

DOUGLAS

PRESS RELEASE

4th quarter and full year 2021/22

Resilient business model: DOUGLAS with further sales and earnings growth

Q4 2021/22 performance:

- Like-for-like (“lfl”) sales growth of 10.2 percent in fourth quarter (July to September 2022), up 20.6 percent (lfl) on pre-COVID level (Q4 2018/19)
- Fourth-quarter Store sales of 556.6 million euros, up 3.0 percent year-on-year, E-Commerce sales up 16.7 percent to 247.2 million euros
- Group operating profit (adjusted EBITDA) of 45.8 million euros in Q4

Full year 2021/22 performance:

- Total sales in 2021/22 up 17.0 percent to around 3.65 billion euros (lfl: +21.8 percent), up 18.3 percent (lfl) on pre-COVID level (2018/19)
- Annual Store sales up by 27.4 percent to around 2.44 billion euros (lfl: +40.9 percent), E-Commerce sales for full year at around 1.2 billion euros, more than twice as high as pre-COVID level
- Group operating profit (adjusted EBITDA) for the full year up 49.4 percent to 325.5 million euros; net profit impacted by non-cash expenses
- Net liquidity at prior-year level with sufficient headroom
- Economic environment in Europe remains challenging, marked by high inflation, consumer reticence and supply chain disruptions

Düsseldorf, December 20, 2022 - DOUGLAS, the leading premium beauty retailer in Europe, increased its sales and earnings in the fourth quarter and thus also in the full fiscal year 2021/22. The Düsseldorf-based Group achieved growth in both Stores and E-Commerce. With total annual sales of around 3.65 billion euros, the company was up 17.0 percent on the previous year’s level and around 6 percent higher than in the pre-COVID period.

Sander van der Laan, CEO of DOUGLAS Group, said: “The positive sales performance in a difficult economic environment demonstrates how strongly DOUGLAS has been positioned in the past years with its omnichannel model. The combination of an attractive store business and an almost unique online offering has made the company more resilient.”

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Sales growth in six consecutive quarters

In the fourth quarter of the 2021/22 fiscal year (July to September 2022), DOUGLAS increased sales by 7.6 percent to 809.7 million euros (lfl: +10.2 percent). This marks the sixth consecutive quarter in which the company has expanded its business. At the same time, quarterly sales (lfl) were 20.6 percent above the pre-COVID level (2018/19). E-Commerce sales (including the Dutch online pharmacy Disapo B.V.) increased by 16.7 percent to 247.2 million euros compared to the prior-year quarter. This means that the E-Commerce share of total sales remains 30.5 percent (pre-COVID: 16.9 percent).

Quarterly Store sales rose by 3.0 percent year-on-year to 556.6 million euros (lfl: +10.9 percent). All regions contributed to this increase on a like-for-like basis. Group operating profit (adjusted EBITDA) improved by 18.2 million euros to 45.8 million euros in the fourth quarter. The adjusted EBITDA margin increased to 5.7 percent (previous year: 3.7 percent). This was due in particular to cost effects from the completed Store Optimization Program (SOP) which involved adjustments to the store network and improved costs in-store operations. Net liquidity remained at the prior-year level.

Full-year sales up on previous year and pre-COVID level

With the increase of its total sales compared to the previous year and compared to pre-COVID levels, DOUGLAS underlined its position as the leading premium beauty retailer in both stores and E-Commerce. Store sales rose by 27.4 percent to around 2.44 billion euros (lfl: +40.9 percent). This was also due to the easing of pandemic restrictions during the fiscal year. E-Commerce generated annual sales of around 1.2 billion euros (including the Dutch online pharmacy Disapo B.V.), down slightly by minus 0.7 percent compared to previous year, when stores had been closed for months across Europe due to the pandemic. Compared with the period before COVID, online sales more than doubled.

Group operating profit (adjusted EBITDA) also saw a significant increase of 49.4 percent year-on-year to 325.5 million euros (previous year: 217.8 million euros), almost matching pre-COVID levels.

Group CFO Mark Langer said: "The results prove that we are on the right track. Our performance this year was also strengthened by the return of social life after COVID restrictions were eased. Less mask-wearing means more make-up and more lipsticks. And the strong mix of our store and online offer, unique shopping experiences, customer-focused marketing and exclusive offers such as Billie Eilish's fragrance has been met with catch-up demand from customers."

The net profit of minus 306.5 million euros for the fiscal year was impacted by one-off non-cash goodwill impairments of 231.9 million euros due to the significant rise in interest rates. Earnings were also impacted by the acquired online pharmacy Disapo B.V. as well as restructuring expenses for store closures, among other things. This was counteracted by a capitalization of deferred taxes, which led to a tax relief of 43.2 million euros.

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Good start to new fiscal year 2022/23 – business environment remains challenging

DOUGLAS made a good start to the new 2022/23 fiscal year and thus the Christmas business. Strong sales days such as “Singles’ Day”, “Black Friday” and “Cyber Monday” already proved very satisfactory both online and in the stores. “This time of the year is the most important in our business,” said van der Laan. “We are at the climax of the Christmas season. I would like to thank all our colleagues for their great efforts and commitment to DOUGLAS and our customers. At the same time, the economic environment remains challenging: inflation, decreasing purchasing power of private households and supply chain disruptions will go on and could also have a noticeable impact on our business. Therefore, as well as expanding our omnichannel strategy and maintaining a strict customer orientation, we are keeping a strong focus on costs and cash management and thus on the earnings situation.”

ABOUT DOUGLAS

DOUGLAS is the leading premium beauty retailer in Europe. With around 300,000 beauty, health and lifestyle products in online stores, the partner program and around 1,800 stores, DOUGLAS inspires customers to live their own kind of beauty by offering an unparalleled assortment. The further development of our successful omnichannel positioning is at the heart of our strategy, under which we are consistently expanding both our Store experience and strong E-Commerce. In fiscal year 2021/22, DOUGLAS generated sales of 3.65 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

	Q4 2020/21	Q4 2021/22	Change (reported)	Change (like-for-like)
Group sales	€752.3 million	€809.7 million	+7.6 percent	+10.2 percent
Sales Stores	€540.3 million	€556.6 million	+3.0 percent	+10.9 percent
Sales E-Commerce	€211.8 million	€247.2 million	+16.7 percent	+8.4 percent
E-Commerce as a percentage of Group sales	28.1 percent	30.5 percent	+2.4 percentage pts	
Adjusted EBITDA	€27.6 million	€45.8 million	+66.0 percent	
Liquidity (30 Sep- tember)	€240.4 million	€245.3 million	+2.0 percent	

	FY 2020/21	FY 2021/22	Change (reported)	Change (like-for-like)
Group sales	€3.120 billion	€3.650 billion	+17.0 percent	+21.8 percent
Sales Stores	€1.915 billion	€2.440 billion	+27.4 percent	+40.9 percent
Sales E-Commerce	€1.204 billion	€1.196 billion	-0.7 percent	-4.0 percent
E-Commerce as a percentage of Group sales	38.6 percent	32.8 percent	-5.8 percentage pts	
Adjusted EBITDA	€217.8 million	€325.5 million	+49.4 percent	
Net profit	-€345.1 million	-€306.5 million	+11.2 percent	