

PRESS RELEASE

Douglas with mixed first six months as coronavirus pandemic halts growth momentum

- Sales stable at 1.95 billion euros year-on-year in the first six months of the current fiscal year
- Growth trajectory continued initially in the second quarter with strong sales increase of 5.9 percent in January and February; March, however, saw sales decline of 40.2 percent due to store closures
- E-commerce business strategically important growth driver also during the coronavirus pandemic with sales up by 33.5 percent in the second quarter
- Matthias Born, Douglas Group CFO: "The coronavirus pandemic has confronted us with serious challenges. As an omnichannel retailer, we however benefited from the acceleration of our e-commerce business, and in this way partially compensated for lost store sales."

Düsseldorf, 27 May 2020. Douglas, one of Europe's leading premium beauty retailers, looks back on a mixed first six months in fiscal year 2019/20. In January and February, the company initially successfully continued its growth trajectory of the first quarter. During these two months, group sales rose by 5.9 percent compared to the same period last year. In March, Group sales fell by 40.2 percent in comparison to the prior-year month as a result of the global coronavirus pandemic and the officially ordered shutdown of 2,400 stores across Europe. Cumulative consolidated sales for the first half of the year remained stable year-on-year at 1.95 billion euros, cushioned by the strong sales increase during the first five months. In-store business saw a sales decline of 5.5 percent in comparison to last year, while e-commerce business rose by 27.2 percent to 415 million euros in the same period. Due to the drastic decrease in sales and profits resulting from the enforced store closures in March, adjusted EBITDA declined slightly by 3 percent year-on-year to 218 million euros.

Matthias Born, Douglas Group CFO: "In the first two months of the year, we successfully picked up the momentum from the Christmas quarter in terms of both sales and earnings. Due to the officially ordered temporary closure of practically all our 2,400 European stores in March, most of our store turnover was lost - while costs remained the same. The accelerated growth of our strategically important e-commerce business, as well as

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decisive measures to secure liquidity, have helped us stabilise business in this exceptional situation.”

E-Commerce: a success story even in corona times

In the first half of the fiscal year, Douglas generated 21.3 percent of its total sales online. In Germany, this number came to as much as 35.3 percent. Due to the Europe-wide lockdown, e-commerce continued to accelerate in March, with online sales rising 33.5 percent in the second quarter of fiscal year 2019/20. “In March, it once again became clear that ‘omnichannel’ is the winning business model. We succeeded in winning stationary customers for our online platform. The number of Douglas beauty card customers who shopped online for the first time almost doubled in March”, says Vanessa Stütze, Douglas Group CDO. “The closely linked sales channels allowed us, for example, to relocate the products from our closed stores to our e-commerce distribution centres. Our marketplace also came at just the right time and quadrupled its sales in the second quarter. I’m delighted that we were also able to quickly and easily help smaller retailers and brands to present their products to a larger audience online, and in this way compensate for stationary sales losses.” As the first marketplace for beauty products, Douglas launched its partner programme in October 2019. The company has in the meantime added 25,000 articles to its assortment, thus offering its customers an even larger range of products to choose from.

Robust liquidity reserves

To mitigate the impact of the store closures on the Group's results and ensure its liquidity, the Management Board introduced comprehensive cost-cutting measures in the middle of March. On 31 March 2020, Douglas held robust liquidity reserves of 309 million euros. Free cash flow in the first half of fiscal 2019/20 totalled 136 million euros and was thus higher than in the same period last year.

Stores again open in all markets

In the meantime, Douglas has been able to reopen most of its stores in all its European markets. At the moment, 92 percent of the 2,400 Douglas stores have reopened in compliance with the official regulations and hygiene measures. On the occasion of reopening its stores, Douglas expressed its gratitude to its customers for their trust and loyalty during the coronavirus pandemic with the #strongertogether campaign.

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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.

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