

PRESS RELEASE

Douglas generates record e-commerce sales in the Christmas quarter

- E-commerce sales rise by more than 74 percent to 433 million euros in Q1 2020/21
- Q1 (Oct-Dec) Group sales of 1.2 billion euros despite hard lockdown in the core markets of Germany and France during Christmas business
- Q1 e-commerce share in Germany above 50 percent for the first time; share rises to 37 percent across the Group
- Tina Müller, Douglas Group CEO: "We used the experience gained from the first lockdown and, with our #FORWARDBEAUTY.DigitalFirst strategy, continued to expand the online business substantially during the second wave of closures. In this way we have largely offset the negative sales effects from the lockdown during the Christmas business thanks to a strong online presence."

Düsseldorf, 26 February 2021. Douglas, Europe's leading premium beauty platform, got the new fiscal year 2020/21 off to a strong start with record growth in e-commerce during the important Christmas business. During the months of the year that traditionally generate the strongest sales the online business grew by more than 74 percent to 433 million euros in the opening quarter from October to December 2020.

The last two weeks of December, in particular, is when Douglas generates the most sales in brick-and-mortar retail. Despite Europe-wide lockdowns and trading restrictions Douglas generated robust Group sales of 1.2 billion euros between October and December thanks to its online business; compared to the record quarter from the previous year this amounts to only a minor decline of 7.1 percent. Sales in Germany recorded a decline of only 3.3 percent compared with the pre-year quarter and thus remained almost stable.

The strong e-commerce performance went hand in hand with continued cost discipline, as a result of which Douglas reported an adjusted EBITDA margin of 15.1 percent. The Group operating result (EBITDA) came to 177 million euros, equivalent to a drop of 19.2 percent. Net income for the quarter was 148 million euros.

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Tina Müller, Douglas Group CEO: "Lockdowns and national coronavirus measures in the middle of the Christmas business had a huge impact on the weeks of the year that usually generate the strongest sales by far. Thanks to the experience we gained from the corona wave we almost made good the negative effects as Douglas has been gaining increasing momentum in e-commerce since the summer thanks to #FORWARDBEAUTY.DigitalFirst and has the strongest online presence in Europe across the sector. On the German home market, e-commerce now generates more than half of all sales. This is also a sign of how closely integrated our online and store sales are following a series of well thought-out initiatives."

Focus on e-commerce business bears fruit

Looking at the entire 2020 calendar year, Douglas for the first time generated more than 1 billion euros of sales in e-commerce. Making use of leading e-commerce concepts employed in Germany, Douglas generated increasingly strong growth across Europe during the course of the year, realising 37 percent of Group sales online during the Christmas quarter. On the German home market the Company even generated more than half of its sales (50.2 percent) through the digital channels. During this quarter, growth of new online customers was 81 percent higher than in the prior-year quarter. Likewise the number of online orders rose by 68 percent to a total of 8 million.

Vanessa Stütze, Chief Digital Officer: "Our platform strategy in e-commerce is working, as evidenced by our strong sales growth of around 60 percent to 1 billion euros in the 2020 calendar year. We are resolutely continuing on this path with the further international roll-out of our initiatives and marketplace already being used in Germany, Austria and France. All these efforts are geared to our clear goal of realising 2 billion euros in e-commerce as quickly as possible."

Across the Group, the percentage of purchases via the app, in particular, has risen significantly. Online savvy and especially loyal customers who make purchases via the app contributed more than a quarter to e-commerce sales in the first quarter. At the same time, Douglas expanded the access points to the digital beauty platform with services such as Click & Collect and phone orders. Customers are benefiting from a range of products that has become unique and grown to include around 130,000 products thanks to the marketplace. At the same time, over the summer Douglas expanded its storage capacity and distribution centres in order to serve the sharp rise in online orders. In the

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2020 calendar year Douglas recorded more than 19 million orders in its online business, equivalent to an increase of more than 50 percent.

Innovative social commerce format "Douglas LIVE"

Created in summer 2020, the new social commerce format "Douglas LIVE" was particularly successful during the Christmas quarter. It was developed in response to the growing interest among its customers in digital interaction and an entertainment factor. Douglas LIVE allows customers to purchase products presented during the live tutorials, which are held several times a week, directly from the live stream in the Douglas online shop. The sales figures of the products presented multiply during the screening and the format achieves a conversion rate of up to 40 percent. On top of this, the average length of stay in the Douglas online shop increases.

Top seller in the Christmas business

The Christmas business is characterised by gift buying. This year the Douglas exclusive brands advent calendar once again proved to be a bestseller with more than 150,000 units sold in Germany despite the brick-and-mortar lockdown. The best newcomer in the range, an exclusive at Douglas for the past few months, has been the facial skincare brand "Drunk Elephant", which already ranks in the top 5 skincare brands in the US. At Douglas, it generates monthly online growth of up to 13 percent. In the luxury segment, the most successful new launch is the "Augustinus Bader" brand. Here Douglas is picking up on the trend towards so-called doctor brands where cosmetics meet medical care. Dr. Augustinus Bader is a university professor and among the world's leading researchers in the fields of stem cells and biomedicine. Perfumes remain the most sought-after product category in the Christmas business. Our customers were convinced in particular by the new Armani fragrance "My Way", which recorded monthly sales growth rates of more than 30 percent in Germany during the Christmas quarter, making it the absolute winner among the new launches by established brands.

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ABOUT DOUGLAS:

Douglas is the leading premium beauty platform in Europe. Offering more than 100,000 beauty and lifestyle products in online shops, the beauty marketplace and over 2,000 stores, Douglas inspires customers to live their own kind of beauty by a previously unparalleled assortment. The continued expansion of the fast-growing e-commerce business is the focus of the #FORWARDBEAUTY.DigitalFirst. strategy programme. In fiscal year 2019/2020, Douglas generated sales of 3.2 billion euros in the areas of perfumery, decorative cosmetics, skin and hair care as well as nutritional supplements and accessories.

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OVERVIEW

FINANCIAL RESULTS:

as at 31.12.2020	Q1 2020/21	Q1 2019/20	Change
Group sales	1.2 billion euros	1.3 billion euros	-9.3% (-7.1% LfL)
Sales stores	736 million euros	1,034 million euros	-28.8% (-28.5% LfL)
Sales e-commerce	433 million euros	249 million euros	+74.3% (+74.3% LfL)
E-commerce as a percentage of Group sales	37.0% (Germany: 50.2%)	19.3% (Germany: 31.9%)	+17.7 percentage points (Germany: +18.3 percentage points)
Adjusted EBITDA	177 million euros	219 million euros	-19,2%