



First Quarter Results 2020

TELECONFERENCE – 5 MAY 2020

Agenda of today

EXECUTIVE SUMMARY

COVID-19 actions & implications

Update on Programme NOW

Q1 2020 financial performance

Full year 2020 guidance

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Proactively managing Pandora in times of crisis



Ensuring safe environments for employees and customers



Immediate cost and cash initiatives taken



Preparing for a strong commercial comeback



Strong underlying brand momentum



Positive organic growth in the first two months of Q1



Triple-digit online growth in April



A testimony to the commercial initiatives under Programme NOW

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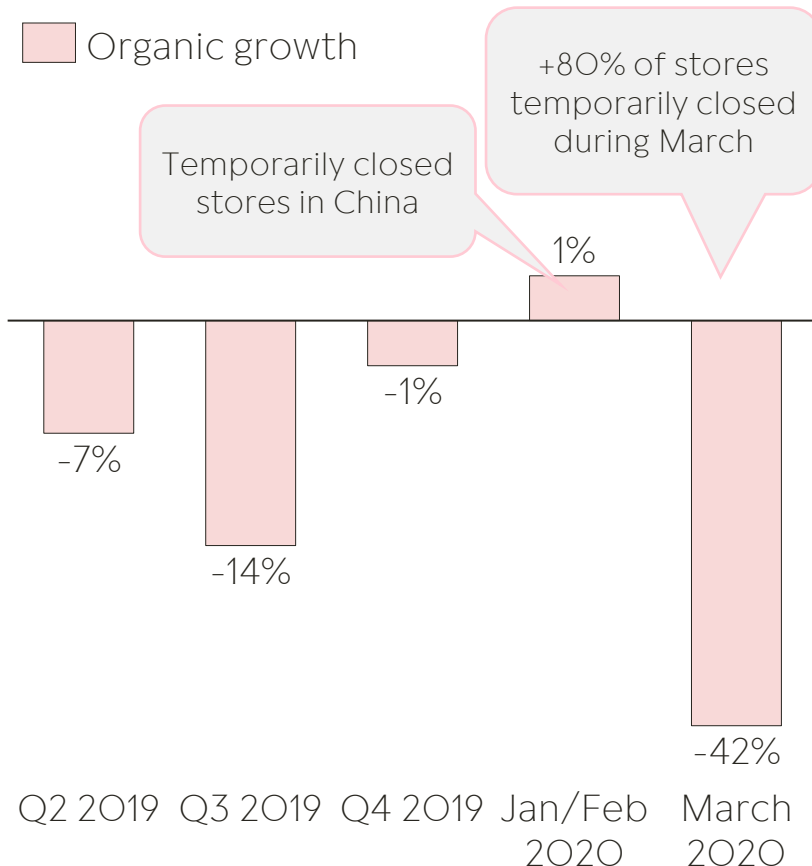
Q1 2020 financial performance

Full year 2020 guidance



Immediate actions to navigate through the extraordinary situation

DEMAND SIGNIFICANTLY IMPACTED BY THE ESCALATION OF COVID-19 IN MARCH



IMMEDIATE ACTIONS TAKEN TO MITIGATE THE BUSINESS IMPACT



+80% of all stores temporarily closed during March to comply with guidelines of local authorities and ensure the well-being of employees and customers



Guaranteed base pay for all store staff affected by temporarily closed stores until 1 June 2020



The production in Thailand has been largely **unaffected by COVID-19 with stable production**. Precautionary measures taken to prepare for potential lockdown



In close dialogue with all partners to consult and support during the crisis

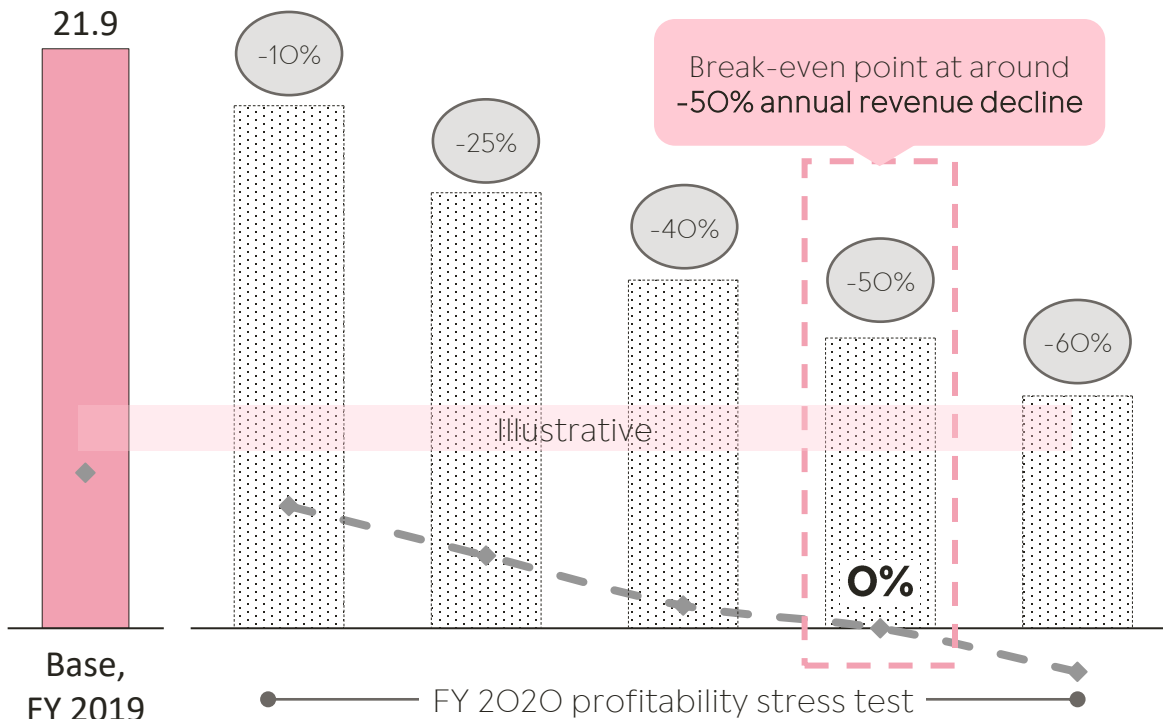
Strict management of cost and cash to protect the company

PROFITABILITY STRESS TEST CONFIRMS PANDORA'S STRONG FINANCIAL STARTING POINT

Approximations

Revenue — ♦ — EBIT margin excl. restructuring costs

Annual sales decline scenarios



IMMEDIATE ACTIONS TAKEN TO REDUCE COST AND IMPROVE CASH

- To protect profitability while stores are temporarily closed, Pandora is proactively managing cost:
 - Significantly reducing media spend
 - Store and office rent renegotiations
 - Application for support under government stimulus packages
 - General cost reductions across all cost types
- All initiatives are on top of the cost reset initiative under Programme NOW
- Cash initiatives include among others a significant reduction in CAPEX, amended payment terms with selected suppliers and others

Making the business poised to leverage the brand momentum when demand returns

Financial flexibility for a protracted COVID-19 impact secured – and at the same time securing muscles for a strong commercial comeback

SCENARIOS

A

Gradual reopening in Q2 with business roughly back in Q4

STRESS TESTING

B

Stores still closed in some markets in Q3; significant impact on global demand in Q4

C

Significant second outbreak of COVID-19 in Q3/Q4

PRECAUTIONARY MEASURES TAKEN TO MAINTAIN HEALTHY FINANCIAL FLEXIBILITY

- 1

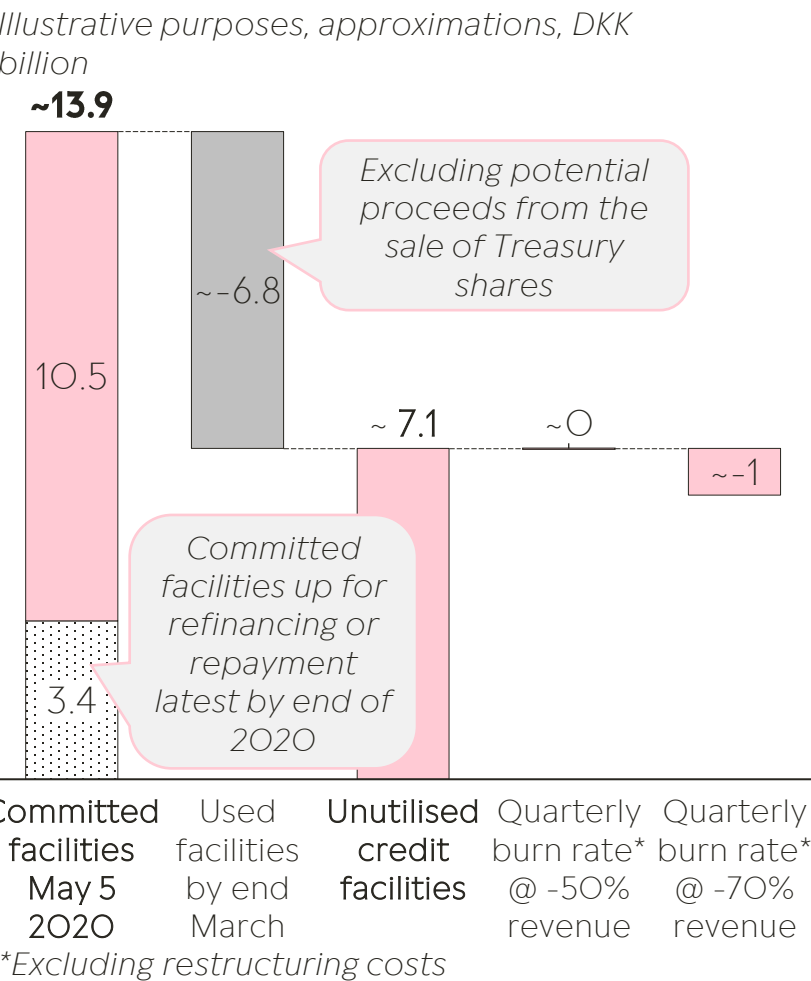
Waiver of all loan covenants implying that the covenant is raised to 4.25x NIBD/EBITDA (excluding restructuring costs) until and including the testing by end of Q1 2021
- 2

Extending DKK 1 billion Revolving Credit Facility from June 2021 to May 2022
- 3

Raised additional committed funding of DKK 3.0 billion in a Club Deal with main relationship banks (70% guaranteed by Danish government institution, Vækstfonden)
- 4

Announcing an accelerated book-building of 8 million treasury shares

SUFFICIENT LIQUIDITY WITH ALL PHYSICAL STORES CLOSED THROUGHOUT 2020



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Execution of Programme NOW continues despite of COVID-19


Turnaround objectives

Initiatives



Brand Relevance

- Brand momentum continues to improve as result of brand relaunch initiatives and additional media spend
- Both base and new product introductions are supporting the momentum in the first two months
 - Charms & Bracelets showed early signs of stabilisation in Jan/Feb with a slight positive increase
- Strategic reorganisation has been implemented with effect from 2 April to support Programme NOW. Key objective to get closer to consumers and ensuring organisational end-to-end accountability of product performance



Brand Access

- The new design of the online store and optimised consumer journey continue to yield positive consumer response. Significant increase in conversion rate
- The new store design is still being piloted in three markets, however, timeline has been prolonged due to COVID-19



Cost Reset

- Programme NOW cost savings amounted to DKK 125 million on top of last year's savings (year-over-year)
- Run-rate target of DKK 1.4 billion by end of 2020 still within sight



Commercial Reset

- Inventory buyback programme finalised with inventory levels at wholesale level being healthy
- Promotional activity slightly down compared with last year
- The product assortment has been reduced by 30%



Programme NOW timeline



Brand momentum continues to show positive signs

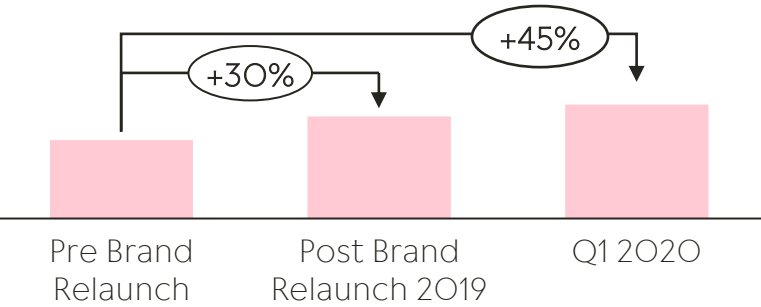
INCREASED MEDIA SPEND CONTINUED TO IMPROVE KEY BRAND METRICS

DKK million
~80
ROAS of 2x

- Strong focus on driving brand awareness through national TV campaigns
- Digital marketing increased and traditional media lowered in March

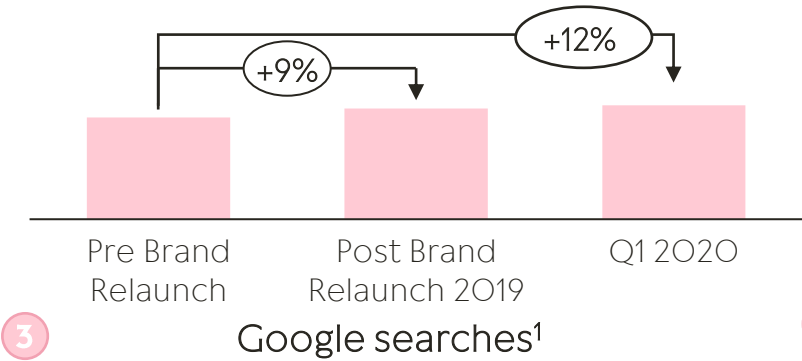
2 Unaided advertisement recall

Q: Name jewellery brands that you can remember having seen an ad for in the past 3 months

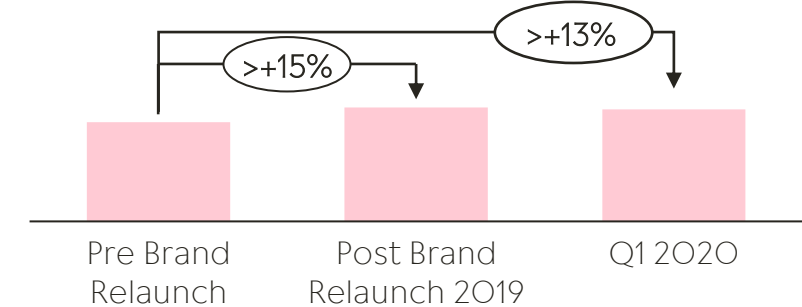


1 Unaided brand awareness

Q: Name jewellery brands that come to mind

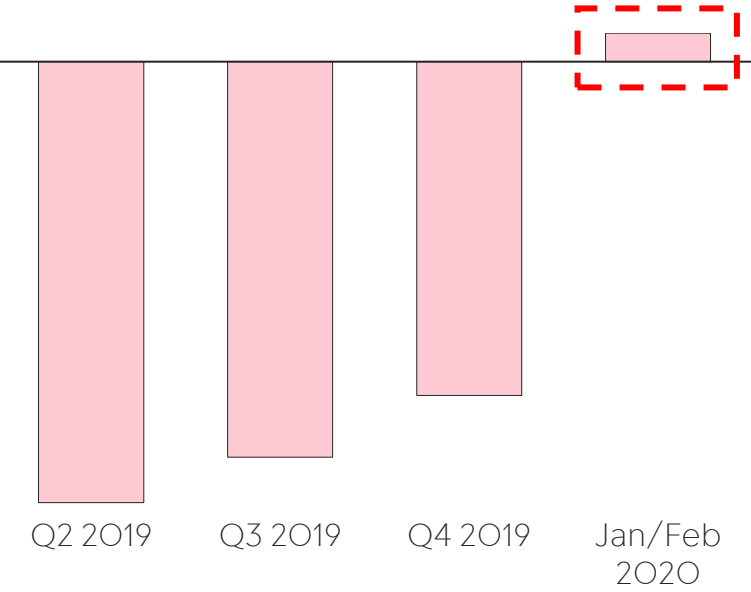


3 Google searches¹



TRAFFIC SIGNIFICANTLY IMPROVED TO PHYSICAL STORES

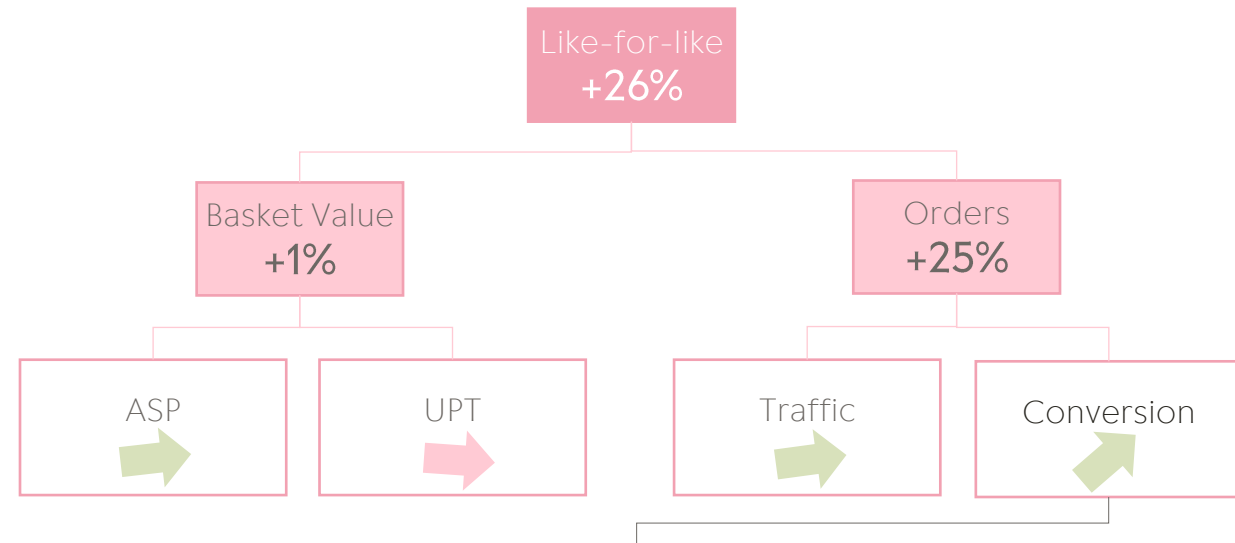
Traffic to all physical stores excl. China



Online growth continues its acceleration

Highly resilient channel during times of crisis

Q1 2020 LIKE-FOR-LIKE OF 26% DRIVEN BY CONVERSION RATE



UPLIFT IN CONVERSION DRIVEN BY FASTER LOADTIME AND STRONGER MARKETING CONTENT



Stronger engagement with better marketing content

- Improved engagement and browsing time with the updated marketing content after site relaunch
- Better graphics, storytelling and dynamic tools, including the Bracelet Builder



Faster load time drives conversion rate up

- Cleaned up the backend of the online site for higher speed
- Load-time speed has significantly improved by around 30pp which has a clear impact on conversion

Taking the necessary steps to prepare for growth in China

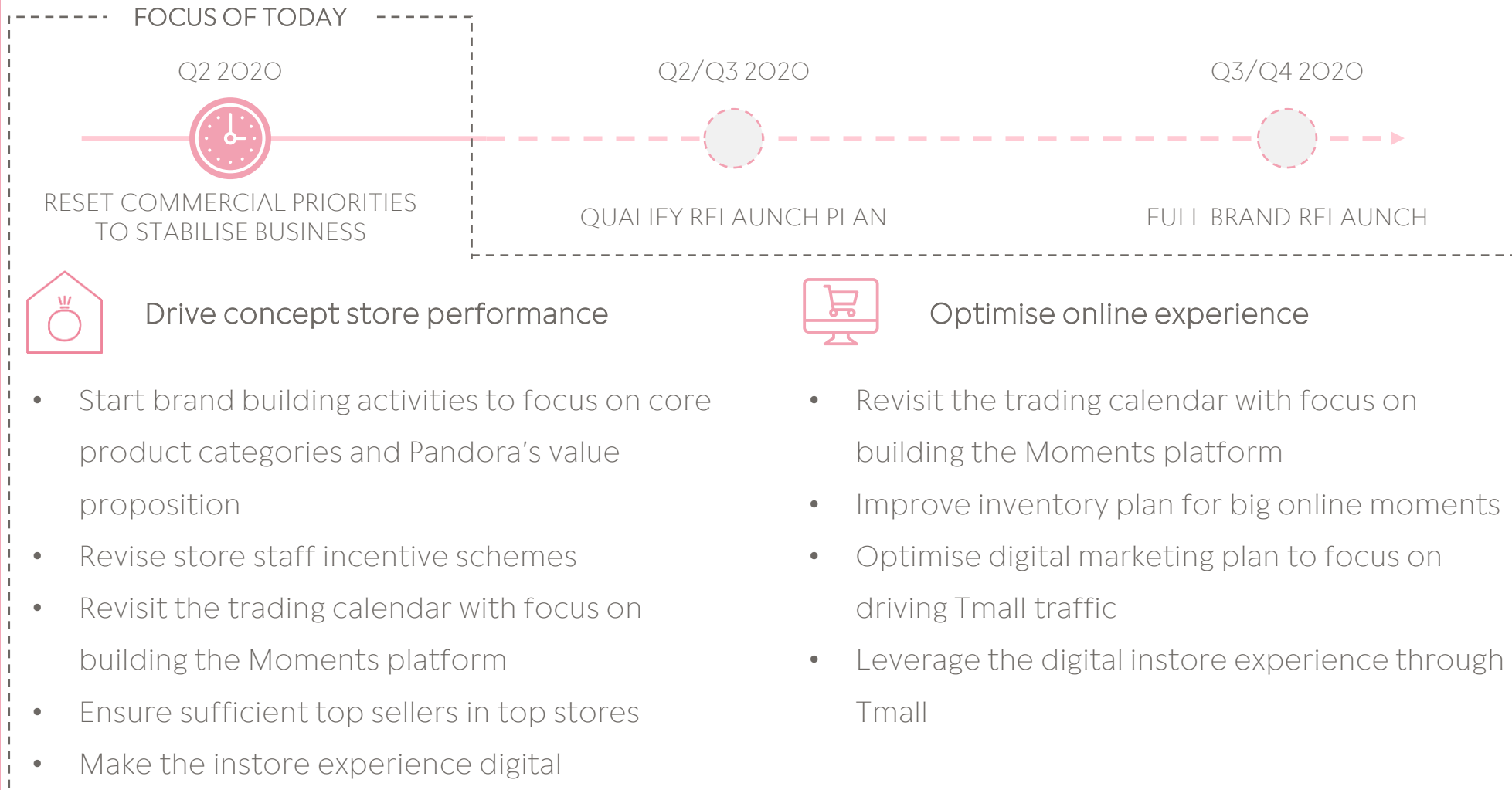
STRENGTHENING THE ORGANISATION



JACQUES ROIZEN

- Joined late March
- Strong international retail background
- Recently, EVP of digital transformation for the largest eCommerce operator in China

TIMELINE OF EVENTS



Strengthened leadership to support future growth ambitions

Three key objectives of the strategic reorganisation

- 1 Become a world-class brand builder
- 2 Become a world-class omni-retailer
- 3 Become a fast and agile organisation

SIMPLIFYING THE STRUCTURE – REGIONAL LAYER REMOVED

The regional layer has been removed and 10 clusters have been set-up with direct reporting to the newly appointed Chief Commercial Officer, Martino Pessina

- New general managers appointed for China and Western Europe





GLOBAL BUSINESS UNITS ESTABLISHED

Newly appointed Chief Marketing Officer, Carla Liuni to oversee the two new global business units

- Two new senior talents have been appointed to lead the global business units; one unit focusing on the Moments platform, charms and collaborations with the other business unit focusing on new collections and innovations



Cost savings on track with run-rate target of DKK 1.4 billion confirmed

COST CATEGORIES	COST INITIATIVES & IMPROVEMENTS	ANNUAL RUN RATE TARGET BY END 2020 (DKK billion)	SAVINGS ACHIEVED (RUN RATE END 2020, DKK billion)
Cost of sales	<ul style="list-style-type: none"> Efficiencies in manufacturing from improvements within processes and manufacturing assets continue to yield savings 	0.35-0.4	
Retail expenses	<ul style="list-style-type: none"> There is a continued focus on store labour efficiencies – with temporary closure of stores due to COVID-19 some savings are delayed Lease renegotiations ongoing 	0.35	
Administrative expenses	<ul style="list-style-type: none"> Prior to Covid-19 travel spending was within the expected level, and thus showing good savings progress 	0.2-0.25	
IT	<ul style="list-style-type: none"> Execution on transition and transformation is happening and savings within IT are materialising according to plan Cloud migration completed in April 	0.2	
Other	<ul style="list-style-type: none"> Media tenders to improve purchasing of global media is progressing very well 	0.2-0.3	

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Q1 2020 FINANCIAL PERFORMANCE

Full year 2020 guidance



Strong performance in Jan/Feb 2020 offset by COVID-19 outbreak

Q1 2020 results

Revenue
DKK **4.2** billion
(-14% YoY growth in local currency)

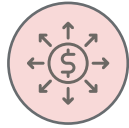
Sell-out growth incl.
temporarily closed stores
-17%
(-10% in Q1 2019)

Organic growth
-14%
(-12% in Q1 2019)

EBIT margin excluding restructuring costs
15.3%
(22.5% in Q1 2019)

Free cash flow
DKK **-0.3** billion
(DKK 0.4 billion in Q1 2019)

Q1 2020 key highlights



- Organic growth significantly improved to +1% in the two first months of 2020 driven by improved like-for-like and normalisation of sell-in to franchise partners
- In March, organic growth was down 42% as the majority of stores were closed due to COVID-19



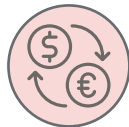
- Like-for-like was positive in most key markets in January and February
- Performance was driven by additional media spend, consistent retail execution and well-received new product introductions complemented by strong development in base products
- Online stores continued its acceleration with organic growth being 29% for the quarter



- Solid EBIT margin of 15.3% despite significant deleverage
- Cost reductions continued as planned. Savings amounting to DKK 125 million during the quarter. Run-rate savings of DKK 1.4 billion by end of 2020 is confirmed



- Programme NOW restructuring costs amounted to DKK 0.4 billion of which DKK 0.1 billion is related to the strategic reorganization

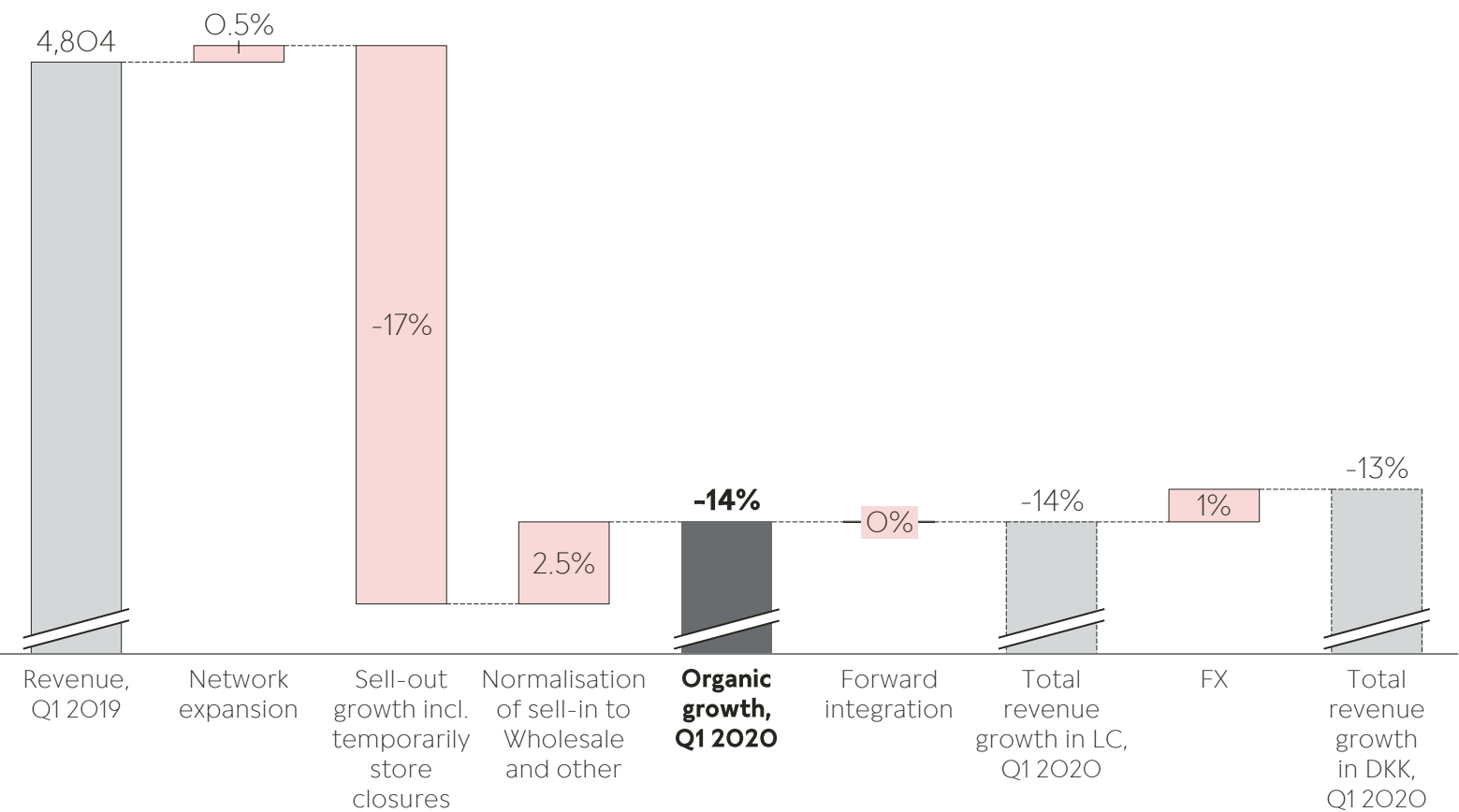


- Cash flow generation severely impacted by COVID-19 and, as expected, a DKK 0.9 billion cash outflow from payables

Like-for-like significantly impacted by stores being temporarily closed

Like-for-like was positive for most key markets before being affected by COVID-19

DKK million, %-p growth (approximately)



Commentary

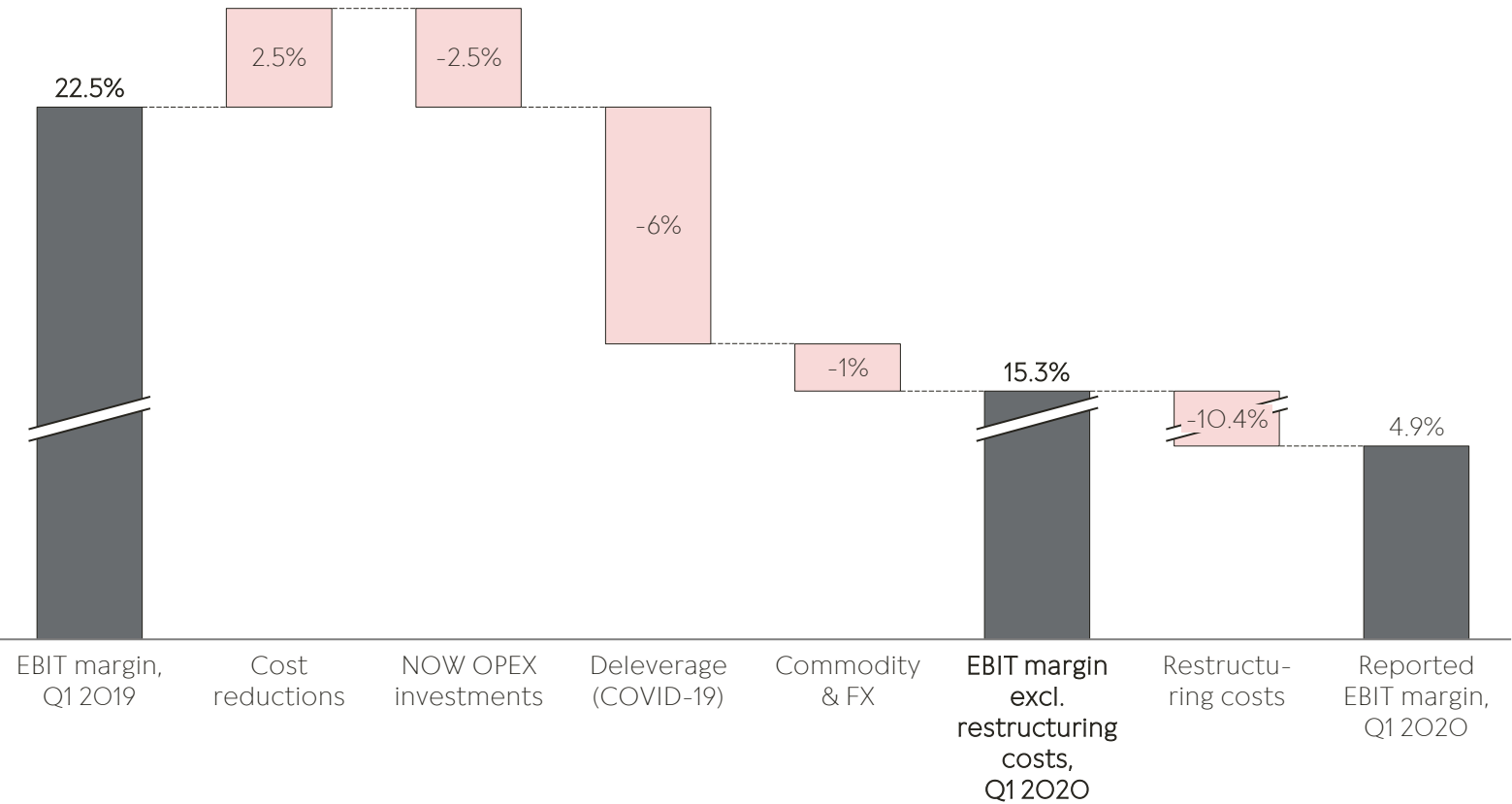
Organic growth of -14% impacted by COVID-19

- Positive organic growth before the global COVID-19 outbreak
- Sell-out growth incl. temporarily closed stores in Q1 was -17% and like-for-like was -11%
- Normalisation of sell-in to wholesale partners supports organic growth compared to Q1 2019. Last year, sell-in was below sell-out due to among others reduced NPI sell-in packs
- Tailwind of 0.5pp on organic growth from the net 33 concept stores opened since Q1 2019

Solid profitability despite material deleverage

EBIT margin excluding restructuring costs of 15.3%

%-p growth (approximately)



Commentary

EBIT margin of 15.3% excluding restructuring costs

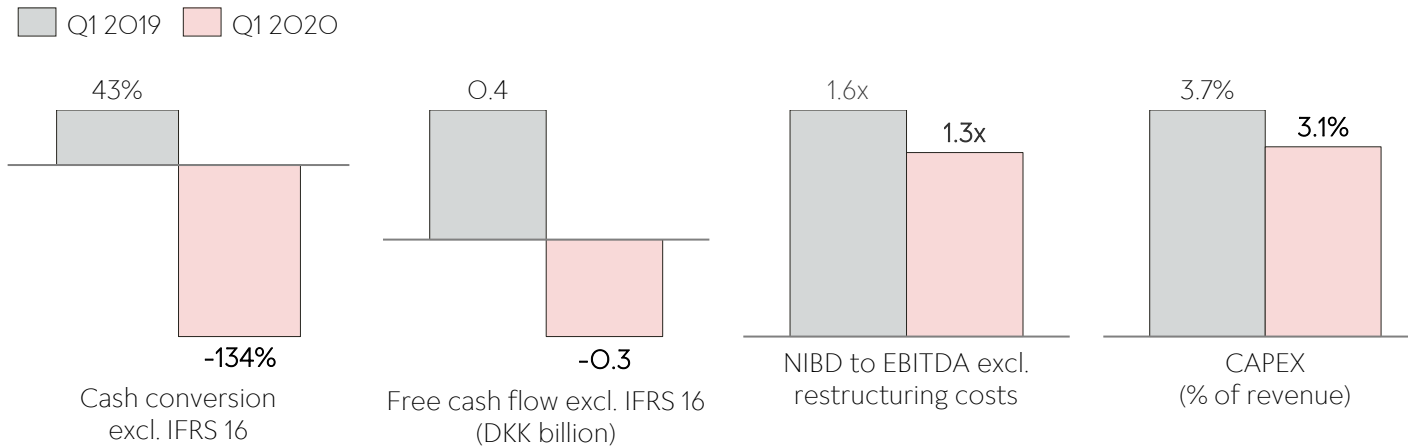
- Cost reductions as part of Programme NOW supported the margin by around 2.5pp
 - On top of the 4pp margin from cost reductions in Q1 2019
- NOW OPEX investments amounted to around 2.5pp driven by the additional marketing spend across markets in the first two months
- Material deleverage of -6pp which can be fully attributed to the COVID-19 impact in March

Restructuring costs of DKK 0.4 billion

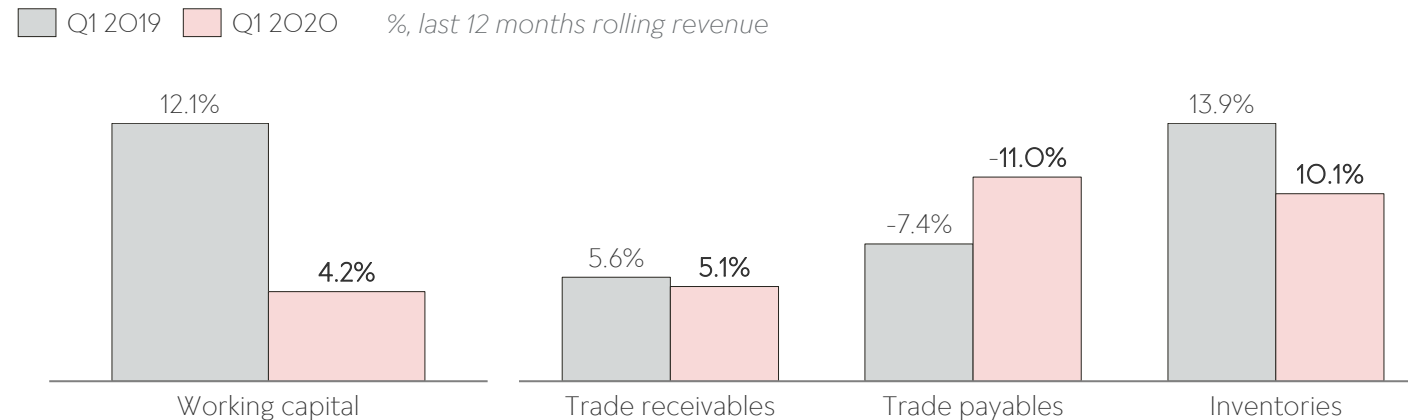
- Cost of sales was impacted by DKK 0.1 billion mainly due to the cost reset track
- OPEX was impacted by DKK 0.3 billion mainly from the implications of the strategic reorganisation and consultancy spend

Cash flow generation impacted by COVID-19 and restructuring costs

Significant decline in cash conversion solely driven by COVID-19 implications



Working capital continues to be relatively low at 4.2%



Commentary

Cash initiatives taken to preserve liquidity during COVID-19

- Several operational initiatives, including a significant CAPEX reduction
- Share buyback programme suspended
- Selling 8 million treasury shares to enhance financial flexibility for the current period and for a strong commercial comeback

Working capital significantly reduced from 12.1% in Q1 2019 to 4.2%

- Working capital remained at a very low level in Q1 2020
- As previously communicated, working capital is expected to constitute a drag on cash conversion in 2020
- Q1 2020 cash conversion impacted by a DKK 0.9b cash outflow from payables as expected (partially due to payment of restructuring costs)

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FULL YEAR 2020 GUIDANCE



Financial guidance – not meaningful to guide for 2020 at this point in time



FINANCIAL GUIDANCE 2020

- Guidance withdrawn in mid-March
- Share buyback programme suspended due to COVID-19
- Full-year financial guidance is *not* meaningful to provide at this stage as the uncertainty related to COVID-19 continues



Update of the financial guidance for 2020 to be provided when uncertainty reduces



FEW BUILDING BLOCKS UPDATED

- Some changes reflecting the implications and deliberate actions of COVID-19
- Restructuring costs to be around DKK 1 billion, down from DKK 1.3 billion
 - CAPEX updated to be around DKK 0.7 billion, down from DKK 1.0-1.2 billion
 - The number of concept stores to be reduced net by 25-50, compared to previously expected to be flat



APRIL SIGNIFICANTLY IMPACTED BY COVID-19

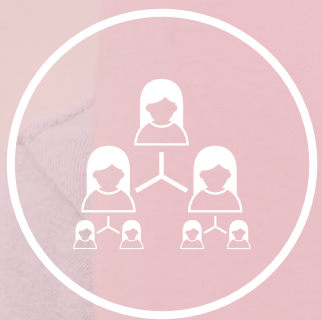
April performance materially impacted by temporary store closures due to COVID-19

- Majority of all concept stores are still closed with gradual reopening in some markets
- Online sales accelerated with triple-digit growth in April
- Performance in China is slowly recovering



Organic growth to be significantly down and profitability negative when the majority of stores are closed

Resilient business model with a clear roadmap to unlock the growth potential



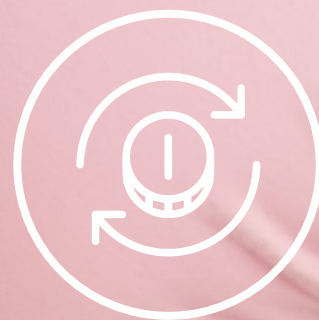
Cross-generational brand with unmatched recognition



Fully-integrated value chain with state-of-the-art crafting facilities



Comprehensive global footprint across touchpoints



Strong profitability, healthy balance sheet and cash generation



Programme NOW - Clear roadmap towards sustainable growth

Closing remarks



**Programme NOW
on track**



**Pandora has liquidity to absorb
closed stores throughout 2020**



**Underlying brand momentum is
improving**



**Preparing for a strong comeback
post COVID-19**

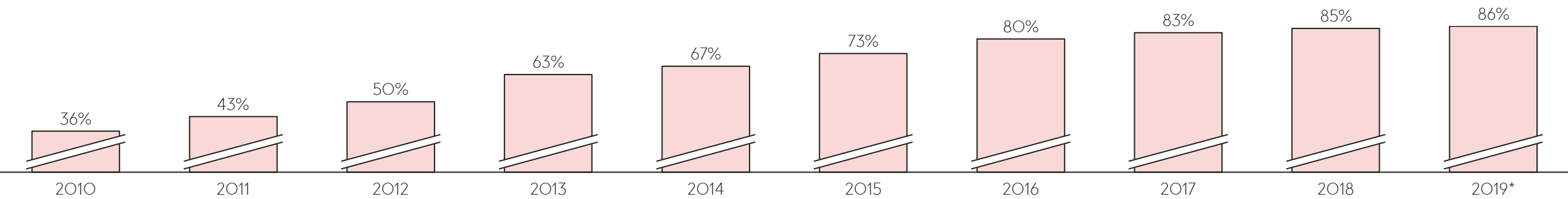
Q&A

APPENDIX

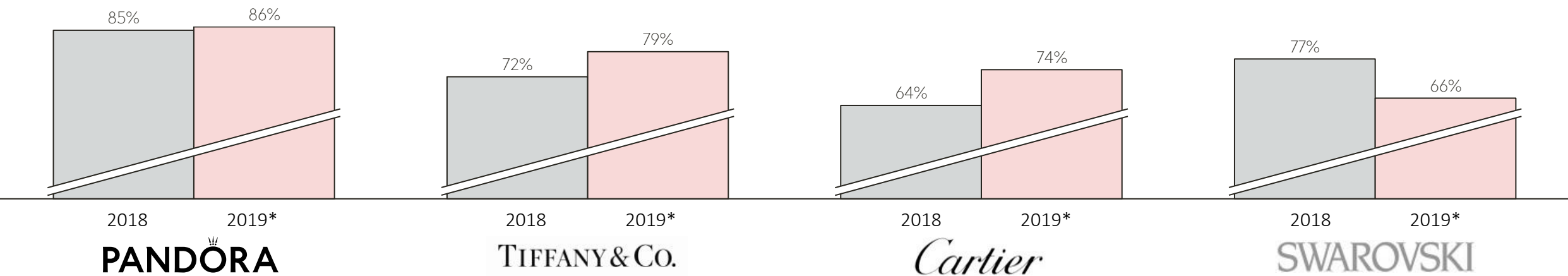


Pandora is the world's most recognised jewellery brand

Aided brand awareness development



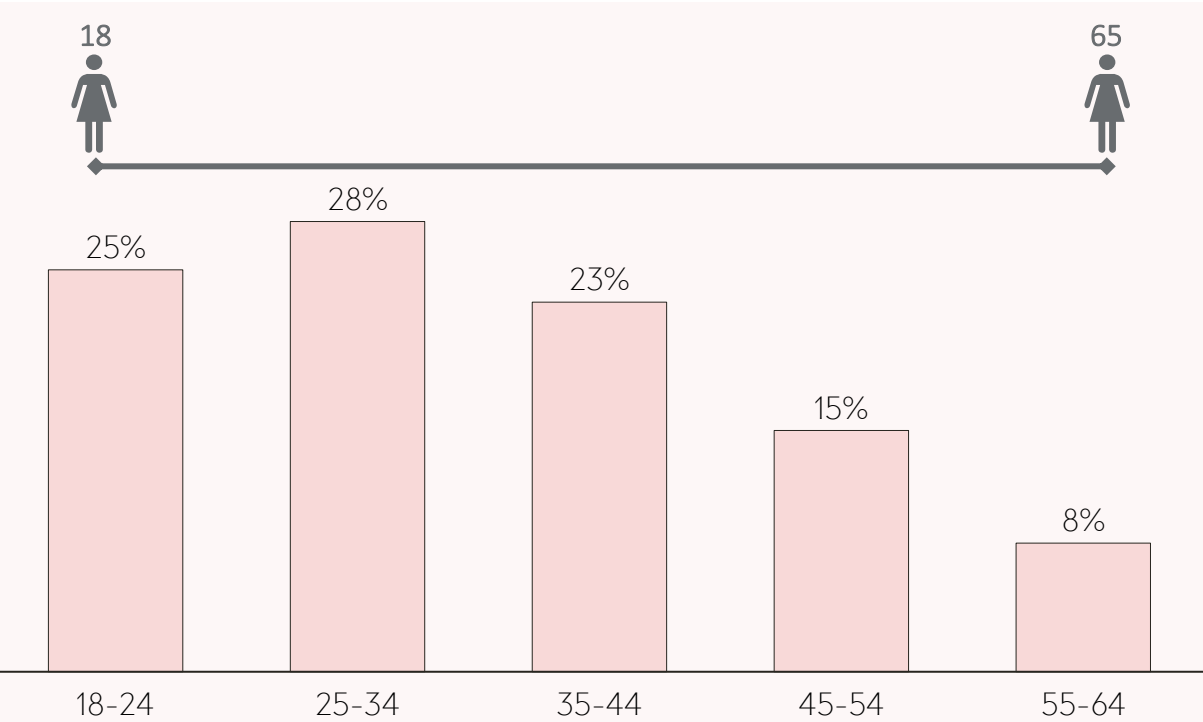
Aided brand awareness across selected jewellery companies



Source: Pandora Brand Tracker 2019 (n=5,874)
Markets include AU, CN, FR, IT, UK, US
*Research methodology was changed in 2019 to focus on key markets

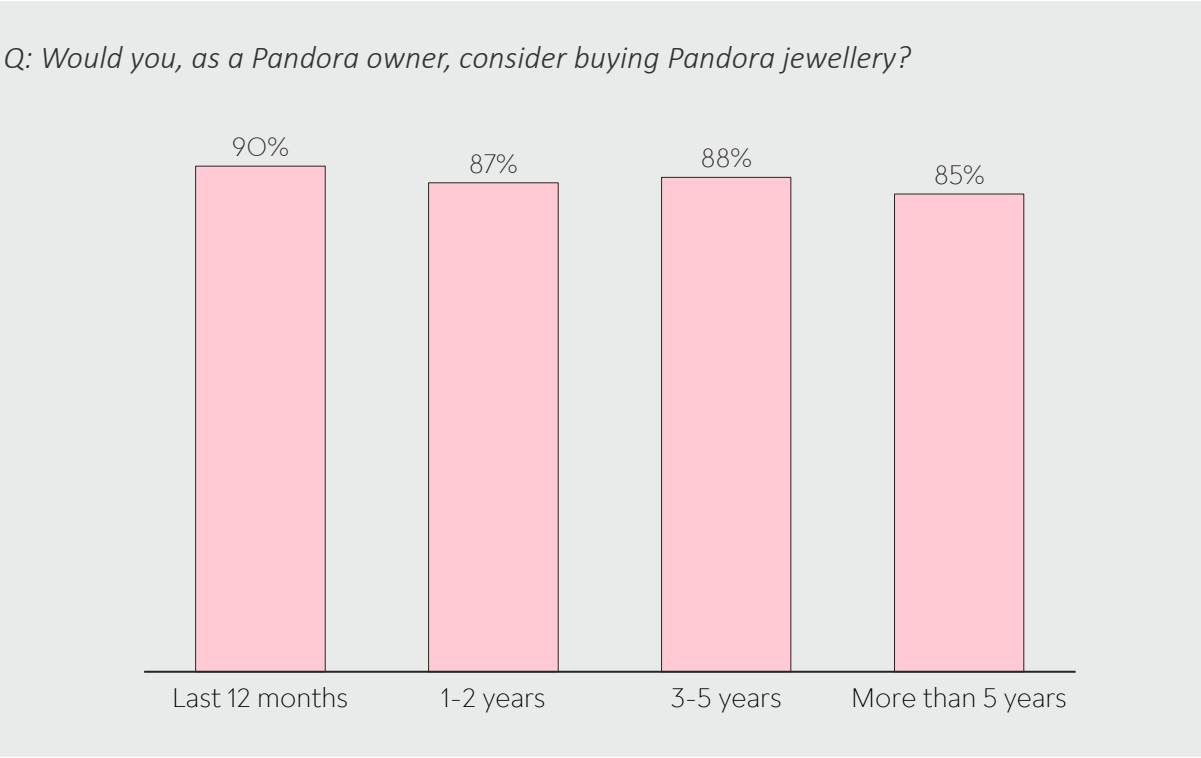
Pandora consumers are across generations and stay loyal

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



Source: Pandora Brand Tracker 2019 (n=957/ n=1416)
Note: Markets include AU, CN, FR, IT, UK, US

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



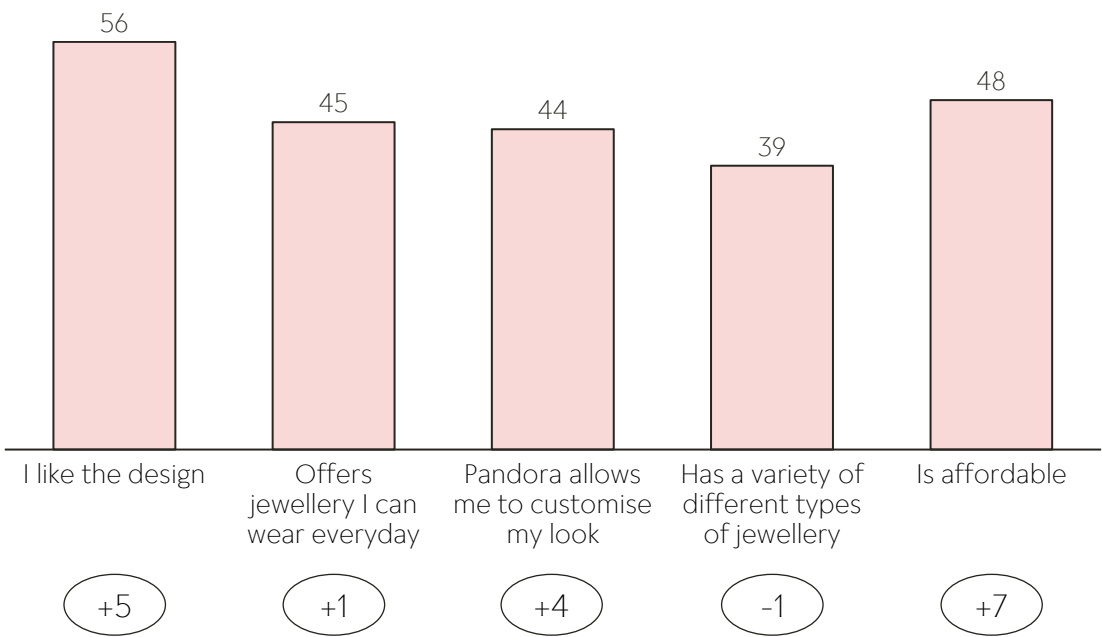
**Survey-data allows for the possibility that share of repurchasers can be slightly higher than previous years active owner-base*
***Deviation in Awareness from funnel-slides caused by different market filters in order to compare to 2014 (excludes CN, CZ, JP, SG and AE)*

Pandora consumers have a wide-range of purchase criteria

○ Development 2017-2019, %-point

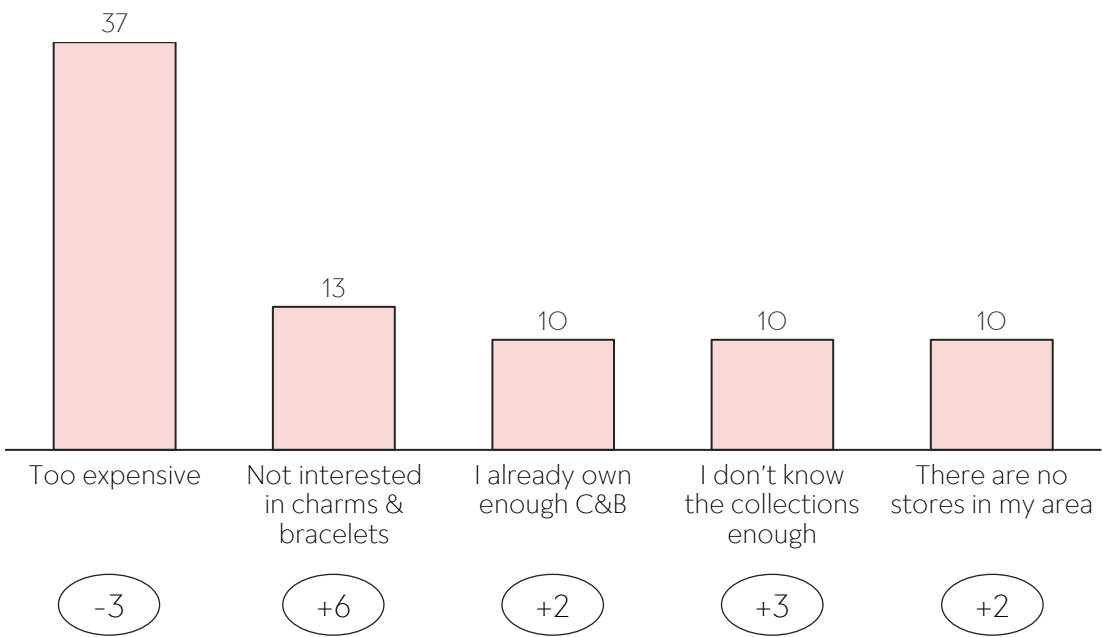
Pandora top 5 purchase drivers

Share of Active Pandora Owners* (n=1,092), %



Pandora top 5 purchase barriers

Women that consider buying Pandora for themselves but haven't bought in 2019 (n=1,573), %

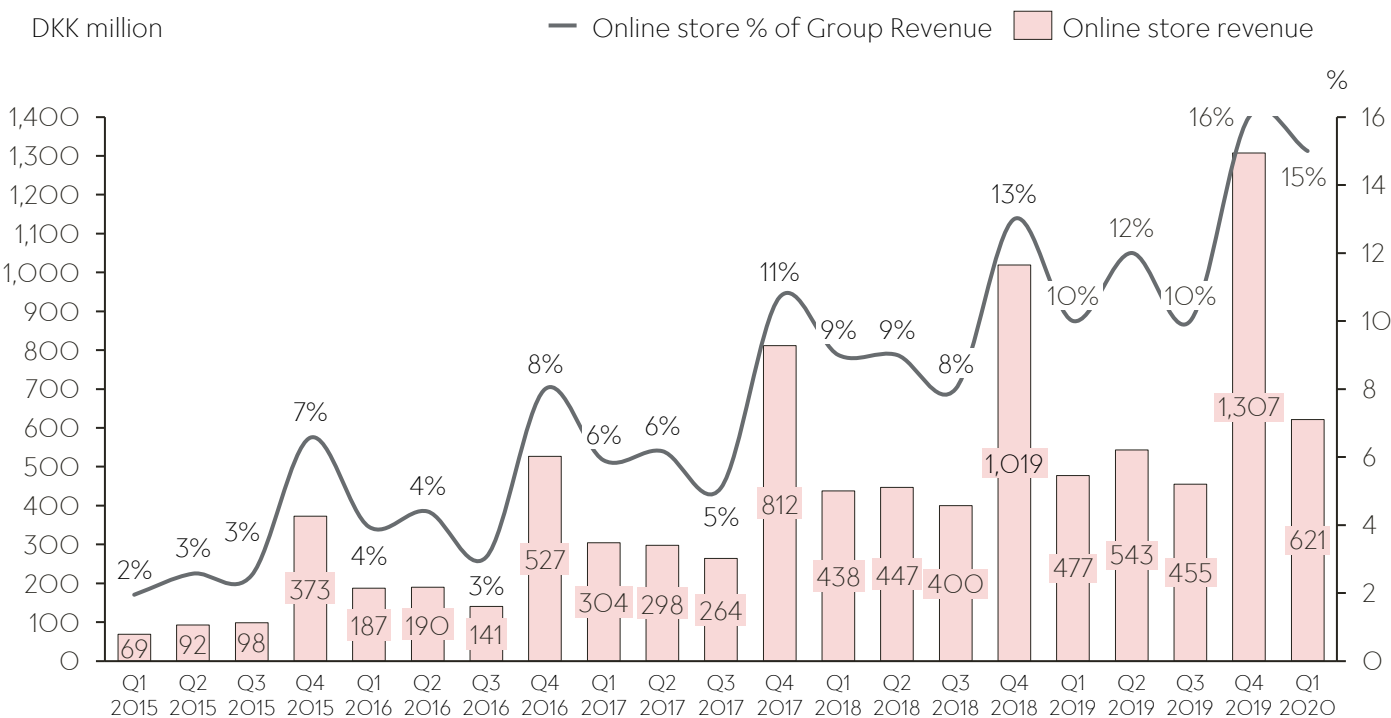


Source: Pandora Brand Tracker 2019
Note: Markets include AU, CN, FR, IT, UK, US

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

Pandora's online business & presence

Online store development



26%
LIKE-FOR-LIKE IN
Q1 '20

15%
REVENUE SHARE OF
GROUP REVENUE IN
Q1 '20

20
MARKETS

SINGLE
DIGIT RETURN
RATES

STRONG
PROFITABILITY

Online platforms



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



More than 320 million visits on the Pandora online stores in 2019



More than 13 million Pandora club members worldwide



16.0 million Facebook followers



7.9 million followers on Instagram



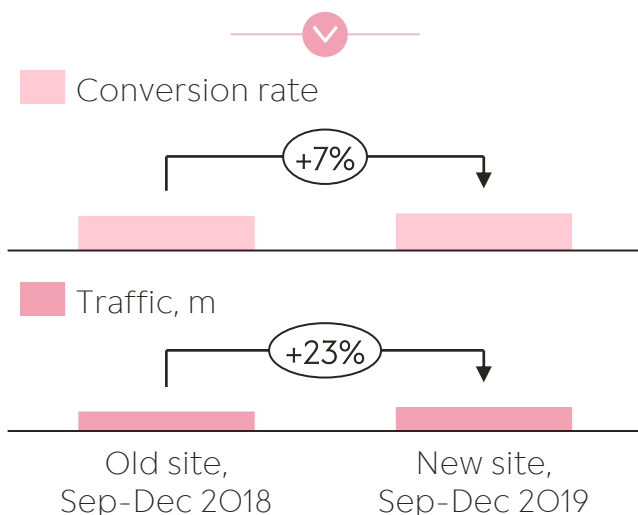
Unleash the pandora.net growth potential through digital initiatives

2019 FOCUS

NEW AND IMPROVED PANDORA.NET SITE
WENT LIVE 29 AUGUST 2019

Examples:

- Streamlined the customer journey
- Better and higher quality of imagery
- Content is more inspiring
- Cleaned up the base for higher speed
- Reduced site load-time by 40%



2020 FOCUS

3 KEY DIGITAL STRATEGIC INITIATIVES SET TO DRIVE SUSTAINABLE LIKE-FOR-LIKE SALES THROUGH IMPROVING THE DIGITAL CUSTOMER EXPERIENCE ON PANDORA.NET

Digital strategic initiatives	Sub-initiatives (examples)	Desired outcome
1 Remove barriers to shop	<ul style="list-style-type: none">• Make it easy to find products• Faster loading time and speed• Better planning and forecasting to avoid stockouts	<ul style="list-style-type: none">• <i>Improve customer satisfaction</i>• <i>Increase conversion rate</i>
2 Make pandora.net a place for inspiration	<ul style="list-style-type: none">• Make charms collection more compelling• Encourage fans to visit more often through more targeted comms with dynamically created content• Content integration with social media (Instagram and Youtube)	<ul style="list-style-type: none">• <i>Maintain high engagement rate</i>• <i>Increase frequency of shopping</i>
3 Attract new consumers online	<ul style="list-style-type: none">• Launch online stores in new markets in a profitable and sustainable way• Use our retail footprint to recruit new digital customers• Be accessible at selected online marketplaces	<ul style="list-style-type: none">• <i>Grow the consumer base in current online markets</i>• <i>Expand online presence to more markets</i>



Omnichannel capabilities ready to be scaled globally

OMNICHANNEL FEATURES HAVE NOW ROLLED OUT IN US AND CHINA; 2020 FOCUS ON DEEPENING THESE AND EMEA ROLL-OUT

Online View of Inventory	●	●	●	●	●	●	●
Endless aisle	●	●	●	●	●	●	●
Buy Online, Return in Store	●						
Click & Collect	◐	●		●			
Ship from Store	○		○				
● Across all stores (already live) ● O&O concept stores (planned) ○ Pilot (planned)							

Objective of implementing omnichannel capabilities is to enhance the customer journey by creating a seamless link between online and physical stores

Omnichannel capabilities being prioritised

- Focus on rolling out “Online View of Inventory” and “Endless aisle” across key markets
- “Click & Collect” being trialled in the US in 4 concept stores and in Shanghai concept stores in China
 - The feature will be piloted in the UK during 2020
- Besides the roll-out of omnichannel features in US and China in 2019, a new customer service platform (US) was implemented and order management technology

Revenue development by sales channel and by product category

Channel development

DKK million	Q1 2020	Growth, Q1 2020 Q1/Q1, LC	share of revenue	FY 2019	Growth, FY 2019 FY/FY, LC	share of revenue
Pandora owned retail	2,623	-15%	63%	14,181	8%	65%
- of which Pandora owned concept stores	1,836	-24%	44%	10,619	5%	49%
- of which online stores	621	29%	15%	2,782	18%	13%
- of which other points of sale	165	-9%	4%	780	22%	4%
Wholesale	1,328	-13%	32%	6,725	-24%	31%
- of which franchise concept stores	765	-12%	18%	3,843	-25%	18%
- of which other points of sale	563	-14%	13%	2,882	-22%	13%
Third-party distribution	220	-9%	5%	962	-26%	4%
Total revenue	4,172	-14%	100%	21,868	-6%	100%

Product category development

DKK million	Q1 2020	Growth, Q1 2020 Q1/Q1, LC	share of revenue	FY 2019	Growth, FY 2019 FY/FY, LC	share of revenue
Charms	2,124	-13%	51%	11,395	-8%	52%
Bracelets	799	-11%	19%	4,216	-6%	19%
Rings	663	-14%	16%	3,113	-4%	14%
Earrings	270	-20%	6%	1,487	-1%	7%
Necklaces & Pendants	315	-18%	8%	1,658	0%	8%
Total revenue	4,172	-14%	100%	21,868	-6%	100%

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

DKK million	Q1 2020	Growth Q1/Q1, LC	Sell-out growth incl. temporarily closed stores	Share of revenue, Q1 2020	FY 2019	Growth FY/FY, LC	Like-for-like FY 2019	Share of revenue, FY 2019
EMEA	2,200	-2%	-	53%	10,740	-4%	-7%	49%
- of which the UK	590	0%	-8%	14%	2,861	2%	-7%	13%
- of which Italy	452	2%	-9%	11%	2,272	-8%	-7%	10%
- of which France	241	7%	-5%	6%	1,169	-7%	-11%	5%
- of which Germany	179	-5%	-2%	4%	963	-8%	-5%	4%
AMERICAS	1,357	-7%	-	33%	6,772	-5%	-5%	31%
- of which the US	935	-7%	-10%	22%	4,677	-9%	-5%	21%
ASIA PACIFIC	614	-45%	-	15%	4,356	-11%	-15%	20%
- of which Australia	193	-15%	-13%	5%	1,118	-16%	-17%	5%
- of which China	212	-61%	-64%	5%	1,970	-1%	-11%	9%
Group	4,172	-14%	-17%	100%	21,868	-6%	-8%	100%

Store network development

Number of points of sale	Net openings		
	Q1 2020	Q1 2020 vs Q4 2019	Q1 2020 vs Q1 2019
Concept stores	2,746	-24	33
- of which Pandora owned	1,382	-15	18
- of which franchise owned	845	-11	11
- of which third-party distribution	519	2	4
Other points of sale	4,593	-64	-252
- of which Pandora owned	225	18	30
- of which wholesale	3,746	-66	-236
- of which third-party	622	-16	-46
Total points of sale	7,339	-88	-219

Concept stores per market

	Number of concept stores Q1 2020	Number of concept stores Q4 2019	Number of concept stores Q1 2019	Growth Q1 2020 /Q4 2019	Growth Q1 2020 /Q1 2019	Number of O&O Q1 2020	Growth O&O stores Q1 2020 /Q4 2019	Growth O&O stores Q1 2020 /Q1 2019
UK	222	230	233	-8	-11	126	0	0
Russia	186	184	198	2	-12	0	0	0
Germany	141	146	152	-5	-11	135	-5	-11
Italy	146	148	143	-2	3	107	0	5
France	121	122	120	-1	1	77	0	3
Spain	88	87	83	1	5	70	0	2
Poland	52	52	49	0	3	37	0	-2
South Africa	30	30	31	0	-1	28	0	-1
Turkey	30	30	27	0	3	30	0	3
Ireland	29	29	29	0	0	24	0	0
Netherlands	26	26	26	0	0	26	0	0
Ukraine	30	29	26	1	4	0	0	0
Portugal	26	26	26	0	0	0	0	0
Belgium	24	24	25	0	-1	15	0	0
Romania	23	23	22	0	1	12	0	0
United Arab Emirates	18	18	20	0	-2	18	0	-2
Czech Republic	19	19	19	0	0	10	0	0
Israel	18	17	17	1	1	0	0	0
Austria	14	14	15	0	-1	9	0	-1
Greece	14	14	15	0	-1	0	0	0
Denmark	8	12	14	-4	-6	8	-4	-6
Saudi Arabia	13	13	12	0	1	0	0	0
Sweden	9	10	11	-1	-2	9	-1	-2
Nigeria	8	10	10	-2	-2	0	0	0
Rest of EMEA	146	146	133	0	13	21	0	3
EMEA	1,441	1,459	1,456	-18	-15	762	-10	-9
USA	403	402	399	1	4	156	-2	2
Brazil	91	95	98	-4	-7	54	-3	-5
Canada	79	79	80	0	-1	23	0	0
Mexico	76	69	65	7	11	47	2	8
Caribbean	27	27	27	0	0	0	0	0
Rest of Americas	82	88	59	-6	23	13	-1	3
Americas	758	760	728	-2	30	293	-4	8
China	238	237	220	1	18	227	1	14
Australia	126	128	127	-2	-1	38	-1	2
Philippines	34	36	35	-2	-1	0	0	0
Malaysia	32	31	32	1	0	0	0	0
Hong Kong	29	30	27	-1	2	27	-1	3
Thailand	20	20	18	0	2	0	0	0
New Zealand	18	18	17	0	1	9	0	1
Singapore	11	12	15	-1	-4	11	0	0
Rest of Asia Pacific	39	39	38	0	1	15	0	-1
Asia Pacific	547	551	529	-4	18	327	-1	19
All markets	2,746	2,770	2,713	-24	33	1,382	-15	18

Profitability development

DKK million	Q1 2020 reported	Q1 2020 Restructuring costs	Q1 2020 excl. restructuring costs	Q1 2019 reported
Revenue	4,172	-	4,172	4,804
Cost of sales	-1,028	-86	-942	-1,184
Gross profit	3,144	-86	3,230	3,620
<i>Gross margin</i>	75.4%		77.4%	75.4%
Operating expenses (incl. D&A)	-2,940	-348	-2,592	-2,660
- of which sales, distribution and marketing expenses	-2,254	-90	-2,164	-2,039
- of which administrative expenses	-687	-259	-428	-621
EBIT	204	-435	638	960
<i>EBIT margin</i>	4.9%		15.3%	20.0%

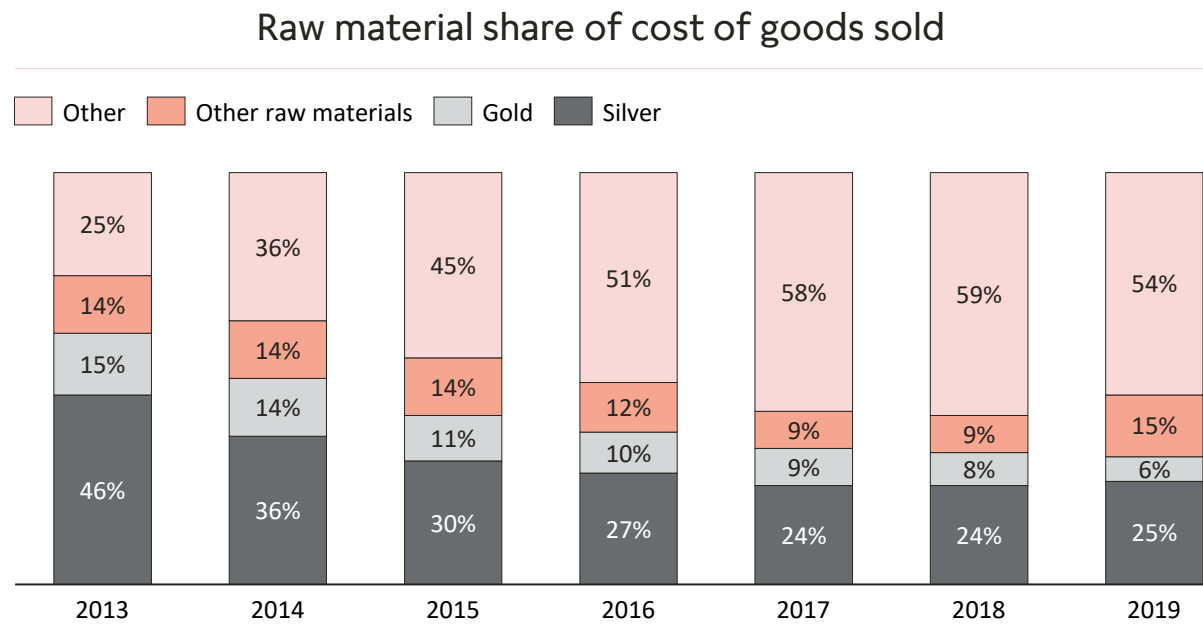
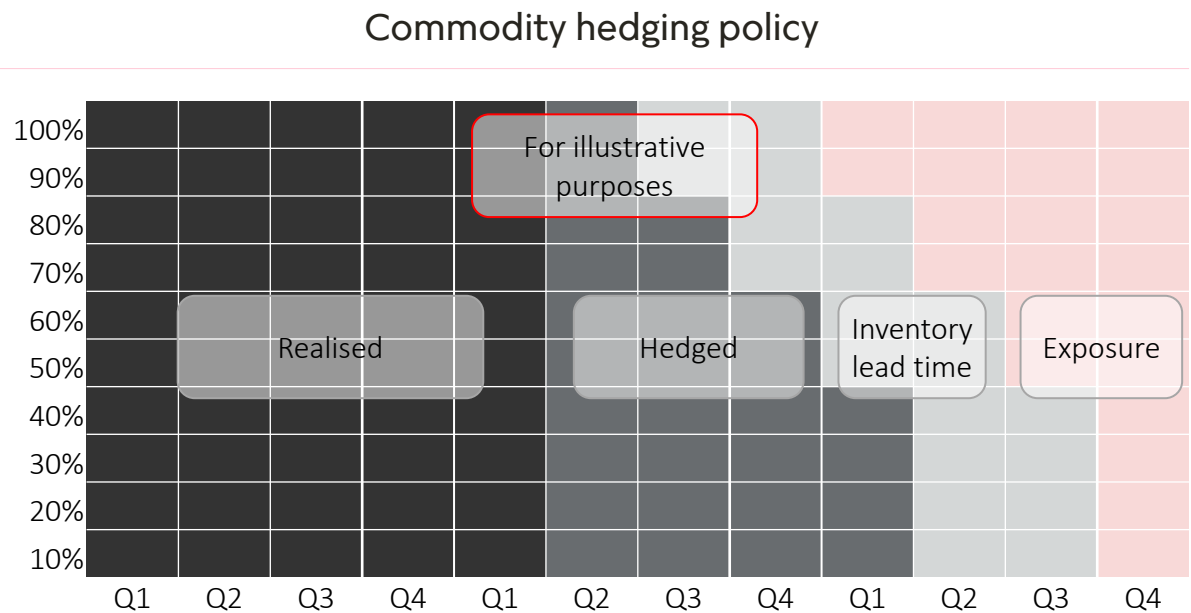
DKK million	FY 2019 reported	FY 2019 Restructuring costs	FY 2019 excl. restructuring costs	FY 2018 ¹
Revenue	21,868	-	21,868	22,806
Cost of sales	-5,966	-1,016	-4,950	-5,864
Gross profit	15,903	-1,016	16,919	16,942
<i>Gross margin</i>	72.7%		77.4%	74.3%
Operating expenses (incl. D&A)	-6,457	-198	-6,259	-6,080
- of which sales, distribution and marketing expenses	-2,847	-151	-2,696	-2,142
- of which administrative expenses	-2,770	-660	-2,110	-2,289
EBIT	3,829	-2,025	5,854	6,431
<i>EBIT margin</i>	17.5%		26.8%	28.2%

¹Comparison figures have not been restated following the implementation of IFRS 16 Leases

Working capital and cash management

DKK million	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019
Inventory	2,155	2,137	2,835	2,609	3,116
- Share of revenue (last 12 months)	10.1%	9.8%	13.0%	11.7%	13.9%
Trade receivables	1,081	1,643	1,256	1,124	1,269
- Share of revenue (last 12 months)	5.1%	7.5%	5.8%	5.0%	5.6%
Trade payables	-2,337	-3,095	-2,222	-1,632	-1,673
- Share of revenue (last 12 months)	-11.0%	-14.2%	-10.2%	-7.3%	-7.4%
Operating working capital	899	684	1,869	2,101	2,712
- Share of revenue (last 12 months)	4.2%	3.1%	8.6%	9.4%	12.1%
Free cash flow	-272	3,052	1,070	1,418	673
CAPEX	129	184	254	206	178
% of revenue	3.2%	2.3%	5.8%	4%	4%
NIBD to EBITDA excl. restructuring costs (last 12 months)	1.3x	1.5x	1.8x	1.4x	1.4x
Selected KPIs					
Days Sales of Inventory					
- last 6 months of COGS (183 days)	134	109	182	201	176
Days Sales of Outstanding					
- last 3 months of wholesale and third party distribution revenue (90 days)	46	36	49	40	48

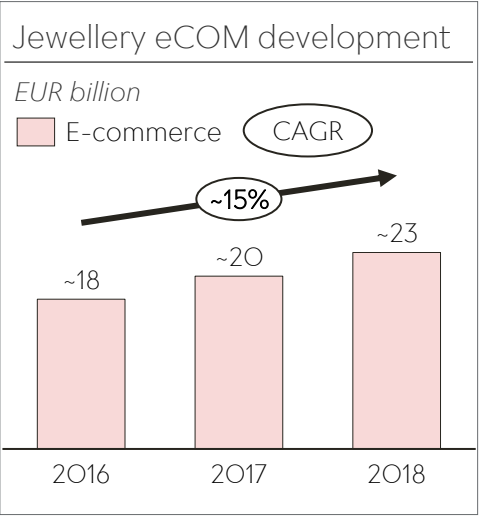
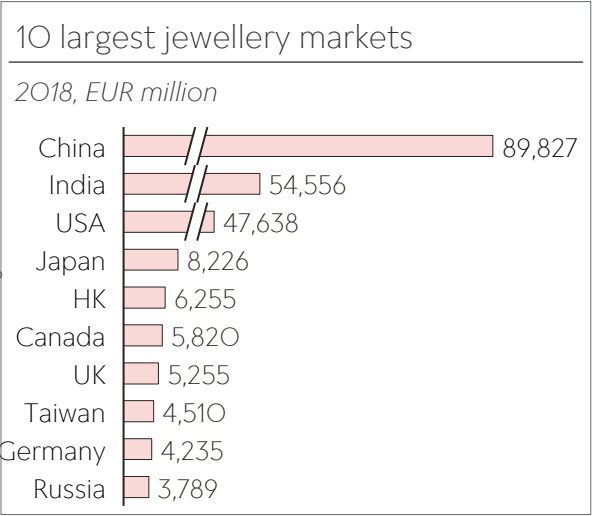
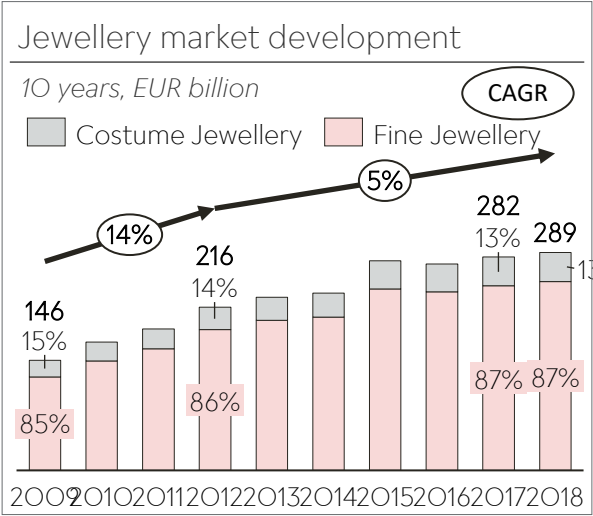
Hedging policy and raw materials share of production costs



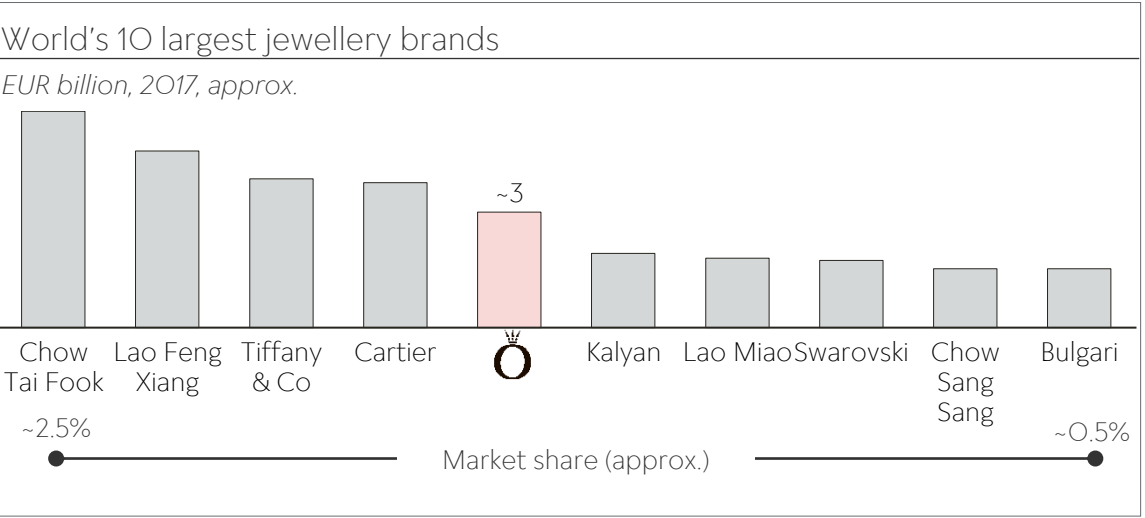
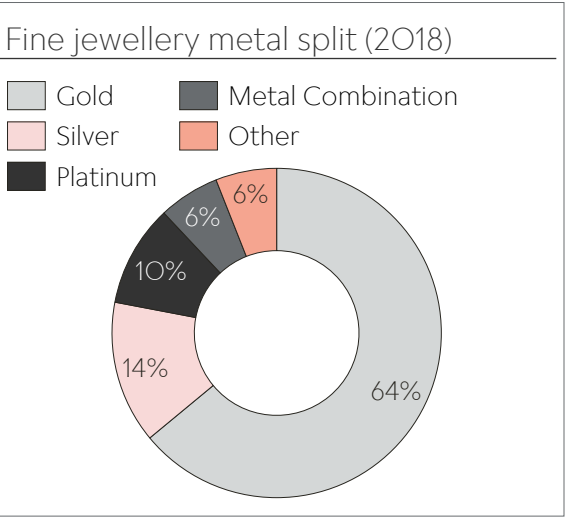
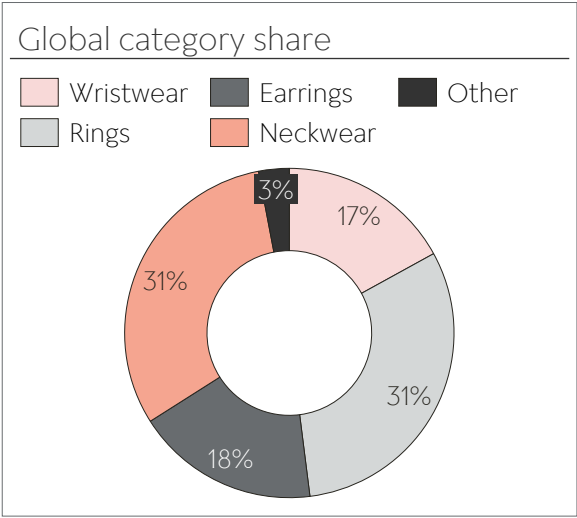
- Other in 2019 consists of ~35% labour, ~15% cost to third-party set-ups (i.e. plating) and ~50% licence, customs, remelt and minor provisions
- From 2019 inhouse plating is considered part of 'Other raw materials', having previously been part of 'Other'.

Overview of the global jewellery market

MARKET DEVELOPMENT



JEWELLERY DEVELOPMENT



Source: Euromonitor

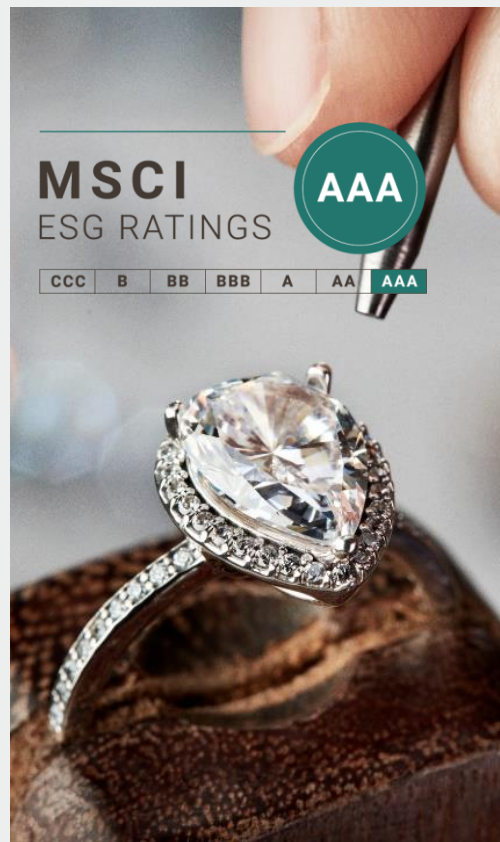
Sustainability

We believe high-quality jewellery, superior business performance and high ethical standards go hand in hand, and we craft our jewellery with respect for resources, environment and people. We will become carbon neutral in our operations by 2025 and have committed to set Science Based Targets for reducing greenhouse gas emissions across the full value chain.

We are committed signatories of the United Nations Global Compact and certified member of the Responsible Jewellery Council since 2012.



Pandora supports the UN Sustainable Development Goals. Four goals in particular guide our strategy as this is where we can contribute the most.



Frontrunner in ESG Investment Performance
For the fourth consecutive year, we received the top rating of AAA in the MSCI ESG Ratings assessment.

Climate and environment

As the world's largest jewellery maker, we are determined to reduce our climate footprint and help set an example for the wider industry.



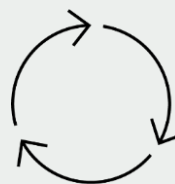
Carbon neutral
in own operations
by 2025



100% renewable energy
at our crafting facilities
by 2020



Committed to set Science Based Targets
to reduce emissions
across full value chain



88%
of waste was
recycled at our
crafting facilities



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

Sustainable products



98%

recycled silver grains

100%

recycled gold grains

97%

of all stones are man-made



100% certified silver and gold grain suppliers



Responsible Sourcing Programme

Pandora is committed to ensuring that our business practices, including our suppliers, live up to high social and environmental standards.

Workplace and society



Inclusive workspace

At Pandora, we are committed to fostering a culture of diversity and inclusion in and beyond our own operations. We will not tolerate any form of discrimination and are committed to gender diversity in our organisation. We will continue to advance our approach to diversity and inclusion.



PANDORA for **unicef**

Partnering with UNICEF to empower young people
Pandora and UNICEF have launched a global partnership to support the most vulnerable children, especially girls, around the world to lead healthier and safer lives and fulfil their potential. Through sale of Jewellery and other initiatives, Pandora will raise funds for UNICEF's important work.

50/50

gender split in our Board of Directors

26%

of Senior management are women and 74% are men

Investor Relations contact details

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Share information

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

ADR information

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

