9M FY 2015/16 Financial results

25 August 2016

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Additional items regarding the financial information included in this Presentation

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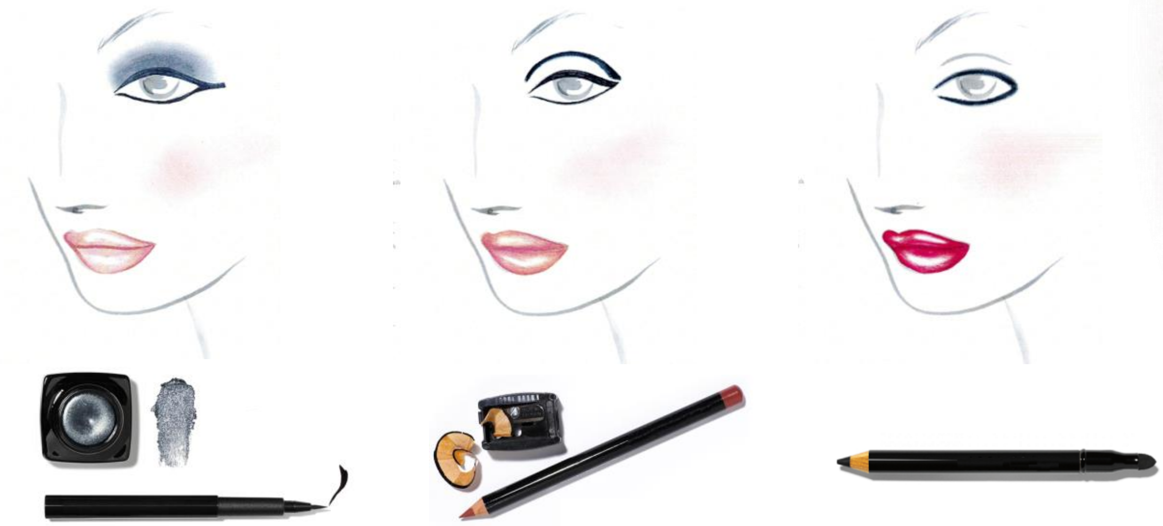
1. Key Highlights



Key highlights

Strong YTD sales and earnings performance	■ Strong sales performance across all regions in Europe ■ Continued dynamic growth in e-commerce sales, which now account for 12.1% of total sales (PY: 10.0%) ■ Combined share of private label / exclusive brands increased to 17.1% (PY: 15.1%) ■ EBITDA adjusted for exceptional items increased by 13.2% driven by top-line growth, scale benefits and efficiency improvements ■ 20 stores opened, mainly in Eastern Europe; continuous investment in refurbishments and modernisations ■ Cash conversion[1] remains high at 84.7% (LTM Jun 2016: 77.5%)
Implementation of investment program driven forward	■ Implementation of EUR 100m **investment program** focusing on fundamental growth drivers - in particular the Douglas brand, CRM, Omni-channel and Private Label - on track; initial projects launched ■ **Organisational restructuring** in Germany as well as in most of the international countries completed except for the move of the corporate headquarters ■ **Realisation costs** related to organisational restructuring affected 9M FY2015/16 EBITDA by EUR 12.9m; unchanged compared to H1 FY2015/16 report as no further costs occurred in Q3 FY 2015/16
Repricing of Term Loan Facility B successfully completed	■ In August 2016, the refinancing of the current Facility B including an additional EUR 150m has been successfully completed ■ The new Term Loan Facility B is priced at Euribor + 375 bps (1% floor), representing a 125 bps reduction in margin compared with the original Facility B ■ Raise of an additional amount of EUR 150m for general corporate purposes, in particular relating to potential bolt-on acquisitions (EUR 50m) and a distribution to shareholders (EUR 100m) ■ Annual reduction in interest expenses of around EUR 8m expected
Withdrawal from Turkish market in line with Douglas growth strategy	■ Low market share in Turkey (< 5%) and lack of potential for major improvement of market position in the mid-term has led to the decision to exit the Turkish market; Douglas continues to aim at becoming N° 1 or N°2 in each of its markets ■ The Turkish store network currently comprises 11 stores earmarked for closing over the coming months

[1] *Defined as Adjusted EBITDA minus CAPEX divided by Adjusted EBITDA*

9M FY 2015/16 Key financials

Comments

- Net sales increased by 4.1%. Wholesale operations in France managed by Douglas-Passion Beauté Achats S.A.S. ("DPB Achats") were terminated on December 31, 2014. Without these sales in the prior year's period, sales increased by 5.0 percent
- Like-for-like sales grew by 5.5%
- Adjusted EBITDA increased by 13.2%, with Margin improving by 1.0%-point to 12.8%
- All geographical regions contributed to the strong performance
- Lower CAPEX due to intra year timing effects in refurbishments and modernisations of the store network, mainly in Germany and France
- Cash conversion (Adjusted EBITDA minus CAPEX divided by Adjusted EBITDA) reached 84.7% affected by seasonal Q1-effects of the Christmas business; LTM Jun 2016 cash conversion remains high at 77.5%

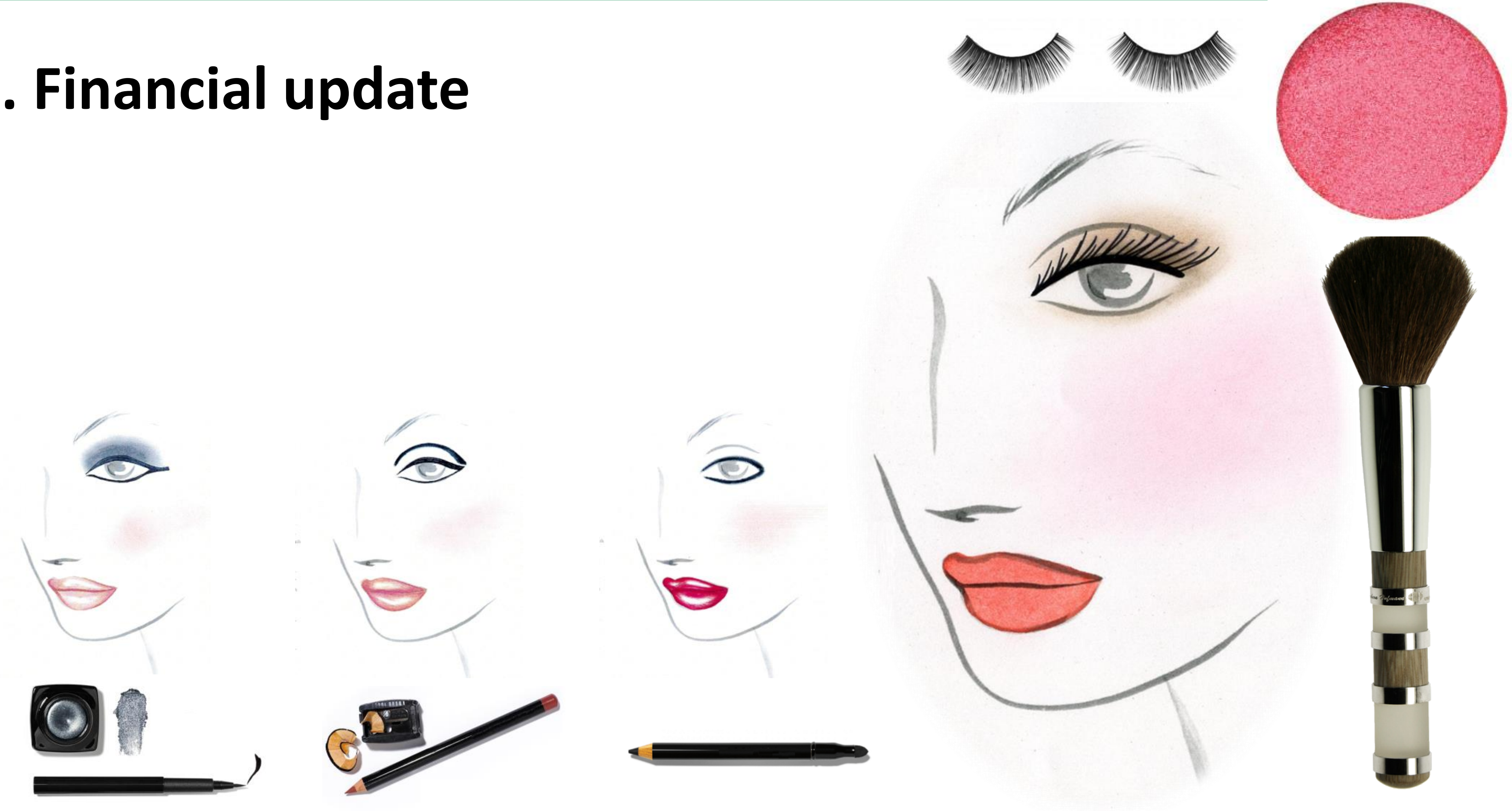
Key financials

in EURm	9M 2014/15	9M 2015/16	*Delta*	LTM Jun 2015	LTM Jun 2016	*Delta*
Net Sales	2,044	**2,128**	**4.1%**	2,577	2,691	4.4%
Like-for-like			*5.5%*			*5.4%*
Adjusted EBITDA	241	**273**	**13.2%**	297	331	11.7%
Margin (%)	*11.8%*	*12.8%*		*11.5%*	*12.3%*	
CAPEX	51	**42**	**(18.1%)**	74	75	1.2%
Adj. EBITDA – CAPEX	190	**231**		223	256	
Cash conversion	78.9%	84.7%		75.2%	77.3%	
Unlevered Free Cash Flow pre-M&A CAPEX[1]	149	**149**				
Unlevered Free Cash Flow post-M&A CAPEX[1]	127	**157**				

[1] *Excluding Cash Flow from discontinued operations; defined as net cash flow from operating activities less net cash flow from investing activities*

Douglas

2. Financial update



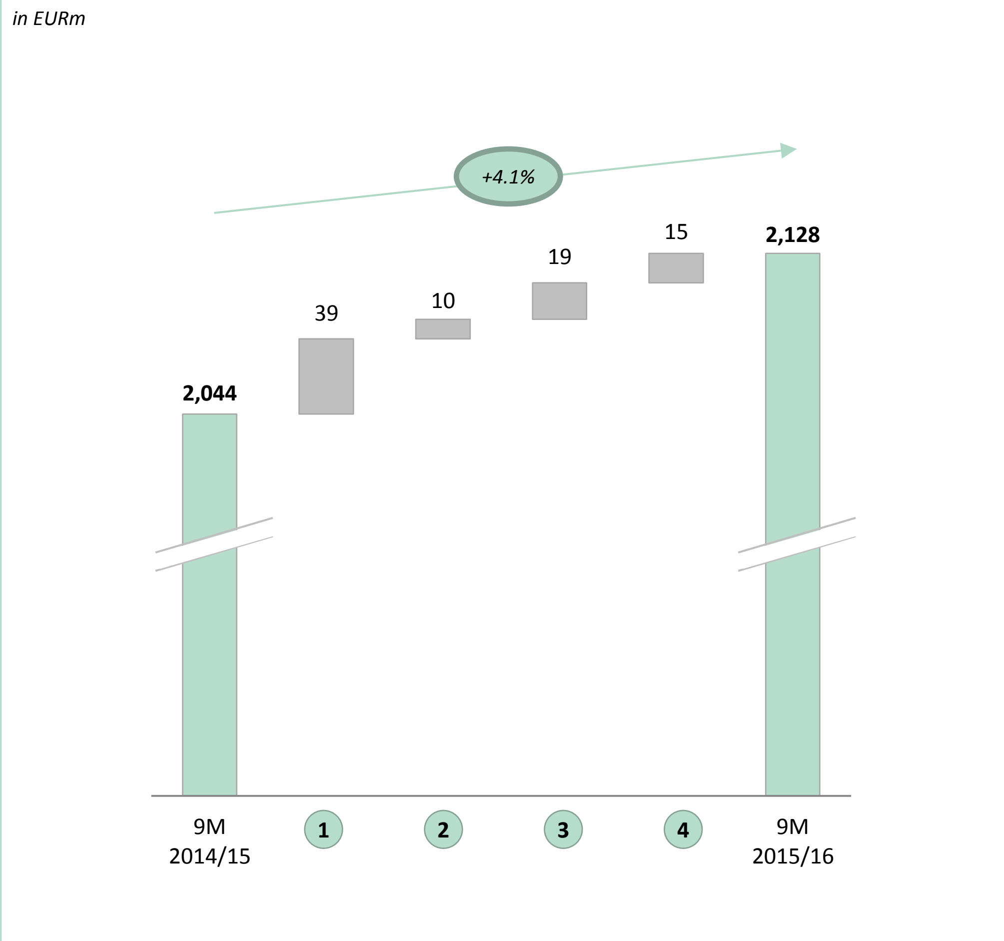
9M FY 2015/16 Sales

Comments

- Total e-commerce sales increased strongly by 26.0%, notably in Germany, France and the Netherlands. Share of online sales to total sales reached 12.1% (PY: 10.0%). Stationary sales rose by 3.4%, or 2.9% on a like-for-like basis driven by successful marketing campaigns and CRM measures that in many countries led to higher footfall in the stores on the one hand and to a better conversion rate from store visitors to customers on the other hand
- International sales account for 56% of total sales, consistent with the level in the prior year

1. **Germany**: like-for-like sales rose by 4.6% driven by both the online-shops and the stationary business
2. **France:** like-for-like sales increased by 6.0%. The prior year total sales include EUR 18m sales from purchasing cooperation DPB Achats (terminated December 31, 2014)
3. **South-Western Europe:** like-for-like growth of 5.4% driven by both the stationary as well as the online business. Almost all countries contributed to the positive sales performance. In particular our operations in the Netherlands, Austria and Spain performed well
4. **Eastern Europe**: Like-for-like sales increased by 8.9%, driven by stationary as well as online business in all countries included in this segment

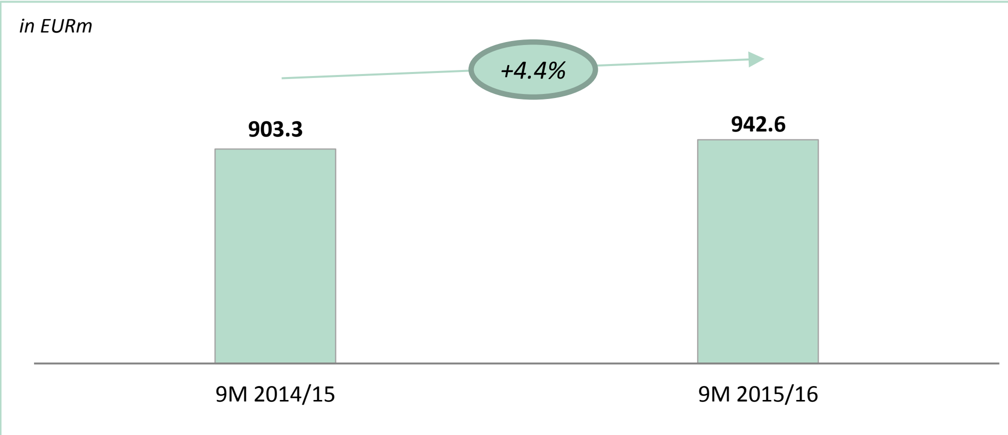
Sales bridge



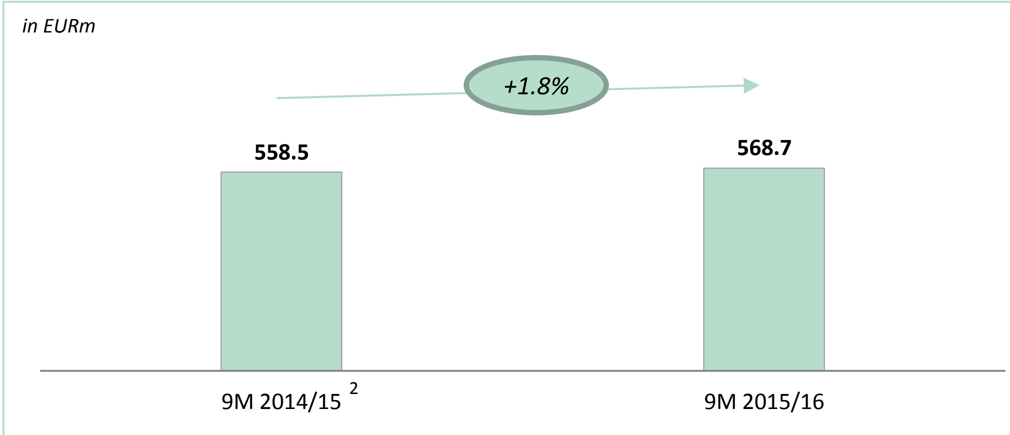
Douglas

9M FY 2015/16 Sales by region[1]

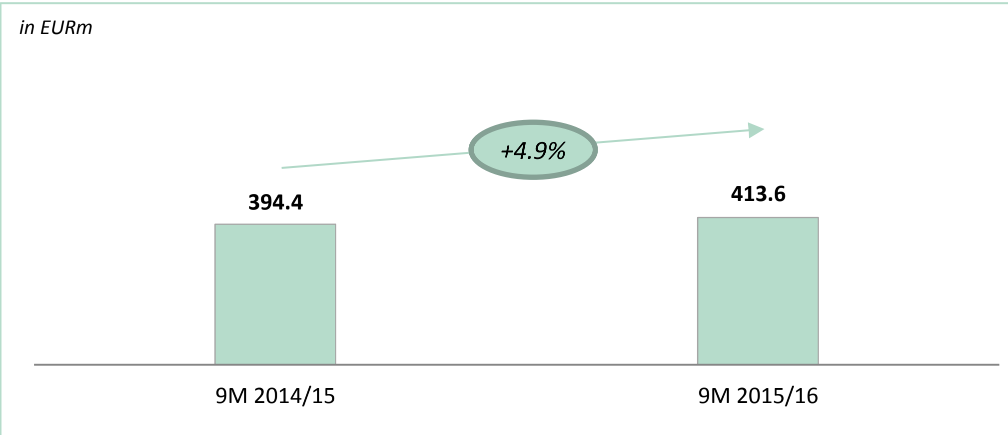
Germany



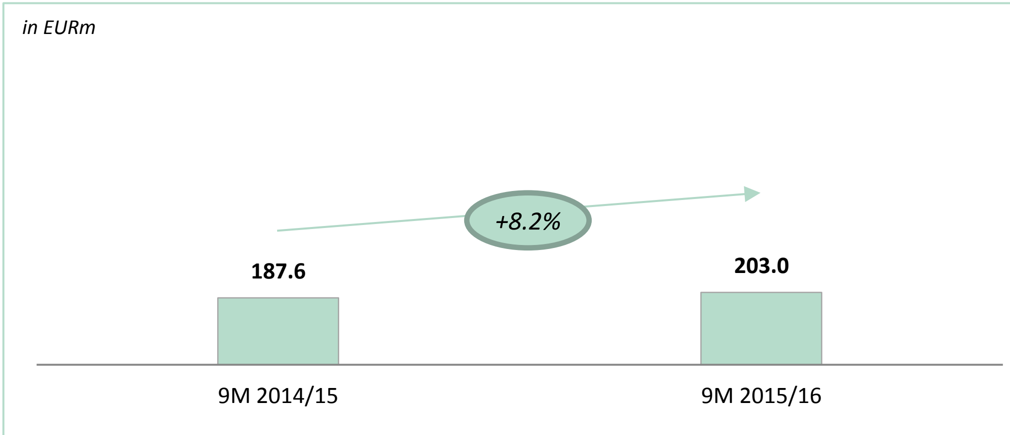
France



South-Western Europe



Eastern Europe



[1] *Excluding intersegment sales*
[2] *9M FY 2014/15: Including EUR 18m sales from the purchasing cooperation DPB Achats (terminated Dec 31, 2014); excluding DPB Achats sales increased by 5.1%*

9M FY 2015/16 Adjusted EBITDA

Comments

- All geographical regions contributed to the increase in Adjusted EBITDA, with the improvement in Margin supported by strong growth in e-commerce, optimisation of cost structures and higher gross margins in particular in France and in Eastern Europe

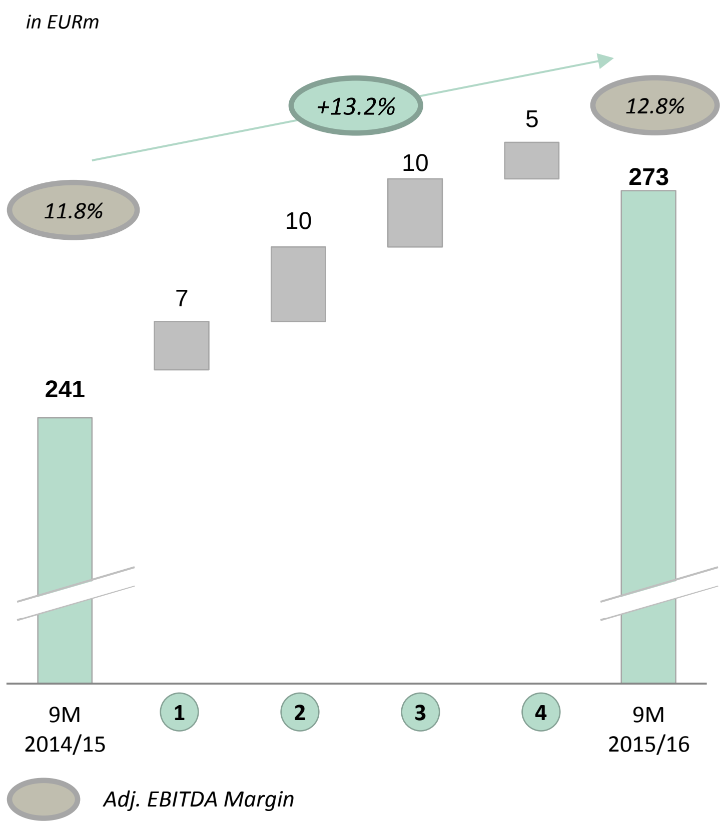
1 **Germany**: EBITDA increased, driven by strong topline growth and optimised cost structure as a result of the organisational restructuring. During the nine months ended June 30, 2016, the 4.4 percent sales increase has translated into the same increase in gross profit and a 6.4 percent increase in Adjusted EBITDA

2 **France**: Remarkable sales growth and higher gross margin drove EBITDA; the full nine-months effect of the integration of the Clin d´Oeil stores (acquired in Q2- 14/15) supported the positive performance

3 **South-Western Europe**: Earnings improved mainly as a result of strong sales growth and efficiency programs to improve our competitive position. All countries contributed to the higher EBITDA, in particular the Netherlands and Italy

4 **Eastern Europe:** Economies of scale due to topline growth and optimisation of cost structure. Almost all countries contributed to the positive earnings development, in particular Poland performed well

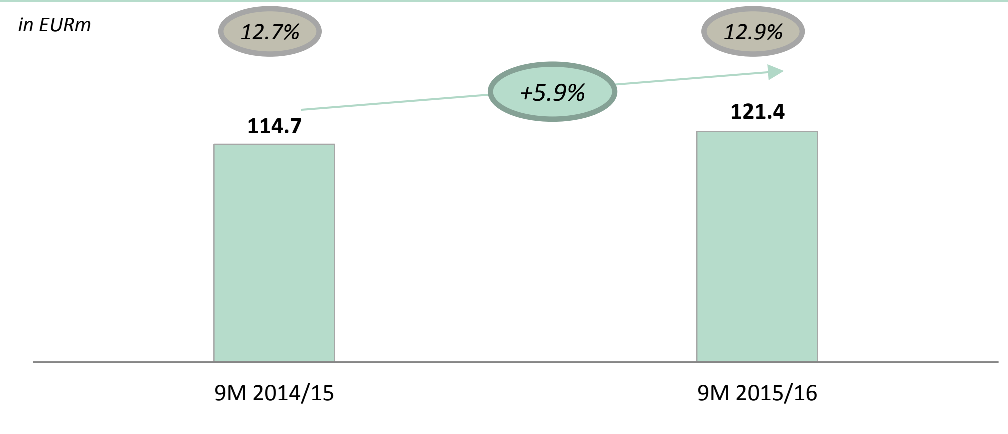
Adjusted EBITDA bridge[1]



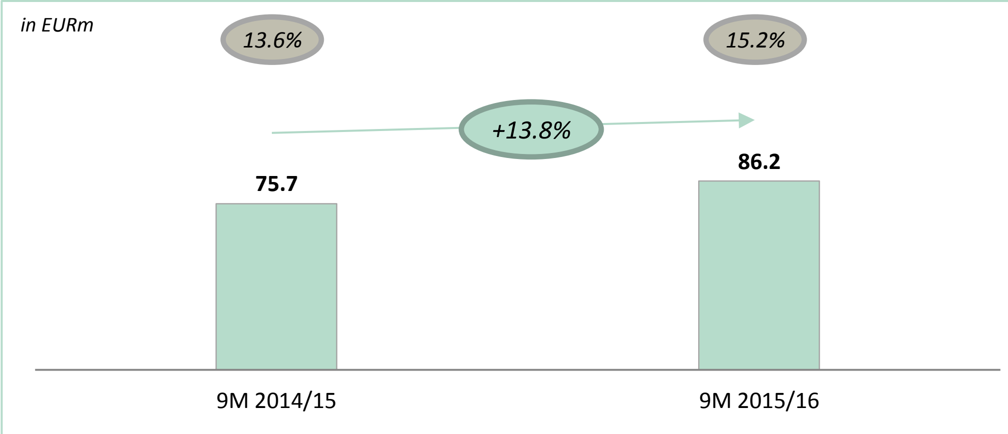
[1] *For further details on adjustments to Reported EBITDA see page 18*

9M FY 2015/16 Adjusted EBITDA by region

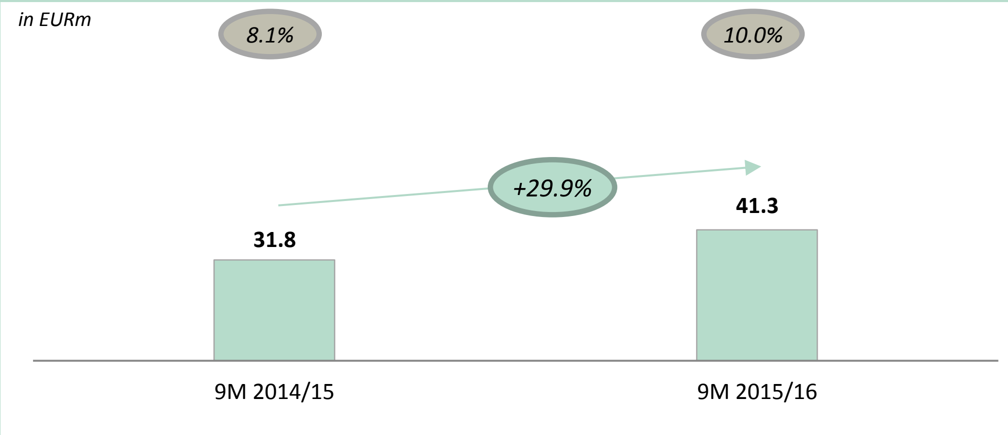
Germany[1]



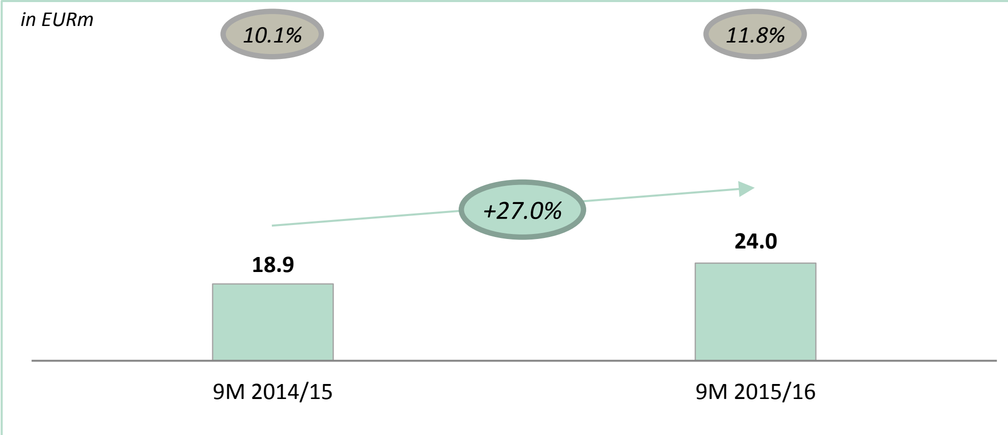
France



South-Western Europe



Eastern Europe



Adj. EBITDA Margin

[1] *Germany : including consolidation effects relating to costs that have to be recharged to different countries abroad (9M FY 2015/16: minus EUR 0.1m; PY: EUR 0.5m)*

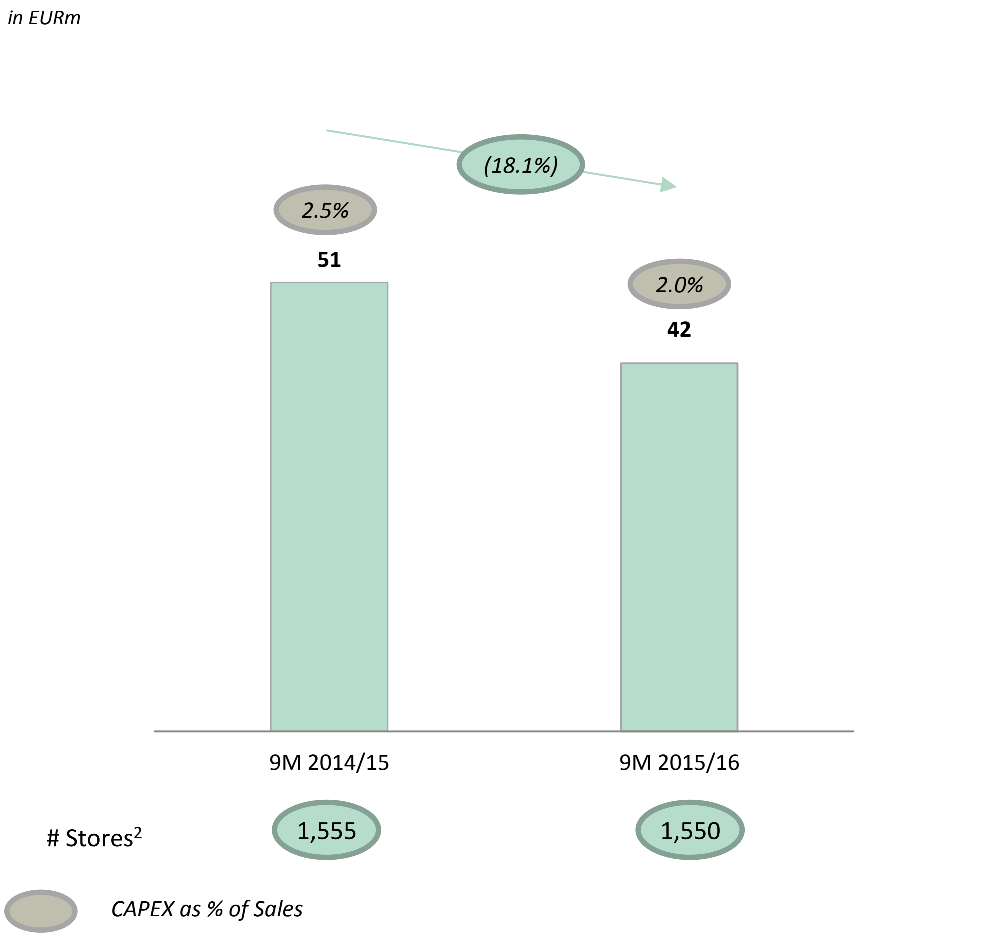
Douglas

9M FY 2015/16 CAPEX

Comments

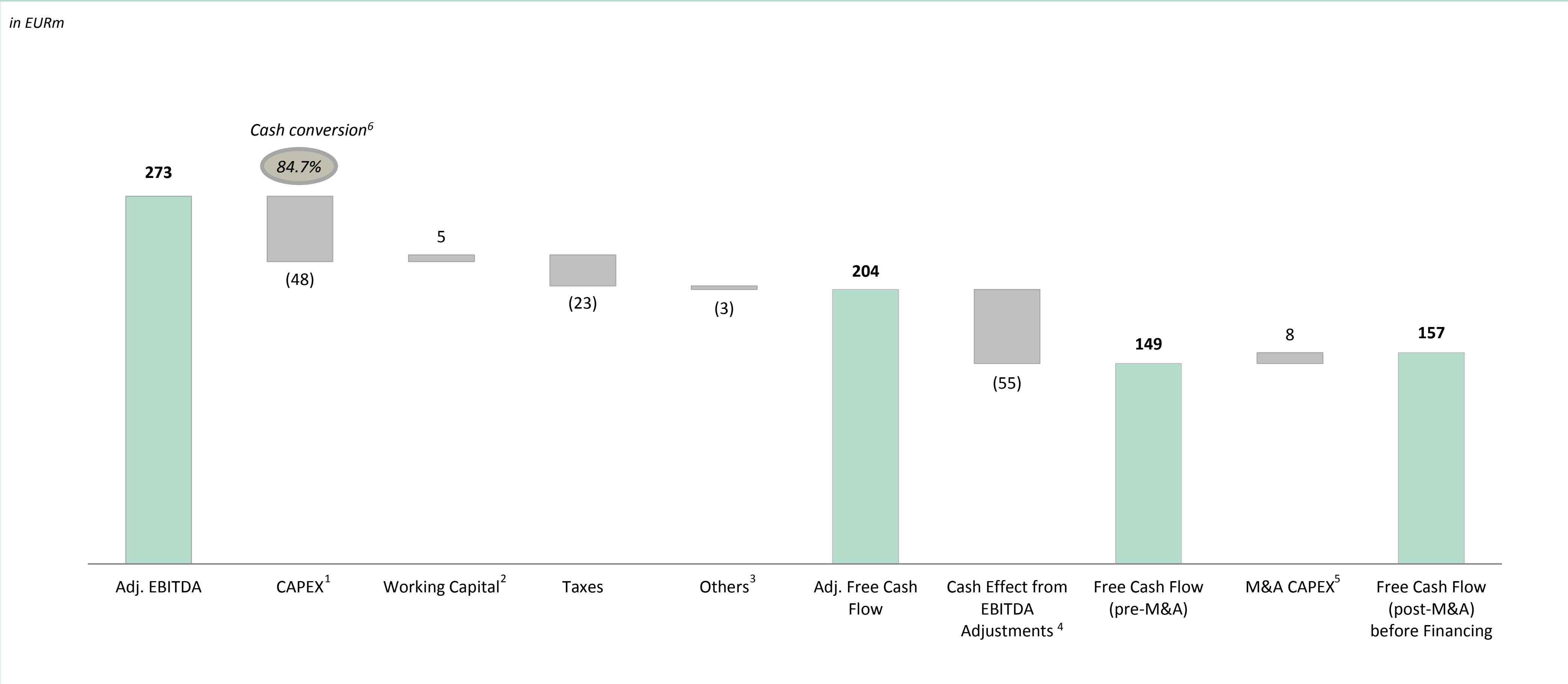
- Decrease in CAPEX due to lower investments in maintenance and refurbishment mainly in Germany and France
- Focused CAPEX spend based on a well invested store portfolio; over 73% of total CAPEX attributable to Germany and France, 12% to South-Western Europe and 15% to Eastern Europe
- Maintenance and refurbishment CAPEX including other investments in central projects (e.g. technical improvement of the online platform) amount to 74.3% of total CAPEX (PY: 83.1%)
- 20 new perfumeries opened (PY: 20), mainly in Eastern Europe. In addition, one store has been acquired in both Germany and France, respectively
- 22 stores closed (PY: 46), mainly in Germany, France and Croatia

CAPEX[1]



[1] *Excluding M&A-CAPEX*
[2] *Excluding 138 franchise stores as of Jun 30, 2016 (145 franchise stores as of Jun 30, 2015)*

9M FY 2015/16 Cash Flow bridge



[1] Including EUR 6m relating to investments accounted for in FY 2014/15

[2] 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 ; adjusted for PPA and transaction costs

[3] Change in other assets, liabilities and accruals

[4] For further details on adjustments to Reported EBITDA see page 18

[5] Net proceeds from the disposal of real estate and the acquisition of two stores (Germany, France)

[6] Defined as Adjusted EBITDA minus total CAPEX divided by Adjusted EBITDA

Debt structure as of June 30, 2016

Debt structure

in EURm

	Amount	Maturity	Pricing
Cash and cash equivalents[1]	(103)		
Term Loan Facility B[2]	1,220	August 2022	E + 500bps
Senior Secured Notes	300	July 2022	6.25%
RCF (EUR 200m)	0	February 2022	E + 375bps
Net Senior Secured Debt	**1,417**		
Senior Notes	335	July 2023	8.75%
Accrued Interests	22		
Other Financial Debt[3]	2		
Total Net Debt	**1,776**		

[1] *Excluding credit card receivables (EUR 11.5m)*
[2] *EURIBOR floor of 1.0%*
[3] *Tax loan in France*

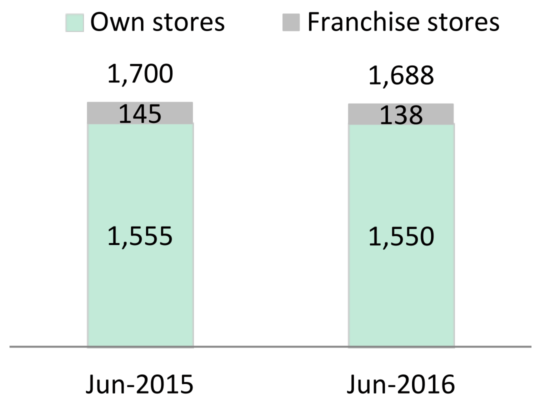
Appendix

LTM Jun 2016 Store development

Comments

- Pan-European and modern store network in premium locations
  - 1,688 stores as of June 2016
  - Including 138 franchise stores[1]
- Active store portfolio management
  - Select closures to further optimise premium quality network
- Continued focus on network expansion
- LTM Jun 2016: impacted by store closures from anti-trust measures in France following the acquisition of Nocibé (finalised by the end of FY 2014/15) as well as by the acquisition of the Clin d'Oeil franchise stores in France

Total number of stores



Store development

	9M 2015/16	LTM Jun 2016
Store openings	20	23
Store acquisitions	2	2
Store closures	(22)	(30)
Change in franchises	(1)	(7)
Total	**(1)**	**(12)**

[1] *Comprises 120 franchise stores in France, 17 franchise stores in the Netherlands and 1 franchise store in Norway*

Sales and EBITDA by region
9M FY 2015/16 reported

Sales[1]

in EURm	9M 2014/15[2]	9M 2015/16
Germany	903.3	942.6
France	558.5	568.7
South-Western Europe	394.4	413.6
Eastern Europe	187.6	203.0
Total	**2,043.8**	**2,127.9**

EBITDA[3]

in EURm	9M 2014/15[2]	9M 2015/16
Germany[4]	101.2	38.9
France	40.7	64.0
South-Western Europe	27.6	29.2
Eastern Europe	17.5	8.4
Total	**187.0**	**140.5**

[1] *Excluding intersegment sales*
[2] *Beauty Holding Zero until July 2015*
[3] *Including PPA effects (9M FY 2014/15: PPA effects from the acquisition of Nocibé affected EBITDA in France only / 9M FY 2015/16: PPA effects from CVC acquisition included in all segments)*
[4] *Germany : including consolidation effects relating to costs that have to be recharged to different countries abroad (9M FY 2015/16: EUR 0.0m; PY: EUR 0.5m)*

Douglas

9M FY 2015/16 Net Working Capital

Comments

- **Net working capital** adjusted for PPA and transaction costs decreased as of Jun 31, 2016 compared to previous year despite strong topline growth.

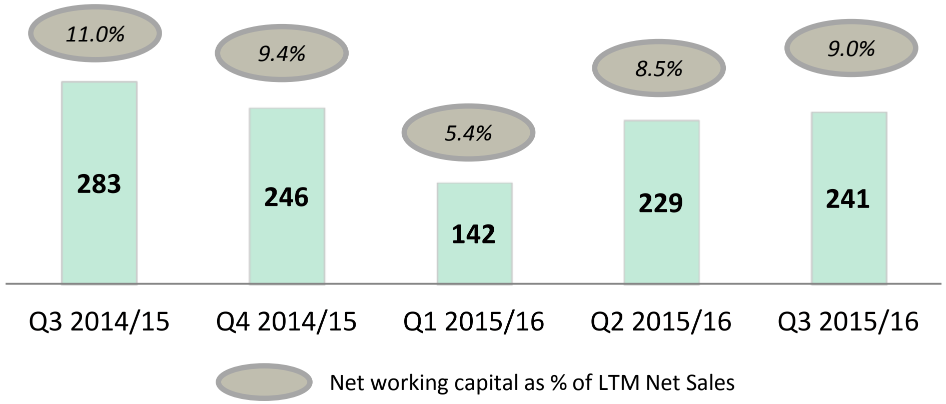
  Reasons for this decrease are a better inventory management, a tight management of receivables and payables as well as non-operational items

  Inventories adjusted for PPA as of June 2016 are only slightly above previous year`s level despite an increase in sales of > 4% resulting in an improved inventory turnover and in lower NWC in % of LTM net sales

  Non-operational items include previous year’s acquisition of Clin d´Oeil (Feb 2015) in France, reclassification of liabilities from the acquisition of Nocibé for accounting reasons and reporting date effects regarding the receipt of payments from receivables

- **Net working capital** includes supplier receivables for rebates/bonuses and marketing subsidies, outstanding voucher liabilities, provisions for deliveries and services not yet invoiced

Net working capital (NWC)[1]



NWC development

in EURm	Q3 2014/15	Q4 2014/15	Q1 2015/16	Q2 2015/16	Q3 2015/16
Inventories	535	513	541	555	538
Trade accounts receivable	42	33	54	43	33
Trade accounts payable[2]	(233)	(264)	(434)	(299)	(266)
Other[3]	(61)	(36)	(19)	(70)	(64)
Total NWC	**283**	**246**	**142**	**229**	**241**

[1] *Adjusted for Purchase Price Allocation (PPA) and transaction costs*
[2] *Includes other outstanding invoices, outstanding supplier invoices and outstanding fixed assets invoices*
[3] *Includes receivables from reimbursed marketing costs, bonus receivables, voucher liabilities*

9M FY 2015/16 Adjustments to EBITDA

Comments

- **Consulting fees**: relating to Nocibé acquisition (LTM Jun 2015) and sale/IPO processes of Douglas (LTM Jun 2016), divestment of non-acquired businesses as well as consulting fees for efficiency measures. Please note that payment of EUR 20m transaction costs from FY 2014/15 sale/IPO processes has occurred in Q1 FY 2015/16
- **Restructuring costs**: mainly redundancy payments related to efficiency and centralisation measures, e.g. regarding the FY 2015/16 organisational improvements, the acquisition of Clin d'Oeil and store divestments in France (LTM 2015 / LTM 2016). Please note that all redundancy effects related to the FY 2015/16 organisational restructuring have been fully recorded as provisions; thereof payment of EUR 7m will only occur in Q4 2015/16 or at the beginning of next fiscal year respectively
- **Purchase Price Allocation (PPA)**: one-off inventory write-offs from Nocibé acquisition as well as Douglas acquisition by CVC Capital Partners
- **Credit card fees**: "below EBITDA" reclassification in accordance with existing banking and bond agreements
- **Other**: one-off inventory revaluations as part of the optimised category management, costs of Nocibé integration (e.g. changes of logistical platform), property tax payments from a corporate restructuring, costs for termination of DouBox project, subsequent payroll tax payment as well as a payment related to the disposal of real estate in Vienna
- **Adjusted EBITDA** does not include any run rate impacts

Adjustments to EBITDA

in EURm	9M 2014/15	9M 2015/16	LTM Jun 2015	LTM Jun 2016
Reported EBITDA[1]	**187**	**141**	**212**	**152**
Consulting fees	11	14	21	32
Restructuring costs	8	14	14	14
PPA	24	90	32	110
Credit card fees	7	7	10	9
Other	4	7	8	14
Adjusted EBITDA	**241**	**273**	**297**	**331**

[1] *Beauty Holding Zero until July 2015*

Douglas

Q3 FY 2015/16 Key financials

Comments

- Net sales increased by 1.5%. Like-for-like sales grew by 3.3%
- Adjusted EBITDA increased by more than 21% driven by strong sales growth and the successful implementation of cost reduction measures. Q3 FY 2015/16 adjustments on EBITDA mainly relate to one-off inventory write-offs from the acquisition of Douglas by CVC (PPA)
- All geographical regions contributed to the positive performance

Key financials

in EURm	Q3 2014/15	Q3 2015/16	*Delta*
Net Sales	589	**598**	**1.5%**
Like-for-like			*3.3%*
Adjusted EBITDA	56	**68**	**21.2%**
Margin (%)	*9.6%*	*11.4%*	
CAPEX	17	**18**	**7.1%**
Adj. EBITDA – CAPEX	39	**50**	
Cash conversion	70.2%	73.6%	

Adjustments to EBITDA			
Reported EBITDA	46	**30**	
Consulting fees	4	3	
Restructuring costs	8	0	
PPA	-	30	
Credit card fees	2	2	
Other	(4)	3	
Adjusted EBITDA	56	**68**	**21.0%**