

Douglas reports excellent growth in fiscal 2018/19

- Sales up by 5.4 percent to 3.5 billion euros in fiscal year 2018/19
- E-commerce business most important growth driver with sales rising by 38.2 percent to 585 million euros
- Group-wide growth of in-store business against trend in retailing
- EBITDA increases by 40.1 percent to 283 million euros
- Free cash flow climbs substantially to 92 million euros
- Tina Müller, Douglas Group CEO: “By swiftly implementing the #FORWARDBEAUTY strategy, we were able to significantly expand our leading market position in Europe.”

Düsseldorf, 18 December 2019. Douglas closes fiscal year 2018/19 with strong growth figures. In a year-on-year comparison, Group sales rose by 5.4 percent to 3.5 billion euros. Growth was driven by all regions and sales channels, while the strategically important e-commerce business remained the strongest growth driver with a plus of 38.2 percent.

Douglas increased EBITDA in fiscal year 2018/19 by 40.1 percent to 283 million euros, with a simultaneously positive annual net profit. The most important driver was the strong increase in sales coupled with the reduction in extraordinary items compared to last year’s restructuring phase. Free cash flow improved significantly year-on-year, rising to 92 million euros.

Tina Müller, Douglas Group CEO: “By swiftly implementing the #FORWARDBEAUTY strategy we were able to significantly expand our leading market position in Europe. Our strategic investments in digitalisation, competitiveness, as well as the rejuvenation and premiumization of the brand have made us the number one beauty destination.”

Leap in online business growth

The e-commerce business achieved exceptional growth in fiscal 2018/19. With sales of 585 million euros, Douglas underpinned its leadership as the industry’s most important provider by far in the strategic e-commerce growth market. The online channels accounted for 16.9 percent of total annual turnover. In Germany, Douglas even generated almost one third of its total annual turnover online (29.4 percent): three times as much as its nearest competitor.

Market place successfully launched

“Last year, we strengthened our e-commerce business substantially. The launch of our market place is a further important step in our platform strategy and makes us pioneers in this industry”, says Vanessa Stütze, Douglas Group EVP E-Commerce & CRM. We have thus established the first marketplace for beauty products in Europe.” Douglas is using the marketplace to expand its online range without building up additional inventories by integrating brands from exclusively selected partners. The first step will be an additional offering of more than 10,000 products from the accessories and natural cosmetics segments. A large number of other partners are lined up to sell

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their products via the Douglas online shop in Germany. Following the successful launch in Douglas' home market Germany, the new offering will be rolled out to further markets.

In-store business growth bucks market trend

In contrast to the retail market trend, Douglas' European in-store business has also grown, notching up an 0.8 percent increase in sales compared to the same period last year. The stores, in particular, are benefiting from investments in the brand upgrade and strengthening of the product range. By the end of 2019, the new branding will have been completed at all 2,400 stores in Europe. At the same time, Douglas is continuing to modernise its store network and is experiencing double-digit growth in modernised stores. In large urban areas, further flagship stores offering a comprehensive range of premium and trend brands as well as treatment and service offerings will be opened.

Significant expansion of product range

At the same time, Douglas has also extensively broadened its product range to include 55,000 products from over 750 brands in Germany alone. "One of the main components of our strategy is the expansion of our product range through the addition of premium owned brands. We have significantly increased our market share in facial care with the introduction of the Dr. Susanne von Schmiedeberg brand, and with #INNERBEAUTY have successfully responded to the beauty trend of food supplements. Products from both these lines are among our ten best sellers in the German market", says Susanne Cornelius, Douglas Group CMO. The company has lifted sales by 9.4 percent to 620 million euros with high-margin owned and exclusive brands.

Exclusive cooperation with Kylie Jenner starting in spring 2020

Douglas will be launching *Kylie Skin* exclusively to customers across Europe with a full distribution at Douglas Group. With the launch of *Kylie Skin* Douglas will be adding one of the fastest-growing and most-engaged beauty brands on social media from the USA to its assortment. A milestone for Douglas, and a major step towards providing customers with an innovative and unique assortment. Douglas expects this to be the biggest skin care launch of 2020 and to rank among its top ten skin care brands.

German home market continues on growth course

As a result of its strong e-commerce business in particular, Douglas increased its year-on-year German home market sales in fiscal year 2018/2019 by 11.4 percent to 1.3 billion euros. In contrast to the market trend in German retailing, not only online but also in-store business contributed to sales growth. Douglas also succeeded in gaining market share in in-store business.

Increase in sales for the fifth quarter in a row

Douglas successfully continued its growth trajectory in the fourth quarter of 2018/2019. Group sales rose between July and September by 6.6 percent to 744 million euros on a year-to-year comparison. The most important growth driver in this respect once again was the e-commerce business, with a sales increase of 35.9 percent compared to the same quarter last year. "The last quarter was the fifth* in a row in which we increased sales since the introduction of

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#FORWARDBEAUTY”, says Tina Müller. “This success is the result of a magnificent performance by our whole team!”

*Adjusted for the Easter effect

ABOUT DOUGLAS:

Douglas is one of the leading multichannel premium beauty retailers in Europe with about 2,400 stores and a unique e-commerce platform that is currently being expanded into a curated beauty marketplace. The #FORWARDBEAUTY strategy defines the path into the future of omnichannel retailing. Already today Douglas is the number one beauty retailer in 26 countries, offering its customers an attractive portfolio of around 55,000 high-quality products from over 750 brands in the fields of perfumery, decorative cosmetics and skin care, as well as nutritional supplements and accessories. Douglas generated sales of 3.5 billion euros in fiscal year 2018/2019. Around 20,000 beauty experts encourage and inspire Douglas customers every day to live their own kind of beauty.

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