

Pandora

First Quarter Results 2025

[00:00:00] **Bilal Aziz, VP, Investor Relations & Treasury:** Good morning, everyone, and welcome to the conference call for Pandora's first quarter results for 2025. I'm Bilal Aziz from the Investor Relations team, and I'm joined here by CEO Alexander Lacik, CFO Anders Boyer and the rest of the IR team. As some of you may understand, we have a bit more to cover than usual today, but there will be a Q&A at the end. If you could kindly limit yourself to two questions at a time, that would be wonderful. Please pay notice to the disclaimer on slide two and turn to slide three. I will now hand over to Alexander.

[00:00:30] **Alexander Lacik, CEO:** Thank you, Bilal, and welcome everyone. It's actually not been that long since we spoke to you after the Q4 results, but I'm sure for some it felt like a long time given the ever changing world we live in for Pandora. You'll be pleased to know it's been more of the same in Q1 of 25. We've basically delivered another solid quarter despite the noises around us. We generally like to keep things simple in this company, and that means always coming back to what works for us, the Phoenix strategy and our overall mission to build a full jewellery brand. And that's what helped drive the Q1 performance. We delivered 6% like for like growth, which helped drive organic of seven. Once again, you'll see within the numbers that we kept our core nice and stable, but then complemented this with strong growth in fuel with more exactly in line with our overall mission on profitability. I'm happy to also report that we started very strongly. Most of you will know that the cost environment we and most of the sector faces, but our Q1 performance hopefully emphasises that this will not change the fact that Pandora is and will be very profitable as a



company. Our gross margins are up over 100 basis points, basis points again in the quarter, and Ebit margins also slightly up. Speak to that fact. Finally, our return on capital continues to remain very high. And the fact, as I mentioned previously, helped drive nearly 20% EPs growth in the quarter.

[00:01:59] **Alexander Lacik, CEO:** All in all, very pleased with the quarter. And in the context of the background, you probably agree it's increasing. That is increasingly volatile. Now let's look ahead and move to slide four, please. You can probably understand that given the world we live in, guiding for the future becomes increasingly tricky. Nonetheless, we've highlighted our thoughts here. So let me summarise. I know some of you will ask on the impacts we are seeing from the prevailing uncertainty related to trade tariffs. From a top line perspective, it's too early to have an assessment for now. We delivered a good Q1 and have not yet seen any effects on our business from more cautious consumer behaviour that some are fearing. However, it's very early days, so it would be premature for us to guess how this is going to play out in the end. Therefore, right now we simply reiterate our guidance for what we said in February. This is for organic growth guidance of 7 to 8% with a like for like growth of 4 to 5. This range does not account for material change in economic growth or consumer behaviour. So we'll be staying very vigilant and update you if required. That brings me naturally onto current trading. We've traded through the month of April so far in Q2. As a reminder, between short time periods, there's always phasing of promotion changes in the trading calendar, which can impact things. But so far in Q2, our underlying trends are at the mid single digit levels for like for like growth.

[00:03:29] **Alexander Lacik, CEO:** That's consistent with the current guidance range. We have also of 4 to 5% like for like growth. Our Ebit margin guidance. Eventually I'll let others comment on that in detail. But summary there's two headlines here. We've adjusted our target slightly to be around 24%



versus around 24.5% previously. This is mainly on recent FX movements which have been very volatile. And secondly, our underlying progress on our profitability remains exactly on plan. We're investing in our business while still delivering very high profitability. So there's no change there. Of course, the tariff related situation has potential to impact our margins too. And I will let Anders detail out the scenarios there. But even there, we're already preparing for various outcomes and have already acted to mitigate potential headwinds that could come our way. So in short, we're controlling the factors we can do and preparing accordingly. Now let's move to slide six, please. I mentioned earlier how in times of uncertainty, it becomes even more important. We remain clear on what we're trying to achieve. This slide hopefully illustrates better. It's our usual Phoenix wheel with our four pillars that are intertwined through the quarter. We executed across all of these four pillars and some of those I will detail out shortly. I'm convinced that as long as we stay true to these four pillars and invest sufficiently behind them. We will continuously drive more consumers into our brand, and that's the single most important thing I care about.

[00:05:02] **Alexander Lacik, CEO:** That brings me nicely on to the next slide. Given the external environment, I thought it could be helpful to remind everyone of some key characteristics of Pandora. Whilst the environment may be volatile, we'll continue to invest behind our brand, people and growth. We're a global player in a fragmented market that has a true scale advantage, and we will flex that if we can drive our competitive advantage further. We also have a brand that is becoming increasingly strong and has a strong gifting proposition. We believe that adds an element of resiliency to our business, as consumers will always gravitate towards well-known and trusted brands, particularly in uncertain times. Finally, our starting point on gross margin is very high. As an executive management team, that gives us options that others may not have, and means that even in harsh scenarios, the business will remain highly profitable and generate significant free cash flow.



The Data will continue to return to shareholders. So in summary, we don't control what happens around us, and nor do we pretend to be able to predict the future. Instead, we choose to focus on what we have and are building on. These are very solid foundations, backed by the strong strategy that I just mentioned. And in recent history, this has served us very well. Next slide please. Let's start diving into some details of what happened behind the Phoenix strategy in the quarter. As usual I'll start with the brand.

[00:06:32] **Alexander Lacik, CEO:** And here we show some examples of our marketing efforts which are consistently driving brand heat in Q1. Some of you may have noticed that we launched the next phase of our bluff campaign. This campaign featured a new visual identity and also introduced a new cast of brand faces. This included actress Winona Ryder and supermodel Iman, to mention a few. The campaign underscores our ability to connect with our consumers through telling stories through our beautiful products. We will continue to invest behind our campaigns at full throttle going forward. As I mentioned in times of uncertainty, the value proposition of our brand, we believe, is unmatched. Reminding consumers of this and driving brand heat through cultural relevance is going to be very important. On the slide, you can also see how we leverage extensive earned media coverage through the quarter to make sure we stay top of mind. Next slide please. You've often heard me talk about how our brand and designs go hand in hand. Tied to that, I'm quite excited on our product pipeline this year, which is going to be focussed on our core charms and carrier offering. We'll be bringing new and relevant aesthetics in our offering at the Pandora brand promise of being accessible to the many. In the second half of this year, you will see launches of our new mini charm selection Election and medallions both hold good potential in the jewellery market, where we know good consumer appetite is.



[00:07:54] **Alexander Lacik, CEO:** Furthermore, in the case of medallions, we also know some of the new designs will also be compatible for necklaces, which ties nicely into our full jewellery brand promise. So overall, the past two slides should give you comfort that our plans for our brand is exciting and exciting. Designs are moving ahead at full speed and we have many initiatives that we are excited about. Next slide please. Yeah. In the past quarter, I mentioned the launch of our new e-commerce platform. As a reminder, our old existing e-commerce platform has been incredibly successful. But as part of our mission to dial up brand desirability, we have been investing in a newer platform for a complete new look and revamp. This new platform brings the brand to life through a much more immersive experience. This is critically important given this is our largest brand window. We tested a new platform through Q4 last year in Italy and Canada with encouraging results, and took this further in Q1. And I must say, the results have been quite encouraging. We're seeing greater engagement across our brand from the new platform, which was the primal aim. Meanwhile, most of our commercial metrics are at least in line or better than the old platform, so this is going quite well for us. And by the end of the quarter, quarter two, that is we will be live across all our markets. For some of you who already will have lived on the new platform, I highly advise you to experience the new platform yourself.

[00:09:23] **Alexander Lacik, CEO:** I'm sure you will see the tangible difference. Next slide please. Now let's look at our two segments Core and Fuel with more. As you know, our strategic aim is to be seen as a full jewellery brand, which essentially entails driving steady growth in the core whilst adding higher growth in fuel with more. As a global brand, there will always be shifts between collections depending on consumer preferences. Timing of new products and specific marketing campaigns. That means that the in year focus between collections will naturally vary. I already mentioned earlier how this year our innovation will be more skewed toward charms and carriers.



The big picture message we look at is growing a strong core and fuelling this with more. The specific collections that drive that growth in a given year is more of a function of that. You can see from the slide that our strategy is working within our core. We've seen a very steady 2% like for like in the quarter, which was supported by good performance in our collaborations. Next slide please. Our fuel with more segment continues to grow quicker. Having achieved double digit like for like growth over the past many quarters. This continued into Q1 with the like for like growth of 12%. It's great to see that we indeed continue to drive more consumers across all of our beautiful collections. In Q1, in Q1. In particular, our growth here was helped by strong growth still in timeless and the essence range.

[00:10:50] **Alexander Lacik, CEO:** Meanwhile, Pandora Lab grown Diamond is performing quite well after the introduction of our new Micro-fine offering. So I think the like for like was 140 something and in unit terms it's 180 something. So, so very strong growth. Now let's discuss the performance within the markets. As usual I'll start with our biggest market, the US which delivered a very strong 11% like for like growth. Another great quarter and a small acceleration actually. I know some of you would have seen last week's GDP figures from the US. So this makes the performance stand out even more. There's still no magic formula here. We believe this is driven by still strong brand momentum with our major KPIs moving in the right direction. We remain very excited about the future long term potential of this market. But clearly watching the broader macroeconomic environment very carefully. I'm also sure most of you will also keep that in mind as you think about the near term. This quarter, our gap between our organic growth and like for like was not as high as it's been in the past, but that was just due to temporary phasing of selling something we had already flagged previously. This impact will gradually ease as we move through the rest of the year. Next slide please. In Europe, a total like for like growth across all markets came in at 4%, helped by strong growth in markets disclosed in rest of Pandora such as Spain.



[00:12:16] **Alexander Lacik, CEO:** The performance in in the key European markets did slow to minus two in the quarter. There are a few components to this. Our growth in Germany did moderate to 1%, but you'll remember that our comparative was particularly challenging and we're coming off many years of very strong growth. So this normalisation was somewhat expected. At some point in the U.K. we saw a small improvement to plus 2% like for like helped by strong execution of a mother's day, which happens a little bit earlier in the UK than the rest of Europe. In Italy, we continue to face some challenges and a like for like declined by nine. We have now finished our internal diagnosis of this market and a clear action plan is being developed in France. Our growth improved slightly to minus six as we realigned our Media model. However, a bit like Italy, we got a specific plan for this market to ensure it drives consistent like for like growth. And in both markets, there's a clear need for us to dial up the local cultural relevance and investing a bit more behind our Media efforts. Next slide please. In rest of Pandora we delivered another strong quarter of plus 8% like for like growth. This performance is still of a tough comp base so remains strong in that context. As I mentioned in the previous slide, a big chunk of our other European exposure actually sits sits which helps the growth here. So namely, in this quarter Spain and Portugal continued to drive double digit like for like growth, which also then complemented by other countries such as Canada.

[00:13:51] **Alexander Lacik, CEO:** Next slide please. Finally in China we had 11% like for like growth and performance remains challenging. Overall, we're still considering the next steps in this market and making progress on our efforts to optimise the PNL and optimise the store network with closures of at least 50 stores this year. In Australia, we saw small improvements to 2%, like for like growth, and this was helped by some improved consumer sentiment within the region. But also, I'm happy to report that Pandora's new online platform has seen good commercial metrics as well. Next



slide please. Here you can see again the immense value we create from our network expansion. There's been no change to our plans here since February. And maybe that's kind of the point. Network expansion is something we control and drive even in uncertain environments. We remain confident that this will remain a good driver of our growth, as there is still ample white space opportunity for us. You can see on the top of the slide how attractive the economics of a new store opening is for us, whether it's a concept store or shopping shop. The revenue ramp up is incredibly quick in year one, and the full Ebit margin is typically between 35 and 40%. So we will continue to expand on this journey ahead in 25, where we target 75 to 100 total openings and an organic growth contribution of 3%.

[00:15:13] **Alexander Lacik, CEO:** We've started the year well with a 4% organic growth contribution in Q1, which comes from the openings over the past 12 months. There's more to look forward to here in that regard. Next slide please. Finally, before I hand over to Anders, I just wanted to highlight that the rollout of our new store concept is going quite well. We now have a total of 477 new concept store in a new format. And in this quarter, we opened up in some high profile locations, such as Oxford Street in London. For those of you in London, please do go and visit. And don't forget to buy something. The store has had a very encouraging start and is another good demonstration of what we're trying to do elevate the in-store brand experience for our consumers and present Pandora as a full jewellery brand without necessarily explicitly saying so. I've always said that our store concept will be one major driver of our overall mission so far. In our new format, we're continuing to see encouraging commercial metrics, and as I mentioned in the previous quarter, it's good to see that our store staff are also starting to improve execution in the store. The new layout of the store has good productivity benefits, and over peak trading occasions such as Christmas and



Valentine's Day, we're getting better and delivering better results. And on that note, I'll hand it over to Anders for a closer look at the financials.

[00:16:31] **Anders Boyer, CFO:** Thank you Alexander, and good morning everyone. Please turn to slide 20. In. In many ways, the Pandora business is actually quite simple. The Phoenix strategy is all about building on the existing assets of the business, in a way, just doing more of the same. And when that is converted to a PNL, it translates into a PNL. That's quite easy to follow because there's no sort of big structural changes. It's just more of the same. And the first quarter of 2025 was exactly that. Nice solid top line growth with revenue growing in the existing stores. And then we open a few new stores on top of that. The gross margin remains at a at a high level even expanding a bit. And then that feeds into a bit of Ebit margin expansion as well. And all adding up to driving nearly 20% EPs growth and a very high return on capital. As we are leveraging on the existing assets of the business. Of course, it is not easy to deliver, especially in the current environment, but it is a testament to our simple business model and equity story, which we've proven now through a volatile world for the past few years now. So back to the gross margin. You can see here on this slide that it was up just above 100 basis points in the quarter. And in a second you will see in the margin bridge that that increase came despite an 80 basis point drag from commodities.

[00:18:14] **Anders Boyer, CFO:** But this drag we have then offset or more than offset through pricing efficiencies and channel mix. The drag from commodities and foreign exchange will increase by quarter as we go through the year. But the message that we passed on back at the fully announcement still stands. And that is that you should expect the gross margin to be only slightly down in 2025, despite 250 basis points of headwind from silver, gold and foreign exchange. And I'm sure you'll agree with me, with me and the rest of the team here that any company that can



maintain a gross margin of almost 80%, despite 250 basis points of headwind is doing something right. So next slide please. On this slide we are breaking down the revenue growth in the quarter as usual. And Alexander has covered the key elements already. So I'll just highlight the light pink bar saying -3% tied to phasing of sell in and other. And this is Ficc was in line with what we said back in February at the full year announcement, and it is simply phasing of selling to the partners, combined with continued quite weak performance in some of our multi-brand partner stores and some calendar effect. And for your modelling, you should expect this to sort of gradually reverse out through the remaining three quarters of the year.

[00:19:46] **Anders Boyer, CFO:** Next slide please. On the Ebit margin, the performance played out also in line with our expectations, with a 30 basis points expansion versus last year. And the bridge that you can see in the slide here within the dotted box in the middle explains the underlying story quite well because as you can see, we had headwind from commodities and foreign exchange of around 80 basis points. But then that was more than offset through leverage from both network expansion and like for like growth. And that's the tools of darker pink boxes in the middle. And so despite these external headwinds, our profitability remains high and in line with last year. And also just a quick comment on the OpEx. The opex ratio was up 80 basis points versus last year, and that's mainly linked to our continued investments in the brand, with marketing expenses being up 12% in the year or 60 basis points as a percent of revenue. Then now let's move on to the guidance. On slide 24. There's a few points about our revenue guidance that we would like to pass on. In February when we issued our guidance, we targeted another year of solid organic growth of 7 to 8%, of which like for like is 4 to 5. And as of today, as Alexandre said, there's no change to that guidance. Our initial thinking behind the guidance back in February already included a continued tepid consumer Zuma backdrop and a continued competitive trading environment.



[00:21:31] **Anders Boyer, CFO:** Clearly, since we issued that guidance, the macroeconomic picture is now more clouded and uncertainty has increased. But as of today, our guidance still stands. So overall, the message on the revenue guidance is that we started out well in Q1. We have left the top line guidance unchanged, but of course the macroeconomic uncertainty has increased. Next slide please. On the Ebit margin guidance, the big picture measures I want you to take away is that there's no change to the underlying drivers compared to the guidance that we provided back in February. All the building blocks that you see on this slide are unchanged from back in February, except foreign exchange commodities and tariffs. And as I'm sure most of you are aware, there has been quite some significant foreign exchange volatility in the past month or so, and that has an impact on our margin, mainly coming from the depreciation of the US dollar and a few other of our main trading currencies. And then that's only partly offset by a weaker Thai baht. On top of that, we also have included a small impact from tariffs over this 90 day period of 30 basis points. And I'll speak about that topic later on. But in our guidance, we assume that the costs associated with tariffs remain for the 90 days.

[00:22:59] **Anders Boyer, CFO:** And then after that things revert back to normal. So we've updated our Ebit margin guidance for the additional 40 basis points of headwind and 30 basis points from tariffs. And therefore, we now see a full year Ebit margin of around 24% versus 24.5% previously. Obviously. And again, the big picture measures that we would like you to take away is that we are facing just under 300 basis points of headwind from external factors. I guess we can call it. And that's the two large pink boxes in the bridge. But despite that, we still deliver a margin of around 24%. And we do think that that's quite a good outcome when you consider the magnitude of the headwind. And it should be repeated, as Alexander also said, that that within this margin we



continue to invest properly in the business. And that brings me nicely on to the next slide. Slide 26 about the 2026 margin, because we also want you to update you on our latest thoughts about the Ebit margin target for 2026. Back in February, we communicated that we would be towards the low end of the 26 to 27% range, based on the commodity and foreign exchange rates back then. And as you can see the slide on this slide, we have updated the bridge and currently expect to be landing at around 25% next year.

[00:24:37] **Anders Boyer, CFO:** And just let me just talk you through a few points here on what's changed. First of all, and most importantly, nothing in the underlying business has changed. And the change of the margin that we show here remains a story about headwind from silver, gold and foreign exchange. Secondly, our mitigating actions to deal with these issues are progressing quite well. And according to our plans on pricing, you can see on the slide here that we now confirm around 180 basis points of benefit from actions that we've already taken. And that's the extra pricing that we took back in October last year, as well as the as the extra pricing that we've just taken back in April. And I'm also happy to report that our cost efficiency program is running according to plan, and we now expect an incremental margin uplift of 50 to 100 basis points next year in 2026. And the uplift from this cost program we have included in the purple block called net operating Leverage and efficiencies. And that block also includes the operating leverage from the underlying business. And then between those two drivers combined, we expect a margin uplift of around 100 basis points, as you can see here. So therefore, the only change since February is simply the fact that we now face a headwind of 350 basis points from commodities and FX, and that's an increase of around 70 basis points since we last spoke back in in February.



[00:26:20] **Anders Boyer, CFO:** I also want to flag that we took advantage of some volatility in the silver market in early April. And then where we took the opportunity to hedge further out in 2026, and that we have now locked in around 70% of our entire PNL in 2026 at a spot price of \$31. And to a large extent, that then removes one element of uncertainty for the 2026 Ebit margin. But of course, we still carry the sensitivity to gold and FX movements. Another way to read this bridge on the slide here is that despite 350 basis points of headwind, then Pandora can keep the margin unchanged at around 25% since 2023. And that should give you some sense of our resilience in the business model. So we do live in a world where certain cost pressures have been part and parcel of operating a global business for some time. But our ability to leverage our business model, drive pricing and cost efficiencies to offset our constant and constant as well. So in a way, it becomes a question of when and less of if we can catch up with large scale external cost pressures. And then that connection, we would like to stress that while reaching the 26% Ebit margin already next year in 2026 looks challenging.

[00:28:00] **Anders Boyer, CFO:** It is something that we still hold a longer term ambition to deliver, and we will revert with more concrete plans on that in due course. And then please move to slide 27. So finally, from me, we thought it would be helpful to provide a bit more context on the tariffs. So we have three key sources of tariff impact. First of all, it's about, not surprisingly, our jewellery. And that's mainly a question of tariffs on Thailand when you import that into the US. Secondly we are sourcing point of sales material and visual merchandising in China. And thirdly we are shipping currently jewellery to Canada and Latam through the US. Fortunately, we can confirm today that we can essentially mitigate the last two of those sources of tariffs because we can change most of the sourcing of point of sales, material and visual merchandising into the US to other countries during the next six months. And from early 26, we will be able to ship directly to Canada and Latin America.



We were fortunate in working on these mitigating actions anyways, before April 2nd, and in a way we're now just accelerating implementation. So in six months time, that means that this essentially leaves an exposure on the terrace level imposed on jewellery imported from Thailand to the US. And we clearly do not know how this is going to play out. And in such a situation, we think it's natural to look at scenarios instead.

[00:29:47] **Anders Boyer, CFO:** So we have provided two potential scenarios on the slide here and the related cost impact. And I'm not going to talk them through in detail, but you can see the numbers on the slide. And we are happy to take any questions or maybe better on a on a follow up call afterwards. So the numbers here that we show on this slide include two of the three mitigating measures that you can see on the right of the slide. On top of these two, we will of course look at additional price increases, but to what extent we are increasing prices as a response? How much and how fast all depends on what tariffs are ultimately implemented. But the point is that the final EBIT impact could be smaller than what is shown here, because the numbers, just to repeat only include the pure cost mitigating actions. So if scenario one plays out as an example, then you could even say that perhaps the final impact could be quite negligible after we have made our pricing adjustments. And I also want to highlight that in even in the more extreme scenario to the business, even though there will be an impact, then the business will remain very profitable and generate a significant amount of cash. And with that, I'll now hand it back to Alexander.

[00:31:13] **Alexander Lacik, CEO:** So thanks. Before we jump into the Q&A, just a couple of highlights from my side. So it's clear that our strategy is working very well, and it continues to be the guiding light for everything we do. And on a high level, it doesn't change. We remain agile as ever in this changing world like we have demonstrated in the last couple of years. Secondly, we



continue to deliver best in class profitability despite commodity and FX headwinds, which Anders just took you through. And it allows us, simply put, to keep investing in growing our brand. Third point is, of course, we do not pretend that we can predict the future. But as Anders said, our job is to ensure we're prepared to deal with the cards that are being dealt. And I think we are. We are working really well in that respect. And finally, we will continue with our strategic plans this year with exciting brand campaigns and designs for our consumers and more. A rollout of our Evoke store concept. So we keep investing in the consumer proposition here. So and I think with that we can turn to the Q&A.

[00:32:21] **Operator:** Thank you. If you do wish to ask a question, please press five star on your telephone keypad. To withdraw your question, please press five star again. In the interest of time, we ask that you please limit yourself to two questions like you were informed in the beginning. The first question we have is from the line of Anne-Laure from HSBC. Please go ahead. Your line will now be opened.

[00:32:48] **Anne-Laure Bismuth, HSBC:** Yes. Hi. Good morning. My first question is about the US market. So how do you explain what are the elements explaining such a strong performance in the US? Is there any category or collection doing better than others? Are you You're recruiting a lot of new consumers, and what can you implement from the success of the US to other markets, such as in Europe? And my second question is about price increase. So you have increased prices last October and again in April. Can you come back on the magnitude of the price increase in April? Was it across the board across all product categories? And how did the customer react to that price increase. And are we done with the price increases for this year. Thank you very much.



[00:33:36] **Alexander Lacik, CEO:** I can knock off the first one. I mean, the simple matter is we have one global go to market model. So if you think about the way the company is operating is, you know, there is a global template when it comes to advertising products, pricing strategies and whatnot. So it's kind of and then there's a let's call that that's the 80% of the go to market execution finally. And then there's a little bit of localisation at the back end. Could be things like local influences. Et cetera, et cetera. But. But mostly speaking, it's one program that we roll out globally. So there is there is no, no such thing as us is doing something completely different than how we can bring that back the other way. This this question is, is some which we've had for a long time regarding Germany, and it's kind of the same story. So but I think what what we've done in the US really well, the execution has kept on improving year on year. We've been taking back more and more of the network. And we know that we perform quite well when we take over the network. Our e-commerce platform has has been really strong in the quarter in the US. But there's nothing like uniquely different going on in the US. So we invest for growth. We're super strong team in place and executing very well. Maybe if you take the other one.

[00:35:02] **Anders Boyer, CFO:** Yeah. On the, on the pricing and the our approach in April is the same as we've done in prior years, that it's a bit of a it's not a one size fits all approach. It's quite tailored across markets and across price points and categories. If I look at the geographical angle, we did increase prices in April in most markets, but there were the average was just around just below 4% price increase. But there were a couple of markets where we did not increase prices. For example, Italy I think believe Turkey, Turkey as well. And then there's quite a few in the in the 3 to 4% range and a few markets where we went beyond 4% range. Canada, as an example, where we increased prices actually by 12% in in April. So it's a it's a very tailored approach based on them. The price testing that we're doing and that you've heard us talk about at the core before. So for now, that's



the the 5% that we did in October. The 4% last year, the 4% that we just did in April. That's kind of it for now. So we're not assuming more price increases to, to to come this year. But of course it's something that we, it's a, it's a daily exercise where we're watching whether we see opportunities to do more. And then of course, we have the, the tariff joker, so to speak. On top of the business as usual pricing exercise that we're running in the company.

[00:36:52] **Operator:** The next question we have is from the line of Grace Smalley from Morgan Stanley. Please go ahead. Your line will now be unmuted.

[00:36:59] **Grace Smalley, Morgan Stanley:** Hi. Good morning. Thank you for taking my questions. The first one would just be on Germany, please. I know you mentioned that the normalisation was somewhat expected. But I guess the magnitude of of normalisation was stronger than than what we were thinking. So could you just comment on how that compared to your internal expectations? And as you look ahead, would you expect Germany to continue to normalise from here, or would you expect that Q1 like for like performance to be kind of the trough and then for it to sequentially improve? And then my second question is when you were discussing in terms of the mitigation you outlined, doesn't include any potential future price increases as you are thinking about future price increases to offset potential ongoing tariffs. Are you thinking about these being just in the US only and you're looking at mitigating price increases just at the US penal? Or would you look at doing global price increases to offset the headwinds from tariffs if they were to continue. Thank you very much.

[00:38:02] **Alexander Lacik, CEO:** Okay. Germany. So just sort of in last year in Q1, I think we grew something like 67% or something. When you grow 67% in a market that essentially isn't growing.



And maybe X Pandora is probably declining at one point. You know you enjoy the happy days, but but you also realistic about that. You know, that this will slow down at one point. And I think we've been kind of saying that for many quarters, indeed, that, you know, this very high double digit growth will at one point start slowing down. Now, you're right, when you look at going from 67 to 1% growth, it was like, oh, is there something wrong here? There's nothing wrong. It's our German business is as strong as it's ever been. I just went through all the brand metrics, are continuously improving what we were up against. When you're up against the 67% bass. I mean, it is not so easy to expect that you're going to grow another 20 or 30% on top of that, that that is not what we had expected. And of course, part of the 67% last year was was propelled by this TikTok, the viral trends that we've been talking about for a while. And we've been kind of always saying that it's very difficult to exactly pinpoint how much they're worth. But clearly we had a lot of benefit from, from that sitting in the bass. So, so the underlying 1% is probably something different if you would clean for that. But we, we, we don't have a very good methodology to do that. So we don't waste our energy on that. I think the main point is Germany continues to be very strong. We still see growth potential, but it's probably going to be in the, you know, maybe it's going to be in the high single digits this year rather than the double digits or thereabouts. So Yeah, I think that that's Germany for us.

[00:40:00] **Anders Boyer, CFO:** And then on, on on price increase maybe this is not a super helpful answer, but in a way, it all depends whether it's us only or whether we would do a broader price increase. It is a bit of an. Unprecedented situation that that we are in, where I think we'll have to be agile and look at how are consumers not just in the US but around the world, reacting to this situation? What's happening to so the sea level in general, as we sometimes call it, if these tariff levels remains in place, I think the general sea level on consumer brand pricing in the US is going to



go up. That's what so the, the, the economists would tell us, but that could also happen in other parts of the world and that we would like to sort of see how that plays out before we make any final decisions on pricing. We have a couple of scenarios on our on on a slide that we've developed over the last month, but we would like to see a little bit more on on what other brands are doing, what what's happening to the consumer in general. Then combined with our own internal user testing before we do it. But of course, everything is, is in play, including global pricing.

[00:41:30] **Grace Smalley, Morgan Stanley:** Very helpful. Thank you both.

[00:41:34] **Operator:** And next up we have Thomas Joubert from Citi. Please go ahead. Your line will now be open.

[00:41:43] **Thomas Chauvet, Citi:** First question. Good morning. My first question on moments. It's been growing at about two 3% for for most of 2024. And it was flat in, in the quarter. How do you think about the cannibalisation from potentially other lines? I see Colab's was up nearly 20% in the first quarter, but but down 9% last year. Is there some kind of a correlation between colab sales and moments, and what are the initiatives you have for for the rest of the year to to drive back growth at the at the moments platform? And then second question maybe for, for for you, Anderson, on sourcing and tariffs. Just just points of clarification. When you say you switch source of supply to the US on the right side of your slide, do you mean you're talking just about POS and visual merchandising materials, or are you trying to find at the moment suppliers outside of Asia? To to manufacture and ship products to the U.S. and then have you opposed the Vietnam facility expansion or creation? Due to open in early 2026 due to the the very high tariffs that Vietnam is supposed to to, to have. And finally, what are your contingency plan? If the economies of Thailand



and severe recession. I mean, your key employer in the country anything we should be aware of?
Thank you.

[00:43:22] **Alexander Lacik, CEO:** Hi, Thomas. So on the moments platform, I mean, really the way if you think about how we are somehow talking about this, we talk about the core and we talk about fuel with more. And it's not just done because it's convenient to talk about two things rather than seven things. But there is a thought behind that in the sense of most of the things that we we lumped in under core, actually somehow work together because it. And now I'm going to use a sloppy term here, so please don't put it in your notes. Is it's a bit your do it yourself jewellery. And what sits under fuel with more is finished jewellery in a way. And on the do it yourself. There's you know you can now take pretty much all the charms and medallions whatnot which we have on Pandora and put it on a moment's bracelet as an example. Most of the the work that we've done I mean, ever since 15 or 16, when the company started doing these collabs, has actually been charms that that kind of somehow sit on on the moments platform. So is there an interplay between. Yes, of course there is. So that's why you need to look at this as one grouping rather than anything else. Then then you can kind of have a discussion on is there cannibalisation between the fuel with more or the core. And I think there is not we don't know exactly how these flows go, because that that requires a different type of research than what we have.

[00:44:58] **Alexander Lacik, CEO:** But it's we're kind of servicing a different occasion. So at least from a conceptual standpoint, if you're there to buy charms for existing bracelet is is less likely than it was. I changed my mind and I'm jumping in and buying something from a ring or a, you know, whatever. So so I think the way we we look at it and the way we think about it is on one hand, we look at the kind of the core business and say, make sure that that grows low single digit as a, as a



group. And then you look at the fuel with more and say that, that there's also a higher, let's say, interchangeability within all of the collections that sit underneath. And maybe you can exclude diamonds from that statement. But the rest, one could argue we have rings across pretty much all the different Collections, so there might be some, some play between. So I think that's the way to judge it. And just one final note on Colabs it's much more hit and miss. As you would have noted last year, where we didn't have a good colab here, and I think prior was also so, so because it came at the back of Marvel, which and the Disney 100, which was super strong. So we didn't manage to cycle that this year. The Princess Rings from Disney are doing a phenomenal job. It's very, very popular. So so the colabs, they will kind of ebb and flow in a way depending on kind of consumer acceptance.

[00:46:18] **Alexander Lacik, CEO:** But the core business, somehow it's still the same consumer trying to serve the same occasion, let's say. So. So that would be kind of my thought innovation pipeline. And yeah. Then then if we look at what's coming in the back half of this year, I think we're it's probably the first time since I've been here that we've, we're putting some, some, let's say differentiated other than Pandora. Me, I should say differentiated innovation targeted for the, the core business. So we're bringing out these medallions which is going to come that's going to be a big push behind it. And also there is a, let's say, a consumer need around having charms that are a little bit more not as large and clunky, let's say. So we call them minis, you know, very creative name. But but it kind of tells the story. So it's still a charm proposition, but it's a little bit finer in a sense and we know just looking around us that there are a few other brands that have this kind of expression in their designs, and we've heard that from our customers as well, that this is something they're looking for. So these are two quite important things that we're injecting into the core platform in the back half of this year. And again, it's not going to be you know, we launch it in two weeks and then



move on to something else. We firmly believe that this can actually become quite, quite significant part of collections inside the core platform.

[00:47:51] **Anders Boyer, CFO:** And hi Thomas, and thanks for the questions on the sourcing in China. Yes, it I can see I understand why you asked the question, but it's about point of sales material and visual merchandising only what we're referring to here. Obviously in a situation like this, we also look at what could there be a case for Pandora producing jewellery in the US depending on where our tariffs ends up. And even in the high tariff cases it's that's very hard to make that math work. Producing jewellery in the, in the US. But of course it's something that we have been looking at it but don't don't don't plan for that. That's something that Pandora will communicate at a point in time. Vietnam continues full speed when Alexander and I had our the last update last week with the team they had there was 1800, 1800 construction colleagues, workers at the site in Vietnam. So that means full speed because despite potential tariffs also on Vietnam, Vietnam, we need the capacity, not the least. It's good diversification in general for, for for Pandora. So we are continuing with that full speed. And if I think the third question was about what if there's a recession in Thailand or Vietnam, Thailand and Vietnam? For us, it's sort of more of a from a this is the finance guy speaking sort of a cost only country if you like.

[00:49:29] **Anders Boyer, CFO:** So we don't have a only very small distributive businesses in Thailand and Vietnam. So from that perspective so it's if a recession should hit. Of course, I think we we I don't think it will have an impact on how we operate in those two markets. We'll just continue as we do being an important part of the the Thai business community and country. And of course, a recession might have an impact on, on the Vietnamese dong and the Thai baht, but if anything that that could offset that of the some of that strength that we've seen in the Thai baht during the last



year, where I think the Thai baht has strengthened 11% year over year versus the US dollar. And of course, that's some of the effects headwind that we're seeing is exactly that. So maybe that could offset some of that. Just speculating. Thanks.

[00:50:28] **Alexander Lacik, CEO:** I just to add sorry, just to add on on the Vietnam piece, remember that the reason for building out Vietnam was not only capacity, but it was also from a business continuity standpoint. So in case something happens in one of the other two sites that we have in Thailand, that we need to have enough capacity in our own network, because don't forget, Pandora's volume is so vast that there is no OEM network that could cope with us turning up and say, hey, can you do 50 million pieces for us? And that's just not. And that's the reason why we made the investment in Vietnam. So I think that that we will need that either way.

[00:51:06] **Thomas Chauvet, Citi:** Thank you.

[00:51:10] **Operator:** Next up we have Lars Topholm from Carnegie. Please go ahead. Your line will now be unmuted.

[00:51:17] **Lars Topholm, Carnegie:** Yes. Congrats. With the with another good quarter. Two questions from me also. One is a question on the 2026 margin. So now you locked in silver, which means, I guess the major outstanding sensitivities. Gold. Could you give a gold sensitivity? Activity. So for example, \$100 on the gold price, how would that affect your your gross margin, everything else equal. And then I have a question on, on Italy, if you can put some more colour on how you intend to turn that market around. I mean, I hear about the, the new product launches, the medallions and the mini jams, but the concern would, of course, be this is one of your best



penetrated markets, and you don't really have shown momentum there for a while. So are there sort of other actions you're going to take there? Thanks.

[00:52:18] **Alexander Lacik, CEO:** You want to go first?

[00:52:19] **Anders Boyer, CFO:** Yeah. Hi. Thanks for for for that question. In over the last 1 or 2 years, the, the gold sensitivity has actually increased relatively faster than, than silver because we've seen quite a nice ride on our gold plated gold plated business. So I'm just looking up the the numbers here, sort of in the gold exposure. I'm talking about sort of the absolute corona that we are spending on, on, on gold per year is roughly 20% of, of the, of the silver exposure. So if you convert our 30 basis points rule of thumb, if on silver, if silver prices are up \$1 per ounce, then that's around 30 basis points. Then if if gold is up \$100, I'm just trying to do the math in my head here. That's also actually just around 3% increase. Then that would be seven basis points. Something like five is basis five, five basis points or so on \$100. Yeah. Just getting it confirmed by my colleague here.

[00:53:38] **Alexander Lacik, CEO:** Okay. On Italy. Lars. So we just concluded the kind of this deep dive research. Some, you know, ten days ago or whatever. And then we've been busy trying to get ready for this. But, you know, so. So we need to do a proper internal summary and action plan. But for me, if you look at it, kind of where we are behind is traffic. This is kind of the, the key point. So it's none of the, you know, conversion ability to convert or the basket size or any of those things. It's simply put, traffic. And part of what we are, I mean, as you say is our most penetrated wristwear market globally together with Australia. And kind of what we're hearing is from consumers a little bit that they think that, well, we've seen all your innovation before, you know, it's not enough to excite me. Let's say which is kind of, you know, if you have such a mature position, the the bar



somehow is higher. We don't experience that anywhere else in let's say if you talk to the US consumers or Germany or sort of less penetrated, let's say markets, we don't get that feedback. So I think maybe we have somehow missed a little bit this signal. Then I think there's also something around the depth of assortment that we have in opening price points. So, so when we benchmark versus other people that are somehow competing with us, they have had a much higher emphasis on on providing more depth in the price.

[00:55:18] **Alexander Lacik, CEO:** Let's call it sub €30. I'm talking specifically about charms now. So that that's something we're looking into. So innovation and, and that depth and you know, the minis could be one. One good response to this. And the medallions, some of the pricing on the medallions could also be. But I think this is an area where we probably need to double down and do a little bit more work. Then I think the third piece, which as we kind of double clicked on it, is, you know, that we do quantitative testing of all our advertising and, and then there's like a five point scale that comes back in, in the methodology and then you kind of rate it from, you know, you know, think of it as a bell curve, really. And typically our copies score super well in the US followed by UK, and then Italy has been a little bit more on the average. But whenever we've looked at this, we've kind of said, yeah, that's good enough to go globally. The question then is if you if you pay too high a price over time, where your copy scores aren't as good as they could be. So now the big debate is are we going to do Italian copy? No, we're not going to do Italian copy. So because we have something that's working for the Anglo-Saxon market somehow or, and in particular in the US, but probably complimenting the, the coms that sit underneath, let's say I'm simplifying, but, you know, so you have our TV ads which are going to be there and they're going to be global ads.



[00:56:53] **Alexander Lacik, CEO:** But a lot of the coms underneath, we probably need to do a much better job in, in driving local cultural relevance in, in those assets, much like what we are doing in Spain, I think there is probably our market where we're absolutely doing the best job. Because if you look at the metrics between Spain and Italy, from a maturity standpoint, it's actually not so different. And even the kind of level of affluence in the, in the customer base is, is kind of similar to, to Italy on, on, on average, of course. So. But what they have done exceedingly well in in Spain is, is to activate let's say the, the mid, mid and lower funnel communication, be it being present in events and glossy magazines and influencer community. So, so that's something which we will need to ramp up. And we have some exciting you know, progress in that space for the back half. So I think we're taking the right steps. So this would probably be in this short space of time, the key conclusions I drew from from the kind of Deep Dive research that we've just done in Italy. But there's a little bit more work to to align the troops here. But so, yeah, Italy is a very, very important market for us and definitely need, need to put more growth into this market so that that's the current view.

[00:58:19] **Lars Topholm, Carnegie:** A very quick follow up in that context, because now you mentioned Spain and Italy, which was transferred from Spain to France. So the success you have built in Spain and what you say use of local influencers, local culture you mentioned. Will we also see that rolled out in France now, meaning we could expect further improvement there?

[00:58:44] **Alexander Lacik, CEO:** I mean, so I think there are a few other things that play up. I mean, she's done an amazing job in in Iberia, I should say both Spain and Portugal. But it's not only that, that part of it. I mean, I think also, if you look at the execution at the store level, I think we have had a better execution in, in Spain consistently over a number of years. I think we have still some work



to do in, in France, you know, that we've essentially transformed this, this let's say, network from being heavily reliant on franchisees. And I think end of last year, We we are now kind of at, at the very end of, of, of kind of vertical integration or forward integration, I should say, into our own house. But now we need to kind of make sure that the, the people in the stores have the right training and all of those things. So I think that that's part of it. So sales execution is. Yeah, okay. For awareness. Denmark nationwide is running a alarm test. So there's going to be a little bit of noise. We'll keep going. If you can't hear me, then just let me know. So, so so, you know, she's there to obviously improve the sales execution, but equally, we can take a lot from the playbook in, in, in Spain. Definitely. And learn not just in France. I mean, if I could do what they've managed to do continuously in, in Spain, across the globe, then we'd be in a, in a really nice shape. So, so, so there's some some interesting insights from there.

[01:00:26] **Lars Topholm, Carnegie:** Thanks a lot. I'll just jump back into the queue.

[01:00:32] **Operator:** And next up we have Kristian Godiksen from SEB. Please go ahead. Your line will now be unmuted.

[01:00:42] **André Thormann, Danske Bank:** So this is André from Danske Bank. I also have a few questions. And my first question is regarding the tariffs and and specifically the scenario one. So can you maybe just elaborate? Is this 250,000,000 in 25 and 300,000,000 in 26? Is that a net effects? And and if it is, what's the gross effect? Before taking out this impact from Canada, Latin America and the and also the, the sourcing of materials from China. That's the first question. The second question is in terms of price increases and increases in 2026. And I see you have not put that into



your bridge for 2026 Ebit margin. So do you expect to increase prices more in 2026. That could offset more of this raw material pressure. That's it.

[01:01:47] **Anders Boyer, CFO:** Hi Andre, it's Anders. Thanks for that question. The the number, the 250 million kronor in scenario one is a net number from in terms of the costs mitigation that we know. As of, as of now. So the, the gross impact would be Meaningfully high. I'm just trying to think how to frame that in the in the best way. Maybe I'll take the 111 by one the other because on the import from Thailand, if that, that is what it is. We'll continue to do that to the gross. And the net number is the same, at least for the part of the products that we're using importing from Thailand and selling in the US, but from the products that we're importing from from Thailand and then into the US and then passing on to Canada and Latin America, they are the gross exposure could potentially be much higher. I think when we look back at the April 3rd announcement, we said that the annual impact could be 250 million kronor per year. But in 2025 specifically, there's no change because the we don't expect the mitigation to work until Jan is or early 26 anyways. So the big difference between gross and net will be on China where the, the exposure at least if we go back to last year was at least double up. But then we have been working already before April 2nd. On on mitigating actions. So most of the reduction of a big chunk of the reduction of exposures are already actually already been been done.

[01:03:51] **Anders Boyer, CFO:** So net net or maybe this sounds slightly confusing, but I think the way to think about it is that the job still to be done, let's call it a 100 million kroner, is potential impact on on tariffs on China that we still need to get final in place, how we can move that sourcing to other countries. And then, of course, if we did not, for whatever reason, succeed in shipping directly to Canada and Latin America. Then the the gross exposure would be another 250 million



kronor per year. Pricing. Should I take that as well? On the on 26. You're right in that bridge. I'm assuming that next year would be only if I can call it that during the normal pricing 1 to 2% that we spoke about all the way at the, at the CMD last year. We're not at this point in time assuming that we'll do extraordinary price increases. And in that connection, I think we should just repeat that. Over the course of the last seven months, we've done and 9% sort of extraordinary price increase, five in October, four in in April, which is quite something. And as you know, we are super conscious of remaining an accessible brand. End, so we are not factoring in extra or additional extraordinary price increases next year.

[01:05:24] **André Thormann, Danske Bank:** Okay. Thank you.

[01:05:29] **Operator:** And now we will take question Kristian Godiksen from SEB. Please go ahead. Your line will now be unmuted.

[01:05:37] **Kristian Godiksen, SEB:** Perfect. Thank you. I'll start off with the two questions then. First of all, just a powerful question. Regarding the Ebit margin, Ebit margin target for 2026. So you previously or in connection with the full year results, you guided towards the lower end of the range of the 26 to 27% Ebit margin. And then you now say you have an incremental negative impact of 70 basis points. And hence I would I would have assumed you would, you would be guiding of an Ebit margin of around 5.5% and not 25.0%. So just wondering what is the missing link here? Is it a buffer or is there other negative impacts or. Yeah. That would be the first question. What I'm missing here. And then on the second question on the cost program, whether you could maybe provide an update on that is what is to determine the where to end in the range of the 50 to 200 basis points in relief on, on on the margin. Is it timing or is uncertainty on magnitude or or something else? Thank you.



[01:06:51] **Anders Boyer, CFO:** Thanks Kristian. For for for that question. Yeah. So in a way, I guess a way you're right. You could when you're looking at something that technically sort of, strictly speaking, goes to 24 or 20 5.3 or 25.25. You could round it up or down. We just felt that at a at this point in time. So it's not the India guidance. It's going out. Then guiding on a with a decimal feels quite precise. But but your math is right. And we're also saying that in the communication today that if we had guided with a decimal you would say, well then next year the Ebit margin is 25.3. So yeah, I'll guess I'll leave it at that. And then on the cost program. Yeah, you're right, it's it's speed. So how how fast exactly can we implement the the number of different cost initiatives that, that, that we are looking at and as they sort of go by and when we update you each quarter, we will be able to speak narrow that, that range. But we I think as you stress, we have pretty quite good momentum in the program A lot of good ideas coming, coming, coming to the table. And then it turns more into how fast can we do it? There's also some ideas coming to the table that stretches further out than 26. So we also keep building the pipeline for potential efficiencies in 27 and beyond.

[01:08:33] **Kristian Godiksen, SEB:** Thanks a lot. So so that's my quick follow up question actually on the 27. So so the let's say you end up in the 50 bips then the additional 50 Bips would go into 2027. But I guess there is also some of the timing that will not start the 1st of January 2026. So there will also be additional already ultra at 100 basis points that will flow into the 2027 margin target.

[01:09:00] **Anders Boyer, CFO:** You're absolutely right. Yeah.

[01:09:01] **Kristian Godiksen, SEB:** How to think about it.



[01:09:02] **Anders Boyer, CFO:** Yeah, you're absolutely right. I think we are trying to sort of front load, so to speak, so we get as big as possible a run rate on as early as possible. But of course, nothing, not all of it is going to happen on Jan one in the morning. So you're absolutely right.

[01:09:20] **Kristian Godiksen, SEB:** Perfect. Thanks a lot. I'll jump back.

[01:09:26] **Operator:** Next question is from the line of Louise Singlehurst from Goldman Sachs. Please go ahead. Your line will now be unmuted.

[01:09:34] **Louise Singlehurst, Goldman Sachs:** Hi. Good morning everyone. Thank you for taking my questions. Two for me then please, just on the guidance. I wonder if you can just help us think about the prior comments earlier on in the year and today obviously looking at that 4 to 5% like for like you're running at around 6% today. And obviously that's a that's a very good start to the year and does include some moderation. But can you just talk about obviously we're hearing across the channel about more volatility in trading broadly across consumer in the US. Lower footfall, lower traffic. I just wonder what you can share with us. Obviously that was a very conservative number, I presume. Back in early on in the year. And just some more colour around the year ahead. That'd be very helpful. And then just secondly, a very quick follow up on the Italian comments with regards to the the plan is that going to impact the distribution as well? Are we looking at kind of cutting some of the distribution? Before we can start to think about injecting that new growth plan specifically for Italy, but also France and that comment too. Thank you.



[01:10:36] **Alexander Lacik, CEO:** Sorry your line keeps breaking up. I didn't really catch your second question if you don't mind repeating it. Just so I'm answering the right thing here.

[01:10:45] **Louise Singlehurst, Goldman Sachs:** Apologies. Alexander. Can you hear me now? It was just regarding the the comments with regards to Italy and the the plan to accelerate growth, will you be looking to cut distribution at all before you start to inject the new growth plan? Thank you.

[01:10:59] **Alexander Lacik, CEO:** Okay. Clear. Okay. I can start with that. I mean, the simple answer is no. We actually keep, let's say, evolving the distribution in in Italy, we still have a quite wide multi-brand network in Italy. And in the past few years, we've converted some of these multi-brands into to Pandora owned and operated locations. Not not by converting the multi-brand, per se, but maybe we then, because the volume was so high in that multi-brand, that we felt that maybe we could have our own store in that neighbourhood, let's say. So. No, this is not a this is not a distribution question. This is purely, you know, brand heat around, you know, getting people a bit more excited about the innovation on, on our core business more than anything else, honestly.

[01:11:50] **Bilal Aziz, VP, Investor Relations & Treasury:** And thanks for the question, Louise. On on on guidance. I guess if you if you look at it from a pure mathematical sense which you probably will do the rest of the year implied is somewhere between 3 to 5% on a like for like basis after we've locked in Q1. You know, the way we see it today and given the uncertainties ahead, we probably think quite a sensible balance overall. You know, clearly when we set the guidance earlier in February that was ahead of all of the new uncertainty that you're seeing today. That uncertainty effectively started on the 2nd of April. So we've only really traded through four weeks, which is a very small month in April. So it's a bit early for us to give a great clarity on which way that falls. But



so far, there's nothing really to report from our side on that right now. So we'll be monitoring it very carefully. We think, you know, 3 to 5 for the rest of the year. Seems like a decent enough balance right now. And we'll keep you updated as we move.

[01:12:51] **Louise Singlehurst, Goldman Sachs:** That's great. Thank you all very much.

[01:12:56] **Operator:** The next question is from the line of Anthony Charchafji, BNP Paribas from BNP Paribas. Please go ahead. Your line will now be unmuted.

[01:13:05] **Anthony Charchafji, BNP Paribas:** Yes. Thank you. Good morning. It's Anthony from BNP. I have two questions, please. The first one would be I mean, a more broad based one on the competitor. Arguably most of your peers in the affordable jewellery they are producing as well in APAC for the for the US market. I mean, they're getting hit by a tariff and commodity as well. But I assume that their margins are nowhere near Europe 80% growth. So do you believe that your competitors are sacrificing profitability with maybe more promo to to gain share? Or do you expect more consolidation in this highly fragmented market? So benefiting Pandora more in the in the mid-term? My my second question would be on Thailand. So given that you are a top three employer in the in the country. I mean, we are seeing Mr. Arnault from LVMH at the, at the white House. The white House. Sorry. So my question to you, Mr. Lacik, is whether you are in close relationship with the Royal Thai government. And if you are, I would say, your principal scenario out of the three of no tariff post 90 days pause is the is the most likely. Thank you.

[01:14:32] **Alexander Lacik, CEO:** So on on competition. I mean, first of all, there are not that many listed companies in in our space, which, I mean, you know better than I do. This is super fragmented.



Most competition is local. There are a few regional ones, but if I think about the US, it's mostly local competition. And from what we know it's probably also true that kind of the structure of our, financials is is is a is an advantage if I put it like that. So the ability to, to absorb shocks, like, let's assume a 3,040% tariff is, is, you know, less than what we could possibly do. There is an alternate an alternative thought that I could also spread some of the, let's call it tariff pain globally. So if I have a 10% price that I need to take, and I know everybody else needs to take in the US. I could decide I'm only taking three, but I take three globally and actually increase my local competitiveness in the US. I'm not saying that that's what we're going to do, but but we have we have some manoeuvrability simply because we are a global player. So will that lead to more promotion? I mean, it's it's already been quite heated up, I would say. But it's very speculative. I, I think everybody is like us. We're waiting to see what's going to happen with the tariff situation, and then everybody's going to have to make a call on, okay, how do we now view this potentially very new scenario? So, so I guess your your guess is as good as mine consolidation. I don't think this is a big thing to be honest with you. Because there's not if you look at the, the at least from a branding standpoint they're not that many that are very, very uniquely different from each other.

[01:16:30] **Alexander Lacik, CEO:** So, so you, you know, the barriers of entry in the category are not huge. The one of the important things here is to have a good distribution network. And in our case, we also write the fact that we have a strong brand which we can keep, keep investing in. So but from a product standpoint, you know, you could argue, I mean, anybody can do what the other guy is doing more or less. There's not a lot of unique IPS here if that's the case. So no, I don't I don't see a lot of consolidation. At least not in the, in the mid, mid market where we sit. And your second question was on. Yes. Yeah. Of course, we we are in very close contact with the, the Board of Investment in Thailand, which is kind of the link up to the government. As you know, we have some



very senior Thai people working for us in Thailand, so it's run by them. So. Yeah. So, so of course we, we try to, to support them as much as possible. But, you know, in all fairness, I don't think that the jewellery category is top of the Trump administration's agenda necessarily. So I think they're trying to kind of go after a few other things before we, we get there. So yeah, so we try as much as we can. Of course. I am not like Mr. Arnault, know. Unfortunately or fortunately, I don't know. But I don't have we don't have that, that weight. So in Thailand we have weight locally. And then we try to kind of use that. So that's probably the answer.

[01:18:08] **Anthony Charchafji, BNP Paribas:** Thank you.

[01:18:12] **Operator:** And now we have a follow up from Lars Topholm from Carnegie. Please go ahead. Your line will now be unmuted.

[01:18:22] **Lars Topholm, Carnegie:** The thing is is in executing these 50 to 100 bips in cost savings you put into your 2026 bridge. Is there any one off cost element that you charge, for example, in 2025? Thanks.

[01:18:39] **Anders Boyer, CFO:** Yes. There will be a bit bits and pieces that we are charging into it. And we think between that sort of one off cost and the savings that that leads to in this year, that's gotten to pretty much balance out. But there will be some. So that's part of the sort of uplift that we will see next year. If you look at year over year margin rather than back versus 2023 than year over year, there will be an uplift also from one off costs that sort of falls away or disappears.



[01:19:13] **Lars Topholm, Carnegie:** And can can you indicate how big the one off element is this year?

[01:19:18] **Anders Boyer, CFO:** No it's not it's not too big of a of a thing. It's sort of a double digit million million kroner amount I think, in that tune. So it doesn't get into the three digits.

[01:19:32] **Lars Topholm, Carnegie:** Okay. Thanks. That's all.

[01:19:38] **Operator:** And we also have a follow up from Kristian Godiksen from SEB. Please go ahead. Your line will now be unmuted.

[01:19:47] **Kristian Godiksen, SEB:** Thank you. So first first follow up would be just wondering what sparked the franchise stores to perform inline your stores in the US? As this was not a global phenomenon. Phenomenon where there was still a underperformance for the other franchise stores. And then secondly, also on the US, obviously we spoke on the call, been speaking quite a lot on the negative view on the Italy. But if you look at the positive side just wondering whether you've pinpointed why the brand momentum continues to be so strong in the US and you see accelerating like for like clearly outshining the other markets, just whether there are some specific levers there.

[01:20:29] **Alexander Lacik, CEO:** On the franchise piece, I would probably have to look into that. But I mean, the fact of the matter is also we have the the dependence on franchise in the US is a lot lower. And I think maybe it has to do with the ones that are still left operating versus the one that we have acquired that I would think that that's kind of the but I would have to look into that. I haven't specifically looked into that, to be honest with you. Versus if I take an Australia for instance,



where of course, they're in more in the beginning of this forward integration journey. And, you know, some some of these franchisees are are less happy campers than the others. And, you know, then we go through the motions like we've done in France and in the US in the beginning. So I think that's kind of just somehow the natural process. And and I think your question is, is similar to one of the first ones I got. There is nothing specific about the US other than maybe from a penetration standpoint, the brand is is less less penetrated than what we see in Europe, for instance, which is kind of why we keep investing for growth. And it seems to be biting very hard so That. That's the best explanation I could give you. Really. But again, as I and I want to reiterate, we don't do bespoke template. We do one global rollout of our go to market plans. And then it's up to the local markets to do the, let's say, fixes on the fringes. But the core of what hits the market globally is the same that that's the model of Pandora.

[01:22:11] **Kristian Godiksen, SEB:** Okay. Perfect. Just just one final follow up. Just wondering whether you could give some kind of flavour on the takeoff and like for like from the from the upgrade of the store just to just as you did on the Capital markets day with the with the upgrade of the physical stores to the book.

[01:22:27] **Alexander Lacik, CEO:** Have you had a chance to to zoom in on the site?

[01:22:33] **Kristian Godiksen, SEB:** Yes.

[01:22:34] **Alexander Lacik, CEO:** Yeah. So so then you would.

[01:22:35] **Kristian Godiksen, SEB:** Have worked very well. Yeah.



[01:22:36] **Alexander Lacik, CEO:** So you would would you would have noted is that it was a much flatter experience in the original site and it was much more focussed on on trading and, you know, here's the latest thing and blah blah blah and a lot less, let's say emotional and a lot less branded. So what the idea here was to kind of move the pendulum back from just using it as a, as a trading site and make it a bit more to sell the brand as well. And whenever you do this, you will have the, the traders up in arms to say, you know, now we're going to lose conversion. We're going to, you know, people are going to spend less time, they're going to be confused, and you're going to have much higher bounce rates, and you're going to get NPS scores, which are through the floor. We're experiencing the opposite okay. So, so so essentially I see a much higher acceptance of the experience on the current site than the previous, which eventually leads to higher economic value per, per visitor. And every single, pretty much every single metric that we look at. And there are quite a few, is in a positive territory, including the. So we measure the NPS Net Promoter score, which is up a lot. So it's moved from mid 50s to mid 60s. And just for perspective, getting above 70 is is I mean is really really not easy. There are not many brands that get above 70. So so we made a massive jump. So essentially what the consumer is saying is like, yeah, I really like the experience. I see that Panera is much more to offer. Which I didn't know about before. The brand feels more modern, more contemporary. So those are all verbatims that that we pick off. We do a lot of research on on it as we run. So yeah, so, so all around a very good consumer acceptance, I think, is the underlying driver of this.

[01:24:33] **Kristian Godiksen, SEB:** Thanks a lot. Thanks a lot for the additional flavour.



[01:24:38] **Operator:** And the last question we have time for in this conference call is from the line of Grace Smalley from Morgan Stanley. Please go ahead. Your line will now be unmuted.

[01:24:47] **Grace Smalley, Morgan Stanley:** Hi. Thank you. Sorry to add to the follow up questions, but just two quick clarifications, please. Firstly, on the current trading, I believe you said that plus mid singles is an underlying figure adjusted for timing shifts and so on. Could you just help us with what that would actually want to adjust for the different calendar and what the actual reported current trading number is? If you're able to share that with us please. And then my second question is, I believe you have guided to the margin contraction this year, being more severe in Q2 and Q3 and then slightly lower in Q4. And could you just help us with the magnitude of Ebit margin contraction we should expect in Q2 and Q3? Please? Thank you.

[01:25:30] **Bilal Aziz, VP, Investor Relations & Treasury:** I'll take the first one, Grace. So we won't get into too exact details given it is you know, a very, very short time period. But just to be mindful that Easter this year clearly fell in April, which would naturally be a small drag given we have store closures, and then we've got some promotional phasing, which we knew about ourselves. They're not huge effects. So the underlying mid-single digit like for like number we gave is the right sort of thought process. Basically they're not they're not they're not massive effects. Put it that way.

[01:26:05] **Anders Boyer, CFO:** Yeah and then on the other question in Q1, we had 70 basis points of FX and commodity headwinds of net net that's gone already from this quarter. The Q2 be much higher. So in so that's 70 basis points of headwind in Q1 translates into around 280 basis points of headwind in both Q2 and Q3. And then getting even a little bit higher in Q4 at 320 basis points. So that's the the big swing. Of course, there's many other moving parts as we go go through the year.



But the way to think about it is that the Ebit margin decline year over year is going to be the biggest in Q2 and Q3. That will still be at year over year decline in Q4, but actually quite meaningfully smaller than what we're going to see in the second and the third quarter. And that's partly linked to the fact that some of the efficiencies that we're running with are going to grow as we go get, get through the year on the, on the cost program. But also some on timing on when we're doing the forward integration, we have this, you know, this one off impact where we're doing forward integration on the cost of goods sold so that that's, that's the the way to think about it. So we had a summing up a little bit of tailwind year over year growth in the Ebit margin up in Q1. Quite a decline. Let's call it 200 basis points year over year in the second quarter and the third quarter. And then still a decline in Q4, but much smaller.

[01:28:01] **Grace Smalley, Morgan Stanley:** Great. Thank you so much.

[01:28:04] **Alexander Lacik, CEO:** We've come to to the end at least of this exercise. Thank you for listening in. You know, just to summarise where we said we think our strategy is working super well, have an agile organisation. I think we've shared a lot of detail on, on scenarios. So there's, you know, continues to be a lot of uncertainty. Hopefully in the next 80 or 90 days, whatever it is, we might get some more clarity. And then of course, when we come back in August to talk to all of you, maybe we have a have a clearer view going forward. But I'll end on that note and hope you have a good day. Thank you.

