

DOUGLAS

PRESS RELEASE

Sales above pre-COVID level

DOUGLAS continues to accelerate growth in the third quarter - significant increase in sales and earnings

- Sales in the third quarter (April to June 2022) up 28.8 percent to 830 million euros (+35 percent like-for-like)
- Quarterly lfl sales thus 21 percent above pre-COVID level (Q3 2018/19)
- Lfl store sales up 66.5 percent year-on-year after removal of COVID restrictions; 2 percent above pre-COVID level
- E-Commerce sales up 5.3 percent year-on-year to 276 million euros; still at more than double pre-COVID level
- Group operating profit (adjusted EBITDA) significantly improved from 24 million euros to 64 million euros; margin increased to 7.7 percent; nine-month adjusted EBITDA up 45 percent to 280 million euros
- Tina Müller, CEO DOUGLAS Group: "We have made significant gains in both sales and profitability. We are seeing a clear increase in demand in our Brick & Mortar business along with sustained high E-Commerce sales. It is especially pleasing that our total sales are now noticeably above the level prior to the start of the COVID-19 pandemic."
- DOUGLAS systematically expands pharmacy range following successful Disapo takeover; around 11,000 non-prescription products available on the DOUGLAS platform in Germany via the partner program since May
- Top-class trade conference: first Beauty + Health Summit by DOUGLAS on 2-3 September
- New luxury store with Beauty Suite, surface of approx. 1,000m², to open in Düsseldorf on 25 August

Düsseldorf, 23 August 2022. DOUGLAS, Europe's leading provider of premium beauty and health products, significantly increased its sales and operating result in the third quarter of fiscal year 2021/22 (April to June). DOUGLAS achieved noticeable growth compared to both the previous year and the quarter before the start of the pandemic. This means that the positive trend in the current fiscal year has continued: the store business, for example, achieved significant sales growth compared to the prior-year quarter, following the removal of the COVID restrictions, and is even above the pre-COVID level (+2 percent on a like-for-like basis). At the same time, the E-Commerce business has stabilized at a high level.

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"The return to our stores is driving our growth and demonstrates the high demand for personal in-store advice," said Tina Müller, CEO DOUGLAS Group. "At the same time, we have managed to maintain online sales at a consistently high level. This successful combination of revitalized store business and strong E-Commerce speaks for our unique business model. In sum, this makes us stronger than before the pandemic."

Significant growth in sales

In the third quarter of 2021/22, Europe's leading premium beauty and health platform increased sales by around 30 percent to 830 million euros; on a like-for-like basis, the rise amounted to around 35 percent. Group sales on a like-for-like basis were thus 21 percent above the pre-COVID level.

Sales from E-Commerce (including Dutch online pharmacy Disapo B.V.) increased by 5.3 percent to 276 million euros compared to the prior-year quarter. This means that E-Commerce now accounts for more than 33% of total sales (pre-COVID: 17.3%). Overall, sales in the online business were twice as high (+110 percent) as before the outbreak of the pandemic.

In the Brick & Mortar business, sales rose by 47.5 percent compared with the previous year to 554 million euros, representing like-for-like growth of 66.5 percent. Customers' desire for personal advice and the return of social, leisure and evening events played a major part in these higher sales. The significant improvement in sales was driven in particular by the DACHNL region, where like-for-like sales doubled. In France and Central Eastern Europe, like-for-like store sales increased by more than 50 percent respectively.

Substantial improvement in profitability

Group operating profit (adjusted EBITDA) more than doubled in the third quarter, rising by 40 million euros to 64 million euros. The EBITDA margin increased to 7.7 percent (previous year: 3.7 percent). The improvement in profitability resulted from sales growth, savings from the Store Optimization Program (SOP) and ongoing consistent cost management.

In the first nine months of the fiscal year 2021/22 (October 2021 to June 2022), DOUGLAS increased sales by 20 percent to more than 2.8 billion euros, representing a like-for-like increase of 27 percent. The operating profit (adjusted EBITDA) improved by 45 percent to 280 million euros.

"The results of the past quarter prove that our #FORWARDBEAUTY strategy is taking hold. At the same time, it demonstrates the resilience of our business model, with two strong and closely integrated sales channels, in an increasingly challenging market environment," said Tina Müller. "Seeing this business development gives us encouragement to consistently pursue our strategic course, to drive forward core

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initiatives such as the expansion of the pharmacy range, and to strengthen our online offering and our stores with targeted modernizations and expansions."

Following the successful acquisition of Dutch online pharmacy Disapo B.V., DOUGLAS started the expansion of its pharmacy range in May. Around 11,000 non-prescription products have since been available in the German DOUGLAS online store via the partner program. This launch as part of the online partner program was accompanied by a broad advertising campaign in June, which focused on the advantages of having numerous pharmacy products easily available via the DOUGLAS platform. As part of the expansion of the pharmacy product range, DOUGLAS will be hosting its first Beauty + Health Summit at the beginning of September, where customers will be able to find out more about the latest innovations and trends. With this event, featuring numerous doctors as guest speakers, DOUGLAS is underpinning its expertise in the area of health.

Marking a further milestone in the expansion of its exclusive range of products and customer services, DOUGLAS will open its new luxury store with Beauty Suite on Düsseldorf's shopping boulevard Königsallee at the end of August. Customers at the store will enjoy a unique experience of shopping and personal in-store advice.

Within the product categories, fragrances and make-up in particular made significant sales gains in the past quarter, following increased demand from customers for skin and hair care products during the lockdowns. The launch of Billie Eilish's perfume was a notable success. The fragrance has been available exclusively from DOUGLAS throughout Europe since June and is already one of the strongest market launches of the past 12 months.



ABOUT DOUGLAS:

DOUGLAS is Europe's leading platform for premium beauty and health. Offering nearly 300,000 beauty, health and lifestyle products in online shops, the partner program and around 1,900 stores, DOUGLAS inspires customers to live their own kind of beauty by offering a previously unparalleled assortment. The further development of our successful omnichannel positioning is at the heart of our #FORWARDBEAUTY.DigitalFirst strategy, under which we are consistently expanding both our strong E-Commerce and store experience. In fiscal year 2020/21, DOUGLAS generated sales of 3.1 billion euros in the areas of perfumery, decorative cosmetics, skin and hair care as well as nutritional supplements, health and accessories.

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OVERVIEW FINANCIAL RESULTS

	Q3 2020/21	Q3 2021/22	Change	Change lfl
Group sales	€ 644 million	€ 830 million	+28.8 percent	+35.2 percent
Sales stores	€ 376 million	€ 554 million	+47.5 percent	+66.5 percent
Sales E-Commerce	€ 262 million	€ 276 million	+5.3 percent	-2.9 percent
E-Commerce as a percentage of Group sales	40.7 percent	33.4 percent	-7.3 percentage points	-
Adjusted EBITDA	€ 24 million	€ 64 million	+166.0 percent	-
Liquidity (30 June)	€ 224 million	€ 271 million	+21.2 percent	-

	9M 2020/21	9M 2021/22	Change	Change lfl
Group sales	€ 2,367 million	€ 2,840 million	+20.0 percent	+27.1 percent
Sales stores	€ 1,374 million	€ 1,890 million	+37.6 percent	+54.1 percent
Sales E-Commerce	€ 974 million	€ 952 million	-2.3 percent	-4.5 percent
E-Commerce as a percentage of Group sales	41.2 percent	33.5 percent	-7.7 percentage points	-
Adjusted EBITDA	€ 194 million	€ 280 million	+44.5 percent	-