

Q1 2023 – AIDE MEMOIRE

Pandora Investor Relations

Guidance

Revenue

Full-year guidance: Pandora’s guidance for 2023 is an organic growth of -3% to 3%.

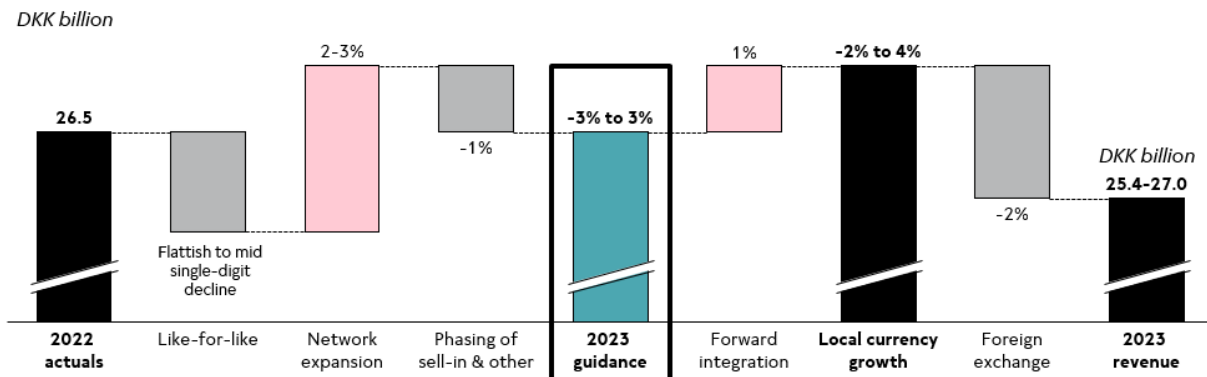
This consists of

- Like-for-like (LFL) growth of flattish to a decline of mid-single digits, depending on how macroeconomic conditions progress through the year.
- Network expansion is expected to add 2-3pp to growth.
- Phasing of sell-in/other is expected to represent a drag of -1%.

Forward integration is expected to add around 1% revenue growth with local currency growth ending at -2% to 4%. The wider-than-normal organic growth revenue guidance range reflects the elevated macroeconomic uncertainty and, as usual, will be narrowed as visibility improves through the year. As highlighted at the FY22 results, the low end of the organic growth range would require a worsening of trading conditions relative to the start of 2023.

The organic growth guidance can be illustrated as follows:

%-points approximations



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EBIT margin

Full-year guidance: The EBIT margin guidance for 2023 is Around 25%.

This consists of:

- Temporary and non-recurring costs in 2022 drive a tailwind of 0.8pp.
- Structural cost reductions and the price increases implemented in Q4 2022 will be funding the investments in Phoenix initiatives and future growth.
- Higher-than-normal salary increases are expected to suppress the EBIT margin by 1.0pp.
- Foreign exchange rates and commodity assumptions per 31 January 2023 represented a net headwind of 0.4pp.
- Lastly, operating leverage will mainly decide where Pandora will end the year.
- The EBIT margin phasing through the year is expected to be slightly more skewed towards the second half than usual. This reflects, among others, phasing of costs, hedged silver prices and foreign exchange rates.

Other topics and guidance parameters

- Pandora expects to open net 50-100 concept stores (including both partner and owned & operated stores) and 50-100 own and operated other points of sales in 2023.
- As per the revenue guidance, new store openings are expected to have a positive impact of 2-3% on group organic growth whilst the phasing of the wholesale channel sell-in and other is expected to have a negative impact of -1%. The phasing of wholesale channel sell-in impact is expected to be skewed towards Q1 2023.
- Pandora expects CAPEX to be around 6% of revenue in 2023 driven by investment in the store network, digital initiatives and crafting facilities.
- The effective tax rate is expected to be 23-24%.

Please also see Pandora's [Q4 2022 Interim Financial Report](#) page 17-18 for further insights on the guidance.

Current trading

- Current trading comment from FY22 results: Current trading in 2023 has been solid with a good, broad-based pick-up in sell-out growth. This is somewhat helped by an easier comparative base due to Omicron and earlier product launches than last year. Nonetheless, Pandora is pleased with the underlying trading which continues in line with Q4 2022.

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Cash distribution

- Pandora distributed DKK 16 dividend per share 21 March, which was approved at the Annual General Meeting on 16 March 2023
- Furthermore, Pandora initiated a new share buy-back programme of DKK 2.4 billion on 8 February 2023. The share buy-back programme will be completed no later than 30 June 2023. Assuming no material deterioration in the macroeconomic climate, Pandora intends to initiate an additional share buy-back programme within a total ambition to buy back shares amounting to DKK 5.0 billion in the period February 2023 – February 2024.

Bond issuance

- Pandora recently obtained public credit ratings from Moody's, rated Baa2, and Standard & Poor's, rated at BBB.
- Pandora also announced a new EMTN programme and successfully placed an aggregate principal amount of EUR 500 million senior unsecured sustainability-linked notes due 2028 (the "Notes").
- Investor demand for the new issue peaked at more than EUR 2 billion, following a two-day marketing exercise.
- The Notes were issued 10 March 2023, at a price of 99.46 and with a fixed coupon of 4.500% per annum and are listed on Euronext Dublin.
- The net proceeds from the transaction was applied by Pandora mainly for planned refinancing.

Notes

- Pandora will enter a silent period on 3 April 2023.
- Pandoras Interim Financial Report for Q1 2023 will be released 3 May 2023.
- Collection of Pandora's pre-Q1 2023 consensus will begin middle of April.
- Pandora will host a Capital Markets Day in London 5 October 2023.