

OPERATIONAL & FINANCIAL RESULTS

Q1 | FY 2023/24

Düsseldorf, 22 February 2024



TODAY'S SPEAKERS



SANDER VAN DER LAAN
CEO DOUGLAS GROUP



MARK LANGER
CFO DOUGLAS GROUP



AGENDA

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CHAPTER - 01

BUSINESS HIGHLIGHTS

Q1 SUCCESS



OMNICHANNEL SUCCESS

E-Com sales (net):
+10.7%

Store sales (net):
+6.7%

INCREASED PROFITABILITY

Adjusted EBITDA:
+12.6% to €348.3m

Adj. EBITDA margin:
+0.9ppt to 22.4%

STRATEGY „LET IT BLOOM“ WELL ON TRACK

Strategic initiatives with
significant progress
in all four pillars

STRONG CHRISTMAS SALES PERIOD

Omnichannel success with customer events

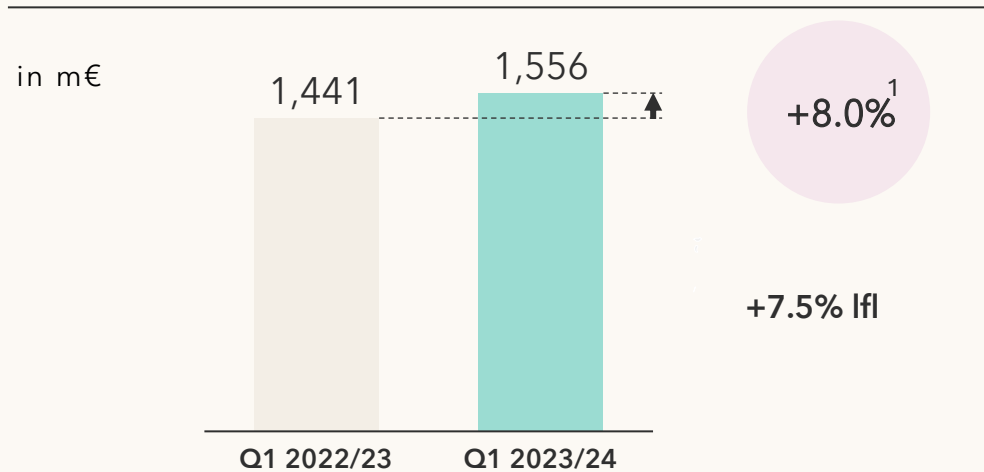
- First quarter included Singles' Day, Beauty (Black) Friday & Christmas
- Final shopping days of 2023: **highest number of customers in stores**, demand for personal advice
- High demand in E-Com: Peak times during Black Friday: DOUGLAS online shops recorded **more than 20,000 delivery orders per hour** across Europe
- DOUGLAS Group **delivered >500,000 products per day** to customers and stores across Europe between Singles' Day and Christmas



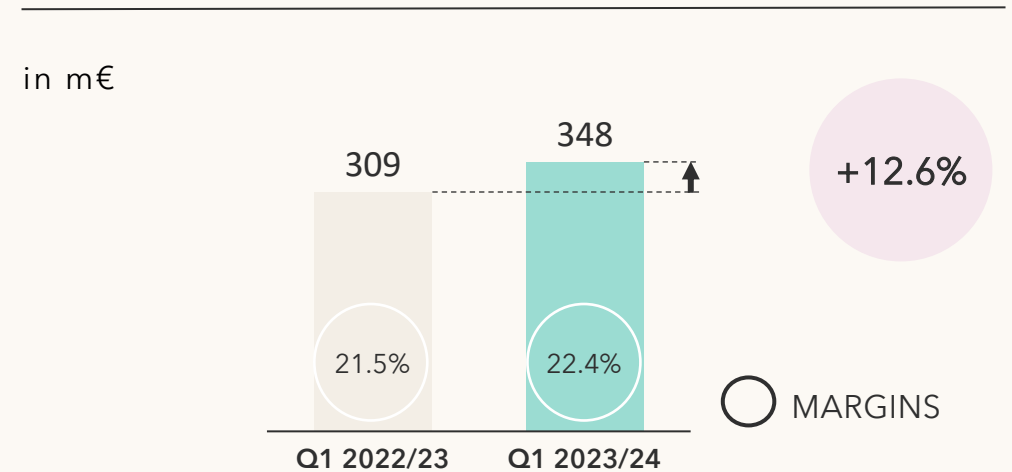
FURTHER INCREASE IN SALES AND PROFITABILITY

Strong net sales, faster growth in adjusted EBITDA & margin

NET SALES



ADJUSTED EBITDA²



- **Ongoing strong sales momentum** as customers continue to be attracted by omnichannel offering, product range and unrivalled beauty expertise
- **Omnichannel sales with strong growth:** Stores up 6.0% lfl and E-Commerce business up 10.7%; successful Christmas quarter with customers visiting especially the stores
- **Net sales growth in all segments** with DACHNL, Central Eastern Europe and parfumdreams / Niche Beauty as the top-performers

¹ 8.3% before consolidation and based on adjusted net sales

- **Gross profit increase** as costs of goods sold increased at a slower pace than net sales
- **Growth in supplier bonus** in line with net sales growth
- **Sustained cost discipline** with again improved personnel cost ratio, a nearly stable marketing cost ratio and logistic costs increasing at a lower pace led to improved adj. EBITDA margin

² For details on EBITDA adjustments see page 32



CHAPTER - 02

Q1 FINANCIALS

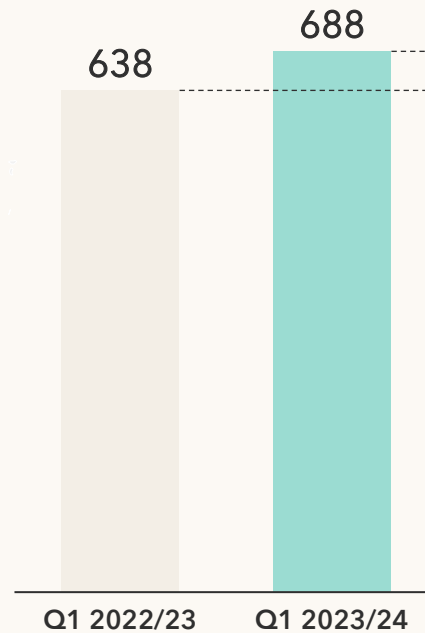
DACHNL Q1 2023/24

Solid net sales development in both channels

- Net sales increase driven by +5.2% (+4.3% lfl) growth in Store business and +11.6% E-Com sales
- Net sales increase in Stores due to significantly higher footfall as well as higher basket size and net sales per item; growing number of orders with slightly increased baskets in E-Com
- Higher gross profit due to higher supplier bonus, lower marketing income and higher logistic costs due to strong E-Com sales, stable personnel cost ratio; prior-year contained intercompany fee charged to Parfumdreams

NET SALES

in m€

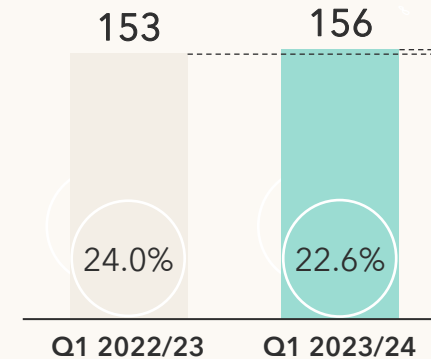


+7.8%

+7.2% lfl

ADJUSTED EBITDA¹

in m€



+1.6%

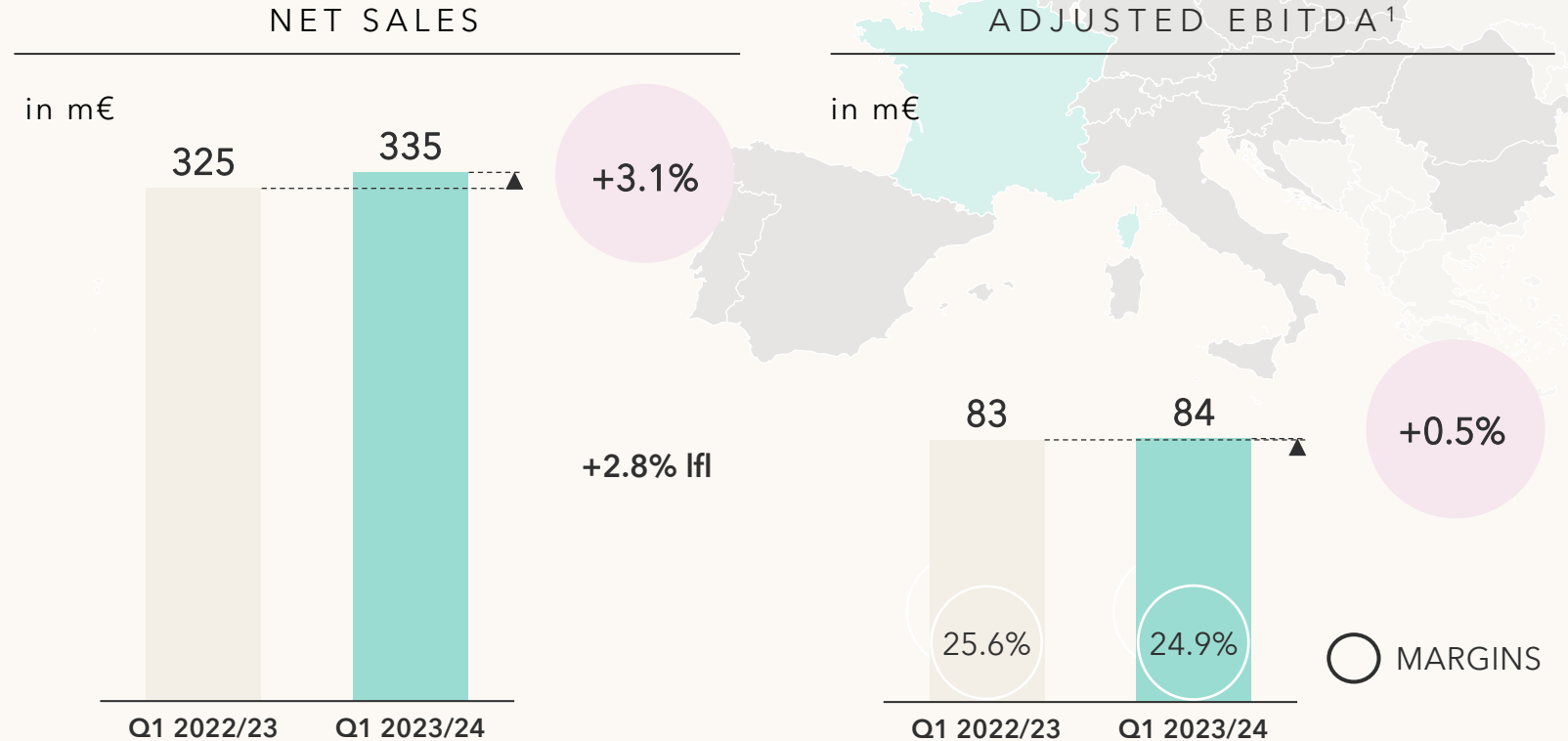
○ MARGINS

¹ For details on EBITDA adjustments see page 32

FRANCE Q1 2023/24

Net sales growth with slightly lower EBITDA margin

- Net sales increase driven by +2.8% (+2.3% lfl) growth in Store business, E-Com grew by +4.2%
- Higher footfall although lower conversion rate, larger basket sizes with higher net sales per item in Stores; more orders and higher basket sizes in E-Com
- Lower supplier bonus led to lower gross margin, lower marketing spend nearly offset slightly higher personnel cost ratio due to investment in education and training, significantly lower logistic costs



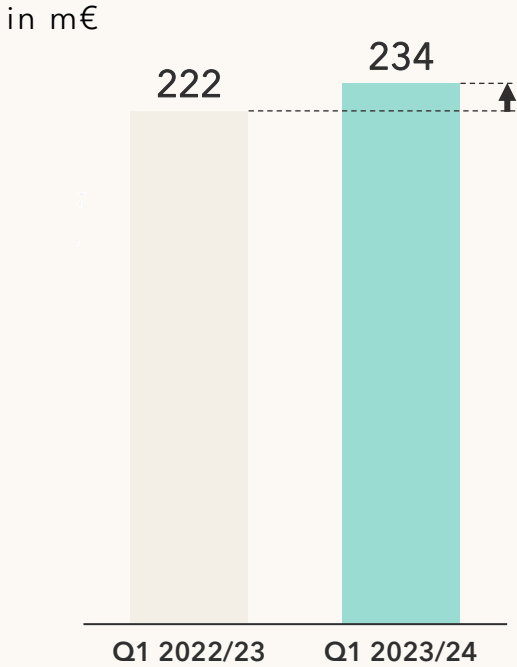
¹ For details on EBITDA adjustments see page 32

SOUTHERN EUROPE Q1 2023/24

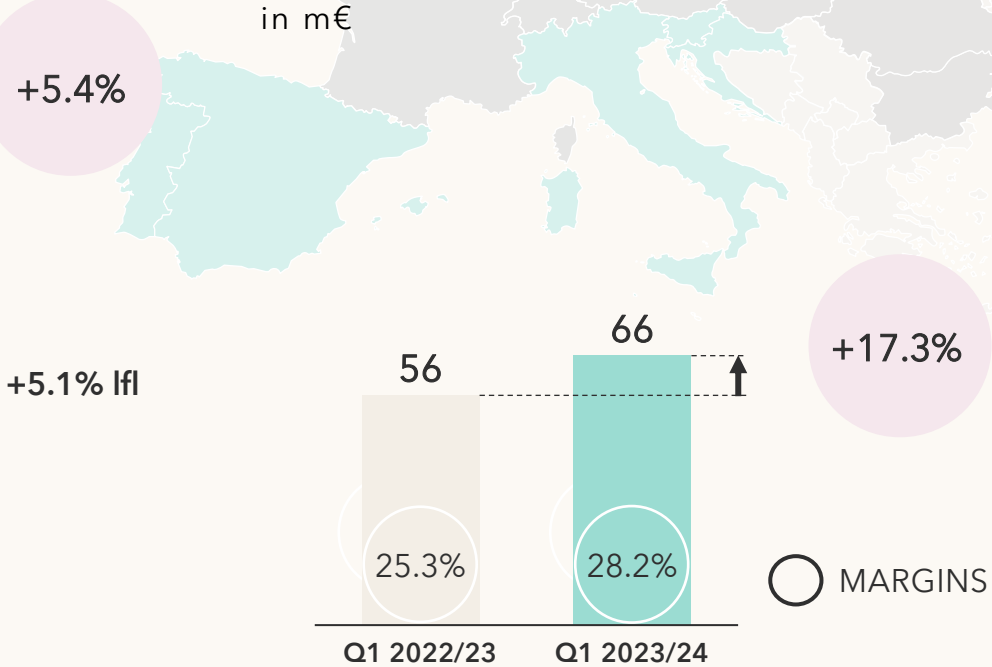
Ongoing net sales in stores growth translated into higher adj. EBITDA

- Net sales increase driven by +7.7% (+7.6% lfl) growth in Stores and -7.5% in E-Com business
- Net sales increase in Stores due to significantly higher footfall while considerably smaller basket sizes with higher net sales per item; increased number of orders with smaller basket sizes in E-Com
- Under-proportionate increase in COGS and significantly higher supplier bonus, higher marketing expenses, personnel cost ratio slightly improved while logistic costs increased, but also positively affected by one-time reversal of inventory valuation

NET SALES



ADJUSTED EBITDA¹



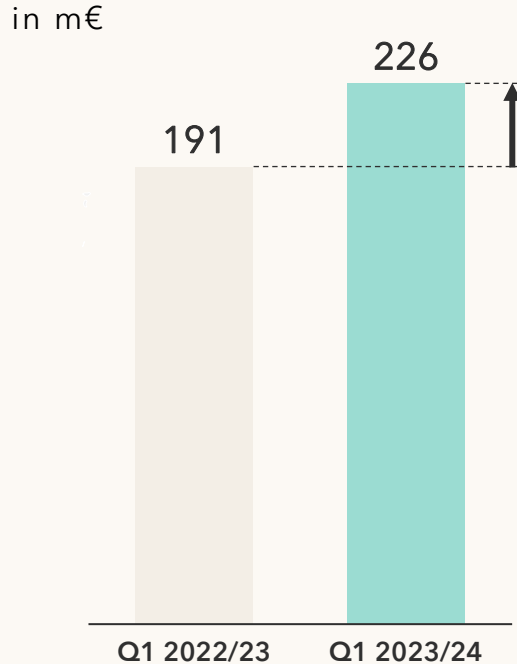
¹ For details on EBITDA adjustments see page 32

CENTRAL EASTERN EUROPE Q1 2023/24

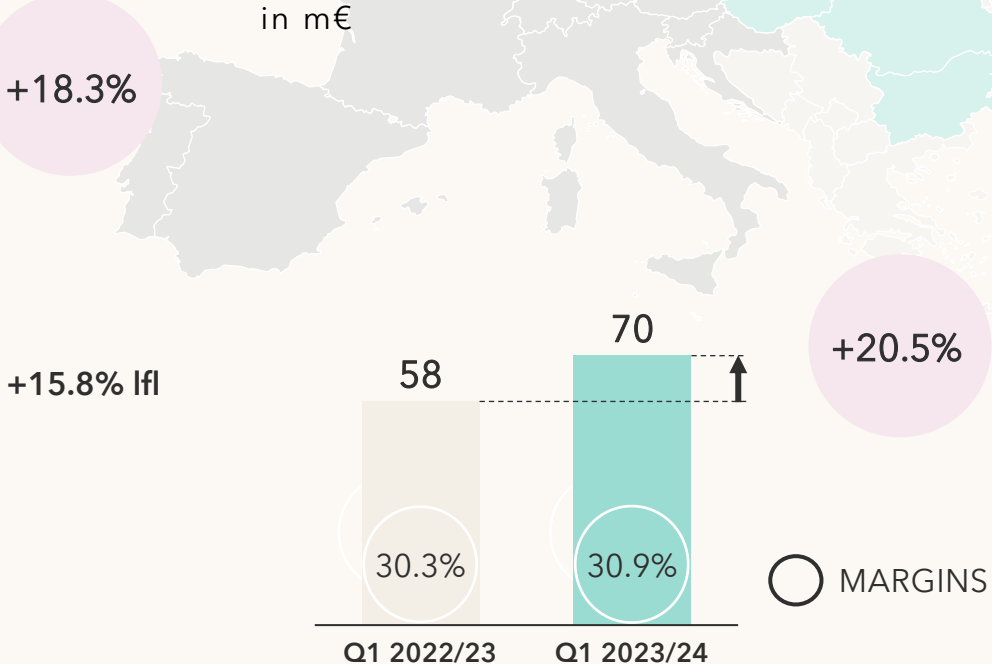
Very strong net sales growth and ongoing margin uplift

- Net sales increase driven by +17.7% (+14.4% lfl) growth in Stores and +20.2% in E-Com
- Net sales increase from significantly higher footfall in higher number of Stores with larger baskets and higher net sales per item; more orders and larger basket sizes in E-Com
- Significantly higher supplier bonus offset COGS increase, marketing ratio stable, improved personnel cost ratio

NET SALES



ADJUSTED EBITDA¹



¹ For details on EBITDA adjustments see page 32

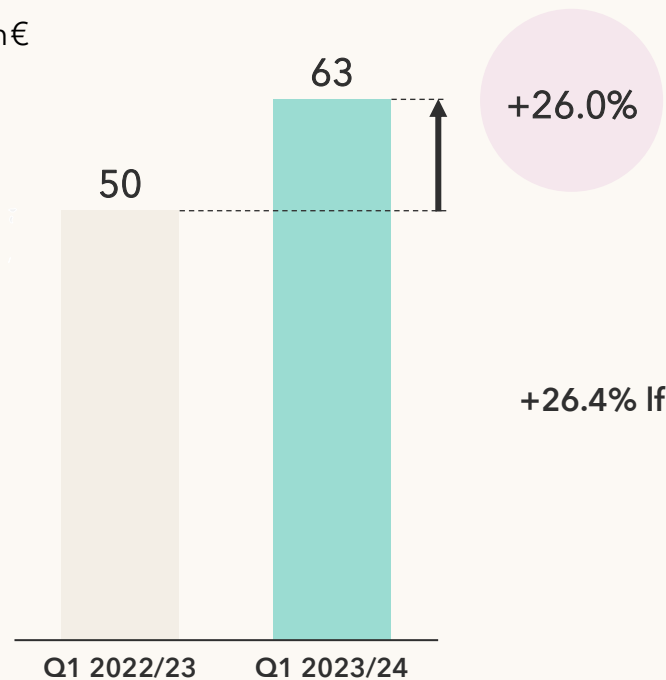
PARFUMDREAMS/NICHE BEAUTY Q1 2023/24

Highest net sales growth for the online beauty businesses

- Strong growth in active customers, both driven by new customers and through higher retention rates due to the improvement in the customer experience
- Significantly more orders and higher basket sizes
- Higher supplier bonus did not offset increase in COGS, improved marketing and personnel cost ratio, under-proportionate increase in logistic costs, prior year lower due to intercompany fee

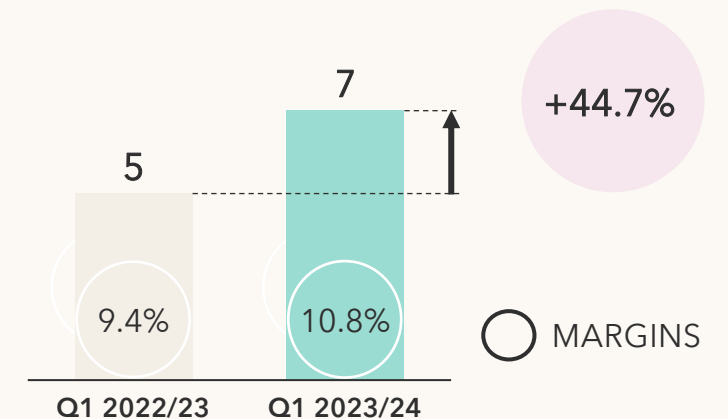
NET SALES

in m€



ADJUSTED EBITDA¹

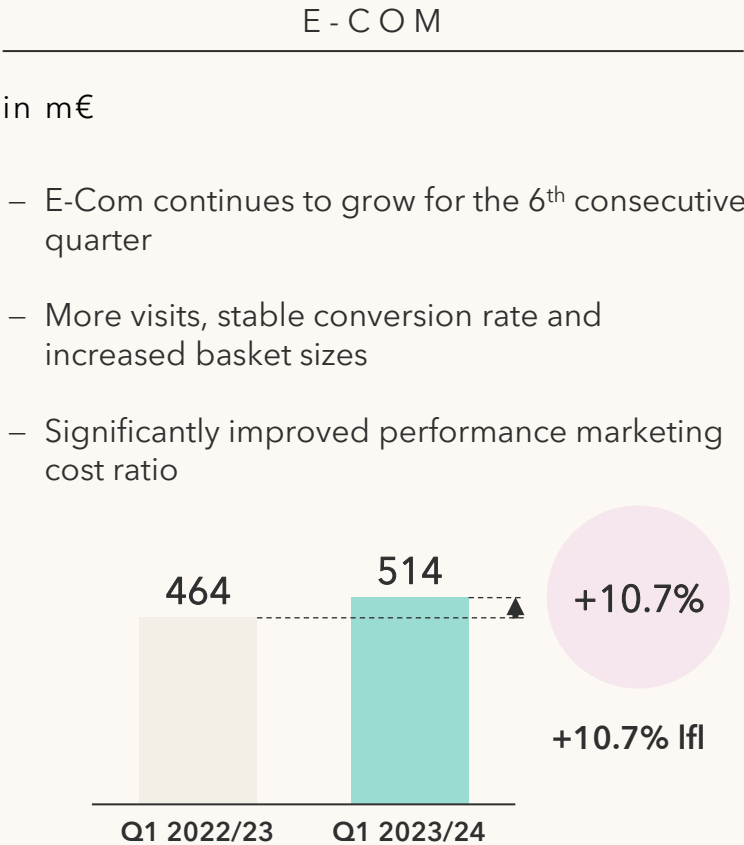
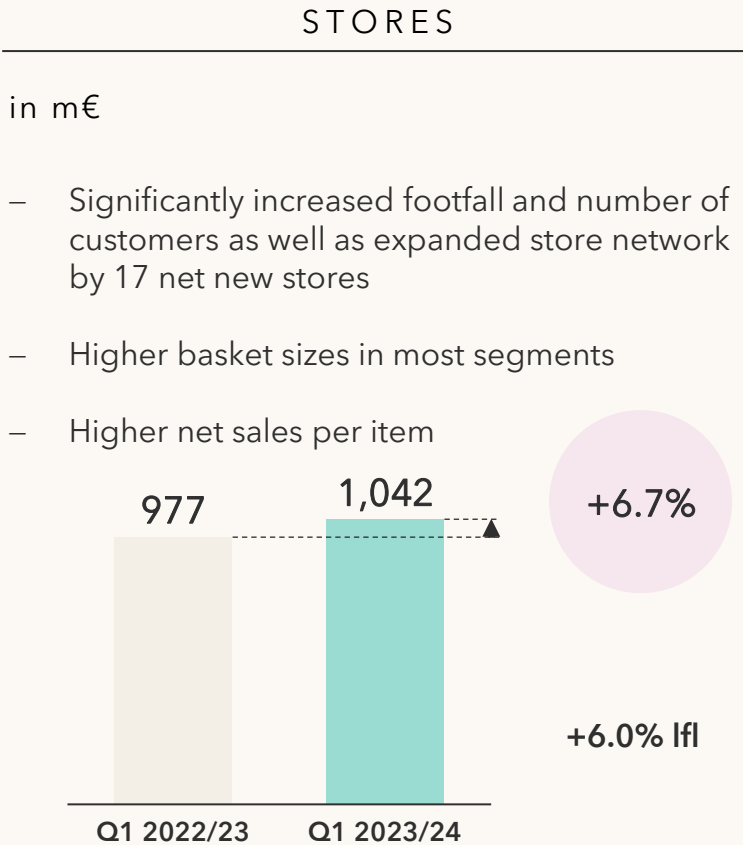
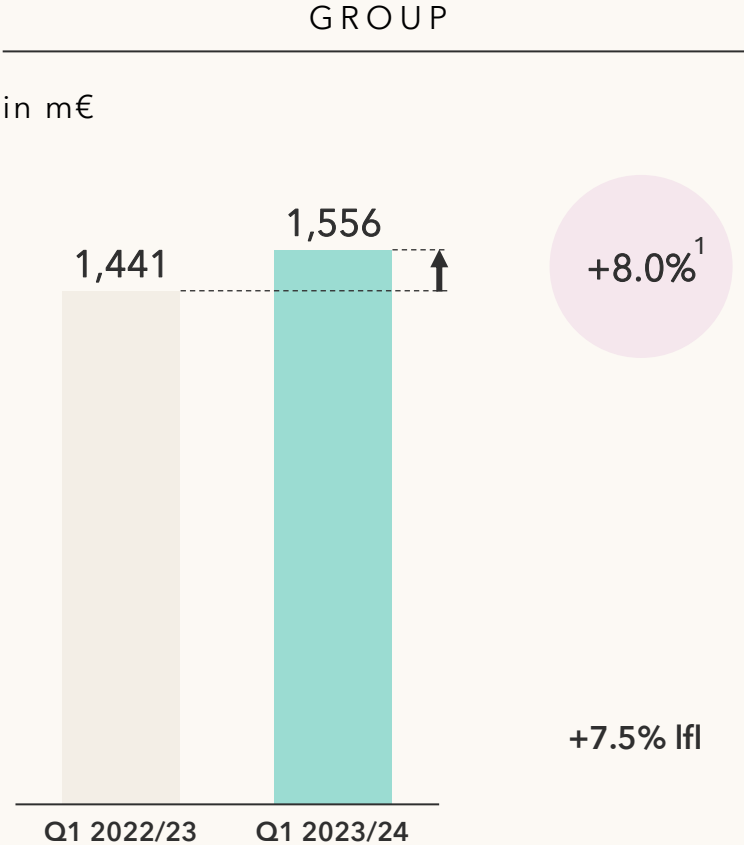
in m€



¹ For details on EBITDA adjustments see page 32

OMNICHANNEL GROWTH FUELED BY BOTH CHANNELS

Net sales Q1 2023/24



¹ 8.3% before consolidation and based on adjusted net sales

P&L – KPIS SIGNIFICANTLY IMPROVED

Q1 2023/24

in m€	Q1 2022/23	Q1 2023/24	Δ %
Net sales	1,440.6	1,555.5	8.0%
Cost of raw materials, consumables and supplies and merchandise	-807.1	-861.9	-6.8%
Gross profit	633.5	693.6	9.5%
Gross profit margin	44.0%	44.6%	0.6%p
Net operating expenses	-337.2	-375.2	-11.3%
Reported EBITDA	296.3	318.4	7.5%
Adjustments	13.1	29.9	128.1%
Adjusted EBITDA	309.4	348.3	12.6%
Adjusted EBITDA margin	21.5%	22.4%	0.9%p
Amortization/depreciation/impairment	-79.8	-87.3	-9.5%
Reported EBIT	216.5	231.0	6.7%
Financial result	-69.1	-80.3	-16.3%
Income taxes	-34.3	-25.5	25.4%
Net income	113.2	125.2	10.6%

Main reasons: Store expansion, increased bonus accruals, higher wages, higher marketing expenses and litigation risks ; excluding litigation better net opex ratio

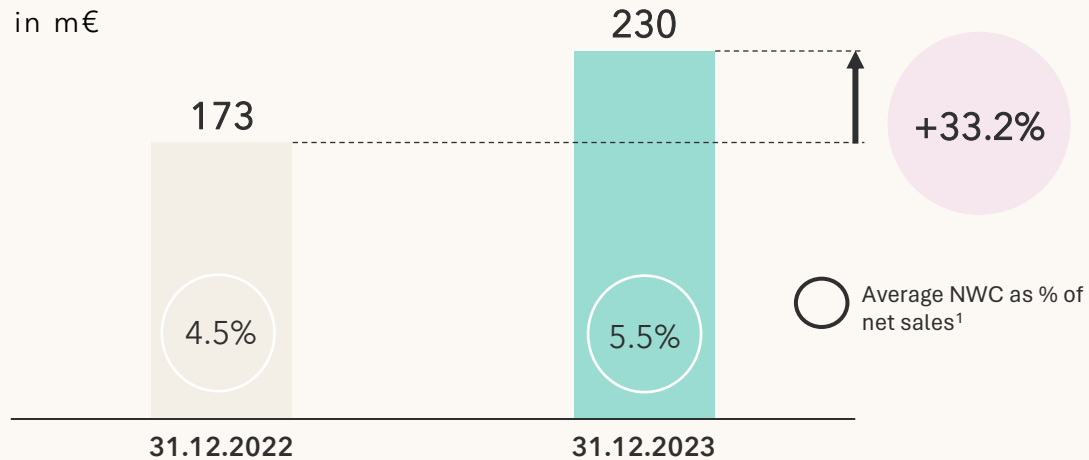
Major part due to IFRS 16 RoU amortization

Lower due to use of tax losses carried forward and additional provision for tax audit in previous year

DIO STABLE; FOCUS ON STORE CAPEX

As of 31 December 2023

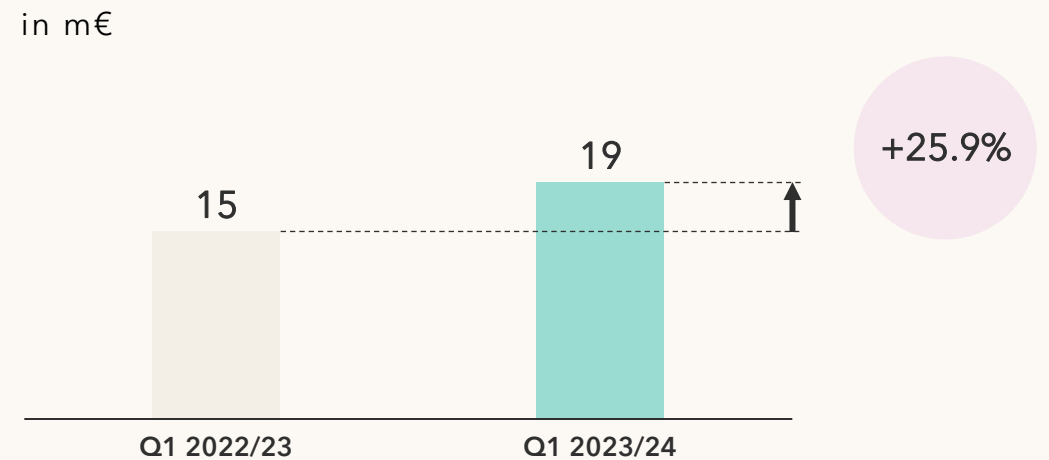
AVERAGE NET WORKING CAPITAL



- Higher inventory to avoid out of stocks in the peak season
- Higher payables and receivables due to successful Christmas business
- DIO stable at 127 (PY: 126)

¹Average NWC as of 31 Dec 23, NES LTM 31 Dec 23

CAPEX

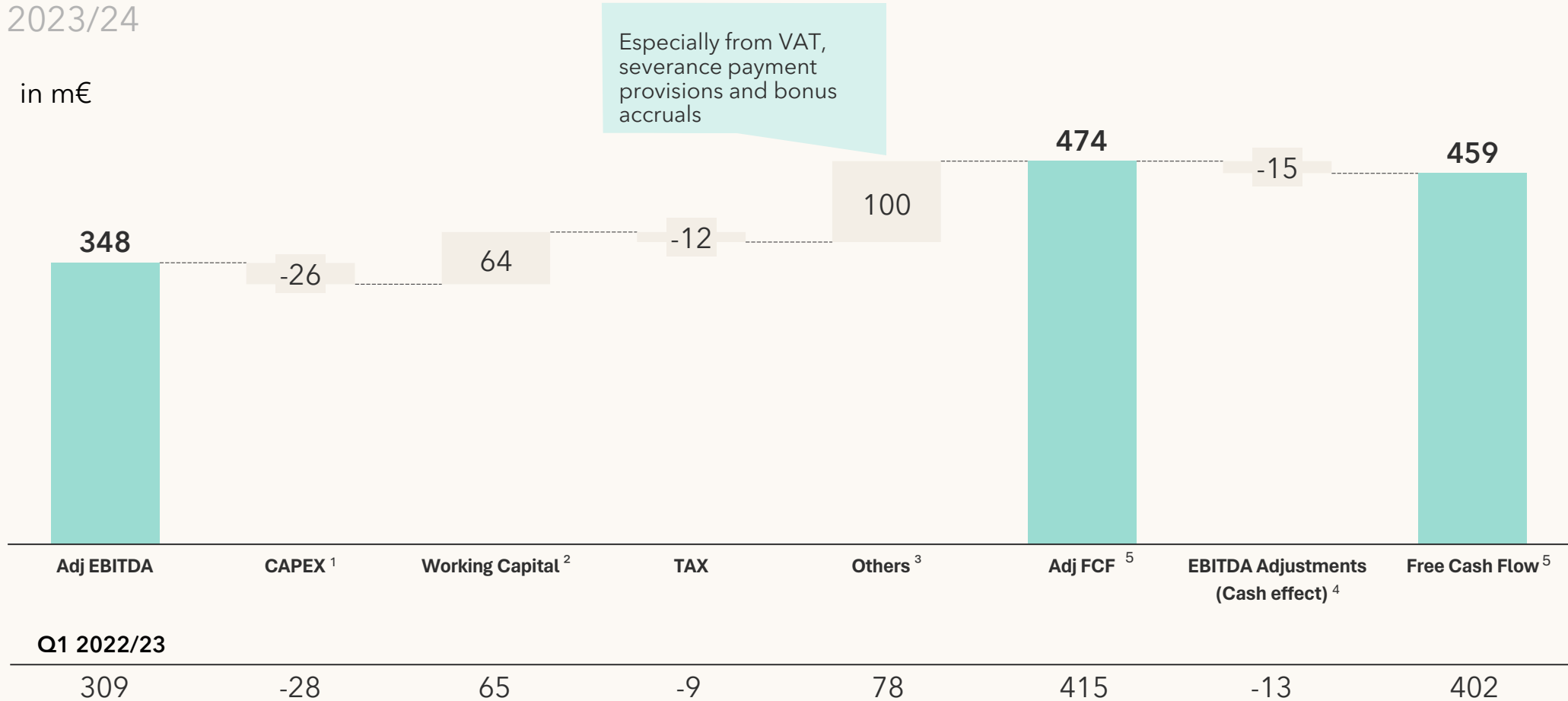


- Most capital expenditure pertains the stores channel in the form of store refurbishments and store openings
- Investment in further platform rollout and international E-Com

FREE CASH FLOW IMPROVED

Q1 2023/24

in m€



Especially from VAT, severance payment provisions and bonus accruals

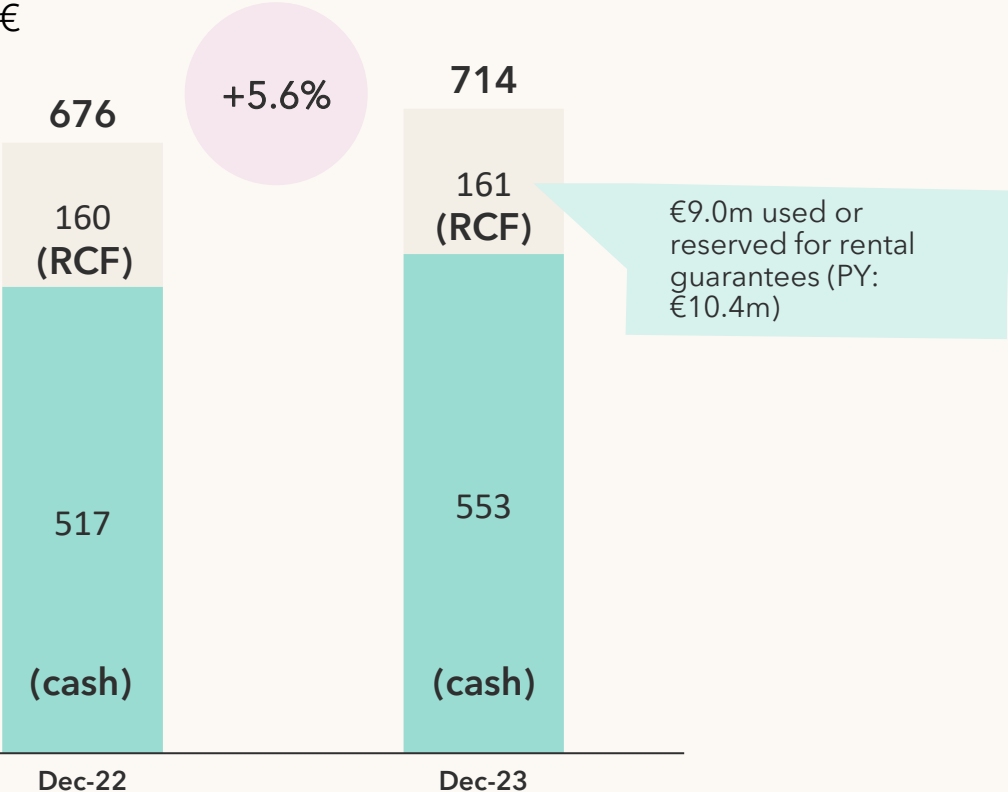
¹ Excl. M&A-related investments (Cash Capex); ² For details on Working Capital development see page 35; ³ Change in Other Assets, Liabilities and Accruals; ⁴ For details on EBITDA adjustments see page 32; ⁵ Money market instruments reported in previous year as cash equivalents and now reclassified as current other financial assets in the Unaudited Interim Consolidated Financial Statements as of 31.12.23 for 31.12.22. In the first quarter 2022/23, payments for the purchase of money market instruments were added back for purposes of the presentation of Adjusted Free Cash Flow. The money market instruments were sold for cash in the second quarter of the financial year 2022/23

SIGNIFICANT REDUCTION IN LEVERAGE RATIO

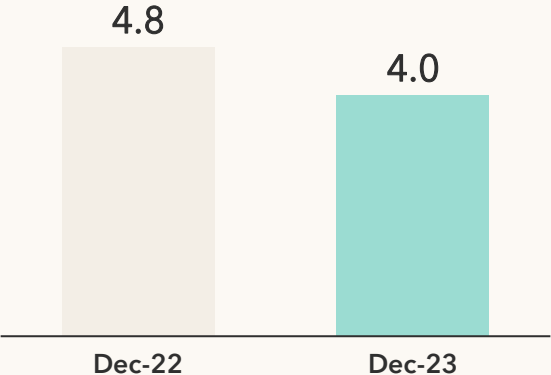
As of 31 December 2023

AVAILABLE LIQUIDITY

in m€

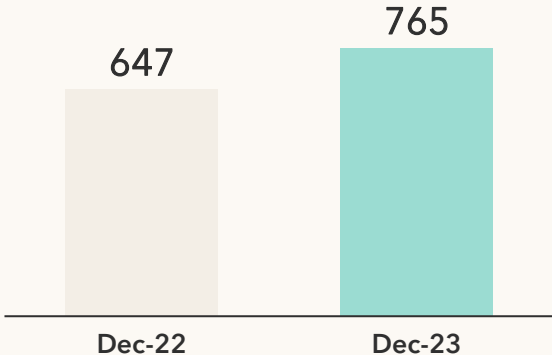


TOTAL NET LEVERAGE¹



ADJUSTED EBITDA LTM²

in m€



¹ Excluding shareholder loan, including IFRS 16 liabilities; net debt/adjusted EBITDA including IFRS 16 effects; adj. EBITDA LTM (31 Dec 23)

² For details on EBITDA adjustments see page 32



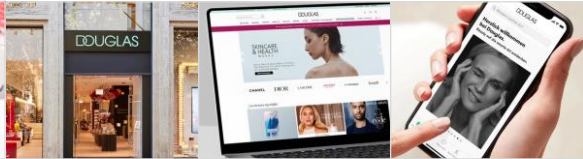

CHAPTER - 03

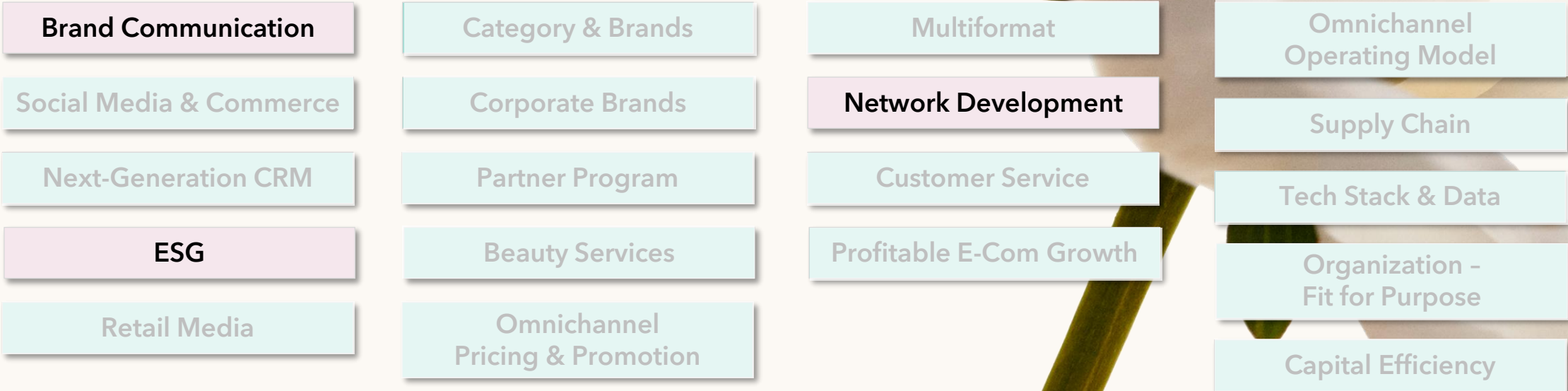
STRATEGY
UPDATE



IMPLEMENTATION OF STRATEGY WELL ON TRACK

Several landmark decisions and milestones reached

<p>Be the #1 BEAUTY DESTINATION in all our markets</p>	<p>Offer most relevant and distinctive RANGE OF BRANDS</p>	<p>Deliver most customer friendly OMNICHANNEL experience</p>	<p>Build focused and efficient OPERATING MODEL</p>
			



STORE NETWORK EXPANSION PROGRAM

Extensive opening and refurbishment plan

- Program launched to **develop and expand store network**; crucial element of the „Let it Bloom“ strategy
- Decisive adjustments to store network until 2025/26:

+ 200 store
openings*, focus
CEE (~40%)

+ 400 store
refurbishments*

- Objective: Implement our store formats “Premium” and “Luxury” to offer customers an **even more appealing & contemporary shopping experience**, densify network in existing markets to further leverage market potential
- Already 19 store openings in Q1 2023/24
- Upcoming store openings for 2024 include major locations in Hamburg, Paris and Genk (Belgium), as well as a refurbished „House of Beauty“ store in Vienna



SUSTAINABILITY REPORT FY 2022/23

Updated strategy & goals

- New Sustainability Report for the FY 2022/23 published in early February, including an **updated and more ambitious sustainability strategy** in line with „Let it Bloom“
- Ambitious goals in three key focus areas:
 - **People:** Create a workplace championing diversity, equity and inclusion, drive by setting clear priorities
 - **Planet:** Reduce carbon footprint by 50% by 2025 in Scope 1 and 2 (compared to baseline financial year 2018/19), followed-up by further reduction steps in-line with Science Based Targets; already achieved reduction by 32%
 - **Products:** Integrate sustainability in discussions with brand partners, have 80% of Corporate Brands vegan by 2030 and 100% of their packaging recyclable, recycled, or reusable
- Commitment to a **yearly Sustainability Report**

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SUSTAINABILITY REPORT

FY 2022/23

A close-up, high-angle portrait of a Black man with a white beard. He is looking slightly to the right of the frame. The lighting is soft, highlighting the texture of his skin and the white hair. The background is a plain, light color.

CORPORATE BRANDING

WE ARE A LEADING BEAUTY RETAIL GROUP

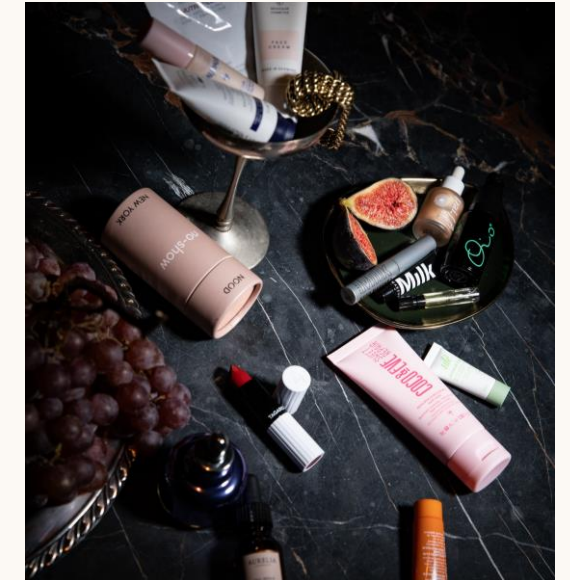
Uniting four extraordinary beauty retail brands

DOUGLAS



NOCIBÉ
LA BEAUTÉ PARTAGÉE

parfumdreams



NICHE-BEAUTY.com

DECISION FOR NEW CORPORATE BRANDING

DOUGLAS Group brand reflects positioning as leading international premium beauty retail group

DOUGLAS GROUP



CHAPTER - 04

WRAP-UP + Q&A



SUMMARY

- DOUGLAS Group continues growth trajectory and enters the FY 2023/24 with very good results for the first quarter
- **Very successful peak season (October - December)**
- **Tenth consecutive quarter with Group sales (net) growth: +8.0%** to €1.56bn, driven by all segments and channels
- **Continued omnichannel success:** Store sales (net) up 6.7%, E-Commerce sales (net) grew double-digit by 10.7%
- **Further increased profitability:** Adjusted EBITDA increased by 12.6% to €348.3m, resulting in a higher positive net income of €125.2m (+10.6%)
- **“Let it Bloom” strategy** and initiatives drive growth; launch of store network expansion & refurbishment program
- **Commitment to sustainability** with updated ESG strategy and ambitious goals in three focus areas

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APPENDIX

ADJUSTMENTS TO EBITDA

Q1 2023/24

in m€	Q1 2022/23	Q1 2023/24	
Reported EBITDA	296.3	318.4	
Consulting fees ¹	1.2	7.8	Strategic projects
Restructuring costs ²	2.2	-0.6	
PPA	-0.1	-0.1	
COVID-19	-0	-0	
SOP ³	1.0	-2.7	Release of unused provisions
Other	8.9	25.6	Mainly litigation risk provision for squeeze-out 2013, OWAC and management participation program
Adjusted EBITDA	309.4	348.3	

¹ Including project fees

² Including restructuring in Spain

³ Excluding Spain

SELECTED SEGMENTAL KPIS

Q1 2023/24

REPORTED EBITDA

In m€	Q1 2022/23	Q1 2023/24
DACHNL	145.0	153.7
France	82.8	83.4
Southern Europe	56.3	67.8
Central Eastern Europe	57.8	69.7
NB/PD	4.7	6.8
Reconciliation to Group	-50.3	-63.0
Group	296.3	318.4

CAPEX

In m€	Q1 2022/23	Q1 2023/24
DACHNL	3.0	6.8
France	2.3	2.8
Southern Europe	1.1	1.9
Central Eastern Europe	1.5	3.5
NB/PD	0.4	0.6
Reconciliation to Group	6.6	3.1
Group	14.8	18.7

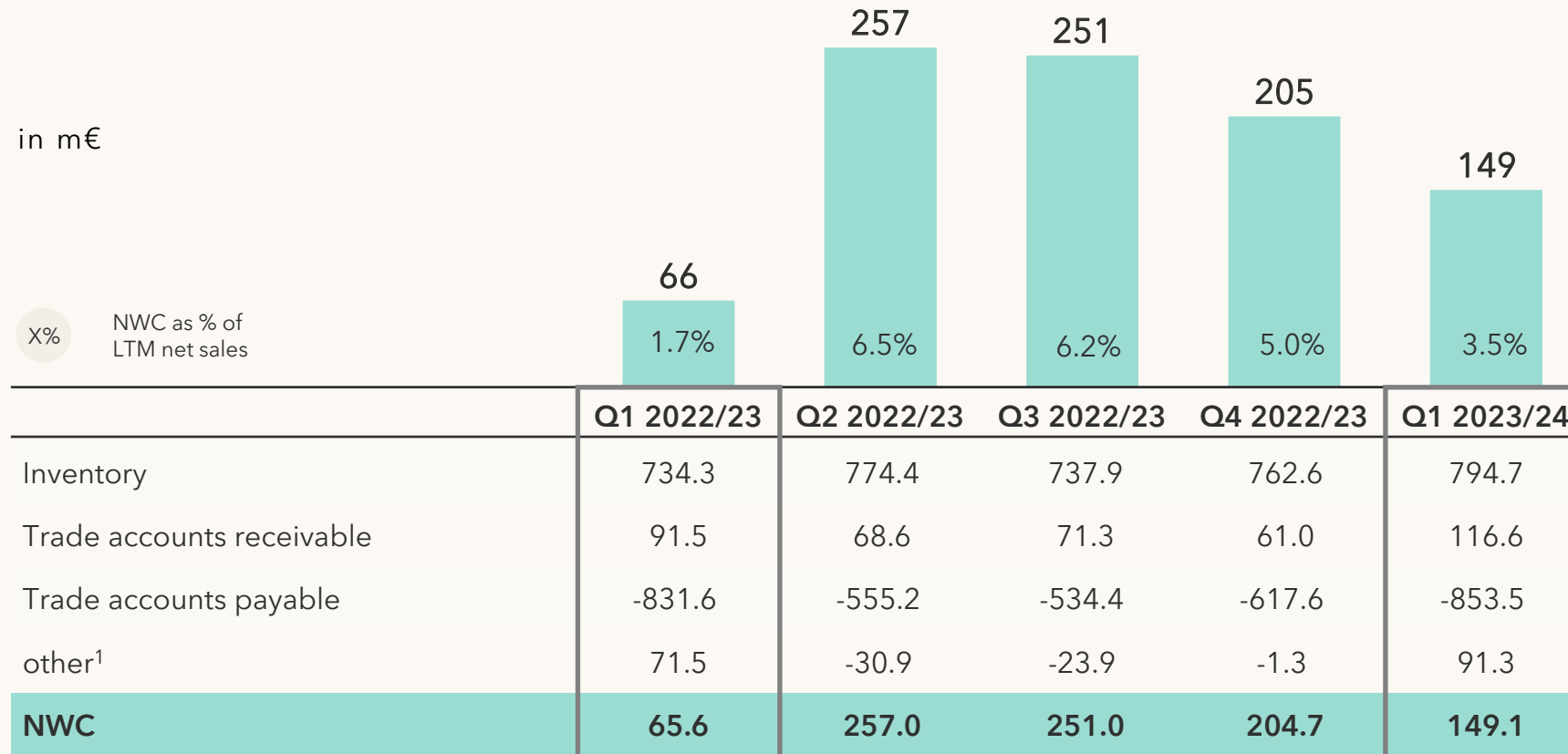
DEEP DIVE INTO LFL NET SALES DEVELOPMENT

Quarterly Overview

	Q1 2022/23	Q2 2022/23	Q3 2022/23	Q4 2022/23	Q1 2023/24
DACHNL	15.8%	24.8%	10.9%	9.3%	7.2%
France	2.1%	9.8%	4.8%	6.4%	2.8%
Southern Europe	17.2%	19.9%	14.3%	4.7%	5.1%
Central Eastern Europe	25.5%	31.5%	15.1%	17.0%	15.8%
NB/PD	10.0%	4.4%	23.0%	37.5%	26.4%
Group	14.6%	23.7%	10.1%	8.2%	7.5%
Stores	17.6%	25.6%	12.4%	9.4%	6.0%
E-Com	8.9%	20.2%	5.5%	5.6%	10.7%

DEVELOPMENT OF NET WORKING CAPITAL

As of 31 December 2023



¹ Incl. receivables from reimbursed marketing costs, bonus receivables, voucher liabilities

CASH FLOW STATEMENT

Q1 2023/24

In m€	Q1 2022/23	Q1 2023/24
Net cash flow from operating activities	430.4	485.0
Net cash flow from investing activities	-28.1	-25.6
Free cash flow	402.3	459.4
Net cash flow from financing activities	-132.2	-171.9
Net change in cash and cash equivalents	270.0	287.5
Cash & cash equivalents at beginning of period	245.3	262.3
Net change in cash and cash equivalents due to currency translation	1.3	3.0
Cash and cash equivalents at the end of the reporting period	516.7	552.9

Deviation to bond report as we regard money market funds as cash equivalent (€210.2m as of 31 Dec 22)

Increase due to cash payment of PIK notes in October 23

CASH AND FINANCIAL DEBT STRUCTURE

As of 31 December 2023

in m€	m€	x Adj. EBITDA ²	Maturity	Pricing
Cash and cash equivalents	553			
RCF (€170m Volume)	0		Jan 26	E+4.50%
Term Loan B (B3/B-/B)	669		Apr 26	E+5.25% (99% OID)
Senior Secured Notes (B3/B-/B)	1,314		Apr 26	6.00%
IFRS 16 Liabilities	1,054			
Net Senior Debt incl. IFRS 16 Liabilities	2,484	3.2x		
Senior PIK Notes (Caa2/CCC/CCC)	579		Oct 26	8.25% cash or 9.00% PIK
Net Debt¹ incl. IFRS 16 Liabilities	3,063	4.0x		

€9.0m used or reserved for rental guarantees (PY: €10.4m)

¹ Excluding shareholder loan

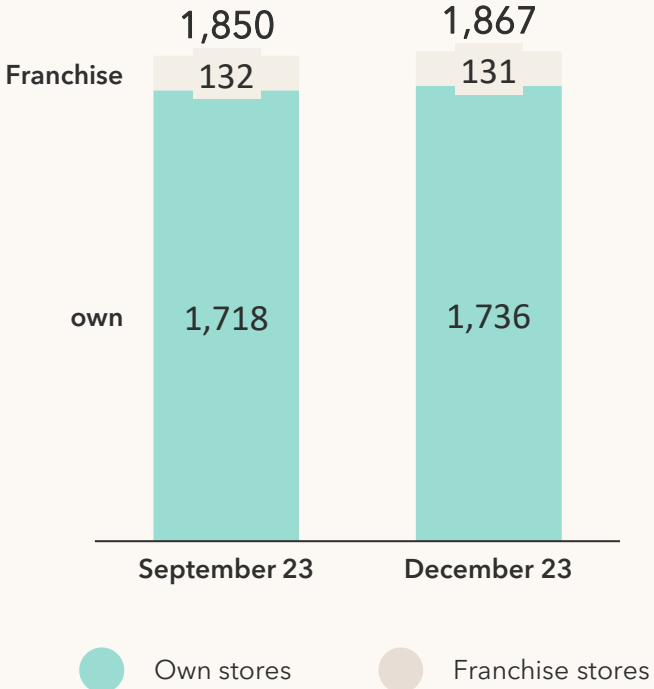
² For details on EBITDA adjustments see page 32

Note: Ratings as of 17 March 2023 (Moody's), 05 July 2023 (S&P) and 03 April 2023 (Fitch)

STORE NETWORK ACROSS EUROPE

As of 31 December 2023

NUMBER OF STORES



DEVELOPMENT

	30 September 2023	31 December 2023
Store openings		19
Store closures		-2
Total		17

Store openings:

4 stores in DACHNL (A, CH), 1 in France, 4 in South Europe (IT, SI) and 10 CEE (PL, BG, EE, HU, RO, SK)

Store closures (1 in PT, 1 franchise store in FR) driven by usual fluctuation in store network

