FY 2017/18
Financial Results
Düsseldorf, December 11, 2018
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TODAY’S SPEAKERS

Tina Müller
Group CEO

Michael Rauch
Group CFO
A YEAR OF TRANSFORMATION
DECISIVE ACTION DELIVERED TOWARDS OUR STRATEGY

#FORWARD Beauty IMPLEMENTED WITH FIRST POSITIVE EFFECTS ALONG ALL PILLARS

SIGNIFICANT INVESTMENTS FOR FUTURE SUSTAINABLE GROWTH

NET SALES (€bn)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2.8</td>
<td>2.8</td>
<td>3.3</td>
</tr>
</tbody>
</table>

+17%

GERMAN TURNAROUND ACHIEVED WITH RETURN TO POSITIVE LFL GROWTH IN Q4

› Accelerated integration of acquisitions
› Inventory write-offs completed
› Substantial one-time investments into brand rejuvenation

OVER 20,000 BRAND AMBASSADORS, BRINGING BEAUTY TO LIFE

GERMAN TURNAROUND ACHIEVED WITH RETURN TO POSITIVE LFL GROWTH IN Q4

› Accelerated integration of acquisitions
› Inventory write-offs completed
› Substantial one-time investments into brand rejuvenation
BRAND UPGRADE LARGELY COMPLETED
UNDERLINING PREMIUM APPROACH

NEW LOGO
MAKES MODERNIZATION AND REALIGNMENT WIDELY VISIBLE

VISUAL LANGUAGE
FOCUS ON INDIVIDUAL BEAUTY AND AUTHENTICITY

MISSION STATEMENT
ENCOURAGING CUSTOMERS TO LIVE THEIR OWN KIND OF BEAUTY

Transforming Douglas from a retailer to a premium retail brand

360° execution in stores, online, mobile and social media

Emotionalizing the Douglas brand
PREMIUM AND MODERN BRAND PERCEPTION
SOLID FOUNDATION FOR PREMIUM PRICING

- Net Promoter Score (NPS) increased
- Overproportionate growth of luxury stores
- Strong test results: New logo perceived as significantly more modern and more premium

NEXT STEPS
- Continued premium positioning
- One-off brand investments largely concluded
- Roll-out of new logo and visual language across all European stores to be completed by end-2019
SIGNIFICANT INVESTMENT IN STORES
FROM POINT OF SALE TO POINT OF EXPERIENCE

NEW STORE DESIGN
FOCUS ON SERVICE & CONSULTATION

NEW FLAGSHIP STORE
LARGEST STORE IN EUROPE
IN FRANKFURT (2,400m²)

NEW STORE FORMATS
EXPLOIT HEALTH & BEAUTY TREND
MEDICAL BRANDS & NUTRITION

New visual language installed in all stores
Logo roll-out completed by end of 2019
Completed refurbishments in Europe: >50

Beauty destination with dedicated spa floor for treatments

New and individual services such as personalized skin care
Visible Increase in Traffic and Sales

Store Refurbishments Show Effects

- Significant initial investments for concept development and ramp-up completed
- Flagship concept with 11% increase in high-margin service revenues
- More than 20,000 visitors since opening of new Douglas PRO store; ~10% higher basket on average

Next Steps

- Flagship Store and new store formats with full impact on sales in FY2018/19
- 60 additional refurbishments across core markets planned for FY2018/19
- Further modernizations as part of regular refurbishment cycle

Successful Introduction in Germany

Average Increase in Traffic and Sales

International Roll-out Well on Track

La Gavia (Spain)

Corsa di Porta Reno (Italy)

Wroclaw (Poland)

Vienna (Austria)
STRENGTHENING THE E-COMMERCE FOOTPRINT
STATE OF THE ART DIGITIZATION

ONLINE RELAUNCH
BEST-IN-CLASS USER EXPERIENCE AND „MOBILE FIRST”

NEW APP
OUR MOST IMPORTANT AND PROFITABLE STORE

PARFUMDREAMS
ACQUISITION OF ONLINE PIONEER COMPLETED

Relaunch of front-end with new look & feel in line with brand position

Targeted captive audience with highly attractive economics

Dual-brand strategy and additional digital competence
### NO. 1 EUROPEAN E-COMMERCE PLAYER

#### POSITIVE DEVELOPMENT OF KEY E-COMMERCE KPIS

<table>
<thead>
<tr>
<th></th>
<th>Group FY2017/18</th>
<th>Germany FY2017/18</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Online Net Sales</strong></td>
<td>€4,230m +11%</td>
<td></td>
</tr>
<tr>
<td><strong>Online Revenue Share</strong></td>
<td></td>
<td>12.9% (Germany: 22.7%)</td>
</tr>
<tr>
<td><strong>Conversion Rate</strong></td>
<td>4.0% +0.2%p</td>
<td></td>
</tr>
<tr>
<td><strong>Average Basket</strong></td>
<td></td>
<td>€62 -3.2%</td>
</tr>
<tr>
<td><strong>Mobile Revenue Share</strong></td>
<td></td>
<td>57.5% +7%p</td>
</tr>
<tr>
<td><strong>App Revenue Share</strong></td>
<td></td>
<td>17.8% +4.9%p</td>
</tr>
</tbody>
</table>
MORE THAN 150 NEW BRANDS IN EUROPE
CLEAR DIFFERENTIATION FROM COMPETITORS

FAST GROWING TRENDS BRANDS

EXCLUSIVE BRANDS

DOUGLAS COLLECTION

NEWLY CREATED OWNED BRANDS

The Ordinary
NARS
B E C C A
HOURGLASS
Too Faced

It Cosmetics
KISS ME KARL
KORA

Dr. Jart+
ARI by Ariana Grande

#INNERBEAUTY
ATTRACTIONG GROWTH DRIVER
EXPANDING SHARE OF NEW, OWNED AND EXCLUSIVE BRANDS

› Four new products among Top 30 skin care products
› Share of selected luxury brands growing extraordinarily
› Owned and exclusive brands with significantly higher gross margins

NEXT STEPS
› Continue launching new brands
› Increase of brands offered to 600 by the end of FY2018/19
› Further roll-out of premium owned brands
› Continue expanding share of owned and exclusive brands to ~30% medium term
ONE OF EUROPE’S LARGEST LOYALTY PROGRAMS

INCENTIVIZED DBC
ACTIVELY MARKETED BEAUTY CARD

Boosting DBC with investments in 1:1 marketing activities

INDIVIDUAL MARKETING
CUSTOMER-TAILORED PROMOTIONS

Optimizing shopping experience and buyer behavior

CUSTOMER EXPERIENCES
“MONEY CAN’T BUY” EXPERIENCES

Increasing customer and brand loyalty
UNRIVALED 1:1 CUSTOMER RELATIONS
AI, BIG DATA AND OWN RECOMMENDATION ENGINE

- **Focus**: Audience selected based on Douglas CRM need states segmentation and last transactions
  - **Data**: Transactional & CRM data

- **Focus**: Content recommendation (articles, card prices, stories, etc.)
  - **Data**: CRM data (gender, segments, profiles, etc.); transactional data

- **Focus**: Product recommendation
  - **Data**: Click data (webshop); offline & online transactional data; customer data (e.g. gender/age)

**DBC e-mail**
- Intro based on segments
- Coupons based on beauty profile, transactional data
- Beauty Card Content & Prices based on beauty profile, transactional data
- Product recommendation based on click & transactional data

**eCom e-mail**
- Intro based on segments
- Banner and content based on segments
- Product recommendation based on click & transactional data
INCREASE IN REVENUE AND PURCHASES
HIGH VALUE OF BEAUTY CARD MEMBERS

› More than 2/3 of total sales are generated by Beauty Card Members
› Investment in Beauty Card marketing and incentives paid off
› Recipients of 1:1 marketing activities spend significantly more money and shop more frequently

NEXT STEPS
› Continued focus on 1:1 marketing and unique customer experiences
› International expansion of the beauty card program

39M BEAUTY CARD MEMBERS*

DBC SHARE OF TOTAL SALES
67%

STORE VISITS DBC MEMBERS
+22%
Control Group
Recipients

BASKET SIZES DBC MEMBERS
+19%
Control Group
Recipients

*Douglas Beauty Card Members in Europe (November 2018)
#FORWARDBeauty GAINING MOMENTUM
CONTINUED EXECUTION TO ACCELERATE GROWTH

CRUCIAL MISSION ACCOMPLISHED

› From push to pull: initial start-up investments completed
› Visible rejuvenation of brand and organisation across all markets
› Positive effects already begin materializing
› Sound foundation for future growth with full effects in FY2018/19

OVER 20,000 BRAND AMBASSADORS, BRINGING BEAUTY TO LIFE
DEEP DIVE: TURNAROUND IN GERMANY
RETURN TO GROWTH PATH ACHIEVED IN Q4

SIGNIFICANT PROGRESS IN PRICING STRATEGY
FROM “HIGH/LOW” TO KVI BASED PRICING

SPECIAL FOCUS ON HOME MARKET

PRICING IMAGE

+10%

2017 2018

63 69

Regained competitiveness

PROMINENT NEW HIRES

Head of E-Commerce
Head of Sales
Head of Pricing

1 Customer ratings in top two categories for attractiveness of price/performance
DEEP DIVE: TURNAROUND IN GERMANY
RETURN TO GROWTH PATH ACHIEVED IN Q4

LFL NET SALES

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Growth Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q4 2016/17</td>
<td>-5.1%</td>
</tr>
<tr>
<td>Q1 2017/18</td>
<td>-4.8%</td>
</tr>
<tr>
<td>Q2 2017/18</td>
<td>-1.3%</td>
</tr>
<tr>
<td>Q3 2017/18</td>
<td>-4.3%</td>
</tr>
<tr>
<td>Q4 2017/18</td>
<td>0.6%</td>
</tr>
</tbody>
</table>
FY 2017/18 FINANCIAL PERFORMANCE

› €3.3bn sales; flat excluding M&A

› Continued growth in Adjusted EBITDA

› Adjusted EBITDA margin with slight decline

› Acquisitions with strong top- & bottom-line contribution

› Significant investment into #FORWARDBEAUTY execution

› FCF impacted by one-off Capex and inventory measures
KEY FINANCIALS AT A GLANCE
FY2017/18

**NET SALES**

+17%

2.8 (bn€)

FY2016/17 incl. M&A

3.3

FY2017/18

+0%

2.8

FY2017/18 excl. M&A

**LFL-GROWTH**

LfL Growth: -0.8%

Store LfL Growth: -2.1%

Online LfL Growth: +9.3%

**CAPEX**

+50%

84 (m€)

FY2016/17

126

FY2017/18

**ADJUSTED EBITDA - CAPEX**

-10%

270 (m€)

FY2016/17

76.3%

Cash Conversion

66.4%

FY2017/18

250

**ADJUSTED EBITDA**

+6%

354 (m€)

FY2016/17

12.7%

Margin

FY2017/18

11.5%

376 (m€)

**FREE CASH FLOW**

206 (m€)

FY2016/17 pre M&A

150 (m€)

FY2016/17 post M&A

1256 (m€)

FY2017/18 pre M&A

38 (m€)

FY2017/18 pre M&A

(261) (m€)

FY2017/18 post M&A

1 Excl. first month of initial consolidation of Parfumdreams (Sep. 18)  
2 For details on EBITDA adjustments see page 28  
3 Excl. M&A  
4 Defined as Adjusted EBITDA minus CAPEX pre M&A (Accounting CAPEX) divided by Adjusted EBITDA  
5 Defined as Total of Net Cash Flow from Operating Activities and Net Cash Flow from Investing Activities  
6 FY2017/18 FCF €38m pre M&A and €125m pre M&A adjusted for €87m cash effect of inventory write-down
SEGMENTAL DEVELOPMENT: NET SALES

- **Germany**: Continued competitive pressure; Q4 with positive LfL growth as #FORWARDBEAUTY starts showing effects
- **France**: Slowdown in LfL growth mainly due to extraordinarily hot summer and reduced traffic
- **SWE**: Acquisitions with strong impact; LfL affected by restructuring
- **Eastern Europe**: Strong growth path continued

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1 Excluding intersegment Sales

---

<table>
<thead>
<tr>
<th>REGION</th>
<th>FY2016/17 (bn€)</th>
<th>FY2017/18 (bn€)</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>GROUP</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Germany</td>
<td>-2.6% 1,188</td>
<td>-2.5% 1,157</td>
<td></td>
</tr>
<tr>
<td>France</td>
<td>+2.1% 743</td>
<td>+0.2% 759</td>
<td></td>
</tr>
<tr>
<td>South-Western Europe</td>
<td>+81.0% 579</td>
<td>-1.9% 1,048</td>
<td></td>
</tr>
<tr>
<td>Eastern Europe</td>
<td>+9.8% 285</td>
<td>+6.1% 313</td>
<td></td>
</tr>
</tbody>
</table>

m€ for Germany, France, South-Western Europe and Eastern Europe
SEGMENTAL DEVELOPMENT: ADJUSTED EBITDA

- **Germany**: Investments executing #FORWARDBEAUTY strategy incl. pricing, impacting both EBITDA as well as margin for the segment and Group EBITDA
- **France**: Over-proportional EBITDA growth due to strict cost discipline and attractive assortment mix
- **SWE**: Increase and margin dilution driven by acquisitions; continued progress on synergies
- **Eastern Europe**: Growth path continued at highly attractive margins

1 For details on EBITDA adjustments see page 28
2 Incl. consolidation effects
## DEEP DIVE SOUTH-WESTERN EUROPE UPDATE ON ACQUISITIONS

<table>
<thead>
<tr>
<th>#1</th>
<th>limoni LAGARDENIA</th>
<th>#2</th>
<th>Bodybell</th>
</tr>
</thead>
</table>

### FY2017/18 SOUTH-WESTERN EUROPE (m€)

<table>
<thead>
<tr>
<th>EXCL. M&amp;A:</th>
<th>INCL. M&amp;A:</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>NET SALES</strong></td>
<td><strong>NET SALES</strong></td>
</tr>
<tr>
<td>531</td>
<td>1,048</td>
</tr>
<tr>
<td><strong>ADJUSTED EBITDA</strong></td>
<td><strong>ADJUSTED EBITDA</strong></td>
</tr>
<tr>
<td>58</td>
<td>91</td>
</tr>
</tbody>
</table>

- **TOTAL PURCHASE PRICE:** €335m
- **RUN-RATE EBITDA INCL. SYNERGIES:** €40m p.a.
- **ONE-OFF INTEGRATION COST:** €56m
FREE CASH FLOW IMPACTED BY ADJUSTMENTS AND M&A

FREE CASH FLOW BRIDGE (m€)


FY 2016/17:

|          | 354 | (82) | 16 | (23) | 7 | 272 | (66) | 206 | (56) | 150 |

¹ Excl. M&A
² Change in Other Assets, Liabilities and Accruals
³ For details on EBITDA adjustments see page 28
⁴ Payments for the acquisitions of LLG, IF and Akzente/Parfumdreams
## Evolution of Capital Structure and Key Leverage Metrics

### Capital Structure

<table>
<thead>
<tr>
<th>30 September 2018</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>(103)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>RCF (€200m available)</td>
<td>-</td>
<td>Feb 22</td>
<td>E+3.75% (0% floor)</td>
<td></td>
</tr>
<tr>
<td>Term Loan B (B1/B)</td>
<td>1,370</td>
<td>Aug 22</td>
<td>E+3.50% (0% floor)</td>
<td></td>
</tr>
<tr>
<td>New Term Loan B¹ (B1/B)</td>
<td>300</td>
<td>Aug 22</td>
<td>E+3.25% (0% floor)</td>
<td></td>
</tr>
<tr>
<td>Senior Secured Notes (B1/B)</td>
<td>300</td>
<td>Jul 22</td>
<td>6.25%</td>
<td></td>
</tr>
<tr>
<td><strong>Net Senior Debt²</strong></td>
<td>1,867</td>
<td>5.0x</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Senior Notes (Caa1/CCC+)</td>
<td>335</td>
<td>Jul 23</td>
<td>8.75%</td>
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<tr>
<td><strong>Net Debt (Corp: B2/B)</strong></td>
<td>2,202</td>
<td>5.9x</td>
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</tbody>
</table>

¹ €300m in place since 9 November 2017  
² Net Debt does not include Accrued Interest  
³ For details on EBITDA adjustments see page 28

### Total Net Leverage

<table>
<thead>
<tr>
<th>Year</th>
<th>Net Debt (Corp: B2/B)</th>
</tr>
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<tbody>
<tr>
<td>2014/15</td>
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</tr>
<tr>
<td>2015/16</td>
<td>2,202</td>
</tr>
<tr>
<td>2016/17</td>
<td>2,202</td>
</tr>
<tr>
<td>2017/18</td>
<td>2,202</td>
</tr>
</tbody>
</table>

### Adjusted EBITDA

<table>
<thead>
<tr>
<th>Year</th>
<th>Adjusted EBITDA (m€)</th>
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</thead>
<tbody>
<tr>
<td>2014/15</td>
<td>300</td>
</tr>
<tr>
<td>2015/16</td>
<td>337</td>
</tr>
<tr>
<td>2016/17</td>
<td>354</td>
</tr>
<tr>
<td>2017/18</td>
<td>376</td>
</tr>
</tbody>
</table>
Thank you.

Upcoming IR Event

Feb. 14, 2019: Q1 FY2018/19 results
Appendix
ADJUSTMENTS TO EBITDA
FY2017/18

- **Consulting fees** refer to acquisitions as well as efficiency measures and #FORWARDBEAUTY
- **Restructuring costs** relating to M&A and integration activities in Italy and Spain and redundancy payments for efficiency and centralization measures; cash effect of some restructuring cost to spill over into Q1 2018/19 and later
- **Purchase price allocation**: Acquisition of Bodybell/IF/LLG/Parfumdreams
- **Credit card fees**: “Below EBITDA” reclassification in accordance with banking and bond agreements
- **Write-offs** includes inventory write-offs as already communicated in 9M 2017/18
- **Rebranding** introduction and roll-out of new logo and visual brand language
- **Other** extraordinary items, incl. €7m integration costs for Italy as well as €5m receivables write-off

### EBITDA ADJUSTMENTS

<table>
<thead>
<tr>
<th></th>
<th>FY 2016/17</th>
<th>FY 2017/18</th>
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<tbody>
<tr>
<td>Reported EBITDA</td>
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<td>202</td>
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<tr>
<td>Consulting fees</td>
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<td>22</td>
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<td>Restructuring costs</td>
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<td>Credit card fees</td>
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<td>Write-offs</td>
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<td>Rebranding</td>
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<td>Other</td>
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<td>Adjusted EBITDA</td>
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<td>376</td>
</tr>
</tbody>
</table>
# REPORTED FINANCIALS FY2017/18

## NET SALES

<table>
<thead>
<tr>
<th>Region</th>
<th>FY 2016/17</th>
<th>FY 2017/18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Germany</td>
<td>1,188</td>
<td>1,157</td>
</tr>
<tr>
<td>France</td>
<td>743</td>
<td>759</td>
</tr>
<tr>
<td>South-Western Europe</td>
<td>579</td>
<td>1,048</td>
</tr>
<tr>
<td>Eastern Europe</td>
<td>285</td>
<td>313</td>
</tr>
<tr>
<td><strong>Group</strong></td>
<td><strong>2,795</strong></td>
<td><strong>3,277</strong></td>
</tr>
</tbody>
</table>

1. Excluding intersegment Sales

## EBITDA

<table>
<thead>
<tr>
<th>Region</th>
<th>FY 2016/17</th>
<th>FY 2017/18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Germany</td>
<td>101</td>
<td>46</td>
</tr>
<tr>
<td>France</td>
<td>110</td>
<td>116</td>
</tr>
<tr>
<td>South-Western Europe</td>
<td>43</td>
<td>(5)</td>
</tr>
<tr>
<td>Eastern Europe</td>
<td>37</td>
<td>45</td>
</tr>
<tr>
<td><strong>Group</strong></td>
<td><strong>291</strong></td>
<td><strong>202</strong></td>
</tr>
</tbody>
</table>

2. Including Holding and service entities
## KEY FINANCIALS AND EBITDA ADJUSTMENTS
### Q4 2017/18

### KEY FINANCIALS

<table>
<thead>
<tr>
<th></th>
<th>Q4 2016/17</th>
<th>Q4 2017/18</th>
<th>Delta</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Sales</strong></td>
<td>626</td>
<td>699</td>
<td>11.8%</td>
</tr>
<tr>
<td><strong>LfL Growth</strong></td>
<td>(1.5)%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Adjusted EBITDA</strong></td>
<td>68</td>
<td>82</td>
<td>20.9%</td>
</tr>
<tr>
<td><strong>Margin (%)</strong></td>
<td>10.9%</td>
<td>11.8%</td>
<td>0.9%p</td>
</tr>
<tr>
<td><strong>CAPEX¹</strong></td>
<td>33</td>
<td>78</td>
<td>134.6%</td>
</tr>
<tr>
<td><strong>Adj. EBITDA - CAPEX</strong></td>
<td>35</td>
<td>4</td>
<td>(87.3)%</td>
</tr>
<tr>
<td><strong>Cash Conversion (%)</strong></td>
<td>51.3%</td>
<td>5.4%</td>
<td></td>
</tr>
</tbody>
</table>

¹ Excluding M&A

### EBITDA ADJUSTMENTS

<table>
<thead>
<tr>
<th></th>
<th>Q4 2016/17</th>
<th>Q4 2017/18</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Reported EBITDA</strong></td>
<td>39</td>
<td>45</td>
</tr>
<tr>
<td><strong>Consulting fees</strong></td>
<td>6</td>
<td>4</td>
</tr>
<tr>
<td><strong>Restructuring costs/Write-offs</strong></td>
<td>7</td>
<td>(1)</td>
</tr>
<tr>
<td><strong>PPA</strong></td>
<td>2</td>
<td>10</td>
</tr>
<tr>
<td><strong>Credit card fees</strong></td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td><strong>Rebranding</strong></td>
<td>0</td>
<td>12</td>
</tr>
<tr>
<td><strong>Other</strong></td>
<td>12</td>
<td>10</td>
</tr>
<tr>
<td><strong>Adjusted EBITDA</strong></td>
<td>68</td>
<td>82</td>
</tr>
</tbody>
</table>
NET SALES AND ADJUSTED EBITDA
Q4 2017/18

<table>
<thead>
<tr>
<th>NET SALES(^1)</th>
<th>Q4 2016/17</th>
<th>Q4 2017/18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Germany</td>
<td>251</td>
<td>258</td>
</tr>
<tr>
<td>France</td>
<td>149</td>
<td>146</td>
</tr>
<tr>
<td>South-Western Europe</td>
<td>158</td>
<td>223</td>
</tr>
<tr>
<td>Eastern Europe</td>
<td>67</td>
<td>73</td>
</tr>
<tr>
<td>Group</td>
<td>626</td>
<td>699</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ADJUSTED EBITDA</th>
<th>Q4 2016/17</th>
<th>Q4 2017/18</th>
<th>Margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>Germany(^2)</td>
<td>36</td>
<td>36</td>
<td>13.8%</td>
</tr>
<tr>
<td>France</td>
<td>17</td>
<td>21</td>
<td>14.5%</td>
</tr>
<tr>
<td>South-Western Europe</td>
<td>9</td>
<td>18</td>
<td>8.0%</td>
</tr>
<tr>
<td>Eastern Europe</td>
<td>6</td>
<td>8</td>
<td>10.4%</td>
</tr>
<tr>
<td>Group</td>
<td>68</td>
<td>82</td>
<td>11.8%</td>
</tr>
</tbody>
</table>

\(^1\) Excluding intersegment Sales
\(^2\) Including Holding and service entities
DEEP DIVE LFL NET SALES GROWTH QUARTERLY DEVELOPMENT

<table>
<thead>
<tr>
<th>Country</th>
<th>Q4 2016/17</th>
<th>Q1 2017/18</th>
<th>Q2 2017/18</th>
<th>Q3 2017/18</th>
<th>Q4 2017/18</th>
<th>FY 2017/18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Germany</td>
<td>(5.1)%</td>
<td>(4.8)%</td>
<td>(1.3)%</td>
<td>(4.3)%</td>
<td>0.6%</td>
<td>(2.5)%</td>
</tr>
<tr>
<td>France</td>
<td>6.1%</td>
<td>2.7%</td>
<td>2.6%</td>
<td>(1.1)%</td>
<td>(5.8)%</td>
<td>0.2%</td>
</tr>
<tr>
<td>South-Western Europe</td>
<td>0.1%</td>
<td>(1.4)%</td>
<td>0.8%</td>
<td>(1.8)%</td>
<td>(4.9)%</td>
<td>(1.9)%</td>
</tr>
<tr>
<td>Eastern Europe</td>
<td>7.1%</td>
<td>8.2%</td>
<td>7.7%</td>
<td>2.0%</td>
<td>5.3%</td>
<td>6.1%</td>
</tr>
<tr>
<td>Group</td>
<td>(0.2)%</td>
<td>(0.8)%</td>
<td>1.0%</td>
<td>(2.3)%</td>
<td>(1.5)%</td>
<td>(0.8)%</td>
</tr>
<tr>
<td>Stores</td>
<td>(2.7)%</td>
<td>(2.8)%</td>
<td>0.9%</td>
<td>(3.1)%</td>
<td>(2.9)%</td>
<td>(2.1)%</td>
</tr>
<tr>
<td>Online incl. M&amp;A</td>
<td>18.2%</td>
<td>11.7%</td>
<td>6.8%</td>
<td>7.5%</td>
<td>15.6%</td>
<td>10.5%</td>
</tr>
<tr>
<td>Online excl. M&amp;A²</td>
<td>18.2%</td>
<td>9.8%</td>
<td>4.5%</td>
<td>5.1%</td>
<td>8.9%</td>
<td>7.4%</td>
</tr>
</tbody>
</table>

1 Excl. first month of initial consolidation of Parfumdreams (Sep. 18): 9.3%
2 Excl. acquisitions of Bodybell, LLG, IF and Akzente/Parfumdreams
CASH FLOW STATEMENT FY2017/18

- Decrease in **Cash Flow from Operating Activities** reflects lower EBITDA as well as higher tax payments.
- **Cash flow from investing activities** increased in comparison to prior year due to acquisitions of LLG, IF and Akzente/Parfumdreams in the period.
- **Cash flow from Financing activities** largely driven by additional Term Loan B tranche of €300m for the financing of acquisitions.

### CASH FLOW STATEMENT (m€)

<table>
<thead>
<tr>
<th></th>
<th>FY 2016/17</th>
<th>FY 2017/18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Cash Flow from Operating Activities</td>
<td>287</td>
<td>129</td>
</tr>
<tr>
<td>Net Cash Flow from Investing Activities</td>
<td>(137)</td>
<td>(390)</td>
</tr>
<tr>
<td>Net Cash Flow from Financing Activities</td>
<td>(115)</td>
<td>185</td>
</tr>
<tr>
<td>Net Change in Cash &amp; Cash Equivalents</td>
<td>35</td>
<td>(75)</td>
</tr>
<tr>
<td>Currency Translation Effects</td>
<td>(1)</td>
<td>(0)</td>
</tr>
<tr>
<td>Cash &amp; Cash Equivalents at Beginning of Period</td>
<td>144</td>
<td>178</td>
</tr>
<tr>
<td>Cash &amp; Cash Equivalents at End of Period</td>
<td>178</td>
<td>103</td>
</tr>
</tbody>
</table>
NET WORKING CAPITAL
Q4 2017/18

- Net Working Capital continues to be a key focus
- Inventory levels in line with seasonal patterns and reflecting one-off inventory write-off as part of assortment alignment across regions, logo and assortment changes
- Increase in accounts payable largely due to improved payment terms to optimize cash cycle
- NWC as % of Net Sales decreasing but expected to be slightly above historical ratios going forward as result of broader assortment

<table>
<thead>
<tr>
<th>NET WORKING CAPITAL (m€)</th>
<th>Q4 2016/17</th>
<th>Q1 2017/18</th>
<th>Q2 2017/18</th>
<th>Q3 2017/18</th>
<th>Q4 2017/18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inventories</td>
<td>593</td>
<td>843</td>
<td>854</td>
<td>760</td>
<td>756</td>
</tr>
<tr>
<td>Trade accounts receivable</td>
<td>41</td>
<td>75</td>
<td>60</td>
<td>48</td>
<td>47</td>
</tr>
<tr>
<td>Trade accounts payable</td>
<td>(388)</td>
<td>(796)</td>
<td>(519)</td>
<td>(506)</td>
<td>(566)</td>
</tr>
<tr>
<td>Other²</td>
<td>(44)</td>
<td>9</td>
<td>(69)</td>
<td>(31)</td>
<td>(6)</td>
</tr>
<tr>
<td>Total NWC</td>
<td>201</td>
<td>132</td>
<td>326</td>
<td>271</td>
<td>231</td>
</tr>
</tbody>
</table>

² Includes receivables from reimbursed marketing costs, bonus receivables, voucher liabilities

1 Q4 FY2017/18: acquisitions of LLG in Italy and Perfumerias IF in Spain only completed in November 2017; LTM Net Sales 30 September 2018 therefore only include Sales contribution of acquisitions for a fraction of the year
PREMIUM STORE NETWORK FOOTPRINT ACROSS EUROPE

- Expansion driven by acquisitions in SWE
- >50 closures in Spain as part of realignment
- Sufficient footprint in mature markets with net growth expected to slow down going forward

<table>
<thead>
<tr>
<th>YTD DEVELOPMENT</th>
<th>FY2016/17</th>
<th>FY2017/18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Store openings</td>
<td>29</td>
<td>41</td>
</tr>
<tr>
<td>Store closures</td>
<td>(23)</td>
<td>(106)</td>
</tr>
<tr>
<td>Store acquisitions</td>
<td>225</td>
<td>629</td>
</tr>
<tr>
<td>Store divestitures</td>
<td>-</td>
<td>(33)</td>
</tr>
<tr>
<td>Change in franchises</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>232</strong></td>
<td><strong>532</strong></td>
</tr>
</tbody>
</table>