



Investor Presentation

DOUGLAS

February 2022

DOUGLAS

DOUGLAS INVESTMENT HIGHLIGHTS



Europe's leading and innovative online beauty platform with ~€1.2bn sales¹, growing at c.30% CAGR for the last 3 years



Douglas is Europe's #1 **premium** beauty destination²



A diversified leader in large, structurally growing and resilient European beauty market



Winning and unique **#FORWARDBEAUTY.DigitalFirst** strategy



Launch of Store Optimization and **#ForwardOrganization** programmes to capitalize on post-Covid environment



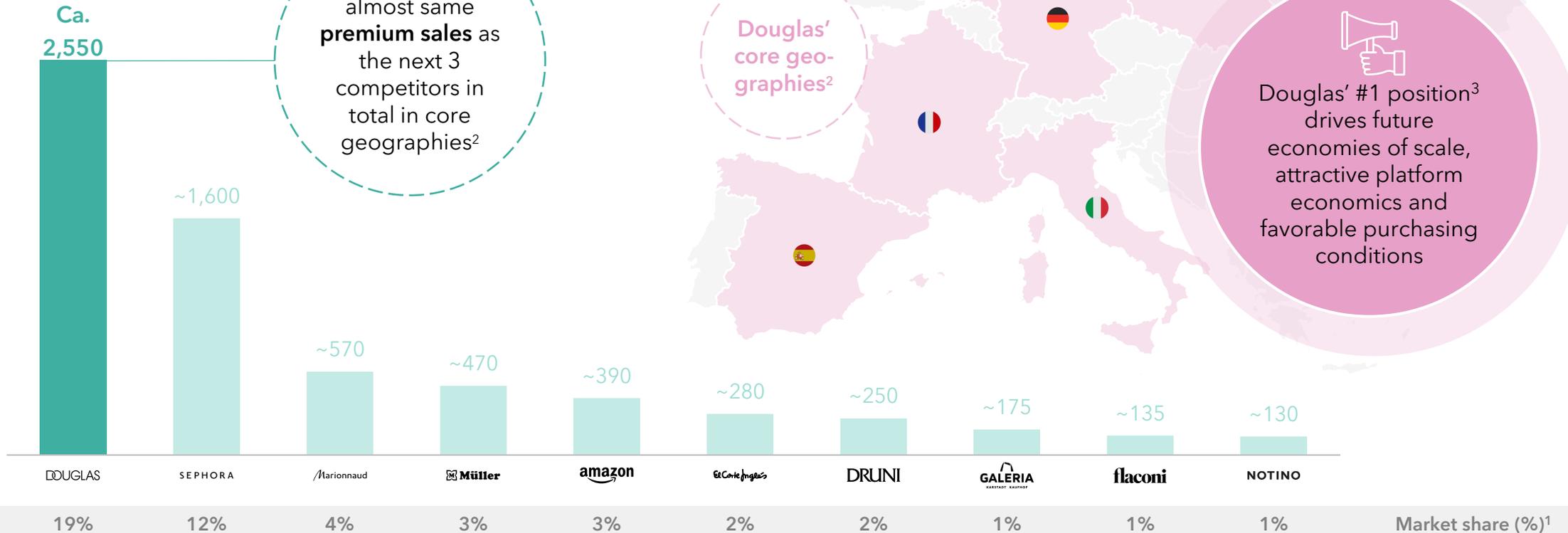
Solid financial profile; accelerated strong E-Commerce growth, partially compensated declining store sales

¹ Based on LTM Jun21AC.

² Based on OC&C analysis (2021) for premium segment across Douglas' core countries; #1 in DE, IT, PL, NL; #2 in FR; #3 in ES, based on market share in 2019.

DOUGLAS IS THE LEADING BEAUTY PLATFORM IN EUROPE'S PREMIUM BEAUTY MARKET IN 2019

Premium sales, 2019 (€m)



Source: OC&C analysis, Company information, all figures as of 2019. Premium sales based on Douglas core geographies: DE, FR, ES, IT, NL and PL.

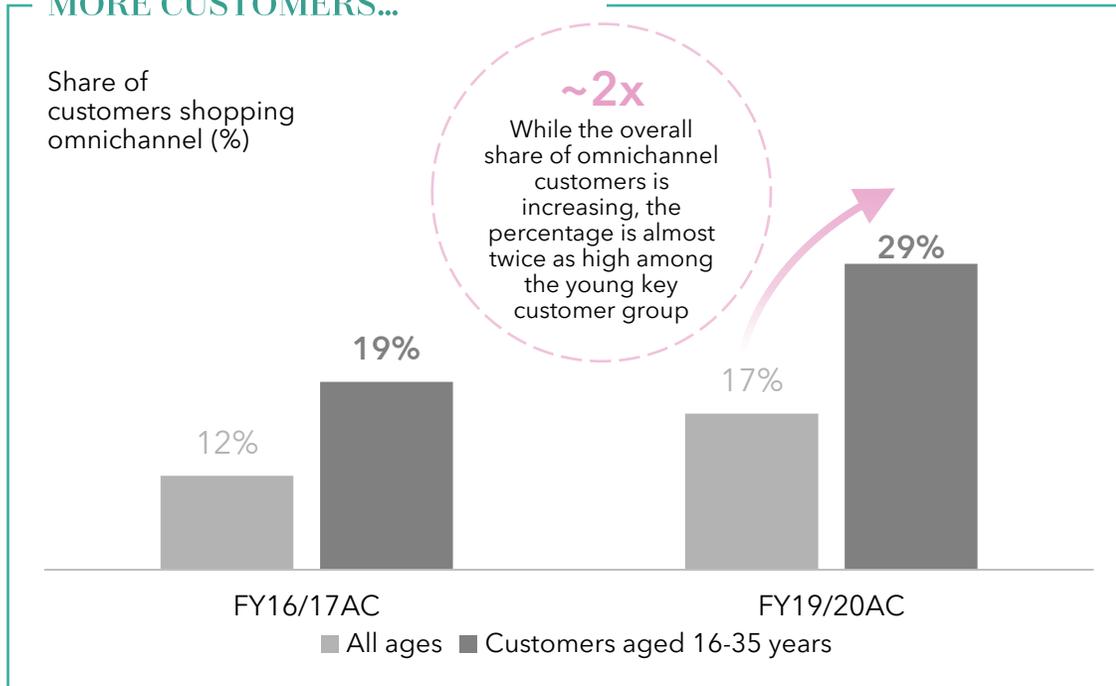
¹ Total sales in core countries as of Sep20AC.

² FR incl. Monaco and ES incl. Andorra.

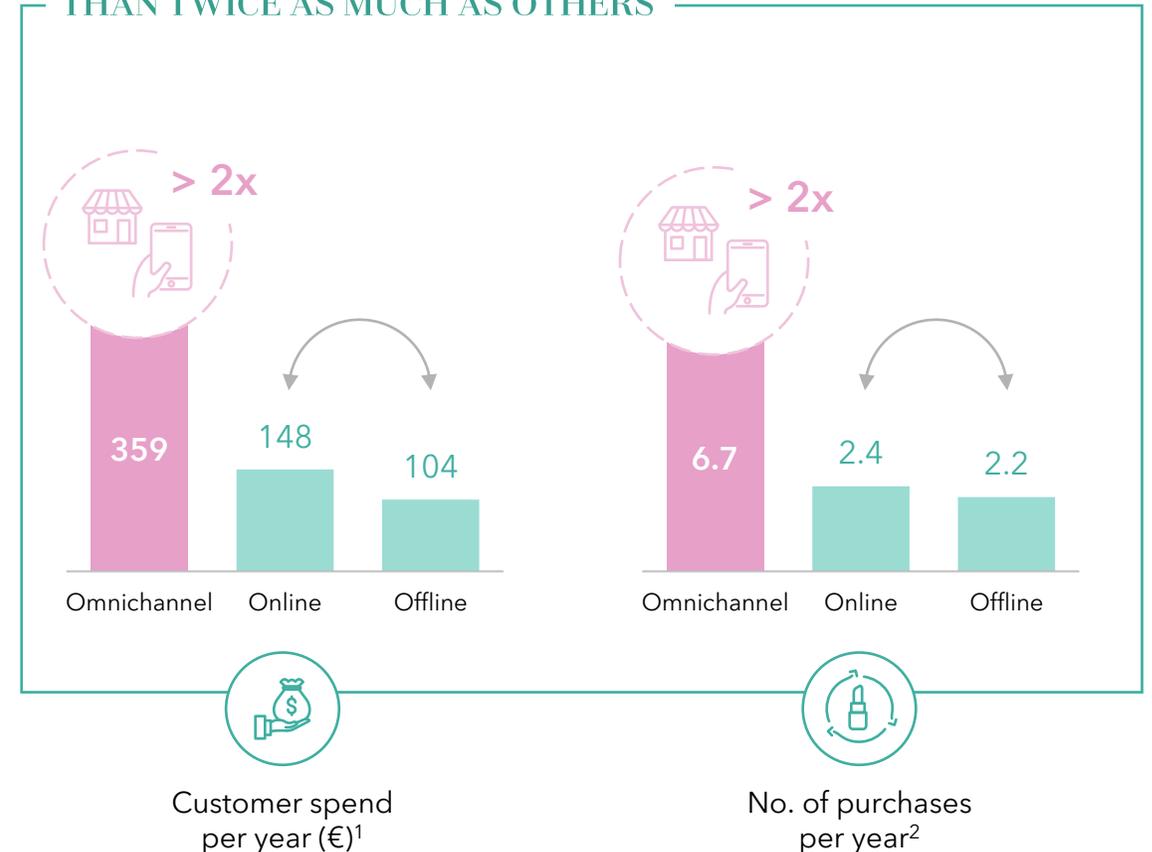
³ Based on OC&C analysis (2021) for premium segment market share rank across Douglas' core countries (core countries for reference: Germany, France, Italy, Spain, Netherlands, & Poland); 4x #1, 1x #2, 1x #3 position in 2019.

OMNICHANNEL CHAMPION WITH GROWING SHARE OF MOST VALUABLE OMNICHANNEL CUSTOMERS

DOUGLAS' OMNICHANNEL OFFERING KEEPS ATTRACTING MORE CUSTOMERS...



... WHO SHOP AND SPEND MORE THAN TWICE AS MUCH AS OTHERS



Note: Figures refer to active Douglas Beauty Card members in Germany excl. PD and NB.

¹ Figures as per FY19/20AC incl. VAT.

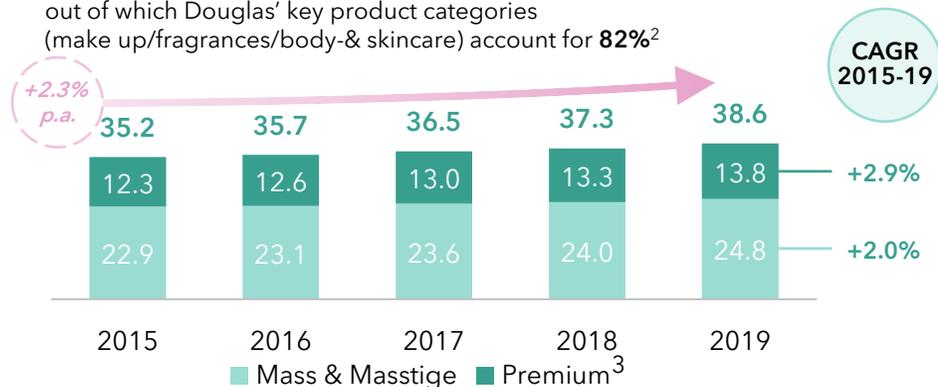
² Figures as per FY19/20AC.

EUROPEAN BEAUTY IS A LARGE, STRUCTURALLY GROWING AND RESILIENT MARKET

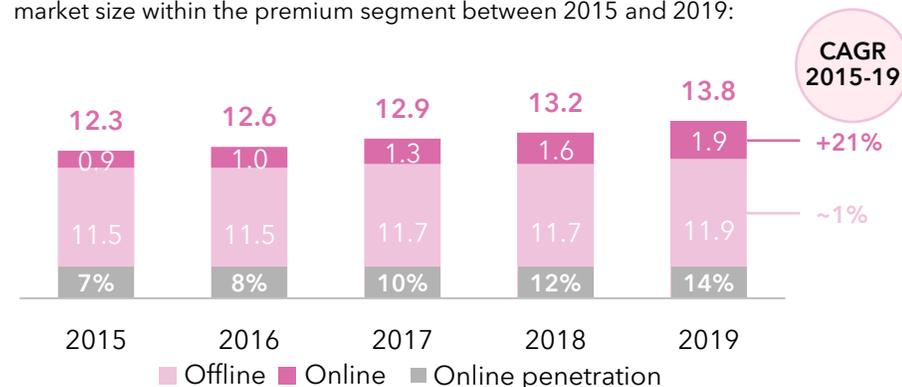
EUROPEAN BEAUTY IS A RESILIENT €39BN MARKET IN DOUGLAS CORE COUNTRIES...¹

MARKET VOLUME¹ (€BN)

The European beauty market is worth **€92bn**, out of which Douglas' key product categories (make up/fragrances/body-& skincare) account for **82%**²



Online has been growing particularly fast and more than doubled in market size within the premium segment between 2015 and 2019:



... WITH ATTRACTIVE FUNDAMENTALS

Large market growing at ~2.3% p.a. (**2.9% for Premium⁴**) from 2015 to 2019

Proven track record of resilience in economic and pandemic crises

Increasingly premiumised market, with high-margin luxury / niche and prestige products accounting for ~36% of sales⁵

Balanced split of key market categories - skin & body care (~46%), fragrances (~20%), makeup (~16%), haircare (18%) across entire European Beauty market in 2019

Deep profit pools

Source: OC&C analysis

¹ Overall beauty market across Douglas' core countries & categories in 2019.

² Overall European beauty market in 2019.

³ Premium includes the luxury / niche as well as the prestige segments.

⁴ Based on OC&C analysis (2021) for premium segment across Douglas' core countries.

⁵ Based on Douglas core markets in 2019.

UNIQUE MARKET CHARACTERISTICS - NEED FOR A TRUSTED PREMIUM CURATOR IN A SHIELDED DISTRIBUTION SYSTEM



Selective distribution

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

#FORWARDBEAUTY.DIGITALFIRST

STRATEGY EXECUTION UPDATE

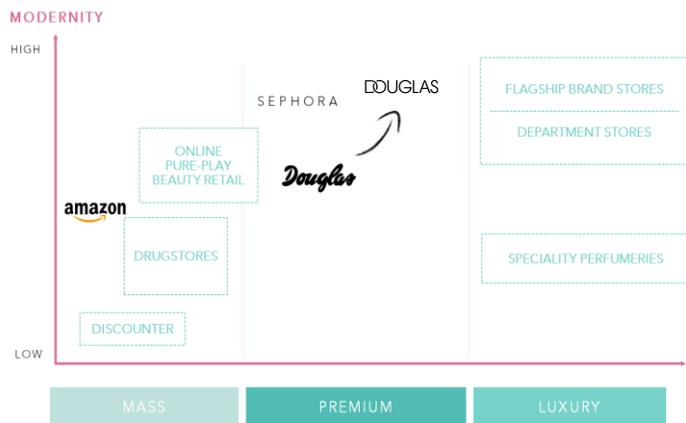
DOUGLAS BEAUTY PLATFORM

1 Brand positioning



WE UPGRADED AND REJUVENATED THE DOUGLAS BRAND

POSITIONING



MORE MODERN AND PREMIUM POSITIONING

VISUAL LANGUAGE



NEW VISUAL LANGUAGE

LOGO

DOUGLAS

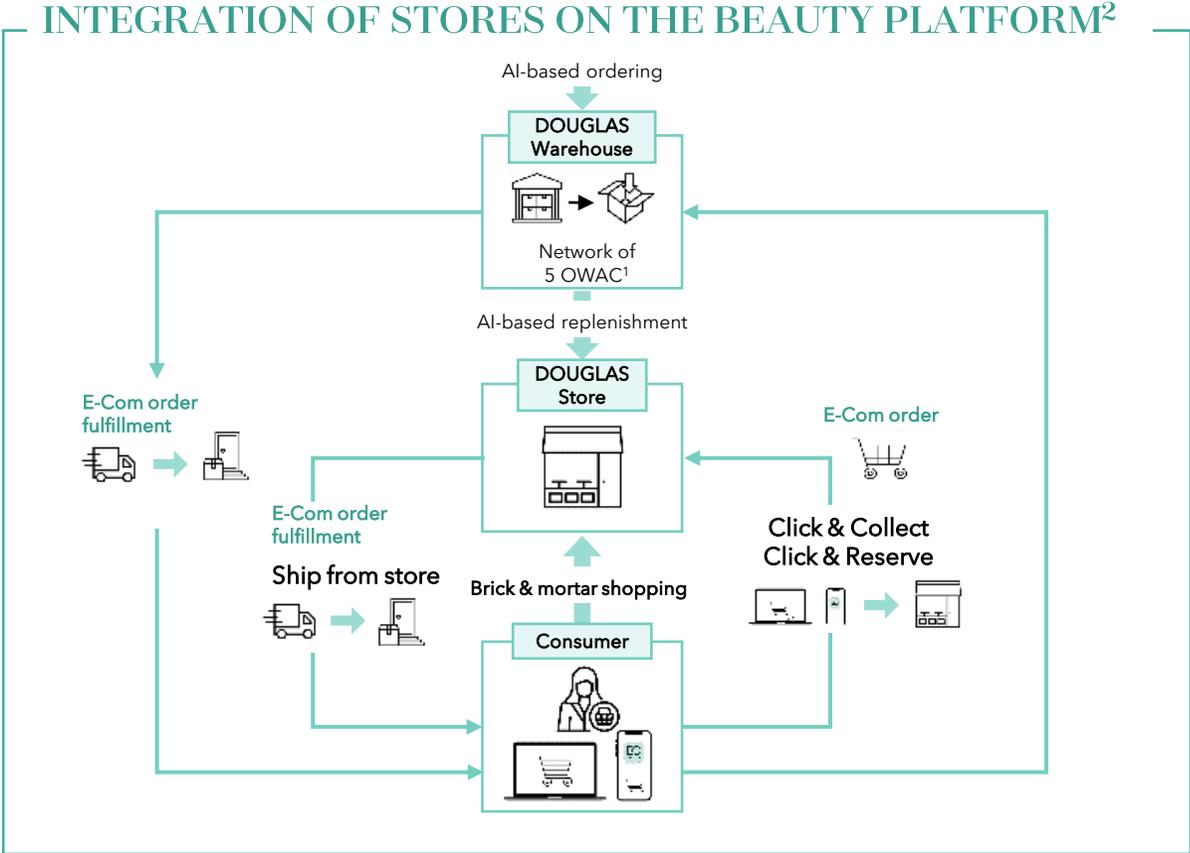
Douglas

NEW LOGO

OUR STORES FROM POINT OF SALE TO POINT OF EXPERIENCE

Flagship	Luxury	Prestige	Premium
Major city, high traffic location, large sales floor (>400sqm)	Prime location with luxury surrounding	Premium wealthy neighborhood	Mainstream shopping location
Full assortment covering all price levels	Luxury & niche brands, Premium own brands	Must have & trend brands	Focus on bestsellers

All these stores are part of the touch & feel experience offering a wide range of services such as various beauty treatments, hairdressing and beauty-school



Note: Clusterisation based on quantitative criteria and subjective review
 ¹ OWAC: One Warehouse, All Channel.
 ² Not yet live.

ASSORTMENT: CLEAR DIFFERENTIATION WITH >160,000⁽⁴⁾ BEAUTY PRODUCTS

FAST GROWING TREND BRANDS

EXCLUSIVE BRANDS

DOUGLAS COLLECTION

NEWLY-CREATED OWN BRANDS

MARKET-PLACE¹

BEAUTY

HAIR

DERMA BEAUTY

ACCESORIES & JEWELLERY

WITH MORE THAN 160,000 SKUS DOUGLAS HAS THREE TIMES AS MANY SKUS AS ITS CLOSEST COMPETITOR

¹ 101 marketplace partners as of 31 Dec 2020 in Germany, marketplaces in Austria and France live, PL go live in Jan21FC.

² Live since Feb-21.

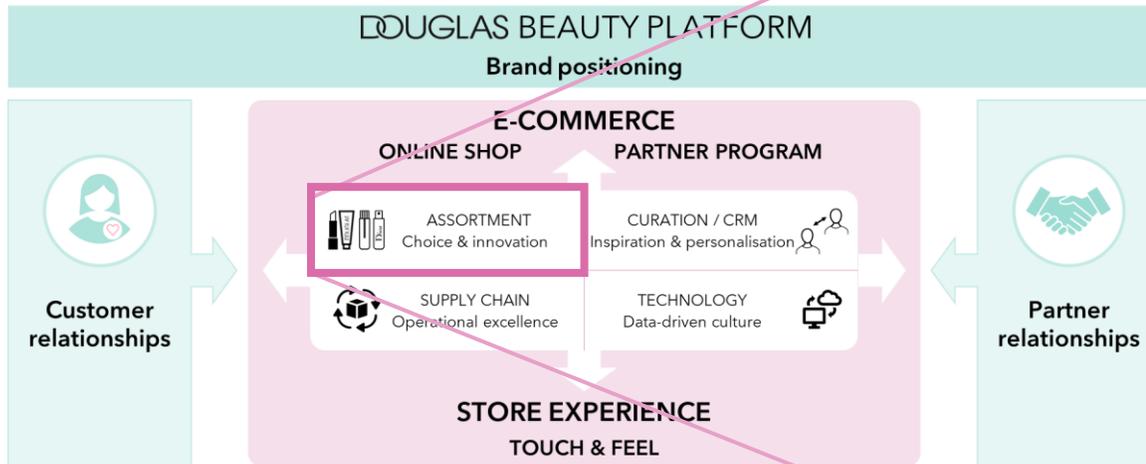
³ Go live in Apr21FC.

⁴ As of Dec20; Source for SKUs: Dataweave and Product Feeds (for Douglas core countries, DE, FR, PL, NL, IT, ES).

STRATEGIC EXPANSION INTO ONLINE PHARMACY MARKET

NEXT LOGICAL STEP IN LINE WITH CUSTOMER TRENDS

3



Capitalizing on mega trends beauty and health in an aging European society

- › Convergence of beauty and health
- › Desire for a health-conscious lifestyle
- › Aging society stimulates growth in health market
- › Digitalization of pharmacy market (e-prescription, telemedicine)

HIGH ATTRACTIVENESS AND STRATEGIC FIT OF PHARMACY MARKET

3

Highly attractive market potential¹

- **Size 2021:** €160bn pharmacy market in DOUGLAS core countries, of which ~€59bn in Germany
- Overall **E-Com sales share** in Germany at 5%
- **Rx market** in Germany ~€52bn, (80% of total market), online share of Rx market slightly above 1%
- Online share **OTC** market in Germany ~20%

DOUGLAS

Perfect strategic fit to DOUGLAS

- **Customers:** High addressable customer base via ~50m Beauty Card holders² results in high organic traffic share and lower customer acquisition costs
- **Assortment:** Expansion of our DOUGLAS assortment, which currently is at over 160,000 SKU's.
- **Consumer behaviour:** Preference for one-stop-shopping destinations drives mixed baskets
- **E-Commerce:** State of the art digital competency enables market transformation

ACQUISITION OF DISAPO APOTHEKE B.V.

3

UNIQUE OPPORTUNITY TO ENTER ONLINE PHARMACY BUSINESS

Established pharmacy



- Located in The Netherlands next to German border
- One of the fast-growing online pharmacies
- Germany and China core markets
- Sales of €~80m in 2021, with around 200 FTE

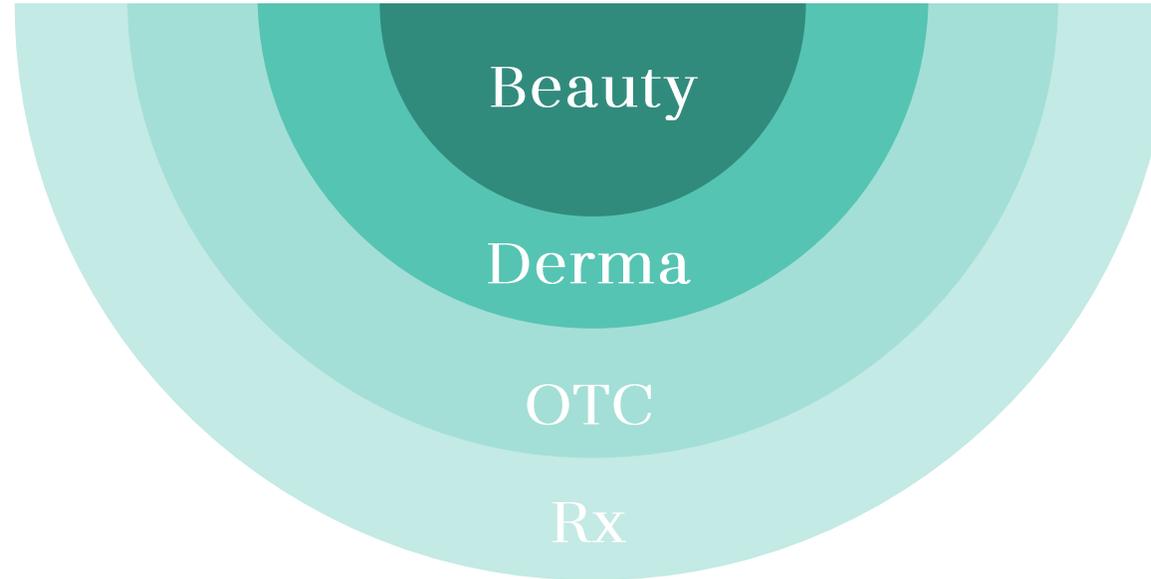
Key aspects of integration

Approach

- Integration of Disapo into DOUGLAS Partner Program
- Start with dermacosmetics and OTC products in Germany in April 2022
- Extension into Rx with introduction of e-prescription in Germany (appr. Summer 2022)
- Gradual roll-out in further European markets
- Continuation of disapo.de as online shop
- Disapo-CEO S. Kraus stays as Managing Director of Disapo B.V.
- Total investment (purchase price plus investment in the business) ~€50-€75m

POWERFUL EXTENSION OF DOUGLAS' CORE

3



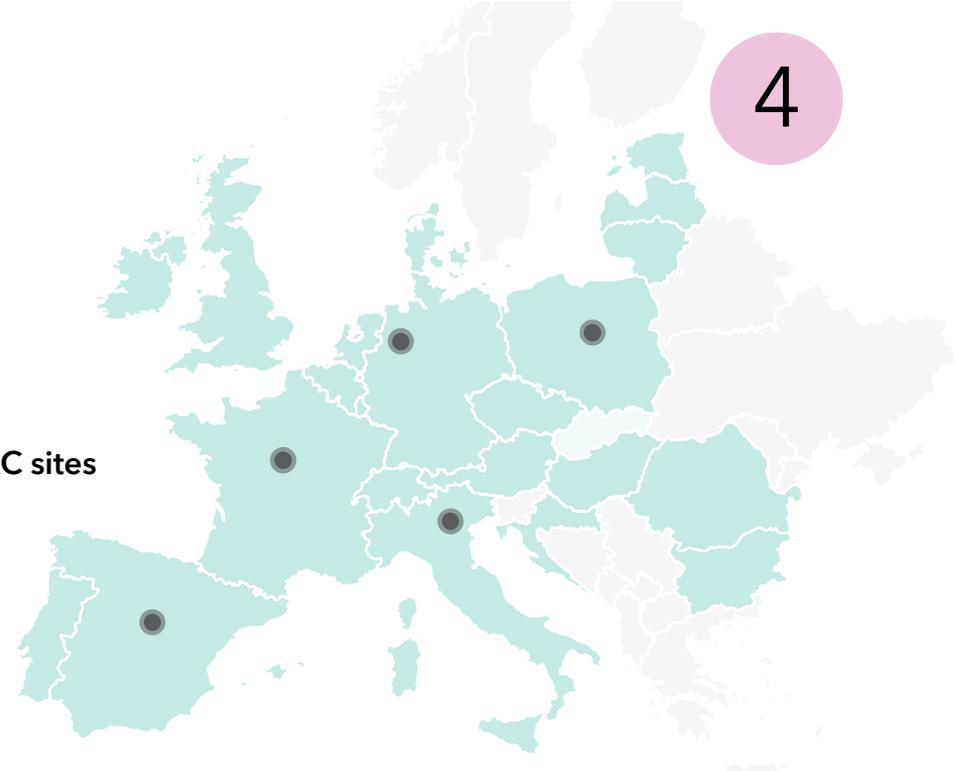
Building the leading European beauty & health platform while adding step by step health competence to the DOUGLAS brand

OUR INTEGRATED PHYSICAL AND DIGITAL SUPPLY CHAIN

PHYSICAL SUPPLY CHAIN

- › New go-to-market supply chain strategy: **One Warehouse, All Channels (OWAC)**
- › **5 OWAC sites to be built to enable E-Com growth and marketplace partner fulfilment by Douglas with up to 150k SKUs per site in total, replacing fragmented logistics network of >20 facilities**
- › **3-year transformation roadmap in place, largest OWAC site fixed with ARVATO to serve region DE, AT, CH, NL equal to ~50% ¹ of Group supply chain, go-live in 2022**

● OWAC sites



DIGITAL SUPPLY CHAIN

- › **Artificial Intelligence** based software with **Machine Learning Algorithms from RELEX Solutions**, replacing legacy supply chain systems
- › **Comprehensive implementation** approach for **5 essential supply chain disciplines**
- › **3-year transformation roadmap** in place starting with **Germany Forecasting & Replenishment, go-live in December 2020**

Digitization of ...

- 1 Initial Order Management
- 2 Forecasting & Replenishment
- 3 Promotion & Pricing
- 4 Shelf Space Management
- 5 Sales Force Management

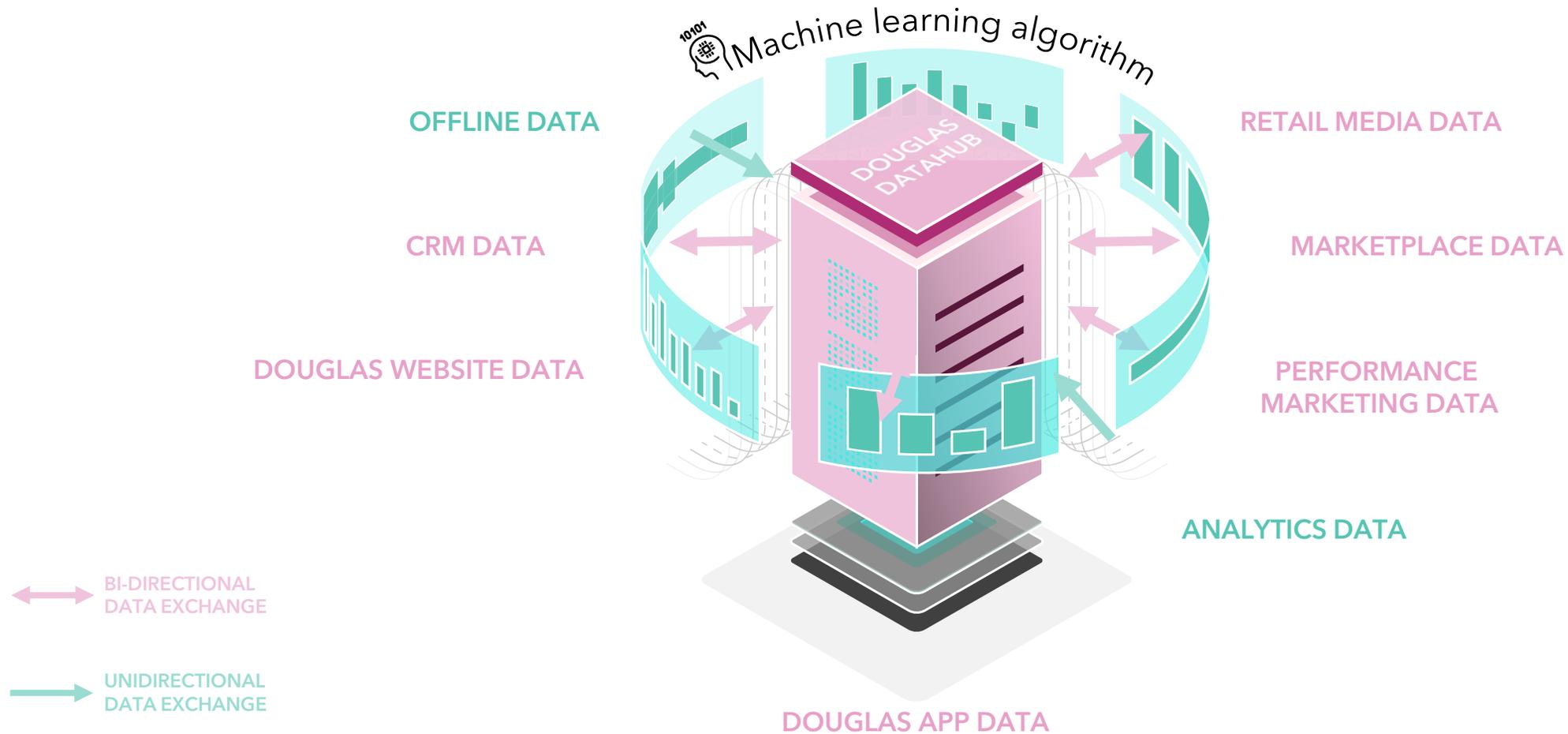
leads to ...

- › better inventory allocation online and offline
- › higher product availability, lower DIO
- › more effective marketing campaigns and pricing
- › higher stock rotation in stores
- › higher labor productivity in stores and logistic facilities

¹Share of COGS; DE excl. NB.

DOUGLAS DATAHUB IS THE KEY ENABLER FOR THE HOLISTIC MACHINE LEARNING DATA STRATEGY

5



CRM: 1:1 CURATED CUSTOMER COMMUNICATION IN ALL CHANNELS

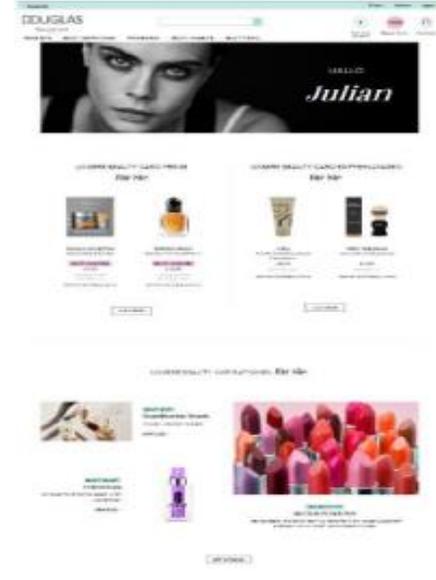
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CRM NEWSLETTER



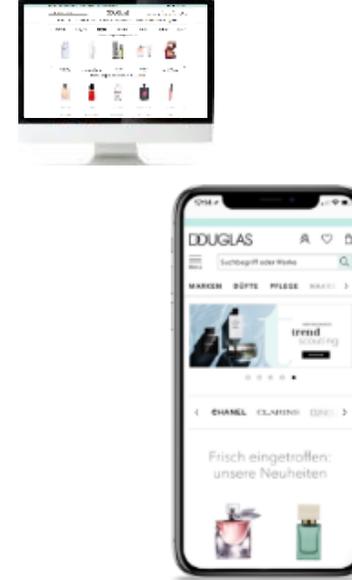
- › Personal beauty tips
- › Individualised product news
- › Targeted product recommendations

CRM WEBSHOP



- › Personalised start page
- › Beauty points, coupons & rewards
- › Inspirational content

CRM DOUGLAS APP



- › Personalised offers
- › Inspirational content
- › Push notifications

POINT-OF-SALES SCREEN AND RECEIPT



- › Customer master data
- › Personal salutation
- › Information on beauty points
- › Personalised offers



Douglas currently has 47.8m beauty card members in its core countries. In FY20/21AC household penetration⁽¹⁾ increased one third of all households.

¹ The number of customer cards per core country (taken from Company database) is divided by the number of households (taken from publicly available sources).

CURATION/CRM: DOUGLAS LIVE

IMPRESSIVE STARTING POINT FOR SOCIAL COMMERCE



131

Live Shows in **8 countries**: DE, AT, CH, NL, IT, ES, PL & FR

+340K

Viewers inc. replays **with 60% of app share**

46%*

Customers **aged 16-30** vs. 26% for all E-Commerce shoppers

~5.2%

Average conversion rate (Conversion rate E-Com Germany: 2.9%)

SUCCESSFUL PARTNER PROGRAM IN 5 COUNTRIES

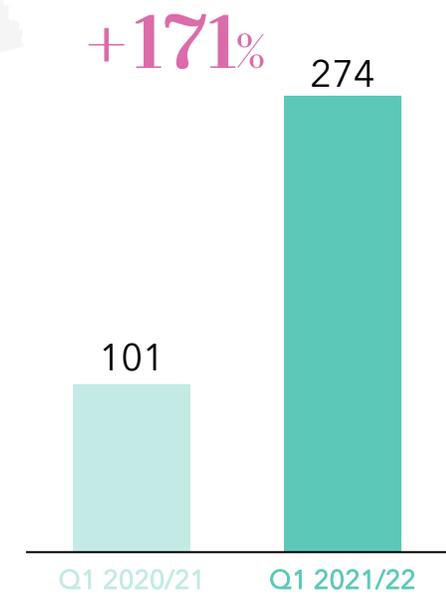
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NETHERLANDS LIVE SINCE OCT 2021

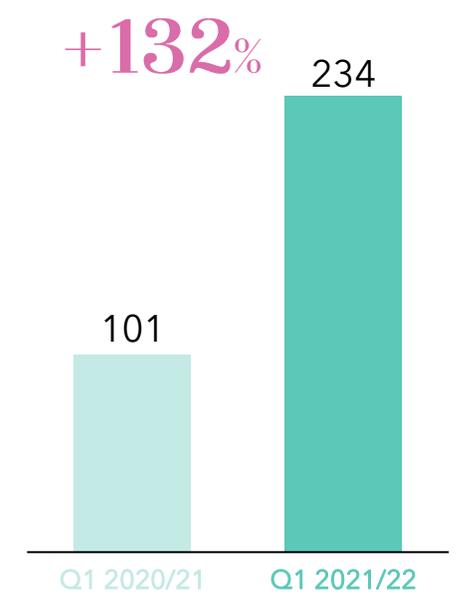


Partner Program live
Partner Program upcoming FY 21/22 Q3

NUMBER OF PARTNERS (ALL COUNTRIES)

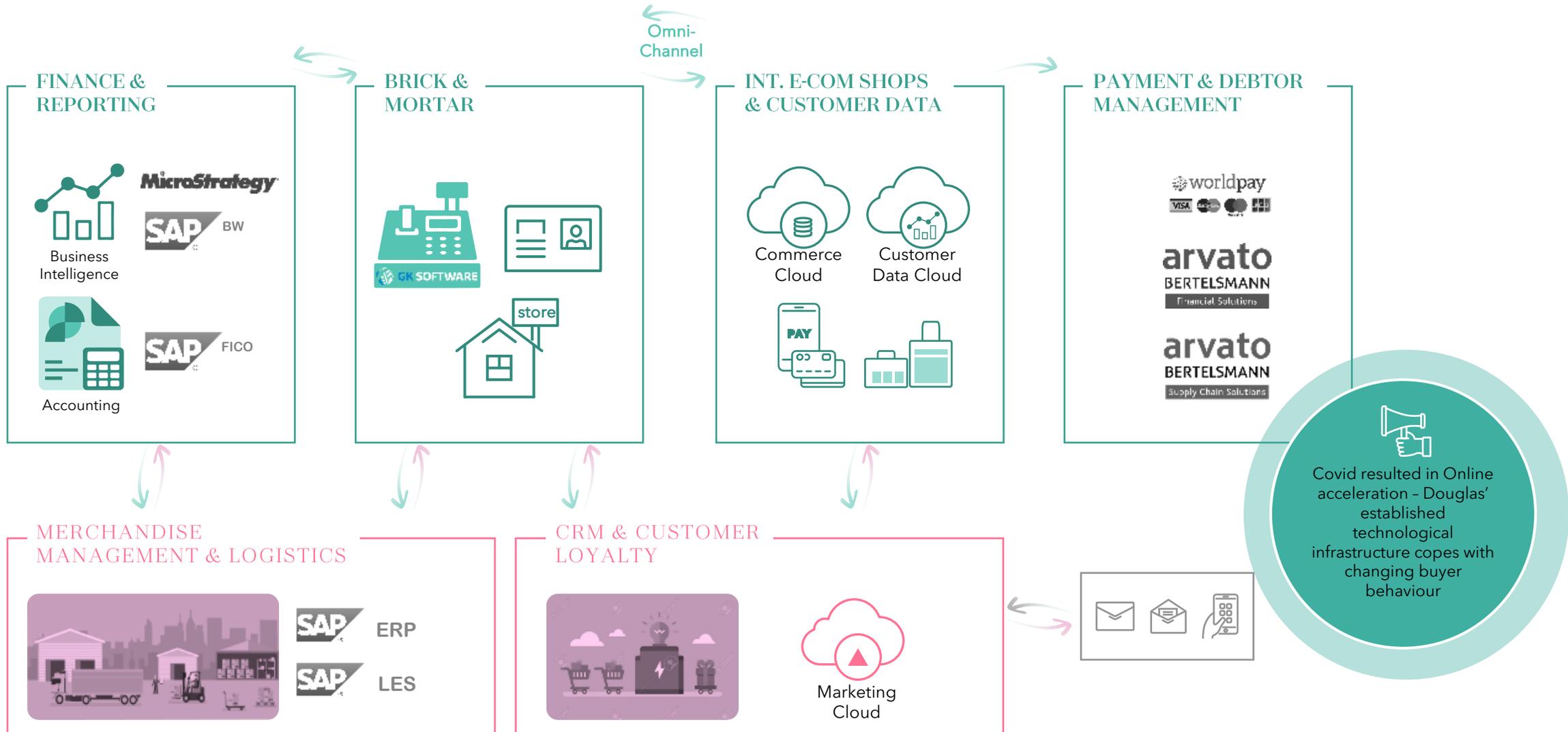


NUMBER OF PARTNER PROGRAM SKUS (ALL COUNTRIES)*



*Incl. Small brands via enablers; Source: Live SKU Report; EPP Partner Program countries (DE, AT, PL, NL)
**Net sales before returns; Source: Tableau E-Com dashboard, EPP Partner Program countries (DE, AT, PL, NL)

DIGITAL INFRASTRUCTURE IN PLACE



LAUNCH OF STORE OPTIMIZATION PROGRAM

IN LINE WITH #FORWARDBEAUTY.DIGITALFIRST

WHY WE ADAPT THE STORE NETWORK

Sustainable **shift** from offline **to online**

Change of customer behavior in post-Covid new normal with reduced store traffic

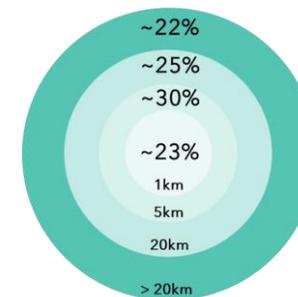
Re-balancing of **network density**

Profitability uplift through **revenue transfer** in case of multiple stores in same catchment area

Premiumization of store network

Changed reality on **retail real estate** market with decreasing market rents in many locations

STORE NETWORK ANALYSIS



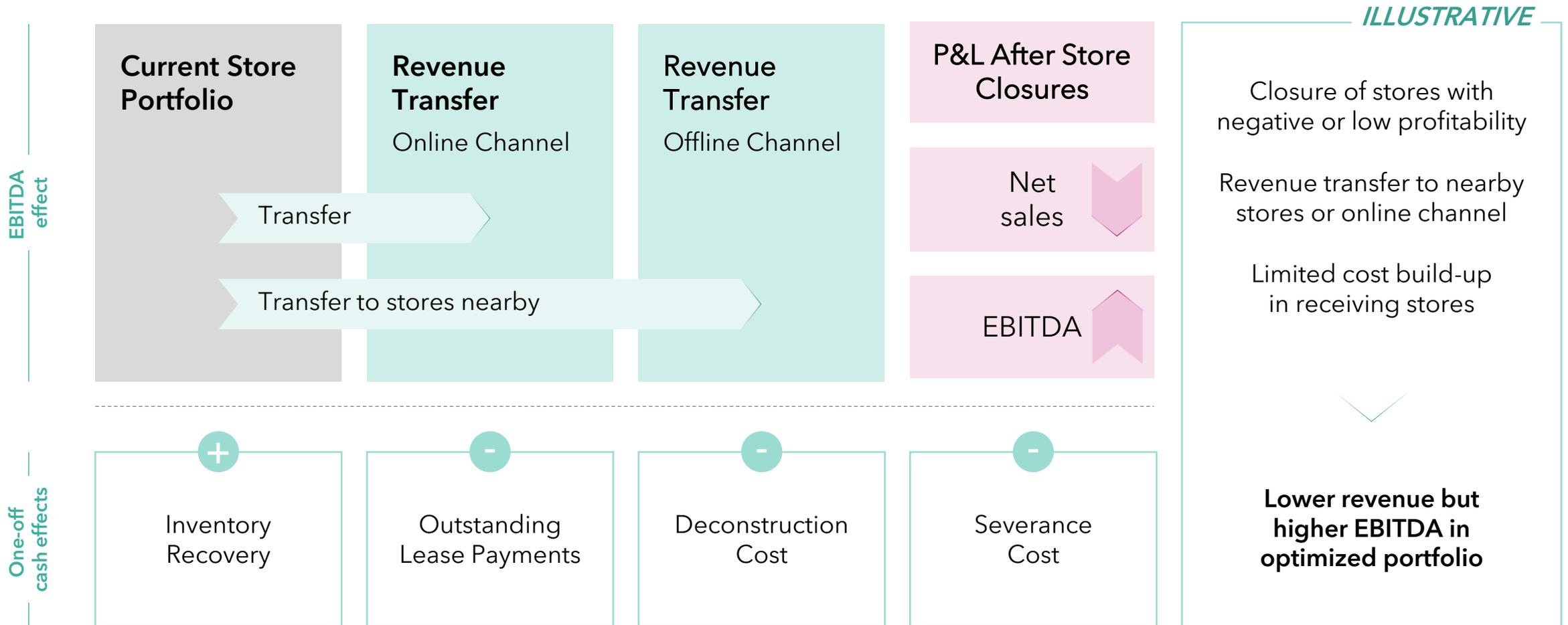
High number of **stores within same catchment** areas drive potential to capture offline revenue transfer after store closures



Detailed **analysis of individual catchment areas** (incl. competitive situation) as a basis for definition of optimized future store network

OPTIMIZED STORE PORTFOLIO WILL INCREASE EBITDA

STORE PORTFOLIO OPTIMIZATION



STORE OPTIMIZATION PROGRAM AND #FORWARDORGANIZATION COMPLETION BY END OF FY21/22

	Main lever	EBITDA potential (€m)	One-offs cash (€m)	Comments
1 SOP	Store portfolio optimization	€43m ~500 stores	Net cash effect: Σ €(39)m	Optimisation of store portfolio based on analysis of catchment areas Selection of future store network based on performance, competitive situations and proximity to other stores EBITDA improvement potential based on revenue transfer (offline and online) with only limited additional costs in remaining network Net cash effect includes closure costs offset by inventory shift costs
	Store personnel	€35m ^{1 2}	Severance cash effect of €(14)m	Efficiency improvement / reduced store staff in stores that remain open Reduced staff requirements due to COVID-induced traffic reduction
	Store rent reduction	€22m	-	Rent saving potential from re-negotiating with landlords of stores that will not be closed Changes in retail real estate market situation accelerated due to COVID
2	#Forward Organization	€18-20m	Severance cash effect of €(25)m	Savings from re-organization of Group functions and local head office organization
	Consulting/Legal fees	-	€(15)m ³	
	Total	€118-120m	€(94)m ⁴	

¹ Store personnel effect after store closures and contingency of 20%-40%. Post-COVID "new normal" adjustment based on net sales in Budget FY20/21, to be finalized based on actual Q1 performance.

² Post-COVID "new normal" adjustment based on net sales in FY20/21BU.

³ Current estimate for FY20/21.

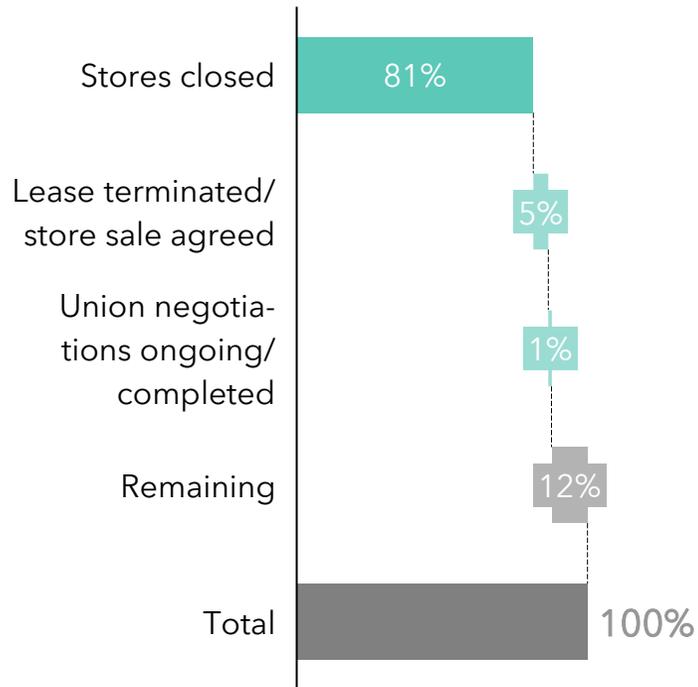
⁴ €3m of SOP & #FWO effects for 3 months paid in Q1-20/21.

SOP IMPLEMENTATION OVERVIEW

FULLY ON TRACK, 85% OF SAVINGS ACHIEVED

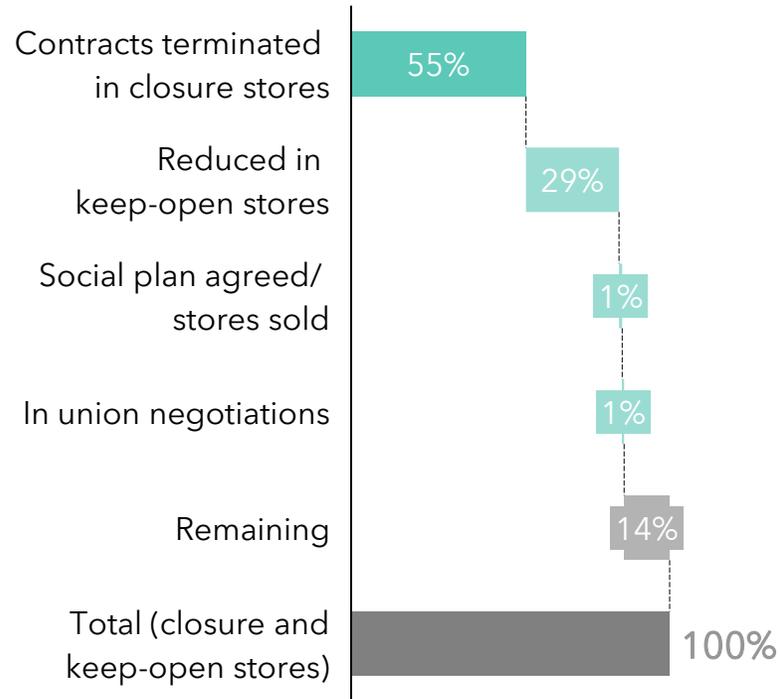
STATUS 31.12.2021

STORE CLOSURES / LEASE TERMINATIONS (# OF STORES)



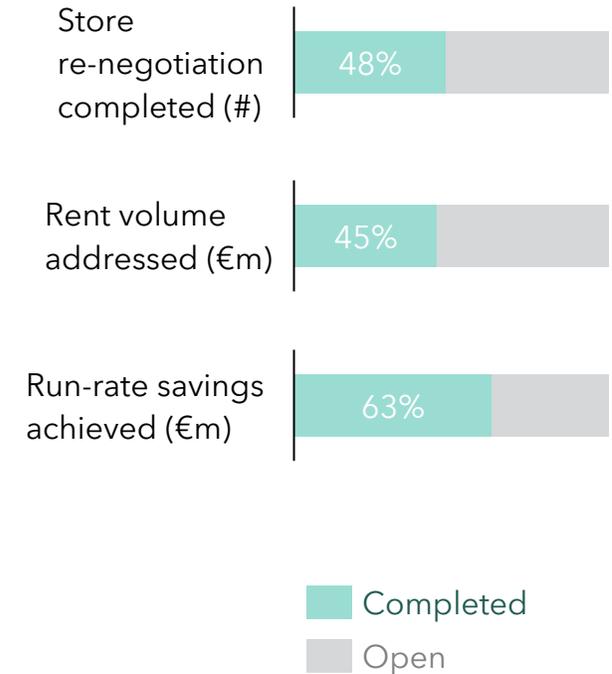
For **~90%** of the stores the „point of no return“ has been reached

FTE REDUCTIONS (CURRENT EST.)



~85% of FTE contracts terminated, released or in union negotiations

RENT NEGOTIATIONS KEEP OPEN STORES¹



Average savings per store ahead of plan (+3pp)



SUMMARY

Transformation to an integrated, digital beauty platform reflects the changes in consumer behavior

Store closures are a consequence of the digital transformation

Remaining stores become part of the integrated, digital beauty platform

Positive effects on EBITDA enable us to further pursue our profitable growth strategy



CLOSER LOOK

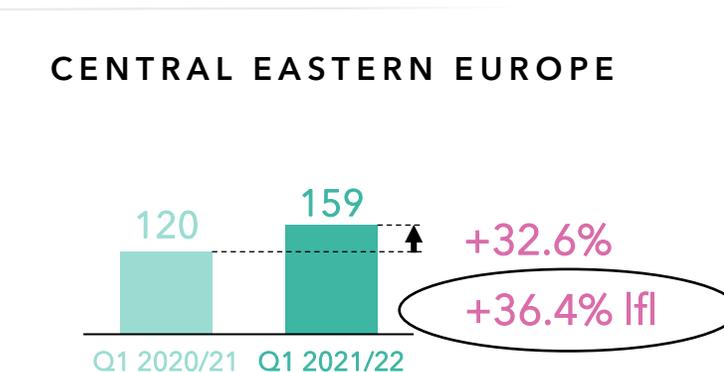
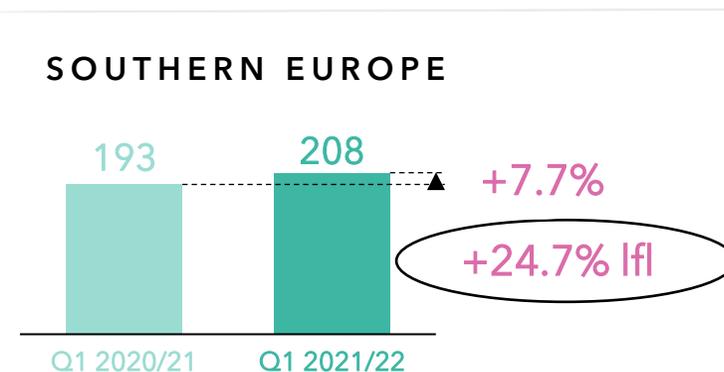
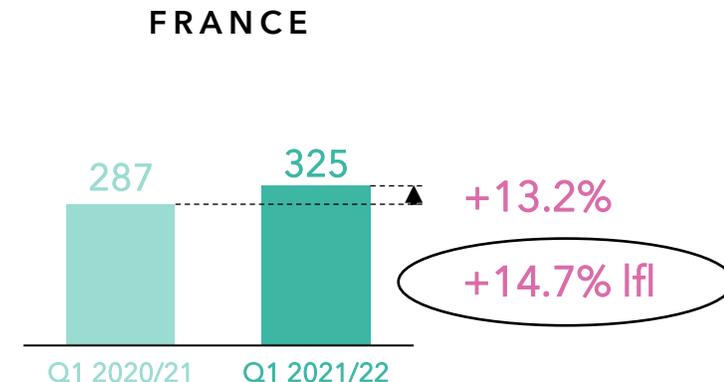
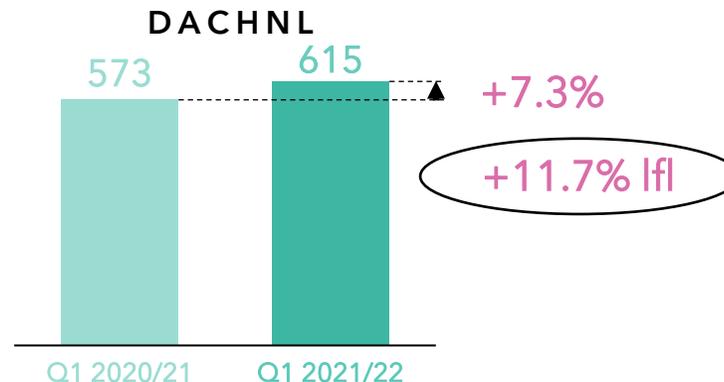
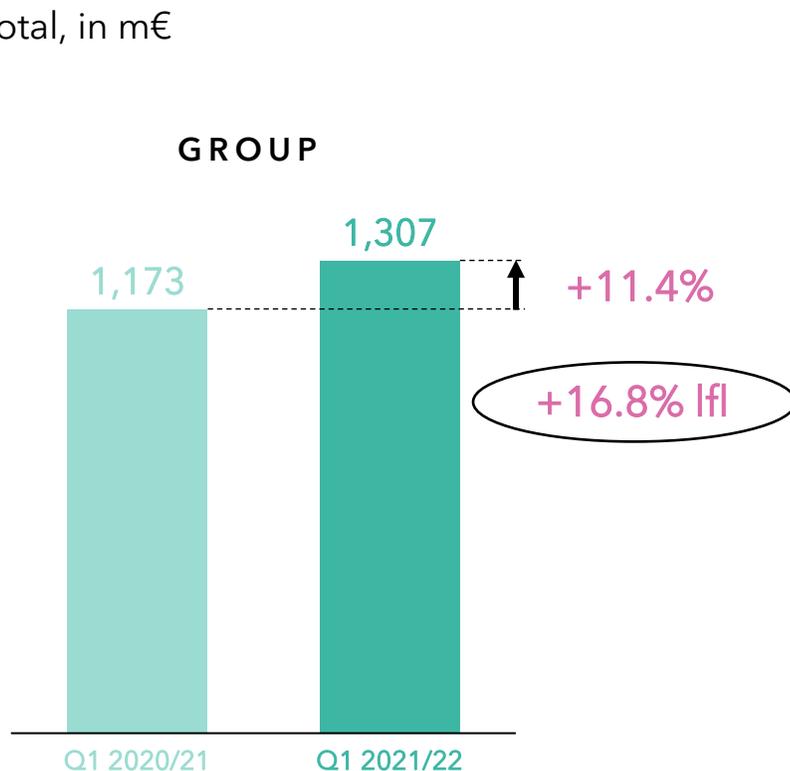
Q4 2020/21
FINANCIALS

DOUGLAS

NET SALES DEVELOPMENT BY SEGMENT

GROUP Q1 2021/22

Total, in m€



Net sales up 10.9% lfl on pre-COVID-19 level; increase driven by **strong growth in Brick & Mortar business** while prior year was burdened by lockdowns in FR and PL in Nov 20, and DE and NL in Dec 20, in Q1 2021/22 only lockdown in NL beginning 18 Dec 21; **E-Com sustained high level**

Strong like-for-like growth demonstrates **positive contribution of Store Optimisation Programme (SOP)**; like-for-like strong increase on prior year (16.8%)

DACHNL:
In prior year hard lockdown in DE and NL; strong growth in brick & mortar while E-Com stayed on a high level

France:
Prior year burdened by lockdown in November; strong increase in Brick & Mortar while E-Com reduced from extraordinary high basis

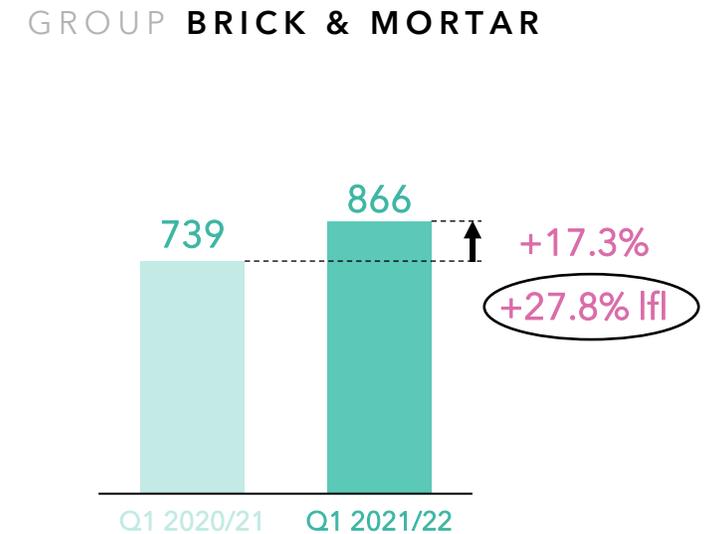
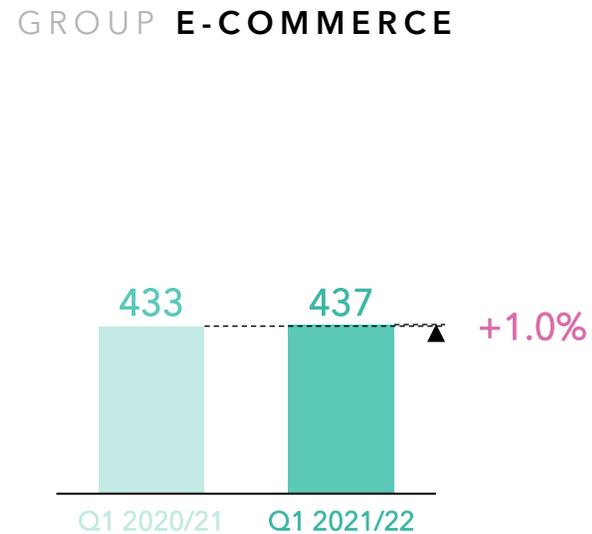
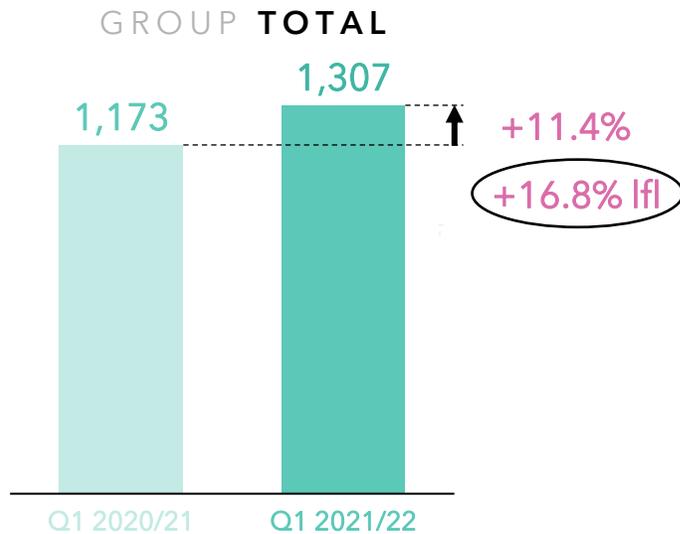
Southern Europe:
Brick & Mortar grew strongly (in Q1 2020/21 only marginal impact from lockdowns); E-Com remained on high level achieved

Central Eastern Europe:
Brick & Mortar as well as E-Com continued on their strong growth path
Especially strong Christmas business in December

NET SALES DEVELOPMENT Q1 2021/22

NET SALES LFL +10.9% VS. PRE-COVID-19-LEVEL

In m€



- › Strong performance despite Covid-19 restrictions such as limited number of customers, obligation to wear masks, need for proof of vaccination or recovery from COVID-19 infection
- › Positive sales development due to strong growth in Brick & Mortar business
- › Sustained high level in E-Commerce sales
- › Net sales lfl +10.9% vs. PPY (pre-Covid-19 level)

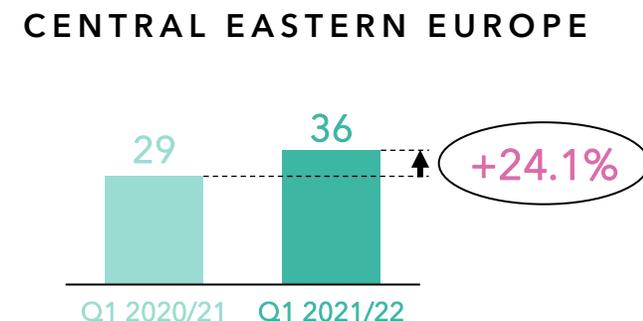
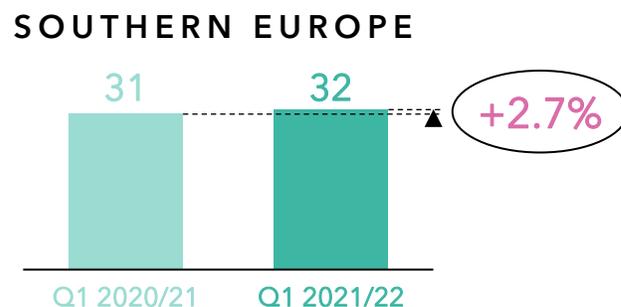
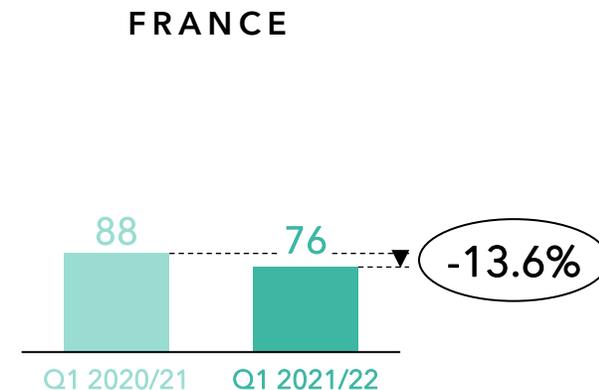
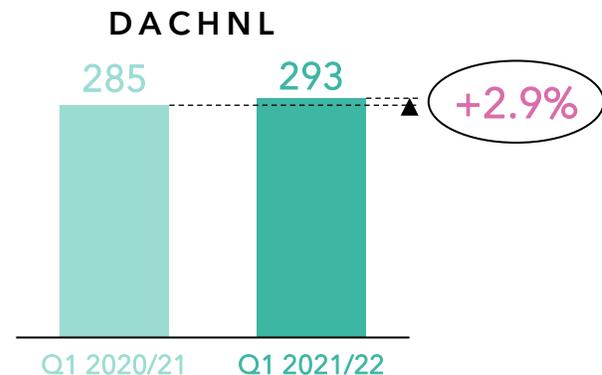
- › Online business maintains high sales level amid recovering Brick & Mortar business
- › Prior year impacted by lockdowns in FR and PL in Nov 20, and DE and NL in Dec 20, in Q1 2021/22 only lockdown in NL beginning 18 Dec 21
- › +75.4% vs. PPY (pre-Covid-19 level)

- › Store sales continue to recover, but still impacted by Covid-19 restrictions in several markets
- › Higher basket size and higher value per item offset lower traffic (-34.9%) compared to PPY (pre-Covid-19 level)
- › Net sales lfl -7.7% vs. PPY (pre-Covid-19 level)

NET SALES DEVELOPMENT BY SEGMENT

E-COMMERCE Q1 2021/22

E-Commerce, in m€



E-Com sales remained on a high level after strong prior year

Sales increased by 75.4% compared to pre-COVID-19 level, E-Com share at 33.5% (up from 19.3% pre-COVID-19 level)

Supply chain issues weighed on product availability³⁰ and affected sales

DACHNL:

Strong promotional activities by competitors

Partner Program contributed to growth

E-Com share at 48%, highest in the Group and significant market share already achieved

France:

With Brick & Mortar open, lower traffic in E-Com resulted in sales decline; compared to pre-Covid-level +76%; Click & collect remained strong

Average basket decreased slightly in a quarter with high promotional activity

Southern Europe:

E-Com continued to grow at slower pace as customers continued online shopping and also visited Brick & Mortar stores

E-Com share nearly tripled compared to pre-COVID-19 level to at 15.4%

Central Eastern Europe:

E-Com share more than doubled compared to pre-Covid-19 level

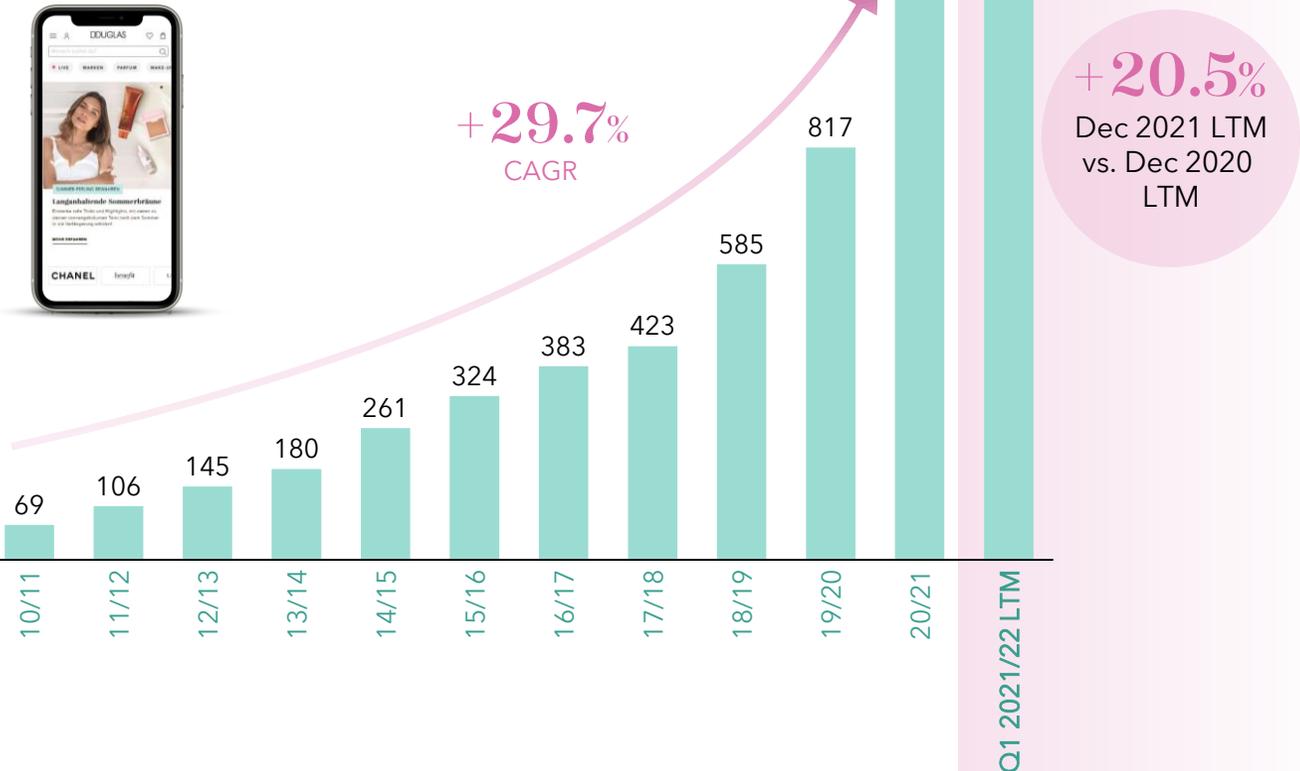
E-Com share at 22.5%

E-COM AND BRICK & MORTAR COMPLEMENT EACH OTHER

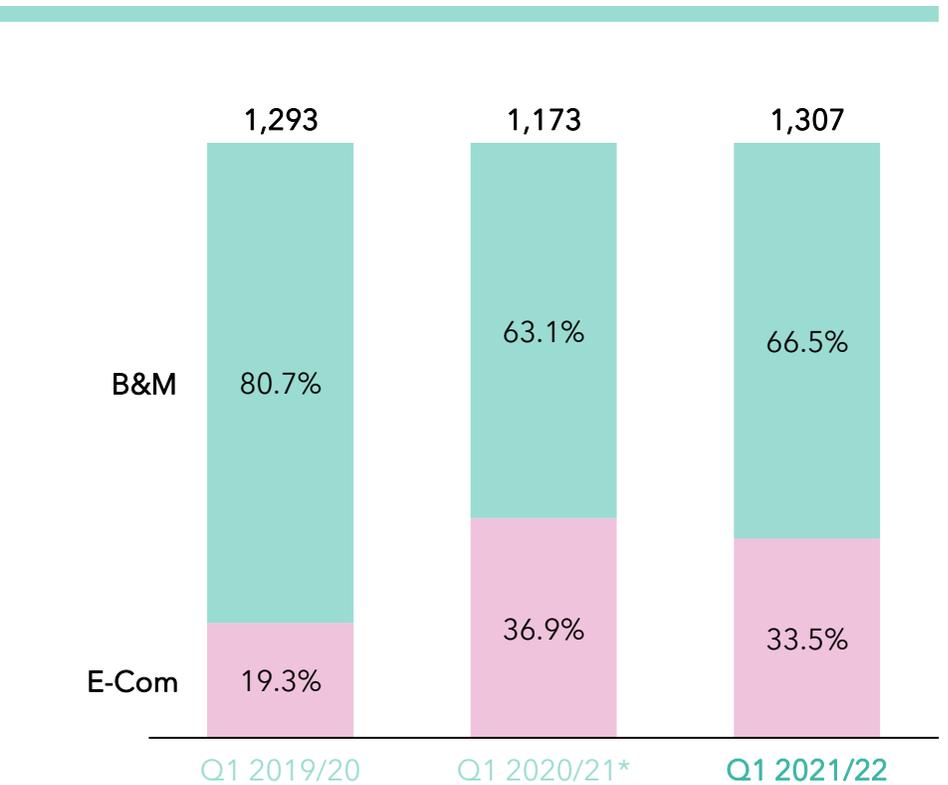
E-COMMERCE SALES SHARE >30%

IMPRESSIVE LONG-TERM E-COM GROWTH

NET SALES (In m€)



SALES SHARE E-COM AND BRICK & MORTAR



*impacted by lockdowns in FR and PL in November 2020 and DE and NL in December 2020 (in Q1 2021/22 only lockdown in NL beginning 18 Dec 21)

E-COMMERCE: STRONG DEVELOPMENT OF KPI'S

STRONG IMPACT BY PRIOR YEAR'S LOCKDOWNS IN DE, FR, PL, NL

GROUP

Q1 2021/22 (VS. PY)

 €4.37m +1.0%
E-Com net sales

 3.4% +0.2%pts
Conversion rate

 €67.5 +1.0%
Average basket (incl. VAT)

 33.5%
E-Com sales share

 65.1% +4.1%pts
Mobile sales share

 27.3% +3.6%pts
App sales share**

 -4.5%
New customers in E-Com*

 -7.4%
Number of visits

Source/countries included:

*New customers in E-Com: Monthly KPI Development Report, excluding BG and Baltics

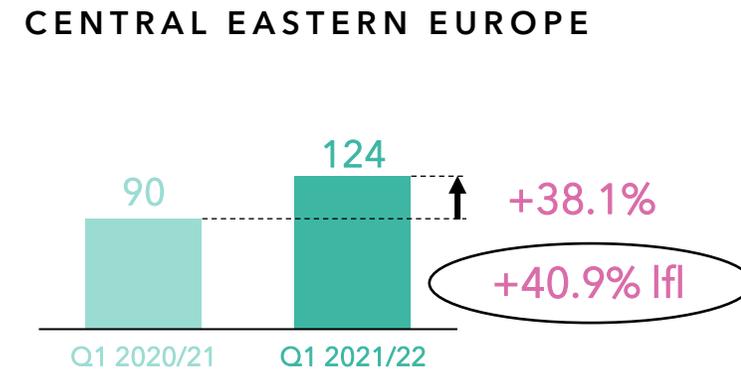
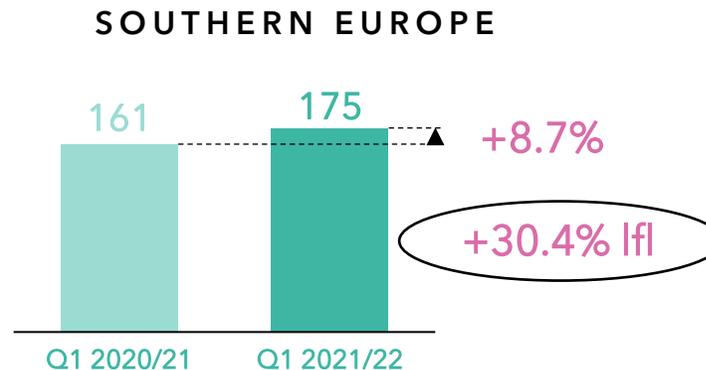
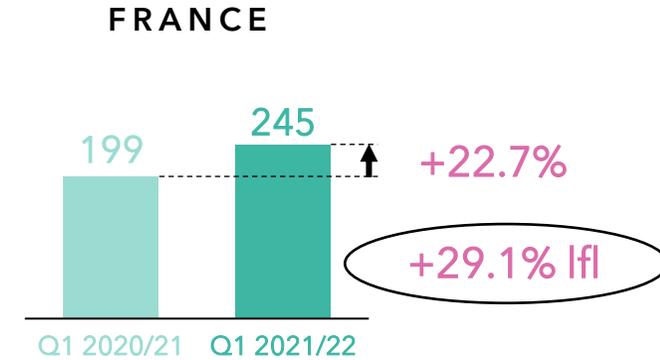
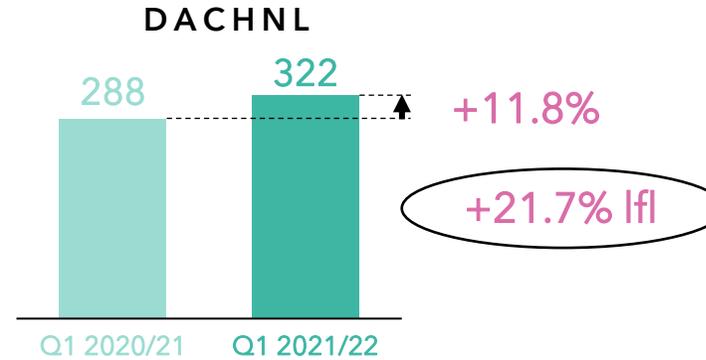
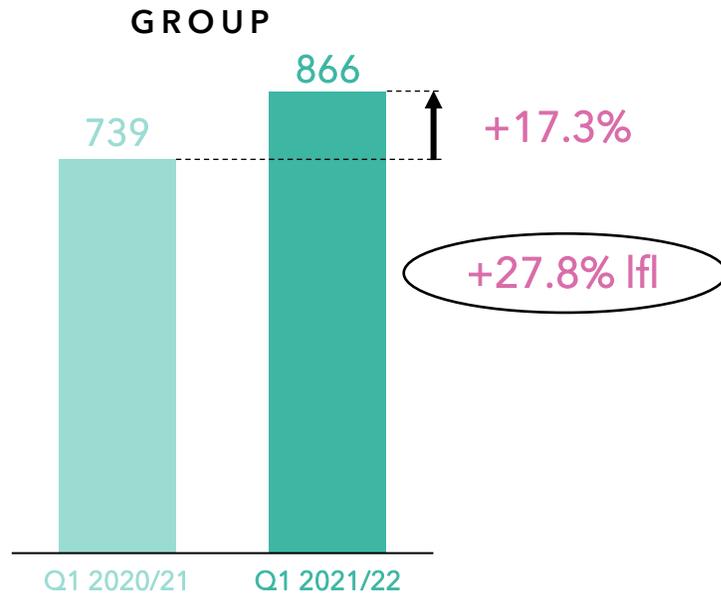
**App share shows data for AT, BE, CH, DE, IT, NL, PL only.

Traffic, CR, AOV, Mobile sales share, App sales share based on Frontend tracking tools: Adobe, GA, Webtrekk

NET SALES DEVELOPMENT BY SEGMENT

BRICK & MORTAR Q1 2021/22

Brick & Mortar, in m€



Low comparison base due to lockdowns in prior-year
Regained business from drugstores which were allowed to stay open during lockdowns

Like-for-like growth demonstrates positive contribution and **effectiveness of Store Optimisation Programme**

Overall footfall 25% above Q1 2020/21, but still 35% below pre-COVID-19 level

33

DACHNL:
Footfall 17% above Q1 2020/21 but 46% below pre-COVID-19 level

Stable basket size and higher value per item compared to Q1 2020/21

France:
Footfall 36% above Q1 2020/21 but 16% below pre-COVID-19 level

Stable basket size and higher value per item compared to Q1 2020/21

Southern Europe:
Footfall 14% above Q1 2020/21 but 41% below pre-COVID-19 level

Footfall, basket sizes and value per item increased compared to Q1 2020/21

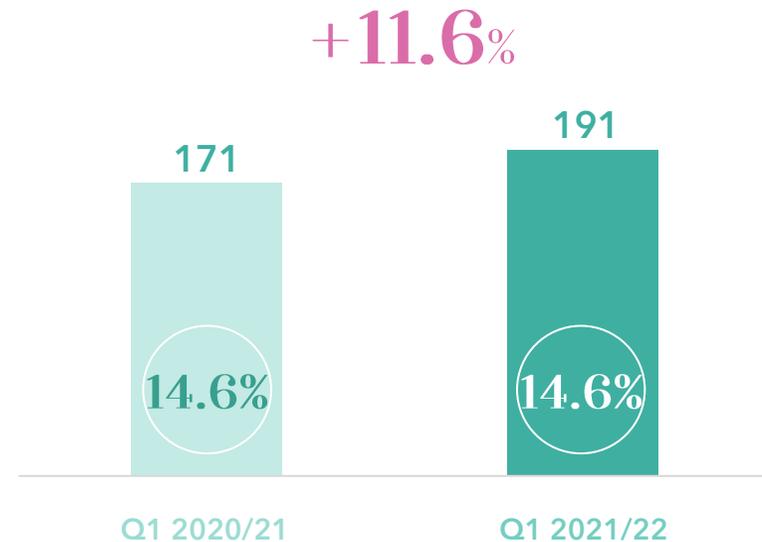
Most affected by store closures

Central Eastern Europe:
Footfall 46% above Q1 2020/21 but 19% below pre-COVID-19 level

Stable basket size and higher value per item compared to Q1 2020/21

ADJUSTED EBITDA DEVELOPMENT Q1 2021/22

In m€ GROUP TOTAL



 Margins

 Strict **cost discipline** in personnel and operating expenses drives higher adjusted EBITDA with sustained margin despite highly competitive environment in E-Commerce

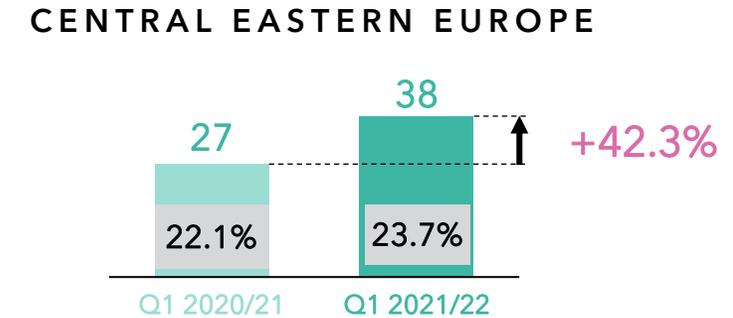
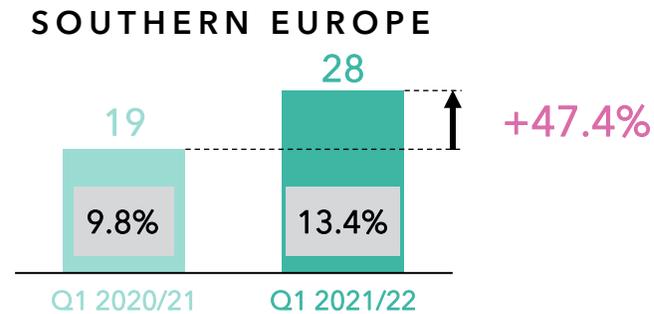
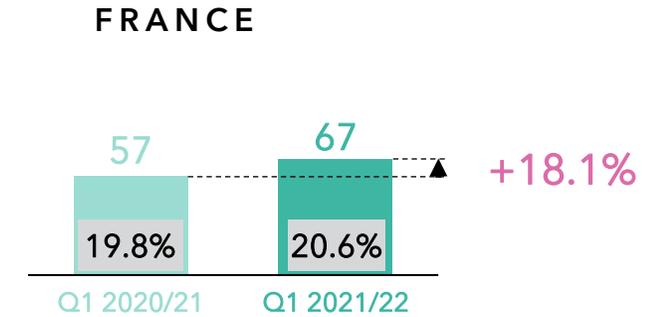
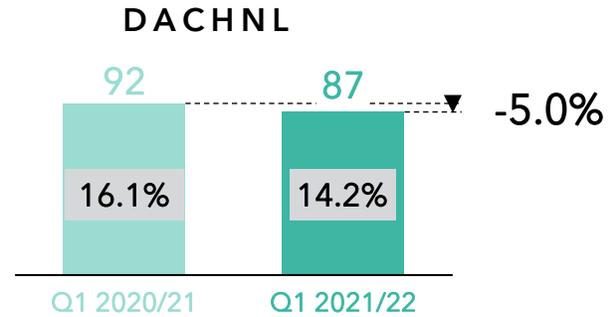
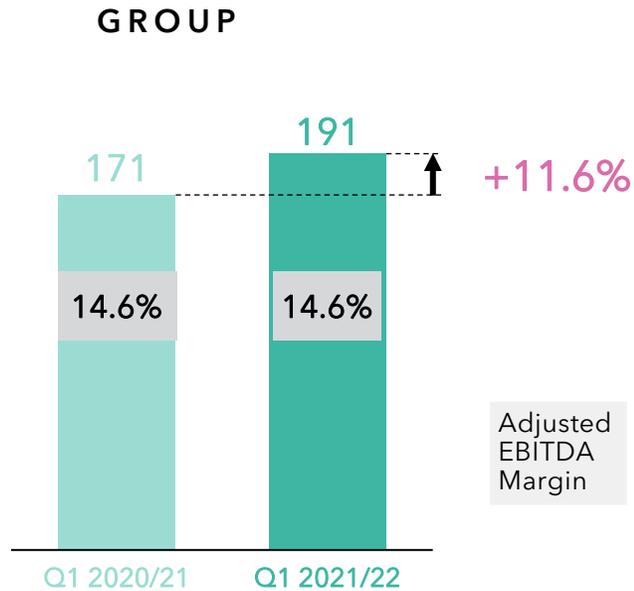
 **Store Optimization Program:** fully on track and delivering lower rental and personnel expenses

 Our segments France, Southern Europe and Central Eastern Europe contributed to strongly increased adjusted EBITDA

ADJUSTED EBITDA DEVELOPMENT BY SEGMENT

Q1 2021/22

Adjusted EBITDA¹, in m€



EBITDA figures stated pre IFRS16

Gross profit margin decreased slightly due to a deteriorated supplier bonus ratio; this was offset especially by better personnel and OPEX ratio, so that EBITDA margin remained stable from PY to AC. Absolute EBITDA improvement mainly driven by increased sales. **Positive contribution from SOP** on cost positions

³⁵ ¹ For details on EBITDA Adjustments see page 28
Note: For details on IFRS16 effects and disclosures please refer to the 3M 2021/22 Financial Report

DACHNL:

COVID-19 induced obligations continued to impose additional costs

Cost inflation in prices for purchased goods and logistics costs; less rent adjustments

France:

Higher sales combined with underproportionate increase in promotional activities and cost discipline; favourable competitive environment

Southern Europe:

Strong like-for-like growth in Brick & Mortar; implementation of SOP resulted in reduced rent and personnel expenses; general cost discipline

Central Eastern Europe:

Strongest sales growth in the Group more than offset cost inflation

P&L OVERVIEW

Q1 2021/22

In m€	Q1 2020/21	Q1 2021/22	Δ
Net sales	1,172.9	1,306.9	11.4%
Gross profit	513.0	560.4	9.2%
<i>Gross profit margin</i>	<i>43.7%</i>	<i>42.9%</i>	<i>-0.9%</i>
Operating expenses	296.1	309.9	4.6%
Reported EBITDA	148.4	190.1	28.0%
Adjustments	22.7	0.9	-95.9%
Adjusted EBITDA	171.2	191.0	11.6%
<i>Adjusted EBITDA margin</i>	<i>14.6%</i>	<i>14.6%</i>	<i>0.0%</i>
EBIT	117.5	166.7	41.8%

Reported EBITDA:

Increased significantly over prior year due to **higher net sales, sustained gross profit margin and general cost discipline**

Adjustments:

Significantly lower adjustments, especially only minor COVID-19 adjustments (€1.3m vs. €13.3m in prior year)

EBIT:

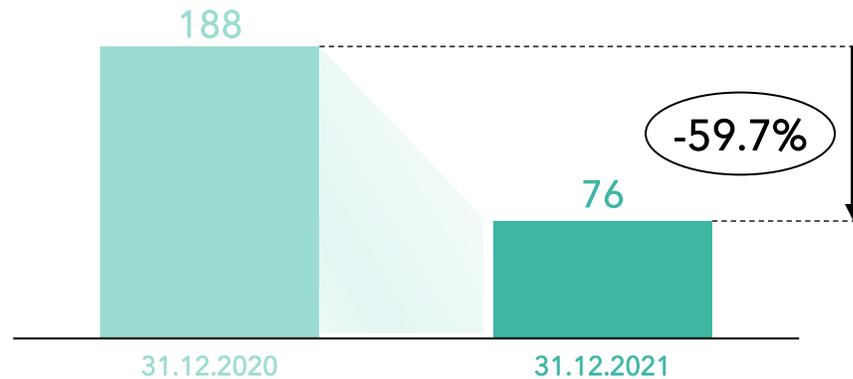
In prior year €5.7m store impairment losses which did not reoccur; D&A at normalized level

NET WORKING CAPITAL AND CAPEX

ONGOING IMPROVEMENTS AND INVESTMENT DISCIPLINE

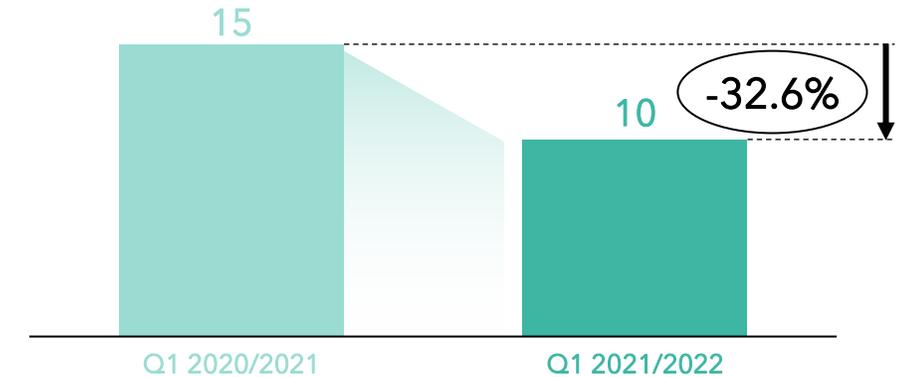
In m€

NET WORKING CAPITAL



- › **Strong limit control** and **use of RELEX** in DE, AT & CH, in IT & PL for E-Commerce, resulted in reduced net working capital
- › **Lower inventory** partially due to delayed deliveries by suppliers, **increased trade payables** due to higher net sales
- › **Efficiently managed inventory** in keep-open stores
- › **DIO** improved from 171 to 144

CAPEX



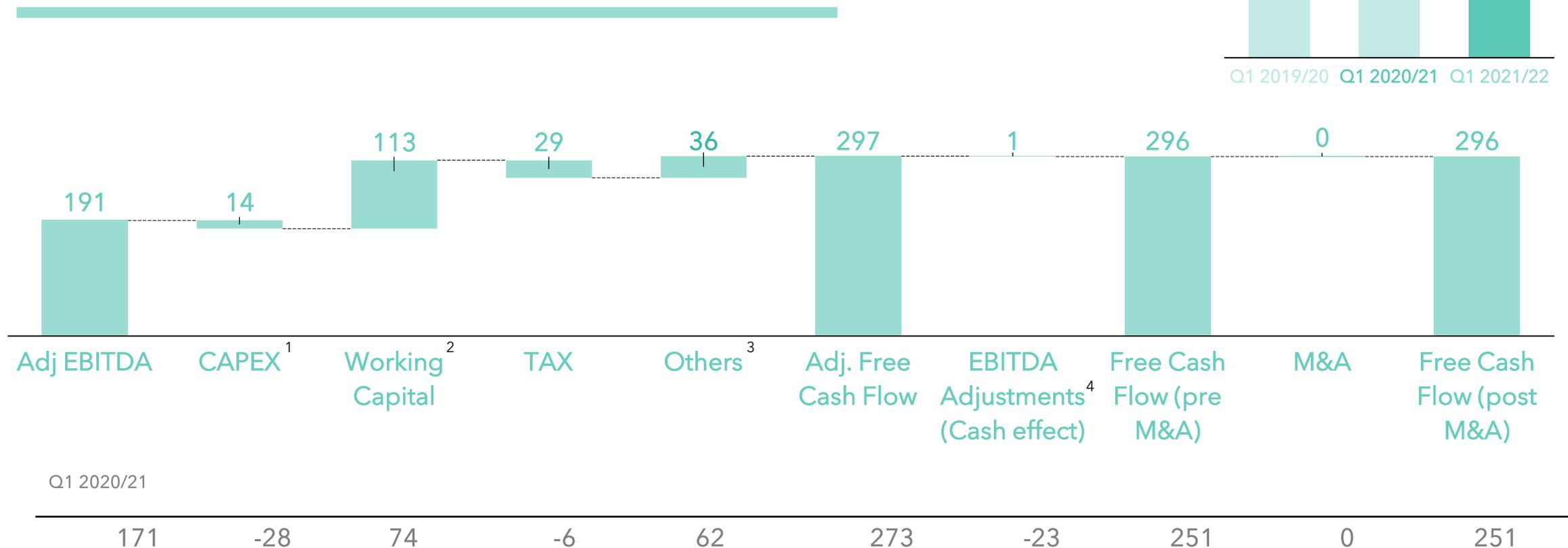
- › **Cautious spending policy** against the background of the persistently challenging situation
- › As in prior-year, CAPEX in Q1 2021/22 for **investments in E-Com**. Major projects in E-Com included App (new technology stack, personalization), Quick Commerce and Partner program (incl. platform rollouts)
- › In prior year, 10 new store openings in Central Eastern Europe whereas this year, expansion activities are planned for following months

FREE CASH FLOW

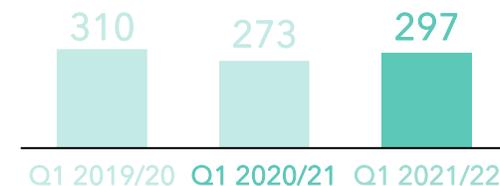
IMPACTED BY EBITDA AND WORKING CAPITAL

In m€

FREE CASH FLOW BRIDGE Q1 2021/22



ADJUSTED FCF DEVELOPMENT



¹ Excl. M&A-related investments (Cash Capex)

² For details on working capital development see page 33

³ Change in Other Assets, Liabilities and Accruals (e.g. SOP)

⁴ For details on EBITDA adjustments see page 28

LIQUIDITY HEADROOM AND LEVERAGE

ONGOING COST AND CASH DISCIPLINE

Improved liquidity

Seasonal peak at the end of important Christmas quarter with high cash inflows

Ongoing cost and cash discipline

Low cash capex in Q1

Shifted payments:

Increased compared to prior year, mainly for goods

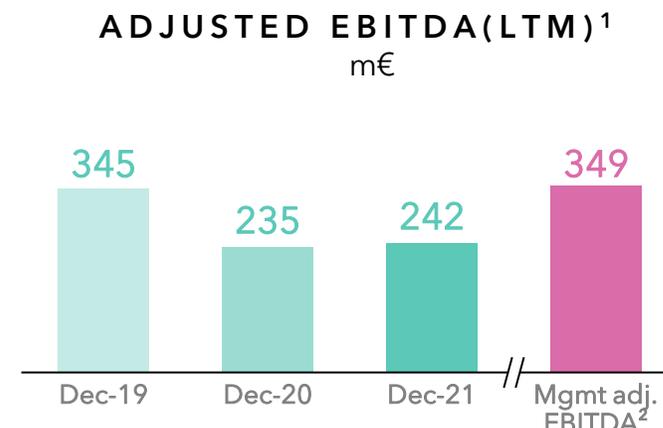
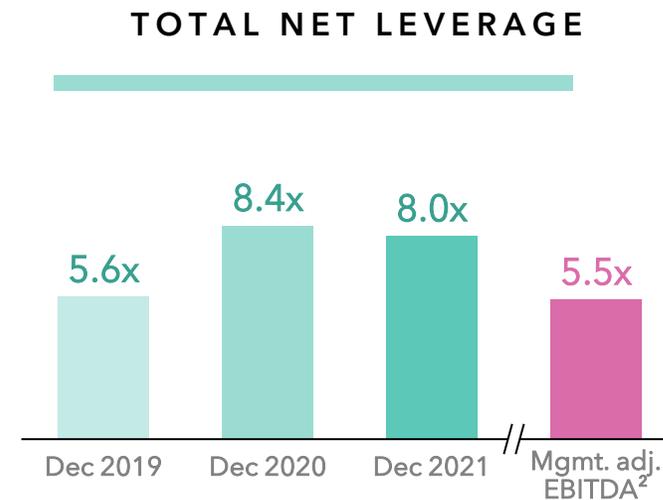
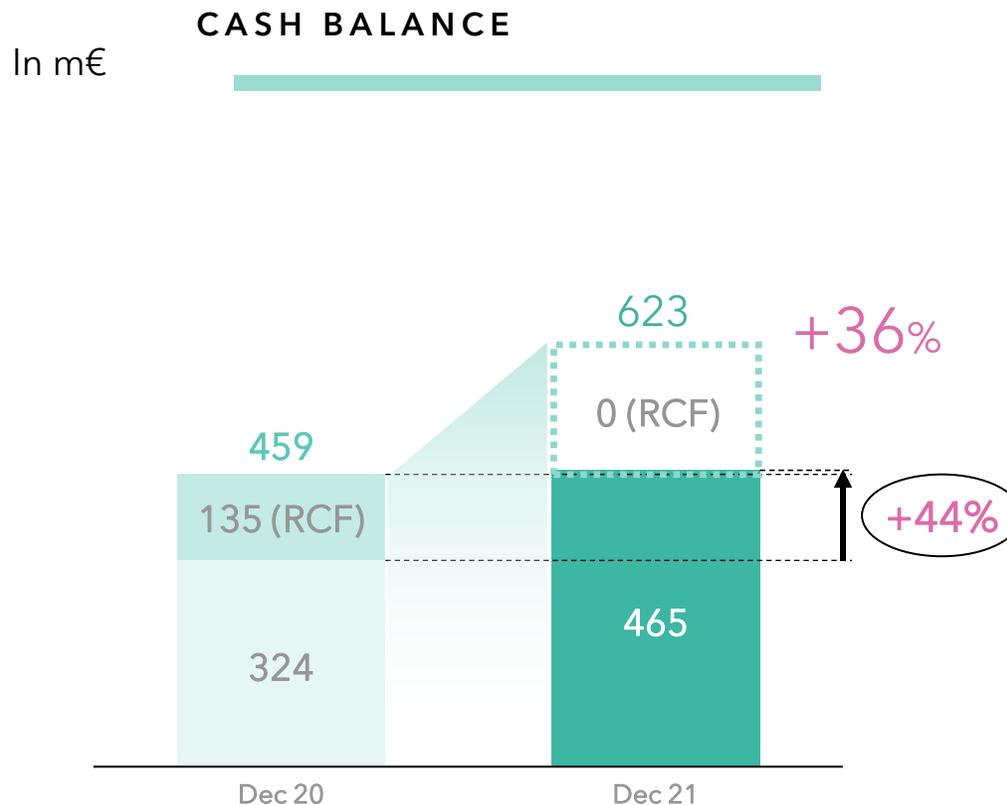
RCF of €170m undrawn:

€12m of outstanding securities mostly in the form of rental guarantees

Acquisition funding:

Likely incremental debt to fund total investment (purchase price plus investment in the business) of ~€50-€75m

Cash balance €465m



¹ For details on EBITDA adjustments see page 28

² LTM Dec 21 AC, Mgt. Adj. EBITDA as per covenant calculations, comprised of €40m for Q2 FY 2020/21, €70m for Q3 FY 2020/21, €42.3m for Q4 FY 2020/21 (including run-rate adjustment of €13.4m for SOP & #FWO programs based on the delta between realized benefits in the quarter and expected total benefits) and €197.1m for Q1 FY 2021/22 (including run-rate adjustment of €6.1m for SOP & #FWO programs based on the delta between realized benefits in the quarter and expected total benefits).



SUMMARY Q1

-  Like-for-like sales significantly above pre-Covid-19 level
-  E-com maintains high level while Brick & Mortar recovers
-  Double-digit growth of adjusted EBITDA
-  Robust liquidity situation
-  DOUGLAS strategy #FORWARDBEAUTY.DigitalFirst is in full execution
-  Execution of Store Optimization Program well on track with perceivable effects
-  DOUGLAS goes Pharma: Next evolutionary step into health by acquiring online pharmacy Disapo B.V.

The background features a grid of various glass bottles, some containing liquids and others empty. In the center, a larger, clear glass bottle with a golden nozzle is shown, containing a light-colored liquid with bubbles. A white rectangular box is overlaid on the right side of the image, containing the word 'Appendix' and a teal horizontal line.

Appendix

DOUGLAS

ADJUSTMENTS TO EBITDA

Consulting fees:

In Q1 2021/22 primarily for infrastructure optimisation; prior-year especially refinancing

PPA:

Former acquisitions

COVID-19:

In particular, staff- and rent-related idle costs in connection with closed stores due to lockdown in NL and hygiene measures in all stores

SOP:

Costs related to Store Optimisation Programme

Other:

In Q1 2021/22, in particular disposal of real estate assets in Italy

EBITDA ADJUSTMENTS

(m€)	Q1 2020/21	Q1 2021/22	FY 2019/20	FY 2020/21
Reported EBITDA	148.4	190.1	176.1	19.3
Consulting fees	5.3	3.7	19.5	8.0
Restructuring costs	0.0	0.0	13.3	0.3
PPA	3.3	-0.1	5.9	4.1
COVID-19	13.3	1.3	61.6	97.2
SOP	0.0	2.2	0.0	78.3
Other	0.8	-6.2	-1.5	15.1
Adjusted EBITDA	171.2	191.0	274.9	222.4

The definition of adjustments changed in the financial year 2020/21, credit card fees are no longer adjusted; the prior-year was adjusted accordingly

DEEP DIVE INTO LFL NET SALES DEVELOPMENT

QUARTERLY OVERVIEW

LIKE FOR LIKE NET SALES DEVELOPMENT

	Q1 2020/21	Q2 2020/21	Q3 2020/21	Q4 2020/21	Q1 2021/22
DACHNL	-3.3%	-22.1%	-3.5%	2.6%	11.7%
France	-6.5%	-7.6%	28.7%	10.6%	14.7%
Southern Europe	-12.1%	-4.8%	35.4%	8.1%	24.7%
Central Eastern Europe	-8.8%	-5.1%	32.9%	16.2%	36.4%
Group	-7.1%	-12.5%	16.8%	7.3%	16.8%
Brick & Mortar	-28.5%	-48.7%	14.8%	3.7%	27.8%
E-Commerce	74.3%	75.5%	19.9%	16.7%	1.0%

OVERVIEW SEGMENTAL STRUCTURE

BRICK & MORTAR, NEW STRUCTURE SINCE Q1 2021/22

DACHNL

Austria
Germany
Switzerland
The Netherlands

FRANCE

France
Monaco

SOUTHERN EUROPE

Andorra
Italy
Portugal
Spain

CENTRAL EASTERN EUROPE

Bulgaria
Croatia
Czech Republic
Estonia
Hungary
Latvia
Lithuania
Poland
Romania
Slovakia

SELECTED SEGMENTAL KPIS

REPORTED EBITDA

	Q1 2020/21	Q1 2021/22
DACHNL	79.6	80.9
France	56.4	70.6
Southern Europe	16.7	33.2
Central Eastern Europe	23.8	37.7
Consolidation	0.0	0.0
Corporate Functions	-28.1	-32.4
Group	148.4	190.1

CAPEX

	Q1 2020/21	Q1 2021/22
DACHNL	2.5	2.5
France	1.6	1.5
Southern Europe	1.4	1.4
Central Eastern Europe	3.0	0.3
Consolidation	0.0	0.0
Corporate Functions	6.6	4.5
Group	15.2	10.2

CASH FLOW STATEMENT

Cash flow from operating activities

Increased due to EBITDA increase and higher sales especially in brick & mortar

Cash flow from investing activities

Reduced due to responsible spending policy to preserve cash (despite ongoing investments in E-Com)

Cash flow from financing activities

Limited comparability as payment dates for bonds have changed to Q1 (in PY Q2); new interest rate structure post refinancing

CASH FLOW STATEMENT

(m€)	Q1 2020/21	Q1 2021/22
Net cash flow from operating activities	277.7	307.9
Net cash flow from investing activities	-27.3	-11.6
Free cash flow	250.4	296.2
Net cash flow from financing activities	-47.5	-71.8
Net change in cash and cash equivalents	203.0	224.5
Cash & Cash Equivalents at Beginning of Period	256.3	240.4
Cash and cash equivalents at the end of the reporting period	459.1	465.0

NET WORKING CAPITAL

Net Working Capital

Continues to be a key focus; efficient management supported by AI-based software RELEX

Inventory

Lower inventory partially due to delayed deliveries by suppliers, increased trade payables due to higher net sales

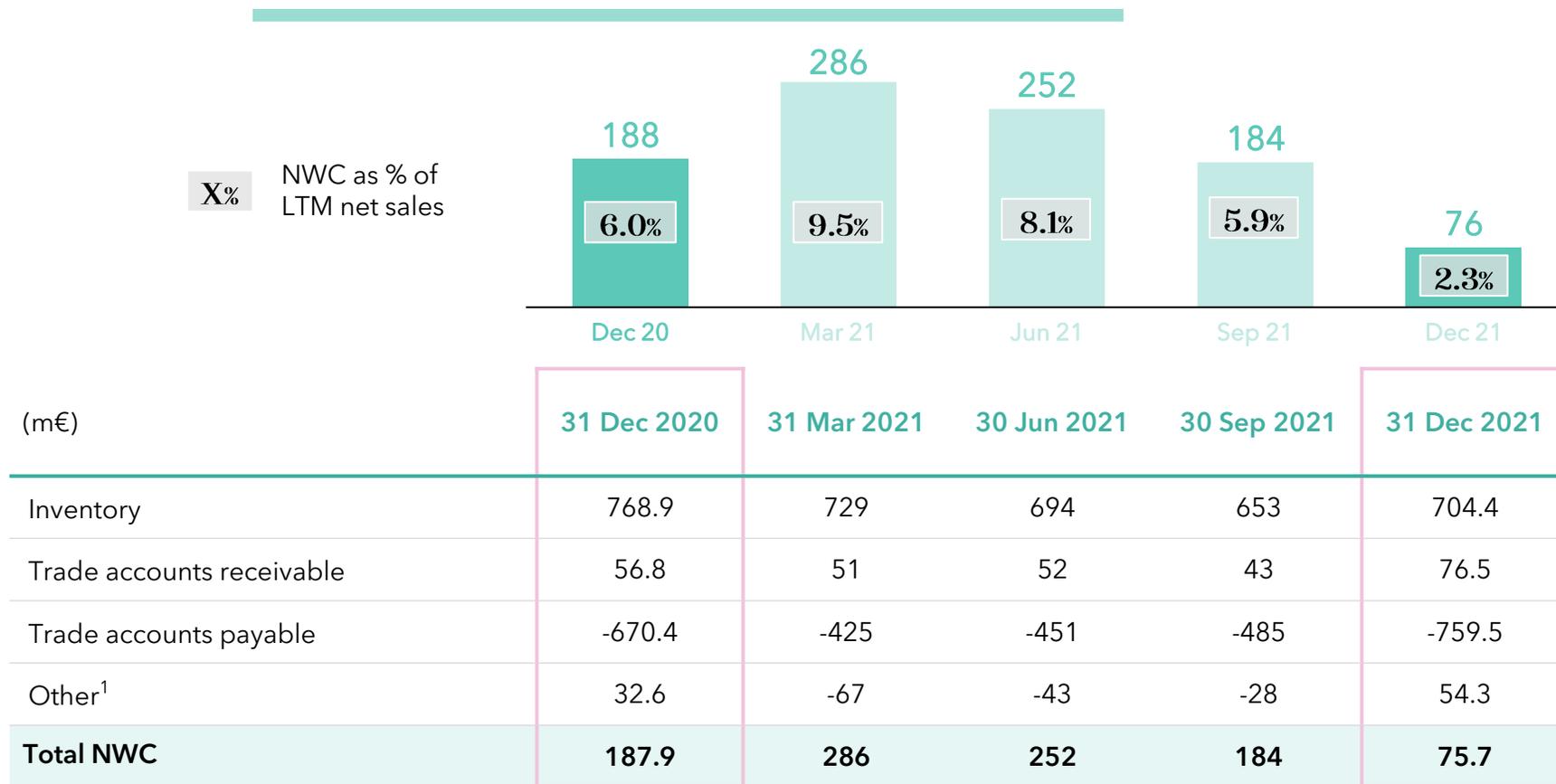
Other

Contains receivables from bonuses and reimbursed marketing costs, offset by coupons not yet redeemed

NWC as % of net sales

Below PY due to higher sales and despite broader assortment

NET WORKING CAPITAL



¹ Incl. receivables from reimbursed marketing costs, bonus receivables, voucher liabilities

EVOLUTION OF CAPITAL STRUCTURE

CASH AND DEBT STRUCTURE AS OF 31 DECEMBER 2021

	m€	x Adj. EBITDA ¹	x Mgmt. Adj. EBITDA ²	Maturity	Pricing
Cash and Equivalents	465				
RCF (€170m Volume)	0			Jan 26	E+4.75%
Term Loan B (B3/B-/B)	600			Apr 26	E+5.5% (99% OID)
Senior Secured Notes (B3/B-/B)	1,305			Apr 26	6.00%
Net Senior Debt	1,440	5.9x	4.1x		
Senior PIK Notes (Caa2/CCC/CCC)	498			Oct 26	8.25% cash or 9.00% PIK
Net Debt (Corp: B3/B-/B-)	1,938	8.0x	5.5x		

Senior PIK Notes:

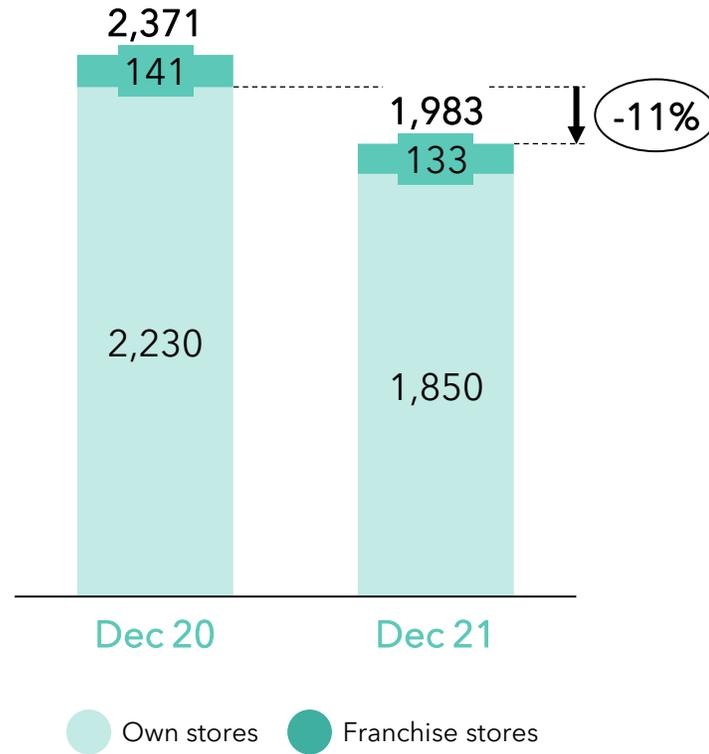
- › Type of interest payments is generally at Douglas' discretion
- › Douglas intends to **generally pay in PIK** unless Douglas makes an election to pay cash interest
- › Douglas will decide this depending on the situation at the respective interest payment date
- › There are no specific metrics associated with it

PREMIUM STORE NETWORK FOOTPRINT

ACROSS EUROPE



NUMBER OF STORES



Limited store openings*

Decrease in number of stores driven by SOP

Portfolio realignment across Europe will result in further reduction in number of stores

(m€)	31 Dec 2020
	-
	31 Dec 2021
Store openings	11
Store closures	-399
Total	-388

*7 own stores in DE, FR, PT, PL, HU, SK; 4 franchise stores in FR

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