

Forecast for Financial Year 2024/25

## **Weakening customer sentiment and slower market development: DOUGLAS Group adjusts 2024/25 guidance**

- Growing impact of global macro-economic and political uncertainties on the premium beauty sector; slower market development especially in Germany and France further accelerated since February, characterized by lower traffic in stores and online
- Muted market environment negatively impacts sales and gross profit development in the second quarter of the current financial year (January - March 2025)
- DOUGLAS Group adjusts guidance for the current financial year 2024/25 to sales of around €4.5 billion (previously €4.7-4.8 billion); adj. EBITDA margin expected at around 17% (previously adj. EBITDA: €855-885 million) and net income of around €175 million (previously €225-265 million); mid-term guidance currently being assessed
- DOUGLAS Group initiated several steps in order to stabilize sales and earnings, including SG&A cost reduction, tightened working capital and capex allocation
- DOUGLAS Group has full confidence in its 'Let it Bloom' strategy and omnichannel business model, further invests into its growth initiatives and, notwithstanding the current challenging environment, remains well-positioned as the leading omnichannel premium beauty destination in Europe; the company expects the beauty market to recover when global macroeconomic and political tensions ease.

**Düsseldorf, 20 March 2025** - In light of a slowdown in the European premium beauty market - most notably in Germany and France - the DOUGLAS Group is adjusting its guidance for the current financial year. The already weak customer sentiment, burdened by global macroeconomic and political uncertainties, has continued to deteriorate since February, leading to a decline in footfall in stores and traffic online. The Group is also assessing its mid-term guidance including the expected leverage ratio and will inform about this on the occasion of the Q2 reporting on 15 May.

Sander van der Laan, CEO of the DOUGLAS Group, said: "The increasing economic and political global tensions have now also reached the premium beauty sector in Europe. In the past weeks we have seen an accelerating slowdown in consumer traffic and demand in the market, which also impacts the business of the DOUGLAS Group. Hence, our recent sales and gross profit developments have not met our initial expectations. We have to face this current situation and therefore adjust our guidance for this financial year. We already have initiated several countermeasures to stabilize our performance. The DOUGLAS Group is well positioned and our omnichannel strategy continues to be the winning model for premium beauty."

### **Markets characterized by uncertainty and lower willingness to spend**

The recent deterioration in customer demand has mostly affected the DOUGLAS Group's two most important beauty markets of Germany and France, where customer traffic has notably decreased. The company attributes this development mainly to a growing uncertainty among consumers regarding macro-economic and geopolitical tensions, the economic and political situation in

Germany and looming international trade conflicts which could harm key industries and burden the overall purchasing power in Europe. Growth in most of the other 20 DOUGLAS Group omnichannel countries also slowed down, but still developed relatively robust.

### **Guidance for 2024/25 adjusted**

In light of the overall negative development, the Management Board of the DOUGLAS AG today has adjusted the guidance for the financial year 2024/25:

- Net sales of around 4.5 billion euros (previously 4.7-4.8 billion euros)
- Adj. EBITDA margin of around 17% (previously adj. EBITDA of 855-885 million euros)
- Net income of around 175 million euros (previously 225-265 million euros)

The guidance on Net Working Capital remains unchanged: on average, Net Working Capital is still expected to amount to <5% of Group sales.

### **Countermeasures to drive sales and stabilize profitability**

The DOUGLAS Group already launched several countermeasures to drive sales, stabilize its gross margin and safeguard profitability, including SG&A (sales, general and administrative) cost reductions, tightening of NWC and capital expenditures as well as a capital re-allocation to adjust to the current market development.

Undeterred by the market situation, the DOUGLAS Group remains fully convinced of the effectiveness and attractiveness of its omnichannel model. The company continues to invest in its growth strategy 'Let it Bloom', including, among others, the expansion and refurbishment of its store network across Europe, the E-Com business, and the future-proof transformation of its Supply Chain and Group-wide IT infrastructure.

"These are challenging times and we already took striking decisions," said van der Laan. "We move every lever in our business to safeguard our sales and profits - as well as our employees and shareholders. We do this very consistently and with highest priority: with targeted investments in growth and with extensive cost savings. We are confident that we will overcome these challenges and that the premium beauty market will recover when the global economic situation improves."

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### **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 1,900 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”. The winning business model is underpinned by the Group’s omnichannel proposition, leading brands, and data capabilities. In the financial year 2023/24, the DOUGLAS Group generated sales of 4.45 billion euros and employed around 19,200 people across Europe. It was named the World’s Top Company for Women in 2024 among all retail and wholesale companies by Forbes. 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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