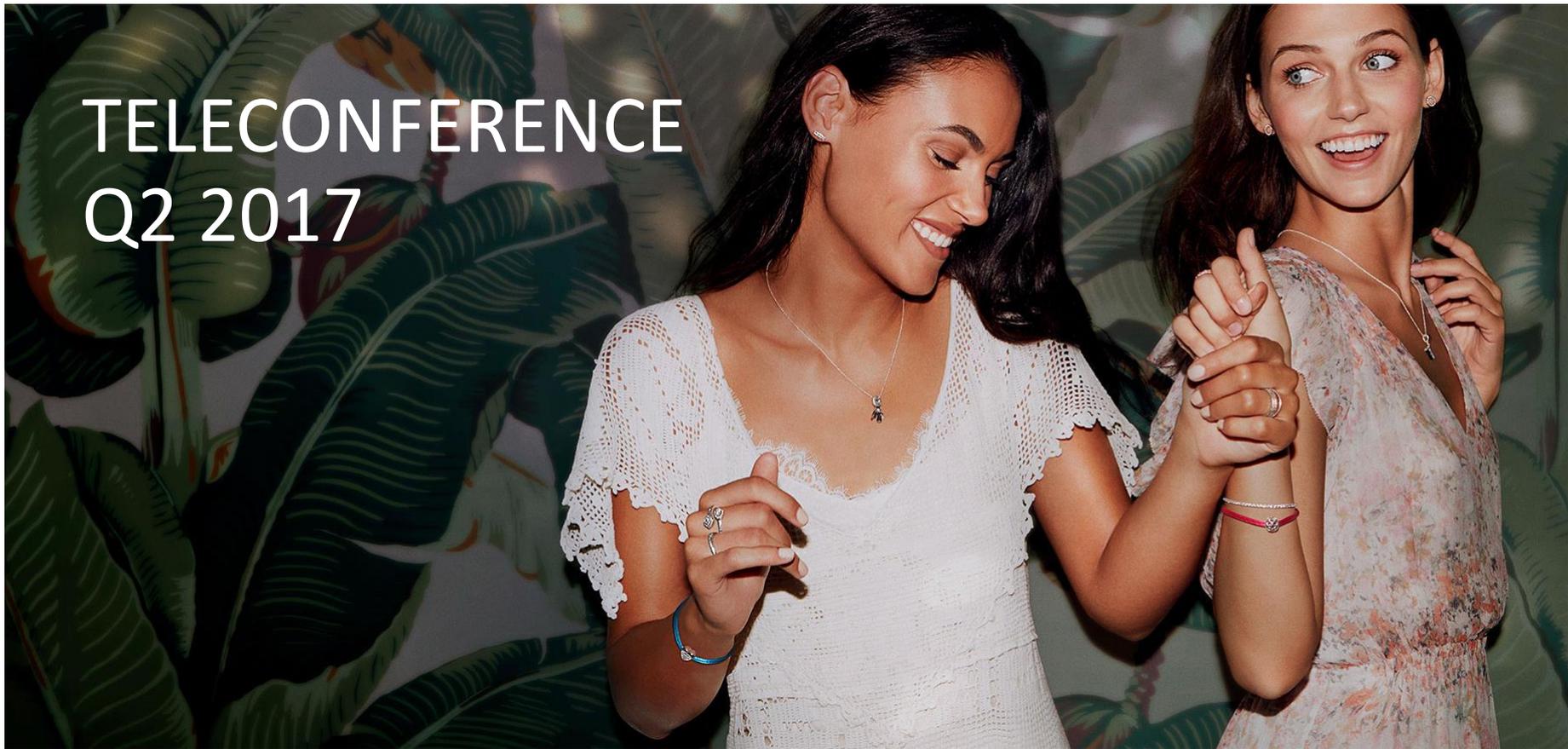


TELECONFERENCE Q2 2017



PANDORA

AGENDA

BUSINESS HIGHLIGHTS Q2 2017

FINANCIAL REVIEW Q2 2017

QUESTIONS AND ANSWERS



DISCLAIMER

Certain statements in this presentation constitute forward-looking statements. Forward-looking statements are statements (other than statements of historical fact) relating to future events and our anticipated or planned financial and operational performance. The words “targets,” “believes,” “expects,” “aims,” “intends,” “plans,” “seeks,” “will,” “may,” “might,” “anticipates,” “would,” “could,” “should,” “continues,” “estimates” or similar expressions or the negatives thereof, identify certain of these forward-looking statements. Other forward-looking statements can be identified in the context in which the statements are made. Forward-looking statements include, among other things, statements addressing matters such as our future results of operations; our financial condition; our working capital, cash flows and capital expenditures; and our business strategy, plans and objectives for future operations and events, including those relating to our ongoing operational and strategic reviews, expansion into new markets, future product launches, points of sale and production facilities; and

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 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.

Should one or more of these risks or uncertainties materialise, or should any underlying assumptions prove to be incorrect, our actual financial condition, cash flows or results of operations could differ materially from that described herein as anticipated, believed, estimated or expected.

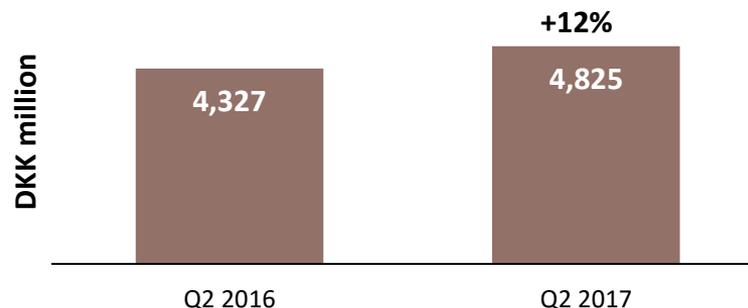
We do not intend, and do not assume any obligation, to update any forward-looking statements contained herein, except as may be required by law or the rules of Nasdaq Copenhagen. All subsequent written and oral forward-looking statements attributable to us or to persons acting on our behalf are expressly qualified in their entirety by the cautionary statements referred to above and contained elsewhere in this presentation.

12% REVENUE GROWTH AND EBITDA MARGIN OF 33.4%

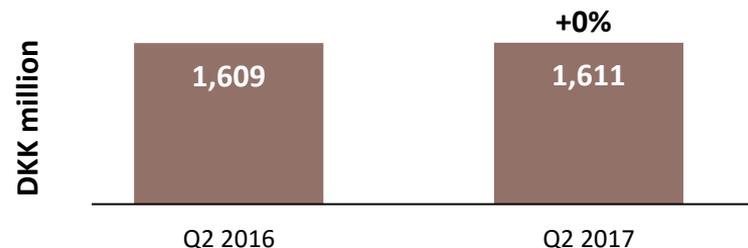
Q2 2017 PERFORMANCE

- Total revenue was DKK 4,825 million, an increase of 12%
 - Revenue from **PANDORA owned retail increased 36%** and represented 42% of Group revenue
- Continued network expansion, including 70 new concept stores, of which 17 were added in China
- A **positive reception of the new collections**
- EBITDA at DKK 1,611 million, corresponding to a margin of 33.4% (Q2 2016: 37.2%)
- Free cash flow stable at DKK 556 million
- Quarterly dividend of DKK 9 per share

REVENUE DEVELOPMENT



EBITDA DEVELOPMENT



FULL YEAR GUIDANCE MAINTAINED

FINANCIAL GUIDANCE 2017

	FY 2017	FY 2016
	GUIDANCE	ACTUAL
Revenue, DKK billion	23 – 24	20.3
EBITDA margin	Approx. 38%	39.1%
CAPEX, % share of revenue	Around 5%	5.9%
Effective tax rate	Approx. 21%	21.2%
Concept store, net openings	>300	336



COMMENTS

- Revenue **guidance maintained** in spite of a headwind of around 2% based on current FX rates
 - **DKK -700 million impact from FX** since 7 February 2017 (FY 2016 announcement)
 - H2 2017 will have a tailwind of DKK 200 million (product returns in Q4 2016) and roughly DKK 450 million from acquired stores
- EBITDA margin includes headwinds from commodity prices and FX
 - **EBITDA margin for H2 2017 expected to be significantly higher than H1 2017** (H1 2017 EBITDA margin: 35.0%)
- **More than 300 concept stores** to be added in 2017 (up from more than 275)

STRATEGIC UPDATE FOR Q2 2017



FULL JEWELLERY PRODUCT OFFERING

- Other categories now representing 23% of Group revenue
- **Disney announced for EMEA** with 50 Disney inspired products within Charms and Bracelets to be launched in Q4 2017 - 20 in 2018
- Opportunity to **fast track products** via reduced production time, including five products in Q2 2017



BRANDED RETAIL EXCELLENCE

- The **strategic intent** is now to focus on opening PANDORA owned concept stores
 - **Increases control** of the brand
 - Provides a strong **financial rationale**
- Distribution operations in **Belgium and South Africa** integrated. **Spain** planned for Q4 2017



BALANCED GLOBAL BUSINESS

- Continued strong performance in Asia Pacific representing 22% of Group revenue (Q2 2016: 18%)
 - Revenue in **China increased 91%** in LC compared with Q2 2016
 - **60 concept stores in China** in 2017
- New regional office in Panama, around **40 new concept stores planned in Latin America** in 2017



IMPROVED US PERFORMANCE

- Stronger product offering, compelling promotions and improved in-store execution drove **8% like-for-like sales-out**
- Actions initiated to build on the improvement and drive growth in a challenging retail environment
- Potential to add up to 100 new concept stores

THE US: 8% LIKE-FOR-LIKE SALES-OUT GROWTH

US Q2 PERFORMANCE IMPROVED



Consumer centric assortment

...fast tracked 5 new designs in Q2 2017 which performed very well in the quarter



Celebrate additional occasions

...first time to celebrate the Memorial Day in Q2 2017 and increased focus on graduations



More compelling promotions

...relevant and timely promotional activity including the first clearance sale in the US



Strong eSTORE performance

...driven by a combination of a larger basket size and more units per transaction

CONTINUE TO DRIVE LIKE-FOR-LIKE AND ADD 100 ADDITIONAL CS

- To build on the improved US market performance, PANDORA will continue to **drive like-for-like development** by:
 - An improved product offering in H2 2017
 - **AW 2017 to have more newness** than SS 2017
 - **20 fast tracked products**
 - Relevant and timely promotions and campaigns
 - Back to School and Labour Day
- **100 new concept store locations** identified to develop the network (3-5 years time frame)
 - Including high streets, A-malls and other shopping locations

ROADMAP IN PLACE TO DRIVE INCREASED PRODUCT INNOVATION

FOUR KEY DRIVERS TO INCREASE NEWNESS



Fast reaction time

...5 fast tracked products in Q2 2017

...and 20 fast tracked products in Q3 and Q4

Building long-term innovation capabilities

...innovation center in Thailand

...added skills in the design team

... new concept development team

HIGHLIGHTS



Launching Disney in EMEA

...50 products in Q4 2017

...and 20 products in Q1 2018



New jewellery concepts

...with 1 new concept in H1 2018

...and 3 additional concepts in the pipeline towards 2020

(other concepts include ESSENCE, Disney and PANDORA Rose)



NEW CONCEPTS ATTRACT NEW CONSUMERS

- **Fast tracked Bracelet in Q2 was in June the bestselling new product in the UK and #2 globally**
 - Around 50% of revenue is generated from products launched during the last 12 months
- **New concepts attract new consumers**
 - Essence, Disney and Rose accounted for ~75% of growth in new customers in Charms and Bracelets in the US (2015)
- **A total of around 500 new products launched in FY 2017**
 - Discontinue a similar number

SALES GROWTH DRIVEN BY PANDORA OWNED RETAIL

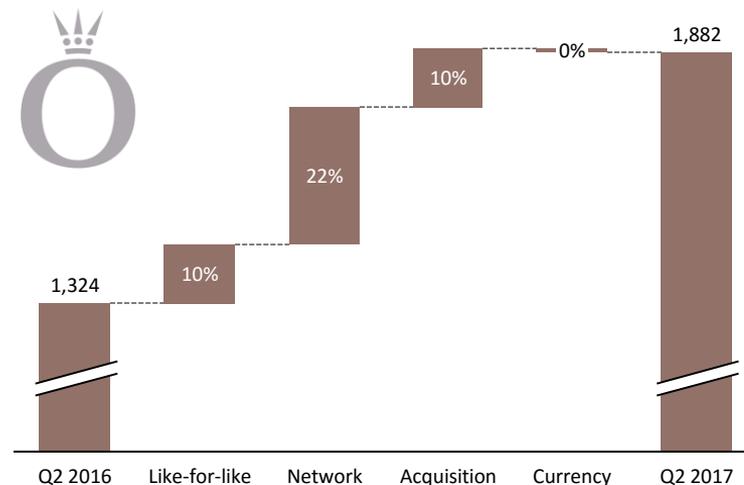
STRONG RETAIL DEVELOPMENT INCLUDING ESTORE

DKK million	Q2 2017	Growth, Q2/Q2, LC	Q2 2017 share of revenue
PANDORA owned retail	2,002	37%	42%
- hereof PANDORA owned concept stores	1,882	42%	39%
- hereof eSTORE	298	59%	6%
Wholesale	2,489	-3%	52%
- hereof franchise concept stores	1,478	6%	31%
3rd party distribution	334	17%	7%
Total revenue	4,825	12%	100%

WHOLESALE PERFORMANCE

- Total wholesale declined 3%
 - **Wholesale concept stores improved 6%** in the quarter, driven by network expansion
 - More than offset by a negative development in other points of sale, driven by the closure of around 20% of the stores

PANDORA OWNED CONCEPT STORE GROWTH OF 42%



37%
TOTAL RETAIL REVENUE GROWTH

10%
LIKE-FOR-LIKE

186
ADDED O&O CONCEPT STORES (LTM)

42%
SHARE OF GROUP REVENUE

EMEA: REVENUE GROWTH OF 13% IN LOCAL CURRENCY IN Q2 2017

EMEA REVENUE					
DKK million	Q2 2017	Growth, Q2/Q2, DKK	Growth, Q2/Q2, LC	FY 2016	Growth, FY/FY, LC
UK	453	2%	12%	2,704	25%
Italy	530	22%	22%	2,004	54%
France	282	10%	10%	1,127	59%
Germany	214	13%	12%	974	17%
EMEA total	2,067	10%	13%	9,556	33%

COMMENTS

- 13% local currency revenue growth
 - 3pp negative impact from currency
- **UK increased revenue with 12%** driven by store expansion and a continued strong eSTORE
- **Italy** continues to deliver **double digit** revenue growth based on a strong branded presence
- **France increased 10%** impacted by a less successful promotion
- **Germany increased 12%** driven by a strong performance in the concept store network,
- Expanded the branded network and closed around 800 other points of sale across EMEA

13% REVENUE GROWTH	43% REVENUE SHARE OF GROUP REVENUE
33 NEW CONCEPT STORES IN Q2 2017	1,268 CONCEPT STORES IN TOTAL

HIGHLIGHTS

EMEA

All four major markets delivered double digit revenue growth in local currency. Distribution in Belgium and South Africa taken over in June and July, respectively. Spain takeover planned for Q4

AMERICAS: REVENUE DECLINED 1% IN LOCAL CURRENCY IN Q2 2017

AMERICAS REVENUE					
DKK million	Q2 2017	Growth Q2/Q2, DKK	Growth, Q2/Q2, LC	FY 2016	Growth, FY/FY, LC
US	1,273	0%	-2%	5,157	5%
Americas total	1,686	1%	-1%	6,852	6%

OVERVIEW OF REVENUE 'ONE-OFFS'					
DKK million	Q1 2017	Q2 2017	Q3 2017	Q4 2017	FY 2017
Closure of 600 other point of sales*	-60	-40	-30		-130
Jared sell-in (2016)	-50	-60			-110
Timing of shipments (2016)	-60	-90			-150
Product returns (2016)**				200	200
Adjustment of return reserve (2017)		200			200
Americas total	-170	10	-30	200	10

* Lost sell in related to the planned closure of 600 other points of sales in the US in Q4 2016

** PANDORA accepted returned products in Q4 2016 of DKK 200 million related to the closures mentioned above

COMMENTS
<ul style="list-style-type: none"> Revenue declined 1% in local currency <ul style="list-style-type: none"> 2pp positive impact from currency US revenue decreased 2% in local currency: <ul style="list-style-type: none"> Strong like-for-like of 8% despite a continuously challenging retail environment Revenue positively impacted by changes to returns programme, offset by one-offs related to timing of shipments, planned store closures, and higher sell-in to Jared in Q2 2016 10 new concept stores opened in Q2 (including 6 new PANDORA owned stores)

ASIA PACIFIC: REVENUE INCREASED 34% IN LOCAL CURRENCY IN Q2 2017

ASIA PACIFIC REVENUE					
DKK million	Q2 2017	Growth, Q2/Q2, DKK	Growth, Q2/Q2, LC	FY 2016	Growth, FY/FY, LC
Australia	368	16%	12%	1,529	37%
China	362	87%	91%	910	191%
Asia Pacific total	1,072	35%	34%	3,873	48%

COMMENTS
<ul style="list-style-type: none"> 34% local currency revenue growth <ul style="list-style-type: none"> 1pp positive impact from currency Australia increased 12% driven by a continued strong momentum across the network <ul style="list-style-type: none"> 10 new concept stores added in the last 12 months China increased revenue with 91% and contributed with around 8% of group revenue <ul style="list-style-type: none"> A doubling of the concept store network in the last 12 months 13 new cities entered in the first half of 2017

<p>34%</p> <p>REVENUE GROWTH</p>	<p>22%</p> <p>REVENUE SHARE OF GROUP REVENUE</p>
<p>24</p> <p>NEW CONCEPT STORES IN Q2 2017</p>	<p>393</p> <p>CONCEPT STORES IN TOTAL</p>

HIGHLIGHTS



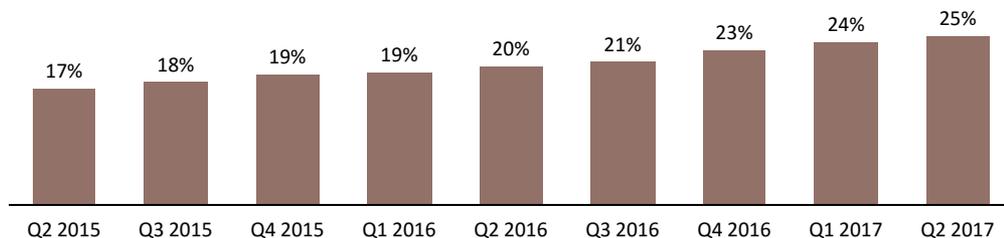
China now expects to open around 60 new concept stores in 2017. Tmall and eSTORE generated around 10% of revenue in China.

CONTINUED PRODUCT DIVERSIFICATION DRIVES GROWTH

REVENUE PER PRODUCT CATEGORY

DKK million	Q2 2017	Growth Q2/Q2, DKK	Growth Q2/Q2, LC	Share of revenue Q2 2017	FY 2016	Share of revenue FY 2016
Charms	2,847	6%	5%	59%	11,991	59%
Bracelets	877	19%	19%	18%	3,672	18%
Rings	582	7%	7%	12%	2,643	13%
Earrings	257	42%	42%	5%	1,052	5%
Necklaces & Pendants	262	55%	56%	5%	923	5%
Total revenue	4,825	12%	12%	100%	20,281	100%

OTHER CATEGORIES' SHARE OF REVENUE (LTM)



COMMENTS

- **All categories delivered growth** in Q2 2017
- The core categories, Charms and Bracelets, increased revenue by 5% and 19%, respectively
 - Charms growth driven by Asia Pacific
 - Bracelets supported by a **strong reception of the fast tracked bracelets**
- In combination revenue from **Rings, Earrings and Necklaces & Pendants increased 23%** representing 23% of group revenue

COST DEVELOPMENT

COST OF SALES AND GROSS PROFIT

DKK million	Q2 2017	Share of revenue Q2 2017	Share of revenue Q2 2016	FY 2016	Share of revenue FY 2016
Gross profit	3,567	73.9%	75.3%	15,223	75.1%
Operating expenses (incl. D&A)	-2,117	43.9%	41.0%	-7,819	38.6%
- hereof sales & distribution	-1,057	21.9%	20.7%	-4,011	19.8%
- hereof marketing	-480	9.9%	9.4%	-1,827	9.0%
- hereof administrative	-580	12.0%	10.9%	-1,981	9.8%
Depreciation and amortisation	161	3.3%	2.8%	518	2.6%
EBITDA	1,611	33.4%	37.2%	7,922	39.1%

STATUS ON IT

- ERP backbone (core) and manufacturing system
- Regional point of sale system
- CRM and analytics
- Global eSTORE platform in place
 - Globalisation and outsourcing of service, infrastructure and fulfilment

COMMENTS

- **Gross margin decreased 1.4pp**
 - Negatively impacted by FX and product mix
 - Q2 2016 impacted by a positive one-off related to duties
 - Positively impacted by increasing share of PANDORA owned retail revenue
- **Operating expenses increased 2.9pp**
 - S&D increased due to the increasing share of revenue from PANDORA owned stores
 - Administrative costs increased by 1.1pp, primarily due to an increase in IT costs

ROBUST BALANCE SHEET

WORKING CAPITAL AND CASH MANAGEMENT

DKK million	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016
Inventory	3,021	2,905	2,729	3,166	2,929
- Share of revenue (last 12 months)	14.3%	14.0%	13.5%	16.4%	15.7%
Trade receivables	1,232	1,500	1,673	1,976	1,253
- Share of revenue (last 12 months)	5.8%	7.2%	8.2%	10.2%	6.7%
Trade payables	1,352	1,462	1,622	1,309	1,239
- Share of revenue (last 12 months)	6.4%	7.1%	8.0%	6.8%	6.6%
Operating working capital	2,901	2,943	2,780	3,833	2,943
- Share of revenue (last 12 months)	13.7%	14.2%	13.7%	19.8%	15.8%
Free cash flow	556	1,182	2,849	577	576
CAPEX	296	210	249	324	352
NIBD to EBITDA (last 12 months)	0.5x	0.4x	0.3x	0.6x	0.6x

Selected KPIs

Days Sales of Inventory - last 6 months of COGS (183 days)	210	176	179	262	236
Days Sales of Outstanding - last 3 months of wholesale and 3 rd party distribution revenue (90 days)	39	42	37	56	39



FULL YEAR GUIDANCE MAINTAINED

Q2 2017 FINANCIALS



REVENUE

DKK 4.8bn
(12% growth)

\$%

EBITDA

33.4%
(DKK 0.6bn
free cash flow)



DIVIDEND

DKK 1.0bn
(DKK 0.4bn
share buyback)

REVENUE GUIDANCE

DKK 23-24bn
(Guidance unchanged)

EBITDA GUIDANCE

~38%
(Guidance unchanged)

CONCEPT STORE GUIDANCE

>300

BUSINESS HIGHLIGHTS

- Continued execution of strategy
- Full jewellery product offering:
 - 23% revenue contribution from the other categories
- Branded retail excellence:
 - PANDORA owned retail now 42% of revenue
 - Net 70 new concept stores opened in Q2 2017
 - Distribution taken over in South Africa and Belgium (Spain Q4 2017)
- Balanced global business
 - Asia Pacific increased revenue by 34%
 - Around 40 concept stores to be opened in Latin America in FY 2017
- **Capital markets day** 13 December 2017

THANK YOU

