

# CHANGES TO THE FINANCIAL REPORTING STRUCTURE

10:00 CET, 3 MARCH 2016



**PANDORA**  
UNFORGETTABLE MOMENTS

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# DISCLAIMER

Certain statements in this presentation 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,” “estimates” 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 ongoing operational and strategic reviews, expansion into new markets, future product launches, points of sale and production facilities.

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 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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## CHANGED FINANCIAL REPORTING STRUCTURE - APPROACH

### BACKGROUND

- Unchanged external reporting since the IPO in 2010
- Substantial development in the business and structure from 2010 to 2015

### RELEVANCE

- Better reflection of the current business
- A more balanced and transparent reporting

### REGIONAL FOCUS

- Detailed breakdown on a regional level
- More symmetric structure

### ALIGNMENT

- Full alignment between internal operations and external reporting

# OVERVIEW OF CHANGES

## SYMMETRIC REGIONAL REPORTING

### REVENUE

Regional and group revenue, reported per store type (no country specific revenue)

Multibranded stores aggregate revenue from gold, silver and white stores

### STORE COUNT

Regional and group number of stores per sales channels

Multibranded stores aggregate all gold, silver and white stores

### LIKE-FOR-LIKE

Like-for-like sales-out growth reported for concept stores for all regions and total

No country specific like-for-like development

## UPDATE OF EXISTING TABLES

### PRODUCT MIX – TOTAL BRACELETS

Update of 'bracelet' category to include all bracelets

### ALLOCATION OF UNALLOCATED COSTS

Costs categorised as unallocated costs will be allocated to the three geographical regions

### HOUSEKEEPING

- 1) Updated definition of 3rd party distributors
- 2) Remove ASP & Volume

# SYMMETRIC REGIONAL REPORTING

## REVENUE

Group	Americas	EMEA	AS/PAC
<b>DKK million</b>	<b>Q4 2015</b>	<b>Q4 2014</b>	
Concept stores	3,723	2,226	
- Hereof PANDORA owned	1,343	669	
Shop-in-shops	707	529	
- Hereof PANDORA owned	177	96	
<b>Branded</b>	<b>4,430</b>	<b>2,755</b>	
Branded as % of total	78.0%	69.6%	
<b>Multibranded</b>	<b>786</b>	<b>783</b>	
<b>Total Direct</b>	<b>5,216</b>	<b>3,538</b>	
3rd party	465	423	
<b>Total revenue</b>	<b>5,681</b>	<b>3,961</b>	

## STORE COUNT

Group	Americas	EMEA	AS/PAC
<b>Number of POS</b>	<b>Q4 2015</b>	<b>Q4 2014</b>	
Concept stores	1,802	1,410	
- Hereof PANDORA owned	474	251	
- Hereof 3rd party	491	346	
Shop-in-shops	1,674	1,555	
- Hereof PANDORA owned	118	70	
- Hereof 3rd party	408	288	
<b>Branded</b>	<b>3,476</b>	<b>2,965</b>	
Branded as % of total	37.5%	29.9%	
<b>Multibranded</b>	<b>5,795</b>	<b>6,941</b>	
- Hereof 3rd party	1,184	1,028	
<b>Total PoS</b>	<b>9,271</b>	<b>9,906</b>	

## CONCEPT STORE LIKE-FOR-LIKE SALES-OUT

Regions	Q4 2015	Q4 2014
<b>Like-for-like sales out</b>		
Americas	7.3%	6.3%
EMEA	13.5%	14.6%
Asia Pacific	26.4%	20.2%
<b>Group like-for-like</b>	<b>12.5%</b>	<b>12.4%</b>

## UPDATE EXISTING TABLES

### PRODUCT-MIX (BRACELET CATEGORY)

Group

DKK million	Q4 2015	Q4 2014
Charms	3,568	2,656
Bracelets	<b>1,019</b>	<b>690</b>
- Hereof Moments and ESSENCE collections	719	465
Rings	663	355
Other jewellery	431	260
<b>Total revenue</b>	<b>5,681</b>	<b>3,961</b>

### EBITDA (COST ALLOCATION)

Regions

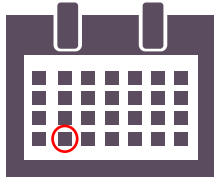
EBITDA margins	Q4 2015	Q4 2014
Americas	30.7%	29.3%
EMEA	41.9%	39.1%
Asia Pacific	40.1%	46.9%
<b>Group EBITDA margin</b>	<b>37.7%</b>	<b>36.5%</b>

### HOUSEKEEPING

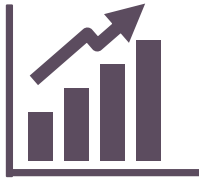
- UPDATED DEFINITION OF 3RD PARTY
- REMOVE ASP AND VOLUME

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## WHAT TO EXPECT IN MAY (Q1 2016)



New reporting structure to be implemented with effect from the Q1 2016 Company Announcement (May 10)



All financial figures, commentary, like-for-like, store count and forward looking statements will be reported in line with the changes to the financial reporting structure



Flavor on markets will be provided when deemed relevant  
Comparative figures (8 quarters back) based on the updated format are provided as of today

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## Q&A

