Düsseldorf, 11 September 2020

JP Morgan 2020 European High Yield & Leveraged Finance Conference

Düsseldorf, 11 September 2020
NOTICE TO RECIPIENTS

This presentation and any materials distributed in connection herewith (together, the "Presentation") have been prepared by Douglas GmbH (the "Company") solely for use at this presentation. By attending the meeting where this Presentation is made, or by reading the presentation slides, you agree to be bound by the following limitations. This Presentation does not constitute or form a part of, and should not be construed as, an offer for sale or subscription of or solicitation of any offer to purchase or subscribe for any securities in any jurisdiction, and neither this Presentation nor anything contained herein shall form the basis of, or be relied upon in connection with, or act as an inducement to enter into, any contract or commitment whatsoever. These materials may not be distributed to the press or to any other persons, may not be redistributed or passed on, directly or indirectly, to any person, or published, in whole or in part, by any medium or for any purpose.

The unauthorised disclosure of this Presentation or any information contained in or relating to it or any failure to comply with the above listed restrictions could damage the interests of the Company and all its affiliated companies within the meaning of sections 15 ff. German Companies Act (the "Group").

may have serious consequences and may also constitute a violation of applicable laws. At any time upon the request of the Company the recipient must return or destroy all copies promptly.

This Presentation is not intended to be exhaustive or to constitute legal, financial, regulatory, or other advice, and the Group does not undertake any obligation to review, correct or update any information contained in it now or in the future. The information contained in this Presentation is provided as at the date of this Presentation and is subject to change without notice and the Group expressly does not undertake or intend to be bound by the following limitations.

The Company does not undertake or intend to be bound by the following limitations.

The distribution of this Presentation in certain jurisdictions may be restricted by law. Persons into whose possession this Presentation comes or to which such independent investigation as it considers necessary or appropriate for determining whether to participate in the related financing of any information coming to the attention of the Group.

This Presentation does not purport to contain all information that may be required by any party to assess the Company or, in each case its business, financial condition, results of operations and prospects for any purpose. This Presentation includes information the Company has prepared on the basis of publicly available information and sources believed to be reliable. The accuracy of such information (including all assumptions) has been relied upon by the Company and has not been independently verified by the Company. Any recipient should conduct its own independent investigation and assessment as to the validity of the information contained in this Presentation, and the economic, financial, regulatory, legal, tax and accounting implications of that information.

This Presentation may include information on or in relation to the Company’s EUR 1,670,000,000 Facility B Term Loan and EUR 200,000,000 Revolving Credit Facility as well as EUR 300,000,000 Senior Secured Notes and EUR 335,000,000 Senior Notes (together the "Financing"). It is not intended to be (and should not be used as) the sole basis of any credit analysis or other evaluation. Each participant is responsible for making its own credit analysis and its own independent assessment of the business, financial condition, prospective, credit worthiness, status and affairs of the Group and of the terms of the Financing and such independent investigation as it considers necessary or appropriate for determining whether to participate in the Financing. The Group does not make any representation or warranty or undertaking of any kind, express or implied. The information contained in this Presentation does not purport to be complete and, to the extent that the information contained in or relating to this Presentation is forward-looking statements; or (ii) undertake to review, correct or update any forward-looking statements contained in this Presentation regarding trends or current activities which are not taken as a representation that such trends or activities will continue in the future. Actual outcomes, results and other future events may differ materially from those expressed or implied by the statements contained herein. Such differences may adversely affect the outcome and financial effects of the plans and events described herein and may result from, among other things, changes in economic, business, competitive, technological, strategic or regulatory factors and other factors affecting the business and operations of the company. The Company does not accept or assume responsibility or liability for forming your own opinions and conclusions on such matters and for making your own independent assessment of the Presentation.

Additional items regarding the financial information included in this Presentation

Additional items regarding the financial information included in this Presentation

All financial figures included in this Presentation are unaudited, unless otherwise indicated. Performance indicators and ratios that we report in this Presentation, such as EBITDA, Adjusted EBITDA, Free Cash Flow and working capital are not financial measures defined in accordance with IFRS, U.S. GAAP or other applicable accounting standard and, as such, may be calculated by other companies using different methodologies and having a different result. Therefore, these performance indicators and ratios are not directly comparable to similar figures and ratios reported by other companies.

Neither the Company nor any member of the Group takes any responsibility for the recipient’s decision to limit the scope of the information that it has obtained in connection with its evaluation of the Group and the Financing.

Each recipient should be aware that some of the information in this Presentation may constitute “inside information” for the purposes of any applicable legislation and each recipient should therefore take appropriate advice as to the use to which such information may lawfully be put. The Presentation is given in confidence and you should not base any behaviour in relation to financial instruments (as defined in the EU Market Abuse Regulation (EU 596/2014) or “MAR”) which would amount to market abuse for the purposes of MAR on the information in this Presentation unless and until after the information has been made generally available. Nor should you use the information in this Presentation in any way which would constitute “market abuse”. You are under an obligation to assess for yourself whether you are in possession of inside information and when you have ceased to be in possession of such information. You should consult with your legal and compliance teams on your obligations in this regard.

The distribution of this Presentation in certain jurisdictions may be restricted by law. Persons into whose possession this Presentation comes or to which such independent investigation as it considers necessary or appropriate for determining whether to participate in the Financing will continue in the future. Actual outcomes, results and other future events may differ materially from those expressed or implied by the statements contained herein. Such differences may adversely affect the outcome and financial effects of the plans and events described herein and may result from, among other things, changes in economic, business, competitive, technological, strategic or regulatory factors and other factors affecting the business and operations of the company. The Company does not accept or assume responsibility or liability for forming your own opinions and conclusions on such matters and for making your own independent assessment of the Presentation.

The notice and any dispute arising from it, whether contractual or non-contractual, is governed by German law.

2
DOUGLAS AT A GLANCE

Leading online and offline platform in European beauty\(^{(4)}\)

- 26 European countries
- >750 Brands\(^{(1)}\) with >55,000 SKUs\(^{(1)}\)
- ~2,400 Stores, ~20,000 Dedicated beauty advisors
- 44m\(^{(2)}\) Beauty Card members & app users
- ~€3.5bn Net sales
- >€766m\(^{(3)}\) Run-rate online net sales with 10-year CAGR of >30%
- ~10\% Adj. EBITDA margin

---

\(^{(1)}\) Different brands available in each country with certain overlap; figures exemplary for Germany as of LTM Dec 2019

\(^{(2)}\) Based on Sep 2019

\(^{(3)}\) Based on LTM Q3 2020A

\(^{(4)}\) Based on OC&C analysis for premium segment across Douglas’ core countries. Core countries per Douglas’ definition include Germany (DE), France (FR) including Monaco (MC), Italy (IT), Spain (ES) including Andorra (AD), Poland (PL) and The Netherlands (NL).

\(^{(5)}\) Core countries plus selected other countries; various sources.
## TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>01 EUROPEAN BEAUTY MARKET</td>
<td>5</td>
</tr>
<tr>
<td>02 STRATEGY AND POSITIONING</td>
<td>9</td>
</tr>
<tr>
<td>03 COVID-19 UPDATE</td>
<td>22</td>
</tr>
<tr>
<td>04 FINANCIAL UPDATE</td>
<td>28</td>
</tr>
</tbody>
</table>
01
LARGE, STRUCTURALLY GROWING AND HIGHLY RESILIENT EUROPEAN BEAUTY MARKET
European beauty is a highly resilient €37bn market…

Market volume¹ (€bn)

<table>
<thead>
<tr>
<th>Year</th>
<th>Mass &amp; Masstige</th>
<th>Premium ²</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>12.1</td>
<td>11.4</td>
</tr>
<tr>
<td>2015</td>
<td>12.3</td>
<td>11.5</td>
</tr>
<tr>
<td>2016</td>
<td>12.6</td>
<td>11.5</td>
</tr>
<tr>
<td>2017</td>
<td>12.9</td>
<td>11.7</td>
</tr>
<tr>
<td>2018</td>
<td>13.2</td>
<td>11.7</td>
</tr>
</tbody>
</table>

Douglas with an exposure of >85% ¹ to the faster growing premium segment

CAGR 2014-18

<table>
<thead>
<tr>
<th>Year</th>
<th>CAGR</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>+1.9% p.a.</td>
</tr>
<tr>
<td>2015</td>
<td>+2.3%</td>
</tr>
<tr>
<td>2016</td>
<td>+1.7%</td>
</tr>
<tr>
<td>2017</td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td></td>
</tr>
</tbody>
</table>

Online has been growing particularly fast and more than doubled in market size within the premium segment between 2014 and 2018:

<table>
<thead>
<tr>
<th>Year</th>
<th>Offline</th>
<th>Online</th>
<th>Online penetration</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>6%</td>
<td>0,7</td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td>7%</td>
<td>0,9</td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td>8%</td>
<td>1,0</td>
<td>+20.6%</td>
</tr>
<tr>
<td>2017</td>
<td>10%</td>
<td>1,3</td>
<td>+0.7%</td>
</tr>
<tr>
<td>2018</td>
<td>12%</td>
<td>1,6</td>
<td></td>
</tr>
</tbody>
</table>

Source: OC&C analysis

(1) Based on Douglas’ core markets. (2) Premium includes the luxury / niche as well as the prestige segments.

... with attractive fundamentals

- Large and structurally growing market
- Proven track record of resilience in economic downturns
- Increasingly premiumised market, with high-margin luxury / niche and prestige products now accounting for ~36% of the market
- Balanced split of key market categories - skin & body care (~59%), fragrances (~22%), makeup (~19%)
UNIQUE MARKET CHARACTERISTICS - NEED FOR A TRUSTED PREMIUM CURATOR IN A SHIELDED DISTRIBUTION SYSTEM

In order to ensure that their brand is presented in line with their premium positioning, premium brand manufacturers distribute **only to selected, trusted retailers** that fulfill specific criteria:

- Suitable appearance of stores
- Appropriate brand presentation
- Testing and education opportunity
- Broad and deep assortment (on trend and high quality)
- Specially qualified and trained employees
- High availability of products and brands

(1) OC&C analysis.
BEAUTY HAS DEEP PROFIT POOLS AND CUSTOMERS ARE BEST SERVED OMNICHANNEL

Beauty products generate high margins across the value chain...

<table>
<thead>
<tr>
<th></th>
<th>Manufacturers</th>
<th>Retailers</th>
</tr>
</thead>
<tbody>
<tr>
<td>% Gross margin(1)</td>
<td>70%</td>
<td>48%</td>
</tr>
<tr>
<td>Beauty</td>
<td>49%</td>
<td>30%</td>
</tr>
<tr>
<td>Toys</td>
<td>46%</td>
<td>24%</td>
</tr>
<tr>
<td>Consumer electronics</td>
<td>24%</td>
<td>24%</td>
</tr>
<tr>
<td>Books</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

…and are best sold to customers with an omnichannel approach

% Share of customer journeys(3)

- 48%
- 46%
- 6%
- 4%

Source: OC&C analysis

Stores play an invaluable role in shaping the customer experience.

ROPO-Effect: Research online, purchase offline

Online only: 48%
Offline only: 46%
Retailers: 30%
Manufacturers: 70%
02

#1 BEAUTY DESTINATION IN EUROPE ONLINE AND OFFLINE, SUPPORTED BY POWERFUL TECHNOLOGY PLATFORM AND DATA ANALYTICS
#FORWARDBEAUTY DELIVERING SEAMLESS OMNICHANNEL BEAUTY EXPERIENCE

Launched in 2018, Douglas strategy is built on 5 pillars

-Launched in 2018, Douglas strategy is built on 5 pillars

## #FORWARDBeauty

- **BRAND**
  - **Douglas**
  - Upgrade & Rejuvenate

- **STORES**
  - **Douglas**
  - Point of Experience

- **E-COMMERCE**
  - **#1 Beauty Destination in Europe**

- **ASSORTMENT**
  - Focus on Innovation & Exclusivity

- **CRM**
  - 1-To-1 Marketing

- ~20,000 Beauty Advisors, Bringing Beauty To Life
KEY STRATEGIC INITIATIVES IN RECENT YEARS

PREMIUMISED THE DOUGLAS BRAND AND STORE REVAMP

- New logo
- Updated & expanded own brand portfolio
- Store revamp

DEVELOPED THE #1 E-COMMERCE BEAUTY PLAYER(1)

- Leverage modern E-commerce technology in "winner takes it all" industry
- Strong team of developers
- Competitive pricing strategy
- Large, yet curated assortment

CONSOLIDATED EUROPEAN MARKET

- Acquisitions
  - Germany: #1 premium beauty
  - Italy: #1 premium beauty
  - Spain: #3 premium beauty
  - France: #2 premium beauty
- Result(5)
  - #1 premium beauty (Huge distance to #2)

LAUNCHED DEDICATED BEAUTY PLATFORM

- Extended audience
- Secondary profit pool through additional audience

ESTABLISHED SEAMLESS 360° CUSTOMER INTERACTION

- 44m+(4) Beauty Card members & app users
- Built seamless omnichannel interaction capabilities
- Boosting Beauty Card with data-driven 1:1 marketing activities

BUILT TOP RANK MANAGEMENT AND FURTHER TALENT

- Tina Müller, CEO
- Matthias Born, CFO
- Vanessa Stützle, CDO (Chief Digital Officer)
- Michael Keppel, CRO
- Isabell Hendriks, Head of Assortment
- Konstanze Gallinatus, Head of Pricing & PMO
- Susanne Cornelius, Head of Marketing & Own Brands

(1) Based on OC&C analysis for online premium segment across Douglas’ core countries. (2) Based on run-rate online net sales LTM Q3-2020A. (3) Last 10-year CAGR. (4) Based on Sep-2019. (5) Based on OC&C analysis.
DOUGLAS IS THE #1 BEAUTY DESTINATION IN EUROPE

Assessment of selected market players across Douglas’ core geographies\(^1\) – Douglas as the leader in premium sales and market share

<table>
<thead>
<tr>
<th>Premium sales, 2018 (€m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>~2,600</td>
</tr>
<tr>
<td>~1,400</td>
</tr>
<tr>
<td>~550</td>
</tr>
<tr>
<td>~360</td>
</tr>
<tr>
<td>~300</td>
</tr>
<tr>
<td>~280</td>
</tr>
<tr>
<td>~250</td>
</tr>
<tr>
<td>~230</td>
</tr>
<tr>
<td>~100</td>
</tr>
<tr>
<td>~100</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Market share (%)</th>
<th>20%</th>
<th>10%</th>
<th>4%</th>
<th>3%</th>
<th>2%</th>
<th>1%</th>
<th>2%</th>
<th>2%</th>
<th>1%</th>
<th>1%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total stores (#)</td>
<td>~2,070</td>
<td>~630</td>
<td>~520</td>
<td>~575</td>
<td>~245</td>
<td>~90(^2)</td>
<td>~260</td>
<td>~12-15</td>
<td>~3</td>
<td></td>
</tr>
<tr>
<td>Global sales (€m)</td>
<td>3,279</td>
<td>~9,300</td>
<td>~600(^3)</td>
<td>~3,900</td>
<td>~210,000(^4)</td>
<td>~5,000</td>
<td>~13,000(^5)</td>
<td>~300</td>
<td>~300</td>
<td>~100</td>
</tr>
</tbody>
</table>

Source: OC&C analysis, Company information, all figures as of 2018

\(^1\) Core countries per Douglas’ definition include Germany (DE), France (FR) including Monaco (MC), Italy (IT), Spain (ES) including Andorra (AD), Poland (PL) and The Netherlands (NL). \(^2\) El Corte Inglés stores only. \(^3\) France and Italy only. \(^4\) Global group sales. \(^5\) Retail sales only.
WE ARE A TRUE BEAUTY ECOSYSTEM - OMNICHANNEL AND WITH WINNER TAKES IT ALL DYNAMICS

Low customer acquisition costs - High organic traffic - High monetisation per customer

A  BRAND & CONTENT
High brand awareness & trust combined with large content on- & offline

B  STORES
#1 European offline player\(^{(1)}\)

C  ONLINE
#1 European online player\(^{(1)}\)

D  MULTI-CHANNEL
Omnichannel champion

E  MARKETPLACE
Leading European premium beauty platform

Click-and-collect

In-store online orders

ADDITIONAL PROFIT POOLS
€ Coop money\(^{(4)}\)  CRM data sales  Retail media sales

---

(1) OC&C analysis based on premium segment across Douglas' core countries.  
(2) Awareness that Douglas sells beauty products in Germany.  
(3) Annual spend for active omnichannel Douglas Beauty Card members in Germany excl. PD and NB as per 2018/2019 incl. VAT.  
(4) Subsidies received from suppliers for the marketing of a brand.  
(5) With highest market share across Douglas' core markets.
DOUGLAS - SYNONYM FOR BEAUTY IN EUROPE

A truly unique heritage brand with leading awareness across Europe\(^1\)

<table>
<thead>
<tr>
<th>Country</th>
<th>Brand</th>
<th>Awareness</th>
</tr>
</thead>
<tbody>
<tr>
<td>Germany</td>
<td>Douglas</td>
<td>95%</td>
</tr>
<tr>
<td>Germany</td>
<td>Müller</td>
<td>73%</td>
</tr>
<tr>
<td>Germany</td>
<td>Galeria Kaufhof</td>
<td>71%</td>
</tr>
<tr>
<td>Spain</td>
<td>Douglas</td>
<td>78%</td>
</tr>
<tr>
<td>Spain</td>
<td>ICI Paris XL</td>
<td>56%</td>
</tr>
<tr>
<td>Spain</td>
<td>Kruidvat</td>
<td>55%</td>
</tr>
<tr>
<td>France</td>
<td>Sephora</td>
<td>82%</td>
</tr>
<tr>
<td>France</td>
<td>Douglas</td>
<td>80%</td>
</tr>
<tr>
<td>France</td>
<td>Nocibé</td>
<td>77%</td>
</tr>
<tr>
<td>Italy</td>
<td>Douglas</td>
<td>72%</td>
</tr>
<tr>
<td>Italy</td>
<td>Sephora</td>
<td>57%</td>
</tr>
<tr>
<td>Italy</td>
<td>Amazon</td>
<td>41%</td>
</tr>
<tr>
<td>Belgium</td>
<td>Douglas</td>
<td>72%</td>
</tr>
<tr>
<td>Belgium</td>
<td>Sephora</td>
<td>61%</td>
</tr>
<tr>
<td>Belgium</td>
<td>Rossmann</td>
<td>51%</td>
</tr>
</tbody>
</table>

Source: OC&C analysis

\(^1\) Customer survey question: “Which of the following retailers are you aware of as selling fragrance/skincare/make-up products?”, top 3 retailers by awareness.

(2) Customer perception of Douglas in Germany.
#1 EUROPEAN OFFLINE PLAYER - FROM POINT OF SALES TO POINT OF EXPERIENCE

Modern and experience-focused store concept

- ~2,400 points of experience in prime locations

Knowledgeable beauty advisors

- ~20,000 beauty advisors

>2,000 Store events / year\(^{(1)}\)

Exciting store events

Beauty services available in Douglas Beauty Lounges

Personalised beauty services

+2.9% LFL sales growth Q1-2020A YoY\(^{(2)}\)

Source: OC&C analysis based on offline premium segment across Douglas’ core countries for market position

\(^{(1)}\) Germany excl. PD and NB as per 2018/2019. \(^{(2)}\) For Group net sales stores.
#1 EUROPEAN ONLINE PLAYER

Douglas online sales (€m) - Strong growth with attractive KPIs

- **€67** Average basket
- **3.7%** Conversion rate
- **64%** Mobile revenue share
- **23%** App revenue share

**35.3% CAGR**

Source: OC&C analysis based on online premium segment across Douglas core countries for market position.

1. All KPIs based on 9M 2019/2020, DE excl. PD and NB.
2. Positively impacted by acquisition of PD and NB in Germany with sales >€60m.
3. Forecast 2019 as per OC&C.
4. Based on 9M 2019/2020, DE excl. PD and NB incl. VAT.

- #1 European online beauty player with €766m (LTM Q3-2020A) in sales (~19% of total sales)
- 29% online market share in Europe
- 10-year sales CAGR of >30%
- Highly profitable market player
- Innovative mobile app with best-in-class user ratings
- Leading SEO visibility and high organic traffic
**DOUGLAS LEADING LOYALTY CARD PROGRAM AND APP APPLICATION ENABLE DATA POWERHOUSE**

**OPEN DATA MANAGEMENT PLATFORM COMBINES ONLINE AND OFFLINE DATA**

<table>
<thead>
<tr>
<th>Beauty Card members Douglas vs. selected beauty specialists (m)²</th>
<th>Member growth(³) (m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>DOUGLAS</td>
<td>ULTA</td>
</tr>
<tr>
<td>~44</td>
<td></td>
</tr>
</tbody>
</table>

**CAGR 2017-19:** 21.9%

---

**Leading application driving digital engagement**

- >614k app visitors (iOS, Android)⁵
- **Five star ratings and reviews⁶**
- Video clips linked to app and successful blog
- Chatbot for live consultation on website
- Highly personalised recommendations/replenishment module
- App features with state of the art augmented reality technology

---

**App visitor growth(⁵) (k)**

<table>
<thead>
<tr>
<th>App feature</th>
<th>September 2017</th>
<th>September 2018</th>
<th>September 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Five star ratings and reviews⁶</td>
<td>306</td>
<td>429</td>
<td>614</td>
</tr>
<tr>
<td>Video clips linked to app and successful blog</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Chatbot for live consultation on website</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Highly personalised recommendations/replenishment module</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>App features with state of the art augmented reality technology</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**CAGR 2017-19:** 41.6%

---

Source: Company information, Press research, Statista. ¹Both Beauty Card categories allow customers to collect loyalty points, receive exclusive offers, event invitations and other features and services; the previously existing Beauty Card Premium is priced at €6 per year, the Beauty Card is free and was introduced in 2016. ²Based on published figures for number of Beauty Card members by the respective companies. ³Based on September figures per year, partially interpolated for cut-off date of Sep 30th. ⁴Only have a non-card-based “VIP Notino club” in place. ⁵App visitors (excluding tablets) for iOS and Android including AT and CH, excluding FR and ES and other non-core countries as per 2019. ⁶In App store.
MEMBERS SHOP AND SPEND MORE, DRIVEN BY PERSONALISED 1:1 CURATION

Personal communication increases members’ loyalty

Customer tailored communication

Degree of personalisation

# of Purchases per member (LTM)

<table>
<thead>
<tr>
<th></th>
<th>Non-member</th>
<th>Beauty Card member</th>
</tr>
</thead>
<tbody>
<tr>
<td># of Purchases</td>
<td>2.3</td>
<td>3.5</td>
</tr>
<tr>
<td>+52%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Average spend per member (€, LTM)

<table>
<thead>
<tr>
<th></th>
<th>Non-member</th>
<th>Beauty Card member</th>
</tr>
</thead>
<tbody>
<tr>
<td>Avg Spend</td>
<td>153</td>
<td>232</td>
</tr>
<tr>
<td>+51%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: Only registered customers (does not include purchases w/o registering); Spend is not equal to basket (raw figure before customer returns and other eliminations / adjustments) incl. VAT.

(1) Based on LTM Jul 2018 DE excl. PD and NB.
The introduction of a dedicated beauty platform…

Successfully launched in October 2019

Today’s revenue run-rate: >€10m\(^{(1)}\)

Mid-term revenue target: >€100m

… reinforces market leadership

Establishes the one-stop-shop for beauty

Boosts cross-selling through increased online and offline traffic

Enlarges brand and product assortment

Broadens complementary service offering

Adds new (profitable) revenue streams without any additional inventory

Improves data analytics and enhances 360° customer view

New high performance technology architecture allows fast scaling

Source: OC&C analysis based on premium segment across Douglas’ core countries for market position
\(\text{(1)}\) Based on annualised run-rate Q3-2020A.
BROAD AND GROWING ASSORTMENT ATTRACTING TOP BRANDS FOR EXCLUSIVE PARTNERSHIPS

One of the broadest product portfolios...

... with an increasing number of exclusive top brands

Industry brands

- Long-tail strategy based on a large product assortment with >55,000 SKUs (+12,000 on marketplace) from over 750 brands\(^{(2)}\)

- Strong and dynamic product range with approx. 250 new brands added in 2019

- Focus on indie and digitally native brands and growing high-margin own brands portfolio addressing latest industry trends

- Exclusive brand partnerships >40\(^{(2)}\)

- Distribution power and premium positioning are key reasons for top brands to exclusively partner with Douglas

- Active brand management strategy to maintain the leading competitive position and respond to latest trends

Own brands

- "At Douglas, you will get a customer reach unmet anywhere else."

- Former International Group Marketing Director at a leading premium brand

(1) OC&C analysis. (2) Different brands available in each country with certain overlap; figures exemplary for Germany as of LTM Dec 2019, whereas marketplace (excl. PD) as of Feb 2020.
ON THE BACK OF #FORWARDBEAUTY, CLEAR FUTURE STRATEGY IN PLACE WITH TANGIBLE NEXT STEPS

Expanding on #FORWARDBeauty 2.0

Resulting initiatives reflected in business plan

BEAUTY PLATFORM ROLL-OUT
- Rising customer engagement and traffic via largest online assortment & content
- Increasing customer lock-in via AI and own recommendation engine
- Data monetisation & supplier program

INTERNATIONAL EXPANSION
- Focus on white spots in Europe
- Expansion in attractive Eastern Europe

OPERATIONAL EFFICIENCY
- Scale effects driving supplier terms
- Fulfillment and supply chain efficiencies
- Warehouse optimisation

STORE PORTFOLIO OPTIMISATION
- Further targeted rightsizing of existing store portfolio
- Improved conditions in lease agreements

COST DISCIPLINE
- Scalable cost structure
- Disciplined return on investment-driven marketing spend

SYNERGIES
- Streamlining of acquired businesses
- Leveraging diversified cross-selling opportunities

Effects on top line

Effects on bottom line
03
COVID-19 UPDATE
DOUGLAS SAFELY NAVIGATES THROUGH THE CRISIS

LOCKDOWN EASES AND STORE RE-OPENINGS FROM APRIL ONWARD

› Successful store ramp-up with nearly 100% stores reopened
› Outstanding E-Commerce growth in Q3
› Core countries see market share gains over previous year
› Effective countermeasures implemented
› Effective cost optimization program continues
› Robust liquidity position

NET SALES E-COMMERCE (m€)

<table>
<thead>
<tr>
<th></th>
<th>Q3 2018/19</th>
<th>Q3 2019/20</th>
</tr>
</thead>
<tbody>
<tr>
<td>+70.3% LfL</td>
<td>132</td>
<td>225</td>
</tr>
</tbody>
</table>
DEVELOPMENT OF STORE RAMP-UP

- After complete shutdown now nearly 100% of stores reopened
- Footfall traffic still significantly lower than PY
- Partially compensated for with higher conversion rates and average order values vs. PY
- Store Net Sales >90% vs. PY in June, despite not operating with all FTEs and limited opening hours
DOUGLAS EXPANDS ITS MARKET SHARE

- Douglas outperforms previous year’s market shares across core countries in both channels, i.e. in stores and online
- E-Commerce: Key growth driver in all countries
- Even post lockdown online business accelerates further vs. prior quarters

DOUGLAS MARKET SHARE ACROSS SELECTED CORE COUNTRIES (STORES + ONLINE)

Source: NPD Germany, France, Spain, Italy EPOS Beauty data
PERMANENT SHIFT IN CONSUMER BEHAVIOR
NEW RETAIL PARADIGM ARISES FROM COVID-19

- A total of 44% of European consumers bought products online for the first time during lockdown
- Spain and Italy (55%) with highest proportion of consumers buying products online for the first time
- Long-time impact of the lockdown is expected to lead to greater migration towards online purchases

![PROPORTION OF CONSUMERS BUYING PRODUCTS ONLINE FOR THE FIRST TIME DURING LOCKDOWN](image)

Source: Alvarez & Marsal Consumer Survey, Alvarez & Marsal analysis
ACTIVITIES BOOSTING OUR E-COMMERCE

› Strong assortment boost in Germany (+24%¹)
› Industry leading CRM program supports growth by converting offline customers into first-time online buyers
› Implementation of special services, such as phone order service in Italy and Spain or a lower minimum order value for free shipping in all countries
› New video format ‘Douglas Live’ around beauty and skincare advice
› Expansion of our operational capabilities in fulfillment, while ensuring safety & health measures
› Accelerated growth of marketplace

FIRST-TIME ONLINE CUSTOMERS ACQUIRED

<table>
<thead>
<tr>
<th></th>
<th>Q3 2018/19</th>
<th>Q3 2019/20</th>
</tr>
</thead>
<tbody>
<tr>
<td>&gt;90% new E-Commerce customers²</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

PROMISING EXPANSION OF NUMBER OF BRANDS³...

<table>
<thead>
<tr>
<th></th>
<th>1 April 2020</th>
<th>30 June 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>+21%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

...WITH 50 NEW WELL-KNOWN PARTNERS

¹Based on number of SKUs Q3 vs. Q1 2019/20 (excl. PD and NB)
²Customers who purchased offline only before and converted to the online channel in Germany
³Figures exemplary for Germany (incl. Marketplace, PD and NB)
04 FINANCIAL UPDATE
Q3 2019/20 FINANCIALS AT A GLANCE
THIRD QUARTER IMPACTED BY LOCKDOWN

**NET SALES**

<table>
<thead>
<tr>
<th>(m€)</th>
<th>Q3 2018/19</th>
<th>Q3 2019/20</th>
</tr>
</thead>
<tbody>
<tr>
<td>-26.9%</td>
<td>762</td>
<td>557</td>
</tr>
</tbody>
</table>

**LFL GROWTH**

- Total LfL Growth: -27.3%
- Store LfL Growth: -48.0%
- Online LfL Growth: +67.3%

**ADJUSTED/REPORTED EBITDA**

<table>
<thead>
<tr>
<th>(m€)</th>
<th>Q3 2018/19</th>
<th>Q3 2019/20</th>
</tr>
</thead>
<tbody>
<tr>
<td>-35.1%</td>
<td>70</td>
<td>45</td>
</tr>
<tr>
<td>-118.4%</td>
<td>41</td>
<td>7</td>
</tr>
</tbody>
</table>

**CAPEX**

<table>
<thead>
<tr>
<th>(m€)</th>
<th>Q3 2018/19</th>
<th>Q3 2019/20</th>
</tr>
</thead>
<tbody>
<tr>
<td>-21.3%</td>
<td>22</td>
<td>17</td>
</tr>
</tbody>
</table>

**ADJUSTED EBITDA - CAPEX**

<table>
<thead>
<tr>
<th>(m€)</th>
<th>Q3 2018/19</th>
<th>Q3 2019/20</th>
</tr>
</thead>
<tbody>
<tr>
<td>-41.5%</td>
<td>48</td>
<td>28</td>
</tr>
</tbody>
</table>

**NET INCOME**

<table>
<thead>
<tr>
<th>(m€)</th>
<th>Q3 2018/19</th>
<th>Q3 2019/20</th>
</tr>
</thead>
<tbody>
<tr>
<td>-404.6%</td>
<td>(11)</td>
<td>(56)</td>
</tr>
</tbody>
</table>

**FREE CASH FLOW**

<table>
<thead>
<tr>
<th>(m€)</th>
<th>Q3 2018/19</th>
<th>Q3 2019/20</th>
</tr>
</thead>
<tbody>
<tr>
<td>+263.9%</td>
<td>8</td>
<td>29</td>
</tr>
</tbody>
</table>

---

1 Accounting Capex excl. M&A related Investments
2 Defined as Adjusted EBITDA minus CAPEX pre M&A (Accounting CAPEX) divided by Adjusted EBITDA
3 Defined as Total of Net Cash Flow from Operating Activities and Net Cash Flow from Investing Activities

Margins | Adjusted EBITDA | Reported EBITDA | One-time accounting effect vs. PY
**EBITDA: LOSS IN GROSS PROFIT PARTIALLY MITIGATED BY COUNTERMEASURES**

### EBITDA Q3 2019/20 VS. PY (m€)

<table>
<thead>
<tr>
<th>Gross Profit</th>
<th>Personnel Expenses</th>
<th>Rent</th>
<th>Other</th>
<th>Q3 2018/19</th>
<th>Q3 2019/20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q3 2018/19</td>
<td></td>
<td></td>
<td></td>
<td>41</td>
<td>(7)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>41</td>
<td>41</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>376</td>
<td>53</td>
</tr>
</tbody>
</table>

Lower gross profit due to store closures, partly compensated by higher E-Commerce gross profit; impacted by one-time effect.

- **Lower gross profit due to store closures, partly compensated by higher E-Commerce gross profit; impacted by one-time effect.**
- **Cost savings from hiring freeze, short-term labour agreements and lower social securities/taxes.**
- **Waived and reduced rent payments.**
- **Higher E-Com fulfilment costs as well as lower marketing income.**

### Adjustments

<table>
<thead>
<tr>
<th>Gross Profit</th>
<th>Personnel Expenses</th>
<th>Rent</th>
<th>Other</th>
<th>Q3 2018/19</th>
<th>Q3 2019/20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q3 2018/19</td>
<td></td>
<td></td>
<td></td>
<td>29</td>
<td>12</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>12</td>
<td>29</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>70</td>
<td>12</td>
</tr>
</tbody>
</table>

Thereof ~€46m of COVID-19 effects adjusted.

- **One-time accounting effect vs. PY**
  - Including €22m one-off from inventory write-down
ALL REGIONS AFFECTED WHILE E-COMMERCE BOOMS
Q3 2019/20

GROUP (ONLINE)

<table>
<thead>
<tr>
<th>Region</th>
<th>Net Sales</th>
<th>Change</th>
<th>Q3 2018/19</th>
<th>Q3 2019/20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Germany</td>
<td>€557m</td>
<td>-26.9%</td>
<td>€288</td>
<td>€237</td>
</tr>
<tr>
<td>France</td>
<td>€348m</td>
<td>-34.6%</td>
<td>€160</td>
<td>€105</td>
</tr>
</tbody>
</table>

GROUP (STORES)

<table>
<thead>
<tr>
<th>Region</th>
<th>Net Sales</th>
<th>Change</th>
<th>Q3 2018/19</th>
<th>Q3 2019/20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Germany</td>
<td>€238m</td>
<td>-33.6%</td>
<td>€158</td>
<td>€105</td>
</tr>
<tr>
<td>France</td>
<td>€76m</td>
<td>-24.7%</td>
<td>€57</td>
<td>€105</td>
</tr>
</tbody>
</table>
**ADJUSTED EBITDA DEVELOPMENT BY SEGMENT**

**Q3 2019/20**

- All EBITDA figures stated pre IFRS16\(^1\)
- Countermeasures and tight cost discipline have mitigating effect
- **Germany**: Impact partly compensated for by strong e-commerce business; central cost base above PY
- **France**: Decreasing, while still being able to improve margins
- **SWE**: Sales affected similar to France, but with high promo pressure in online
- **Eastern Europe**: Topline development consumed by fixed costs

---

### ADJUSTED EBITDA

<table>
<thead>
<tr>
<th>SEGMENT</th>
<th>Q3 2018/19</th>
<th>Q3 2019/20</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>GROUP</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjusted EBITDA</td>
<td><strong>(m€)</strong></td>
<td></td>
</tr>
<tr>
<td>-35.1%</td>
<td>70</td>
<td>45</td>
</tr>
<tr>
<td><strong>GERMANY</strong>(^1)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjusted EBITDA</td>
<td><strong>(m€)</strong></td>
<td></td>
</tr>
<tr>
<td>-22.6%</td>
<td>27</td>
<td>21</td>
</tr>
<tr>
<td><strong>FRANCE</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjusted EBITDA</td>
<td><strong>(m€)</strong></td>
<td></td>
</tr>
<tr>
<td>-22.4%</td>
<td>19</td>
<td>14</td>
</tr>
<tr>
<td><strong>SOUTH-WESTERN EUROPE</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjusted EBITDA</td>
<td><strong>(m€)</strong></td>
<td></td>
</tr>
<tr>
<td>-64.0%</td>
<td>16</td>
<td>6</td>
</tr>
<tr>
<td><strong>EASTERN EUROPE</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjusted EBITDA</td>
<td><strong>(m€)</strong></td>
<td></td>
</tr>
<tr>
<td>-49.4%</td>
<td>9</td>
<td>4</td>
</tr>
</tbody>
</table>

Note: For details on IFRS16 effects and disclosures please refer to the 9M FY 2019/20 Interim Financial Report

\(^1\) Incl. central functions and consolidation effects

---

\(\text{Adjusted EBITDA Margin} \quad \text{One-time accounting effect vs. PY}\)
TIGHT CASH AND PAYABLES MANAGEMENT WAS ABLE TO COMPENSATE FOR PROFIT DROP IN Q3

<table>
<thead>
<tr>
<th>Q3 2019/20 (m€)</th>
<th>Δ Net Sales</th>
<th>Δ Adj. Gross Profit</th>
<th>Δ Rep. EBITDA</th>
<th>Δ Adj. EBITDA</th>
<th>Δ Free Cash Flow</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q3 2018/19</td>
<td>762</td>
<td>362</td>
<td>41</td>
<td>70</td>
<td>8</td>
</tr>
<tr>
<td>Q3 2019/20</td>
<td>557</td>
<td>258</td>
<td>(7)</td>
<td>45</td>
<td>29</td>
</tr>
</tbody>
</table>

**COUNTERMEASURES**
- Hiring freeze and short-term labor
- Waived/reduced rent payments
- Lower indirect and discretionary spend

**ADJUSTMENTS Q3 2018/19**
- €22m inventory write-down

**ADJUSTMENTS Q3 2019/20**
- €46m COVID-19 effects

**COUNTERMEASURES**
Reduced and deferred payments incl. taxes (i.e. leading partially to higher payables -> timing effect)
Q3 FREE CASH FLOW DEVELOPMENT POSITIVE AND ABOVE PREVIOUS YEAR DESPITE COVID-19 LOCKDOWN

FREE CASH FLOW BRIDGE Q3 2019/20 (m€)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>45</td>
<td>(19)</td>
<td>(30)</td>
<td>(3)</td>
<td>87</td>
<td>82</td>
<td>(52)</td>
<td>29</td>
<td>0</td>
<td>29</td>
</tr>
</tbody>
</table>

Q3 2018/19:

| 70          | (27)              | 10              | (21)  | 6               | 37                  | (28)                              | 8                       | 0   | 8                                          |

1 Excl. M&A-related investments
2 Change in Other Assets, Liabilities and Accruals

ADJUSTED FCF DEVELOPMENT (m€)

Q3 2017/18: 92
Q3 2018/19: 37
Q3 2019/20: 82
LIQUIDITY MAXIMIZED THROUGH COUNTERMEASURES

**CASH BALANCE**

- Effect from lower gross profit, overcompensated by:
  - Savings in personnel expenses (incl. government support) and shift of social securities payments/taxes
  - Waived/reduced rent payments
  - Capex reduction
  - Longer terms for payables negotiated
  - Lower tax payments and reduction of prepayments
  - €165m of RCF drawn
  - Cash balance excl. RCF €174m (i.e. €33m above PY)

**NET WORKING CAPITAL**

- Inventory slightly higher but managed efficiently through:
  - Reduction and cancellation of incoming orders
  - Shift of store inventory to e-commerce
  - Return of goods from stores to suppliers
  - Lower receivables due to timing of weekend at the prior year end
  - Lower payables due to reduced and cancelled orders, partially compensated by longer payment terms
**BASICALLY UNCHANGED CAPITAL STRUCTURE**

### CAPITAL STRUCTURE

<table>
<thead>
<tr>
<th>30 June 2020</th>
<th>m€</th>
<th>x Adj. EBITDA</th>
<th>Maturity</th>
<th>Pricing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and Equivalents</td>
<td>339</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>RCF (€200m Volume)</td>
<td>165</td>
<td></td>
<td>Feb 22</td>
<td>E+3.75% (0% floor)</td>
</tr>
<tr>
<td>Term Loan B (B2/CCC+)</td>
<td>1,370</td>
<td></td>
<td>Aug 22</td>
<td>E+3.50% (0% floor)</td>
</tr>
<tr>
<td>New Term Loan B¹ (B2/CCC+)</td>
<td>300</td>
<td>Aug 22</td>
<td>E+3.25% (0% floor)</td>
<td></td>
</tr>
<tr>
<td>Senior Secured Notes</td>
<td>300</td>
<td>Jul 22</td>
<td>6.25%</td>
<td></td>
</tr>
<tr>
<td>(B2/CCC+)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Senior Debt²</td>
<td>1,796</td>
<td>5.6x</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Senior Notes (Caa2/CCC-)</td>
<td>335</td>
<td>Jul 23</td>
<td>8.75%</td>
<td></td>
</tr>
<tr>
<td>Net Debt (Corp: B3/CCC+)</td>
<td>2,131</td>
<td>6.7x</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: Ratings as of March 25, 2020 (Moody's) and April 1, 2020 (S&P Global)

¹ €300m in place since November 9, 2017
² Net Debt does not include Accrued Interest

### TOTAL NET LEVERAGE

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>5.7x</td>
<td>5.8x</td>
<td>6.3x</td>
<td>6.7x</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>362</td>
<td>377</td>
<td>344</td>
<td>320</td>
<td></td>
</tr>
</tbody>
</table>
Q3 2019/20 IN SUMMARY

COVID-19 lockdown in April and May with negative impact on Q3

Liquidity and business continuity secured

Effective countermeasures implemented

Accelerator for E-Commerce shows impressive results

Successful ramp-up of stores with dedicated campaign

Cost-optimization program continuing

Right-sizing and monitoring of international store portfolio
DOUGLAS’ DIFFERENTIATING STRENGTHS

- Large, structurally growing and highly resilient European beauty market
- #1 beauty destination in Europe online and offline, supported by powerful technology platform and data analytics
- On-trend beauty concept with premium positioning, unmatched product, service and content offering
- Data powerhouse with invaluable insight from 44m+ Douglas Beauty Card members
- Solid financial profile, with long-term growth and margin expansion potential
- Multi-faceted growth potential fuelled by enthusiastic and experienced management team
Thank you.

Contact:

Douglas Investor Relations

Tel.: +49 211 16847 8594
E-Mail: ir@douglas.de