PANDORA

INTERIM FINANCIAL REPORT
Q3 2024

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THE PANDORA EQUITY STORY

A strong brand in an attractive category

- Pandora stands as the sole global brand in accessible luxury jewellery, owning the distinct position of "jewellery with a meaning" with consumers worldwide.
- The jewellery market has historically outpaced GDP growth and remains highly fragmented, with global brands expected to grow faster than the overall market.
- Pandora holds the highest brand awareness in the industry.

An asset-light, fully integrated business model

- Our asset-light business model benefits from a unique fully vertically integrated ecosystem - from design and crafting to a vast distribution network.
- This integration provides unrivalled scale and, together with our brand strength, drives our strong margin profile and high returns.

Unique growth opportunities

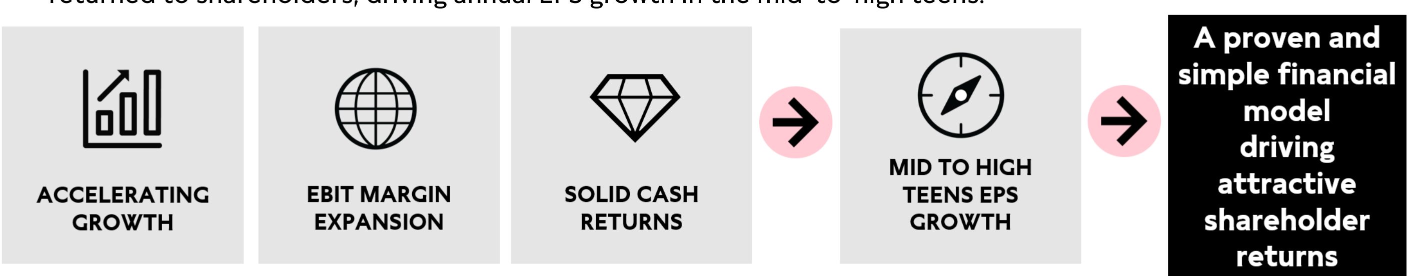
- There are numerous untapped growth opportunities within our existing business model across various geographies, jewellery categories, and designs.
- The essence of our growth strategy is to shift the perception of Pandora to a full jewellery brand and leverage our existing infrastructure.

A resilient, sustainable business

- Sustainability is an integral part of our business and we are progressing toward some of the most ambitious sustainability targets in the industry, spearheading the use of recycled silver and gold, and lab-grown diamonds.

Driving mid-to-high-teens EPS growth

- We expect to outgrow the jewellery market, targeting annual high-single digit organic growth, while maintaining best-in-class profitability with a gross margin around 80% and an EBIT margin increasing from around 25% today to 26-27% in 2026*.
- We anticipate generating significant free cash flow, which, in line with our historic approach, will be fully returned to shareholders, driving annual EPS growth in the mid-to-high teens.



*The EBIT margin target for 2026 is based on September 2023 FX rates and a silver price of USD 23.6 / oz

EXECUTIVE SUMMARY

Pandora delivers 11% organic growth in Q3

Financial highlights

- Pandora continues to execute on its Phoenix strategy and change the perception of Pandora into a full jewellery brand; investments across the value chain are elevating the brand and driving growth across collections.
- Q3 2024 organic growth was 11%, comprising of Like-for-like (LFL) growth of 7%, network expansion of 5% and -1% from phasing of sell-in to partners and other.
- LFL growth in key European markets came in at 4%, the US remained solid at 6% whilst Rest of Pandora continued double-digit growth at 14%.
- The Q3 gross margin reached 80.1%, +110bp vs. Q3 2023, supported by Pandora's vertically integrated business model, price increases and cost efficiencies.
- The Q3 EBIT margin remained solid at 16.1%, -40bp vs. Q3 2023 as previously flagged, reflecting increased headwind from commodity prices and foreign exchange rates, among others.
- Leverage remains low at a NIBD/EBITDA of 1.5x. The combination of solid revenue growth and a sustained strong profitability helped drive 17% Y/Y EPS growth in Q3 2024.

Phoenix strategy highlights

- Pandora is scaling up investments across all four Phoenix strategy pillars of brand, design, markets and personalisation. The investments are yielding encouraging responses.
- The "Core" segment delivered 2% LFL growth whilst the "Fuel with more" segment delivered 21% LFL growth, in line with Pandora's full jewellery brand vision.
- The PANDORA ESSENCE collection completed its first entire quarter after the global launch in mid-Q2 2024. The new organic, fluid and natural aesthetic is appealing well to consumers and drove revenue of DKK 169 million.
- Personalisation services are driving incremental growth. Engraving services, in particular, are gaining traction, growing more than +100% in Q3 2024 with roughly 1,250 engraving machines installed globally.
- Higher commodity prices drives a 360bp headwind to the 2026 EBIT margin target of 26-27%. Pandora confirms mitigating actions to cover at least 140bp of the headwind. Pandora is actively pursuing further mitigation.

2024 Guidance and current trading

- The organic growth guidance is lifted to 11-12% (the high end of the previous guidance at 9-12%). The EBIT margin guidance remains unchanged at around 25%.
- Current trading in October has seen LFL growth at mid-single-digit levels, in line with the underlying trends witnessed since the start of the year.

Alexander Lacik, President and CEO of Pandora, says:
"We are very pleased with our strong results this quarter, particularly in the context of the current macroeconomic backdrop. We are transforming the perception of Pandora into a full jewellery brand and unlocking the next chapter of our growth by attracting more consumers to our brand. Step by step we are capturing the many untapped opportunities, and we will continue to invest in our strategic growth initiatives."

DKK million	Q3 2024	Q3 2023	9M 2024	9M 2023	FY 2023	FY 2024 guidance
Revenue	6,103	5,572	19,707	17,316	28,136	
Organic growth	***11%***	***11%***	**15%**	***5%***	***8%***	**11-12%**
Like-for-Like, %	*7%*	*9%*	8%	*3%*	*6%*	
Operating profit (EBIT)	980	920	3,825	3,365	7,039	
EBIT margin, %	***16.1%***	***16.5%***	***19.4%***	***19.4%***	***25.0%***	**Around 25%**

FINANCIAL HIGHLIGHTS

DKK million	Q3 2024	Q3 2023	9M 2024	9M 2023	FY 2023
Financial highlights					
Revenue	6,103	5,572	19,707	17,316	28,136
Organic growth, %	***11%***	***11%***	***15%***	***5%***	***8%***
Like-for-like, %	*7%*	*9%*	*8%*	*3%*	*6%*
Earnings before interest, tax, depreciation and amortisation (EBITDA)	1,571	1,447	5,555	4,891	9,118
Operating profit (EBIT)	980	920	3,825	3,365	7,039
EBIT margin, %	***16.1%***	***16.5%***	***19.4%***	***19.4%***	***25.0%***
Net financials	-193	-211	-701	-476	-805
Net profit for the period	595	543	2,358	2,210	4,740
Financial ratios					
Revenue growth, DKK, %	*10%*	*6%*	*14%*	*4%*	*6%*
Revenue growth, local currency, %	*12%*	*11%*	*16%*	*7%*	*9%*
Gross margin, %	*80.1%*	*79.0%*	*79.9%*	*78.2%*	*78.6%*
EBITDA margin, %	*25.7%*	*26.0%*	*28.2%*	*28.2%*	*32.4%*
EBIT margin, %	*16.1%*	*16.5%*	*19.4%*	*19.4%*	*25.0%*
Effective tax rate, %	*24.5%*	*23.5%*	*24.5%*	*23.5%*	*24.0%*
Equity ratio, %	*14%*	*15%*	*14%*	*15%*	*23%*
NIBD to EBITDA, x	1.5	1.5	1.5	1.5	1.1
Return on invested capital (ROIC), %[1]	*44%*	*43%*	*44%*	*43%*	*45%*
Cash conversion incl. lease payments, %	*58%*	*65%*	*43%*	*36%*	*78%*
Net working capital, % of last 12 months' revenue	*5.9%*	*9.2%*	*5.9%*	*9.2%*	*1.8%*
Capital expenditure, % of revenue	*7.9%*	*6.7%*	*6.9%*	*6.0%*	*5.8%*
Stock ratios					
Total payout ratio (incl. share buyback), %	*193%*	*249%*	*190%*	*256%*	*136%*
Dividend per share, proposed, DKK	-	-	-	-	18
Dividend per share, paid, DKK	-	-	18	16	16
Earnings per share, basic, DKK	7.3	6.3	29.1	25.6	55.5
Earnings per share, diluted, DKK	7.3	6.3	29.0	25.5	55.1
Consolidated balance sheet					
Total assets	25,529	23,126	25,529	23,126	23,798
Invested capital	18,013	16,228	18,013	16,228	15,126
Net working capital	1,812	2,498	1,812	2,498	510
Net interest-bearing debt (NIBD)	14,498	12,707	14,498	12,707	9,770
Equity	3,515	3,521	3,515	3,521	5,355
Consolidated statement of cash flows					
Cash flows from operating activities	1,181	1,078	2,996	2,563	7,384
Capital expenditure, total	481	374	1,365	1,042	1,624
Capital expenditure, property, plant and equipment	398	305	980	782	1,176
Free cash flows incl. lease payments	572	597	1,640	1,213	5,489

[1] Last 12 months' EBIT in % of last 12 months' average invested capital. The "Return on invested capital (ROIC), %" was updated in Q1 2024 from "Last 12 months' EBIT in % of invested capital" to "Last 12 months' EBIT in % of last 12 months' average invested capital" to present a more useful and less volatile KPI by switching to a moving annual average. All comparative periods have been restated.

For definitions of the performance measures used by Pandora, see note 5.6 Financial definitions to the consolidated financial statements in the Annual Report 2023.

BUSINESS UPDATE

Executing on the full jewellery brand vision

At the Capital Markets Day in October last year, Pandora highlighted its vision to transform the perception of the brand into a full jewellery brand in the accessible luxury market and thereby accelerate revenue growth. Realising this vision entails scaling up investments across the entire value chain, none more so than in driving desirability of the Pandora brand. As the only global player in the accessible luxury jewellery market, Pandora continues to benefit from the shift towards strong brands in a largely fragmented industry with a large runway for growth ahead. Relentless execution on this vision is yielding positive results – Q3 2024 was the fifth consecutive quarter with double-digit organic growth despite the overall jewellery market growth remaining tepid across most markets. The Phoenix strategy continued to drive positive traffic into stores, despite a particularly tough comparison base from last year which was boosted by viral trends across social media platforms. Also, despite the increased investments across the group, Pandora’s profitability remains solid, helped by still record-high gross margins at above 80%. This all helped drive double-digit EPS growth of 17% in the quarter, in line with Pandora’s mid-term target of a mid to high-teens growth CAGR in EPS.

The 11% organic growth in Q3 2024 was supported by strong LFL growth at 7% and network expansion at 5%. As expected, there was a small drag of 1% from phasing of sell-in to partners and other. In Europe, LFL growth in key markets was 4%. This was, still, heavily driven by particularly strong performance in Germany which delivered a very strong 42% LFL growth. Elsewhere, growth was weighed down by Italy which delivered -8% LFL growth. In the US, LFL remained solid at 6% and ahead of a generally soft jewellery market. Rest of Pandora delivered another double-digit quarter with 14% LFL with solid broad-based growth across many countries.

By channel, growth remained particularly strong in the online channel which grew by 20% LFL, representing an 18% share of revenue in the quarter. Pandora’s own stores continued to outperform partner stores in Q3 2024 with Pandora’s physical network delivering 5% LFL vs. partners at 0%.

Pandora's gross margin remained above 80% for the second quarter in a row, reaching 80.1%, a 110bp increase compared to Q3 2023, underpinning Pandora’s ability to leverage its vertically integrated value chain. The gross margin increase was driven by favourable pricing, efficiencies at the crafting facilities and channel mix. These factors more than offset the drag from foreign exchange and commodities of around -40bp. The combined drag from foreign exchange and commodities is expected to increase in Q4 2024 to around 110bp.

Investments across the value chain are elevating brand desirability

As part of the Phoenix strategy, and to drive Pandora towards its full jewellery brand promise, Pandora is scaling up investments across the entire value chain. These include marketing, design, the store network to technology. In marketing, Pandora continues investing in Pandora’s brand restaging and in particular the new “BE LOVE” campaign which has recruited new and returning customers into the brand whilst also gradually improving major brand KPIs. Pandora further amplified brand buzz around the campaign by being active across many cultural moments in the quarter such as the fashion weeks in London, Paris, Milan and Copenhagen. Elsewhere, Pandora’s new flagship store in Copenhagen, which combines the network expansion strategy with brand elevation, was well received by local and international tourists. The store spans 500 square metres across two floors and is Pandora’s largest store to date. The flagship store brings home the unique Pandora experience which centres on jewellery with a meaning and is brought to life as consumers can experience a style studio to curate their own jewellery looks and take advantage of other bespoke services. Pandora will expand the flagship store concept to a few, selected major cities across the World.

Growing the "Core" while "Fuelling with more"

As seen in previous quarters, Pandora continued to leverage the new marketing message from Pandora's "BE LOVE" campaign which is driving growth across Pandora's collections. The Core segment delivered 2% LFL growth, where Moments remained at a healthy 2% and Pandora ME delivered another strong quarter at 21% LFL growth. Collabs, which delivered -6% LFL growth, remains a small drag largely reflecting tougher prior year comparatives due to the "Disney 100" collection. Meanwhile, the Fuel with more segment delivered strong LFL growth at 21% despite running into the tougher comparatives from the previous year. The Timeless collection continued to hold on to strong momentum at 18% LFL growth. During the quarter, Pandora Lab-Grown Diamonds generated revenue of DKK 64 million with LFL growth of 34%. As previously flagged, growth in this collection is now annualising last year's assortment expansion which took place in Q3 2023. During the quarter, Pandora launched its new Microfine Diamonds range which showcases micro lab-grown diamonds across new product designs and have shown an encouraging response from consumers due to the beautiful designs and accessible pricing.

PANDORA ESSENCE off to an encouraging start

As part of the design strategy, Pandora will strategically broaden its product assortment to cater to new design aesthetics, targeting both existing and new consumers. After gradually being launched in Q2 2024, the new PANDORA ESSENCE collection was available across all markets in Q3 2024. The collection expands into the aesthetic space of organic, fluid and natural which constitutes 17% of the global jewellery market where Pandora previously had very limited presence. The new contemporary and sculptural collection is inspired by the beauty and simplicity of organic shapes from nature. PANDORA ESSENCE is crafted with high-quality materials like sterling silver, 14K plated gold, and cultured pearls. In Q3 2024, the collection delivered DKK 169 million revenue, with broadly half of the revenue being generated by consumers who are new to the Pandora brand. The collection is also generating good buzz through social media channels with various influencers showcasing the gold bangles and pearls to generate ongoing collection excitement.

REVENUE BY SEGMENT

DKK million	Q3 2024	Q3 2023	*Like-for-Like*	*Share of Revenue*	9M 2024	9M 2023	*Like-for-Like*	*Share of revenue*
Core	**4,634**	**4,368**	***2%***	***76%***	**14,758**	**13,770**	***2%***	***75%***
- Moments	3,895	3,604	*2%*	*64%*	12,472	11,489	*3%*	*63%*
- Collabs	514	561	*-6%*	*8%*	1,600	1,717	*-11%*	*8%*
- ME	226	202	*21%*	*4%*	686	565	*20%*	*3%*
Fuel with more	**1,468**	**1,204**	***21%***	***24%***	**4,950**	**3,546**	***28%***	***25%***
- Timeless	1,065	841	*18%*	*17%*	3,813	2,669	*30%*	*19%*
- Signature	170	275	*-32%*	*3%*	607	722	*-18%*	*3%*
- PANDORA ESSENCE[1]	169	3	-	*3%*	342	3	-	*2%*
- Pandora Lab-Grown Diamonds	64	86	*34%*	*1%*	188	152	*66%*	*1%*
Total revenue	**6,103**	**5,572**	***7%***	***100%***	**19,707**	**17,316**	***8%***	***100%***

[1]PANDORA ESSENCE was launched in Q2 2024 following a pilot in the Netherlands in 2023.

Personalising the consumer experience driving incremental revenue growth

Pandora's commitment to personalization and customer-centric initiatives continue to drive success across key areas. The engraving service is resonating strongly with consumers and creates significant buzz on social media channels. In the quarter, Pandora's engraving service grew more than +100% Y/Y with roughly 1,250 machines installed globally and targeting at least 1,450 stores offering engraving services by the end of 2024. In addition, the launch of "Pandora Cares", a two-year extended warranty service available in physical stores in the US since 29 January 2024, has reached DKK 69 million in sales YTD with a 12% share of transactions.

Network expansion continues at a good pace

In Q3 2024, Pandora delivered an incremental revenue contribution from network expansion of 5%, driven by the net opening of 155 concept stores and 106 Pandora owned shop-in-shops over the past 12 months. Network expansion is low risk, while being accretive to margins and returns. As such, Pandora continues its plans to expand the network with 400-500 targeted net openings through 2024-2026. For FY 2024, Pandora now targets net 125-150 concept store openings (previously 100-150) and 50-75 (unchanged) new Pandora owned shop-in-shops.

At the same time, the roll-out of the new store concept Evoke continues with a total of 295 Evoke concept stores globally by the end of Q3 2024. Pandora is targeting around 1,375-1,425 Evoke concept stores by the end of 2026. The roll-out is a long-term investment and a multiyear journey, aimed to enable Pandora's positioning as a full jewellery brand while at the same time elevating brand desirability.

Recent adverse movements in commodity prices and foreign exchange rates – firm action being taken

At the Capital Markets Day in 2023, Pandora announced new financial targets including a 26-27% EBIT margin by 2026. The target was set based on a silver price of USD 23.6 per ounce. Since April 2024, silver prices have increased to a spot price of around USD 33 per ounce as per November 4, 2024. All else equal, and when combined with the current gold price and foreign exchange rates, this represents a material incremental headwind of around 360bp to the EBIT margin target for 2026. This will impact the EBIT margin gradually from Q1 2025 onwards.

In response to the increase in silver prices during Q2 2024, Pandora initiated a number of mitigating actions including a 5% price increase implemented in October 2024 and a number of additional cost actions. As communicated in the Q2 2024 Interim Report, these actions would fully offset the 140bp headwind seen at that point in time (based on a silver price of USD 27).

In response to the recent further increase in commodity prices, Pandora is taking immediate and firm action. This includes further price increases beyond what has already been implemented in October 2024 and beyond the normal annual 1-2% as well as the initiation of a group wide cost program with external support.

At this point in time, it is too early to conclude on the magnitude as well as the timing of the additional mitigating actions to cover the remaining headwind of 220bp to the CMD EBIT margin target by 2026 of 26-27% (based on a silver price of USD 33). An update will be provided at the FY 2024 announcement.

Pandora normally hedges silver on an ongoing basis resulting in a 9-12 months delayed impact on the EBIT margin from changes in the spot price. The 2024 price has therefore been almost fully hedged already at USD 23.8 per ounce and the recent increase in silver prices has no impact on the guided margin in 2024. Since the end of March 2024, Pandora has temporarily paused further hedging of silver in response to the higher silver prices. Pandora has currently hedged 39% of the silver and gold used for production in Q1 2025. Adjusting for the time-lag from production through inventories to sales, this means that the P&L for Q1-Q3 2025 is roughly 50% hedged already. At the current spot price of silver, gold and foreign exchange, the combined EBIT margin headwind in 2025, before any mitigation, is 240bp.

REVENUE REVIEW

Double-digit revenue growth driven by strong LFL and network expansion

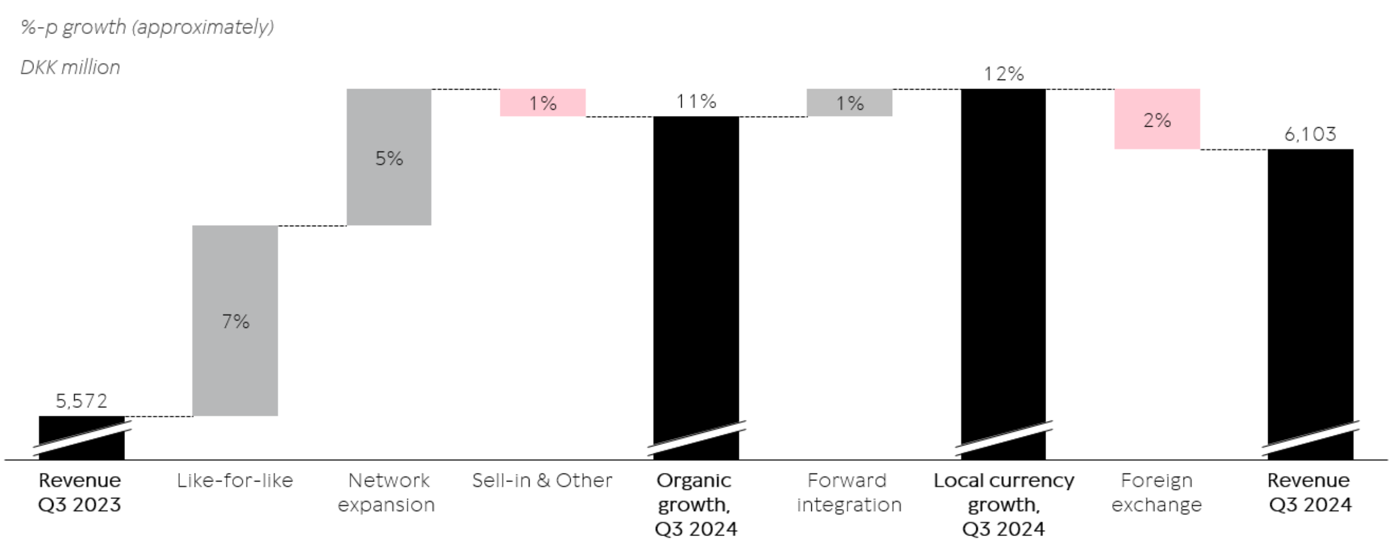
In Q3 2024, Pandora delivered organic growth of 11%, which was driven by LFL growth of 7% and network expansion of 5%. As expected, sell-in and other resulted in a 1% drag on organic growth in Q3 mainly driven by the soft performance among multi-brand partners (which are not part of LFL), as well as phasing of sell-in. As already indicated by the full year guidance, the drag from "Sell-in and Other" is expected to be at a similar level for Q4 2024 (for more details, see guidance section).

In the Core segment, LFL growth was stable at 2%, with Moments growing at 2% LFL, driven by its robust base offering. This continues to be somewhat offset by the performance in Collaborations reflecting tougher prior year comparatives which benefitted from the "Disney 100" years collection. The Fuel with more segment delivered 21% LFL growth, driven by the strong performance of Timeless which delivered a LFL of 18% despite comping last year's viral trends across social media platforms.

Forward integration continues to support total revenue growth with Pandora acquiring 1 concept store in the US in Q3. This brings the total number of acquired concept stores over the past 12 months to 38, and the total revenue contribution from forward integration to 1% in Q3 2024. Foreign exchange rates represented a net headwind of 2%, driven by a weaker Mexican and Argentinian peso as well as the continued weakening of the Turkish lira.

The revenue growth development can be illustrated as follows:

Q3 2024 growth composition vs. Q3 2023



REVIEW OF REVENUE BY KEY MARKET

Brand momentum drives solid growth in Q3 2024

In Q3 2024, Pandora delivered a strong performance, with traffic-led LFL of 7%, maintaining momentum despite challenging comparatives from the previous year, which benefitted from a handful of viral trends across social media platforms. Overall jewellery market growth remains tepid across most markets and recently heightened promotional activity among competitors across some markets has been observed. For Pandora, marketing investments to enhance brand desirability and to reposition Pandora as a full jewellery brand, supported by the ongoing success of the "BE LOVE" multi-season campaign, remained active in attracting new consumers across markets. Organic growth was further boosted by network expansion, with new stores opening in multiple countries across the globe.

US

LFL growth in the US remained robust at 6%, fuelled by among others marketing investments which are yielding good results. The organic growth came in at 14%, driven by the momentum generated from new store openings over the past 12 months. The organic growth for the first three quarters of 2024 was 15%. Despite a heavy external promotional environment, the growth in Pandora US continues to be ahead of the broader market which remains flattish to slightly down. LFL growth in the wholesale channel improved slightly on a sequential basis and was positive, with the gap between performance in Pandora's own physical retail and the wholesale channel narrowing in Q3.

Key markets in Europe

In line with expectations, the key markets in Europe delivered LFL growth of 4%, with the sequential decline driven by some normalisation of the exceptional performance in Germany. Overall brand momentum in Germany remains strong and LFL ended at 42% in Q3. The LFL in Germany remains traffic-led coupled with better execution resulting in higher conversion across channels despite an overall more promotional market.

The UK delivered a negative LFL of -2%, outperforming a still challenging jewellery market which continues to be impacted by dampened consumer sentiment. Pandora continued to focus on driving growth across its collections and improving in-store execution.

Italy generated LFL of -8%. Whilst performance is negatively impacted by ongoing macroeconomic challenges, the performance remains unsatisfactory. Pandora has noted that brand metrics, in particular consideration, is moving in the right direction but this is yet to translate into higher traffic into the stores. Encouragingly, PANDORA ESSENCE is off to a good start in Italy.

France delivered LFL of -1%. The market was slightly negatively impacted in the early part of the quarter owing to the Olympics in Paris. Pandora's performance was also impacted by softer traffic online relative to last year where viral products boosted traffic in August and September. Organic growth in France ended in positive at 3% in Q3 2024, driven by network optimisation. To further develop the store network and drive brand awareness closer to that of other European key markets, Pandora continues to optimise its network in France.

Australia and China

Australia delivered LFL growth of -2% in Q3 2024, showing sequential improvement, supported in part by a successful campaign for the PANDORA ESSENCE collection at Australian Fashion Week. While low consumer sentiment and subdued purchasing power impacted overall performance, Pandora-operated physical stores outperformed partner stores by 9 percentage points. This outperformance of multi-brand partners (which are not part of LFL) and comping last year's launch of the new Lab-grown diamonds collections both resulted in lower sell-in compared to last year, and therefore had a negative impact on organic growth.

The performance in China continues to be challenged ending at -33% LFL in the quarter. The quarter was partly impacted by Pandora's decision to reduce the promo level compared to prior years. Pandora is committed to navigating the market's complexities and gradually build the brand in China and Pandora is currently considering the next step on this journey.

Rest of Pandora

Rest of Pandora delivered ahead of expectations in the third quarter and reported another double-digit quarter, achieving 14% LFL. The strong growth remains broad-based with established markets such as Spain and Poland sustaining mid-teens LFL growth, while less penetrated markets like Netherlands, Portugal and Austria exhibited solid double-digit LFL growth. Mexico delivered a strong 10% LFL in Q3 improving sequentially 12pp from Q2, with a strong performance in July during end of season sale, and despite a heavy external promotional environment throughout the quarter. As already flagged, Turkey continued to normalise from the extraordinary growth rates, but still posted a solid double-digit LFL growth. Network expansion continues across many markets in Rest of Pandora and organic growth reached 19% in Q3 2024.

QUARTERLY REVENUE DEVELOPMENT BY KEY MARKET

DKK million	Q3 2024	Q3 2023	*Like-for-like*	*Organic growth*	*Share of revenue*
US	1,796	1,566	*6%*	*14%*	*29%*
China	84	132	*-33%*	*-36%*	*1%*
UK	740	729	*-2%*	*0%*	*12%*
Italy	466	496	*-8%*	*-7%*	*8%*
Australia	195	221	*-2%*	*-13%*	*3%*
France	227	220	*-1%*	*3%*	*4%*
Germany	431	301	*42%*	*43%*	*7%*
Total key markets	**3,938**	**3,666**	***3%***	***7%***	***65%***
Rest of Pandora	**2,165**	**1,906**	***14%***	***19%***	***35%***
Total revenue	**6,103**	**5,572**	***7%***	***11%***	***100%***

YEAR-TO-DATE REVENUE DEVELOPMENT BY KEY MARKET

DKK million	9M 2024	9M 2023	*Like-for-like*	*Organic growth*	*Share of revenue*
US	5,996	5,115	*7%*	*15%*	*30%*
China	313	449	*-24%*	*-28%*	*2%*
UK	2,288	2,194	*-1%*	*2%*	*12%*
Italy	1,599	1,620	*-5%*	*-2%*	*8%*
Australia	609	659	*-4%*	*-7%*	*3%*
France	761	694	*0%*	*10%*	*4%*
Germany	1,367	865	*58%*	*58%*	*7%*
Total key markets	**12,933**	**11,596**	***5%***	***10%***	***66%***
Rest of Pandora	**6,774**	**5,720**	***15%***	***24%***	***34%***
Total revenue	**19,707**	**17,316**	***8%***	***15%***	***100%***

REVIEW OF NETWORK DEVELOPMENT

Expansion of Pandora's global network continued with 49 net openings in Q3 2024

During the third quarter of 2024, Pandora added a net of 39 concept stores and 10 Pandora owned shop-in-shops to the network. The concept store openings have been relatively broad based geographically although North America still constituted nearly half of the openings in the quarter. The shop-in-shop openings were concentrated in Japan and US.

The network expansion drove revenue growth of 5% in Q3 2024. On top of that, forward integration added 1% to revenue growth.

Network expansion is low risk, while being accretive to margins and returns. As such, Pandora continues its plans to expand the network with 400-500 targeted net openings through 2024-2026. For FY 2024, Pandora now targets net 125-150 concept store openings (previously 100-150) and 50-75 (unchanged) new Pandora owned shop-in-shops.

Number of points of sale[1]	**Q3 2024**	**Q2 2024**	**Q3 2023**	***Growth Q3 2024 /Q2 2024***	***Growth Q3 2024 /Q3 2023***
Concept stores	**2,734**	**2,695**	**2,579**	***39***	***155***
- of which Pandora owned[2]	2,033	1,984	1,783	*49*	*250*
- of which franchise owned	371	391	486	*-20*	*-115*
- of which third-party distribution	330	320	310	*10*	*20*
Other points of sale	3,924	3,940	3,989	*-16*	*-65*
- of which Pandora owned[2]	**615**	**605**	**509**	***10***	***106***
- of which franchise owned	3,009	3,038	3,159	*-29*	*-150*
- of which third-party distribution	300	297	321	*3*	*-21*
Total points of sale	6,658	6,635	6,568	*23*	*90*

[1] Please refer to note 11 Store network, concept store development in the accounting notes section for more details.

[2] Pandora does not own any of the premises (land and buildings) where stores are operated. Pandora exclusively operates stores from leased premises.

PROFITABILITY

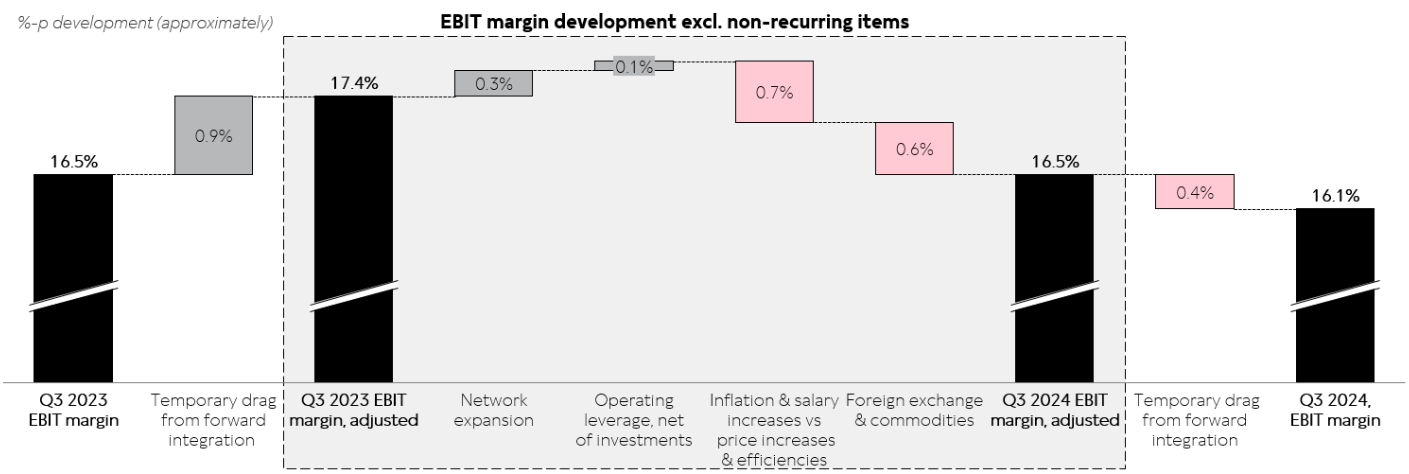
EBIT margin on track, supported by a strong gross margin

Pandora remains on track to deliver an EBIT margin of around 25% in 2024. As already flagged and in line with previous quarter, the EBIT margin in Q3 was slightly down ending at 16.1%, -40bp below Q3 2023. This was impacted by headwinds from foreign exchange rates and commodity prices which turned from a 10bp tailwind in the previous quarter to a -60bp headwind in the third quarter, partially offset by a lower temporary drag from inventory buybacks in connection with forward integration. The headwind from foreign exchange rates and commodity prices is expected to remain negative in the fourth quarter and become a -50bp drag on the full year.

In line with the previous quarters and the guidance, the elevated cost increases arising from inflation and in particular salary increases continue to weigh on the margin and more than offset the price increases and efficiencies in the quarter. Pandora continues to invest across the value chain to drive growth through among others the restaging of the brand, and accelerating other initiatives in digital and technology.

Network expansion remained on track and contributed positively to the margin in Q3. The margin contribution in this particular quarter is due to a larger impact from closures within the wholesale channel than previous quarters.

The temporary margin drag from buying back inventories in connection with forward integration represented a headwind of -40bp in the quarter, down 50bp from last year. Foreign exchange rates represented a headwind of -10bp, and the headwind from commodities was -50bp. The higher price of silver and gold is driving the negative impact on commodities, while the headwind on currency comes from the weakening of the Mexican Peso, Turkish Lira and USD, partly offset by a lower Thai Baht.



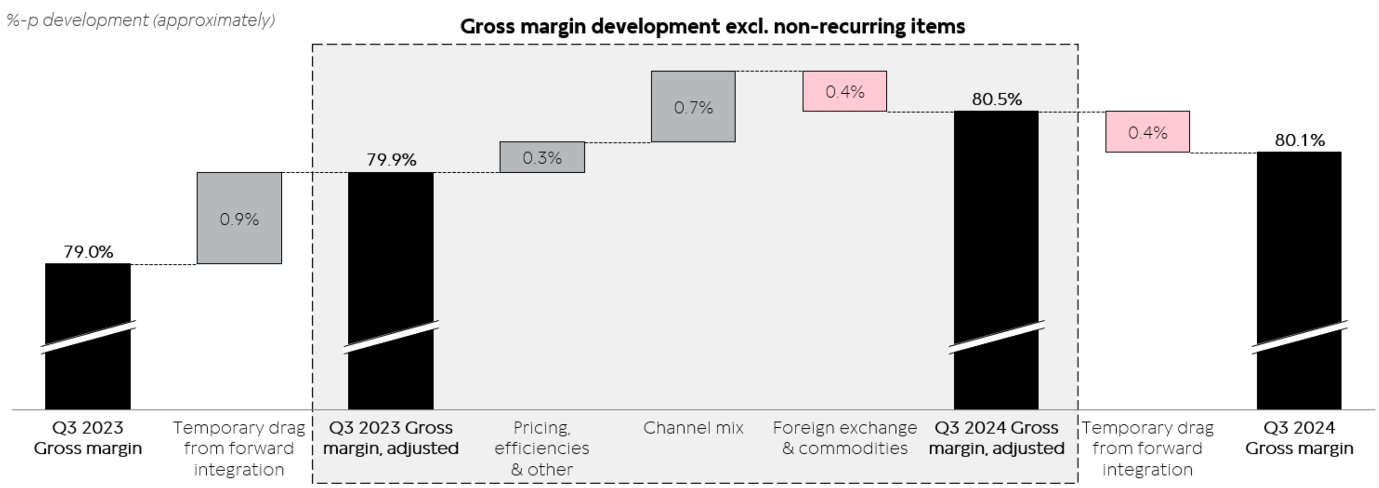
GROSS MARGIN

The gross margin in Q3 2024 was 80.1%, +110 bp above Q3 2023, underpinning the strength of Pandora's vertically integrated business model.

As in previous quarters, the increase in the gross margin is partly driven by price increases, as well as continued efficiencies at the crafting facilities. This is partly offset by salary increases and inflation and, specifically in Q3 2024, additional cost related to custom duties resulting in a net 30bp contribution. Channel mix contributed with +70bp positive impact vs Q3 2023, driven by the higher share of revenue generated by Pandora owned and operated stores. Lastly product mix was also contributing positively, as Fuel with more has a larger share of revenue with a gross margin of 84.2% compared to Core with a gross margin of 78.7%.

The impact from foreign exchange rates was broadly flat (+10bp), whilst commodities drove a -50bp headwind vs. Q3 2023, due to an increase in the price of silver and gold. This 40bp headwind compares to a 30bp tailwind last quarter, Q2 2024.

The gross margin is temporarily impacted by buying back inventory when doing forward integration. This represented a net tailwind of 50bp compared to Q3 2023. Adjusting for forward integration, the underlying gross margin improved by +60bp to 80.5%.



GROSS MARGIN AND GROSS PROFIT

DKK million	Q3 2024	Q3 2023	*Growth in constant FX*	9M 2024	9M 2023	*Growth in constant FX*
Revenue	6,103	5,572	*12%*	19,707	17,316	*16%*
Cost of sales	-1,217	-1,168	*7%*	-3,969	-3,771	*9%*
Gross profit	**4,886**	**4,404**	***13%***	**15,738**	**13,546**	***18%***
Gross margin %	***80.1%***	***79.0%***	***1.0%***	***79.9%***	***78.2%***	***1.3%***

OPERATING EXPENSES

The operating expenses increased by 14% in constant exchange rates measured against Q3 2023 driven by the profitable network expansion and the continued marketing investments behind the brand.

Sales and distribution expenses increased by 20% in constant exchange rates. This increase largely reflects the expansion of the store network combined with forward integration. In total, Pandora added 356 owned and operated stores to the network compared to Q3 2023 which alone drove DKK 250 million additional expenses, equivalent to a 160bp increase in sales and distribution expenses as a share of revenue vs last year. The expansion of the network is accretive to the EBIT margin as the increase in sales and distribution expenses is offset by a higher gross margin and leverage on other OPEX lines (Administrative and marketing expenses). Investments in digital and IT (a.o. upgrade of the online platform, engraving, implementation of a store workforce management system) accounted for a DKK 32 million increase (equivalent to a 60bp increase in the sale and distribution ratio). In Q4 2024, the increase in sales and distribution expenses as a share of revenue is expected to be lower than YTD 2024 and mainly reflect the expansion of the network.

Marketing expenses increased by 11% in constant exchange rates vs Q3 2023, growing in line with revenue and ending at 14.8% share of revenue, in line with last year. Pandora remains committed to fuelling brand desire and investing in marketing to accelerate the journey to transform the perception of Pandora into a full jewellery brand.

As in prior quarters, we saw operating leverage on administrative expenses in the quarter. Administrative expenses decreased 2% in constant exchange rates vs. Q3 last year and decreased 110bp as a share of revenue. The decrease in absolute terms is partly driven by a shift of digital and IT investments towards retail and online, which is a part of sales and distribution expenses.

QUARTERLY OPERATING EXPENSES

DKK million	Q3 2024	Q3 2023	*Growth in constant FX*	*Share of revenue Q3 2024*	*Share of revenue Q3 2023*
Sales and distribution expenses	-2,449	-2,090	*20%*	*40.1%*	*37.5%*
Marketing expenses	-903	-823	*11%*	*14.8%*	*14.8%*
Administrative expenses	-553	-571	*-2%*	*9.1%*	*10.2%*
Total operating expenses	**-3,905**	**-3,484**	***14%***	***64.0%***	***62.5%***

YEAR-TO-DATE OPERATING EXPENSES

DKK million	9M 2024	9M 2023	*Growth in constant FX*	*Share of revenue 9M 2024*	*Share of revenue 9M 2023*
Sales and distribution expenses	-7,311	-6,068	*23%*	*37.1%*	*35.0%*
Marketing expenses	-2,869	-2,403	*20%*	*14.6%*	*13.9%*
Administrative expenses	-1,733	-1,711	*2%*	*8.8%*	*9.9%*
Total operating expenses	**-11,913**	**-10,181**	***19%***	***60.5%***	***58.8%***

FINANCIAL EXPENSES AND TAX

Net financials came in at a cost of DKK 193 million in Q3 2024, compared to DKK 211 million in Q3 2023. The majority of the decrease is driven by two factors: i) a lower loss of DKK 7 million on foreign exchange hedging contracts in Q3 2024 compared to a loss of DKK 34 million in Q3 2023 and ii) non-cash foreign exchange rate adjustments on mainly intercompany balances between group entities resulting in a gain of DKK 38 million in Q3 this year (DKK 2 million gain in Q2 2023). These factors offset an increase in the underlying net financials which is mainly driven by DKK 30 million higher IFRS16 related interest on lease contracts. Based on the current foreign exchange rates, Pandora expects total net financial expenses in 2024 to be around DKK 950-1,000 million (previously around DKK 1,000 million). The guidance consists of around DKK 800 million interest on debt, IFRS 16 related interest and fees, which remains broadly unchanged, and around DKK 150-200 million loss (previously around DKK 200 million) on foreign exchange hedging contracts and non-cash foreign exchange adjustments on intercompany balances. The latter is subject to the usual movements in foreign exchange rates that Pandora is exposed to and updated accordingly.

The effective tax rate in Q3 2024 came in at 24.5%, up by 100bp compared to Q3 2023 and in line with the guidance. The increase is driven by the Pillar Two tax rules, taking effect in 2024.

EPS was DKK 7.3 for the quarter, an increase of 17% from DKK 6.3 in Q3 2023.

CASH FLOW & BALANCE SHEET

Continued improvement of net working capital

Net working capital came in at 5.9% of revenue, which was down by 330bp from 9.2% in Q3 2023. The reduction was mainly driven by strong inventory management with inventories being flat in absolute terms versus Q3 last year, despite a 10% increase in group revenues. This is driving a 180bp decrease in inventories as a percentage of revenue compared to Q3 2023.

Trade receivables continue to be at a healthy level and ended at 2.5% of revenue, down 90bp from Q3 2023 following intensified cash management leading to lower days sales outstanding (DSO) in among others Mexico. The total DSO is 11 days for Q3 2024, down four days compared to Q3 2023. The wholesale DSO were 40 days, in line with Q3 2023. Retail DSO were down to 5 days, a reduction of two days compared to Q3 2023.

Efforts to improve net working capital is also visible in trade payables. Trade payables increased 100bp as a percent of revenue to 9.7% by the end of Q3 2024. This is driven by a.o. continued efforts to renegotiate payment terms.

Cash conversion remained solid at 58%; the 7pp decrease compared to Q3 2023 was driven by planned investments related to the profitable network expansion and store refits related to the roll-out of Evoke. The free cash flow was DKK 0.6 billion, in line with last year.

CAPEX was DKK 0.5 billion in the quarter, equivalent to 7.9% of revenue, and up by DKK 0.1 billion versus Q3 2023. In line with normal seasonality, the CAPEX ratio is expected to come back down in Q4, landing the full-year within the guided range of 6-7% of revenue. The increase is driven by investments to fuel the expansion of the store network, as well as Digital and Technology, not least the new ERP platform.

ROIC remains structurally high at 44% in Q3 2024, broadly in line with Q3 2023 at 43%. The high ROIC continues to be supported by the investments into expanding Pandora's store network, as new Pandora stores are ROIC accretive on a run-rate basis.

NET WORKING CAPITAL

Share of preceding 12 months' revenue	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023
Inventories	*16.0%*	*14.9%*	*15.2%*	*14.8%*	*17.8%*
Trade receivables	*2.5%*	*2.8%*	*3.8%*	*4.8%*	*3.4%*
Trade payables	*-9.7%*	*-9.2%*	*-9.2%*	*-11.4%*	*-8.7%*
Other net working capital elements	*-2.9%*	*-2.4%*	*-2.9%*	*-6.4%*	*-3.3%*
Total	***5.9%***	***6.0%***	***6.9%***	***1.8%***	***9.2%***

Balance Sheet

Non-current assets increased by DKK 2.5 billion compared to Q3 2023 to DKK 17.8 billion by the end of Q3 2024. This was in large part driven by the network expansion increasing the right-of-use assets, as well as CAPEX (tangible assets) related to the store network. Current assets were DKK 7.7 billion, in line with Q3 2023.

Net interest-bearing debt increased to DKK 14.5 billion, up from DKK 12.7 billion in Q3 2023. This corresponds to a leverage of 1.5x, in line with Q3 2023, and in line with usual seasonality. The leverage has peaked, and will be coming back down in Q4 to around 1.2x, ending 2024 well in line with the policy range of 0.5-1.5x (end-of-year range). At the end of Q3 2024, Pandora had DKK 7.1 billion in undrawn committed credit facilities.

Equity is DKK 3.5 billion, in line with Q3 2023. In the quarter, Pandora has bought back shares totalling DKK 1.1 billion, bringing the year-to-date amount to DKK 3.0 billion.

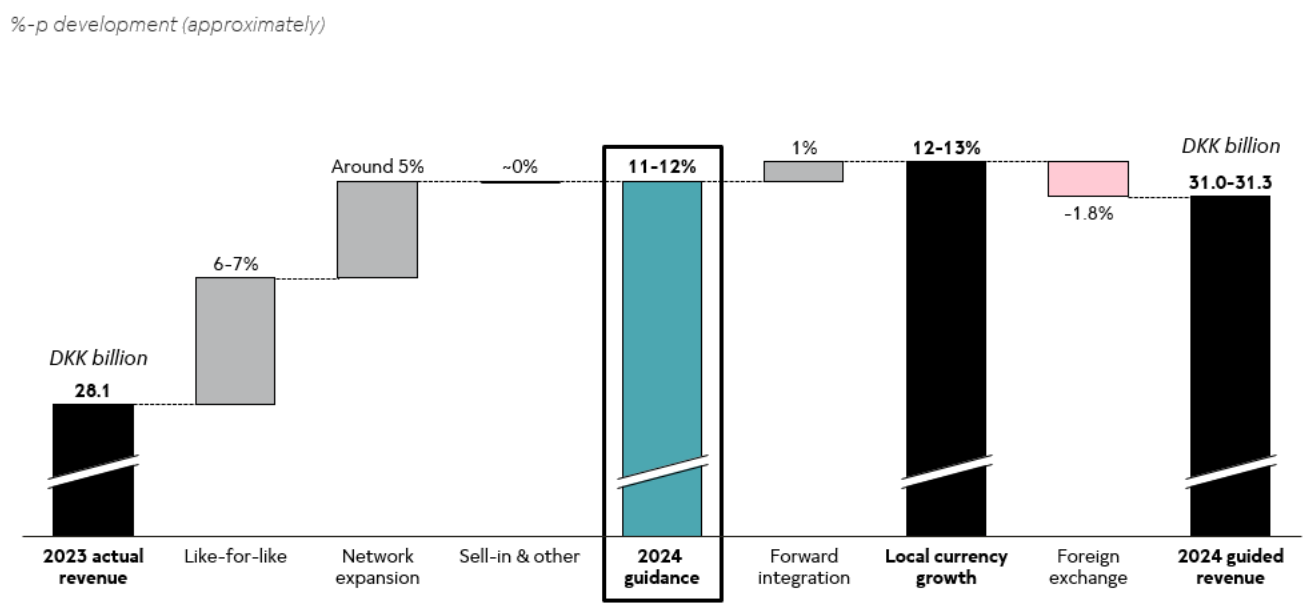
FINANCIAL GUIDANCE

Raising the low end of the organic growth guidance

Despite lingering macroeconomic uncertainties and, therefore, tepid growth in many jewellery markets, Pandora's strategic initiatives under Phoenix are on track and have continued to yield positive results. Following the performance YTD, Pandora updates its financial guidance, raising the low end of the organic growth guidance. Pandora is now targeting organic growth of 11-12% (previously 9-12%) and an EBIT margin around 25% (unchanged).

REVENUE GUIDANCE

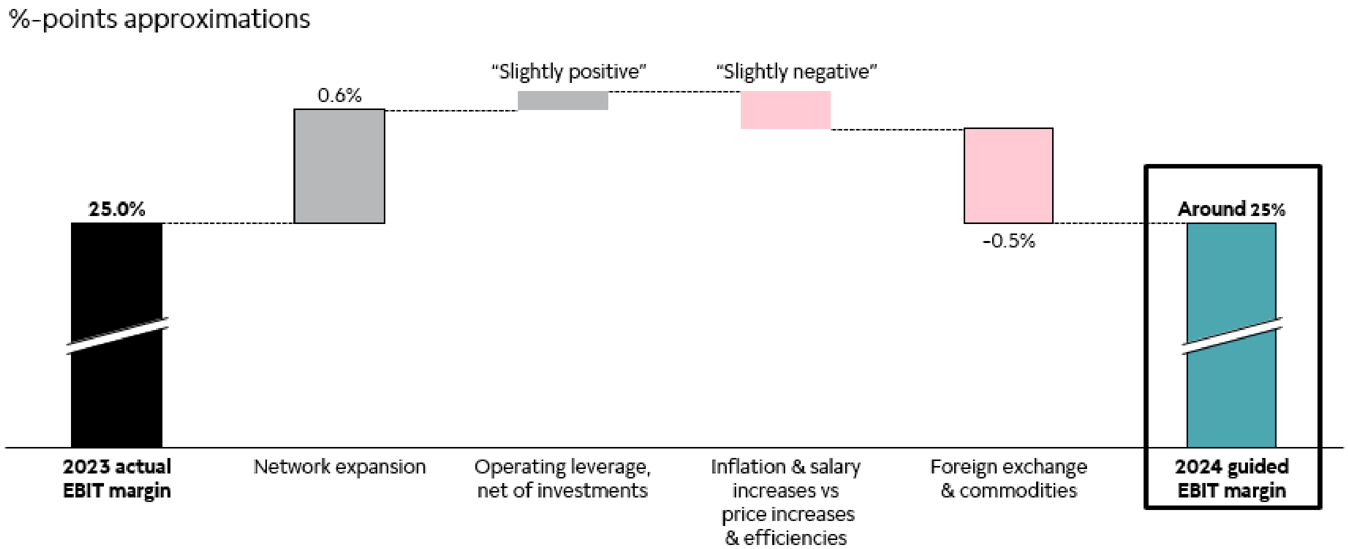
The organic growth guidance can be illustrated as follows:



Pandora is expecting LFL growth of 6-7% (previously 5-7%). The guidance implies LFL growth of 2-5% in Q4 2024, reflecting the weak and uncertain macroeconomic and geopolitical environment, whilst also accounting for the tough comparative base from the prior year which was boosted by higher-than-usual social media activity. Continued network expansion is expected to add around 5% growth (previously 4-5%) whilst sell-in and other factors, which have contributed positively by around 1% to the organic growth YTD, is still expected to be around 0% for the full year, implying a drag of around -1% for Q4 2024. This takes the total organic growth for the full year to 11-12% (previously 9-12%). Finally, forward integration is expected to add around 1% revenue with revenue growth in local currency ending at 12-13% (previously 10-13%).

PROFITABILITY GUIDANCE

The EBIT margin guidance for 2024 is unchanged at around 25% and can be illustrated as follows:



The bridge above include a positive impact from the profitable expansion of Pandora's store network, expected to add 60bp.

The "Operating leverage, net of investments" is expected to be slightly positive, driven by the increase in the LFL guidance compared to the original guidance. The operating leverage will continue to be largely re-invested into initiatives supporting both future and current growth.

As outlined during the Capital Markets Day in 2023, Pandora is scaling up investments to seize current and future growth opportunities. These investments encompass various initiatives such as the restaging of the brand, the rollout of the Evoke store concept, personalised experiences (both online and offline), as well as efforts to establish Pandora as the go-to destination for Lab-Grown Diamonds. Consequently, while positive LFL growth yields operating leverage, the impact of ongoing investments under the Phoenix strategy is expected to offset most of the leverage in 2024.

Furthermore, inflationary pressures, including salary increases, are anticipated to be largely mitigated through price adjustments and operational efficiencies. The combined impact of silver prices and foreign exchange fluctuations is projected to be a drag of 50bp.

2024 GUIDANCE – OTHER PARAMETERS

Pandora expects to open net 125-150 concept stores (previously 100-150) and 50-75 (unchanged) owned and operated other points of sales in 2024.

CAPEX is still expected to end at 6-7% share of revenue, as Pandora continues to scale up investments into the store network with the roll-out of Evoke and network expansion, digital initiatives and crafting facilities.

The effective tax rate is expected to be 24-25% as the Pillar Two tax rules, released by OECD, comes into effect in 2024.

Pandora expects net financial expenses to be around DKK 950-1,000 million in 2024 (previously around DKK 1,000 million).

The guidance contains forward-looking statements, which include estimates of financial performance and targets. These statements are not guarantees of future performance and involve certain risks and uncertainties. Therefore, actual future results and trends may differ materially from what is forecast in this report due to a variety of factors, please also refer to the disclaimer on page 38.

FOREIGN EXCHANGE AND COMMODITY ASSUMPTIONS AND IMPLICATIONS – AS OF 1 NOVEMBER 2024

	Average 2023	Average 2024	2024 Y-Y Financial Impact
USD/DKK	6.89	6.86	
THB/DKK	0.20	0.19	
GBP/DKK	8.57	8.79	
AUD/DKK	4.58	4.54	
MXN/DKK	0.39	0.38	
CAD/DKK	5.11	5.02	
TRY/DKK	0.30	0.21	
CNY/DKK	0.97	0.96	
Silver/USD (per ounce)	22.75	23.82	
Gold/USD (per ounce)	1,840	1,985	
REVENUE (DKK million)			*Approx. -500*
EBIT (DKK million)			*Approx. -270*
EBIT margin (foreign exchange)			*Approx. 0.0%*
EBIT margin (commodities)			*Approx. -0.5%*

CAPITAL STRUCTURE POLICY AND CASH DISTRIBUTION

At the end of Q3 2024, in line with expectations and usual seasonality, Pandora's leverage peaked at 1.5x NIBD to EBITDA, in line with Q3 2023. Pandora aims for a leverage ratio of approximately 1.2x NIBD to EBITDA by the end of 2024.

Pandora has paid out DKK 4.5 billion to shareholders during the first nine months of 2024, of which DKK 1.5 billion came from an ordinary dividend of DKK 18 per share and DKK 3.0 billion was distributed via share buybacks (DKK 0.4 billion related to the 2023 programme ending in early February 2024). Pandora intends to buy back DKK 4.0 billion worth of own shares over twelve months ending January 31, 2025, of which DKK 3.0 billion has been bought back as of November 1, 2024.

SUSTAINABILITY

Sustainability is a cornerstone of our growth strategy, Phoenix.

We are pursuing ambitious targets to lower our impact on the planet, and create positive outcomes for people and communities touched by our business.

In Q3 2024, we continued to execute against our three strategic sustainability priorities: low-carbon business, circular innovation, and inclusive, diverse and fair culture and prepare for full year 2024 reporting, aligned with the requirements of the EU Corporate Sustainability Reporting Directive (CSRD).

- In July, **Pandora's net-zero climate goal** was validated by the Science Based Targets initiative. It marks a significant milestone in Pandora's sustainability journey. It affirms the company's ambition to decarbonise at the pace and scale required to align with the Paris Agreement.

- **Low-carbon:** In 2023, we decreased our total greenhouse gas emissions across Scopes 1, 2 and 3 by 27% compared to our 2019 baseline - solid progress towards our target of halving emissions by 2030. We continued our reduction activities to keep us on track for our 2030 target, but because our company is growing, reaching our climate target will not be a linear journey. We expect emissions to increase in 2024.

- **Circularity:** As of December 2023, we completed the shift of our sourcing to 100% recycled silver and gold for all our jewellery, well ahead of our 2025 target. Pandora is the first global brand to accomplish this circularity transition of its main raw materials.

- **Inclusive, diverse and fair culture:** In 2023, we reached 34% women in senior leadership positions, up from 29% in 2022. This means we achieved our interim 2025 target of 33% women in leadership ahead of schedule. We continued our work with succession plans and promotion processes to reach our milestones towards full gender parity no later than 2030.

More information on Pandora's sustainability performance, strategy and targets can be found in our Sustainability Report 2023.

OTHER EVENTS

Pandora appoints Berta de Pablos-Barbier as CMO

Berta de Pablos-Barbier has 30 years of executive experience from global luxury and consumer goods brands. Most recently, she served as the President & CEO of LVMH's champagne brands Moët & Chandon, Dom Perignon and Mercier, where she spearheaded new innovations that elevated the brands and led to record results. Prior to that she was the Chief Growth Officer of Mars Wrigley and CMO of Lacoste, where she led the brand's global repositioning. She also brings experience from the jewellery industry from her time as VP of Marketing & Communications at Kering-owned jeweller Boucheron. Her career has developed internationally across the US, UK, France, Spain, Russia and the Middle East.

Pandora now crafts its jewellery with 100% recycled silver and gold

Following a transformation of its entire precious metals supply, Pandora is now crafting all jewellery with 100% recycled silver and gold. By using recycled silver and gold instead of newly mined metals, Pandora avoids 58,000 tons CO_2 per year.

Pandora's net-zero climate goal validated by the Science Based Targets initiative

The leading corporate climate action organization Science Based Targets initiative (SBTi) announced on 11 July 2024 that is has validated Pandora's target to become a net-zero business by 2040. This validation marks a significant milestone in Pandora's sustainability journey. It affirms the company's ambition to decarbonize at the pace and scale required to align with the Paris Agreement's goal of limiting global temperature rise to 1.5°C.

To reach net-zero, a company must cut emissions by at least 90% across its full value chain and use permanent carbon removal to balance out any residual emissions. The verification follows SBTi's validation in 2021 of Pandora's target to halve greenhouse gas emissions across its own operations and entire value chain by 2030.

FINANCIAL CALENDAR 2025

The expected dates for publication of financial announcements in 2025 for Pandora A/S are as follows:

05 February 2025	Annual Report 2024
05 February 2025	Remuneration Report 2024
12 March 2025	Annual General Meeting
07 May 2025	Interim Financial Report for the first quarter 2025
15 August 2025	Interim Financial Report for the second quarter 2025
05 November 2025	Interim Financial Report for the third quarter 2025

Any shareholder who proposes business to be transacted at the Annual General Meeting on Wednesday 12 March 2025 must submit the proposal(s) to the Board of Directors' Secretariat no later than Tuesday 28 January 2025. Proposal(s) must be sent by letter to Pandora A/S, Board of Directors' Secretariat att.: Peter Ring, Havneholmen 17-19, DK-1561 Copenhagen V, Denmark or by email to legal@pandora.net

2024 YTD DEVELOPMENT

REVENUE

Total revenue increased by 16% in local currency to DKK 19,707 million in the first nine months of 2024 compared to 2023. Organic growth was 15% reflecting sustained momentum and a strengthening of the brand.

Revenue from Pandora's Core segment grew by 9% in local currency to DKK 14,758 million in the first nine months of 2024 from DKK 13,770 million in 2023. The segment "Fuel with more" saw revenue growth of 41% in local currency, driven by strong performance of the Timeless collection.

GROSS PROFIT AND COSTS

Gross profit was DKK 15,738 million in the first nine months of 2024 (DKK 13,546 million in 2023), resulting in a gross margin of 79.9% in 2024 vs. 78.2% in 2023. The Core segment generated a gross margin of 78.5% (2023: 77.5%), while Fuel with more generated a gross margin of 83.9% (2023: 80.9%). The increase was driven by favourable channel mix, pricing and product mix, as well as efficiencies at our crafting facilities.

Sales and distribution expenses increased to DKK 7,311 million in the first nine months of 2024 (DKK 6,068 million in 2023), corresponding to 37.1% of revenue in 2024 (35.0% in 2023). The increase is mainly the result of the profitable expansion of the Pandora owned physical network.

Marketing expenses were DKK 2,869 million in the first nine months of 2024 (DKK 2,403 million in 2023), resulting in a share of revenue of 14.6% in 2024 compared with 13.9% in 2023. The reason for the higher share of revenue is related to investments behind the brand strategy - transforming the perception of Pandora into a full jewellery brand.

Administrative expenses ended at DKK 1,733 million in the first nine months of 2024 compared with DKK 1,711 million in 2023, corresponding to 8.8% of revenue in 2024, down from 9.9% in 2023.

EBIT

EBIT for the first nine months of 2024 was DKK 3,825 million, resulting in an EBIT margin of 19.4%, the same as in 2023.

NET FINANCIALS

Net financials amounted to a cost of DKK 701 million in the first nine months of 2024 vs. a cost of DKK 476 million in 2023. This reflects among others increased interest on debt, IFRS 16 related interest, fees etc, as well as foreign exchanges rate adjustments and net realised losses on foreign exchange hedging contracts.

INCOME TAX EXPENSES

Income tax expenses were DKK 765 million in the first nine months of 2024 compared with DKK 679 million in 2023, implying an effective tax rate for the Group of 24.5% in 2024, up from 23.5% in 2023, due to the introduction of the Pillar Two tax rules.

NET PROFIT

Net profit in the first nine months of 2024 was DKK 2,358 million vs. DKK 2,210 million in 2023.

CONTACT

CONFERENCE CALL

A conference call for investors and financial analysts will be held today at 11.00 CET and can be joined online at www.pandoragroup.com. The presentation for the call will be available on the website before the call.

The following numbers can be used by investors and analysts:

DK: +45 78 76 84 90
SE: +46 406 820 620
UK: +44 203 769 6819
US: +1 646 787 0157
PIN: 837462

Link to webcast: https://pandora-events.eventcdn.net/events/q3-2024

ABOUT PANDORA

Pandora is the world's largest jewellery brand. The company designs, manufactures and markets hand-finished jewellery made from high-quality materials at accessible price points. Pandora jewellery is sold in more than 100 countries through 6,700 points of sale, including more than 2,600 concept stores.

Headquartered in Copenhagen, Denmark, Pandora employs 33,000 people worldwide and crafts its jewellery at three facilities in Thailand using only recycled silver and gold. Pandora is committed to leadership in sustainability and has set out to halve greenhouse gas emissions across its value chain by 2030. Pandora is listed on the Nasdaq Copenhagen stock exchange and generated revenue of DKK 28.1 billion (EUR 3.8 billion) in 2023.

For more information, please contact:

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FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

DKK million	Notes	Q3 2024	Q3 2023	9M 2024	9M 2023	FY 2023
Revenue	3	6,103	5,572	19,707	17,316	28,136
Cost of sales		-1,217	-1,168	-3,969	-3,771	-6,012
Gross profit		**4,886**	**4,404**	**15,738**	**13,546**	**22,125**
Sales, distribution and marketing expenses		-3,352	-2,913	-10,180	-8,470	-12,707
Administrative expenses		-553	-571	-1,733	-1,711	-2,379
Operating profit		**980**	**920**	**3,825**	**3,365**	**7,039**
Finance income		111	49	205	208	251
Finance costs		-304	-259	-907	-684	-1,056
Profit before tax		**788**	**709**	**3,123**	**2,889**	**6,234**
Income tax expense		-193	-167	-765	-679	-1,494
Net profit for the period		**595**	**543**	**2,358**	**2,210**	**4,740**
Earnings per share, basic, DKK		7.3	6.3	29.1	25.6	55.5
Earnings per share, diluted, DKK		7.3	6.3	29.0	25.5	55.1

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

DKK million	Q3 2024	Q3 2023	9M 2024	9M 2023	FY 2023
Net profit for the period	**595**	**543**	**2,358**	**2,210**	**4,740**
Other comprehensive income:					
Items that may be reclassified to profit/loss for the period					
Exchange rate adjustments of investments in subsidiaries	-184	111	-133	46	-149
Fair value adjustment of hedging instruments	125	-136	298	-385	-197
Tax on other comprehensive income, hedging instruments, income/expense	-9	31	-33	79	39
Items that may be reclassified to profit/loss for the period, net of tax	**-68**	**7**	**131**	**-260**	**-308**
Items not to be reclassified to profit/loss for the period					
Actuarial gain/loss on defined benefit plans, net of tax	-6	-	-6	-21	-9
Items not to be reclassified to profit/loss for the period, net of tax	**-6**	**-**	**-6**	**-21**	**-9**
Other comprehensive income, net of tax	**-74**	**7**	**125**	**-281**	**-317**
Total comprehensive income for the period	**521**	**550**	**2,484**	**1,929**	**4,423**

CONSOLIDATED BALANCE SHEET

DKK million	Notes	2024 30 September	2023 30 September	2023 31 December
ASSETS				
Goodwill	7	5,003	4,977	4,914
Brand		1,057	1,057	1,057
Distribution		1,034	1,040	1,039
Other intangible assets		969	678	790
Total intangible assets		**8,063**	**7,752**	**7,801**
Property, plant and equipment		3,169	2,550	2,746
Right-of-use assets	8	4,698	3,541	3,779
Deferred tax assets		1,632	1,317	1,260
Other financial assets		280	225	215
Total non-current assets		**17,843**	**15,386**	**15,800**
Inventories		4,898	4,824	4,166
Trade receivables	5	757	931	1,342
Right-of-return assets		51	37	55
Derivative financial instruments	4,12	369	43	87
Income tax receivable		174	185	103
Other receivables		763	872	849
Cash		676	848	1,397
Total current assets		**7,687**	**7,740**	**7,998**
Total assets		**25,529**	**23,126**	**23,798**
EQUITY AND LIABILITIES				
Share capital		82	89	89
Treasury shares		-2,189	-3,647	-4,353
Reserves		750	657	610
Proposed dividend		-	-	1,480
Retained earnings		4,871	6,422	7,530
Total equity		**3,515**	**3,521**	**5,355**
Provisions		488	378	408
Loans and borrowings	4,8	11,537	11,970	9,737
Deferred tax liabilities		280	138	164
Other payables		175	-	80
Total non-current liabilities		**12,480**	**12,486**	**10,389**
Provisions		22	18	23
Refund liabilities		554	464	721
Contract liabilities		186	177	185
Loans and borrowings	4,8	3,636	1,585	1,430
Derivative financial instruments	4,12	69	271	128
Trade payables	9	2,950	2,364	3,211
Income tax payable		950	1,079	583
Other payables		1,166	1,162	1,773
Total current liabilities		**9,534**	**7,119**	**8,053**
Total liabilities		**22,014**	**19,605**	**18,443**
Total equity and liabilities		**25,529**	**23,126**	**23,798**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

DKK million	Share capital	Treasury shares	Translation reserve	Hedging reserve	Dividend proposed	Retained earnings	Total equity
2024							
Equity at 1 January	89	-4,353	642	-33	1,480	7,530	5,355
Net profit for the period	**-**	**-**	**-**	**-**	**-**	**2,358**	**2,358**
Other comprehensive income, net of tax	**-**	**-**	**-88**	**229**	**-**	**-15**	**125**
Total comprehensive income for the period	**-**	**-**	**-88**	**229**	**-**	**2,343**	**2,484**
Share-based payments	-	208	-	-	-	-65	143
Purchase of treasury shares	-	-2,996	-	-	-	-	-2,996
Cancellation of treasury shares	-7	4,952	-	-	-	-4,945	-
Dividend proposed	-	-	-	-	-9	9	-
Dividend paid	-	-	-	-	-1,471	-	-1,471
Equity at 30 September	**82**	**-2,189**	**554**	**196**	**-**	**4,871**	**3,515**
2023							
Equity at 1 January	96	-3,320	797	121	1,430	8,044	**7,167**
Net profit for the period	**-**	**-**	**-**	**-**	**-**	**2,210**	**2,210**
Other comprehensive income, net of tax	**-**	**-**	**40**	**-300**	**-**	**-21**	**-281**
Total comprehensive income for the period	**-**	**-**	**40**	**-300**	**-**	**2,190**	**1,929**
Share-based payments	-	278	-	-	-	-149	129
Purchase of treasury shares	-	-4,292	-	-	-	-	-4,292
Cancellation of treasury shares	-7	3,687	-	-	-	-3,680	-
Dividend proposed	-	-	-	-	-18	18	-
Dividend paid	-	-	-	-	-1,412	-	-1,412
Equity at 30 September	**89**	**-3,647**	**836**	**-179**	**-**	**6,422**	**3,521**

CONSOLIDATED STATEMENT OF CASH FLOWS

DKK million	Notes	Q3 2024	Q3 2023	9M 2024	9M 2023	FY 2023
Operating profit		980	920	3,825	3,365	7,039
Depreciation and amortisation		591	527	1,730	1,526	2,079
Share-based payments		19	30	117	84	105
Change in inventories		-515	-196	-751	-375	210
Change in receivables		141	-270	556	506	56
Change in payables and other liabilities [1]		232	307	-1,015	-1,390	454
Other non-cash adjustments [1]		-10	-	-40	-70	-63
Finance income received		7	4	15	14	19
Finance costs paid		-155	-179	-695	-427	-683
Income taxes paid		-109	-66	-747	-669	-1,832
Cash flows from operating activities, net		**1,181**	**1,078**	**2,996**	**2,563**	**7,384**
Acquisitions of subsidiaries and activities, net of cash acquired	6	-7	-156	-172	-312	-349
Purchase of intangible assets		-101	-107	-246	-277	-359
Purchase of property, plant and equipment		-368	-286	-941	-738	-1,129
Change in other assets		-8	-5	-12	24	37
Proceeds from sale of property, plant and equipment		4	-	12	1	-
Cash flows from investing activities, net		**-479**	**-553**	**-1,358**	**-1,301**	**-1,800**
Dividend paid		-	-	-1,471	-1,412	-1,412
Purchase of treasury shares		-1,150	-1,353	-3,016	-4,253	-5,022
Proceeds from loans and borrowings		1,247	1,054	5,772	8,383	5,927
Repayment of loans and borrowings		-746	-	-2,675	-3,061	-3,321
Repayment of lease commitments		-286	-259	-850	-774	-1,107
Cash flows from financing activities, net		**-935**	**-557**	**-2,241**	**-1,117**	**-4,935**
Net increase/decrease in cash		**-233**	**-33**	**-603**	**144**	**649**
Cash and cash equivalents, beginning of period		806	749	1,183	595	595
Exchange gains/losses on cash and cash equivalents		-13	-4	-21	-26	-61
Net increase/decrease in cash		-233	-33	-603	144	649
Cash and cash equivalents, end of period		**559**	**713**	**559**	**713**	**1,183**
Cash balances		676	848	676	848	1,397
Overdrafts		-117	-135	-117	-135	-214
Cash and cash equivalents, end of period		**559**	**713**	**559**	**713**	**1,183**
Cash flows from operating activities, net		1,181	1,078	2,996	2,563	7,384
- Finance income received		-7	-4	-15	-14	-19
- Finance costs paid		155	179	695	427	683
Cash flows from investing activities, net		-479	-553	-1,358	-1,301	-1,800
- Acquisition of subsidiaries and activities, net of cash acquired		7	156	172	312	349
Repayment of lease commitments		-286	-259	-850	-774	-1,107
Free cash flows incl. lease payments		**572**	**597**	**1,640**	**1,213**	**5,489**
Unutilised committed credit facilities	4	**7,083**	**2,163**	**7,083**	**2,163**	**4,472**

The above cannot be derived directly from the income statement and the balance sheet.

[1] In Q3 2024, Pandora performed a reclassification between 'change in payables and other liabilities' and 'other non-cash adjustments' for presentation purposes. All the comparative figures were restated accordingly.

ACCOUNTING NOTES

NOTE 1 – Accounting policies

The unaudited condensed consolidated interim financial statements have been prepared in accordance with IAS 34 - Interim Financial Reporting as issued by the International Accounting Standards Board (IASB) and adopted by the European Union (EU) and additional Danish disclosure requirements for interim financial reporting of listed companies.

The accounting policies applied are consistent with the accounting policies set out in the Annual Report 2023.

Due to rounding, numbers presented throughout this report may not add up precisely to the totals, and percentages may not precisely reflect the absolute figures.

Pandora presents financial measures in the interim financial report that are not defined according to IFRS. Pandora believes these non-GAAP measures provide valuable information to investors and Pandora's management when evaluating performance. Since other companies may calculate these differently from Pandora, they may not be comparable to the measures used by other companies. These financial measures should therefore not be considered to be a replacement for measures defined under IFRS. Besides the "Return on invested capital (ROIC), %" which is defined as last 12 months' EBIT to last 12 months' invested capital including goodwill, see note 5.6 Financial definitions to the consolidated financial statements in the Annual Report 2023 for definitions of the performance measures used by Pandora.

International tax reform – Pillar Two model rules
Pandora is subject to minimum tax primarily in respect of jurisdictions with corporate income tax rates lower than 15% or in which we receive tax incentives. Where qualifying domestic minimum taxes are implemented in applicable jurisdictions, Pandora will pay the minimum tax in those jurisdictions. Where no qualifying domestic minimum tax has been implemented, tax will be paid in Denmark. The majority of the minimum tax due is expected to relate to Thailand where Pandora receives tax incentives as part of the investment agreement with the Board of Investment (BOI). The impact of minimum tax is taken into account in tax expense for 2024.

New standards, interpretations and amendments adopted by Pandora
Pandora has adopted all new or amended standards (IFRS) and interpretations (IFRIC) as adopted by the EU and which are effective for the financial year beginning on 1 January 2024. The implementation of these new or amended standards and interpretations had no material impact on the consolidated financial statements for the period. The new standards that are not yet effective are not expected to have any material impact on Pandora, except of IFRS 18 Presentation and Disclosure in Financial statements, which was issued in April 2024 and will be effective from 2027, impacting presentation and disclosure of the financial statements. Pandora is currently evaluating the potential impact of this standard.

NOTE 2 – Management judgements and estimates under IFRS

In preparing the condensed consolidated interim financial statements, management makes various judgements, accounting estimates and assumptions that form the basis of the presentation, recognition and measurement of Pandora's assets and liabilities.

All significant accounting estimates and judgements are consistent with the description in the Annual Report 2023 to which we refer.

NOTE 3 – Segment and revenue information

Pandora's activities are segmented into two reportable segments, each responsible for the end-to-end performance of collections. One includes our Core collections, while the other, Fuel with more, covers newer collections and innovations.

Core includes the charms and charm carriers which focus on the collectability. The Fuel with more segment includes the Modern Classics (Pandora Timeless and Pandora Signature accompanied by Pandora's newest collection, PANDORA ESSENCE) and Pandora Lab-Grown Diamonds and targets both existing and new customers who may have a different aesthetic preference than the Core jewellery design.

The two operating segments include all channels relating to the distribution and sale of Pandora products.

Management monitors the profitability of the operating segments separately for the purpose of making decisions about resource allocation and performance management. Segment results are measured at gross profit as presented in the table below.

Non-unit-driven revenue, comprising mainly franchise fees, is allocated proportionately to the different revenue categories.

SEGMENT INFORMATION

DKK million	Core	Fuel with more	Group
Q3 2024			
Revenue	4,634	1,468	6,103
Cost of sales	-985	-232	-1,217
Gross profit	**3,649**	**1,236**	**4,886**
Gross margin, %	**78.7%**	**84.2%**	**80.1%**
Operating expenses			**-3,905**
Consolidated operating profit (EBIT)			**980**
Profit margin (EBIT margin), %			***16.1%***
Q3 2023			
Revenue	4,368	1,204	5,572
Cost of sales	-925	-243	-1,168
Gross profit	**3,443**	**961**	**4,404**
Gross margin, %	**78.8%**	**79.8%**	**79.0%**
Operating expenses			**-3,484**
Consolidated operating profit (EBIT)			**920**
Profit margin (EBIT margin), %			***16.5%***

DKK million	Core	Fuel with more	Group
9M 2024			
Revenue	14,758	4,950	19,707
Cost of sales	-3,170	-799	-3,969
Gross profit	**11,588**	**4,150**	**15,738**
Gross margin, %	**78.5%**	**83.9%**	**79,9%**
Operating expenses			**-11,913**
Consolidated operating profit (EBIT)			**3,825**
Profit margin (EBIT margin), %			***19,4%***
9M 2023			
Revenue	13,770	3,546	17,316
Cost of sales	-3,092	-679	-3,771
Gross profit	**10,679**	**2,867**	**13,546**
Gross margin, %	**77.5%**	**80.9%**	**78.2%**
Operating expenses			**-10,181**
Consolidated operating profit (EBIT)			**3,365**
Profit margin (EBIT margin), %			***19.4%***

REVENUE BY SEGMENTS

DKK million	Q3 2024	Q3 2023	*Like-for-like*	*Local currency growth*	*Share of Revenue*	9M 2024	9M 2023	*Like-for-like*	*Local currency growth*	*Share of Revenue*
Core	**4,634**	**4,368**	***2%***	***8%***	***76%***	**14,758**	**13,770**	***2%***	***9%***	***75%***
- Moments	3,895	3,604	*2%*	*10%*	*64%*	12,472	11,489	*3%*	*11%*	*63%*
- Collabs	514	561	*-6%*	*-7%*	*8%*	1,600	1,717	*-11%*	*-6%*	*8%*
- ME	226	202	*21%*	*13%*	*4%*	686	565	*20%*	*23%*	*3%*
Fuel with more	**1,468**	**1,204**	***21%***	***24%***	***24%***	**4,950**	**3,546**	***28%***	***41%***	***25%***
- Timeless	1,065	841	*18%*	*29%*	*17%*	3,813	2,669	*30%*	*45%*	*19%*
- Signature	170	275	-32%	-36%	3%	607	772	-18%	-14%	3%
- PANDORA ESSENCE [1]	169	3	-	-	*3%*	342	3	-	-	*2%*
- Pandora Lab-Grown Diamonds	64	86	*34%*	*-25%*	*1%*	188	152	*66%*	*24%*	*1%*
Total revenue	**6,103**	**5,572**	***7%***	***12%***	***100%***	**19,707**	**17,316**	***8%***	***16%***	***100%***

	Q3 2024	Q3 2023	9M 2024	9M 2023
Goods transferred at a point in time	6,093	5,559	19,669	17,275
Services transferred over time	10	13	39	42
Total revenue	**6,103**	**5,572**	**19,707**	**17,316**

[1] PANDORA ESSENCE was launched in 2024 following a pilot in the Netherlands in 2023.

REVENUE DEVELOPMENT IN KEY MARKETS

DKK million	Q3 2024	Q3 2023	*Like-for-like*	*Local currency growth*	9M 2024	9M 2023	*Like-for-like*	*Local currency growth*
US	1,796	1,566	*6%*	*16%*	5,996	5,115	*7%*	*17%*
China	84	132	*-33%*	*-36%*	313	449	*-24%*	*-28%*
UK	740	729	*-2%*	*0%*	2,288	2,194	*-1%*	*2%*
Italy	466	496	*-8%*	*-6%*	1,599	1,620	*-5%*	*-1%*
Australia	195	221	*-2%*	*-13%*	609	659	*-4%*	*-7%*
France	227	220	*-1%*	*3%*	761	694	*0%*	*10%*
Germany	431	301	*42%*	*43%*	1,367	865	*58%*	*58%*
Total key markets	**3,938**	**3,666**	***3%***	***7%***	**12,933**	**11,596**	***5%***	***11%***
Rest of Pandora	**2,165**	**1,906**	***14%***	***20%***	**6,774**	**5,720**	***15%***	***25%***
Total revenue	**6,103**	**5,572**	***7%***	***12%***	**19,707**	**17,316**	***8%***	***16%***

REVENUE DEVELOPMENT BY CHANNEL

DKK million	Q3 2024	Q3 2023	*Organic growth*	*Share of Revenue*	9M 2024	9M 2023	*Organic growth*	*Share of Revenue*
Pandora owned[1] retail	**4,995**	**4,267**	**17%**	**82%**	**16,057**	**13,261**	**20%**	**81%**
- of which concept stores	3,519	3,049	*14%*	*58%*	10,968	9,039	*19%*	*56%*
- of which online stores	1,090	877	*26%*	*18%*	3,832	3,163	*23%*	*19%*
- of which other points of sale	386	341	*21%*	*6%*	1,256	1,059	*23%*	*6%*
Wholesale	**914**	**1,126**	***-12%***	***15%***	**3,036**	**3,539**	***-6%***	***15%***
- of which concept stores	388	589	*-23%*	*6%*	1,266	1,818	*-17%*	*6%*
- of which other points of sale	526	537	*0%*	*9%*	1,770	1,721	*6%*	*9%*
Third-party distribution	**194**	**178**	***6%***	***3%***	**614**	**516**	***17%***	***3%***
Total revenue	**6,103**	**5,572**	***11%***	***100%***	**19,707**	**17,316**	***15%***	***100%***

[1] Pandora does not own any of the premises (Land and buildings) where stores are operated. Pandora exclusively operates stores from leased premises.

The use of sales channels for the distribution of Pandora jewellery depends on the underlying market maturity and varies within markets but is consistent when viewed between segments.

Due to the seasonal nature of the jewellery business, higher revenue and profits are historically realised in the fourth quarter.

NOTE 4 – Financial risks

Pandora's overall risk exposure and financial risks, including risks related to commodity prices, foreign currency, credit, liquidity and interest rates, are described in the disclosures in note 4.4 Financial risks in the consolidated financial statements in the Annual Report 2023.

Net interest-bearing debt (NIBD), incl. capitalised leases amounted to DKK 14.5 billion at the end of Q3 2024 (Q3 2023: DKK 12.7 billion) corresponding to a financial leverage of 1.5x (Q3 2023: 1.5x).

Liquidity risk

Pandora maintains an adequate level of cash and unutilised credit facilities to meet financial obligations when due.

DKK million	2024 30 September	2023 31 December
Loans and borrowings, non-current	8,003	6,973
Lease liabilities, non-current	3,535	2,765
Loans and borrowings, current	2,316	313
Lease liabilities, current	1,320	1,116
Cash	-676	-1,397
Net interest-bearing debt	**14,498**	**9,770**
Unutilised committed credit facilities	**7,083**	**4,472**

In Q3 2024, Pandora had DKK 2.1 billion drawn on short term money market lines to optimise interest costs, leaving DKK 7.1 billion in undrawn committed credit facilities at the end of the quarter.

NOTE 5 – Trade receivables

DKK million	2024 30 September	2023 31 December
Receivables related to third-party distribution and wholesale	497	705
Receivables related to retail revenue	259	637
Total trade receivables	**757**	**1,342**

NOTE 6 – Business combinations

In the first 9 months of 2024, Pandora took over 30 concept stores (9 in the US, 4 in Italy, 15 in Canada and 2 in Brazil). Net assets acquired mainly consisted of store properties, inventories and related liabilities. The total purchase price for the acquisitions was DKK 171 million. Based on the purchase price allocations, goodwill was DKK 91 million. Goodwill from the acquisitions was mainly related to the synergies from converting the stores from wholesale and distribution to Pandora-owned retail. Of the goodwill acquired, DKK 89 million was deductible for income tax purposes.

Cost relating to the acquisitions was immaterial and has been recognised as operating expenses in the income statement.

From Q2 2024, Pandora has updated its disclosures related to acquisitions in order to improve transparency and provide a direct link to the performance impact from acquisitions to the Group income statement.

Excluding the temporary drag on gross margin from inventory buybacks, the incremental contribution to Group revenue and net profit from acquisitions for the period 1 January – 30 September 2024 was DKK 67 million and DKK 11 million, respectively. On a pro forma basis, if the acquisitions had been effective from 1 January 2024, the incremental contribution to Group revenue and net profit for the period 1 January – 30 September 2024, excluding the temporary drag on gross margin from inventory buybacks, would have been approximately DKK 80 million and DKK 13 million respectively[3].

ACQUISITIONS

DKK million	9M 2024	FY 2023
Property, plant and equipment and right-of-use assets	61	144
Other non-current assets	1	-
Inventories	80	194
Other current assets	1	3
Assets acquired	**143**	**341**
Non-current liabilities	24	75
Payables	3	4
Other current liabilities	35	49
Liabilities assumed	**63**	**128**
Total identifiable net assets acquired	**80**	**213**
Goodwill arising on the acquisitions	91	143
Purchase consideration	**171**	**356**
Cash movements on acquisitions:		
Consideration transferred regarding previous years [1]	11	14
Deferred payment[2]	-10	-21
Net cash flows on acquisitions	**172**	**349**

[1] The consideration of DKK 11 million transferred during 2024 relates mainly to the acquisition in Colombia in 2023. The consideration of DKK 14 million transferred during 2023 relates to the acquisition in Portugal and Italy in 2022.
[2] The deferred payment of DKK 10 million relates mainly to the acquisitions in US and Italy in 2024. The deferred payment of DKK 21 million relates mainly to the acquisition in Colombia in 2023.
[3] The incremental contribution to Group revenue and net profit is deriving from the net of a) the retail revenue taken over and b) deducting the lost wholesale revenue. Excluding the temporary drag on the margin from inventory buybacks, the contribution to Group revenue and net profit from acquisitions for the period 1 January – 30 September 2024 calculated according to IFRS 3 was DKK 167 million and DKK 64 million, respectively. On a pro forma basis, if the acquisitions had been effective from 1 January 2024, the IFRS 3 contribution to Group revenue and net profit for the period 1 January – 30 September 2024, excluding the temporary drag on the margin from inventory buybacks, would have been approximately DKK 180 million and DKK 66 million respectively.

Business combinations after the reporting period

No business combinations to an extent of significance to Pandora took place after the reporting period.

NOTE 7 – Goodwill

DKK million	2024 30 September	2023 31 December
Cost at 1 January	4,914	4,822
Acquisition of subsidiaries and activities in the period	91	143
Exchange rate adjustments	-2	-50
Cost at the end of the period	**5,003**	**4,914**

No impairment indication was identified based on the information regarding the market and the forecast. The latest impairment test was carried out 31 December 2023 and the test confirmed a substantial headroom between the carrying amount and the value in use. All the assumptions used are as described in the Annual Report 2023.

NOTE 8 – Assets and liabilities related to leases

Pandora leases stores, various offices, office equipment and cars.

Amounts recognised in the balance sheet:

RIGHT-OF-USE ASSETS

DKK million	2024 30 September	2023 31 December
Property	4,681	3,765
Other	17	14
Total right-of-use assets	**4,698**	**3,779**

Out of the total increase of DKK 0.9 billion in right-of-use-assets in the period 1 January to 30 September 2024, DKK 1.9 billion relates to renewals of lease contracts and new leases driven by network expansion, forward integration and a new European Distribution Center in Germany, partially offset by a decrease of DKK 1 billion as a result of depreciation and currency exchange movement. The development in right-of-use-assets is further affected by the timing of renewals of lease contracts and new leases.

LEASE LIABILITIES

DKK million	2024 30 September	2023 31 December
Non-current	3,535	2,765
Current	1,320	1,116
Total lease liabilities	**4,855**	**3,880**

Lease liabilities are recognised in loans and borrowings.

Amounts recognised in the income statement:

RECOGNISED DEPRECIATION ON RIGHT-OF-USE ASSETS CHARGED TO THE INCOME STATEMENT FOR THE PERIOD

DKK million	1 January – 30 September 2024	1 January – 30 September 2023
Property	970	849
Other	10	10
Total depreciation on right-of-use assets for the period	**980**	**859**

Depreciation mainly relates to leased stores and is presented in the sales, distribution and marketing expenses.

OTHER ITEMS RELATING TO LEASES

DKK million	1 January – 30 September 2024	1 January – 30 September 2023
Interest expense	274	189
Total interest for the period	**274**	**189**

Costs recognised in the period for short-term and low-value leases were DKK 66 million (2023: DKK 48 million). Expenses are recognised on a straight-line basis.

TOTAL CASH FLOWS RELATING TO LEASES

DKK million	1 January – 30 September 2024	1 January – 30 September 2023
Fixed lease payments	850	774
Interest payments	274	189
Variable leases	385	321
Short-term and low-value leases	66	48
Total cash flows relating to leases	**1,575**	**1,332**

Payments related to variable leases and short-term and low-value leases are not included in the lease liabilities.

NOTE 9 – Trade payables

The Group generally accepts that vendors sell off their receivables arising from the sale of goods and services to the Group to a third party. Pandora has established a supply chain financing programme where vendors can sell off their receivables from Pandora on attractive terms, based on invoices approved by Pandora, but at the bank's sole discretion. Pandora is not directly or indirectly a party to these agreements. The amounts payable to suppliers included in the supply chain financing programme are classified as trade payables in the balance sheet as well as in the statement of cash flows (working capital within cash flows from operations) and amounted to DKK 231 million at 30 September 2024 (31 December 2023: DKK 82 million).

NOTE 10 – Contingent assets and liabilities

Reference is made to note 5.1 Contingent assets and liabilities to the consolidated financial statements in the Annual Report 2023.

NOTE 11 – Store network, concept store development[1]

	Total concept stores					*O&O concept stores*		
	Number of concept stores Q3 2024	**Number of concept stores Q2 2024**	**Number of concept stores Q3 2023**	***Growth Q3 2024 / Q2 2024***	***Growth Q3 2024 /Q3 2023***	**Number of concept stores O&O Q3 2024**	***Growth O&O stores Q3 2024 / Q2 2024***	***Growth O&O stores Q3 2024 /Q3 2023***
US	479	465	437	*14*	*42*	390	*16*	*58*
China	204	208	227	*-4*	*-23*	193	*-3*	*-23*
UK	219	217	219	*2*	*-*	218	*2*	*6*
Italy	184	182	164	*2*	*20*	158	*3*	*30*
Australia	128	126	124	*2*	*4*	71	*10*	*25*
France	123	124	121	*-1*	*2*	110	*1*	*27*
Germany	137	136	134	*1*	*3*	136	*2*	*5*
Total key markets	1,474	1,458	1,426	*16*	*48*	1,276	*31*	*128*
Rest of Pandora	1,260	1,237	1,153	*23*	*107*	757	*18*	*122*
All markets	**2,734**	**2,695**	**2,579**	***39***	***155***	**2,033**	***49***	***250***

[1]All markets with 10 or more concept stores can be found in the Excel appendix uploaded on www.pandoragroup.com.

NOTE 12 – Commodity hedging and derivatives

Normally, Pandora hedges around 70% of the Group's expected silver and gold consumption based on a rolling 12-month production plan. However, in response to the increase in silver and gold prices during Q2 2024, it was decided to temporarily pause any further hedging. As of the end of Q3 2024, Pandora had hedged 25% of commodity exposures for the next 12 months of production.

The table below illustrates the timing of the hedges related to the purchase of silver and gold for production, excluding the time-lag effect from inventory to cost of sales (when the product is sold). The time-lag from use in production to impact on cost of sales in the P&L is usually 2-7 months. Pandora has, therefore, hedged around 50% of the P&L exposure for Q1-Q3 2025.

HEDGED AND REALISED PURCHASE PRICES (AT USE OF THE SILVER AND GOLD FOR PRODUCTION)

USD / OZ	*Realised in Q3 2024*	Hedged Q4 2024	Hedged Q1 2025	Hedged Q2 2025	Hedged Q3 2025
Silver price	*24.96*	24.71	24.78	-	-
Gold price	*2,073*	2,155	2,225	-	-
Commodity hedge ratio (actual), %	*Realised*	67%	39%	0%	0%

Derivative financial instruments are measured at fair value and in accordance with level 2 in the fair value hierarchy (IFRS 13). See note 4.5 Derivative financial instruments to the consolidated financial statements in the Annual Report 2023.

NOTE 13 – Subsequent events

As described in section Other events in the Management review and in Note 6 Business Combinations, Pandora is not aware of events after 30 September 2024, which are expected to materially impact the Group's financial position.

QUARTERLY OVERVIEW

DKK million	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023
Financial highlights					
Revenue	6,103	6,771	6,834	10,820	5,572
Organic growth, %	***11%***	**15%**	**18%**	**12%**	**11%**
Like-for-like, %	*7%*	8%	11%	9%	9%
Earnings before interest, tax, depreciation and amortisation (EBITDA)	1,571	1,916	2,067	4,227	1,447
Operating profit (EBIT)	980	1,338	1,507	3,674	920
EBIT margin, %	***16.1%***	**19.8%**	**22.0%**	**34.0%**	**16.5%**
Net financials	-193	-280	-229	-330	-211
Net profit for the period	595	799	965	2,530	543
Financial ratios					
Revenue growth, DKK, %	*10%*	15%	17%	10%	6%
Revenue growth, local currency, %	*12%*	16%	19%	13%	11%
Gross margin, %	*80.1%*	80.2%	79.4%	79.3%	79.0%
EBITDA margin, %	*25.7%*	28.3%	30.3%	39.1%	26.0%
EBIT margin, %	*16.1%*	19.8%	22.0%	34.0%	16.5%
Effective tax rate, %	*24.5%*	24.5%	24.5%	24.4%	23.5%
Equity ratio, %	*14%*	16%	17%	23%	15%
NIBD to EBITDA, x	1.5	1.4	1.3	1.1	1.5
Return on invested capital (ROIC), %[1]	*44%*	45%	45%	45%	43%
Cash conversion incl. lease payments, %	*58%*	94%	-12%	116%	65%
Net working capital, % of last 12 months' revenue	*5.9%*	6.0%	6.9%	1.8%	9.2%
Capital expenditure, % of revenue	*7.9%*	7.0%	6.0%	5.4%	6.7%
Stock ratios					
Total payout ratio (incl. share buyback), %	*193%*	110%	255%	30%	*249%*
Consolidated balance sheet					
Total assets	25,529	24,797	23,993	23,798	23,126
Invested capital	18,013	17,478	16,605	15,126	16,228
Net working capital	1,812	1,812	2,017	510	2,498
Net interest-bearing debt (NIBD)	14,498	13,402	12,643	9,770	12,707
Equity	3,515	4,076	3,961	5,355	3,521
Consolidated statement of cash flows					
Cash flows from operating activities	1,181	1,626	188	4,821	1,078
Capital expenditure, total	481	476	409	582	374
Capital expenditure, property, plant and equipment	398	331	252	394	305
Free cash flows incl. lease payments	572	1,255	-187	4,277	597

[1] Last 12 months' EBIT in % of last 12 months' average invested capital. The "Return on invested capital (ROIC), %"was updated in Q1 2024 from "Last 12 months' EBIT in % of invested capital" to "Last 12 months' EBIT in % of last 12 months' average invested capital" to present a more useful and less volatile KPI by switching to a moving annual average. All comparative periods have been restated.

For definitions of the performance measures used by Pandora, see note 5.6 Financial definitions to the consolidated financial statements in the Annual Report 2023.

MANAGEMENT STATEMENT

The Board of Directors and the Executive Management have reviewed and approved the interim financial report of Pandora A/S for the period 1 January to 30 September 2024. The condensed consolidated interim financial statement, which has not been audited or reviewed by the Company's auditor, has been prepared in accordance with IAS 34 'Interim Financial Reporting', as adopted by the EU, and additional requirements in the Danish Financial Statements Act.

It is our opinion that the condensed consolidated interim financial statement gives a true and fair view of the financial position for the Pandora Group at 30 September 2024 and of the results of the Pandora Group's operations and cash flows for the period 1 January to 30 September 2024.

Further, in our opinion, the Management's review gives a fair view of the development in the Group's activities and financial matters, results of operations, cash flows and financial position as well as a description of material risks and uncertainties that the Group faces. Aside from the disclosure in the Interim Financial Report, no changes in the Group's material risks and uncertainties have occurred relative to the disclosures in the Annual Report of 2023.

Copenhagen, 06 November 2024

EXECUTIVE MANAGEMENT

Alexander Lacik
Chief Executive Officer

Anders Boyer
Chief Financial Officer

BOARD

Peter A. Ruzicka
Chair

Christian Frigast
Deputy Chair

Lilian Fossum Biner

Birgitta Stymne Göransson

Marianne Kirkegaard

Catherine Spindler

Jan Zijderveld

DISCLAIMER

This Company announcement contains forward-looking statements, including, but not limited to, guidance, expectations, strategies, objectives and statements regarding future events or prospects with respect to the Company's future financial and operating results. Forward-looking statements include, without limitation, any statement that may predict, forecast, indicate or imply future results, performance or achievements, and may contain words such as "expect", "estimate", "intend", "will be", "will continue", "will result", "could", "may", "might" or any variations of such words or other words with similar meanings. Forward-looking statements are subject to risks and uncertainties that could cause the Company's actual results to differ materially from the results discussed in such forward-looking statements. Prospective information is based on management's then current expectations or forecasts. Such information is subject to the risk that such expectations or forecasts, or the assumptions underlying such expectations or forecasts, may change. The Company assumes no obligation to update any such forward-looking statements to reflect actual results, changes in assumptions or changes in other factors affecting such forward–looking statements. Some important risk factors that could cause the Company's actual results to differ materially from those expressed in its forward-looking statements include, but are not limited to: economic and geopolitical uncertainty (including interest rates and exchange rates), financial and regulatory developments, general changes in market trends and end-consumer preferences, demand for the Company's products, competition, the availability and pricing of materials used by the Company, production and distribution-related issues, IT failures, litigation, pandemics and other unforeseen factors. The nature of the Company's business means that risk factors and uncertainties may arise, and it may not be possible for management to predict all such risk factors, nor to assess the impact of all such risk factors on the Company's business or the extent to which any individual risk factor, or combination of factors, may cause results to differ materially from those contained in any forward-looking statement. Accordingly, forward-looking statements should not be relied on as a prediction of actual results.