



# WELCOME TO PANDORA CRAFTING & SUPPLY

PANDORA



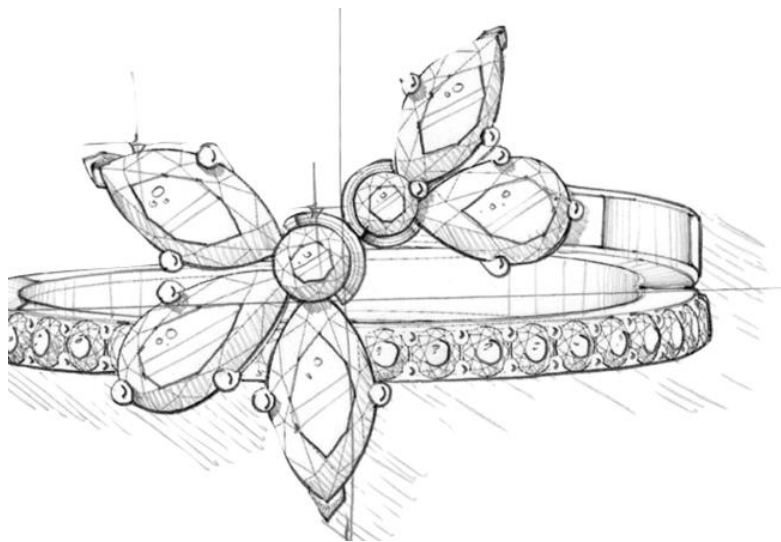
# NEXT CHAPTER OF GROWTH



PANDORA



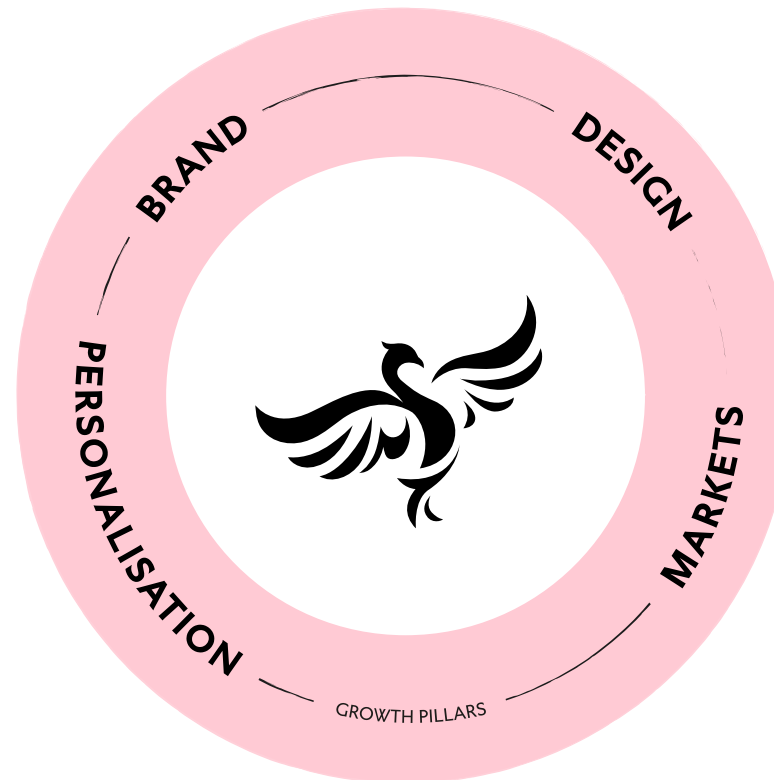
# A FULL JEWELLERY BRAND





# PHOENIX INITIATIVES DRIVING ACCELERATED GROWTH

- **Restaging the brand** – transforming the perception of Pandora
- **Retail transformation** (EVOKE concept roll-out)
- **Iconise heroes**



- **Art & science** – consumer-centric jewellery concepts
- **Drive growth in core** – charms & carriers
- Expand **design aesthetics & accelerate finished jewellery**

- Leverage magnitude of **first party data**
- **Connected digital experience** with personalised journeys
- World class **in-store experience**

- Continue focus on **core markets**
- Drive growth in wide range of **underpenetrated markets**
- **Network expansion**
- Build **future growth engines**



# INVESTMENT CASE IN BRIEF

A PROVEN AND SIMPLE MODEL DRIVING ATTRACTIVE SHAREHOLDER RETURNS



## FINANCIAL MODEL



# THE PANDORA BRAND

## AT THE CENTRE OF VALUE CREATION

### OUR OWN BRAND

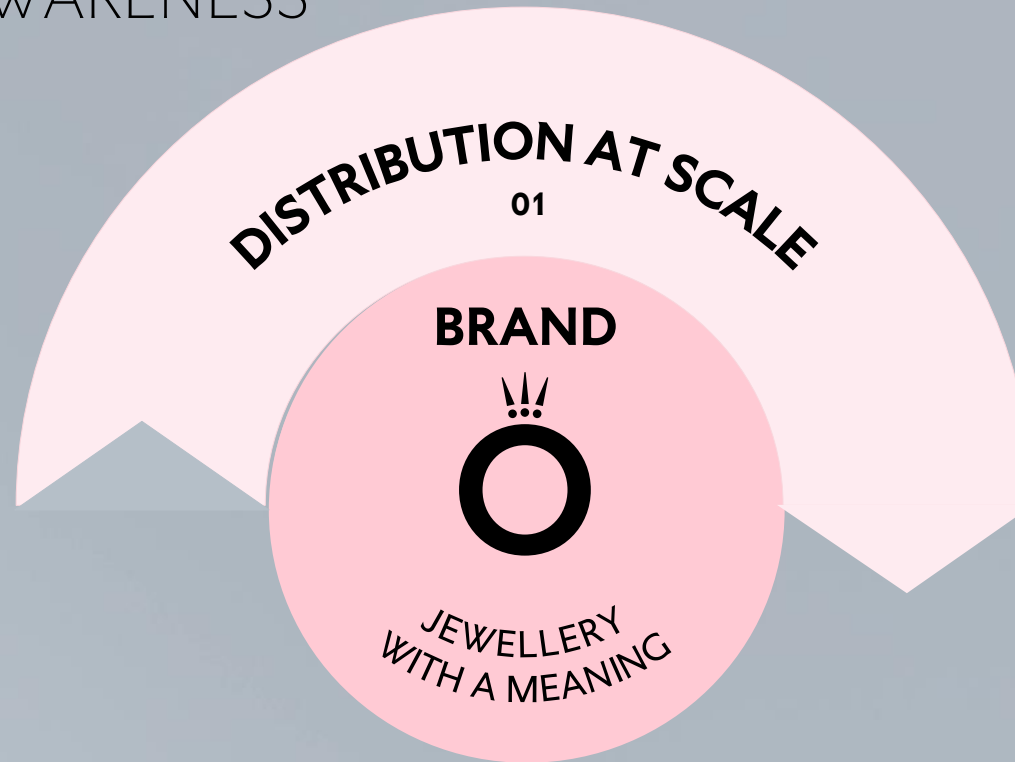


- Pandora owns the space of jewellery with a meaning
- This drives demand at scale
- Developed through the iconic Moments platform over 25 years
- In a largely unbranded category, Pandora has the highest unaided awareness globally



# END TO END COMPLETE VERTICAL INTEGRATION

A HIGHLY PRODUCTIVE GLOBAL RETAIL NETWORK  
ENHANCING BRAND AWARENESS



## 01 OUR OWN RETAIL NETWORK

- 2,670 concept stores globally of which 1,926 are O&O
- 3,965 other points of sales
- Store network drives more than half of brand awareness
- Store network deliver amongst best-in-class productivity (revenue/m<sup>2</sup> > DKK 130,000)
- 3 pieces sold every second, totaling >100 million annually

# END TO END COMPLETE VERTICAL INTEGRATION

STATE-OF-THE-ART CRAFTING FACILITIES LEVERAGING SCALE  
AND ENSURING QUALITY



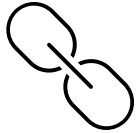
## 02 OUR OWN CRAFTING SET-UP

- Ability to mass produce at scale with >100m of units produced in-house per year
- Developed significant scale and cost advantage over 25 years
- Unmatched know-how of people and processes to produce hand-crafted accessible jewellery

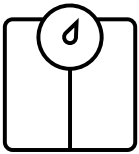


# THE PANDORA ECOSYSTEM

SCALING UP ALL BENEFITS DRIVEN  
BY THE BRAND



End-to-end **vertical integration**  
across the value chain

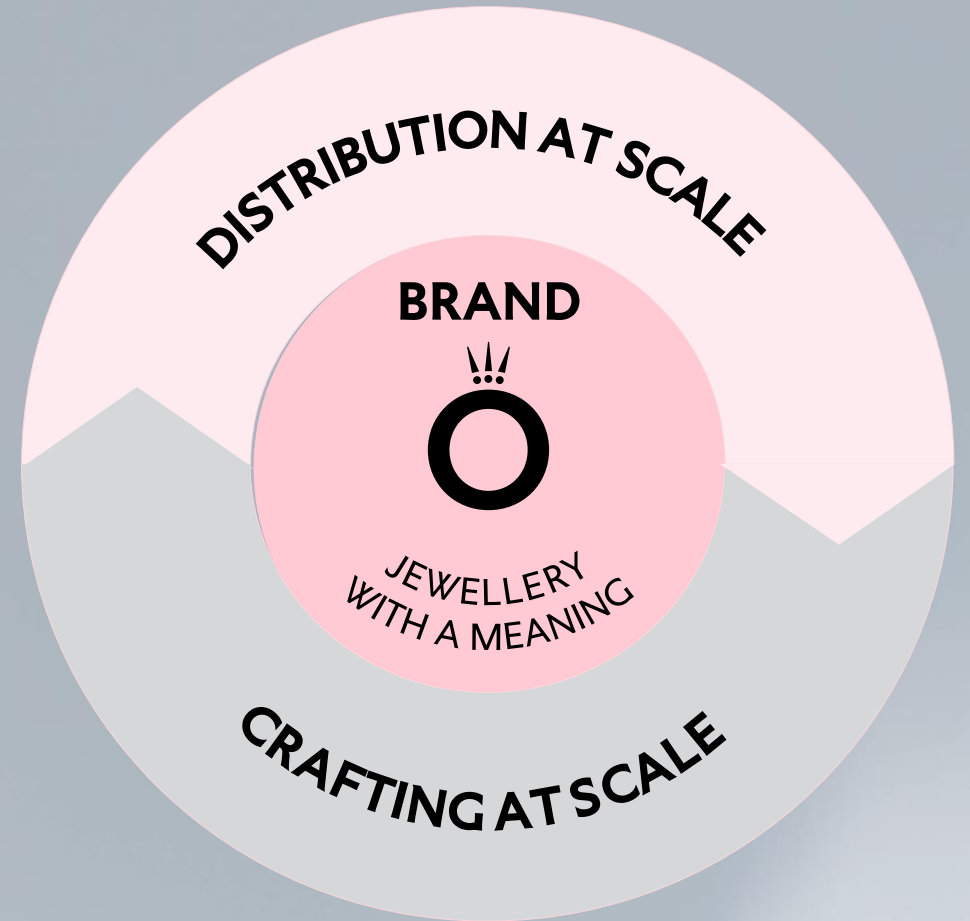


Leveraging **scale**  
and ensuring **quality**



Driving clear **advantages**  
over sub-scale competitor set  
– critical mass across all areas

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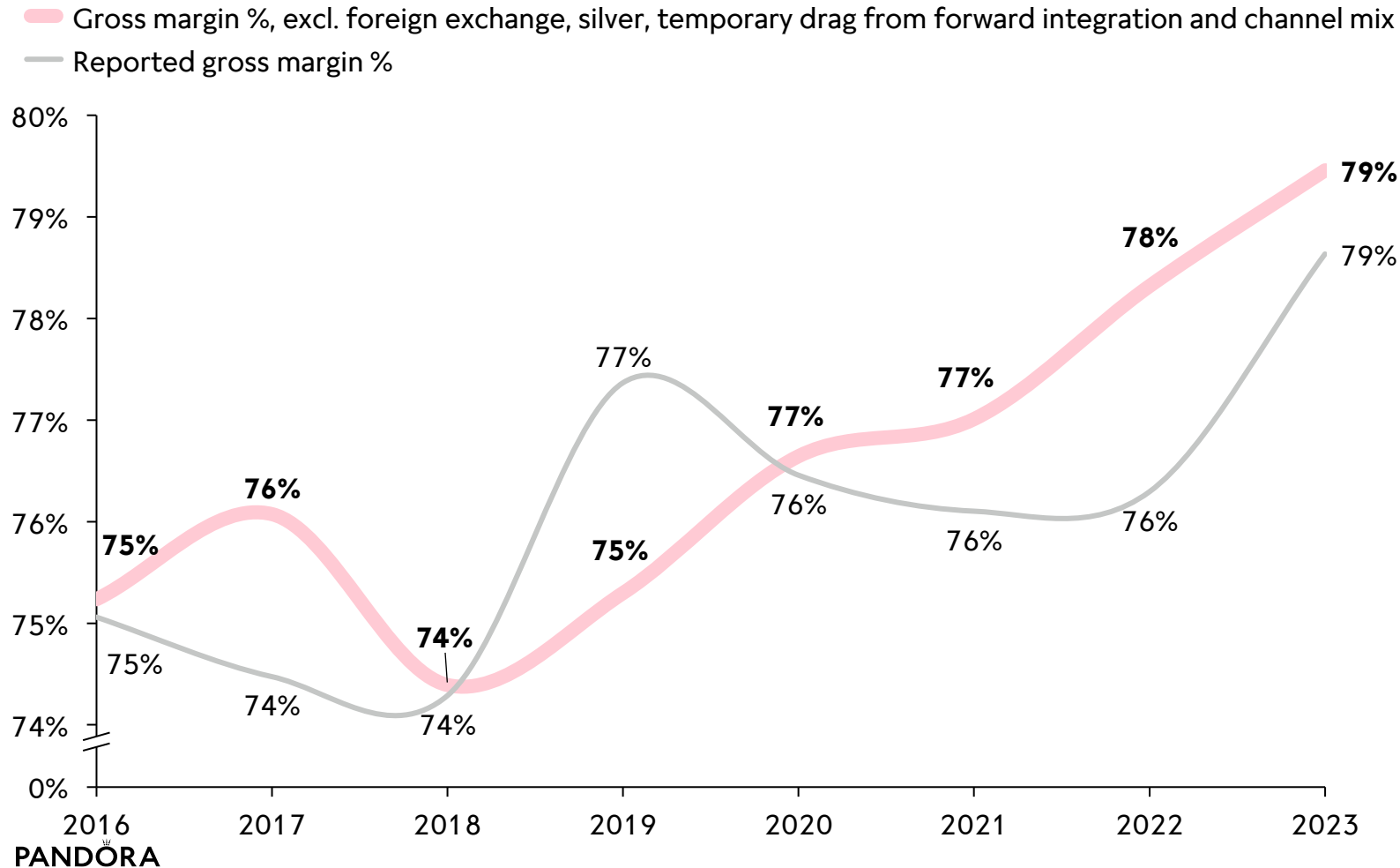


# DEEP-DIVE INTO PANDORA'S CRAFTING & SUPPLY SET-UP



# GROSS MARGINS ON UPWARD TREND

CRAFTING & SUPPLY HAVE HELPED OFFSET GROSS MARGIN HEADWINDS

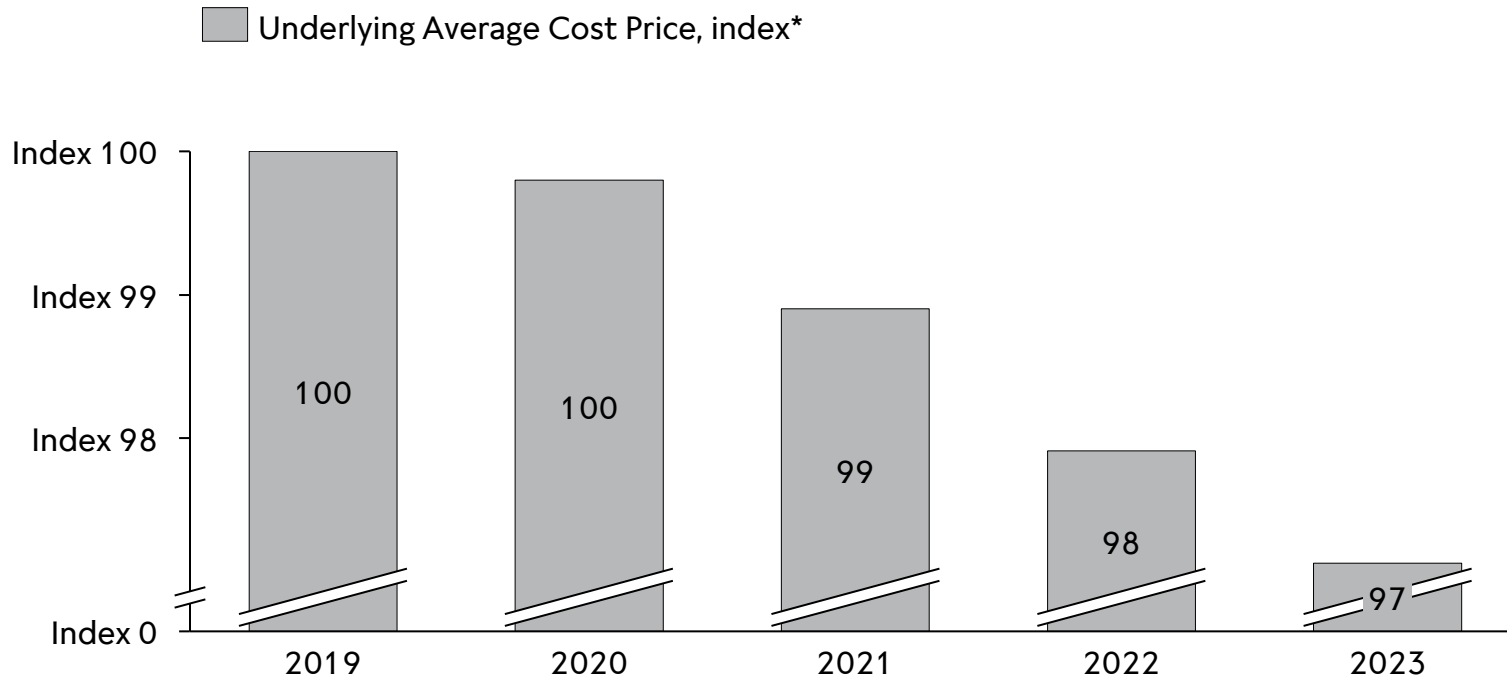


Pandora's gross margins have been on a consistent upward trend over multiple years, offsetting various headwinds. This has been driven by:

- Upward trend in ASP: ASP impacted by elevated discounting levels from 2016-2018. Promotional detoxing and price increases driving ASP up from 2019-2023
- Efficiencies and productivity improvements in Crafting & Supply: annual productivity improvements have kept average cost price per unit low and offset various headwinds

# EFFICIENCIES IN C&S HAVE MORE THAN OFFSET WAGE INFLATION

UNDERLYING AVERAGE COST PER UNIT HAS TRENDED SLIGHTLY LOWER OVER THE PAST FIVE YEARS



\*The Average Cost Price improvement is measured by applying 2019 FX, commodities and mix to 2020-2023.

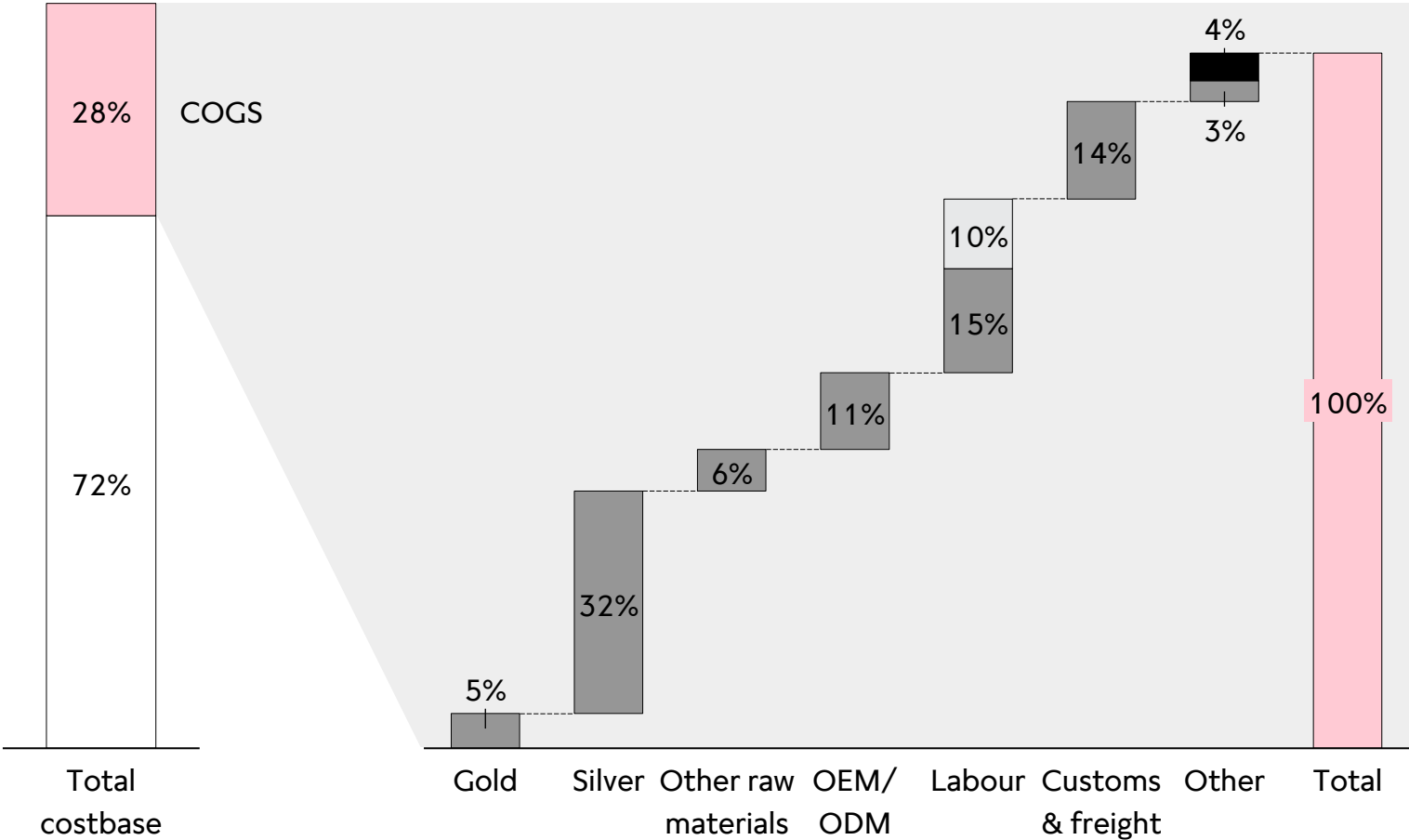
Pandora's Crafting & Supply operations have driven annual productivity improvements. These improvements have more than offset local salary inflation to drive the underlying average cost per unit slightly lower over the past five years



# THE COST OF GOODS SOLD ARE HIGHLY VARIABLE

WELL EQUIPPED TO ADJUST TO CHANGES IN DEMAND

Fixed element
  Semi-variable element
  Variable element



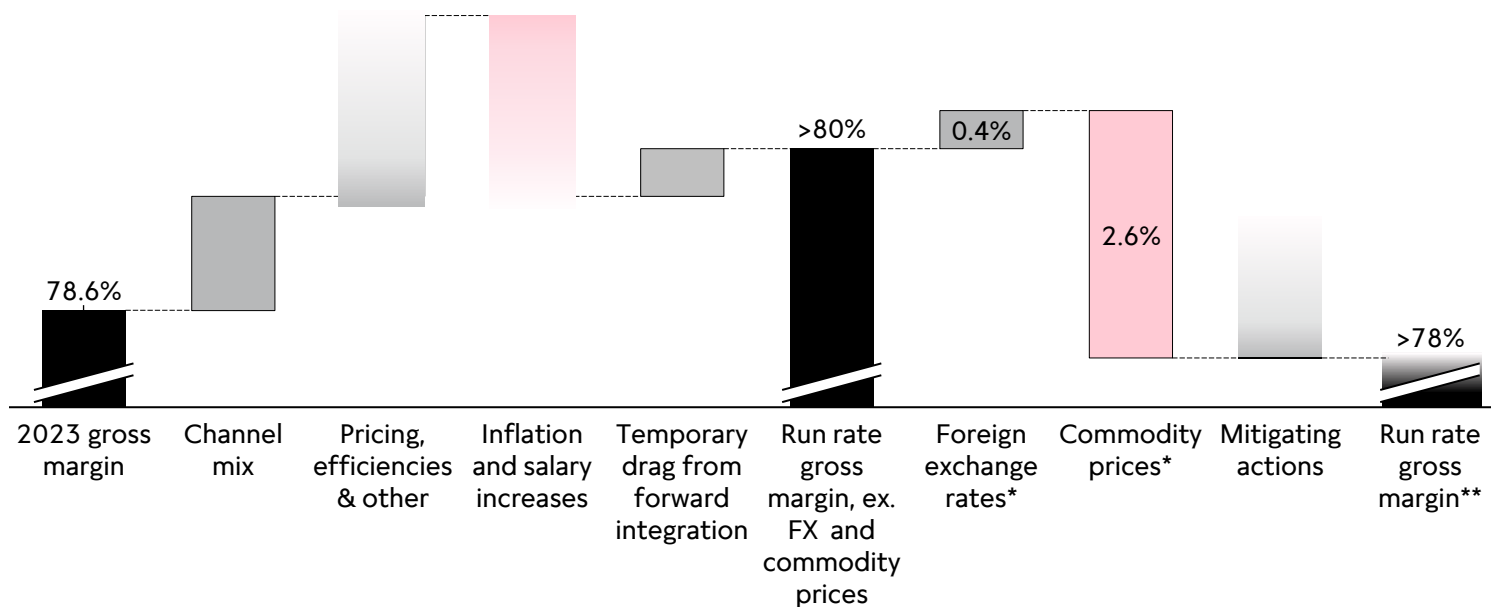
Only around 4% of our cost of goods sold are truly fixed

This flexibility provides “downside” protection: we can adjust to lower demand, if needed, whilst maintaining structurally high gross margins

# THE GROSS MARGIN WILL REMAIN SUSTAINABLY HIGH

CHANNEL MIX, PRICE INCREASES AND EFFICIENCIES SUPPORTING THE GROSS MARGIN

ILLUSTRATIVE ONLY



Pandora continues to see further structural drivers supporting the gross margin. This includes:

- Driving further annual scale and productivity benefits, including improvements from automation
- Annual 1-2% price increases to structurally support profitability
- Channel mix continues to be a tailwind to the gross margin

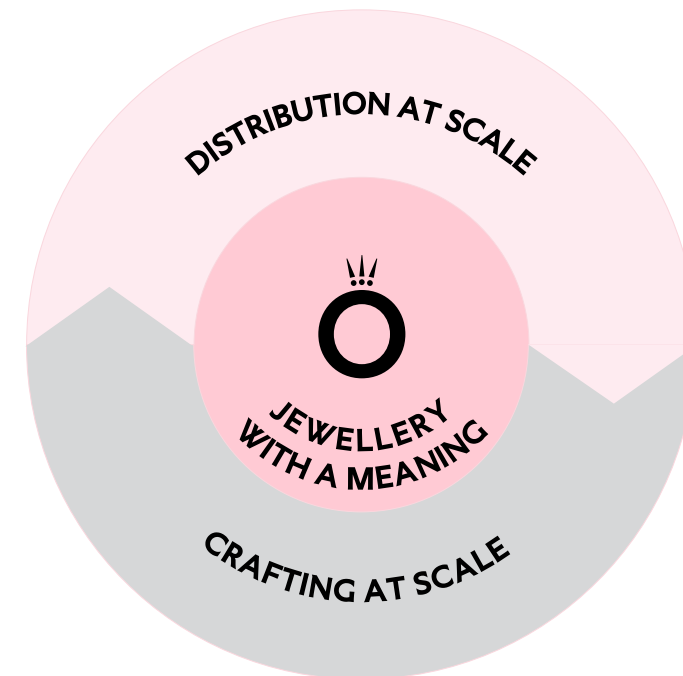
At current spot prices, there's a 230bp headwind from silver and 30bp headwind from gold

\*Impact vs 2023, based on a spot silver price of USD 30.5 per oz and spot gold price of USD 2,344 per oz. Foreign exchanges rates as per June 5, 2024

\*\*Assumes no mitigating actions to offset margin pressure from commodity prices

# A MODEL FOR SUSTAINABLE VALUE CREATION

SCALING UP ALL BENEFITS DRIVEN BY THE BRAND



## FINANCIAL MODEL



A photograph of a modern, multi-story white building with the word "PANDORA" in large, dark letters on the top facade. In the foreground, several people with long hair, wearing maroon jackets and dark trousers, are walking away from the camera. A security guard in a blue uniform and yellow vest is visible on the right side of the frame. The scene is set outdoors with trees and a clear sky.

PANDORA

# INTRODUCTION TO PANDORA CRAFTING & SUPPLY

Jeerasage Puranasamriddhi  
Chief Supply Officer

PANDORA



# TWO-DAY CRAFTING FACILITY TOUR

DESIGNED TO EMPHASISE DIFFERENT AREAS

Both Crafting  
& Supply sites in  
Bangkok and Lamphun  
offer similar level of  
**capabilities and  
craftsmanship**

## CRAFTSMANSHIP

The heart and soul of Pandora



### DAY 1

Bangkok site visit focuses on  
**centralised functions** and how  
craftsmanship works with

**TECHNOLOGY  
& INNOVATION**



### DAY 2

Lamphun site visit provides  
a **clear and comprehensive view**  
of our production highlighting

**END-TO-END  
CRAFTING PROCESSES**

# THAILAND OFFERS A **FAVOURABLE BUSINESS CLIMATE** WITH EXCELLENT LONG-TERM GROWTH POTENTIAL



## **Stability & unity**

An environment with low natural disaster and geopolitical risk, Thai also emphasis on harmony creating a stable business landscape



## **Government comprehensive policies & investment incentives**

Land ownership rights for foreign investors, import duties & corporate income tax exemption



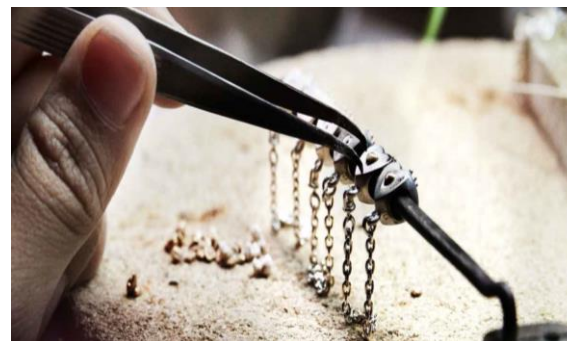
## **High-quality craftsmanship**

Thailand's rich artistic heritage, rooted in traditions dating back to the 13th century, continues to inspire skilled workers today



## **Growing economy**

The second-largest economy in Southeast Asia with a stable growth rate fueled by various industries



# CRAFTING DREAMS INTO REALITY



**1982**

Pandora is founded in Copenhagen, Denmark.

**2000**

Pandora's signature charm bracelet concept is launched.

**2010**

Pandora is listed on the Nasdaq Copenhagen stock exchange



**2017**

Our LEED Gold-certified crafting facility opens in Lamphun

**2020**

Our crafting facilities run on 100% renewable energy, initiated lab-grown diamond and launched the next year



**2023**

Pandora shifted to 100% recycled silver and gold in our sourcing



**1989**

Pandora starts crafting jewellery in Thailand.



**2005**

Pandora's first fully-owned crafting facility opens in Bangkok.

**2012**

The Pandora Innovation Centre is established



**2018**

Pandora's new silver crafting facility established in Bangkok and started production at BB plating facility



**2022**



Expansion of several facilities, including AAA, A16, ALE and deciding to establish crafting facility in Vietnam

**2024**

>12,000 employees in Pandora Crafting & Supply





# PANDORA'S CRAFTING & SUPPLY NETWORK

## BANGKOK-AAA



45M pieces at full capacity

**State-of-the-art silver production facility** with an innovation centre adjacent, featuring a flowline setup for **agile and flexible** workflow.

## BANGKOK-BB



20M pieces at full capacity

**Worldclass plating facility** with advanced process control system, maximising efficiencies for end-to-end **rose & gold plating** production.

## LAMPHUN



45M pieces at full capacity

**First zero Scope 2 CO2-emission facility in Thailand**, produces **silver, gold and two-tone**, specialising in crafting high-value items. Capacity expansion of 20m plated pieces is in place, pending for execution

## VIETNAM

(under construction)



60M pieces at full capacity

**Designed by combining the learning of our three facilities** with latest technology to add Pandora capacity, **fuel growth, and diversify risks.**

## OEM/ODM



~20 manufacturers in our network globally

**Extend capacity & capability and drive innovation** as well as mitigating risk by strengthening and **growing our network.**



# NEW CRAFTING FACILITY IN VIETNAM



**Located in Binh Duong Province**



**Famous for skilled craftsmanship**

Vietnam is a hub for high-quality handcrafted goods



**Business friendly government policy**

Regulatory reforms, legal enhancements, trade agreements, and supportive business measures



**Developing Infrastructure**

Significant investments in transportation, energy, logistics, and industrial zones

# DIVERSIFY RISK & FUEL GROWTH

**150M USD**

In total investment for the facilities

**60M**

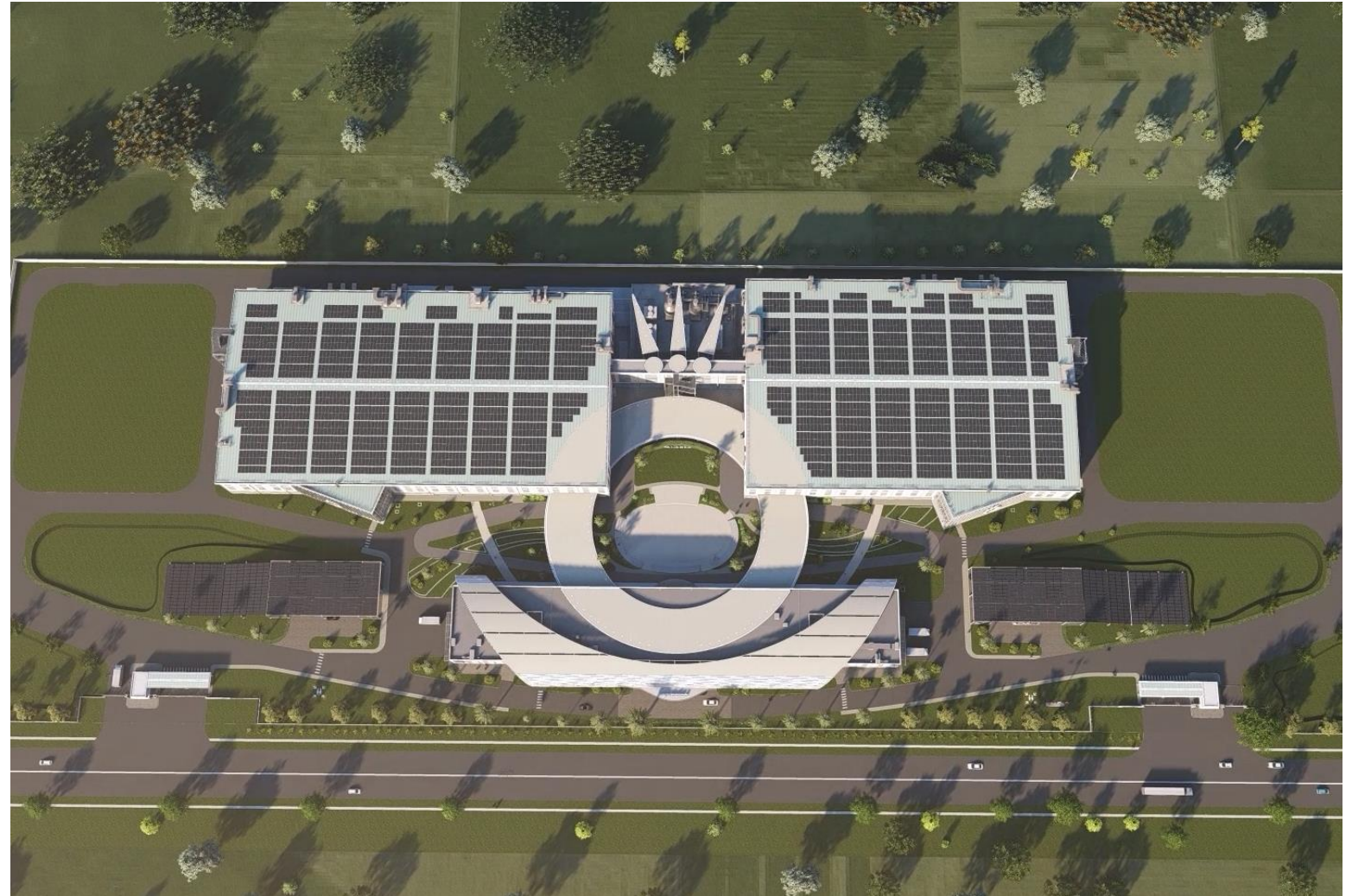
Pieces of jewellery yearly with  
40 million pieces of silver and  
20 million pieces of plated jewellery

**100%**

Run on renewable energy

**LEED GOLD**

Certified in Leadership in Energy and  
Environmental Design Standard



**Q2-2024**  
GROUND-BREAKING



**Q4-2025**  
COMMISSIONING



**Q1-2026**  
FIRST PRODUCTION



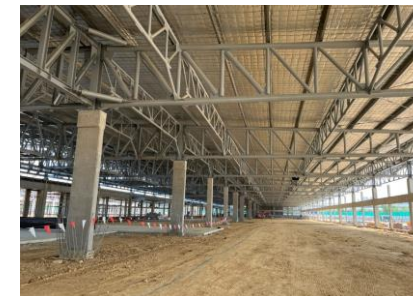
# OUR LAMPHUN-NORTH CRAFTING FACILITY

We are now placing a higher priority on the larger Vietnam expansion, which will add 60 million pieces, due to geographical risk diversification. This means we are adjusting the timeline for the smaller expansion in Northern Thailand which is set to add 20 million plated pieces.

- ✔ Factory permit
- ✔ LEED extension to 2025
- ✔ Maintenance service contract
- 🕒 Time to operationalise 13-16 months



All structures and installations are ready to reignite when appropriate.







# INSIGHTS INTO OUR CRAFTING & SUPPLY OPERATIONS



# OUR CRAFTING AT SCALE



We enhance our scale with flexibility to handle demand fluctuations



Flexible Time & Resources



Multi-skilled Craftspeople



Extensive Supply Network

# FROM IDEAS TO STORES

OUR ROBUST E2E PROCESS ENABLE OPERATIONAL EXCELLENCE  
OPTIMISING COST WHILE DELIVERING SUPERIOR QUALITY

Global  
Business Unit

Brand Identity  
& Communications

Product  
Merchandising

Product Design  
& Design Operations

Product  
Development

Quality  
Assurance

Production  
& Supply Chain

Marketing  
& Sale

**CLOSE COLLABORATION ACROSS VALUE CHAIN FROM IDEAS TO STORES**  
Enhancing efficiency, product quality, and customer satisfaction

## INNOVATION



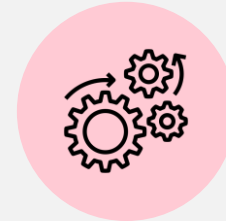
Innovating **products, materials or techniques**

## DESIGN & DEVELOPMENT



Converting hand-sketched design to 3D CAD then create samples using **rapid prototyping**

## PRE-PRODUCTION



Developing routing to **optimise productivity, quality** while **training our craftspeople**

## CRAFTING AT SCALE & DISTRIBUTION



Mass producing with **continuous improvement** to maximise performances

# PEOPLE IS OUR MOST VALUABLE ASSET

## PRODUCTION ACADEMY

Our systematic training

1:10

Master Trainer : Trainees

+8,200

Multi-skilled craftspeople



Meals



Social events



Transportation to and from work



Air-conditioned work environment



Paternity & maternity leave



Provident Fund (Pension)



Health and Accident Insurance



Financial day & Debt Restructuring







# CRAFTSMANSHIP

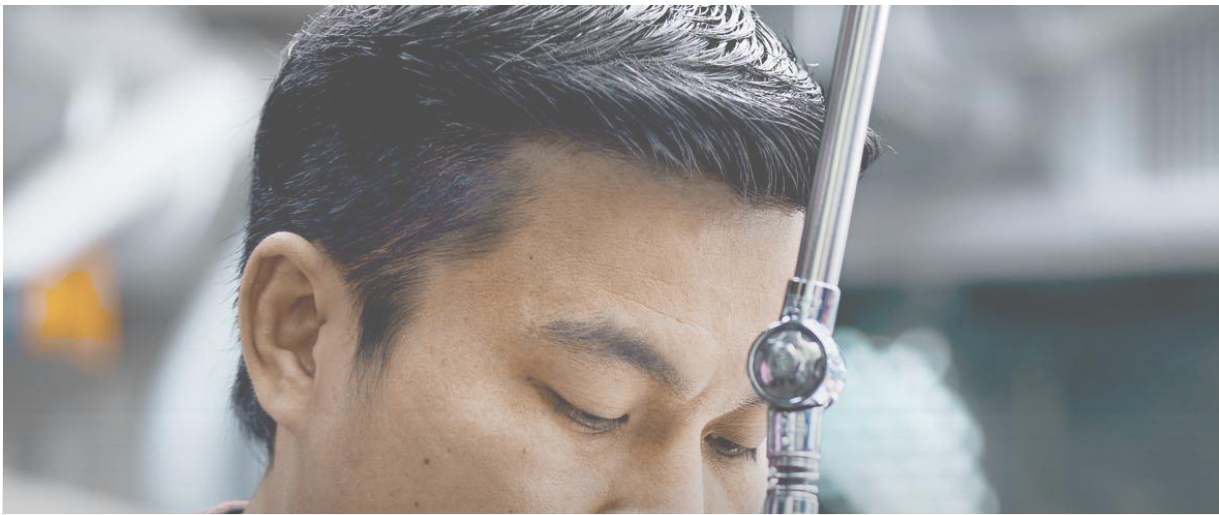
With over three decades  
of experience in the jewellery  
industry and unparalleled scale,

***“we master craftsmanship”***

which is part of the Pandora DNA

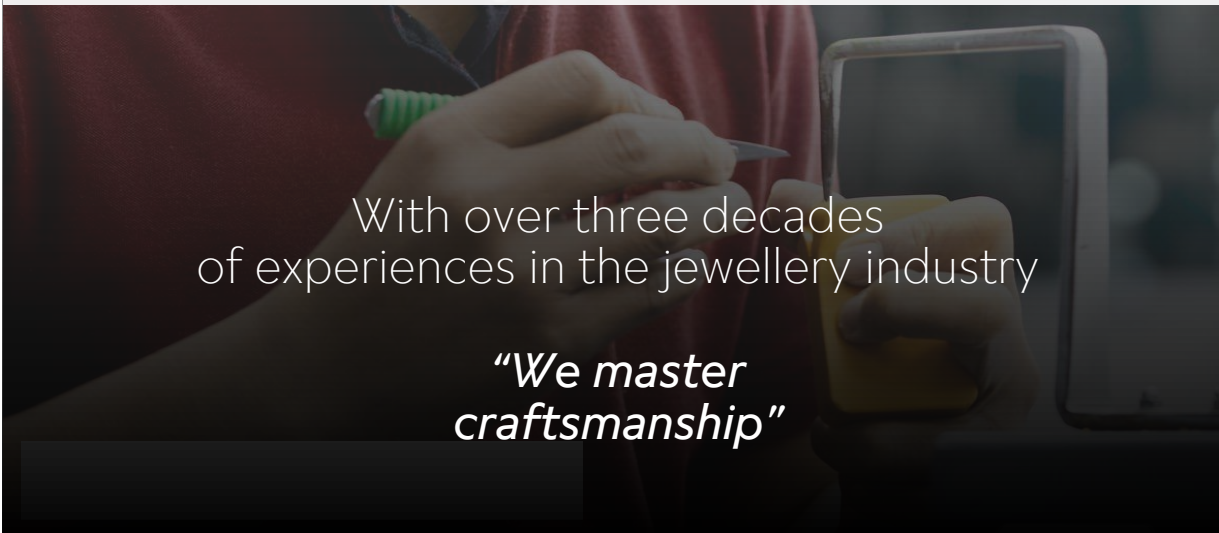






# CRAFT & TECH

Combining crafting, technology and digitalisation to deliver the most **desirable, accessible and sustainable jewellery** at scale



With over three decades of experiences in the jewellery industry

*"We master craftsmanship"*



Technology to enhance product and process

*"We innovate for cost, quality and service optimisation"*



Backboned by Data Driven & Digitalisation

*"We use data and digitalisation to drive performances"*

# COMBINE CRAFT & TECH FOR OPERATIONAL EXCELLENCE

Time to produce, minutes

Silver bracelet with heart-shaped clasp, 9.9 million units, 2019-2024



Snake chain sterling silver bracelet, 1.7 million units, 2019-2024



Sterling silver necklace with sliding clasp, 1.3 million units, 2019-2024



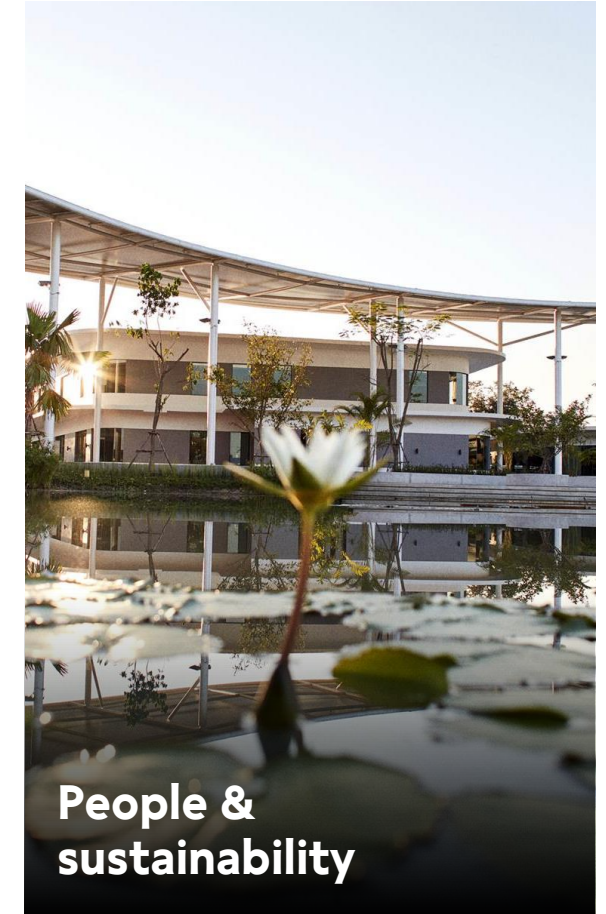
Heart and infinity sterling silver charm, 1.8 million units, 2019-2024





# PANDORA CRAFTING & SUPPLY

## KEY TAKEAWAYS



Strive for excellence through continuous improvement mindset





# Q&A SESSION

Anders Boyer, Chief Financial Officer  
Jeerasage Puranasamriddhi, Chief Supply Officer



# INTRODUCTION TO C&S INNOVATION

Joyce Lam  
Vice President, Innovation & Product Development

**PANDORA**

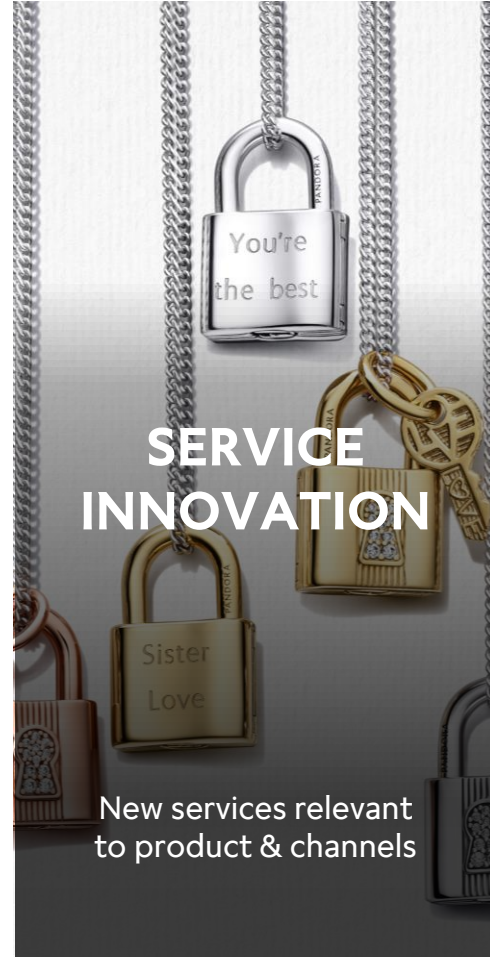
Our 2024 Pandora ESSENCE Collection

# PANDORA INNOVATION

HOLISTIC CONNECTION OF PRODUCT, SERVICE AND CRAFT & TECH

CONSUMER ←

VALUE  
CREATION



→ CRAFTING

COST  
OPTIMISATION

INNOVATION BOARD



# PRODUCT INNOVATION LAUNCHES



# CRAFTSMANSHIP EVOLUTION





# MURANO GLASS IN THE MAKING

A special technique is used to make elongated concave marks in the surface of this Murano charm, to give it a watery, bubble-like look.





# A ROSE IN BLOOM

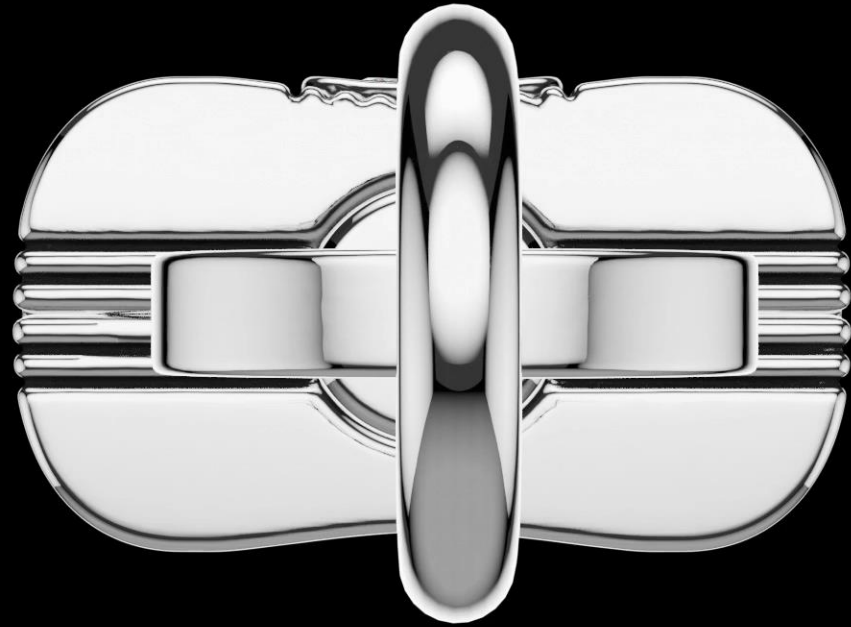
Layers of pavé-set petals create this stunning charm.





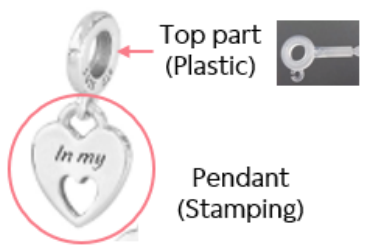
# SHADED ENAMEL

Delivering aesthetic appeal, durability and versatility, enamel can be applied in different ways to create various textures and effects that enhance the overall design.





# TECHNOLOGY INNOVATION LAUNCHES



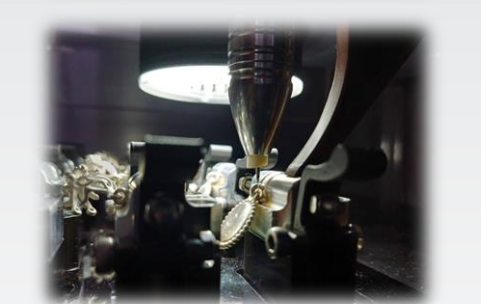
**Plastic injection & stamping**



**Patented auto-snake chain line**



**2D and 3D wax set**



**Vision soldering machine**



**Wire forming**

# INNOVATION CAPABILITIES

ENABLING SCALABILITY & QUALITY THROUGH KNOWLEDGE & TECHNOLOGY

Innovation capability

Innovation library



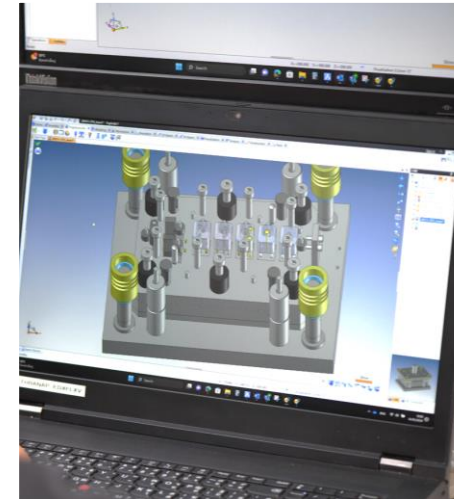
Innovation lab



Intelligent machine solution



Machine, mold & die fabrication



Innovation ecosystem



Craft & Tech

DEVELOPMENT

CONSUMER NEEDS

MANUFACTURING

SCALABILITY & QUALITY

CONSUMER



# OUR INNOVATION ECOSYSTEM







# LEADING THE INDUSTRY ON SUSTAINABILITY

Mads Twomey-Madsen  
Senior Vice President, Communications & Sustainability

# LOW-RISK ESG PROFILE WITH A LEAD POSITION

Low-carbon emissions business

High degree of recycled and renewable materials

Vertically integrated with high control and transparency



Low-risk score, ranked **#38** out of 218 companies in the sector



Among **top 5%** in the consumer sector on global eNPS score



AAA raking for the **8<sup>th</sup> consecutive year**



# GIVING BACK TO THE COMMUNITY

## My School project

Construction and refurbishment of schools in rural Thailand for 18 years

## UNICEF global partnership

Helping provide access to education and healthcare to more than 1.2 million children



PANDORA for unicef 

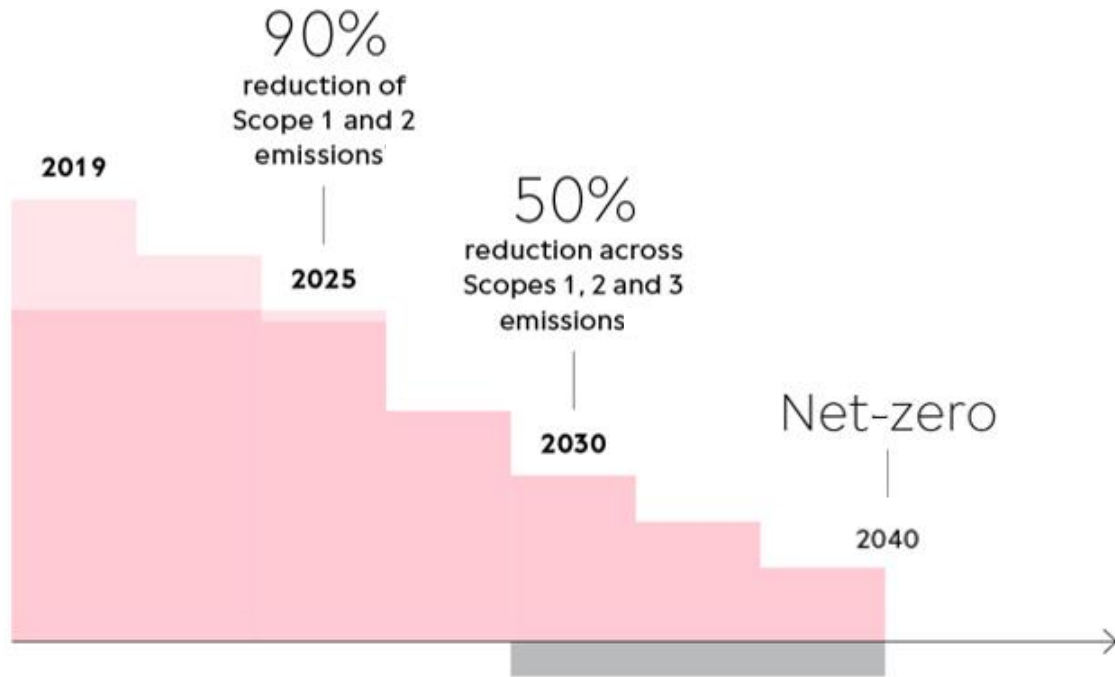




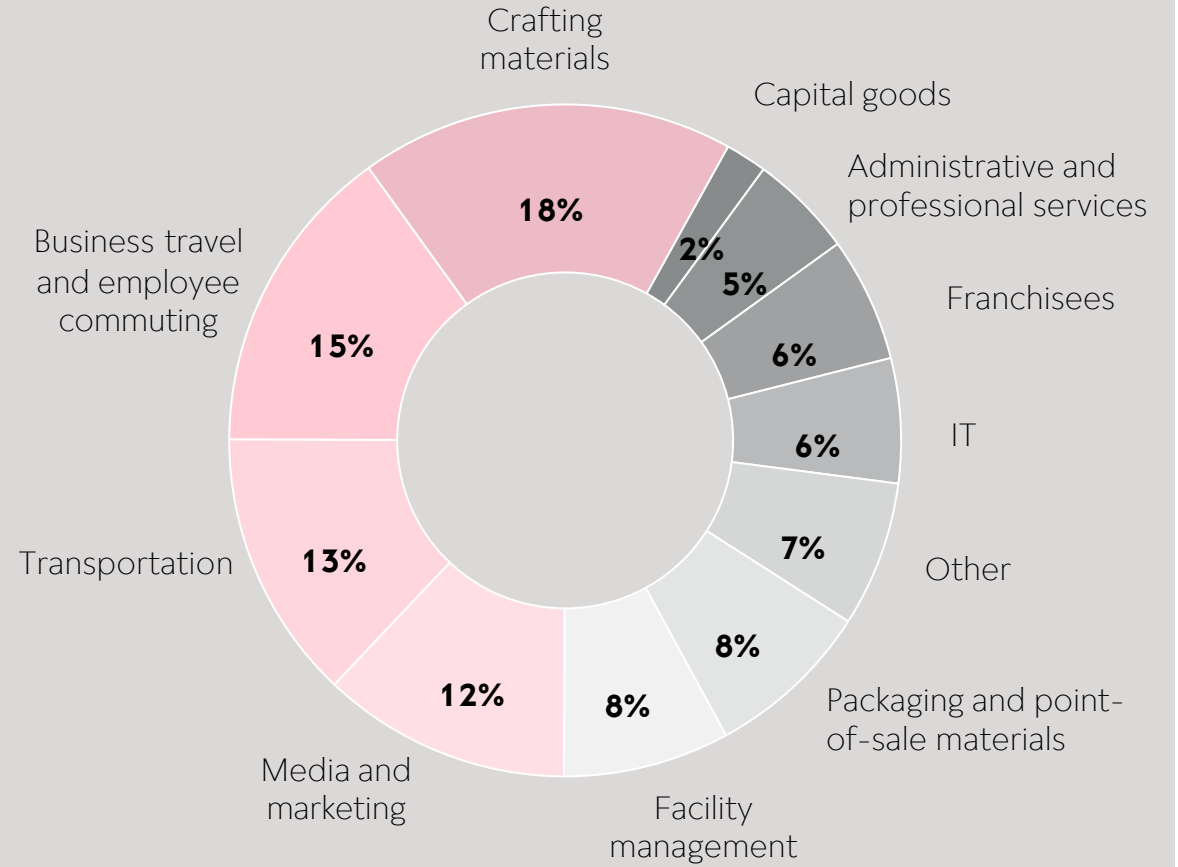
# BECOMING A LOW-CARBON BUSINESS

## Reductions roadmap to reach net-zero

- Scopes 1 and 2 emissions
- Scope 3 emissions
- Carbon removals

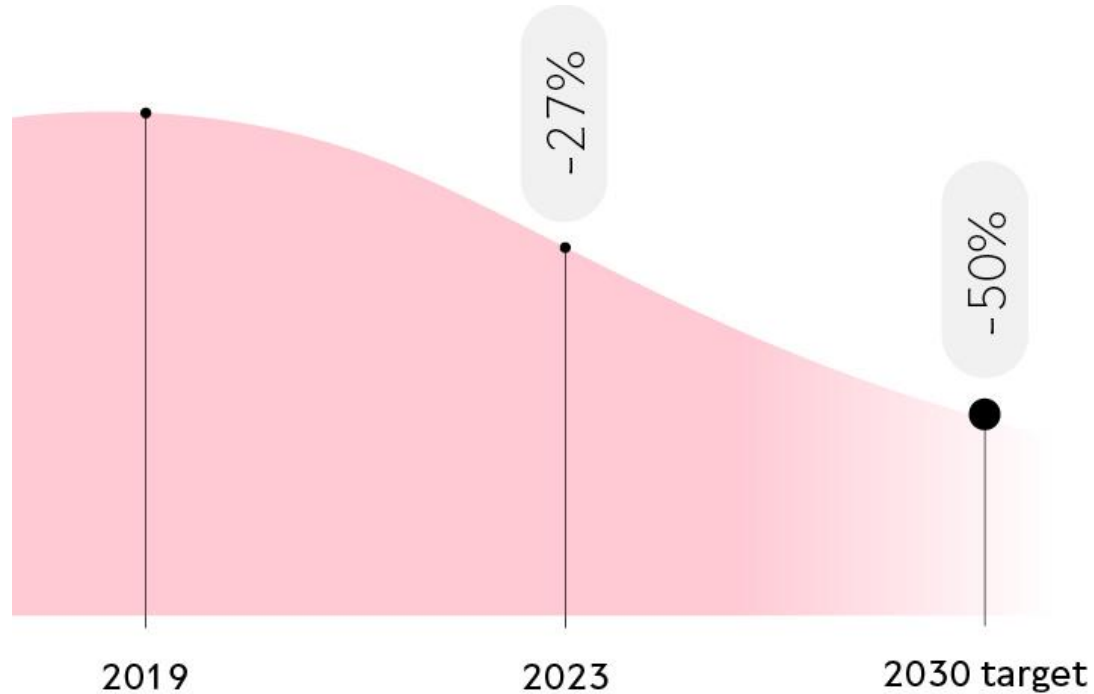


## Scope 3 emissions



# ROAD TO 2030 TARGET

Reduction in total greenhouse gas emissions



## Scopes 1 & 2

- **Energy efficiency** across crafting facilities and other operations
- Shifting to 100% **renewable energy** across all operations

## Scope 3

- Low carbon transport by investment in **biofuels** and **changing modes of transport**
- Reduce business **travel emissions**
- Scale supplier commitment to **renewable energy** and carbon reduction targets
- Require franchisees to use **renewable energy**
- Require suppliers to shift to **materials and services** with lower carbon footprints



# MANAGING CRAFTING WASTE

**Recycling 99.8%**  
**of waste** from  
our crafting facilities





# RETHINKING MATERIALS

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**100% recycled silver and gold**  
in full supply chain

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Carbon footprint of recycled metal is **one-third** of mined silver, and **1%** of mined gold



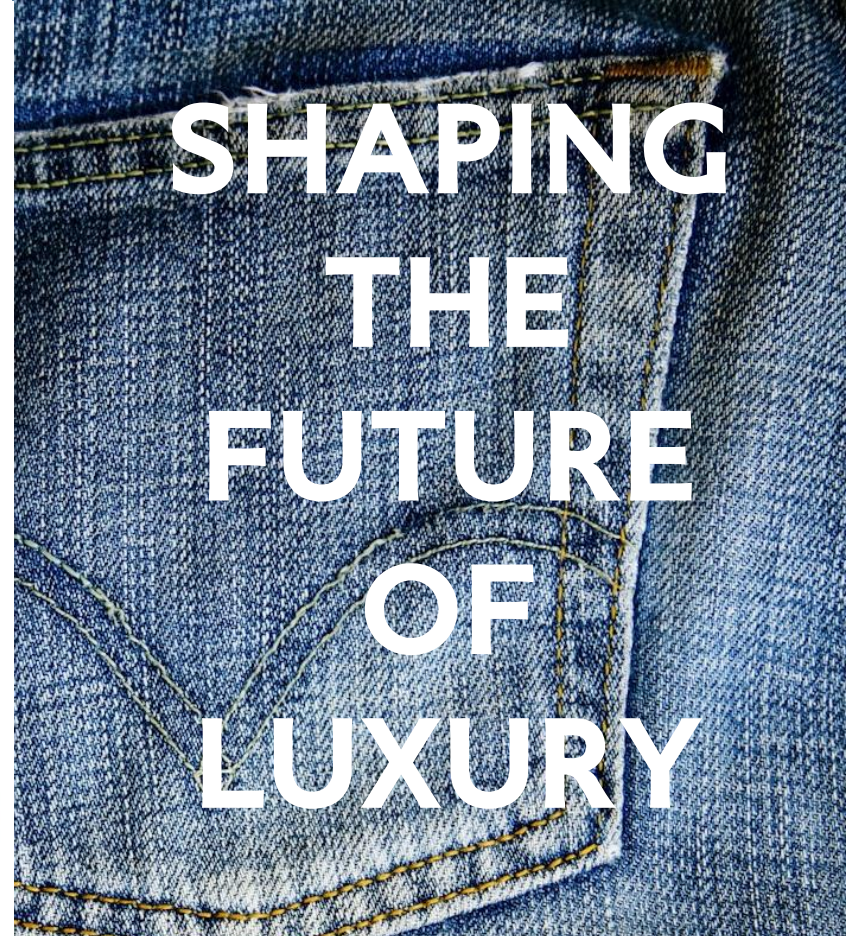
**Lab-Grown Diamonds**  
made with 100% renewable energy

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The carbon footprint is **~95% lower** than that of a mined diamond of the same size



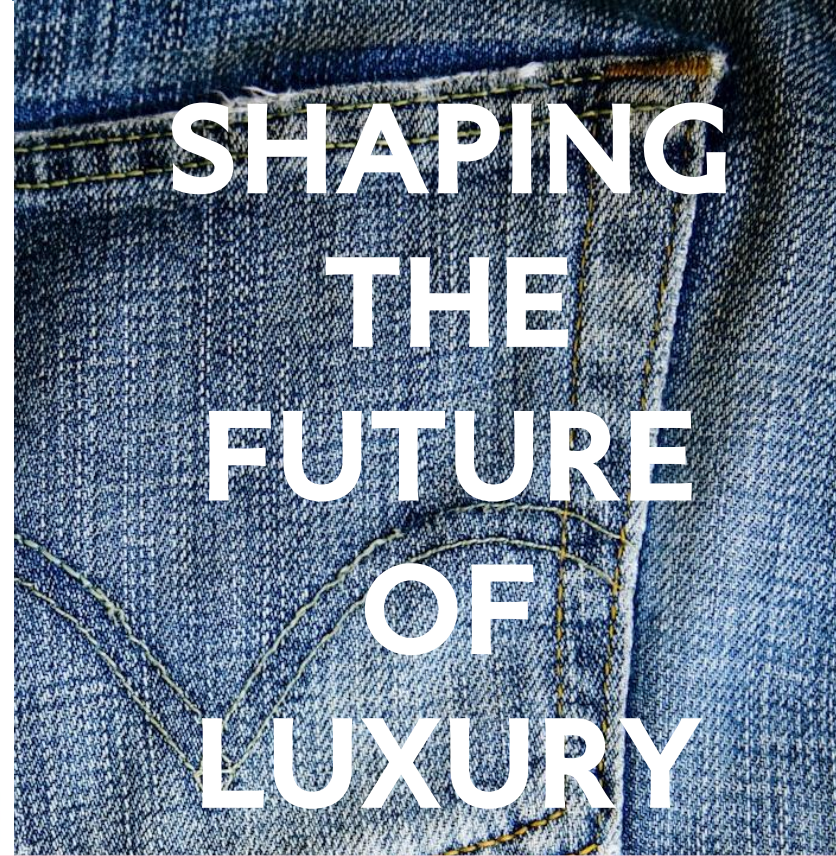




# SHAPING THE FUTURE OF LUXURY

DIAMONDS, JEANS AND ALL THE CARS  
**IN NEW YORK CITY**





# SHAPING THE FUTURE OF LUXURY

## POSSIBLE TODAY

Our Infinite 1 carat diamond gold ring has a similar **carbon footprint as a pair of jeans**

## POTENTIAL IMPACT

If all diamonds mined annually had a carbon footprint like our lab-grown diamonds, we would avoid emissions similar to **replacing all cars in NYC with electric vehicles.**





# Q&A SESSION

Mads Twomey-Madsen, SVP, Global Communications & Sustainability  
Joyce Lam, VP, Innovation & Product Development





# INNOVATION & TECH SITE TOUR



# EVENING PROGRAMME





# WELCOME TO LAMPHUN

Anders Boyer  
Chief Financial Officer

PANDORA

Our LEED Gold-certified crafting facility opened in 2017





# INTRODUCTION TO OUR FACILITY

Lars Nielsen  
Vice President, Plant Head (Lamphun)

PANDORA



# INTRODUCING CRAFTING & SUPPLY IN LAMPHUN

## CRAFTSMANSHIP & SUSTAINABILITY



**2017**

In January 2017, the first piece of jewellery was produced in Lamphun

**38M**

pieces of jewellery produced in Lamphun in 2023

**+4,300**

employees work in Lamphun

**96.8%**

of the products crafted are in silver, whereas 3% are two-tone and 0.2% are gold

# INTRODUCING CRAFTING & SUPPLY IN LAMPHUN

## CRAFTSMANSHIP & SUSTAINABILITY

2023

# 99.8%

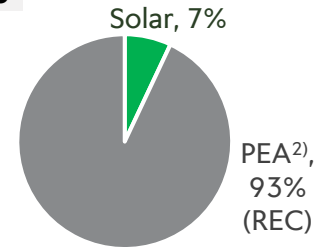
Recycled our waste  
Reusing it for other industries

2023

# 7%

Solar energy  
in electricity consumption

2023



2023

# 32%

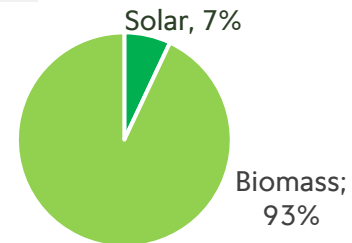
Reduction of water consumption<sup>1)</sup>  
by specially designed water  
management system with the  
beautiful lake

2024

# 1st

First and only facility in Thailand  
to completely eliminate CO2  
emissions in scope 2

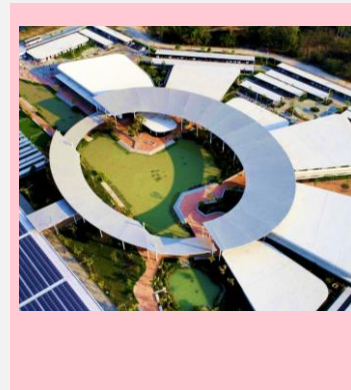
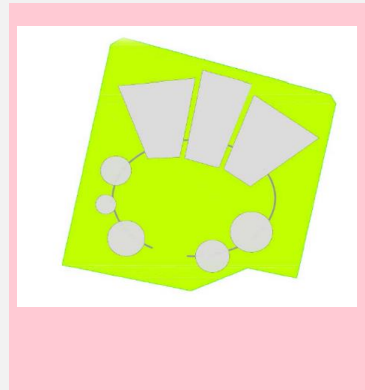
2024





# INTRODUCING CRAFTING & SUPPLY IN LAMPHUN

## CONCEPT



### Design Inspiration

Inspired by the famous Pandora Signature charms bracelet, the idea is translated into an interlinking campus where each building is connected by one large shading roof, resembling the shape of the bracelet.

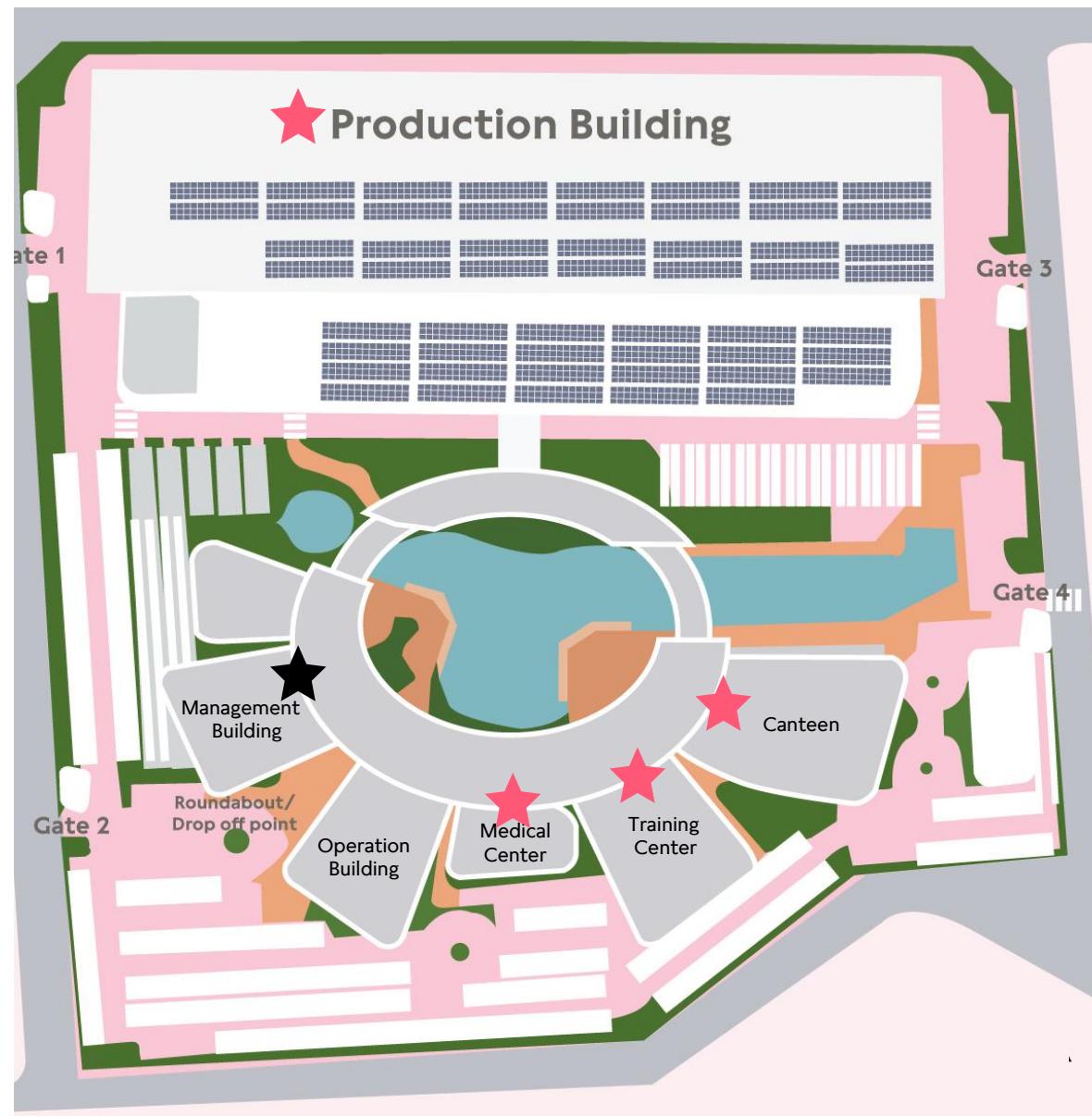
# KEY FEATURE OF OUR LAMPHUN SITES



**You are here**



**Areas we will visit today**















# CRAFTING & SUPPLY IN LAMPHUN

OUR END-TO-END PROCESS IN ONE PRODUCTION BUILDING

## TODAY'S VISIT

FRONT-END PROCESS					FINISHING PROCESS				
RUBBER MOLD	WAX PROCESS & SETTING	TREEING	BURNOUT & CASTING	CLEANING & CUTTING	GRINDING POLISHING TUMBLING	ASSEMBLY SOLDERING	STONE SET	ENGRAVING ENAMELING	QC, PACK & SHIP
									



A group of people, including a man in the foreground wearing a maroon polo shirt and glasses, are walking along a paved path. The path is lined with lush greenery, including several tall palm trees. In the background, a modern, multi-story building with a curved facade and a white, ribbed section is visible under a clear blue sky. The overall scene suggests a corporate campus or a modern office building.

# END-TO-END CRAFTING SITE TOUR

Bilal Aziz  
VP Investor Relations & Treasury

PANDORA



# RECAP

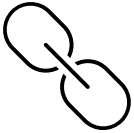
Anders Boyer  
Chief Financial Officer

PANDORA

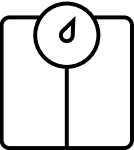


# THE PANDORA ECOSYSTEM

SCALING UP ALL BENEFITS DRIVEN FROM THE BRAND



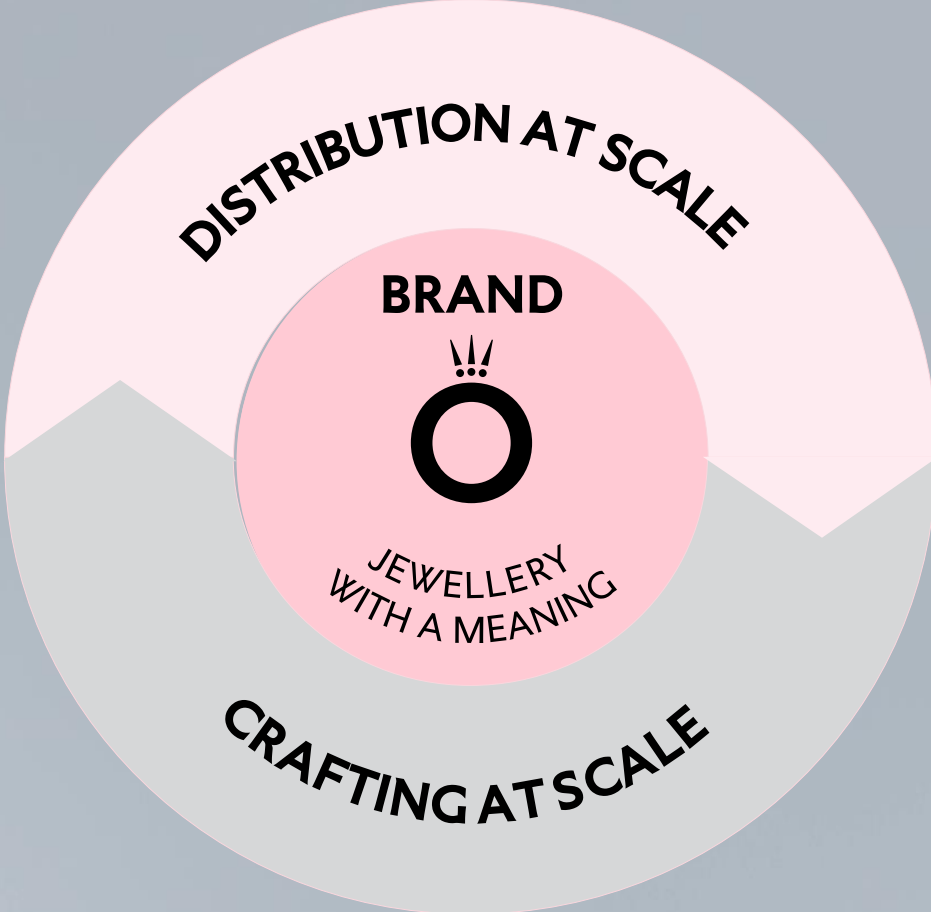
End-to-end **vertical integration** across the value chain



Leveraging **scale** and ensuring **quality**



Driving clear **advantages** over sub-scale competitor set – critical mass across all areas





# KEY TAKEAWAYS

CRAFTING & SUPPLY IS A VITAL PART OF PANDORA'S ECOSYSTEM



01

**Structural low cost**

Relentless focus on **efficiencies** to lower production costs and support high gross margin

02

**Uncompromised quality**

Maintaining the brand promise of **high-quality** jewellery of precious metals

03

**Best-in-class people, processes and technology**

**Leveraging scale** to build world class capabilities across people, processes, and technology

04

**Broader and faster Innovation**

Driving **innovation** across all aspects of the category – also materials, production methods and product function

05

**Cost flexibility**

**Only 4% of COGS** are truly fixed

06

**Low-risk sustainability profile**

**In-house** facilities allow for stronger control of the sustainability agenda



# Q&A SESSION

**Anders Boyer**  
**Jeerasage Puranasamriddhi**  
**Lars Nielsen**  
**Bilal Aziz**

Chief Financial Officer  
Chief Supply Officer  
Vice President, Plant Head (Lamphun)  
Vice President, Investor Relations & Treasury





# CLOSING REMARKS

Anders Boyer  
Chief Financial Officer

PANDORA





# THANK YOU

For joining Pandora's  
Investor & Analyst Days 2024