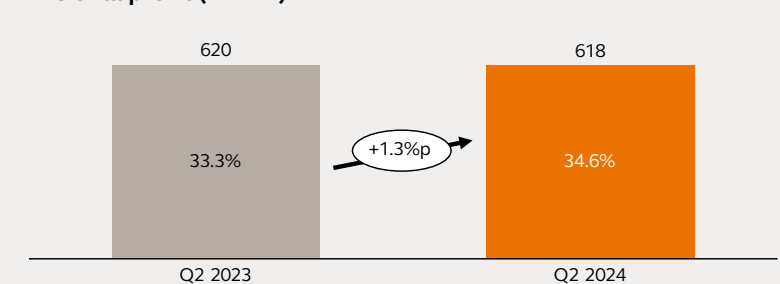
Revenue (DKKm)



Gross profit (DKKm)



Divisional profit (DKKm)



Gaming & Consumer division

12% organic revenue growth driven by continued market share gains in Gaming

Gradual wind-down of the Elite and Talk product lines

On June 11, 2024, GN announced a gradual wind-down of the Elite and Talk product lines to increase focus and resources on more attractive parts of GN's business. The wind-down will further support GN's targeted margin expansion towards the 2028 target of 16-17% and allowing to focus future investments and leadership efforts towards more attractive opportunities. The gradual wind-down is progressing according to the plan and is still expected to be completed by the end of 2024 with total extraordinary costs of around DKK -200 million assumed.

Revenue

The Gaming & Consumer division delivered organic revenue growth of 12% following strong execution and market share gains in Gaming and strong market reception of the new true wireless earbuds.

The global Gaming market continued its recent stabilization trend in volumes, and the broader market was positively impacted by less promotional activity in general supporting global ASP levels. The gaming business delivered organic revenue growth of 12% leading to a revenue of DKK 611 million compared to DKK 543 million in Q2 2023. The consumer business delivered organic revenue growth of 14% leading to a revenue of DKK 311 million compared to DKK 271 million in Q2 2023 driven by a strong market reception of the new true wireless earbuds.

The development during the quarter led to an overall revenue of DKK 922 million for the division, equal to revenue growth of 13%, with 1% impact from the development in foreign exchange rates. In the first 6 months of the year, the organic revenue growth was 6%.

Gross profit

Gross profit reached DKK 226 million in Q2 2024 (DKK 186 million in Gaming and DKK 40 million in Consumer) corresponding to a gross margin of 24.5%, which includes DKK -60 million in inventory write-downs in connection with Elite and Talk product lines. Excluding the extraordinary write-downs, the gross margin ended at 31.0% compared to 24.2% in Q2 2023 supported by group synergies.

Sales and distribution costs

Sales and distribution costs increased by 18% to DKK -203 million in Q2 2024 compared to DKK -172 million in Q2 2023. The development reflects continued channel investments and marketing activity in a market which is anticipated to be recovering.

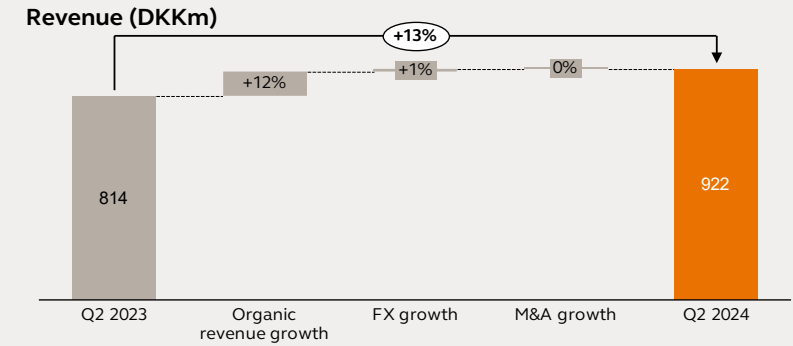
Divisional profit

The divisional profit ended at DKK 23 million, including DKK -60 million in inventory write-downs. Excluding the extraordinary write-downs, the divisional profit ended at DKK 83 million, corresponding to a divisional profit margin of 9.0% compared to 3.1% in Q2 2023. In the first 6 months of the year, the divisional profit margin was 3.5% (Excluding the extraordinary write-downs, the divisional profit margin was 6.9%).

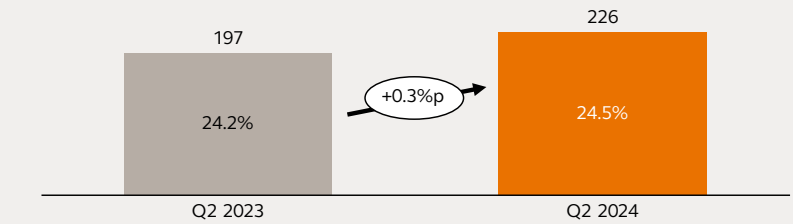
Business highlights

In May, SteelSeries launched Arctis Nova 5 and the companion app, which provides console gamers with an in-game audio advantage over existing products on the market.

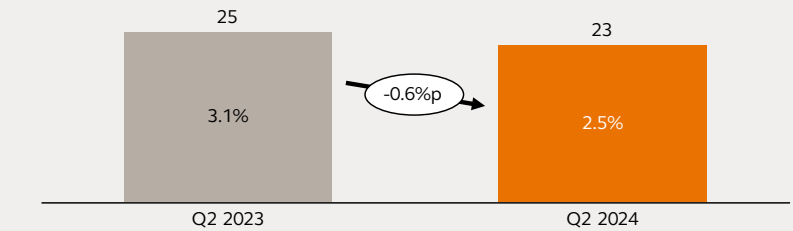
In June, GN launched the second generation of Elite 8 Active and Elite 10 true-wireless earbuds. Building upon the same great design and success of their predecessors, these next-generation earbuds come with enhancements that strengthen the audio experience. The launch marks GN's final product releases under the Elite series and will support retailers in the gradual wind-down of the mentioned product lines.



Gross profit (DKKm)



Divisional profit (DKKm)



Additional information

Teleconference

GN will host a teleconference at 11.00 am CET on August 22, 2024. Please visit www.gn.com to access the teleconference. Presentation material will be available on the website prior to the start of the teleconference.

Financial calendar 2024

Interim Report Q3 2024: November 7, 2024

For further information please contact:

Rune Sandager
Head of Investor Relations
GN Store Nord A/S
Email: rsandager@gn.com
Tel: +45 45 75 92 57

GN Store Nord A/S
Lautrupbjerg 7
2750 Ballerup
Denmark
Company reg. no. 2425784

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Quarterly reporting by segment

DKK million	Q2 2023 (unaud.)	Q3 2023 (unaud.)	Q4 2023 (unaud.)	Q1 2024 (unaud.)	Q2 2024 (unaud.)	Full Year 2023 (aud.)
Income statement						
Revenue						
Hearing	1,719	1,653	1,808	1,737	1,792	6,802
Enterprise	1,861	1,838	1,997	1,751	1,785	7,463
Gaming & Consumer	814	952	1,264	815	922	3,855
Total	4,394	4,443	5,069	4,303	4,499	18,120
Organic growth						
Hearing	15%	15%	7%	14%	10%	13%
Enterprise	-23%	-13%	-9%	0%	-3%	-13%
Gaming & Consumer	-4%	3%	6%	0%	12%	5%
Total	-8%	0%	0%	5%	5%	-1%
Gross profit						
Hearing	1,039	1,019	1,039	1,089	1,131	4,076
Enterprise	986	976	1,056	963	977	3,901
Gaming & Consumer	197	229	363	223	226	968
Total	2,222	2,224	2,458	2,275	2,334	8,945
Gross profit margin						
Hearing	60.4%	61.6%	57.5%	62.7%	63.1%	59.9%
Enterprise	53.0%	53.1%	52.9%	55.0%	54.7%	52.3%
Gaming & Consumer	24.2%	24.1%	28.7%	27.4%	24.5%	25.1%
Total	50.6%	50.1%	48.5%	52.9%	51.9%	49.4%
Divisional profit						
Hearing	483	477	522	599	598	1,874
Enterprise	620	635	669	613	618	2,442
Gaming & Consumer	25	21	180	37	23	232
Total	1,128	1,133	1,371	1,249	1,239	4,548
Divisional margin						
Hearing	28.1%	28.9%	28.9%	34.5%	33.4%	27.6%
Enterprise	33.3%	34.5%	33.5%	35.0%	34.6%	32.7%
Gaming & Consumer	3.1%	2.2%	14.2%	4.5%	2.5%	6.0%
Total	25.7%	25.5%	27.0%	29.0%	27.5%	25.1%

DKK million	Q2 2023 (unaud.)	Q3 2023 (unaud.)	Q4 2023 (unaud.)	Q1 2024 (unaud.)	Q2 2024 (unaud.)	Full Year 2023 (aud.)
Other Group information						
Depreciation and software amortization	-113	-108	-221	-101	-99	-551
EBITDA	444	538	487	639	473	1,751
EBITA	331	430	266	538	374	1,200
Amortization and impairment of acquired intangible assets	-101	-99	-90	-91	-89	-392
Profit (loss)	43	227	39	266	112	266
Free cash flow excl. M&A	622	279	769	46	155	1,092
Acquisitions and divestments of companies	-	441	-	-35	-	405
Free cash flow	622	720	769	11	155	1,497

Consolidated income statement

DKK million	Q2 2024 (unaud.)	Q2 2023 (unaud.)	YTD 2024 (unaud.)	YTD 2023 (unaud.)	Full Year 2023 (aud.)
Revenue	4,499	4,394	8,802	8,608	18,120
Production costs	-2,165	-2,172	-4,193	-4,345	-9,175
Gross profit	2,334	2,222	4,609	4,263	8,945
Development costs	-442	-370	-793	-737	-1,546
Selling and distribution costs	-1,095	-1,094	-2,121	-2,219	-4,397
Management and administrative expenses	-421	-428	-773	-804	-1,810
Other operating income and costs, net	-2	1	-10	1	8
EBITA*	374	331	912	504	1,200
Amortization and impairment of acquired intangible assets	-89	-101	-180	-203	-392
Gain (loss) on divestment of operations etc.	-1	1	11	-	61
Operating profit (loss)	284	231	743	301	869
Share of profit (loss) in associates	-	-46	-6	-47	-64
Financial items	-140	-129	-250	-254	-462
Profit (loss) before tax	144	56	487	-	343
Tax on profit (loss)	-32	-13	-109	-	-77
Profit (loss) for the period	112	43	378	-	266
Attributable to:					
Non-controlling interests	16	11	28	22	38
Shareholders in GN Store Nord A/S	96	32	350	-22	228
Earnings per share (EPS):					
Earnings per share (EPS)	0.66	0.23	2.40	-0.17	1.64
Earnings per share, fully diluted (EPS diluted)	0.66	0.23	2.40	-0.17	1.64

* Excluding gain (loss) on divestments of operations etc. and amortization of acquired intangible assets but including amortization of development projects and software developed in-house.

Consolidated statement of comprehensive income

DKK million	Q2 2024 (unaud.)	Q2 2023 (unaud.)	YTD 2024 (unaud.)	YTD 2023 (unaud.)	Full Year 2023 (aud.)
Profit (loss) for the period	112	43	378	-	266
Other comprehensive income					
Items that will not be reclassified to profit or loss					
Actuarial gains (losses)	-	-	-	-	-2
Tax relating to actuarial gains (losses)	-	-	-	-	-2
Items that may be reclassified subsequently to profit or loss					
Adjustment of cash flow hedges	1	14	25	17	51
Foreign exchange adjustments, etc.	97	-54	196	-162	-216
Tax relating to other comprehensive income	-5	-3	-10	-3	-11
Other comprehensive income for the period	93	-43	211	-148	-180
Total comprehensive income for the period	205	-	589	-148	86
Attributable to:					
Non-controlling interests	16	11	28	22	38
Shareholders in GN Store Nord A/S	189	-11	561	-170	48

Consolidated balance sheet

DKK million	Jun. 30 2024 (unaud.)	Mar. 31 2024 (unaud.)	Dec. 31 2023 (aud.)	Sep. 30 2023 (unaud.)	Jun. 30 2023 (unaud.)
Assets					
Intangible assets	17,100	17,073	16,925	17,323	17,115
Property, plant and equipment	948	960	1,036	1,071	1,097
Investments in associates	303	301	276	295	269
Deferred tax assets	502	504	494	490	476
Other non-current assets	1,932	1,910	1,727	1,795	1,711
Total non-current assets	20,785	20,748	20,458	20,974	20,668
Inventories	2,754	2,667	2,657	3,209	3,282
Trade receivables	4,534	3,937	4,442	4,278	3,814
Tax receivables	146	101	69	159	119
Other receivables	840	739	854	690	788
Cash and cash equivalents	694	1,224	2,162	1,726	1,008
Total current assets	8,968	8,668	10,184	10,062	9,011
Assets held for sale	-	-	-	-	569
Total assets	29,753	29,416	30,642	31,036	30,248
Equity and liabilities					
Equity	10,189	9,965	9,587	9,711	9,283
Bank loans and issued bonds, non-current	4,519	2,992	3,527	7,537	7,496
Lease liabilities, non-current	190	196	211	214	212
Pension obligations	8	8	9	7	7
Provisions, non-current	175	143	144	180	175
Deferred tax liabilities	753	752	745	899	881
Other non-current liabilities	797	786	777	844	811
Total non-current liabilities	6,442	4,877	5,413	9,681	9,582
Bank loans and issued bonds, current	7,220	9,319	9,674	5,999	6,034
Lease liabilities, current	84	81	87	95	98
Trade payables	1,607	1,394	1,719	1,593	1,621
Tax payables	269	252	229	167	111
Provisions, current	356	322	340	212	199
Other current liabilities	3,586	3,206	3,593	3,578	3,212
Total current liabilities	13,122	14,574	15,642	11,644	11,275
Liabilities directly associated with assets held for sale	-	-	-	-	108
Total equity and liabilities	29,753	29,416	30,642	31,036	30,248

Consolidated statement of cash flows

DKK million	Q2 2024 (unaud.)	Q2 2023 (unaud.)	YTD 2024 (unaud.)	YTD 2023 (unaud.)	Full Year 2023 (aud.)
Operating activities					
Operating profit (loss)	284	231	743	301	869
Depreciation, amortization and impairment	413	398	738	758	1,729
Other non-cash adjustments	25	25	24	41	124
Cash flow from operating activities before changes in working capital	722	654	1,505	1,100	2,722
Changes in working capital	-68	481	-226	84	438
Cash flow from operating activities before financial items and tax	654	1,135	1,279	1,184	3,160
Financial items, net	-59	-70	-129	-179	-347
Tax paid, net	-56	-35	-142	-116	-175
Cash flow from operating activities	539	1,030	1,008	889	2,638
Investing activities					
Development projects	-247	-248	-455	-497	-951
Investments in other intangible assets, net	-74	-90	-162	-204	-351
Investments in property, plant and equipment, net	-44	-	-45	-32	-113
Investments in other non-current assets, net	-19	-70	-145	-112	-131
Company acquisitions	-	-	-35	-36	-36
Company divestments	-	-	-	-	441
Cash flow from investing activities	-384	-408	-842	-881	-1,141
Cash flow from operating and investing activities (free cash flow)	155	622	166	8	1,497

DKK million	Q2 2024 (unaud.)	Q2 2023 (unaud.)	YTD 2024 (unaud.)	YTD 2023 (unaud.)	Full Year 2023 (aud.)
Financing activities					
Proceeds from share placement, net of costs	-	2,640	-	2,640	2,621
Paid dividends	-	-18	-	-32	-32
Share-based payment (exercised)	-	1	-	2	47
Increase/decrease in bank loans and other adjustments	-681	-2,855	-1,638	-2,538	-2,948
Cash flow from financing activities	-681	-232	-1,638	72	-312
Net cash flow	-526	390	-1,472	80	1,185
Cash and cash equivalents, beginning of period	1,224	676	2,162	990	990
Adjustment foreign currency, cash and cash equivalents	-4	-6	4	-10	-13
Cash attributable to the assets held for sale	-	-52	-	-52	-
Cash and cash equivalents, end of period	694	1,008	694	1,008	2,162

Consolidated statement of changes in equity

DKK million	Q2 2024								
	Share capital*	Other reserves			Proposed dividends for the year	Retained earnings	Equity, share-holders in GN Store Nord A/S	Non-controlling interests	Total equity
		Foreign exchange adjustments	Hedging reserve	Treasury shares					
Balance at December 31, 2023	604	-1,062	-11	-2,725	-	12,781	9,587	-	9,587
Profit (loss) for the period	-	-	-	-	-	350	350	28	378
Adjustment of cash flow hedges	-	-	25	-	-	-	25	-	25
Foreign exchange adjustments, etc.	-	196	-	-	-	-	196	-	196
Tax relating to other comprehensive income	-	-	-10	-	-	-	-10	-	-10
Other comprehensive income for the period	-	196	15	-	-	-	211	-	211
Total comprehensive income for the period	-	196	15	-	-	350	561	28	589
Share-based payment (granted)	-	-	-	-	-	13	13	-	13
Reclassification of non-controlling interests by recognizing a put option liability	-	-	-	-	-	28	28	-28	-
Balance at June 30, 2024	604	-866	4	-2,725	-	13,172	10,189	-	10,189

* shares of DKK 4 each

DKK million	Q2 2023								
	Share capital*	Other reserves			Proposed dividends for the year	Retained earnings	Equity, share-holders in GN Store Nord A/S	Non-controlling interests	Total equity
		Foreign exchange adjustments	Hedging reserve	Treasury shares					
Balance at December 31, 2022	549	-846	-51	-3,366	-	10,514	6,800	-	6,800
Profit (loss) for the period	-	-	-	-	-	-22	-22	22	-
Adjustment of cash flow hedges	-	-	17	-	-	-	17	-	17
Foreign exchange adjustments, etc.	-	-160	-	-	-	-	-160	-	-160
Tax relating to other comprehensive income	-	-	-3	-	-	-	-3	-	-3
Other comprehensive income for the period	-	-160	14	-	-	-	-146	-	-146
Total comprehensive income for the period	-	-160	14	-	-	-22	-168	22	-146
Increase of share capital, net of costs	55	-	-	-	-	2,031	2,086	-	2,086
Share-based payment (granted)	-	-	-	-	-	28	28	-	28
Share-based payment (exercised)	-	-	-	6	-	-6	-	-	-
Treasury shares placement, net of costs	-	-	-	547	-	-	547	-	547
Reclassification of non-controlling interests by recognizing a put option liability	-	-	-	-	-	-21	-21	21	-
Paid dividends	-	-	-	-	-	-	-	-32	-32
Balance at June 30, 2023	604	-1,006	-37	-2,813	-	12,524	9,272	11	9,283

* shares of DKK 4 each

Note 1 – Accounting policies

This interim report has been prepared in accordance with IAS 34 “Interim Financial Reporting” as adopted by the EU and Danish interim financial reporting requirements for listed companies.

New standards, interpretations, and amendments adopted by GN Store Nord

As of January 1, 2024, GN Store Nord adopted all relevant new or revised International Financial Reporting Standards and IFRIC Interpretations with effective date January 1, 2024, or earlier. The new or revised Standards and Interpretations did not affect recognition and measurement or result in any material changes to disclosures. Apart from this, the accounting policies applied are unchanged from those applied in the Annual Report 2023.

Identification of Reportable Segments

Effective January 1, 2024, the Group’s segment reporting will now occur on the following three divisions:

- Hearing;
- Enterprise; and
- Gaming & Consumer

Prior to January 1, 2024, GN Hearing and GN Audio were the reportable segments in the Group. The comparative segment results have been restated for comparison purposes as required by IFRS 8 Operating Segments. Segment performance is now evaluated on Divisional profit. Divisional profit is calculated as gross profit less selling and distribution costs.

Note 2 – Segment disclosures Q2 2024

Income statement	Hearing		Enterprise		Gaming & Consumer		Consolidated total	
	Q2 2024 (unaud.)	Q2 2023 (unaud.)	Q2 2024 (unaud.)	Q2 2023 (unaud.)	Q2 2024 (unaud.)	Q2 2023 (unaud.)	Q2 2024 (unaud.)	Q2 2023 (unaud.)
DKK million								
Revenue	1,792	1,719	1,785	1,861	922	814	4,499	4,394
Production costs	-661	-680	-808	-875	-696	-617	-2,165	-2,172
Gross profit	1,131	1,039	977	986	226	197	2,334	2,222
Selling and distribution costs	-533	-556	-359	-366	-203	-172	-1,095	-1,094
Divisional profit	598	483	618	620	23	25	1,239	1,128
Development costs							-442	-370
Management and administrative expenses							-421	-428
Other operating income and costs, net							-2	1
EBITA*							374	331
Amortization and impairment of acquired intangible assets							-89	-101
Gain (loss) on divestment of operations etc.							-1	1
Operating profit (loss)							284	231
Share of profit (loss) in associates							-	-46
Financial items							-140	-129
Profit (loss) before tax							144	56
Tax on profit (loss)							-32	-13
Profit (loss) for the period							112	43

Additional information	Hearing		Enterprise		Gaming & Consumer		Consolidated total	
	Q2 2024 (unaud.)	Q2 2023 (unaud.)	Q2 2024 (unaud.)	Q2 2023 (unaud.)	Q2 2024 (unaud.)	Q2 2023 (unaud.)	Q2 2024 (unaud.)	Q2 2023 (unaud.)
DKK million								
Revenue distributed geographically								
Europe	467	510	965	1,035	310	287	1,742	1,832
North America	918	819	410	451	443	382	1,771	1,652
Rest of World	407	390	410	375	169	145	986	910
Revenue	1,792	1,719	1,785	1,861	922	814	4,499	4,394
Revenue growth composition								
Organic growth	10%	15%	-3%	-23%	12%	-4%	5%	-8%
FX growth	-2%	-3%	-1%	-1%	1%	-1%	-1%	-2%
M&A growth	-4%	0%	0%	0%	0%	0%	-2%	0%
Revenue growth	4%	12%	-4%	-24%	13%	-5%	2%	-10%
Incurred development costs							-478	-431
Capitalized development costs							267	248
Amortization, impairment and depreciation of development projects**							-231	-187
Expensed development costs							-442	-370
EBITDA							473	444
Depreciation and software amortization							-99	-113
EBITA*							374	331
EBITA margin							8.3%	7.5%
Number of employees, end of period							7,162	7,483

* Excluding gain (loss) on divestments of operations etc. and amortization of acquired intangible assets but including amortization of development projects and software developed in-house.

** Does not include amortization of acquired intangible assets, cf. definition of EBITA

Note 2 – Segment disclosures YTD 2024

Income statement	Hearing		Enterprise		Gaming & Consumer		Consolidated total	
	YTD 2024 (unaud.)	YTD 2023 (unaud.)	YTD 2024 (unaud.)	YTD 2023 (unaud.)	YTD 2024 (unaud.)	YTD 2023 (unaud.)	YTD 2024 (unaud.)	YTD 2023 (unaud.)
DKK million								
Revenue	3,529	3,341	3,536	3,628	1,737	1,639	8,802	8,608
Production costs	-1,309	-1,323	-1,596	-1,759	-1,288	-1,263	-4,193	-4,345
Gross profit	2,220	2,018	1,940	1,869	449	376	4,609	4,263
Selling and distribution costs	-1,023	-1,143	-709	-731	-389	-345	-2,121	-2,219
Divisional profit	1,197	875	1,231	1,138	60	31	2,488	2,044
Development costs							-793	-737
Management and administrative expenses							-773	-804
Other operating income and costs, net							-10	1
EBITA*							912	504
Amortization and impairment of acquired intangible assets							-180	-203
Gain (loss) on divestment of operations etc.							11	-
Operating profit (loss)							743	301
Share of profit (loss) in associates							-6	-47
Financial items							-250	-254
Profit (loss) before tax							487	-
Tax on profit (loss)							-109	-
Profit (loss) for the period							378	-

Additional information	Hearing		Enterprise		Gaming & Consumer		Consolidated total	
	YTD 2024 (unaud.)	YTD 2023 (unaud.)	YTD 2024 (unaud.)	YTD 2023 (unaud.)	YTD 2024 (unaud.)	YTD 2023 (unaud.)	YTD 2024 (unaud.)	YTD 2023 (unaud.)
DKK million								
Revenue distributed geographically								
Europe	937	1,006	2,008	2,114	591	546	3,536	3,666
North America	1,811	1,581	758	792	815	779	3,384	3,152
Rest of World	781	754	770	722	331	314	1,882	1,790
Revenue	3,529	3,341	3,536	3,628	1,737	1,639	8,802	8,608
Revenue growth composition								
Organic growth	12%	15%	-2%	-15%	6%	4%	5%	-1%
FX growth	-2%	0%	-1%	0%	0%	-1%	-1%	0%
M&A growth	-4%	2%	0%	0%	0%	0%	-2%	0%
Revenue growth	6%	17%	-3%	-15%	6%	3%	2%	-1%
Incurred development costs							-898	-895
Capitalized development costs							474	497
Amortization, impairment and depreciation of development projects**							-369	-339
Expensed development costs							-793	-737
EBITDA							1,112	726
Depreciation and software amortization							-200	-222
EBITA*							912	504
EBITA margin							10.4%	5.9%
Number of employees, end of period							7,162	7,483

* Excluding gain (loss) on divestments of operations etc. and amortization of acquired intangible assets but including amortization of development projects and software developed in-house.

** Does not include amortization of acquired intangible assets, cf. definition of EBITA

Note 3 – Incentive plans

As of June 30, 2024, the total number of outstanding options in GN Store Nord is 4,908,940 (3.3% of the shares issued in GN Store Nord).

Note 4 – Shareholdings

On June 30, 2024, members of the board of directors and the executive management, respectively, own 70,123 and 44,254 shares in GN Store Nord.

On June 30, 2024, GN owns 5,300,179 treasury shares, equivalent to 3.5% of the 150,912,715 shares issued.

The GN stock is 100% free float, and the company has no dominant shareholders. William Demant Invest A/S has reported an ownership interest in excess of 10% of GN's share capital. Foreign ownership of GN is estimated to be around 70%.

Statements by the Executive Management and the Board of Directors

Today, the board of directors and the executive management have reviewed and approved the interim report for GN Store Nord A/S for the period January 1 – June 30, 2024.

The interim report, which has not been audited or reviewed by the company's auditors, has been prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the EU and Danish disclosure requirements for listed companies.

In our opinion, the interim report gives a true and fair view of the group's assets, liabilities, and financial position on June 30, 2024, and of the results of the group's operations and cash flows for the period January 1 – June 30, 2024.

Further, in our opinion the executive management's review gives a true and fair view of the development in the group's operations and financial matters, the results of the group for the period and the group's financial position as a whole and describes the significant risks and uncertainties pertaining to the group.

Ballerup, August 22, 2024

Executive Management

Peter Karlstromer
Group CEO

Søren Jelert
Group CFO

Board of Directors

Jukka Pekka Pertola
Chair

Klaus Hølse
Deputy Chair

Hélène Barnekow

Anette Weber

Jørgen Bundgaard Hansen

Kim Vejlbj Hansen

Leo Larsen

Cathrin Inge Hansen

Claus Holmbeck-Madsen



GN Store Nord A/S
Lautrupbjerg 7
2750 Ballerup
Denmark

+45 45 75 00 00
info@gn.com
gn.com
Co.reg. no 24257843