



Interim Report Q3 2020 – Conference call presentation

November 11, 2020

Safe harbor statement

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.

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).

This presentation should not be considered an offer to sell or buy securities in GN Store Nord.

Agenda



Group highlights

GN Hearing update

GN Audio update

Financial guidance

Group financial highlights Q3 2020

Continued impact from COVID-19

- In Q3 2020, GN was affected in two ways by COVID-19:
 - GN Audio experienced strong demand as enterprises continued to invest in employees working from home, and
 - GN Hearing experienced emerging recovery with continued impact from local COVID-19 restrictions

29% organic revenue growth and 84% EPS* growth

- Organic revenue growth of 29% driven by outstanding performance in GN Audio and emerging recovery in GN Hearing
- Strong revenue growth combined with continued prudent focus on cost, led to 48% growth in EBITA*
- 84% growth in EPS*

Sound balance sheet

- Significant cash flow generation driving DKK 0.5 billion decrease in net interest-bearing debt during Q3 2020
- Balance sheet remains sound with ample sources of liquidity

DKK million	Q3 2020	Q3 2019	Growth
Revenue	3,739	2,999	+25%
<i>Organic growth</i>	29%	13%	
Gross profit	2,098	1,828	+15%
<i>Gross margin</i>	56.1%	61.0%	-4.9%p
EBITA*	795	538	+48%
<i>EBITA margin*</i>	21.3%	17.9%	+3.4%p
Profit before tax*	801	451	+78%
Net profit*	623	345	+81%
EPS*	4.78	2.60	+84%
ROIC**	20%	24%	-4%p
Free cash flow excl. M&A*	612	563	49
<i>Cash conversion*</i>	77%	105%	-28%p
NIBD/EBITDA*	2.2x	2.1x	
Number of employees***	6,275	6,300	0%

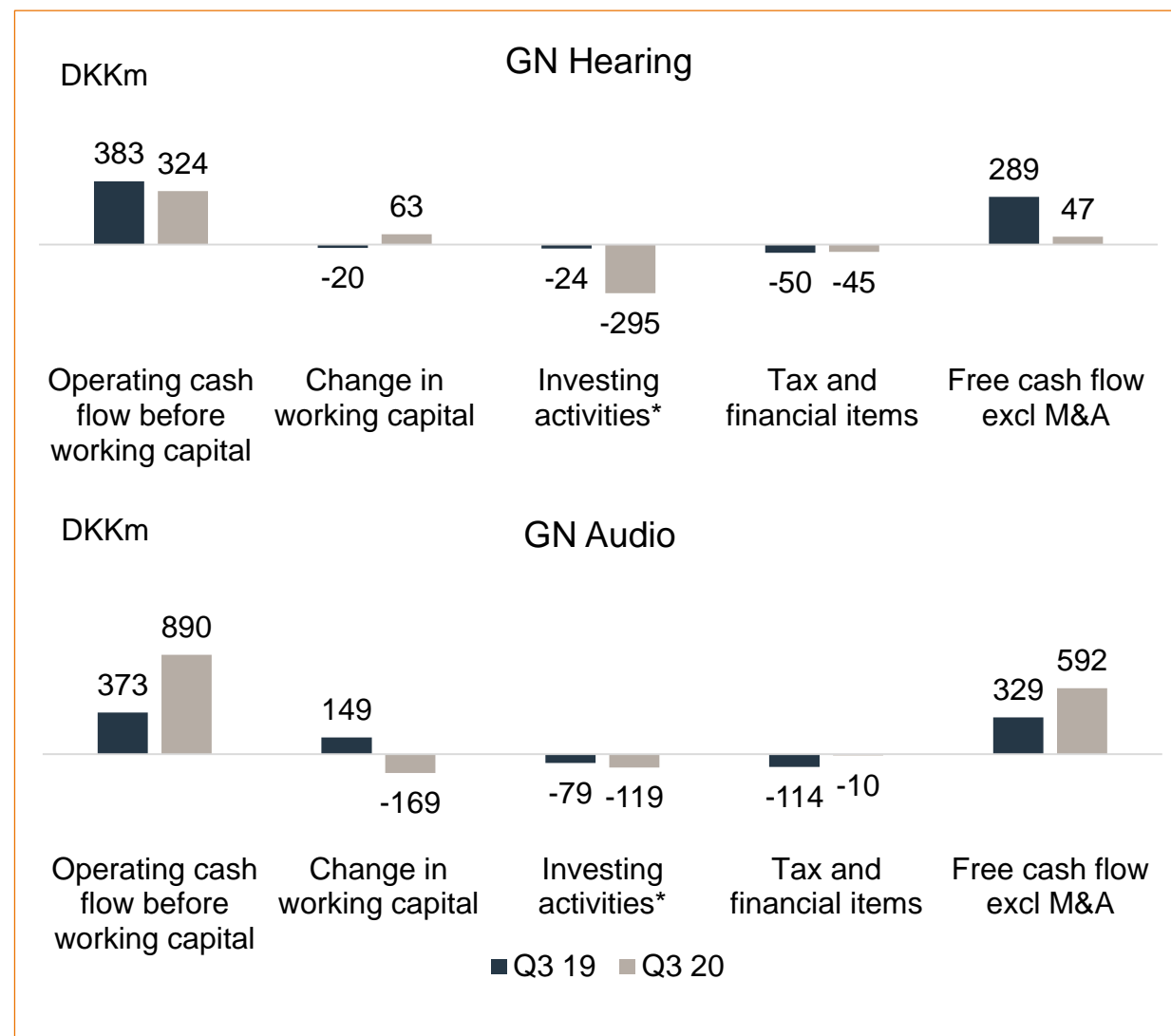
* Including gain from legal settlements and litigation of DKK 114 million

** EBITA (rolling four quarters) / avg. invested capital

*** Number of employees, end of period (rounded)

Continued focus on cash flow

- GN Hearing's free cash flow excl. M&A in Q3 2020 reflects the lower revenue level
 - Prudent cost control
 - Positive development in working capital
 - Channel investments
- GN Audio's free cash flow excl. M&A in Q3 2020 reflects the strong revenue and earnings growth
 - Continuous leverage
 - Negative development in working capital
 - Investment activities ongoing
- Focused and prudent management of cash flow continues



*Excluding M&A activities

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GN Hearing financial highlights Q3 2020

In Q3 2020, GN Hearing experienced emerging recovery with organic revenue growth of -11%

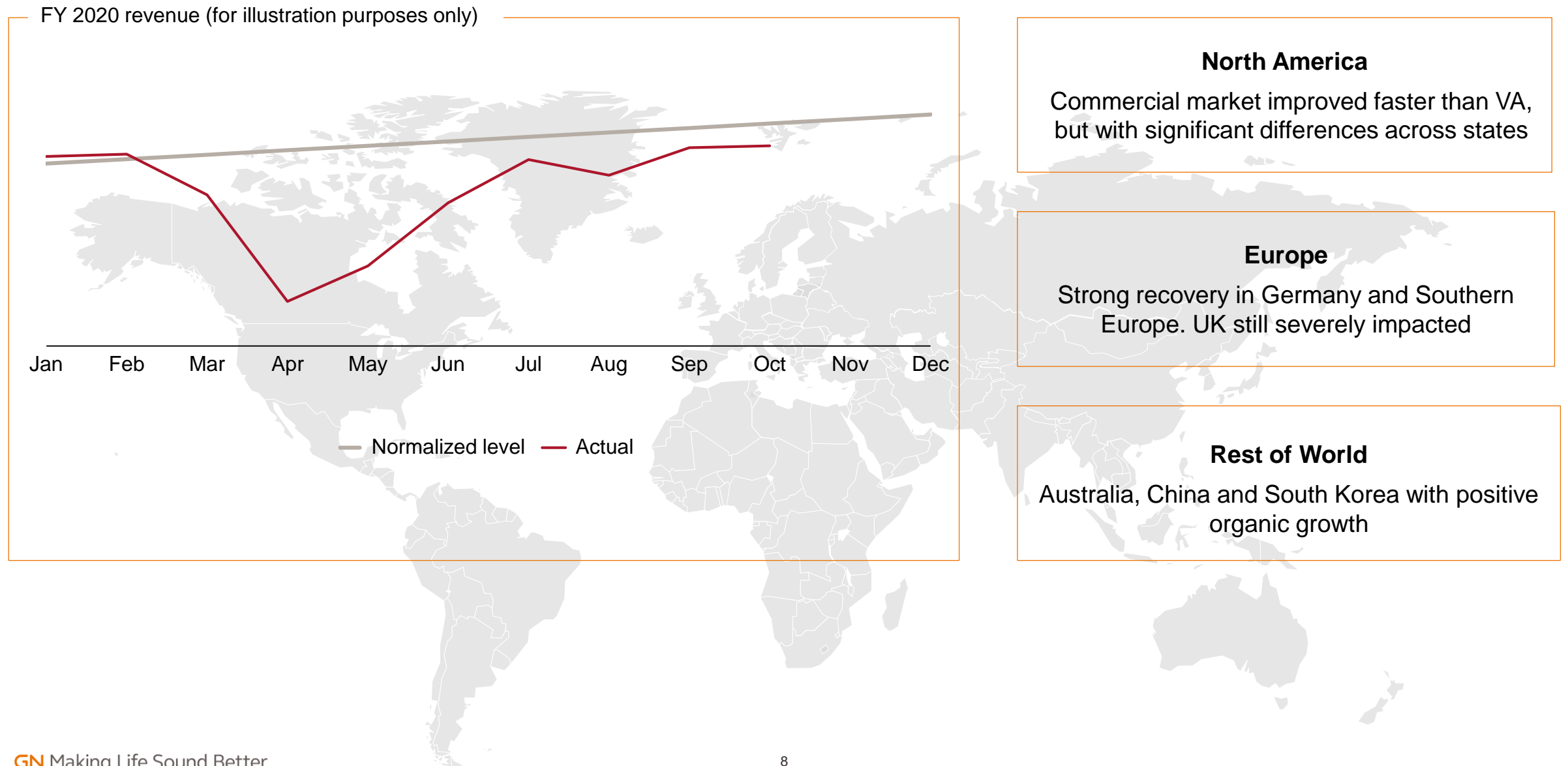
- Organic revenue growth of -11% in Q3 2020. Revenue growth of -14%, including impact of around -1% from FX and around -2% impact from M&A
- Emerging recovery in revenue generation from low-point in April 2020
- Gross margin lower as a result of the fixed part of production costs and mix effects
- EBITA was DKK 169 million in Q3 2020 due to the decline in revenue more than offsetting OPEX reductions
- Free cash flow excl. M&A of DKK 47 million, reflecting a positive working capital development, prudent cost control and channel investments

DKK million	Q3 2020	Q3 2019	Growth
Revenue	1,318	1,537	-14%
<i>Organic growth</i>	-11%	8%	
Gross profit	859	1,053	-18%
<i>Gross margin</i>	65.2%	68.5%	-3.3%p
EBITA	169	283	-40%
<i>EBITA margin</i>	12.8%	18.4%	-5.6%p
ROIC*	4%	18%	-14%p
Free cash flow excl. M&A	47	289	-242
<i>Cash conversion</i>	28%	102%	-74%p
Number of employees**	4,275	4,525	-6%

* EBITA (rolling four quarters) / avg. invested capital

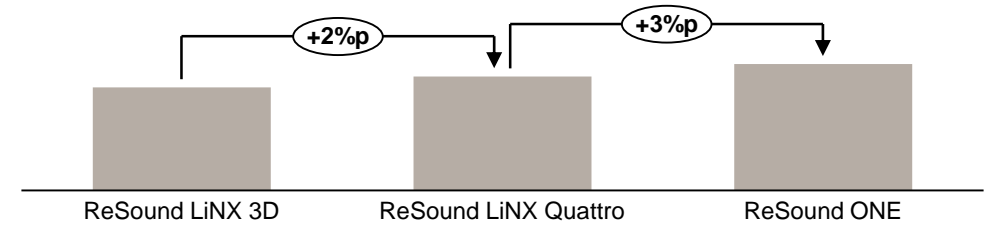
** Number of employees, end of period (rounded)

Emerging recovery leading to -11% organic growth in the quarter



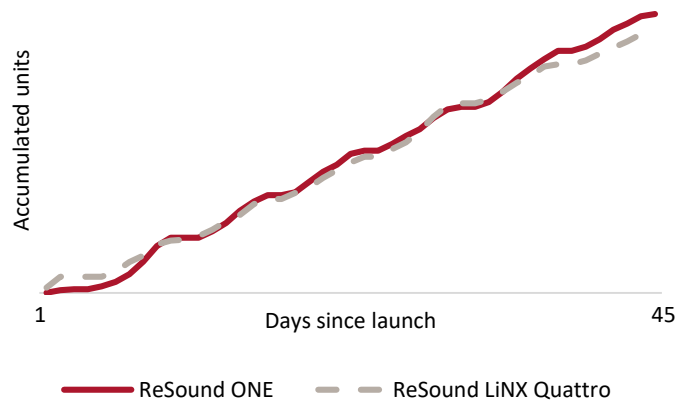
Encouraging initial reception of **ReSound ONE**

ReSound ONE share of total revenue*



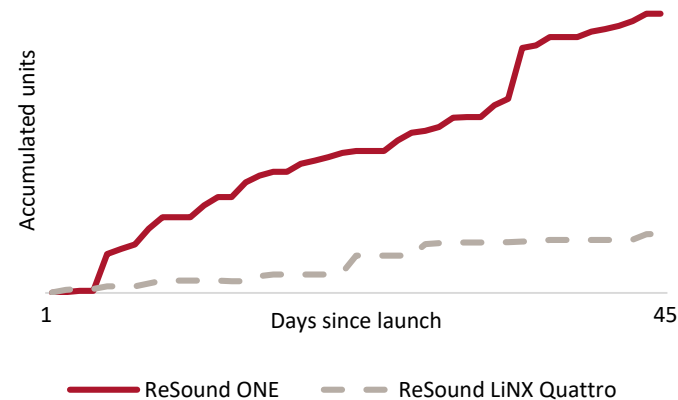
US Commercial

Unit uptake since launch



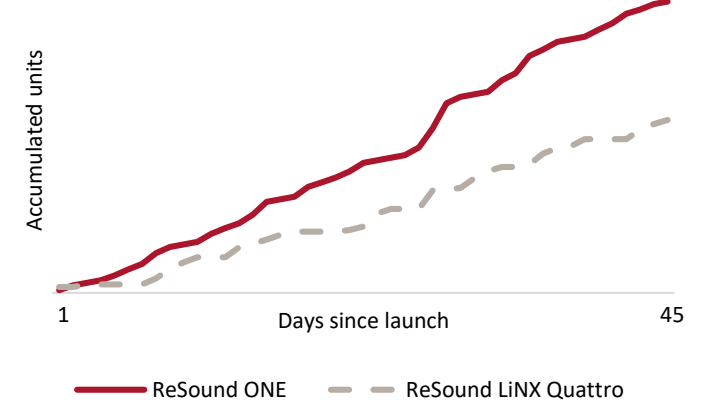
Germany

Unit uptake since launch



Japan

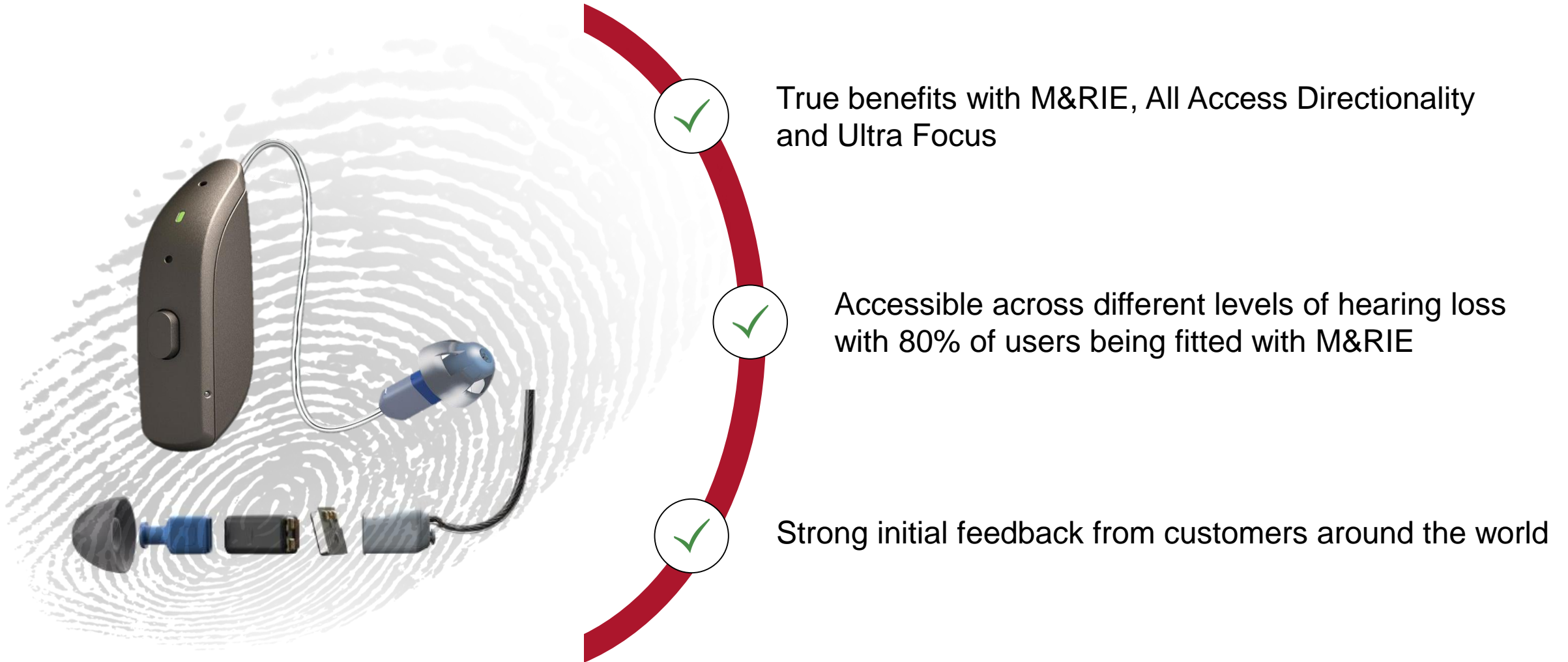
Unit uptake since launch



... with like-for-like ASP uplift vs. ReSound LiNX Quattro

* Compared to earlier launches 45 days into the launch

ReSound ONE brings a truly individualized customer experience for all listening situations



Update on strategy execution for 2020 and beyond: Commercialization of ReSound ONE



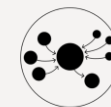
Individualized customer experience

- Launched ReSound ONE – hear like no other – with Organic Hearing, individualized first fit and stronger user control for noisy environments
- Introduction of face mask program allowing for a more individualized customer experience in difficult situations



Innovation leadership

- ReSound ONE the 1st hearing aid to introduce M&RIE, All Access Directionality and Ultra Focus



Commercial & ecosystem excellence

- Commercialization of ReSound ONE across all major hearing aid markets including global virtual launch event with over 10,000 enrolled
- Continue to work with hearing care professionals to navigate the COVID-19 environment
- Restructuring and process alignment of global footprint and supply chain

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GN Audio update

Financial guidance

GN Audio financial highlights Q3 2020

In Q3 2020, GN Audio delivered outstanding 72% organic revenue growth, driven by continued strong demand for enterprise products

- Organic revenue growth of 72% in Q3 2020 on top of 20% organic growth in Q3 2019. Revenue growth of 66%, including impact of around -5% from FX
- Continued high double-digit organic revenue growth across regions in the Enterprise segment while the Consumer business returned to strong double-digit growth
- Gross margin decreased compared to Q3 2019 driven by increased freight and production costs due to COVID-19 and tariffs
- EBITA increased 129% (including gain from legal settlements and litigation), equaling an EBITA margin of 27.4%, reflecting continuous leverage in the business
- Free cash flow excl. M&A* of DKK 592 million, reflecting the strong growth in earnings on top of a negative development in working capital

DKK million	Q3 2020	Q3 2019	Growth
Revenue	2,421	1,462	+66%
<i>Organic growth</i>	72%	20%	
Gross profit	1,239	775	+60%
<i>Gross margin</i>	51.2%	53.0%	-1.8%p
EBITA*	664	290	+129%
<i>EBITA margin*</i>	27.4%	19.8%	+7.6%p
ROIC**	69%	55%	+14%p
Free cash flow excl. M&A*	592	329	263
<i>Cash conversion*</i>	89%	113%	-24%p
Number of employees***	1,775	1,600	+11%

* Including gain from legal settlements and litigation of DKK 114 million

** EBITA (rolling four quarters) / avg. invested capital

*** Number of employees, end of period (rounded)

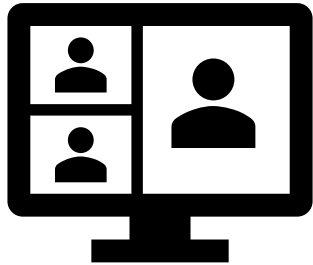
Launch of Jabra Elite 85t

- In September 2020, GN Audio announced the launch of Jabra Elite 85t and an upgrade to Jabra Elite 75t
- Jabra introduces Active Noise Cancellation (“ANC”) to its award-winning compact true wireless portfolio with the all new Elite 85t and upgraded Elite 75t series
- The Jabra Elite 85t is engineered to defy the boundaries of how much noise can be removed in a set of true wireless earbuds. It features Jabra’s most advanced and powerful ANC technology, without compromising on the size or the signature design

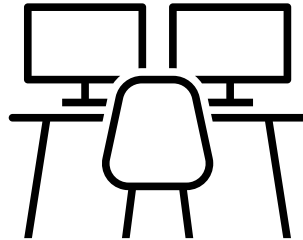


Key accelerating working trends creating opportunities for GN Audio

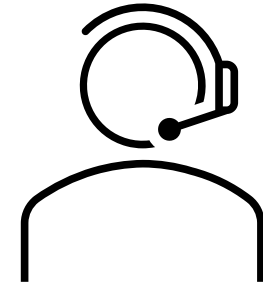
Strong UC uptake and virtual meetings



Flexible working



Need for professional headsets and video equipment



Update on strategy execution for 2020 and beyond: Strong execution across



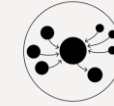
Individualized customer experience

- Sustained investments into innovation at a high pace with the aim of keeping up cadence of launching world leading products and experiences



Ecosystem-led innovation

- Launch of Jabra Elite 85t and an upgrade to Jabra Elite 75t introduces Active Noise Cancellation to the award-winning true wireless portfolio



Sustainable commercial & operational excellence

- Multiple sustainability initiatives including a rapid shift towards more sustainable packaging with reduced usage of plastic and paint

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Financial guidance 2020

COVID-19 risks

On October 9, 2020, GN Store Nord upgraded the financial guidance for GN Audio for 2020, all other parameters were unchanged. The guidance is confirmed, but due to the COVID-19 – which impacts the company in many ways – it must be stressed that the basic assumptions behind the guidance remain significantly more uncertain than normal

The COVID-19 situation has and will not only strongly impact GN's operational performance in 2020, but it will also impact predictability and visibility across GN's markets, channels and supply chain

The financial guidance is contingent on no further re-tightening of COVID-19 related lockdown restrictions or new supply chain constrains

GN Hearing

For full year 2020, GN Hearing expects an organic revenue growth to be better than -30%, and an EBITA margin of better than 0%

GN Audio

For full year 2020, GN Audio expects an organic revenue growth of more than 35%, and an EBITA margin of more than 21%. The EBITA margin expectation for GN Audio is before any extraordinary items related to legal settlements and litigation

Other and EPS

For full year 2020, EBITA in "Other" is expected to be around DKK -180 million

GN Store Nord expects to deliver a positive EPS for full year 2020. This EPS expectation is before any extraordinary items related to legal settlements and litigation

Peter la Cour Gormsen new CFO of GN Store Nord as of January 1st, 2021



- **Career:**
 - Since 2015, Chief Financial Officer of GN Audio
 - Deep knowledge of GN and a strong contributor to GN Audio's impressive growth journey. Peter brings extensive global finance leadership experience and extensive knowledge within international management, finance, IT, and supply chain
 - Prior financial positions in Novo Nordisk, Novozymes and Chr. Hansen, and international experience from living and working in the US
- **Education:** M.Sc. in Economics/Finance from Aarhus University
- **Nationality:** Danish
- **Born:** 1974



Q&A

www.gn.com

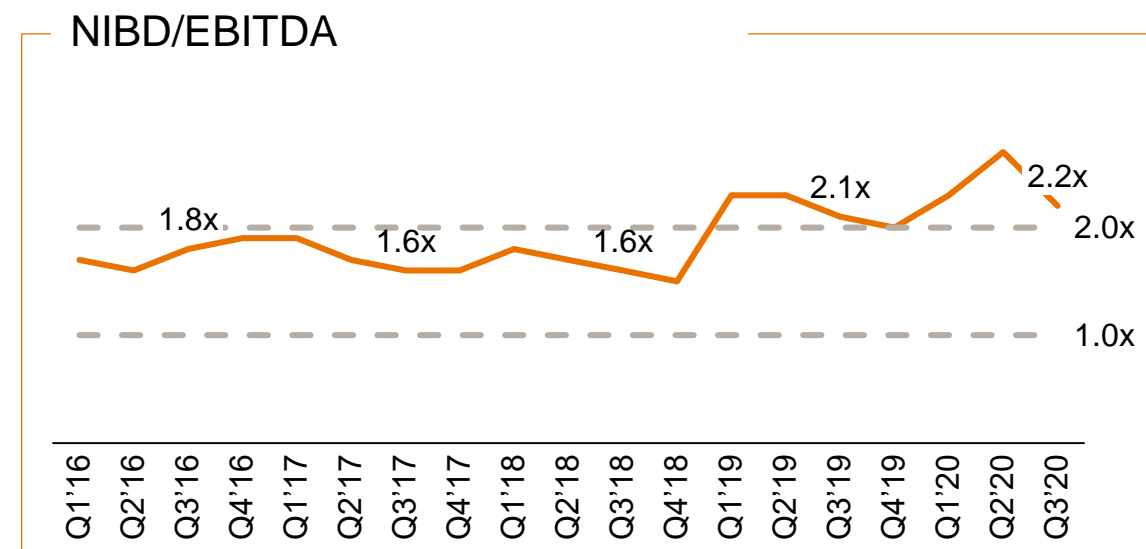
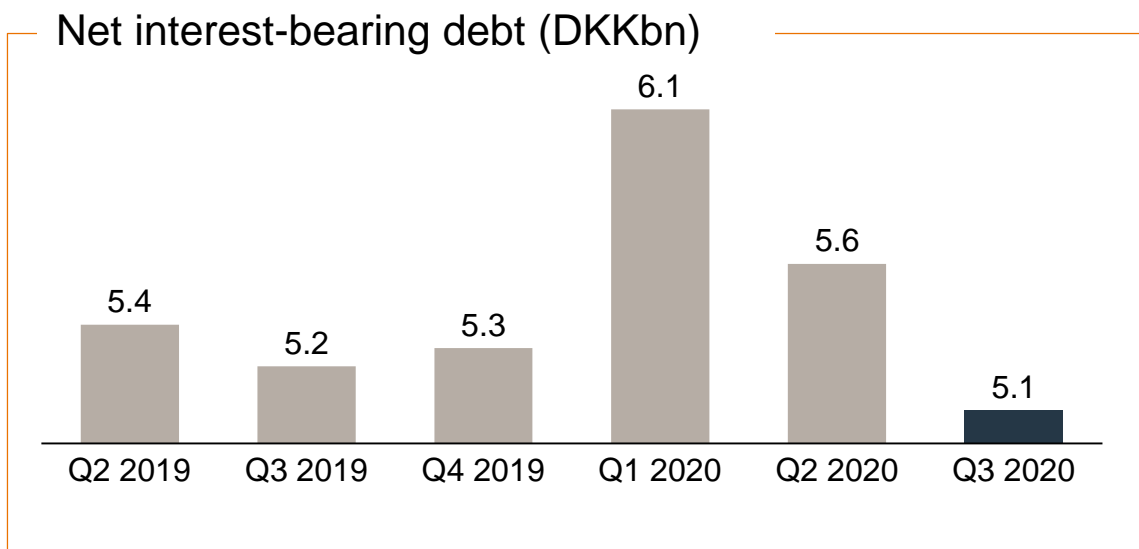
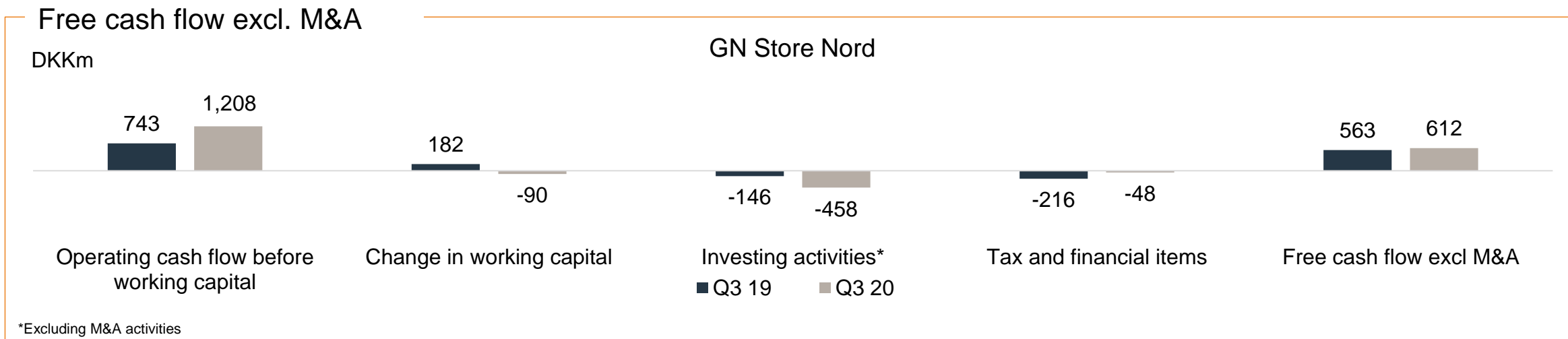
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Appendix

Healthy balance sheet preserved



GN Store Nord – five-year performance

DKK million	2015	2016	2017	2018	2019
GN Store Nord					
Revenue	7,755	8,651	9,585	10,607	12,574
Organic growth	6%	6%	8%	13%	15%
Gross margin	61.2%	62.4%	62.7%	62.0%	60.3%
EBITA	1,383	1,583	1,744	1,956	2,321
EBITA margin	17.8%	18.3%	18.2%	18.4%	18.5%
Operating profit	1,149	1,445	1,558	1,796	2,002
Financial items	-138	-52	-60	-203	-92
Profit before tax	1,016	1,395	1,504	1,606	1,913
Effective tax rate	26%	22%	25%	22%	23%
Net profit	747	1,086	1,122	1,247	1,468
ROIC (EBITA/Invested capital)	20%	20%	21%	24%	25%
Free cash flow excl. M&A	607	1,179	1,134	1,110	1,296
Cash conversion*	44%	74%	65%	57%	56%
EPS	4.79	7.34	8.07	9.25	11.12

* Free cash flow excl. M&A / EBITA

GN Hearing – five-year performance

DKK million	2015	2016	2017	2018	2019
GN Hearing					
Revenue	4,526	5,156	5,615	5,833	6,351
Organic growth	9%	6%	6%	7%	7%
Gross margin	67.4%	69.0%	69.4%	69.2%	69.0%
EBITA	921	1,062	1,153	1,194	1,284
EBITA margin	20.3%	20.6%	20.5%	20.5%	20.2%
ROIC (EBITA/Invested capital)	16%	17%	18%	19%	19%
Free cash flow excl. M&A	456	704	866	574	672
Cash conversion*	50%	66%	75%	48%	52%

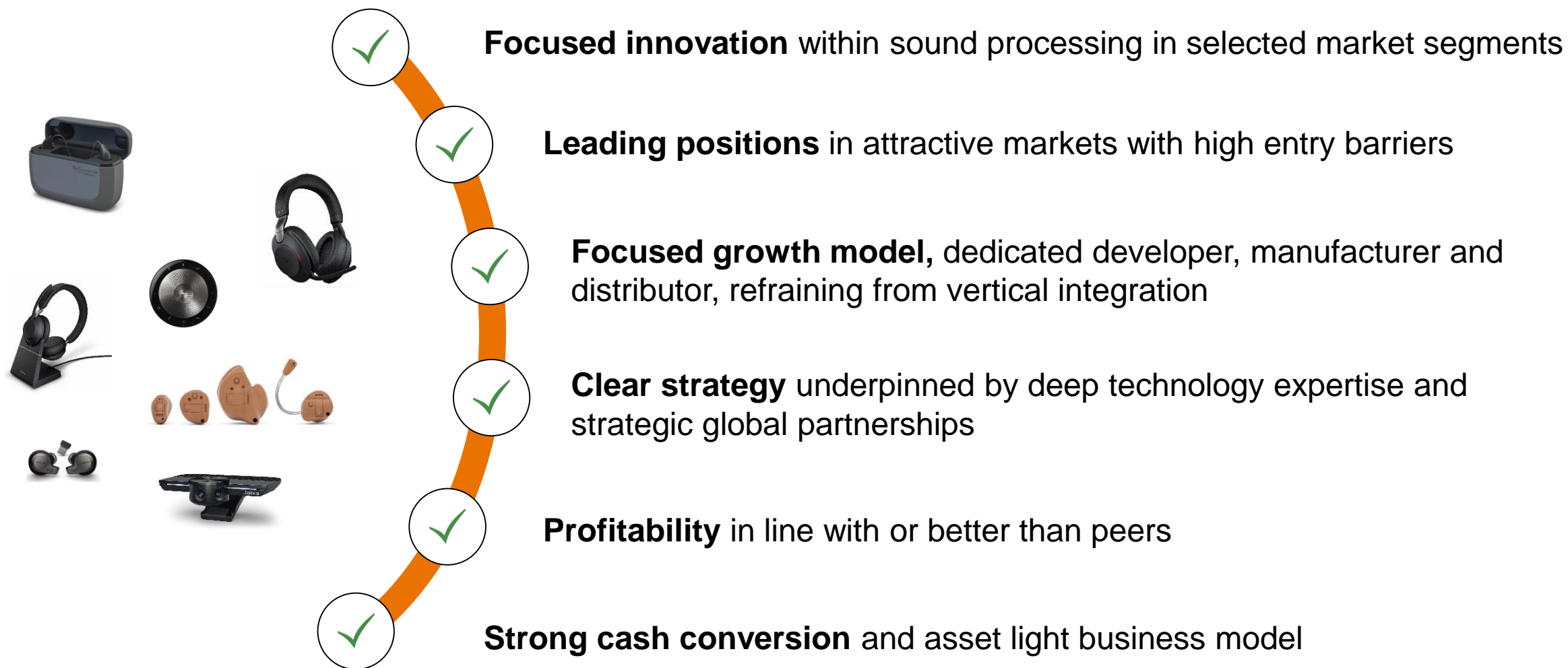
* Free cash flow excl. M&A / EBITA

GN Audio – five-year performance

DKK million	2015	2016	2017	2018	2019
GN Audio					
Revenue	3,229	3,495	3,970	4,774	6,223
Organic growth	2%	7%	10%	21%	26%
Gross margin	52.6%	52.7%	53.2%	53.2%	51.5%
EBITA	540	597	721	905	1,192
EBITA margin	16.7%	17.1%	18.2%	19.0%	19.2%
ROIC (EBITA/Invested capital)	47%	41%	46%	59%	57%
Free cash flow excl. M&A	271	523	481	798	849
Cash conversion*	50%	88%	67%	88%	71%

* Free cash flow excl. M&A / EBITA

GN's investment case is intact

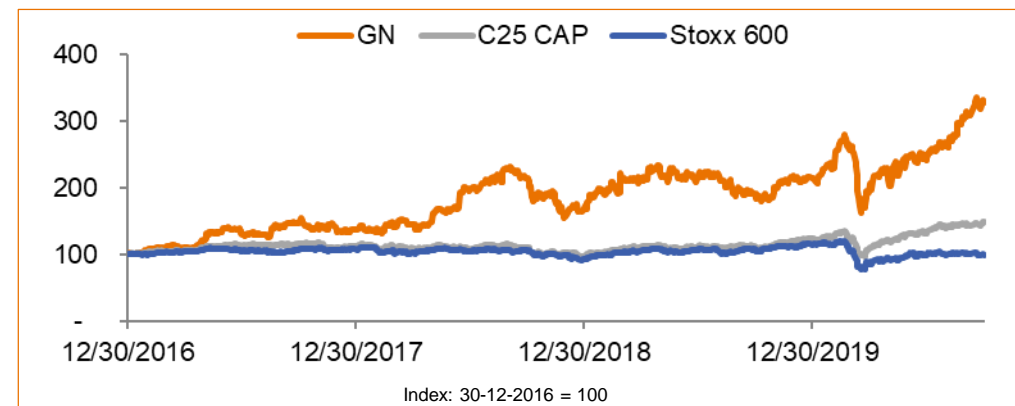


GN Store Nord share overview

Share information

- GN has a share capital of DKK 569,072,400, which is consisting of 142,268,100 shares, each carrying four votes. GN has one share class, and there are no restrictions on ownership or voting rights
- GN is, among others, included in the C25 and Large Cap indexes on Nasdaq Copenhagen as well as the Stoxx Europe 600 index and MSCI Europe mid cap
- Ticker symbols: GN:DC (Bloomberg) and GN.CO (Reuters)
- Number of registered shareholders: Around 25,000 (End Q3 2020)
- Treasury shares: 13,455,207. 9.5% of share capital (End Q3 2020)
- Market cap: DKK 62 billion (End Q3 2020)
- Largest shareholders:
 - APG Asset Management N.V. (>5%)

Share price development (3 years)



Financial calendar

Date	Event
February 11, 2021	Annual Report 2020
March 17, 2021	Annual general meeting
May 6, 2021	Q1 2021
August 19, 2021	Q2 2021
October 29, 2021	Q3 2021