Gitte P. Aabo – CEO, GN Hearing



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GN Hearing CEO Gitte Aabo highlights the significant unmet needs of hearing impairment patients, the role of private companies like GN in fighting against stigmas surrounding hearing aids, the digital innovations occurring in the space, and her leadership strategy moving forward.



Two years ago, you left LEO Pharma to take over at GN Hearing. For you personally, why was it the right time to make this change?

I spent 27 years at LEO Pharma, first joining the company as an assistant in finance. When I was elected CEO, I reflected on the fact that my contribution to the company would be limited by time

spent in the role. After seeing others stay in the company for too long, I wrote myself a letter to serve as a reminder to avoid getting too comfortable in this position.

This allowed for an open conversation with the board, and we discussed that following more than 10 years as CEO, it would be time for the company and myself to move on. Consequently, LEO Pharma was able to easily transition the role of CEO to Catherine Mazzacco and I – later – moved to GN Hearing.

What was it about GN Hearing that attracted you to the company?

Before I joined GN Hearing as CEO, I was a member of the board and therefore familiar with the company. I was attracted to GN Hearing because of the company's strong purpose: to make life sound better. The products GN Hearing manufactures make a significant difference to people's lives and this sense of changing people's lives for the better was important for me when initially joining the board and then accepting the role of CEO. Moreover, I was interested in a change and inspired by the shorter development timelines in the MedTech industry compared to pharmaceuticals.

From a management perspective, what did you have to do to navigate the company through the last two years through the COVID-19 pandemic?

COVID began impacting GN Hearing in January 2020 with manufacturing suspended for several weeks in our large production sites in China. In the middle of March 2020, when the entire world shut down, GN Hearing's sales were significantly affected and dropped almost 80 percent. Immediately, cost-saving measures were put in place due to the uncertainty of the future and to maintain cash in hand. However, GN Hearing and its business model are centred around innovation. We continued investing in R&D and we're proud to deliver a remote solution for fitting hearing aids to the market by April 2020.

From a leadership point of view, it was like running an emergency unit. There was no time to do different tests, we needed to start working and then make adjustments along the way to ensure we controlled our cash and minimized the immediate effects of the pandemic.

What is the perspective for GN Hearing as we begin to emerge from this period?

Many of GN Hearing's key markets, such as the US, Europe, and parts of APAC, have come back strongly. However, it is a mixed picture with markets like Japan persistently affected by restrictions until the end of September.

From an employee perspective, there are also differences between regions. In Denmark, offices are operating at approximately half the capacity we had before COVID. Around the world, many are continuing to work from home. I believe this trend will continue into the future with some tasks more suited to being completed at home, allowing more flexibility in employees' everyday lives.

What is the burden of untreated hearing loss on individuals?

By the age of 75, more than half of the population will experience age-related hearing loss. One of the main problems is that hearing loss has a profound impact on one's ability to interact with others. This negatively impacts an individual's social interactions, leads to feelings of loneliness, and affects cognitive health profoundly, impacting one's mental wellbeing. Additionally, severe untreated hearing loss can cause a fivefold increase in the risk of developing dementia.

Furthermore, the whole hearing aid industry reaches only one in five individuals with hearing loss as wearing a hearing aid still carries a certain degree of stigma. Therefore, many individuals choose not to use one and suffer the consequences on their mental wellbeing through the lack of this crucial human sense.

What do you see as the role of private companies in fighting against this stigma?

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GN Hearing has conducted extensive consumer research to understand the factors preventing people from wearing a hearing aid. The stigma primarily concerns the hearing aid itself and its perception of old age as opposed to the individual's loss of hearing and the act of telling people about it.

Therefore, GN Hearing needs to rethink its product offering. The company has recently announced a new product to bring to market that is a combination of a hearing aid and true wireless earbuds

with a modern earbud appearance.

There is a psychological barrier in the purchasing decision for hearing aids in general. It is a device people do not want and that they will need to use every day for the rest of their lives. This is difficult to sell to the consumer. For that reason, combining wireless earbuds and with the hearing device makes this purchasing decision easier for younger consumers.

Additionally, new hearing aids need to be connected to individuals' smartphones to have additional uses beyond improving hearing and operate as a multipurpose headset.

Do you envision these new premium solutions being reimbursed in countries with social healthcare systems?

Hearing aids are already reimbursed to some extend in many European markets. In other markets such as the US, health insurance through an employee's company can also cover hearing aids. For the more premium hearing aid products, I believe theywill continue to be reimbursed as they become the mainstream hearing aid product. Moreover, further changes to eligible products for reimbursements will continue to grow GN Hearing's market share. Recent reimbursement rule changes in France doubled the size of the French market over the first few months of this year.

What have you found to be the challenges of bringing these new products to market?

GN Hearing is generally the first to embrace new technology to the benefit of its patients. New product launches were expected for the second half of 2021 to bring a new and unique way of providing sound to the user without the use of hearing aids. However, by innovating with these products, certain issues could not be resolved late in the process and therefore these product launches have been pushed to 2022.

What are your key geographies at the moment and do you foresee this changing in the future?

The US and Japan are GN Hearing's two biggest markets with Germany and France also being large markets. In the global hearing aid market, Germany is the second-largest market. However, the company has not yet established as large of a market share as it would like in Germany, showing

that there is still room to grow in Europe.

China presents the greatest opportunity for hearing aid companies such as us with less than five percent of people with hearing loss in the country using hearing aids. Therefore, it is essential to grow the market in China by exploring new and innovative ways of reaching the end-user within the country.

What is the level of interaction between the different parts of GN Group?

There is a lot of interaction in the company with shared support functions such as HR, finance, and, most notably, R&D. Moreover, the collaboration with GN Audio and Jabra Enhance Plus, the product that combines the wireless earbuds and the hearing aids, brings the groups different expertises together for the processing of sound.

Additionally, some of the company's headsets include the feature to test hearing. GN Group has learned from its many years in the hearing aid space that the way one hears is as unique as a fingerprint. As a result, the company's headsets can be tailored for each individual's unique sense of hearing to give the user the best possible sound experience.

What do you see as the main benefits of being a global firm with headquarters and a heritage in Denmark?

One of Denmark's strengths from a cultural perspective is that, as a small nation, it has always been necessary to stimulate the economy through international trade and interactions with other countries. This is ingrained in the country's systems with functions such as education tuned towards Denmark's strengths in healthcare. More than 50 percent of the global market for hearing aids is supplied by Danish companies, which owes to our expertise in hearing aids and healthcare more generally.

Are you still able to source sufficient talent from Danish universities for the hearing aid industry?

While healthcare-related studies are prioritized in the education system, Denmark has ensured that it can attract talent from abroad to find the diversity needed for functions such as R&D. Therefore,

GN Hearing can attract the people it needs. Specifically, the company’s strong purpose to make a difference in people’s lives separates it and other MedTech businesses from big technology companies.

From your perspective, as a CEO for almost 15 years, what is a leader’s most important role?

As a leader, my most important role is to surround myself with competent people, to have a strong management team, and to do my utmost to foster collaboration in the team. This is a crucial contribution to make as a CEO to ensure the strategic direction of the organization with a focus on performance for the business to prosper and develop into the future.

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