

**Annual Report 2018: GN delivers on guidance with 13% organic growth and EBITA margin increase – 18% organic growth in Q4 2018****Financial highlights 2018**

- GN delivered DKK 10.6 billion revenue with organic growth at 13%
- EBITA reached DKK 2.0 billion, with an EBITA margin increase of 0.2 percentage points, based on strong execution in GN Hearing and GN Audio
- EPS was DKK 9.25, an increase of 15% compared to 2017
- DKK 1.2 billion was returned to shareholders via dividends and share buybacks during the year

GN Store Nord continued to deliver strongly on the 2017 – 2019 strategy: Hear more, Do more, Be more. **Organic revenue growth was 13%** based on strong execution in both GN Hearing and GN Audio. EPS increased 15%. With important product launches during the year, **GN is well positioned for 2019 and beyond.**

During 2018, GN Hearing continued the successful commercialization of the ReSound LiNX 3D family of premium products. Also, GN Hearing strengthened its superior product offering with the **launch of ReSound LiNX Quattro**: the world's first Premium-Plus hearing aid. A new chip platform allows ReSound LiNX Quattro users to benefit from a brilliant sound experience and the world's most advanced rechargeable solution. The performance during the year led to **7% organic revenue growth**, with 10% organic growth in Q4, which creates a strong growth platform for 2019 and onwards.

GN Audio further strengthened its world-leading position in the attractive Call Center & Office (CC&O) market during 2018. **Very strong performance across regions and channels** driven by new product launches led to 21% organic revenue growth and 26% growth in EBITA. GN Audio achieved **very significant growth in the CC&O segment** with strong organic revenue growth in all three sales regions. GN Audio's ongoing repositioning of the consumer business resulted in strong organic revenue growth, driven among other by the **very successful true wireless Jabra Elite family**.

**Financial highlights Q4 2018**

- GN Store Nord delivered 19% revenue growth in Q4 2018. Organic growth was 18%. EBITA increased by 9% to DKK 688 million, equal to an EBITA margin of 21.6%
- GN Hearing delivered 10% revenue growth in Q4 2018. Organic growth was also 10%, driven by continued strong performance in the independent market. EBITA decreased by 3% to DKK 385 million, with the EBITA margin reaching 23.4%, reflecting development from foreign exchange rates and R&D capitalization fluctuations as a function of timing of product launches
- GN Audio delivered 31% revenue growth in Q4 2018. Organic growth was 28%, driven by strong performance across the CC&O and the consumer business. EBITA increased by 28% to DKK 348 million, with the EBITA margin reaching 22.6%

### Shareholder returns – Dividend and share buyback proposal

During 2018, GN continued to deliver attractive shareholder returns on the back of the solid cash flow generation. GN has distributed around DKK 1.2 billion to shareholders in 2018 via dividends and share buybacks.

At the Annual General Meeting on March 21, 2019, the Board of Directors will propose to pay out DKK 1.35 per share in dividend for the fiscal year 2018, compared to DKK 1.25 per share in 2017.

The current one-year DKK 1 billion share buyback program will be concluded no later than March 14, 2019. As communicated in the Annual Report 2016, the Board of Directors intends to buy back shares worth DKK 3 billion during GN's 2017 – 2019 strategy period. At the upcoming Annual General Meeting, the Board of Directors will propose a new one-year share buyback program of DKK 1 billion.

### Financial guidance 2019

GN is entering the last year of the strategy 2017 – 2019: Hear More, Do More, Be More, where GN has set ambitious financial targets:

2017 – 2019 strategy targets	GN Hearing	GN Audio	GN Store Nord
Organic growth	6-8%	6-9%	
EBITA margin	20-22%	17-19%	
Effective tax rate			~22%

Based on the strong current momentum in both GN Hearing and GN Audio as well as the industry-leading product portfolios, GN is well positioned for 2019 and beyond. The financial outlook for 2019 assumes continued strong profitable growth:

Financial guidance for 2019	GN Hearing	GN Audio	GN Store Nord
Organic growth	~7%	>15%	
EBITA margin	>20%	>19%*	
Effective tax rate			~23%

\* Before extraordinary one-off costs related to the acquisition of Altia Systems Inc. (announced on 19 February 2019), which impact GN Audio's EBITA margin negatively by around 1 percentage point in 2019. The acquisition is expected to be accretive to GN Audio's financials from 2020

EBITA in "Other" is expected to be around DKK (150) million. The majority of the cost is related to shared functions servicing both GN Hearing and GN Audio. In addition, GN will continue to actively research and explore future business opportunities outside the current area of operation in GN Hearing and GN Audio, leveraging on the core knowledge and competencies of the Group.

In 2019, GN Store Nord targets a double-digit percentage increase in earnings per share (EPS).



### Quotes from executive management

Jakob Gudbrand, CEO of GN Hearing, comments: *"I am excited to take over the baton and drive further innovation and growth. Our current products and our pipeline are very strong, which bodes well for 2019 and beyond."*

René Svendsen-Tune, CEO of GN Audio, comments: *"We have fortified our position as the undisputed world leader in Unified Communications with products that help businesses achieve productivity improvement and work smarter. This is a market that will continue to expand and we will continue to lead with the most innovative products and the best commercial team."*

Marcus Desimoni, CFO of GN Store Nord, comments: *"In 2018, we delivered on our guidance, fully and again – and we returned DKK 1.2 billion to our shareholders via dividends and share buybacks. For 2019, we have set ambitious financial targets, which would result in us taking further market share across businesses and to drive continued shareholder value."*

### Teleconference

GN Store Nord will host a teleconference at 11.00 a.m. CET today. 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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### About GN Group

The GN Group is a global leader in intelligent audio solutions that let you hear more, do more and be more than you ever thought possible. Our ambitious 150-year journey has taken us from telegraph cables to radio waves and intelligent audio engineering. To celebrate our anniversary, we look to our unique competences within medical, professional and consumer audio solutions to help us continue to transform lives through the power of sound.

GN was founded with a truly innovative and global mindset. Today, we honor that legacy with world-leading expertise in the human ear, sound, wireless technology, miniaturization and collaborations with leading technology partners. GN's solutions are marketed by the brands ReSound, Beltone, Interton, Jabra and BlueParrott in 100 countries. Founded in 1869, the GN Group employs 6,000 people and is listed on Nasdaq Copenhagen (GN.CO).

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