

Pandora CEO Resigns as Sales Disappoint



RAPAPORT... Pandora CEO Anders Colding Friis has stepped down after second-quarter sales missed the jeweler's expectations and forced it to cut its outlook for the year.

Global sales were flat year on year at \$749 million (DKK 4.82 billion) for the April-to-June period, the Danish charm-maker reported Thursday. Revenue in the US fell 12% in local currency, while sales in the wider Americas region decreased 6%.

Pandora noted weak demand for its charms, as well as a soft performance in the wholesale division due to reduced inventory.

"New rings, earrings, neckwear and bracelets delivered growth as expected, but the new charms are not fueling the reignition of charms revenues as anticipated," the company said.

Asia-Pacific revenue performed better, climbing 11% in local currency to \$177.5 million (DKK 1.14 billion). That rise was mainly due to China, where sales increased 29% in yuan as the jeweler opened new stores in the area.

Pandora now expects sales growth in the 4%-to-7% range, versus earlier guidance of 7% to 10%, it said earlier this week. In an

effort to increase profitability, Pandora will also lay off nearly 400 workers, primarily from its manufacturing center in Thailand, it added. Global net profit fell 4.7% to \$162.3 million (DKK 1.04 billion) in the quarter.

Jeremy Schwartz will join Pandora as its new chief operating officer on September 1, and will jointly manage the company alongside chief financial officer Anders Boyer until it finds a replacement for Colding Friis (*pictured*).

Pandora expects to open approximately 250 concept stores during the year, up from the previously planned 200.