

# INVESTOR PRESENTATION Q2 2018

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conditions; changes in market trends and end-consumer preferences; fluctuations in the prices of raw materials, currency exchange rates, and interest rates; our plans or objectives for future operations or products, including our ability to introduce new jewellery and non-jewellery products; our ability to expand in existing and new markets and risks associated with doing business globally and, in particular, in emerging markets; competition from local, national and international companies in the United States, Australia, Germany, the United Kingdom and other markets in which we operate; the protection and strengthening of our intellectual property rights, including patents and trademarks; the future adequacy of our current warehousing, logistics and information technology operations; changes in Danish, E.U., Thai or other laws and regulations or any interpretation thereof, applicable to our business; increases to our effective tax rate or other harm to our business as a result of governmental review of our transfer pricing policies, conflicting taxation claims or changes in tax laws; and other factors referenced to in this presentation.

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# Important progress on the strategy, but performance weaker than expected

## Q2 highlights

Revenue  
DKK **4,819** million  
*(4% in local currency /  
8% excluding one-offs)*

EBITDA margin  
**31.1%**  
*(33.4% in Q2 2017)*



## Q2 drivers



Bracelets, Rings, Earrings and Necklaces supported by the new collections



Improvement in China



eSTORE continues strong growth



Wholesale down due to inventory reductions and negative like-for-like



Charms momentum unchanged with new product designs



Italy impacted by negative like-for-like and closure of other points of sale



Less leverage on costs due to lower revenue

# Financial guidance for 2018 adjusted

## Full year 2018 guidance

	2018 New guidance	2018 Previous guidance
Revenue growth, <i>local currency</i>	4-7%	7-10%
<i>EBITDA margin</i>	<i>Approx. 32%</i>	<i>Approx. 35%</i>
CAPEX, <i>as a % of revenue</i>	<i>Approx. 5%</i>	<i>Approx. 5%</i>
Forward integration, <i>DKKbn</i>	Around 1.4	Around 1.0
Concept store openings, <i>net</i>	Around 250	Around 200

## Drivers of guidance change

### Revenue drivers

- Weaker than anticipated development in Charms
  - New products have not changed momentum
  - Changing demand pattern
- Wholesale channel impacted by inventory reductions and softer performance
- Weaker total like-for-like sales-out growth in July

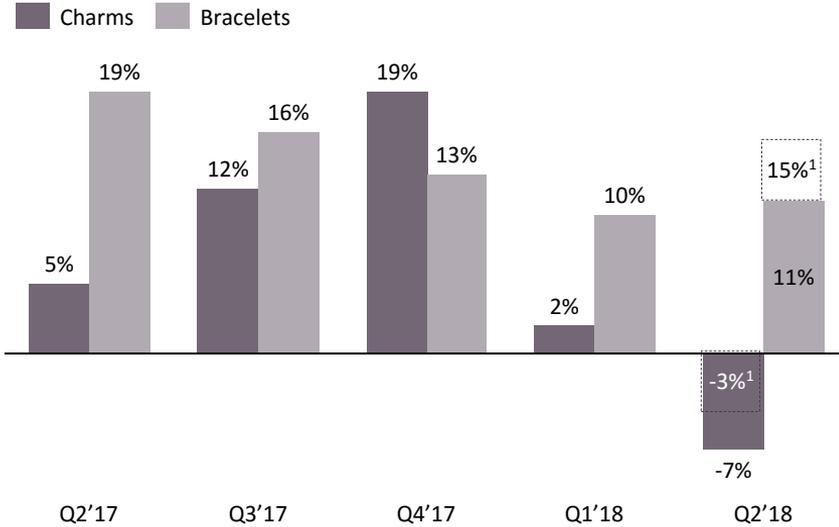
### EBITDA drivers

- Less leverage due to lower revenue growth
- Higher share of revenue from PANDORA Rose and PANDORA Shine with lower margins
- Longer production time for more advanced designs

# Charms momentum unchanged while bracelets are still in strong demand

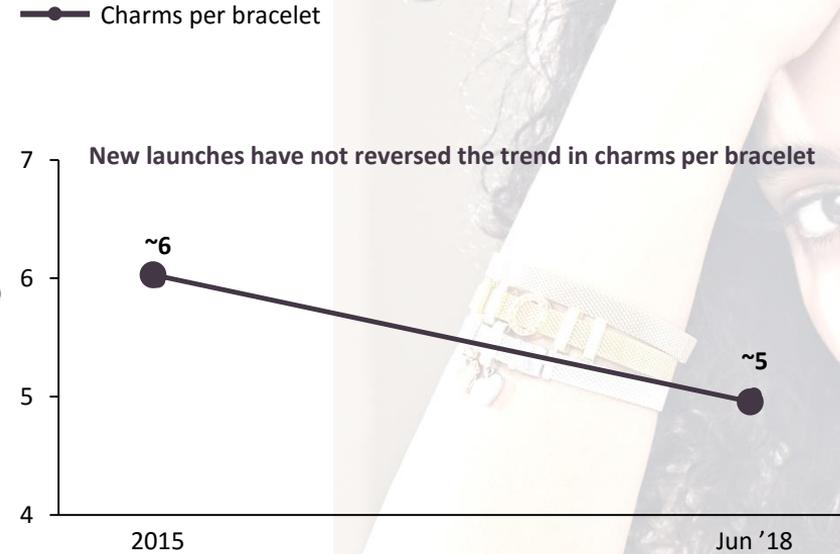
## PANDORA wristwear in continued demand

Charms & bracelets reported revenue growth in local currency



<sup>1</sup>Adjusting for the sales return reserve in US, the growth would have been 4%-p higher across categories

However, demand pattern in charms has changed as women wear fewer charms on their bracelet <sup>2</sup>



<sup>2</sup> PANDORA Sell-out, based on rolling 12 months, # of units sold out

# New charms-platform to cater for broader consumer base, accelerated focus on the other categories

## Launch PANDORA Reflexions to expand wristwear category

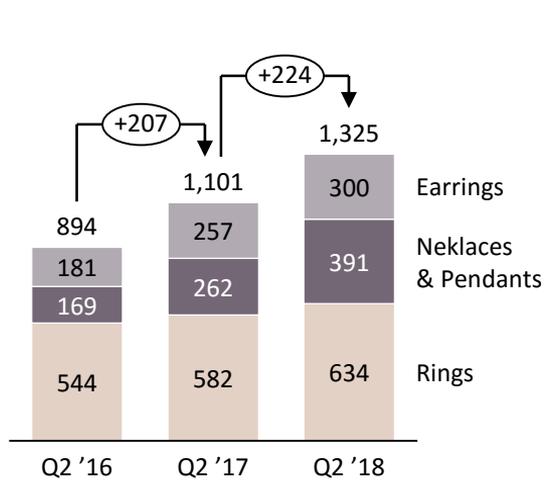
**59** DVs are being launched in the

Reflexions platform during the rest of 2018 with introduction in October

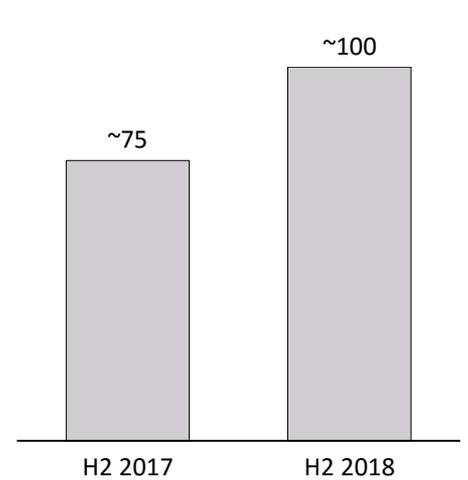


## Growth YoY in other categories expected to continue and be supported by newness

Growth in other categories quarter by quarter  
DKK millions (Rings, Earrings, Necklaces & Pendants)



New DVs in other categories vs. last year  
# (Rings, Earrings, Necklaces & Pendants)

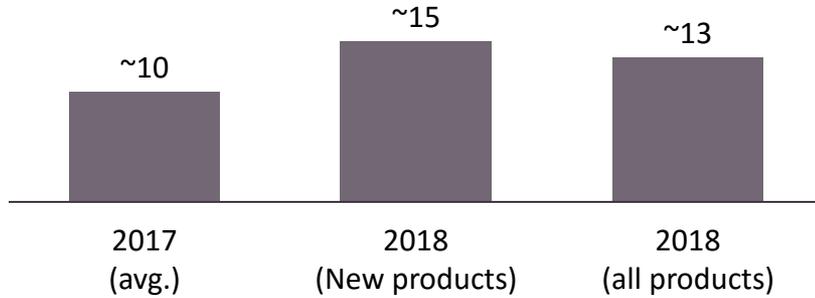


# More advanced new products increase production time, while plated concepts impact gross margin

## Production time has increased by ~30% compared with 2017

### Average production time per unit

Minutes

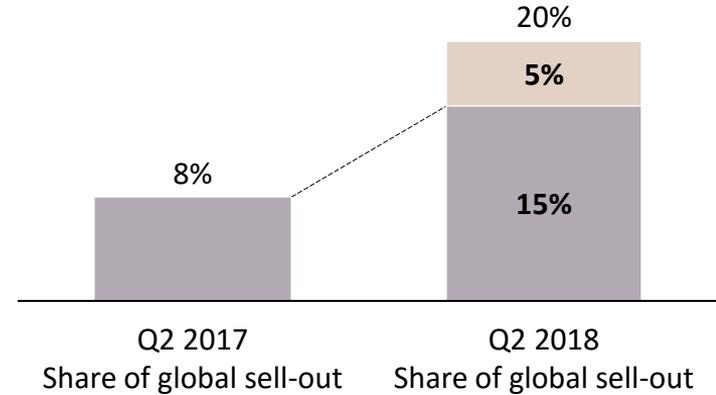


*New designs are more advanced to produce due to more details and functionalities (e.g. Bella Bot)*



## PANDORA Shine well received, while PANDORA Rose continues to grow leading to negative GM impact

Shine Rose



Source: PANDORA sell-out

# Cost and efficiency initiatives taken to protect long-term profitability

## STRONG PROGRESSION IN GLOBAL PROCUREMENT PROGRAMME

Additional annual savings of

# *DKK 200m*

identified through global procurement programme

### Savings to be made within:



MEDIA



IT SERVICES



PACKAGING



FINISHED GOODS



TRAVEL

## STRENGTHENING ORGANISATIONAL EFFICIENCY

### Organisational alignment executed in Q3 2018

- 397 employees terminated
- Improved global alignment of organisation
- Strengthening strategic priorities such as Digital and eCommerce

### Financial implications

- DKK –50 million booked in Q3 2018
- DKK ~150 million in annual savings from 2019

# Our strategy and growth model remain unchanged

## 4 strategic pillars

## Objectives towards 2022

## Actions

 <b>INNOVATE AFFORDABLE JEWELLERY</b>	~50%/50% charms vs other categories	<ul style="list-style-type: none"><li>+500 new products</li><li>1 new concept per year (incl. new wristwear platform)</li></ul>
 <b>DIGITALISED BRAND EXPERIENCE</b>	>50% awareness of other categories ~8% marketing spend ~60% spend on digital media	<ul style="list-style-type: none"><li>15-20% marketing efficiency increase</li><li>Ensure automated and personalised 1:1 marketing</li><li>Increase social media presence</li></ul>
 <b>WINNING IN OMNI-CHANNEL RETAIL</b>	>15% eSTORE share of revenue ~3,500 concept stores ~65% O&O share (# of stores)	<ul style="list-style-type: none"><li>200 concept stores net openings per year</li><li>Take over 75-150 franchise stores annually</li><li>eSTORE platform development &amp; trading optimisation</li><li>Expand omni-channel fulfilment and service</li></ul>
 <b>AGILE MANUFACTURING</b>	4 months new product launch (fast track) & 4 weeks lead time 200 million units in total production capacity	<ul style="list-style-type: none"><li>Expand manufacturing capabilities</li><li>Enable next level product innovation</li><li>Increase productivity and ensure procurement and cost savings</li></ul>

# Total like-for-like will now be disclosed and includes all concept stores incl. eSTORE

## More transparency on like-for-like sales during transition period for the Group and the 7 key markets

	Retail like-for-like <sup>1</sup>	<b>NEW</b> Total like-for-like <sup>2</sup>
<b>Group</b>	<ul style="list-style-type: none"> <li>PANDORA owned concept stores</li> <li>eSTORE</li> </ul>	<ul style="list-style-type: none"> <li>PANDORA owned concept stores</li> <li>eSTORE</li> <li>Franchise &amp; 3<sup>rd</sup> party distributor concept stores</li> </ul>
<b>Top 7 markets</b>		<ul style="list-style-type: none"> <li>PANDORA owned concept stores</li> <li>eSTORE</li> <li>Franchise concept stores</li> </ul>
	<p>↓</p> <ul style="list-style-type: none"> <li>Bridgeable to Retail revenue</li> </ul>	<p>↓</p> <ul style="list-style-type: none"> <li>Not bridgeable</li> <li>To provide transparency on consumer demands</li> </ul>

Note: <sup>1</sup> Full data coverage on O&O concept stores incl. eSTORE

<sup>2</sup> ~95% data coverage on franchise and 3<sup>rd</sup> party distributor concept stores

## Sequential improvement of like-for-like

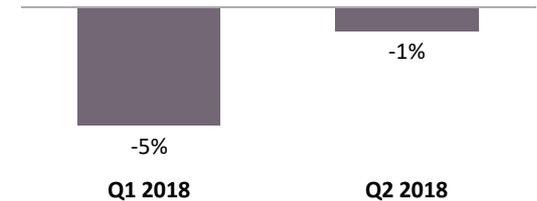
### Retail like-for-like sales-out growth

PANDORA owned concept stores incl. eSTORE



### Total like-for-like sales-out growth

All concept stores incl. eSTORE



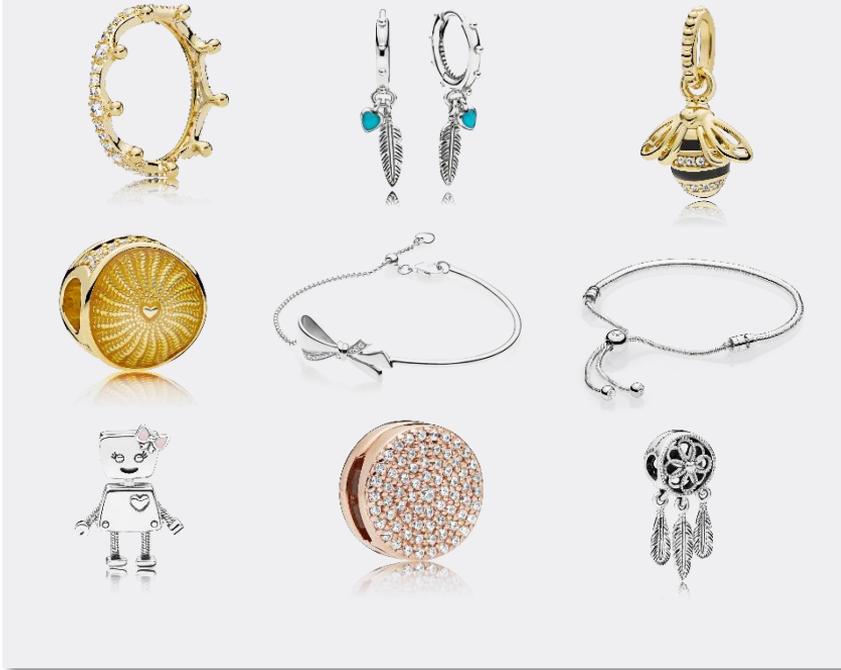
## Revenue growth of 4%, and 8% excluding one-offs – like-for-like improvement

Revenue	EBITDA margin	Cash flow	Total LfL	Retail LfL
DKK <b>4,819</b> million	<b>31.1%</b>	DKK <b>1,149</b> million	<b>-1%</b>	<b>3%</b>
<i>(4% in LCY, 8% excl. one-offs)</i>	<i>(Q2 2017: 33.4%)</i>	<i>(Q2 2017: DKK 556 million)</i>	<i>(Q1 2018: -5%)</i>	<i>(Q1 2018: 0%)</i>

- Retail revenue in local currency increased with 43% while wholesale decreased 27%
- eSTORE, concept store openings and acquisitions drive growth
- EBITDA margin impacted by lower than expected revenue
- Strong cash flow driven by favourable movements in the operating working capital
- DKK 1.1 billion returned to shareholders through share buyback
- Dividend of DKK 9 per share to be paid out in August
- Improvement in total like-for-like from -5% in Q1 2018 to -1% in Q2 2018 mainly due to positive US total like-for-like
- Retail like-for-like driven by strong eSTORE growth and improved performance in China

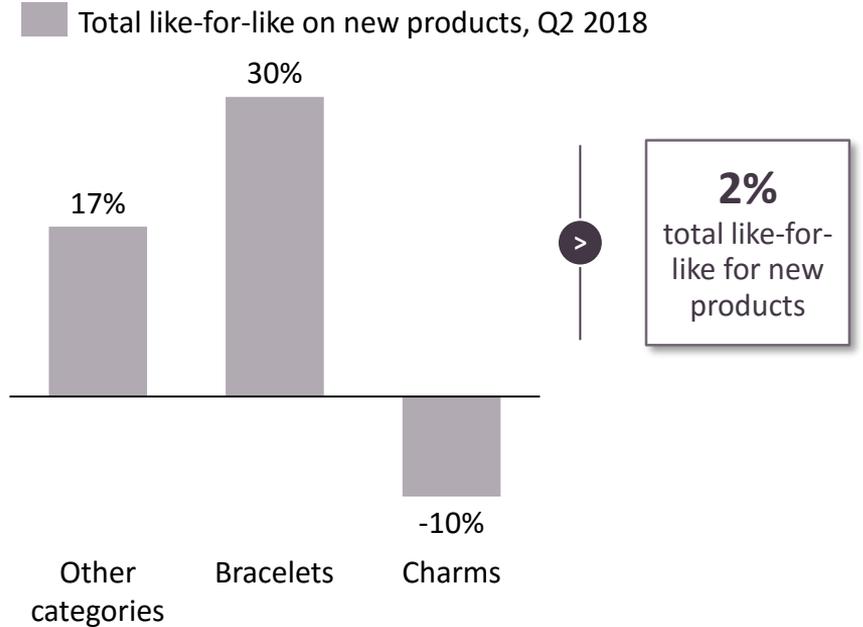
# New collections growing in all categories, except charms impacted by changing demand pattern

## Sample of best selling new products launched in H1



Source: PANDORA Sell-out data

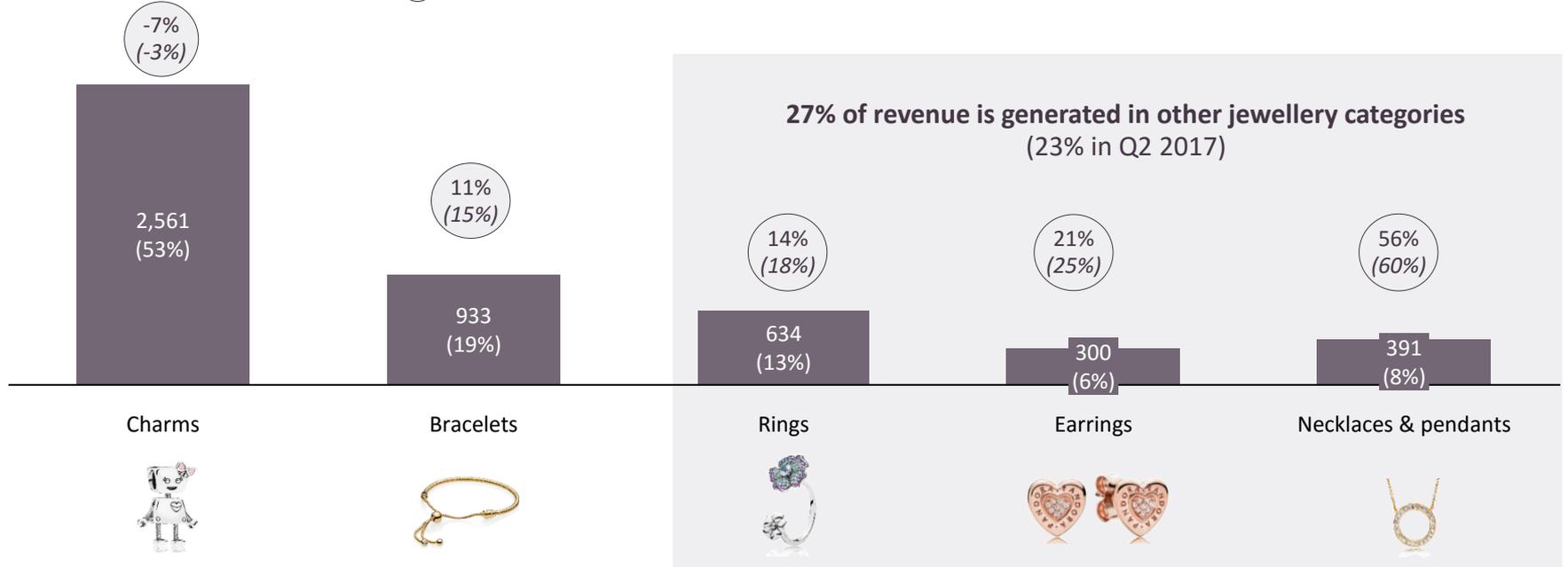
## 2% total like-for-like on new products, impacted by a negative development of charms



# Continued strong development in Other categories and Bracelets

## Q2 2018 group revenue and YoY growth in local currency by category

■ DKK million (% of Group revenue) ○ YoY growth in local currency (adj. for one-off<sup>1</sup>)

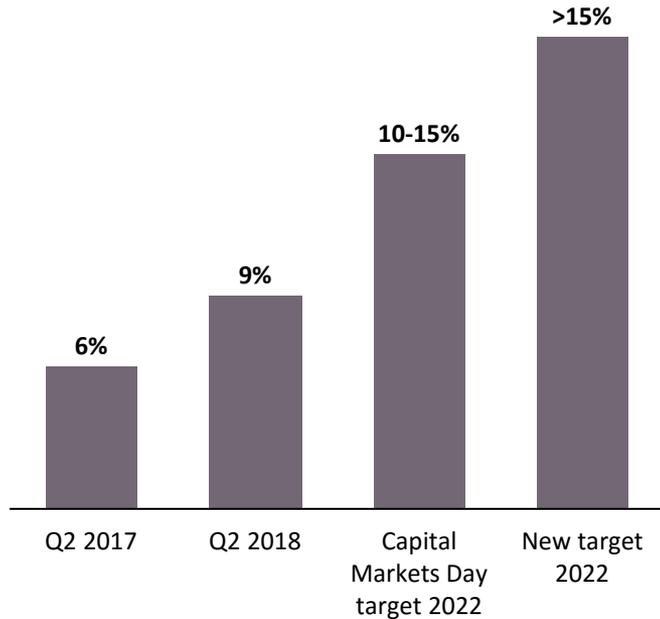


<sup>1</sup>Adjusting for the sales return reserve in US, the growth would have been 4%-p higher across categories

# New eSTORE target based on performance, store footprint strategy to be monitored accordingly

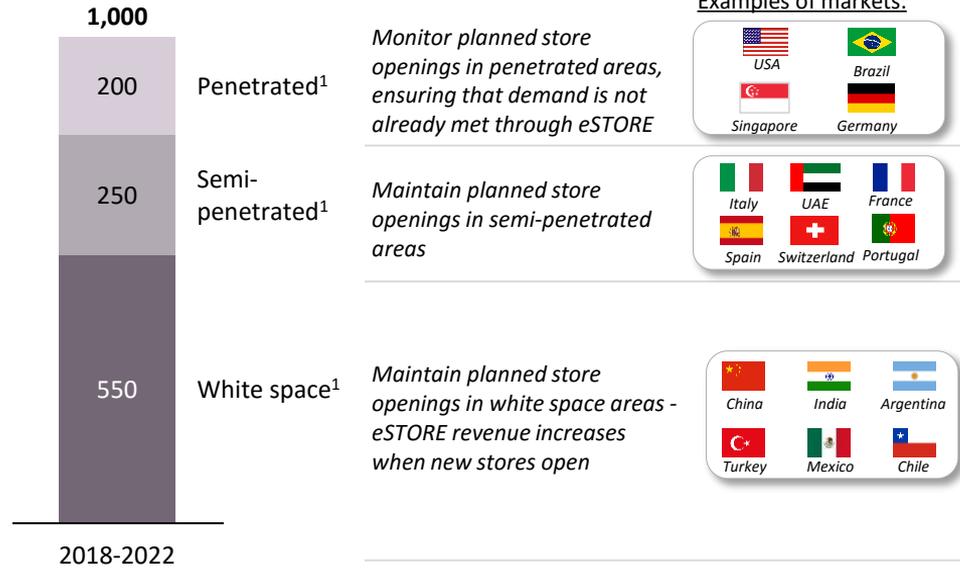
## eSTORE expected to be above 15% in 2022

eSTORE as % of Group revenue



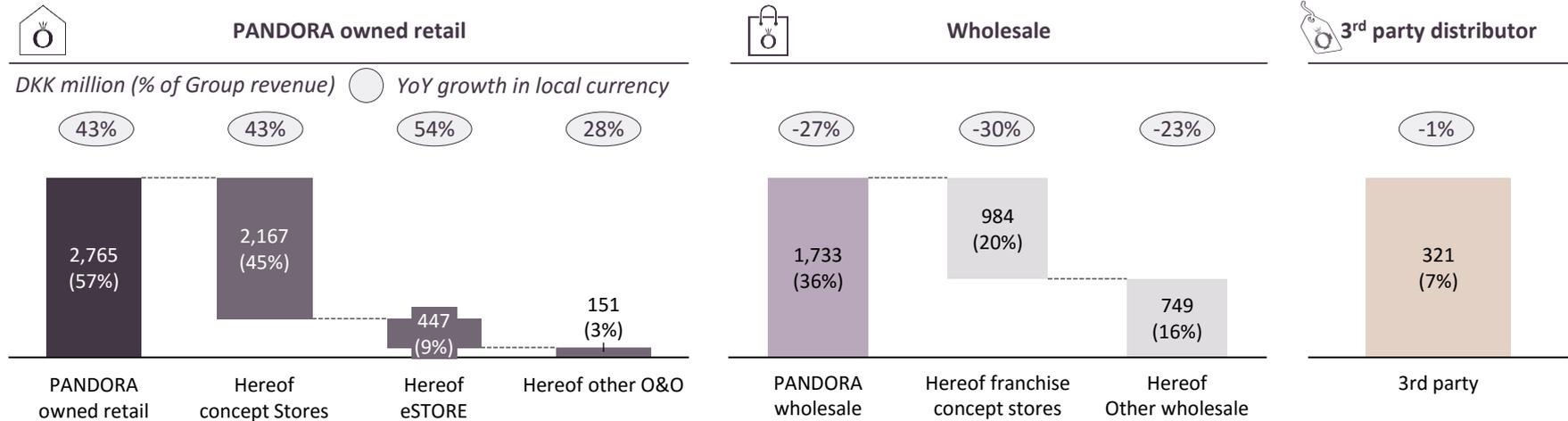
## Concept store strategy primarily focusing on white space areas

# of planned concept store openings, net



Note 1: Markets are scored after store expansion rate, which is defined as: Planned store openings in % of existing stores in 2017. Penetrated: <20%, semi-penetrated: 20-100% and white space: +100%

# Q2 2018 revenue by channel – continued growth in PANDORA owned retail



- Revenue growth from **PANDORA owned concept stores (including eSTORE)** was driven by acquisitions (+18%), store openings (+23%) and 3% like-for-like growth
- Continued strong **eSTORE** performance, driven by all major markets

- Adjusted for acquisitions and one-off related to returns, **franchise concept stores** decreased 16%, driven by inventory reduction and negative like-for-like
- **Other points of sale** challenged by decrease in inventory levels and an overexposure to Charms – and also impacted by one-off related to sales return reserve

- Excluding the takeover of Spain, Belgium and South Africa, revenue from **3rd party distributors** increased 22%

# Italy remains a strong market with opportunities ahead despite weak Q2 2018

## LARGE & PROFITABLE MARKET



PANDORA's 2<sup>nd</sup> largest market



119 profitable concept stores

## STRONG BRAND



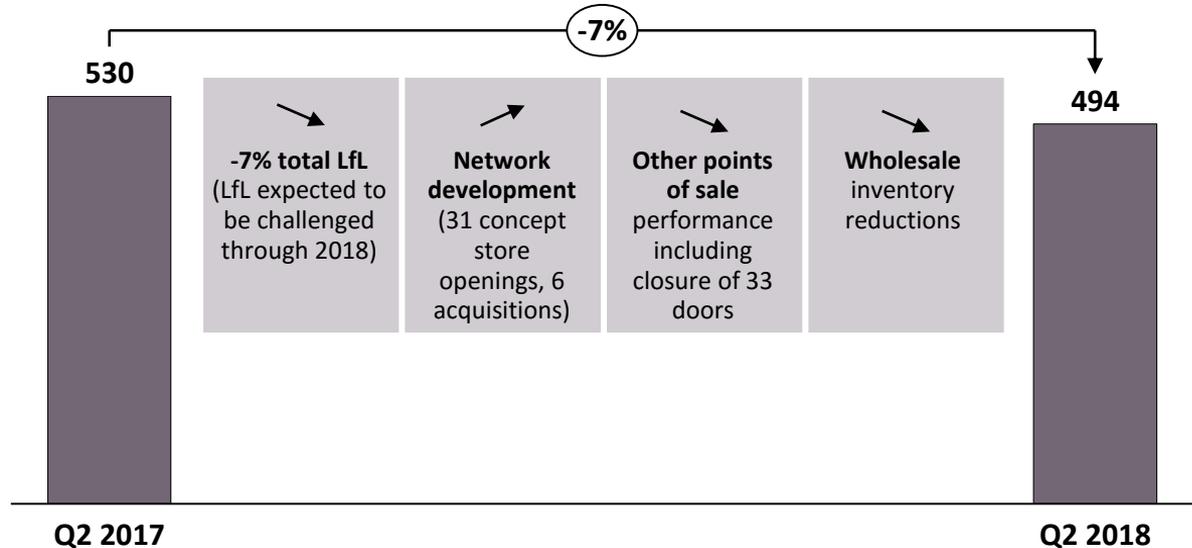
91% brand awareness



Consideration of 47% - highest amongst key markets

Source: PANDORA Brand tracker and sell-out data

## Revenue development, Italy DKK million



# Revenue and like-for-like performance improved in China

## Actions taken to improve the situation in China



### HANDLING GREY MARKET TRADING

- Closed more than 11,000 grey market trading accounts due to copy right infringements of marketing material
- Reduced prices with 15% in beginning of Q3
- Slightly less grey market sales compared with Q1 2018

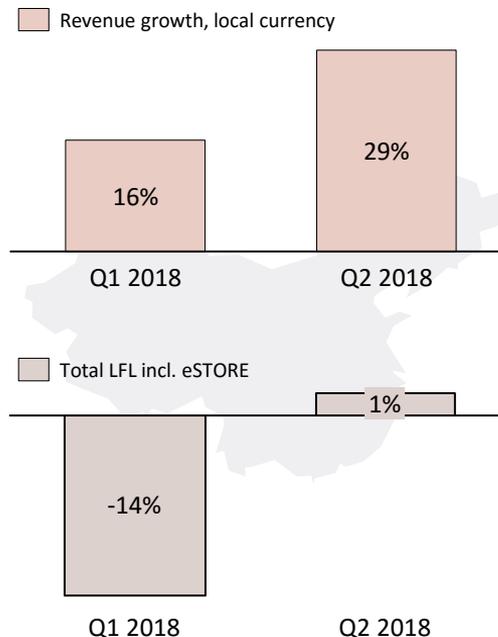


### DRIVING MORE TRAFFIC TO THE STORES & ESTORE

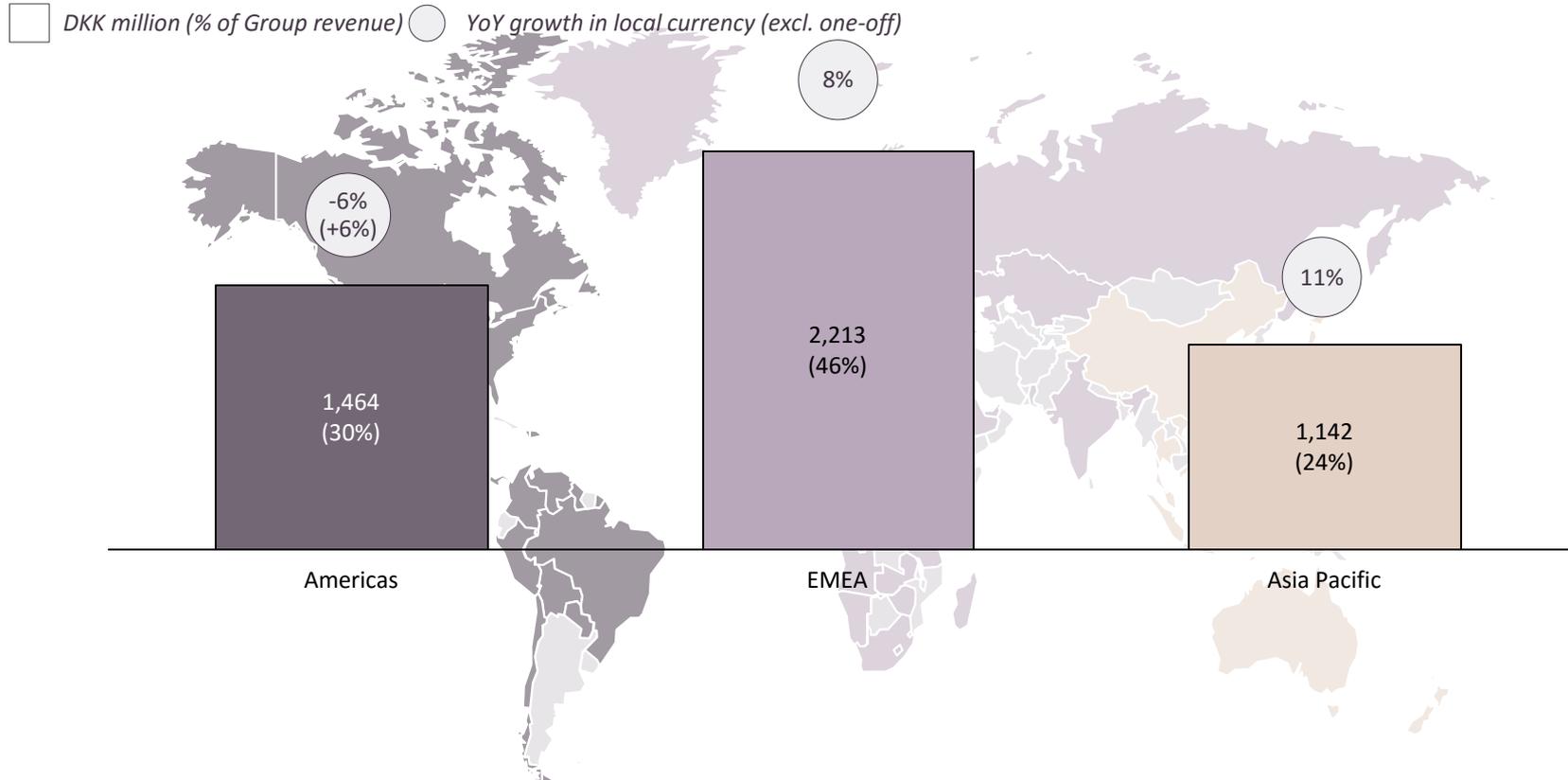
- Increased “out-of-home” marketing spend such as billboards, print etc.
- Improved commercial trading plans around campaigns and promotions

Source: PANDORA reported figures, Q2 2018 announcement and PANDORA Sell-out data

## Impact of initiatives



# Growth driven by the EMEA & Asia Pacific region, Americas impacted by a one-off



## Growth driven by the EMEA & Asia Pacific region, Americas impacted by a one-off

REVENUE BY REGION					
DKK million	Q2 2018	Growth Q2/Q2, DKK	Growth, Q2/Q2, LC	FY 2017	Growth, FY/FY, LC
<b>EMEA</b>	<b>2,213</b>	<b>7%</b>	<b>8%</b>	<b>10,832</b>	<b>15%</b>
- hereof UK	413	-9%	-7%	2,809	10%
- hereof Italy	494	-7%	-7%	2,602	30%
- hereof France	281	0%	0%	1,272	13%
- hereof Germany	213	0%	0%	1,065	9%
<b>AMERICAS</b>	<b>1,465</b>	<b>-13%</b>	<b>-6%</b>	<b>7,111</b>	<b>6%</b>
- hereof US	1,038	-18%	-12%	5,297	6%
<b>ASIA PACIFIC</b>	<b>1,143</b>	<b>7%</b>	<b>11%</b>	<b>4,838</b>	<b>28%</b>
- hereof Australia	293	-20%	-15%	1,647	8%
- hereof China	465	28%	29%	1,592	82%
<b>Total</b>	<b>4,819</b>	<b>0%</b>	<b>4%</b>	<b>22,781</b>	<b>15%</b>



# Store network development

STORE NETWORK			
Number of points of sale	Q2 2018	Net openings	
		Q2 2018 vs. Q1 2018	Q2 2018 vs. Q2 2017
<b>Concept stores</b>	<b>2,548</b>	<b>63</b>	<b>282</b>
- hereof PANDORA owned	1,136	114	425
- hereof franchise owned	918	-40	-63
- hereof 3 <sup>rd</sup> party distribution	494	-11	-80
<b>Other points of sale</b>	<b>5,234</b>	<b>1</b>	<b>-225</b>

- ### COMMENTARY
- Continued strong development of the store network with focus on concept stores
  - 63 new concept stores opened in Q2 2018, to a total of 2,548 concept stores globally
  - Including the addition of net 114 owned concept stores to a total of 1,136



## Cost development mainly driven by increased PANDORA owned retail

### GROSS PROFIT AND OPERATING EXPENSES INCL. D&A

DKK million	Q2 2018	Share of revenue Q2 2018	Share of revenue Q2 2017	FY 2017	Share of revenue FY 2017
Gross profit	3,638	75.5%	73.9%	16,966	74.5%
Operating expenses (incl. D&A)	-2,372	-49.2%	-43.9%	-9,182	40.3%
- hereof sales & distribution	-1,376	-28.6%	-21.9%	-4,810	21.1%
- hereof marketing	-454	-9.4%	-9.9%	-2,235	9.8%
- hereof administrative	-542	-11.2%	-12.0%	-2,137	9.4%
Depreciation and amortisation	230	-4.8%	3.3%	721	3.2%
<b>EBITDA</b>	<b>1,497</b>	<b>31.1%</b>	<b>33.4%</b>	<b>8,505</b>	<b>37.3%</b>



## Regional and Group EBITDA margins

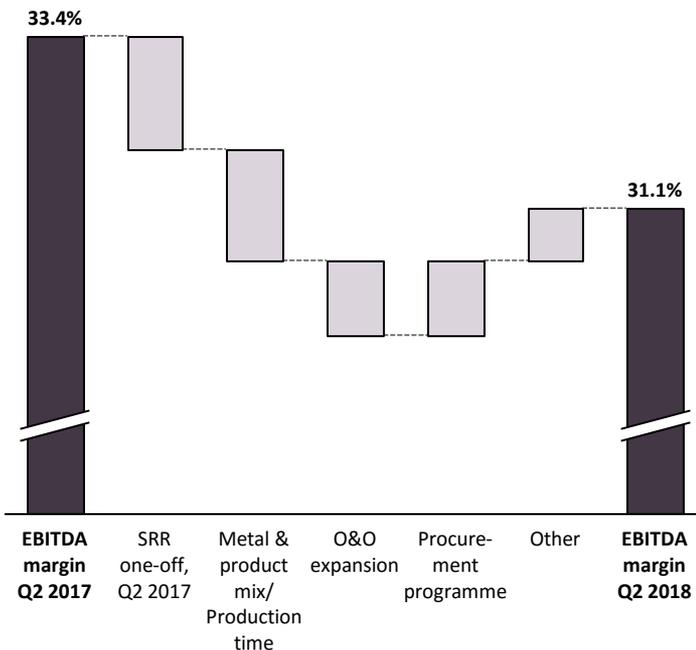
REGIONAL EBITDA						
DKK million	Q2 2018	Growth Q2/Q2 in DKK	EBITDA margin Q2 2018	EBITDA margin Q2 2017	FY 2017	EBITDA margin FY 2017
EMEA	600	-12%	27.1%	33.0%	4,288	39.6%
Americas	505	-8%	34.5%	32.4%	2,313	32.5%
Asia Pacific	391	2%	34.2%	35.6%	1,904	39.4%
<b>Group</b>	<b>1,496</b>	<b>-7%</b>	<b>31.1%</b>	<b>33.4%</b>	<b>8,505</b>	<b>37.3%</b>



# Decrease in EBITDA margin driven by the one-off in Q2 2017 and O&O expansion

## EBITDA margin development (Q2 2018 vs. Q2 2017)

For directional purposes



## Commentary on profitability

- The one-off related to sales returns in the US positively impacted the EBITDA margin last year by around 1.5 percentage points
- The Q2 2018 EBITDA margin is below our expectations mainly due to the lower than expected revenue growth (leverage)
- The Q2 2018 EBITDA margin includes a negative impact of close to 1 percentage point related to the ongoing acquisitions and related inventory write-offs

### Gross margin increased by 1.6pp mainly driven by

- More O&O revenue
- Partially offset by metal- and product mix and longer production time

### The OPEX ratio (including depreciation and amortisations) increased 5.3pp compared with Q2 2017 mainly due to

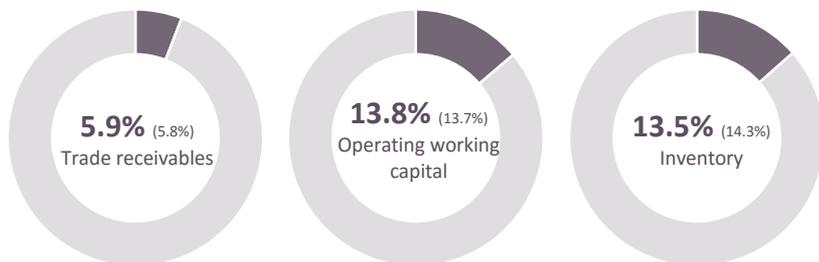
- O&O expansion - higher sales and distribution costs (partially offset by a higher gross margin)
- Higher depreciation and amortisations mainly related to acquisitions (1.5 percentage points)

# Strong free cash flow as a result of lower receivables



## Working capital

■ Q2 2018 (Share of last 12 months) ( ) Q2 2017

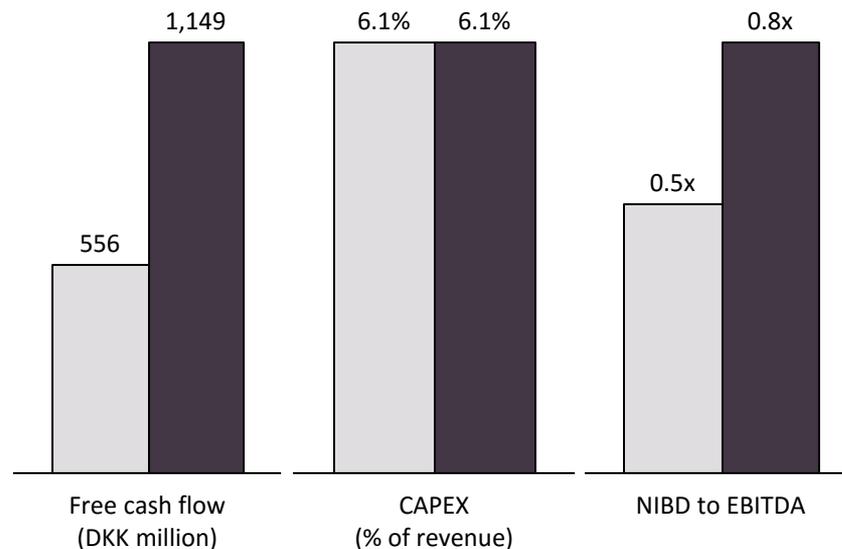


% , last 12 months rolling revenue	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018
Trade receivables	5.8%	10.4%	8.6%	8.1%	5.9%
Trade payables	-6.3%	-6.3%	-7.4%	-5.9%	-5.6%
Inventories	14.3%	14.8%	12.0%	12.4%	13.5%
<b>Working Capital</b>	<b>13.7%</b>	<b>19.0%</b>	<b>13.1%</b>	<b>14.6%</b>	<b>13.8%</b>



## Cash management

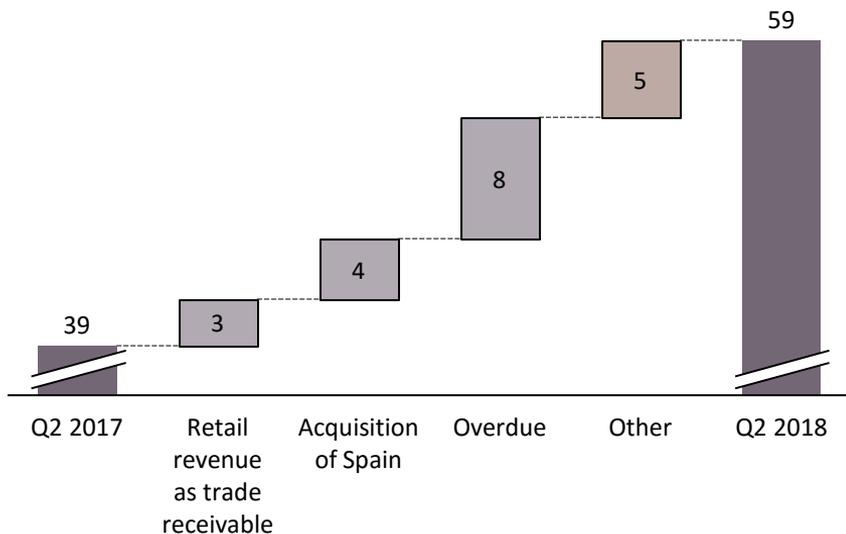
□ Q2 2017 ■ Q2 2018



# Days sales outstanding impacted primarily by overdue receivables



## DSO bridge



DSO calculated as trade receivables divided by wholesale revenue incl. 3<sup>rd</sup> party revenue

## Comment on DSO development

### DSO up 20 days since last year

- A part of the retail revenue (eSTORE and some mall revenue) drives receivables, impacting the quarter with 3 days (total retail receivables represent around 7 days)
- Overdue receivables increased DSO with 8 days
  - Some partners have delayed the payment to PANDORA
  - Overdue receivables not at risk of default
  - Collection focus and effort have been increased
- Acquisitions (primarily Spain) impacted the DSO with 4 days

### DSO improved 7 days relative to Q1 2018

- As of Q3 2018, a further breakdown of receivables will be provided in the company announcement to carve out wholesale-driven receivables

## Closing remarks

### Q2 2018 RESULTS

**4%**

revenue growth in local  
currency (8% excl. one-off)

**31.1%**

EBITDA margin



Full year guidance changed to  
reflect longer transition period

### Highlights

- New collections well received
- Strong performance in “other categories, however, Charms not fueled by new product introductions
- eSTORE continues strong growth, while wholesale is down
- Improvement in China and the US, while Italy challenged
- Retail revenue now 57% of the business

### LOOKING AHEAD

- New charms/bracelet concept to be launched in October
- Accelerated focus on Rings, Earrings and Necklaces and pendants
- Cost initiatives taken across the Group to support profitability – impact from 2019

### H2 outlook

- Continued negative impact on changing inventory levels
- Revenue skewed towards Q4 due to increasing share of revenue from PANDORA owned retail
- Severance payments related to organisational changes

A woman with dark hair pulled back, wearing a black turtleneck sweater, is shown from the chest up. She is wearing several pieces of jewelry: a small hoop earring, a ring on her left ring finger, a ring on her left middle finger, and a ring on her right ring finger. She is also wearing a gold bracelet with several charms on her right wrist. Her hands are resting on a black rectangular block. The background is a plain, light-colored wall.

# 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

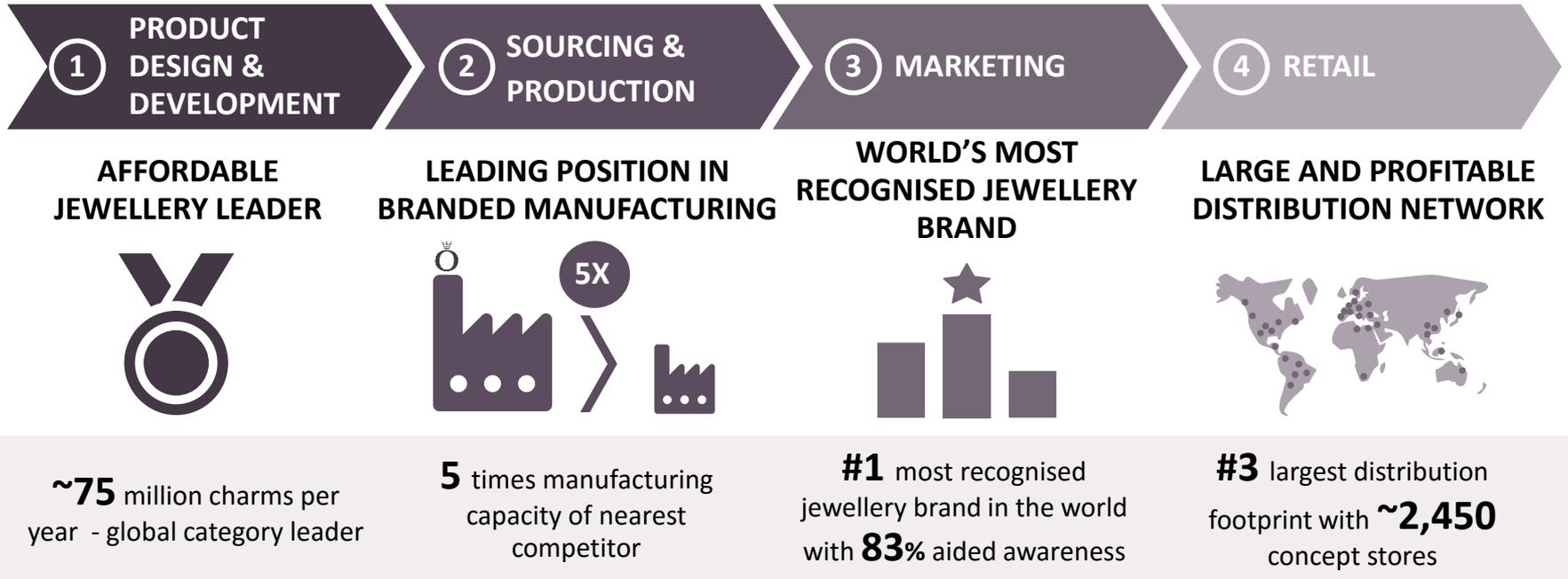


**CASH  
GENERATIVE**

**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

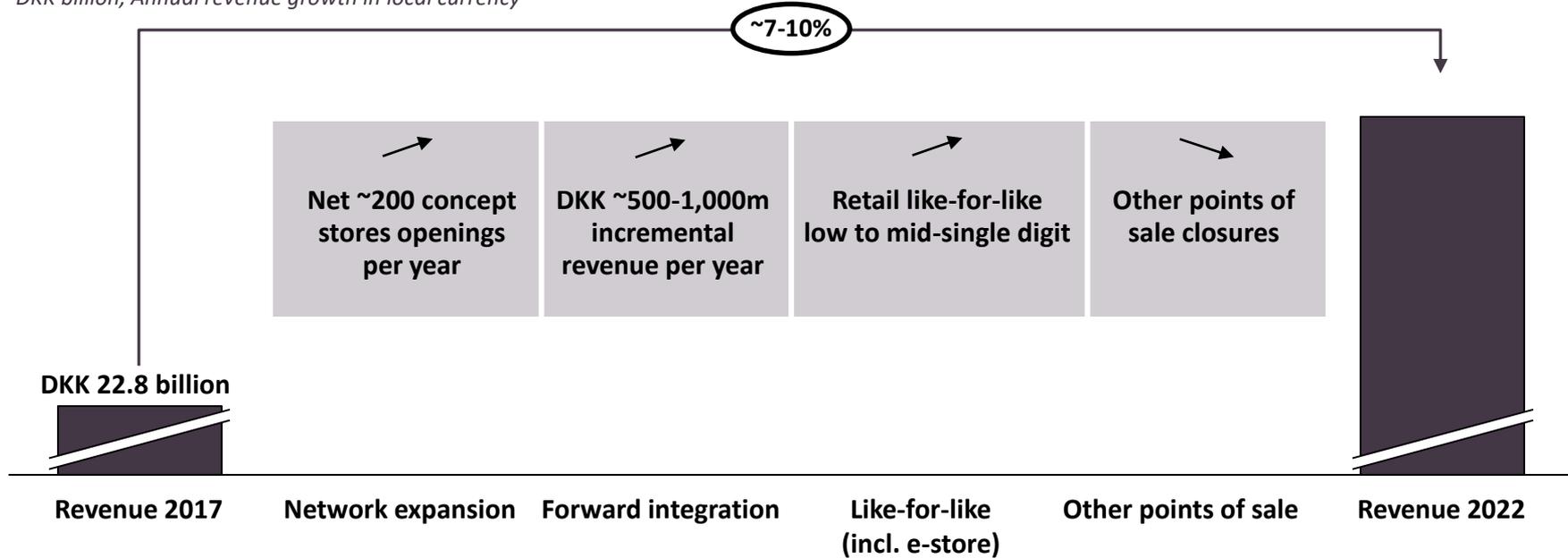
**4** months new product launch (fast track)

**200 million** units in total production capacity

\* L2 benchmark

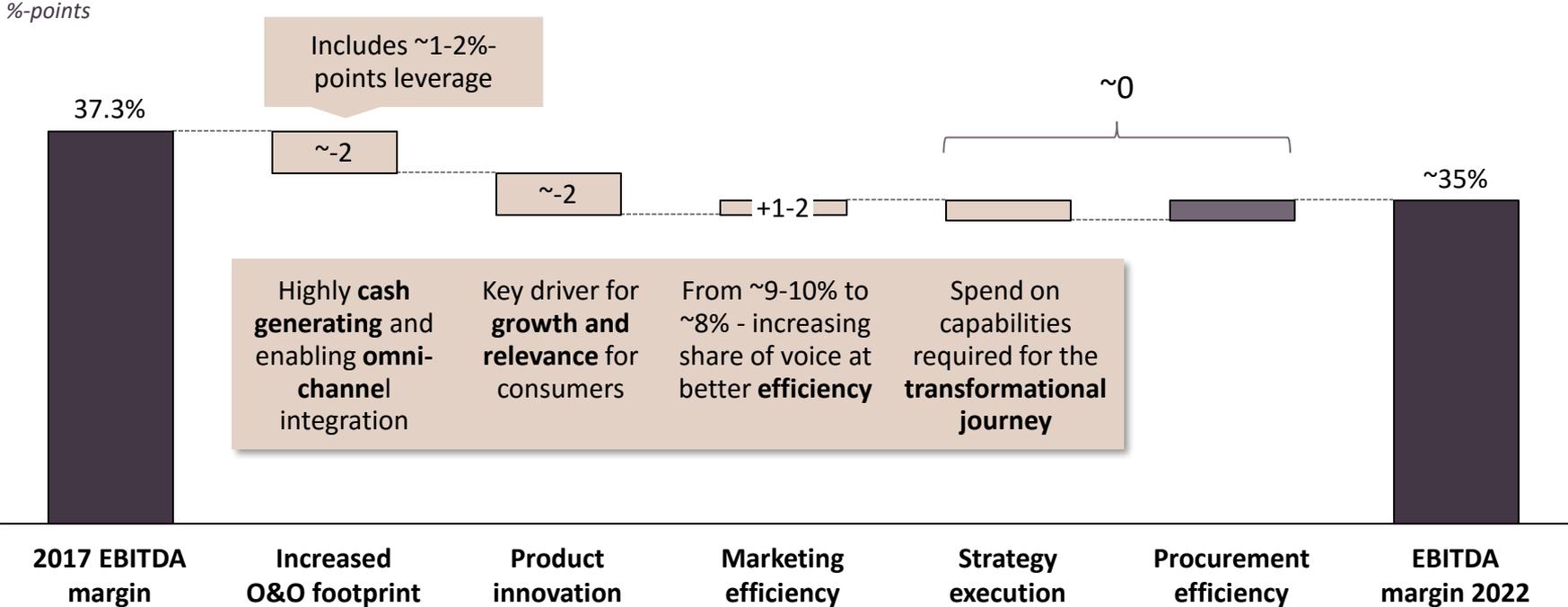
# Annual revenue growth ambition of 7-10% in local currency towards 2022

DKK billion, Annual revenue growth in local currency



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

Margin is impacted by product innovations, network mix and the transformational journey

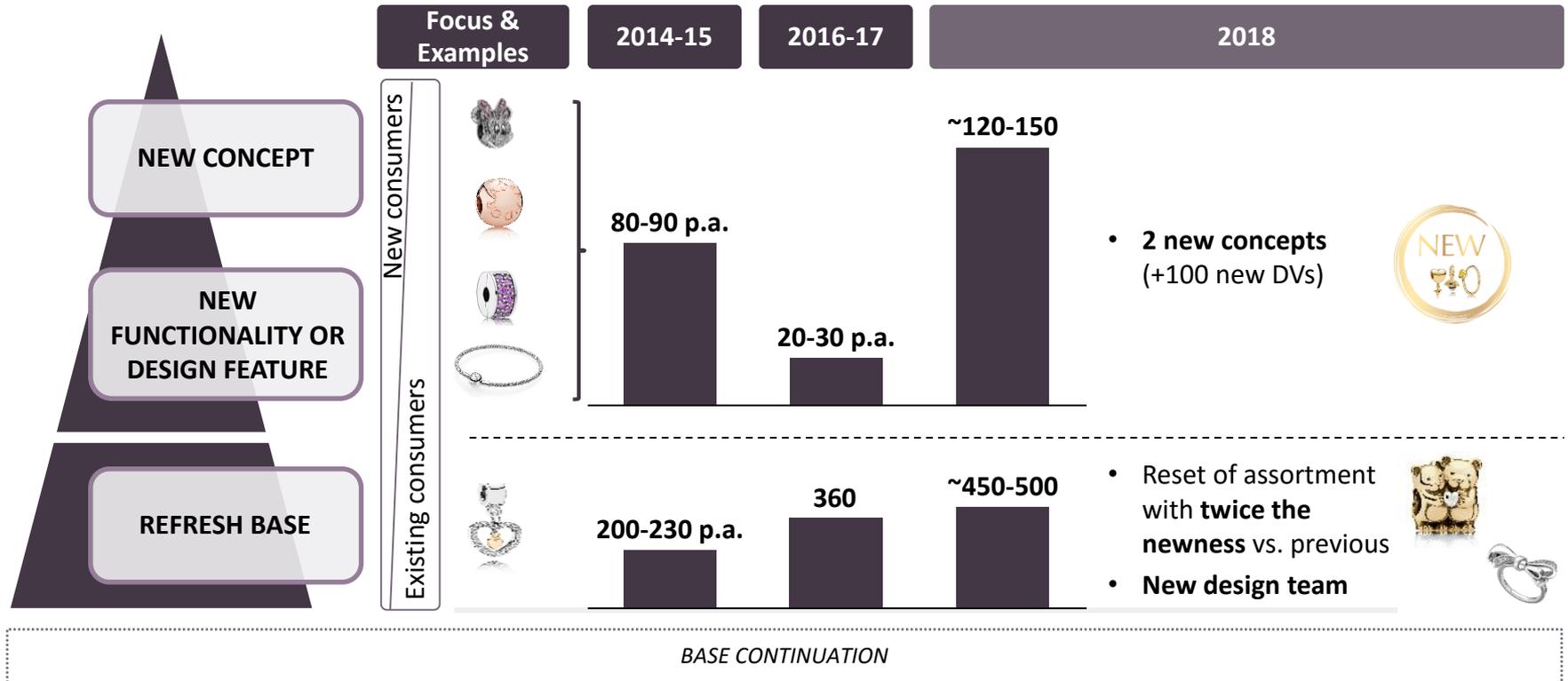


Note: Commodity prices as of end 2017

# PANDORA will drive newness and innovation in our product portfolio

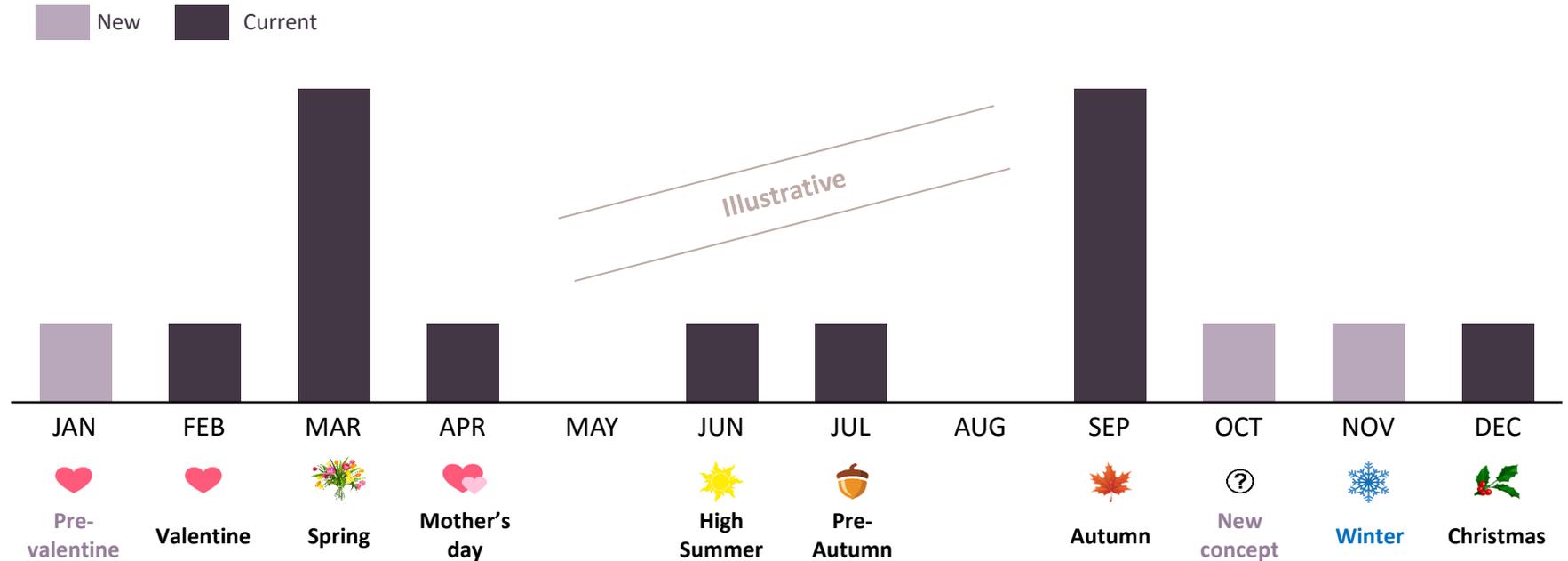
## PRODUCT NEWNESS, NUMBER OF NEW DESIGN VARIATIONS (DVs)

*Significant newness push throughout*



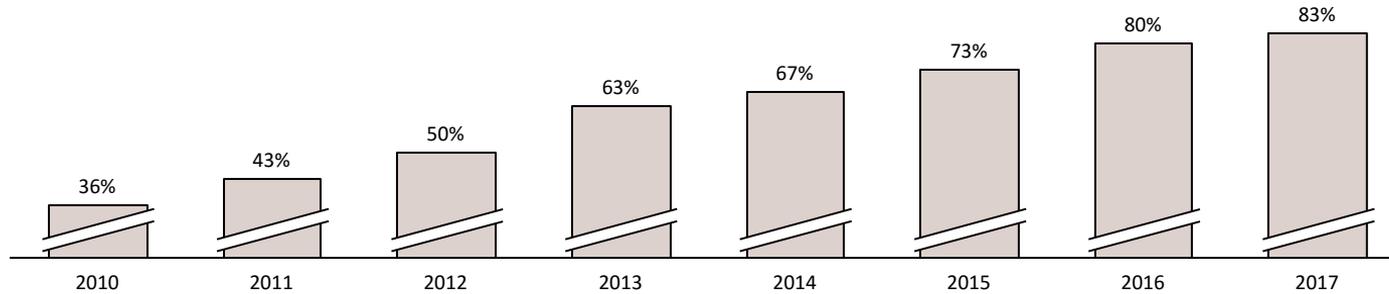
# First jewellery brand to do 7 drops – Now, PANDORA will introduce 10 drops a year

## TWO LARGE DROPS AND EIGHT SMALLER DROPS THROUGHOUT THE YEAR

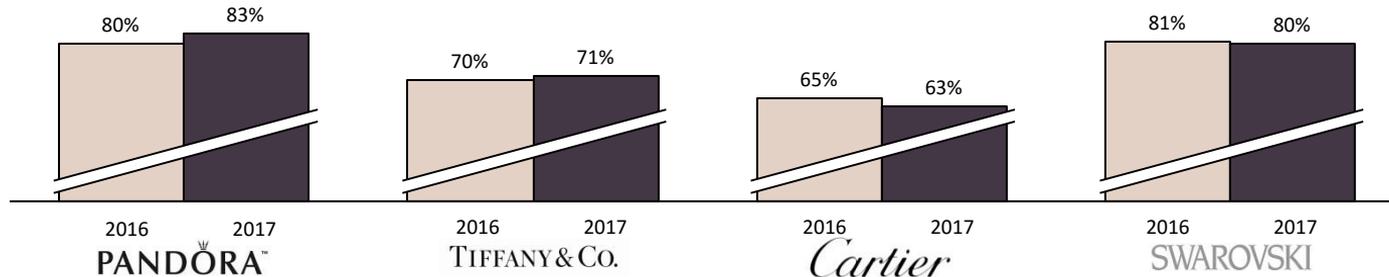


# PANDORA is the world's most recognised jewellery brand

## 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 <sup>1</sup>		Consideration <sup>2</sup>	
	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 <sup>3</sup>	50%	53%	31%	33%
<b>Global</b>	<b>83%</b>	<b>80%</b>	<b>34%</b>	<b>31%</b>

<sup>1</sup>Do you know the jewellery brand PANDORA?

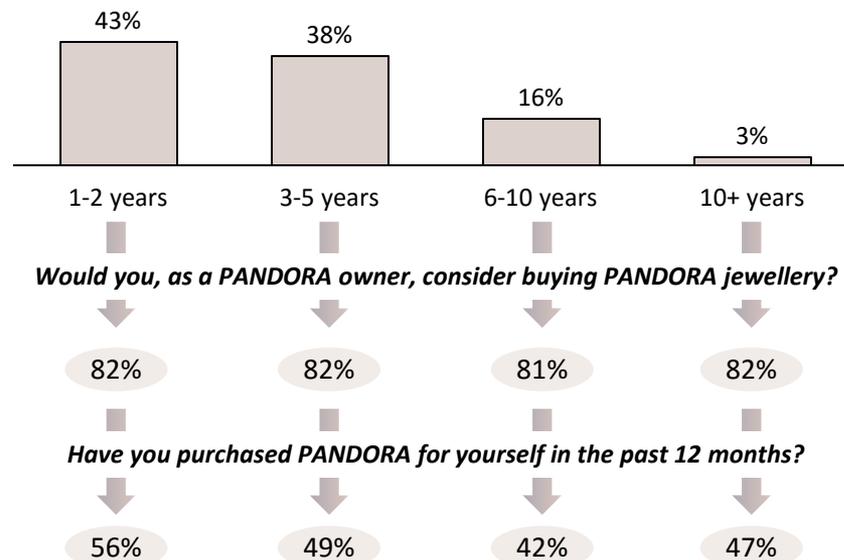
<sup>2</sup>Would you consider buying PANDORA jewellery?

<sup>3</sup>China 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

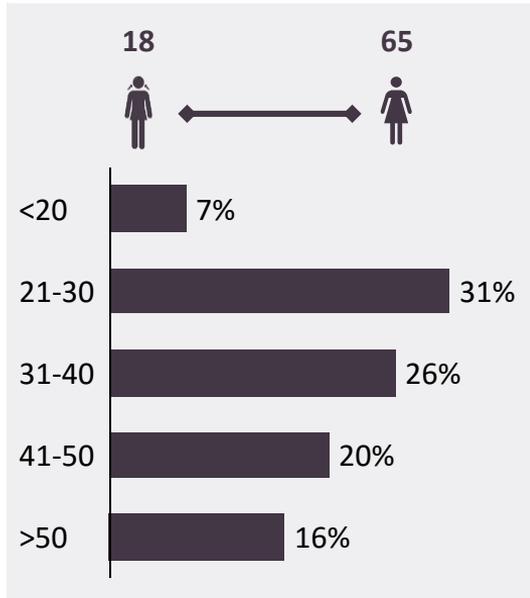
How long time ago did you receive/purchase your first piece of PANDORA?



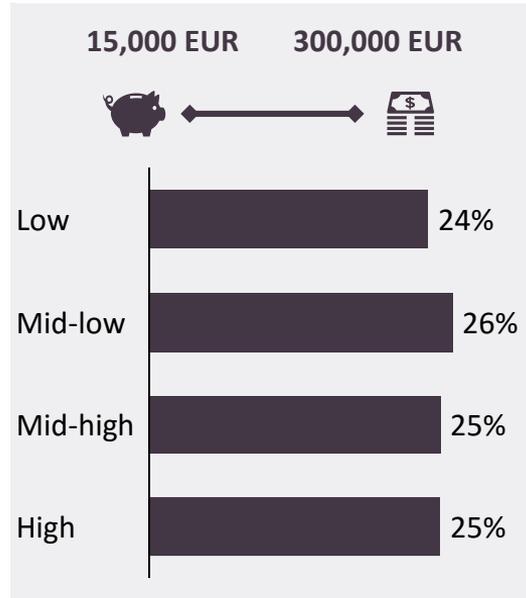
# The PANDORA consumer

## DISTRIBUTION OF CONSUMERS WHO HAVE PURCHASED PANDORA WITHIN LAST 12 MONTHS

### AGE



### ANNUAL INCOME



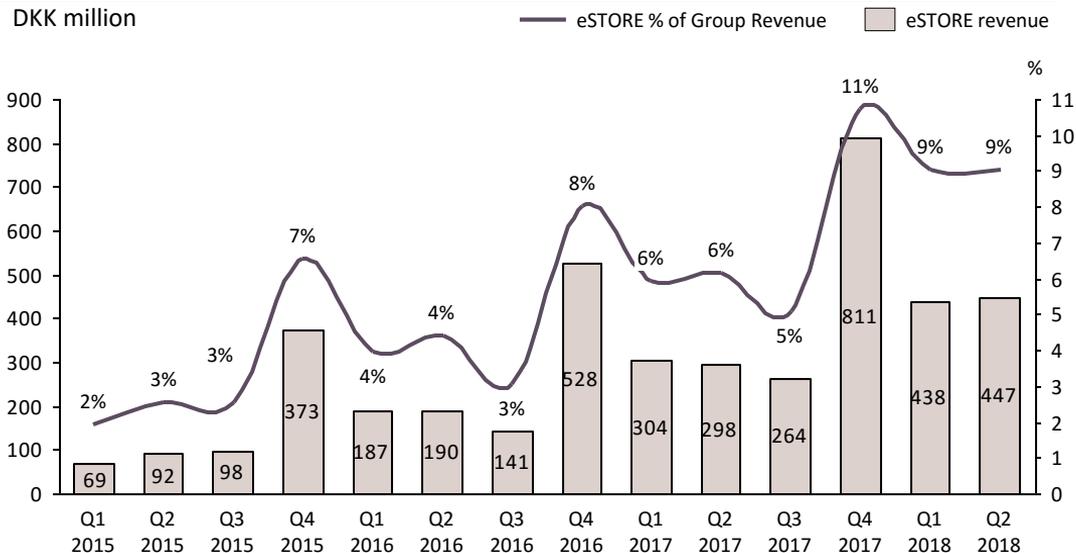
### GIFTERS



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

# PANDORA's online business & presence

## ESTORE DEVELOPMENT



**54%**

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



**14.1 million** Facebook followers



**4.6 million** followers on Instagram

# 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



11<sup>th</sup> 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



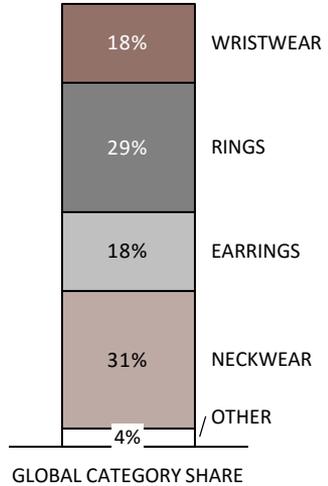
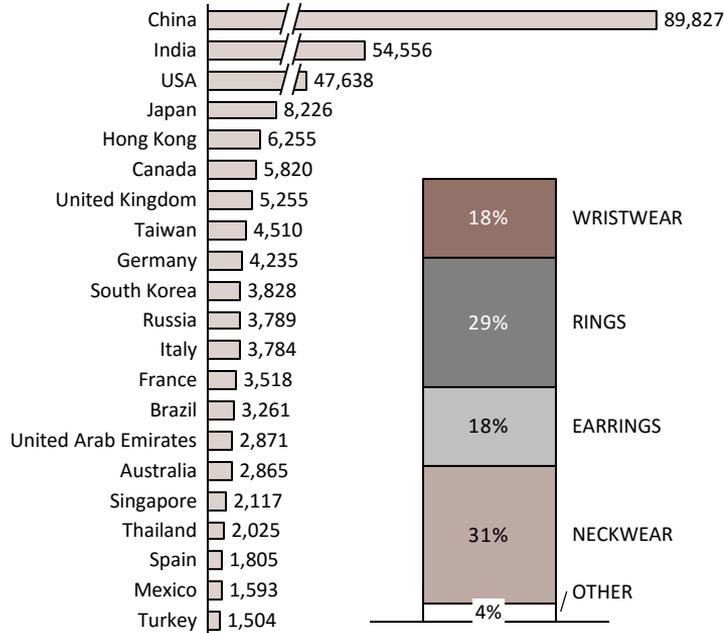
Proud RJC member  
91% Silver and 86% Gold grains from recycled sources



Responsible Supplier Programme

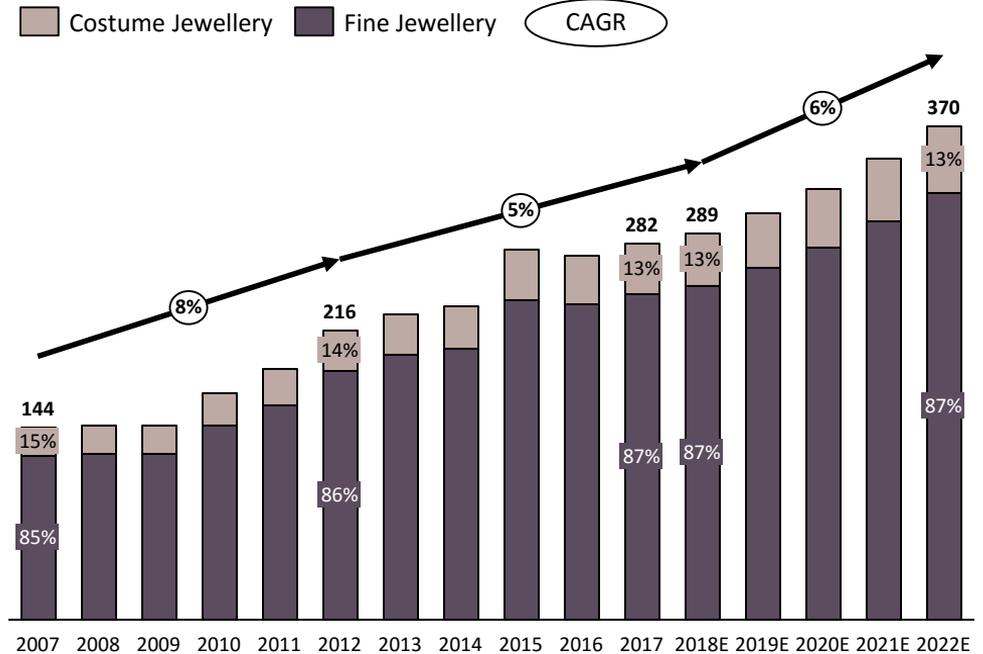
# Global jewellery market outlook

## LARGEST JEWELLERY MARKETS, 2018E (EURM)



GLOBAL CATEGORY SHARE

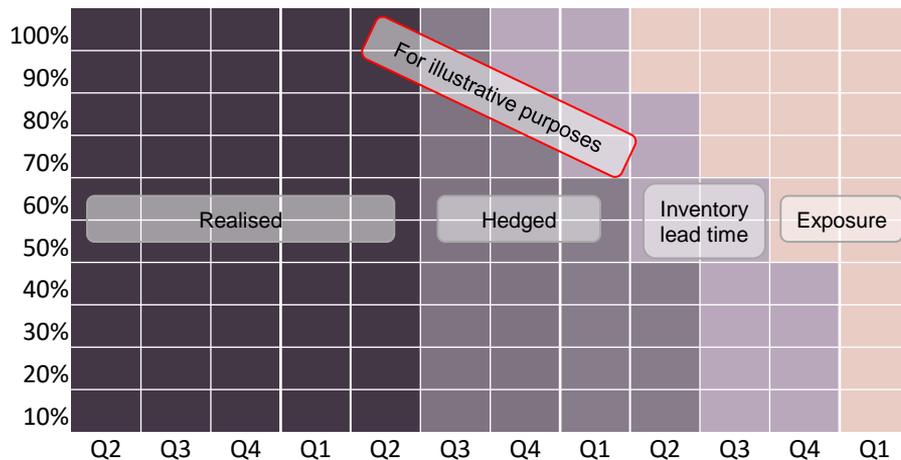
## JEWELLERY MARKET EXPECTED TO INCREASE WITH A CAGR OF 6% (EURBN)



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

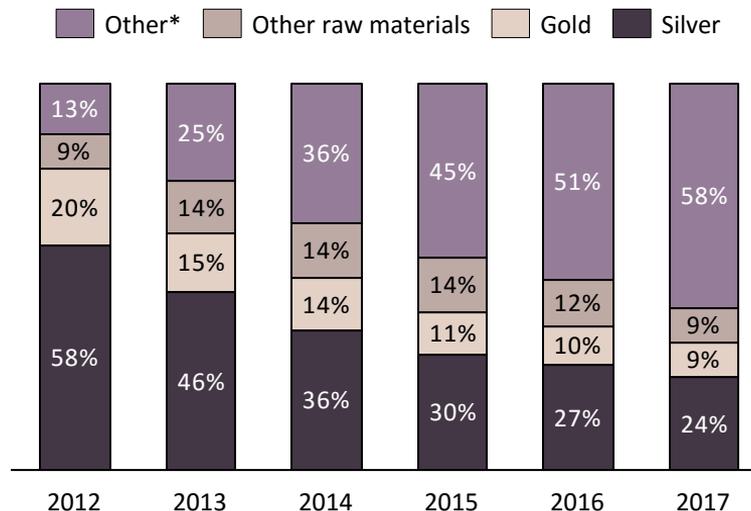
# Hedging policy and raw materials share of production costs

## 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 Q2 2018	Number of concept stores Q1 2018	Number of concept stores Q2 2017	Growth Q2 2018 /Q1 2018	Growth Q2 2018 /Q2 2017	Number of O&O Q2 2018	Growth O&O stores Q2 2018 /Q1 2018	Growth O&O stores Q2 2018 /Q2 2017
UK	233	233	230	-	3	78	33	56
Russia	200	200	209	-	-9	-	-	-
Germany	152	152	154	-	-2	143	-	2
Italy	119	119	88	3	31	73	3	34
France	101	101	76	3	25	50	3	23
Spain	75	75	62	3	13	60	3	60
Poland	48	48	46	1	2	37	1	17
South Africa	29	29	36	-	-7	27	5	27
Ireland	29	29	30	-	-1	24	24	24
Belgium	25	25	25	-	-	13	-	-
Portugal	24	24	23	-	1	-	-	-
Ukraine	24	24	23	1	1	-	-	-
Netherlands	24	24	22	1	2	24	1	2
United Arab Emirates	21	21	19	-	2	21	-	2
Turkey	21	21	15	2	6	21	2	6
Romania	20	20	15	-	5	12	-	3
Czech Republic	19	19	17	-	2	10	-	-
Israel	17	17	17	-	-	-	-	-
Greece	15	15	13	1	2	-	-	-
Austria	14	14	13	-	1	9	-	2
Denmark	14	14	14	-	-	14	-	-
Saudi Arabia	12	12	8	2	4	-	-	-
Sweden	11	11	8	1	3	11	1	3
Rest of EMEA	135	135	105	7	30	18	1	3
<b>EMEA</b>	<b>1,382</b>	<b>1,382</b>	<b>1,268</b>	<b>25</b>	<b>114</b>	<b>645</b>	<b>77</b>	<b>264</b>
US	388	388	359	8	29	134	17	64
Brazil	98	98	92	-	6	58	-	5
Canada	78	78	78	1	-	15	1	9
Mexico	47	47	20	3	27	21	2	21
Caribbean	26	26	24	-	2	-	-	-
Rest of Americas	47	47	32	2	15	3	-	3
<b>Americas</b>	<b>684</b>	<b>684</b>	<b>605</b>	<b>14</b>	<b>79</b>	<b>231</b>	<b>20</b>	<b>102</b>
China	189	189	134	18	55	183	18	50
Australia	124	124	115	-	9	27	-	8
Philippines	32	32	17	4	15	-	-	-
Malaysia	31	31	29	2	2	-	-	-
Hong Kong	28	28	27	-2	1	23	-2	-
New Zealand	16	16	15	-	1	6	-	1
Singapore	15	15	14	-	1	11	-	-
Thailand	15	15	11	1	4	-	-	-
Rest of Asia Pacific	32	32	31	1	1	10	1	-
<b>Asia Pacific</b>	<b>482</b>	<b>482</b>	<b>393</b>	<b>24</b>	<b>89</b>	<b>260</b>	<b>17</b>	<b>59</b>
<b>All markets</b>	<b>2,548</b>	<b>2,548</b>	<b>2,266</b>	<b>63</b>	<b>282</b>	<b>1,136</b>	<b>114</b>	<b>425</b>

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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