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COMPANY ANNOUNCEMENT

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PANDORA TRADING UPDATE FOR Q2 2020

Pandora hereby releases preliminary unaudited results for the second quarter of fiscal year 2020.

HIGHLIGHTS

- 86% of Pandora's owned and franchised concept stores were open as of 30 June 2020
- Total sell-out growth and organic growth ended around -40% in Q2 2020 and continued to improve during the quarter
- Online organic growth was 176% in Q2 2020
- Q2 2020 EBIT before restructuring costs is expected to be roughly breakeven - significantly better than the expected negative EBIT communicated in early May 2020
- Pandora continues to consider the COVID-19 situation and macroeconomic environment as highly uncertain and unpredictable

TRADING UPDATE

The global reopening of the physical store network is progressing. Today, more than 86% of the Pandora concept stores are open to the public. Almost all stores in the 7 key markets have re-opened. In most markets, operational adjustments in the stores are necessary to accommodate guidelines for social distancing, which impacts the ability to serve customers, especially during peak periods. However, traffic into the re-opened stores is slowly improving.

Open concept stores (Pandora owned and franchise owned) by end of month

	April	May	June
Open stores, %	20%	51%	86%

Financial performance in the second quarter was materially impacted by COVID-19 related store closures early in the quarter, which was followed by a partial recovery through May and June. Based on unaudited financial statements, group organic growth and total sell-out growth ended at around -40% in Q2 2020. The run-rate total sell-out growth has continued to improve throughout the quarter with June performance being better than the first months of Q2 2020.

As markets have re-opened, Pandora has deliberately increased media spending to gain early commercial momentum as consumers are returning to stores.

EBIT excluding restructuring costs for Q2 2020 is anticipated to be roughly breakeven. This compares to previously expected significant negative EBIT, as communicated in the Q1 Interim Financial Report. The better than expected financial performance is a result of faster re-opening of markets, slightly quicker traffic recovery to re-opened stores and continued strong online performance.

The EBIT result includes all non-recurring COVID-19 costs including approximately DKK 80 million related to periodic closures of Pandora's production in Thailand where Pandora decided to pay salary to all employees.

NIBD/EBITDA (excluding restructuring costs) is expected to be 1.1 by the end of Q2 2020 and thereby within Pandora's capital structure policy and far below bank loan covenant thresholds. By the end of Q2 2020, DKK 4.9 billion were drawn on Pandora's committed loan facilities. Available committed loan facilities in excess thereof amounts to DKK 7.2 billion.

OUTLOOK

Pandora continues to consider the macroeconomic environment and future COVID-19 development as highly uncertain. The financial guidance for 2020 is consequently still suspended. The current run-rate sell-out growth - assuming that there will be no further lockdowns of key markets - will lead to a positive and double-digit H2 2020 EBIT margin (excluding restructuring costs).

Pandora is in silent period and no additional details will be provided before the release of the Q2 Interim Financial Report on 18 August 2020.

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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