

DOUGLAS

PRESS RELEASE

Strong start into the fiscal year

DOUGLAS reports double-digit growth in sales and profit in 1st quarter 2022/23

- Like-for-like (“lfl”) Group sales growth of 13.4% from October to December 2022
- Store sales contribute strongly to overall improvement (lfl: +17.3%); E-Commerce continues to grow from already high level (lfl: +6.1%)
- Group operating profit (adjusted EBITDA) of 308.1 million euros, up by 19.7% year-on-year
- Net income of 126.7 million euros rises as much as 79.3%
- Net liquidity at 516.7 million euros
- Launch of new international campaign “Beauty is ...” and new corporate imagery with Hollywood star Diane Kruger and actor Elyas M'Barek

Düsseldorf, February 17, 2023 – DOUGLAS, Europe’s leading premium beauty retailer, started the new fiscal year 2022/23 with strong growth in the first quarter.

Sander van der Laan, CEO of DOUGLAS Group, said: “Against the backdrop of the volatile market environment, DOUGLAS had an exceptionally strong Christmas quarter both in terms of sales and profits. Our omnichannel business model proved to be a differentiating factor and allowed us to attract customers and increase sales. When it comes to premium beauty, consumer behavior remained largely intact in an inflationary environment. Customers were won over by our attractive product range and the expert advice provided by our teams. While we remain cautious about the overall economic environment in the upcoming quarters, we will continue to further enhance our offering and strengthen our operating model.”

Sales growth across all channels

From its strong market position, DOUGLAS significantly increased its sales and earnings from October to December 2022. The company recorded strong growth in sales of 11.5% to 1.44 billion euros (lfl: +13.4%) and therefore continued to expand its business for the seventh consecutive quarter. The good results were driven by both stores and E-Commerce. While store sales rose significantly compared to the previous year (lfl: +17.3%) as customer demand for expert advice and personal shopping continue to increase following the pandemic, E-Commerce growth continued to gather momentum

DOUGLAS

from an already high level a year ago (lfl: +6.1%). The online business, which remains robust even in the current environment, thus once again represented nearly one third of overall Group sales.

Growth in the first quarter stems from solid performance across segments, all of which contributed positively to this improvement. The segments DACHNL and CEE in particular stood out and accounted for the largest share of sales growth in both channels. France and Southern Europe also developed positively with the latter performing well even in spite of substantial store closures in Spain.

Strengthened profitability and liquidity position

Group operating profit (adjusted EBITDA) rose by 19.7% to 308.1 million euros in the first quarter. Adjusted EBITDA margin also improved by 1.5 percentage points to 21.4%. The improved profitability resulted from the strong increase in sales combined with continued discipline in expenditures.

Together with lower financial expenses this led to a rise in net income of 79.3% to 126.7 million euros. Thanks to the successful first quarter, net liquidity reached 516.7 million euros.

From now on, DOUGLAS is reporting its results exclusively in accordance with IFRS 16; therefore, all results of the current fiscal year 2022/23 will be reported under IFRS 16 as well. In this context, all comparative reporting figures have been adjusted accordingly.

Growth across all product categories

Business performance in the first quarter of the financial year was underpinned in particular by the very successful and eventful months of November and December, including the respective sales highlights of Black Friday and Christmas. Notably, the strong development in the high-volume sales quarter from October to December was achieved against a background of persisting supply chain constraints.

Corresponding to the successful Christmas season, all product categories showed strong growth rates. Fragrance, the largest category, achieved a further increase in sales from an already high level. Momentum was even stronger in make-up, with lipstick sales up more than 50% compared to the previous year. Coinciding with Christmas, there was also a strong demand for Advent calendars such as the internationally launched DOUGLAS Exclusive Advent Calendar.

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Hollywood Star Diane Kruger and actor Elyas M'Barek as new faces of DOUGLAS

DOUGLAS has recently introduced a new visual brand communication across Europe, both in its stores and online. The internationally renowned actors Diane Kruger and Elyas M'Barek replaced the previous Lindbergh photos as the new faces of DOUGLAS. The launch was marked by the international campaign "Beauty is ...", as Europe's leading platform for premium beauty wants to set an impulse for the individual interpretation of beauty.

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ABOUT DOUGLAS

DOUGLAS is the leading premium beauty retailer in Europe. DOUGLAS inspires customers to live their own kind of beauty by offering an unparalleled assortment in online stores, the partner program and around 1,800 stores. 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*

	Q1 2021/22	Q1 2022/23	Change (reported)	Change (like-for-like)
Group sales**	€1,291.2m	€1,439.1m	+11.5%	+13.4%
Sales Stores	€866.0m	€973.3m	+12.4%	+17.3%
Sales E-Commerce	€426.1m	€463.9m	+8.9%	+6.1%
E-Commerce as a percentage of Group sales	33.0%	32.2%	-0.8ppt	
Adjusted EBITDA	€257.4m	€308.1m	+19.7%	
Liquidity (31 December)	€465.0m	€516.7m	+11.1%	
Net Income	€70.7m	€126.7m	+79.3%	

* Financial reporting in accordance with IFRS 16. All comparative figures have been adjusted accordingly.

** Adjusted for Net Sales of closure stores in Spain.