

PRESS RELEASE

Record sales generated by online business – lockdowns hurt store performance in the second quarter

- E-commerce soars by 75.5 percent compared with the same quarter last year and produces record sales of €291 million in Q2 2020/21 (January-March)
- Sales in the online business in Germany climb by 61 percent and reach €175 million
- Company's overall performance is shaped strongly by Europe-wide lockdowns and far-reaching restrictions
- Group sales for Q2 2020/21 reach €551 million, a 12.5 percent decline on a like-for-like basis
- On a half-year basis, the decline in sales on a like-for-like basis of 8.2 percent is in a clear single-digit range
- Adjusted EBITDA of €170 million in the first half of the year reflects good overall performance
- Tina Müller, Douglas Group CEO: "The second quarter proved one thing: Our strategy #FORWARDBEAUTY.DigitalFirst continues to bear fruit. Once again, we were able to boost our e-commerce business from the high level that it had previously achieved. On the other hand, our store-based business has been heavily impacted by the comprehensive lockdowns and other far-reaching restrictions imposed in Europe. Thanks to the increasing rate of vaccinations across the continent, I am confident that stores will begin to gradually reopen across Europe. We will experience an upswing in our store-based business when that happens."

Düsseldorf, 12 May 2021. Douglas, Europe's leading premium beauty platform, used the powerful, unchecked growth generated by its e-commerce business to virtually offset the sharp declines in its store-based business caused by corona-related lockdowns that have been imposed across Europe. Sales generated by Douglas's e-commerce business jumped 75.5 percent compared with the high level they achieved in the same quarter last year. At the same time, sales produced by the company's store-based operations dropped 48.7 percent like-for-like as a result of the lockdowns imposed across Europe. As a result, Group sales totalled €551 million, a 12.5 percent decline on a like-for-like basis. In the first half of the year, the decline in sales on a like-for-like basis was well into

DOUGLAS

the single digits at 8.2 percent. Although adjusted EBITDA in the second quarter of minus €1 million depressed the half-year result, the adjusted figure of €170 million nevertheless reflects the good overall performance.

Douglas faced particular difficulties in Germany, the country that is by tradition the company's most important market and the generator of its highest sales. During the first three months of 2021, Douglas experienced the most restrictive limitations imposed since the beginning of the COVID-19 pandemic. These restrictions remain in effect today. Alternative shopping opportunities such as Click & Collect and the more heavily restricted option called Click & Meet could hardly replace the usual frequencies.

The performance of the e-commerce business was completely different: Total online sales jumped by 75.5 percent to €291 million compared with €166 million in the same quarter last year. In Germany alone, e-commerce sales grew at an already high level by a further 61 percent, or €66 million, to €175 million. The rates of growth produced in other regions were even higher as a result of their lower starting position. Sales jumped by 106 percent in Southwestern Europe and by 121 percent in Eastern Europe.

Tina Müller, Douglas Group CEO, said: "During this quarter, the forceful application of our strategy #FORWARDBEAUTY.DigitalFirst will also serve as the foundation for continued record growth in our e-commerce activities. This growth enabled us to at least offset some of the lockdown-generated declines in sales that we experienced. As immunization rates rise, we are increasingly confident that our stores will be allowed to finally reopen again in coming weeks. The refinancing plan that we recently concluded provides us with years-long planning security and also enables us to pour all of our energies into the implementation of our strategy #FORWARDBEAUTY.DigitalFirst. This, in turn, will enable us to further strengthen our position as Europe's leading beauty platform."

Douglas significantly boosted all relevant key performance indicators of its e-commerce business once again. In one reflection of these gains, the share of sales produced via mobile devices in Germany rose by 4 percentage points to 67 percent.

The extremely challenging situation of the company's store-based operations, an area whose fixed costs have hardly changed, has required the company to continue to exercise extreme cost discipline within the realm of its possibilities. On the operational level, EBITDA totalled minus €1 million, a figure that represents a drop of €13 million in

DOUGLAS

earnings. In light of the €105 million drop in sales experienced by the company, this figure underscores the resilience of Douglas's platform business across Europe.

Vanessa Stütze, Chief Digital Officer at Douglas, said: "The strong increase of 75.5 percent that we generated in e-commerce on a like-for-like basis exceeded our expectations. This growth enabled us to further expand our market leadership as Europe's one-stop shopping destination for beauty. Our systematic focus on technology and data generated significant gains in all of our relevant KPIs. This, in turn, increased the appeal of our marketplace model to our customers and partners once again."

As it celebrates its 111th anniversary, Douglas is highlighting this evolutionary step with a new brand equity campaign called "Let's do beautiful". The name says it all: The campaign initiates a rethinking process at Douglas, one in which the company is transitioning from a purely external definition of beauty to a holistic understanding and actions based on values. The campaign reflects the philosophy of Douglas and the values of the Douglas brand. It represents the start of a transformation in which brand communications will be refocused from the ground up. The change was initiated at the beginning of May with advertisements. Starting on 17 May, various TV spots will be broadcast and a powerful out-of-home campaign will begin. Over the course of the year, numerous digital formats will be played out on all relevant channels. An overview of the visuals is available at www.douglas.de/letsdobeautiful.

DOUGLAS

ABOUT DOUGLAS:

Douglas is the leading premium beauty platform in Europe. Offering more than 130,000 beauty and lifestyle products in online shops, the beauty marketplace and over 2,000 stores, Douglas inspires customers to live their own kind of beauty by a previously unparalleled assortment. In 2021, Douglas achieved the Diversity Certification of the initiative BeyondGenderAgenda and represents diversity, equal opportunity and inclusion internally and externally. The continued expansion of the fast-growing e-commerce business is the focus of the #FORWARDBEAUTY.DigitalFirst. strategy programme. In fiscal year 2019/2020, Douglas generated sales of 3.2 billion euros in the areas of perfumery, decorative cosmetics, skin and hair care as well as nutritional supplements and accessories.

PRESS CONTACT:

Eva Krüger
Corporate Communications Manager
Telephone: +49 211 16847 6644
E-mail: pr@douglas.de