PANDORA IN EMEA

DAVID ALLEN
MARCH 3RD 2017

PANDORA

AGENDA

1 PANDORA EMEA OVERVIEW

2 KEY MARKETS

3 EMEA AMBITION

4 FUTURE OPPORTUNITIES

PANDORA

INTRODUCTION – DAVID ALLEN

2015 - President, PANDORA EMEA

2012 – 2015 President, PANDORA Australia and New Zealand

2011 – 2012 Vice President Sales, PANDORA Australia and New Zealand

2008 – 2011 General Manager Store Operations, Pretty Girl Fashion Group

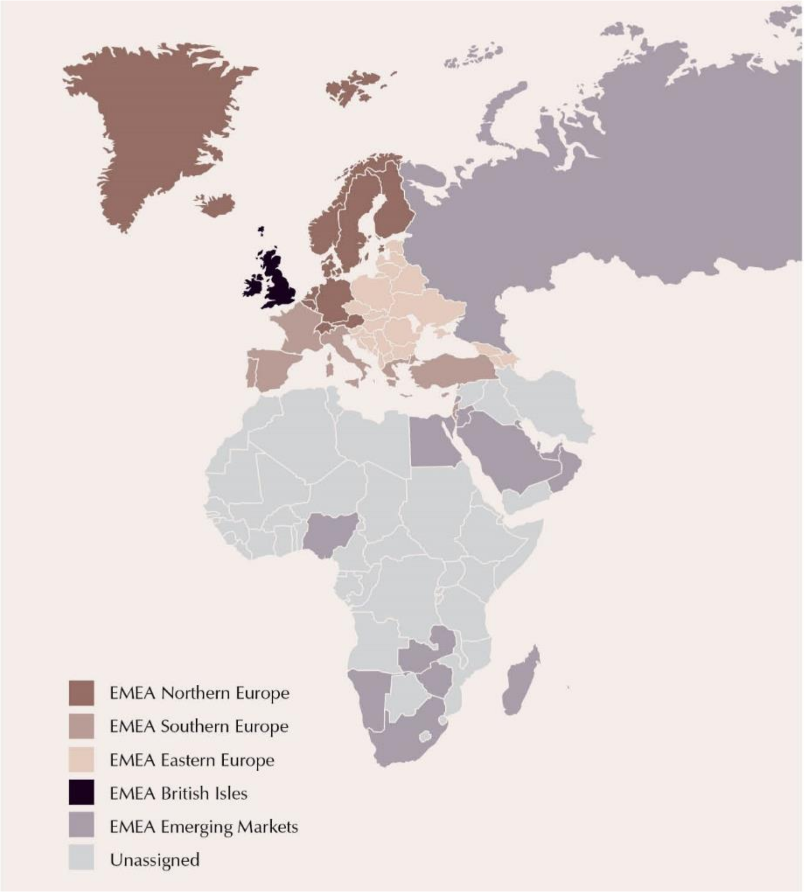
2003 – 2008 Operations Manager, Dick Smith Electronics

2001 – 2003 National Operations Manager, Colorado Adventurewear

2000 – 2001 National Retail Manager, Bras N Things

PANDORA

EMEA OVERVIEW

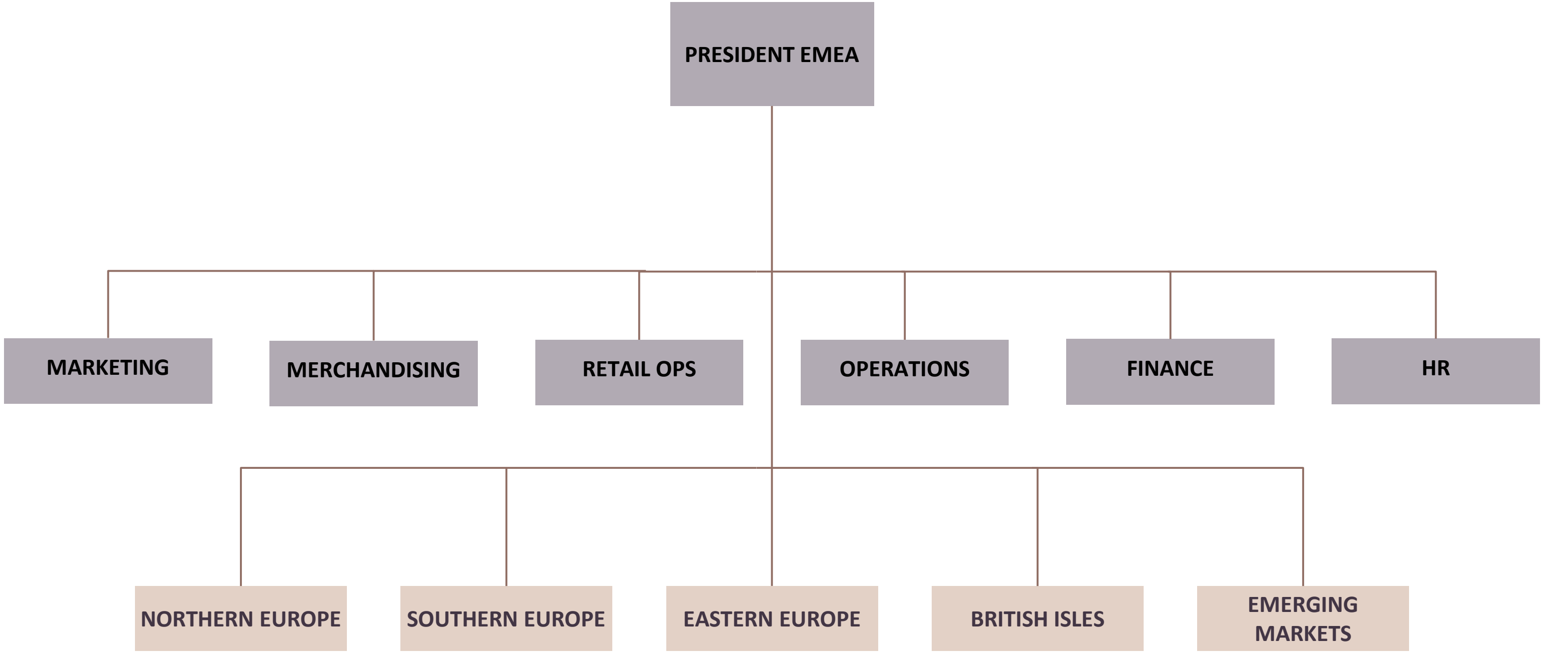


KEY MARKETS AND CLUSTER STRUCTURE

5 EMEA clusters:

- Northern Europe – key market Germany
- Southern Europe – key markets Italy and France
- Eastern Europe – key market Poland
- British Isles – key market UK
- Emerging Markets – cluster market UAE, key markets Russia, South Africa and now India

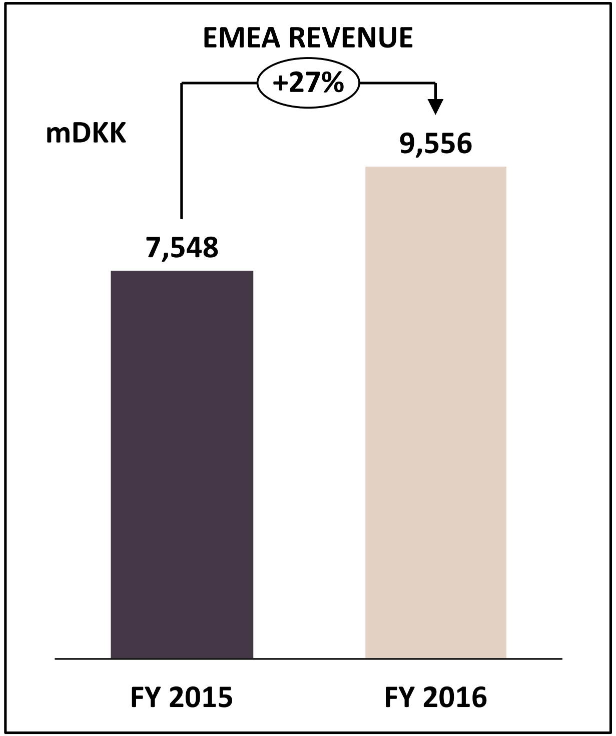
EMEA ORGANIZATION



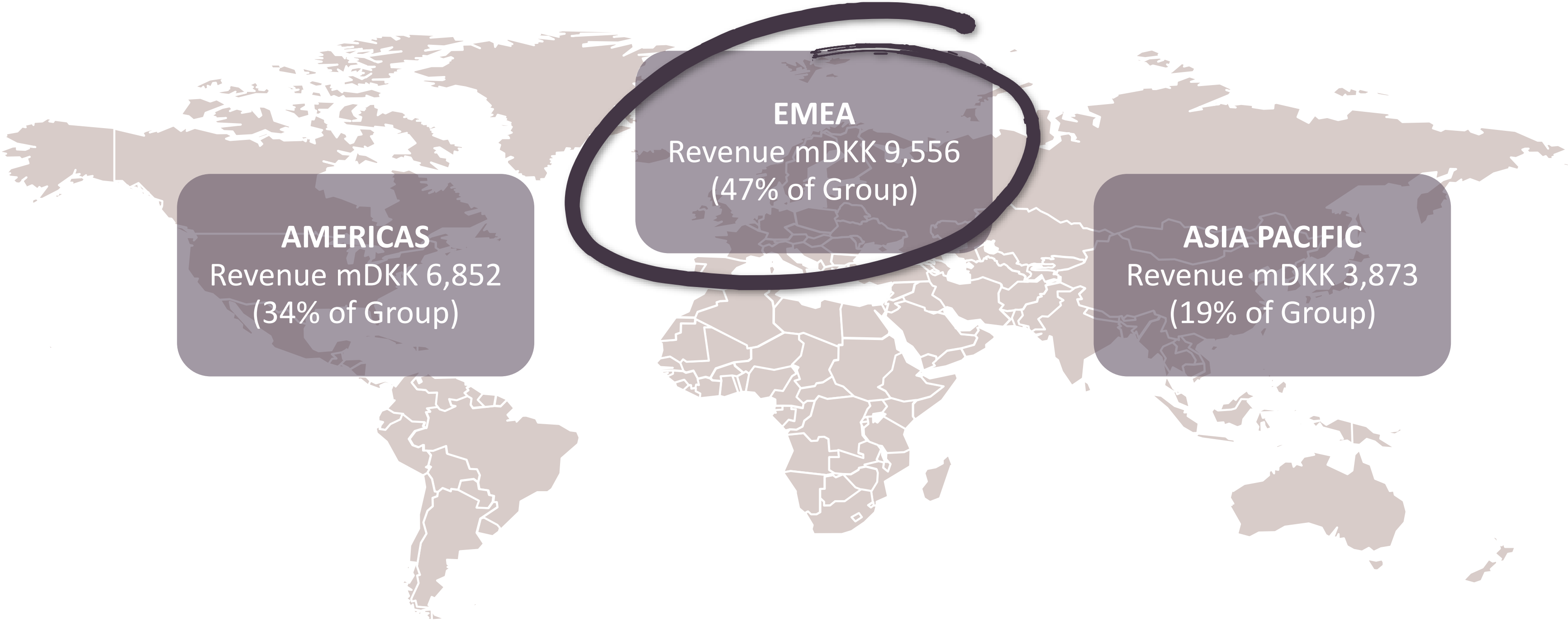
PANDORA

EMEA – OUR LARGEST REGION

- Regional office established in Copenhagen 2016
- Currently 50 employees in Copenhagen and more than 50 in our Hamburg Distribution Centre
- Offices in London, Milan, Hamburg, Warsaw, Dubai, Paris, Amsterdam, Istanbul and Copenhagen
- India became part of EMEA in 2017
- Strong revenue development in EMEA with increasing brand awareness in key markets



IN 2016, WE CONTINUED THE GOOD PERFORMANCE AND EMEA GREW 33% IN LOCAL CURRENCY COMPARED TO FY2015



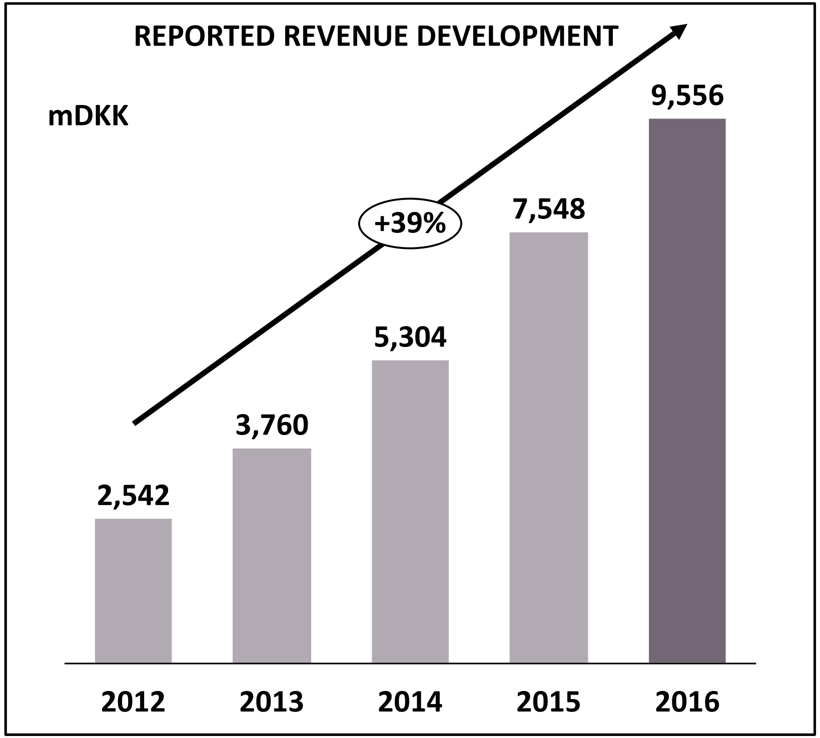
Total group revenue saw 24% growth in local currency

PANDORA

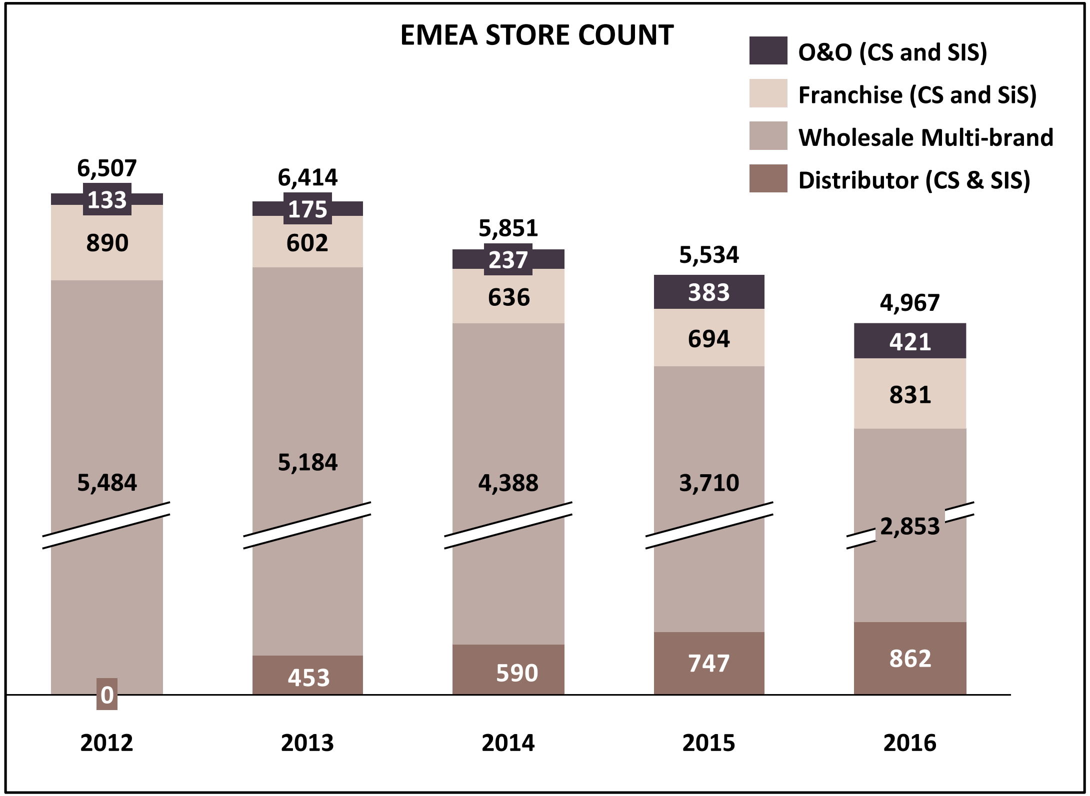
REPORTED REVENUE DEVELOPMENT FROM 2012-2016

STRONG REVENUE DEVELOPMENT

- Significant growth in EMEA in recent years
- FY 2016 delivered a strong result driven by strong performance in all clusters – in particular UK, Italy and France
- Russia a challenging market



EMEA STORE NETWORK – OUR FOCUS IS CONCEPT STORE EXPANSION

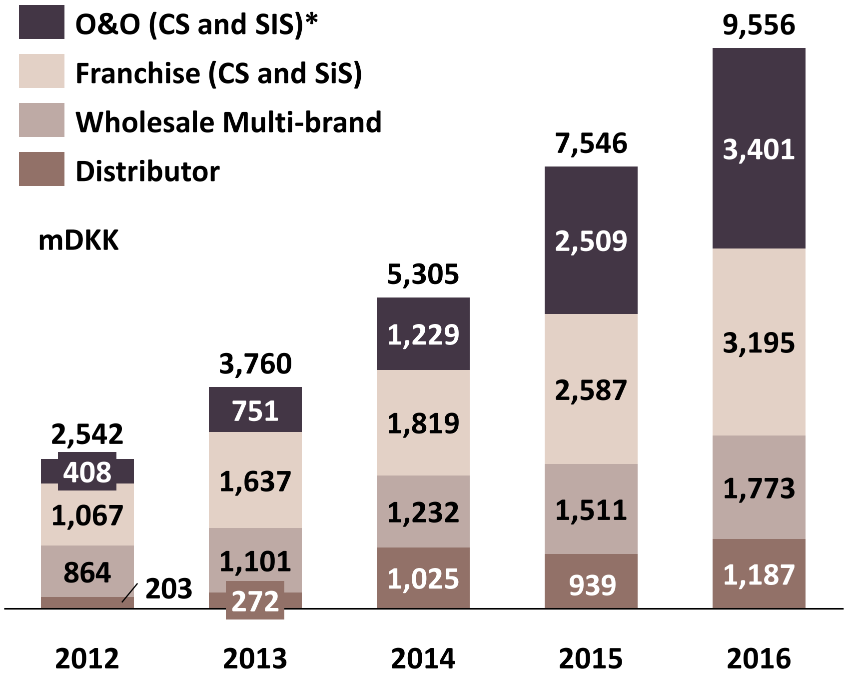


- Total number of concept stores in 2016 is 1,206 (24%)
- Total share of multi-brand stores in 2016 is 57%
- We have reduced the share of multi-branded stores in recent years while gradually upgrading existing stores
- And we maintain a number of multi branded stores to cater for structural differences in our markets and more rural areas
- There is still potential for new stores in most markets

PANDORA

EMEA REPORTED REVENUE SPLIT BY CLUSTER AND DISTRIBUTION CHANNEL

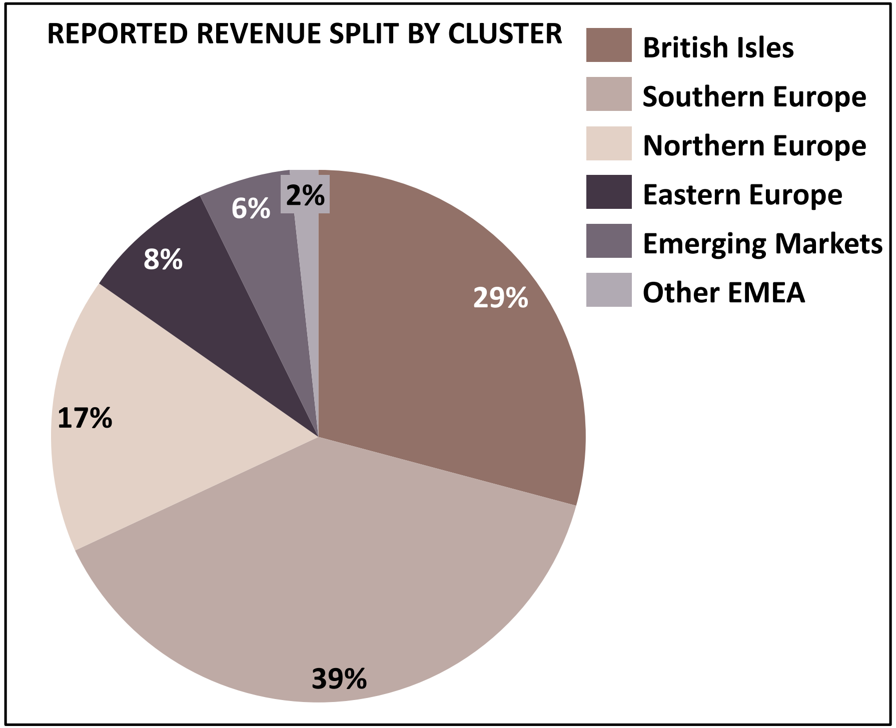
REPORTED REVENUE SPLIT BY CHANNEL



*Includes e-store and outlets

- Revenue from O&O stores (CS and SIS) has increased and is 36% in 2016 (mDKK 3,401)
- Revenue from O&O and franchise concept stores and shop in shops is 69% of total EMEA revenue (mDKK 6,596)
- Revenue from multi-brand is 19 % of total EMEA revenue in 2016 and the share is decreasing
- Distributor revenue is 12 % of total EMEA revenue in 2016 and the share is decreasing
- Distributor revenue development to some extent driven by Russia

EMEA REPORTED REVENUE SPLIT BY CLUSTER



KEY MARKET SHARES

- UK is the biggest market measured by reported revenue (28 %)
- Italy share of business ~20% of EMEA's reported revenue in 2016
- Germany is ~10% of EMEA revenue in 2016
- France is ~10% of EMEA revenue

PANDORA

AGENDA

1 PANDORA EMEA OVERVIEW

2 KEY MARKETS

3 EMEA AMBITION

4 FUTURE OPPORTUNITIES

PANDORA

UK OVERVIEW

OUR LARGEST MARKET MEASURED BY REVENUE

Revenue:
Revenue in 2016 DKK 2,7bn
Growth 9 % (25% in local currency)

E-store:
PANDORA E-store launched 2012
Now > 10 % of UK revenue

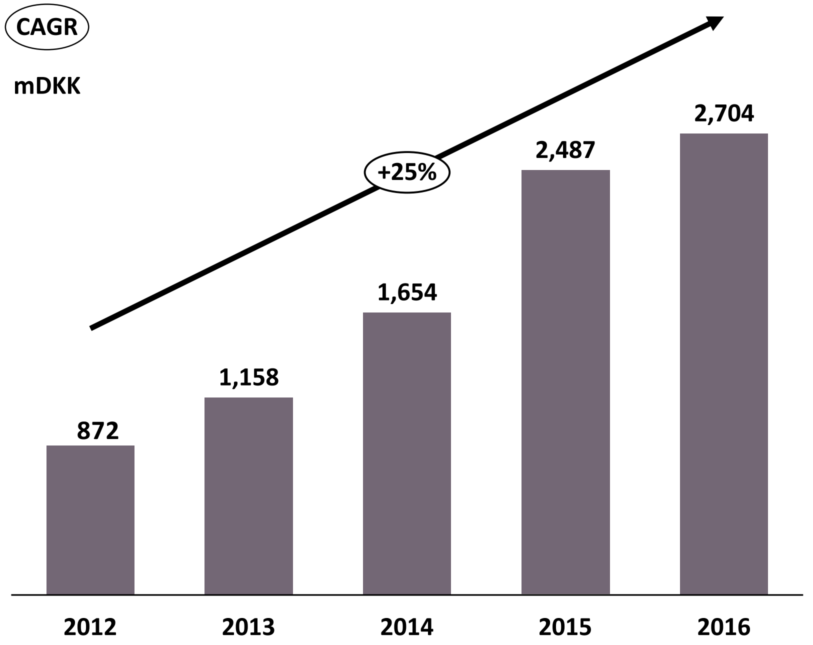
LFL:
6% LFL in 2016 on 18% in 2015 – impacted by expansion to improve customer experience

Network development :
33 new concept stores added in 2016 to a total of 228 concept stores

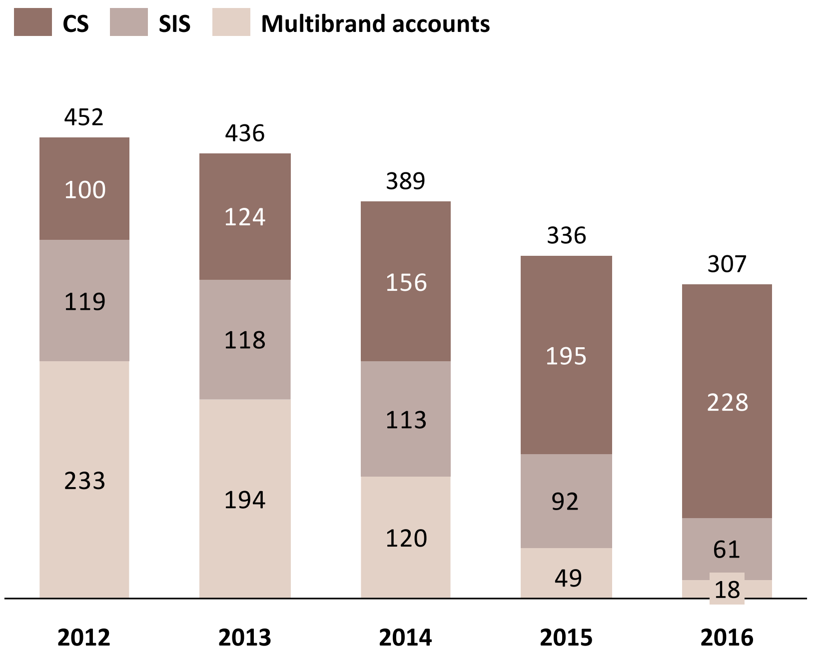
PANDORA

UK REPORTED REVENUE DEVELOPMENT AND STORE NETWORK

REPORTED REVENUE DEVELOPMENT



STORE NETWORK



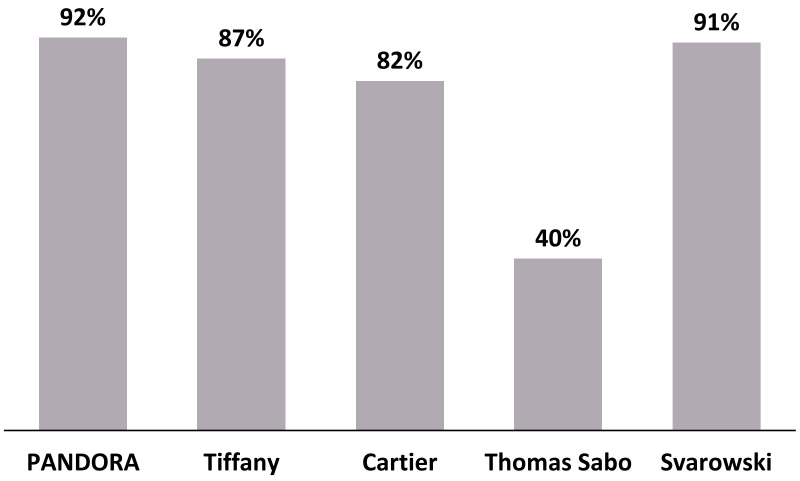
PANDORA

PANDORA’S AWARENESS IN UK IS STRONG AND INCREASING ACROSS ALL CATEGORIES

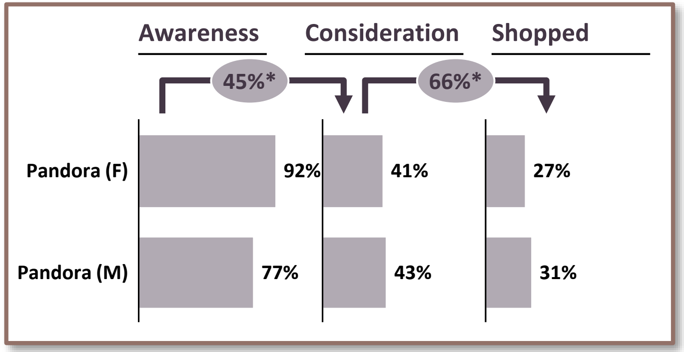
PANDORA has the strongest brand awareness among all competitors with 92% awareness for women and 77% for men
Awareness, consideration and actual purchasing consumers have increased among the male segment, and category awareness is increasing for all categories

STRONGEST BRAND AWARENESS

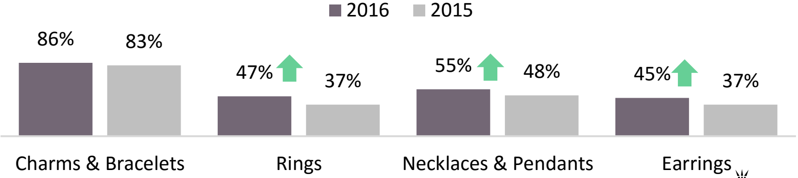
UK AIDED AWARENESS (2016)



PANDORA BRAND FUNNEL



PANDORA CATEGORY AWARENESS (FEMALE)



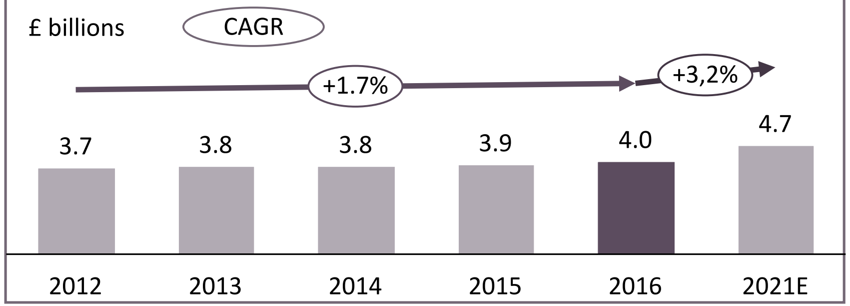
*Women

SOURCE: GLOBAL BRAND TRACK 2016

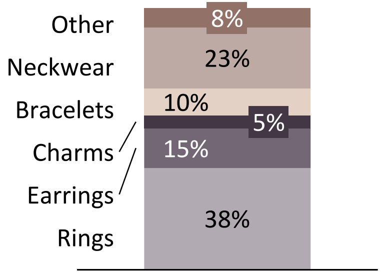
PANDORA

AND UK JEWELLERY MARKET IS A DEVELOPED MARKET WITH SLOW BUT STEADY GROWTH

JEWELLERY MARKET HISTORICAL DEVELOPMENT, VALUE[1)]



UK JEWELLERY MARKET CATEGORY SPLIT (2016)



UK JEWELLERY MARKET

- UK jewellery market is estimated to £ 4bn in 2016
- The jewellery market has increased by CAGR 1.7 % since 2012 – slower than general retail sales
- The jewellery market is expected to grow to an estimated £ 4.7bn at a CAGR +3.2% by 2021
- The number of jewellery and watch specialists in UK has decreased by 13% since 2011 – from around 10,000 outlets to 9,000 outlets
- The largest segment is rings which represents 25% of the total market followed by neckwear (23%), earrings (15%), diamond rings (13%), bracelets (10%) and charms (5%)

1) Current prices, year-on-year exchange rate

SOURCE: EUROMONITOR

PANDORA

GERMANY OVERVIEW

GERMANY DELIVERED GROWTH IN 2016 DRIVEN BY LFL AND STRONGER STORE NETWORK

Revenue:
Revenue in 2016 ~ 1,000 mDKK, revenue growth was 17% on 2015

Brand awareness:
PANDORA aided brand awareness 79%*

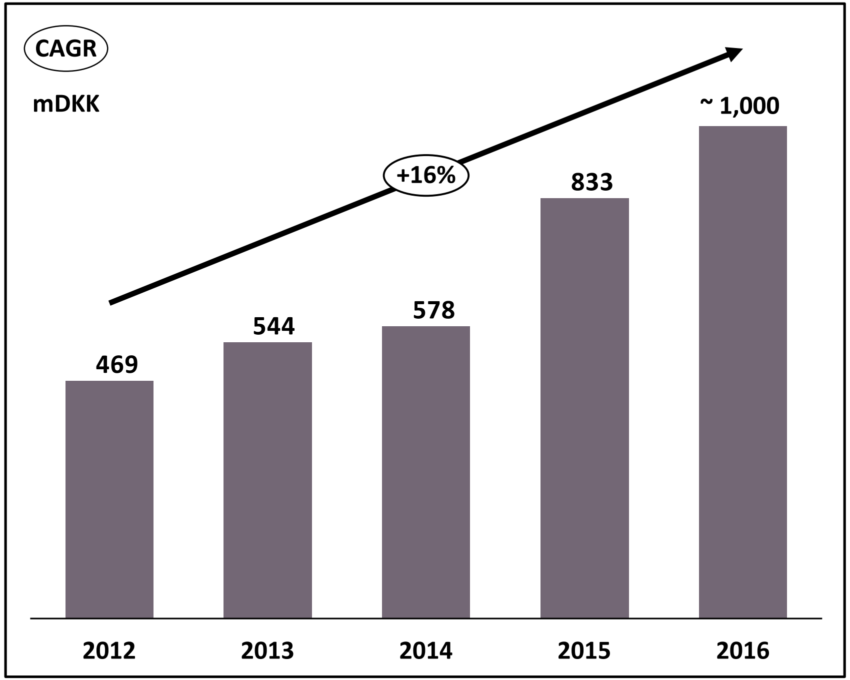
Network development :
Net concept store openings in 2015 and 2016: 81

*Women

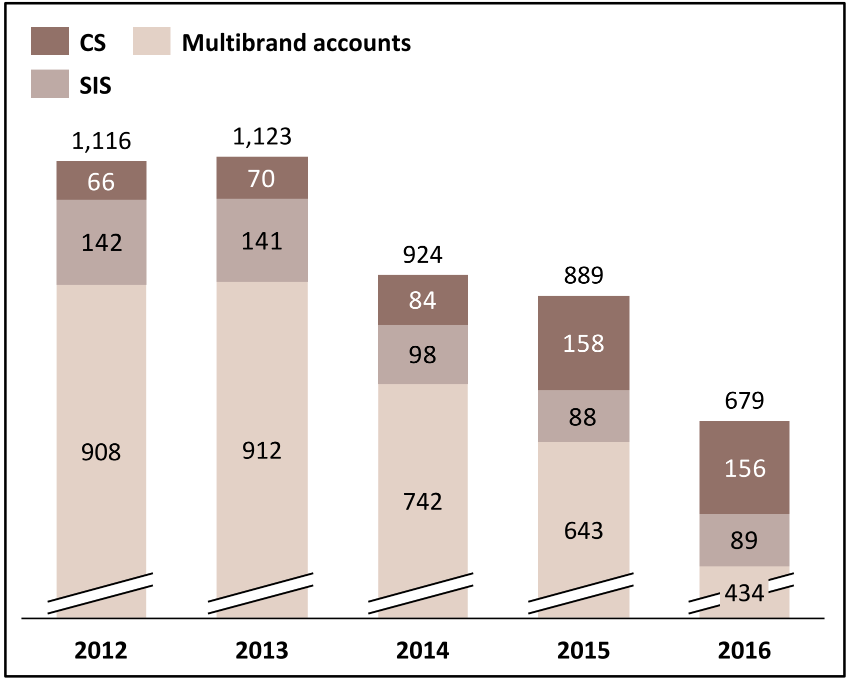
PANDORA

GERMANY REPORTED REVENUE DEVELOPMENT AND STORE NETWORK

REPORTED REVENUE DEVELOPMENT



STORE NETWORK



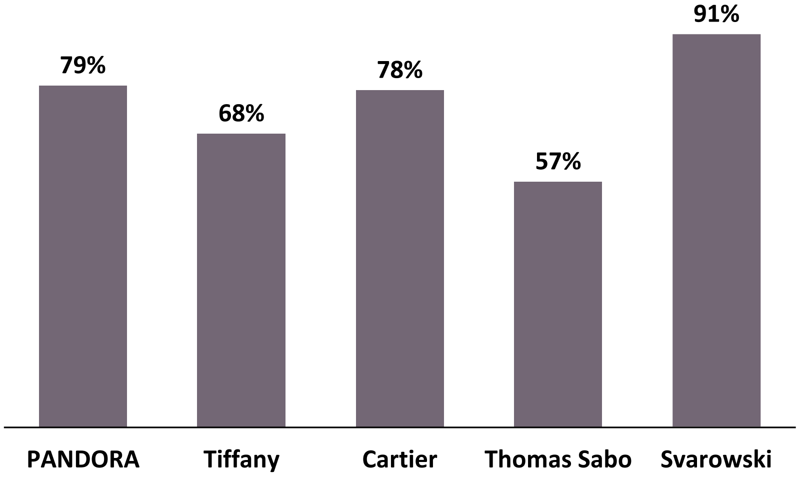
PANDORA

PANDORA'S BRAND AWARENESS IS INCREASING IN GERMANY

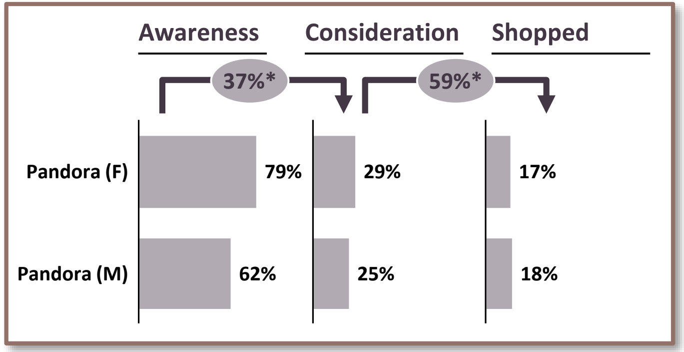
PANDORA's aided brand awareness has increased 3% among women and 9% among men from 2015 to 2016
Category awareness suggest opportunities in necklaces, rings and earrings

STRONGER BRAND AWARENESS

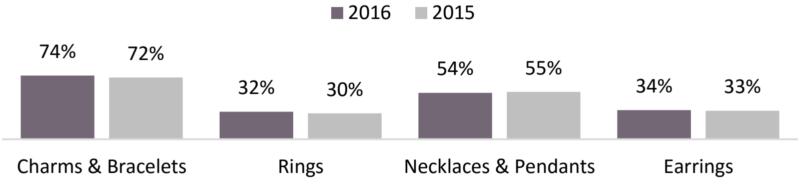
GERMANY AIDED AWARENESS (2016)



PANDORA BRAND FUNNEL



PANDORA CATEGORY AWARENESS (FEMALES)



*Women

SOURCE: GLOBAL BRAND TRACK 2016

PANDORA

ITALY OVERVIEW

STRONG PERFORMANCE IN 2016 AND STILL A LOT OF POTENTIAL

PANDORA
Started doing business in Italy in 2010

Revenue:
Revenue in 2016 DKK 2bn growth was ~55% on 2015

Brand awareness:
PANDORA aided brand awareness 88%*

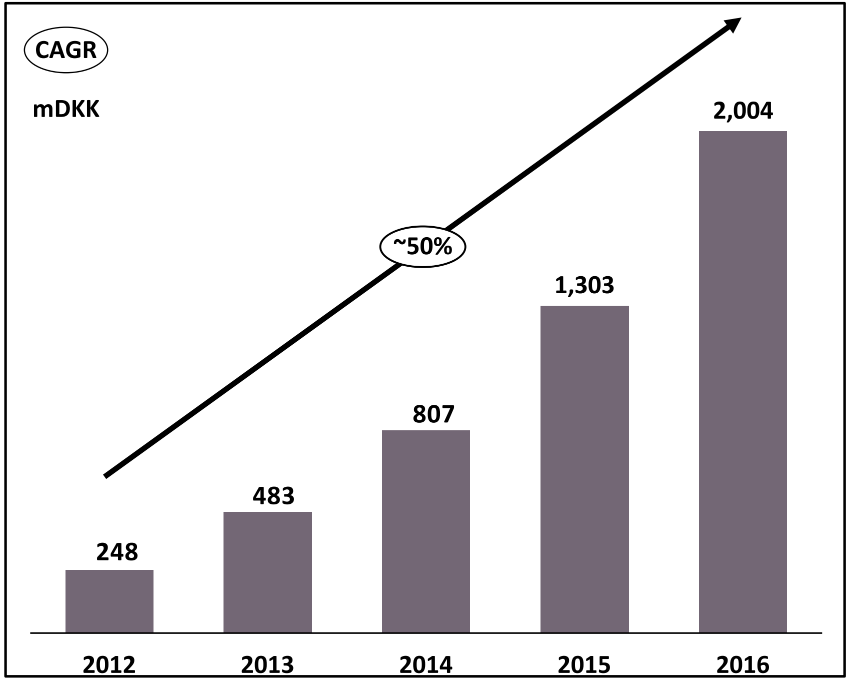
Network development :
Opened net 23 Concept stores in 2016 to a total of 75 Concept stores

*Women

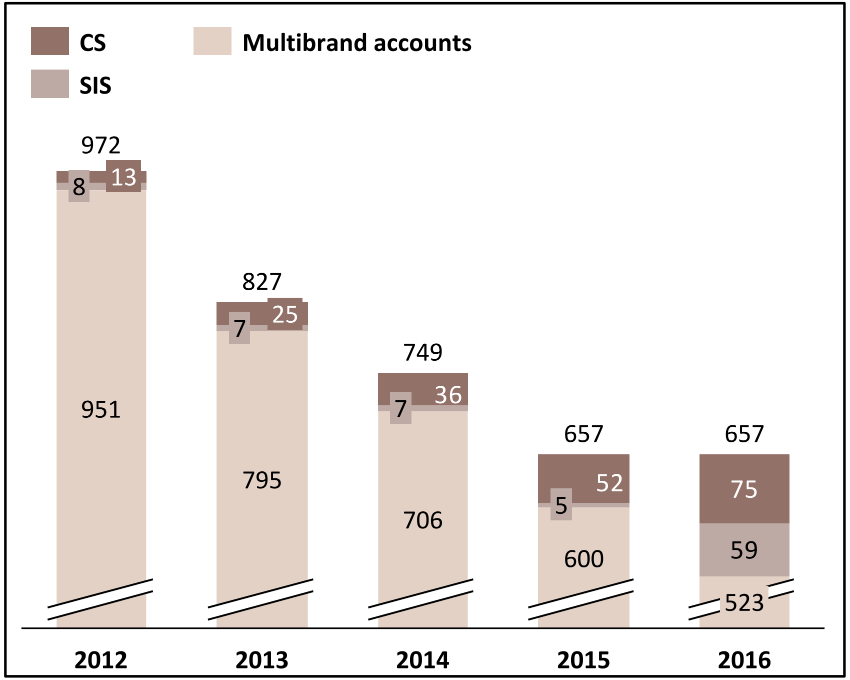
PANDORA

ITALY REPORTED REVENUE DEVELOPMENT AND STORE NETWORK

REPORTED REVENUE DEVELOPMENT



STORE NETWORK



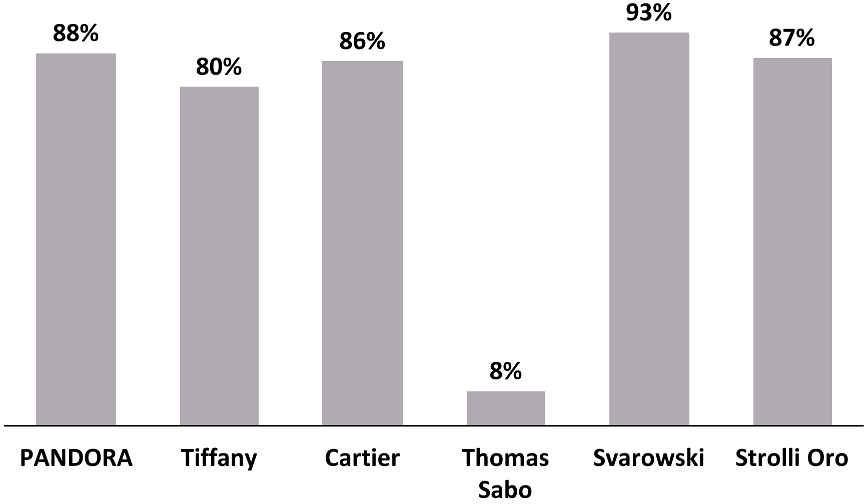
PANDORA

PANDORA'S AWARENESS IS STRONG AND INCREASING

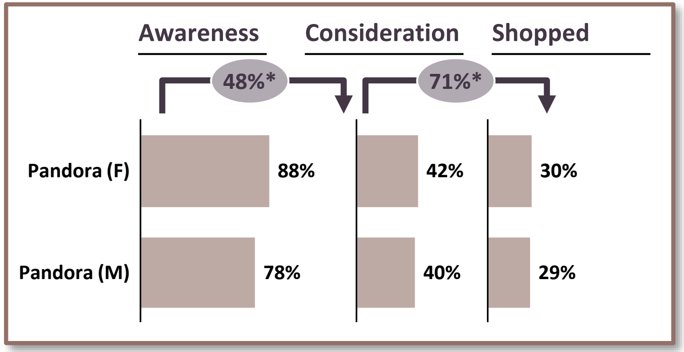
- PANDORA awareness increases across all categories
- Among competitors, only Svarowski has higher awareness

STRONG BRAND AWARENESS

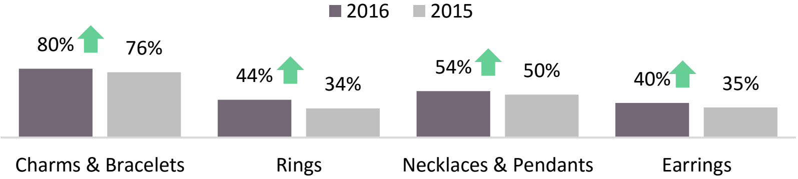
ITALY AIDED AWARENESS (2016)



PANDORA BRAND FUNNEL



PANDORA CATEGORY AWARENESS (FEMALES)



*Women

SOURCE: GLOBAL BRAND TRACK 2016

FRANCE OVERVIEW

STRONG GROWTH IN 2016

PANDORA
Took over distribution in 2011

Revenue:
Revenue in 2016 around DKK 1bn

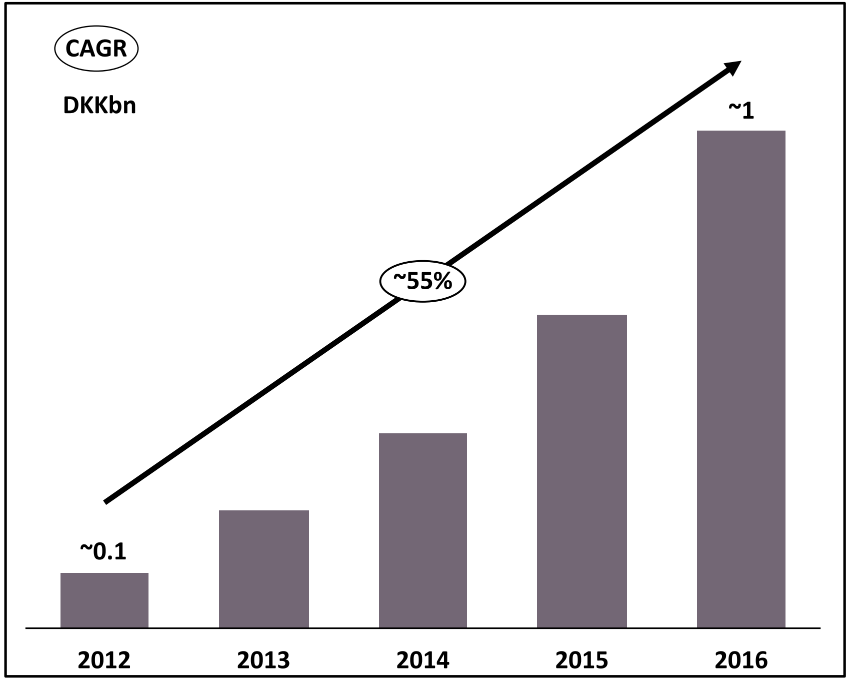
Brand awareness:
PANDORA aided brand awareness 65%*

Network development :
16 new concept stores added in 2016 to a total of 71 concept stores

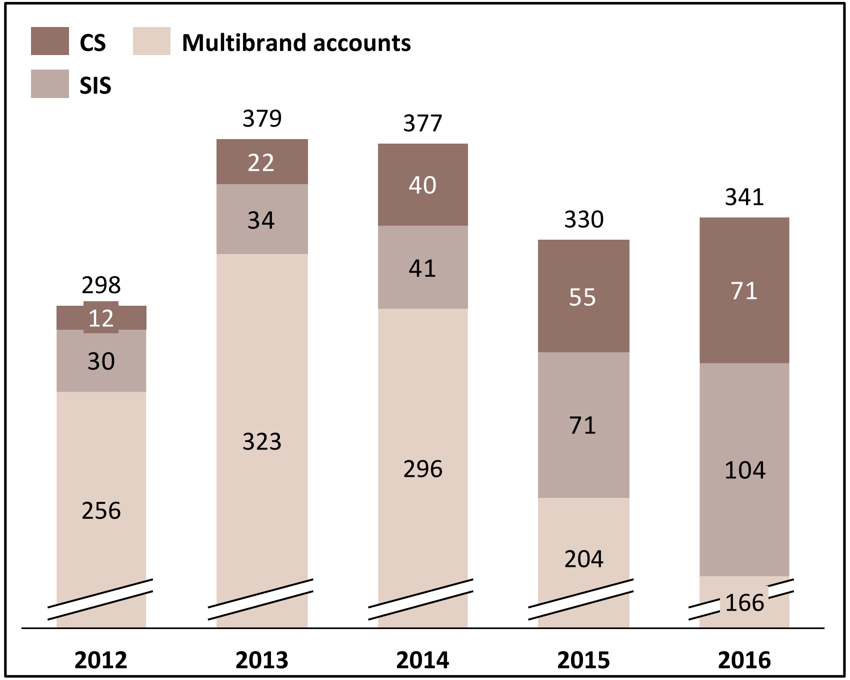
*Women

FRANCE REPORTED REVENUE DEVELOPMENT AND STORE NETWORK

REPORTED REVENUE DEVELOPMENT



STORE NETWORK



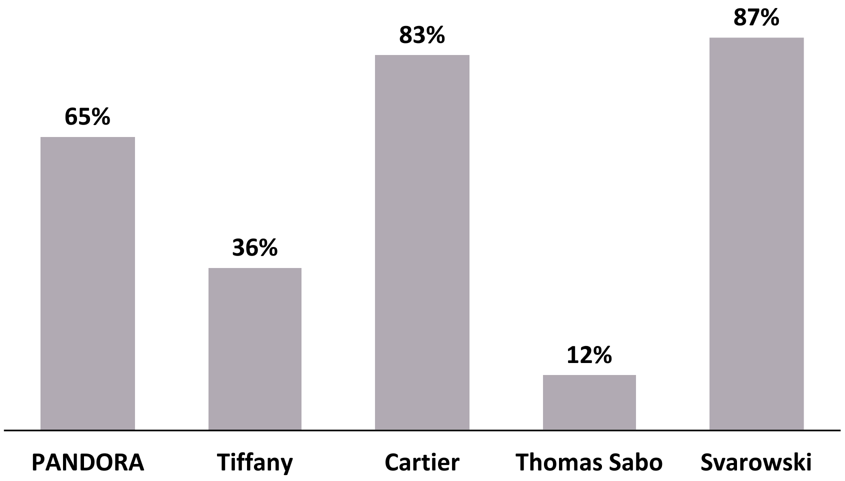
PANDORA

BRAND AWARENESS IS INCREASING IN 2016

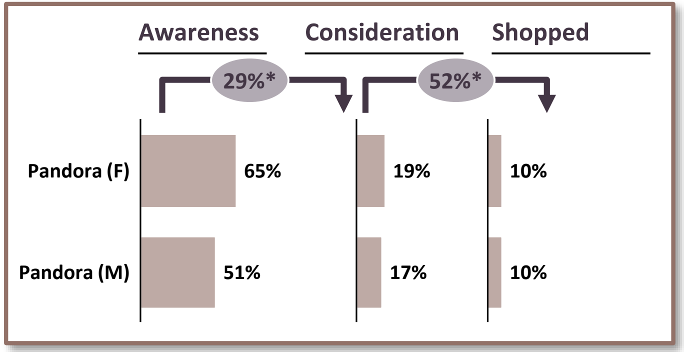
Brand awareness increased from 2015 to 2016 and category awareness increasing in other categories than charms and bracelets
Still opportunities in increasing brand awareness and converting awareness to purchasing consumers

PANDORA BRAND AWARENESS – STILL OPPORTUNITIES

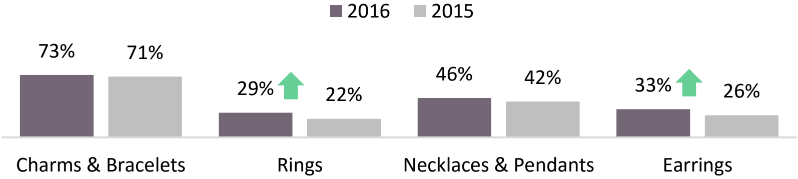
FRANCE AIDED AWARENESS (2016)



PANDORA BRAND FUNNEL



PANDORA CATEGORY AWARENESS



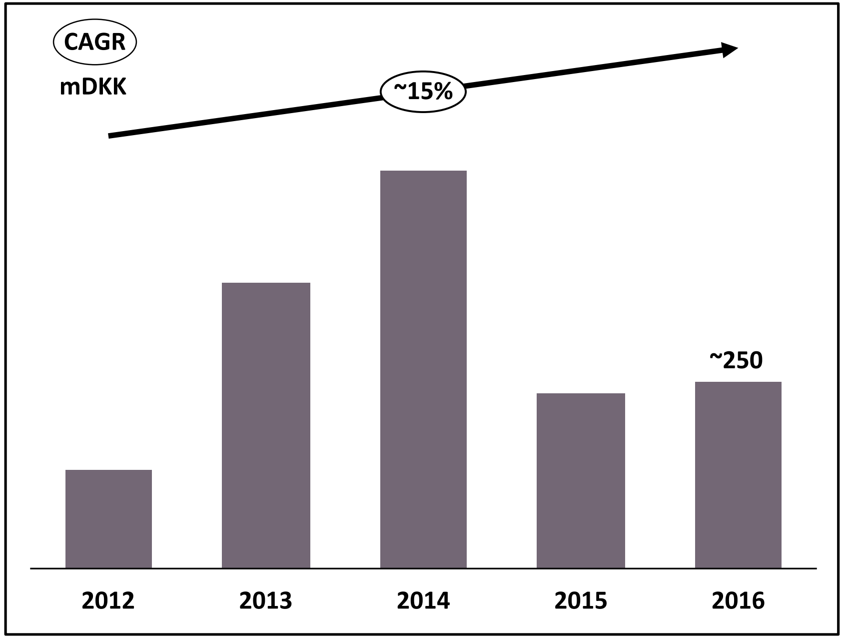
*Women

SOURCE: GLOBAL BRAND TRACK 2016

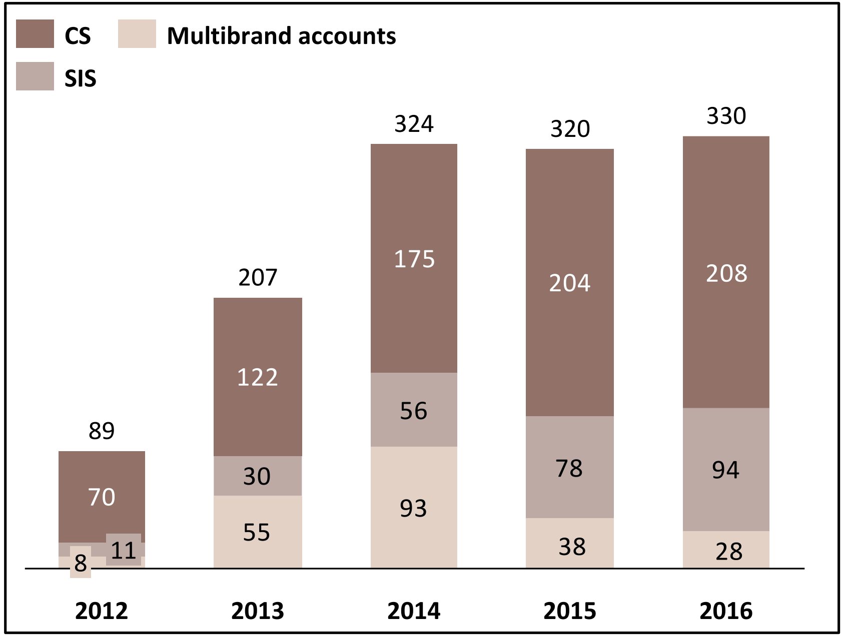
PANDORA

STRONG GROWTH UNTIL 2014, HOWEVER DROP IN TOTAL REVENUE FROM 2014-16, THE MAJORITY OF THE REVENUE IS COMING FROM CS STORES

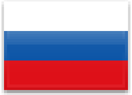
PANDORA REVENUE, 2012-2016



PANDORA RUSSIA EXPANSION, 2012-2016



PANDORA

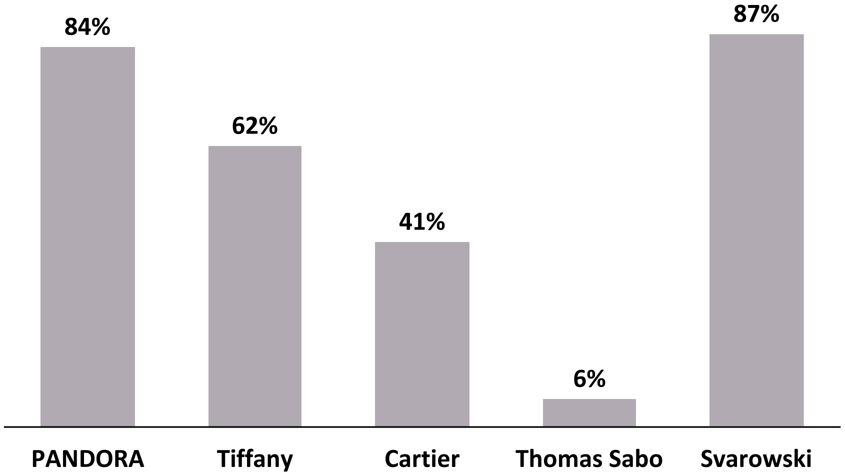


BRAND AWARENESS IS INCREASING IN 2016

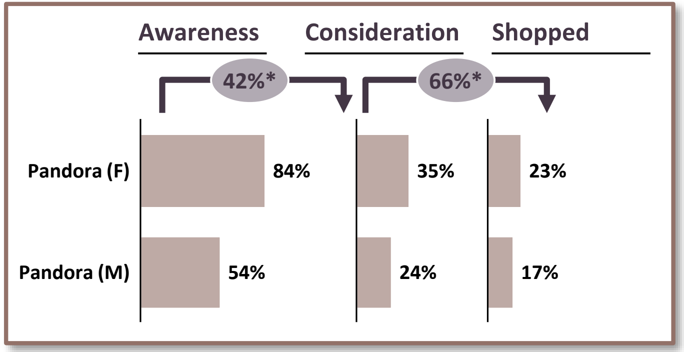
- PANDORA awareness has increased from 2015, among competitors only Svarowski has higher awareness
- Category awareness in other categories slightly decreasing

PANDORA BRAND AWARENESS

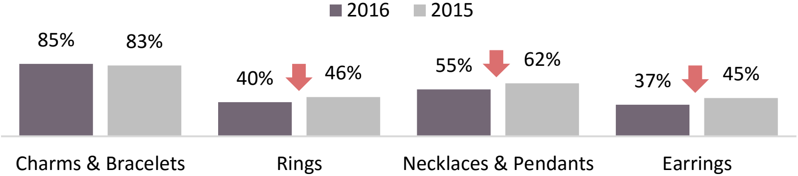
RUSSIA AIDED AWARENESS (2016)



PANDORA BRAND FUNNEL



PANDORA CATEGORY AWARENESS



*Women

SOURCE: GLOBAL BRAND TRACK 2016

PANDORA

OUR COMMERCIAL REVIEW INDICATES STRONG PRESENCE IN A MARKET WITH DECLINING CONSUMER CONFIDENCE AND DISPOSABLE BUYING POWER

- **PANDORA's revenue has decreased since 2014**. Total sales-out has dropped with 11% per year, while like-for-like decreased ~15% from 2014-2015 and 23% from 2015-2016

- **PANDORA has an overall solid store network in Russia today**. PANDORA has 208 concept stores of which ~50% are located in Moscow and Skt. Petersburg and 30% in other main cities

- **The total jewellery market has decreased significantly and lost ~50% of its total value from 2014-2016**. The value of the jewellery market (retail and wholesale) is 172 billion RUB in 2016 giving PANDORA a market share of ~4.5% compared to ~3% market share in 2014
- **Declining consumer confidence and disposable buying power have impacted spend on jewellery negatively**

AGENDA

1. PANDORA EMEA OVERVIEW
2. KEY MARKETS
3. EMEA AMBITION
4. FUTURE OPPORTUNITIES

PANDORA

THE AMBITION WITH OUR REGION IS TO SUPPORT FURTHER GROWTH BY PROVIDING DIRECTION, SUPPORT AND REMOVE COMPLEXITIES

GLOBAL – BRAND AND GUIDELINES

REGION –DIRECTION, CONSOLIDATION AND BEST-PRACTICE SHARING

MARKETS - COMMERCIAL EXECUTION

OUR AMBITION

- Provide clarity, purpose and direction
- Be present and visible
- Be genuine in everything that we do

OUR APPROACH

- Complexity is the enemy – simplify
- Is there a better way - improve processes and ways of working
- Consolidate and share best practise
- Coordinate global strategy and activities to ensure focus on our consumers

OUR CAPABILITIES

- General Manager mind-set
- Business Partnering
- Coaching and Leadership
- Important but different
- Agile and fast

PANDORA

AGENDA

1 PANDORA EMEA OVERVIEW

2 KEY MARKETS

3 EMEA AMBITION

4 FUTURE OPPORTUNITIES

PANDORA

WE HAVE ENTERED INTO PARTNERSHIP WITH PAN INDIA TO DEVELOP OUR DISTRIBUTION IN INDIA

INDIA OVERVIEW

DEVELOPMENT PLANS

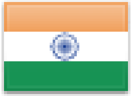
Network development :
5 new stores in 2017 with expected 50 stores over a three year period

Focus is on Delhi, Mumbai and Bangalore

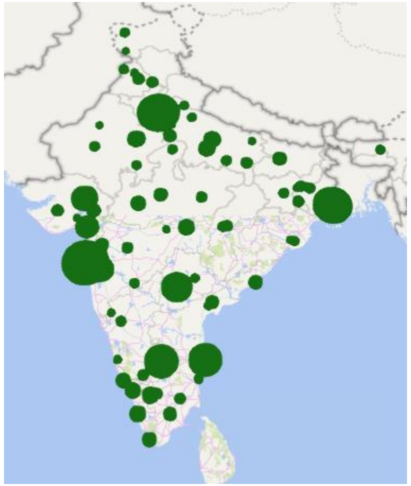
REGIONAL VIEW

PANDORA

THE POPULATION IN INDIA IS EXPECTED TO GROW 10% TOWARDS 2025 WITH THE 20 LARGEST CITY AREAS EXPECTED TO GROW 20%



LARGEST CITIES AND PROJECTED POPULATION GROWTH TOWARDS 2025



Country/city area	2015 population, millions	Projected growth in population towards 2025
India	1.284	10,6%
Largest city areas (below)	127	20,4%
Mumbai	19,7	15,4%
Delhi	18,5	19,5%
Kolkata	14,6	7,2%
Bengaluru	9,5	28,2%
Chennai	9,3	18,3%
Hyderabad (India)	8,6	24,3%
Ahmedabad	7,1	28,1%
Pune	5,6	27,3%
Surat	5,2	34,8%
Jaipur	3,4	27,7%
Lucknow	3,2	25,7%
Kanpur	3,0	7,4%
Ghaziabad	2,8	43,7%
Nagpur	2,7	13,5%
Indore	2,4	29,1%
Coimbatore	2,4	22,7%
Kochi	2,3	16,9%
Patna	2,2	19,0%
Kozhikode	2,1	8,0%
Bhopal	2,1	26,3%
City 21-52	23,9	22,1%
Rest of India	1.158	9,5%

POPULATION DISTRIBUTION BY LIVING PLACE (2015)

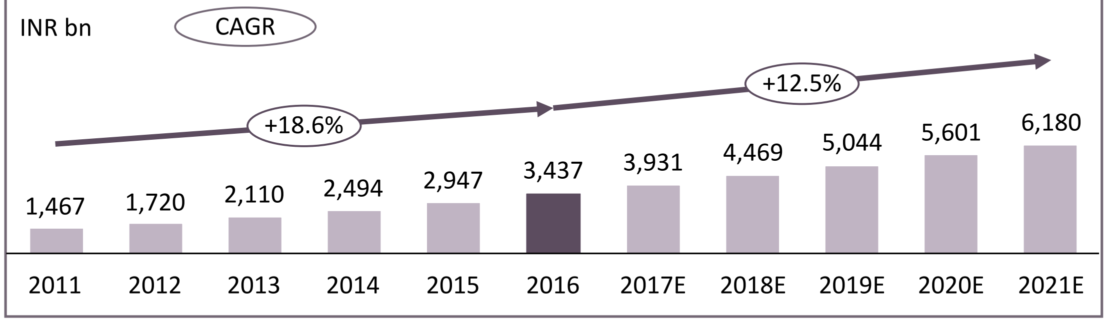
Note: Population growth is not a CAGR, but a simple % increase/decrease in population from 2015 to 2015E

- Urbanization is 33%
- The 20 largest city areas are expected to grow 20% towards 2025 – across the country – which is double pace compared to the country average
- Delhi, Bangalore and Mumbai in top 4 of largest cities with expected growth rates exceeding 15% towards 2025
- The total population is expected to grow 10% towards 2025 and surpassing China

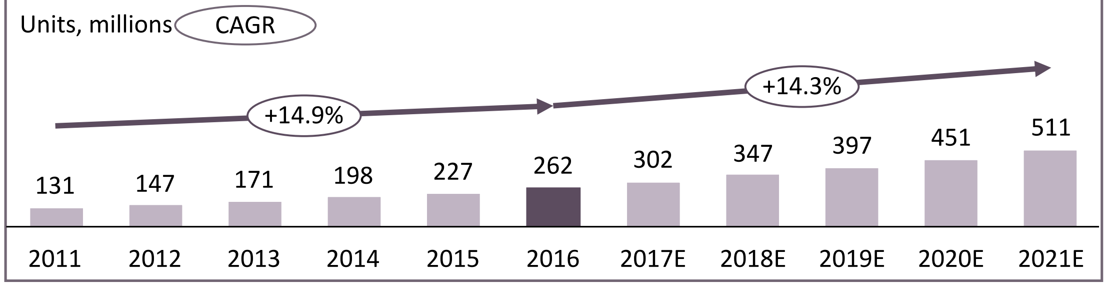
SOURCE: CIA - THE WORLD FACTBOOK (2016), OXFORD ECONOMICS (2016)

THE VALUE OF THE JEWELLERY MARKET IN INDIA HAS GROWN BY CAGR 19% SINCE 2011 AND IS EXPECTED TO GROW DOUBLE DIGITS TOWARDS 2021

JEWELLERY MARKET HISTORIC AND FORECASTED DEVELOPMENT, VALUE[1)]



JEWELLERY MARKET HISTORIC AND FORECASTED DEVELOPMENT, UNITS



MARKET INSIGHTS

- Indian jewellery market is estimated to INR 3,437 bn in 2016
- The value of the jewellery market in India has grown by CAGR 19% since 2011 and is **expected to grow double digits**
- In terms of units, the growth has been a bit weaker but the number of units is expected to grow faster than the market value going forward

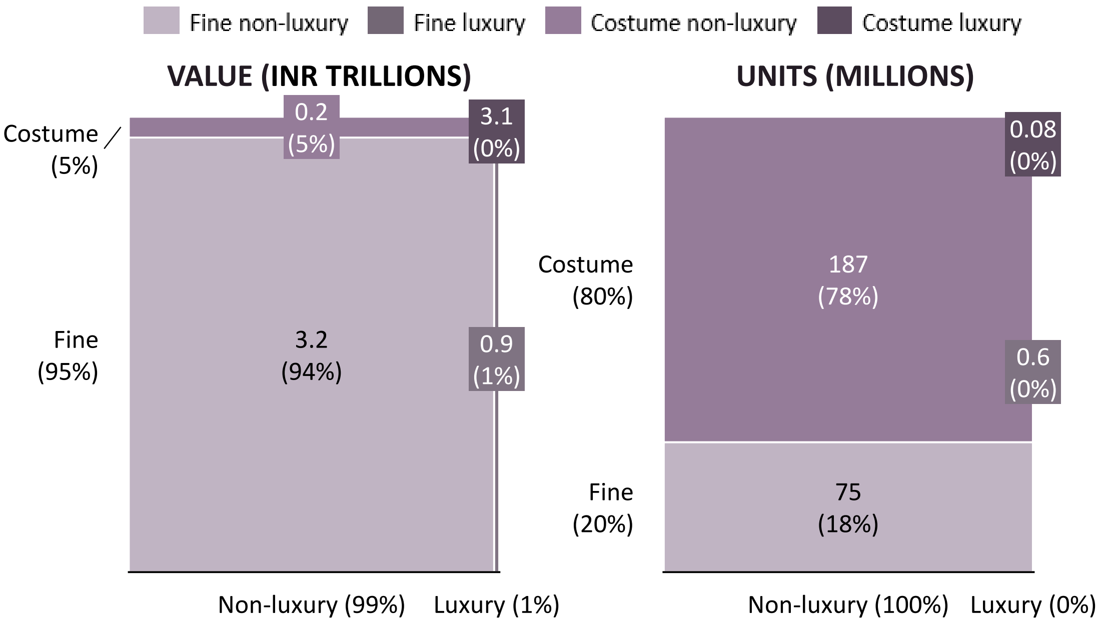
1) Current prices, year-on-year exchange rate

SOURCE: EUROMONITOR

PANDORA

AND THE JEWELLERY MARKET IS ALMOST EXCLUSIVELY CONSISTING OF FINE, NON-LUXURY PIECES TAKING 94% SHARE OF THE TOTAL JEWELLERY MARKET BY VALUE

JEWELLERY SUB-MARKETS (2016)

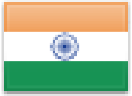


- 80% of the units is costume
- Luxury brands play a small role in the total market picture
- With a 94% share of the total jewellery market, The jewellery market is almost exclusively fine, non-luxury
- This represents a big opportunity for PANDORA positioned in the fine, non-luxury segment

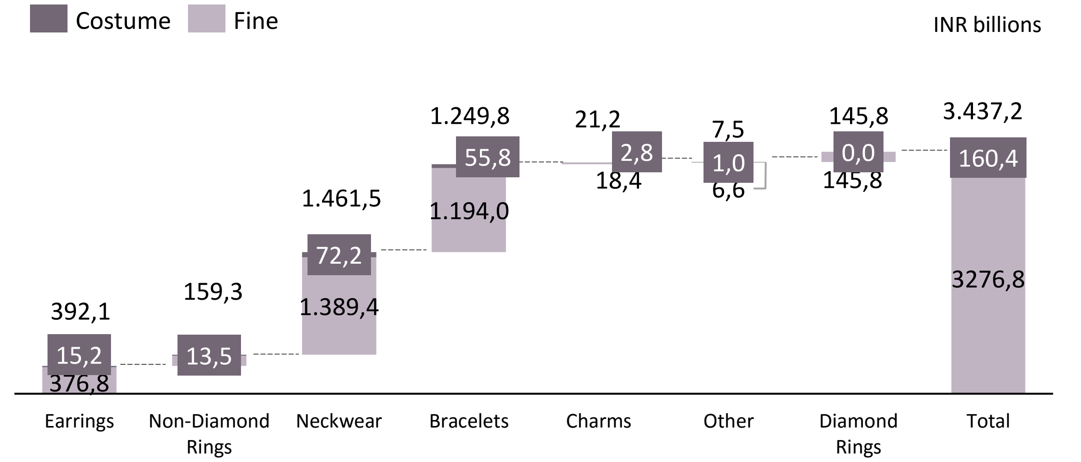
1) Costume jewellery is made solely from non-precious materials, while fine jewellery contains precious materials such as gold, sterling silver, platinum or diamond
2) Costume luxury jewellery and fine luxury jewellery are the part of the costume and fine jewellery markets made up of certainly exclusive brands, hand-picked by Euromonitor

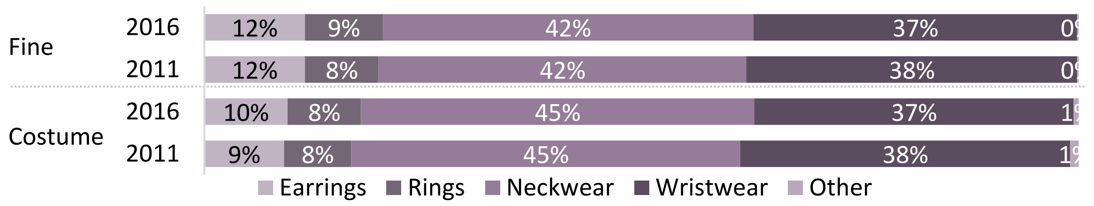
SOURCE: EUROMONITOR

NEECKWEAR AND WRISTWEAR MAKE UP 80% OF THE TOTAL JEWELLERY MARKET IN INDIA WITH A CONSTANT SHARE OVER TIME



PRODUCT CATEGORY SHARE OF JEWELLERY MARKET BY VALUE (2016)





- The largest segment is neckwear which represents 43% of the total market followed by bracelets (36%), earrings (11%), non-diamond rings (5%), diamond rings (4%) and charms (0.6%)
- This represents a large opportunity for PANDORA's bracelet concept
- Neckwear represents the largest component of both fine and costume with shares of 42% and 45% respectively

Note: Ring split into non-diamond rings and diamond rings as well as wristwear split into bracelets (incl. charm bracelets) and charms are based on share of shelf observations in 10 local stores and desk research of e-stores performed by Euromonitor

SOURCE: EUROMONITOR

PANDORA

WE WILL TAKE OVER DISTRIBUTION IN SOUTH AFRICA TO SET-UP AN OWN CONTROLLED HUB FOR FURTHER AFRICA EXPANSION

PANDORA
Started doing business with partner in 2010

Brand awareness:
PANDORA aided brand awareness 75%

Network development :
Currently 16 O&O concept stores, 18 O&O shop in shops and 12 franchise concept stores
Moreover franchise concept stores in following markets:

- 1 in Namibia
- 1 in Zimbabwe
- 1 in Zambia
- 3 on Mauritius

OUR PRESENCE IN AFRICA

Markets operated by distributors

Own distribution from July 2017

PANDORA

BELGIUM – TAKE BACK OWNERSHIP OF BRAND REPRESENTATION IN THE MARKET

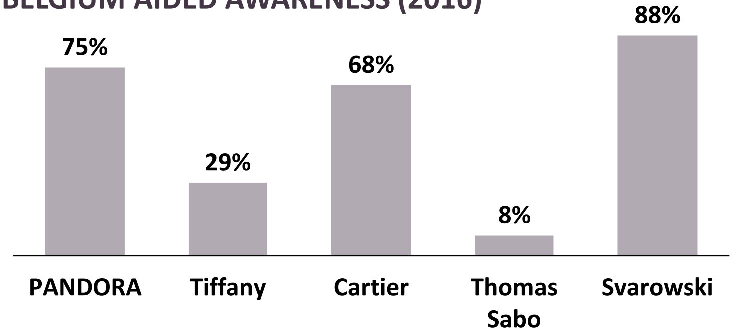
ADDING 13 O&O CONCEPT STORES AND 3 SHOP IN SHOPS

PANDORA
Started doing business with partner in 2010

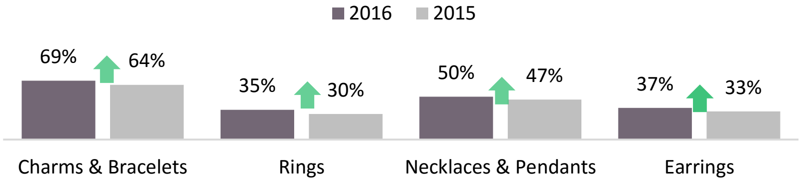
Network development : Currently 13 O&O concept stores, 3 O&O shop-in-shops, 12 franchise concept stores and 26 franchise shop-in-shops

PANDORA BRAND AWARENESS

BELGIUM AIDED AWARENESS (2016)



PANDORA CATEGORY AWARENESS



SOURCE: GLOBAL BRAND TRACK 2016

PANDORA

THANK YOU

PANDORA