



INVESTOR PRESENTATION Q1 2018

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Although we believe that the expectations reflected in these forward-looking statements are reasonable, such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause our actual results, performance or achievements or industry results, to differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements. Such risks, uncertainties and other important factors include, among others: global and local economic

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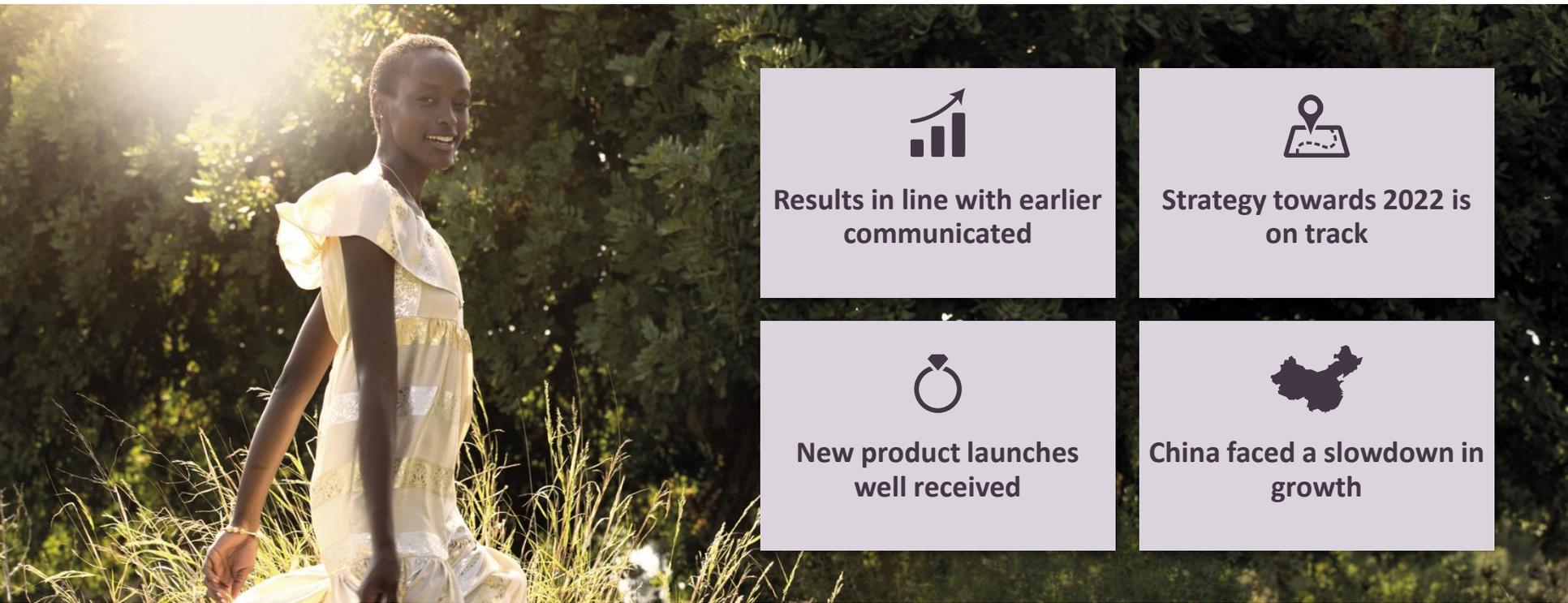
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Key highlights Q1 2018



**Results in line with earlier
communicated**



**Strategy towards 2022 is
on track**



**New product launches
well received**



**China faced a slowdown in
growth**

Q1 2018 delivered 6% local currency growth in line with earlier communicated

Revenue

DKK **5,115** million

(6% in local currency, -1% growth in DKK)

EBITDA margin

32.6%

(Q1 2017: 36.4%)

Good strategic progress



INNOVATE AFFORDABLE JEWELLERY

- First new collections designed by the new design team launched
- Both the Spring collection and PANDORA Shine were well received by the consumers



DIGITALISED BRAND EXPERIENCE

- PANDORA eSTORE and PANDORA.net successfully merged to one site to provide a better consumer experience



WINNING IN OMNI-CHANNEL RETAIL

- Increased PANDORA owned retail driven by the eSTORE, acquisitions and store openings
- 'Buy online, refund in store' planned to be in place in the US during summer



AGILE MANUFACTURING

- Plating lines are now installed where testing is currently ongoing and commercial in-house production will be from Q4 2018

China has faced a slowdown in growth mainly driven by two factors



6% revenue growth in local currency driven by PANDORA owned retail

STRONG RETAIL DEVELOPMENT INCLUDING eSTORE

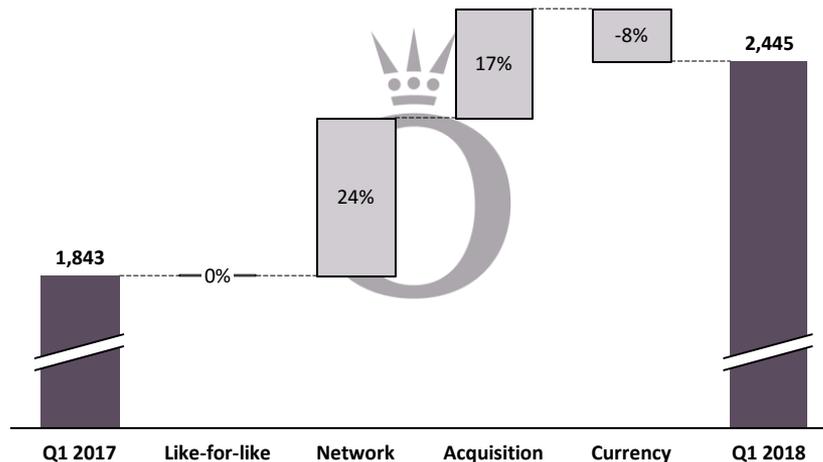
DKK million	Q1 2018	Growth, Q1/Q1, LC	Q1 2018 share of revenue	Q1 2017	Q1 2017 share of revenue
PANDORA owned retail	2,592	40%	51%	1,965	38%
- hereof PANDORA owned concept stores	2,445	41%	48%	1,843	36%
- hereof eSTORE	438	53%	9%	304	6%
Wholesale	2,178	-14%	43%	2,723	53%
- hereof franchise concept stores	1,226	-10%	24%	1,492	29%
3rd party distribution	345	-23%	7%	471	9%
Total revenue	5,115	6%	100%	5,159	100%

WHOLESALE PERFORMANCE

- Slow performance in the US and UK due to lack of newness in the product assortment
- Acquisition of franchise concept stores having a negative impact of DKK 87 million
- Closure of other points of sale mainly in US and Italy

PANDORA OWNED CONCEPT STORE GROWTH OF 41% IN LC

DKK million



Growth driven by the EMEA region

REVENUE BY REGION					
DKK million	Q1 2018	Growth Q1/Q1, DKK	Growth, Q1/Q1, LC	FY 2017	Growth, FY/FY, LC
EMEA	2,534	15%	16%	10,832	15%
- hereof UK	534	-2%	0%	2,809	10%
- hereof Italy	606	14%	14%	2,602	30%
- hereof France	276	11%	11%	1,272	13%
- hereof Germany	234	13%	13%	1,065	9%
AMERICAS	1,422	-16%	-4%	7,111	6%
- hereof US	1,018	-20%	-8%	5,297	6%
ASIA PACIFIC	1,159	-9%	1%	4,838	28%
- hereof Australia	311	-14%	-4%	1,647	8%
- hereof China	467	9%	16%	1,592	82%
Total	5,115	-1%	6%	22,781	15%

COMMENTARY

- **EMEA increased 16%** in local currency driven by
 - Good performance in Italy, France and Germany
 - Around DKK 220 million from acquisitions
- **Americas decreased 4%** in local currency driven by
 - US still being challenged by lack of newness
 - Latin America delivered good growth and expanded its branded store footprint
- **Asia Pacific increased 1%** in local currency driven by
 - Slowdown in growth in China impacted by grey market trading and insufficient marketing spend

Store network development

STORE NETWORK			
Number of points of sale	Q1 2018	Net openings	
		Q1 2018 vs. Q4 2017	Q1 2018 vs. Q1 2017
Concept stores	2,485	39	289
- hereof PANDORA owned	1,022	48	362
- hereof franchise owned	958	-11	-5
- hereof 3 rd party distribution	505	2	-68
Other points of sale	5,233	-115	-460

- ### COMMENTARY
- Continued strong development of the store network with focus on concept stores
 - 39 new concept stores opened in Q1 2018, to a total of 2,485 concept stores globally
 - Including the addition of net 48 owned concept stores to a total of 1,022

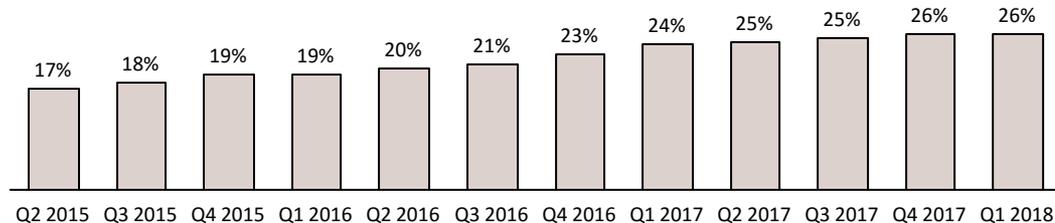


All product categories continued to grow

REVENUE PER PRODUCT CATEGORY

DKK million	Q1 2018	Growth Q1/Q1, DKK	Growth Q1/Q1, LC	Share of revenue Q1 2018	FY 2017	Share of revenue FY 2017
Charms	2,854	-4%	2%	56%	12,920	57%
Bracelets	891	2%	10%	17%	3,965	17%
Rings	736	-2%	5%	14%	3,161	14%
Earrings	309	8%	16%	6%	1,418	6%
Necklaces & Pendants	325	19%	28%	6%	1,317	6%
Total revenue	5,115	-1%	6%	100%	22,781	100%

OTHER CATEGORIES' SHARE OF REVENUE (LTM)



COMMENTARY

- **Charms** and **bracelets** increased revenue by 2% and 10%, respectively
 - Charms still being challenged by lack of newness
 - Bracelets growth driven by 12 new bracelets launched in Q1
- Revenue from the **other categories** increased 12% and represented 27% of revenue
 - Growth in rings of 5% is due to a slowdown in mature ring markets like US, UK and Australia, impacted by a broader product focus

Cost development mainly driven by increased PANDORA owned retail

GROSS PROFIT AND OPERATING EXPENSES INCL. D&A

DKK million	Q1 2018	Share of revenue Q1 2018	Share of revenue Q1 2017	FY 2017	Share of revenue FY 2017
Gross profit	3,876	75.8%	73.3%	16,966	74.5%
Operating expenses (incl. D&A)	-2,435	-47.6%	-40.0%	-9,182	40.3%
- hereof sales & distribution	-1,373	-26.8%	-21.0%	-4,810	21.1%
- hereof marketing	-485	-9.5%	-8.7%	-2,235	9.8%
- hereof administrative	-577	-11.3%	-10.4%	-2,137	9.4%
Depreciation and amortisation	226	4.4%	3.2%	721	3.2%
EBITDA	1,667	32.6%	36.4%	8,505	37.3%



COMMENTARY

- **Gross margin increased 2.5%-p**
 - Positively impacted by increased share of PANDORA owned retail revenue
 - Partially offset by metal mix
- **Operating expenses increased 7.6%-p**
 - S&D increased 5.8%-p due to the increasing share of PANDORA owned revenue
 - Marketing ratio spend up 0.8%-p due to the launch of PANDORA Shine
 - Administrative expenses ratio increased by 0.9%-p due to organisational changes
- **EBITDA impacted by -1%-p from FX**

Regional and Group EBITDA margins

REGIONAL EBITDA						
DKK million	Q1 2018	Growth Q1/Q1 in DKK	EBITDA margin Q1 2018	EBITDA margin Q1 2017	FY 2017	EBITDA margin FY 2017
EMEA	842	3%	33.2%	37.3%	4,288	39.6%
Americas	378	-27%	26.6%	30.8%	2,313	32.5%
Asia Pacific	447	-17%	38.6%	42.4%	1,904	39.4%
Group	1,667	-11%	32.6%	36.4%	8,505	37.3%



Balance sheet

WORKING CAPITAL AND CASH MANAGEMENT

DKK million	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017
Inventory	2,810	2,729	3,232	3,021	2,905
- Share of revenue (last 12 months)	12.4%	12.0%	14.8%	14.3%	14.0%
Trade receivables	1,850	1,954	2,268	1,232	1,500
- Share of revenue (last 12 months)	8.1%	8.6%	10.4%	5.8%	7.2%
Trade payables	-1,349	-1,695	-1,362	-1,339	-1,451
- Share of revenue (last 12 months)	-5.9%	-7.4%	-6.3%	-6.3%	-7.0%
Operating working capital	3,311	2,988	4,138	2,914	2,954
- Share of revenue (last 12 months)	14.6%	13.1%	19.0%	13.7%	14.3%
Free cash flow	439	2,919	637	556	1,182
CAPEX	244	502	380	296	210
NIBD to EBITDA (last 12 months)	0.7x	0.6x	0.7x	0.5x	0.4x

Selected KPIs

Days Sales of Inventory - last 6 months of COGS (183 days)	167	157	228	210	176
Days Sales of Outstanding - last 3 months of wholesale and 3 rd party distribution revenue (90 days)	66	47	63	39	42

COMMENTARY

- **Inventory decreased by 1.6%-p to 12.4%** of revenue compared with same quarter last year
- **Trade receivables were 66 days** compared with Q1 2017
 - Integration of Spain
 - Revenue skewed towards the end of the quarter
- **Free cash flow decreased to DKK 439 million** compared with DKK 1,182 million last year driven by
 - Decrease in EBITDA
 - Negative one-off impact of around DKK 300 million mainly related to withholding tax in Thailand

2018 financial guidance unchanged

FINANCIAL GUIDANCE		
	FY 2018	FY 2017
	Guidance	Actual
Revenue, growth/DKK billion	7-10% local currency growth	22.8
EBITDA margin	Approx. 35%	37.3%
CAPEX, % share of revenue	Approx. 5%	6.1%



COMMENTARY
<ul style="list-style-type: none">• Revenue growth of 7-10% in local currency<ul style="list-style-type: none">- Around 200 concept store openings- Around DKK 1bn in forward integration- Headwind from currencies expected to be around 4%• EBITDA margin to be approx. 35%<ul style="list-style-type: none">- Significantly lower margin in H1 2018 compared to H2 2018 (as in prior years)• CAPEX to be approx. 5% of revenue

Closing remarks

Q1 2018 results inline with expectations

6%
revenue growth in LC

32.6%
EBITDA margin

Slowdown in growth in China



- PANDORA will proactively manage and limit unofficial sales to reduce grey market trading
- Reallocation and increase of traffic driving marketing spend

Good progress in our strategy towards 2022



Innovate affordable jewellery



Digitalised brand experience



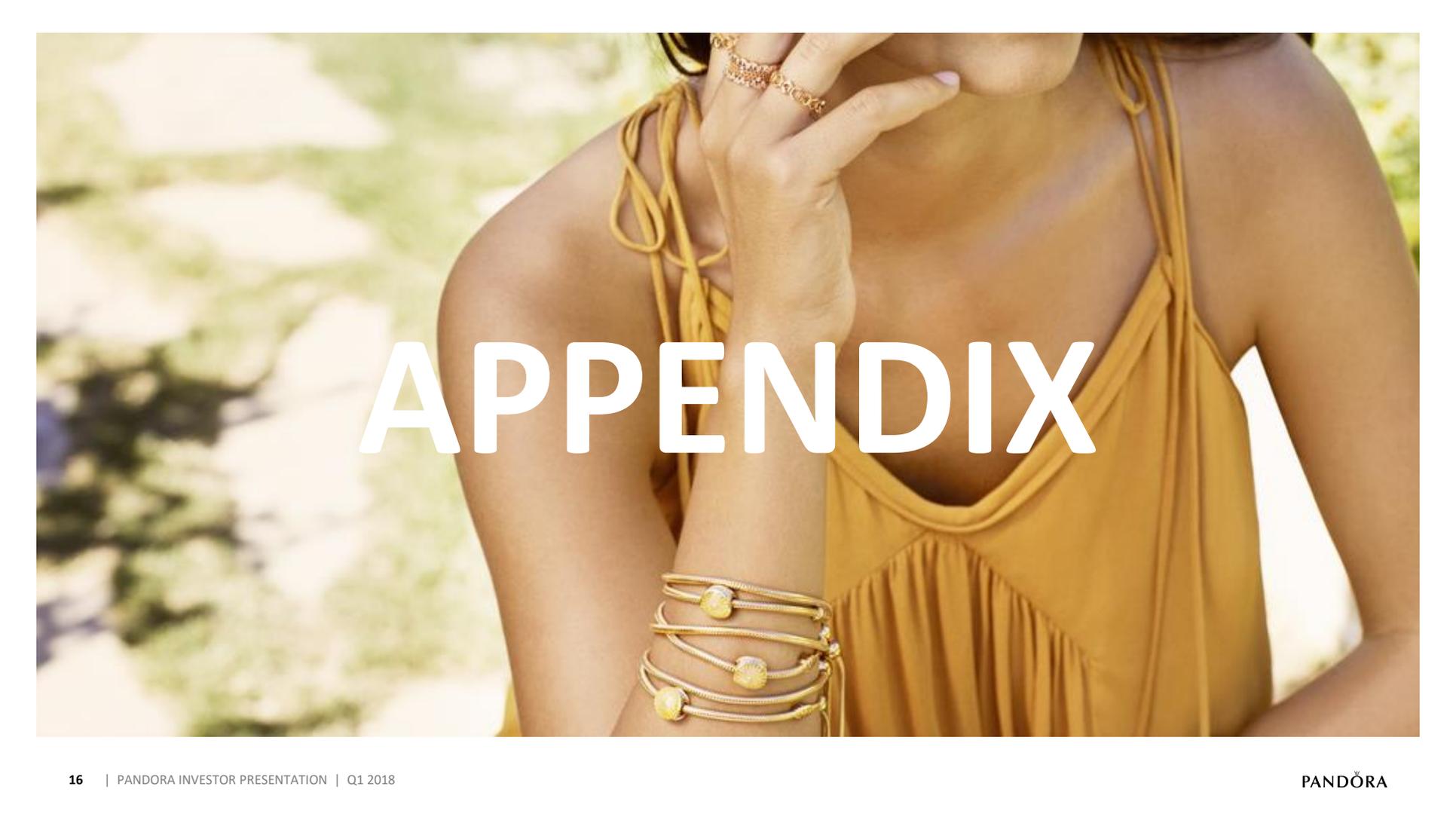
Winning in omni-channel retail



Agile manufacturing

Spring & PANDORA Shine well-received



A close-up photograph of a woman's upper body and arms. She is wearing a gold Pandora bracelet with three round charms on her left wrist and a matching gold ring on her left hand. She is wearing a gold-colored, spaghetti-strap top. The background is a soft-focus outdoor scene with green foliage and a light-colored wall. The word "APPENDIX" is overlaid in large, bold, white, sans-serif capital letters across the center of the image.

APPENDIX

The PANDORA investment case towards 2022

A UNIQUE INTEGRATED BUSINESS MODEL



**AFFORDABLE
JEWELLERY LEADER**



**LEADING POSITION IN
BRANDED
MANUFACTURING**



**WORLD'S MOST
RECOGNISED
JEWELLERY BRAND**



**LARGE AND PROFITABLE
DISTRIBUTION
NETWORK**

DELIVERING STRONG FINANCIALS



**SUSTAINABLE
GROWTH**

~7-10%
Revenue growth
(local currency)



**STRONG
MARGINS**

~35%
EBITDA margin



**ASSET
LIGHT**

~5%
CAPEX



**CASH
GENERATIVE**

**High
pay-out**

PANDORA has a unique platform with a fully integrated value chain

AFFORDABLE LUXURY LEADER WITH UNIQUE INTEGRATED BUSINESS MODEL



PANDORA's transformational journey towards 2022



INNOVATE AFFORDABLE JEWELLERY

~50% New categories

10 Drops and +500 new products per year

1 New concept per year



DIGITALISED BRAND EXPERIENCE

#1 Industry leading digital consumer experience*

~8% Marketing spend

~60% Spend on digital media



WINNING IN OMNI-CHANNEL RETAIL

~3,500 Concept stores

~65% O&O share (# of stores)

~10-15% eSTORE share of revenue



AGILE MANUFACTURING

4 weeks manufacturing lead time

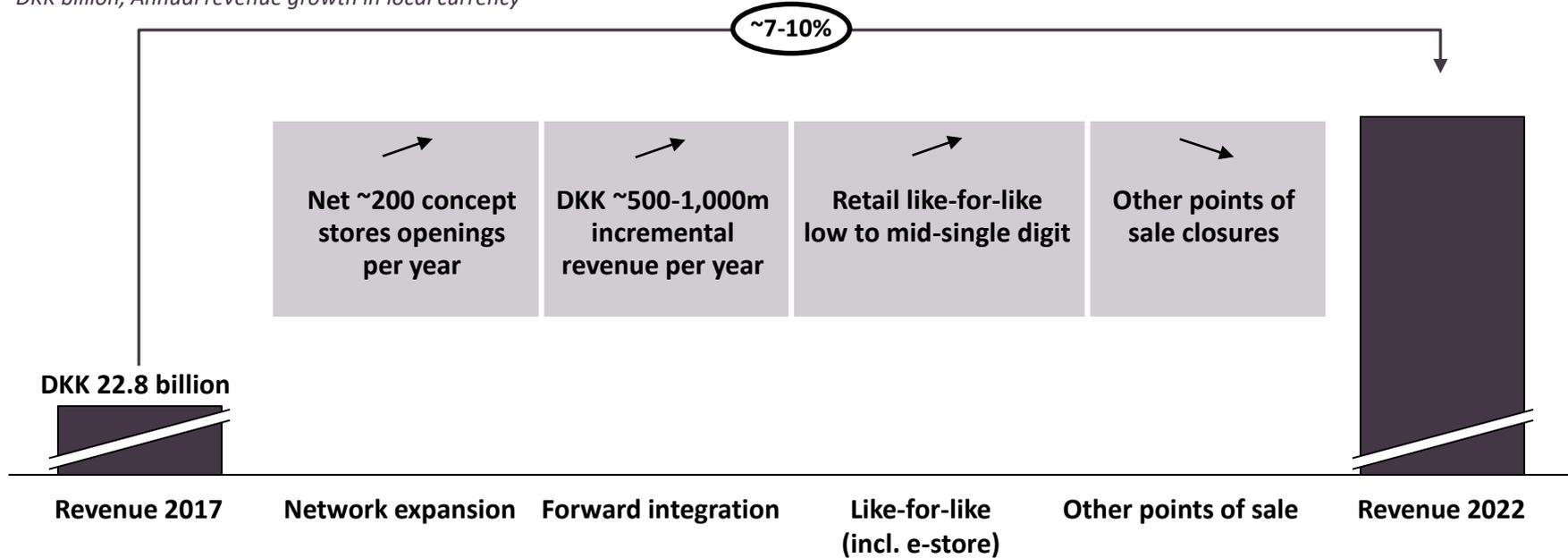
4 months new product launch (fast track)

200 million units in total production capacity

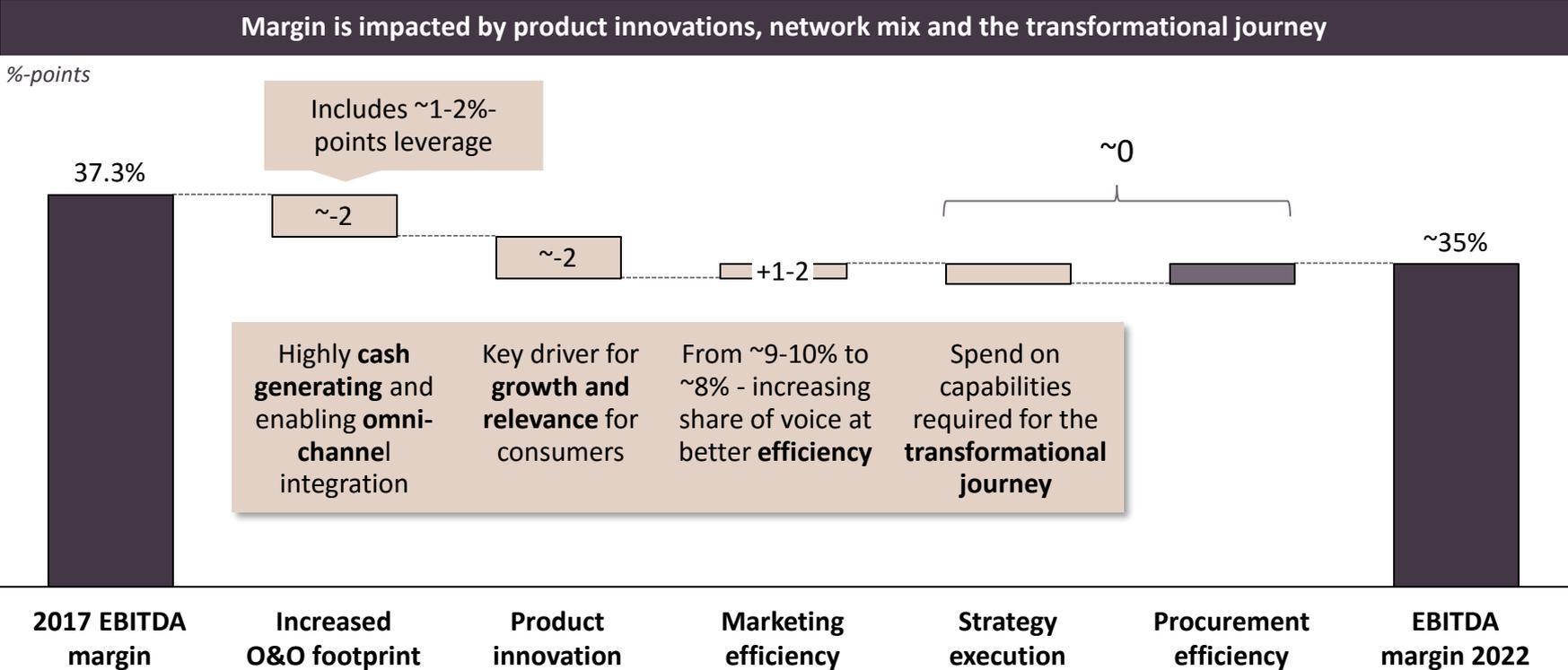
* L2 benchmark

Annual revenue growth ambition of 7-10% in local currency towards 2022

DKK billion, Annual revenue growth in local currency



EBITDA margin of ~35% going forward to deliver sustainable growth (2018-2022)

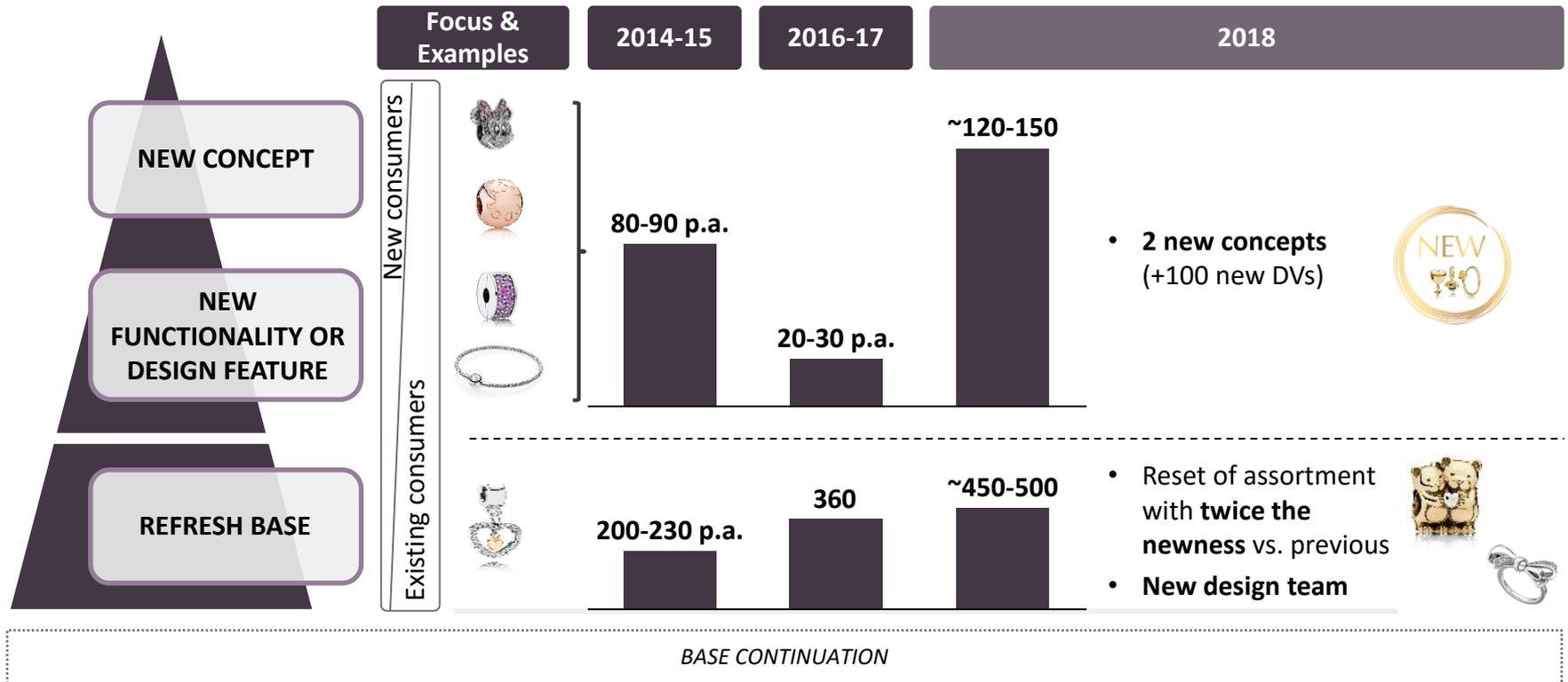


Note: Commodity prices as of end 2017

PANDORA will drive newness and innovation in our product portfolio

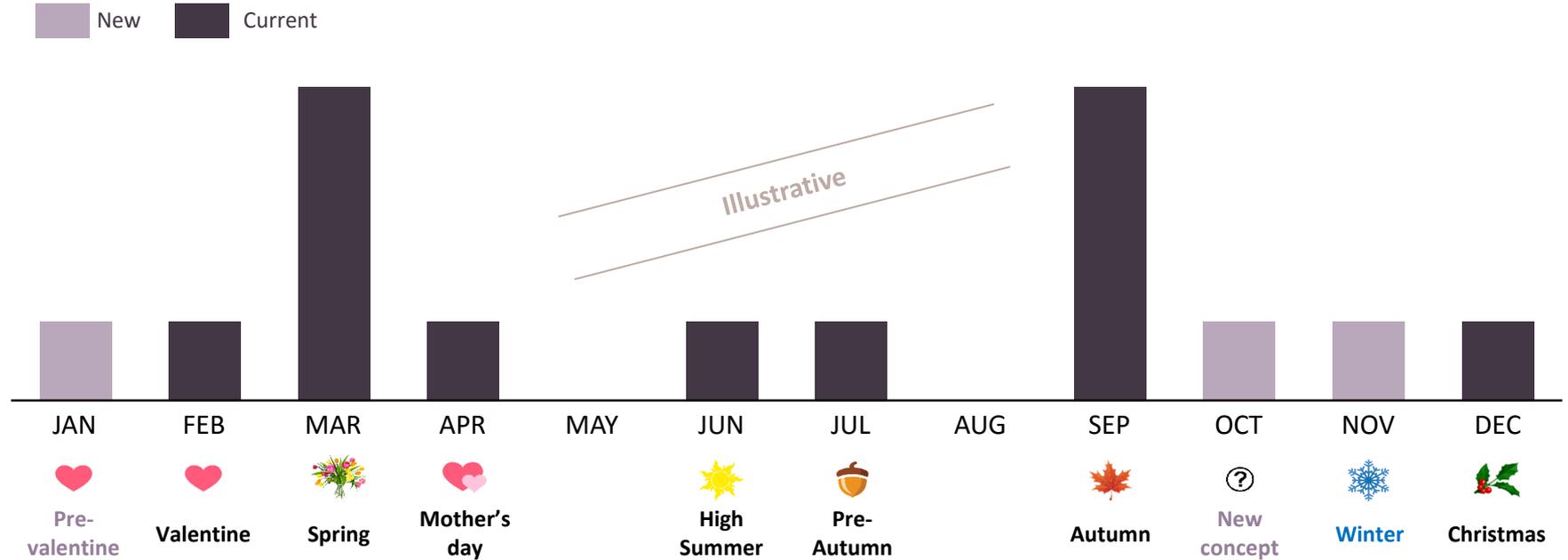
PRODUCT NEWNESS, NUMBER OF NEW DESIGN VARIATIONS (DVs)

Significant newness push throughout



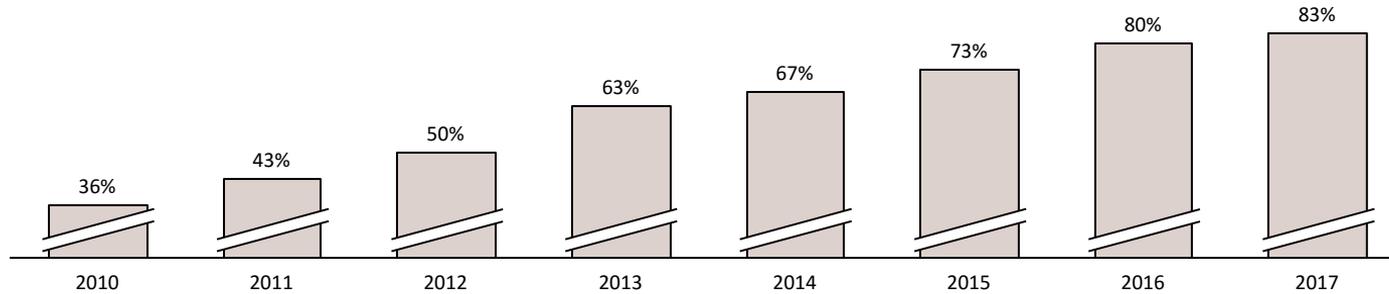
First jewellery brand to do 7 drops – Now, PANDORA will introduce 10 drops a year

TWO LARGE DROPS AND EIGHT SMALLER DROPS THROUGHOUT THE YEAR

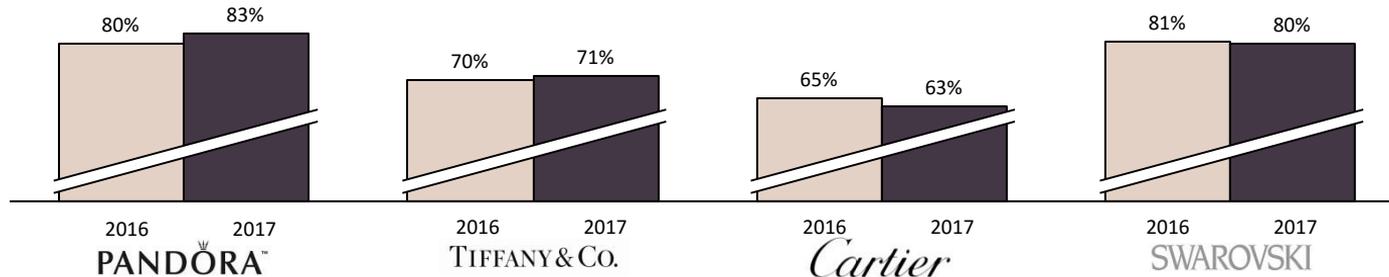


PANDORA is the world's most recognised jewellery brand

AIDED BRAND AWARENESS



JEWELLERY COMPANIES - AIDED BRAND AWARENESS



PANDORA consumers stay loyal and willing to buy - also after 10 years of ownership

IMPROVED CONSUMER KPIS ACROSS MARKETS (WOMEN +18)

Selected key markets	Aided awareness ¹		Consideration ²	
	2017	2016	2017	2016
US	88%	88%	32%	27%
UK	94%	92%	43%	41%
Italy	91%	88%	47%	42%
France	74%	65%	25%	19%
Germany	82%	79%	28%	29%
Australia	94%	96%	45%	48%
China ³	50%	53%	31%	33%
Global	83%	80%	34%	31%

¹Do you know the jewellery brand PANDORA?

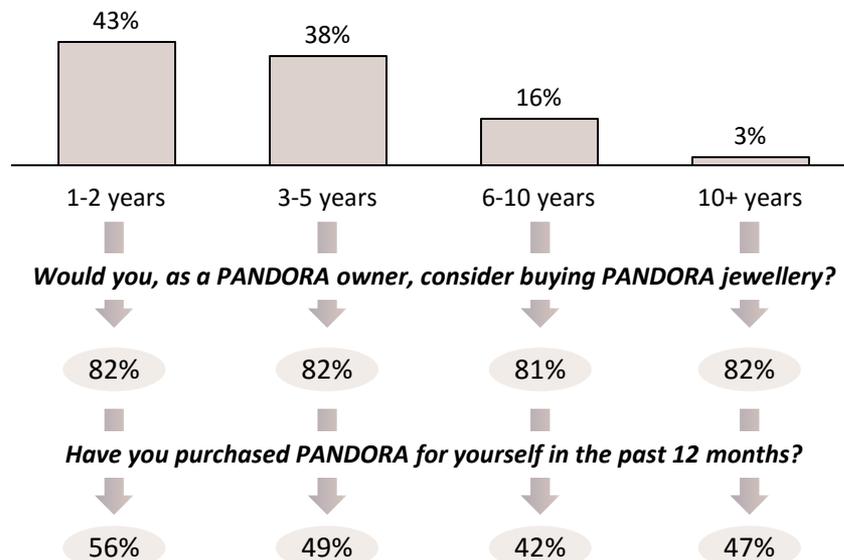
²Would you consider buying PANDORA jewellery?

³China brand track has been expanded from two cities in 2016 to four cities in 2017

Source: PANDORA brand tracker 2016 & 2017

~80% OF PANDORA OWNERS STILL CONSIDER TO BUY PANDORA JEWELLERY UNRELATED TO TIME OF OWNERSHIP

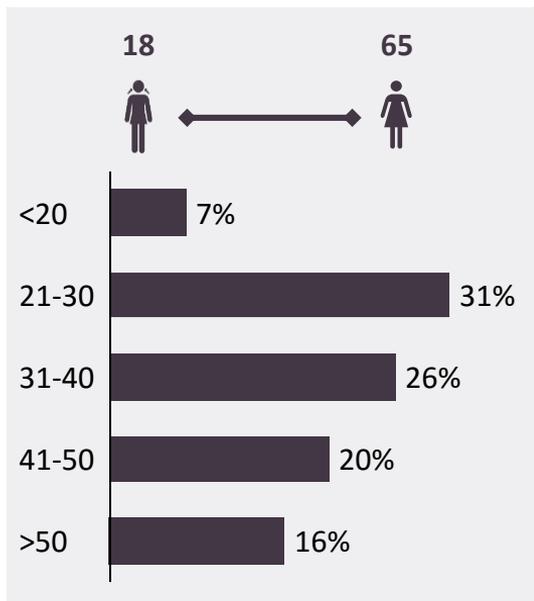
How long time ago did you receive/purchase your first piece of PANDORA?



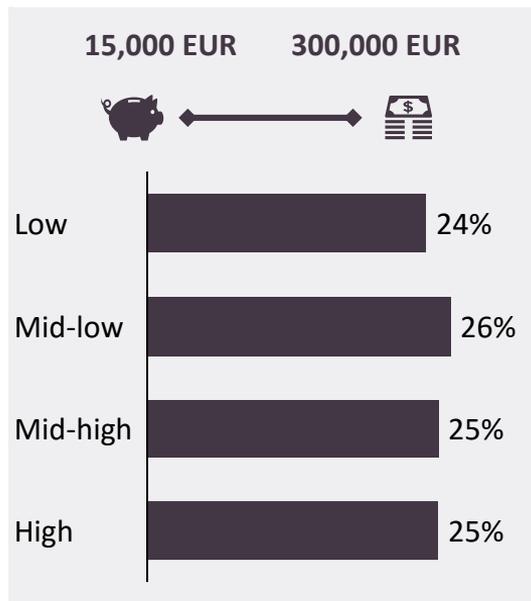
The PANDORA consumer

DISTRIBUTION OF CONSUMERS WHO HAVE PURCHASED PANDORA WITHIN LAST 12 MONTHS

AGE



ANNUAL INCOME



GIFTERS



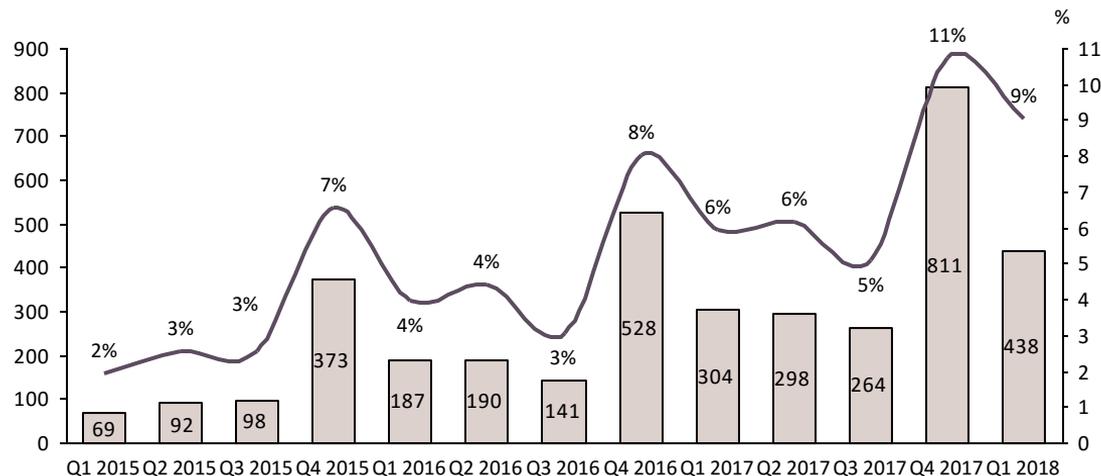
Source: PANDORA Global Brand Tracker 2017 (Top-25 markets)

PANDORA's online business & presence

ESTORE DEVELOPMENT

DKK million

— eSTORE % of Group Revenue ■ eSTORE revenue



53%

REVENUE
GROWTH IN LC

9%

REVENUE SHARE OF
GROUP REVENUE

20

MARKETS

SINGLE

DIGIT RETURN RATES

STRONG

PROFITABILITY

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 120 million visits on the PANDORA eSTORE in 2017

PANDORA
Club

Around 11 million PANDORA club members worldwide



13.7 million Facebook followers



4 million followers on Instagram

PANDORA is building its omni-channel capabilities

Capability		Today	H1 2018	H2 2018	2019 →	Plan for roll-out
Returns	Free returns	✓ <i>Within 30 days</i>	✓ <i>Within 30 days</i>	✓ <i>Within 30 days</i>	✓ <i>Within 30 days</i>	H1 2018 <ul style="list-style-type: none"> Buy online-refund in store to be implemented in the US, other markets to follow H2 2018 - Pilot in US (roll-out in US 2019) <ul style="list-style-type: none"> Click-and-collect, in-store stock visibility, reserve and buy-in-store 2019 -> <ul style="list-style-type: none"> Strengthened service level delivery
	Return in-store & refund	✗	✓	✓	✓	
Cross-channel fulfillment	Click-and-collect	✗	✗	✓	✓	
	Online in-store stock visibility	✗	✗	✓	✓	
Delivery	Free delivery	✓ <i>2-5 days</i>	✓ <i>2-5 days</i>	✓ <i>2-5 days</i>	✓ <i>2-5 days</i>	
	Delivery speed (24 hours etc.)	✗	✗	✗	✓	

Corporate social responsibility

GREEN CRAFTING FACILITIES



The only LEED gold certified jewellery facility in Thailand



Opening state of the art facility with green profile

LOCAL COMMUNITY ENGAGEMENT



Disabled organic farming project



11th My School Project - improving education in rural Thailand

GOOD WORKING ENVIRONMENT



Award winning working conditions & business practices



Strong focus on safety and development

RESPONSIBLE SOURCING



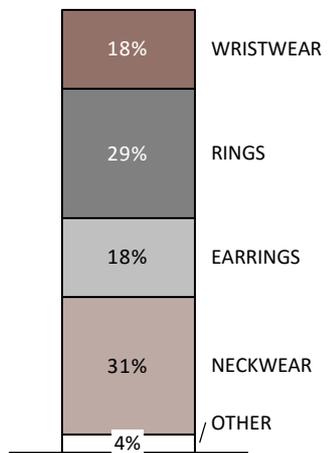
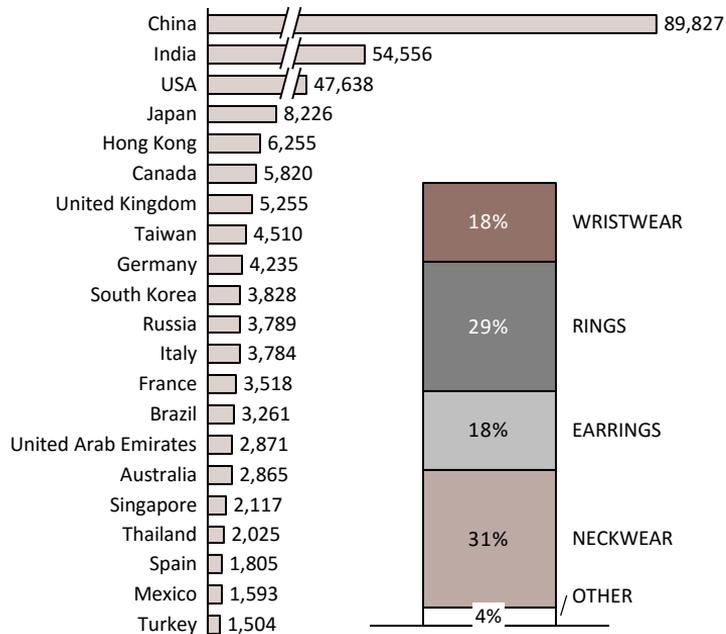
Proud RJC member
91% Silver and 86% Gold grains from recycled sources



Responsible Supplier Programme

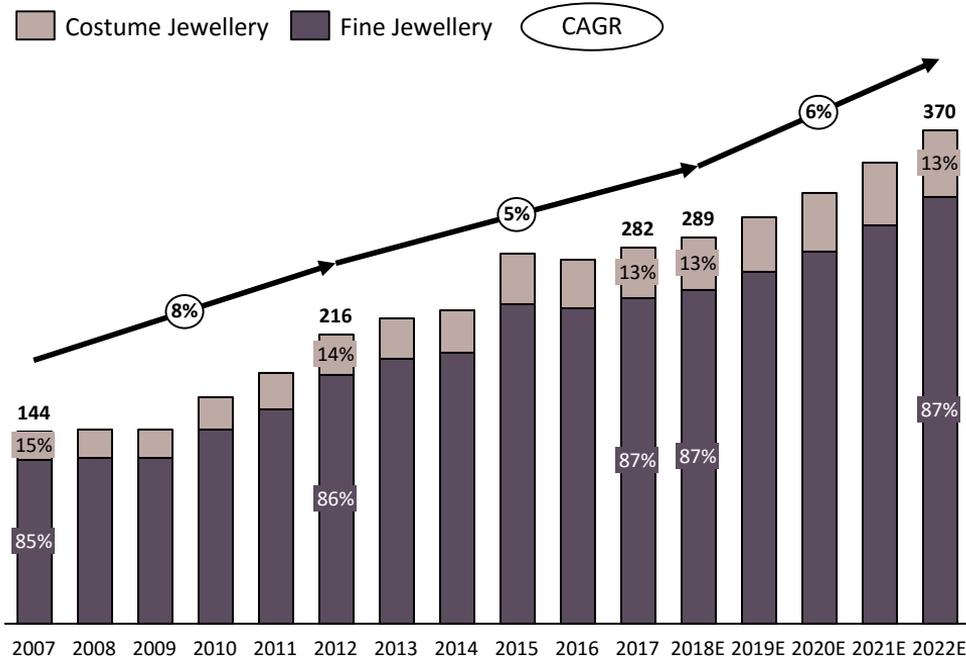
Global jewellery market outlook

LARGEST JEWELLERY MARKETS, 2018E (EURM)



GLOBAL CATEGORY SHARE

JEWELLERY MARKET EXPECTED TO INCREASE WITH A CAGR OF 6% (EURBN)

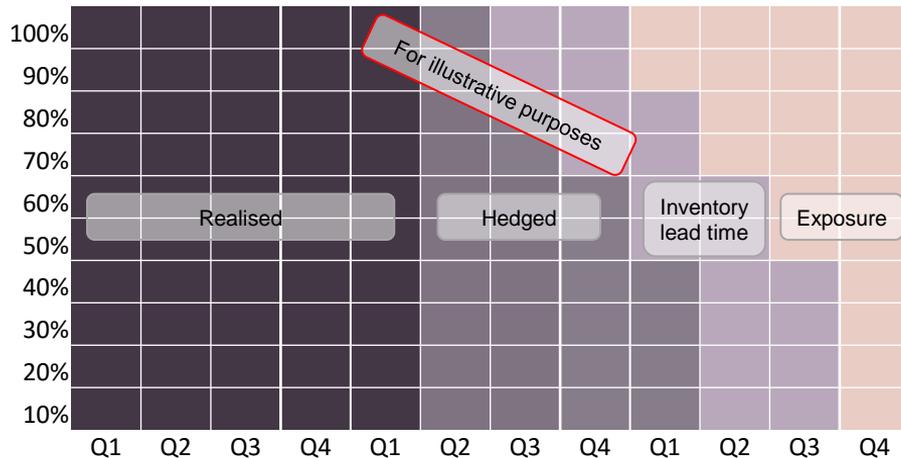


Note: All figures are based on current prices and year-on-year exchange rates

Source: EUROMONITOR RESEARCH

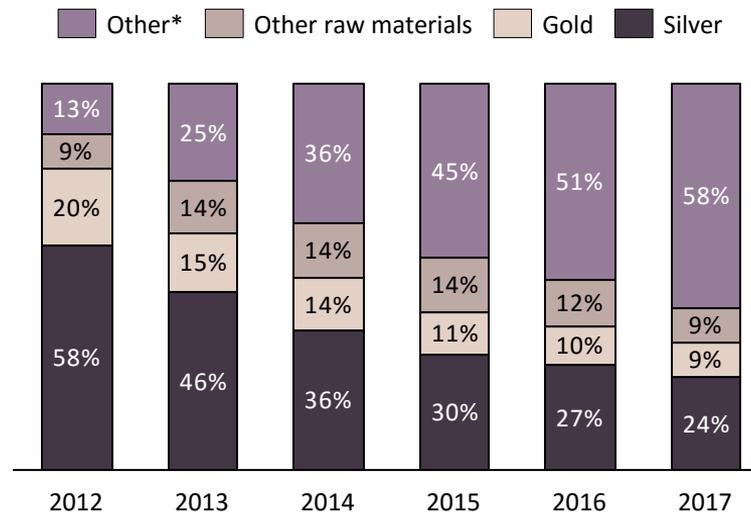
Hedging policy and raw materials share of production costs

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.

RAW MATERIAL SHARE OF COST OF GOODS SOLD



- 'Other' as share of total cost of goods sold increases as products become increasingly labour intensive and as the price of raw materials decrease from 2012 and onwards

Concept stores per market

	Number of concept stores Q1 2018	Number of concept stores Q4 2018	Number of concept stores Q1 2017	Growth Q1 2018 /Q4 2017	Growth Q1 2018 /Q1 2017	Number of O&O Q1 2018	Growth O&O stores Q1 2018 /Q4 2017	Growth O&O stores Q1 2018 /Q1 2017
UK	233	234	230	-1	3	45	8	23
Russia	200	201	206	-1	-6	-	-	-
Germany	152	154	154	-2	-2	143	-2	3
Italy	116	112	82	4	34	70	4	38
France	98	95	73	3	25	47	3	20
Spain	72	69	55	3	17	57	3	57
Poland	47	47	45	-	2	36	-	17
South Africa	29	29	35	-	-6	22	-	22
Ireland	29	30	29	-1	-	-	-	-
Belgium	25	25	25	-	-	13	-	13
Portugal	24	24	22	-	2	-	-	-
Ukraine	23	23	23	-	-	-	-	-
Netherlands	23	23	22	-	1	23	-	1
United Arab Emirates	21	21	19	-	2	21	-	2
Romania	20	19	15	1	5	12	1	3
Czech Republic	19	19	17	-	2	10	-	-
Turkey	19	19	14	-	5	19	-	5
Israel	17	17	16	-	1	-	-	-
Greece	14	14	13	-	1	-	-	-
Austria	14	14	13	-	1	9	1	2
Denmark	14	14	14	-	-	14	-	-
Sweden	10	10	8	-	2	10	-	2
Saudi Arabia	10	10	7	-	3	-	-	-
Rest of EMEA	128	124	98	4	30	17	1	3
EMEA	1,357	1,347	1,235	10	122	568	19	211
US	380	382	349	-2	31	117	3	53
Brazil	98	98	91	-	7	58	-	6
Canada	77	77	78	-	-1	14	4	8
Mexico	44	34	19	10	25	19	9	19
Caribbean	26	25	24	1	2	-	-	-
Rest of Americas	45	41	31	4	14	3	-	3
Americas	670	657	592	13	78	211	16	89
China	171	155	117	16	54	165	14	49
Australia	124	123	114	1	10	27	1	8
Hong Kong	30	30	29	-	1	25	-	-
Malaysia	29	30	29	-1	-	-	-	-
Philippines	28	26	15	2	13	-	-	-
New Zealand	16	16	13	-	3	6	-	6
Singapore	15	15	14	-	1	11	-	-
Thailand	14	14	9	-	5	-	-	-
Rest of Asia Pacific	31	33	29	-2	2	9	-2	-1
Asia Pacific	458	442	369	16	89	243	13	62
All markets	2,485	2,446	2,196	39	289	1,022	48	362

Contact details

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SHARE INFORMATION

Trading symbol	PNDORA
Identification number/ISIN	DK0060252690
GICS	25203010
Number of shares	110,029,003
Sector	Apparel, Accessories & Luxury Goods
Share capital	110,029,003
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