

PANDÖRA



INTERIM FINANCIAL REPORT Q2 2024

12 August 2024 | Company Announcement No. 885
Havneholmen 17-19 | DK-1561 Copenhagen V | Denmark | www.pandoragroup.com | Company reg. no.: 2850 5116

CONTENTS

2

HIGHLIGHTS

- 02 Executive Summary
- 03 Financial Highlights

4

BUSINESS UPDATE

- 04 Business Update
- 07 Revenue Review
- 11 Profitability
- 15 Cash Flow & Balance Sheet
- 16 Financial Guidance
- 19 Sustainability
- 20 Other Events
- 22 Contact

23

FINANCIAL STATEMENTS

- 23 Financial Statements
- 27 Accounting Notes
- 37 Disclaimer

Our equity story

Pandora is the only global brand in the accessible luxury jewellery market. The Pandora brand has the highest awareness in the jewellery market globally and owns the space of “*jewellery with a meaning*” in the minds of consumers. This is the core competitive edge and the key reason for the strength of the financial algorithm.

Around this core competitive edge, the brand, Pandora has built a unique ecosystem with a vertically integrated value chain from design and crafting to direct-to-consumer channels. This gives Pandora unrivalled scale which drives cost advantages while allowing us to deliver a world-class consumer experience.

Pandora’s scale allows Pandora to offer jewellery at accessible price points while at the same time meeting the highest quality standards. Pandora’s jewellery is hand-finished by skilled craftspeople and also meets the highest sustainability standards in the industry.

The jewellery market has historically grown faster than GDP and remains highly fragmented, with global brands set to outgrow the overall market. Pandora’s growth strategy, Phoenix, leverages the company’s existing infrastructure to pursue numerous untapped growth opportunities and gain higher market share across geographies and jewellery categories. With its proven financial algorithm, Pandora expects to outgrow the market, targeting annual high-single digit organic growth while maintaining best-in-class profitability. Thanks to its asset-light approach, the company also expects to continue to deliver significant free cash flow, which – in line with history – will all be returned to shareholders and result in mid-to-high teens EPS growth.

EXECUTIVE SUMMARY

Pandora delivers 15% organic growth in Q2 – raises 2024 revenue guidance again

Financial highlights

- The Pandora brand keeps strengthening. This leads to higher traffic into the stores and drives revenue growth.
- Q2 2024 organic growth was 15%, comprising of Like-for-like (LFL) growth of 8%, network expansion of 6% and 1% phasing of sell-in to partners and other.
- LFL growth in key European markets remained solid at 10%, the US remained robust at 5% whilst Rest of Pandora continued double-digit growth at 13%.
- The Q2 gross margin reached another all-time high of 80.2%, +210bp vs. Q2 2023, supported by Pandora's vertically integrated business model, price increases and cost efficiencies.
- The Q2 EBIT margin remained solid at 19.8%, -40bp vs. Q2 2023 as previously flagged, reflecting non-recurring cost related to forward integration.
- Leverage remains low at a NIBD/EBITDA of 1.4x. As of August 9, Pandora has bought back DKK 2.0 billion worth of shares as part of its DKK 4.0 billion share buyback programme.

Phoenix strategy highlights

- Pandora continued to invest across the value chain to drive brand desirability and transform the perception of Pandora into a full jewellery brand. This includes, not the least, investments behind the "BE LOVE" marketing campaign which continues to resonate with consumers.
- The "Core" segment delivered 1% LFL growth whilst the "Fuel with more" segment delivered 29% LFL growth.
- As part of the Phoenix strategy, Pandora is expanding into selected, new design aesthetics. During Q2 2024, Pandora launched the PANDORA ESSENCE collection globally. Initial results have been encouraging.
- Combining Pandora's value accretive network expansion strategy with consistent brand elevation, Pandora opened its first ever global flagship store in Copenhagen, Pandora's largest store to date globally.

2024 Guidance and current trading

- The organic growth guidance is upgraded to "9-12%" (previously "8-10%"). The EBIT margin guidance remains unchanged at "around 25%".
- Current trading in Q3 remains healthy with an underlying LFL growth at mid-single digit levels.

Alexander Lacik, President and CEO of Pandora, says:

"Our strategy continues to take Pandora to new heights despite general consumer spending being somewhat sluggish. We have successfully started the journey to make Pandora known as a full jewellery brand, and our results show that consumers like what they see. Thanks to our strong performance, we are again raising revenue guidance for 2024 and look to the second half of the year with optimism."

DKK million	Q2 2024	Q2 2023	H1 2024	H1 2023	FY 2023	FY 2024 guidance
Revenue	6,771	5,894	13,605	11,745	28,136	
Organic growth	15%	5%	16%	3%	8%	9-12%
Like-for-Like, %	8%	2%	9%	1%	6%	
Operating profit (EBIT)	1,338	1,188	2,845	2,445	7,039	
EBIT margin, %	19.8%	20.2%	20.9%	20.8%	25.0%	Around 25%

FINANCIAL HIGHLIGHTS

DKK million	Q2 2024	Q2 2023	H1 2024	H1 2023	FY 2023
Financial highlights					
Revenue	6,771	5,894	13,605	11,745	28,136
Organic growth, %	15%	5%	16%	3%	8%
Like-for-like, %	8%	2%	9%	1%	6%
Earnings before interest, tax, depreciation and amortisation (EBITDA)	1,916	1,690	3,984	3,444	9,118
Operating profit (EBIT)	1,338	1,188	2,845	2,445	7,039
EBIT margin, %	19.8%	20.2%	20.9%	20.8%	25.0%
Net financials	-280	-171	-509	-265	-805
Net profit for the period	799	778	1,764	1,667	4,740
Financial ratios					
Revenue growth, DKK, %	15%	4%	16%	4%	6%
Revenue growth, local currency, %	16%	7%	18%	5%	9%
Gross margin, %	80.2%	78.1%	79.8%	77.8%	78.6%
EBITDA margin, %	28.3%	28.7%	29.3%	29.3%	32.4%
EBIT margin, %	19.8%	20.2%	20.9%	20.8%	25.0%
Effective tax rate, %	24.5%	23.5%	24.5%	23.5%	24.0%
Equity ratio, %	16%	19%	16%	19%	23%
NIBD to EBITDA, x	1.4	1.3	1.4	1.3	1.1
Return on invested capital (ROIC), % ¹	45%	44%	45%	44%	45%
Cash conversion incl. lease payments, %	94%	104%	38%	25%	78%
Net working capital, % of last 12 months' revenue	6.0%	8.4%	6.0%	8.4%	1.8%
Capital expenditure, % of revenue	7.0%	6.8%	6.5%	5.7%	5.8%
Stock ratios					
Total payout ratio (incl. share buyback), %	110%	186%	189%	259%	136%
Dividend per share, proposed, DKK	-	-	-	-	18
Dividend per share, paid, DKK	-	-	18	16	16
Earnings per share, basic, DKK	9.7	8.9	21.5	19.0	55.5
Earnings per share, diluted, DKK	9.7	8.8	21.4	18.9	55.1
Consolidated balance sheet					
Total assets	24,797	22,112	24,797	22,112	23,798
Invested capital	17,478	15,609	17,478	15,609	15,126
Net working capital	1,812	2,265	1,812	2,265	510
Net interest-bearing debt (NIBD)	13,402	11,363	13,402	11,363	9,770
Equity	4,076	4,245	4,076	4,245	5,355
Consolidated statement of cash flows					
Cash flows from operating activities	1,626	1,627	1,814	1,485	7,384
Capital expenditure, total	476	398	885	668	1,624
Capital expenditure, property, plant and equipment	331	312	583	477	1,176
Free cash flows incl. lease payments	1,255	1,230	1,069	616	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 moving annual total. 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

The journey towards a full jewellery brand continues - Phoenix delivers another strong quarter

Q2 2024 was the fourth consecutive quarter with double-digit organic growth, despite a still challenging global backdrop for consumers. The performance reflects the relevance of and good execution on the Phoenix strategy. Pandora remains only at the beginning of its journey towards transforming the perception of Pandora into a full jewellery brand but has already seen the consumer responding with an increase in traffic across the physical stores and online. As one of the few true global players in the global accessible luxury jewellery market, Pandora continues to benefit from the shift towards strong brands in a largely fragmented industry.

The 15% organic growth in Q2 2024 was supported by both strong LFL growth at 8% and network expansion at 6%. On top of that, there was a 1% contribution from phasing of sell-in to partners and other. Profitability continued to be supported by Pandora's strong earnings model and another historical high gross margin surpassing the 80% threshold for the first time ever. In Europe, key markets continued to deliver solid results, achieving 10% LFL growth. This was, still, largely driven by particularly strong performance in Germany, whilst broader market weakness continued to weigh on the other key European markets. In the US, LFL remained robust at 5% and well ahead of a soft jewellery market. Rest of Pandora delivered another double-digit quarter with 13% LFL with good broad-based growth across many countries.

Pandora is capitalising on higher traffic across all touchpoints, with in particular strong momentum for the online channel, which grew by 19% LFL, representing a 20% share of revenue in the quarter. Pandora's own stores continued to outperform partner stores in Q2 2024 with Pandora's physical network delivering 6% LFL vs. partners at 0%.

Pandora's gross margin reached an all-time high of 80.2%, a 210bp increase compared to Q2 2023, underpinning Pandora's unique business model and vertically integrated value chain. The gross margin increase was driven by favourable pricing, efficiencies at the crafting facilities and channel mix. There was also some support from combined commodity and foreign exchange movements of 30bp. The combined tailwind from foreign exchange and commodities seen in H1 2024 is expected to gradually turn through the remainder of the year to become a net headwind in H2 2024.

Investments across the value chain are delivering on the restaging of the brand, consistently driving brand heat

Pandora continued to invest to drive the restaging of the brand which carries the strategic aim of elevating brand desirability and showcasing Pandora's identity as a full jewellery brand. Investments cover the entire value chain, including across marketing, the store network, technology and data and its people. Building on the initial success of Pandora's new "BE LOVE" marketing campaign, Pandora continued to be active through powerful media engagements and social media activations across the quarter. Whilst still early days, "BE LOVE" continues to build on its initial success through attracting more customers into the Pandora brand, driven by growth across both new cross-generational customer acquisition and increasing returning customers. Major brand KPIs, such as unaided awareness and consideration, have shown an initial positive response.

In May 2024, Pandora began construction of the new DKK 1 billion crafting facility in Binh Duong Province, Vietnam. This facility will support long-term growth, create 7,000 jobs, and produce up to 60 million pieces of jewellery annually using 100% renewable energy and recycled silver and gold.

In June 2024, Pandora relocated the EMEA distribution centre to a new location in Hamburg, Germany. The distribution centre is double the size of the old facilities and covers 11,000 m² of storage, packaging, distribution and office space.

Growing the “Core” while “Fuelling with more” – in line with the strategy

Leveraging the new marketing message from Pandora’s “BE LOVE” campaign, Pandora continued to see good growth across its diverse collections. The Core segment delivered 1% LFL growth, where Moments remained at a healthy 3% and Pandora ME delivered another strong quarter at 14% LFL growth. Growth in the Core segment was somewhat weighed down by a decline in Collabs of -14%, impacted by prior year comparatives which benefitted from the “Disney 100” years collection. The Fuel with more segment continued to deliver strong growth at 29% LFL. Notably, the Timeless collection continues to excel with another strong quarter at 29% LFL growth, despite tougher comparatives.

During the quarter, Pandora Lab-Grown Diamonds generated revenue of DKK 61 million with LFL growth of 88%. Growth continued to be supported by the expansion of the assortment in Q3 2023, set to annualise its initial positive impact in August 2024. As noted previously, Pandora’s Lab-Grown Diamonds have had a positive halo effect on the Pandora brand and thereby the other collections with consideration to purchase any piece of Pandora jewellery having increased since Pandora’s expanded presence in the Lab-Grown Diamond category. Pandora continued to invest behind its marketing and PR efforts here with Pamela Anderson, one of Pandora’s global brand ambassadors, wearing bespoke Pandora Lab-Grown Diamonds during her Met Gala debut in May. The Diamonds were created for the occasion by Pandora’s creative directors and consisted of almost 200 carats of white and pink lab-grown diamonds.

Global roll-out of Pandora’s newest collection – PANDORA ESSENCE

As part of the Capital Markets Day 2023, Pandora noted that it would strategically broaden its product assortment to cater to new design aesthetics, targeting both existing and new consumers. On May 15th, Pandora announced the global launch of its newest collection, PANDORA ESSENCE. 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. The 50-piece collection is designed to be worn every day, all day, and features rings, necklaces and a great variety of earrings. PANDORA ESSENCE is crafted with high-quality materials like sterling silver, 14K plated gold, and cultured pearls. In Q2 2024, the collection delivered DKK 172 million revenue, including DKK 96 million from the initial sell-in to partners, with all regions noting an encouraging response to the collection with the gold and pearl designs resonating particularly well.

REVENUE BY SEGMENT

DKK million	Q2 2024	Q2 2023	Like-for-Like	Share of Revenue	H1 2024	H1 2023	Like-for-Like	Share of revenue
Core	5,108	4,764	1%	75%	10,123	9,403	2%	74%
- Moments	4,346	4,025	3%	64%	8,577	7,885	3%	63%
- Collabs	526	545	-14%	8%	1,085	1,155	-14%	8%
- ME	236	194	14%	3%	460	362	20%	3%
Fuel with more	1,663	1,130	29%	25%	3,482	2,342	31%	26%
- Timeless	1,225	880	29%	18%	2,748	1,829	36%	20%
- Signature	205	218	-13%	3%	437	447	-11%	3%
- PANDORA ESSENCE ¹	172	-	-	3%	173	-	-	1%
- Pandora Lab-Grown Diamonds	61	32	88%	1%	124	66	88%	1%
Total revenue	6,771	5,894	8%	100%	13,605	11,745	9%	100%

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

Network expansion drives solid, profitable growth – Pandora opens first flagship store in Copenhagen

In Q2 2024, Pandora had incremental revenue contribution from network expansion of 6%, driven by the net opening of 143 concept stores and 112 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 100-150 concept store openings (previously “75-125”) and 50-75 (previously “25-50”) new Pandora owned shop-in-shops.

Within the quarter, Pandora combined its successful network expansion strategy with its aim of elevating brand desirability through opening its first global flagship store in Copenhagen. Located in central Copenhagen, 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.

Capital Markets Day 2023 – confirming the 2026 EBIT margin target despite higher silver prices

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 23.5 per ounce. Since April 2024, silver prices have increased to a spot price of around USD 27 per ounce as per August 6, 2024. All else equal, and when combined with the current gold price and foreign exchange rates, this represents an incremental net headwind of around 140bp to the EBIT margin target for 2026. This will impact the EBIT margin gradually from Q1 2025 onwards.

Pandora has identified actions to offset the headwind and therefore confirms the EBIT margin target of 26-27%. Actions includes pricing and a number of cost initiatives. In the event of further silver price increases, Pandora will investigate additional potential mitigating actions.

Pandora normally hedges silver on an ongoing basis, typically 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 23.9 per ounce and the recent increase in silver prices has no or limited impact on the guided margin in 2024. Since the end of March 2024, Pandora has temporarily paused the hedging of silver in response to the higher silver prices.

As communicated at the Capital Markets Day in 2023, the EBIT margin expansion towards the 26-27% target in 2026 is expected to materialize towards the latter part of the 2024-2026 target period.

REVENUE REVIEW

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

In Q2, Pandora delivered organic growth of 15%, which was driven by LFL growth of 8% and network expansion of 6%. On top of that, there was a 1% contribution from phasing of sell-in to partners and other.

In the Core segment, LFL growth was stable at 1%. Performance was weighed down by a -2pp drag from collaborations related to last year's comparatives which benefitted from the "Disney 100" years collection. The Fuel with more segment delivered 29% LFL growth, driven by the continued strong performance of Timeless, with growth contribution also from both Lab-grown Diamonds and the new PANDORA ESSENCE collection.

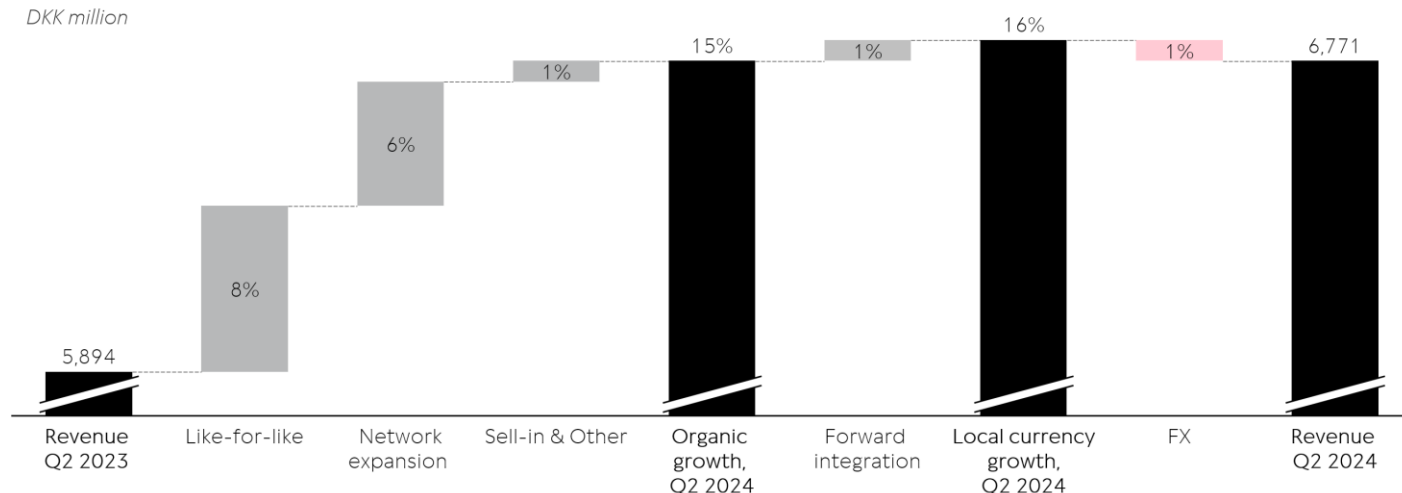
Forward integration continues to support total revenue growth with Pandora acquiring 8 concepts stores in Canada in Q2. This brings the total number of acquired concept stores in H1 2024 to 29, and the total revenue contribution from forward integration to 1% in Q2 2024. Foreign exchange rates represented a net headwind of 1%, driven by the continued weakening of the Turkish lira.

The revenue growth development can be illustrated as follows:

Q2 2024 growth composition vs. Q2 2023

%-p growth (approximately)

DKK million



REVIEW OF REVENUE BY KEY MARKET

Brand momentum drives solid growth in Q2 2024

Pandora's strong performance in Q2 2024 continues to be driven by the brand momentum globally, manifesting in a broad-based pick-up in traffic and allowing Pandora to drive market share gains in a still uncertain consumer environment. Organic growth was strong at 15% and was supported by solid LFL growth of 8%. This performance underscores the effectiveness of Pandora's brand strategy, bolstered by the ongoing "BE LOVE" multi-season marketing campaign, which has resonated with consumers, enhancing the desire for Pandora jewellery.

US

LFL growth in the US was robust and came in at 5% in Q2 2024. The organic growth came in at 14%, fuelled by the momentum generated from new store openings over the past 12 months. The overall jewellery market sequentially slowed in the second quarter, and the growth in Pandora US continues to be well ahead of the broader market which remains flattish to slightly down. Brand momentum driven by the "BE LOVE" campaign coupled with the positive halo effect from Pandora Lab- Grown diamonds continues to drive new customer acquisition within the Fuel with more segment, particularly across the Timeless collection. LFL growth in the wholesale channel was flat in Q2. The gap between performance in our own physical retail and the wholesale channel remains and was 5pp in Q2.

Key markets in Europe

The key markets in Europe delivered LFL growth of 10%, which continues to be fuelled by the performance in Germany with 65% LFL growth. The brand momentum in Germany remains strong and drives up traffic. Execution was also strong with the higher traffic being converted successfully.

The UK remains stable with LFL growth of 1%, performance still being ahead of the market which is being impacted by dampened consumer sentiment. Pandora benefitted from an increase in traffic during the quarter, testament to the improving strength of the Pandora brand despite the tough consumer backdrop.

Italy delivered LFL growth of -6%, in a market with sustained macroeconomic challenges which continues to have a direct impact on the purchasing power of consumers. The decline in LFL was driven by softer traffic in stores, while the online channel experienced growth in both traffic and LFL. The fuel with more segments continue to grow, attracting new consumers into the brand.

France delivered a flat LFL of 0%. Performance continued to be hampered slightly by a drag from the wholesale channel of 16pp in Q2 compared to Pandora's own stores. To further develop the penetration of stores and drive brand awareness closer to that of other European key markets, Pandora continues to expand its network. Organic growth in France therefore reached 13% in Q2 2024, up from 12% in Q1.

Australia and China

Australia delivered LFL of -8% in Q2 2024. The consumer sentiment in Australia remains low and purchasing power subdued and this impacted Pandora's performance. Furthermore, the external promotional environment during the end of season sale was elevated. The partner stores also provided a drag, being outperformed by 3pp by the retail stores. LFL during base weeks, with no promotional activity in the market, was stronger (flat).

The performance in China was weak as anticipated ending at -23% LFL in the quarter. With the new management in place in early 2024, Pandora is committed to navigating the market's complexities and driving positive change through the gradual build of the brand in China.

Rest of Pandora

Rest of Pandora reported another double-digit quarter, achieving 13% LFL. The solid growth remains broad-based with established markets such as Spain and Poland sustaining mid-teens LFL growth, while less penetrated markets like Netherlands, Portugal, Austria and Japan exhibited solid double-digit LFL growth. The sequential slowing from 18% LFL in Q1 was mainly driven by the expected normalisation of growth levels in Turkey and Mexico. Network expansion continues across many markets in Rest of Pandora and organic growth reached 24% in Q2 2024.

QUARTERLY REVENUE DEVELOPMENT BY KEY MARKET

DKK million	Q2 2024	Q2 2023	Like-for-like	Organic growth	Share of revenue
US	2,173	1,834	5%	14%	32%
China	118	156	-23%	-23%	2%
UK	694	656	1%	4%	10%
Italy	568	584	-6%	-3%	8%
Australia	211	218	-8%	-3%	3%
France	261	231	0%	13%	4%
Germany	464	295	65%	57%	7%
Total key markets	4,490	3,972	5%	11%	66%
Rest of Pandora	2,281	1,922	13%	24%	34%
Total revenue	6,771	5,894	8%	15%	100%

YEAR-TO-DATE REVENUE DEVELOPMENT BY KEY MARKET

DKK million	H1 2024	H1 2023	Like-for-like	Organic growth	Share of revenue
US	4,201	3,549	7%	15%	31%
China	229	317	-20%	-25%	2%
UK	1,549	1,465	0%	3%	11%
Italy	1,133	1,123	-4%	0%	8%
Australia	414	438	-5%	-3%	3%
France	535	474	1%	13%	4%
Germany	936	564	66%	66%	7%
Total key markets	8,996	7,930	6%	12%	66%
Rest of Pandora	4,609	3,815	15%	26%	34%
Total revenue	13,605	11,745	9%	16%	100%

REVIEW OF NETWORK DEVELOPMENT

Continued expansion of the Pandora network with 45 net openings in Q2 2024

During the second quarter of 2024, Pandora added a net of 25 concept stores and 20 Pandora owned shop-in-shops to the network. The concept store openings have been geographically relatively broad-based, while the openings of Pandora owned shop-in-shops have been concentrated around Latin America and Asia.

In Q2 2024, network expansion drove 6% of the revenue growth. 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 it plans to expand the network with 400-500 targeted net openings through 2024-2026. For FY 2024, Pandora now targets net 100-150 concept store openings (previously "75-125") and 50-75 (previously "25-50") new Pandora owned shop-in-shops.

Number of points of sale ¹	Q2 2024	Q1 2024	Q2 2023	Growth	Growth
				Q2 2024	Q2 2024
				/Q1 2024	/Q2 2023
Concept stores	2,695	2,670	2,552	25	143
- of which Pandora owned ²	1,984	1,926	1,712	58	272
- of which franchise owned	391	412	533	-21	-142
- of which third-party distribution	320	332	307	-12	13
Other points of sale	3,940	3,965	3,975	-25	-35
- of which Pandora owned²	605	585	493	20	112
- of which franchise owned	3,038	3,085	3,167	-47	-129
- of which third-party distribution	297	295	315	2	-18
Total points of sale	6,635	6,635	6,527	-	108

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 in line with expectations – scaling up investments across the value chain

The EBIT margin in Q2 was 19.8%, -40bp below Q2 2023 reflecting a higher temporary drag from forward integration. Excluding the temporary negative impact from forward integration, the EBIT margin was in line with last year.

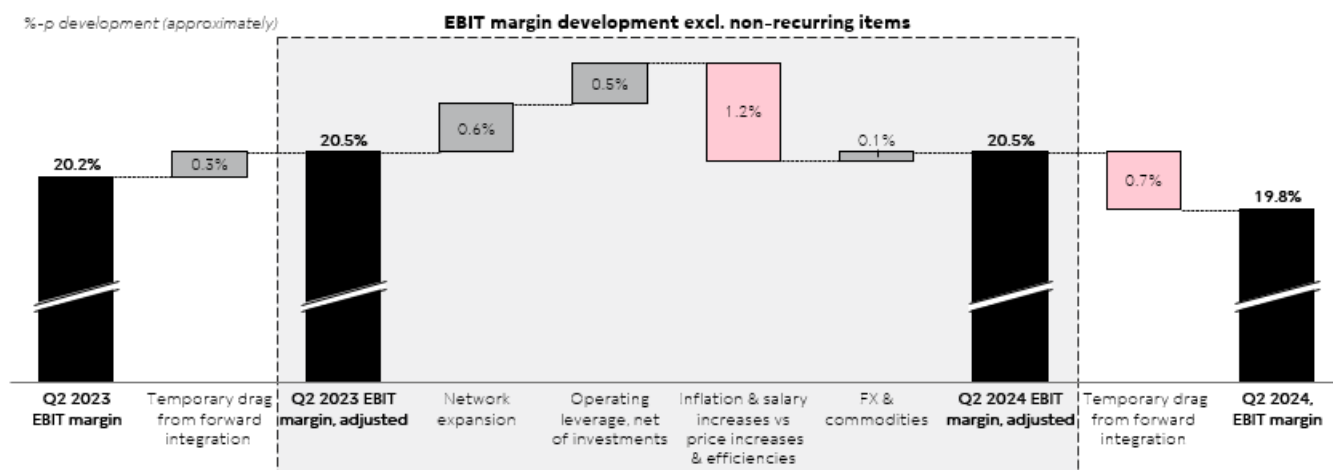
In line with the strategy, Pandora continued to invest across the value chain to support the restaging of the brand as well as accelerate other initiatives such as strengthening the presence in Asia. Accordingly, marketing expenses were up 100bp as a percentage of sales compared to Q2 2023.

Network expansion and operating leverage contributed positively and offset the investments into driving the topline whilst inflation and salary increases more than offset the price increases and efficiencies.

The temporary margin drag from buying back inventories in connection with forward integration represented a headwind of -70bp in the quarter, up 40bp from last year. As mentioned above, excluding this, the underlying EBIT margin is flat compared to last year despite the investments.

Foreign exchange represented a tailwind of 20bp, which was partially offset by the headwind from commodities of -10bp. The increased price of silver and gold is driving the negative impact on commodities, while the tailwind on currency comes from the weakening of the Thai baht and a stronger USD.

The net tailwind from foreign exchange rates and commodity prices is expected to turn in H2 2024 and become a -50bp drag on the full year.



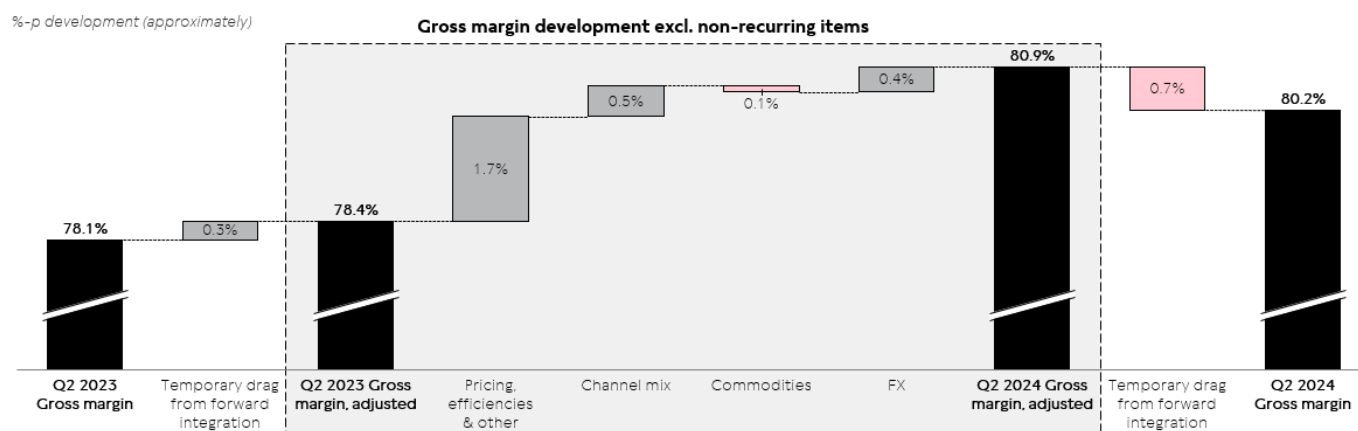
GROSS MARGIN

The gross margin in Q2 2024 was 80.2%, continuing the upward trend with yet another record high and +210 bp above Q2 2023, underpinning the strength of Pandora's vertically integrated business model.

The increase was driven by the price increases, as well as continued efficiencies at the crafting facilities. Channel mix contributed with +50bp positive impact vs Q2 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 84.0% compared to Core with a gross margin of 78.9%.

Foreign exchange rates provided a tailwind of +40bp, driven by the weakening of the THB and the strengthening of the USD whilst commodities drove a -10bp headwind vs. Q2 2023, due to an increase in the price of silver and gold.

The gross margin was temporarily impacted by buying back inventory when doing forward integration. This represented a net headwind of -40bp compared to Q2 2023. Adjusting for forward integration, the underlying gross margin improved by +250bp to 80.9%.



GROSS MARGIN AND GROSS PROFIT

DKK million	Q2 2024	Q2 2023	Growth in constant FX	H1 2024	H1 2023	Growth in constant FX
Revenue	6,771	5,894	16%	13,605	11,745	18%
Cost of sales	-1,342	-1,289	8%	-2,752	-2,603	10%
Gross profit	5,429	4,606	19%	10,853	9,142	20%
Gross margin %	80.2%	78.1%		79.8%	77.8%	

OPERATING EXPENSES

The operating expenses increased by 21% in constant exchange rates measured against Q2 2023 driven by the profitable network expansion and marketing investments behind the restaging of the brand.

The 25% increase in sales and distribution expenses is not least driven by the expansion of the store network and forward integration, having added 384 Pandora owned and operated stores to the network compared to Q2 2023. The resulting change of channel mix drives around 140bp increase in the Sales and Distribution expense as a share of revenue vs Q2 2023. The increase in Sales and Distribution expenses driven by the changes to the network is more than offset by a higher gross margin and leverage on other OPEX lines and thereby accretive to the EBIT margin.

The remaining increase in the Sales and Distribution expenses is driven by among others strategic Phoenix investments in digital and IT (for example a store workforce management system, upgrade of the online platform), depreciations related to the roll-out of Evoke as well as some one-off last year and phasing between quarters. The YoY increase in the share of revenue is expected to remain elevated in Q3 2024 and then decrease again in Q4 2024.

Marketing expenses were up by 23% in constant exchange rates vs Q2 2023 equivalent to almost DKK 200 million. This increase is related to the brand strategy, which aims to transform the perception of Pandora into a full jewellery brand. The share of revenue was 15.7%, 1 pp higher than Q2 2023.

Administrative expenses increased by only 3% in constant exchange rates vs. Q2 last year driving 110bp of leverage on this line in the Profit & Loss statement.

QUARTERLY OPERATING EXPENSES

DKK million	Q2 2024	Q2 2023	Growth in constant FX	Share of revenue Q2 2024	Share of revenue Q2 2023
Sales and distribution expenses	-2,441	-1,975	25%	36.1%	33.5%
Marketing expenses	-1,062	-864	23%	15.7%	14.7%
Administrative expenses	-588	-578	3%	8.7%	9.8%
Total operating expenses	-4,091	-3,417	21%	60.4%	58.0%

YEAR-TO-DATE OPERATING EXPENSES

DKK million	H1 2024	H1 2023	Growth in constant FX	Share of revenue H1 2024	Share of revenue H1 2023
Sales and distribution expenses	-4,862	-3,978	24%	35.7%	33.9%
Marketing expenses	-1,966	-1,579	25%	14.5%	13.4%
Administrative expenses	-1,180	-1,140	4%	8.7%	9.7%
Total operating expenses	-8,008	-6,697	21%	58.9%	57.0%

FINANCIAL EXPENSES AND TAX

Net financials came in at a cost of DKK 280 million in Q2 2024, compared to DKK 171 million in Q2 2023. The majority of the increase is non-structural and driven by two factors: i) net realised loss on foreign exchange hedging contracts of DKK 49 million and ii) non-cash foreign exchange rate adjustments on mainly intercompany balances between group entities resulted in a negative impact of DKK 46 million in Q2 this year (DKK 1 million gain in Q2 2023). The underlying increase in net financials is mainly driven by DKK 29 million higher IFRS16 related interest on lease payments. Based on above mentioned non-structural factors and based on the current foreign exchange rates, Pandora expects total net financial expenses in 2024 to be around DKK 1,000 million (previously "DKK 950-1,000 million"). The guidance consists of around DKK 800 million interest on debt, IFRS 16 related interest, fees etc. and around DKK 200 million loss 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 Q2 2024 came in at 24.5%, up by 100bp compared to Q2 2023 and in line with the guidance. The increase is driven by the Pillar Two tax rules, taking effect in 2024.

EPS came in at DKK 9.7 for the quarter an increase of 9% from DKK 8.9 in Q2 2023.

CASH FLOW & BALANCE SHEET

Improving net working capital

Net working capital was 6.0% of revenue in Q2 2024, down by 240bp from 8.4% in Q2 2023. The reduction was driven mainly by inventory levels being flat versus Q2 2023 despite a 15% increase in group revenues. This, therefore, resulted in a notable drop in inventories as a percentage of sales of 170bp compared to Q2 2023. Cash conversion came in at 94% and remains strong, supported by the lower net working capital. The free cash flow was DKK 1.3 billion, in line with last year.

CAPEX was DKK 0.5 billion in the quarter, equivalent to 7.0% of revenue, an increase from DKK 0.4 billion in Q2 2023 and in line with the guidance. The increase is driven by investments to fuel growth within the store network and within Digital and Technology, not least the new ERP platform.

ROIC was 45% in Q2 2024, just above the Q2 2023 level of 44%. The structurally 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.

Trade receivables continue to be at a healthy level and in line with last year with total days sales outstanding (DSO) down to 11 days, below the 12 days in Q2 2023. Wholesale DSO ended at 33 days compared to 35 days last quarter and 30 days in Q2 2023. Retail DSO remain low at 7 days, unchanged from last year.

NET WORKING CAPITAL

Share of preceding 12 months' revenue	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023
Inventories	14.9%	15.2%	14.8%	17.8%	16.6%
Trade receivables	2.8%	3.8%	4.8%	3.4%	2.9%
Trade payables	-9.2%	-9.2%	-11.4%	-8.7%	-8.5%
Other net working capital elements	-2.4%	-2.9%	-6.4%	-3.3%	-2.6%
Total	6.0%	6.9%	1.8%	9.2%	8.4%

Balance Sheet

Non-current assets increased by DKK 2.3 billion compared to Q2 2023 to DKK 17.2 billion by the end of Q2 2024. This was in larger part driven by the network expansion increasing the right-of-use assets, as well as CAPEX (tangible assets) related to store refurbishments.

Current assets increased from DKK 7.2 billion in Q2 2023 to DKK 7.6 billion in Q2 2024. The increase is driven by among others receivables related to derivatives (hedging).

Equity is DKK 4.1 billion, in-line with DKK 4.2 billion in Q2 2023. In the quarter, Pandora has bought back shares totalling DKK 0.9 billion, bringing the year-to-date amount to DKK 1.9 billion.

Net interest-bearing debt increased to DKK 13.4 billion, up from DKK 11.4 billion in Q2 2023. This corresponds to a leverage of 1.4x compared to a leverage of 1.3x last year. In line with usual seasonality, leverage is expected to peak in Q3 and go above 1.5x before 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). In the quarter, Pandora issued a EUR 500 million sustainability linked bond maturing in 2030. At the end of Q2 2024, Pandora had DKK 6.3 billion in undrawn committed credit facilities.

FINANCIAL GUIDANCE

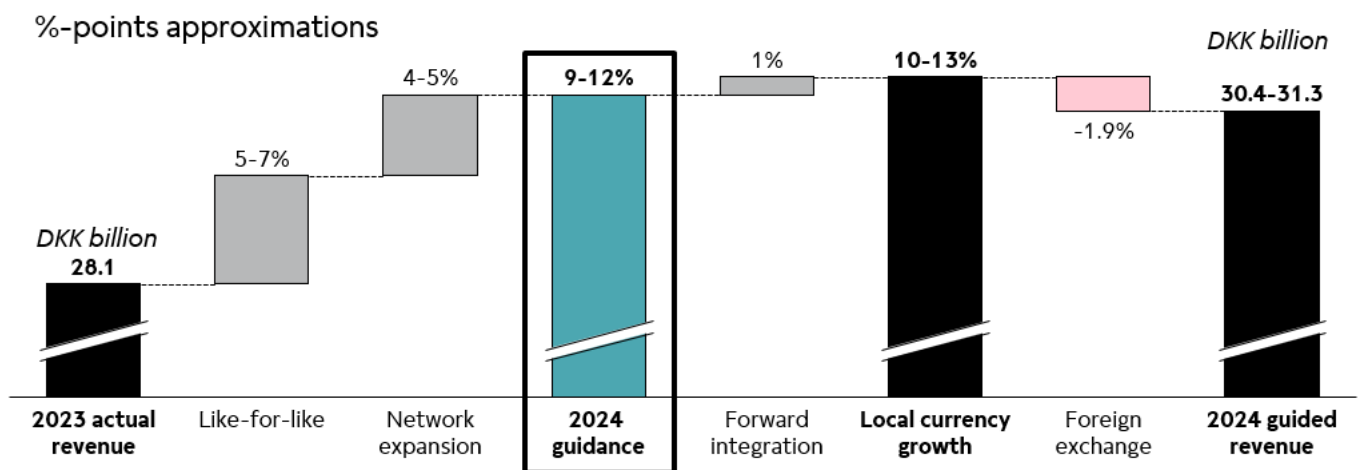
Upgrading revenue guidance

Despite lingering macroeconomic uncertainties, Pandora’s strategic initiatives have continued to yield positive results. Reflecting this strategic momentum, Pandora once again raises its organic growth guidance.

Pandora is now targeting organic growth of 9-12% (previously “8-10%”) and an EBIT margin around 25% (unchanged). The new organic growth range reflects the strategic momentum, partly offset by the broader macroeconomic environment. The low-end of the guidance would require a weakening of the macroeconomic climate relative to today.

REVENUE GUIDANCE

The organic growth guidance can be illustrated as follows:

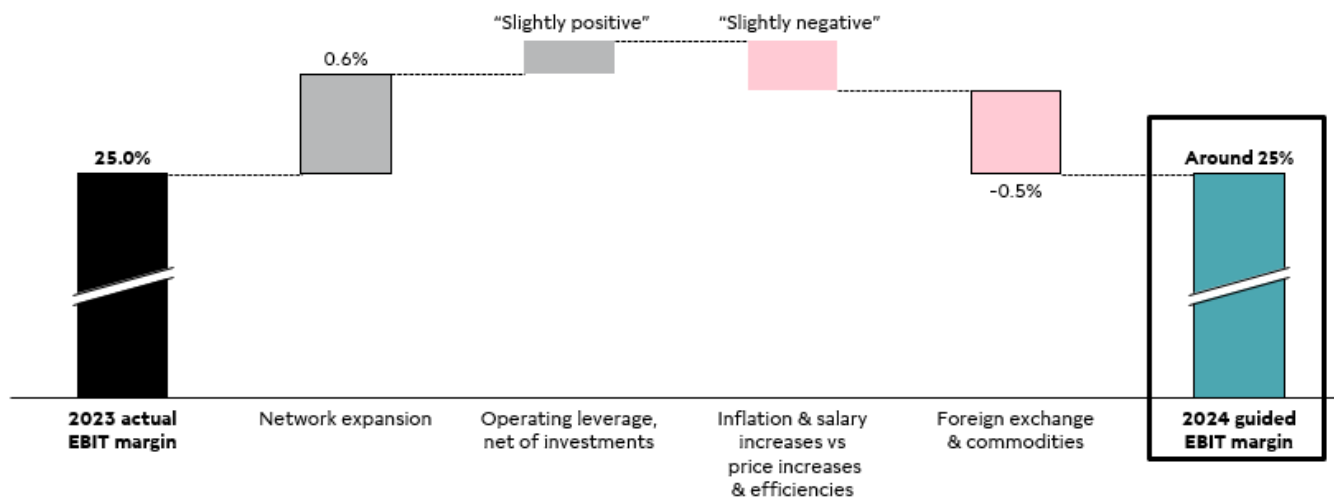


Pandora is currently expecting LFL growth of 5-7% (previously “4-6%”). The low-end of the LFL range would require a weakening of the macroeconomic environment relative to today. Continued network expansion is expected to add 4-5% growth (previously “Around 4%”) to take the total organic growth to 9-12% (previously “8-10%”). Finally, forward integration is expected to add around 1% revenue with revenue growth in local currency ending at 10-13% (previously “9-11%”).

PROFITABILITY GUIDANCE

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

%-points approximations



The building blocks in the bridge above include a positive impact from the profitable expansion of Pandora’s store network, expected to add 60bp (previously 50bp).

The “Operating leverage, net of investments” is now expected to be slightly positive (previously “Around 0%”), driven by the increase in the LFL guidance. The operating leverage will continue to be largely re-invested into initiatives supporting both future and current growth. Partly due to these investments and partly due to phasing of costs in general, the EBIT margin in Q3 2024 is, as previously communicated, expected to be below last year.

As outlined during the Capital Markets Day in 2023, Pandora is committed to 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 2.0 store concept, personalized 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 operational 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 (previously “0bp”). The incremental drag is offset by among others higher leverage.

2024 GUIDANCE – OTHER PARAMETERS

Pandora expects to open net 100-150 concept stores (previously “75-125”) and 50-75 (previously “25-50”) 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 2.0 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 total net financial expenses to be around DKK 1,000 million in 2024 (previously “DKK 950-1,000 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 37.

FOREIGN EXCHANGE AND COMMODITY ASSUMPTIONS AND IMPLICATIONS – As of 06 August 2024

	Average 2023	Average 2024	2024 Y-Y Financial Impact
USD/DKK	6.89	6.87	
THB/DKK	0.20	0.19	
GBP/DKK	8.57	8.70	
AUD/DKK	4.58	4.49	
MXN/DKK	0.39	0.38	
CAD/DKK	5.11	5.01	
TRY/DKK	0.30	0.21	
CNY/DKK	0.97	0.96	
Silver/USD (per ounce) ^a	22.75	23.87	
Gold/USD (per ounce)	1,840	1,993	
REVENUE (DKK million)			<i>Approx.</i> -525
EBIT (DKK million)			<i>Approx.</i> -280
EBIT margin (foreign exchange)			<i>Approx.</i> 0.0%
EBIT margin (commodities)			<i>Approx.</i> -0.5%

CAPITAL STRUCTURE POLICY AND CASH DISTRIBUTION

At the end of Q2 2024, in line with expectations and usual seasonality, Pandora’s leverage was 1.4x NIBD to EBITDA, broadly in line with Q2 2023 at 1.3x.

Pandora aims for a leverage ratio of approximately 1.2x NIBD to EBITDA by the end of 2024. In line with the usual seasonality of the business, leverage will increase through the year, peaking in Q3 2024, and then fall back by year end.

Pandora has paid out DKK 3.4 billion to shareholders in the first half of 2024, of which DKK 1.5 billion came from an ordinary dividend of DKK 18 per share and DKK 1.9 billion was distributed via share buybacks (DKK 0.4 billion related to the 2023 programme ending in early February 2024). Pandora intend to buy back DKK 4.0 billion worth of own shares over twelve months ending January 31, 2025, of which DKK 2.0 billion has been bought back as of August 9, 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 Q2 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).

- Pandora was recognised on TIME Magazine's Word's Most Sustainable companies 2024' list. Out of 500 companies that were ranked, only two Danish companies made it into the top 100, including Pandora. Pandora ranked 8th in its industry – retail, wholesale and consumer goods.
- **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

Investor and Analyst Days 2024

Pandora hosted Investor and Analyst Days on June 11-12 2024, showcasing Pandora's Crafting & Supply facilities in Thailand. During the visit, the leadership team presented a deep dive into Pandora's vertically integrated business model, showcasing its unmatched scale, speed and agility. Presentations and audio files can be accessed via the following link: <https://pandoragroup.com/investor/events-and-presentations/presentations>

Pandora brings lab-grown diamonds to Denmark

In June, Pandora launched its lab-grown diamonds collection in Denmark, its home country, marking the first EU market to offer these innovative diamonds. This launch, supported by the opening of Pandora's first flagship store in Copenhagen, aims to make diamond jewellery more accessible and sustainable. The diamonds are created using renewable energy and set in recycled silver and gold, significantly reducing their carbon footprint compared to mined diamonds. The new flagship store features a unique design and offers bespoke services, enhancing customer experience.

Pandora successfully prices a EUR 500 million Sustainability-Linked Eurobond

During May, Pandora placed EUR 500 million senior unsecured sustainability-linked notes under its EMTN programme, with strong investor demand peaking at over EUR 1.7 billion. The bonds, rated Baa2 by Moody's and BBB by Standard & Poor's, were issued on May 31, 2024, at a fixed coupon of 3.875% per annum with maturity in 2030. The proceeds will be used for refinancing and general corporate purposes, with the interest rate level on the bonds linked to achieving specific sustainability targets.

Pandora breaks ground on new crafting facility in Vietnam

Pandora began constructing a new USD 150 million (DKK 1 billion) crafting facility in Binh Duong Province, Vietnam. This facility will support long-term growth, create 7,000 jobs, and produce up to 60 million pieces of jewellery annually using 100% renewable energy and recycled silver and gold. The facility aims to meet future demand and align with Pandora's sustainability goals, contributing to its objective of halving carbon emissions by 2030 and achieving net zero by 2040.

FINANCIAL CALENDAR 2024

The expected dates for publication of financial announcements in 2024 for Pandora A/S are as follows:

06 November 2024 Interim Financial Report for the third quarter 2024

05 February 2025 Annual Report 2024

2024 YTD DEVELOPMENT

REVENUE

Total revenue increase by 18% in local currency to DKK 13,605 million in the first half of 2024 compared to 2023. Organic growth was 16% reflecting sustained momentum and a strengthening of the brand.

Revenue from Pandora's Core segment grew by 9% in local currency to DKK 10,123 million in the first half of 2024 from DKK 9,403 million in 2023. The segment "Fuel with more" saw revenue growth of 50% in local currency, driven by strong performance of the Timeless collection.

GROSS PROFIT AND COSTS

Gross profit was DKK 10,853 million in the first half of 2024 (DKK 9,142 million in 2023), resulting in a gross margin of 79.8% in 2024 vs. 77.8% in 2023. The Core segment generated a gross margin of 78.4% (2023: 77.0%), while Fuel with more generated a gross margin of 83.7% (2023: 81.4%). The increase was driven by favourable channel mix and pricing, as well as efficiencies at our crafting facilities.

Sales and distribution expenses increased to DKK 4,862 million in the first half of 2024 (DKK 3,978 million in 2023), corresponding to 35.7% of revenue in 2024 (33.9% in 2023). The increase is mainly the result of the profitable expansion of the Pandora owned physical network.

Marketing expenses were DKK 1,966 million in the first half of 2024 (DKK 1,579 million in 2023), resulting in a share of revenue of 14.5% in 2024 compared with 13.4% in 2023. The reason for the higher shares of revenue is related to the brand strategy, which aims to transform the perception of Pandora into a full jewellery brand.

Administrative expenses ended at DKK 1,180 million in the first half of 2024 compared with DKK 1,140 million in 2023, corresponding to 8.7% of revenue in 2024, down from 9.7% in 2023.

EBIT

EBIT for the first half of 2024 was DKK 2,845 million, resulting in an EBIT margin of 20.9% vs. 20.8% in 2023.

NET FINANCIALS

Net financials amounted to a cost of DKK 509 million in the first half of 2024 vs. a cost of DKK 265 million in 2023. This reflects among others increased interest rates on loans and store leases, as well as foreign exchanges rate adjustments and net realised losses on foreign exchange hedging contracts.

INCOME TAX EXPENSES

Income tax expenses were DKK 572 million in the first half of 2024 compared with DKK 512 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 half of 2024 was DKK 1,764 million vs. DKK 1,667 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/interim-financial-report-for-the-second-quarter-of>

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. Pandora is committed to leadership in sustainability and is sourcing recycled silver and gold for all of its jewellery, just as the company 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:

INVESTOR RELATIONS

Bilal Aziz
VP, Investor Relations & Treasury
+45 3137 9486
biazi@pandora.net

Adam Fuglsang
Director, Investor Relations
+45 6167 7425
adfug@pandora.net

CORPORATE COMMUNICATIONS

Mads Twomey-Madsen
SVP, Corporate Communications & Sustainability
+45 2510 0403
matd@pandora.net

Johan Melchior
VP, Media Relations & Public Affairs
+45 4060 1415
jome@pandora.net

FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

DKK million	Notes	Q2 2024	Q2 2023	H1 2024	H1 2023	FY 2023
Revenue	3	6,771	5,894	13,605	11,745	28,136
Cost of sales		-1,342	-1,289	-2,752	-2,603	-6,012
Gross profit		5,429	4,606	10,853	9,142	22,125
Sales, distribution and marketing expenses		-3,503	-2,839	-6,828	-5,557	-12,707
Administrative expenses		-588	-578	-1,180	-1,140	-2,379
Operating profit		1,338	1,188	2,845	2,445	7,039
Finance income		47	67	94	160	251
Finance costs		-327	-239	-603	-424	-1,056
Profit before tax		1,058	1,017	2,336	2,180	6,234
Income tax expense		-260	-239	-572	-512	-1,494
Net profit for the period		799	778	1,764	1,667	4,740
Earnings per share, basic, DKK		9.7	8.9	21.5	19.0	55.5
Earnings per share, diluted, DKK		9.7	8.8	21.4	18.9	55.1

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

DKK million	Q2 2024	Q2 2023	H1 2024	H1 2023	FY 2023
Net profit for the period	799	778	1,764	1,667	4,740
Other comprehensive income:					
Items that may be reclassified to profit/loss for the period					
Exchange rate adjustments of investments in subsidiaries	-29	-25	51	-66	-149
Fair value adjustment of hedging instruments	198	-282	173	-249	-197
Tax on other comprehensive income, hedging instruments, income/expense	-29	43	-24	48	39
Items that may be reclassified to profit/loss for the period, net of tax	140	-263	200	-267	-308
Items not to be reclassified to profit/loss for the period					
Actuarial gain/loss on defined benefit plans, net of tax	-	-21	-	-21	-9
Items not to be reclassified to profit/loss for the period, net of tax	-	-21	-	-21	-9
Other comprehensive income, net of tax	140	-284	200	-288	-317
Total comprehensive income for the period	939	494	1,963	1,379	4,423

CONSOLIDATED BALANCE SHEET

DKK million	Notes	2024 30 June	2023 30 June	2023 31 December
ASSETS				
Goodwill	7	5,070	4,882	4,914
Brand		1,057	1,057	1,057
Distribution		1,034	1,040	1,039
Other intangible assets		949	687	790
Total intangible assets		8,110	7,666	7,801
Property, plant and equipment		2,955	2,382	2,746
Right-of-use assets	8	4,454	3,367	3,779
Deferred tax assets		1,417	1,299	1,260
Other financial assets		267	214	215
Total non-current assets		17,203	14,929	15,800
Inventories		4,459	4,460	4,166
Trade receivables	5	854	791	1,342
Right-of-return assets		53	39	55
Derivative financial instruments	4,12	283	117	87
Income tax receivable		218	182	103
Other receivables		831	738	849
Cash		897	855	1,397
Total current assets		7,594	7,183	7,998
Total assets		24,797	22,112	23,798
EQUITY AND LIABILITIES				
Share capital		82	89	89
Treasury shares		-1,092	-2,337	-4,353
Reserves		818	650	610
Proposed dividend		-	-	1,480
Retained earnings		4,268	5,843	7,530
Total equity		4,076	4,245	5,355
Provisions		467	369	408
Loans and borrowings	4,8	11,978	10,555	9,737
Deferred tax liabilities		243	174	164
Other payables		189	-	80
Total non-current liabilities		12,878	11,098	10,389
Provisions		20	19	23
Refund liabilities		583	478	721
Contract liabilities		177	126	185
Loans and borrowings	4,8	2,321	1,663	1,430
Derivative financial instruments	4,12	109	206	128
Trade payables	9	2,769	2,277	3,211
Income tax payable		718	964	583
Other payables		1,145	1,036	1,773
Total current liabilities		7,843	6,769	8,053
Total liabilities		20,721	17,867	18,443
Total equity and liabilities		24,797	22,112	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	-	-	-	-	-	1,764	1,764
Other comprehensive income, net of tax	-	-	74	135	-	-9	200
Total comprehensive income for the period	-	-	74	135	-	1,754	1,963
Share-based payments	-	196	-	-	-	-80	117
Purchase of treasury shares	-	-1,888	-	-	-	-	-1,888
Cancellation of treasury shares	-7	4,952	-	-	-	-4,945	-
Dividend proposed	-	-	-	-	-9	9	-
Dividend paid	-	-	-	-	-1,471	0	-1,471
Equity at 30 June	82	-1,092	716	102	-	4,268	4,076
2023							
Equity at 1 January	96	-3,320	797	121	1,430	8,044	7,167
Net profit for the period	-	-	-	-	-	1,667	1,667
Other comprehensive income, net of tax	-	-	-73	-195	-	-21	-288
Total comprehensive income for the period	-	-	-73	-195	-	1,647	1,379
Share-based payments	-	276	-	-	-	-185	91
Purchase of treasury shares	-	-2,980	-	-	-	-	-2,980
Cancellation of treasury shares	-7	3,687	-	-	-	-3,680	-
Dividend proposed	-	-	-	-	-18	18	-
Dividend paid	-	-	-	-	-1,412	-	-1,412
Equity at 30 June	89	-2,337	724	-74	-	5,843	4,245

CONSOLIDATED STATEMENT OF CASH FLOWS

DKK million	Notes	Q2 2024	Q2 2023	H1 2024	H1 2023	FY 2023
Operating profit		1,338	1,188	2,845	2,445	7,039
Depreciation and amortisation		579	502	1,139	999	2,079
Share-based payments		40	30	98	54	105
Change in inventories		-76	-97	-236	-179	210
Change in receivables		222	228	415	776	56
Change in payables and other liabilities		258	153	-1,152	-1,741	446
Other non-cash adjustments		-111	-41	-125	-27	-55
Finance income received		4	5	8	10	19
Finance costs paid		-349	-133	-540	-249	-683
Income taxes paid		-277	-207	-638	-603	-1,832
Cash flows from operating activities, net		1,626	1,627	1,814	1,485	7,384
Acquisitions of subsidiaries and activities, net of cash acquired	6	-49	-111	-165	-156	-349
Purchase of intangible assets		-106	-56	-145	-170	-359
Purchase of property, plant and equipment		-317	-226	-573	-452	-1,129
Change in other assets		-6	21	-4	29	37
Proceeds from sale of property, plant and equipment		5	-	9	-	-
Cash flows from investing activities, net		-472	-371	-878	-748	-1,800
Dividend paid		-	-	-1,471	-1,412	-1,412
Dividend paid – withholding tax		-361	-337	-	-	-
Purchase of treasury shares		-879	-1,451	-1,867	-2,900	-5,022
Proceeds from loans and borrowings		696	1,175	4,526	7,329	5,927
Repayment of loans and borrowings		-54	99	-1,929	-3,061	-3,321
Repayment of lease commitments		-293	-264	-564	-515	-1,107
Cash flows from financing activities, net		-892	-778	-1,306	-560	-4,935
Net increase/decrease in cash		262	478	-370	177	649
Cash and cash equivalents, beginning of period		548	288	1,183	595	595
Exchange gains/losses on cash and cash equivalents		-4	-17	-8	-23	-61
Net increase/decrease in cash		262	478	-370	177	649
Cash and cash equivalents, end of period		806	749	806	749	1,183
Cash balances		897	855	897	855	1,397
Overdrafts		-92	-106	-92	-106	-214
Cash and cash equivalents, end of period		806	749	806	749	1,183
Cash flows from operating activities, net		1,626	1,627	1,814	1,485	7,384
- Finance income received		-4	-5	-8	-10	-19
- Finance costs paid		349	133	540	249	683
Cash flows from investing activities, net		-472	-371	-878	-748	-1,800
- Acquisition of subsidiaries and activities, net of cash acquired		49	111	165	156	349
Repayment of lease commitments		-293	-264	-564	-515	-1,107
Free cash flows incl. lease payments		1,255	1,230	1,069	616	5,489
Unutilised committed credit facilities	4	6,340	3,346	6,340	3,346	4,472

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

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 (formerly referred to as Moments incl. Collabs), while the other, Fuel with more (formerly referred to as Style), covers newer collections and innovations.

In Q3 2023, Pandora updated its collection structure by moving the Pandora ME collection from the Fuel with more segment into the Core segment. The strategic reasoning centres around design aesthetics and categorisation of jewellery to better align consumer synergies among collections, leading to a centralised platform for charms and carriers. All the comparative figures have been restated to reflect the updated structure.

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
Q2 2024			
Revenue	5,108	1,663	6,771
Cost of sales	-1,076	-266	-1,342
Gross profit	4,032	1,397	5,429
Gross margin, %	78.9%	84.0%	80.2%
Operating expenses			-4,091
Consolidated operating profit (EBIT)			1,338
Profit margin (EBIT margin), %			19.8%
Q2 2023¹			
Revenue	4,764	1,130	5,894
Cost of sales	-1,083	-206	-1,289
Gross profit	3,682	924	4,606
Gross margin, %	77.3%	81.8%	78.1%
Operating expenses			-3,417
Consolidated operating profit (EBIT)			1,188
Profit margin (EBIT margin), %			20.2%

¹ In Q3 2023, Pandora moved the Pandora ME collection from Fuel with more to Core. Comparative figures for Q2 2023 were restated accordingly.

DKK million	Core	Fuel with more	Group
H1 2024			
Revenue	10,123	3,482	13,605
Cost of sales	-2,184	-568	-2,752
Gross profit	7,939	2,914	10,853
Gross margin, %	78.4%	83.7%	79.8%
Operating expenses			-8,008
Consolidated operating profit (EBIT)			2,845
Profit margin (EBIT margin), %			20.9%
H1 2023¹			
Revenue	9,403	2,342	11,745
Cost of sales	-2,167	-436	-2,603
Gross profit	7,235	1,906	9,142
Gross margin, %	77.0%	81.4%	77.8%
Operating expenses			-6,697
Consolidated operating profit (EBIT)			2,445
Profit margin (EBIT margin), %			20.8%

¹ In Q3 2023, Pandora moved the Pandora ME collection from Fuel with more to Core. Comparative figures for H1 2023 were restated accordingly.

REVENUE BY SEGMENTS

DKK million	Q2 2024	Q2 2023 ¹	Like-for-like	Local currency growth	Share of Revenue	H1 2024	H1 2023 ¹	Like-for-like	Local currency growth	Share of Revenue
Core	5,108	4,764	1%	9%	75%	10,123	9,403	2%	9%	74%
- Moments	4,346	4,025	3%	10%	64%	8,577	7,885	3%	11%	63%
- Collabs	526	545	-14%	-3%	8%	1,085	1,155	-14%	-5%	8%
- ME	236	194	14%	23%	3%	460	362	20%	29%	3%
Fuel with more	1,663	1,130	29%	48%	25%	3,482	2,342	31%	50%	26%
- Timeless	1,225	880	29%	40%	18%	2,748	1,829	36%	52%	20%
- Signature	205	218	-13%	-5%	3%	437	447	-11%	-1%	3%
- PANDORA ESSENCE ²	172	-	-	-	3%	173	-	-	-	1%
- Pandora Lab-Grown Diamonds	61	32	88%	91%	1%	124	66	88%	86%	1%
Total revenue	6,771	5,894	8%	16%	100%	13,605	11,745	9%	18%	100%
Goods transferred at a point in time	6,756	5,880				13,576	11,716			
Services transferred over time	15	14				29	29			
Total revenue	6,771	5,894				13,605	11,745			

¹ In Q3 2023, Pandora moved the Pandora ME collection from Fuel with more to Core. Comparative figures for Q2 2023 and H1 2023 were restated accordingly.

² PANDORA ESSENCE was launched in 2024 following a successful pilot in the Netherlands in 2023.

REVENUE DEVELOPMENT IN KEY MARKETS

DKK million	Q2 2024	Q2 2023	Like-for-like	Local currency growth	H1 2024	H1 2023	Like-for-like	Local currency growth
US	2,173	1,834	5%	17%	4,201	3,549	7%	18%
China	118	156	-23%	-23%	229	317	-20%	-25%
UK	694	656	1%	4%	1,549	1,465	-	3%
Italy	568	584	-6%	-3%	1,133	1,123	-4%	1%
Australia	211	218	-8%	-3%	414	438	-5%	-3%
France	261	231	-	13%	535	474	1%	13%
Germany	464	295	65%	57%	936	564	66%	66%
Total top-7 markets	4,490	3,972	5%	12%	8,996	7,930	6%	13%
Rest of Pandora	2,281	1,922	13%	25%	4,609	3,815	15%	27%
Total revenue	6,771	5,894	8%	16%	13,605	11,745	9%	18%

Executive summary

Financial highlights

Business update

Revenue review

Profitability

Cash Flow & Balance sheet

Financial guidance

Sustainability

Other events & Contact

Financial statements

Accounting notes

REVENUE DEVELOPMENT BY CHANNEL

DKK million	Q2 2024	Q2 2023	Organic growth	Share of Revenue	H1 2024	H1 2023	Organic growth	Share of Revenue
Pandora owned¹ retail	5,567	4,603	19%	82%	11,062	8,994	21%	81%
- of which concept stores	3,788	3,089	18%	56%	7,450	5,990	21%	55%
- of which online stores	1,345	1,141	19%	20%	2,742	2,285	21%	20%
- of which other points of sale	434	372	19%	6%	870	718	23%	6%
Wholesale	995	1,131	-2%	15%	2,122	2,414	-3%	16%
- of which concept stores	410	575	-12%	6%	878	1,229	-14%	6%
- of which other points of sale	585	555	9%	9%	1,244	1,185	8%	9%
Third-party distribution	209	161	27%	3%	420	337	23%	3%
Total revenue	6,771	5,894	15%	100%	13,605	11,745	16%	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 13.4 billion at the end of Q2 2024 (Q1 2024: DKK 12.6 billion) corresponding to a financial leverage of 1.4x (Q1 2024: 1.3x).

Liquidity risk

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

DKK million	2024 30 June	2023 31 December
Loans and borrowings, non-current	8,668	6,973
Lease liabilities, non-current	3,310	2,765
Loans and borrowings, current	1,041	313
Lease liabilities, current	1,280	1,116
Cash	-897	-1,397
Net interest-bearing debt	13,402	9,770
Unutilised committed credit facilities	6,340	4,472

In Q2 2024, Pandora issued a EUR 500 million sustainability linked bond maturing in 2030. The proceeds are used for general corporate purposes and to repay a DKK 2.0 billion bridge loan. Further, DKK 850 million was drawn on short term money market lines to optimise interest costs. At the end of Q2 2024, Pandora had DKK 6.3 billion in undrawn committed credit facilities.

NOTE 5 – Trade receivables

DKK million	2024	2023
	30 June	31 December
Receivables related to third-party distribution and wholesale	436	705
Receivables related to retail revenue	418	637
Total trade receivables	854	1,342

NOTE 6 – Business combinations

In H1 2024, Pandora took over 29 concept stores (8 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 164 million. Based on the purchase price allocations, goodwill was DKK 86 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 84 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.

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 June 2024 was DKK 40 million and DKK 8 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 June 2024, excluding the temporary drag on gross margin from inventory buybacks, would have been approximately DKK 49 million and DKK 10 million respectively³.

ACQUISITIONS

DKK million	H1 2024	FY 2023
Property, plant and equipment and right-of-use assets	61	144
Other non-current assets	1	-
Inventories	77	194
Other current assets	1	3
Assets acquired	140	341
Non-current liabilities	24	75
Payables	3	4
Other current liabilities	34	49
Liabilities assumed	62	128
Total identifiable net assets acquired	78	213
Goodwill arising on the acquisitions	86	143
Purchase consideration	164	356
Cash movements on acquisitions:		
Consideration transferred regarding previous years ¹	10	14
Deferred payment ²	-10	-21
Net cash flows on acquisitions	165	349

¹ The consideration of DKK 10 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.

³The 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 June 2024 calculated according to IFRS 3 was DKK 100 million and DKK 40 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 June 2024, excluding the temporary drag on the margin from inventory buybacks, would have been approximately DKK 109 million and DKK 41 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 June	2023 31 December
Cost at 1 January	4,914	4,822
Acquisition of subsidiaries and activities in the period	86	143
Exchange rate adjustments	70	-50
Cost at the end of the period	5,070	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 June	2023 31 December
Property	4,392	3,765
Other	18	14
Total right-of-use assets	4,454	3,779

Out of the total increase of DKK 0.7 billion in right-of-use-assets in the period 1 January to 30 June 2024, DKK 1.3 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 0.6 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 June	2023 31 December
Non-current	3,310	2,765
Current	1,280	1,116
Total lease liabilities	4,591	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 June 2024	1 January – 30 June 2023
Property	634	556
Other	7	6
Total depreciation on right-of-use assets for the period	641	563

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 June 2024	1 January – 30 June 2023
Interest expense	176	121
Total interest for the period	176	121

Costs recognised in the period for short-term and low-value leases were DKK 44 million (2023 H1: DKK 31 million). Expenses are recognised on a straight-line basis.

TOTAL CASH FLOWS RELATING TO LEASES

DKK million	1 January – 30 June 2024	1 January – 30 June 2023
Fixed lease payments	564	515
Interest payments	176	121
Variable leases	272	218
Short-term and low-value leases	44	31
Total cash flows relating to leases	1,056	885

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 149 million at 30 June 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 development¹

	Total concept stores					O&O concept stores		
	Number of concept stores	Number of concept stores	Number of concept stores	Growth	Growth	Number of concept stores	Growth O&O stores	Growth O&O stores
	Q2 2024	Q1 2024	Q2 2023	Q2 2024 / Q1 2024	Q2 2024 / Q2 2023	Q2 2024	Q2 2024 / Q1 2024	Q2 2024 / Q2 2023
US	465	457	427	8	38	374	8	74
China	208	212	231	-4	-23	196	-6	-22
UK	217	219	215	-2	2	216	1	16
Italy	182	175	160	7	22	155	7	31
Australia	126	124	124	2	2	61	6	15
France	124	123	122	1	2	109	7	27
Germany	136	135	132	1	4	134	1	5
Total key markets	1,458	1,445	1,411	13	47	1,245	24	146
Rest of Pandora	1,237	1,225	1,141	12	96	739	34	126
All markets	2,695	2,670	2,552	25	143	1,984	58	272

¹All 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, a strategic decision was taken to temporarily pause any further hedging. As of the end of Q2 2024, Pandora had hedged 48% of commodity exposures for the next 12 months of production and Pandora had not hedged any use of silver and gold for production from Q2 2025 onwards.

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 is usually 2-7 months.

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

USD / OZ	Realised in Q2 2024	Hedged Q3 2024	Hedged Q4 2024	Hedged Q1 2025	Hedged Q2 2025
Silver price	24.87	24.89	24.71	24.78	-
Gold price	2,023	2,093	2,155	2,225	-
Commodity hedge ratio (actual), %	Realised	92%	59%	38%	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 June 2024, which are expected to materially impact the Group's financial position.

QUARTERLY OVERVIEW

DKK million	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023
Financial highlights					
Revenue	6,771	6,834	10,820	5,572	5,894
Organic growth, %	15%	18%	12%	11%	5%
Like-for-like, %	8%	11%	9%	9%	2%
Earnings before interest, tax, depreciation and amortisation (EBITDA)	1,916	2,067	4,227	1,447	1,690
Operating profit (EBIT)	1,338	1,507	3,674	920	1,188
EBIT margin, %	19.8%	22.0%	34.0%	16.5%	20.2%
Net financials	-280	-229	-330	-211	-171
Net profit for the period	799	965	2,530	543	778
Financial ratios					
Revenue growth, DKK, %	15%	17%	10%	6%	4%
Revenue growth, local currency, %	16%	19%	13%	11%	7%
Gross margin, %	80.2%	79.4%	79.3%	79.0%	78.1%
EBITDA margin, %	28.3%	30.3%	39.1%	26.0%	28.7%
EBIT margin, %	19.8%	22.0%	34.0%	16.5%	20.2%
Effective tax rate, %	24.5%	24.5%	24.4%	23.5%	23.5%
Equity ratio, %	16%	17%	23%	15%	19%
NIBD to EBITDA, x	1.4	1.3	1.1	1.5	1.3
Return on invested capital (ROIC), % ¹	45%	45%	45%	43%	44%
Cash conversion incl. lease payments, %	94%	-12%	116%	65%	104%
Net working capital, % of last 12 months' revenue	6.0%	6.9%	1.8%	9.2%	8.4%
Capital expenditure, % of revenue	7.0%	6.0%	5.4%	6.7%	6.8%
Stock ratios					
Total payout ratio (incl. share buyback), %	110%	255%	30%	249%	186%
Consolidated balance sheet					
Total assets	24,797	23,993	23,798	23,126	22,112
Invested capital	17,478	16,605	15,126	16,228	15,609
Net working capital	1,812	2,017	510	2,498	2,265
Net interest-bearing debt (NIBD)	13,402	12,643	9,770	12,707	11,363
Equity	4,076	3,961	5,355	3,521	4,245
Consolidated statement of cash flows					
Cash flows from operating activities	1,626	188	4,821	1,078	1,627
Capital expenditure, total	476	409	582	374	398
Capital expenditure, property, plant and equipment	331	252	394	305	312
Free cash flows incl. lease payments	1,255	-187	4,277	597	1,230

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 moving annual total. 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 June 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 June 2024 and of the results of the Pandora Group's operations and cash flows for the period 1 January to 30 June 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.

Copenhagen, 12 August 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.

