

Q2 Financial Year 2023/24 (January - March 2024)

DOUGLAS Group accelerates sales growth, improves profitability and increases financial flexibility

- **Strong Q2 results confirm preliminary numbers and accelerated growth trend:**
 - Group sales (net) increased by 11.5% (reported) to around 958 million euros (like-for-like, "lfl": +10.7%): store sales (net) up 11.9%, E-Com sales (net) up 10.7%
 - Adjusted EBITDA improved by 16.2% to 145.9 million euros, corresponding to an adj. EBITDA margin of 15.2% (previous year: 14.6%)
- **Positive performance in first half of the financial year (October 2023 - March 2024):**
 - Group sales (net) rose by 9.3% to around 2.5 billion euros: store sales (net) up 8.6% and E-Com sales (net) up 10.7%
 - Adj. EBITDA improved by 13.6% to 494.2 million euros; adj. EBITDA margin grew 0.7ppts to 19.7%
 - Free cash flow of 363.4 million euros
- Successful IPO at the Frankfurt Stock Exchange in March 2024 drove debt reduction and deleveraging, increased financial flexibility; non-recurring expenses related to the IPO impacted earnings with 37 million euros
- Comprehensive refinancing at improved conditions following IPO: net debt reduced by around 1.3 billion euros, leverage ratio drops from 5.0x (31.03.2023) to 2.7x (31.03.2024)
- Sander van der Laan, CEO DOUGLAS Group: "We reconfirmed our growth trend and market position with a strong second quarter and continue our positive development."
- Major milestones in implementation of "Let it Bloom", i.e. Supply Chain and Technology

Düsseldorf, 29 May, 2024 - The DOUGLAS Group, Europe's number one omnichannel destination for premium beauty, continued to grow profitably in the second quarter of the financial year 2023/24 (January - March 2024) and accelerated its trajectory with double-digit offline and online growth.

Confirming preliminary numbers published 15 April 2024, the DOUGLAS Group grew overall sales (net) by 11.5% to around 958 million euros (Q2 2022/23: nearly 860 million euros). Both stores and E-Com developed well: Store sales (net) increased by 11.9% (lfl: +10.8%) and E-Com sales (net) by 10.7% (lfl: +10.4%). Keeping their growth momentum, Group sales have now increased for eleven consecutive quarters.

Sander van der Laan, CEO of the DOUGLAS Group, said: "We have confirmed our trend and market position with a strong second quarter and good performance in all our segments. Our omnichannel model continues to drive our growth while we kept costs under control and thus further improved our profitability. Beyond that, our recent refinancing greatly expanded our financial flexibility. All of this puts us in an excellent spot to meet our annual and mid-term guidance."

In the second quarter of the financial year 2023/24, the DOUGLAS Group continued to improve its profitability and generated an adj. EBITDA of 145.9 million euros (Q2 2022/23: 125.5 million euros), a rise of 16.2% compared to the previous year. This corresponds to an adj. EBITDA margin of 15.2%, an increase of 0.6 percentage points year-on-year. All segments contributed to overall sales (net) and adj. EBITDA growth. Net income from January to March came in at -41.3 million euros (Q2 2022/23: -42.2 million euros) and was affected by a number of non-recurring effects, including expenses in connection with the DOUGLAS Group's IPO at the Frankfurt Stock Exchange in March 2024 and a positive one-off effect in the financial result due to the valuation of bonds and related assets.

Strong momentum in first six months of the financial year

From October 2023 to March 2024, the DOUGLAS Group achieved net sales of around 2.5 billion euros (+9.3%) and generated an adj. EBITDA of 494.2 million euros, a considerable increase of 13.6% compared to the same period in the financial year 2022/2023. On a half-year basis, store sales (net) increased by 8.6% (lfl: +7.7%) and E-Com sales (net) by 10.7% (lfl: +10.5%), demonstrating the resilience of the omnichannel model and sustained customer demand both offline and online. Net income in the first six months was at 83.9 million euros (H1 2022/23: 71.0 million euros), up 18.1% year-on-year. In addition to the IPO costs, mainly incurred in the second quarter, the half-year was affected by non-recurring effects in the financial result. Free cash flow amounted to 363.4 million euros compared to 237.8 million euros in the previous year.

In April 2024, following its listing on the Frankfurt Stock Exchange, the DOUGLAS Group completed a comprehensive refinancing and reduced its net debt by around 1.3 billion euros through the primary proceeds from the IPO, an equity injection by CVC and the Kreke family as well as available liquidity. The new financing comes with improved conditions leading to an expected reduction of yearly interest expenses of up to 100 million euros. The leverage ratio has decreased significantly within a year from 5.0x per 31.03.2023 to 2.7x as of 31.03.2024. The company remains committed to further deleveraging and accordingly expects a positive impact on the future net income.

"Let it Bloom - DOUGLAS 2026" implementation well on track

The strong development in recent quarters has been visibly supported by the ongoing implementation of "Let it Bloom". The DOUGLAS Group has recently taken further strategic decisions and passed several key milestones which it expects to drive the positive momentum:

1. **Store Network Expansion:** The DOUGLAS Group continues to develop its store network across Europe and has opened 10 stores (net) and refurbished 37 stores in the first six months of the financial year. The company expects to open more than 40 additional stores until the end of the current financial year and is fully on track to achieve its goal of 200+ store openings (net) by the end of the financial year 2025/26. Beyond openings, the DOUGLAS Group is set to upgrade more than 400 stores until the end of the financial year 2025/26.

- 2. Omnichannel Supply Chain:** The DOUGLAS Group continues to roll out its future-oriented OWAC supply chain model (OWAC = One Warehouse, All Channels) across Europe. The OWAC model brings great benefits, including an improved availability of products in stores and E-Com as well as shorter B2C delivery times. In early 2024, a new OWAC logistics center commenced operations in Toledo near Madrid, and further OWACs are already operating in Germany (Hamm), Italy (Bologna) and France (Lille). Two new OWACs are currently in planning for the growing CEE market. To accommodate their strong development, the DOUGLAS Group also achieved milestones in the supply chain of its online pure players Parfumdreams and Niche Beauty: PD logistics are currently being integrated into the DACH OWAC in Hamm, and Niche Beauty recently moved to a new warehouse near Dortmund.
- 3. Unified Tech Stack:** In order to improve the efficiency and agility of its organization, the DOUGLAS Group is implementing a unified tech stack and IT architecture across all its countries as part of a multi-phase project. Operations, clusters and individual countries will therefore be closely aligned and driven by centrally defined, Group-wide standards and processes. As part of the project, SAP SuccessFactors will be rolled out as a Group-wide central HR platform, with modules covering the entire employee journey.

DOUGLAS Group confirms outlook for financial year 2023/24

The DOUGLAS Group forecasts sales (net) to increase by around 7% in the financial year 2023/24 and also mid-term, driven by both channels with an anticipated increase of store sales (net) in the mid-single-digit range and an anticipated increase of E-Com sales (net) in the high-single-digit range. EBITDA is developing positively, in line with the target to develop to an adj. EBITDA margin of around 18.5%. With the results achieved in the first half of the financial year 2023/24, the DOUGLAS Group is well positioned to deliver on this guidance and achieve both this year's targets as well as the mid-term expectations.

Overview Financial Results

Q2 FY 2023/24	Q2 2022/23	Q2 2023/24	Change (reported)	Change (lfl)
Sales (net)	€859.7m	€958.4m	+11.5%	+10.7%
Stores	€560.1m	€626.9m	+11.9%	+10.8%
E-Commerce	€299.6m	€331.5m	+10.7%	+10.4%
E-Commerce % of sales (net)	34.9%	34.6%	-0.3ppts	
Segment DACHNL	€399.8m	€459.4m	+14.9%	+14.9%
Segment France	€161.0m	€168.5m	+4.6%	+4.1%
Segment Southern Europe	€133.9m	€141.9m	+5.9%	+6.1%
Segment CEE	€113.3m	€136.2m	+20.2%	+17.8%
Segment PD/NB	€36.5m	€43.7m	+19.8%	+20.4%
Adjusted EBITDA	€125.5m	€145.9m	+16.2%	
Net Income	-€42.2m	-€41.3m	+2.0%	

H1 FY 2023/24	H1 2022/23	H1 2023/24	Change (reported)	Change (lfl)
Sales (net)	€2,300.3m	€2,514.0m	+9.3%	+8.7%
Stores	€1,536.8m	€1,668.8m	+8.6%	+7.7%
E-Commerce	€763.5m	€845.2m	+10.7%	+10.5%
E-Commerce % of sales (net)	33.2%	33.6%	+0.4ppts	
Segment DACHNL	€1,038.3m	€1,147.4m	+10.5%	+10.2%
Segment France	€486.1m	€503.8m	+3.6%	+3.3%
Segment Southern Europe	€356.1m	€376.1m	+5.6%	+5.3%
Segment CEE	€304.1m	€361.8m	+19.0%	+16.3%
Segment PD/NB	€86.6m	€106.9m	+23.4%	+23.9%
Adjusted EBITDA	€435.0m	€494.2m	+13.6%	
Liquidity (31 March)*	€238.2m	€818.6m	+243.7%	
Net Income	€71.0m	€83.9m	+18.1%	

* As of 31 March 2024, only parts of the IPO proceeds as well as the equity injection have been used to repay financial debt. The full refinancing became effective on 15 April 2024.

Segment Overview: DACHNL (Austria, Belgium, Germany, Switzerland, The Netherlands), France (France, Monaco), Southern Europe (Andorra, Croatia, Italy, Portugal, Slovenia, Spain), Central Eastern Europe / CEE (Bulgaria, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia), PD/NB (Parfumdreams, Niche Beauty)

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 1,860 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. The DOUGLAS Group (Douglas AG) is listed at the Frankfurt Stock Exchange.

For further information please visit the [DOUGLAS Group Website](#).

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