

Pandora

Second Quarter Results 2025

[00:00:00] **Bilal Aziz, VP, Investor Relations & Treasury:** Good morning, everyone, and welcome to the conference call for Pandora's Q2 result. I'm Bilal Aziz from the Investor Relations team, and I am joined here by our CEO Alexander Lacik, CFO Anders Boyer, and the rest of the IR team. As usual, there will be a Q&A session at the end of the call. If you could limit yourself today to two questions at a time, that would be wonderful. If you could please pay attention to the disclaimer of slide two and then turn to slide three. I will now turn over to Alexander.

[00:00:27] **Alexander Lacik, CEO:** Thank you, Bilal, and welcome everyone. As usual, I'll start with a quick snapshot of the overall quarter. For Q2, I think it's fair to say it's been another quarter of solid performance from Pandora, especially when you consider that we delivered these results in a very challenging external environment. That's not only when it comes to consumer sentiment, but also when it comes to significant volatility in FX, commodity and headwinds through tariffs. Despite this, we're progressing on our overall mission, making Pandora known as a full jewellery brand. As you know, this is the main focus of our Phoenix strategy for Q2. We delivered 3% like flat growth, which along alongside network expansion, drives 8% overall organic growth. Once again, you'll see within the numbers that our core is stable. And then this is complemented with good growth in fuel with more exactly in line with our overall mission on profitability. I already mentioned the three types of external headwinds we're facing. I say this because they're quite significant. Now despite that, you'll see we're still delivering very strong profitability, with gross margins close to 80% and the Ebit margins in the high teens. As I just mentioned, the underlying performance of these metrics is even



stronger. That means our core profitability drivers offset a lot of the external headwinds, which I think is a testament to our strong business model. Finally, our return on capital continues to remain very high at 44%, and we continue to derive good EPs growth. That's especially true if you ignore the effect of foreign exchange, which has been moving around a fair bit recently. All in all, quite a good quarter in the context of the background. Now let's look ahead. Can we move to slide four please.

[00:02:16] **Alexander Lacik, CEO:** As always, guiding forward in a world with little visibility and high volatility isn't easy. But let me summarise our thoughts from a top line perspective. Our guidance is unchanged. We've delivered H1 growth at around 4% like for like with organic growth at seven. Whilst our Q2 numbers were slower than Q1, I want to highlight that we have a strong commercial pipeline for the remainder of the year. This year, some of our initiatives are slightly back end loaded. You'll remember last year we launched Pandora Essence in the second quarter, and this year we have another exciting product pipeline, which will be live from the end of Q3. We also continue to help our marketing messages. I'll speak about this a little bit later, but in short, we have many initiatives due to start from September and onwards. Therefore, we reiterate our organic growth guidance of 7 to 8%. We'd like for like growth of 4 to 5. Now we've had some clarity on tariffs from a cost perspective, but there is still significant uncertainty how this plays out indirectly on the consumer front. Our guidance does not take these factors or general weakening of the macro environment into account. So we remain incredibly vigilant, but currently we haven't seen many effects of this. Finally, that brings me naturally on to current trading in July. The overall like for like trading has been around 2%. But there's two important ways to read this in the first two weeks of July. Our performance has been negatively impacted by a weak end of season sale this year, versus a particularly strong one last year. That's partly down to us, as we simply had less surplus stock available this year. This effect also impacted our trading in the second quarter in June. Furthermore,



you should also be reminded that we launched Pandora Essence last year towards the end of Q2, so it had full effect globally in Q3 24. This year, as I mentioned, product news is more skewed towards the end of Q3. So overall, we are on track. That's not to say there are not challenges, but it's nothing we can't overcome with our plans. Our Ebit margin guidance. I will let Anders comment on in detail a bit later. However, as a summary, the message is that our guidance is unchanged at around 24%. This now accounts for the full impact of the current tariff levels. We believe this will be a fantastic outcome. I'm sure you'll agree with me that any company that is able to maintain margins around the mid 20s, despite significant incremental external headwinds, has a pretty good control of its commercial actions and cost base. Can we now move to slide six, please.

[00:04:54] **Alexander Lacik, CEO:** I mentioned last time how in times of uncertainty, it becomes even more important. We remain clear on what we're trying to achieve. Our Northstar is the Phoenix strategy. We are changing the perception of Pandora into full jewellery brand. And the pillars you see on the strategy are taking us towards that. Through the quarter, we executed on many initiatives across the four pillars. Importantly, we have a very healthy pipeline of exciting initiatives ahead of us. We think these will attract more consumers to the brand during the rest of the year and next. And you should recall that our runway for like for like growth is quite vast. We are only at the beginning of this full jewellery brand journey. That brings me nicely on to the next slide.

[00:05:38] **Alexander Lacik, CEO:** I've mentioned our overall objective of the Phoenix strategy, namely to transform the perception of Pandora into a full jewellery brand. This slide lays out quite well. Some of you may remember we highlighted the initial arguments at the Capital Markets Day in 23. You can see that today we are mainly a big player in wrist wear, but that's only 18% of the market. So if we continue to change the perception of Pandora from not only being a risk player in



the mind of consumers will increasingly open up the other 82% of the market. The purpose of this slide is just to illustrate, the opportunity ahead of us is significant across all product categories in jewellery. That's what makes our growth prospects quite exciting for many years ahead. Now it's for us to execute on that promise through our marketing and designs of course. Next slide please. I mentioned marketing a few times. Let's talk about that now. Probably the most important pillar of our Fenix strategy. Here I wanted to highlight what we've been working on and equally highlight what is coming up. As usual, we have a full breadth of tools to drive consistent brand heat. In the quarter, we've used many of our ambassadors to great effect to drive conversation, particularly our presence in lab grown diamonds. Q2, as always, marks Mother's Day for us, and our campaign this year landed quite well with consumers. We saw that both in the metrics of the brand campaign and our performance across Mother's Day. A campaign like this makes the message very strong. Our brand stands for storytelling that can emotionally move our consumers. You can bet we're going to double down on that as we enter into the holiday season with a campaign that deepens emotional connections through our storytelling. Finally, we're also going to increase our efforts to be even more culturally relevant across markets. Whilst the global campaign will always remain central to the brand. We believe we have an opportunity to strengthen our local relevance through the use of local talent in selected markets. You can see we're already making moves here with the appointment of Anna Lisa, a famous singer in Italy, and Caroline, a prominent fashion blogger in France. You can expect to see more of these engagements in the future. Next slide please.

[00:07:49] **Alexander Lacik, CEO:** Alongside strong marketing plans, were equally excited this year about the creative pipeline we have this year. Our innovation is going to be focussed on our core business, namely our charms and carriers. We'll be bringing new and relevant aesthetics while emphasising the Pandora brand promise of being accessible to the many. Last year we launched



Pandora Essence in the first half of the year. This year was skewed towards the second half. In a few weeks you will see launches of our new mini charm selection and medallions. Both hold good potential in the jewellery market, where we know good consumer appetite sits. In the case of minutes, we're also looking to further strengthen our entry price points. We know this is incredibly important in the current environment. So overall, the past two slides should give you comfort for our commercial plans for the remainder of the year. Next slide please.

[00:08:39] **Alexander Lacik, CEO:** In the past quarter, I mentioned the launch of our new e-commerce platform as part of our mission to dial up brand desirability. We've been investing in this for for a complete new look. The new platform brings the brand to life through a much more immersive experience since showing promising results. Last fourth quarter, I'm happy to report now that the platform is live across all of our markets. You can see on this slide some of the commercial metrics, even though it's early days in many countries, which have been very encouraging. This includes a low single digit improvement in revenue per consumer, which is a fantastic achievement. Next slide please.

[00:09:16] **Alexander Lacik, CEO:** Let's now look at our two segments Core and Fuel with more. As you know our strategic aims aim is to be seen as a full jewellery brand with the essential which essentially entails driving steady growth in the core whilst adding higher growth in fuel with more. As I mentioned earlier, we're going to be driving more innovation in our core through the introductions of the new Talisman and Mini design. But before that, our core is remaining relatively robust at 1% growth in the Quarter. This was supported by good performance in our core labs. You can see how over the past three years, we've been able to drive good, stable growth sequentially in our core, exactly in line with our plans. Next slide please.



[00:09:56] **Alexander Lacik, CEO:** Our fuel with more segments continue to grow quicker. We grew at a healthy mid-single digit rate in the quarter. Still up against a relatively tough comp from the year before. In Q2, our growth here was helped by strong growth in Pandora, essence and lab grown diamonds. Again, Australia has been to drive faster growth in fuel with more with good sequential growth year after year. And you can see on the slide that it's been working well. So now let's discuss our performance within the markets. Next slide please.

[00:10:26] **Alexander Lacik, CEO:** As usual I'll start with our biggest market the US which delivered a very strong 8% like for like growth. This performance is particularly impressive in the context of a tough market. Importantly our brand metrics remain very strong meaning this is high quality growth. We've said this before, but this is a market where our runway is quite strong. So we'll continue to push our marketing efforts here. Tied to that, we've launched our first new Pandora pop up store recently on Times Square. Some of you may have seen some pictures. It's off to a very, very good start. Next slide please.

[00:11:00] **Alexander Lacik, CEO:** In Europe, our total like flag growth across all markets came in at 1%, helped by strong growth in markets disclosed in what we call rest of Pandora such as Spain, Poland, Netherlands and Portugal. This was offset by weakness in the four European markets that were historically disclosed separately. There's always some variances between countries, but let me talk you through how we see this in a general sense. Then I'm happy to take questions about specific countries. Firstly, I'm sure you'll be aware the macro environment isn't easy in many of these markets, but of course we like to control what we can. In that regard, we look to further shop and how we connect with our consumers through telling stories. I already mentioned our upcoming



holiday campaign, and in certain markets, we also want to connect much more closely to the local culture. As I mentioned earlier, and we're already acting on this. Finally, we'll also dial up a affordability proposition a bit better. The launch of minutes will help with that. You've also heard me previously speak about rings being a strong enterprise product for the brand, and will act tactically here in some cases too. So overall, our European growth comes in at plus one like for like which is a mix of some countries performing really well and some things we need to work on. We're aware of that and are certainly moving ahead with executing on our plans. Next slide please.

[00:12:19] **Alexander Lacik, CEO:** In rest of Pandora we delivered another good quarter of 6% like flat growth. As I just mentioned, a big chunk of our other European exposure actually sits here, which helps the growth. I just mentioned some of them in the previous slide, but even beyond Europe, we have many markets which are growing strongly, and that includes Canada, which grew at double digits in Mexico, which is the other large market in the rest of Pandora. We are facing some challenges with respect to the macro and the broader promotional environment. And in the light of that, we have probably gone a little bit too hard on our promo detox journey here, which will be corrected in the back half. Next slide please.

[00:12:56] **Alexander Lacik, CEO:** Finally, in China we had a -15. Like like for like growth and performance remains challenging. Overall China is only 1% of our overall business. So the impact that the group level is minimal. As you may have read in the company announcement this morning, we are taking the next steps in this market by closing around 100% 100 loss making stores. This is part of our plan to reset China and significantly improve profitability while keeping a relevant network in the main metropolis. Finally, in Australia we saw good improvement to 7% like flat



growth. This was helped by good performance across Mother's Day and some signs of the macro improving. Let's see how that evolves. Next slide please.

[00:13:38] **Alexander Lacik, CEO:** Here you can see a familiar slide on how we create value from our network. There's been one technical change here for 2025. You'd have noticed that we're targeting 50 to 75 store openings this year versus 75 to 100 previously. This adjustment is purely related to the high number of closures in China, which I just mentioned, where we're targeting around 100 closures. Those stores do not generate much revenue. So the impact of these actions on organic growth is virtually nothing. So overall, our plan for store openings in China are tracking exactly as planned. That means we're firmly on track to deliver around 3% organic growth contribution from store openings this year. As always, you'll see on the top of the slide the economics of the new store openings of Pandora, a fantastic aspect of our business and its highly productive stores. Next slide please.

[00:14:31] **Alexander Lacik, CEO:** Finally, before handing over to Anders. I just wanted to highlight that the rollout of our new store concept Evoque is going quite well. We now have a total of 576 concept stores in our new format. I mentioned a new pop up store in New York on Times Square. Another recent highlight, store wise, was the opening of a second flagship store on the Strip in Las Vegas. For those of you who have seen our flagship store in Copenhagen, the idea is very similar to enhance the look and feel of the brand and present the brand as a full jewellery brand. I'm convinced that the in-store experience we provide consumers is incredibly important in unlocking our growth, so we will continue to invest here. And the new store concept overlaid with a couple of flagships are going to be critical for that. And on that note, I'll hand it over to Anders for a closer look at the financials.



[00:15:19] **Anders Boyer, CFO:** Thank you Alexander, and good morning everyone. And please go to slide 20.

[00:15:25] I guess you are all painfully aware that we are facing quite some external headwinds from commodity prices, effects and now also tariffs. Just like many other global companies. But these headwinds are of a magnitude where the impact across the KPIs becomes, becomes quite important in order to understand what really goes on behind the scene and in the company announcement. We therefore break out the effect of this in many of our KPIs. If you look at earnings per share, for example, the reported growth in the second quarter is 6%. But if you take out the impact, the mainly the weaker US dollar, the FX adjusted EPs growth becomes 18. So that's quite a different number and quite a different story on the gross margin. You will see that it was down only 90 basis points in the quarter. And I used the word only intentionally because we are faced with around 170 basis points of headwind from the three external factors that I just mentioned. And we have, in fact, managed to offset a good chunk of that headwind. And these offsets comes from our pricing actions and cost efficiencies. And you can also see a bit more about that in the gross margin bridge in the company announcement. And the overall message on gross margin in 2025 still stands. And that is that you should expect the gross margin to be flattish to only slightly down in 2025 versus last year. Despite that, we are facing 240 basis points of headwind. And I do think that that is a good achievement given this level of headwinds. Next slide please.

[00:17:21] **Anders Boyer, CFO:** On the slide we break down the revenue growth in the quarter as usual. And I'll just add a few comments to the like for like like for like growth in the second quarter was three points lower than the 6.6% that we reported back in Q1. And that's a two element in that



sequential development that we just want to highlight. First of all, Easter this year was in the second quarter, as opposed to be in Q1 last year. And that had a small positive effect in Q1 of this year of just under one point of growth, with a similar negative effect here in the second quarter. And secondly, as Alexander mentioned, we were negatively impacted in the month of June from a smaller end of season sales than than what we ran last year, and we simply had less surplus stock. And at the same time, the sale last year was quite strong. And now then, some of you will probably say that well on us, based on that, you should see the light flying in current trading being back up at a higher level than what we saw in Q2. And you're right. So there's three things to be aware of here. When you look at at current trading. First of all, when when we announced the second quarter numbers last year, we did highlight that July trading in 2024 was particularly strong. So our current trading should be read in that perspective. And secondly, and this is just repeating the launch of talisman and meaning sits in in late Q3. Why the launch of essence took place in from May onwards last year. And finally, as Alexandra also mentioned, we continue to evolve our marketing messages and have a strong holiday campaign lined up. Next slide please.

[00:19:19] **Anders Boyer, CFO:** On the Ebit margin, our performance played out exactly in line with Stations and in line with the facing through this year, which we have already communicated externally. You will also hear see that we faced significant headwinds from commodities effects and tariffs, adding up to 230 basis points in the quarter. And you can see that within the dotted box on the bridge here, and that in that regard, 18.2% is quite a solid Ebit margin. In terms of the factors that we are as of closer to being within our own control, you can see that that added up to a slight positive margin impact in the quarter. And here I'm speaking about the some of the the three purple pink bars just to the left on the middle called network expansion. Net operating leverage and



inflation. Salary increases versus price increases and efficiencies. Next slide, please. And that slide 24.

[00:20:25] **Anders Boyer, CFO:** Now on the top line guidance. Alexander has already spoken about some of our thinking here, but I'll just add a couple of points in greater detail. Clearly, since we issued the guidance back in February that the macro picture has become more clouded and uncertainty has increased. And especially when you add tariffs into that mix and how consumers may respond to that, that that is a big unknown. And our guidance do not include any potential significant impact from worsening macro, just like when we had the the announced the guidance earlier this year. Now we did see like for like in the second quarter and current trading being a bit below than what implicitly sits in the guidance for the second half. And we do indeed see the business delivering a higher life like in the second half of 2025. Based on some of what we've already covered. Being the facing of initiative this year, as well as the strong pipeline of commercial initiatives lined up from September on onwards, which Alexander spoke about. So on balance, there's no change to our top line guidance. Next slide please.

[00:21:45] **Anders Boyer, CFO:** The Ebit margin guidance is also unchanged. We still expect a margin of around 24% this year. As you can see in the bridge we will be facing around 280 basis points of of external headwinds. This now also includes the tariffs factored into our guidance for the full year, and offsetting. Around half of those 280 basis points of headwind will be quite okay, and a testament to our ability to invest in our business, drive leverage and at the same time move ahead with our mitigation plans. Next slide please.



[00:22:29] **Anders Boyer, CFO:** Given the many moving parts externally, we wanted to update you on our latest thoughts about the Ebit margin target for 2026. So next year first. I also here want to highlight that the total external headwinds since we issued the Ebit margin target back at the capital market in October 23rd, now totalled to a very significant 500 basis points. And that's the some of the headwinds from commodities FX and tariffs. As you can see in the bridge here in the dotted box, that is quite some headwind in less than 24 months. As you remember, we updated our CMG target for 2026 to be around 25% margin back in the Q1 announcement in May. And that included the headwinds from commodities and headwinds. At that point in time. But we did not include tariffs back then. Now we have added the full effect of tariffs as well as the latest update on effects and commodities. So let me talk you a little bit more about that. Since we updated the target to around 25% back in May. We have seen another 30 basis point of headwind from commodities and FX. But the good news is that we are able to offset this through further pricing, which we have in fact already implemented. And we therefore therefore now confirm 210 basis points of margin uplift from price increases. As you can see, just roughly in the middle of this bridge. Given all of these continued increase in external headwinds, we are dialling up our cost efforts even more. We did launch our group wide cost program that we called Project Silverstone already early this year, and we are now taking another look into further opportunities. At this point in time, we still expect savings equivalent to 50 to 100 basis points of margin uplift next year. And that's captured in the box that we are calling net operating leverage and efficiencies. So overall, if I ignore terrorists for a second, the message is that we can absorb the additional headwind from FX and commodities that we have seen since Q1 and still target an Ebit margin of around 25% for next year. So now bringing tariffs into the equation, that is going to give us an extra headwind of around 450 million kroner next year from 2023. That's 120 basis points of headwind, as you can see to the right in the bridge. And by far the majority of that tariffs, those tariffs are related to Thailand. Obviously it is a bit too



early for us to conclude how much of this we can mitigate and how fast, but what we can say is that we are indeed dialling up our cost focus even more. And and we will be watching out on what happens to consumer prices and consumer behaviour due to tariffs. For now, what we want to say is that we will deliver at least 24% margin in 2026, and then we will come back to you in in due course with updates. And on that note, I'll hand it back over to Alexander.

[00:26:11] **Alexander Lacik, CEO:** Okay. On this. Thanks. So to conclude on everything, I want to highlight a couple of things. First, I think the Phoenix strategy continues to work. And Q2 was another step forward. 8% organic, 3% like for like in the current backdrop we think is a good achievement. Secondly, whilst the external cost pressure is significant, as under spoke about, we continue to show good agility and execution. That's why we can still deliver a very high profitability levels. And finally, I'm super excited about the commercial pipeline which we've spoken about. We have exciting products lined up, strong marketing for the holiday season, so we look ahead with confidence knowing the brand typically does very well in our gifting periods. And with that, I think we can move to the Q&A.

[00:26:58] **Operator:** If you do wish to ask a question, you will need to press five star on your telephone. To withdraw a question, press five star again. In the interest of time, we ask that you please limit yourself to two questions at a time. Our first question comes from William Woods from Bernstein. Please go ahead. Your line is open.

[00:27:20] **William Woods, Bernstein:** Good morning. Thanks for taking questions. You've seen a significant growth slowdown across geographies with more and obviously experiencing negative volumes as you pass through the pricing. But you've decided to protect margins. How do you think



about managing the business for growth margins and if we keep seeing a sequential decline? Is the aim to keep protecting margins at the expense of volumes? And then the second question is on your space growth. Given the environment, given the volume declines. Why are you so comfortable continuing to add space in that environment? Thanks.

[00:27:56] **Alexander Lacik, CEO:** I mean, I think the answer is relatively simple. The brand, the brands reason to be is to offer affordable jewellery. So so we will obviously protect margins, but not at the expense of consumers still thinking that Pandora is a good offer and that we keep track through all sorts of equity trackers where we measured, let's say, the value equation. So that's going to be the offset. So we're not going to kind of die on the sword on margins. If we have to give up the positioning of the brand that that would be ludicrous. So so this is this is the answer really. And of course, it's, it's it's a tightrope walk when we have all these kind of costs flying around and inflation and all of these things. But that's, you know, that's why we are here. And I think we've proven over the last few years that we manage this equation pretty well. So if there's anything to go by. History would suggest that at least, you know, we have have some experience in kind of navigating through this. Yeah. And just maybe you can talk to the space point.

[00:28:57] **Anders Boyer, CFO:** Yeah. Thanks for that question, William. It it's it's a super strong business case to to add at new stores so that there's zero consideration about slowing that down. We go as fast as we can. And just a couple of, of of points on that. You can see that in our Ebit margin bridge that the network expansion that we've done over the last year was driving 80 basis points of margin uplift for the group in the quarter. And that's, of course, a reflection of that. Basically from day one when we open up a new store, it it drives a margin. So we are as a rule of thumb, you can think about that when we open up a new store. Then even in year one, the Ebit



margin is between 35 and 40%, which basically means that all of the investment gets paid back within within a year. Like, like growth in, in, in the physical network, in our own physical stores was a couple of points positive in, in Q2. So so that's important to note as well.

[00:30:09] **William Woods, Bernstein:** Thank you.

[00:30:12] **Operator:** The next question will be from the line of Chris Juan from UBS. Your line is open.

[00:30:19] **Chris Huang, UBS:** Hello. Hi. Thanks for taking my questions. The first one is on kind of the July comment, I think. And you commented earlier that July trading last year was particularly strong. But can you maybe give us a little bit more quantification on that? Are we talking about a 9% growth in July last year? Just trying to better understand the shape within the quarter at least. And then secondly, on mixed, you've commonly seen a continued outperformance of the fuel segment, which I assume has been very helpful from a mixed perspective. And I appreciate that mix is always a little bit more abstract than pricing and volumes, but can you perhaps help kind of quantify the mixed component a bit you have been seeing recently. If there's some high level principle that you can provide, perhaps something like access, vantage point performance or more will translate into X percentage for accretion. Thank you very much.

[00:31:16] **Anders Boyer, CFO:** On the July trading last year in July last year just just got into the double digit territory on like for like. And a mix. I didn't get that question.



[00:31:29] **Alexander Lacik, CEO:** No the question is on mix. So I think we have a mix a gross margin on fuel with more which is what 82 something and change. And on the core is something around 78%. And then you can just do the math right.

[00:31:45] **Anders Boyer, CFO:** But it means it's there. Both margin accretive on the bottom line. Obviously, if no matter whether we grow in one or the other category.

[00:32:05] **Operator:** Thank you. The next question will be from the line of Thomas Joubert from Citi. Please go ahead. Your line is now open.

[00:32:13] **Thomas Chauvet, Citi:** Good morning everyone. Two questions please. The the first one on on product innovation. Can you talk a bit about talisman and Means from an inventory standpoint, you know, how will this ramp up into the holiday season. Are you going to do the same kind of one off shipments to distributors as you did with with essence? And, you know, how do you think about these two innovations as a, as a game changer to bring to bring moments back back into positive LaSalle and more broadly, how do you think about customer response to to innovation in the mass jewellery market? Do you feel more newness is needed at Pandora, particularly at lower price points. So that's a lot of questions. Sorry. On on product innovation. And secondly, on marketing. Can you comment on how the marketing strategy is evolving with the the second iteration of the bluff campaign, which is obviously global, a bit one size fits all. And as you said, the need to adapt communication to reflect cultural differences in some markets where where you have weakness, like in Europe and just under numbers, maybe for Anders marketing was 14.5% of sales in H1. So towards the top end of your historical range, how much do you expect in H2. And next year is it's, you know, still closer to 15% rather than the 13%, 14, 15% range. Historically. Thank you.



[00:33:44] **Alexander Lacik, CEO:** Thomas. Two questions. You had like 16 questions, but we'll we'll help you on on product innovation. So I mean, this your question on how we ship. I mean, we have enough inventory to to fill the pipe and the distributor part of our business. What is 15% of our revenue base? So the question is more to make sure that we can service the 85%, which is our own channels. Of course. So. So this is this is no concern. Then on the minis and talismans, I think you kind of already answered almost the question. It's important that we continue innovating in opening price points. I think if we kind of look ourselves in the rear mirror, we probably innovated not enough towards that, that part. So one thing is, of course, you can kind of massage your pricing, but if it's not exciting then then it just does have the job. So I think minis in particular, but also talisman will offer very, very attractive price points for the concept that we're offering. So that's one part of it. The other one is, of course, that we keep bringing new aesthetics, new ideas into the moment or the core platform. So then you have a spill-over effect that there's something happening overall with the core. So I think that there's kind of a two sided benefit of bringing things that that we know consumers are interested in based on, on all the research that we've done. On the marketing strategy. The B lab is a global campaign. So that's not changing the evolution. I think if we kind of look at it sequentially started off with a heavy tilt on, let's say moving up the brand desirability, the kind of the way we portray you know, using very different calibre of photography and type of people portraying the brand. I think what we're now adding more would be what you saw in the Mother's Day campaign. So we were maintaining all of that kind of brand lift. And we're also now infusing it much more with stronger emotional stories like The One if you've seen the The Mother's Day campaign. If not, we can send it to you. So what you'll see in the back back half of the year is exactly that. The Christmas campaign, which we've just qualified, is actually the strongest piece of ad I think Pandora is ever going to put out there. So we have a big, big hopes for that. So that's that's quite



exciting. Together with all the other things that we're doing. And then to your point on adapting culturally when it comes to the global campaign, we test them across the main markets and we know that they are kind of working hard for us. I think what we mentioned in the past, that maybe they became a little bit too, let's call say, Anglo fied, that's now being addressed. But what's also important is the comment I made on adding culturally relevant talent. So let's say there's going to be a stream of communication that's done by we can call them local key opinion leaders, be that brand ambassadors, influencers, whatnot. To the tune of of this Anna, Lisa and and many, many more. So that's probably a layer that we're going to strengthen. That also comes on the learning of our Spanish business, which has been growing, let's say, double digit for years now. That's where they've done a particularly good job. So in addition to the global campaign, they've overlaid this with local talent. And that's also I think what's happened in the last two years in the US, where we managed to kind of move the needle, is to also add add some some local flair to, to the global campaign. And now we have lined up Thailand, which you maybe have noticed. So the pool of talent that we're managing to bring in and support the brand is also strengthening year on as we go forward. And then your last question was on the marketing. We've said that the 13 to 15% is not a highly scientific number. It's a benchmark of what healthy and growing brands typically invest. You know, it depends on the on the situation. Some years we've been more towards the 13. Now we're a bit more tilted towards the 15. I think we'll be playing in that spectrum. It depends on kind of what we have to to talk about with the customer. So it's not a fixed number, but we have enough space in our personnel to to move, move around. And we could even invest more if we needed to. Now we have a few other cost headwinds that we need to deal with. But you know, we will be that the guidance of 13 to 15 is still going to stand.



[00:38:33] **Anders Boyer, CFO:** And Thomas, for this year in order to get to the Ebit margin guidance this year, we are not sacrificing that that line in the PNL. We and I think for the full year, you will see from a percent of revenue will end up pretty much in line with 20 2024, which in absolute kroner, means that we're investing a decent amount more than than last year, especially in the second half.

[00:39:00] **Thomas Chauvet, Citi:** Thank you.

[00:39:04] **Operator:** The next question will be from the line of Anthony Charchafji from BNP Paribas. Please go ahead. Your line is now unmuted.

[00:39:12] **Anthony Charchafji, BNP Paribas:** Yes. Good morning. It's Antonio from BNP. Thank you for taking my question. I have just just three, three quick ones. The first one would be on on the current trading, please. Yeah. Sorry to to to come back on that, but it seems that the market is, is focussed on the second derivative element of the plan rather than your strong delivery on the, on the rest of the PNL and, and the balance sheet. But if we think about the, the 2% in July, would you be able to to quantify the underlying like for, like if we exclude the end of season sales and maybe if you can, you can adjust it for, for instance. Any comments also on the on August trading because your guidance basically imply a 4 to 6% in in H2. So July might be adverse to the trough. So just a bit of of more colour on this on this current trading number. My second question would be on on your gross margin. And I guess it's a bit mixed in the, in the opex as well. But on the promotional activity in your gross margin bridge, I mean, it seems that that there is only 60 dips of in Q2, only 60 because of of pricing efficiencies, net of promo. I guess there is a bit more also in it. So what's the outlook for for the promotion of the promo at the at Pandora. Also also especially because you raised prices in August by maybe 2% globally and and probably a bit a bit more in the US. Any



comment on on this would be helpful? Is it linked to a, I don't know, a sense between the base and needed some something about discount and the outlook for the rest of the year. My my last question is, is a bit more forward looking would be on the APAC expansion. It seems that you opened a new headquarter somewhere in a pack, I think a Singapore. So is the expansion happening post 2026, and do you have any any colour to to share today? Thank you.

[00:41:35] **Anders Boyer, CFO:** Yeah. Thanks Anthony for those questions. I can start out on, on the the current trading and the 2% did. That is indeed an impact of the The end of season sale. Combined with the fact that we haven't launched the Talisman and Mini yet. So when we're trading in July, we are also comping that we have the full impact of essence in the baseline for, for for last in last year. So the way to think about it is that with the initiatives lined up with talisman and meetings coming in actually at two weeks time, roughly just on the one of the last trading days of, of of August with the the holiday campaign and the twist we've made to that getting sort of a touch step closer to the brand DNA the investments that we're doing with local ambassadors in a couple of countries and investing properly. Marketing money in general. In the second half of the year, we're quite comfortable with that. We will see this acceleration when we when we meet next time in November. August trading is the same as in July so far. Now we're just a couple of weeks into it, but in the same ballpark as we saw in July. And on the gross margin, it's actually a good call out. We only have 60 basis points, if I can call that in uplift on the gross margin from from that, the the answer actually lies in the last word on that pocket. We call it pricing efficiencies and other. That's the way we rename that that rocket. And the other in that we do have a. Retail provision. We are related to diamonds 6070 basis points A I think it is 70 basis point and it comes out of that we yeah, shifting focus on our diamond collection towards somewhat smaller diamonds rather than larger stones. And as part of that, we are taking a prudent provision to as we see how we can repurpose the bigger



diamonds, the bit that we have on stock. So underlying the pricing uplift is bigger than what could it look like when you just look at the bridge like like this.

[00:44:13] **Alexander Lacik, CEO:** Yeah. And on on the APAC expansion, I mean if you remember. Well, we moved part of the APAC responsibility to the Latam organisation, and now we've decided to to, to move it back out again. So, so the establishment of HQ in, in Asia is merely a reflection of that. We're going to put this in there. Other than that, there are no huge acceleration plans at this point in time. I should probably mention that the Japan business is actually performing quite nicely. You know, we never get to talk about these smaller countries, smaller Pandora countries, I should say. It's a big jewellery market out there, but that's going to be a topic for the future. So this is more kind of getting ready for rather than, you know, any immediate changes to to the current plans.

[00:45:06] **Operator:** Thank you. Our next question comes from the line of Lars Topholm from Carnegie. Your line is now open.

[00:45:16] **Lars Topholm, Carnegie:** Yeah. Two questions for me as well. So 8% organic growth. That's actually better than most of the consumer discretionary space. Yet the share price reaction seems to indicate something else worrying people. And I guess one could be price elasticity. Because arguably it's easier to increase the price on €20,000 handbag than on jewellery. So I wonder if you can put some comments on your observations on demand when you do pricing. And then the second question is related. So when I speak to I guess yourself, but also a number of your peers, it seems everyone is very focussed on mitigating gold and silver price inflation, not just through pricing, but also through changes in design, changes in metal composition, etc. so I wonder if you can put some words on what you're doing there. And I also know that it of course takes a



while from you do something and until we see it in numbers. So is this anything you see as a relevant margin driver. Maybe second half of 2026. How should I think about that? Thank you.

[00:46:37] **Alexander Lacik, CEO:** So on on the pricing I mean, I think it's it's. This is a dynamic environment, right? So you might move your pricing up. We can see that the promotional intensity around us, and I'm not just talking about jewellery in general is, is a little bit harder, especially if I think about Europe. So so we need to be really careful. I mean, we, as you know, we do all this live testing on pricing, and we pay particular attention to opening price points. So so I think what we'll see going forward is maybe there's going to be some ups and downs. Whereas up to now I think it's been mostly up. So we might see some, some tactical adjustments as we move into the future. So that's probably the reality more because of what's happening around us versus kind of what our, let's say research suggested. Then on the, on the gold and silver situation. Yes, we are doing quite a lot of work in the background, but it's not just about kind of the, the let's call it metal composition or material composition of, of of the jewellery. Because, you know, historically at least Pandora has only been operating in in gold and silver in, in different ways of executing that. So a big question we of course, had to ask ourselves is in case we moved to alternative materials, what's the consumer reaction going to be to to that from an overall brand perception standpoint? So because it's equally, you know, I can knock out stainless steel jewellery if I want to. But what I need to understand is what does that do to people's perception of the brand? Because that's that's a really strategic assessment. So so that's work that that's ongoing. When we have something more concrete to, to talk about, we will obviously bring that under the spotlight also for you guys. But at this stage, I would keep this a little bit under wrap. The, the, the time to execution is kind of, as you suggest, the 12 to 18 month perspective. So if if we pull the trigger, you know, you might see something coming in in the back half of next year. But that, you know, the way I've pitched this is for me is a board



conversation. So this is not just purely management conversation because it has long term implications. It could have long term implications. So if we get too too focussed on margin and forget about what it is we're actually proposing to consumers, that could kind of drive us down an avenue. And maybe the repercussions of that, you know, will only see in a couple of years from now. So. So yes. So there's a lot of deliberation that goes into that topic. That is probably the answer. I hope that helps.

[00:49:34] **Lars Topholm, Carnegie:** Yeah. Thank you very much.

[00:49:39] **Operator:** Our next question comes from the line of Freddy Wild from Jefferies. Your line is open.

[00:49:46] **Fredrick Wild, Jefferies:** Oh, good morning, Alexander Anders and team. Thank you for taking my questions. First of all, could I just follow up on that last question? Am I right in assuming, from what you said, that it feels like elasticities, which were previously running at a minus one rate and have been consistently for some time, may have deteriorated a little bit from that rate. And then secondly, I guess further to that, are you could you give a bit of detail about how those elasticities and how the consumer and competitive environment is changing? By region I r us competitors putting up prices more because they don't have global pricing options as the European consumer becoming relatively more sensitive to price. That would be super helpful. Thank you.

[00:50:33] **Alexander Lacik, CEO:** On your first question, I mean, this minus one still holds as a as a global number. So so that that is not the point. And on US pricing, we've seen some movements, but but so far I think it's everybody's kind of at least when I speak to European and European journalists,



everybody's oh tariffs and the world is changing. Jewellery is a very, very slow category okay. And the reason is because you don't buy jewellery very often. It's a discretionary nature. You buy Julie less than two times a year. So any change in sentiment actually takes a long, long time before we see. And in reality the, the, the whole tariff, let's say turbulence. I think that's all ahead of us. You know, there's been maybe some pricing up to now, but nothing, nothing radical. And I think the other thing to consider here is the US consumer will eventually have to bear the brunt of these tariffs. But it's not just on jewellery, it's on many product categories. So the big question mark is, you know what happens with inflation in the US. Unemployment rates, you know all sorts of other macro drivers. And I think this is ahead of us I don't think we've seen much yet to be honest. And in specifically on on competitive pricing, we've seen some people move prices by 4 or 5 points or something to that tune during the year. But I think this, as I said, I this is just the beginning. So so it's too early to to say.

[00:52:04] **Fredrick Wild, Jefferies:** That's really helpful. Thank you.

[00:52:08] **Operator:** Our next question comes from the line of Martin Brenø from Nordea. Please go ahead. Your line will now be unmuted.

[00:52:15] **Martin Brenø, Nordea:** Hi. Thank you very much for taking my questions. I also have two, if I may not sure if I can. I can count better than my my colleagues. But first question would be about the tariffs and, and how you are seeing your competitors react to this. Is it a general trend that your category is raising prices, or are you alone here? And what do you think will happen with, with with your competitors? Some, I guess, is worse exposed than Pandora is with exposure to India, etc.. So. So how do you think of how what do you see them react to, to this situation? That's that's the first



question. And then the second one would be just, you know, help me a little bit with the building blocks on the, on the H2 like for like you have easier comps heading out of July, you have less promo detox in Mexico, you have the Talisman and minis coming. Is there anything else to point out in terms of if that could be collaborations coming for the price adjustments, as you mentioned, Alexander, growth in new markets, Anything that's worth mentioning here? Okay.

[00:53:25] **Alexander Lacik, CEO:** Should I do the tariff thing first? Because it kind of ties back to to the previous answer. So we haven't seen a lot yet. We've seen some, as I mentioned, some of the the competition has moved 4 or 5 points. Now, what happens going forward? I mean, now we're into crystal ball territory. It is true that most, if not all of our, let's say, competition in the US specifically sourced from somewhere in Asia, and that can be from India, Vietnam, Thailand, China or whatnot, but most so you could argue that everybody's going to be hit by a tariff minimally around 2020 points. So, so so what does that then mean? Well, on top of that of course we have silver and gold that's been going up. So so those are kind of two headwinds that everybody is dealing with. Now if I'm a guessing a man here we will see a general price rise for the category. This, you know, nobody, or at least from what we understand by our competitors profitability profiles, there is nobody that starts with a profitability higher than ours. If then there would be a small player somewhere. But of the larger players, nobody has the luxury not to pass. I think a large majority of these these headwinds on to consumers. Now, the benefit we have from a competitive standpoint is, of course, we also know that very few, if any, are hedging the like we do, which means that and we have hedges that take us through the majority of next year, at least three quarters of next year, which also allows us then, first of all, come back to Lars Point. Should we be introducing some some other margin enhancing ideas? But importantly, it allows us to to force the other people to show their hand first and then we can adjust our pricing policies accordingly. When we understand where



the market goes and how consumers respond to this. The other point, of course, is on the tariffs, if you're a US based only company. Well, you either take it on the chin or you pass it on to consumers, but your choices are quite you know, few. We have the option. And we've spoken about this in the past. We could take that and we could peanut butter that out on a global volume. So now we haven't decided exactly how to play this because as I said, I think it's going to be a very dynamic environment. And we will have to follow this closely and decide what to do. Yeah. So so I think this as I said, this is this is what's going to come. But that's kind of the considerations that we have. So I think we have a bit more time and we have the ability to to maybe share the load globally. So, so I think from a, from sitting in a, between a rock and a hard place, I think we have a slightly stronger hand than then probably many others that that we compete against at least in the jewellery space.

[00:56:22] **Anders Boyer, CFO:** And then on the, on the like for like building blocks. I think you mentioned most the only one I would add or repeat maybe is the the marketing campaigns that we have lined up for, for, for the rest of the year. As Alexander said, the one that's lined up for the holiday season is the one that's testing the best ever. And then combining that with putting decent money behind it, hopefully it's going to be a traffic driver online and into the stores.

[00:56:56] **Martin Brenø, Nordea:** Thank you very much. Can I just one quick follow up. And I like when you look into the crystal ball Alexander. So I'll ask you to do it one more time, if I may. What do you think will happen? Because the jewellery space is quite fragmented. As you have also pointed out many, many times. So a lot of mom and pop shops around the world are also in the US. What do you think will happen in terms of your competition and these retailers? Do you think that there's a chance or risk that these will struggle to, to, to compete with, with the service and the consumer environment that we might see changing here?



[00:57:33] **Alexander Lacik, CEO:** So when I was a young cook, I started at P&G and we did interviewing people. They always said history is a good predictor of the future. So don't ask hypothetical questions that. That's why I prefer the crystal ball thing. So if we look at what happened coming out of Covid, we saw that there were a lot of these small mom and pops that folded. So if that's any insight in that, that might be a trend that that may continue. We can also see that some of the the department stores, you know, the Macy's and the Dillard's and etcetera, etcetera, that maybe were less interested in this category in the past have now turned some of their attention to the to the categories. So we might see some of the kind of mom and pop business go away, and that might be picked up by some of these kind of nationwide chains in the US. That that's certainly something that I could see happening. And of course, as you know, we have a very decent business with Macy's, and we've just opened up our business with Dillard's with very good results. So so I think this might be kind of a reshaping or a little bit of, of the retail landscape, but but it this takes time, right. But but I kind of see that happening as we go into the future. And it may very well be a global global trend, by the way, where we see the emergence, a little bit of of the department stores or larger chains at the expense of, of the mom and pop stores a bit like what you have in France with these to our door. I mean, that's actually in my mind where the market could be moving to. So but again, as I said, it's an extrapolation and a bit of a crystal ball thinking.

[00:59:15] **Martin Brenø, Nordea:** Perfect. That's very clear. Thank you very much for taking my questions.

[00:59:21] **Operator:** The next question will be from the line of Kristian Godiksen from SEB. Your line is open.



[00:59:28] **Kristian Godiksen, SEB:** Thank you guys. A couple of questions as well. So first of all, maybe could you comment a bit on the how confident you are on, on on continuing to have this vast over performance in the US? Obviously you, you, you have a strong runway but but yeah, also taking into consideration the vast performance and we've seen things normalise in Germany. And then maybe if you could comment on on the performance regionally being being a big country and you're being yeah, your maturity is different per region. And then secondly, on the network expansion, could you speak a bit about the pipeline of store openings going forward. So and still if you adjust for the for for China, then the run rate still seems to be a bit lower. It is still lower in 2025. So how to think about this in the years to come would be much appreciated.

[01:00:26] **Alexander Lacik, CEO:** So on on how confident are we in the US. So and again history will help to point into the future. So over the last few years I think we, we started changing the strategy in the US, if I'm not mistaken, back in after the summer of 2020. And since then the US business has doubled. Now we have a 2% market share the largest player in the market, the largest branded player in the market has 4%. So if that's anything to go by, that would suggest that there should be quite some runway. Then you can look into other, let's say brand funnel metrics. If I take a UK which is very well penetrated, you would have a, you know, unaided awareness of what, 65% or something to that tune in us. This is still sub 30 and then the metrics flow through that. If you think about, you know, purchase and penetration all those metrics. So yes. So so we still think there's a very nice runway in in the US. And part of this also comes with us expanding the network because one thing is to advertise. That's kind of where you generate, let's say, half of your awareness. The other one is just by being physically present. Let's remind ourselves that this is still a mass, mass market proposition. So, so distribution or easy access to the brand physically is critically important. And we



know when we when we put a store in, in a place our e-commerce business goes up, the awareness of the brand goes up. And we still have a nice runway to to plant more flags in the US. So now is it going to continue, you know, at eight, 10%. I mean, let's see. But but there's certainly plenty of opportunity to keep driving the brand. And on the regional commentary, I mean, let's start far away. So we have Australia, which posted a 7% for the quarter. It was very good performance in on Mother's Day. But also in general, we can kind of sense that there's some, some consumer sentiment starting to, to be a bit more positive in Australia. And it's been subdued for, for a little while. China, as I said, I mean, it's 1% of the business. So yes. This is not not the prettiest of pictures in the Pandora book, but I don't see and this is mainly by, by listening to, to my local team there, but also reading what other brands are experiencing. And it doesn't look like anybody is really having a field day. We know that the savings quote is very high. In China at the moment, people are sitting on their hands, you know, when that confidence in the market comes back. Yeah. Maybe some some of this comes back into this type of category. And then, you know, I'd like to be in a better position with the brand proposition than we are today. So that's China for you. And if I do Latam you know, we we tried again, I should say to detox heavy detox in Mexico as a start. And that's part of why the Q2 and a recent trading was a little bit subdued because it simply doesn't work. You know, when when the other guy is advertising 50% off and we, we jazz up with a full price proposition. Yeah, that unfortunately doesn't work. So. So we have to go back to the drawing board there again. The rest of Latam is actually doing pretty okay. We've just spoken about the US. We we never really talk about Canada, which is one of our top ten markets. It's actually been growing in lockstep with the US. That wasn't the case a few years ago when we had the vast franchise community that's kind of now converted more or less to an Ono environment, and then we can put put the right assortment, right investment, right hours, and the business responds. And then Europe is a mixed bag, which is actually not new. This has been going on for a while. When we've been speaking about Italy. I



detailed that out quite a quite a level of detail on what we thought the issue was, based on a McKinsey study we did, and the activities we're doing to try to course correct that. Those are all in full swing since two weeks. France, as we know, is a slightly weaker brand equity. But the French market in general continues to be very, very tough for us. So, so that that remains that needs work. So we, you know, that's as we've been saying, that's going to take a bit longer time. Uk, I mean, you might look at that UK number, which is I think minus nine for, for the quarter. But there's a, there's a bit of phasing in that. You should remember that Mother's Day is the second biggest trading event we have in in the calendar every year. That last year fell in Q2. And this year fell in Q1. So if you actually look at the half one number, that's minus three, which probably sits in line with market thereabouts. We had we have had some hiccups there on, on, on the econ platform which may contribute a little bit to that negative number and the end of season sale. Of course, its UK is probably one of our most price sensitive markets globally. So so a poor end of season sale obviously did impact the numbers in the UK. So, so structurally there's nothing different going on in the UK. Spain, Iberia Spain Portugal continues to fly in double digits. Very strong. I think we've now overtaken those as the clear number one brand in the market. And Eastern Europe continues to to be very strong for us. Germany. Yeah. We are cycling another quarter of 65% growth, which is kind of a big mountain to climb. Underlying the brand is super healthy. All the metrics we look at is just going to be a year where we have to cycle all of these tick tock trends that we have sitting in the base. And now as the quarters go by this, this, the comp becomes a little bit easier. You know, Q3 is still 45% or something growth last year. To ease to like 20 odd points in Q4. So so Germany is is you know, that's just up against a crazy comp. And we've said all along that there's going to be a normalisation. Now, of course, we've got a nice push by, by this kind of tick tock virality. But but that as I've always said, we take it when it comes and then we cried the following year because it's just so difficult to, to to to compare. I mean, it comes and it goes. Yeah. So, so there I'm more kind of



looking at the longitudinal trends and making sure that there's nothing funky going on and absolutely isn't in Germany. So I think that's kind of the the world tour for you. I don't think I missed anything major. Yeah. Okay, good.

[01:07:19] **Kristian Godiksen, SEB:** The only thing maybe. Alexander. Sorry, sorry. I was actually also so, so appreciate it very much. The world tour here. But I was actually also looking for the maybe for the, the regional tour just in the US because that's also a very large market. So just I appreciate the comment on the runway and all that. I agree with that. It's just more if you could give some commentary on the performance in the US, you know, coast and Midwest, you know, just just the difference there. Their maturity is different for you guys.

[01:07:46] **Alexander Lacik, CEO:** I keep getting this question and every year I'm the answer is the same. There are no major differences. The only major differences we've had was that we were under penetrated in terms of stores in the West and the South, which, you know, successively with, as you know, we're buying back or taking back the franchisees in most places. And then once we can then we start planting a few flags, but that there is no, no massive difference if you if you kind of cut the country up in pieces so you know that there's there's nothing more to that story at the moment.

[01:08:21] **Kristian Godiksen, SEB:** Okay, yeah. Thanks.

[01:08:23] **Anders Boyer, CFO:** The network question, Krisitan. The way to think about that, when we had the capital market day, we said around 3% contribution. And I think that's that's the kind of the way to think about it. For another, let's call it a couple of years and 3% network contribution when you look further ahead beyond that. So for how sort of how long can we keep adding to



significantly to like for like growth through the network. We will talk more about that when we have the next capital market day. We haven't put out a date yet, but that's definitely one of the agenda point, obviously. And I think party links into one of the questions we got early on on Singapore and Asia headquarter. Asia is, as you know, one of the is the region where we have the least penetration. There's quite a number of big markets out there, mostly operated from partners. And, and so how far can we take that over the next decade just to say something. But it's some of the things, one of the things that we are looking into, and we'll come to the agenda on the next CMD.

[01:09:39] **Operator:** The last question will be from the line of Alison Lygo. Please go ahead, Johan, I'll be unmuted.

[01:09:46] **Alison Lygo, Deutsche Bank:** Hi. I think that's me. I think that's Alison Legault. I thanks for taking my questions. I was just going to ask about pricing on the on the Pandora brand. I just wonder whether there are any learnings you're taking in terms of what product categories like consumers are more comfortable taking sort of price sizes from the Pandora brand. So we think about kind of risk where versus say rings, necklaces and kind of silver versus gold. And then second one appreciate this is much further out, but just wondering if there's any update in terms of how you're thinking about hedging policy out into 2027? Thank you.

[01:10:25] **Alexander Lacik, CEO:** Let's see if I got can you repeat your first question? I'm not 100% sure what you're asking.

[01:10:32] **Alison Lygo, Deutsche Bank:** Just whether our consumers, as you're kind of putting the price rises through, our consumers are more willing to take price rises on, say, wrist wear versus,



say, other product categories like necklaces and rings from the Pandora brand and just interested in terms of how they think about or how they're reacting to different pricing across different categories.

[01:11:00] **Alexander Lacik, CEO:** It's a yes and a no. It's a let's see how we we answer this. So if you if you move your opening price points on charms, for instance, a lot, there will be a reaction, which is also why that's the place which we have tried to protect. Okay. If you look at, for instance, collaborations, people are more willing to, to, to move the pricing up, especially, you know, when it's the Disney collabs that that fan base seem to be quite, you know, keen to follow along. So we've moved that a little bit. If I look at then it almost becomes by by product concept somehow it's not just product related. So if I think about in general, there's a trend on yellow gold plating going in the world. We used to have a over, let's say two thirds or more of the business used to be rose gold plated, and then one third used to be yellow gold, if not not mistaken. It's kind of flopped. So that just seems yellow gold is more in demand somehow, which of course then allows a little bit more pricing to, to to go up with that by particular category. Now, I haven't really seen, we've seen on, on rings for instance that that seems to be, you know, rings sub €50 pound dollar has seemed to be kind of a good entry point for especially younger consumers to the brand. So of course, if you move that 50 price point to let's say 70, Well, then you kind of rule yourself out of the market. So that's another area where we kind of are a bit more careful. So those are probably the only hard, you know, fact based insights I would have for you. So it's it's it's dependent on which collection is dependent on the starting point on the price and depends a little bit on kind of the, the design and what you're actually putting on offer. If that makes sense. Then, then maybe Anders you can talk to hedging.



[01:13:12] **Anders Boyer, CFO:** Yeah. On, on the hedging of standards or way of hedging. Silver and gold is covering on a rolling 12 month basis, the PNL. So that's that's the that's the starting point. And in order to cover the P and L for on a 12 month rolling basis, we are that entails hedging the purchase of silver and gold eight, eight months out. So it'll give a give and take so that that's the that's the standard. Now, as you know, we did a bit more back in April. So we hit a bit longer out then then than normal. So for now we haven't hit anything of of 2027. But as a standard would be that when we then get into January 2026, we will start getting bit by bit part of 2027. So that's the that's how to to think about it.

[01:14:13] **Alison Lygo, Deutsche Bank:** Okay. Just back to standard policy. Great. That's clear. Thank you.

[01:14:20] **Alexander Lacik, CEO:** Okay. So I think we will lay down arms at this point. Thank you for the interest. And let's hope that the share price somehow finds a different pathway in the future. But, you know, we we are really believing in in the back of plan. So let's see in a couple of months when, when we meet you again. Thank you for today.

