

Interim Report Q2 2021: GN Store Nord delivers 49% organic revenue growth driven by strong growth in both GN Hearing and GN Audio

-- GN Store Nord

- GN Store Nord delivered 49% organic revenue growth in Q2 2021
- EBITA reached DKK 635 million corresponding to an EBITA margin of 16.8% compared to 0.9% in Q2 2020, reflecting strong execution across the company
- Free cash flow excl. M&A was DKK 510 million in Q2 2021, primarily reflecting the growth in earnings
- Leverage of 1.3x net interest-bearing debt to EBITDA, compared to 1.6x by the end of Q1 2021
- GN to launch new innovative lifestyle product extending the Jabra Enhance line of hearing enhancement solutions
- The financial guidance is confirmed

-- GN Hearing

- GN Hearing delivered organic revenue growth of 95% in Q2 2021 in a market continuously impacted by the ongoing COVID-19 pandemic. The market recovery continues to vary significantly across regions and countries
- EBITA improved to DKK 153 million in Q2 2021 compared to DKK -336 million in Q2 2020 driven by the revenue growth and supported by prudent cost management, while continuing to invest in R&D and IT infrastructure
- Free cash flow excl. M&A was DKK 123 million in Q2 2021 compared to DKK -117 million in Q2 2020, mainly driven by the recovery in revenue and earnings

-- GN Audio

- GN Audio continued the strong performance and delivered 32% organic revenue growth in Q2 2021, driven by double-digit growth in both the enterprise and the consumer segment
- EBITA increased by 30% to DKK 532 million in Q2 2021 corresponding to an EBITA margin of 21.7%. The EBITA margin development primarily reflects the strong topline development on top of continued investments in future growth opportunities
- Free cash flow excl. M&A was DKK 371 million in Q2 2021 compared to DKK 579 million in Q2 2020 driven by the growth in earnings, but offset by a strong development in net working capital in Q2 2020
- GN Audio continues to work closely with suppliers of components to address demand

Quotes from executive management

Gitte Aabo, CEO of GN Hearing, comments: *"I'm pleased to see the strong execution across GN Hearing delivering 95% organic revenue growth in an all-in-all recovering global hearing aid market. We have during the quarter and throughout the pandemic invested relentlessly in R&D, and with the launch of our new Jabra Enhance line of products being the latest landmark in reaching entirely new types of customers with discreet hearing enhancement, we are positioned strongly to capture growth."*



René Svendsen-Tune, CEO of GN Audio, comments: “GN Audio continued to take significant market share in Q2 2021 in the enterprise segment with our innovative world leading office products. Our new Jabra PanaCast camera line-up, announced in April, started shipment during the summer and will support GN Audio’s continued growth as companies reinvent meetings and collaboration. We expect high demand for our products to continue as organizations invest in hybrid and flexible working solutions to prepare for the new normal following the pandemic.”

Financial overview Q2 2021

DKK million	GN Hearing			GN Audio			GN Store Nord*		
	Q2 2021	Q2 2020	Growth	Q2 2021	Q2 2020	Growth	Q2 2021	Q2 2020	Growth
Revenue	1,322	715	85%	2,456	1,944	26%	3,778	2,659	42%
Organic growth	95%	-54%		32%	32%		49%	-13%	
Gross profit	832	332	151%	1,264	1,009	25%	2,096	1,341	56%
Gross margin	62.9%	46.4%	+16.5%p	51.5%	51.9%	-0.4%p	55.5%	50.4%	+5.1%p
EBITA	153	-336	NA	532	408	30%	635	25	
EBITA margin	11.6%	-47.0%	+58.6%p	21.7%	21.0%	+0.7%p	16.8%	0.9%	+15.9%p
Earnings per share (EPS) - DKK							3.29	0.06	
Free cash flow excl. M&A	123	-117	+240	371	579	-208	510	517	-7
Cash conversion	80%	NA	NA	70%	142%	-72%p	80%	2,068%	

* Including "Other"

Teleconference

GN Store Nord will host a teleconference at 11.00 a.m. CEST today. Please visit 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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About GN Group



The GN Group enables people to Hear More, Do More and Be More through its intelligent hearing, audio and video collaboration solutions. Inspired by people and driven by our innovation leadership, we leverage technological synergies to deliver unique and increasingly individualized user experiences in our products and solutions.

150 years ago, GN was founded with a truly innovative and global mindset. Today, we honor that legacy with world-leading expertise in the human ear, sound and video processing, wireless technology, miniaturization and collaborations with leading technology partners. GN's solutions are marketed by the brands ReSound, Beltone, Interton, Jabra, BlueParrott and FaCom in 100 countries. Founded in 1869, the GN Group employs 6,500 people and is listed on Nasdaq Copenhagen (GN.CO).

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