

Fitch upgrades DOUGLAS' outlook to stable, affirms rating

- Fitch Ratings has revised DOUGLAS GmbH's outlook to stable from negative while affirming the long-term issuer default rating at 'B-'
- Upgraded outlook based on DOUGLAS' stronger operating performance, cost benefits from the concluded Store Optimization Program and the nearly completed restructuring in Spain as well as improving cash flow generation
- Fitch highlights that a potential weakening in consumer beauty spending in 2023 is not expected to lead to a material increase in DOUGLAS' leverage

Düsseldorf, 12.04.2023. Rating agency Fitch has upgraded the outlook for DOUGLAS GmbH to stable as it recognizes the strong recovery of the operating business post the pandemic as well as the improved EBITDA margin. DOUGLAS' leading market position in the European beauty sector, which is less susceptible to cyclical swings, should result in an only moderate impact from a potential slowdown in consumer spending in 2023.

Fitch also acknowledges the strengths of DOUGLAS' omni-channel business model with a strong online presence and beauty stores. With this set-up the leading beauty destination offers best-in-class customer experience and advice, both essential for sustainable growth. The new assessment does not yet comprise DOUGLAS' recently announced strategy "Let it bloom" which the company expects to significantly improve its net sales, EBITDA and cash flow profile.

DOUGLAS

ABOUT DOUGLAS

DOUGLAS is Europe's leading omni-channel beauty destination. We inspire customers to live their own kind of beauty by offering an unparalleled assortment in online stores, via a partner program and in around 1,800 stores. Strengthening our successful omni-channel positioning while consistently developing the customer experience is at the heart of our strategy. In its fiscal year 2021/22, DOUGLAS generated sales of 3.65 billion euros in perfume, decorative cosmetic, skin and hair care nutritional supplements, health care and accessories.

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