9M FY 2014/15 Financial results

28 September 2015

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Additional items regarding the financial information included in this Presentation

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Key highlights

Change in ownership	CVC Capital Partners and the Kreke family successfully completed the acquisition of Douglas on August 13, 2015, valuing the business at approximately EUR 2.9bn In addition to EUR 1.1bn of equity, the transaction was funded with a new financing comprised of a Term Loan B Facility, Senior Secured Notes and Senior Notes
Board changes	Erika Tertilt appointed as the CFO of the Douglas Group Joined Douglas in 2013 as Managing Director Finance of Douglas Perfumeries More than 10 years experience in the industry, previously as CFO of Fashion retailer Takko Holds a degree in business administration of Westfälische Wilhelms University Münster
Strong YTD sales and earnings performance	Strong sales performance across all regions in Europe, most notably in Germany Continued dynamic growth in e-commerce sales, which now account for 10% of total sales Market leading position in Europe extended
	Pro-Forma EBITDA adjusted for exceptional items increased by 13% driven by top-line growth, scale benefits and efficiency improvements 22 new stores opened, mainly in Germany, France and Eastern Europe; continuous investment in refurbishment and modernisation; 48 stores acquired in France and Germany Cash conversion* remains high at 78.4%

** Defined as Pro-Forma Adjusted EBITDA minus CAPEX divided by Pro-Forma Adjusted EBITDA*

9M FY 2014/15 Key financials

Comments

- In order to provide a comparative basis, 9M 2013/14 figures are Pro-Forma to include financials of acquired competitor Nocibé for the entire period. Nocibé has been fully consolidated since July 1, 2014
- On a Pro-Forma basis, i.e. including Nocibé in the prior year period, sales increased by 4.2%. Like-for-like sales grew 3.6%
- Pro-Forma Adjusted EBITDA increased by almost 13%, with margin improving by 0.9%-points to 11.8%
- All geographical regions contributed to the sound performance including first sales and earnings contributions of the recently acquired Clin d'Oeil and Himmer stores in France and Germany respectively
- Higher CAPEX with focus on maintenance and refurbishment of the existing store network
- Cash conversion (Pro-Forma Adjusted EBITDA minus CAPEX divided by Pro-Forma Adjusted EBITDA) remained strong at 78%

Key financials

(in EURm)	9M 2013/14	9M 2014/15	Delta
Sales (Pro-Forma)*	1,961	**2,044**	**4.2%**
Like-for-like			*3.6%*
Pro-Forma Adjusted EBITDA**	214	**241**	**12.9%**
Margin (%)	*10.9%*	*11.8%*	
CAPEX (Pro-Forma)*	43	**52**	**20.5%**
Pro-Forma Adj. EBITDA – CAPEX	171	**189**	
Cash conversion	79.9%	78.4%	
Unlevered Free Cash Flow pre-M&A CAPEX***	115	**149**	
Unlevered Free Cash Flow post-M&A CAPEX***	(100)	**127**	

* *9M 2013/14: including respective figures of Nocibé for October 1, 2013 to June 30,2014*
** *9M 2013/14: including French GAAP EBITDA of Nocibé for October 1, 2013 to June 30, 2014; adjustments mainly refer to consulting fees, restructuring costs and effects from PPA related to Nocibé acquisition;*
*** *Excluding Cash Flow from discontinued operations (14/15: EUR -65m, 13/14: EUR 46m); defined as net cash flow from operating activities less net cash flow from investing activities*

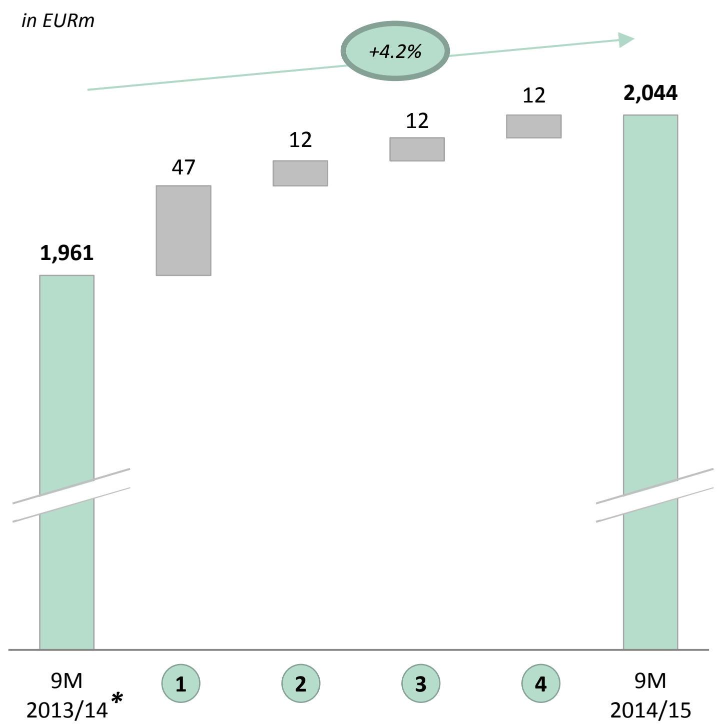
9M FY 2014/15 Sales

Comments

- Total e-commerce sales increased strongly by 29%, notably in Germany. Share of online sales to total sales amounted to 10% YTD. Pro-Forma stationary sales rose by 1.8%, or 1.2% on a like-for-like basis
- International sales account for 56% of total sales, consistent with the level in the prior year

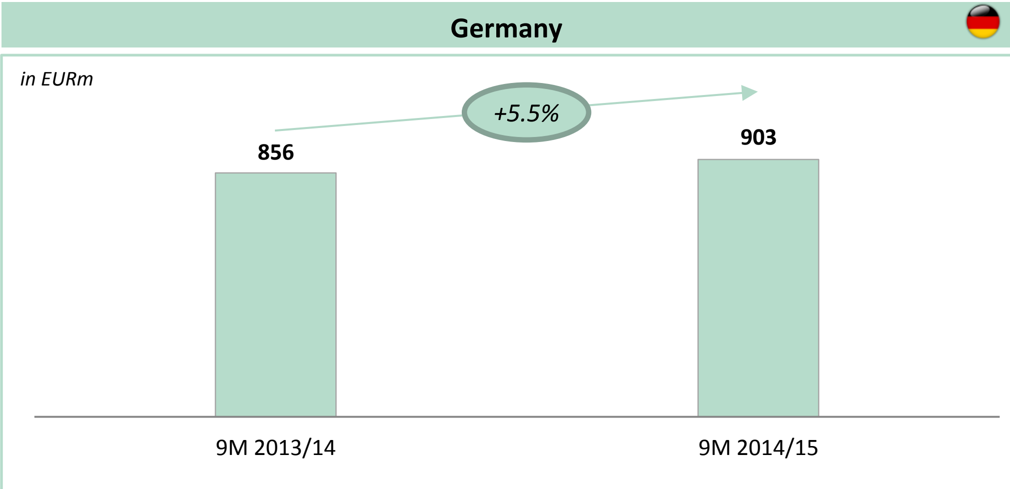
1. **Germany**: like-for-like sales rose by 5.4% driven by both the online-shops and the stationary business
2. **France:** like-for-like sales including Nocibé in both periods increased by 1.1%. The prior year was positively impacted by sales from purchasing cooperation DPB Achats (terminated December 31, 2014)
3. **South-Western Europe:** like-for-like growth of 2.7% mainly driven by the online business. In particular our operations in Austria, the Netherlands and Italy contributed to performance
4. **Eastern Europe**: Like-for-like sales increased by 3.9%, driven by stationary as well as online business especially in Poland, Czech Republic, the Baltics and Romania

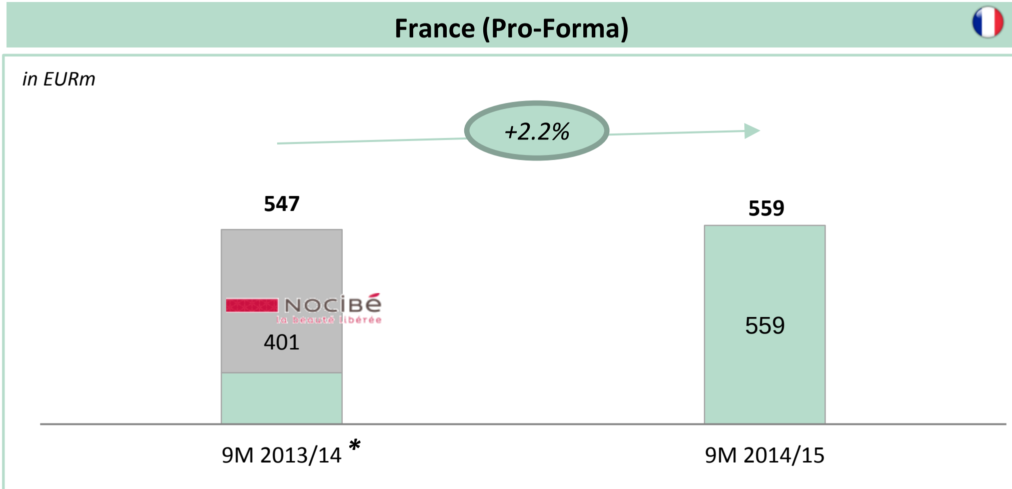
Sales bridge (Pro-Forma)

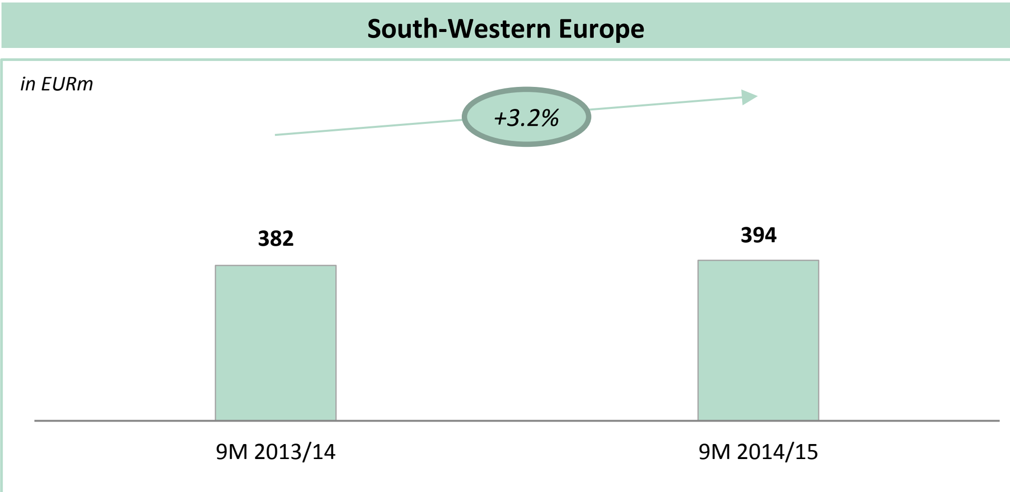


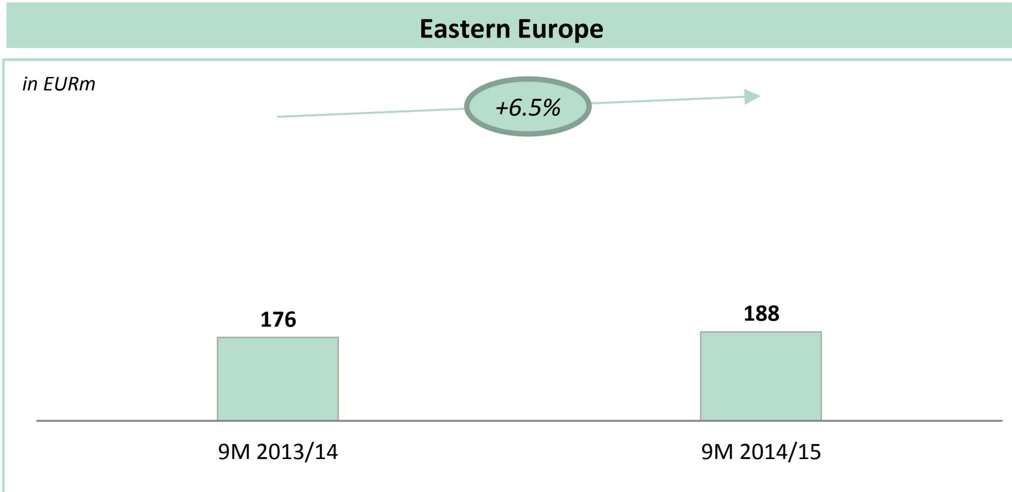
* *9M 2013/14 including sales of Nocibé for October 1, 2013 to June 30,2014*

9M FY 2014/15 Sales by region









* *9M 2013/14: including sales of Nocibé for Oct 1, 2013 to June 30,2014*

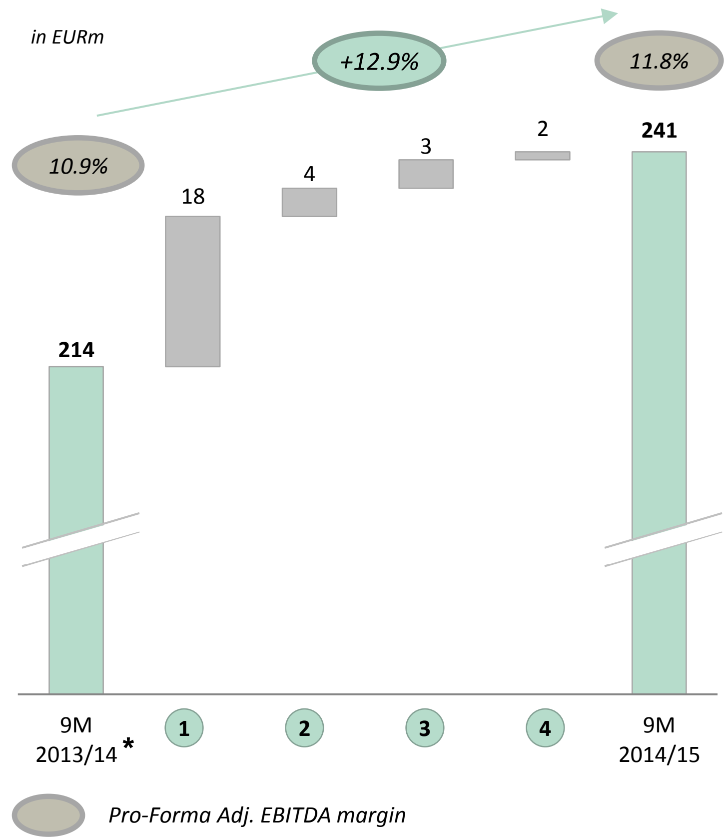
9M FY 2014/15 Adjusted EBITDA

Comments

- All relevant countries contributed to the increase in YTD Adjusted EBITDA, with the improvement in margin driven by strong growth in e-commerce, optimization of cost structure and scale benefits
- On an LTM basis Pro-Forma Adjusted EBITDA increased from EUR 294m for the twelve months ended March 31, 2015 to EUR 297m for the twelve months ended June 30, 2015 **

1. **Germany**: Strong topline growth, higher scalability of the growing e-commerce business and optimization of cost structure have all driven earnings growth
2. **France**: Higher EBITDA mainly due to scale benefits from the acquisition of Nocibé and the full consolidation of the Clin d'Oeil stores
3. **South-Western Europe**: Earnings improved mainly as a result of strong growth of the online business and efficiency programs implemented in the last two years. Almost all countries contributed to the higher EBITDA
4. **Eastern Europe:** Economies of scale due to topline growth and optimization of cost structure. In particular Poland and Hungary contributed to the positive earnings development

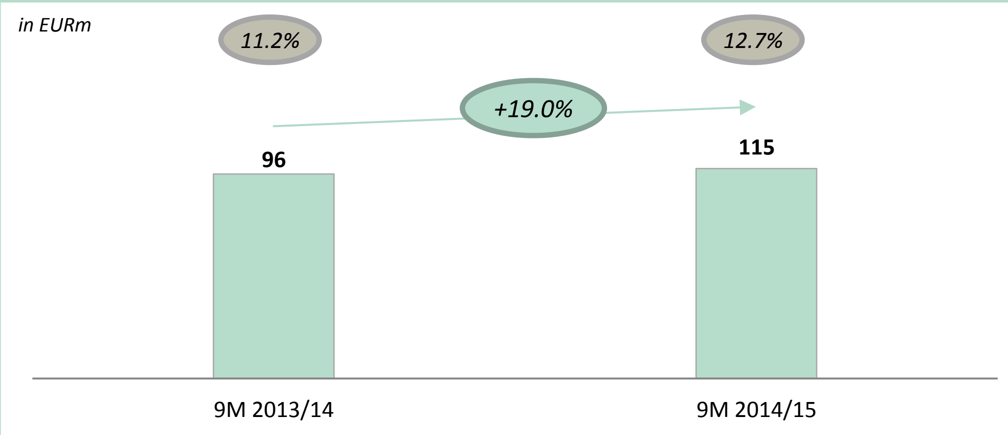
Adjusted EBITDA bridge (Pro-Forma)



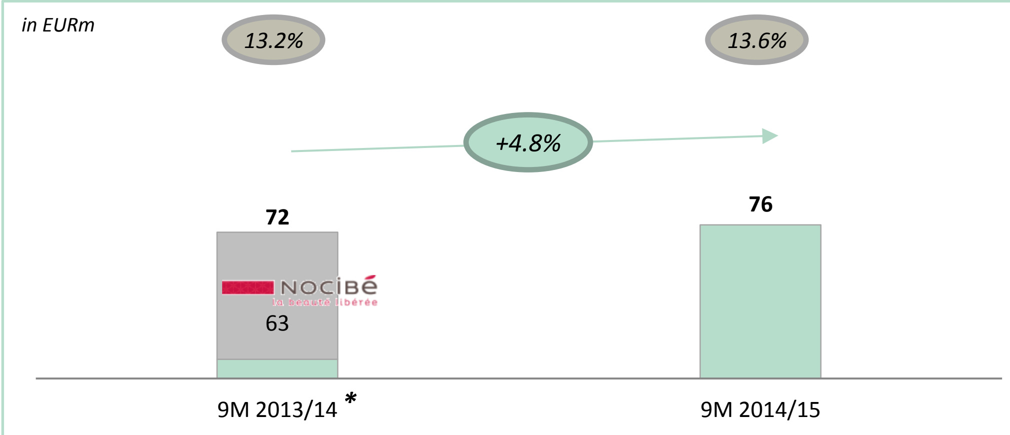
* 9M 2013/14: including French GAAP EBITDA of Nocibé for October 1, 2013 to June 30,2014
** For further details on adjustments to Reported EBITDA see page 15

9M FY 2014/15 Adjusted EBITDA by region

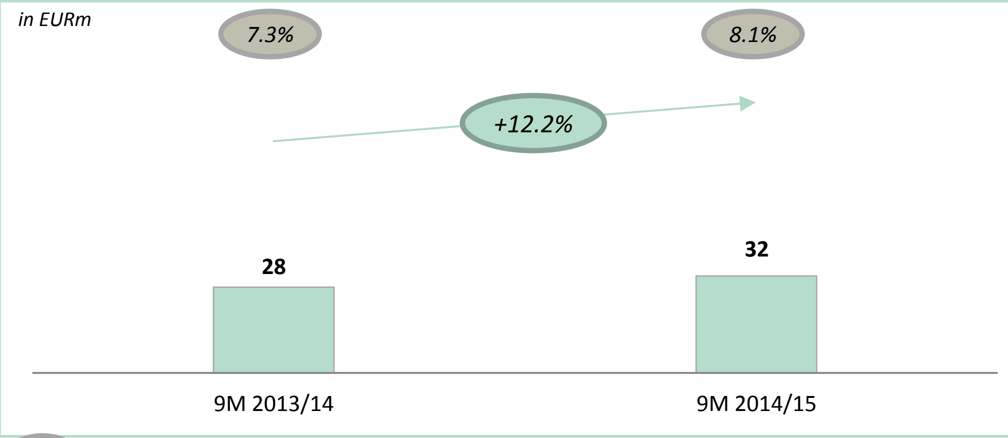
Germany



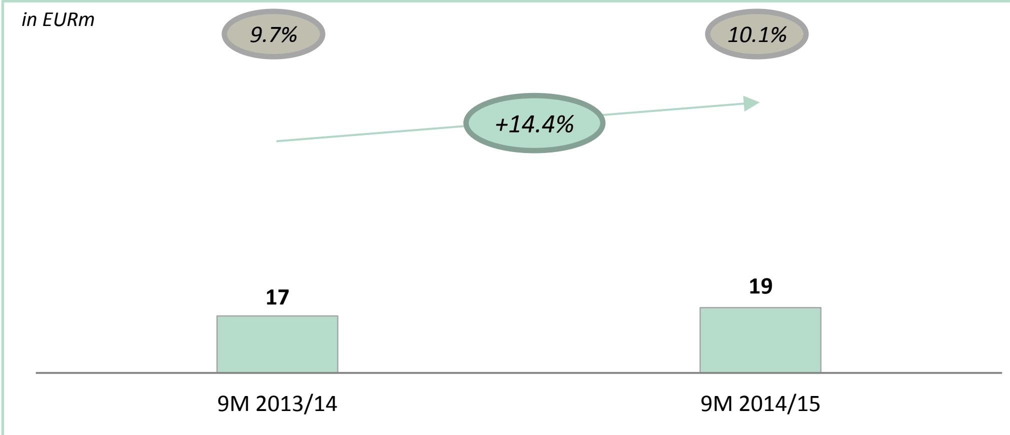
France (Pro-Forma)



South-Western Europe



Eastern Europe



Pro-Forma Adj. EBITDA margin

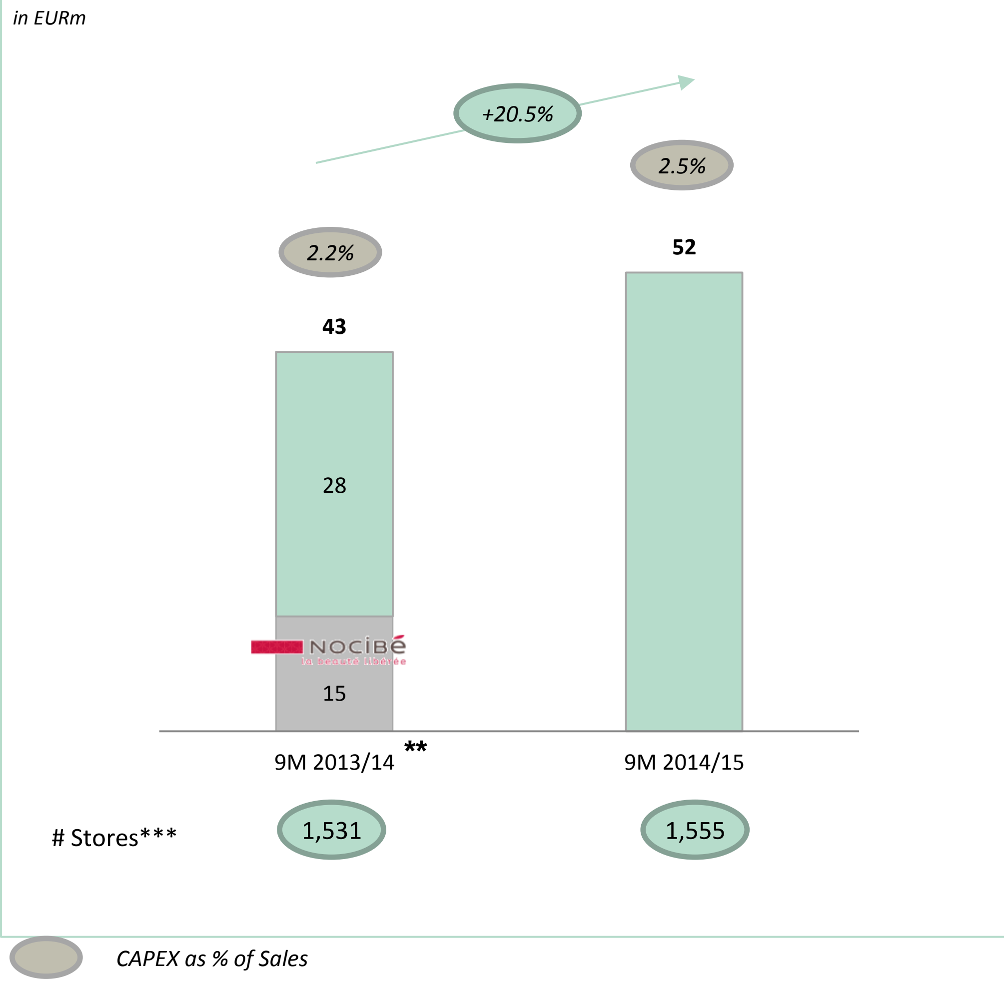
* *9M 2013/14 including French GAAP EBITDA of Nocibé for October 1, 2013 to June 30, 2014*

9M FY 2014/15 CAPEX

Comments

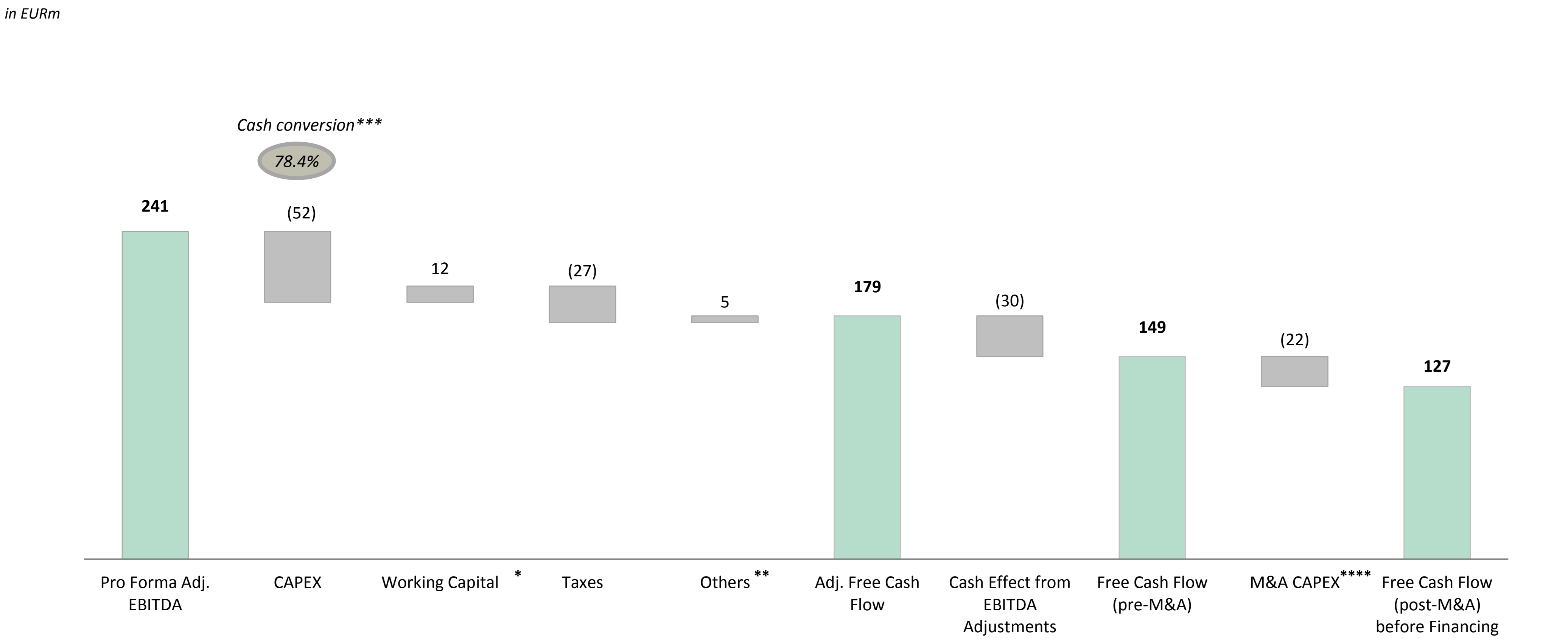
- Focused CAPEX spend based on a well invested store portfolio; almost 80% of total CAPEX attributable to Germany and France
- 22 new perfumeries opened (vs. 25 in 9M FY 2013/14), mainly in Germany, France and Eastern Europe
- 46 stores closed (vs. 24 in 9M FY 2013/14) mainly in Italy and France to comply with national and EU competition law
- In addition, the store network has been expanded by 43 Clin d'Oeil perfumeries in France and five Himmer stores in Germany

CAPEX* (Pro-Forma)



* *Excluding M&A-CAPEX*
** *9M 2013/14 including CAPEX of Nocibé; store number includes 373 Nocibé stores*
*** *Excluding 145 franchise stores as of June 30, 2015 (194 franchise stores as of June 30,2014 including Nocibé)*

9M FY 2014/15 Cash Flow bridge



Note: Cash Flows adjusted for discontinued operations (EUR 65m)

* Defined as Inventories, trade accounts receivables, trade accounts payables as well as other receivables and liabilities related to supplier receivables for rebates/bonuses, marketing subsidies, voucher liabilities, provisions for deliveries and services not yet invoiced

** Change in other assets, liabilities and accruals

*** Defined as Pro-Forma Adjusted EBITDA minus CAPEX divided by Pro-Forma Adjusted EBITDA

**** Related to acquisitions of Clin d'Oeil and Himmer, netted against proceeds from disposals

Douglas

Pro-Forma Debt structure

Pro-Forma Debt structure (as of August 13, 2015)

in EURm

	Amount	Maturity	Pricing
Cash and cash equivalents	(47)		
Term Loan Facility B*	1,220	August 2022	E + 500bps
Senior Secured Notes	300	July 2022	6.25%
RCF (EUR 200m)	24	February 2022	E + 375bps
Net Senior Secured Debt	**1,497**		
Senior Notes	335	July 2023	8.75%
Total Net Debt	**1,832**		

* *EURIBOR floor of 1.0%*

Appendix

Sales and EBITDA by region
9M FY 2014/15 reported

Sales

in EURm	9M 2013/14	9M 2014/15
Germany	856	903
France	145	559
South-Western Europe	382	394
Eastern Europe	176	188
Total	**1,559**	**2,044**

EBITDA

in EURm	9M 2013/14	9M 2014/15
Germany	66	101
France	(7)	41
South-Western Europe	25	28
Eastern Europe	16	18
Total	**100**	**187**

Adjustments to EBITDA

Comments

- **Consulting fees**: relating to Nocibé acquisition (2013/14) and sale/IPO processes of Douglas (2014/15), divestment of non-acquired businesses as well as consulting fees for efficiency measures
- **Restructuring costs**: mainly redundancy payments related to efficiency and centralisation measures e.g. regarding the acquisition (Clin D`Oeil) and store divestments in France
- **Purchase Price Allocation (PPA)**: one-off inventory write-offs from Nocibé acquisition
- **Credit card fees**: "below EBITDA" reclassification in accordance with existing banking and bond agreements
- **Other**: one-off inventory revaluations as part of the optimized category management, costs of Nocibé integration (e.g. changes of logistical platform) and property tax payments from a corporate restructuring
- **Nocibé EBITDA add-back**: addition of nine months October 1, 2013 to June 30, 2014 (French GAAP)
- **Pro-Forma Adjusted EBITDA** does not include any Run Rate Impacts

Adjustments to EBITDA

(in EURm)	9M 2013/14	9M 2014/15	LTM June 15
Reported EBITDA	**100**	**187**	**212**
Consulting fees	27	11	21
Restructuring costs	14	8	14
PPA	-	24	32
Credit card fees	5	7	10
Other	5	4	8
Adjusted EBITDA	**151**	**241**	**297**
Nocibé Adjusted EBITDA add-back	63	-	-
Pro-Forma Adjusted EBITDA	**214**	**241**	**297**