



# TELECONFERENCE Q1 2018

*Copenhagen, 15 May 2018*

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conditions; changes in market trends and end-consumer preferences; fluctuations in the prices of raw materials, currency exchange rates, and interest rates; our plans or objectives for future operations or products, including our ability to introduce new jewellery and non-jewellery products; our ability to expand in existing and new markets and risks associated with doing business globally and, in particular, in emerging markets; competition from local, national and international companies in the United States, Australia, Germany, the United Kingdom and other markets in which we operate; the protection and strengthening of our intellectual property rights, including patents and trademarks; the future adequacy of our current warehousing, logistics and information technology operations; changes in Danish, E.U., Thai or other laws and regulations or any interpretation thereof, applicable to our business; increases to our effective tax rate or other harm to our business as a result of governmental review of our transfer pricing policies, conflicting taxation claims or changes in tax laws; and other factors referenced to in this presentation.

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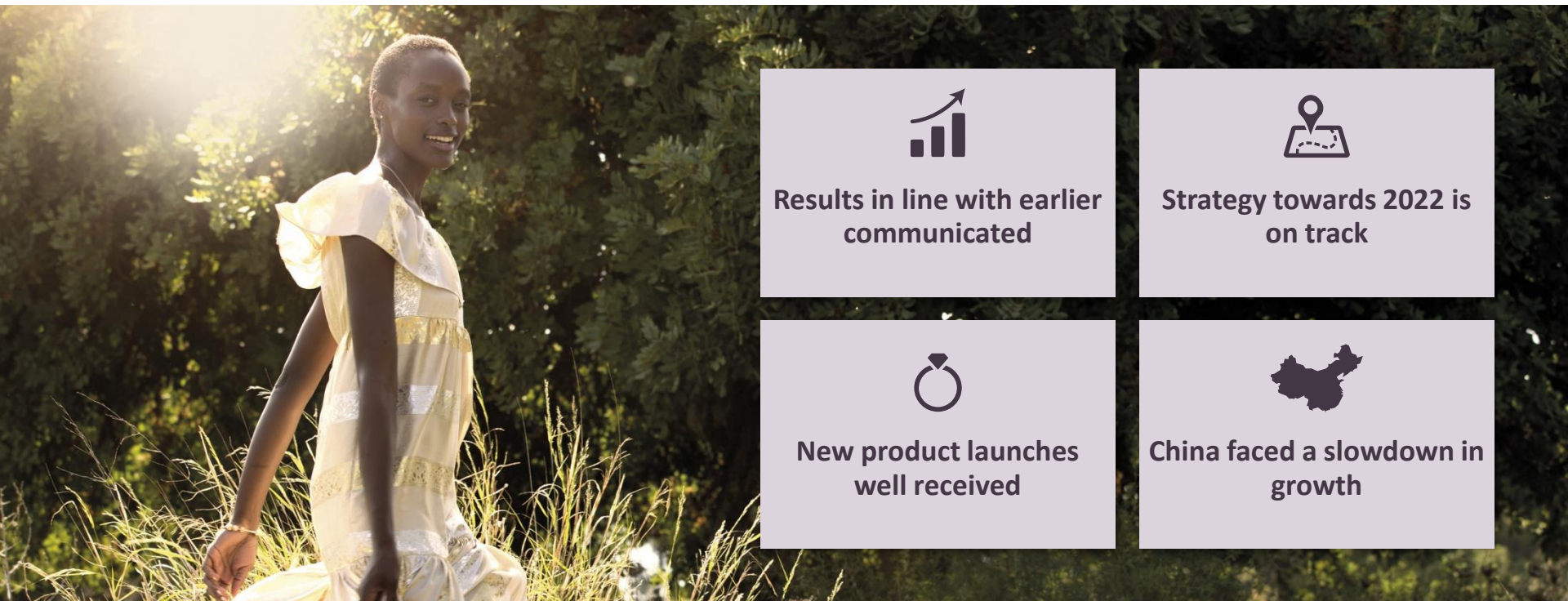
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# Key highlights Q1 2018

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**Results in line with earlier communicated**



**Strategy towards 2022 is on track**



**New product launches well received**



**China faced a slowdown in growth**

## Q1 2018 delivered 6% local currency growth in line with earlier communicated

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Revenue

DKK **5,115** million

*(6% in local currency, -1% growth in DKK)*

EBITDA margin

**32.6%**

*(Q1 2017: 36.4%)*

# Good strategic progress

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## INNOVATE AFFORDABLE JEWELLERY

- First new collections designed by the new design team launched
- Both the Spring collection and PANDORA Shine were well received by the consumers



## DIGITALISED BRAND EXPERIENCE

- PANDORA eSTORE and PANDORA.net successfully merged to one site to provide a better consumer experience



## WINNING IN OMNI-CHANNEL RETAIL

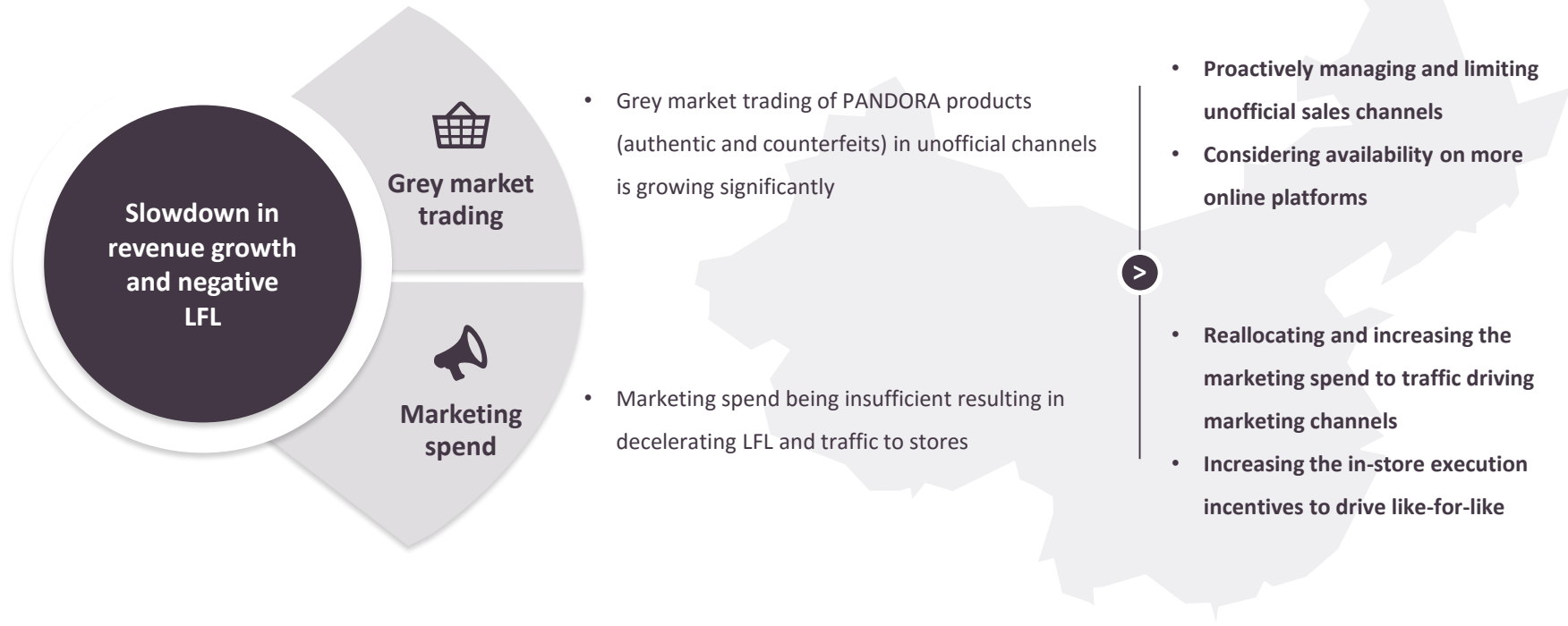
- Increased PANDORA owned retail driven by the eSTORE, acquisitions and store openings
- 'Buy online, refund in store' planned to be in place in the US during summer



## AGILE MANUFACTURING

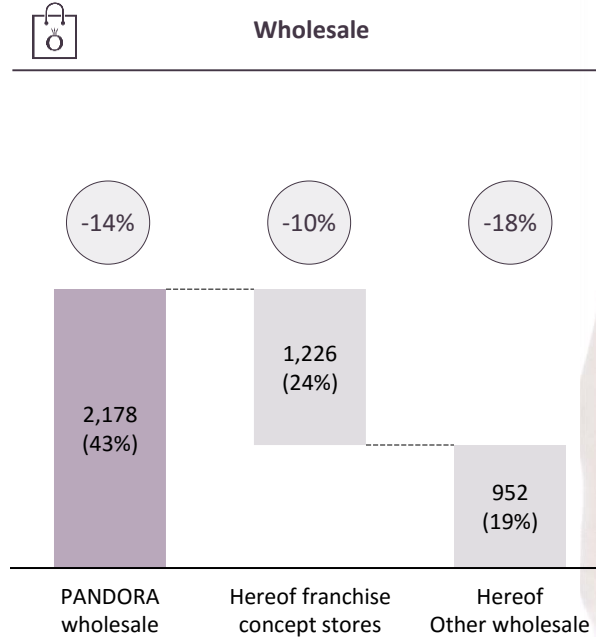
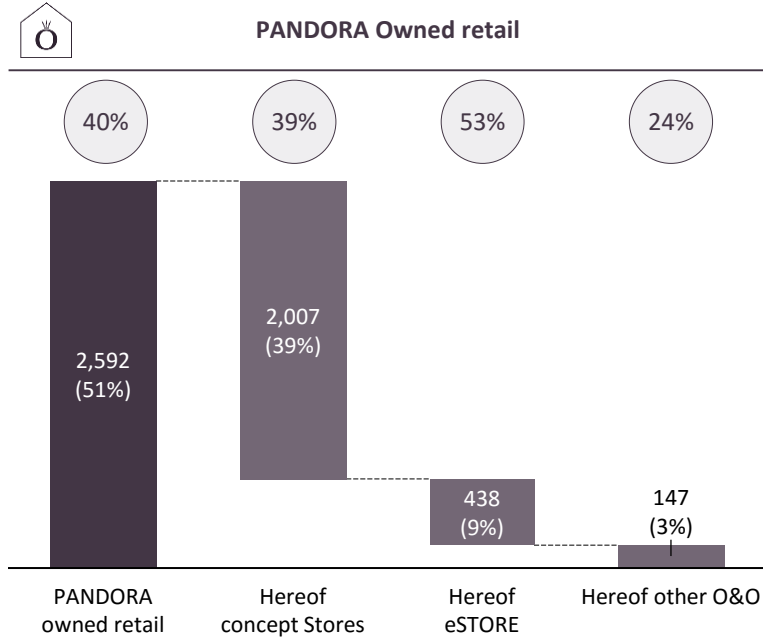
- Plating lines are now installed where testing is currently ongoing and commercial in-house production will be from Q4 2018

# China has faced a slowdown in growth mainly driven by two factors



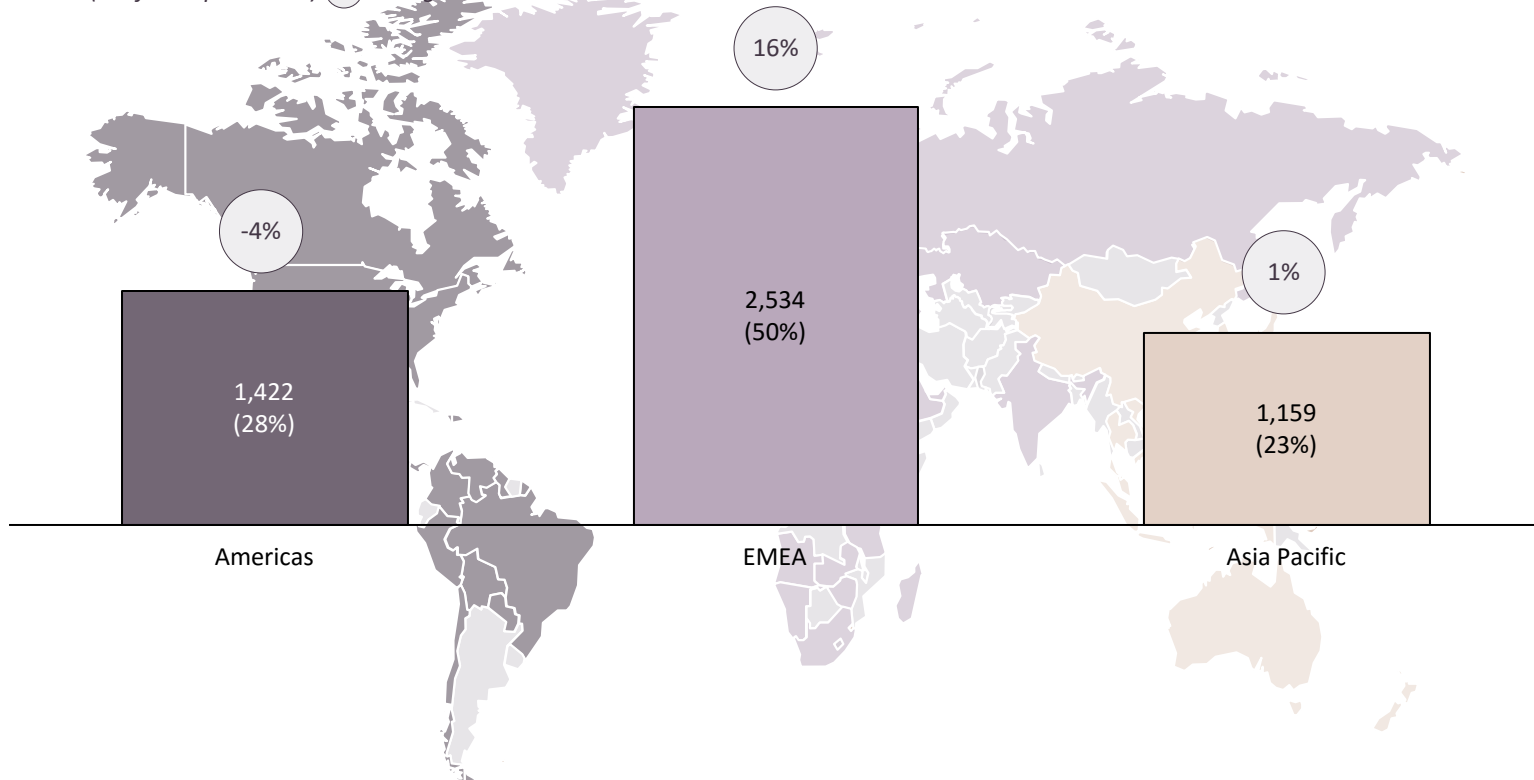
# Revenue growth driven by PANDORA owned retail

DKK million (% of Group revenue)  YoY growth in LC



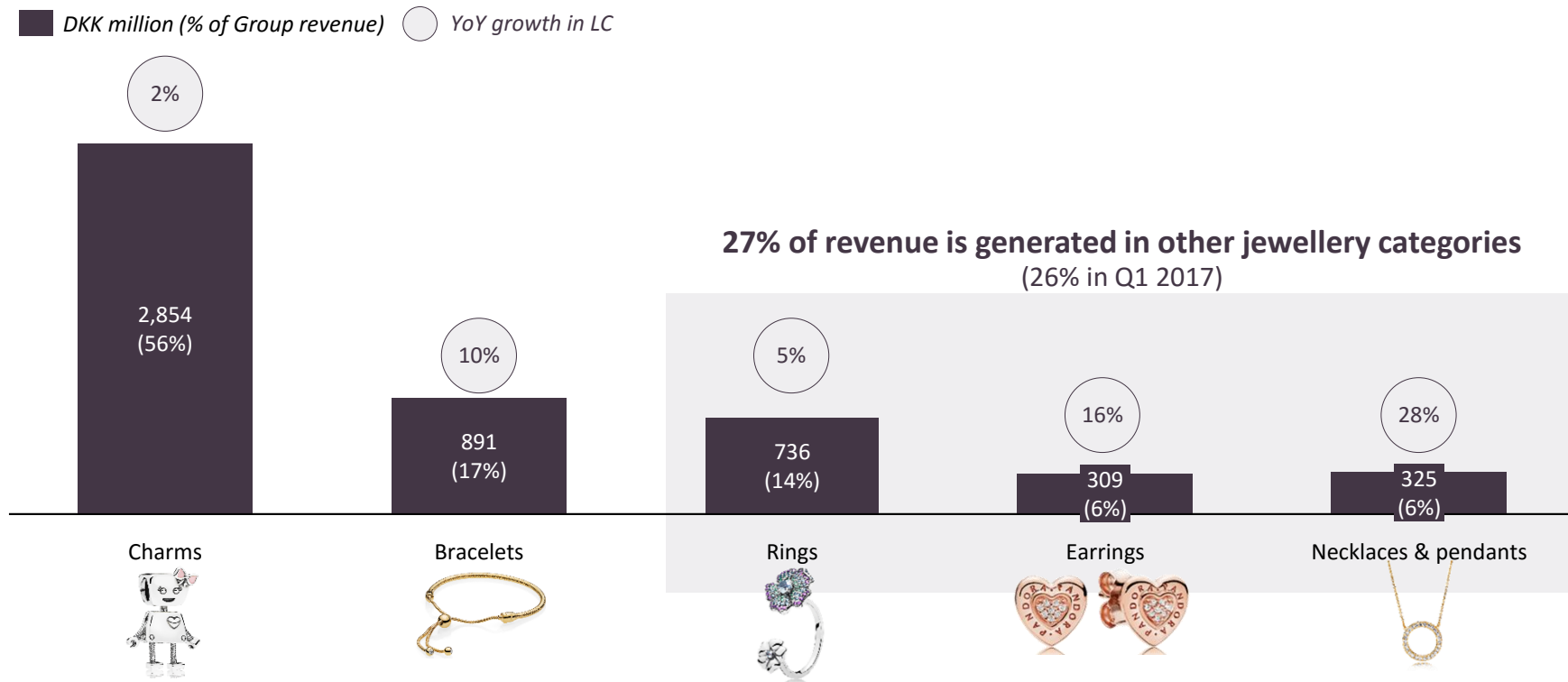
# Growth driven by the EMEA region

□ DKK million (% of Group revenue) ○ YoY growth in LC

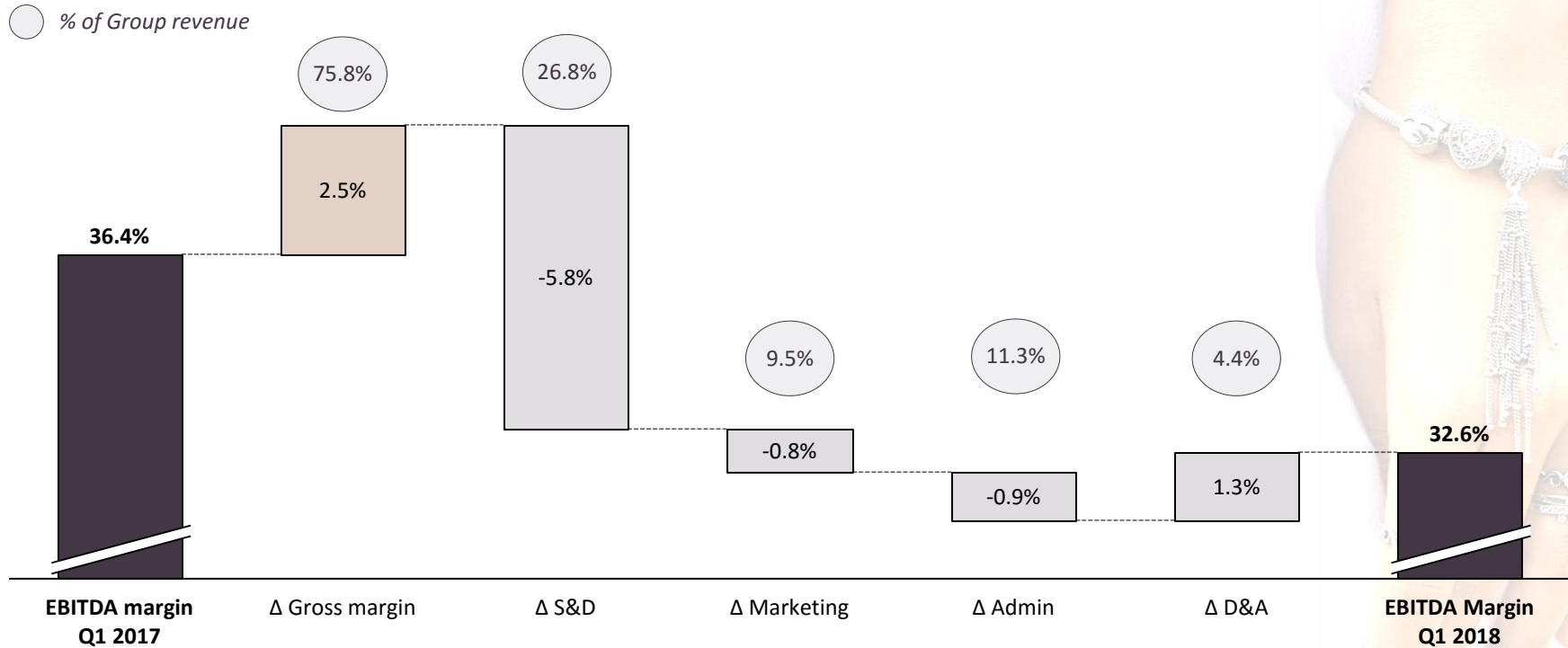




# All product categories continued to grow



# Cost development mainly driven by increased PANDORA owned retail

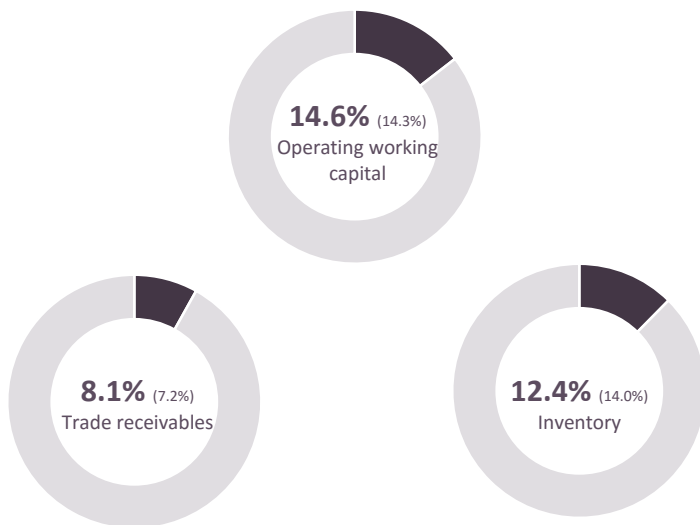


# Balance sheet



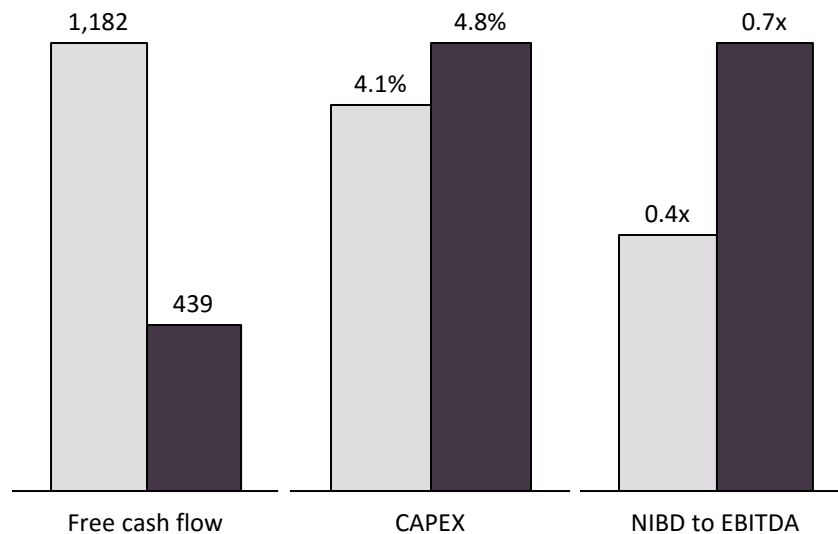
## Working capital

■ Q1 2018 (Share of last 12 months) ( ) Q1 2017



## Cash management

□ Q1 2017 ■ Q1 2018



## Full year 2018 guidance unchanged

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Revenue,  
*growth in local currency*

**7-10%**



EBITDA margin

Approx. **35%**



CAPEX, % of revenue

Approx. **5%**



Concept store net  
openings

Around **200**



# Closing remarks

## Q1 2018 results inline with expectations

**6%**  
revenue growth in LC

**32.6%**  
EBITDA margin

## Slowdown in growth in China



- PANDORA will proactively manage and limit unofficial sales to reduce grey market trading
- Reallocation and increase of traffic driving marketing spend

## Good progress in our strategy towards 2022



Innovate affordable jewellery



Digitalised brand experience



Winning in omni-channel retail



Agile manufacturing

## Spring & PANDORA Shine well-received



