

Pandora's Second Quarter 2024 Results

Bilal Aziz, VP, Investor Relations & Treasury: [00:00:00] Good morning, everyone, and welcome to the conference call for Pandora's second quarter 2024 results. I'm Bilal Aziz from the Investor Relations team, and I am joined here by our CEO Alexander Lacik CFO Anders Boyer and the remaining IR team. As usual, there will be a Q&A at the end of the call. If you could kindly limit yourself to two questions at a time and that would be great. Please pay notice to the disclaimer on slide two and turn to slide three. I will now hand over to Alexander.

Alexander Lacik, CEO: [00:00:27] Thank you Bilal, and welcome to sunny Copenhagen, all of you. Let me start by highlighting some of the key takeaways for the quarter. First, we had yet another strong quarter. I'm sure it's no surprise to anyone here that the consumer environment remains challenging. And in that context, the quarter speaks volumes of how the Phoenix strategy continues to take us forward. At the core of our strategy is the aim to change the perception of Pandora into a full jewellery brand. And this is already happening in the quarter. Once again, our growth was broad based across our collections. We are attracting more consumers into the brand, which is the single most important thing for us. On profitability, you would have noticed that our gross margins expanded once again to a record high. I know those of you who attended our investor and analyst days in Thailand recently will know the drivers behind this. And for those of you that were unable to attend, I highly advise you to view the slides on our website. You'll also notice that we continue to make significant investments across the entire value chain. This includes, but obviously goes beyond marketing. Despite this, our Ebit margin remains rock solid as ever. All of these KPIs feed into our unique asset light model, and we continue to demonstrate very high returns whilst



maintaining low leverage. So in conclusion, quarter two is another proof point that in a tough environment we are excelling thanks to our strategy.

Alexander Lacik, CEO: [00:02:02] We are taking market share by building a stronger brand. We will stay on this course. Now let's move to slide four, please. Given our strong start and pipeline of strategic initiatives, we are raising our full year growth guidance. This now stands at 9 to 12% organic growth and includes like for like growth of 5 to 7%. We've taken a number of factors into account. We've got good brand momentum. But against this the macroeconomic backdrop is highly uncertain. The low end of the guidance accounts for this uncertainty and would require the macroeconomic backdrop to get consistently worse relative to today. We'll of course, be keeping a close eye on that. Our Ebit margin, sorry, our Ebit margin guidance, we've left unchanged at around 25%. We'll continue to press ahead here to invest in growth initiatives whilst maintaining our already high margins. Now, as you know, we typically give a comment on current trading, and we do this to give you a feel of the underlying demand trends of our business. And we've clearly started the quarter very, very well, as we have talked about many times before. Then you do have to read like for like carefully when you look at short time horizons like the last 5 to 6 weeks, because there's always changing in the trading calendar, such as timing of key trading events like Mother's Day, for instance, how we decide to play in those events when we launch new collections.

Alexander Lacik, CEO: [00:03:30] Et cetera, et cetera. So when we look at the business, then the underlying run rate, like for like growth sits at a mid single digit levels. That's a very solid outcome given, as I'm sure most of you remember, we started to run into tougher comps from June onwards. So in fact, on a two year stack, like for like has therefore actually accelerated during the last two months from where we were in the first half of the year. So just to be clear, our underlying demand



trends remain very healthy at mid-single digit like for like levels. We've started better than that in Q3, Q3, in actual terms. The actual like for like is currently above mid single digit levels, but that is just phasing as I mentioned. Now can we move to slide six please before we move on to the more ins and outs of the quarter? I wanted to take a step back and highlight a few things that really drive value at Pandora. Those of you who attended the Investor and Analyst Days in Thailand will be familiar with some of this, but I do think it's important to reiterate. One of the questions we often get is what exactly in the Pandora business model is unique and hard to replicate, and how can you continuously drive a very attractive financial algorithm which boasts industry leading gross margins and returns? And the answer is that it's all simply a function of the Pandora ecosystem we have built over the decades, which starts with the brand.

Alexander Lacik, CEO: [00:04:57] The Pandora brand is the core reason for the scale we have. The brand is the core reason we can operate a store at a 40, 30, 40% plus Ebit margin on average. As some of you may know, Pandora is the most well-known jewellery brand in the world. That is great and valuable in itself. That in itself is not that easy to copy. But what is even more valuable is the fact that Pandora owns the space of meaningful jewellery in the minds of consumers, and that is incredibly hard to dislodge. You simply cannot replicate that within a few years, maybe even decades. The brand equity has been built up hand in hand with the moments platform. It takes decades to build jewellery icons. Our icon, the Moments platform, has been built up over 25 years, and that platform icon is the foundation for our brand equity. Last year, our brand drove demand for 107 million pieces of jewellery globally. Think about that 107 million pieces we play in the scalar game. This level of volume is all a function of our brand, and this is the core of why we have such high margins and store profitability.



Alexander Lacik, CEO: [00:06:10] Next slide please. Now around this brand we have been able to build an infrastructure that is hard to replicate. First, we have invested in and built an unmatched global distribution platform. We have a total of around 6600 points of sales globally, and out of this, almost 2700 are standalone dedicated Pandora concept stores. You could, of course, with time and a lot of money, replicate a store network. But what you cannot just duplicate is the productivity of the stores, the revenue or gross profit per square metre. And this links back to the brand. Next slide please. Alongside this, the other piece of the puzzle is the crafting and supply side. Some of you recently saw our facilities in real life, and I'm sure you saw first hand what we built and the complexity of being able to mass produce hand finished jewellery at the scale we do. Over the years, we've been able to leverage this crafting scale to drive a cost advantage. For those of you familiar with the Pandora case. Our gross margins have been high all since the early days, and during the last five years, Pandora has even operated at the high 70s gross margins. And a lot of that is down to the benefits we've driven from crafting and supply. So to conclude, what we have here is a strong ecosystem which starts with the brand.

Alexander Lacik, CEO: [00:07:31] Around this, we built a strong infrastructure with in-house crafting and supply and in-house distribution. We believe this model yields significant benefits compared to subscale competitive set. And at the same time, it underpins our financial algorithm that I mentioned earlier. Next slide please. Now here you will see our equity story. We have made some important updates to reflect that reflects the ecosystem that I just referred to. We believe it's important to be sharp about how and why we will continue to create value for our shareholders in the years to come. And this brings me nicely on to the Phoenix strategy, which we have on the next slide. The Phoenix wheel. Next slide please. Here we go. This Phoenix will serve to drive growth from that ecosystem I just explained. As usual I'll speak to some of these in detail in the coming



slides. But we're making good progress on nearly all of those pillars. Some of them might be moving forward even a bit sooner than what we've said at the CMD last year, but that's all good. Symptoms of a company which is moving forward with a clear agenda. Now let's get into the brand restaging into a bit more detail. Next slide. There we go. For those of you who might be new to the story, our marketing strategy is centred around the restaging of the Pandora brand.

Alexander Lacik, CEO: [00:08:53] In plain terms, this means we're changing the perception of the brand in the consumer minds towards a full jewellery brand. We've always had a wide variety of collections, but that hasn't always been the consumer perception. And this is now changing in Q1 with the new campaign under the banner of Be Love. We launched a brand new look and feel for the brand. I'm sure it's caught the eye for most of you. We're moving away from specific product centric marketing to driving desirability and affinity to the entire Pandora brand. This is a multi-season campaign that we will leverage through the entire year, and I'm happy to report that the restaging is having a positive impact across our business on major brand KPIs are moving forward. We've seen strong traffic trends with good customer acquisition, and that's the most important metric I keep looking at. Then as well. Our brand desirability metrics are also moving in the right direction. So overall, whilst we are at the early stages of the brand restaging, the signs are good and we will continue to invest properly behind this. Next slide please. I already mentioned our growth across all of our collections a few times, but this slide hopefully makes it crystal clear. Our mission is to bring in more consumers that want high quality precious metal jewellery. That means something to them. We can. We then can take them through the entire brand journey across our beautiful collections.

Alexander Lacik, CEO: [00:10:18] So far, so good. You can see on the slide where we've continued to drive growth across our collections, with particularly strong growth in the fuel, with more segments



exactly in line with our strategic intent. And again, I want to reiterate that I believe we are only at the start of this journey of really stretching the brand. Now let's dive into some of the collections a bit more in detail. Next slide. Let's start with the core. Here we leverage our strong heritage through our icons while sprinkling on pieces of innovation. As I mentioned when I described our ecosystem, this is what we are known for. And this is why you can't replicate our brand equity within the core. We had a robust quarter which grew at 1%. Like for like within this, you should be aware that our performance continues to be weighed down by collaborations, which goes through specific product cycles. Looking at the moments platform in isolation that continues to drive solid and healthy growth of 3% like for like. Meanwhile, growth in Pandora continues to be very strong. Next slide please. On this one you can see the fuel with more shaped up. How the fuel with more shaped up. In the quarter the growth continued to be dominated by timeless. Encouragingly this is still relatively broad based. We may have the odd product here and there that sells more due to various social media activations, but it's important to remember that in aggregate, consumers are engaging much more with the collection as a whole, and that's clearly being helped by our brand restaging.

Alexander Lacik, CEO: [00:11:48] I'll touch on our latest and newest collection, Pandora Essence, in the next slide, so I'll quickly cover lab grown diamonds first. This remains a big strategic bet for us, and we can see the big shifts taking place in the market. We've continued to make progress here with 88% like for like growth. This is obviously being helped by last year's assortment expansion. So keep in mind that this will annualise during Q3 and growth will naturally moderate. As ever, we continue to learn and drive the business forward. It's important also to emphasise the role the collection is playing in driving our full jewellery brand message to consumers. We can clearly see the halo effect from lab grown diamonds and it's positive to the rest of our collections. That's why we'll continue to push the collection and be active across many PR Prevents the presence of a global



ambassador, Pamela Anderson, at the Met Gala. Wearing almost a 200 carats of Pandora white and pink label pink lab grown diamonds being the latest example. Next slide please. Finally, on the collections, I wanted to speak about our newest and exciting collection, which we've launched during the quarter.

Alexander Lacik, CEO: [00:12:58] Pandora. Essence. We announced this at the Capital Markets Day last year, where we said we would be expanding into the aesthetic space of fluid and natural, which constitutes 17% of the total jewellery market, which until now we've had very little presence in. The collection spans across all product categories and rings, necklaces and a great variety of earrings and is overweight plated gold. Now, please bear in mind it's still early days since the launch. Q2 only included 4 to 6 weeks of trading, depending on country, but so far we've seen an encouraging response, with the gold and pearl designs resonating very well across all our markets. Overall, the launch has been in line with our expectations that we had post the pilot test we did in the Netherlands. Now let's cover some of the markets as well. Let's start with our biggest market, the US, which delivered 5% like for like growth. A robust quarter in the context of a jewellery market, which we believe is still likely in negative territory and overall remains challenging. Overall, we believe we are still taking market share in the US, which is clearly being helped by our positive brand momentum. You will remember that the US remains a big opportunity for network expansion for us. As you can see, how that drove overall organic growth at 14% in the quarter. Next slide please.

Alexander Lacik, CEO: [00:14:18] The performance in our key European market is strong at 10%. Like for like. This was still driven by Germany with a 65% like for like growth. As I explained previously, the drivers here remain our brand which is driving penetration. We do not run into tougher competitive periods, so we expect the growth to moderate but still remain healthy due to



the structural factors I've spoken about. The UK jewellery market remains weak, so in that context are stable. Performance reads quite well and underpins our resilience. In Italy, sorry, in Italy. Similarly, the consumer backdrop is challenging and that's impacting our consumers as well. This is one of our most mature markets. So therefore it's natural to be sensitive to the top down forces a bit more. We are, however, looking to drive growth in our new collections here to build on our consumer base. Finally, in France, our performance was stable as some of our positive brand initiatives were still offset by weakness in the partner channel. As you know, we are working on ways to solve this sore point. Next slide please.

Alexander Lacik, CEO: [00:15:22] In China our performance of -23 like for like is still disappointing. We are aware though that this will be a journey ahead. So we continue to invest into the brand to build our brand equity. Further, it will require some patience, but we remain persistent. In Australia, the market backdrop was still quite challenging and continued to be impacted by the weak consumer sentiment, which is in particular impacting our partners in Australia. Next slide please. And the rest of Pandora we delivered 13% like for like growth of a tough comparison base. This is a good performance performance. And the broad based nature of the growth serves as a good reminder of the many opportunities we have in this segment to continuously grow. We flagged earlier on the year that we expected the growth levels in Turkey and Mexico to moderate somewhat, and that is indeed taking place. You should keep in mind, for you should keep that in mind for the rest of the year as well. And next slide please.

Alexander Lacik, CEO: [00:16:25] For network plants, we saw another strong contribution from opening new stores of 6% in the quarter. This is still being driven by the openings we had last year, and it's good to see the sales and earnings accretion coming through nicely. We will continue to



push ahead with our store opening plans this year, and we have upgraded the target for 2024 to 100 and 50 to 225 openings this year. Tied to that, we now expect the organic revenue contribution from network growth to be 4 to 5%, rather than the 4% announced previously. Next slide please. Finally, before I hand over to Andres, some of you would have noticed that we opened our first ever flagship store in Copenhagen during the quarter. This is a nice example of our value accretive network expansion combined with our strategy of elevating brand desirability. The new flagship store is our biggest store globally to date, with around 500m² across two floors. Now, you shouldn't expect us to be having a huge number of these globally, but we will expand into few selected cities globally as we believe the store experience is critically important in elevating the brand. Evoke 2.0 is our core store concept, which most consumers will view and experience. That itself is a big step forward in elevating the brand, and in that context, we continue to make steady progress with our openings here. With now 154 evoke stores open by the end of Q2. And on that note, I'll hand it over to Anders for a closer look at the financials.

Anders Boyer, CFO: [00:18:05] Thank you, Alexander, and good morning to everyone on the call. And please turn to slide 24. So Alexander already mentioned at the start of the call that the second quarter was another good reminder of how our business model drives strong KPIs all the way down through the PNL. As usual on this slide, I'll just highlight a couple of the KPIs. And actually, I can't help but start talking a little bit about the gross margin. Because it did reach another above 80% in the quarter, and that even includes a 70 basis point drag from forward integration. I'm not going to repeat all about what I said about the gross margin back in June in Thailand at our investor Day. But this journey, with a higher and higher gross margin, has been a testament to the structural efficiencies that we have been able to drive in our crafting and supply facilities, combined with gradually driving our prices up. So there's no one off behind this record high gross margin. It is



simply a reflection of a strong brand and our ecosystem that Alexandria went through just before. Separately here in the table, you can also see that our working capital once again improved relative to last year. And this was mostly helped by solid inventory management because our inventory in absolute terms were flat despite the 15% growth in revenue, and it's quite a nice achievement. Finally, I would like to highlight that our leverage remains low at 1.4 times and is following the usual seasonal pattern. So and on that note, you should remember that leverage will peak in Q3, probably just above 1.5 times before then dropping back in Q4 towards a targeted 1.2 times leverage level by the end of the year. Next slide please. Now let's take a closer look at the revenue performance in the quarter. Alexander has already commented on the first bucket in the breach here. The like for like. I'll cover the other elements. As you can see on the bridge, we saw a continued positive contribution from network expansion reaching 6% in the second quarter. That's how great progress, of course. And it comes with a quite attractive Ebit margins. So we continue to be very excited by the opportunities in this space going forward. We also saw a small one point impact from the sell in and other, as we call it, that is pure facing, pure timing.

Anders Boyer, CFO: [00:20:43] And in this quarter it was largely related to the sell in impact we had to our partners when we launched our new Pandora Essence collection. And I'm sure that some of you would have calculated that inaccurate get this bucket sell in. And other tape has been a tailwind for the first half, around 1.5%. And given the still uncertain environment, we do not extrapolate that going forward and still expect that to be around 0% for the full year as it stands. So please keep that in mind for your models in the second half of the year when you think through the Organic growth. And this is, of course, already reflected in our new organic growth guidance. So next slide please. On the Ebit margin, our performance played out exactly in line with our expectations. You will remember that back in the Q1 announcement, I said that the margins could be down up to 100 basis



points in this quarter. And we came in 40 basis points down. And that 40 basis point drop in the Ebit margin is basically just a drag from the the net drag from the forward integration in the quarter. And that's the two building blocks on the slide here that sits outside of the dotted box. And as you can see in the bridge, without this the Ebit margin would have been flat versus last year.

Anders Boyer, CFO: [00:22:09] And that flat Ebit margin is despite all the significant investments that we're making across the value chain. And you've noticed that our marketing expenses alone were up 100 basis points of sales in the quarter as we continue to invest in the restaging of the brand. As you can see in the bridge, the margin is helped by the positive operating leverage that we saw from both network expansion and like for like, and then that offsets inflation and the investments that we're doing in the business. So now let's move on to the guidance. Update on slide 28. As Alexander mentioned, we have increased our organic growth guidance to 9% to 12% from 8 to 10% before. And within this you will see that we have increased our like for guidance, like for like guidance to 5 to 7, up from 4 to 6 previously. And this means that the like for like guidance is now actually above the CAGR range of 4 to 6% that we gave at the Capital Markets Day in London in October last year. The organic growth range is here in 2024 is obviously also well above the 7 to 9% CAGR target that we set out at the CMD last year. So it is a testament to the strong start that we have had to the second chapter of our Phoenix journey so far. So I just want to give a few pointers on the 5 to 7%, like for like range.

Anders Boyer, CFO: [00:23:45] So far we've delivered 11% like for like growth in Q1 and 8% here in Q2. So just around 9% for the first half of 24. And I'm sure that most of you have calculated that the like for like for like guidance therefore implies a low to mid single digit like for like in the second half of the year. And let's call that to 2 to 5%. Like for like the low end of that implies growth of around



2% does indeed look low relative to what we have been delivering. However, we want to once again just stress and highlight that the uncertain external environment we are operating in right now, and therefore the low end, accounts for a potential weakening of the macroeconomic backdrop relative to where we are now. We believe that the high end of the implied growth around 5%, like for like in the second half, would be quite a fantastic outcome in this environment. As Alexander mentioned, our brand remains in a very good shape. We continue to push ahead with our strategic initiatives, and we have started the third quarter well with our underlying like for like trends remaining at mid single digit levels. However, you remember that nearly 40% of our revenue comes in Q4. So there remains a lot of hard work ahead. Another way to think about the second half of the year is to think about what it looks like on a two year stacked basis.

Anders Boyer, CFO: [00:25:18] The implied like for like growth on a two year basis would be around 11 to 14% in the second half of the year, and that compares to the 10% that we have delivered in the first half. So the implicit guidance is that the two year stack will be flat to up to around four percentage points of acceleration on a two year stack. So again, we believe that this will be quite a great outcome for the year. So overall we've had a great first half. We started the second half in in very good shape as well, and that's a reflection of the good brand momentum. But against this the macro environment remains challenging. And so overall we believe the guidance strikes the right balance between those factors. Then please go to the margin guidance on slide 29. On the Ebit margin, we are keeping it unchanged at around 25%. And again, the message is pretty consistent from our side. We continue to invest in growth while maintaining our very solid Ebit margin. If you compare this bridge on the slide here with last quarter, you will see that the higher revenue growth is driving a bit more operating leverage. But this is then offset by 50 basis points of more headwind



on commodities and effects. And that's mainly effects driven. My message from Q1 on the phasing of the margins through the year still holds as well.

Anders Boyer, CFO: [00:26:52] So we do expect the third quarter margin to be down slightly versus last year, and then the Q4 margin will be up. And finally, I just want to circle back to a topic we have discussed with many of you during the last couple of months, and that's the impact of the higher silver prices on our long term margin target for 2026, which we communicated at the CMD last year. And as you probably know, that the target is an Ebit margin of 26 to 27% in 2026. And as I'm sure you're aware, the silver price has increased to around \$27 per ounce as of now, which is almost a \$4 increase since we announced our targets last year. When that's combined with with the latest gold prices and foreign exchange rates, it represents a 140 basis points headwind to our Ebit margin target in 2026. So 140 basis points of headwind is not insignificant. And we've spent quite some time looking into actions to offset that headwind. And we're happy to confirm that thanks to, among others. Pricing and the number of cost initiatives. We can confirm the Ebit margin target of 26 to 27% in 2026. And of course, severe price volatility is not uncommon. So we will continue to monitor this as always and look into further actions if need be. And with that, I'll hand it back to Alexander.

Alexander Lacik, CEO: [00:28:30] Thanks, Anders. So to conclude on everything, I want to first reiterate that we are operating in a challenging consumer environment. Our progress this year so far speaks volumes about the execution of our strategy, and I'm convinced that this will continue to yield benefits in the years to come. At the core of everything, we're transforming the perception of the Pandora brand, and it is working. We've delivered very strong growth in the first half of the year. This is tied to the investments we're making and seeing good returns from it. And finally, we look



ahead with confidence but remain prudent given the backdrop. And on that note, I think we can open for the Q&A.

Operator: [00:29:08] Thank you. If you have a question, please press five star on your telephone keypad. If you wish to withdraw it again, you may do so by pressing five star again. We will have a brief pause while questions are being registered. The first question is from Ben Rada Martin from Goldman Sachs. Please go ahead. Your line will now be unmuted.

Ben Rada Martin, Goldman Sachs: [00:29:36] Perfect. Good morning. Good morning, Alexander, Anders and Bilal. Thanks very much for the question today. I just had two, please. The first was just on the July trading commentary that mid-single digit like for like. I wonder if you can maybe talk about how that differs between the key regions. And then the second one is just on on some of the offsets for the commodity pressures that you guys are seeing. Can you maybe talk about, I guess, the timing and the size of the offsets versus that 140 basis point headwind you've called out today? I'm interested between the buckets of pricing space and costs as you spoke to back in June. Thank you.

Alexander Lacik, CEO: [00:30:10] I'll take the first one. Thanks for the question. So no major changes. You know, we don't usually provide regional commentary by the month, but no major changes by the region versus broadly what we've seen year to date. Of course, every quarter will have pluses and minuses, but over a short period of time, you can read the trends as quite consistent from our side.



Anders Boyer, CFO: [00:30:31] And then to your other question, Ben, about the the mitigating actions essentially boils down to a bit of pricing and a number of, of additional cost actions that we are looking into and taking the and the way to think about it is that it is a the majority of the impact or the mitigating actions is on the pricing, the pricing side. So just on the cost side, when the targets that we've set out for 2026 already back in the capital market day last year already assumes that we keep driving efficiencies every year. So what we have been looking at is at what is something that we can do on top of that. And we've taken quite a hard look at that during the last couple of months. And that's there's no one big silver bullet in it, but there's something across point of sales materials. There's something about the labour costs. We think we can keep being smarter and smarter at that. Some of you will know that we have spent money and building a new workforce management system, and that can help us drive that cost bucket. Better and better. So I think we have something on procurement in general where we see a couple of opportunities.

Anders Boyer, CFO: [00:31:52] So a broad a broad package, if I can call it that. And then we see some additional Opportunities on pricing. And that's over and above what we guided at the Capital Market day back in October last year. Just as a reminder, we said 1 to 2% of price increases every year back at the capital market day, and we can do a bit better on that from two angles really both maybe a bit more on price increases in general. But also we see that the elasticity assumption that we put behind the guidance last year is a bit better than than than what we, what we assumed that the guidance that we made back in the, in the CMD last year assumed that elasticity of one. And with the brand strengthening, with the brand metrics going in the right direction. We do or maybe that's my speculation, but we do see that, that that leads us to that. The elasticity is a touch better. And you all know that the power of Elasticity and the difference whether it's zero point is 1 or 0 point 9 or 0.8. This is an area where the decimals are really count.



Ben Rada Martin, Goldman Sachs: [00:33:08] Great. Thank you.

Operator: [00:33:12] The next question is from Grace Smalley from Morgan Stanley. Please go ahead. Your line will now be unmuted.

Grace Smalley, Morgan Stanley: [00:33:20] Hi. Good morning. Thank you very much for taking my question. My first one would just be Anders on the margin. So I think today again in the press release, you've mentioned that the obviously reiterating the 26 to 27 margin target by 2026, but you're again reiterating that that's back end weighted. With that in mind, I was just wondering how we should be thinking about 2025 Ebit margins, obviously not expecting you to give any precise guidance at this stage, but just in terms of the puts and takes we should be thinking about on 2025 margins, given that 26 to 27 is back end weighted. And then my second question I appreciate it's still very early in terms of your read on essence, but any colour you could provide in terms of what you're seeing. Is it an incremental consumer? Are you seeing switch between different collections? Like any initial learnings that have perhaps changed, you changed your view on the global launch versus the initial pilot test would be very helpful. Thank you very much.

Anders Boyer, CFO: [00:34:22] Yeah. Hi, Grace. It's Anders here. I can take the start of the first question. We I think we'll just repeat what we've said previously that it is back end loaded. But I'll think about next year as as flattish. Given that we're seeing the headwind on silver prices and gold prices for that matter, already starting in in Q1 of next year. But so yeah, flattish next year compared to this year.



Alexander Lacik, CEO: [00:34:51] Yeah. And on essence, I mean, as you say, it's between 4 and 6 weeks and that's a little bit too short window to make any big conclusions. But so far I would say what we expected is happening. We can see kind of how the different products within the collections are moving. So so there are no surprises there. And in general, a very positive response that, that we're receiving from the market. But I think it's a little bit early doors to, to make any, any major statements. Maybe, maybe the next quarter we can provide a little bit more detail. But but no, no, if there were any negatives I would have picked that up. And I don't see any of that happening. So so all good okay.

Grace Smalley, Morgan Stanley: [00:35:33] Thank you. I'll ask you again next quarter. Thanks very much.

Anders Boyer, CFO: [00:35:36] You will.

Operator: [00:35:40] The next question is from the line of Thomas Chauvet from Citi. Please go ahead. Your line will now be unmuted.

Thomas Chauvet, Citi: [00:35:48] Good morning gentlemen.

Thomas Chauvet, Citi: [00:35:51] My first question on the regions and the divergence in regional NFL in each one. I mean, it's quite clear you've got you've seeded Alexander, you've got strong NFL in markets where you're immature. West Germany Pandora more muted NFL in mature market where you have high market share like UK, France or Italy. On that basis, could you come back to the decision to accelerate investments in Japan and Korea? You did earlier this year? When does that



take off? What's the amount of investment? More importantly, the nature of investment required in any regional challenge. You're you're mindful about considering the difficult experience of of the Chinese neighbour, if I can say secondly on on on gross margin it looks like, like nearly half of your gross margin gains in Q2 were due to product mix effects, that the fact that we have more is is growing much faster than core, and the 500 bits gross margin differential between the two. What are the main reasons for the gross margin gap beyond average selling price, and if that gap is sustainable, given your shift to become that full jewellery brand? How much gross margin expansion have you factor in between 22 and 26 from from product mix alone? And just a very quick follow up on on silver and hedging, I think your press release suggests you've stopped hedging at the end of Q2. I mean, was it because silver reached a, you know, I think at that time, or \$31 per ounce, can you explain the logic, financial implication, and whether you've resumed hedging now that silver has fallen over 10% back to 2020, \$27? Thank you.

Alexander Lacik, CEO: [00:37:42] Hi, Thomas. I wish you had given me a gold medal landing this quarter, but. Okay, we'll come back on that next time we see you. And in terms of Korea and Japan, they are a little bit different places. So the the focus right now in Japan is to kind of shore up a little bit our network. So that's probably the, the main, main focus. And then gradually we'll invest a bit more in marketing. But that's probably within kind of the envelope. So there's no major things for us to report as yet. And Korea we've just kind of sorted out our distribution setup there. So that that will put some money. But again, that was within, let's say, the budget that we had expected for the year. So so no major, major pushes there. So that's going to be let's say a gradual comeback in those places as well. But I think the first point was secure the physical presence. And then we move with with some marketing events we've already done some we have signed up some of the top K-pop artists, etc. so there is some activity actually happening there. Yeah.



Anders Boyer, CFO: [00:38:56] And thanks Thomas. I'll take the other two, two and a half half questions if I can call it that. I'll start with the half one on the silver prices. So on the on the hedging, it's true that we, I think it's come out and stopped hedging, but we paused further hedging. So we still have hedging in place. So we have hedged basically all of 20, 24 already just to, just to make that just to make that clear. So we've stopped further hedging for, for a couple of for a couple of months and some of the the reasoning in that even though we've been our hedging on autopilot for years and that's been two exceptions, at least in the Almost. What is it? Six or more than six years I've been here? One was in March 2020 when the pandemic hit and the silver price dropped to 1415 from memory. 14, maybe even lower. And then there's been for now, for a couple of months where the silver price went to \$30 or above. So a couple of reflections on that. We only do this in circumstances where we believe that it's exceptional. That's a of course you can argue that. And then you're sort of making that judgement against the market. But we have had discussions with quite a number of experts in the area that, that are net net believe that it was exceptional. I think overall silver prices have then come down since since that from the \$30 level to now the \$27 level. And then adding to that rationale is that it's actually super expensive to hedge silver. If I want to hedge one year out, it cost me \$1.3 per ounce, so almost 5% of the spot price.

Anders Boyer, CFO: [00:40:52] That's just how it is. But we think when the silver price looked expensive, \$30 per ounce, and it would cost \$101.3 to hedge, that combination felt a little bit too too much to to to swallow. So since since then, when the silver price went down last week, we have hedged one more month out. When it was at \$26.5. 26.20 \$6.5. Just around a week ago or something like that. So we we will come back and start hedging again at a point in time around, around these levels. But we haven't just started it as of as of yet. Then on the on the gross margin,



you're right. That product mix is a is a decent part of the .7. pocket that we have in our bridge called pricing efficiencies and other. And I think in broad terms, the way to think about that 170 basis points is a 90 basis points. I'm looking at my colleagues here, a 90 basis point of product mix, 30 basis points of cost efficiencies, and then the remaining 50 being pricing. That's give and take. How to how to how to think about it. So going forward we have of course, baked in product mix into our 26 thinking as well. So and now with that, we've been out just now to confirm the, the 2026 targets. Doing a bit more on the pricing side. You should you should think about that. We that's another way of saying that we do think that the gross margin being above 80% is sustainable.

Thomas Chauvet, Citi: [00:42:45] Thank you.

Operator: [00:42:49] The next question is from the line of Anthony Charchafji from BNP Paribas. Please go ahead. Your line will now be unmuted.

Anthony Charchafji, BNP Paribas: [00:42:58] Thank you. It's good morning. It's Anthony Charchafji from BNP Paribas. First of all well done for the for the strong for the strong results. Just two questions on on my side. Would you be able to comment on the Evoke 2.0 stock concept performance in in Q2? I mean, if you can compare it with a with other store. And my second question would be if you can give us a bit more detail on the performance of of Mexico and Turkey, when you when you say that they are normalising, I think Mexico was up like high single digit the previous quarter. But can you comment maybe on a on the performance of of this big market for you. Thank you.



Anders Boyer, CFO: [00:43:51] The on the evoke side. You're right. I think that's probably the background for your question is that we haven't put it in writing in the company announcement, but net net the we're still repeating the message from last quarter that we see a small pickup in like for like in the stores that that we have opened just as just as as planned. So it's going well, we might we could be a little bit more specific when we have even more data going further further down the road. But you should not expect that evoke drives are a massive lift off in like, for like and just repeating what we've said before. The existing format is already super efficient, so we are accompanying Evoke 2.0 comes in replacing an already really productive store environment. But yeah, same same message from from back in Q1.

Alexander Lacik, CEO: [00:44:54] And if we then look at the numbers that we spoke about, I mean, especially, I mean Turkey with this hyperinflation and now they're starting to try to kerb that, of course. So which does have an impact. So we were, I think only up what is it, 73%. Which is still something but but that will normalise down to, to to a different level, of course. Now that Erdogan has decided to, to actually act on, on this inflation situation and Mexico is down, I think two points ish. Negative in, in the quarter. And that's to a large degree because the competitive environment in terms of promotions have been brutal in Mexico and we haven't necessarily followed that step by step. So then we've taken this a little bit on the chin. But that was somehow expected that that Mexico would, would be moderating a little bit. So that's that.

Anthony Charchafji, BNP Paribas: [00:45:55] Thank you.

Operator: [00:45:59] The next question is from Piral Dadhanian from RBC. Please go ahead. Your line will now be unmuted.



Piral Dadhania, RBC: [00:46:08] Hi. Good morning. Thank you for taking my question as well. I'd just like to come back to the price increases, if possible, please. Could you elaborate on what gives you confidence your customers will continue to absorb consistent price increases? Could you quantify the level of additional pricing you intend to take above the guided 1 to 2%, given that the CMD to 26. And I guess the context of my question is just because in other consumer verticals, such as luxury goods and staples, there appears to be some pushback where too much pricing has been taken in recent years, and that's now affecting negatively the volumes in those in those verticals. That was my first question. Yeah, that's the main one. Thank you.

Alexander Lacik, CEO: [00:46:53] Okay. So first of all, whatever pricing we do, as you know, we've spoken about this in the past. We have run Pre-testing. So maybe contrary to my luxury peers, I don't know. But we do quite a bit of testing before anything to understand the elasticities involved. The other thing, which I will say is also the model of the other most of the other companies that I'm sure you're covering, part of their growth algorithm has been very much based on actually taking quite a bit of pricing in order to drive revenue. And as you know we have said that that's not part of how we think about our business. This is a volume business. So we've been super careful on this. And that's the reason we put this whole mechanism of actually pre-testing our pricing levels. We will take a little bit more than the two that we've guided right now. We're still working through what that is. Some markets it will be a little bit less and some are a little bit more, but it's going to be something about the 2% range that that we've done in the past. And honestly, every time we've done it in the last what is it three. Three times those elasticities that we have predicted is exactly what's what's been the outcome. So we are very confident that, that this thing is going to hold. And of course there are a few strategic parts of the assortment that we do not touch. So we will still



protect opening price points, because that is, you know, very much what what defines also the value proposition of Pandora. There are other aspects in our assortment where we know that there's more. More freedom to to move the pricing around a little bit. But you should not misconstrue this for Pandora. Now all of a sudden, changing the business model on pricing being a revenue driver, this is not the reason we're doing it and it's not going to change. I hope that gives you a flavour of what we're doing.

Piral Dadhanian, RBC: [00:48:51] Yes it does. So maybe just to follow up, if, say, silver prices come down or the inflationary pressures across the business start to ease, does that suggest in the future that perhaps the pricing strategy will then will then ease on the back of that, because pricing is used as a mechanism to protect margins as opposed to drive revenues?

Alexander Lacik, CEO: [00:49:13] We said way back when, when inflation started to be, you know, of more significance than we said this 1 to 2% annually was there purely to offset inflationary pressures in the PNL so that we didn't have to take some of the operating leverage that we get from the growth and had to cover for that in order to maintain margins as a minimum. So that strategy has not changed. But again, if you listen to the macro economists, I think nobody's suggesting we're going to come back to the kind of low, low interest rate and low inflation scenario that we were used to in in the prior years before the pandemic and all of this. So, so I do expect that there's going to be a slightly higher inflationary pressure for the years to come. So so for all intents and purposes, that 1 to 2 is probably what you should expect. If you think about it from a modelling standpoint to maintain in your models.

Piral Dadhanian, RBC: [00:50:05] Thank you.



Operator: [00:50:10] The next question is from André Thormann from Danske Bank. Please go ahead. Your line will now be unmuted.

André Thormann, Danske Bank: [00:50:18] Yes, thanks for taking my questions. The first is regarding the elasticities that you also mentioned, and I just wonder if you can give any more flavour around it. How much better it is than than the one you assumed at this CMD. That's the first question. The second question is in terms of growth in Germany. And and I wonder if you can give some flavour of, of how we should see this in the second half. I realise you don't guide explicitly on it, but, but, but but I realised that the comps are getting tougher. So, so how much lower should grow be would be great. Thanks.

Anders Boyer, CFO: [00:50:54] Hi André, it's Anders and welcome to the universe of our Pandora analyst. I guess this is your first, first call. On the elasticity. We have some indications on what we've done been doing for the last 6 to 12 months. That elasticity is better. I would be a bit hesitant to be more precise as of now. I'd like to get a little bit more trading under the under the skin. But yeah, we've seen on average that it's a bit better than 1.0. It's not all markets. And of course, because the macro situation is different across different markets, but on average it's a little bit better than the 1.0. And again, the decimal counts. Here when you translate that into an Ebit margin. But yeah. So I think I'll, I'll leave it there.

Alexander Lacik, CEO: [00:51:51] Yeah. And we do not guide on individual countries and individual quarters. And in this case with Germany on top of that, that's been, you know, when they grew 20%, I was saying, okay, this is going to come down next quarter. And then they came in with 30% and it



kind of kept on going. So we have an enormously strong momentum in Germany. And at one point, of course, you start meeting those comps. We have some some steep comps in the back half. So that growth that we posted in the first half will come down. But how much? I will not comment on here because by the way, I might be completely wrong as well. So yeah, I'll leave it at that. Sorry for not being more helpful.

André Thormann, Danske Bank: [00:52:34] Thank you so much.

Operator: [00:52:38] The next question is from Martin Brenøe from Nordea. Please go ahead. Your line will now be unmuted.

Martin Brenøe, Nordea: [00:52:46] Hi. Thank you very much for taking my questions. I have three quick ones, if I may. The first one is actually on essence. I guess if we isolate the sell out data and try to reverse engineer it in sort of the, the launch period that would be still around 3% of sales if my math is almost accurate. Can you maybe just tell me how that works? Is that sort of an acceleration from very low to a higher level through the quarter, and maybe also how that has looked in the early days of of Q3. That would be very helpful. And then to just market questions, one would be here in Q3 the like for like that you have mentioned. How much support have you received in France, for example, from the Olympics that you have been been been sponsoring a part of and also in Germany, have you seen any excess traffic from the Euro games being there? And then just the last question is in the US, which has decelerated sequentially both over one and two year stack and just, you know, help me a little bit, maybe understand what a potential catalyst could look like for for changing this trend. Could that be essence or anything else? As we are looking at the tougher comps that would be very helpful. Thank you.



Alexander Lacik, CEO: [00:54:17] Okay, let's see if we can knock them off one by one. So essence, I mean, with the 4 to 6 weeks, it is it is a difficult question to because it's different by country. But your 3% is broadly a good math. Let's come back in the next quarter and I'll give you a bit more meat on that bone. And again, we will not comment on on current trading other than group numbers. So I'm sorry for that. Germany. Euro games. No not really. Like for like you said, Q3 in. Okay. So the Olympics. So essentially what we've seen is, I mean, we've had an okay start what happened in Paris, which is kind of where you have the big volumes of of the games, of course, the Parisians, they left the city and then were replaced by tourists. So, you know, you gain some and you lost some. So on balance it's probably not not a major, neither positive or negative exercise for us. And then your deceleration in the US now, I think the real underlying healthy kind of growth for the US is in the kind of range of what we delivered in Q2.

Alexander Lacik, CEO: [00:55:44] You know, it's it's it's difficult to grow a heck of a lot more in the current context in the US. So I think the kind of move between Q1 and Q2 will probably find more of the explanation in the base from last year, but sitting there around that level, I think is a sensible view and a catalyst to that. I mean, you know, 5% means that we're five, probably five points ahead of the market at least. So so that that we're happy with that. So maintaining that is is a very, very good outcome for us. We continue to invest on all cylinders in the US. We keep investing in marketing. We keep investing in store expansion forward integration. We keep bringing the, you know, diamond. There's more diamonds assortment coming. We launched essence. So it's kind of it's the same mix that we do elsewhere. But of course with with a very high focus on execution in the US. So I think that there's not it's like if you're looking for a catalyst to move me from 5 to 15, then you should not put that in your numbers. I don't think that's real.



Martin Brenøe, Nordea: [00:56:55] Very clear. Thank you. Alexander.

Operator: [00:57:00] The next line we open up for is Lars Topholm from Carnegie. Please go ahead.
Your line will now be unmuted.

Anders Boyer, CFO: [00:57:08] Yes.

Lars Topholm, Carnegie: [00:57:09] Thanks. And congrats with Congratulate a spectacular quarter. Once again, I have two questions, please. One is just to be absolutely certain I understand your current trading comments correctly. So you're saying the first six weeks of the quarter, you had a momentum that is higher than mid-single digit. So let's call it high single digit. But you think the underlying run rate is mid-single digits. Would that mean if that continued, I should think of Q3 as first half of the quarter, high single digits, second half of the quarter mid-single digit? Is that sort of I know you're not guiding for what it might look like for the rest of the quarter, but is that a fair interpretation? And then a question number two goes to lab grown diamonds where you have an 88%, like for like, which of course is a very high number, but you have also introduced it into more markets. So if you look at markets where it also was in the same quarter last year, what would the like for like then be. And then just a final question on essence of the essence product you sold into the channel. I assume some of those were also sold out. So I wonder if you can give an approximate number for the total sell out of essence in the quarter. Thanks.

Bilal Aziz, VP, Investor Relations & Treasury: [00:58:45] Yep. So I'll take the first one. Lars, and thanks for the questions. So your thought process is broadly correct in terms of the momentum.



Clearly, within the three months, you know, things will and can fluctuate between them. But you're, broadly speaking, your thought process is correct in how we see the quarter playing out and most importantly, how we see the phasing playing out in absolute terms. I think that's a fair representation.

Alexander Lacik, CEO: [00:59:12] Good. Then on essence the way we look at this as a share of business type of metric to say something and it's what we told Martin on the previous question. It's been roughly 3% of the share of business, which is a representation of the Sell-out number. And of course, if you purely look at the revenue number, there is a bit of selling in that. So, so the 3% share of business is more is a more accurate way to think about it. But again, I want to stress that it's 4 to 6 weeks, guys. This this will take a little bit of time, but still we're very happy with the first phase of this. And then your diamond question. Now we probably need to get back to you. I don't have this in my head exactly how that. Unless somebody can help me here.

Anders Boyer, CFO: [01:00:08] I can look it up while while I speak. But the the way to think about the like for like for lab grown diamonds is that it is a US number, basically a North American number because that by by far the majority of our business is in of that business is in North America. So those two numbers would essentially be the same. So the 88 and the North American number. But I'll, I'll, I'll check while I move on with the Q&A.

Lars Topholm, Carnegie: [01:00:38] Okay. I actually have one more question, please. Which goes on your implied guidance for H2. So so you said on the call it's 2 to 5%. Like for like it's 4 to 9% organic, which basically means the net contribution from network etc. should only be 2 to 4%. It has been



significantly higher in H1. Is that because you're conservative, or do you see any sort of hard facts that should cause a deceleration for the network contribution to 2 to 4% for H2?

Bilal Aziz, VP, Investor Relations & Treasury: [01:01:17] And good question, Lars. So two points to that. You're absolutely right. 4 to 9% is the implied organic growth guidance as a starting point. And as did mention that the sell-in impact of roughly a percent and a half in the first half. For now, we expect that to balance out in the second half. So we still expect 0%. So you have to take that off of that implied organic as a starting point. But then your question on network, where we've given specific guidance of around 4 to 5, having delivered around 5% in the first half of the year, that implies roughly 3 to 5% on the on the roundings in the second half of the year. You are right that the 3% is conservative. Ultimately, we don't see anything right now as we stand. That gravitates us towards the 3%. Obviously, some of our openings are towards the year end. We do annualise our openings from last year as well in Q4. You remember your back end loaded last year. So it's a bit of cautiousness, but you're absolutely correct. As it stands right now, we don't see us moving towards the low end of that network range, but we like to be prudent.

Lars Topholm, Carnegie: [01:02:25] Fantastic. Thank you guys for taking my question. Congrats again with a good quarter.

Alexander Lacik, CEO: [01:02:31] Thank you. We got a gold from Lars.

Operator: [01:02:37] Let's move on to the next question from Kristian Godiksen, SEB. Please go ahead. Your line will now be unmuted.



Kristian Godiksen, SEB: [01:02:45] Thank you. Yeah. But then I also have to give you a gold medal then, I guess. Thank you. Yeah. Congrats with the good results. But there are a couple of questions from my side. Maybe if you. First of all, could you maybe comment a bit on the current pricing environment you're seeing. Obviously we've seen some competitors out. Out saying that that we have a fairly high promotional level. And then in that regard or in that. That regards, what is your view on your confidence in being able to raise prices? Further in such an environment? That would be the first question. And then on the second question, on maybe. A bit more if you could give some more flavour on the bluff campaign that that attracts. New customers to the Pandora brand and Pandora brand. Sorry. And then if you could comment on. The share business for how that how that is different for the new customers in terms of. In terms of collections if you will, more versus moments. And maybe also how much new new New new consumers make up of revenue compared to one two years ago. And then maybe thirdly interested in obviously. China is in yeah. Not not performing very well, but just wondering whether there was any takeaways already now from from David having getting to know the market somewhat better. Whether he had some some, some, some views would be interesting. Thank you.

Alexander Lacik, CEO: [01:04:15] Okay. On on the pricing environment. I mean, what we've seen is, is, I would say an elevated both depth and length. And this is can vary market by market. But generally speaking, we see that there's a little bit of a higher pressure in the key trading moments. So during Mother's Day, during end of season sale and those type of events, we don't necessarily I mean, there are some exceptions to what I'm saying. In Mexico, they've kind of held on and promoted for much, much longer. But generally speaking, and let's say in the mature markets, then we would see that people are in the key consumption periods. And then there's they're not heavy on promotion in between. But they might extend this, and we call them CSPs. But again, I come back on



the on the confidence point. We've, we've pre-tested what we intend to do. So, so and since we've had three successful runs at it, that kind of builds our confidence that that's probably the way it is. When it comes to beloved, there are a couple of metrics in terms of we're trying obviously to understand if there's an impact on the brand. And the easiest way to say is, well, there was 8% like for like, so that's something we're building market share in every market, even if the revenue number isn't great or positive, let's say, then we can see that our delta to the market is positive in all markets. And then specifically on the brand, we can see that we have moved metrics like unaided brand awareness is up. Brand penetration is up. Custom acquisition is up. I'm not detailing those numbers. I think that's too sensitive information. But you can rest assured that all the brand metrics have moved in a in a significant way. You know, sometimes you get movements on these type of numbers, which is outside of confidence level. But here we can safely say that all the key brand metrics are moving in a very positive direction on the basis of B-lab. So, so very, very pleased with with that program. Was there another. One? China.

Alexander Lacik, CEO: [01:06:27] Any any feedback from David? Yeah, I think so he's been essentially busy structuring the organisation somewhat differently putting a bit of the Pandora DNA when it comes in particular in the stores. So the selling ceremony has been been a big thing. We've tried to rejig a little bit the merchandising approach. And then one important thing that he has done, which obviously puts a drag on an already kind of bad number is, is that we need to wean off some of the promotion, promotional intensity that we've had on the business. Which is not unusual when you're under pressure then then you start doing maybe a little bit too much of that. So, so that we're taking that out step by step. So I think those are the main, main pieces that are kind of concrete enough. And there's a ton of other things as well. But those would be probably for this, this forum of interest to talk about.



Kristian Godiksen, SEB: [01:07:34] Okay. Perfect. Thanks. Just maybe just one quick follow up on on the in terms of the bluff campaign. Could you maybe just comment a bit on on maybe the, the behaviour of of new customers coming into the brand versus yeah. Existing existing Thing. Customers. Are there any any any any changes in behaviour or any difference in behaviour?

Alexander Lacik, CEO: [01:07:54] Well then the behaviour we could somehow track with a bit more accuracy would be to look at the transactional information. So average basket upped and those kind of metrics, there's nothing particular there. Maybe, maybe what we see. But this is a sense so which I don't know how relevant that is given that it's quite short, but we can see that the ASP on on essence purchases offsets upped. So let me explain that. So when somebody comes in and buys charms, they typically don't just buy one charm. They would on average be buying two charms. So let's say you buy two charms for 300 kronor apiece. Then your basket is 600 kronor, which is somewhere in the range of our global average. The average price on a piece of essence would actually even be a touch higher than that basket, which means that I'm. Yeah, I'm losing something on the UPT. But as a basket value, I'm actually in a good place because that could always be the fear when you move into to kind of, let's say finished jewellery, where this collectibility element is a lot less stronger. But we so far we are not experiencing that. And that's probably also true for for the timeless business. So if that's to say something other than that, when we look at kind of the the customer profile in terms of age, on average we're kind of behind the Phoenix trade is not changing that much. We're still, you know, it's the same profile as what we have seen in the past, largely speaking. So there's nothing that kind of sticks out necessarily. Yeah. I think in the past we've spoken a little bit about that. The timeless rings seem to be a good recruitment tool for younger



audiences. So Gen X overindexes on rings for instance. So that that's one. But that's probably the only one that really is somewhat different in my mind.

Kristian Godiksen, SEB: [01:09:56] Okay. I was more referring to the to the below campaign in general, whether that consumer attraction, whether those new consumers coming into the brand, whether there was any difference to them compared to the, you know, the existing consumers. But it seems to be a fairly much the yeah, nothing material in that the way to talk about it.

Alexander Lacik, CEO: [01:10:16] Yeah. And for me that's not surprising given that we have such a wide audience already in there today. So you would have to have a big, big overindex on a particular audience for this to kind of hit the radar here. So if your brand is more niched, I think then that you would see movements easier like that. But, I mean, everybody is a customer to Pandora from 15 to 65 somehow, and we have a quite normalised distribution curve of, of our customer base. So so so nothing major there.

Kristian Godiksen, SEB: [01:10:48] Perfect. Thank you. Congratulations for the gold.

Alexander Lacik, CEO: [01:10:51] Thank you. We appreciate it.

Operator: [01:10:56] As there are no further questions in the queue, I will hand the word back to the speakers for closing remarks.

Alexander Lacik, CEO: [01:11:03] Well, thank you everybody, for for participating and of course, those of you that were in Thailand as well, I know it's a big, big effort. So we appreciate that. I hope



that was useful for you. We also appreciate the three golds and one silver that we collected in this meeting. Much, much appreciated. We we feel very good about the last quarter. And, you know, we've raised the guidance. So hopefully that should show a sign of confidence. It's not an easy, easy market context, as we all know. So so in that backdrop, I am very, very pleased with how the strategy is delivering. And on that note, we'll close for today and I'll see you out there. Thank you very much.

