Second Quarter Results 2019

TELECONFERENCE – 20 AUGUST, 2019

Agenda of today

FORWARD-LOOKING STATEMENTS

This presentation contains forward-looking statements, which include estimates of financial performance and targets. These statements are not guarantees of future performance and involve certain risks and uncertainties. Therefore, actual future results and trends may differ materially from what is forecast in this report due to a variety of factors.

Programme NOW on track – Brand relaunch to strengthen consumer relevance from 29 August

Q2 2019 Highlights

Financial results were weak and impacted by the Commercial Reset

- Q2 results in line with plans
- -10% like-for-like driven by less traffic into the physical stores
- Like-for-like in Online Stores of 22%

Early positive signs of the impact from Programme NOW

- Highest quarterly gross margin in the history of the company
- Structural improvement of cost levels – EBIT margin excluding restructuring costs of 22.9%
- Lowest net working capital ever

Encouraging testing of marketing investments in Italy and the UK

- Marketing investments demonstrating the ability to drive traffic and LFL
- Attractive Return On Advertisement Spend (ROAS) – Increased spend planned for H2

Full year 2019 guidance unchanged

Brand relaunch set for 29 August 2019

Q2 was an important preparation quarter - setting up for the Brand relaunch

- **New store design -** Building on discovery and collectability
- **Refreshed visual identity -** Includes update of monogram, logo and company colour
- **Update of online stores (including Tmall) -** Global launch on 29 August
- **Collaborations –** Harry Potter, Frozen II and one additional global organisation
- **Celebrity Endorsements –** Millie Bobby Brown and six global influencers (muses)
- **Significant increase of marketing investments**

- More initiatives will be announced, as the renewal of the complete consumer experience continues into 2020

Agenda of today

01 Q2 2019 Highlights

02 Update on Programme NOW

03 Q2 2019 financial performance

04 2019 financial guidance

Simplifying and clarifying objectives of Programme NOW

STRUCTURE OF THE INITIATIVES OF PROGRAMME NOW

Key focus

TURNAROUND

– stabilisation of like-for-like and protecting industry-leading margins

Long-term health

Brand Relevance, Brand Access & Cost Control

Turnaround objectives

Brand Relevance	Brand Access	Cost Reset
• Brand promise • Marketing • Media • Product development	• Network development • Store experience • eCommerce • Omnichannel	• Cost of sales • Retail expenses • Administrative expenses • IT • Other

Initiatives

Commercial Reset: Reduction of promotional activity, reduced sell-in packs, inventory buyback and product assortment simplification

- Establish superior consumer insights
- Ensure consumer-driven product development strategy
- Exploit efficient crafting and world-class distribution
- Drive digital strategy towards best-in-class
- Create a winning culture
- Drive an organisation of passionate people
- Turning Cost Reset initiative into cost culture

Kick-starts with brand relaunch on 29 August

PANDORA

New company purpose taking focus back to Pandora’s core proposition

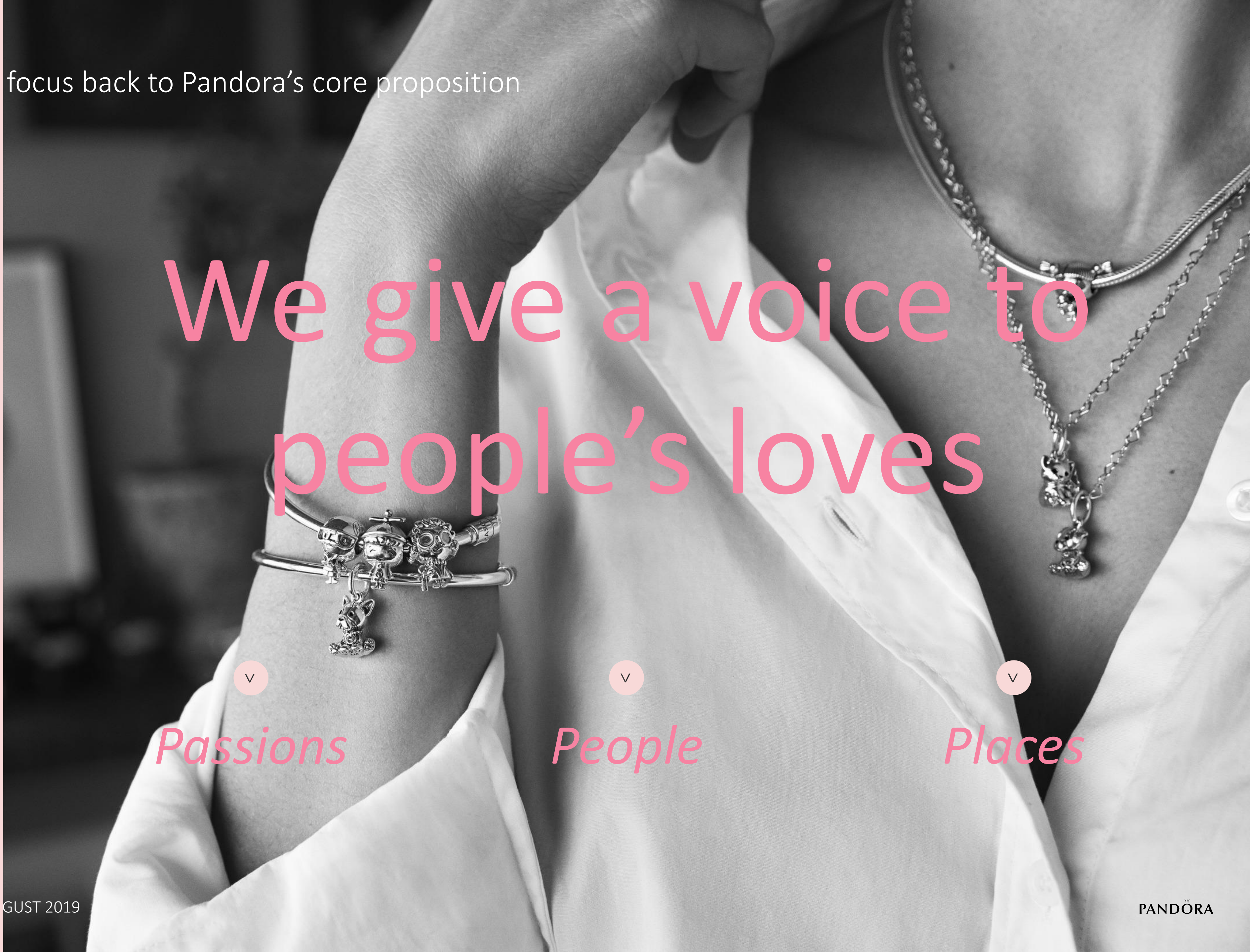
Revisit of the diagnosis

Blurred brand experience

Weak initiatives on charms collecting

Over push

Executional inconsistency



The Pandora target consumer is about emotional connections – not age, demography nor geography

The Pandora propositions

Discover craft

As the world becomes more automated, efficient and connected, we feel more disconnected and fake. And so we long for human touch in the things we surround ourselves with

Be playful

Playfulness is the antidote to a world that's gotten busy, serious and boring. We are never more fully alive or ourselves than when we're playful

Express yourself

Jewellery has always had strong ties to 'romantic love'. But people desire their jewellery to express all the loves that makes them who they are

The brand relaunch impacts all touchpoints

We give a voice to people's loves

- Refreshed visual identity
- New store concept
- New & refreshed online stores
- Significant increase of marketing investments
- Millie Bobby Brown and 6 global influencers
- Product launches
- Collaborations

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Many commercial initiatives will hit the consumers and improve the consumer experience across all touchpoints (I/II)

From August…

Announcement of Millie Bobby Brown

Agreement signed with Warner Brothers to create Harry Potter products

…29 August…

The Pandora brand relaunch

New company purpose, logo, monogram and company marker

"We give a voice to people's loves – Passions, People & Places"

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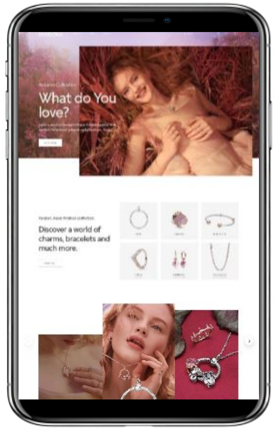
Redesigned online store to improve customer journey



Key changes and improvements

- Re-designed for "mobile first"
- Enhanced consumer journey such as check-out process
- Focus on content-driven material
- Improved front & back-end

Autumn collection and new products

- Autumn collection (drop 7) is the largest launch in 2019
- The O carrier is an alternative way of wearing charms on necklaces and to be used to adorn (bags, jeans etc.)

Global PR event in LA to amplify the brand relaunch

Big-scale launch focusing on

- Relaunching the Pandora Brand
- Presenting the new look 'n' feel of Pandora
- Amplifying the Autumn collection and the O carrier
- Launching of the new influencer programme
- Engaging consumers through activation events

Announcement of partnership with a global organisation

Campaign with Millie Bobby Brown starts globally

Many commercial initiatives will hit the consumers and improve the consumer experience across all touchpoints (II/II)

September - October

The new Pandora store concept

First ever experience store to open in Shanghai – a number of fully refurbished pilot concept stores in key markets

New store concept has optimised store layout built for intuitive consumer flow and self-discovery which includes new gallery window, charms bar, gifting area, treasure tables etc.

- Pilot stores to be tested in 2019
- Further roll-out plans to be defined based on results

New jewellery concept; Pandora ME

The concept focuses on playfulness and precious metals made at affordable prices

- Pandora ME mainly targets Generation Z – (16-24 years old)
- Focused on entry price points and traffic generation
- Consists of 55 uniquely designed pieces of jewellery
- Endorsed by Millie Bobby Brown

...to late 2019

Launch of the first Harry Potter products

First global event with a global organisation

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Encouraging results from additional marketing investments in the UK and Italy – additional markets to be included for H2 2019

Strong campaigns executed in Italy and UK to drive traffic…

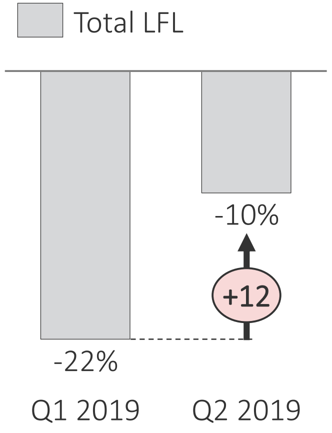
Amplifying Mother's Day

- Additional marketing investments of about 2x to amplify the Mother's Day campaign in May
- 360-degree marketing campaign including social media, digital and TV campaigns
- Focus on charms and collectability

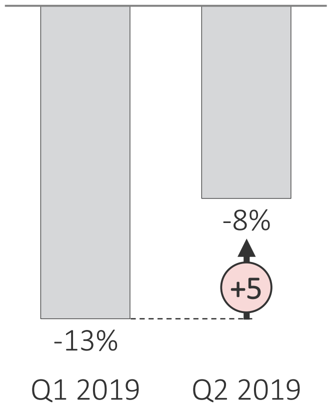
Focus on "Life Moments"

- Additional marketing investments of about 2x to increase the voice and reach of campaigns
- National TV campaign focusing on "Life Moments" with support from paid social media and display advertising

…with positive results and sequential like-for-like improvement



- Return on ad spend of around 2x
- Sequential improvement of 12pp like-for-like was driven by significant increase in traffic to physical stores and with conversion rate slightly increasing
- The amplified marketing focus on charms materially changed the performance momentum



- Return on ad spend of around 2x
- Traffic improved significantly driving 5pp sequential like-for-like improvement for the quarter
- Significant sequential improvement in performance in Charms like-for-like was also observed during the additional marketing spend period

> *Due to the positive results, the scope has been expanded to involve more markets. Additional marketing investments will follow in markets such as France and Australia in H2 2019*

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Strengthening the relationship with franchise partners

Agreed approach on omnichannel in the US; Capabilities, roll-out plan and compensation structure

Appreciative feedback to commercial initiatives and the brand relaunch

Changed Pandora's incentive programmes to focus on sell-out rather than sell-in and thereby align objectives

Partnership approach to improve inventories and profitability by buying back excess inventory and reduce promotional activities

> *We feel that Pandora management is making real efforts in strengthening our partnership. Management is listening to our business requests, and we were impressed that Alexander Lacik joined us during JCK[1] after just one month into the job. We appreciate the important initiatives of this year's garden cleaning and the inventory buyback. Now, we are all looking forward to the brand re-launch. We have seen a preview of the initiatives and it has created an enthusiastic atmosphere among franchise partners*
>
> ***Alan Zimmer,***
> *Chairman of the US Franchise council*

[1]JCK is an annual trading event for the jewellery industry held in Las Vegas gathering vendors across the world

On track to reduce the promotional dependence – 32% fewer promotional days in Q2 2019 compared with last year

Key objective for reducing promotional activity

Protect the brand integrity

- Rebase sales by reducing promotional intensity between major gifting-retail-promotional periods
- Amplify product launches in periods between promotions

Amplify specific promotional periods

- Focus on brand-building promotions such as limited editions and celebrating special occasions

Promotional days reduced by 32% in Q2 2019

Global promotional days continued to decrease

Key markets	US	Italy	UK	Germany	France	China	Australia
Promo reduction	-36%	-65%	-53%	-8%	-32%	74%*	-22%

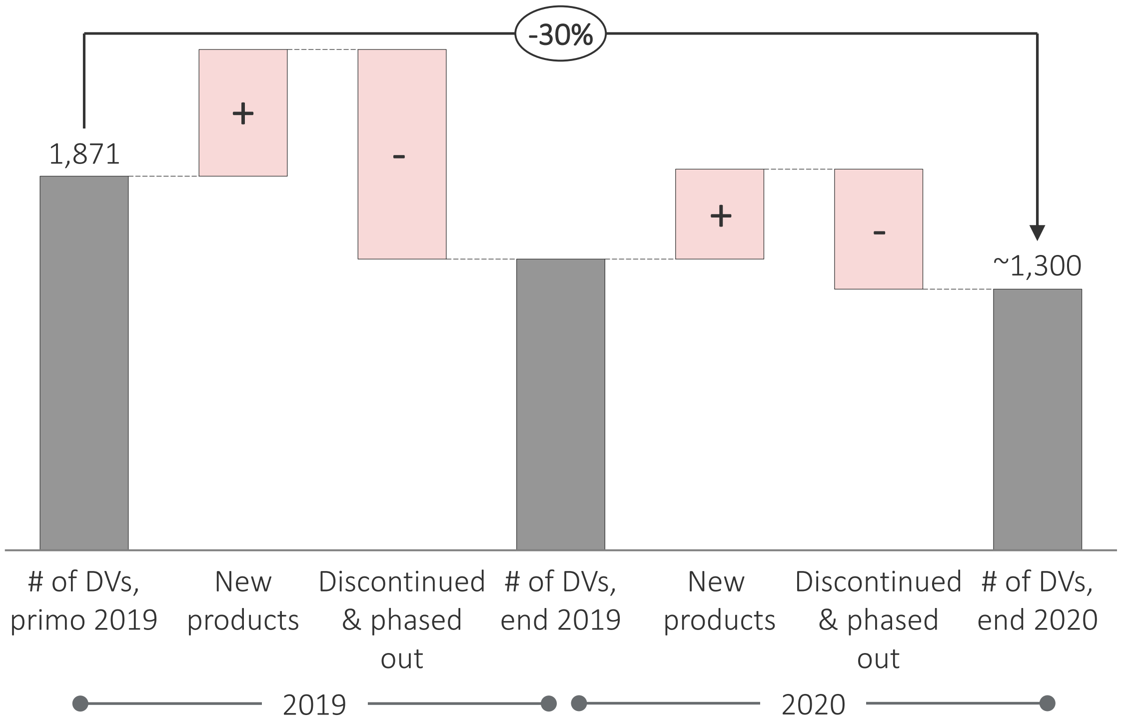
US example: Clear reduction of promotional days

	Q2 2018	Days	Q2 2019	Days
April	• Bonus product on all items (Example: Spend USD 100 and get a USD 29 charm as gift) • Shine Gift with purchase	16	• None	0
May	• Mother's Day gift with purchase • Memorial Day limited edition bangle	19	• Mother's Day limited edition bangle • Memorial Day promo	11
June	• Summer sale	11	• Summer sale	18
Total	4 promotions	45	3 promotions	29

**Due to phasing between quarters*

Simplification of the product portfolio – reducing product assortment by approximately 30%

Simplification of the product assortment by around 600 design variations – The simplification is fully implemented by the end of 2020



Products to be discontinued through sales, inventory buyback and ultimately remelting

- Since 2015, Pandora has consistently added more new designs to the assortment than there have been discontinued.
- This has led to a too broad assortment
- The growing product assortment has led to a long tail of products with too low productivity
- Store tests have shown that a significant simplified product assortment can both lower costs, improve sales and inventory productivity
- In 2019 and 2020, necessary initiatives will be conducted to get back to a strong and productive product assortment

>

Additional restructuring costs related to the portfolio simplification is expected for 2019

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Inventory buyback programme kicked off in Q3 – Programme to be expanded

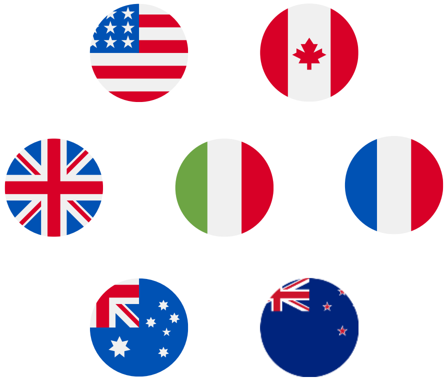
Rationale for the inventory buyback programme

- "Over-push" has resulted in aged and slow-moving items in the wholesale channel in certain markets
- The inventory buyback will optimise inventory levels to ensure a clean and attractive store expression – long-term benefit to like-for-like performance

Impact and timing of the buyback programme

- To ensure that Pandora exits 2019 with healthy wholesale inventories, the inventory buyback programme will be expanded
- Majority of the financial impact from the programme will be in Q3 2019

Markets to be impacted



Financial implications (illustrative example)

	Impact (Index)
Wholesale inventory value	**100**
Handling fee (illustrative)	*20%*
Buyback price	**80**
COGS as % of wholesale value	*30%*
COGS	30
Remelt value as % of COGS	*40%*
Remelt value	12
Restructuring costs	**68**

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Cost reductions are progressing according to plan

COST CATEGORIES	COST INITIATIVES & IMPROVEMENTS	ANNUAL RUN RATE TARGET BY END 2020 (DKK billion)	SAVINGS ACHIEVED (RUN RATE END 2020, DKK billion)
Cost of sales	• Capacity reduced by almost 2,000 craftsmen since February – temporary negative impact on productivity rest of year • Insourcing of expensive OEM sourcing well underway (plating) • Continued product optimisation to reduce cost	0.3 to 0.4	
Retail expenses	• Implemented first phase of reducing labour hours in O&O stores to match traffic development • Rationalise and globalize POS materials matching consumer needs • Structured, global renegotiation of selected leases being prepared	0.25 to 0.35	
Administrative expenses	• Savings impact of stricter travel policy materialises and changes behaviour • Tightened employee benefits and other admin spend	0.1 to 0.2	
IT	• Good progress on tendering of all main services • Contract on Cloud services signed with Accenture - first milestone in realising the targeted business case	0.2	
Other	• Reduction and tightening of consultancy spend • Letterbox size online store packaging introduced in the UK for Online delivery • Tender run on logistic services for online stores • Eastern Europe and Emerging Markets clusters merged • Reduction of credit card fees	0.15 to 0.25	

Agenda of today

Programme NOW on track, delivering on costs and the commercial reset in Q2 2019

Q2 2019 results

Revenue
DKK **4,693** million
(-4% YoY growth in local currency)

Total like-for-like
-10%
(-1% in Q2 2018)

Organic growth
-7%
(-2% in Q2 2018)

EBIT margin excluding restructuring costs
22.9%
(26.3% in Q2 2018)

Cash conversion
186%
(91% in Q2 2018)

Key highlights

As expected, the financial results continued to be weak. Total like-for-like was -10% due to declining traffic into physical stores. Organic growth was -7% with store network expansion impacting 5pp. Like-for-like in Online Stores was +22%

Early promising results from increased marketing investments in Italy and the UK driving sequentially improved performance in both markets

The EBIT margin excluding restructuring costs was 22.9% which is an incremental improvement compared with Q1 despite lower revenue and additional marketing spending. EBIT margin continues to be affected by deleverage from negative organic growth, partly offset by DKK 0.2 billion cost reductions driven by the new cost mindset. Administration expenses at lowest absolute level in 3 years

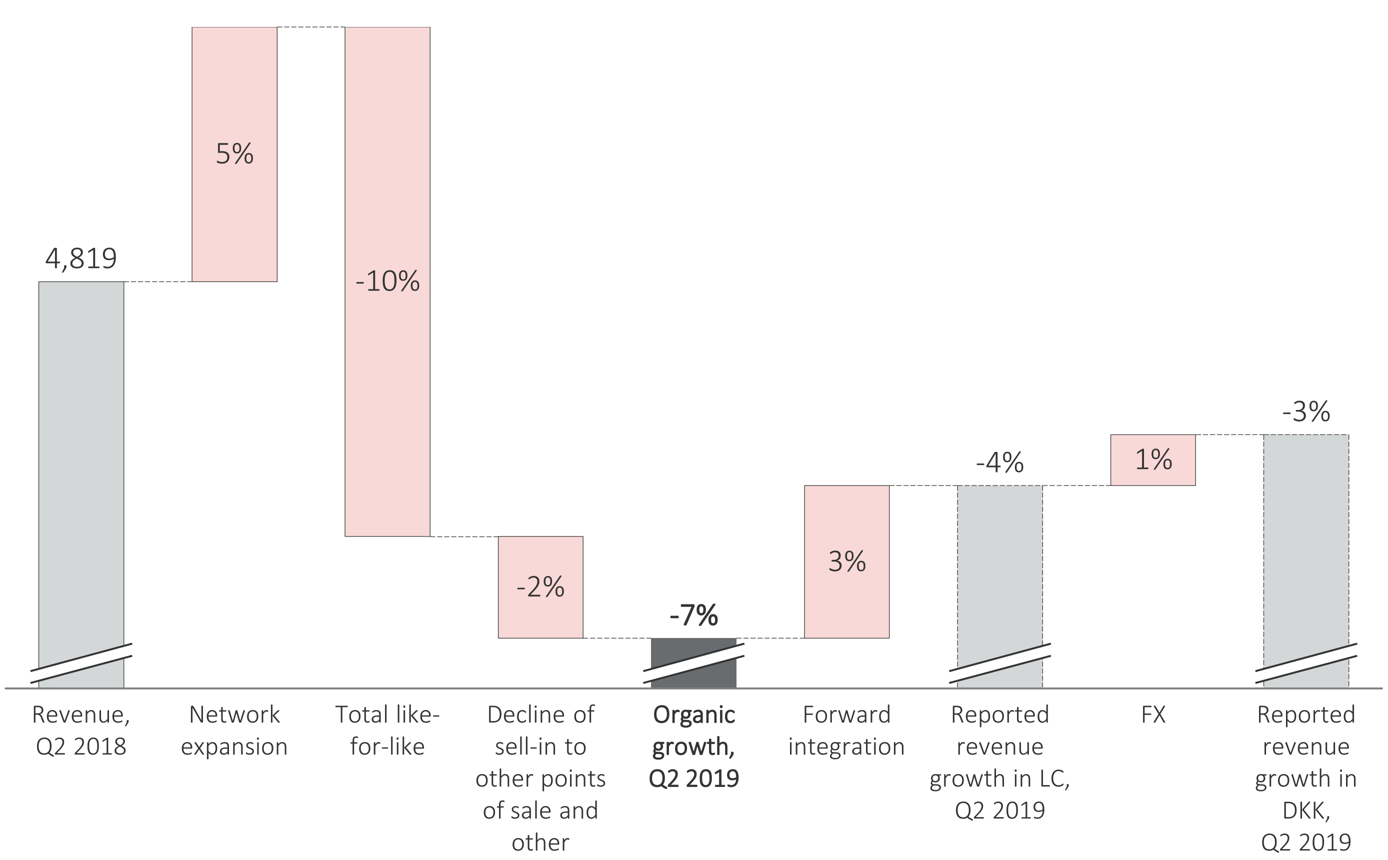
As Pandora has progressed further with Programme NOW, restructuring costs in the quarter amounted to DKK 310 million mainly driven by severance payments and consultancy costs

Highest cash conversion in the history of Pandora, driven by continued strong development in operating working capital, which for the first time ever was below 10% of last 12 months revenue. Cash conversion 150% when adjusted for IFRS 16.

Organic growth impacted by negative like-for-like, partly offset by network expansion

Brand relaunch to be initiated in Q3 to improve the like-for-like momentum

DKK million, %-p growth



Commentary

Organic growth was -7% driven by -10% like-for-like

- Organic growth positively impacted by the addition of net 183 concept stores since Q2 2018
- Total like-for-like continued to be impacted by less traffic into physical stores
- Sell-in to wholesale other points of sale continued to negatively impact the growth - largest impact in Americas

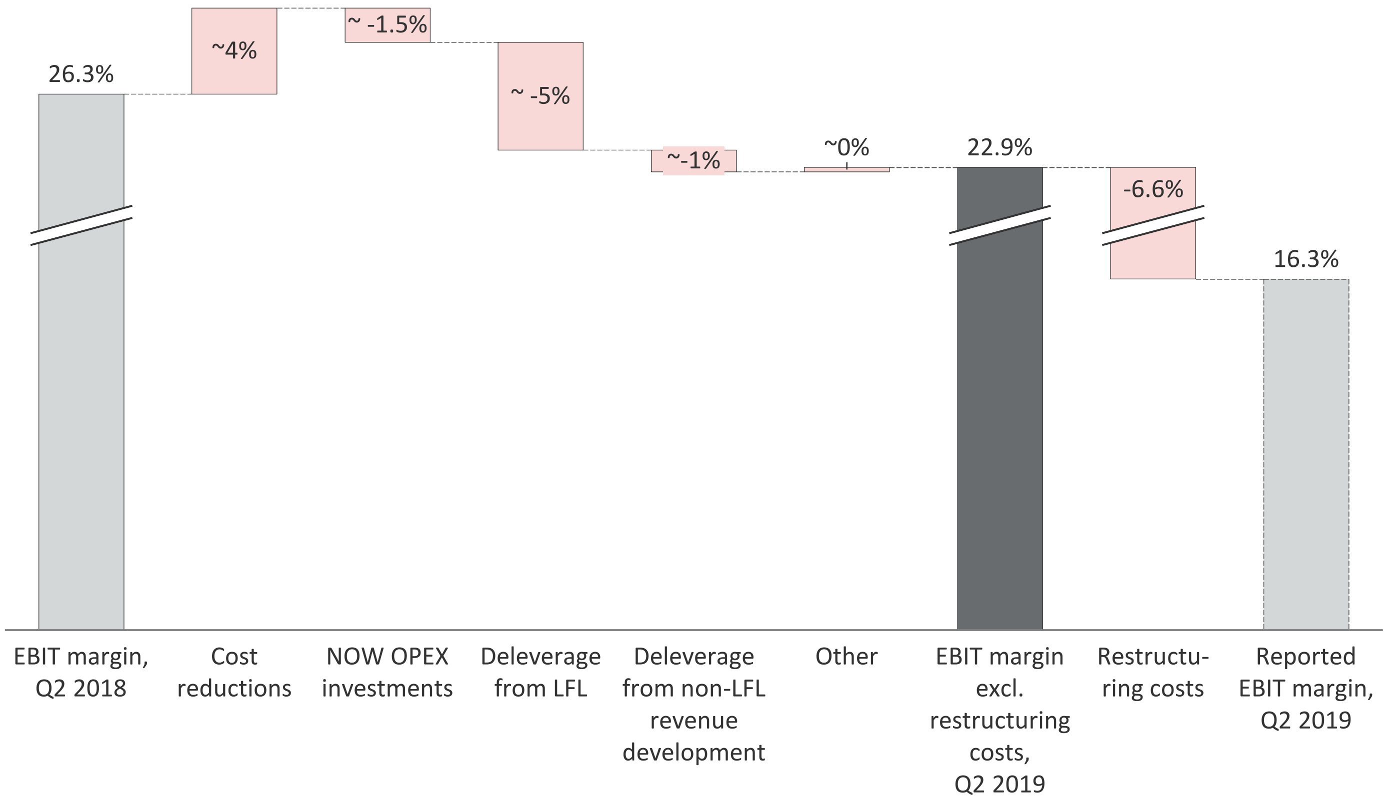
Reported revenue was -4% in local currency and -3% in Danish kroner

- Positively impacted by forward integration made in 2018 and the take-over of Taiwan with effect from 1 January, 2019
- FX positively impacted reported revenue in Danish kroner by 1pp

EBIT margin excluding restructuring costs impacted by deleverage from negative like-for-like, partly offset by cost reductions

EBIT margin excluding restructuring costs of 22.9%

%-points, approx.



Commentary

EBIT margin of 22.9% excluding restructuring costs

- Significant cost reductions in Q2 2019 of around 4pp
  - Programme NOW: Around DKK 125 million
  - Q2 2018 cost initiatives: Around DKK 75 million
- NOW OPEX investments to drive the top-line were around 1.5pp driven by marketing pilots in the UK and Italy and digital investments
- Deleverage of -6pp – primarily driven by negative like-for-like

- Restructuring costs amounted to a total of DKK 310 million in the quarter
  - Cost of Sales was impacted DKK 67 million mainly related to severance payments in Thailand
  - OPEX was impacted by DKK 244 million

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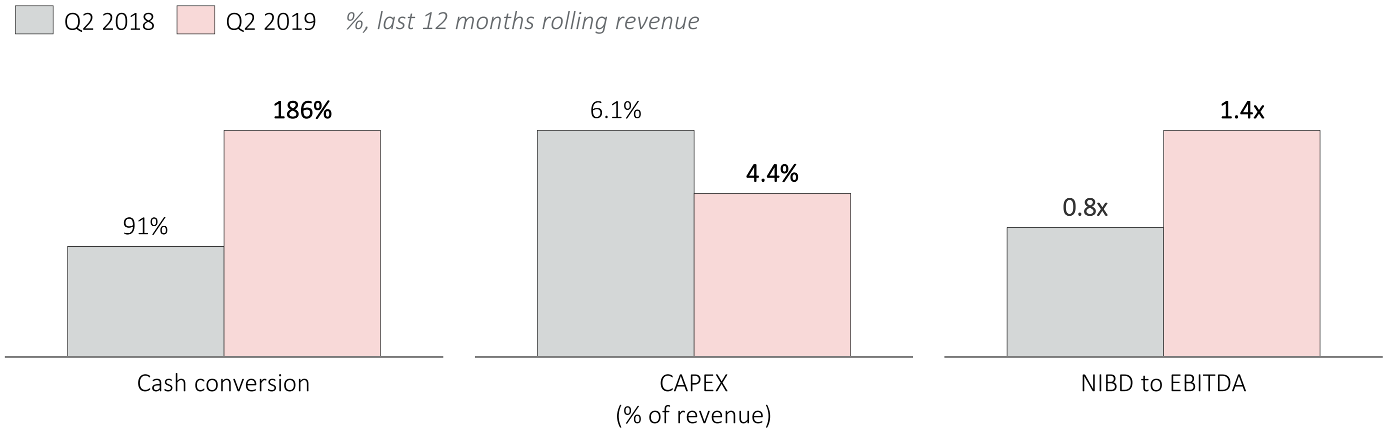
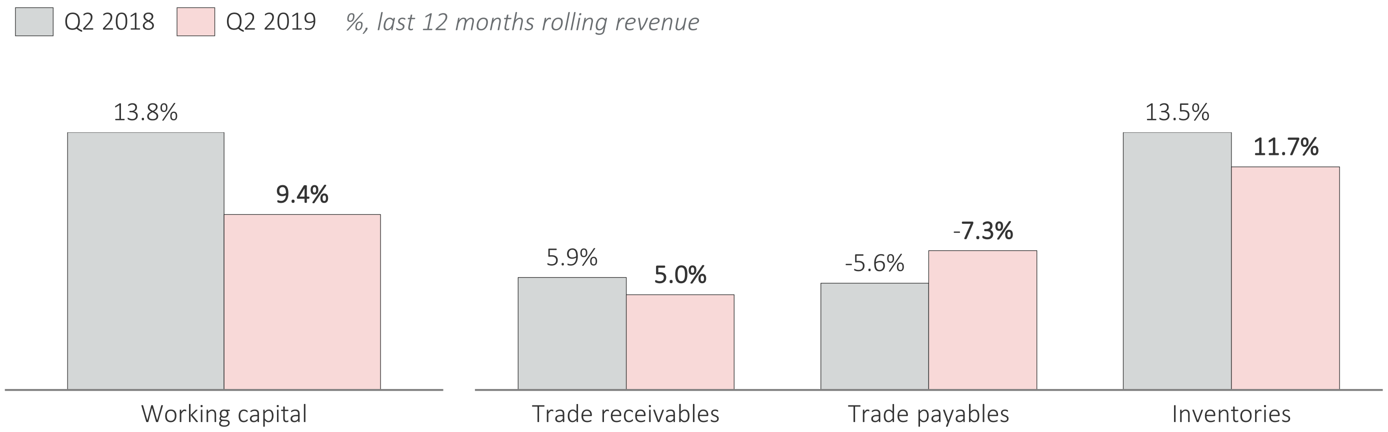
Strong cash conversion - lowest net operating working capital ratio ever

Cash conversion of 186%



Operating working capital ratio reduced by 4.4pp of revenue since Q2 2018



Commentary

- **Cash conversion** was 186% in the quarter (150% excluding IFRS 16 impact), driven primarily by a continued improvement in working capital
- **CAPEX spend** amounted to DKK 206 million in the quarter (4.4% of revenue), lower than same quarter last year, driven by fewer store openings, timing and lower IT CAPEX
- **Operating working capital ratio** improved by 4.4pp compared with the same quarter last year driven by lower trade receivables, lower inventories and improved trade payables
- **NIBD to EBITDA** was unchanged from Q1 2019 at 1.4x and 1.0x excluding IFRS 16 impact. The underlying year-over-year increase is driven by the ongoing significant cash distribution during the last 12 months, as well as the one-off restructuring costs

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Agenda of today

01 Q2 2019 Highlights

02 Update on Programme NOW

03 Q2 2019 financial performance

04 2019 financial guidance

Financial guidance for organic growth and EBIT margin excluding restructuring costs unchanged

Full year 2019 financial guidance

Organic growth of -3% to -7%

(Revenue growth in local currency excluding M&A impact)

EBIT margin of 26% to 28%

(Excluding restructuring costs[1])

Changed assumptions to full year 2019 guidance

Concept store openings – Pandora expects to open net 50 concept stores (75 previously)

- Mainly driven by the 50 store closures announced in Q1 2019 of which some will be closed during 2019

NOW OPEX investments increased to approximately DKK 0.8 billion (from approximately DKK 0.5 billion)

- Mainly driven by increase in direct marketing spend due to the positive results from pilot tests in UK and Italy

Restructuring costs in 2019 – Pandora expects up to DKK 2.0 billion restructuring costs (previously up to DKK 1.5 billion)

- The commercial reset now includes product assortment simplification and the expanded inventory buyback programme

CAPEX – Pandora expects CAPEX spend to be between DKK 1.0 to 1.2 billion (down from DKK 1.2 to 1.5 billion)

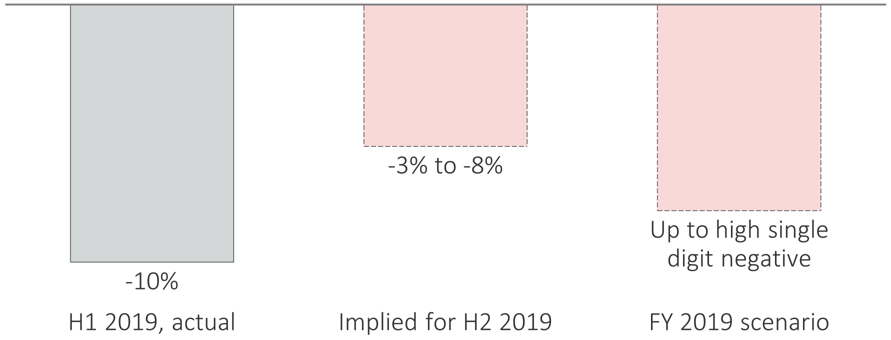
The like-for-like for full year 2019 could be down by up to high single-digit negative (unchanged)

[1]Restructuring costs are expected to be up to DKK 2.0 billion in 2019 and DKK 1.0 billion in 2020

Full-year results are structurally very dependent on Q4 performance

Why full year 2019 guidance is unchanged

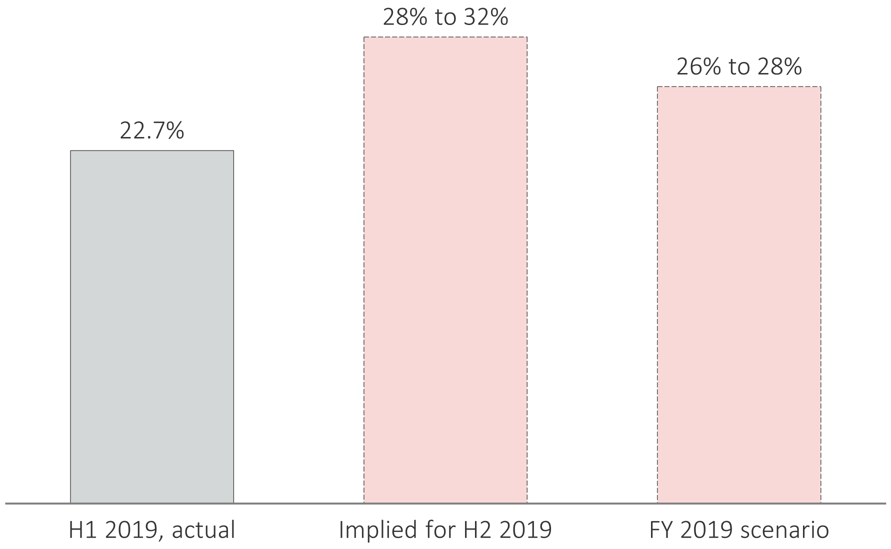
Implied like-for-like H2 guidance



Top line drivers for the second half of 2019

- The guidance continues to assume that Programme NOW will have a visible positive impact on like-for-like following the brand relaunch on 29 August and the initiatives hereafter

Implied EBIT-margin H2 guidance



The uplift in the EBIT-margin in H2 vs H1 will be bigger in 2019 than in 2018

1. 2.4pp gross margin headwind in H2 2018 vs H1 2018 turns into a gross margin uplift - continued cost reductions, less acquisition impact and larger share of retail revenue
2. Sequential deterioration of revenue growth in H2 2018 vs sequential improvement of revenue growth in H2 2019
3. Elevated administrative expenses in Q4 2018 (provisions and consultancy expenses) is not expected in H2 2019
4. Foreign exchange rate impact of negative 1.5pp in H2 2019 compared with H2 2018

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Q & A

APPENDIX

The Pandora equity story: A turnaround opportunity with fundamentals intact

Pandora has strong assets to build on

- Cross-generational brand with unmatched recognition
- Comprehensive global footprint across touchpoints
- Magic DNA of innovative products
- State-of-the-art crafting facilities

Return to sustainable growth and support industry-leading margins

- Clear transformation roadmap towards restoring sustainable growth
- Significant cost reduction potential to be executed before the end of 2020
- Continued strong cash generation during transformation period
- Attractive cash pay-out policy

Strong progress on Programme NOW during the quarter – prepared for brand relaunch

Update on workstreams

Brand Relevance

Ready for the brand relaunch on 29 August

- New **Company purpose**: 'We give a voice to people's loves'
- New **visual identity**: New main marker (pink), new monogram, new logo, new packaging materials etc.
- **Marketing**: Global celebrity Millie Bobby Brown, influencers (muses)
- New **product launches**: Carrier focus (Pandora ME, the O-carrier), collaborations including Frozen and Harry Potter

Brand Access

Brand access improved through changes to all touchpoints

- New store design: 1 experience store in Shanghai and a number of additional pilot stores globally in FY 2019
- New online store: Improved navigation, shopability, functionality (bracelet builder)
- Omnichannel: Further omni-channel roll-outs in markets like US, Germany, China and Australia

Cost Reset

Continued strong progress on cost reduction initiatives

- Cost savings of DKK 125 million in Q2 2019
    - On top of DKK 75 million in savings from Q2 2018 announced savings
- Strong efficiency in the factories
- Consolidation of IT vendors

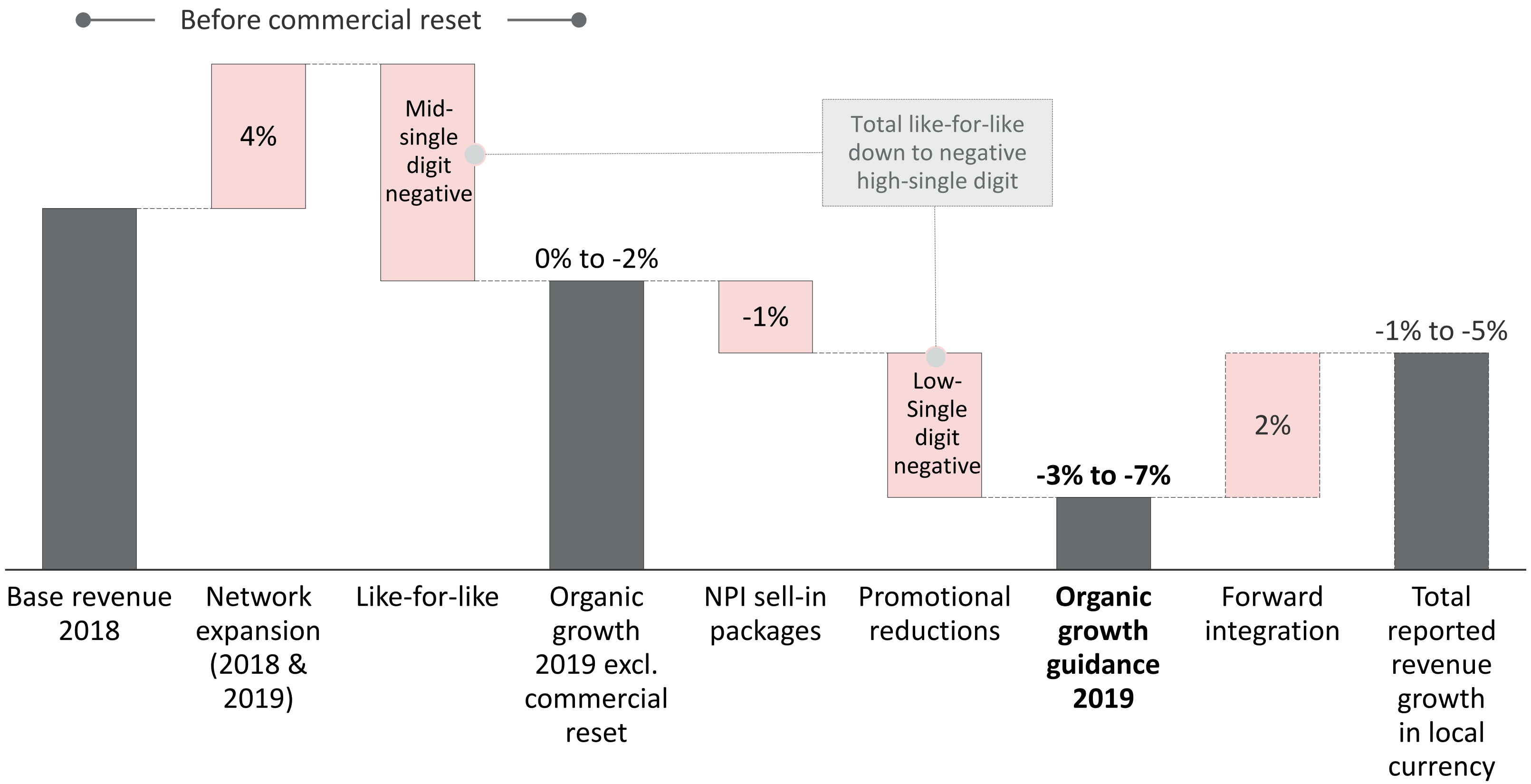
Commercial Reset

Restructuring costs now expected to be up to DKK 2.0 billion - impacted by a larger inventory buyback programme and a structural assortment cut

- Promotional days reduced by 32% in the quarter – Impacts Group LFL by -2 to -4% in Q2 2019
- Inventory buyback programme will impact P/L in Q3 2019
- Decision to simplify global assortment by 30% by end 2020

Full year 2019 organic growth guidance

Organic growth composition



Commentary

Organic growth is expected to be between 0% and -2% excluding the non-recurring impact from the commercial reset

- Expansion of the network expected to add around 4%-p to organic growth supported by 50 net store openings in 2019 (mainly related to Latin America and China)
- Total like-for-like is expected to be negative mid-single digit before the non-recurring impact from the commercial reset
  - Growth initiatives in Programme NOW are expected to support like-for-like from late 2019 and onwards
- Expected non-recurring impact from the commercial reset is -3 to -5% with the majority of the impact stemming from the reduction of promotions

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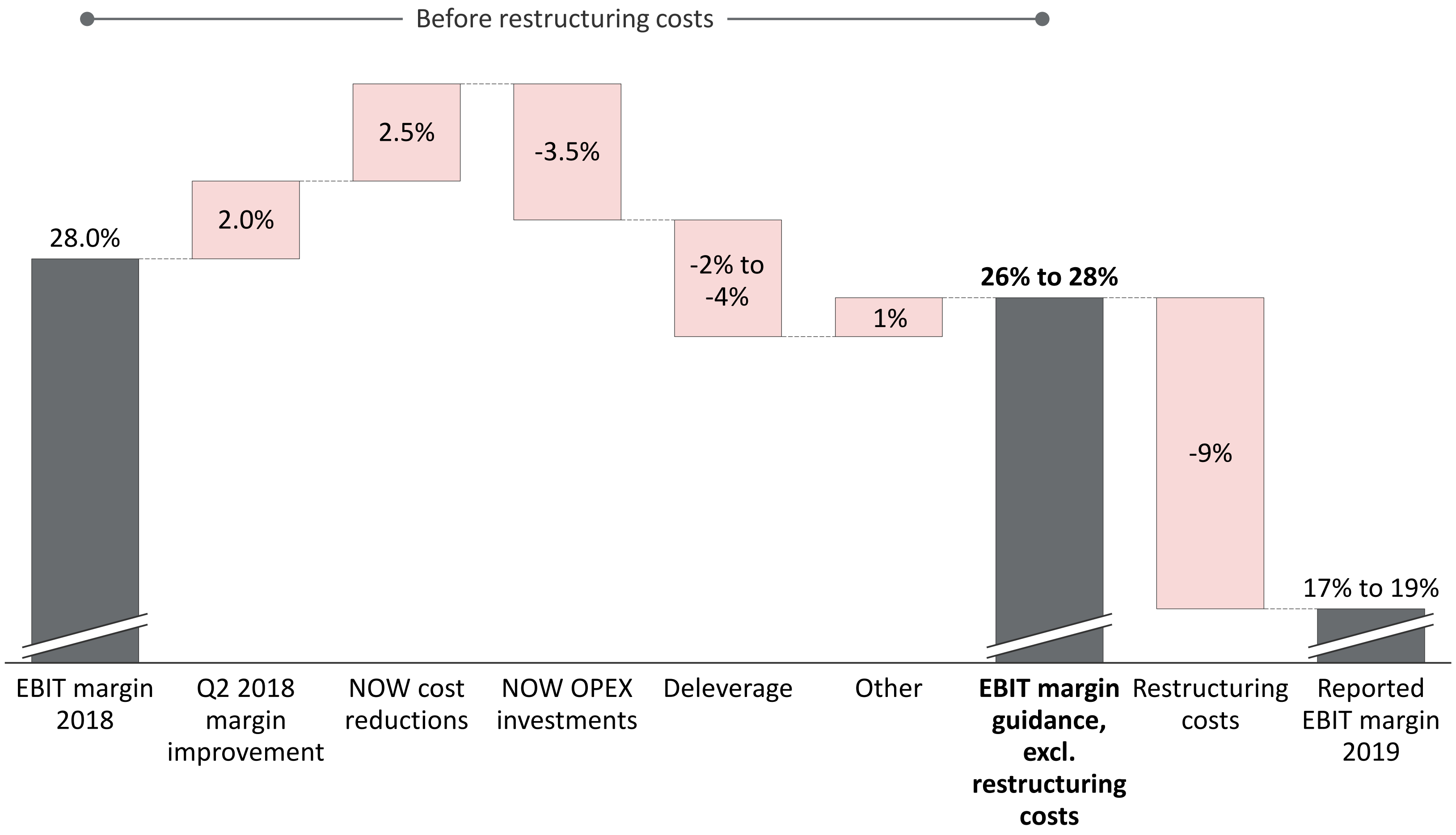
Full year 2019 EBIT margin guidance

EBIT margin composition



Commentary

EBIT margin excluding restructuring costs expected to be 26% to 28%

Key underlying drivers

- 2% margin-improvement from initiatives announced in Q2 2018 including less forward integration - destocking will still be a drag on margins in 2019
- 2.5% margin improvement from Programme NOW cost reductions announced today

Restructuring costs

- Restructuring costs of around 9 percentage points (up to DKK 2.0 billion) mainly consisting of wholesale inventory buyback, product assortment simplification and programme execution

Pandora returns all excess cash to shareholders

Capital structure policy

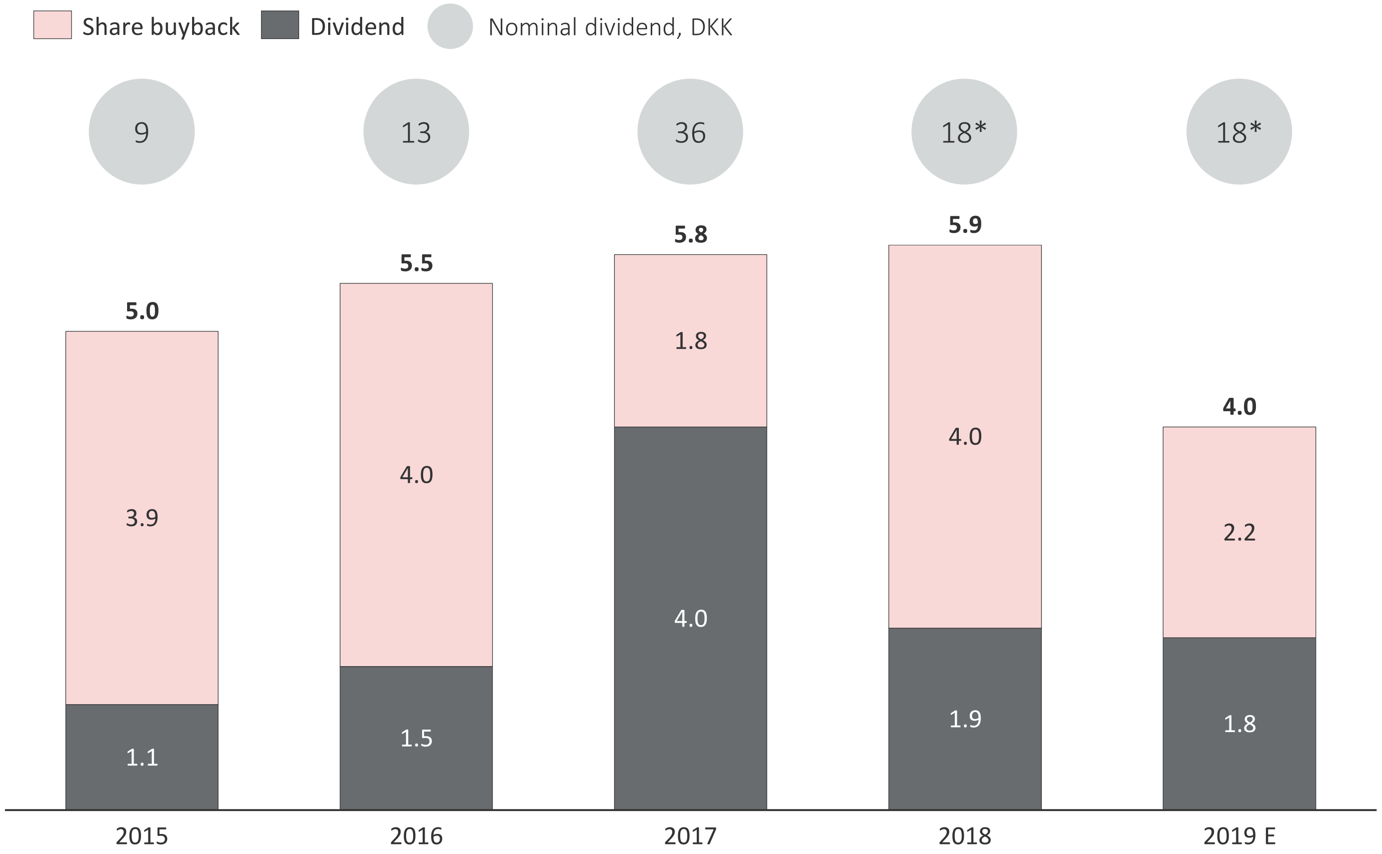
- Pandora expects to temporarily exceed the upper end of the capital structure interval in 2019 - reflecting that financials are impacted by one-offs during the transformation period
- **Capital structure ratio target** has been changed from 0-1x NIBD to EBITDA to 0.5-1.5x NIBD to EBITDA reflecting the accounting implications of IFRS 16

Cash distribution

- **2019 total cash return of DKK 4.0 billion**
  - **Share buyback programme**[1] of DKK 2.2 billion
  - **Dividend payment maintained** at 2 x DKK 9 per share (DKK 1.8 billion)

[1]Share buyback programme will end in March 2020

5-year cash distribution development



** The dividend in 2018 and 2019 is a combination of an ordinary dividend of DKK 9 per share, and an interim dividend at half year of DKK 9 per share*

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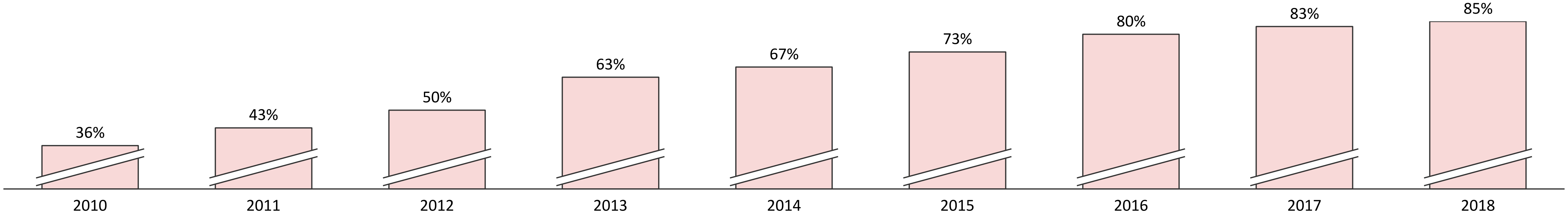
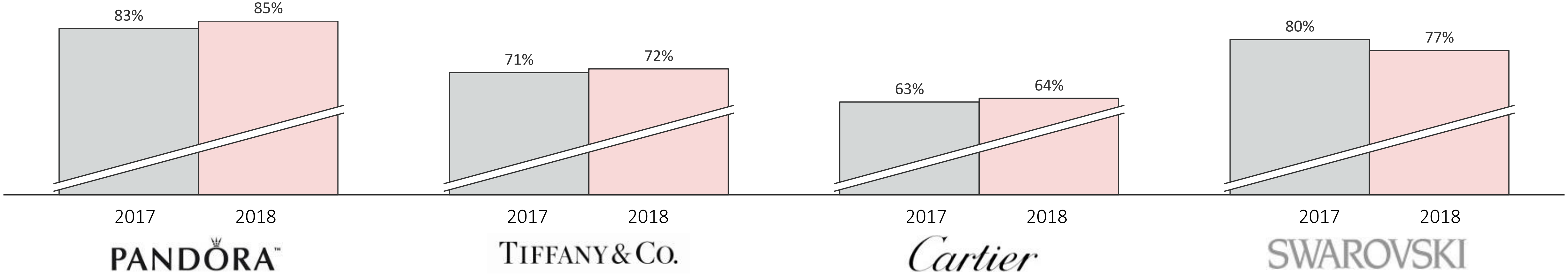
Pandora is the world's most recognised jewellery brand

Aided brand awareness development



Aided brand awareness across selected jewellery companies



Source: Pandora Brand Tracker

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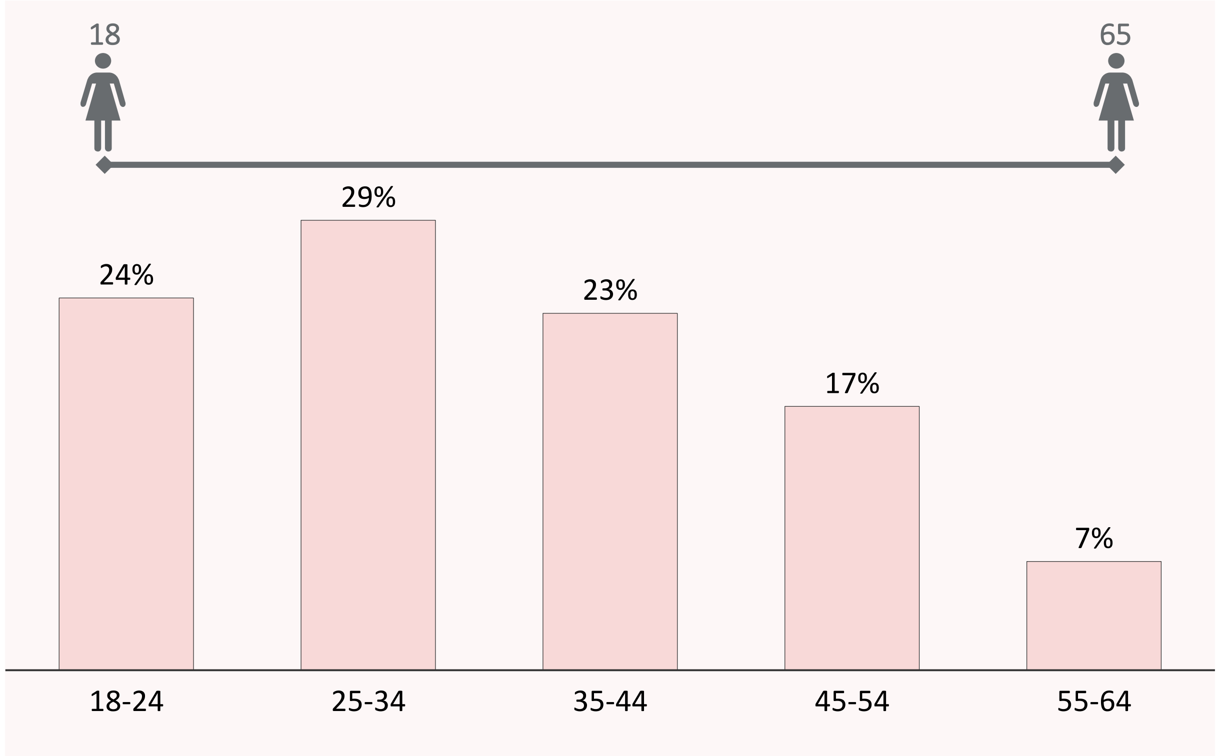
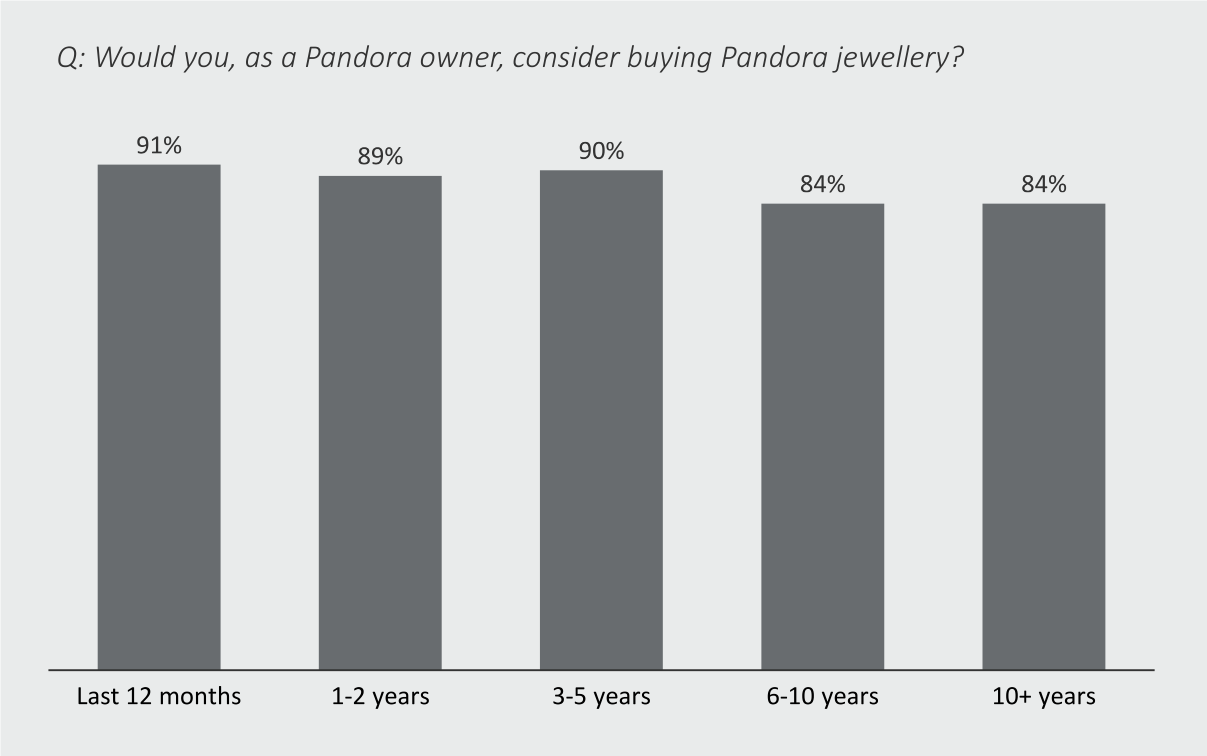
Pandora consumers are across generations and stay loyal

Age distribution of our consumers who have purchased Pandora within the last 12 months



Pandora owners highly consider to buy Pandora jewellery unrelated to time of ownership



Source: Pandora Brand Tracker 2015-2018
Note: Markets include AU, BE, BR, CA, CN, FR, DE, HK, IE, IL, IT, PL, PT, RU, ZA, KR, ES, CH, NL, TR, UK, US

**Survey-data allows for the possibility that share of Repurchasers can be slightly higher than previous years active owner-base*
***Deviation in Awareness from funnel-slides caused by different market filters in order to compare to 2014 (excludes CN, CZ, JP, SG and AE)*

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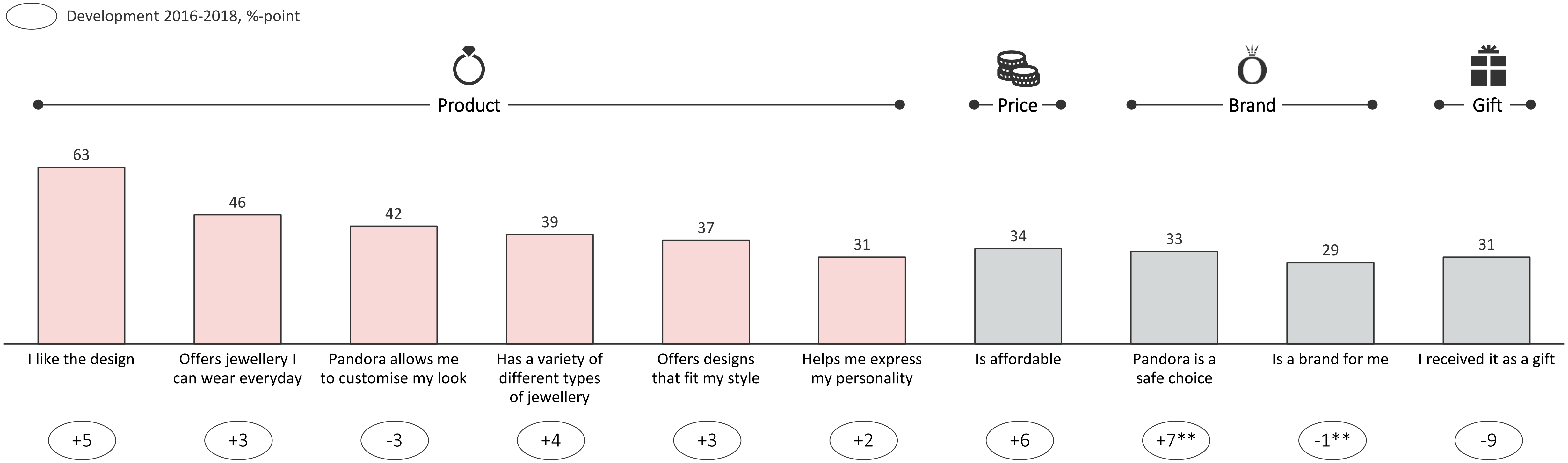
Pandora consumers have a wide-range of purchase criteria

Reasons for choosing Pandora for oneself (N=4,467)

Share of respondents, % (multiple answers allowed)



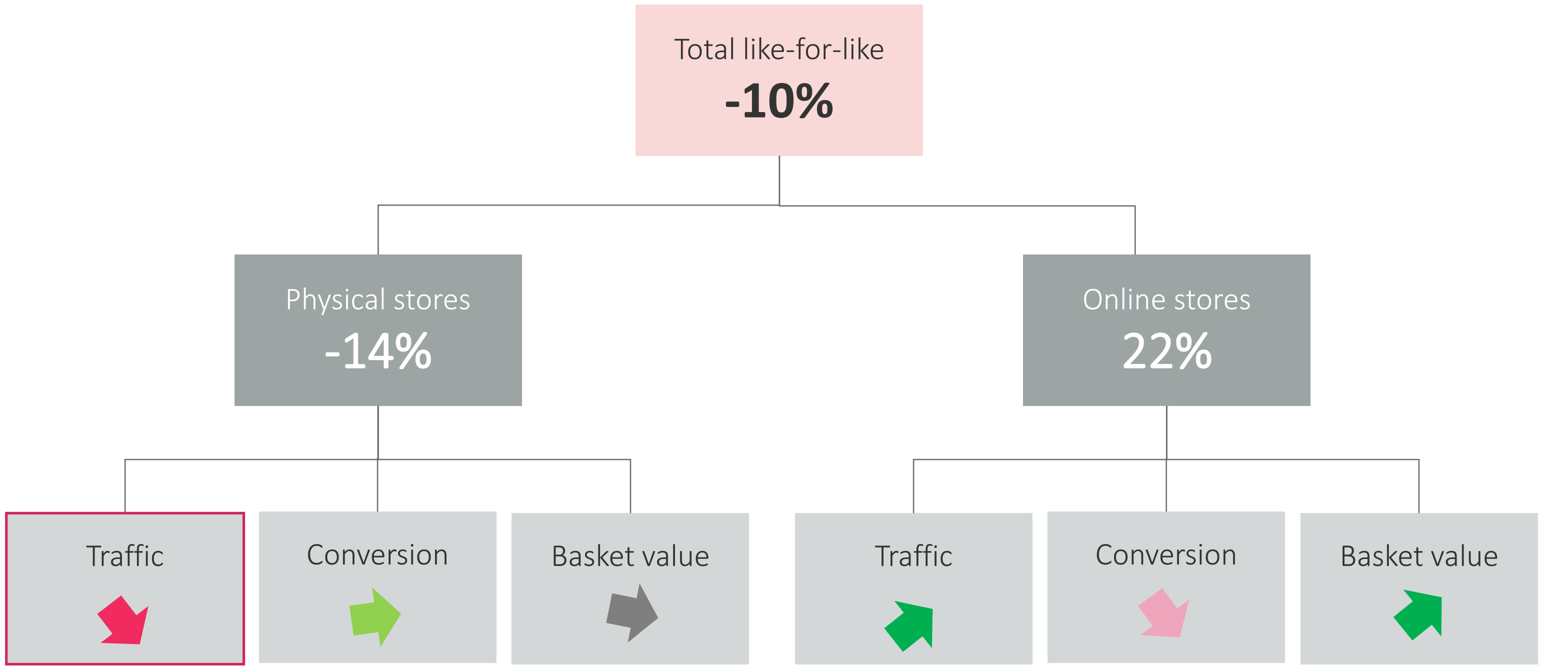
Source: Pandora Brand Tracker 2018 (n=4,467)
Note: Based on the question “why did you choose Pandora for yourself?”

**Active Owners include owners who have purchased past 12 months and/or received past 12 months*
***2017-2018 development only available*

PANDORA

Total like-for-like momentum continues to be driven by less traffic to physical stores

Total like-for-like drivers, Q2 2019

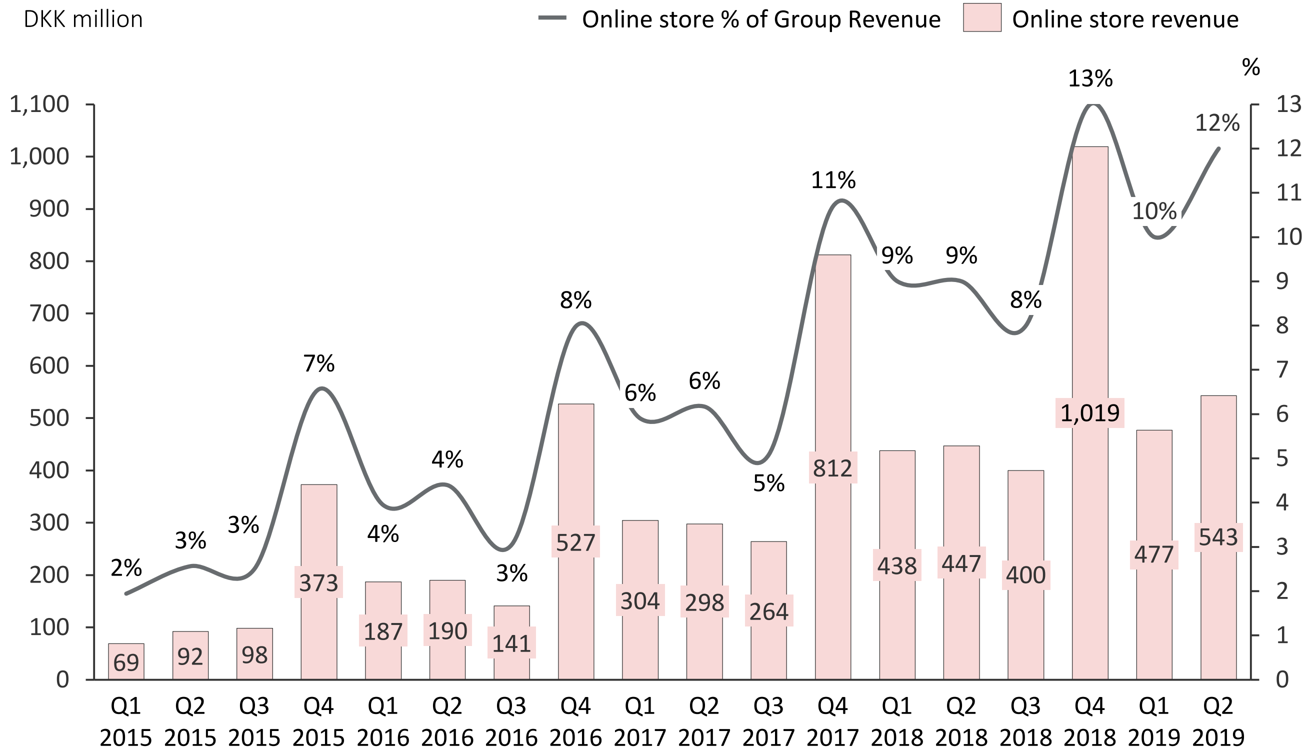


Data based on available data at the time of reporting.

PANDORA

Pandora's online business & presence

Online store development



22%	12%	20	SINGLE	STRONG PROFITABILITY
LIKE-FOR-LIKE IN Q2 '19	REVENUE SHARE OF GROUP REVENUE IN Q2 '19	MARKETS	DIGIT RETURN RATES	

Online platforms

Pandora online stores available in 20 countries across all regions, incl. China (own and Tmall distribution), Australia, Italy, the UK, the US etc.

More than **237 million visits** on the Pandora online stores in 2018

PANDORA Club

More than **13 million Pandora club members** worldwide

15.3 million Facebook followers

6.7 million followers on Instagram

PANDORA

Revenue development by sales channel and by product category

Channel development

DKK million	Q2 2019	*Growth, Q2/Q2, LC*	*Q2 2019 share of revenue*	FY 2018	*Growth, FY/FY, LC*	*FY 2018 share of revenue*
Pandora owned retail	**3,121**	***12%***	***67%***	**12,895**	***35%***	***57%***
- of which Pandora owned concept stores	2,403	*10%*	*51%*	9,965	*36%*	*44%*
- of which online stores	543	*20%*	*12%*	2,304	*39%*	*10%*
- of which other points of sale	175	*14%*	*4%*	626	*11%*	*3%*
Wholesale	**1,359**	***-24%***	***29%***	**8,633**	***-23%***	***38%***
- of which franchise concept stores	797	*-22%*	*17%*	5,010	*-23%*	*22%*
- of which other points of sale	562	*-26%*	*12%*	3,623	*-23%*	*16%*
Third-party distribution	**214**	***-35%***	***5%***	**1,278**	***-15%***	***6%***
Total revenue	4,693	*-4%*	*100%*	22,806	*3%*	*100%*

Product category development

DKK million	Q2 2019	*Growth Q2/Q2, LC*	*Q2 2019 share of revenue*	FY 2018	*Growth, FY/FY, LC*	*Share of revenue FY 2018*
Charms	2,545	*-2%*	*54%*	12,126	*-4%*	*53%*
Bracelets	912	*-4%*	*19%*	4,393	*13%*	*19%*
Rings	597	*-8%*	*13%*	3,168	*3%*	*14%*
Earrings	304	*0%*	*6%*	1,486	*7%*	*7%*
Necklaces & Pendants	336	*-15%*	*7%*	1,633	*27%*	*7%*
Total revenue	4,693	*-4%*	*100%*	22,806	*3%*	*100%*

PANDORA

Regional and key markets revenue and total like-for-like overview

DKK million	Q2 2019	*Growth Q2/Q2, LC*	*Like-for-like Q2 2019*	*Share of revenue, Q2 2019*	FY 2018	*Growth FY/FY, LC*	*Like-for-like FY 2018*	*Share of revenue, FY 2018*
EMEA	2,151	*-3%*	*n/a*	*46%*	11,190	*4%*	*n/a*	*49%*
- of which the UK	466	*12%*	*-8%*	*10%*	2,746	*-2%*	*-5%*	*12%*
- of which Italy	505	*2%*	*-10%*	*11%*	2,461	*-6%*	*-8%*	*11%*
- of which France	248	*-12%*	*-26%*	*5%*	1,253	*-2%*	*-11%*	*5%*
- of which Germany	196	*-8%*	*0%*	*4%*	1,041	*-2%*	*5%*	*5%*
AMERICAS	1,475	*-4%*	*n/a*	*31%*	6,807	*0%*	*n/a*	*30%*
- of which the US	1,039	*-6%*	*-6%*	*22%*	4,880	*-5%*	*1%*	*21%*
ASIA PACIFIC	1,067	*-7%*	*n/a*	*23%*	4,809	*4%*	*n/a*	*21%*
- of which Australia	247	*-14%*	*-17%*	*5%*	1,361	*-12%*	*-15%*	*6%*
- of which China	507	*10%*	*-4%*	*11%*	1,969	*26%*	*-2%*	*9%*
Group	4,693	*-4%*	*-10%*	*100%*	22,806	*3%*	*-4%*	*100%*

PANDORA

Store network development

Number of points of sale	Q2 2019	Net openings Q2 2019 vs Q1 2019	Net openings Q2 2019 vs Q2 2018
Concept stores	**2,731**	**18**	**183**
- of which Pandora owned	1,380	16	244
- of which franchise owned	834	-	-84
- of which third-party distribution	517	2	23
Other points of sale	**4,778**	**-67**	**-456**
- of which Pandora owned	188	-7	30
- of which wholesale	3,928	-54	-480
- of which third-party	662	-6	-6
Total points of sale	**7,509**	**-49**	**-273**

Concept stores per market

	Number of concept stores Q2 2019	Number of concept stores Q1 2019	Number of concept stores Q2 2018	Growth Q2 2019 /Q1 2019	Growth Q2 2019 /Q2 2018	Number of O&O Q2 2019	Growth O&O stores Q2 2019 /Q1 2019	Growth O&O stores Q2 2019 /Q2 2018
UK	233	233	233	-	-	127	1	49
Russia	195	198	200	-3	-5	-	-	-
Germany	151	152	152	-1	-1	145	-1	2
Italy	146	143	119	3	27	105	3	32
France	121	120	101	1	20	75	1	25
Spain	83	83	75	-	8	68	-	8
Poland	49	49	48	-	1	38	-1	1
South Africa	30	31	29	-1	1	28	-1	1
Turkey	29	27	21	2	8	29	2	8
Ireland	28	29	29	-1	-1	23	-1	-1
Netherlands	27	26	24	1	3	27	1	3
Ukraine	27	26	24	1	3	-	-	-
Portugal	26	26	24	-	2	-	-	-
Belgium	25	25	25	-	-	15	-	2
Romania	22	22	20	-	2	12	-	-
United Arab Emirates	20	20	21	-	-1	20	-	-1
Czech Republic	19	19	19	-	-	10	-	-
Israel	17	17	17	-	-	-	-	-
Austria	15	15	14	-	1	10	-	1
Greece	14	15	15	-1	-1	-	-	-
Denmark	14	14	14	-	-	14	-	-
Saudi Arabia	12	12	12	-	-	-	-	-
Sweden	11	11	11	-	-	11	-	-
Nigeria	10	10	8	-	2	-	-	-
Rest of EMEA	137	133	127	4	10	19	1	1
EMEA	**1,461**	**1,456**	**1,382**	**5**	**79**	**776**	**5**	**131**
US	395	399	388	-4	7	153	-1	19
Brazil	95	98	98	-3	-3	57	-2	-1
Canada	79	80	78	-1	1	23	-	8
Mexico	66	65	47	1	19	40	1	19
Caribbean	27	27	26	-	1	-	-	-
Rest of Americas	67	59	47	8	20	13	3	10
Americas	**729**	**728**	**684**	**1**	**45**	**286**	**1**	**55**
China	227	220	189	7	38	218	5	35
Australia	128	127	124	1	4	39	3	12
Philippines	35	35	32	-	3	-	-	-
Malaysia	33	32	31	1	2	-	-	-
Hong Kong	28	27	28	1	-	25	1	2
Thailand	19	18	15	1	4	-	-	-
New Zealand	17	17	16	-	1	8	-	2
Singapore	16	15	15	1	1	12	1	1
Rest of Asia Pacific	38	38	32	-	6	16	-	6
Asia-Pacific	**541**	**529**	**482**	**12**	**59**	**318**	**10**	**58**
All markets	**2,731**	**2,713**	**2,548**	**18**	**183**	**1,380**	**16**	**244**

Profitability development

DKK million	Q2 2019 reported	Restructuring costs	Q2 2019 excl. restructuring costs	Q2 2018[1]
Cost of sales	-1,190	67	-1,123	-1,181
Gross profit	3,503	67	3,570	3,638
Gross margin	*74.6%*	-	*76.1%*	*75.5%*
Operating expenses (incl. D&A)	-2,739	244	-2,495	-2,372
- of which sales, distribution and marketing expenses	-2,071	66	-2,005	-1,830
- of which administrative expenses	-668	178	-490	-542
EBIT	764	310	1,075	1,266
EBIT margin	*16.3%*	-	*22.9%*	*26.3%*

[1]Comparison figures have not been restated following the implementation of IFRS 16 Leases. In the Interim financial report Q2 2019, please find note 1 for comparison figures according to the old standard

PANDORA

Working capital and cash management

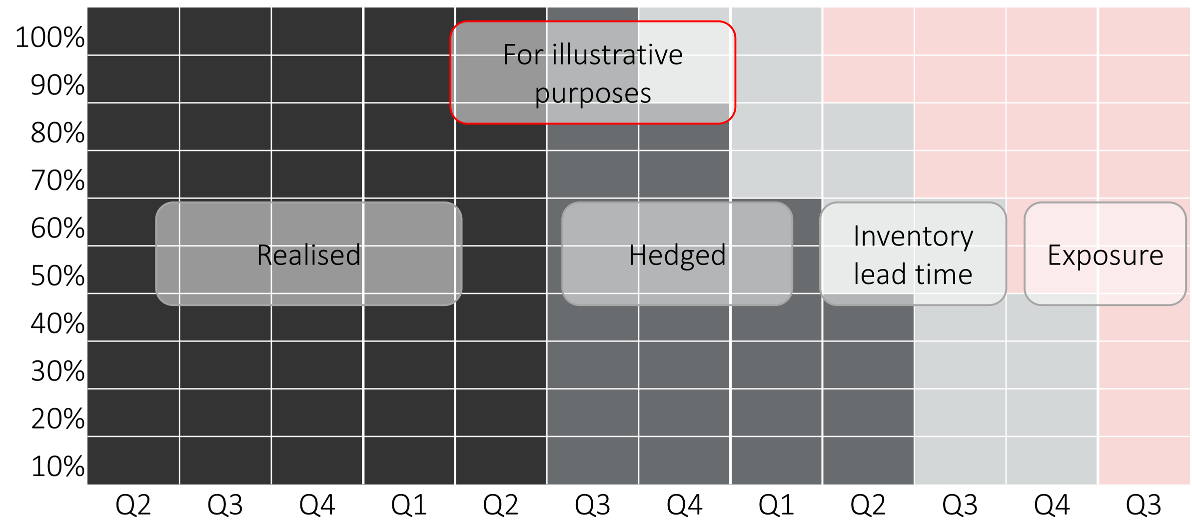
DKK million	Q2 2019	Q1 2019	Q4 2018	Q3 2018	Q2 2018
Inventory	2,609	3,116	3,158	3,737	3,068
- Share of revenue (last 12 months)	*11.7%*	*13.9%*	*13.8%*	*16.6%*	*13.5%*
Trade receivables	1,124	1,269	1,650	1,806	1,337
- Share of revenue (last 12 months)	*5.0%*	*5.6%*	*7.2%*	*8.0%*	*5.9%*
Trade payables	-1,632	-1,673	-2,253	-1,847	-1,271
- Share of revenue (last 12 months)	*-7.3%*	*-7.4%*	*-9.9%*	*-8.2%*	*-5.6%*
Operating working capital	2,101	2,712	2,555	3,696	3,134
- Share of revenue (last 12 months)	*9.4%*	*12.1%*	*11.2%*	*16.4%*	*13.8%*
Free cash flow	1,418	673	2,911	1,059	1,149
CAPEX	206	178	324	265	296
% of revenue	*4%*	*4%*	*4%*	*5%*	*6%*
NIBD to EBITDA (last 12 months)	*1.4x*	*1.4x*	*0.8x*	*1.0x*	*0.8x*

Selected KPIs					
Days Sales of Inventory - last 6 months of COGS (183 days)	*201*	*176*	*168*	*267*	*232*
Days Sales of Outstanding - last 3 months of wholesale and third party distribution revenue (90 days)	*40*	*48*	*40*	*60*	*49*

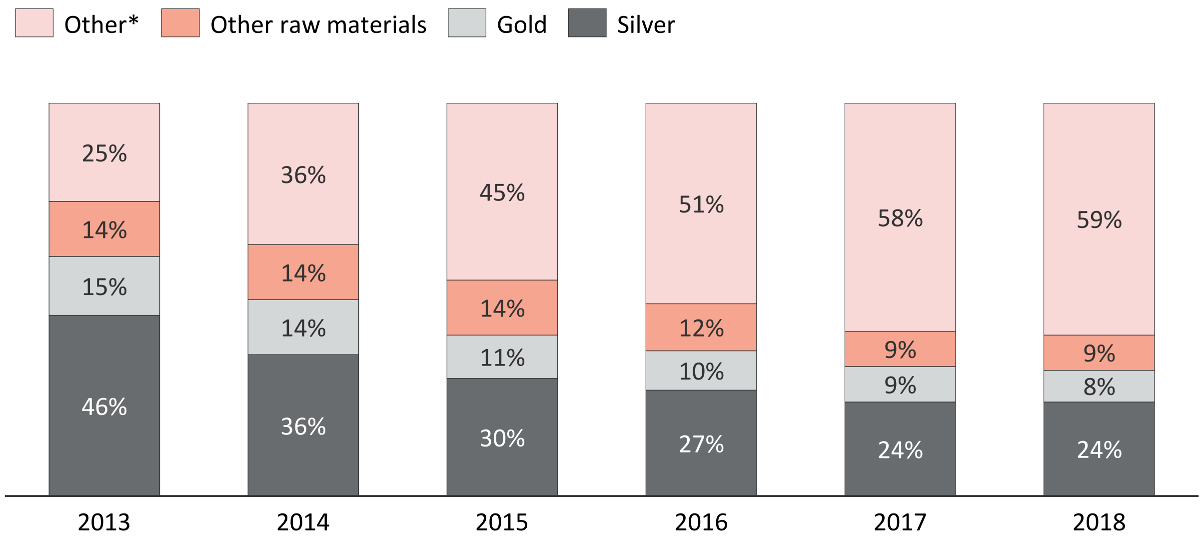
PANDORA

Hedging policy and raw materials share of production costs

Commodity hedging policy



Raw material share of cost of goods sold

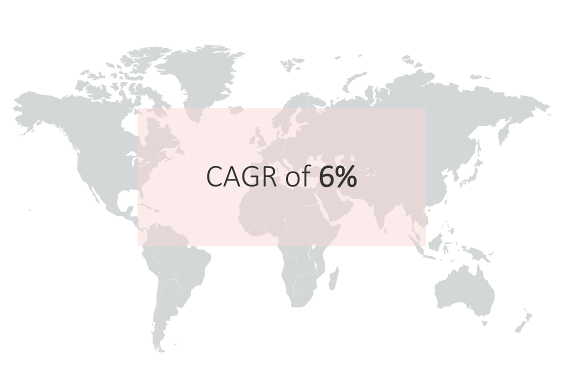


- Other in 2018 consists of ~40% labour, ~30% cost to third-party set-ups (i.e. plating) and ~30% licence, customs, remelt and minor provisions

Overview of the global jewellery market

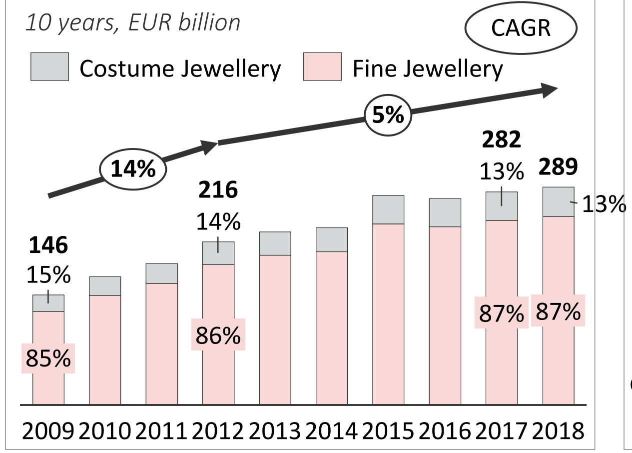
MARKET DEVELOPMENT

Fine jewellery market 2018- 2022



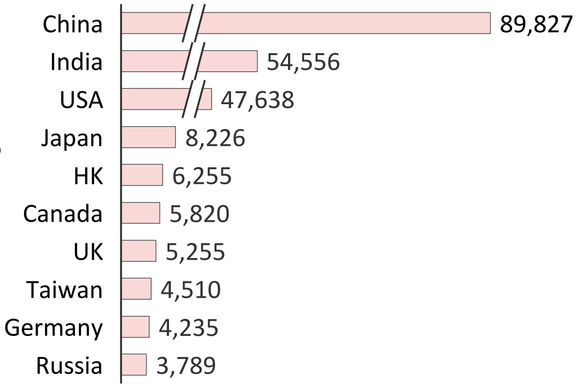
Jewellery market development

10 years, EUR billion



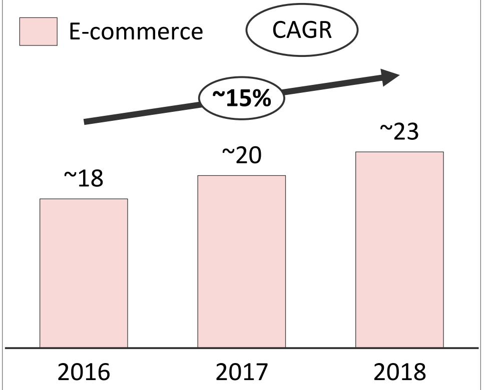
10 largest jewellery markets

2018, EUR million



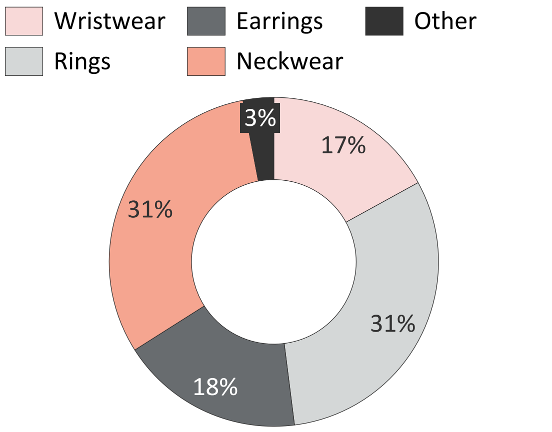
Jewellery eCOM development

EUR billion

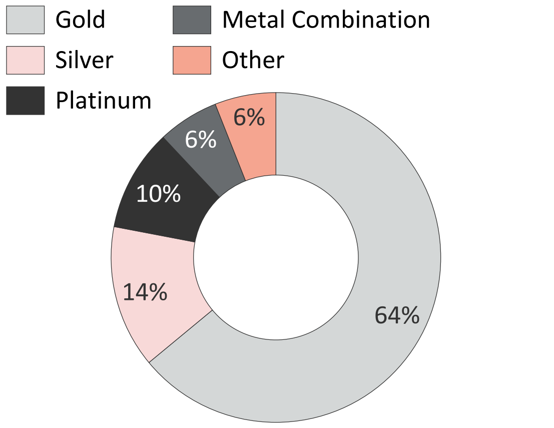


JEWELLERY DEVELOPMENT

Global category share

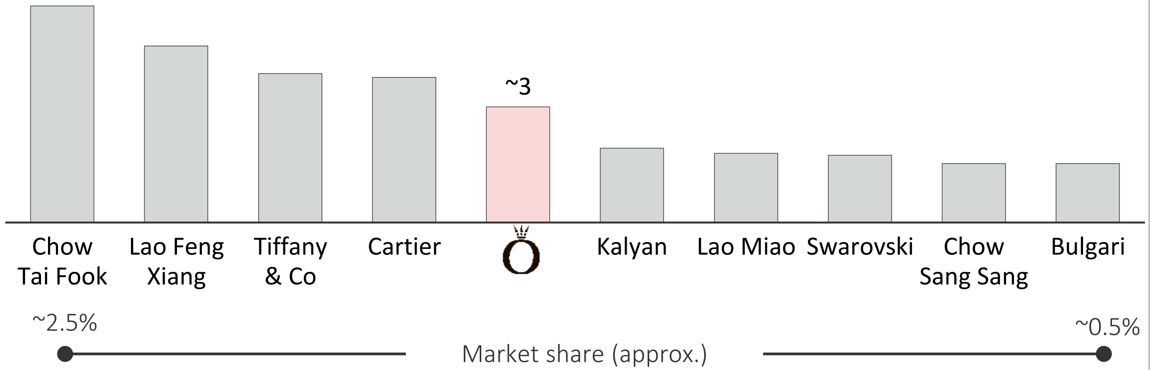


Fine jewellery metal split (2018)



World's 10 largest jewellery brands

EUR billion, 2017, approx.

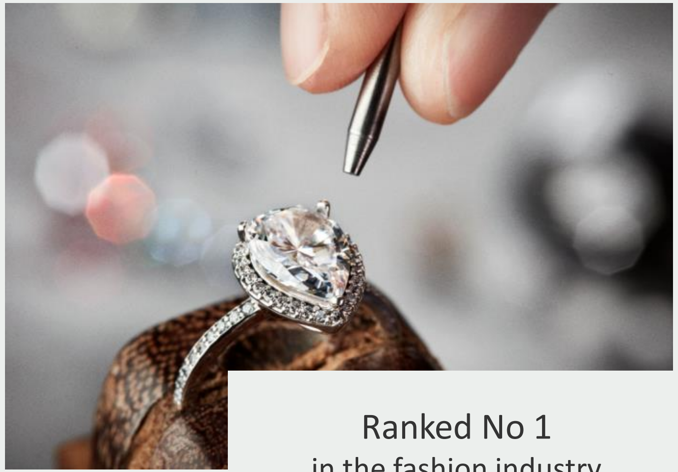


Source: Euromonitor

PANDORA

High Quality & Sustainability Standards

At the heart of Pandora´s business is the belief that high ethical standards and high-quality jewellery go hand in hand. We want women to be able to express themselves with responsibly crafted jewellery made from ethically sourced materials – because we care about our planet and our people.
We are committed signatories of the United Nations Global Compact and acknowledge our responsibilities in the areas of human rights, labour, environment and anti-corruption.
Pandora is a certified member of the Responsible jewellery Council since 2012, which means that external auditors have verified the high ethical standards throughout our operations.



Ranked No 1
in the fashion industry
by the Morgan Stanley Capital International’s Environmental, Social, Governance (ESG) rating (2017, 2018)

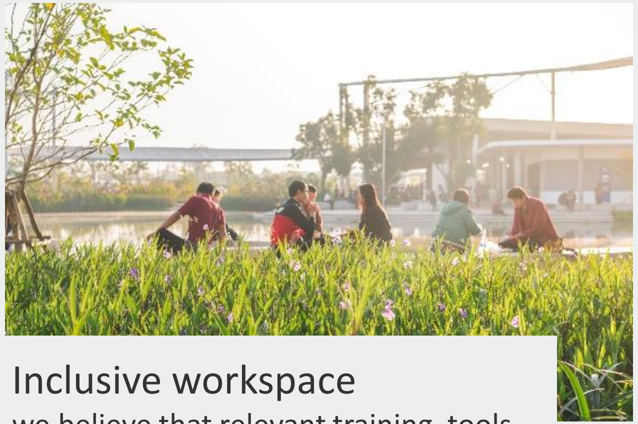
Pandora contributes to progress on most of the 17 United Nations Sustainable Development Goals. We focus on the seven goals where we believe our business can have the largest positive, as well as adverse, impact.

Read our 2018/19 Sustainability- and UNGC progress report

Pandora People in brief

PEOPLE ASPIRATIONS
To ensure our people have a safe, developing workplace

79%
of our managers are female
we are committed to fostering, cultivating and preserving a culture of diversity and inclusion



Inclusive workspace

we believe that relevant training, tools, support system and accessibility are crucial for a safe and welcoming environment for all colleagues. Examples of this are special benefits for pregnant employees and 100+ people with disabilities joining our production team

Community Development

13 schools helped and more than 1,600 children in Thailand have been positively impacted via our My School Project charity initiative

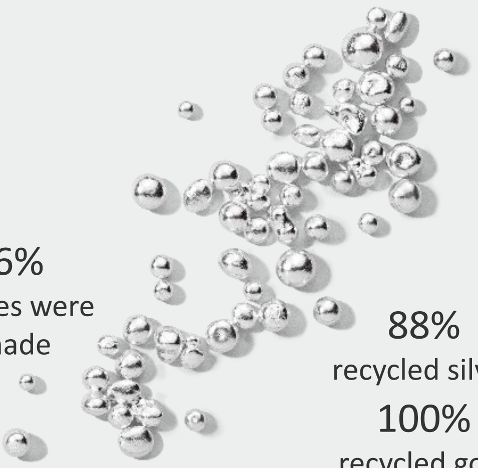
data per Dec. 31, 2018

SUSTAINABILITY

Pandora Product in brief

PRODUCT ASPIRATIONS
To craft our product with integrity

99.96%
of all stones were man-made



88%
recycled silver

100%
recycled gold

100% certified
LMBA/RJC silver and gold grain suppliers

Responsible Supplier Programme
ensures that our suppliers have the same high standards as we do

Pandora Planet in brief

PLANET ASPIRATIONS
To minimise our environmental impact

89%
of waste was recycled at our crafting facilities

Our two largest crafting facilities and global office are Leadership in Energy and Environmental Design (LEED) Gold Certified

95%
environmental saving for every kg of recycled gold & silver used (compared to mined silver/gold)

99%
environmental saving for every kg of cubic zirconia used (compared to mined diamonds)

Read our 2018/19 Sustainability- and UNGC progress report

data per Dec. 31, 2018

Investor Relations contact details

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Share information

Trading symbol	PNDORA
Identification number/ISIN	DK0060252690
GICS	25203010
Number of shares	100,000,000
Sector	Apparel, Accessories & Luxury Goods
Share capital	100,000,000
Nominal value, DKK	1
Free float (incl. treasury shares)	100%

ADR information

ADR trading symbol	PANDY
Programme type	Sponsored level 1 programme (J.P. Morgan)
Ratio (ADR:ORD)	4 ADRs : 1 ordinary share (4:1)
ADR ISIN	US 698 341 2031