

PRESS RELEASE

Douglas sales hit record high again during the Christmas quarter

- Excellent start to fiscal year 2019/20: strong profitable sales growth of 6 percent to 1.3 billion euros
- EBITDA increases by 9.2 percent to 191 million euros
- E-commerce business rises by 23.2 percent to 249 million euros
- In-store business grows by 2.5 percent during the important Christmas season against trend in retailing
- Tina Müller, Douglas Group CEO: "Our #FORWARDBEAUTY strategy repeatedly delivers sales growth combined with strong increases in earnings. This shows that we are on the right track."

Düsseldorf, 19 February 2020. Douglas, one of the leading premium beauty retailers in Europe, has once again started the new 2019/20 fiscal year with record sales in the important Christmas quarter. From October to December, Douglas increased Group sales by 6.0 percent to 1.3 billion euros in a year-on-year comparison, thus surpassing the previous fiscal year's sales record. Growth was driven by all regions and sales channels. In-store sales reached 1.0 billion euros - an increase of 2.5 percent compared with the same quarter last year. E-commerce business grew by 23.2 percent. The company's even stronger focus on individual customer needs through personalisation, and the general digitalisation of the company were decisive factors in this respect. The other main drivers alongside Christmas business were the successful Singles Day and Black Friday campaigns. Supported by an intelligent pricing strategy, effective marketing and consistent costs discipline, Group-level EBITDA climbed by 16 million euros to 191 million euros. Free cash flow improved significantly compared with the previous year, rising by 15.8 percent to 312 million euros.

Tina Müller, Douglas Group CEO: "We are continuing on our strong growth trajectory in the new fiscal year - with renewed record sales in the Christmas quarter. We have once again grown across all channels in a competitive market environment. At the same time, we have also achieved significant gains in earnings. This shows that we are on the right track with our #FORWARDBEAUTY strategy."

DOUGLAS

Further acceleration of organic e-commerce growth

E-commerce business rose by 23.2 percent to 249 million euros in the first three months of the new fiscal year. Douglas accelerated its organic growth by 4.6 percentage points from 17.3 percent to 21.9 percent in a year-on-year comparison. "E-commerce business is and remains our growth engine, including in the strategically important Christmas quarter. Following the complete incorporation of Parfumdreams, we were once more able to accelerate our organic e-commerce growth", says Vanessa Stütze, Douglas Group EVP E-Commerce & CRM. "Our marketplace is becoming the heart of our platform strategy. With more than 18,000 premium quality products, we offer our customers an even more extensive range to choose from, and are expanding it every day." As the first marketplace for beauty products, Douglas initially launched its exclusive partner programme in October 2019 in its home market Germany. The concept will be rolled out successively to further international markets.

Operating results increase in all markets

EBITDA rose significantly in the first three months of the fiscal year by 9.2 percent to 191 million euros. The adjusted EBITDA increased by 5.1 percent to 196 million euros. The main drivers were an intelligent, margin-boosting price strategy and consistent costs discipline. In a highly competitive environment, the EBITDA margin of 14.8 percent is slightly higher than the previous year's (14.4 percent). Douglas stepped up profitability above all in its home market Germany: with a sales growth of 7.9 percent to 481 million euros, EBITDA improved significantly, rising by 32.9 percent year-on-year to 43 million euros.

Brand appeal and innovative data management drive profitable growth

The strong Christmas season turnover was instrumental in getting Douglas off to its triumphant start into the new year, with the "Gifting XMAS" campaign and Douglas' own Christmas collection contributing as decisive success factors. They not only had a positive impact on demand for the high-margin own brands, but also on sales in the premium and luxury segment. Along with Christmas business, the Douglas Singles Day and Black Friday campaigns were also extremely successful. Supported by the successful rejuvenation of the brand in the past years, Douglas was able to increase the efficiency of the campaigns even further. The use of innovative data management also contributes significantly in this respect. Customers received customised offers based on AI

DOUGLAS

algorithms. "In all the strategic pillars of the #FORWARDBEAUTY strategy - Brand, Store experience, E-commerce, Assortment and CRM - we are today benefiting from the investments made in recent years. Consistent digitalisation of the entire company, brand modernisation and innovative data management form the basis for our long-term success. This has been a magnificent performance by our whole team", says Tina Müller. "We will continue to drive the implementation of #FORWARDBEAUTY ahead with all our strength. In this way, we will ensure that we keep up with the latest developments and are always ready to try out something new."

ABOUT DOUGLAS:

Douglas is one of the leading multichannel premium beauty retailers in Europe with about 2,400 stores and a unique e-commerce platform that is currently being expanded into a curated beauty marketplace. The #FORWARDBEAUTY strategy defines the path into the future of omnichannel retailing. Already today Douglas is the number one beauty retailer in 26 countries, offering its customers an attractive portfolio of around 55,000 high-quality products from over 750 brands in the fields of perfumery, decorative cosmetics and skin care, as well as nutritional supplements and accessories. Douglas generated sales of 3.5 billion euros in fiscal year 2018/2019. Around 20,000 beauty experts encourage and inspire Douglas customers every day to live their own kind of beauty.

#doitforyou

PRESS CONTACT:

Dr. Julia Sosnizka
Head of Corporate Communications
Phone: +49 (0) 211 16847-585
E-mail: j.sosnizka@douglas.de