

Q1 2023/24 (October - December 2023)

Strong start into the new financial year: DOUGLAS Group significantly increased sales and profitability

- Group sales (net) increased by 8.0% (reported) to around 1.56 billion euros (like-for-like, "lfl": +7.5%) with continued omnichannel growth: store sales (net) up 6.7%, E-Com sales (net) up 10.7%
- Profitability significantly increased: Adjusted EBITDA increased by 12.6% to 348.3 million euros with a higher adj. EBITDA margin of 22.4% (previous year: 21.5%); net income grew to 125.2 million euros (+10.6%, previous year: 113.2 million euros)
- Free cash flow of 459.4 million euros (previous year: 402.3 million euros)
- Net leverage ratio significantly improved to 4.0x (30 Sep. 2023: 4.7x)
- Sander van der Laan, CEO DOUGLAS Group: "We had a very successful first quarter with strong results in both channels and grow profitably and organically."

Düsseldorf, 15 February 2024 - The DOUGLAS Group, Europe's leading omnichannel destination for premium beauty, continued its profitable growth trajectory in the first quarter of its financial year 2023/24. Based on unaudited numbers, Group sales (net) increased by 8.0% to around 1.56 billion euros in the important period from October to December 2023 (Q1 2022/23: 1.44 billion euros). Actual Group sales (net) are slightly below the previous communicated +8.3% due to the discontinuation of the Spain restructuring adjustments and minor consolidation effects. Growth was driven by strong results of both channels: Store sales (net) increased by 6.7% (lfl: +6.0%) while E-Com sales (net) grew 10.7% year-on-year (lfl: +10.7%), both thus continuing the positive trend from previous quarters. This also marks the tenth consecutive quarter of Group sales (net) growth. All segments contributed positively to overall growth for both sales and earnings.

"The months from October to December are the most important sales period of the year for us", said Sander van der Laan, CEO DOUGLAS Group. "The team has pulled off a strong start to our financial year: We are growing both top and bottom line, across all channels and regions compared to the previous year while also significantly improving our profitability. We clearly see our 'Let it Bloom' strategy bearing fruit. The results are well in line with our midterm guidance of a compound annual sales (net) growth rate of around 7% and encourage us to press ahead with our strategic initiatives."

Further increased profitability and net income

Beyond the continued total sales (net) growth, the DOUGLAS Group also further increased its profitability and generated an adj. EBITDA of 348.3 million euros (Q1 2022/23: 309.4 million euros), an improvement of 12.6%. The corresponding adj. EBITDA margin was 22.4%, another step up compared to the 21.5% of the previous year.

Net income in the first quarter improved by 10.6% to 125.2 million euros (Q1 2022/23: 113.2 million euros). Free cash flow increased to 459.4 million euros. In the previous year, this figure amounted to 402.3 million euros, taking into account the money market instruments reported as current other

financial assets. Accordingly, the DOUGLAS Group's net leverage ratio as of the reporting date (31 Dec. 2023) significantly improved further to 4.0x (30 Sep. 2023: 4.7x)¹.

Strong E-Commerce momentum

The E-Com business recorded a particularly strong performance with an impressive double-digit sales (net) growth of 10.7%, resulting in the sixth consecutive quarter of E-Com growth. The online pure player segment Parfumdreams/Niche Beauty contributed with a strong increase in sales (net) of 26.0% compared to previous year's quarter.

Overall E-Com growth in the first quarter, which includes important customer events like Singles' Day, Beauty (Black) Friday, and Christmas, was driven in particular by a strong performance of the segments DACHNL (+11.6%), CEE (+20.2%), and the online beauty pure players Parfumdreams/Niche Beauty.

In line with the high E-Com demand, the DOUGLAS online shops received more than 20,000 delivery orders per hour across Europe at peak times during Black Friday. Bestsellers in the first quarter included Advent calendars, premium fragrances, and gift sets with fragrance or body care products.

Expansion and refurbishment of store network

As part of the "Let it Bloom - DOUGLAS 2026" strategy, the DOUGLAS Group has launched a program to develop and expand its store network until the end of the financial year 2025/26. The DOUGLAS Group plans to open (net) more than 200 stores across Europe and more than 400 stores are set to be upgraded or refurbished. With this strategic initiative, the DOUGLAS Group aims to offer customers an even more appealing and contemporary shopping experience. The first quarter of the current financial year already saw a notable number of net 17 store openings.

Updated sustainability strategy with ambitious goals

The DOUGLAS Group has recently published its Sustainability Report for the financial year 2022/23, following the ambition to also be a leading beauty retailer in sustainability. The report includes an updated, more ambitious sustainability strategy in line with the overarching "Let it Bloom" strategy, thus expanding the previous approach of the 2020/21 financial year. The DOUGLAS Group's sustainability strategy is based on three focus areas: People, Planet, and Products.

¹ Net financial debt position of €3.063m and LTM EBITDA of €765m.

Overview Financial Results

Q1 FY 2023/24	Q1 2022/23	Q1 2023/24	Change (reported)	Change (lfl)
Sales (net)*	€1,440.6m	€1,555.5m	+8.0%	+7.5%
Stores*	€976.7m	€1,041.9m	+6.7%	+6.0%
E-Commerce	€463.9m	€513.6m	+10.7%	+10.7%
E-Commerce % of sales (net)	32.2%	33.0%	+0.8ppt	
Segment DACHNL	€638.5m	€688.0m	+7.8%	+7.2%
Segment France	€325.1m	€335.3m	+3.1%	+2.8%
Segment Southern Europe	€222.2m	€234.2m	+5.4%	+5.1%
Segment CEE**	€190.8m	€225.6m	+18.3%	+15.8%
Segment Parfumdreams/Niche Beauty	€50.1m	€63.2m	+26.0%	+26.4%
Adjusted EBITDA	€309.4m	€348.3m	+12.6%	
Net Income	€113.2m	€125.2m	+10.6%	

* As the restructuring in Spain has been successfully completed, the DOUGLAS Group will cease adjusting sales (net) going forward and inform on a reported basis.

** CEE = Central Eastern Europe (Bulgaria, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia)

About the DOUGLAS Group

The DOUGLAS Group, with its commercial brands DOUGLAS, NOCIBÉ, parfumdreams and Niche Beauty, is the number one omnichannel premium beauty destination in Europe. The DOUGLAS Group is inspiring customers to live their own kind of beauty by offering a unique assortment online and in around 1,850 stores. With unparalleled size and access to customers, the DOUGLAS Group is the partner of choice for brands and offers a premium range of selective and exclusive brands as well as own corporate brands. The assortment includes fragrances, color cosmetics, skin care, hair care, accessories as well as beauty services. Strengthening its successful omnichannel positioning while consistently developing superior customer experience is at the heart of the DOUGLAS Group strategy "Let it Bloom - DOUGLAS 2026". The winning business model is underpinned by the Group's omnichannel proposition, leading brands, and data capabilities. In the financial year 2022/23, the DOUGLAS Group generated sales (net) of 4.1 billion euros and employed around 18,000 people across Europe.

For more information visit the [DOUGLAS Group website](#).

Press Contact

Peter Wübben
SVP Group Communications & Sustainability
Phone: +49 211 16847 664
E-Mail: pr@douglas.de