

No. 658

## Company Announcement

1 November 2021

## Pandora upgrades financial guidance for 2021

Based on strong performance in the third quarter of 2021 and a recently revised forecast for the rest of the year, Pandora upgrades its financial guidance for 2021.

Expectations for organic growth are increased to “18-20%”, from “16-18%”, and expectations for the EBIT margin are increased to “24-24.5%”, from “23-24%”. The upgraded guidance corresponds to a 2021 revenue between DKK 22.4 billion and DKK 22.8 billion.

COVID-19 and the unusually high level of US growth continue to create increased uncertainty around the guidance. The updated guidance is based on the assumption that 5% of the stores will be temporarily closed or severely impacted due to COVID-19 during the fourth quarter of 2021 (today, around 5%). The updated guidance also assumes that a) COVID-19 will have no major negative impact on production and supply chain, and b) there will be no other material COVID-19 restrictions implemented over and above what is currently in place. COVID-19 is still expected to impact organic growth negatively by around 6% for the full year.

CAPEX for the year is expected to be around DKK 0.8 billion (previously around DKK 1.0 billion) and Pandora now expects net 50 concept store closures compared to previous expectation of 25-50. The effective tax rate is expected to be 22-23%, in line with 2020, unchanged from the previous guidance.

Pandora’s strong momentum continued in Q3 2021 with 14% organic growth vs 2020 while sell-out growth was 5% vs 2020. Reported revenue for Q3 2021 ended at DKK 4,728 million. On average, around 5% of the stores were temporarily closed or severely impacted during Q3 due to COVID-19. The EBIT margin for Q3 2021 was 20.2% (EBIT of DKK 957 million). Revenue growth and the EBIT margin were lifted by continued strong US performance and a sequential improvement in Europe as COVID-19 restrictions were eased.

DKK million	Q3 2021	9M 2021	FY 2021 guidance
<b>Key financial highlights</b>			
<b>Organic growth, %</b>	<b>14%</b>	<b>32%</b>	<b>"18-20%"</b>
<i>Organic growth, % vs 2019</i>	9%	6%	
Sell-out growth incl. temporarily closed stores, %	5%	27%	
<i>Sell-out growth incl. temporarily closed stores, %, vs 2019</i>	9%	4%	
Revenue	4,728	14,383	
<b>EBIT margin, %</b>	<b>20.2%</b>	<b>22.0%</b>	<b>"24-24.5%"</b>

The difference between organic growth vs 2020 and sell-out growth vs 2020 is driven by a normalisation of sell-in to franchise partners ahead of Q4 peak trading period following a Q3 2020 where partners took a cautious approach due to the elevated COVID-19 uncertainty. Furthermore, strong growth in other points of sale (which are not included in the sell-out growth KPI) added to the difference. In Q4 2021, Pandora expects sell-out growth to be higher than organic growth. For the full year 2021, sell-out growth is expected to be slightly below organic

growth.

Pandora is currently in silent period and will announce the detailed financial results in the Q3 2021 Interim Report on 3 November 2021.

## **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 affordable prices. 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 26,000 people worldwide and crafts its jewellery at two LEED certified facilities in Thailand using mainly recycled silver and gold. Pandora is committed to leadership in sustainability and has set science-based targets to reduce greenhouse gas emissions by 50% across its own operations and value chain by 2030. The company is listed on the Nasdaq Copenhagen stock exchange and generated sales of DKK 19.0 billion (EUR 2.5 billion) in 2020.

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