

PRESS RELEASE

Douglas sees record sales during Christmas quarter

- Leading beauty retailer increases sales by 7.2 percent to 1.2 billion euro in first quarter of fiscal year 2018/19
- Strategic repositioning accelerates organic sales growth by 3.6 percent
- E-commerce is booming with a growth of 36.9 percent
- With an increase of 10.6 percent, business in Germany sees particularly strong growth
- More than one quarter of sales in Germany derive from online business
- Integration of acquisitions in Spain and Italy successfully finalized
- CEO Tina Müller: "Our #FORWARDBEAUTY strategy is working - in our stores as well as online."

Düsseldorf, February 14, 2019. Douglas, Europe's leading premium beauty retailer, started fiscal year 2018/19 with a record in sales. During the first quarter (October to December), Douglas increased sales by 7.2 percent to 1.2 billion euro, as compared to the previous year, and achieved the highest quarterly sales in the company's history. Through its growth strategy #FORWARDBEAUTY, Douglas increased sales in all regions and sales channels during the important Christmas season and achieved an organic growth of 3.6 percent. Furthermore, by integrating acquisitions, particularly the online specialist parfumdreams, the company generated additional growth in strategically important future fields. Despite comprehensive investments in the successful strengthening of the company's competitive position, the operative profit (adjusted EBITDA) further increased by 3 million euro to 186 million euro.

Tina Müller, Group CEO Douglas: "We have gained additional market share in a challenging retail environment and a highly competitive industry. This shows that our #FORWARDBEAUTY strategy is working - in our stores as well as online. We have strengthened our bricks-and-mortar business with the restructuring of our omnichannel platform. Online we grow as fast as usually only pure e-commerce players do - while still earning money. But we are not yet fully satisfied with what we have achieved so far: We will continue to set the pace in the beauty industry and thereby expand our strong market position on all channels."

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Online is the growth engine

The e-commerce business grew particularly dynamic during the first quarter of fiscal year 2018/19. Based on the strategic development of Europe's largest online shop, AI-based recommendation campaigns and the incorporation of parfumdreams, Douglas has expanded its position as Europe's leading online retailer. In the first three months of the fiscal year, sales via digital channels increased by a total of 36.9 percent to 202 million euro. In the meantime, the online share of total sales in the first quarter comes in at 16.6 percent. In Germany, Douglas even earned more than one quarter of its revenue through online sales (27.8 percent).

Turnaround continues: Germany on sustainable course of growth

Particularly due to the strong e-commerce business, the turnaround has continued in Douglas' home market: After sales in Germany already grew again in the fourth quarter of the previous fiscal year, this uptrend further accelerated with an increase of 10.6 percent (organic, plus 3.8 percent). The stores have also gained market share, thus contributing to sales growth, despite a slightly declining brick-and-mortar market.

Even internationally, Douglas further strengthened its basis for sustainably profitable growth in the first quarter. The acquisitions in Spain and Italy were successfully integrated, and the previously communicated performance and synergy goals were achieved with a total of 41 million euro. Following a phase of significant investments aimed at strengthening its market position, Douglas has established a strong foundation for organically driving growth even further via the #FORWARDBEAUTY strategy in fiscal year 2018/19.

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ABOUT DOUGLAS:

Douglas is one of the leading retailers in the European beauty industry with about 2,400 stores and fast-growing online shops in 21 European countries. In the financial year 2017/18, the company generated sales of 3.3 billion euro. Every day, around 20,000 dedicated beauty advisors strive to make their customers more beautiful and thus happier. Douglas has a portfolio of some 38,000 high-quality products in the areas of perfumery, decorative cosmetics and skincare as well as food supplements and accessories. Providing excellent consultation and a range of unique services, Douglas is one of the leading companies in the beauty market - both online and in stores.

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