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Comprehensive Refinancing

Strong financial foundation: DOUGLAS Group reduces net debt by 1 billion euros and increases financial flexibility

- New financing at greatly improved conditions; reduction in interest expenses expected to be up to 100 million euros on annualized base
- Term loan facility in an amount of 800 million euros plus bridge facility of 450 million euros; additional revolving credit facility (RCF) of 350 million euros
- Full refinancing of financial indebtedness achieved, among others, through proceeds from IPO and equity injection; leverage ratio¹ falls from 4.0x to approx. 2.7x (calculated on adjusted EBITDA (LTM) and liquidity as of 31.12.2023)
- Sales growth trend accelerates: Group sales (net) increased by 11.5% in the second quarter of the financial year 2023/24 (January to March 2024) based on preliminary figures
- Growth backed by strong development across all areas: Double-digit sales growth (net) in both channels (stores +12.0%, E-Commerce +10.7%) and positive development in all segments; all segments continued to grow vs. PY in Q2 and in first half of the financial year

Düsseldorf, 15 April 2024 – The DOUGLAS Group, Europe’s number one omnichannel premium beauty destination, has paved the way for the future with a comprehensive refinancing. Following its listing on the Frankfurt Stock Exchange at the end of March, the company had already used the proceeds and a capital injection to partially prepay an existing facilities agreement in the amount of 675 million euros (nominal). In a second step, with today’s drawing of 1.3 billion euros under the new financing of in total 1.6 billion euros, the Group now redeemed the remaining existing financial indebtedness. As a result of the refinancing, the leverage ratio decreased significantly from previously 4.0x to approx. 2.7x.

The new financing reduces the interest rate from around 8% to a range of 5.5% to 6.5%. As a result, annual interest payments are expected to be reduced by up to 100 million euros.

¹ Leverage = net debt / adjusted EBITDA for the twelve-month period ended as of the reporting date

“With this important step, we have established a strong financial foundation for the coming years,” said Mark Langer, CFO of the DOUGLAS Group. “At the same time, we are in a position to make investments from our cashflow into our successful business model and future growth. It is our firm goal to further reduce our debt and to start paying dividends in the medium term. This is what we are consistently working towards.”

New financing of 1.6 billion euros

The new financing includes a term loan facility of 800 million euros (interest rate: EURIBOR + 2.75% initial margin) with a term of five years and a bridge facility of 450 million euros (interest rate: EURIBOR + 2.25% initial margin) with a term of twelve months, which can be extended twice by six months each without further approval of the banks. The DOUGLAS Group has further secured a revolving credit facility (RCF) of 350 million euros, of which 50 million euros had been drawn today. With today’s refinancing, the company fully redeemed senior secured notes in a nominal amount of 1.305 billion euros and senior unsecured notes in a nominal amount of approx. 567 million euros and continues its path towards debt reduction: After 4.7x per 30.09.2023 and 4.0x per 31.12.2023, the leverage ratio is now at approx. 2.7x (calculated on adjusted EBITDA (LTM) and liquidity as of 31.12.2023).

The new financing was signed on 8 March 2024 and also includes a so-called “ESG Rendezvous-Clause” which allows to directly link the interest margin to specific sustainability KPIs. These will be defined between the syndicate banks and the DOUGLAS Group. The bank consortium consists of 15 banks, with UniCredit Bank GmbH acting as documentation agent.

Sales growth trend accelerated in the second quarter

The DOUGLAS Group accelerated its growth trajectory in the recently completed second quarter of the financial year 2023/24. Group sales (net) increased by 11.5% based on preliminary and unaudited figures. Total growth was backed by strong development in all areas and consistent performance of the omnichannel business model. While store sales improved by 12.0%, E-Commerce sales also rose double-digit by 10.7%. All segments contributed positively to the overall sales increase and continued to grow vs. prior year in the first half of the financial year.

Sander van der Laan, CEO of the DOUGLAS Group, said: “After a very good start to the financial year during the Christmas period, we have followed up with another excellent quarter: The results for the first three months of the 2024 calendar year are an impressive demonstration of the attractiveness of our offering, our exceptional customer loyalty and the resilience of our omnichannel model. This also marks eleven consecutive quarters of total sales growth – a clear sign that we’re on the right track.”

The full financial figures for the second quarter and first half of the financial year will be published on 29 May 2024.

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](#).

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