

Full Year 2018 Results

Teleconference – February 5, 2019



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Agenda of today

> Full year & Q4 2018 highlights

Programme NOW

Full year 2019 guidance



Key highlights



2018 results within latest guidance

- 3% revenue growth in local currency and EBITDA margin of 32.5%

Programme NOW to restore sustainable growth and support industry-leading margins



- A 2-year comprehensive roadmap with 4 major next steps
 - *Commercial reset*
 - *Reignite a Passion for Pandora*
 - *Reduce costs*
 - *Implement new ways of working*

Unsatisfactory FY 2018 financial performance driven by negative like-for-like growth

FY 2018 results

Revenue
DKK **22.8** billion
(3% in local currency YoY)

Total like-for-like
-4%
(0% in FY 2017)

EBITDA margin
32.5%
(37.3% in FY 2017)

Cash conversion
86.4%
(68.0% in FY 2017)

Shareholder distribution
DKK **6.0** billion¹
(DKK 5.8 billion in FY 2017)

¹Share buyback programme to end in March 2019 as announced during the Annual General Meeting 2018

Highlights



Pandora delivered on the latest guidance with 3% revenue growth in local currency and 32.5% EBITDA margin



Total like-for-like of -4% driven by a general decline in traffic to stores and a challenging retail environment. Retail like-for-like was flat



Positive like-for-like in the US, and China improved like-for-like throughout the year



Charms revenue declined 4%



8% total revenue growth in Bracelets, Rings, Earrings and Necklaces & Pendants



EBITDA margin slightly higher than indicated in the latest guidance. Positive impact from initial cost reduction initiatives undertaken through Programme NOW



Strong cash conversion - the highest since 2014

Q4 2018 financial performance underlining the need for Programme NOW

Q4 2018 results

Revenue
DKK **7,890** million
(3% in local currency YoY)

Total like-for-like
-7%
(-3% in Q3 2018)

EBITDA margin
35.7%
(40.1% in Q4 2017)

Cash conversion
115.2%
(103.6% in Q4 2017)

Highlights



Organic growth was -1%. Revenue was positively impacted by 4%-p from forward integration



Like-for-like growth of -7% due to weak momentum driven by a general decline in traffic into stores. The quarter was impacted by annualisation of the successful Disney launch and a generally soft retail environment. China and Latin America continue to generate positive like-for-like



eSTORE growth of 24% mainly due to strong execution of Single's Day and Black Friday and driven by particular strong performance in China and Australia



Wholesale down 23% in local currency due to forward integration, negative like-for-like growth and timing of shipments



EBITDA margin slightly above expectations and supported by the initial cost reduction initiatives undertaken through Programme NOW



Successful execution of the first part of Programme NOW – change of network expansion strategy and no new acquisition deals were signed in Q4 2018

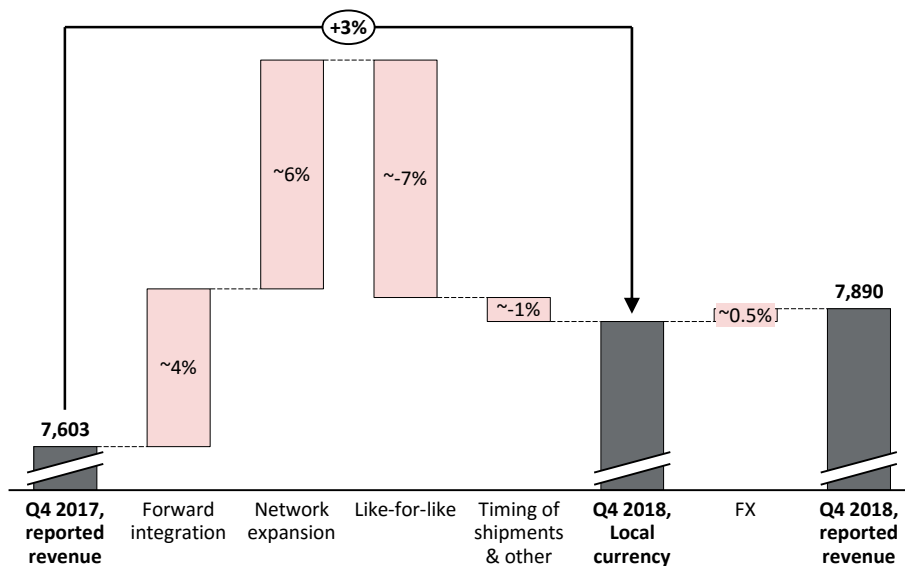


Strong focus on working capital with significant improvement in both receivables and payables – cash conversion up

Network expansion and acquisitions were the main contributors to 3% growth in Q4

Revenue growth of 3% in local currency in Q4 2018

DKK million, %-p revenue growth



Commentary

Forward integration contributed around 4%-p growth

- Primarily in EMEA, driven by Ireland, the UK and Italy

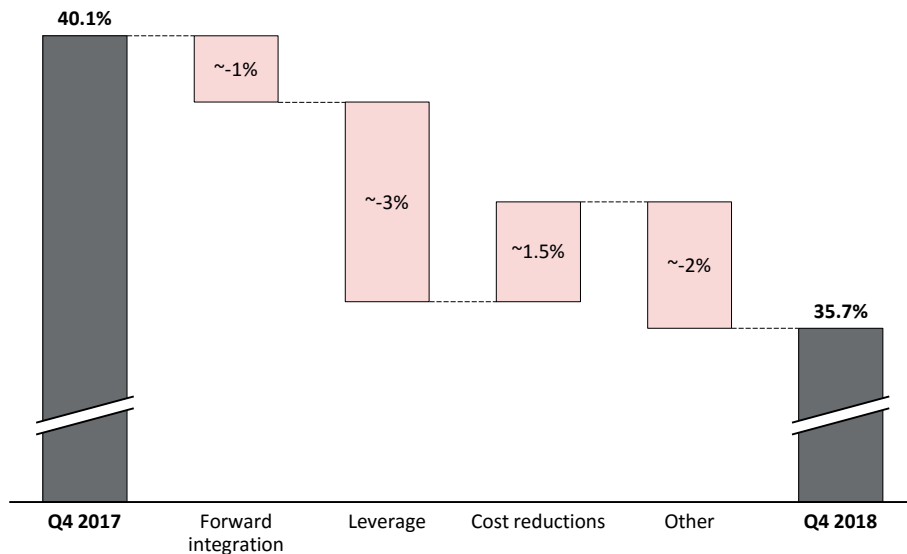
Organic growth of -1% impacted by negative like-for-like partly offset by network expansion

- 259 new concept stores added to the network in the last 12 months
- Total like-for-like of -7% driven by a decrease in traffic across markets
- Pandora continued to reduce the number of other points of sale – revenue down 41% in Q4

Good progress on cost reductions more than offset by negative operating leverage

EBITDA margin of 35.7% in Q4 2018

%-points, approx.



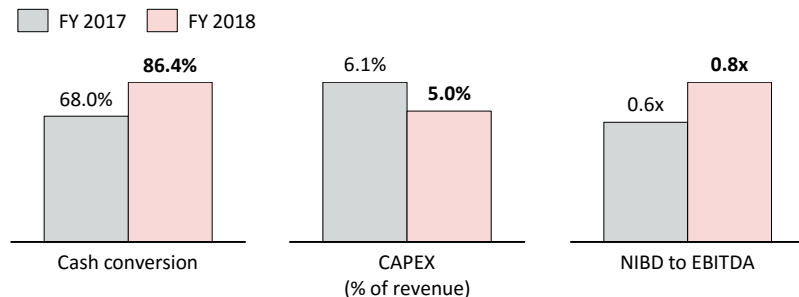
Commentary

EBITDA margin impacted by several components

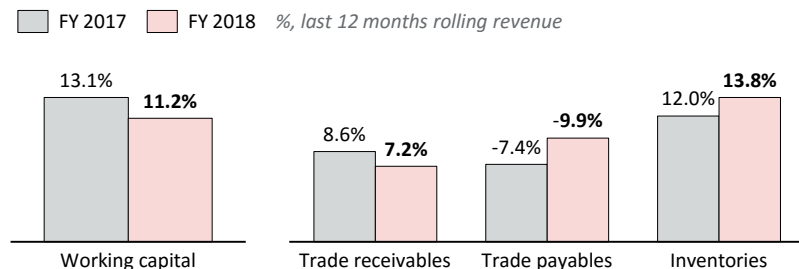
- Write-off of inventories taken over as part of acquisitions, reduces EBITDA by DKK 85 million or approx. -1%-p
- Negative operating leverage as a result of the like-for-like development
- Positive impact of around 1.5%-p from cost reductions related to the procurement excellence programme run since the beginning of 2018 as well as the early Programme NOW impact
- A decrease of 2%-p from Other which includes a) various provisions made in Q4, b) timing of shipments and c) increased production time from the more intricate designs and popularity of Rose and Shine

Continued strong cash conversion – highest since 2014

Strong cash conversion of 86%



Working capital reduced by 2% of revenue



Commentary

- **Strong cash conversion of 86%** mainly attributable to the tightening of supplier payment terms
 - Payables improved significantly due to tighter payment policy
 - Trade receivables down in line with the channel shift - DSO stable compared with Q4 2017
 - Inventories increased compared with Q4 2017 due to the addition of 366 Pandora owned concept stores and a higher average cost price per unit
- **CAPEX in line with guidance of around 5% of revenue or DKK 1.1 billion**

Full year & Q4 2018 highlights

> Programme NOW

Full year 2019 guidance



Diagnosis phase completed – next major steps to be taken in Programme NOW

Data-driven analysis completed...



~28,000 consumer study



Comprehensive cost scrutiny



Extensive business analysis



Company-wide process review

...with significant changes implemented already

- No new forward integration deals
- Scale back on network expansion
- Chief Creative Officer made fully accountable for brand expression
- Cost reductions realised in Q4 2018
- Launched new global trading calendar
- Recruited SVP for the new function, Global Merchandising

Next major steps of Programme NOW



Commercial reset



Reignite a Passion for Pandora



Reduce costs



New ways of working



Pandora can return to long-term sustainable growth

The diagnosis points to four key issues

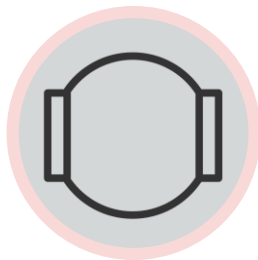
Blurred brand experience



Though, we have the **highest brand awareness** (85%) in the industry

The **brand position, promise** and **storytelling** need to be sharper and be more culturally exciting – digitally, socially, eCommerce and store-wise

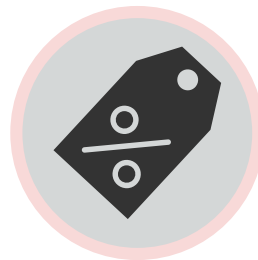
Weak initiatives on charms collecting



Though, we sold more than **900,000 charms** per week in 2018

Initiatives to drive increased **buying** and **collecting** of multiple bracelets and charms need to be amplified, digitised and pursued by the whole company

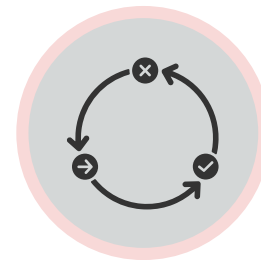
Over push



Though, our expansion has made the **brand more available**

Intense **promotional activity** and **immature merchandising process'** **must** be changed to protect and enrich the brand equity

Executional inconsistency



Though, we have **strong competencies**

The **global direction** and **executional speed** and **impact** has been compromised by the way we go to market

Pandora's "magic product DNA", manufacturing craftsmanship & value underpin the brand equity



We will attract consumers to wear and collect more bracelets and charms

Charms are still highly in demand...



73% of consumers building a bracelet full of charms will now go on to purchase a new bracelet and buy more charms

33% of consumers have several bracelets and charms which they wear for different styles (51%) and moods (50%)

74% of non-owners who would consider Pandora have little knowledge about Pandora or the charms products

...Pandora's strong assets to be leveraged



Express my Individuality

Global jewellery study of ~28,000 consumers across 12 markets shows Pandora answers a large, global needs space

Cross-generational consumers

Pandora is recruiting Millennials, Gen Z and younger consumers – a powerful position to be in

Source: Pandora focus groups, 1:1 interviews, Pandora consumer study, Pandora brand tracker 2018

Building a consumer-centric “Charm-Collecting System”



Attract

Attract new and lapsed consumers

Innovate new
bracelets and charms, create collaborations and launch limited editions



Wear

Styling for different looks & occasions

Style and restyle **“multi-charm bracelets”** in advertising and with influencers, social media, online and in-store to drive behaviour



Collect

Drive multiple charms and bracelets

Inventing a **‘Digital-first Reward system of-the-future’** to drive collecting, exchanging and capture rich data to drive personalised marketing

Programme NOW to create a positive disruption

Blurred brand experience



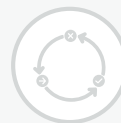
Weak initiatives on charms collecting



Over push



Executional inconsistency



CREATE POSITIVE DISRUPTION

Make the brand come alive

Express the brand in a culturally relevant and sharp way across all touchpoints to re-excite consumers to actively engage

Step-change jewellery collecting

Increase “Attract – Wear – Collect” of more bracelets and charms, complemented by other categories

Act with commercial responsibility

Create healthy promotional activity, control range of product breadth, and become more agile in the wholesale channel

Pursue executional excellence

Global brand and merchandising vision are executed excellently at a local level on eCOM, stores and with franchise partners

Push the pace with data-driven personalisation

Continue to accelerate transformation into a personalised social media-, paid search-, eCOM-, digital- and omnichannel company



REIGNITE A PASSION FOR PANDORA

Programme NOW transformation of the consumer experience across all touchpoints

The next 4 major steps of Programme NOW



COMMERCIAL RESET Act with commercial responsibility

Reduce promotional activity |
Improve wholesale inventories



REIGNITE A PASSION FOR PANDORA Make the brand come alive

Clarify brand expression | Inspire a further desire
for charms collecting | Positive disruption across touchpoints



REDUCE COSTS Pursue cost efficiency opportunities

Fund the growth initiatives | Enhance the cost culture | Support industry-leading margins



IMPLEMENT NEW WAYS OF WORKING Act as one global company

Sharper Global to Local execution | Build a world-class Merchandising capability | Foster a strong performance culture

A 2-year transformation journey

Today

Q4 2019

2020

COMMERCIAL RESET

“BIGGER & BETTER”

20TH ANNIVERSARY



COMMERCIAL RESET



REIGNITE A PASSION FOR PANDORA



REDUCE COSTS



IMPLEMENT NEW WAYS OF WORKING

Commercial reset is the right thing for the brand & business – clear negative short-term impact



Reduce promotional intensity



Protect the brand integrity

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



Amplify specific promotional periods

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



Improve wholesale inventories



Optimise wholesale NPI sell-in packages

- Accelerate reordering of faster selling products vs slow-movers
- Reduce sell-in packages from 8 weeks of cover to 4 weeks of cover







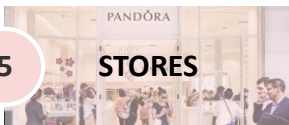
Reduce slow-moving inventory

- Initiate an inventory programme to take back some of the slow-moving stock in selected markets

ESTIMATED FINANCIAL IMPACT IN 2019

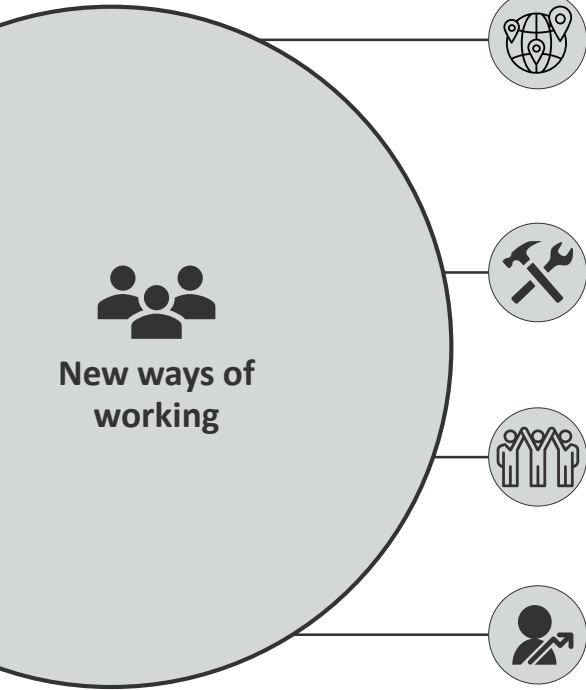
Reduced promotional activity will impact **like-for-like** and **organic growth negatively** by 2 to 4%-p. EBIT margin will be **around 2%-p lower** due to inventory programme. Reduced sell-in packages will impact **organic growth** by around -1%-p.

How the initiatives of Reignite a Passion for Pandora will unfold

AREA	WHERE WE ARE NOW	HOW IT WILL UNFOLD TOWARDS CONSUMERS
1 BRAND 	<ul style="list-style-type: none">New brand promise, brand visual identity, digital and communication being developed	> <i>Launch of new brand communication/social platform (both strategic and disruptive) towards the end of 2019</i>
2 PRODUCT 	<ul style="list-style-type: none">Development of products aligned with new brand promise alongside an assortment rationalising plan	> <i>Launch of a new charms bracelet platform strengthening entry price points and new products in each category</i>
3 MEDIA MARKETING 	<ul style="list-style-type: none">Econometric modelling and personalisation testing to validate elasticities and upper/lower funnel recruitment	> <i>Increase media spend to amplify content (Q4 2019) with progressively improved targeting of new/lapsed customers</i>
4 eCOMMERCE, DATA & REWARD 	<ul style="list-style-type: none">Redesign of eCOM features and services, alongside US omnichannel roll-out - developing reward concept	> <i>An inspiring eCOM buying & brand experience with full omnichannel features and a reward concept to be piloted</i>
5 STORES 	<ul style="list-style-type: none">New store design in development to improve merchandising, navigation and inspiration	> <i>Launch of new store design in pilot stores, for progressive roll-out</i>



To act as one global company, we will fundamentally change the way we operate as an organisation



Sharper Global to Local execution

- **Chief Creative & Brand Officer** will expand the realm of control
 - Fully responsible for the **global brand expression and execution** across all touchpoints
- **Single global to local trading calendar** implemented with 14 trading events to amplify new product launches and separate from promotional activation

Build a world-class Merchandising capability

- New **Global Merchandising function created** and **new global merchandising SVP recruited**
 - An **integrated function** aligning input from product design, manufacturing, network and finance

Rebuild 'partnership' approach with Franchisees and Multi-brand owners

- New **Franchise partner alignment, collaboration and performance metrics**

Foster a strong performance culture

- Change of **incentive programmes and structures** to align with shareholder value creation
- Use **one set** of numbers and reports
- Change the monthly **performance review cadence**

Significant cost reduction opportunities identified – DKK 1.2 billion or more than 5% of revenue

COST CATEGORIES	COST LEVERS - examples	RUN RATE BY END 2020 (DKK billion)
Cost of sales	<ul style="list-style-type: none">• Continuous improvement based on LEAN methods• New production techniques and re-engineering of existing products• Improve forecasting and thereby reduce re-melt costs• Reduce use of OEM/ODM suppliers and renegotiate contracts	0.3 to 0.4
Retail expenses	<ul style="list-style-type: none">• Optimise workforce planning and renegotiate lease agreements• Improve POS Material with focus on sustainability and customer experience• Reduce logistic cost per unit across both store and e-commerce channels	0.25 to 0.35
Administrative expenses	<ul style="list-style-type: none">• Tighten travel policy• Right size support functions through a more global approach• Outsource selected functions and repetitive tasks to shared service centers	0.1 to 0.2
IT	<ul style="list-style-type: none">• Sourcing model - more insourcing and offshoring• Tendering of selected services• Global prioritisation and approach	0.2
Other	<ul style="list-style-type: none">• Office footprint• Other employee expenses• Consultancy costs	0.15 to 0.25

What to expect in connection with the Q1 2019 announcement on 7 May, 2019



- Update on Programme NOW
- Initial impact from the *Commercial reset*
- Progress on the cost reductions and restructuring costs incurred



- Further deep-dive on the concrete future initiatives to *Reignite a Passion for Pandora*

Full year & Q4 2018 highlights

Programme NOW

> Full year 2019 guidance



Pandora changes guidance metrics to better align with value creation



Organic growth¹

(previously total revenue growth in local currency)

- Strengthen focus on sustainable total like-for-like growth
- Exclude acquisitions from the core revenue KPI
- Focus on shareholder value creation



EBIT margin

(previously EBITDA margin)

- Emphasise the focus on capital efficiency
- Improved transparency following the implementation of IFRS 16

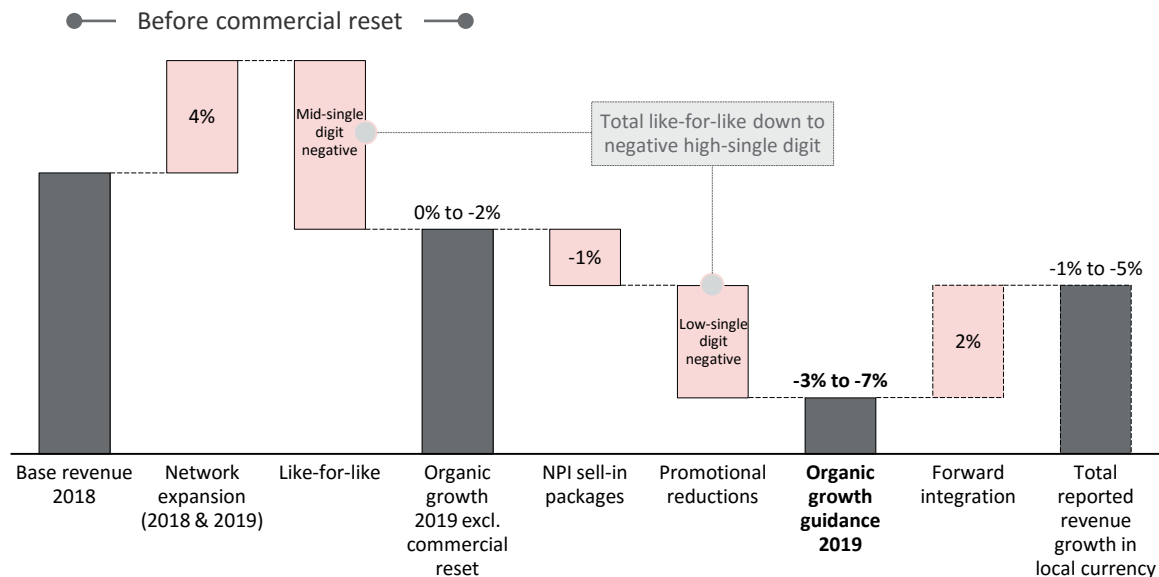
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Change of guidance metrics is in effect as of today

¹Organic growth is defined as total growth excl. impact from forward integration and M&A activities

Full year 2019 organic growth guidance

Organic growth composition



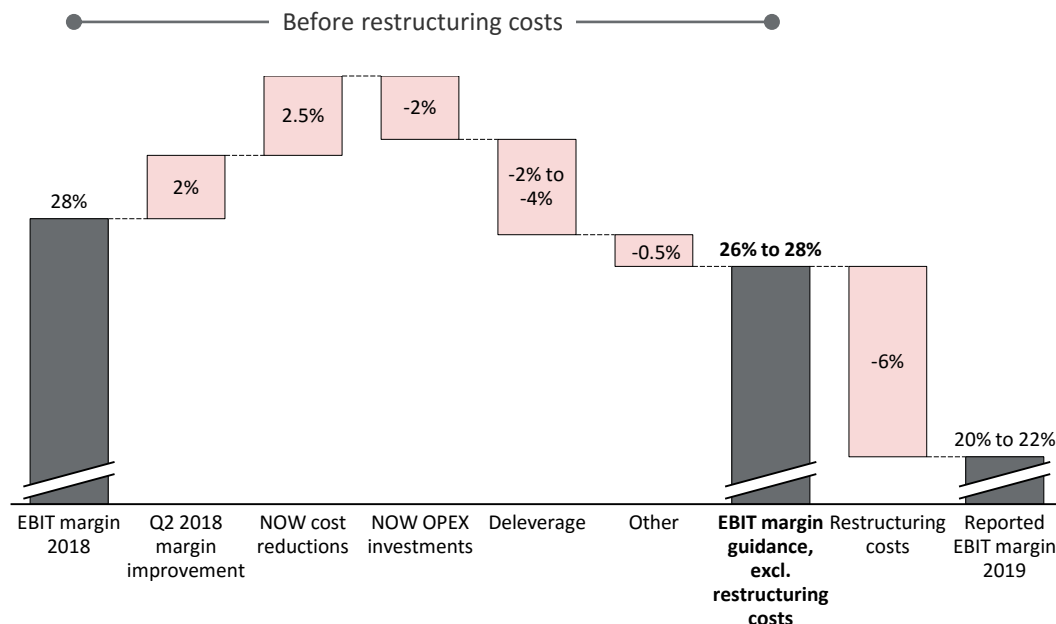
Commentary

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

- Expansion of the network expected to add around 4%-p to organic growth supported by 75 net store openings in 2019 (mainly related to Latin America and China)
- Total like-for-like is expected to be negative mid-single digit before the non-recurring impact from the commercial reset
 - Growth initiatives in Programme NOW are expected to support like-for-like from late 2019 and onwards
- Expected non-recurring impact from the commercial reset is -3 to -5% with the majority of the impact stemming from the reduction of promotions

Full year 2019 EBIT margin guidance

EBIT margin composition



Commentary

EBIT margin excl. restructuring costs expected to be 26% to 28%

Key underlying drivers

- 2% margin-improvement from initiatives announced in Q2 2018 including less forward integration - destocking will still be a drag on margins in 2019
- 2.5% margin improvement from Programme NOW cost reductions announced today
- 2%-p negative impact from additional investments in commercial and brand initiatives as part of Programme NOW (DKK 500 million in OPEX)

Restructuring costs

- Restructuring costs of around 6 percentage points (up to DKK 1.5 billion) mainly consisting of wholesale inventory buyback (-2%-p) and programme execution (-4%-p)

Continued strong cash distribution to shareholders in 2019

Capital structure policy

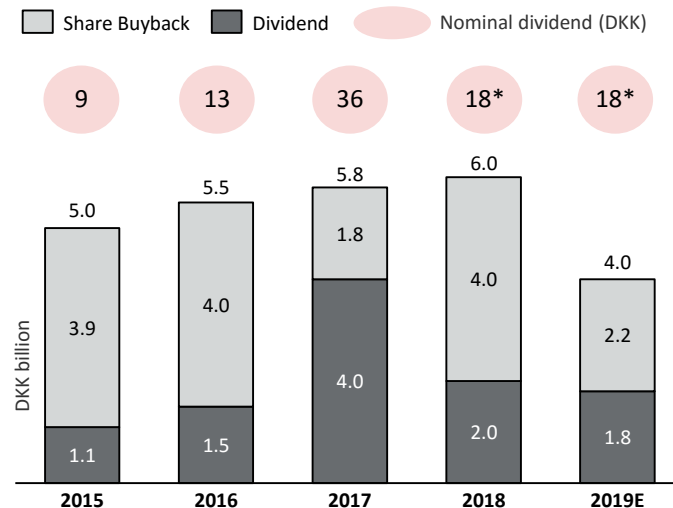
- Pandora expects to temporarily exceed the upper end of the capital structure interval in 2019 - reflecting that financials are impacted by one-offs during the transformation period
- **Capital structure ratio target** has been changed from 0-1x NIBD to EBITDA to 0.5-1.5x NIBD to EBITDA reflecting the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

Cash Distribution

- **2018 share buyback programme** of DKK 4.0 billion will be completed in March 2019
- **2019 total cash return of DKK 4.0 billion**
 - **Share buyback programme¹** of DKK 2.2 billion
 - **Dividend payment maintained** at DKK 2 x 9 per share (DKK 1.8 billion)

¹Share buyback programme will end in March 2020

5-year cash distribution development



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

The Pandora equity story: A turnaround opportunity with fundamentals intact

— Pandora has strong assets to build on —



Cross-generational
brand with unmatched
recognition



Comprehensive global
footprint across
touchpoints



Magic DNA of
innovative products



State-of-the art
crafting facilities

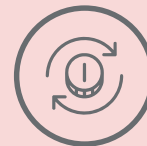
— Return to sustainable growth and support industry-leading margins —



Clear
transformation
roadmap towards
restoring
sustainable growth



Significant cost
reduction potential
to be executed
before the end of
2020



Continued strong
cash generation
during
transformation
period



Attractive cash
pay-out policy

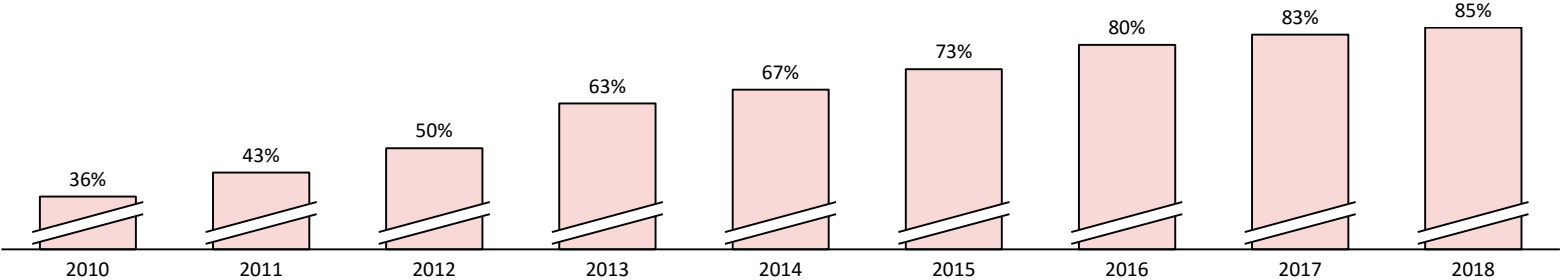


A woman is shown from the chest up, wearing a light pink, textured blazer. She is adorned with several pieces of Pandora jewelry: a long silver chain necklace with a small gold key charm, a shorter silver chain necklace with small gold charms, a silver ring with a gold charm, and a silver bracelet with a heart charm. The word "APPENDIX" is overlaid in large, white, bold, sans-serif capital letters across the center of the image.

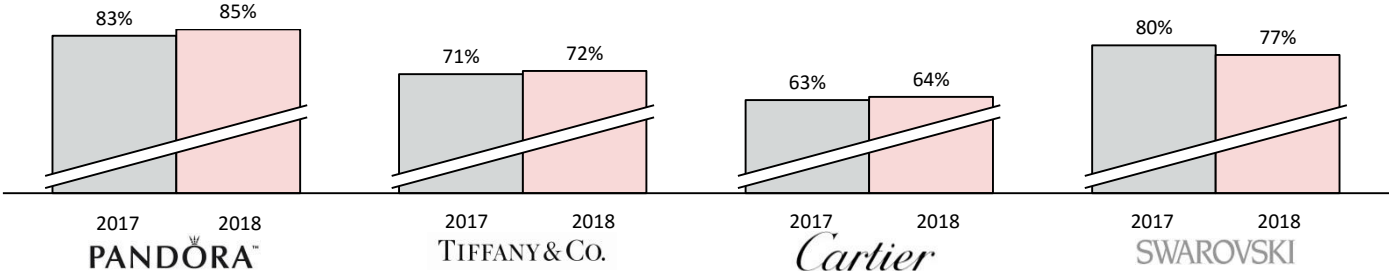
APPENDIX

Pandora is the world's most recognised jewellery brand

AIDED BRAND AWARENESS



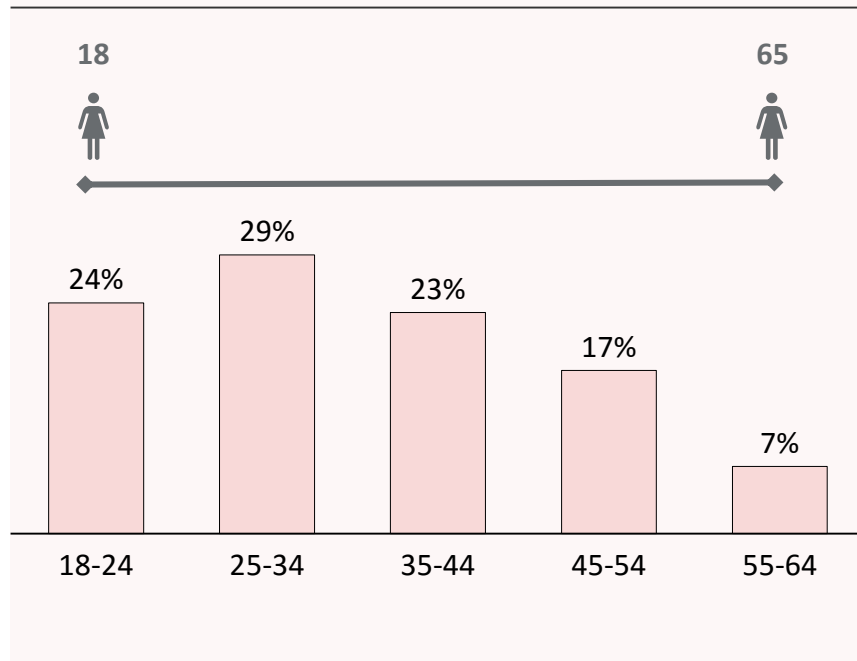
JEWELLERY COMPANIES - AIDED BRAND AWARENESS



Source: Pandora Brand Tracker

Our consumers are across generations and they stay loyal

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



Source: Pandora Brand Tracker 2015-2018

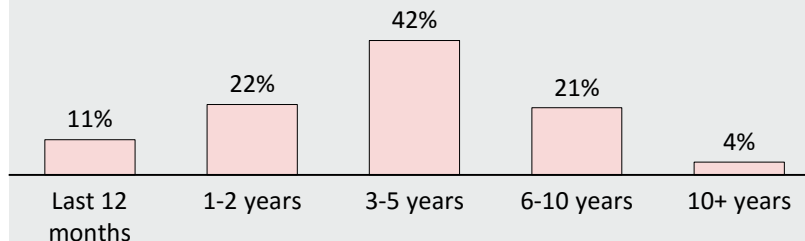
Note: Markets include AU, BE, BR, CA, CN, FR, DE, HK, IE, IL, IT, PL, PT, RU, ZA, KR, ES, CH, NL, TR, UK, US

*Survey-data allows for the possibility that share of Repurchasers can be slightly higher than previous years active owner-base

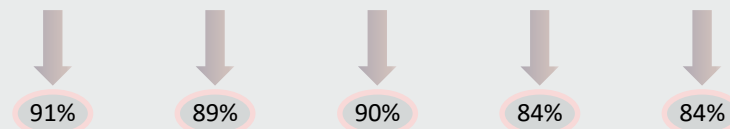
**Deviation in Awareness from funnel-slides caused by different market filters in order to compare to 2014 (excludes CN, CZ, JP, SG and AE)

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

Q: How long ago did you receive/purchase your first piece of Pandora?



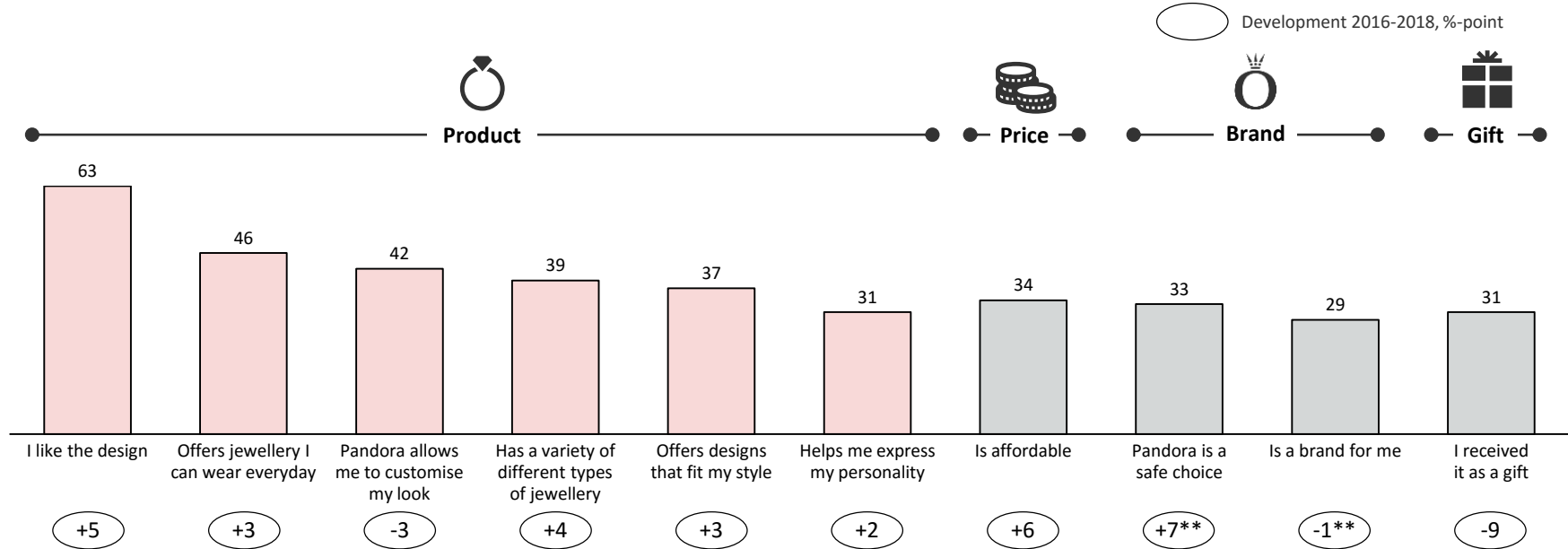
Q: Would you, as a Pandora owner, consider buying Pandora jewellery?



Our consumers have a wide-range of purchase criteria

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

Share of respondents, % (multiple answers allowed)



Source: Pandora Brand Tracker 2018 (n=4,467)

Note: Based on the question "why did you choose Pandora for yourself?"

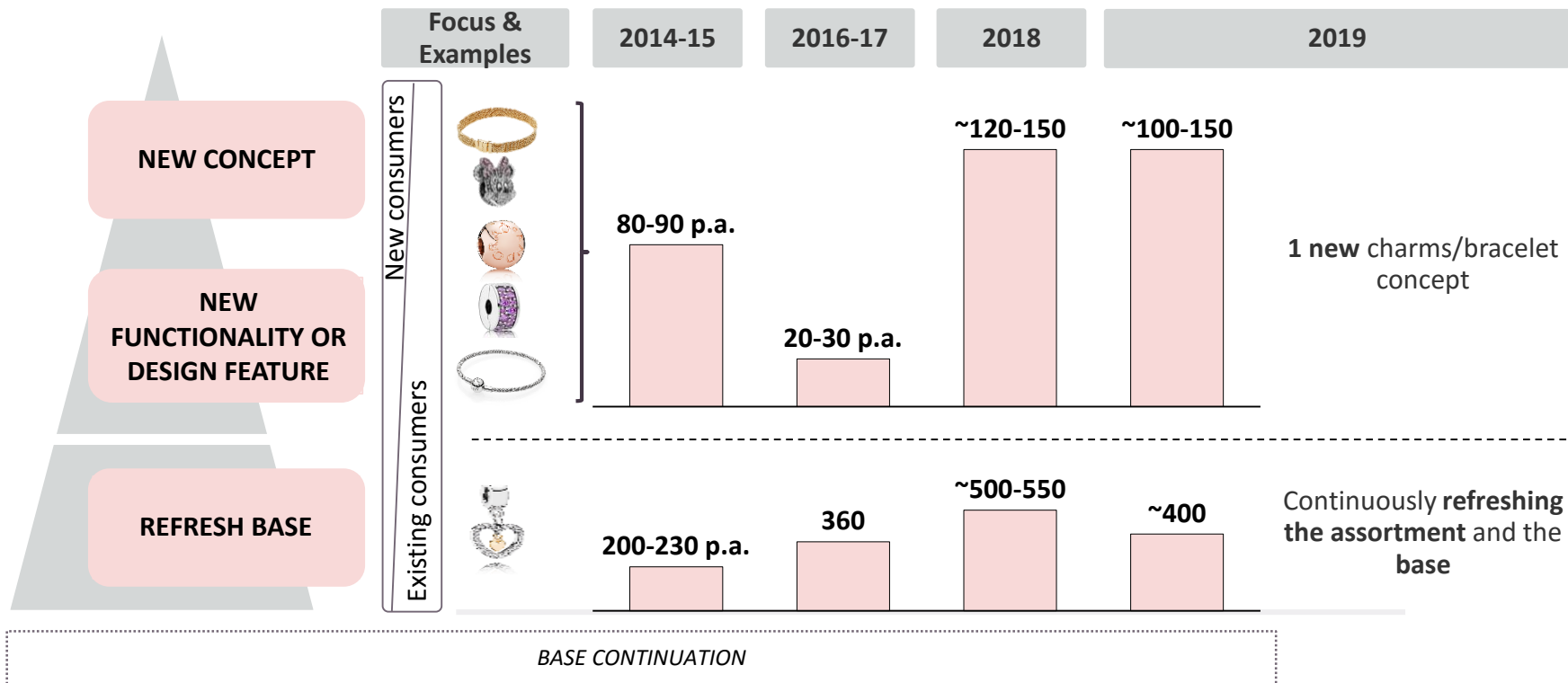
*Active Owners include owners who have purchased past 12 months and/or received past 12 months

**2017-2018 development only available

Pandora will continue to refresh its assortment and keep innovating the product portfolio

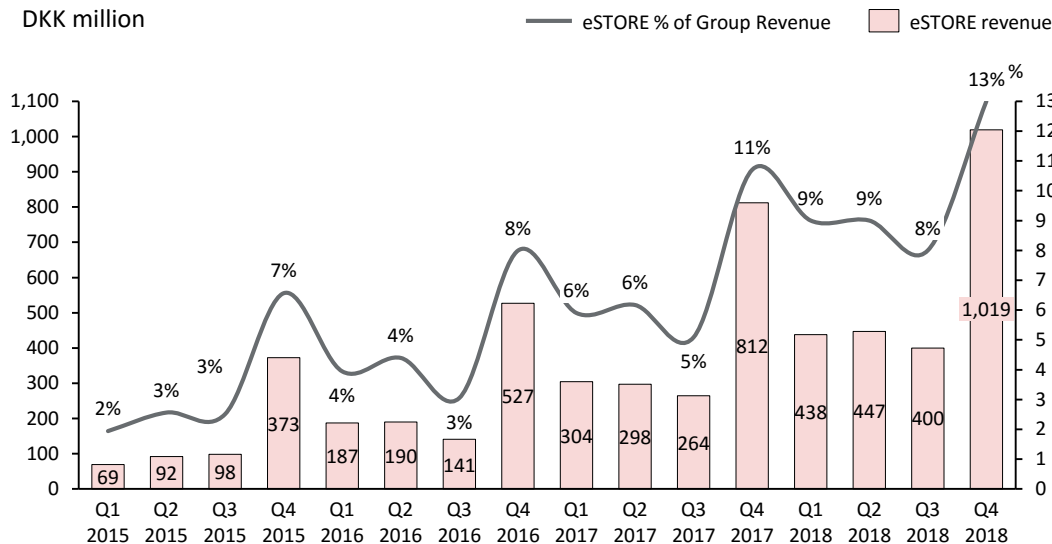
PRODUCT NEWNESS, NUMBER OF NEW DESIGN VARIATIONS (DVs)

Significant newness push throughout



Pandora's online business & presence

eSTORE DEVELOPMENT



24%

REVENUE
GROWTH IN LC IN Q4 '18

13%

REVENUE SHARE OF
GROUP REVENUE IN Q4
'18

20

MARKETS

SINGLE

DIGIT RETURN RATES

STRONG

PROFITABILITY

ONLINE PLATFORMS



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



More than 237 million visits on the Pandora eSTORE in 2018



More than 13 million Pandora club members worldwide



14.9 million Facebook followers



5.7 million followers on Instagram

Revenue development by sales channel and by product category

Sales channel development	DKK million	Q4 2018	Growth, Q4/Q4, LC	Q4 2018 share of revenue	FY 2018	Growth, FY/FY, LC	FY 2018 share of revenue
	Pandora owned retail	4,930	28%	63%	12,895	35%	57%
	- of which Pandora owned concept stores	4,727	31%	60%	12,269	36%	54%
	- of which eSTORE	1,019	24%	13%	2,304	39%	10%
	Wholesale	2,669	-23%	34%	8,633	-23%	38%
	- of which franchise concept stores	1,614	-25%	21%	5,010	-23%	22%
	Third-party distribution	291	-10%	4%	1,278	-15%	6%
	Total revenue	7,890	3%	100%	22,806	3%	100%

Product category development	DKK million	Q4 2018	Growth Q4/Q4, LC	Q4 2018 share of revenue	FY 2018	Growth, FY/FY, LC	Share of revenue FY 2018
	Charms	4,081	-3%	52%	12,126	-4%	53%
	Bracelets	1,584	18%	20%	4,393	13%	19%
	Rings	1,078	4%	14%	3,168	3%	14%
	Earrings	573	10%	7%	1,486	7%	7%
	Necklaces & Pendants	574	14%	7%	1,633	27%	7%
	Total revenue	7,890	3%	100%	22,806	3%	100%

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

DKK million	Q4 2018	Growth Q4/Q4, DKK	Growth Q4/Q4, LC	Total like- for-like, Q4 2018	Q4 2018 share of revenue	FY 2018	Growth FY/FY, DKK	Growth FY/FY, LC	Total like- for-like, FY 2018	FY 2018 share of revenue
EMEA	4,039	1%	1%	n/a	51%	11,190	3%	4%	n/a	49%
- of which UK	1,217	11%	11%	-8%	15%	2,746	-2%	-2%	-5%	12%
- of which Italy	716	-13%	-13%	-13%	9%	2,461	-5%	-6%	-8%	11%
- of which France	486	-9%	-10%	-17%	6%	1,253	-1%	-2%	-11%	5%
- of which Germany	390	-4%	-4%	-1%	5%	1,041	-2%	-2%	5%	5%
AMERICAS	2,490	13%	11%	n/a	32%	6,807	-4%	0%	n/a	30%
- of which US	1,818	11%	7%	-1%	23%	4,880	-8%	-5%	1%	21%
ASIA PACIFIC	1,361	-2%	-1%	n/a	17%	4,809	-1%	4%	n/a	21%
- of which Australia	498	-16%	-13%	-16%	6%	1,361	-17%	-12%	-15%	6%
- of which China	511	31%	33%	4%	6%	1,969	24%	26%	-2%	9%
Group	7,890	4%	3%	-7%	100%	22,806	0%	3%	-4%	100%

Concept stores per market

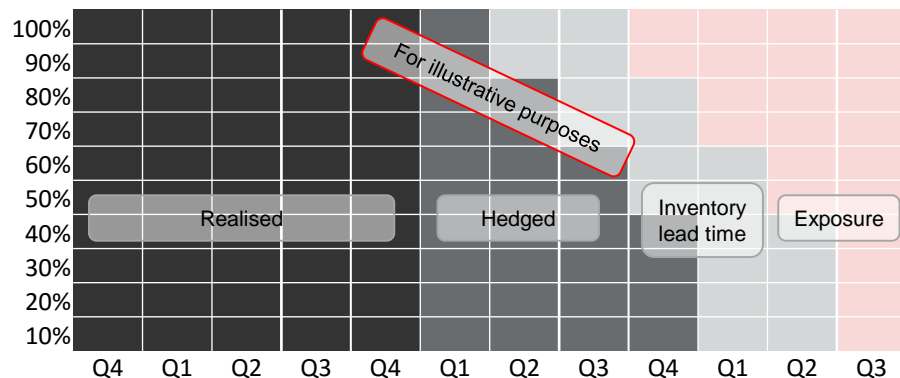
	Number of concept stores Q4 2018	Number of concept stores Q3 2018	Number of concept stores Q4 2017	Growth Q4 2018 /Q3 2018	Growth Q4 2018 /Q4 2017	Number of O&O Q4 2018	Growth O&O stores Q4 2018 /Q3 2018	Growth O&O stores Q4 2018 /Q4 2017
UK	236	233	234	3	2	126	5	89
Russia	201	200	201	1	-	-	-	-
Germany	153	154	154	-1	-1	145	-	-
Italy	138	126	112	12	26	93	12	27
France	120	109	95	11	25	73	12	29
Spain	84	77	69	7	15	69	7	15
Ireland	29	29	30	-	-1	24	-	24
Poland	50	49	47	1	3	39	1	3
South Africa	31	30	29	1	2	29	1	7
Belgium	27	25	25	2	2	15	2	2
Turkey	27	22	19	5	8	27	5	8
Netherlands	26	25	23	1	3	26	1	3
Portugal	26	24	24	2	2	-	-	-
Ukraine	24	24	23	-	1	-	-	-
Romania	22	21	19	1	3	12	-	-1
United Arab Emirates	20	21	21	-1	-1	20	-1	1
Czech Republic	19	19	19	-	-	10	-	-
Israel	17	17	17	-	-	-	-	-
Greece	15	15	14	-	1	-	-	-
Austria	15	15	14	-	1	10	-	2
Denmark	14	14	14	-	-	14	-	-
Saudi Arabia	12	12	10	-	2	-	-	-
Sweden	12	11	10	1	2	12	1	2
Nigeria	10	8	8	2	2	-	-	-
Rest of EMEA	136	128	116	8	20	18	-	2
EMEA	1,464	1,408	1,347	56	117	762	46	213
US	397	392	382	5	15	154	5	40
Brazil	98	99	98	-1	-	59	-	1
Canada	80	79	77	1	3	23	-	13
Mexico	66	53	34	13	32	40	13	30
Caribbean	27	27	25	-	2	-	-	-
Rest of Americas	56	54	41	2	15	9	1	6
Americas	724	704	657	20	67	285	19	90
China	210	203	155	7	55	203	7	52
Australia	127	124	123	3	4	36	2	10
Philippines	35	34	26	1	9	-	-	-
Malaysia	31	31	30	-	1	-	-	-
Hong Kong	30	30	30	-	-	25	-	-
New Zealand	17	17	16	-	1	8	-	2
Thailand	17	16	14	1	3	-	-	-
Singapore	15	15	15	-	-	11	-	-
Rest of Asia Pacific	35	32	33	3	2	10	-	-1
Asia-Pacific	517	502	442	15	75	293	9	63
All markets	2,705	2,614	2,446	91	259	1,340	74	366

Working capital and cash management

DKK million	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017
Inventory	3,158	3,737	3,068	2,810	2,729
- Share of revenue (last 12 months)	13.8%	16.6%	13.5%	12.4%	12.0%
Trade receivables	1,650	1,806	1,337	1,850	1,954
- Share of revenue (last 12 months)	7.2%	8.0%	5.9%	8.1%	8.6%
Trade payables	-2,253	-1,847	-1,271	-1,349	-1,695
- Share of revenue (last 12 months)	-9.9%	-8.2%	-5.6%	-5.9%	-7.4%
Operating working capital	2,555	3,696	3,134	3,311	2,988
- Share of revenue (last 12 months)	11.2%	16.4%	13.8%	14.6%	13.1%
Free cash flow	2,911	1,059	1,149	439	2,919
CAPEX	324	265	296	244	502
% of revenue	4%	5%	6%	5%	7%
NIBD to EBITDA (last 12 months)	0.8x	1.0x	0.8x	0.7x	0.6x
Selected KPIs					
Days Sales of Inventory					
- last 6 months of COGS (183 days)	168	267	232	167	157
Days Sales of Outstanding					
- last 3 months of wholesale and 3 rd party distribution revenue (90 days)	50	68	59	66	47

Hedging policy and raw materials share of production costs

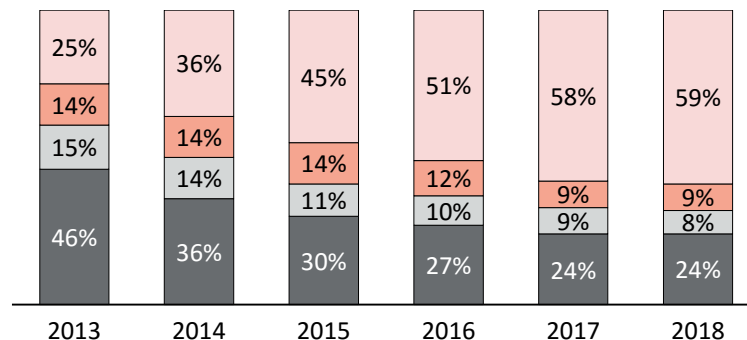
COMMODITY HEDGING POLICY



- Pandora hedging policy is to hedge approximately 100%, 80%, 60% and 40%, respectively, of expected gold and silver consumption in the following four quarters
- For calendar 2019, hedging of expected purchases of silver have been increased to 85%, equivalent to 100% hedging of the cost of goods related to silver due to time lag effect from inventory

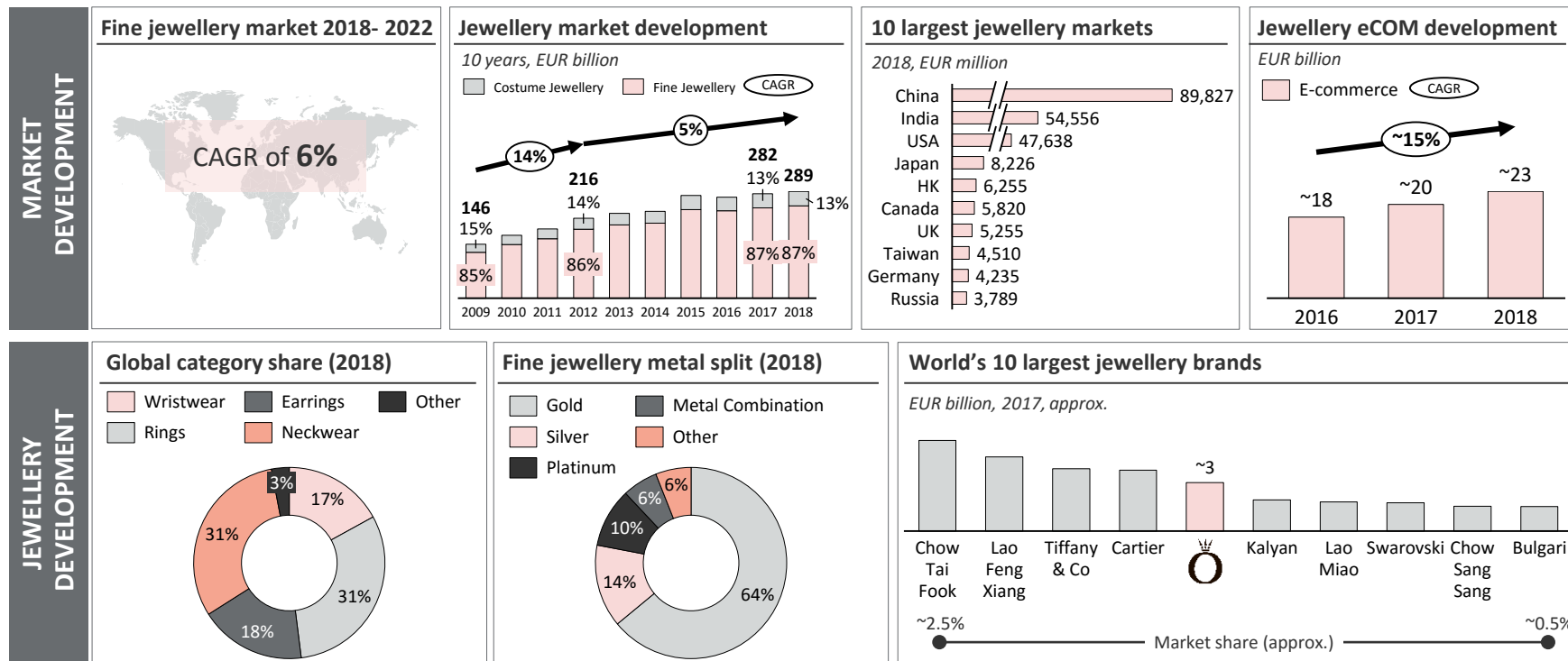
RAW MATERIAL SHARE OF COST OF GOODS SOLD

Other* Other raw materials Gold Silver



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

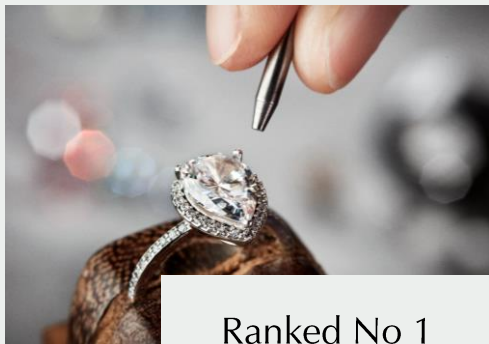
Overview of the global jewellery market



Source: Euromonitor

High Quality & Sustainability Standards

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



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

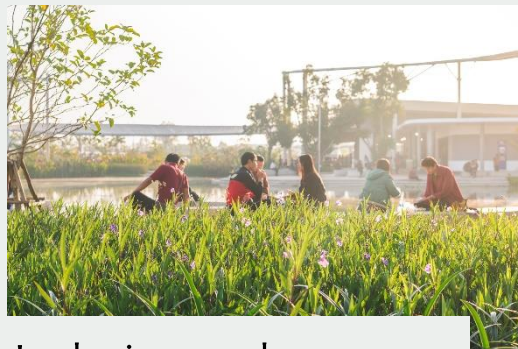


Pandora contributes to progress on most of the 17 United Nations Sustainable Development Goals. We focus on the seven goals where we believe our business can have the largest positive, as well as adverse, impact.

Pandora People in brief



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



Inclusive workspace

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



79%

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



Community Development

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

Pandora Product in brief



PRODUCT ASPIRATIONS

To craft our product with integrity



100% certified
LMBA/RJC silver and gold
grain suppliers

88%
recycled silver

100%
recycled gold

99.96%
of all stones were
man-made



Responsible Supplier Programme

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

Pandora Planet in brief



PLANET ASPIRATIONS

To minimise our
environmental impact



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



89%

of waste was recycled at our
crafting facilities

95%

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

99%

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

Contact details

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SHARE INFORMATION

Trading symbol	PNDORA
Identification number/ISIN	DK0060252690
GICS	25203010
Number of shares	110,029,003
Sector	Apparel, Accessories & Luxury Goods
Share capital	110,029,003
Nominal value, DKK	1
Free float (incl. treasury shares)	100%

ADR INFORMATION

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