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COMPANY ANNOUNCEMENT

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PANDORA TRADING UPDATE**INITIAL STRONG PERFORMANCE IMPACTED BY THE ESCALATION OF COVID-19. FINANCIAL GUIDANCE IS NO LONGER MEANINGFUL AND CONSEQUENTLY WITHDRAWN**

The recent COVID-19 escalation has a material negative impact on the global economy, and Pandora is today announcing mitigating actions under these extraordinary and rapidly developing circumstances.

Financial performance was strong in January and February with particularly good development in the Online Store and in some key markets generating positive like-for-like. Total like-for-like excluding China was better than the full-year financial guidance but the COVID-19 escalation has led to material weakness in sales across markets.

In China, like-for-like has been between -70% and -80% since late January. Revenue is currently slightly improving, but a return to normal demand will expectedly take time and be outside the control of Pandora. The European markets, and Italy in particular, have been visibly impacted since late February. Italy generated solid positive like-for-like in January and February, while trading in March has now almost come to a complete halt. Australia is impacted due to a decline in tourism and most other markets are now indirectly impacted through a general dampening of consumer sentiment. In the markets affected by lock-downs and other governmental measures, revenue is expected to be negligible while these circumstances prevail. The timing and pattern of the return to normalised business is obviously subject to uncertainty and outside the control of Pandora.

Pandora is actively managing cost levels, including media, rent and other store costs, to ensure an appropriate balance between protecting profits while continuing to drive revenue from the Online store and build on the underlying momentum of the brand. Despite the headwind caused by COVID-19, profitability is expected to continue to be strong in Q1 2020. The profitable and cash generative business model means that Pandora can absorb several months of suppressed traffic and still be profitable and cash generative for the full year. Combined with a conservative capital structure policy, light funding covenants and healthy funding availability, Pandora has a strong financial position to manage through this downturn period.

To preserve a strong balance sheet under these extraordinary circumstances, Pandora has as of today decided not to buy back any further treasury shares under the authorisation given at the 2020 Annual General Meeting. Pandora expects to initiate a programme when the situation improves, subject to the capital structure policy of having net interest bearing debt including committed leases of 0.5 – 1.5 times EBITDA excluding restructuring costs.

Pandora's financial guidance announced on 4 February 2020 excluded any impact from COVID-19. As a consequence of the global escalation of the situation, the financial guidance for 2020

is no longer meaningful and hence now withdrawn.

Pandora continues to monitor the development of COVID-19, and the primary focus remains the well-being of employees and ensuring safe environments for customers. Guidelines set by local authorities will be followed, and the company will temporarily close stores and offices as advised. Pandora's manufacturing facilities in Thailand continue to run with stable supplies and currently without notable impact from the situation.

ABOUT PANDORA

Pandora 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 7,400 points of sale, including more than 2,700 concept stores.

Headquartered in Copenhagen, Denmark, Pandora employs 28,000 people worldwide and crafts its jewellery at two LEED certified facilities in Thailand using mainly recycled silver and gold. The company plans to be carbon neutral by 2025 and has joined the Science Based Targets initiative to reduce emissions across its full value chain. Pandora is listed on the Nasdaq Copenhagen stock exchange and generated sales of DKK 21.9 billion (EUR 2.9 billion) in 2019.

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