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COMPANY ANNOUNCEMENT

11 January 2018

PANDORA PRESENTS 2022 STRATEGY AT CAPITAL MARKETS DAY

On Tuesday 16 January at 10:30 CET, PANDORA will be hosting a Capital Markets Day in Copenhagen, Denmark for analysts, institutional investors and media.

At the event, PANDORA will present the Company's strategic direction towards 2022, which includes an ambition to increase revenue annually in the period 2018-2022 with 7-10% in local currency, while maintaining a solid EBITDA margin of around 35% beginning from 2018.

PANDORA holds an industry-leading position as the world largest jewellery manufacturer with the most recognised brand in the industry. Leveraging its fully integrated value chain, PANDORA will address the ample growth opportunities in the jewellery market through:

- **Innovate affordable jewellery:** Strengthening its charms and bracelet category leadership, while significantly growing other jewellery categories including rings, earrings and necklaces & pendants
- **Agile manufacturing:** Leveraging its newly built production facilities and innovation centre to innovate jewellery manufacturing
- **Digitalised brand experience:** Building towards leadership in the digital space and delivering a personalised brand experience across channels supported by a continued significant marketing spend with an increasing focus on digital media
- **Winning omni-channel retail:** Transforming from a wholesale to predominately retail business, opening PANDORA owned concept stores supplemented by acquisitions of franchisee stores, offering strong financial value to shareholders

INNOVATE AFFORDABLE JEWELLERY

As a category leader and innovator, PANDORA will continue to drive growth in the charms and bracelet category. On top, PANDORA will significantly grow rings, earrings and necklaces & pendants and has an ambition to generate around 50% of revenue from those categories by 2022. Innovation and continuous product newness are key components to spark consumer demand, and therefore PANDORA will launch a minimum of 1 new innovative jewellery concept per year and increase its annual collections from 7 to 10.

AGILE MANUFACTURING

PANDORA has recently established the largest innovation centre for finished jewellery in the world. Utilising this and its new manufacturing facilities in Thailand, PANDORA will expand its manufacturing capabilities to deliver a diversified and innovative product offering while increasing efficiency and agility.

DIGITALISED BRAND EXPERIENCE

To address changing consumer behaviour, PANDORA will make a step change on digital marketing, which in 2022 will represent more than 60% of marketing spend (from around 30% today). PANDORA will strengthen its share of voice in the market and spend more than DKK 2.5 billion on marketing, corresponding to around 8% of revenue.

WINNING IN OMNI-CHANNEL RETAIL

PANDORA will increase its owned and operated footprint, opening around 200 concept stores per year (hereof around 65% PANDORA owned) and acquire 75-150 franchise concept stores per year. In 2022, around 2/3 of concept stores will be owned and operated by PANDORA. PANDORA has an ambition to grow the eSTORE to represent 10-15% of revenue, while integrating the online and physical channels by offering consumers omni-channel fulfilment and service functionalities. The multi-branded part of the network will either be transformed into fully branded points of sale (shop-in-shops) or closed.

As part of the presentations, the following **forward-looking statements** will be disclosed:

- **Group revenue**, in the period 2018-2022, is expected to increase annually with **7-10% in local currency**
 - o PANDORA expects annual **like-for-like growth** in PANDORA owned concept stores (including eSTORE) to be low- to mid-single digit
 - o PANDORA expects annual revenue tailwind of **DKK 500-1,000 million from forward integration**
 - o PANDORA expects to add around net **200 concept stores annually** in 2018-2022
- **Group EBITDA margin**, in the period 2018-2022, is expected to be **around 35%**. Compared to current levels, the EBITDA margin will be negatively impacted by
 - o a broader and more innovative product portfolio, and
 - o an increasing share of PANDORA owned stores
- **CAPEX**, in the period 2018-2022, as a percentage of annual revenue is expected to be **around 5%**
- **The effective tax rate** in the period is expected to be **21-22%**.

The event will be webcasted live at: investor.pandoragroup.com and be made available on the Company's website after the event.

All presentation material will be available on the day at:
investor.pandoragroup.com/presentations.cfm.

ABOUT PANDORA

PANDORA designs, manufactures and markets hand-finished and contemporary jewellery made from high-quality materials at affordable prices. PANDORA jewellery is sold in more than 100 countries on six continents through around 7,700 points of sale, including more than 2,300 concept stores.

Founded in 1982 and headquartered in Copenhagen, Denmark, PANDORA employs more than 23,800 people worldwide of whom around 13,200 are located in Thailand, where the Company manufactures its jewellery. PANDORA is publicly listed on the Nasdaq Copenhagen stock exchange in Denmark. In 2016, PANDORA's total revenue was DKK 20.3 billion (approximately EUR 2.7 billion).

CONTACT

For more information, please contact:

INVESTOR RELATIONS

Magnus Thorstholm Jensen
Vice President, Head of Investor Relations
+45 7219 5739
mtje@pandora.net

MEDIA RELATIONS

Martin Kjærsgaard Nielsen
Global Head of Media Relations
+45 50 77 52 71
mnie@pandora.net

Christian Møller
Investor Relations Officer
+45 7219 5361
chmo@pandora.net

Disclaimer

Certain statements in this company announcement constitute forward-looking statements. Forward-looking statements are statements (other than statements of historical fact) relating to future events and our anticipated or planned financial and operational performance. The words “targets,” “believes,” “expects,” “aims,” “intends,” “plans,” “seeks,” “will,” “may,” “might,” “anticipates,” “would,” “could,” “should,” “continues,” “estimate” or similar expressions or the negatives thereof, identify certain of these forward-looking statements. Other forward-looking statements can be identified in the context in which the statements are made. Forward-looking statements include, among other things, statements addressing matters such as our future results of operations; our financial condition; our working capital, cash flows and capital expenditures; and our business strategy, plans and objectives for future operations and events, including those relating to our on-going operational and strategic reviews, expansion into new markets, future product launches, points of sale and production facilities; and

Although we believe that the expectations reflected in these forward-looking statements are reasonable, such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause our actual results, performance or achievements or industry results, to differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements. Such risks, uncertainties and other important factors include, among others: global and local economic 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, 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 regulation 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 in this company announcement.

Should one or more of these risks or uncertainties materialise, or should any underlying assumptions prove to be incorrect, our actual financial condition, cash flows or results of operations could differ materially from that described herein as anticipated, believed, estimated or expected.

We do not intend, and do not assume any obligation, to update any forward-looking statements contained herein, except as may be required by law or the rules of Nasdaq Copenhagen. All subsequent written and oral forward-looking statements attributable to us or to persons acting on our behalf are expressly qualified in their entirety by the cautionary statements referred to above and contained elsewhere in this company announcement.