



First Quarter Results 2019

INVESTOR PRESENTATION

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FORWARD-LOOKING STATEMENTS

This presentation contains forward-looking statements, which include estimates of financial performance and targets. These statements are not guarantees of future performance and involve certain risks and uncertainties. Therefore, actual future results and trends may differ materially from what is forecast in this report due to a variety of factors.



PANDORA

New executive management team established - President and CEO Alexander Lacik joined Pandora on April 23



Alexander Lacik
President and
Chief Executive Officer



ANDERS BOYER
Executive Vice President and Chief
Financial Officer (CFO)

The first 10 working days as CEO



Highlights

- Management Board meetings
- Assessment of all aspects of the business such as the organisation, competitive advantages and corporate governance
- Review of past and current business performance and Q1 disclosures
- Meeting with the Board of Directors

Priorities on the agenda

- Execute on Programme NOW
- Build a stronger data foundation to facilitate decision-making
- Become familiar with the organisation and its structure

Highlights – Solid progress on Programme NOW – preparing for brand re-launch



Solid progress on Programme NOW

- Commercial reset initiated – Promotions and sell-in packages reduced
- Commercial pilots across regions deliver encouraging results - planning of brand re-launch progressing
- Cost savings realised in line with plans. Additional initiatives in Thailand announced today
- Pandora will close an additional 50 concept stores
- New incentive plans in place



Financial results in line with expectations

- -10% like-for-like (LFL) driven by decreased traffic in physical stores
- -12% organic revenue growth driven by destocking and negative LFL
- 22.5% EBIT margin impacted by operational deleverage
- Solid cash conversion driven by working capital improvements
- Full year 2019 guidance maintained



Financial results in line with expectations

Q1 2019 results

Revenue

DKK **4,804** million
(-8% YoY growth in local currency)

Total like-for-like

-10%
(-5% in Q1 2018)

Organic growth

-12%
(0% in Q1 2018)

EBIT margin excl. restructuring costs

22.5%
(28.2% in Q1 2018)

Cash conversion

70%
(30% in Q1 2018)

Key highlights



Organic revenue growth was weak as expected, partially impacted by one-offs from the Commercial Reset. Reported revenue in Danish kroner was positively impacted by 4pp from forward integration and 2pp from FX



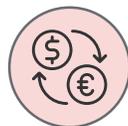
eSTORE revenue increased by 6% - lower than previous quarters driven by the decision to reduce promotions, including periodically removing the sales tab. eSTORE growth was driven by the US and China



EBIT margin was affected by deleverage from the negative organic growth and thereby impacted by the decision to reduce inventories and sell-in packs. EBIT margin was positively impacted by cost savings of around DKK 175 million of which around DKK 100 million relate to Programme NOW



Execution of Programme NOW progressing as planned with rapid execution across all workstreams. Restructuring costs in the quarter amounted to DKK 122 million



Cash conversion was solid and improved compared to last year. Part of the improvement is stemming from the implementation of IFRS 16. Excluding IFRS 16, the cash conversion would have been 43%. The underlying improvement was driven by working capital development

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Programme NOW – Progress in the quarter

Update on workstreams



Commercial reset

Commercial reset initiated with success

- Decrease of promotional activity with negative impact on like-for-like in line with plans and expectations
- Sell-in packs reduced in Q1 as planned. The reduction of wholesale inventory will ensure a clean and attractive store expression to improve like-for-like performance
- Inventory buyback programme being defined with planned launch in late Q2



Reignite a Passion for Pandora

Commercial pilots show early encouraging indications – important marketing pilots initiated in May

- Significant additional marketing spend in key countries starting in May - as a response to the diagnosis from Programme NOW that Pandora has underinvested in branding and marketing
- Celebrity collaboration with Shakira clearly improved traffic and online engagement in Latin America and in the US
- Piloted influencer collaborations in Brazil and Canada with strong early feedback
- US omni-channel journey: Progress on capabilities such as Go In Store and Buy Online (GISBO) and Buy Online and Return In Store (BORIS)



Reduce costs

Significant cost savings realised in line with plans

- DKK 100 million realised as part of Programme NOW. Activities include improved efficiency in Thailand, stricter travel policy, and an updated approach to point of sale material
- Based on continued efficiency improvements in Thailand, another 1,200 employees will leave Pandora
- 50 low-margin stores to be closed latest upon lease expiry - supporting margins and de-risking financial structure



Implement new ways of working

New ways of working is making Pandora a true global company

- New Long-Term and Short-Term Incentive Programme (LTIP & STIP) implemented. KPI's are now Total Shareholder Return (only LTIP), Like-for-Like and EBIT margin
- David Walmsley hired as SVP and Chief Digital & Omni-channel Officer and included in the Management Board
- Other key functions being strengthened – marketing, merchandizing, digital, retail excellence and others



Pandora has decided to close 50 additional low-margin concept stores to further optimise the store network

Strong network with high average profitability

Pandora has a strong retail network

- 1,364 O&O concept stores
 - Of which less than 20 were not profitable in 2018
- Most stores are margin accretive
- All margin diluting stores are on the “watch list”
- As previously communicated, the general network strategy is to be reviewed later in 2019
- This includes a more structured catchment area analysis



Opportunity to improve further

The second step announced today involves:

- De-risking of the financial profile of the company and protecting margins
- Close 50 additional stores across various markets
- Stores that will be closed includes all unprofitable stores, certain margin diluting stores and selected stores with overlapping catchment areas



Financial impact

Financial implications

- Limited impact on organic growth and EBIT margin in 2019
- Slightly positive effect on the EBIT margin when fully implemented

Reduction of promotions as planned – promotional days reduced approximately 30% in Q1 2019

Material reduction of promotional days...



Promotional days in the 7 largest markets were reduced by 30% in Q1 2019 compared with Q1 2018. Furthermore, the 'always on' sales tab on the eSTORE is pulsed and contains fewer designs with less discounting. Online revenue at discount has been reduced by 1/3 in Q1



The primary type of promotions that was reduced in Q1 2019 was 'Gift With Purchase' (GWP), as GWPs in Q1 2018 were less effective promotions relative to other types (buy more spend more, bracelet promotions etc.)



Promotions that create loyalty and collectability will take an even greater share of promotions in the future



Technically, promotions are considered and included in the count, if they are applied across all concept stores in a given market

...while still being relevant with consumers in key gifting periods (e.g. Valentines)

Key markets



Promo reduction

-60%

-50%

-60%

-20%

10%

0%

-10%

Example from the UK promotional reductions

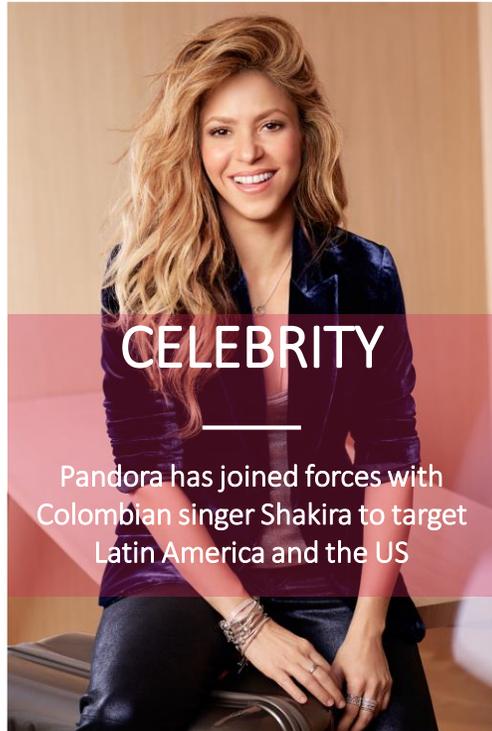
	Q1 2018	Days	Q1 2019	Days
Jan	<ul style="list-style-type: none"> End of Season Sales on discontinued items 	14	<ul style="list-style-type: none"> End of Season Sales on discontinued items 	13
Feb	<ul style="list-style-type: none"> GWP: Spend £99 and receive free V-day GWP 	14	<ul style="list-style-type: none"> None 	
Mar	<ul style="list-style-type: none"> UK Mother's day Earring promotion (spend 125£/145£) GWP Shine clutch Mid-season sale 	11 15 3	<ul style="list-style-type: none"> UK Mother's day bracelet promotion 1. Spend 125£/145£ 	11
Total	5 promotions	57	2 promotions	24

Progress on the 5 key areas of Reignite a Passion for Pandora

AREA	WHERE WE ARE NOW	HOW ITS VISIBLE TO THE CONSUMER
 <p>BRAND</p>	<ul style="list-style-type: none"> • New brand promise, brand visual identity, digital and communication being developed 	<ul style="list-style-type: none"> > • <i>Launch of new brand communication/social platform (both strategic and disruptive) towards the end of 2019</i>
 <p>PRODUCT</p>	<ul style="list-style-type: none"> • A tailor-made collection for our consumers in China • New charm/bracelet concept developed 	<ul style="list-style-type: none"> > • <i>The “China-only” collection, Peach Blossom, became available in China in April with 15 pieces of jewellery</i> • <i>Charms/bracelet concept to be launched late 2019</i>
 <p>MEDIA MARKETING</p>	<ul style="list-style-type: none"> • Pandora has collaborated with Colombian singer Shakira to target consumers across markets in the Americas region • Pilot-testing of local influencers in Brazil and Canada • New celebrity collaboration signed with launch in late 2019 	<ul style="list-style-type: none"> > • <i>Marketing spend will initially be significantly increased in UK, Italy and China to support new commercial initiatives</i> • <i>Marketing increase is based on the results of Pandora’s internal econometric modelling</i>
 <p>eCOMMERCE, DATA & REWARD</p>	<ul style="list-style-type: none"> • Omnichannel roll-out progressing as planned in the US • Brand new eSTORE being developed and tested 	<ul style="list-style-type: none"> > • <i>Some omnichannel features already live in the US and new inspiring eCOM buying & brand experience with roll-out in Q3 2019</i>
 <p>STORES</p>	<ul style="list-style-type: none"> • New store design in development to improve merchandising, navigation and inspiration 	<ul style="list-style-type: none"> > • <i>Launch of new store design in pilot stores, for progressive roll-out</i>

Highlights

New commercial initiatives show encouraging results – Further marketing investments to come



Econometric modelling shows attractive returns on marketing investments



US spends more (relative to units sold) on marketing than other key markets – And performs significantly better with positive LFL in 2018 and 8pp better LFL than Group in Q1 2019



Celebrity collaboration with Shakira increased traffic across the US since announcement with 5pp and improved performance of Shakira products by 5pp vs. other products



70 influencers engaged with Pandora in Canada and Brazil. Traffic increased from negative teens to slightly positive during activation. In store events particularly promising



Pandora will spend an additional DKK 50-100 million in marketing in both Q2 and Q3 and up to DKK 300 million more in Q4
Particularly in the three beacon markets (US, UK and China) as well as Italy

eSTORE continues to deliver solid sales – Capability development progressing as planned

Some facts about Pandora eSTORE in Q1 2019



The eSTORE generated **10% of revenue**



Almost **1 million orders** made in the quarter



Online consumer behaviour mirrors the instore behaviour (basket size, category preferences etc.)



Low return rate of ~5%
(Industry benchmark ~20%)

US omnichannel journey: New capabilities piloted in Q1 and Q2 2019 with more to come



Franchise charter
(Align economic incentives with franchisees in the US)

US omnichannel journey: Business model alignment towards franchisees is progressing well

- Significant elements of the financial model aligned with franchise counsel
- Strong buy in from franchisees to make the omnichannel work seamlessly
- Technical assessment of POS system ongoing



Endless aisle
(GISBO: Go in store, buy online)

Endless aisle pilot in the US is helping to fill gaps between in-store and online inventory to meet our consumers' needs

- Drives low single-digit incremental revenue in available stores
 - Sequential increase in the quarter
- Consumer satisfaction much greater when staff is able to order online and ship to home (if products are out of stock)



Return in Store
(BORIS: Buy online, return in store)

BORIS to drive traffic and fulfill consumer expectations (live in Q2 2019)

- Fulfill a basic consumer expectation
- Allows consumers to purchase products from the eSTORE and return them in the physical stores
- Generates traffic to the physical network with a chance to cross-sell



Cost reductions are progressing as expected with DKK 100 million realised in the quarter

COST CATEGORIES	COST INITIATIVES & IMPROVEMENTS	RUN RATE BY END 2020 (DKK billion)	REALISED SAVINGS
Cost of sales	<ul style="list-style-type: none"> Capacity adjusted with 700 craftsmen in February Productivity progressing well and capacity will be reduced with another 1,200 craftsmen Insourcing of production and renegotiation of OEM prices 	0.3 to 0.4	
Retail expenses	<ul style="list-style-type: none"> Structured optimization of hours in stores to match traffic patterns Workforce scheduling system roll-out being planned Renegotiate lease agreements in select markets (US, China, Italy and Germany) Rationalised POS materials to match customer needs 	0.25 to 0.35	
Administrative expenses	<ul style="list-style-type: none"> Fully implemented stricter travel policy Tightened employee benefits 	0.1 to 0.2	
IT	<ul style="list-style-type: none"> Re-tender services and offshore or outsource where relevant Tendering of all main services ongoing. Business case proven but no cost savings realized yet 	0.2	
Other	<ul style="list-style-type: none"> Reduced spend on consultancy costs 	0.15 to 0.25	

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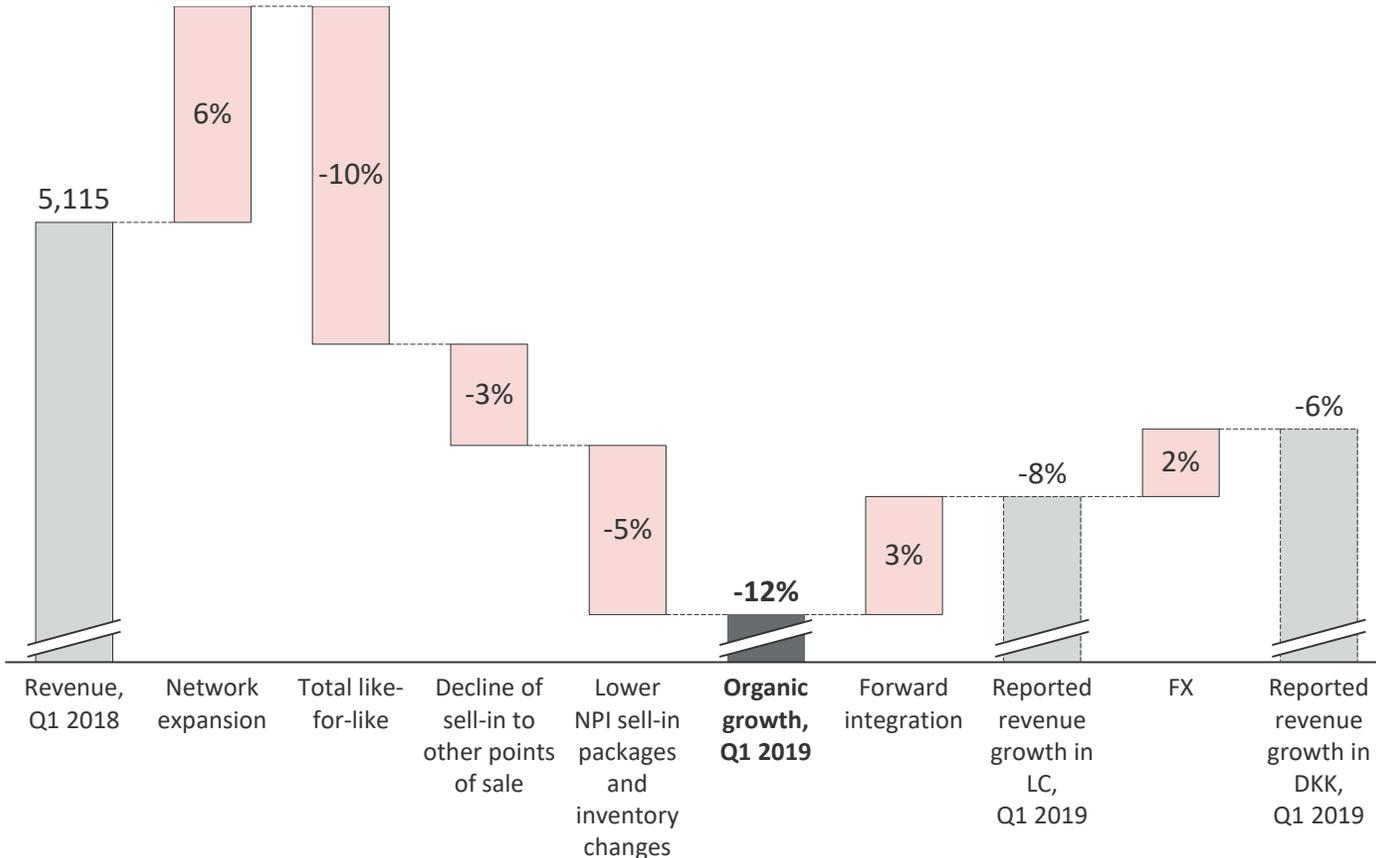
2019 financial guidance



Organic growth of -12% impacted by negative like-for-like and one-off impact from lower sell-in packages

Like-for-like development confirms the need for a brand re-launch

DKK million, %-p growth



Commentary

Organic growth was -12%

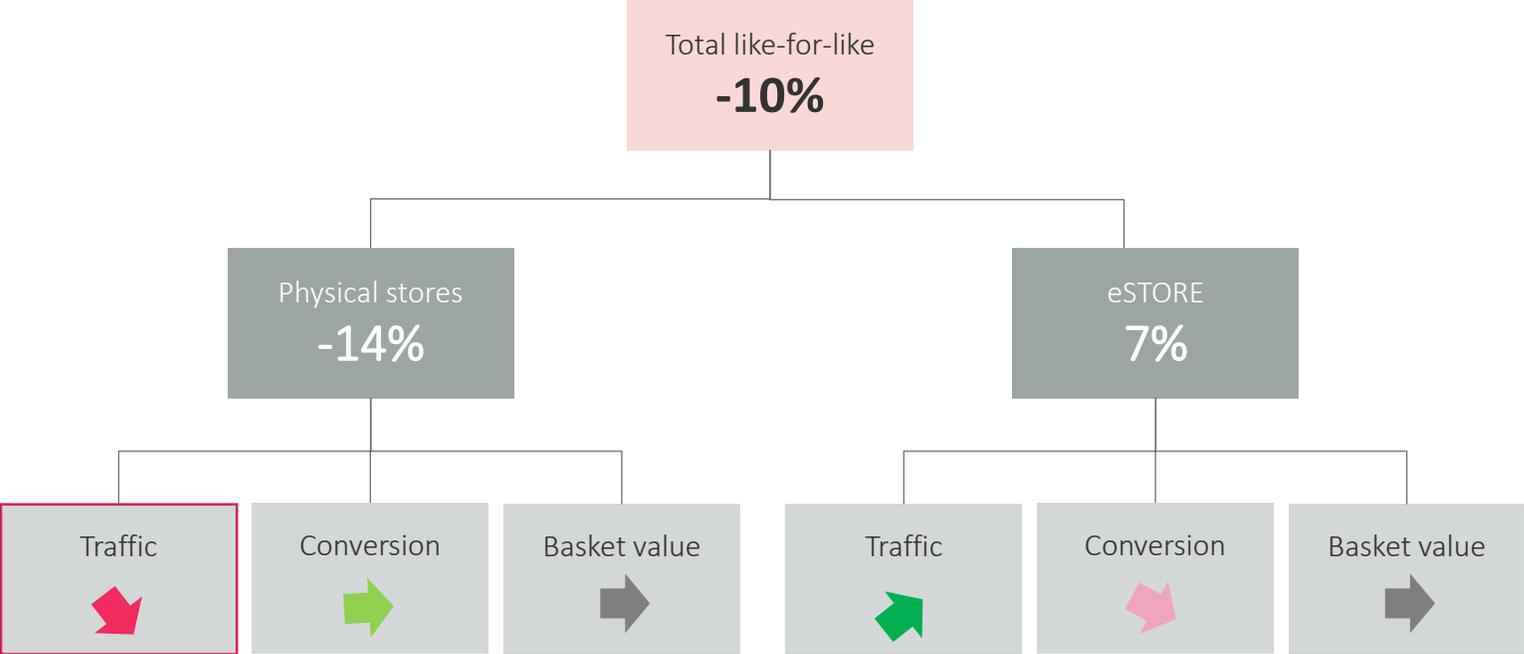
- Organic growth was positively impacted by the addition of 228 concept stores to the network since Q1 2018
 - The network development included 342 additional O&O concept stores, 124 fewer franchise stores and 10 additional distributor concept stores
- Total like-for-like of -10% driven by lower traffic into the physical stores
- Decline of sell-in to other points of sale, not least in Americas
- Inventory changes in the wholesale channel - among others as a consequence of the lower sell-in packages - impacted organic growth by -5%

Reported revenue was -8% in local currency and -6% in Danish kroner

- Total reported revenue was positively impacted by 3pp from forward integration, primarily driven by acquisitions in the UK and the US
- FX positively impacted the reported revenue in Danish kroner by 2pp

Total like-for-like momentum is driven by less traffic to physical stores

Total like-for-like drivers, Q1 2019



Commentary

Total like-for-like was -10%

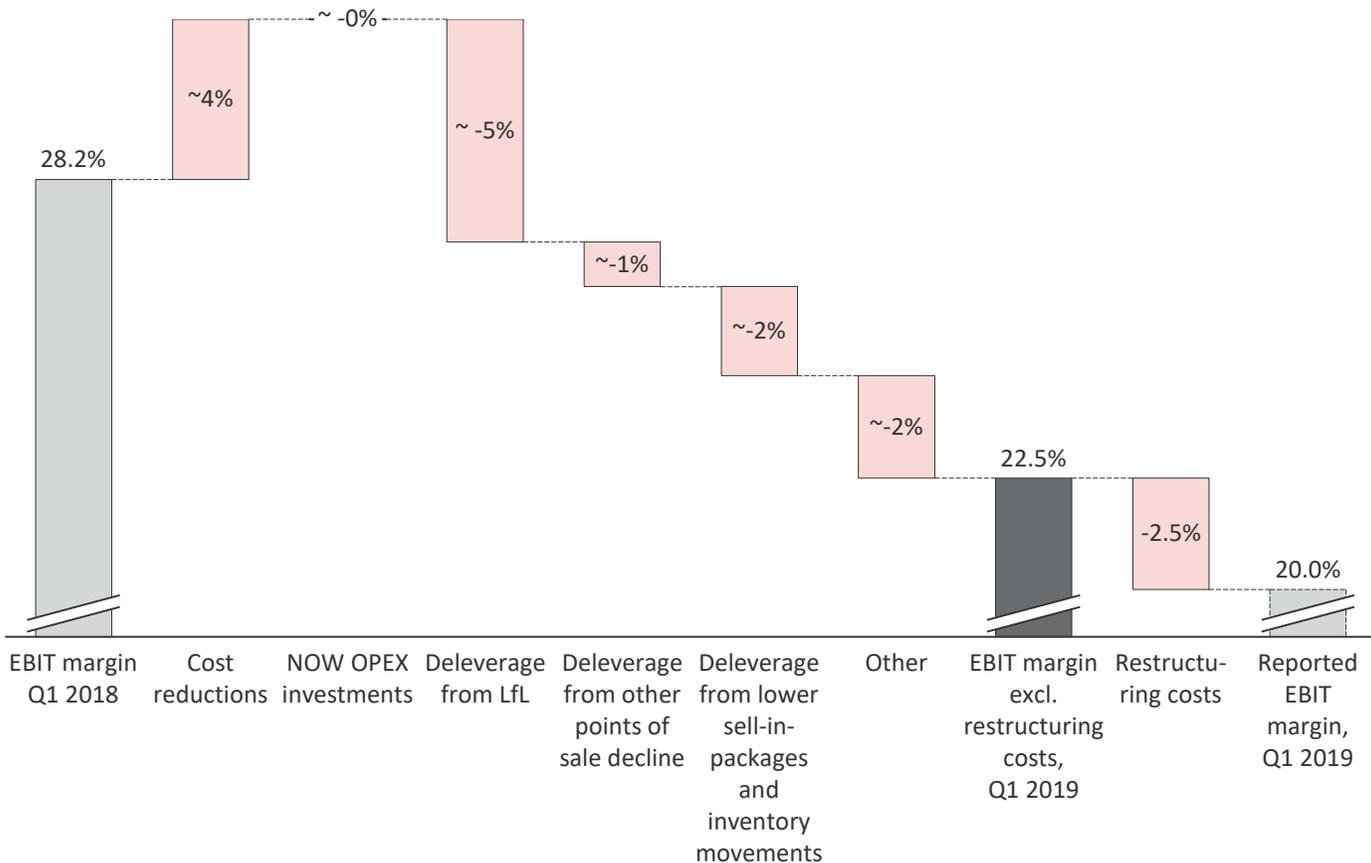
- **Physical stores** were down 14% in like-for-like in the quarter. The decline was driven in large part by a significant decline in traffic into the stores
 - Conversion improved slightly in the quarter
 - To turn around like-for-like, Pandora needs to improve traffic significantly driven by the brand re-launch and other initiatives in Programme NOW
- **eSTORE** was up 7% in the quarter driven by increasing traffic
 - The increased traffic is a function of the decision to combine the eSTORE and the branded site in March 2018 as well as the underlying secular trend of consumers moving online
 - Conversion is slightly down, as in the comparable quarter last year the brand site and the eSTORE were separated (thus many consumers now just come to view the goods and stories)

Data based on available data at the time of reporting.

EBIT margin significantly impacted by deleverage from non-recurring inventory decrease, partly offset by cost reductions

EBIT margin excl. restructuring costs of 22.5%

%-points, approx.



Commentary

EBIT margin of 22.5% excluding restructuring costs

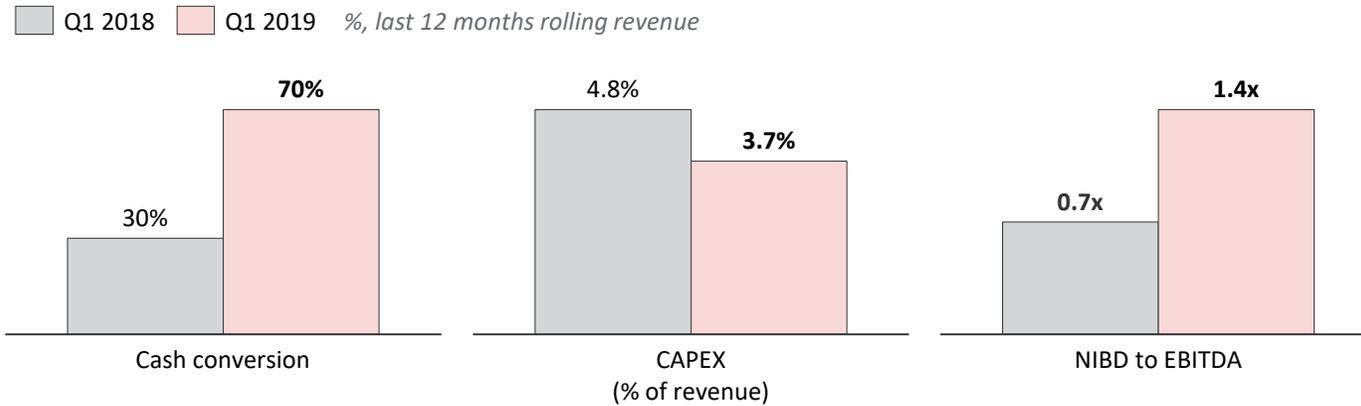
- Significant cost reductions effectuated of around 4pp
 - Programme NOW: Around DKK 100 million
 - Q2 2018 cost initiatives: Around DKK 75 million
- NOW OPEX investments of around 10 million in the quarter
 - NOW investments to drive the top line were limited in Q1. While the major NOW investments will be seen from late 2019, investments are expected to be higher already in Q2
 - Investments are primarily within pilots, brand building preparation, omni-channel development and the new store design
- Deleverage of 8pp during the quarter – partially non-recurring effects
 - Deleverage was driven by negative total like-for-like, destocking in the wholesale channel - primarily as a function of the reduced sell-in packages - and the lower sell-in to other points of sale

Reported EBIT margin was 20.0%

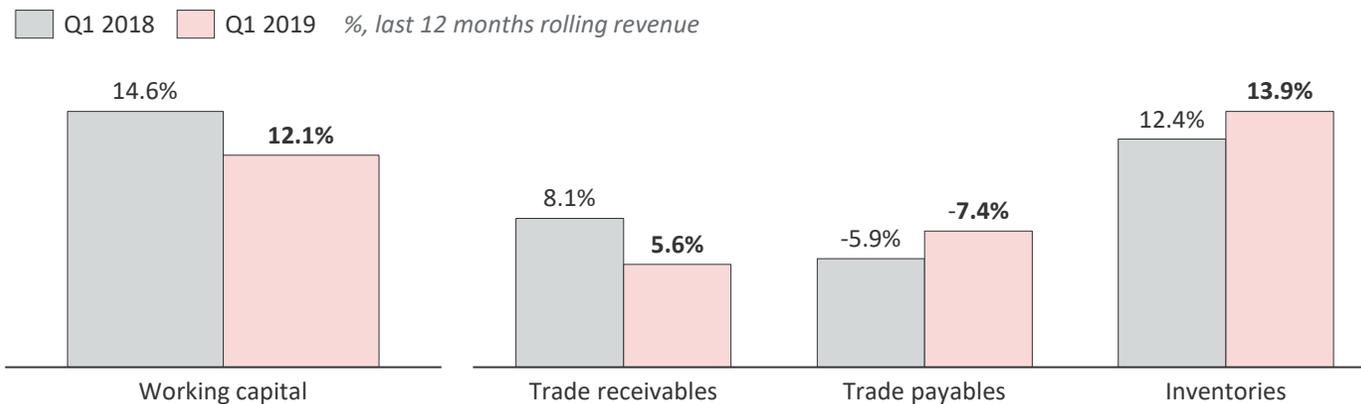
- Restructuring costs amounted to a total of DKK 122 million in the quarter
 - DKK 25 million impacting COGS predominantly related to severance payments in Thailand
 - DKK 97 million impacting OPEX

Cash conversion continues to be strong and working capital has improved

Strong cash conversion of 70%



Working capital reduced by 2.5pp of revenue



Commentary

- **Cash conversion** increased to 70%, driven by the new accounting standard IFRS 16 (cash conversion of around 43% adjusting for IFRS 16) and a strong focus on operating working capital.
 - Free Cash Flow was DKK 673 million, and DKK 411 million when adjusting for IFRS 16
- **CAPEX** in the quarter was relatively low, mainly due to phasing
- **NIBD to EBITDA** was 1.4x. The increase from last year is partly driven by the new IFRS standards (IFRS 16 increases NIBD to EBITDA by roughly 0.5x) and partly due to the strong cash distribution in the last 12 months
- **Working capital** improved by 2.5pp of revenue. There is a potential to reduce working capital even further, mainly through inventories

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Financial guidance 2019 unchanged - weak like-for-like in Q1 2019 in line with expectations

Financial guidance

- As communicated in February 2019, the guidance assumes that like-for-like will improve in late 2019 as the topline initiatives in Programme NOW have effect
- Improved like-for-like expected in late 2019 driven by:
 - Significant upgrade of the marketing machine – both quantity and quality
 - New store concept
 - New eSTORE
 - Improved omni-channel capabilities
 - New product concept

>

Guidance assumptions unchanged

- Pandora expects to add net 75 concept stores in 2019
 - Pending exact timing of the 50 stores closures, 2019 concept store openings could be lower than 75
- Pandora expects restructuring costs of up to DKK 1.5 billion
- Total like-for-like down to negative high single-digit
- Effective tax rate 22-23%
- CAPEX DKK 1.2-1.5 billion

>

Financial guidance unchanged



Organic growth of -3% to -7%
(Revenue growth in local currency excl. M&A impact)



EBIT margin of 26% to 28%
(Excluding restructuring costs¹)

¹Restructuring costs are expected up to DKK 1.5 billion in 2019 (and DKK 1.0 billion in 2020)



APPENDIX

The Pandora equity story: A turnaround opportunity with fundamentals intact

Pandora has strong assets to build on



Cross-generational brand with unmatched recognition



Comprehensive global footprint across touchpoints



Magic DNA of innovative products



State-of-the-art crafting facilities

Return to sustainable growth and support industry-leading margins



Clear transformation roadmap towards restoring sustainable growth



Significant cost reduction potential to be executed before the end of 2020



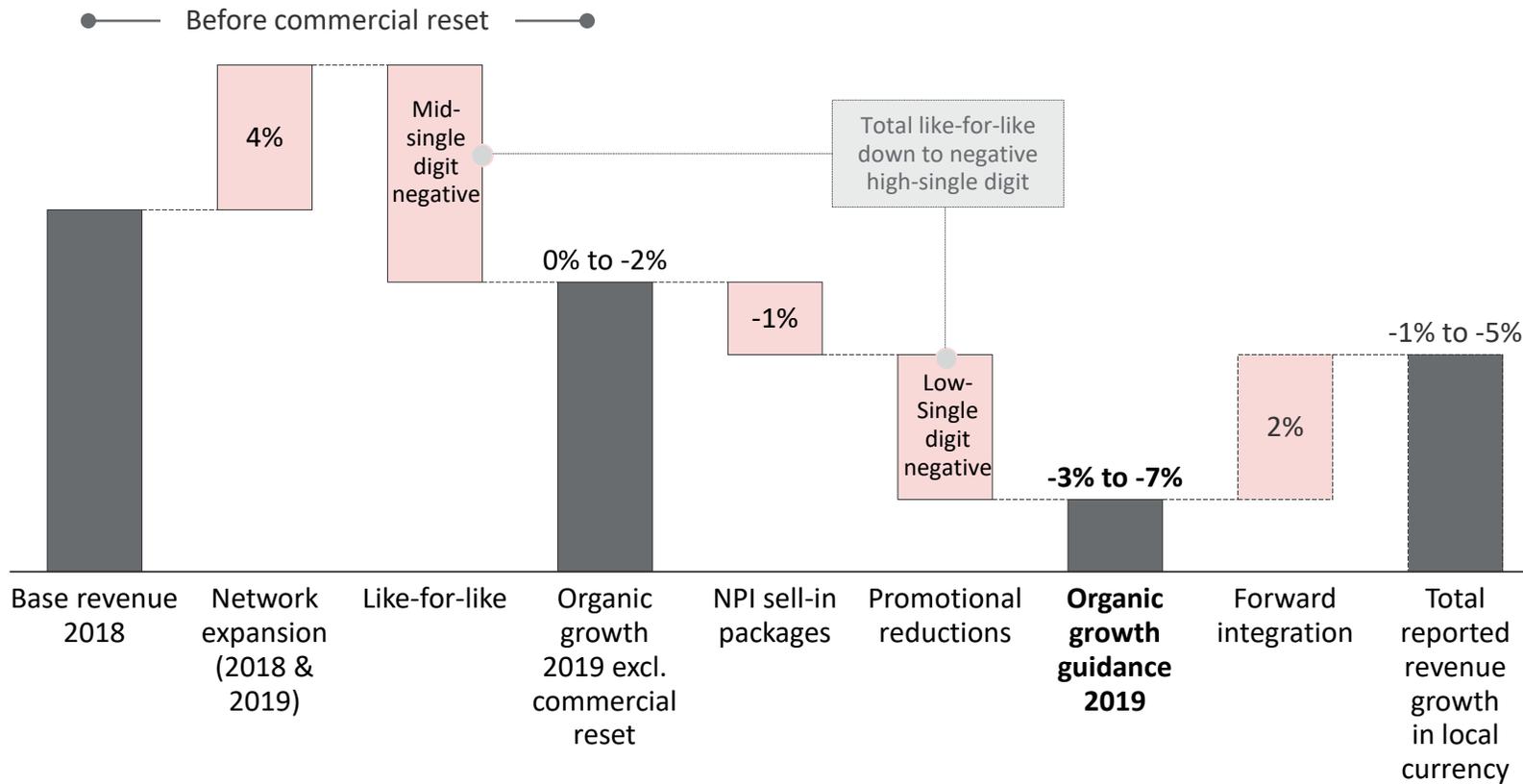
Continued strong cash generation during transformation period



Attractive cash pay-out policy

Full year 2019 organic growth guidance

Organic growth composition



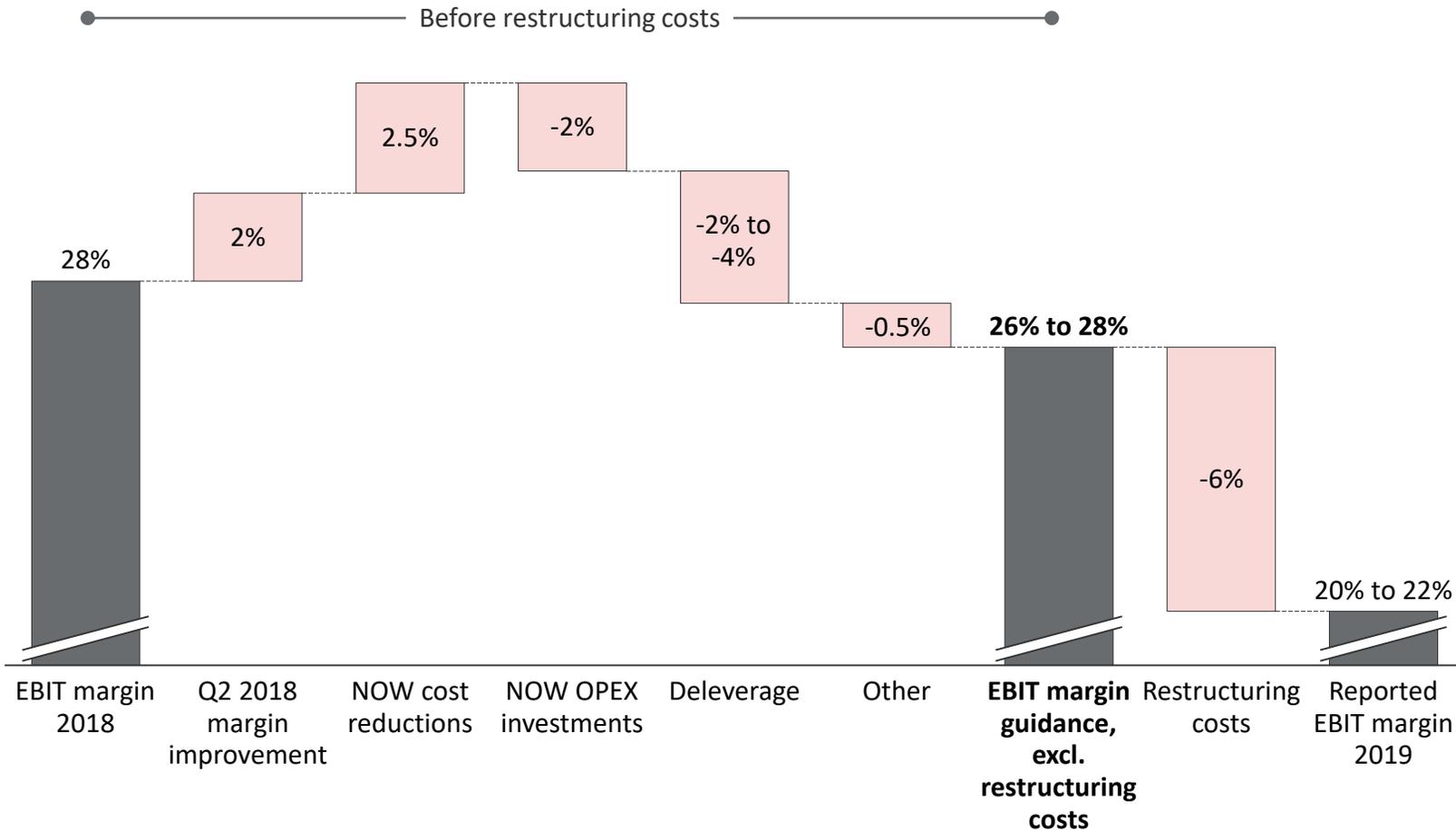
Commentary

Organic growth is expected to be between 0% and -2% excluding the non-recurring impact from the commercial reset

- Expansion of the network expected to add around 4%-p to organic growth supported by 75 net store openings in 2019 (mainly related to Latin America and China)
- Total like-for-like is expected to be negative mid-single digit before the non-recurring impact from the commercial reset
 - Growth initiatives in Programme NOW are expected to support like-for-like from late 2019 and onwards
- Expected non-recurring impact from the commercial reset is -3 to -5% with the majority of the impact stemming from the reduction of promotions

Full year 2019 EBIT margin guidance

EBIT margin composition



Commentary

EBIT margin excl. restructuring costs expected to be 26% to 28%

Key underlying drivers

- 2% margin-improvement from initiatives announced in Q2 2018 including less forward integration - destocking will still be a drag on margins in 2019
- 2.5% margin improvement from Programme NOW cost reductions announced today
- 2%-p negative impact from additional investments in commercial and brand initiatives as part of Programme NOW (DKK 500 million in OPEX)

Restructuring costs

- Restructuring costs of around 6 percentage points (up to DKK 1.5 billion) mainly consisting of wholesale inventory buyback (-2%-p) and programme execution (-4%-p)

Pandora returns all excess cash to shareholders

Capital structure policy

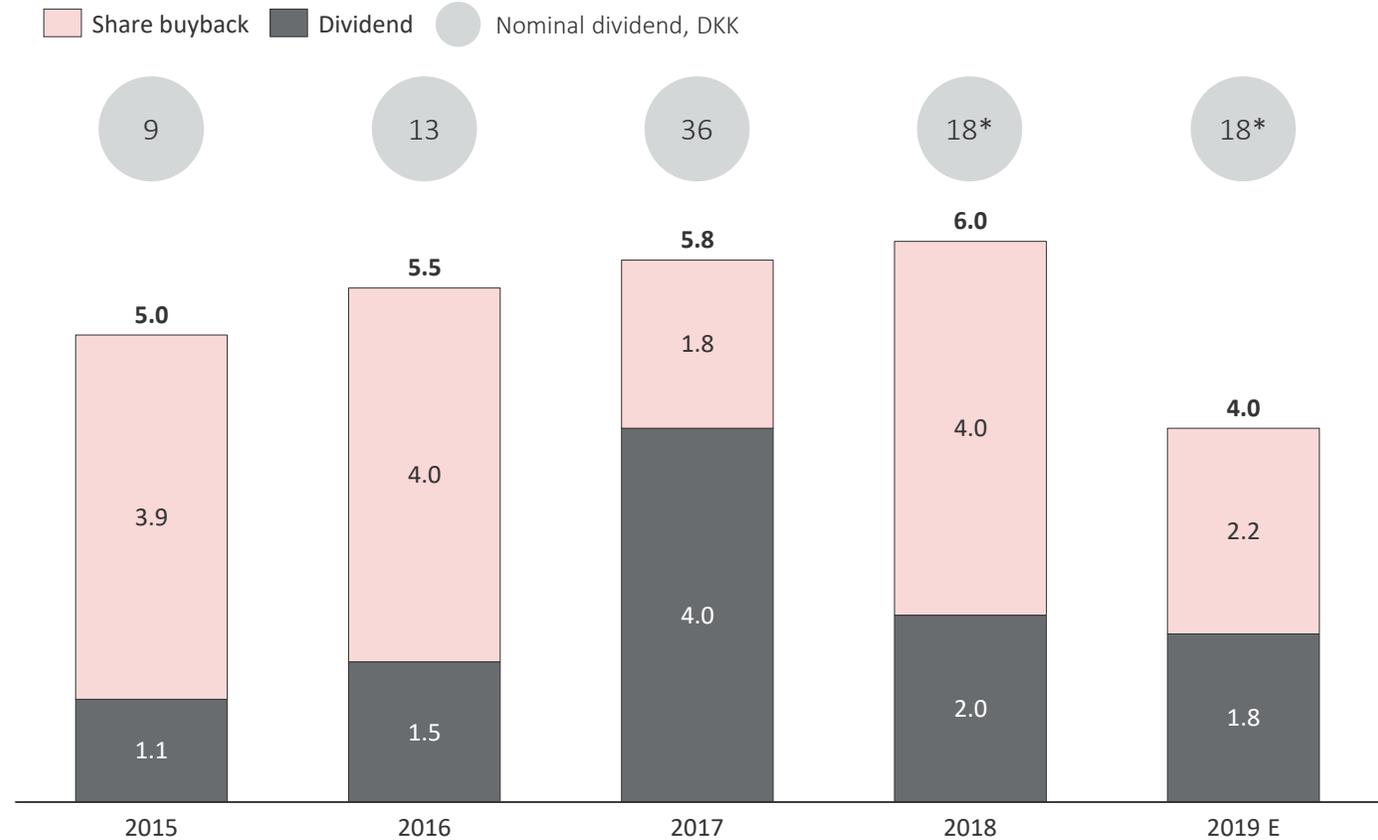
- Pandora expects to temporarily exceed the upper end of the capital structure interval in 2019 - reflecting that financials are impacted by one-offs during the transformation period
- **Capital structure ratio target** has been changed from 0-1x NIBD to EBITDA to 0.5-1.5x NIBD to EBITDA reflecting the accounting implications of IFRS 16

Cash distribution

- 2019 total cash return of DKK 4.0 billion
 - Share buyback programme¹ of DKK 2.2 billion
 - Dividend payment maintained at DKK 2 x 9 per share (DKK 1.8 billion)

¹Share buyback programme will end in March 2020

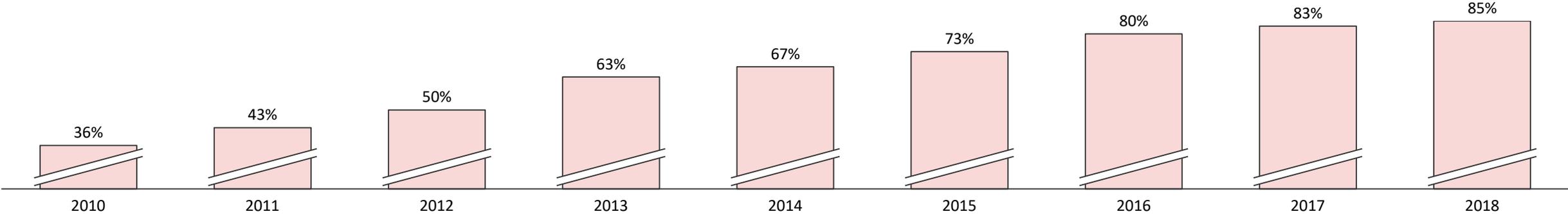
5-year cash distribution development



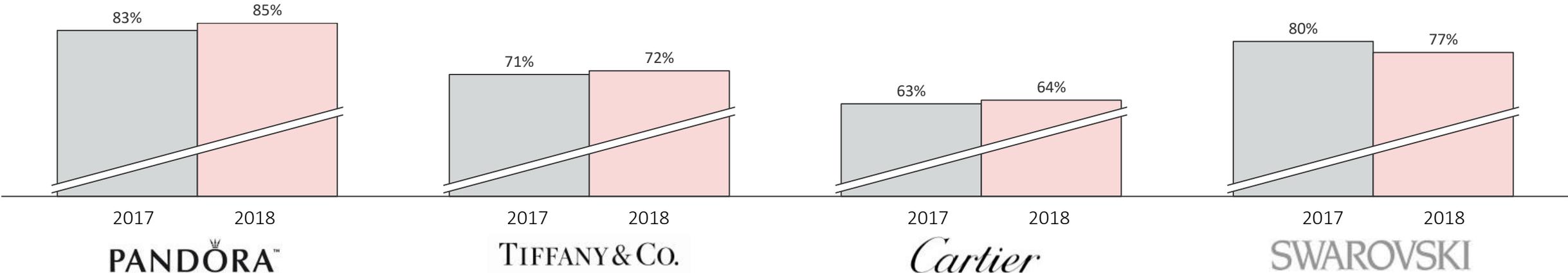
* The dividend in 2018 and 2019 is a combination of an ordinary dividend of DKK 9 per share, and an interim dividend at half year of DKK 9 per share

Pandora is the world's most recognised jewellery brand

Aided brand awareness development



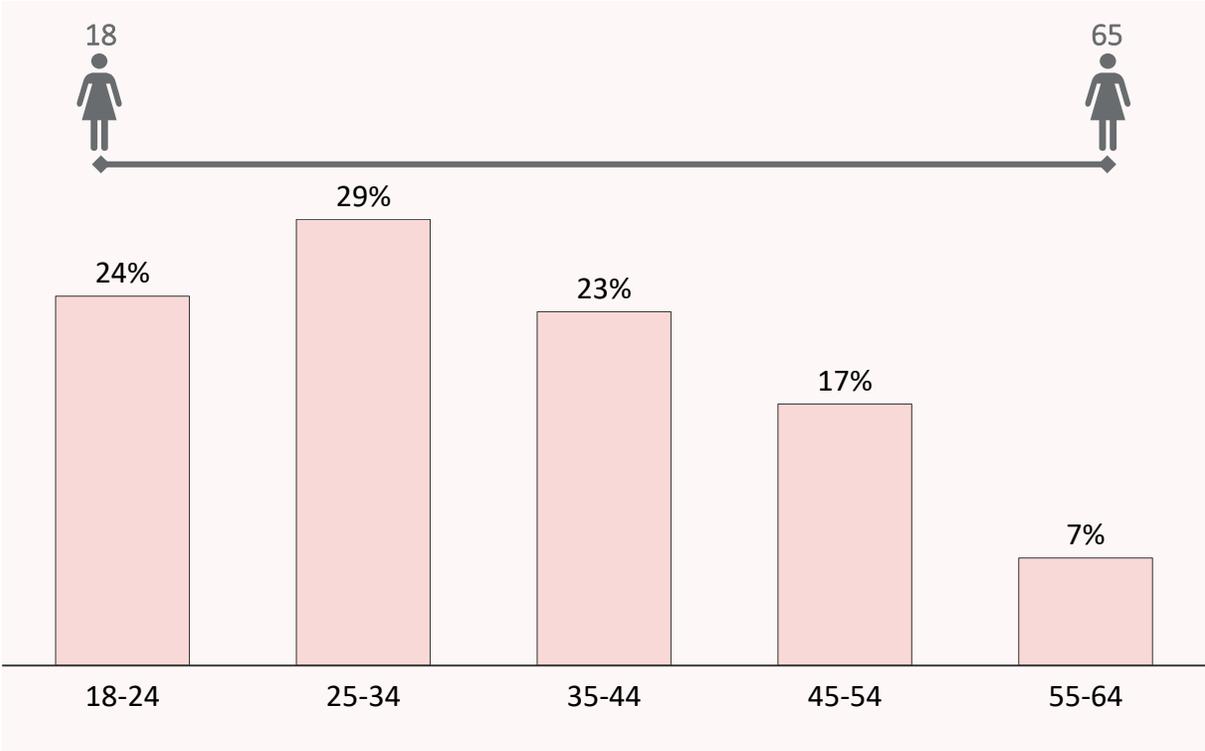
Aided brand awareness across selected jewellery companies



Source: Pandora Brand Tracker

Pandora consumers are across generations and stay loyal

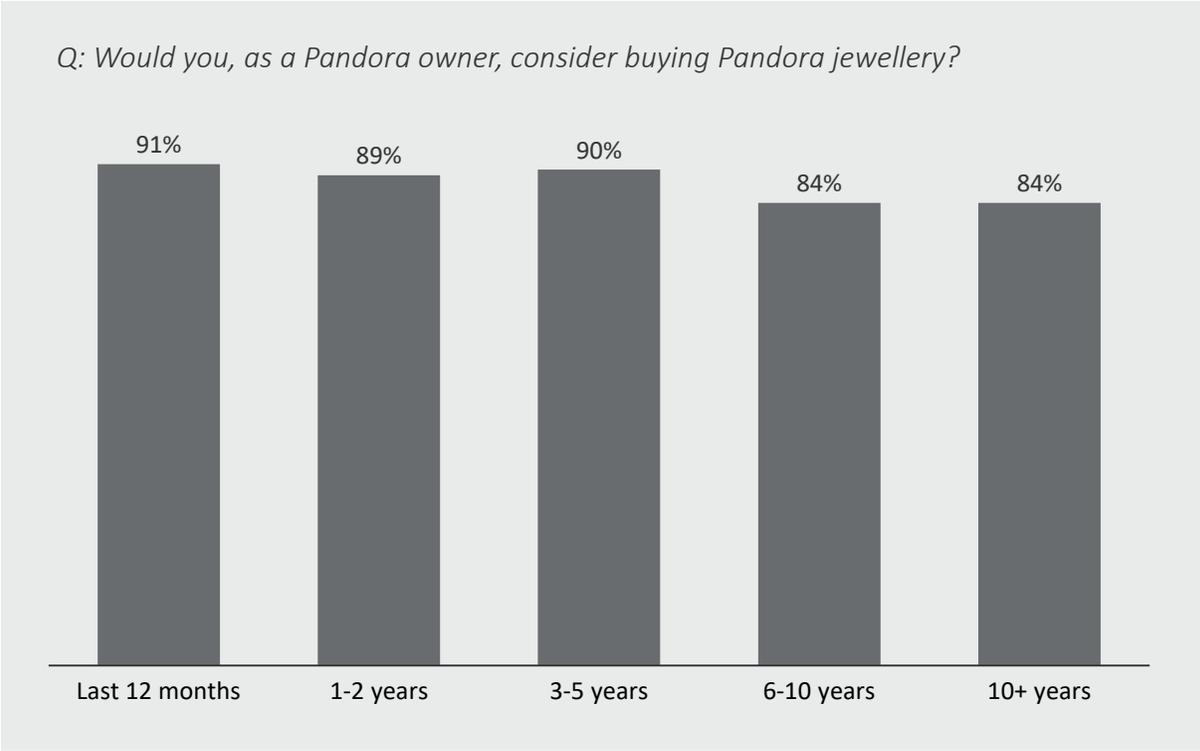
Age distribution of our consumers who have purchased Pandora within the last 12 months



Source: Pandora Brand Tracker 2015-2018
 Note: Markets include AU, BE, BR, CA, CN, FR, DE, HK, IE, IL, IT, PL, PT, RU, ZA, KR, ES, CH, NL, TR, UK, US

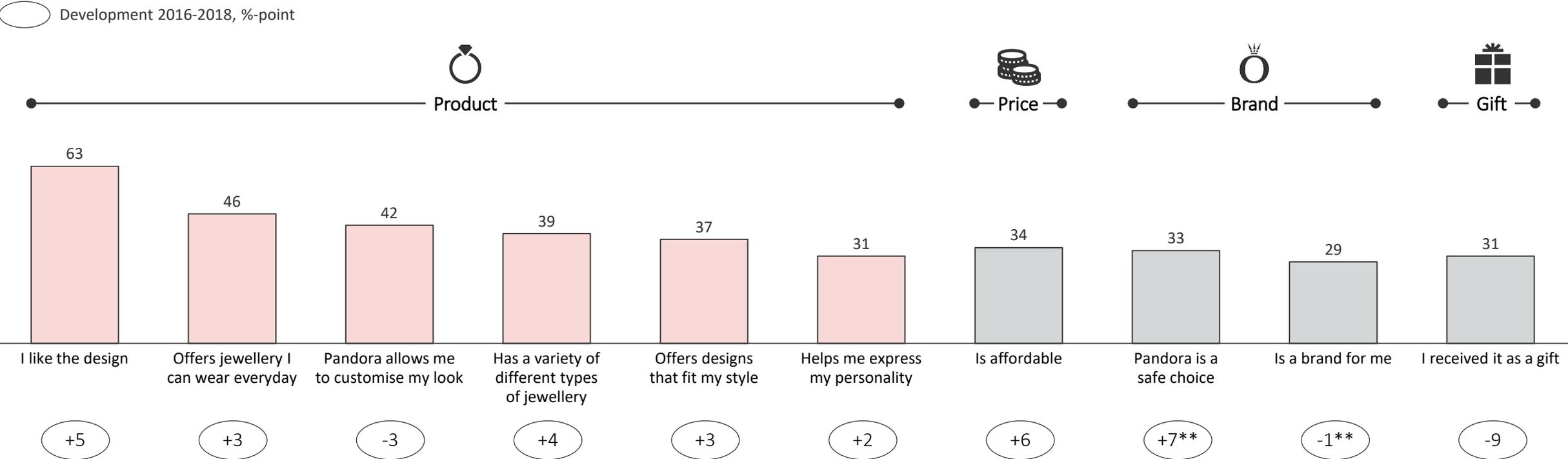
*Survey-data allows for the possibility that share of Repurchasers can be slightly higher than previous years active owner-base
 **Deviation in Awareness from funnel-slides caused by different market filters in order to compare to 2014 (excludes CN, CZ, JP, SG and AE)

Pandora owners highly consider to buy Pandora jewellery unrelated to time of ownership



Pandora consumers have a wide-range of purchase criteria

Reasons for choosing Pandora for oneself (N=4,467)
 Share of respondents, % (multiple answers allowed)

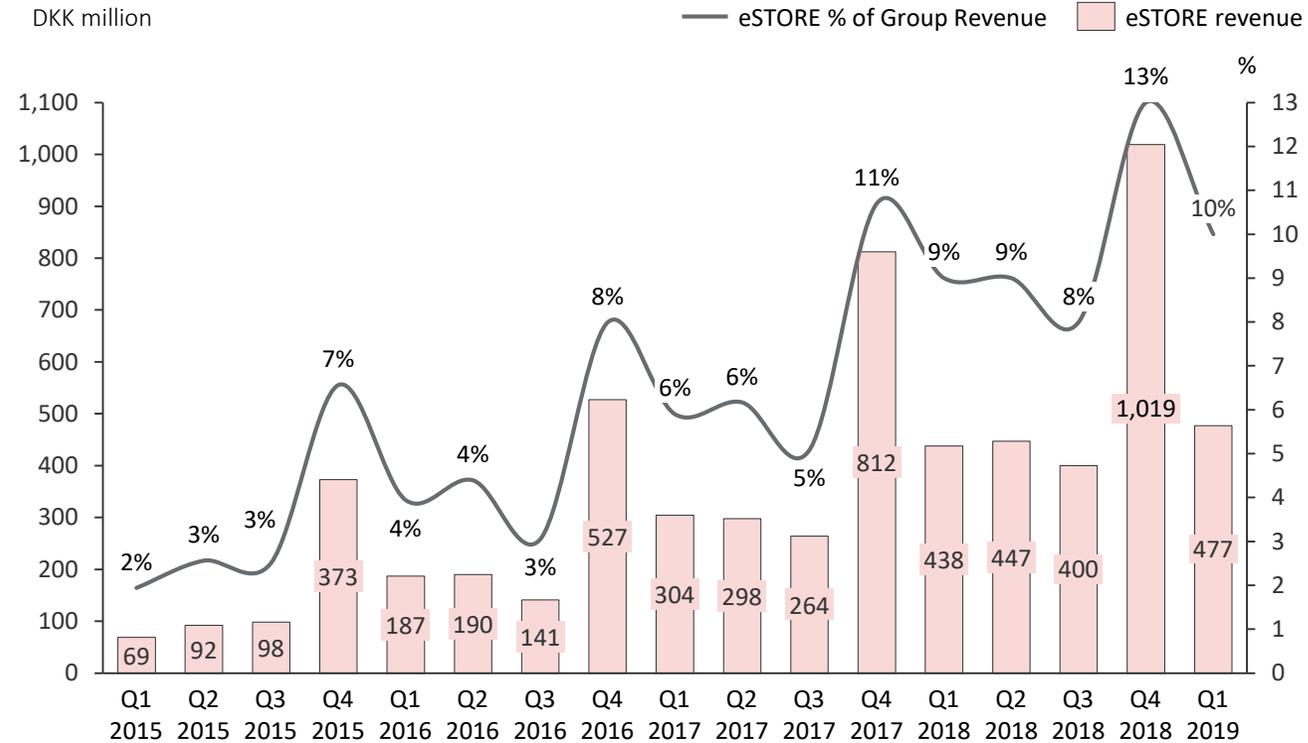


Source: Pandora Brand Tracker 2018 (n=4,467)
 Note: Based on the question “why did you choose Pandora for yourself?”

*Active Owners include owners who have purchased past 12 months and/or received past 12 months
 **2017-2018 development only available

Pandora's online business & presence

eSTORE development



<p>6%</p> <p>REVENUE GROWTH IN LC IN Q1 '19</p>	<p>10%</p> <p>REVENUE SHARE OF GROUP REVENUE IN Q1 '19</p>	<p>20</p> <p>MARKETS</p>	<p>SINGLE</p> <p>DIGIT RETURN RATES</p>	<p>STRONG</p> <p>PROFITABILITY</p>
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Online platforms



Pandora eSTOREs available in 20 countries across all regions, incl. China (own and Tmall distribution), Australia, Hong Kong, Italy, the UK, the US etc.



More than 237 million visits on the Pandora eSTORE in 2018



More than 13 million Pandora club members worldwide



15.1 million Facebook followers



6.3 million followers on Instagram

Revenue development by sales channel and by product category

Channel development

DKK million	Q1 2019	Growth, Q1/Q1, LC	Q1 2019 share of revenue	FY 2018	Growth, FY/FY, LC	FY 2018 share of revenue
Pandora owned retail	3,061	16%	64%	12,895	35%	57%
- of which Pandora owned concept stores	2,404	18%	50%	9,965	36%	54%
- of which eSTOREs	477	6%	10%	2,304	39%	10%
- Of which other points of sale	181	21%	4%	626	11%	3%
Wholesale	1,503	-34%	31%	8,633	-23%	38%
- of which franchise concept stores	854	-33%	18%	5,010	-23%	22%
- Of which other points of sale	649	-34%	14%	3,623	-23%	16%
Third-party distribution	239	-32%	5%	1,278	-15%	6%
Total revenue	4,804	-8%	100%	22,806	3%	100%

Product category development

DKK million	Q1 2019	Growth Q1/Q1, LC	Q1 2019 share of revenue	FY 2018	Growth, FY/FY, LC	Share of revenue FY 2018
Charms	2,434	-17%	51%	12,126	-4%	53%
Bracelets	893	-2%	19%	4,393	13%	19%
Rings	762	1%	16%	3,168	3%	14%
Earrings	335	6%	7%	1,486	7%	7%
Necklaces & Pendants	380	14%	8%	1,633	27%	7%
Total revenue	4,804	-8%	100%	22,806	3%	100%

Regional and key markets revenue and total like-for-like overview

DKK million	Q1 2019	Growth Q1/Q1, LC	Like-for-like Q1 2019	Share of revenue, Q1 2019	FY 2018	Growth FY/FY, LC	Like-for-like FY 2018	Share of revenue, FY 2018
EMEA	2,245	-11%	<i>n/a</i>	47%	11,190	4%	<i>n/a</i>	49%
- of which UK	579	7%	-13%	12%	2,746	-2%	-5%	12%
- of which Italy	443	-27%	-22%	9%	2,461	-6%	-8%	11%
- of which France	225	-18%	-23%	5%	1,253	-2%	-11%	5%
- of which Germany	188	-20%	-20%	4%	1,041	-2%	5%	5%
AMERICAS	1,439	-5%	<i>n/a</i>	30%	6,807	0%	<i>n/a</i>	30%
- of which US	977	-12%	-2%	20%	4,880	-5%	1%	21%
ASIA PACIFIC	1,120	-6%	<i>n/a</i>	23%	4,809	4%	<i>n/a</i>	21%
- of which Australia	237	-22%	-19%	5%	1,361	-12%	-15%	6%
- of which China	548	15%	-4%	11%	1,969	26%	-2%	9%
Group	4,804	-8%	-10%	100%	22,806	3%	-4%	100%

Store network development

Number of points of sale	Net openings		
	Q1 2019	Q1 2019 vs Q4 2018	Q1 2019 vs Q1 2018
Concept stores	2,713	8	228
- hereof Pandora owned	1,364	24	342
- hereof franchise owned	834	-15	-124
- hereof third-party distribution	515	-1	10
Other points of sale	4,845	-178	-388
- hereof Pandora owned OPS	195	12	46
- hereof Wholesale OPS	3,982	-176	-434
- hereof third-party OPS	668	-14	-
Total points of sale	7,558	-170	-160

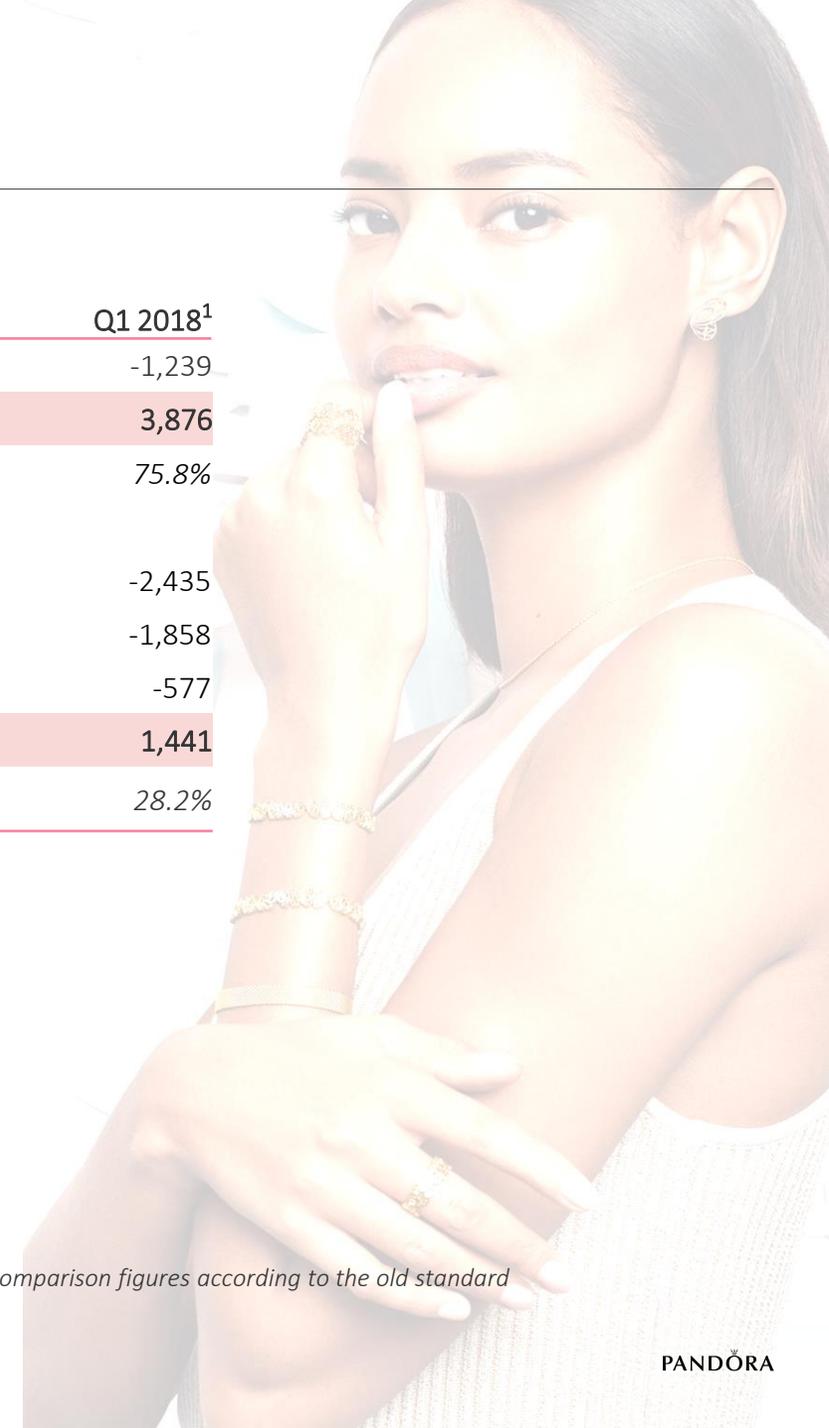
Concept stores per market

	Number of concept stores Q1 2019	Number of concept stores Q4 2018	Number of concept stores Q1 2018	Growth Q1 2019 /Q4 2018	Growth Q1 2019 /Q1 2018	Number of O&O Q1 2019	Growth O&O stores Q1 2019 /Q4 2018	Growth O&O stores Q1 2019 /Q1 2018
UK	233	236	233	-3	-	126	-	81
Russia	198	201	200	-3	-2	-	-	-
Germany	152	153	152	-1	-	146	1	3
Italy	143	138	116	5	27	102	9	32
France	120	120	98	-	22	74	1	27
Spain	83	84	72	-1	11	68	-1	11
Poland	49	50	47	-1	2	39	-	3
South Africa	31	31	29	-	2	29	-	7
Ireland	29	29	29	-	-	24	-	24
Turkey	27	27	19	-	8	27	-	8
Belgium	25	27	25	-2	-	15	-	2
Portugal	26	26	24	-	2	-	-	-
Netherlands	26	26	23	-	3	26	-	3
Ukraine	26	24	23	2	3	-	-	-
Romania	22	22	20	-	2	12	-	-
United Arab Emirates	20	20	21	-	-1	20	-	-1
Czech Republic	19	19	19	-	-	10	-	-
Israel	17	17	17	-	-	-	-	-
Greece	15	15	14	-	1	-	-	-
Austria	15	15	14	-	1	10	-	1
Denmark	14	14	14	-	-	14	-	-
Sweden	11	12	10	-1	1	11	-1	1
Saudi Arabia	12	12	10	-	2	-	-	-
Nigeria	10	10	8	-	2	-	-	-
Rest of EMEA	133	136	120	-3	13	18	-	1
EMEA	1,456	1,464	1,357	-8	99	771	9	203
US	399	397	380	2	19	154	-	37
Brazil	98	98	98	-	-	59	-	1
Canada	80	80	77	-	3	23	-	9
Mexico	65	66	44	-1	21	39	-1	20
Caribbean	27	27	26	-	1	-	-	-
Rest of Americas	59	56	45	3	14	10	1	7
Americas	728	724	670	4	58	285	0	74
China	220	210	171	10	49	213	10	48
Australia	127	127	124	-	3	36	-	9
Philippines	35	35	28	-	7	-	-	-
Malaysia	32	31	29	1	3	-	-	-
Hong Kong	27	30	30	-3	-3	24	-1	-1
New Zealand	18	17	14	1	4	-	-	-
Thailand	17	17	16	-	1	8	-	2
Singapore	15	15	15	-	-	11	-	-
Rest of Asia Pacific	38	35	31	3	7	16	6	7
Asia-Pacific	529	517	458	12	71	308	15	65
All markets	2,713	2,705	2,485	8	228	1,364	24	342

Profitability development

DKK million	Q1 2019 reported	Restructuring costs	Q1 2019 excl. restructuring costs	Q1 2018 ¹
Cost of sales	-1,184	25	-1,159	-1,239
Gross profit	3,620	25	3,645	3,876
<i>Gross margin</i>	<i>75.4%</i>	-	<i>75.9%</i>	<i>75.8%</i>
Operating expenses (incl. D&A)	-2,660	97	-2,563	-2,435
- hereof sales, distribution and marketing expenses	-2,039	5	-2,034	-1,858
- hereof administrative	-621	92	-529	-577
EBIT	960	122	1,083	1,441
<i>EBIT margin</i>	<i>20.0%</i>	-	<i>22.5%</i>	<i>28.2%</i>

¹Comparison figures have not been restated following the implementation of IFRS 16 Leases. In the Interim financial report Q1 2019, please find note 1 for comparison figures according to the old standard

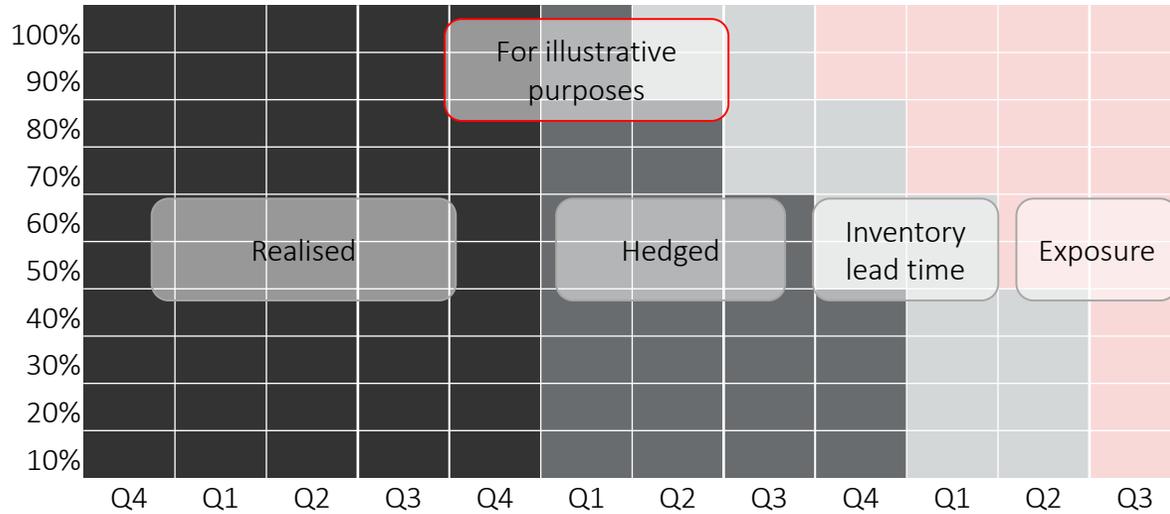


Working capital and cash management

DKK million	Q1 2019	Q4 2018	Q3 2018	Q2 2018	Q1 2018
Inventory	3,116	3,158	3,737	3,068	2,810
- <i>Share of revenue (last 12 months)</i>	13.9%	13.8%	16.6%	13.5%	12.4%
Trade receivables	1,269	1,650	1,806	1,337	1,850
- <i>Share of revenue (last 12 months)</i>	5.6%	7.2%	8.0%	5.9%	8.1%
Trade payables	-1,673	-2,253	-1,847	-1,271	-1,349
- <i>Share of revenue (last 12 months)</i>	-7.4%	-9.9%	-8.2%	-5.6%	-5.9%
Operating working capital	2,719	2,555	3,696	3,134	3,311
- <i>Share of revenue (last 12 months)</i>	12.1%	11.2%	16.4%	13.8%	14.6%
Free cash flow	673	2,911	1,059	1,149	439
CAPEX	178	324	265	296	244
<i>% of revenue</i>	4%	4%	5%	6%	5%
<i>NIBD to EBITDA (last 12 months)</i>	1.4x	0.8x	1.0x	0.8x	0.7x
Selected KPIs					
<i>Days Sales of Inventory</i> - <i>last 6 months of COGS (183 days)</i>	176	168	267	232	167
<i>Days Sales of Outstanding</i> - <i>last 3 months of wholesale and 3rd party distribution revenue (90 days)</i>	48	40	60	49	58

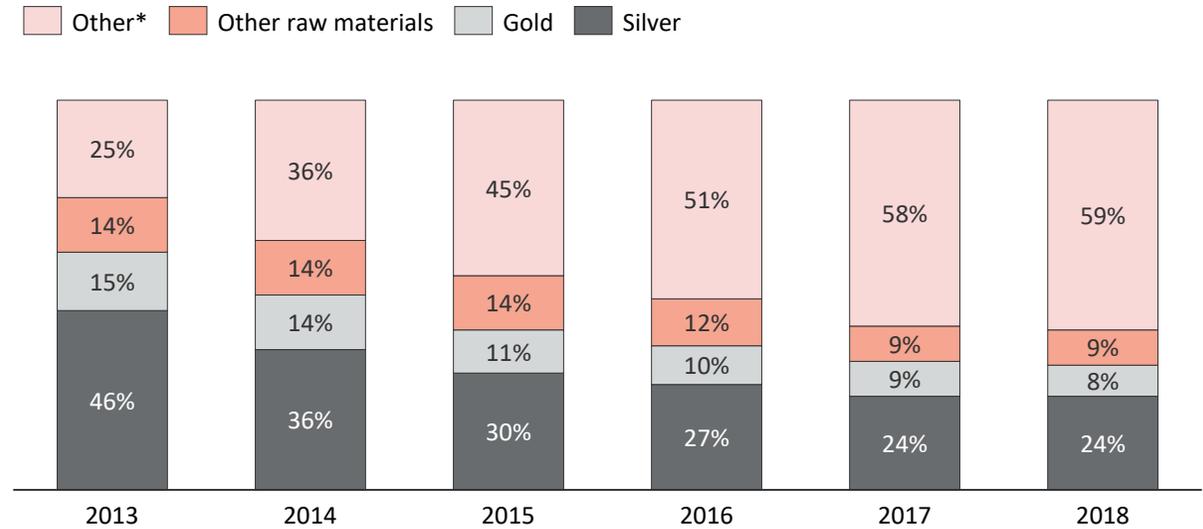
Hedging policy and raw materials share of production costs

Commodity hedging policy



- Pandora hedging policy is to hedge approximately 100%, 80%, 60% and 40%, respectively, of expected gold and silver consumption in the following four quarters
- For calendar 2019, hedging of expected purchases of silver have been increased to 85%, equivalent to 100% hedging of the cost of goods related to silver due to time lag effect from inventory

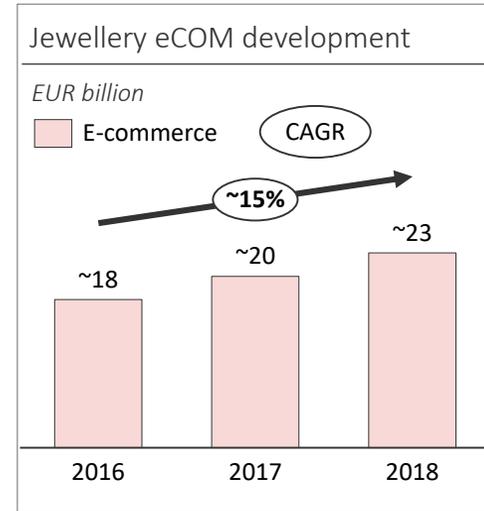
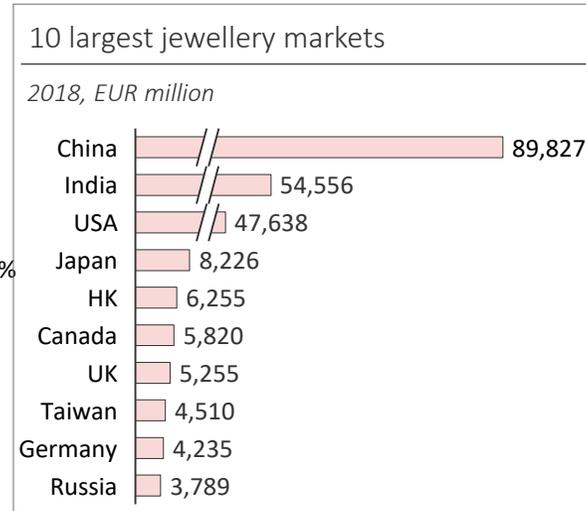
Raw material share of cost of goods sold



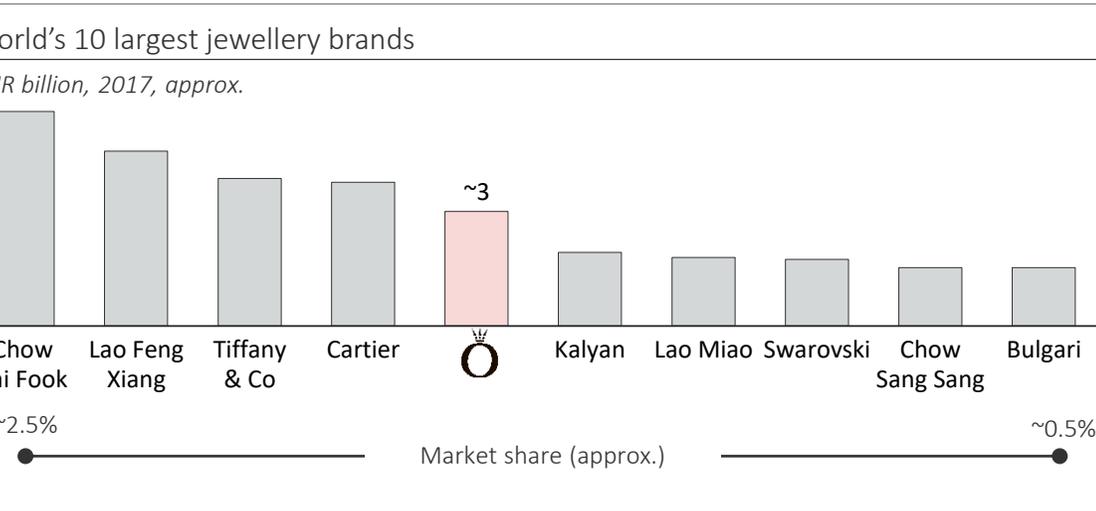
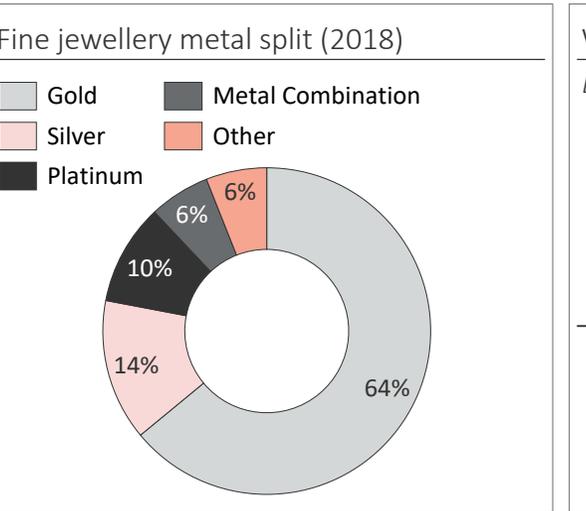
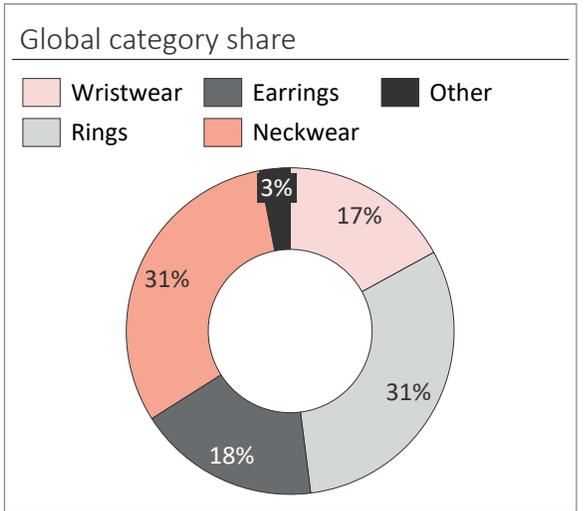
- Other in 2018 consists of ~40% labour, ~30% cost to third-party set-ups (i.e. plating) and ~30% licence, customs, re-melt and minor provisions

Overview of the global jewellery market

MARKET DEVELOPMENT



JEWELLERY DEVELOPMENT

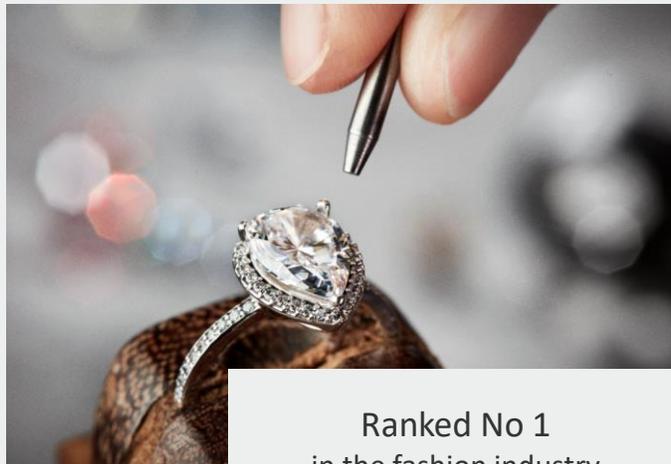


Source: Euromonitor

High Quality & Sustainability Standards

At the heart of Pandora’s business is the belief that high ethical standards and high-quality jewellery go hand in hand. We want women to be able to express themselves with responsibly crafted jewellery made from ethically sourced materials – because we care about our planet and our people.

We are committed signatories of the United Nations Global Compact and acknowledge our responsibilities in the areas of human rights, labour, environment and anti-corruption. Pandora is a certified member of the Responsible Jewellery Council since 2012, which means that external auditors have verified the high ethical standards throughout our operations.



Ranked No 1 in the fashion industry by the Morgan Stanley Capital International’s Environmental, Social, Governance (ESG) rating (2017, 2018)



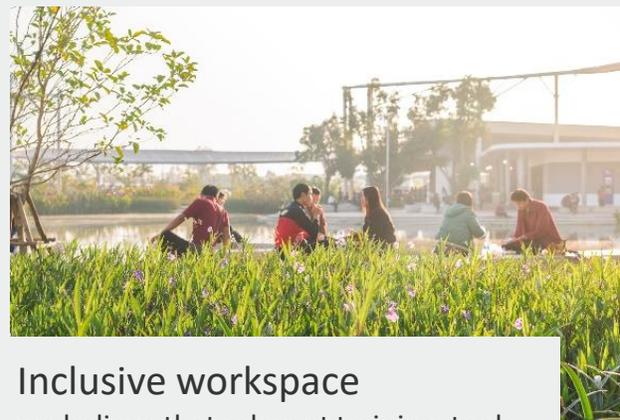
Pandora contributes to progress on most of the 17 United Nations Sustainable Development Goals. We focus on the seven goals where we believe our business can have the largest positive, as well as adverse, impact.

Read our 2018/19 Sustainability- and UNGC progress report

Pandora People in brief

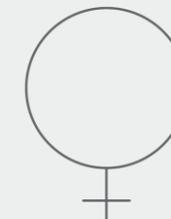


PEOPLE ASPIRATIONS
To ensure our people have a safe, developing workplace



Inclusive workspace

we believe that relevant training, tools, support system and accessibility are crucial for a safe and welcoming environment for all colleagues. Examples of this are special benefits for pregnant employees and 100+ people with disabilities joining our production team



79%

of our managers are female we are committed to fostering, cultivating and preserving a culture of diversity and inclusion



Community Development

13 schools helped and more than 1,600 children in Thailand have been positively impacted via our My School Project charity initiative

data per Dec. 31, 2018

Pandora Product in brief



PRODUCT ASPIRATIONS
To craft our product with integrity

99.96%
of all stones were
man-made



88%
recycled silver
100%
recycled gold



100% certified

LMBA/RJC silver and gold grain suppliers

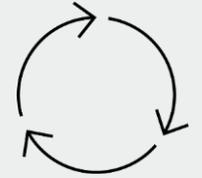


Responsible Supplier Programme
ensures that our suppliers have the same high standards as we do

Pandora Planet in brief



PLANET ASPIRATIONS
To minimise our environmental impact



89%
of waste was recycled at our crafting facilities



Our two largest crafting facilities and global office are Leadership in Energy and Environmental Design (LEED) Gold Certified

95%

environmental saving for every kg of recycled gold & silver used (compared to mined silver/gold)



99%

environmental saving for every kg of cubic zirconia used (compared to mined diamonds)

Read our 2018/19 Sustainability- and UNGC progress report

data per Dec. 31, 2018

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Share information

Trading symbol	PNDORA
Identification number/ISIN	DK0060252690
GICS	25203010
Number of shares	100,000,000
Sector	Apparel, Accessories & Luxury Goods
Share capital	100,000,000
Nominal value, DKK	1
Free float (incl. treasury shares)	100%

ADR information

ADR trading symbol	PANDY
Programme type	Sponsored level 1 programme (J.P. Morgan)
Ratio (ADR:ORD)	4 ADRs : 1 ordinary share (4:1)
ADR ISIN	US 698 341 2031

