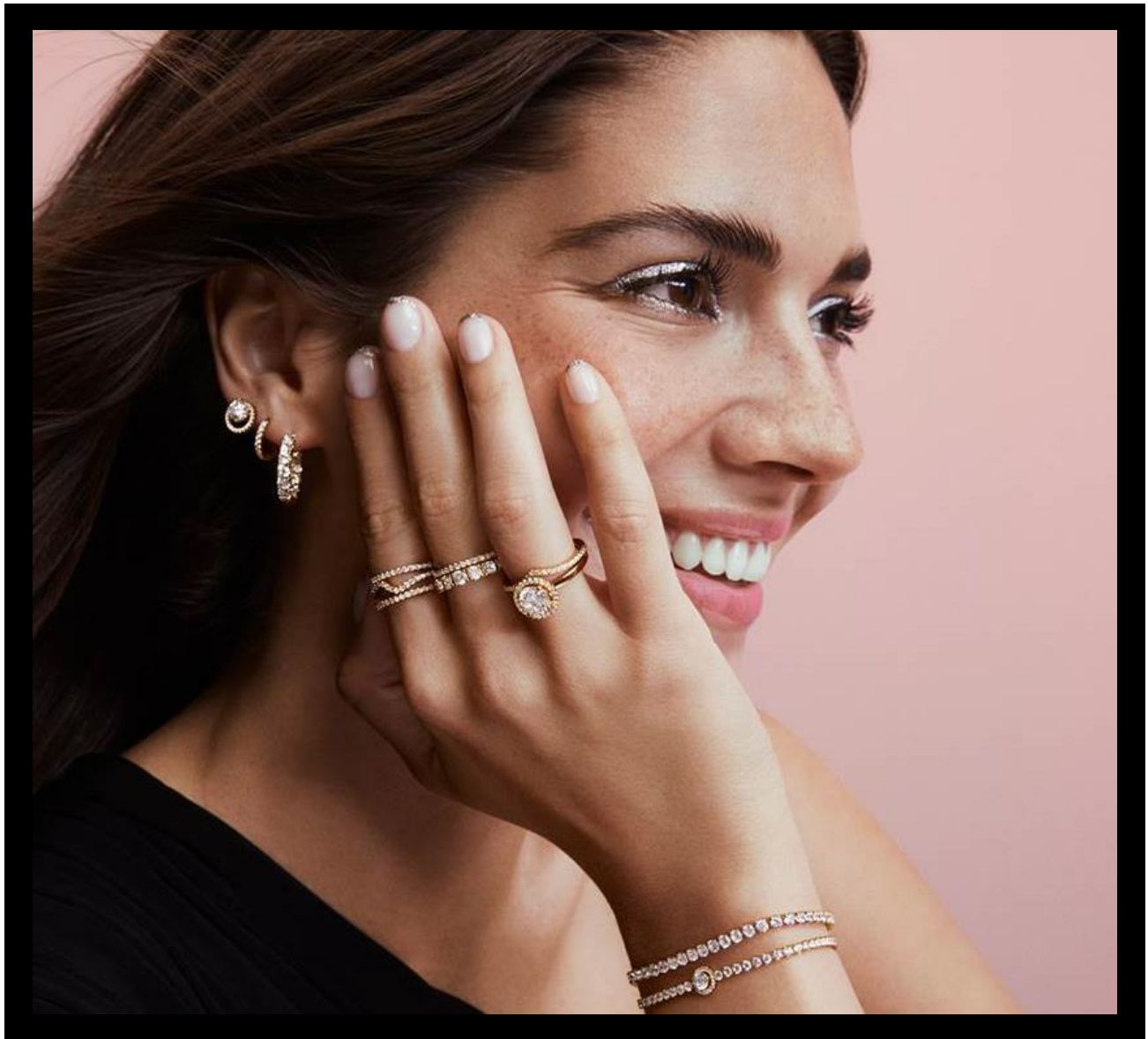


PANDÖRA



INTERIM FINANCIAL REPORT Q4 2023

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Our equity story

Pandora aims to be not only the largest, but also the most desirable jewellery brand in the accessible luxury market, making high-quality jewellery available to the many. The jewellery market has historically grown faster than GDP and remains highly fragmented, with global brands set to outgrow the overall market.

Pandora's jewellery is designed to empower self-expression and be culturally relevant. It is hand-finished by skilled craftspeople and meets the highest sustainability standards in the industry. Pandora's unique business model is vertically integrated from design and crafting to direct-to-consumer channels, and the company has built unrivalled scale in manufacturing, retail distribution and brand presence.

Pandora's growth strategy Phoenix leverages the company's existing infrastructure to pursue numerous untapped growth opportunities and gain higher market share across geographies and jewellery categories. With its proven financial model, Pandora expects to outgrow the market with high-single digit organic growth while achieving best-in-class profitability. Thanks to its asset-light approach, the company also expects to deliver significant free cash flow, of which the vast majority will be returned to shareholders and result in mid-to-high teens EPS growth.

EXECUTIVE SUMMARY

Pandora delivers 8% organic growth in 2023 – targeting 6-9% growth in 2024

FY 2023 highlights

- The Phoenix strategy is elevating Pandora as the leading accessible jewellery brand globally. Investments across the value chain drove solid growth in 2023 and pave the way for continued growth in 2024.
- Organic growth ended at +8% (previous guidance of “5-6%”), comprising of LFL (like-for-like) of +6% and network expansion of +4%.
- The gross margin strengthened further during 2023 and ended at 78.6%, up 230bp Y/Y. The EBIT margin remained solid at 25.0% (guidance of “around 25%”). EPS increased to a record-high DKK 55.5.
- Strong free cash flow saw cash conversion ending at 78% and leverage at 1.1x NIBD/EBITDA.
- Proposed dividend of DKK 18 per share and a new share buyback programme of DKK 4.0 billion to be completed no later than 31 January 2025.

Q4 2023 highlights

- Continued brand momentum drove solid trading across Q4 2023. Organic growth accelerated to +12%, comprising of LFL growth of +9% and network expansion of +4%.
- Broad-based LFL growth in Q4 across markets. Key markets in Europe remained solid at 5% growth, US accelerated to +10% growth and Rest of Pandora continued double-digit growth at +16%.
- The Q4 gross margin reached another all-time high of 79.3%, +310bp vs. Q4 2022.
- The Q4 EBIT margin landed at 34.0%, +150bp vs. Q4 2022, supported by solid growth, cost efficiencies and cost phasing, as well as some tailwind from silver prices.

Phoenix strategy highlights

- Continued brand investments drove broad-based LFL growth across collections – successful launch of new “Loves, Unboxed” holiday campaign fuelled further brand momentum.
- Pandora concluded the first chapter of its Phoenix strategy initiated at the CMD 2021 with an organic growth CAGR of 7.5% (5-7% target CAGR 2021-23) and EBIT margin of 25.0% (target 25-27% by 2023).
- Full transition to recycled gold and silver completed a year before plan – avoids 58,000 tonnes CO₂ p.a.

2024 Guidance and current trading

- Pandora targets another year of solid growth whilst remaining mindful of the macroeconomic climate. Initial guidance for 2024 is “6-9%” organic growth and an EBIT margin “around 25%”.
- Current trading in Q1 2024 has so far remained healthy with LFL growth up at high single-digit levels. This is helped by the strong brand momentum seen since mid-2023.

Alexander Lacik, President and CEO of Pandora, says:

“We are very pleased with how we ended 2023 with strong trading across the holiday season. Looking back at the past two years since we launched the Phoenix growth strategy, we are proud of how our strategic initiatives have come together to consistently drive strong results despite the challenging macroeconomic backdrop. In 2024, we target continued solid and profitable growth as we execute on the next chapter of Phoenix.”

DKK million	Q4 2023	Q4 2022	FY 2023	FY 2022	FY 2024 guidance
Revenue	10,820	9,856	28,136	26,463	
Organic growth, %	12%	4%	8%	7%	6-9%
Like-for-like, %	9%	-1%	6%	4%	
Operating profit (EBIT)	3,674	3,206	7,039	6,743	
EBIT margin, %	34.0%	32.5%	25.0%	25.5%	Around 25%

FINANCIAL HIGHLIGHTS

DKK million	Q4 2023	Q4 2022	FY 2023	FY 2022
Financial highlights				
Revenue	10,820	9,856	28,136	26,463
Organic growth, %	12%	4%	8%	7%
Like-for-like, % ¹	9%	-1%	6%	4%
Earnings before interest, tax, depreciation and amortisation (EBITDA)	4,227	3,712	9,118	8,716
Operating profit (EBIT)	3,674	3,206	7,039	6,743
EBIT margin, %	34.0%	32.5%	25.0%	25.5%
Net financials	-330	-155	-805	-210
Net profit for the period	2,530	2,365	4,740	5,029
Financial ratios				
Revenue growth, DKK, %	10%	9%	6%	13%
Revenue growth, local currency, %	13%	6%	9%	8%
Gross margin, %	79.3%	76.2%	78.6%	76.3%
EBITDA margin, %	39.1%	37.7%	32.4%	32.9%
EBIT margin, %	34.0%	32.5%	25.0%	25.5%
Effective tax rate, %	24.4%	22.5%	24.0%	23.0%
Equity ratio, %	23%	33%	23%	33%
NIBD to EBITDA, x	1.1	0.8	1.1	0.8
Return on invested capital (ROIC), % ²	47%	48%	47%	48%
Cash conversion incl. lease payments, %	116%	110%	78%	39%
Net working capital, % of last 12 months' revenue	1.8%	4.2%	1.8%	4.2%
Capital expenditure, % of revenue	5.4%	4.7%	5.8%	4.9%
Stock ratios				
Total payout ratio (incl. share buyback), %	30%	33%	136%	100%
Dividend per share, proposed, DKK	18	16	18	16
Dividend per share, paid, DKK	-	-	16	16
Earnings per share, basic, DKK	29.6	25.5	55.5	54.2
Earnings per share, diluted, DKK	29.4	25.2	55.1	53.7
Consolidated balance sheet				
Total assets	23,798	22,013	23,798	22,013
Invested capital	15,126	13,961	15,126	13,961
Net working capital	510	1,104	510	1,104
Net interest-bearing debt (NIBD)	9,770	6,794	9,770	6,794
Equity	5,355	7,167	5,355	7,167
Consolidated statement of cash flows				
Cash flows from operating activities	4,821	4,075	7,384	4,434
Capital expenditure, total	582	462	1,624	1,290
Capital expenditure, property, plant and equipment	394	349	1,176	929
Free cash flows incl. lease payments	4,277	3,538	5,489	2,602
Sustainability				
Scope 1, 2 & 3 emissions, tonnes CO ₂ equivalent ³	-	-	264,543	341,748
Recycled silver and gold, total, % ⁴	-	-	97%	61%
Leadership gender ratio, female/male, % ⁵	-	-	34/66	29/71

¹ Like-for-like growth include sell-out from all concept stores (including partner-owned), owned and operated Shop in Shops and Pandora Online. Partner-owned other points of sale are not included in like-for-like. The KPI includes stores which have been operating for +12 months.

² Last 12 months' EBIT in % of invested capital.

³ Within limited assurance scope. The scope 2 emissions are calculated as market-based emissions. All emissions are in metric tonnes, as aligned with the Greenhouse Gas Protocol. In 2023, we have reassessed Pandora's calculation methodology and data based on updated knowledge. This resulted in an increase in total emissions (tonnes CO₂e) of 61,378 in 2022 (+22%).

⁴ Within limited assurance scope. As of December 2023, Pandora is purchasing 100% recycled silver and gold.

⁵ The Leadership Team comprises Vice Presidents, Senior Vice Presidents, members of the Executive Leadership Team and the Board of Directors.

BUSINESS UPDATE

Strong brand momentum drives broad-based LFL growth across geographies and segments

In Q4, Pandora delivered another quarter with double-digit organic growth backed by strong LFL growth and profitability. As witnessed in previous quarters, all elements of the Phoenix strategy came together to drive solid growth across geographies, collections and drove further market share gains for Pandora. Growth continued to be driven primarily by strong brand momentum combined with a successful new holiday campaign, which drove a broad-based increase in traffic and resulted in good performance across the two key gifting occasions of Black Friday and Christmas.

In Q4 2023, Pandora saw an acceleration in organic growth to +12% which comprised of LFL growth of +9%, network expansion of +4% whilst lower sell-in to among others partner's other points of sale represented small drag of -1%. European key markets saw an improvement to +5% LFL growth with still solid brand momentum across most markets. Germany continued its very strong trajectory with +39% LFL growth whilst France continued to build on its brand initiatives with an improvement to +6% LFL growth. In the US, momentum further accelerated with +10% LFL growth as many growth initiatives under the Phoenix strategy continue to gain increasing traction. Rest of Pandora continued to deliver solid double-digit growth at +16% despite a strong comparison base with good broad-based growth across many countries.

By channel, LFL growth was once again positive across all touchpoints with Pandora capitalising on higher traffic trends. The trend of Pandora's own stores outperforming partners, continued into Q4 2023 with Pandora's own network delivering 10% LFL vs. partners at 3%.

Pandora's FY 2023 gross margin reached 78.6%, up 230bp Y/Y. The Q4 gross margin was a continuation of the upward trend witnessed through the year and was up strongly to a record high of 79.3%, +310bps Y/Y. The Core segment generated a gross margin of 78.2% (Q4 2022: 75.2%), while Fuel with more generated a gross margin of 82.7% (Q4 2022: 79.8%). The overall increase was driven by favourable channel mix as well as structural efficiencies at the manufacturing facilities. During Q4 2023, Pandora took the opportunity to selectively reduce promotional activity across a few markets, in line with the strategy of building the Pandora brand for the long-term.

New "Loves, Unboxed" holiday campaign ignites initial steps of brand restaging

During Q4 2023, Pandora took further steps with its refreshed marketing strategy which aims to accelerate growth through transforming the perception of Pandora into a full jewellery brand across accessible price points. Pandora successfully launched its new global holiday marketing campaign under the banner of "Loves, Unboxed" and this was accompanied by a stunning immersive holiday unboxing experience as Pandora took over the Sphere, a large entertainment venue east of the Las Vegas strip. Pandora also took centre stage at the British Fashion Awards in December as the lead sponsor and in combination the initiatives continue to drive strong brand heat and traffic. As in Q3, Pandora continued to compliment these initiatives with powerful social media activations which propelled nonstop buzz around Pandora during the important holiday season. The tennis bracelet in particular gained significant popularity through social media channels in Q4.

Pandora will now be taking its marketing message to the next level and already in early 2024 Pandora unveiled its new "BE LOVE" multi season campaign. The new star-studded campaign introduces three new global brand ambassadors: actress and activist Selma Blair and sisters and entertainers Halle and Chloe Bailey and marks the next step in positioning Pandora as a full jewellery brand.

Leveraging the brand identity to grow the core and fuel with more

In Q4 2023, Core represented 76% of total revenue and delivered LFL growth of +4%. The heartbeat of Pandora, our Pandora Moments platform, delivered solid +4% LFL growth in Q4. In-line with the trend through the year, Pandora's studded chain continued to perform particularly well with the new variations of the bracelet added since September also contributing into Q4. Pandora ME delivered another good quarter with +6% LFL as the new product designs continued to resonate through the holiday period. The Fuel with more segment represented 24% of total revenue and excelled with substantial like-for-like growth of +23%, as Pandora leveraged its strong full jewellery brand marketing message through Timeless which built on its already strong momentum to further accelerate LFL growth to +31%. Growth was broad-based growth across most categories but herbarium and classic cuts in particular drove strong growth through the holiday period. Within the Fuel with more segment, our dedicated focus on Pandora Lab-Grown Diamonds further fuelled our brand's momentum.

Pandora Lab-Grown Diamonds: Building momentum over Holiday period

Earlier in the year Pandora took notable strides on its journey to democratise diamonds with a notable expansion of its lab-grown assortment which now spans four collections which are available in more than 700 stores in the US, Canada, UK, Australia, Mexico and Brazil.

Within the quarter, total revenue for Pandora's Lab-Grown Diamond collection reached DKK 113 million with LFL growth +83% and Pandora noted good sequential momentum through quarter. By country, North America continued to account for the largest proportion of revenue whilst rings continued to be the best performing category and accounted for nearly half of the sales during the quarter. For FY 2023, Pandora's Lab-Grown Diamond revenue reached DKK 265 million which marks an encouraging start to Pandora's new target of generating DKK > 1 billion in revenue from the collection by 2026. Pandora will continue to optimise execution and take learnings going forward as it looks to be the go-to destination for lab-grown diamonds.

REVENUE BY SEGMENT

DKK million	Q4 2023	Q4 2022 ¹	Like-for-like	Share of Revenue	FY 2023	FY 2022 ¹	Like-for-like	Share of revenue
Core	8,180	7,766	4%	76%	21,951	21,156	2%	78%
- Moments	6,880	6,469	4%	64%	18,369	17,727	2%	65%
- Collabs	965	983	1%	9%	2,681	2,614	1%	10%
- ME	335	314	6%	3%	900	815	12%	3%
Fuel with more	2,640	2,090	23%	24%	6,186	5,308	14%	22%
- Timeless ²	2,120	1,567	31%	20%	4,792	3,847	20%	17%
- Signature	407	442	-11%	4%	1,129	1,248	-11%	4%
- Pandora Lab-Grown Diamonds	113	81	83%	1%	265	213	116%	1%
Total revenue	10,820	9,856	9%	100%	28,136	26,463	6%	100%

¹ Pandora has updated its collection structure by moving products from Fuel with more to Core in 2023 and comparative figures for Q4 2022 were restated accordingly by DKK 738 million. Total restatement on comparative figures for FY 2022 were DKK 1,964 million.

² As of Q3 2023, Pandora Timeless includes revenue from the PANDORA ESSENCE collection, amounting to DKK 2 million in Q4 2023 and DKK 5 million FY 2023.

Network expansion drives solid, profitable growth

In Q4 2023, network expansion contributed +4% to organic growth related to net 109 concept store openings and 114 Pandora owned shop-in-shop openings during the last 12 months. Within Q4 2023 alone, Pandora opened an additional 72 new concept stores and 69 shop-in-shops. The full year organic growth contribution from network expansion landed at +4% with the total new concept store openings of 109 in-line with guidance of 75-125 openings and the total new Pandora owned shop-in-shops at 114, slightly ahead of the guidance of 50-100. As witnessed once again through 2023, store openings continue to create immense value for Pandora with the EBIT margin reaching >35% in the first year with a rapid payback of investment. With a global market share of only 1.3% and accretive

margins and returns on new store openings, there is significant value creation ahead for Pandora by continuing to expand the network. For 2024, Pandora targets 75-125 net concept store openings and an additional 25-50 Pandora owned shop-in-shop openings.

The ongoing rollout of Pandora's store concept, Evoke 2.0, marks a significant milestone, with a plan to transform around 60% of Pandora's owned and operated stores into this innovative concept by 2026. Evoke 2.0 optimally utilises space, providing an intuitive and engaging experience to showcase Pandora as a full jewellery brand. For the full year, Pandora opened 55 Evoke 2.0 stores, including refurbishments, and will further scale up the roll-out in 2024, progressing towards the targeted 1,375-1,425 Evoke 2.0 concepts stores by 2026. Early results are encouraging, with a more intuitive customer experience leading to longer dwell times, self-browsing and good performance across segments. The store concept has now also shown good performance over peak trading periods where traffic levels are elevated over certain periods. The CAPEX per Evoke 2.0 store will be roughly in line with current levels.

In 2023, Pandora made strategic strides through acquisitions, taking over a total of 54 concept stores. This included 35 concept stores in the US, 14 in Colombia, and 5 in Canada. The synergies are strong, reinforcing the value of forward integration through brand consistency and improved operational efficiency.

Proposed total cash return of DKK 5.5 billion for 2024 underpins capital allocation commitment

In 2023, Pandora announced the highest total shareholder distribution in its history of DKK 6.4 billion which was successfully completed by 2 February 2024. Today, in line with Pandora's history of returning significant cash back to shareholders every year, Pandora announces a total proposed shareholder distribution of DKK 5.5 billion. This includes a proposed dividend of DKK 18 per share, up from DKK 16 per share last year, and a new share buyback programme of DKK 4.0 billion which will commence on 8 February 2024 and complete no later than 31 January 2025. For further details on the share buyback programme, please refer to the separate company announcement.

Phoenix strategy yielding positive results as Pandora concludes first chapter, meeting financial targets

With the FY 2023 results, Pandora has successfully concluded the first chapter of its Phoenix strategy. Highlighting the success of the strategy, and despite the weak consumer backdrop, Pandora delivered on its initial organic growth target set in 2021 of 5-7% CAGR between 2021-2023 with an organic growth CAGR of 7.5% over the period. Furthermore, despite the inflationary environment Pandora met its target of EBIT margin of 25-27% by 2023 with the margin ending at 25.0%.

During the Capital Markets Day in October 2023, Pandora highlighted that it will now look to elevate performance to the next level as it embarks on the next chapter of the Phoenix strategy. The four strategic growth pillars of the Phoenix strategy remain unchanged, but within the pillars Pandora has updated its key priorities to transform the perception of Pandora into a full jewellery brand. As part of the strategic update, Pandora announced new financial targets:

- Organic growth 7-9% CAGR 2023-2026
- EBIT margin 26-27% by 2026

The new organic growth target represents an upgrade relative to the first chapter of Phoenix announced in 2021 and comprises of a targeted LFL growth CAGR of 4-6% and a contribution from network expansion of around 3% CAGR. The growth targets reflect Pandora's improved operating model alongside a range of current and new initiatives which will be scaled up to drive solid and sustainable growth. When combined with an expected 1% annual revenue impact from forward integration, the targets add up to 8-10% local currency CAGR over 2023-2026.

The new EBIT margin target of 26-27% equals 100-200 bp of margin expansion compared to the 2023 results. The

EBIT margin target will be delivered while accelerating investments in current and future growth – underpinning Pandora’s ability to leverage its current infrastructure to drive growth.

REVENUE REVIEW

Double-digit revenue growth driven by strong LFL

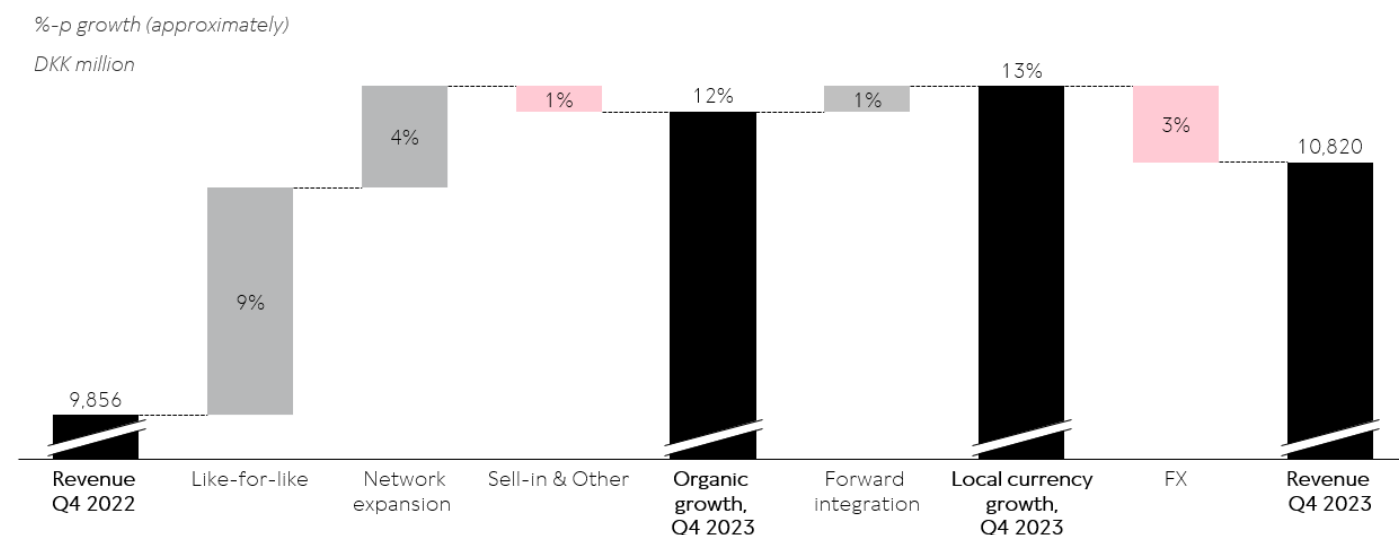
In Q4, Pandora delivered organic growth of +12% which comprised of strong LFL growth of +9% and network expansion of +4%. A drag from among others sell-in to partner’s other points of sale (which is not included in LFL), had a negative impact on organic growth of -1%.

Across its two segments, Pandora continues to grow and the strong LFL growth was underpinned by a solid Core which grew +4% LFL, whilst the Fuel with more segment further accelerated growth with +23% LFL, with in particular the Timeless collection continuing to perform well.

Forward integration continues to support total revenue growth, driven by the acquisition of 54 concept stores in the US (35 stores), Colombia (14 stores) and Canada (5 stores) this year, bringing the total contribution from forward integration to 1% in Q4 2023. Foreign exchange rates represented a net headwind of 3%, as most currencies have depreciated vs. DKK, with in particular a weaker USD, but also a material decline in the Turkish lira.

The revenue growth development can be illustrated as follows:

Q4 2023 growth composition vs. Q4 2022



REVIEW OF REVENUE BY KEY MARKET

Brand momentum carries into Q4 and propels LFL growth

Pandora delivered another strong performance in the fourth quarter marked by double-digit revenue growth. Growth was propelled by the strong brand momentum which continued into the fourth quarter with strong performances through Black Friday and Christmas. Regionally, the US accelerated to +10% LFL coupled with broadly stable performance across key European markets. Rest of Pandora continues to grow at double-digit levels whilst the momentum slowed slightly to +16% LFL in Q4, reflecting the tougher comparison base.

US

In the fourth quarter of 2023, the US sustained positive momentum, achieving strong LFL growth of +10%, an improvement from +5% in Q3 2023. This performance was propelled by the strong brand momentum which is consistently attracting higher traffic. Pandora Lab-Grown Diamonds continues to generate considerable brand excitement, highlighted by a prominent campaign projected on the Sphere, a large entertainment venue east of the Las Vegas strip. Additionally, the Timeless collection experienced substantial momentum, notably with the tennis bracelet going viral on two occasions.

While LFL growth in the wholesale channel continued to improve in Q4, there remains a notable gap compared to Pandora's owned and operated stores. Overall, the US recorded strong organic growth of +15%, fuelled by strong LFL performance and further augmented by new store openings throughout 2023.

Key markets in Europe

LFL for the key markets in Europe continues to be solid at +5% in Q4 2023, up from +4% in Q3 2023, mainly driven by the continued strong momentum in Germany.

In Q4 2023, the strong brand momentum in Germany continued, resulting in an accelerated LFL growth of +39%. The shift to a more digital-centric media model, with a focus on search and digital channels has contributed to driving significant traffic. This was further boosted by products that went viral on social media platforms, as well as services like engraving. Overall, the strong performance, outpacing a subdued market, reflects the positive brand momentum, effective execution and the brand being on track to be recognized as a full jewellery brand.

Despite a reduction in promotional days compared to the previous year, the UK exhibited overall stability and reported a -2% LFL in Q4 2023. This suggests stable underlying performance despite the adverse consumer sentiment.

Italy's performance remained stable at -1% LFL. The brand remains healthy and with positive traffic although the purchase power for the average Italian consumer is under pressure and converting sales has been slightly more difficult than in prior years. However, the performance in Timeless, supported by the store concept Evoke 2.0, is particularly encouraging and helped contribute to increased brand penetration as reflected also by its ability to attract new customers.

France delivered another solid quarter with +6% LFL. France demonstrates strong brand momentum, with an evolving brand perception and strengthening brand equity also marked by the reduction in promotional days. Influencer events, and magazine features, such as a fully loaded necklace featured in Madame Figaro, continue to create buzz and elevate the brand desirability. The wholesale channel continues to be significant a drag on performance in France with LFL among partners in negative in Q4.

China

The Q4 2023 performance in China fell short of expectations, recording a -11% LFL decline. Despite positive indicators from the ongoing brand relaunch in Shanghai, the pace and extent of recovery have been subdued, not helped by the macro uncertainty in the market.

As part of the Phoenix strategy reaffirming Pandora's dedication to success in its core markets, efforts are intensified to revitalise the brand and regain growth in China. In light of this, David Allen has assumed the role of General Manager for the Greater China cluster. Leveraging his distinct Pandora experience, including several years in global office leading the EMEA region, David brings valuable expertise to drive positive change in the cluster.

Australia and Rest of Pandora

In Australia, weak consumer sentiment persisted, resulting in a -6% LFL compared to Q4 2022. Pandora's owned and operated concept stores consistently outperformed the wholesale channel, attributed in part to urban tourism and strategic execution in these stores, which displayed high conversion rates.

Rest of Pandora reported another double-digit quarter, achieving a +16% LFL in Q4 2023. The solid growth was delivered despite a tougher base of comparison in many markets, such as Mexico. Overall, the growth remains broad-based with established markets such as Spain (DKK 1.2 billion revenue in FY 2023), Mexico (DKK 1.4 billion revenue in FY 2023), and Canada (DKK 0.8 billion revenue in FY 2023) sustaining moderate to mid-teens LFL growth, while less penetrated markets like Austria, Poland, and Portugal exhibited solid double-digit LFL growth.

QUARTERLY REVENUE DEVELOPMENT BY KEY MARKET

DKK million	Q4 2023	Q4 2022	Like-for-like	Organic growth	Share of revenue
US	3,190	2,820	10%	15%	29%
China ¹	116	143	-11%	-13%	1%
UK	1,627	1,613	-2%	0%	15%
Italy	921	913	-1%	1%	9%
Australia	461	535	-6%	-9%	4%
France	502	475	6%	6%	5%
Germany ²	662	494	39%	34%	6%
Total key markets	7,479	6,991	6%	8%	69%
Rest of Pandora	3,341	2,865	16%	20%	31%
Total revenue	10,820	9,856	9%	12%	100%

¹ The preliminary LFL in China was shown as -12% in the Q4 pre-announcement. The final LFL is -11%.

² The preliminary LFL in Germany was shown as 40% in the Q4 pre-announcement. The final LFL is 39%.

YEAR-TO-DATE REVENUE DEVELOPMENT BY KEY MARKET

DKK million	FY 2023	FY 2022	Like-for-like	Organic growth	Share of revenue
US	8,306	7,907	2%	5%	30%
China	564	737	-9%	-18%	2%
UK	3,821	3,802	-1%	2%	14%
Italy	2,540	2,580	-3%	-2%	9%
Australia	1,120	1,271	-6%	-6%	4%
France	1,196	1,190	1%	0%	4%
Germany	1,527	1,307	26%	17%	5%
Total key markets	19,075	18,795	1%	2%	68%
Rest of Pandora	9,062	7,669	16%	21%	32%
Total revenue	28,136	26,463	6%	8%	100%

REVIEW OF NETWORK DEVELOPMENT

223 net openings in 2023 across concept stores and Pandora owned shop-in-shops

During the fourth quarter of 2023, Pandora accelerated its strategic network expansion, opening a net of 72 concept stores and 69 Pandora owned shop-in-shops. With this contribution, for the full year 2023 net openings amounted to 109 concept stores and 114 Pandora owned shop-in-shops. The net concept store openings have been relatively broad-based, mainly across the Americas and Europe, while the openings of Pandora owned shop-in-shops have been concentrated around Latin America.

In Q4 2023, network expansion drove +4% of the revenue growth. On top of that, forward integration added 1% to revenue growth.

Network expansion is low risk, while being accretive to margins and returns. As such, Pandora continues it plans to expand the network with 400-500 targeted net openings through 2024-2026. For FY 2024, Pandora targets net 75-125 concept store openings and 25-50 new Pandora owned shop-in-shops.

Number of points of sale ¹	Q4 2023	Q3 2023	Q4 2022	Growth	Growth
				Q4 2023 /Q3 2023	Q4 2023 /Q4 2022
Concept stores	2,651	2,579	2,542	72	109
- of which Pandora owned ²	1,869	1,783	1,653	86	216
- of which franchise owned	463	486	588	-23	-125
- of which third-party distribution	319	310	301	9	18
Other points of sale	4,035	3,989	3,985	46	50
- of which Pandora owned²	578	509	464	69	114
- of which franchise owned	3,144	3,159	3,200	-15	-56
- of which third-party distribution	313	321	321	-8	-8
Total points of sale	6,686	6,568	6,527	118	159

¹ Please refer to note 14 Store network, concept store development in the accounting notes section for more details.

² Pandora does not own any of the premises (land and buildings) where stores are operated. Pandora exclusively operates stores from leased premises.

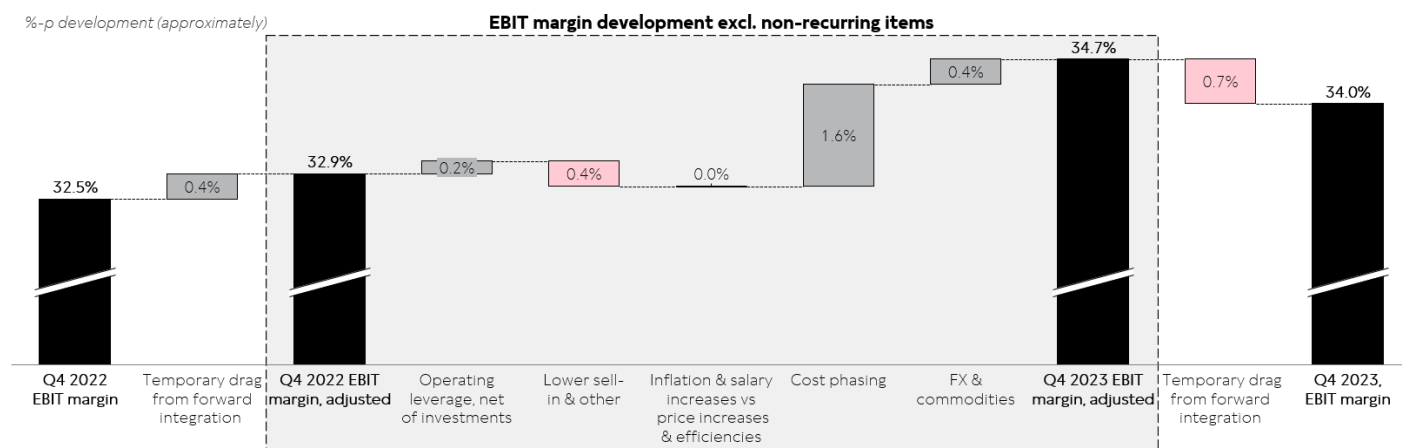
PROFITABILITY

EBIT margin in line with expectations – supported by a very strong gross margin

The EBIT margin for Q4 was 34.0%, +150bp above Q4 2022 and the full year 2023 EBIT margin ended at 25.0%, in line with the guidance of “Around 25%”. As highlighted throughout 2023, the Q4 2023 margin benefitted from cost phasing between the quarters. After representing a drag of 100bp in the first three quarters of 2023 cost phasing was a tailwind of +160bp in the fourth quarter.

Operating leverage net of investments drove a small improvement in the margin of +20bps. In line with previous quarters, Pandora continued to accelerate investments into current and future growth initiatives, including brand initiatives as well as digital, and therefore the operating leverage from LFL growth and network expansion was largely re-invested. Elsewhere, the drag from among others lower sell-in to partners constituted a headwind of around -40bp whilst cost efficiencies continued to support the margin, and offset the pressure from cost inflation and salary increases.

Foreign exchange represented a headwind of -20bp, which was more than offset by the tailwind of +60bp from commodities. The positive impact on commodities is driven by the lower price on silver, while the headwind on currency comes from the weakening of USD and AUD. Forward integration represented a temporary net drag of -30bp compared to Q4 2022 related to inventory bought back by Pandora as part of acquisitions.

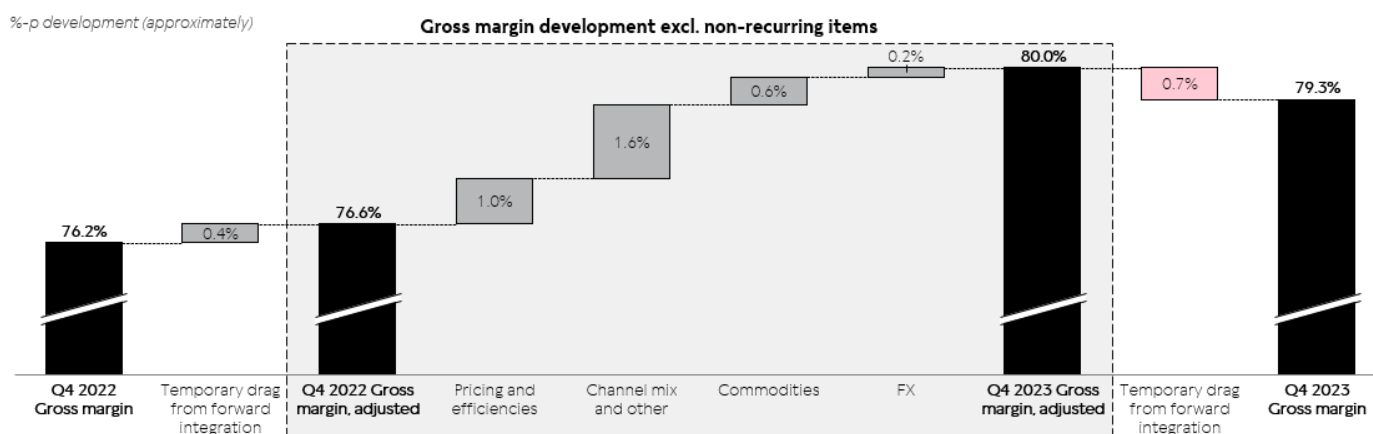


GROSS MARGIN

In Q4, Pandora achieved a record high gross margin of 79.3%, +310bp Y/Y, continuing the upward trend witnessed over the past few years. As a result, the FY 2023 margin ended at 78.6%, up 230bp Y/Y. The Core segment generated a gross margin of 78.2% (Q4 2022: 75.2%), while Fuel with more generated a gross margin of 82.7% (Q4 2022: 79.8%). The overall increase in Q4 was driven by favourable channel mix as well as structural efficiencies at the manufacturing facilities. On top of that, there was some positive help from price increases initiated in Q4 2023, albeit on a lower scale than last year.

Foreign exchange rates provided a tailwind of +20bp, driven by the weakening of the THB and USD, whilst commodities drove a +60bp tailwind vs. Q4 2022.

The gross margin continued to be temporarily negatively impacted by the impact from buying back inventory during the process of forward integration. This represented a net headwind of -30bp compared to Q4 2022. Adjusting for forward integration, the underlying gross margin improved by +340bp to 80.0% compared to Q4 2022.



GROSS MARGIN AND GROSS PROFIT

DKK million	Q4 2023	Q4 2022	Growth in constant FX	FY 2023	FY 2022	Growth in constant FX
Revenue	10,820	9,856	13%	28,136	26,463	9%
Cost of sales	-2,241	-2,345	-1%	-6,012	-6,273	-4%
Gross profit	8,579	7,511	17%	22,125	20,190	13%
Gross margin, %	79.3%	76.2%		78.6%	76.3%	

OPERATING EXPENSES

The operating expenses increased by 16% in constant exchange rates, measured against Q4 2022. The increase was driven by the expansion of the profitable store network and forward integrations, having added 330 Pandora owned and operated stores compared to Q4 last year, leading to a 18% increase in sales and distribution expenses. On top of that, the pressure from higher-than-usual salary increases, not least to our store colleagues, continued to represent a headwind.

Marketing expenses were up by 12% in constant exchange rates vs Q4 2022, growing broadly in-line with group revenues. The increase in absolute marketing spend reflected, among others, investments into the brand and the new global "Love, Unboxed" campaign. The FY 2023 marketing costs were up by 5% in constant rates, and within the guided range of 13-15% of revenue.

Administrative expenses increased by 17% in constant exchange rates vs. Q4 2022. This reflects among others higher bonus accruals given the strong performance and legal fees etc. related to the significant number of new stores opened during the quarter.

QUARTERLY OPERATING EXPENSES

DKK million	Q4 2023	Q4 2022	Growth in constant FX	Share of revenue Q4 2023	Share of revenue Q4 2022
Sales and distribution expenses	-2,790	-2,418	18%	25.8%	24.5%
Marketing expenses	-1,446	-1,301	12%	13.4%	13.2%
Administrative expenses	-668	-586	17%	6.2%	5.9%
Total operating expenses	-4,905	-4,305	16%	45.3%	43.7%

YEAR-TO-DATE OPERATING EXPENSES

DKK million	FY 2023	FY 2022	Growth in constant FX	Share of revenue FY 2023	Share of revenue FY 2022
Sales and distribution expenses	-8,858	-7,602	19%	31.5%	28.7%
Marketing expenses	-3,849	-3,720	5%	13.7%	14.1%
Administrative expenses	-2,379	-2,125	13%	8.5%	8.0%
Total operating expenses	-15,086	-13,448	14%	53.6%	50.8%

FINANCIAL EXPENSES AND TAX

Net financials came in at a cost of DKK 330 million in Q4 2023, compared to DKK 155 million in Q4 2022. The increase in interest rates and higher leverage compared to last year impacted the interest paid on loans, as well as the IFRS 16 related interest on lease payments. The net realised profit on foreign exchange hedging contracts represented a net loss of DKK 58 million in Q4 2023. For the full year, net financials amounted to a cost of DKK 805 million in 2023 vs. a cost of DKK 210 million in 2022. This increase reflected the above-mentioned increase in interest rates and higher leverage compared to last year but also foreign exchanges rate adjustments, which had a material positive impact in 2022, but represented a small drag this year.

The effective tax rate in Q4 2023 came in at 24.4%, up by 190bp versus Q4 2022. For the full year the tax rate was 24.0%, within the 23-24% guidance range, and up by 100bp versus the full year 2022. The increase Y/Y was driven by among others that a higher share of profits are subject to taxation in jurisdictions with tax rates exceeding the Danish corporate tax rate of 22% as well as an increase in non-deductible expenditures.

Pandora ended the quarter with an EPS of DKK 29.6, up notably from the DKK 25.5 achieved in Q4 2022. For the full year, Pandora ended with a new record-high EPS of DKK 55.5. This represented an EPS growth of 10% in local currency vs. FY 2022.

CASH FLOW & BALANCE SHEET

Continued strong free cash flow generation

Pandora delivered strong cash conversion of 116% in Q4 with the full year cash conversion up to 78% after last year's deliberate increase in inventory levels which temporarily impacted cash conversion in 2022. Net working capital ended at 1.8% of revenue in 2023 vs. the 2022 level of 4.2%. The reduction of 240bp was helped by inventory levels decreasing as a percentage of last 12 months revenue, ending the year broadly flat in absolute terms, in line with previous communication.

Trade receivables continue to be at a healthy level and in line with last year. The wholesale Days sales outstanding (DSO) ends at 31 days vs. 28 days in 2022 with the increase mainly reflecting geographical mix in the wholesale channel. In line with previous communication, the temporary longer payment terms offered in a very few select markets in Q3 2023 to help partner performance was largely reversed back to normal levels. Retail DSO were at seven days, bringing the total DSO to 11 days, slightly lower than the 2022 DSO of 12 days.

As per normal seasonality, the cash conversion peaked in the fourth quarter ending at 116% in Q4 2023 generating a free cash flow of DKK 4.3 billion vs DKK 3.6 billion in Q4 2022. The increase compared to 2022 was driven by the higher absolute EBIT and improved net working capital. CAPEX came in at DKK 0.6 billion, equivalent to 5% of the revenue, driven by continued investments into growth, and particularly the physical store network. This was in line with the 5% CAPEX as a share of revenue in Q4 2022. For the full year, CAPEX was DKK 1.6 billion, equivalent to 6% share of revenue, and in line with the guidance of around 6%.

ROIC continued to remain high at 47%, and broadly in line with Q4 2022. The structurally high ROIC continues to be supported by the investments into expanding Pandora's physical store network, as new Pandora concept stores are ROIC accretive on a run-rate basis.

NET WORKING CAPITAL

Share of preceding 12 months' revenue	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022
Inventories	14.8%	17.8%	16.6%	16.3%	15.9%
Trade receivables	4.8%	3.4%	2.9%	3.2%	4.8%
Trade payables	-11.4%	-8.7%	-8.5%	-8.2%	-11.8%
Other net working capital elements	-6.4%	-3.3%	-2.6%	-2.4%	-4.7%
Total	1.8%	9.2%	8.4%	8.8%	4.2%

Balance Sheet

Non-current assets increased by DKK 1.5 billion to DKK 15.8 billion at the end of 2023, driven by the network expansion increasing the right-of-use-assets as well as tangible assets and a higher CAPEX spend related to store refurbishments.

At the end of 2023, net interest-bearing debt amounted to DKK 9.8 billion, up from DKK 6.8 billion in 2022. This corresponds to a leverage of 1.1x by the end of 2023, up from 0.8x by the end of 2022 and broadly in line with the mid-point of the capital structure policy range of 0.5x to 1.5x. The increase in net interest-bearing debt was driven by the decision to increase leverage to around the mid-point of the capital structure policy. This resulted in significant

cash returns to shareholders in 2023 through a combination of the largest share buyback in the history of Pandora and dividends.

At the end of 2023, equity in Pandora amounted to DKK 5.4 billion, below the DKK 7.2 billion of last year. The difference is mainly driven by the decision to increase leverage from the low end of the capital structure range to around the mid-point. Consequently, Pandora paid out DKK 1.4 billion in ordinary dividend and bought back own shares for a total of DKK 5.0 billion.

FINANCIAL GUIDANCE

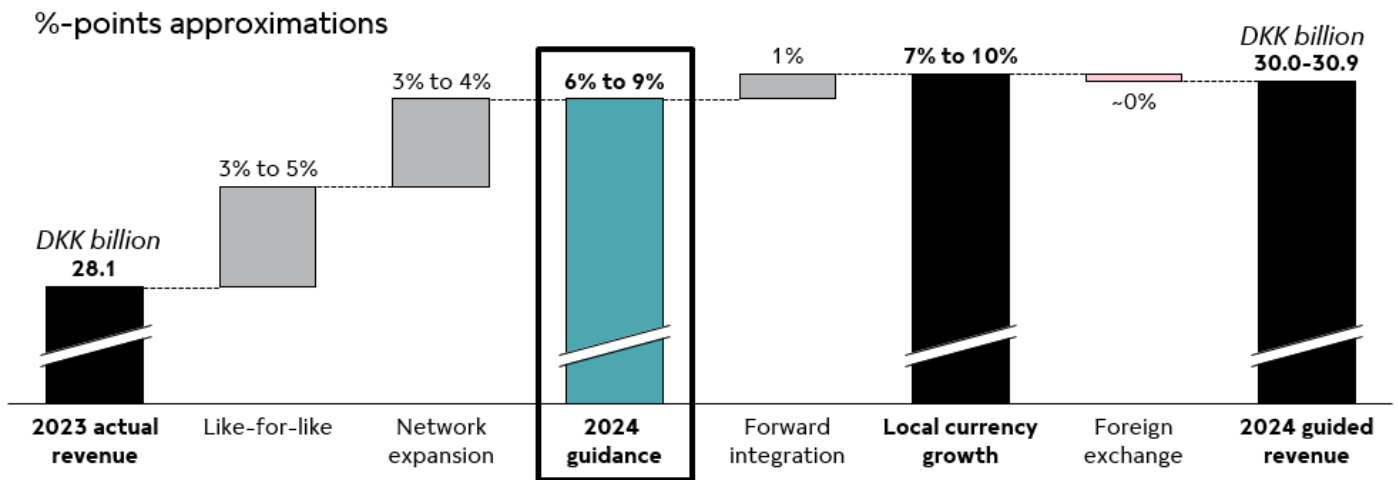
Targeting another year of profitable growth

The economic outlook for 2024 continues to remain uncertain. Continued inflation and still high interest rates suggest another challenging backdrop for consumers across many markets. Pandora will continue to execute on its Phoenix strategy which has yielded consistently positive results despite the challenging backdrop over the past two years but remains mindful of the uncertain macroeconomic environment. Therefore, the guidance for 2024 considers the external environment, Pandora's own specific Phoenix initiatives and current trading to form an initial range.

Pandora is currently targeting organic growth of +6% to +9% and an EBIT margin of around 25%. The low-end of the guidance accounts for a worsening of macroeconomic conditions relative to that being witnessed today.

REVENUE GUIDANCE

The organic growth guidance can be illustrated as follows:

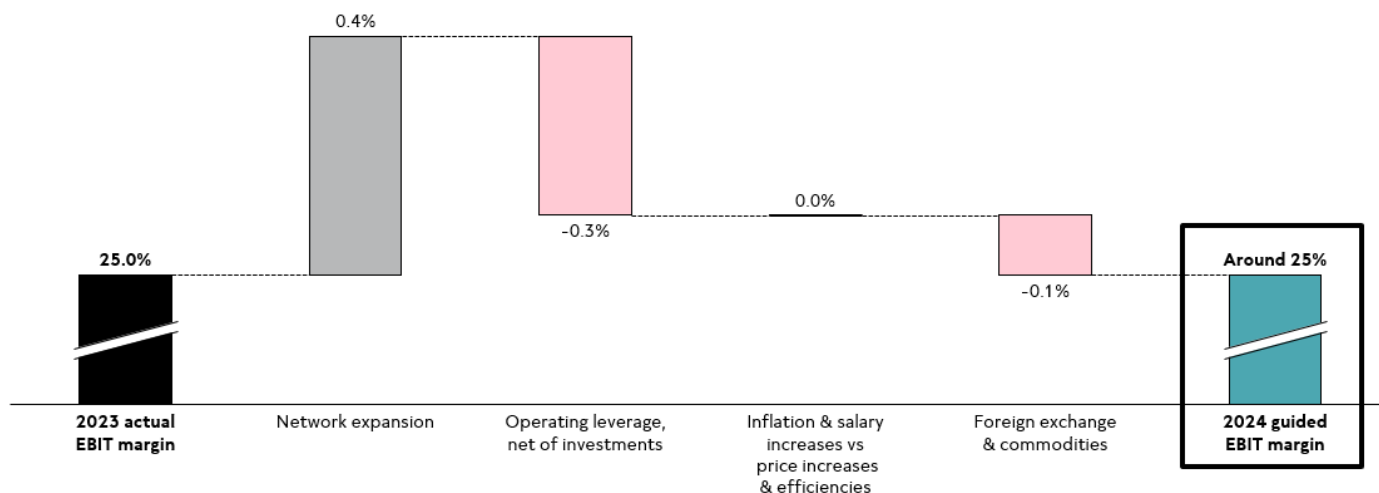


Pandora is currently expecting LFL growth of +3% to +5%. Continued network expansion is expected to add +3% to +4% to take the total organic growth to +6% to +9%. Finally, forward integration is expected to add around 1% revenue with revenue growth in local currency ending at +7% to +10%.

PROFITABILITY GUIDANCE

The EBIT margin guidance can be illustrated as follows:

%-points approximations



The EBIT margin guidance for 2024 is “Around 25%”. The building blocks include a positive impact from the profitable expansion of Pandora’s store network, expected to add +40bp.

As mentioned at the Capital Markets Day in 2023, Pandora will scale up investments to capture the vast current and future growth opportunities. The investments include among others the restaging of the brand, roll-out of the Evoke 2.0 store concept, personalization (online as well as offline) as well as efforts to establish Pandora as the go-to destination for Lab-Grown Diamonds. Therefore, the operating leverage from positive LFL growth net of the Phoenix investments is expected to be a small drag at -30bp. In line with previous communication, the investments into the Phoenix strategy remain highly flexible with Pandora being able to adjust accordingly depending on the growth outcomes. Finally, inflationary impacts (including salary increases) are expected to be offset through price increase and efficiencies whilst the combined impact from silver prices and foreign exchange is expected to be roughly flat at -10bp.

Investments in growth initiatives in early 2024, including the restaging of the brand, will lead to temporary elevated marketing expenses, impacting mostly the Q1 EBIT margin compared to the previous year.

2024 GUIDANCE – OTHER PARAMETERS

Pandora expects to open net 75-125 concept stores and 25-50 owned and operated other points of sales in 2024.

CAPEX is expected to end at 6-7% share of revenue, as Pandora continues to scale up investments into the store network with the roll-out of Evoke 2.0 and network expansion, digital initiatives and crafting facilities.

The effective tax rate is expected to be 24-25% as the Pillar Two tax rules, released by OECD, comes into effect in 2024.

At current interest rate levels, foreign exchange rates and targeted leverage levels, Pandora expects total net financial expenses to be around DKK 950-1,000 million in 2024.

The guidance contains forward-looking statements, which include estimates of financial performance and targets. These statements are not guarantees of future performance and involve certain risks and uncertainties. Therefore, actual future results and trends may differ materially from what is forecast in this report due to a variety of factors, please also refer to the disclaimer on page 37.

FOREIGN EXCHANGE AND COMMODITY ASSUMPTIONS AND IMPLICATIONS – As of 31 January 2024

	Average 2023	Average 2024	2024 Y-Y Financial Impact
USD/DKK	6.89	6.88	
THB/DKK	0.20	0.20	
GBP/DKK	8.57	8.73	
CNY/DKK	0.97	0.96	
AUD/DKK	4.58	4.53	
Silver/USD (per ounce)	22.7	23.7	
REVENUE (DKK million)			<i>Approx.</i> -75
EBIT (DKK million)			<i>Approx.</i> -50
EBIT margin (foreign exchange)			<i>Approx.</i> +0.3%
EBIT margin (commodities)			<i>Approx.</i> -0.4%

CAPITAL STRUCTURE POLICY AND CASH DISTRIBUTION

At the end of 2023, in line with expectations, Pandora's leverage was 1.1x NIBD to EBITDA, consistent with being broadly in line with the mid-point of the capital structure policy of 0.5x-1.5x. The increase leverage of 0.3x vs. the end of 2022 at 0.8x reflects the decision to increase leverage from the low end of the capital structure range to around the mid-point.

Pandora aims for a leverage ratio of approximately 1.2x NIBD to EBITDA by the end of 2024. In line with the usual seasonality of the business, leverage will increase through the year, peaking in Q3 2024, and then fall back by year end.

Pandoras has paid out DKK 6.4 billion to shareholders in 2023, of which DKK 1.4 billion came from an ordinary dividend of DKK 16 per share and DKK 5.0 billion was distributed via share buybacks (DKK 0.4 billion related to the 2022 programme ending in early February 2023). For 2024, Pandora proposes a total cash distribution to shareholders of DKK 5.5 billion. Within this, Pandora proposes to pay a dividend of DKK 18 per share which represents an absolute amount of DKK 1.5 billion and a new share buyback amounting to DKK 4.0 billion which will commence on 8 February 2024 and be completed no later than 31 January 2025.

SUSTAINABILITY

Sustainability is a cornerstone of our growth strategy, Phoenix.

We are pursuing ambitious targets to lower our impact on the planet, and create positive outcomes for people and communities touched by our business.

In Q4 2023, we continued to focus our efforts to execute against our sustainability targets across our three strategic priorities: low-carbon business, circular innovation, and inclusive, diverse and fair culture.

As we finished 2023, we are proud to announce key end-of-year results:

- **Low-carbon:** We decreased our total greenhouse gas emissions across Scopes 1, 2 and 3 by 27% compared to our 2019 baseline - solid progress towards our target of halving emissions by 2030. Reaching our climate target will not be a linear journey. We expect an emissions increase in 2024, as emissions from the construction of our new facility in Vietnam, expansion of our store network, and store refurbishments will not be balanced out by reductions. The increased availability of supplier-specific data will also impact emissions calculations for some years until the data availability has matured sufficiently. Pandora has once again been recognised for leadership in corporate transparency and performance on climate change by global environmental non-profit CDP, securing a place on its annual 'A List'.
- **Circularity:** As of December 2023, we have completed the shift of our sourcing to 100% recycled silver and gold for all our jewellery, well ahead of our 2025 target. The average for the year is 97%. The shift contributes significantly to Scope 3 emissions reductions, as silver has a carbon footprint of around 1/3 of newly mined silver.
- **Inclusive, diverse and fair culture:** We ended 2023 with 34% women in leadership positions, up from 29% in 2022. This means we have achieved our interim 2025 target of 33% women in leadership ahead of schedule. We will continue our work with succession plans and promotion processes to reach full gender parity by 2030.

More information on Pandora's 2023 sustainability performance, strategy and targets can be found in our Sustainability Report 2023 published on 7 February 2024.

OTHER EVENTS

FINANCIAL CALENDAR 2024

The expected dates for publication of financial announcements in 2024 for Pandora A/S are as follows:

07 February 2024	Annual Report 2023
07 February 2024	Sustainability Report 2023
07 February 2024	Remuneration Report 2023
14 March 2024	Annual General Meeting
02 May 2024	Interim Financial Report for the first quarter 2024
13 August 2024	Interim Financial Report for the second quarter 2024
06 November 2024	Interim Financial Report for the third quarter 2024

2023 DEVELOPMENT¹

REVENUE

Total revenue increased by 9% in local currency to DKK 28,136 million in 2023 compared with 2022. Organic growth was 8% reflecting accelerating underlying performance in the second half of the year.

Revenue from Pandora's Core segment grew by 6% in local currency to DKK 21,951 million in 2023 from DKK 21,156 million in 2022. The segment "Fuel with more" saw revenue growth of 19% in local currency, driven by strong performance of the Timeless collection.

GROSS PROFIT AND COSTS

Gross profit was DKK 22,125 million in 2023 (DKK 20,190 million in 2022), resulting in a gross margin of 78.6% in 2023 vs. 76.3% in 2022. The Core segment generated a gross margin of 77.8% (2022: 75.5%), while Fuel with more generated a gross margin of 81.6% (2022: 79.6%). The increase was driven by favourable channel mix and pricing, as well as efficiencies at our manufacturing facilities.

Sales and distribution expenses increased to DKK 8,858 million in 2023 (DKK 7,602 million in 2022), corresponding to 31.5% of revenue in 2023 (28.7% in 2022). The increase is mainly the result of the profitable expansion of the Pandora owned physical network.

Marketing expenses was DKK 3,849 million in 2023 (DKK 3,720 million in 2022), resulting in a share of revenue of 13.7% in 2023 compared with 14.1% in 2022. The reason for the lower share of revenue is due to last year's global media tender which resulted in lower advertising costs from late 2022. Consequently, Pandora is able to maintain the media pressure at a lower cost.

Administrative expenses ended at DKK 2,379 million in 2023 compared with DKK 2,125 million in 2022, corresponding to 8.5% of revenue in 2023 (8.0% in 2022).

EBIT

EBIT for 2023 was DKK 7,039 million, resulting in an EBIT margin of 25.0%, vs. 25.5% in 2022. The underlying EBIT margin is unchanged, but was impacted by foreign exchange rates and commodities in 2023.

NET FINANCIALS

Net financials amounted to a cost of DKK 805 million in 2023 vs. a cost of DKK 210 million in 2022. This reflects among others increased interest rates on loans and store leases, as well as foreign exchanges rate adjustments, which had a material positive impact in 2022, but represented a small drag in 2023.

INCOME TAX EXPENSES

Income tax expenses were DKK 1,494 million in 2023 compared with DKK 1,504 million in 2022, implying an effective tax rate for the Group of 24.0% in 2023, up from 23.0% in 2022, mainly driven by non-deductible costs and a higher share of profits subject to taxation in jurisdictions with tax rates exceeding the Danish statutory rate at 22%.

NET PROFIT

Net profit in 2023 was DKK 4,740 million vs. DKK 5,029 million in 2022, with a significant negative impact from foreign exchange rates, as net profit exceeded 2022 in constant exchange rates.

¹ See Financial Review in the Annual Report 2023 for further information.

CONTACT

CONFERENCE CALL

A conference call for investors and financial analysts will be held today at 11.00 CET and can be joined online at www.pandoragroup.com. The presentation for the call will be available on the website before the call.

The following numbers can be used by investors and analysts:

DK: +45 78 76 84 90

SE: +46 812 410 952

NO: +47 21 95 63 42

UK: +44 203 769 6819

US: +1 646 787 0157

PIN: 837462

Link to webcast: <https://pandora-events.eventcdn.net/events/annual-report-2023>

ABOUT PANDORA

Pandora is the world's largest jewellery brand. The company designs, manufactures and markets hand-finished jewellery made from high-quality materials at accessible price points. Pandora jewellery is sold in more than 100 countries through 6,700 points of sale, including more than 2,600 concept stores.

Headquartered in Copenhagen, Denmark, Pandora employs 33,000 people worldwide and crafts its jewellery at three facilities in Thailand. Pandora is committed to leadership in sustainability and is sourcing recycled silver and gold for all of its jewellery, just as the company has set out to halve greenhouse gas emissions across its value chain by 2030. Pandora is listed on the Nasdaq Copenhagen stock exchange and generated revenue of DKK 28.1 billion (EUR 3.8 billion) in 2023.

For more information, please contact:

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FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

DKK million	Notes	Q4 2023	Q4 2022	FY 2023	FY 2022
Revenue	3	10,820	9,856	28,136	26,463
Cost of sales		-2,241	-2,345	-6,012	-6,273
Gross profit		8,579	7,511	22,125	20,190
Sales, distribution and marketing expenses		-4,237	-3,720	-12,707	-11,322
Administrative expenses		-668	-586	-2,379	-2,125
Operating profit		3,674	3,206	7,039	6,743
Finance income		42	101	251	412
Finance costs		-372	-255	-1,056	-622
Profit before tax		3,345	3,051	6,234	6,533
Income tax expense		-815	-686	-1,494	-1,504
Net profit for the period		2,530	2,365	4,740	5,029
Earnings per share, basic, DKK		29.6	25.5	55.5	54.2
Earnings per share, diluted, DKK		29.4	25.2	55.1	53.7

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

DKK million	Q4 2023	Q4 2022	FY 2023	FY 2022
Net profit for the period	2,530	2,365	4,740	5,029
Other comprehensive income:				
Items that have been or may be reclassified to profit/loss for the period				
Exchange rate adjustments of investments in subsidiaries	-195	-571	-149	-196
Fair value adjustment of hedging instruments	188	507	-197	297
Tax on other comprehensive income	-40	-29	39	23
Items that have been or may be reclassified to profit/loss for the period, net of tax	-47	-93	-308	123
Items not to be reclassified to profit/loss for the period				
Actuarial gain/loss on defined benefit plans, net of tax	12	12	-9	12
Items not to be reclassified to profit/loss for the period, net of tax	12	12	-9	12
Other comprehensive income, net of tax	-36	-81	-317	135
Total comprehensive income for the period	2,494	2,284	4,423	5,164

CONSOLIDATED BALANCE SHEET

DKK million	Notes	2023 31 December	2022 31 December
ASSETS			
Goodwill	9	4,914	4,822
Brand		1,057	1,057
Distribution		1,039	1,047
Other intangible assets		790	642
Total intangible assets		7,801	7,568
Property, plant and equipment		2,746	2,226
Right-of-use assets	10	3,779	2,978
Deferred tax assets		1,260	1,261
Other financial assets		215	249
Total non-current assets		15,800	14,282
Inventories		4,166	4,211
Trade receivables	7	1,342	1,262
Right-of-return assets		55	54
Derivative financial instruments	5,6	87	231
Income tax receivable		103	155
Other receivables		849	1,024
Cash		1,397	794
Total current assets		7,998	7,731
Total assets		23,798	22,013
EQUITY AND LIABILITIES			
Share capital		89	96
Treasury shares		-4,353	-3,320
Reserves		610	918
Proposed dividend		1,480	1,430
Retained earnings		7,530	8,044
Total equity		5,355	7,167
Provisions		408	363
Loans and borrowings	10	9,737	3,130
Deferred tax liabilities		164	172
Other payables		80	-
Total non-current liabilities		10,389	3,665
Provisions		23	21
Refund liabilities		721	628
Contract liabilities		185	136
Loans and borrowings	10	1,430	4,458
Derivative financial instruments	5,6	128	74
Trade payables	11	3,211	3,131
Income tax payable		583	1,068
Other payables		1,773	1,666
Total current liabilities		8,053	11,181
Total liabilities		18,443	14,846
Total equity and liabilities		23,798	22,013

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

DKK million	Share capital	Treasury shares	Translation reserve	Hedging reserve	Dividend proposed	Retained earnings	Total equity
2023							
Equity at 1 January	96	-3,320	797	121	1,430	8,044	7,167
Net profit for the period	-	-	-	-	-	4,740	4,740
Other comprehensive income, net of tax	-	-	-154	-154	-	-9	-317
Total comprehensive income for the period	-	-	-154	-154	-	4,731	4,423
Share-based payments	-	278	-	-	-	-103	175
Purchase of treasury shares	-	-4,998	-	-	-	-	-4,998
Cancellation of treasury shares	-7	3,687	-	-	-	-3,680	-
Dividend proposed	-	-	-	-	1,462	-1,462	-
Dividend paid	-	-	-	-	-1,412	-	-1,412
Equity at 31 December	89	-4,353	642	-33	1,480	7,530	5,355
2022							
Equity at 1 January	100	-3,416	905	-110	1,516	8,007	7,001
Net profit for the period	-	-	-	-	-	5,029	5,029
Other comprehensive income, net of tax	-	-	-108	231	-	12	135
Total comprehensive income for the period	-	-	-108	231	-	5,041	5,164
Share-based payments	-	199	-	-	-	-95	104
Purchase of treasury shares	-	-3,588	-	-	-	-	-3,588
Cancellation of treasury shares	-5	3,486	-	-	-	-3,481	-
Dividend proposed	-	-	-	-	1,430	-1,430	-
Dividend paid	-	-	-	-	-1,516	2	-1,514
Equity at 31 December	96	-3,320	797	121	1,430	8,044	7,167

CONSOLIDATED STATEMENT OF CASH FLOWS

DKK million	Notes	Q4 2023	Q4 2022	FY 2023	FY 2022
Operating profit		3,674	3,206	7,039	6,743
Depreciation and amortisation		553	506	2,079	1,973
Share-based payments		21	25	105	87
Change in inventories		585	635	210	-1,012
Change in receivables		-450	-609	56	-531
Change in payables and other liabilities		1,858	1,259	446	-559
Other non-cash adjustments		-7	-57	-55	-18
Finance income received		6	3	19	7
Finance costs paid		-256	-189	-683	-466
Income tax paid		-1,163	-704	-1,832	-1,790
Cash flows from operating activities, net		4,821	4,075	7,384	4,434
Acquisitions of subsidiaries and activities, net of cash acquired	8	-37	-22	-349	-562
Purchase of intangible assets		-83	-104	-359	-353
Purchase of property, plant and equipment		-391	-316	-1,129	-838
Change in other assets		13	-20	37	-36
Proceeds from sale of property, plant and equipment		-	1	-	5
Cash flows from investing activities, net		-499	-462	-1,800	-1,785
Dividend paid		-	-	-1,412	-1,514
Purchase of treasury shares		-769	-774	-5,022	-3,527
Proceeds from loans and borrowings		-2,456	-198	5,927	4,994
Repayment of loans and borrowings		-260	-1,985	-3,321	-1,985
Repayment of lease liabilities		-333	-283	-1,107	-1,068
Cash flows from financing activities, net		-3,818	-3,239	-4,935	-3,100
Net increase/decrease in cash		505	373	649	-452
Cash and cash equivalents, beginning of period		713	260	595	1,043
Exchange gains/losses on cash and cash equivalents		-35	-39	-61	4
Net increase/decrease in cash		505	373	649	-452
Cash and cash equivalents, end of period		1,183	595	1,183	595
Cash balances		1,397	794	1,397	794
Overdrafts		-214	-199	-214	-199
Cash and cash equivalents, end of period		1,183	595	1,183	595
Cash flows from operating activities, net		4,821	4,075	7,384	4,434
- Finance income received		-6	-3	-19	-7
- Finance costs paid		256	189	683	466
Cash flows from investing activities, net		-499	-462	-1,800	-1,785
- Acquisition of subsidiaries and activities, net of cash acquired		37	22	349	562
Repayment of lease liabilities		-333	-283	-1,107	-1,068
Free cash flows incl. lease payments		4,277	3,538	5,489	2,602
Unutilised committed credit facilities	5	4,472	6,693	4,472	6,693

The above cannot be derived directly from the income statement and the balance sheet.

ACCOUNTING NOTES

NOTE 1 – Accounting policies

The unaudited condensed consolidated interim financial statements have been prepared in accordance with IAS 34 'Interim Financial Reporting' as issued by the International Accounting Standards Board (IASB) and adopted by the European Union (EU) and additional Danish disclosure requirements for interim financial reporting of listed companies.

The accounting policies applied are consistent with the accounting policies set out in the Annual Report 2023.

Due to rounding, numbers presented throughout this report may not add up precisely to the totals, and percentages may not precisely reflect the absolute figures.

Pandora presents financial measures in the interim financial report that are not defined according to IFRS. Pandora believes these non-GAAP measures provide valuable information to investors and Pandora's management when evaluating performance. Since other companies may calculate these differently from Pandora, they may not be comparable to the measures used by other companies. These financial measures should therefore not be considered to be a replacement for measures defined under IFRS. For definitions of the performance measures used by Pandora, see note 5.6 Financial definitions to the consolidated financial statements in the Annual Report 2023.

New standards, interpretations and amendments adopted by Pandora

Pandora has adopted all new or amended standards (IFRS) and interpretations (IFRIC) as adopted by the EU and which are effective for the financial year beginning on 1 January 2023. The implementation of these new or amended standards and interpretations had no material impact on the consolidated financial statements for the period. The new standards that are not yet effective are not expected to have any material impact on Pandora.

NOTE 2 – Significant accounting estimates and judgements

In preparing the condensed consolidated interim financial statements, management makes various judgements, accounting estimates and assumptions that form the basis of the presentation, recognition and measurement of Pandora's assets and liabilities.

All significant accounting estimates and judgements are consistent with the description in the Annual Report 2023 to which we refer.

NOTE 3 – Segment and revenue information

Pandora's activities are segmented into two reportable segments, each responsible for the end-to-end performance of collections. One includes our Core collections (formerly referred to as Moments incl. Collabs), while the other, Fuel with more (formerly referred to as Style), covers newer collections and innovations.

In 2023, Pandora updated its collection structure by moving products from the Fuel with more segment into the Core segment, leading to a restatement of comparative figures for 2022 by DKK 1,964 million for revenue and by DKK 1,464 million on gross profit (Q4 2022 was restated by DKK 738 million for revenue and by DKK 550 million on gross profit). The strategic reasoning centres around design aesthetics and categorisation of jewellery to better align consumer synergies among collections, leading to a centralised platform for charms and carriers. All comparative figures have been restated to reflect the updated structure.

Core includes the charms and charm carriers which focus on the collectability. The Fuel with more segment includes the Modern Classics (Pandora Timeless and Pandora Signature accompanied by Pandora's newest collection, PANDORA ESSENCE) and Pandora Lab-Grown Diamonds and targets both existing and new consumers who may have a different aesthetic preference than the Core jewellery design.

The two operating segments include all channels relating to the distribution and sale of Pandora products.

Management monitors the profitability of the operating segments separately for the purpose of making decisions about resource allocation and performance management. Segment results are measured at gross profit as presented in the table below.

Non-unit-driven revenue, comprising mainly franchise fees, is allocated proportionately to the different revenue categories.

SEGMENT INFORMATION

DKK million	Core	Fuel with more	Group
Q4 2023			
Revenue	8,180	2,640	10,820
Cost of sales	-1,783	-458	-2,241
Gross profit	6,397	2,182	8,579
Operating expenses			-4,905
Consolidated operating profit (EBIT)			3,674
Profit margin (EBIT margin), %			34.0%
Q4 2022¹			
Revenue	7,766	2,090	9,856
Cost of sales	-1,923	-422	-2,345
Gross profit	5,843	1,668	7,511
Operating expenses			-4,305
Consolidated operating profit (EBIT)			3,206
Profit margin (EBIT margin), %			32.5%
FY 2023			
Revenue	21,951	6,186	28,136
Cost of sales	-4,875	-1,137	-6,012
Gross profit	17,076	5,049	22,125
Operating expenses			-15,086
Consolidated operating profit (EBIT)			7,039
Profit margin (EBIT margin), %			25.0%
FY 2022¹			
Revenue	21,156	5,308	26,463
Cost of sales	-5,188	-1,085	-6,273
Gross profit	15,968	4,223	20,190
Operating expenses			-13,448
Consolidated operating profit (EBIT)			6,743
Profit margin (EBIT margin), %			25.5%

REVENUE BY SEGMENTS

DKK million	Q4 2023	Q4 2022 ¹	Like-for-like	Local currency growth	Share of Revenue	FY 2023	FY 2022 ¹	Like-for-like	Local currency growth	Share of Revenue
Core	8,180	7,766	4%	8%	76%	21,951	21,156	2%	6%	78%
- Moments	6,880	6,469	4%	9%	64%	18,369	17,727	2%	6%	65%
- Collabs	965	983	1%	1%	9%	2,681	2,614	1%	4%	10%
- ME	335	314	6%	9%	3%	900	815	12%	13%	3%
Fuel with more	2,640	2,090	23%	29%	24%	6,186	5,308	14%	19%	22%
- Timeless ²	2,120	1,567	31%	38%	20%	4,792	3,847	20%	27%	17%
- Signature	407	442	-11%	-6%	4%	1,129	1,248	-11%	-7%	4%
- Pandora Lab-Grown Diamonds	113	81	83%	44%	1%	265	213	116%	30%	1%
Total revenue	10,820	9,856	9%	13%	100%	28,136	26,463	6%	9%	100%

Goods transferred at a point in time 10,796 9,829 28,070 26,386

Services transferred over time 24 27 66 77

Total revenue 10,820 9,856 28,136 26,463

¹ Pandora has updated its collection structure by moving products from Fuel with more to Core in 2023 and comparative figures for Q4 2022 were restated accordingly by DKK 738 million. Total restatement on comparative figures for FY 2022 were DKK 1,964 million.

² As of Q3 2023, Timeless includes revenue from the PANDORA ESSENCE collection, amounting to DKK 2 million in Q4 2023 and DKK 5 million FY 2023.

REVENUE DEVELOPMENT IN KEY MARKETS

DKK million	Q4 2023	Q4 2022	Like-for-like	Local currency growth	FY 2023	FY 2022	Like-for-like	Local currency growth
US	3,190	2,820	10%	18%	8,306	7,907	2%	8%
China	116	143	-11%	-13%	564	737	-9%	-18%
UK	1,627	1,613	-2%	0%	3,821	3,802	-1%	2%
Italy	921	913	-1%	1%	2,540	2,580	-3%	-2%
Australia	461	535	-6%	-9%	1,120	1,271	-6%	-6%
France	502	475	6%	6%	1,196	1,190	1%	0%
Germany	662	494	39%	34%	1,527	1,307	26%	17%
Total key markets	7,479	6,991	6%	9%	19,075	18,795	1%	4%
Rest of Pandora	3,341	2,865	16%	21%	9,062	7,669	16%	22%
Total revenue	10,820	9,856	9%	13%	28,136	26,463	6%	9%

REVENUE DEVELOPMENT BY CHANNEL

DKK million	Q4 2023	Q4 2022	Organic growth	Share of Revenue	FY 2023	FY 2022	Organic growth	Share of Revenue
Pandora owned¹ retail	8,772	7,452	18%	81%	22,034	19,115	15%	78%
- of which concept stores	5,376	4,434	20%	50%	14,415	12,150	17%	51%
- of which online stores	2,729	2,466	13%	25%	5,892	5,612	7%	21%
- of which other points of sale	668	553	21%	6%	1,727	1,353	25%	6%
Wholesale	1,829	2,197	-8%	17%	5,369	6,628	-13%	19%
- of which concept stores	854	1,115	-11%	8%	2,672	3,508	-14%	9%
- of which other points of sale	976	1,082	-5%	9%	2,697	3,120	-12%	10%
Third-party distribution	218	207	6%	2%	734	721	10%	3%
Total revenue	10,820	9,856	12%	100%	28,136	26,463	8%	100%

¹ Pandora does not own any of the premises (Land and buildings) where stores are operated. Pandora exclusively operates stores from leased premises.

The use of sales channels for the distribution of Pandora jewellery depends on the underlying market maturity and varies within markets but is consistent when viewed between segments.

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NOTE 4 – Seasonality of operations

Due to the seasonal nature of the jewellery business, higher revenue and profits are historically realised in the fourth quarter.

NOTE 5 – Financial risks

Pandora's overall risk exposure and financial risks, including risks related to commodity prices, foreign currency, credit, liquidity and interest rates, are described in the disclosures in note 4.4 Financial risks in the consolidated financial statements in the Annual Report 2023.

Net interest-bearing debt (NIBD), incl. capitalised leases amounted to DKK 9.8 billion at the end of Q4 2023 (Q3 2023: DKK 12.7 billion) corresponding to a financial leverage of 1.1x (Q3 2023: 1.5x). With Q4 2023 sales exceeding guidance, Pandora's NIBD was reduced by DKK 2.9 billion compared to Q3 2023.

Outstanding committed loan facilities (end of December 2023)

DKK million	Available facilities	Maturity date	Drawn amount	Average effective interest rate	Available liquidity
Revolving credit facilities ¹	7,080	April 2028	2,609	6.07%	4,472
Term loan maturing in 2030 ¹	646	May 2030	646	2.80%	-
Bond maturing in 2028 ¹	3,726	April 2028	3,726	5.04%	-
Total outstanding committed loan facilities	11,453		6,981		4,472

¹ Sustainability-linked facilities.

NOTE 6 – Derivative financial instruments

Derivative financial instruments are measured at fair value and in accordance with level 2 in the fair value hierarchy (IFRS 13). See note 4.5 Derivative financial instruments to the consolidated financial statements in the Annual Report 2023.

NOTE 7 – Trade receivables

DKK million	2023 31 December	2022 31 December
Receivables related to third-party distribution and wholesale	705	747
Receivables related to retail revenue	637	515
Total trade receivables	1,342	1,262

NOTE 8 – Business combinations

In 2023, Pandora took over 54 concept stores (35 concept stores in the US, 14 concept stores in Colombia and 5 concept stores in Canada). Net assets acquired mainly consisted of store properties, inventories and related liabilities. The total purchase price for the acquisitions was DKK 356 million. Based on the purchase price allocations, goodwill was DKK 143 million. Goodwill from the acquisitions was mainly related to the synergies from converting the stores from wholesale and distribution to Pandora-owned retail. Among the goodwill acquired, DKK 93 million was deductible for income tax purposes.

Cost relating to the acquisitions was immaterial and has been recognised as operating expenses in the income statement.

Excluding the temporary drag on gross margin from inventory buybacks and the impact from converting the stores from wholesale to Pandora-owned retail, the contribution to Group revenue and net profit from acquisitions for the period 1 January – 31 December 2023 was DKK 339 million and DKK 136 million, respectively. On a pro forma basis, if the acquisitions had been effective from 1 January 2023, the impact on Group revenue and net profit for the period 1 January – 31 December 2023 would have been approximately DKK 463 million and DKK 169 million, respectively.

ACQUISITIONS

DKK million	FY 2023	FY 2022
Property, plant and equipment and right-of-use assets	144	159
Inventories	194	195
Other current assets	3	-
Assets acquired	341	354
Non-current liabilities	75	78
Payables	4	3
Other current liabilities	49	61
Liabilities assumed	128	141
Total identifiable net assets acquired	213	213
Goodwill arising on the acquisitions	143	364
Purchase consideration	356	577
Cash movements on acquisitions:		
Consideration transferred regarding previous years ¹	14	-
Deferred payment ²	-21	-14
Net cash flows on acquisitions	349	562

¹ The deferred payment of DKK 14 million related to the acquisition in Portugal and Italy in 2022 was paid in 2023.

² The deferred payment of DKK 21 million relates mainly to the acquisition in Colombia in 2023.

Business combinations after the reporting period

No business combinations to an extent of significance to Pandora took place after the reporting period.

NOTE 9 – Goodwill

DKK million	2023 31 December	2022 31 December
Cost at 1 January	4,822	4,418
Acquisition of subsidiaries and activities in the period	143	364
Exchange rate adjustments	-50	39
Cost at the end of the period	4,914	4,822

No impairment indication was identified based on the information regarding the market and the forecast. The latest impairment test was carried out 31 December 2023 and the test confirmed a substantial headroom between the carrying amount and the value in use. All the assumptions used are as described in the Annual Report 2023.

NOTE 10 – Assets and liabilities related to leases

Pandora leases stores, various offices, office equipment and cars.

Amounts recognised in the balance sheet:

RIGHT-OF-USE ASSETS

DKK million	2023 31 December	2022 31 December
Property	3,765	2,960
IT	2	2
Cars	10	11
Other	2	5
Total right-of-use assets	3,779	2,978

Out of the total increase of DKK 0.8 billion in right-of-use-assets in the period 1 January to 31 December 2023, DKK 2 billion relates to renewals of lease contracts and new leases driven by network expansion and forward integration, partially offset by a decrease of DKK 1.2 billion as a result of depreciation and currency exchange movement. The development in right-of-use-assets is further affected by the timing of renewals of lease contracts and new leases.

LEASE LIABILITIES

DKK million	2023 31 December	2022 31 December
Non-current	2,765	2,113
Current	1,116	950
Total lease liabilities	3,880	3,063

Lease liabilities are recognised in loans and borrowings.

Amounts recognised in the income statement:

RECOGNISED DEPRECIATION ON RIGHT-OF-USE ASSETS CHARGED TO THE INCOME STATEMENT FOR THE PERIOD

DKK million	1 January – 31 December 2023	1 January – 31 December 2022
Property	1,149	1,098
IT	1	1
Cars	9	11
Other	4	4
Total depreciation on right-of-use assets for the period	1,163	1,114

Depreciation mainly relates to leased stores and is presented in the sales, distribution and marketing expenses.

OTHER ITEMS RELATING TO LEASES

DKK million	1 January – 31 December 2023	1 January – 31 December 2022
Interest expense	270	162
Total interest for the period	270	162

Costs recognised in the period for short-term and low-value leases were DKK 67 million (2022: DKK 60 million). Expenses are recognised on a straight-line basis.

TOTAL CASH FLOWS RELATING TO LEASES

DKK million	1 January – 31 December 2023	1 January – 31 December 2022
Fixed lease payments	1,107	1,068
Interest payments	270	162
Variable leases	521	412
Short-term and low-value leases	67	60
Total cash flows relating to leases	1,965	1,702

Payments related to variable leases and short-term and low-value leases are not included in the lease liabilities.

NOTE 11 – Trade payables

The Group generally accepts that vendors sell off their receivables arising from the sale of goods and services to the Group to a third party. Pandora has established a supply chain financing programme where vendors can sell off their receivables from Pandora on attractive terms, based on invoices approved by Pandora, but at the bank's sole discretion. Pandora is not directly or indirectly a party to these agreements. The amounts payable to suppliers included in the supply chain financing programme are classified as trade payables in the balance sheet as well as in the statement of cash flows (working capital within cash flows from operations) and amounted to DKK 82 million at 31 December 2023 (2022: DKK 79 million).

NOTE 12 – Contingent assets and liabilities

Reference is made to note 5.1 Contingent assets and liabilities to the consolidated financial statements in the Annual Report 2023.

NOTE 13 – Related parties

Related parties with significant interests

Other related parties of Pandora include the Board of Directors, Executive Leadership Team and their close family members. Related parties also include companies in which the aforementioned persons have control or significant interests.

Transactions with related parties

Pandora did not enter into any significant transactions with members of the Board of Directors or the Executive Leadership Team, except for compensation and benefits received as a result of their membership of the Board of Directors, employment with Pandora or shareholdings in Pandora.

NOTE 14 – Store network, concept store development¹

	Total concept stores					O&O concept stores		
	Number of concept stores Q4 2023	Number of concept stores Q3 2023	Number of concept stores Q4 2022	Growth Q4 2023 / Q3 2023	Growth Q4 2023 /Q4 2022	Number of concept stores O&O Q4 2023	Growth O&O stores Q4 2023 / Q3 2023	Growth O&O stores Q4 2023 /Q4 2022
US	447	437	420	10	27	345	13	75
China	219	227	252	-8	-33	208	-8	-26
UK	221	219	215	2	6	215	3	19
Italy	175	164	156	11	19	140	12	21
Australia	127	124	120	3	7	51	5	10
France	126	121	123	5	3	98	15	17
Germany	135	134	134	1	1	133	2	2
Total key markets	1,450	1,426	1,420	24	30	1,190	42	118
Rest of Pandora	1,201	1,153	1,122	48	79	679	44	98
All markets	2,651	2,579	2,542	72	109	1,869	86	216

¹All markets with 10 or more concept stores can be found in the Excel appendix uploaded on www.pandoragroup.com.

NOTE 15 – Commodity hedging

It is Pandora's policy to hedge at least 70% of the Group's expected silver and gold consumption based on a rolling 12-month production plan. The table below illustrates the timing of the hedges related to the purchase of silver and gold for production, excluding the time-lag effect from inventory to cost of sales (when the product is sold). The time-lag from use in production to impact on cost of sales is usually 2-7 months.

HEDGED AND REALISED PURCHASE PRICES (AT USE OF THE SILVER AND GOLD FOR PRODUCTION)

USD / OZ	Realised in Q4 2023	Hedged Q1 2024	Hedged Q2 2024	Hedged Q3 2024	Hedged Q4 2024
Silver price	22.82	23.97	24.95	25.23	25.34
Gold price	1,926	1,998	2,023	2,078	2,144
Commodity hedge ratio (target), %	Realised	70-100%	70-90%	50-70%	30-50%

NOTE 16 – Subsequent events

As described in section Other events in the Management review and in Note 8 Business Combinations, Pandora is not aware of events after 31 December 2023, which are expected to materially impact the Group's financial position.

QUARTERLY OVERVIEW

DKK million	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022
Financial highlights					
Revenue	10,820	5,572	5,894	5,850	9,856
Organic growth, %	12%	11%	5%	1%	4%
Like-for-like, % ¹	9%	9%	2%	0%	-1%
Earnings before interest, tax, depreciation and amortisation (EBITDA)	4,227	1,447	1,690	1,753	3,712
Operating profit (EBIT)	3,674	920	1,188	1,256	3,206
EBIT margin, %	34.0%	16.5%	20.2%	21.5%	32.5%
Net financials	-330	-211	-171	-94	-155
Net profit for the period	2,530	543	778	889	2,365
Financial ratios					
Revenue growth, DKK, %	10%	6%	4%	3%	9%
Revenue growth, local currency, %	13%	11%	7%	2%	6%
Gross margin, %	79.3%	79.0%	78.1%	77.5%	76.2%
EBITDA margin, %	39.1%	26.0%	28.7%	30.0%	37.7%
EBIT margin, %	34.0%	16.5%	20.2%	21.5%	32.5%
Effective tax rate, %	24.4%	23.5%	23.5%	23.5%	22.5%
Equity ratio, %	23%	15%	19%	24%	33%
NIBD to EBITDA, x ²	1.1	1.5	1.3	1.2	0.8
Return on invested capital (ROIC), % ³	47%	40%	42%	43%	48%
Cash conversion incl. lease payments, %	116%	65%	104%	-49%	110%
Net working capital, % of last 12 months' revenue	1.8%	9.2%	8.4%	8.8%	4.2%
Capital expenditure, % of revenue	5.4%	6.7%	6.8%	4.6%	4.7%
Stock ratios					
Total payout ratio (incl. share buyback), %	30%	249%	186%	322%	33%
Consolidated balance sheet					
Total assets	23,798	23,126	22,112	21,519	22,013
Invested capital	15,126	16,228	15,609	15,481	13,961
Net working capital	510	2,498	2,265	2,332	1,104
Net interest-bearing debt (NIBD)	9,770	12,707	11,363	10,227	6,794
Equity	5,355	3,521	4,245	5,254	7,167
Consolidated statement of cash flows					
Cash flows from operating activities	4,821	1,078	1,627	-142	4,075
Capital expenditure, total	582	374	398	270	462
Capital expenditure, property, plant and equipment	394	305	312	165	349
Free cash flows incl. lease payments	4,277	597	1,230	-614	3,538

¹ Like-for-like growth include sell-out from all concept stores (including partner owned), owned and operated Shop in Shops and Pandora Online. Partner owned other points of sale are not included in like-for-like. The KPI includes stores which have been operating for +12 months.

² Ratio is based on 12 months' rolling EBITDA.

³ Last 12 months' EBIT in % of invested capital.

MANAGEMENT STATEMENT

The Board of Directors and the Executive Management have reviewed and approved the interim financial report of Pandora A/S for the period 1 January to 31 December 2023. The condensed consolidated interim financial statement, which has not been audited or reviewed by the Company's auditor, has been prepared in accordance with IAS 34 'Interim Financial Reporting', as adopted by the EU, and additional requirements in the Danish Financial Statements Act.

It is our opinion that the condensed consolidated interim financial statement gives a true and fair view of the financial position for the Pandora Group at 31 December 2023 and of the results of the Pandora Group's operations and cash flows for the period 1 January to 31 December 2023.

Further, in our opinion, the Management's review gives a fair view of the development in the Group's activities and financial matters, results of operations, cash flows and financial position as well as a description of material risks and uncertainties that the Group faces.

Copenhagen, 7 February 2024

EXECUTIVE MANAGEMENT

Alexander Lacik
Chief Executive Officer

Anders Boyer
Chief Financial Officer

BOARD

Peter A. Ruzicka
Chair

Christian Frigast
Deputy Chair

Lilian Fossum Biner

Birgitta Stymne Göransson

Marianne Kirkegaard

Catherine Spindler

Jan Zijderveld

DISCLAIMER

This Company announcement contains forward-looking statements, including, but not limited to, guidance, expectations, strategies, objectives and statements regarding future events or prospects with respect to the Company's future financial and operating results. Forward-looking statements include, without limitation, any statement that may predict, forecast, indicate or imply future results, performance or achievements, and may contain words such as "expect", "estimate", "intend", "will be", "will continue", "will result", "could", "may", "might" or any variations of such words or other words with similar meanings. Forward-looking statements are subject to risks and uncertainties that could cause the Company's actual results to differ materially from the results discussed in such forward-looking statements. Prospective information is based on management's then current expectations or forecasts. Such information is subject to the risk that such expectations or forecasts, or the assumptions underlying such expectations or forecasts, may change. The Company assumes no obligation to update any such forward-looking statements to reflect actual results, changes in assumptions or changes in other factors affecting such forward-looking statements. Some important risk factors that could cause the Company's actual results to differ materially from those expressed in its forward-looking statements include, but are not limited to: economic and geopolitical uncertainty (including interest rates and exchange rates), financial and regulatory developments, general changes in market trends and end-consumer preferences, demand for the Company's products, competition, the availability and pricing of materials used by the Company, production and distribution-related issues, IT failures, litigation, pandemics and other unforeseen factors. The nature of the Company's business means that risk factors and uncertainties may arise, and it may not be possible for management to predict all such risk factors, nor to assess the impact of all such risk factors on the Company's business or the extent to which any individual risk factor, or combination of factors, may cause results to differ materially from those contained in any forward-looking statement. Accordingly, forward-looking statements should not be relied on as a prediction of actual results.

