

A collection of teal-colored cosmetic powder swatches, likely eyeshadow or blush, arranged in a vertical column on the left side of the page. The swatches show various shades and textures, from light to dark teal, with some showing a shimmer or metallic finish. The background is white.

24 August 2017

9M FY 2016/17 FINANCIAL RESULTS

Douglas
YOUR PARTNER IN BEAUTY

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TODAY'S SPEAKER



Michael
Rauch
CFO



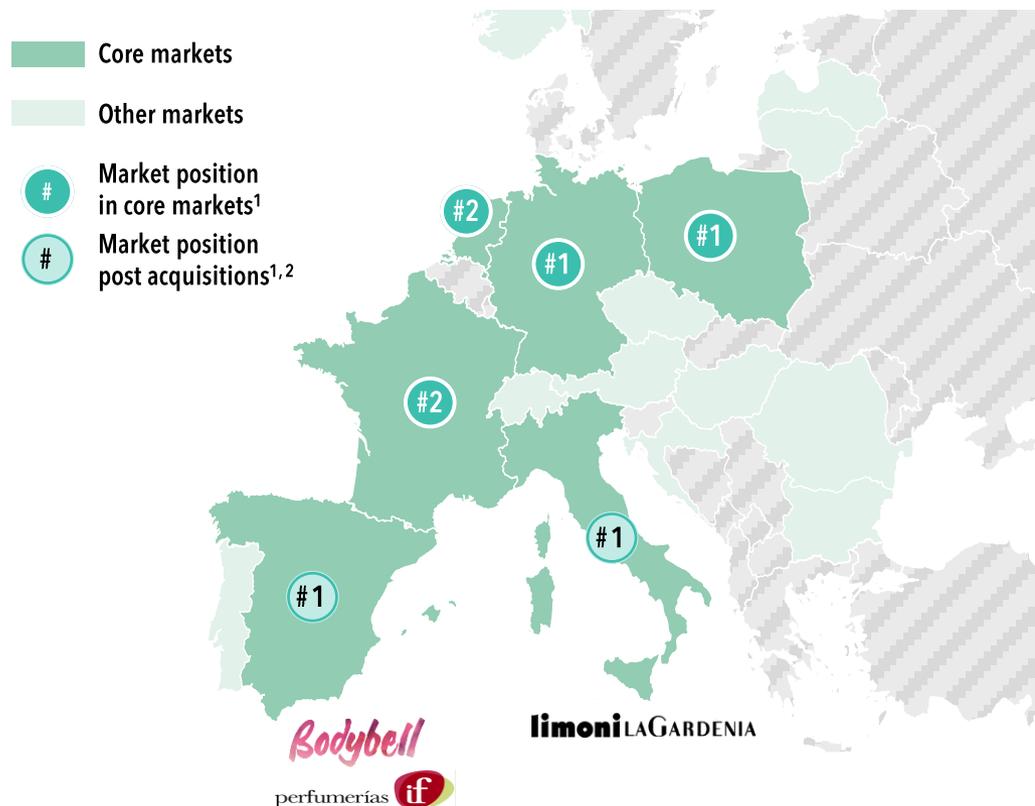
KEY HIGHLIGHTS



- Continued Sales and EBITDA growth as well as strong cash conversion
- Strong omni-channel growth across all regions and share gains in lower footfall context
- Further progress in achieving #1 or #2 in every country we serve
 - Spain: Bodybell acquisition closed beginning of July 2017
 - Spain: Acquisition of up to 103 Perfumerias If stores and online shop agreed July 2017
 - Italy: Limoni and La Gardenia acquisition expected to be completed in Q1 FY 17/18
- Additional EUR 300m Term loan B to finance acquisitions (at E+3.25% (0% floor))
- Existing Term Loan B and RCF successfully repriced to E+3.50% (0% floor)

#1 OR STRONG #2 POSITION REACHED IN ALL CORE MARKETS WE SERVE

UNIQUE PAN-EUROPEAN REACH AND MARKET LEADERSHIP



KEY HIGHLIGHTS

- #1 in Europe
- #1 in Germany, the second largest selective beauty care market in Europe
- #2 in France, following the strategic acquisition of Nocibé in 2014
- #1 in Italy, following the pending completion of the Limoni/La Gardenia acquisition²
- #1 in Spain, following the completed acquisition of Bodybell and the agreement signed to acquire up to 103 Perfumerías If stores and online shop²
- Standing out amongst competitors through strong brand, unparalleled customer service, unique network of more than 2,400 stores post acquisitions (30 June 17: almost 1,700 stores³) and pan-European omni-channel customer reach

¹ BASED ON SELECTIVE BEAUTY MARKET INCL. PREMIUM COLOUR COSMETICS, PREMIUM SKIN & SUN CARE AND PREMIUM FRAGRANCES

² CLOSING OF LIMONI/LA GARDENIA AND PERFUMERIAS IF TRANSACTIONS SUBJECT TO CUSTOMARY CLOSING CONDITIONS INCLUDING MERGER CONTROL

³ INCLUDES 140 FRANCHISE STORES

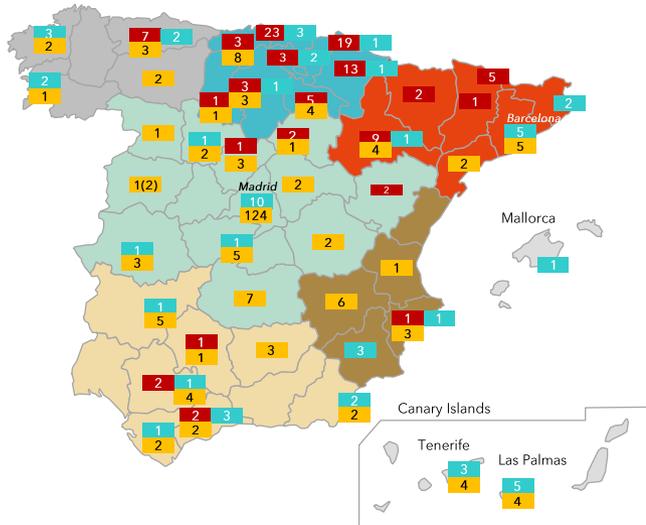
#1 IN SPAIN AFTER PERFUMERIAS IF ACQUISITION



PERFUMERIAS IF ACQUISITION

- In July 2017, Douglas agreed to acquire up to 103 Perfumerias If stores¹ and the online shop from Eroski through an asset deal
- One of the leading perfumery and cosmetics chains with a focus on the attractive northern area of Spain
- Closing of the transaction is expected for the fourth quarter of the calendar year (Q1 FY 2017/18)¹

COMPELLING STORE NETWORK



Store network (# of stores)



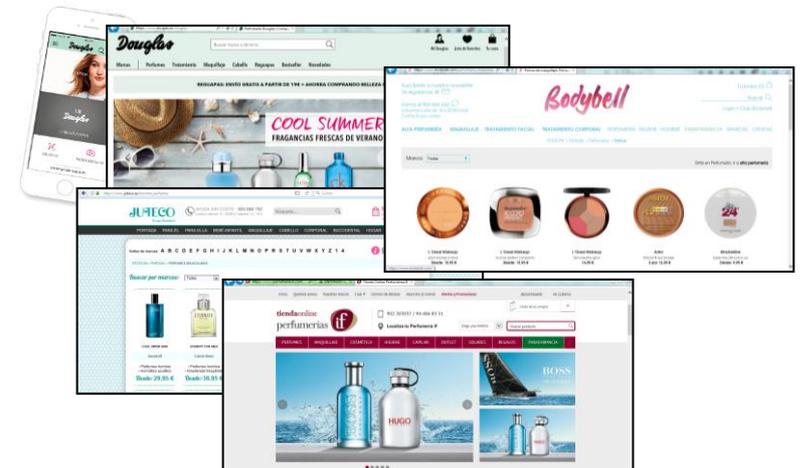
CUSTOMER LOYALTY POWERHOUSE



Members of loyalty program (million)



OUTSTANDING OMNI-CHANNEL COMPETENCE

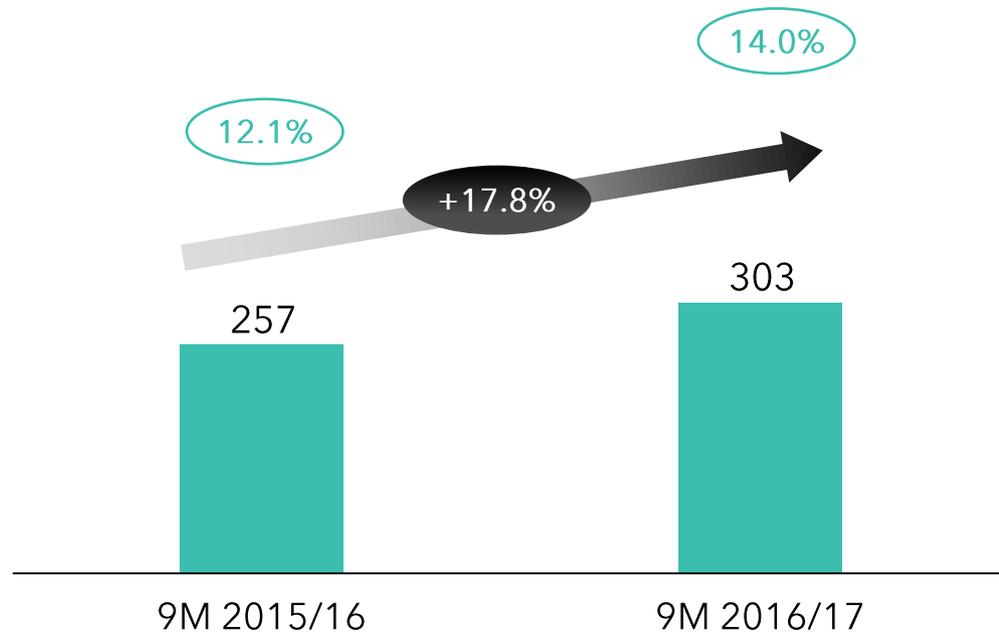


- More than 350 in-store customer touch points
- 24/7 service of more than 20.000 SKUs
- Real-time access to Douglas Collection and newest exclusive brands

FURTHER FOSTERING E-COMMERCE LEADERSHIP ACROSS MARKETS

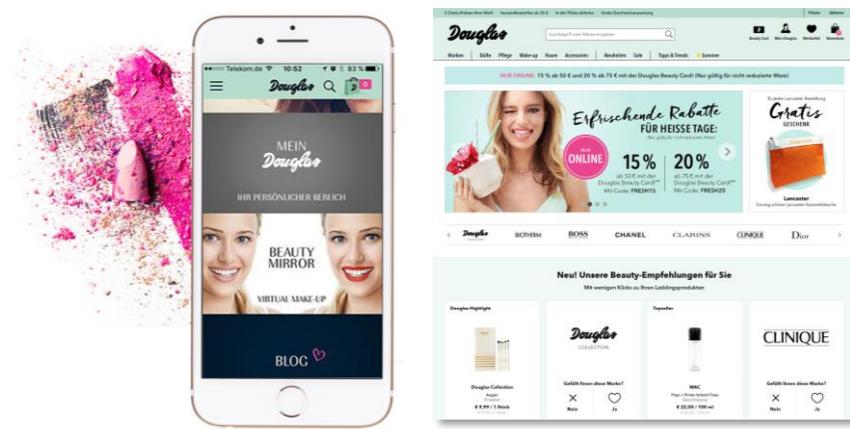
CONTINUED STRONG ONLINE GROWTH

(EUR m) ○ % total sales



ONLINE SHOP

- E-commerce sales increased strongly by 17.8%, with significant growth in all regions
- Leading online retailer in Europe for selective beauty
- E-shops in 17 countries
- Continued double-digit growth across all regions
- Scalable and proven e-commerce platform
- Future growth facilitated through acquisitions in Italy and Spain



9M FY 2016/17 KEY FINANCIALS: CONTINUED VALUE CREATION PROGRESS

COMMENTS

- Net sales increased by 1.8% like-for-like
- Share of online sales to total sales reached 14.0% (PY: 12.1%)
- Combined share of Douglas Nocibé Collection and exclusive brands increased to 17.6% (PY: 16.0%)
- EBITDA adjusted reached EUR 286m (+4.8%)
- Free Cash Flow remains strong; cash conversion slightly below last year's level due to higher CAPEX

KEY FINANCIALS

(in EURm)	9M 2015/16	9M 2016/17	Delta	LTM Jun 2016	LTM Jun 2017	Delta
Net Sales	2,128	2,169	1.9% ¹	2,691	2,750	2.2%
<i>Like-for-like</i>			1.8%			4.0%
Adjusted EBITDA	273	286	4.8%	331	350	5.8%
<i>Margin (%)</i>	12.8%	13.2%		12.3%	12.7%	
CAPEX	42	51	22.4%	75	94	26.7%
Adj. EBITDA – CAPEX	231	235		257	256	
Cash conversion ²	84.7%	82.2%		77.5%	73.0%	
Unlevered Free Cash Flow pre-M&A CAPEX³	149	176				
Unlevered Free Cash Flow post-M&A CAPEX³	157	176				

¹ ADJUSTED FOR CURRENCY EFFECTS AND DISCONTINUED OPERATION IN TURKEY, SALES INCREASED BY 2.3%

² ADJUSTED EBITDA MINUS CAPEX DIVIDED BY ADJUSTED EBITDA

³ EXCLUDING CASH FLOW FROM DISCONTINUED OPERATIONS; DEFINED AS NET CASH FLOW FROM OPERATING ACTIVITIES LESS NET CASH FLOW FROM INVESTING ACTIVITIES; 9M 2016/17: PRIOR TO CLOSING OF BODYBELL, LIMONI/LA GARDENIA AND PERFUMERIAS IF ACQUISITIONS

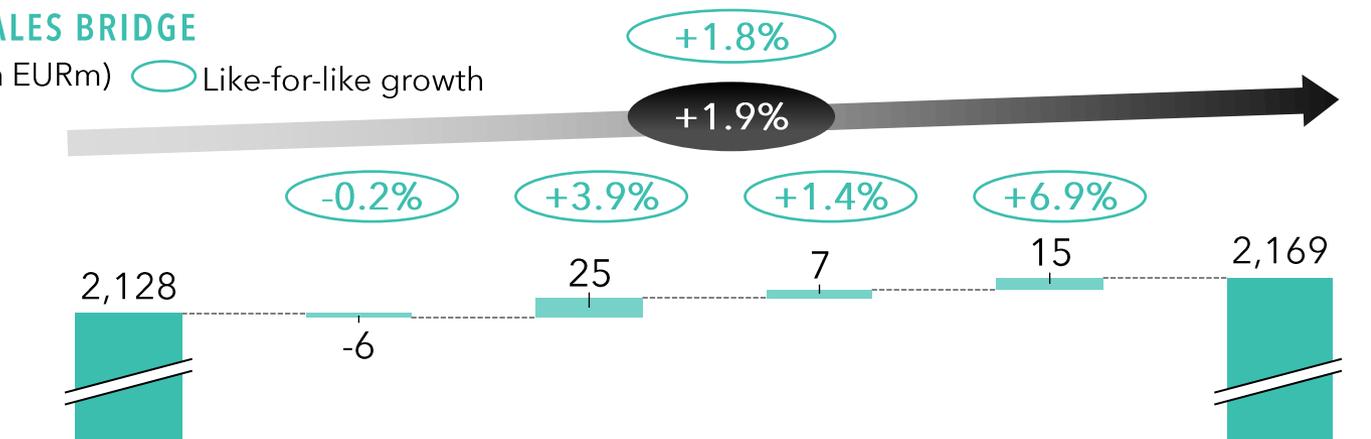
9M FY 2016/17: SALES INCREASED AND ADJUSTED EBITDA FURTHER IMPROVED

COMMENTS

- Solid sales performance (+1.8% lfl)
- Store sales rose by 0.4%; like-for-like sales decreased by 0.5% affected by lower sales performance in Germany
- E-commerce sales increased strongly by 17.8%, with significant growth in all regions
- Adjusted EBITDA increased, driven by topline growth, scale benefits and efficiency improvements, leading to an improvement in EBITDA margin

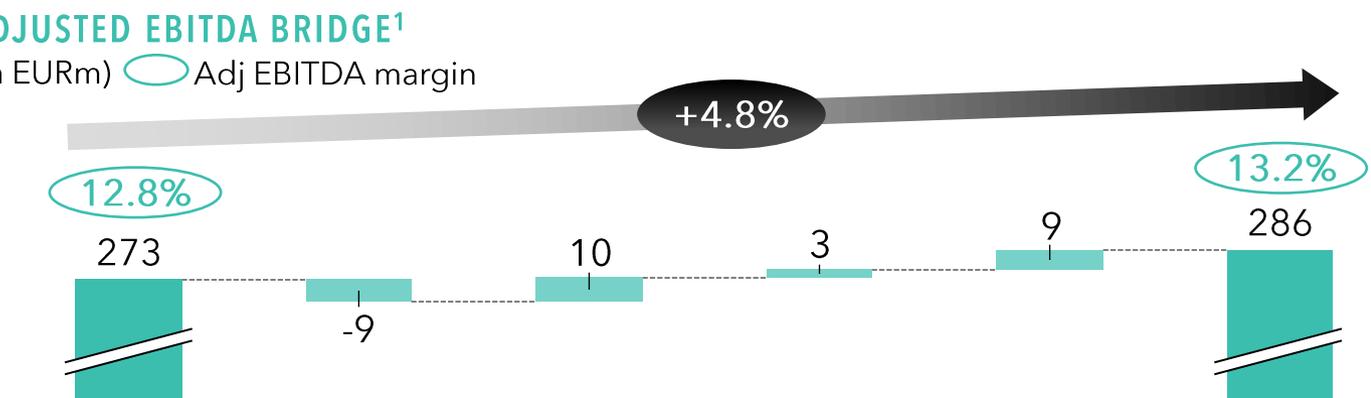
SALES BRIDGE

(in EURm) ○ Like-for-like growth



ADJUSTED EBITDA BRIDGE¹

(in EURm) ○ Adj EBITDA margin



9M 2015/16

Germany

France

South-Western Europe

Eastern Europe

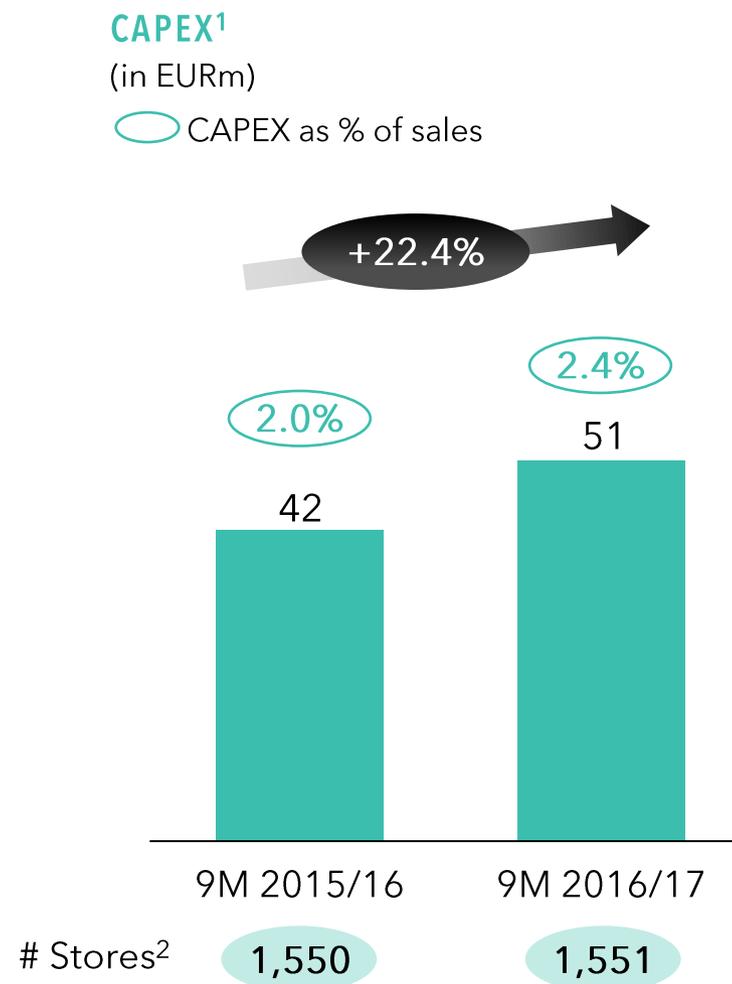
9M 2016/17

Douglas

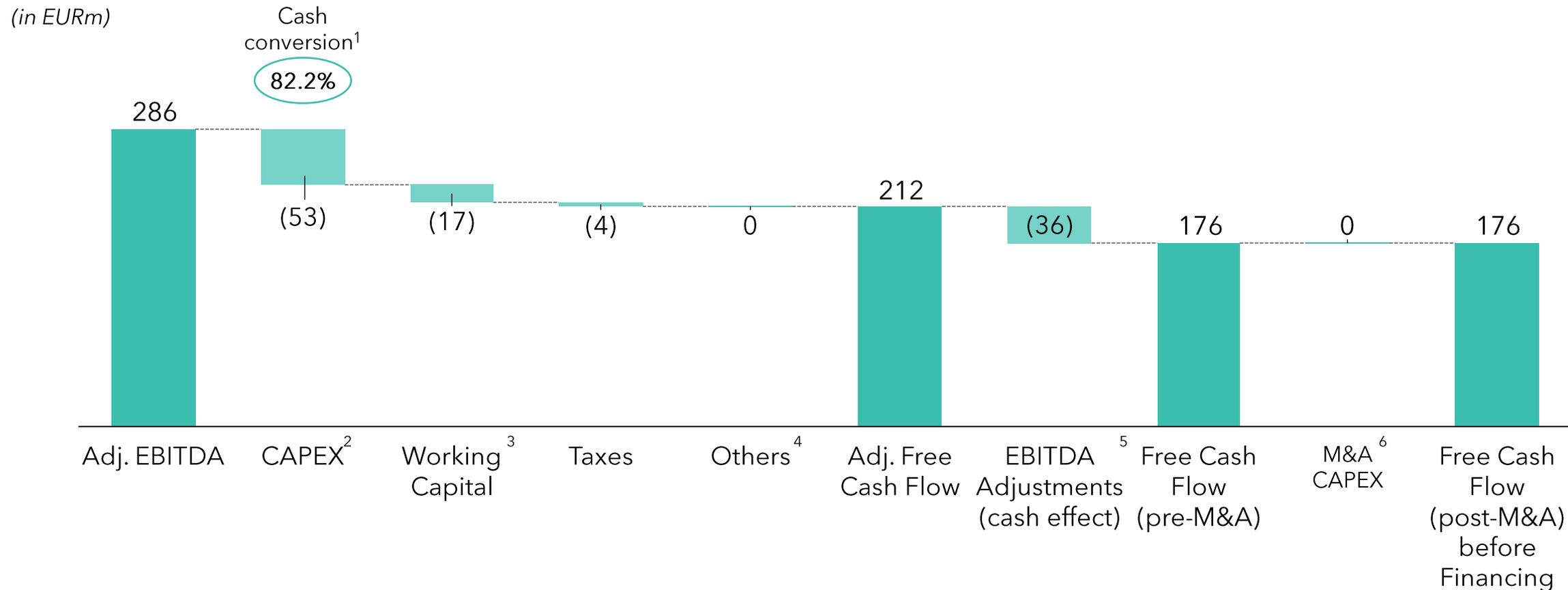
9M FY 2016/17: CONTINUED INVESTMENT AS PART OF VALUE CREATION PROGRAM

COMMENTS

- Capex increased in line with our strategy to extend our CRM offering and Douglas Nocibé Collection
- Main projects were focused on the new Douglas Beauty Card launch in Germany and display enhancements for Douglas Nocibé Collection in stores
- Continued emphasis on upgrading existing stores



9M FY 2016/17: CONTINUED HIGH FOCUS ON FREE CASH FLOW



¹ DEFINED AS ADJUSTED EBITDA MINUS TOTAL CAPEX DIVIDED BY ADJUSTED EBITDA

² INCLUDING € 2M RELATING TO INVESTMENTS ACCOUNTED FOR IN FY 2015/16

³ 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

⁴ CHANGE IN OTHER ASSETS, LIABILITIES AND ACCRUALS

⁵ FOR FURTHER DETAILS ON ADJUSTMENTS TO REPORTED EBITDA SEE PAGE 17

⁶ NET PROCEEDS FROM DISPOSALS AND ACQUISITIONS

FINANCIAL CALENDAR FY2017/18

Event	Date
Year end results FY2016/17	Thursday, 7 December 2017
Q1 results FY2017/18	Thursday, 15 February 2018
Q2 results FY2017/18	Wednesday, 16 May 2018
Q3 results FY2017/18	Wednesday, 22 August 2018

[APPENDIX]

LTM JUN 2017 STORE DEVELOPMENT



COMMENTS

- Pan-European and modern store network in premium locations
- 1,691 stores as of June 2017
- Including 140 franchise stores¹
- Active store portfolio management

TOTAL NUMBER OF STORES¹



STORE DEVELOPMENT

	9M FY 2016/17	LTM JUN 2017
Store openings	23	32
Store acquisitions	1	1
Store closures	(19)	(32)
Change in franchises	3	2
TOTAL	8	3

9M FY 2016/17: REPORTED FINANCIALS

SALES¹

(in EURm)		9M FY 2015/16	9M FY 2016/17
Germany		943	936
France		569	594
South-Western Europe		414	421
Eastern Europe		203	218
Total		2,128	2,169

EBITDA²

(in EURm)		9M FY 2015/16	9M FY 2016/17
Germany ³		39	84
France		64	92
South-Western Europe		29	43
Eastern Europe		8	32
Total		141	252

¹ EXCLUDING INTERSEGMENTAL SALES

² FY 2015/16: INCLUDING PPA EFFECTS FROM CVC ACQUISITION (INCLUDED IN ALL SEGMENTS)

³ INCLUDING CONSOLIDATION EFFECTS WORTH MINUS EUR 1.1M (PY: MINUS EUR 0.1M)

9M FY 2016/17: NET WORKING CAPITAL

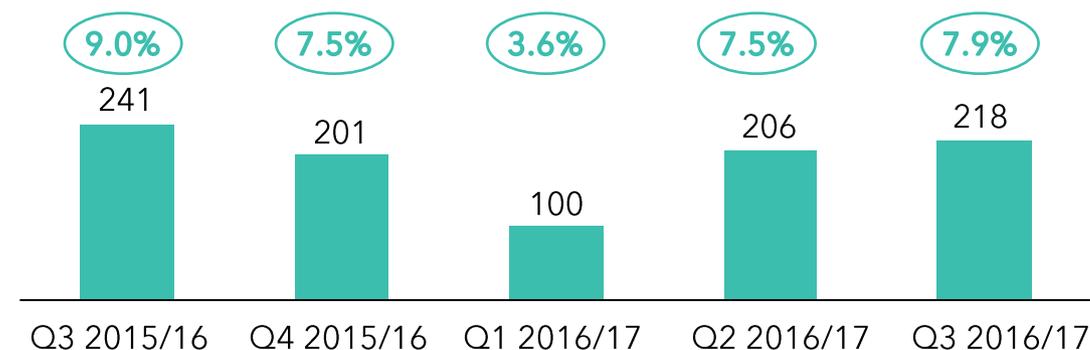
COMMENTS

- Net working capital adjusted for PPA and transaction costs decreased YoY despite topline growth – driven by a tight management of receivables and payables. In addition, NWC has been positively affected by reporting date effects
- Net working capital includes inventories, trade accounts receivable, trade accounts payable as well as supplier receivables for rebates/bonuses and marketing subsidies, outstanding voucher liabilities
- Temporary increase in inventory in Q3 2016/17 compared to previous year due to built-up of Douglas Nocibé Collection

NET WORKING CAPITAL (NWC)¹

(in EURm)

○ NWC as % of LTM net sales



NET WORKING CAPITAL DEVELOPMENT¹

(in EUR m)	Q3 2015/2016	Q4 2015/2016	Q1 2016/2017	Q2 2016/2017	Q3 2016/2017
Inventories	538	513	566	568	553
Trade accounts receivable	33	34	65	37	30
Trade accounts payable	(266)	(307)	(526)	(327)	(296)
Other ²	(64)	(39)	(6)	(72)	(69)
Total NWC	241	201	100	206	218

9M FY 2016/17 ADJUSTMENTS TO EBITDA

COMMENTS

- **Consulting fees:** relating to sale/IPO process of Douglas, as well as consulting fees for efficiency measures. Please note, that cash-out of FY 2014/15 transaction costs from sale/IPO processes took place in FY 2015/16. Consulting Fees in FY 2015/16 as well as 2016/17 refer to efficiency measures as well as recent acquisitions in Italy and Spain (FY 2016/17)
- **Restructuring costs:** mainly relating to the acquisition of Clin d’Oeil (LTM Jun 2016) as well as redundancy payments related to efficiency and centralisation measures (e.g. regarding the FY 2015/16 organisational improvements) and the termination of the Turkish operations (FY 2015/16)
- **Purchase Price Allocation (PPA):** Douglas acquisition by CVC Capital Partners (FY 2014/15 and 2015/16); no PPA effects from this acquisition in the upcoming years including FY 2016/17
- **Credit card fees:** “below EBITDA” reclassification in accordance with existing banking and bond agreements
- **Other:** costs for termination of DouBox project, subsequent payroll tax payment as well as a payment related to the disposal of real estate in Vienna and in Munich (all FY 2015/16)

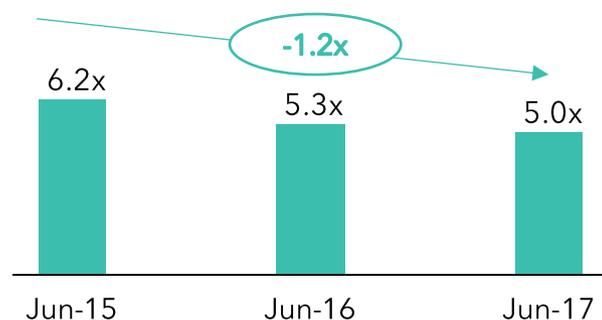
ADJUSTMENTS TO EBITDA¹

<i>(in EURm)</i>	9M FY 2015/16	9M FY 2016/17	LTM Jun 2016	LTM Jun 2017
Reported EBITDA	141	252	152	296
Consulting fees	14	15	32	20
Restructuring costs	14	8	14	13
PPA	90	0	110	4
Credit card fees	7	8	9	9
Other	7	3	14	8
Adjusted EBITDA	273	286	331	350

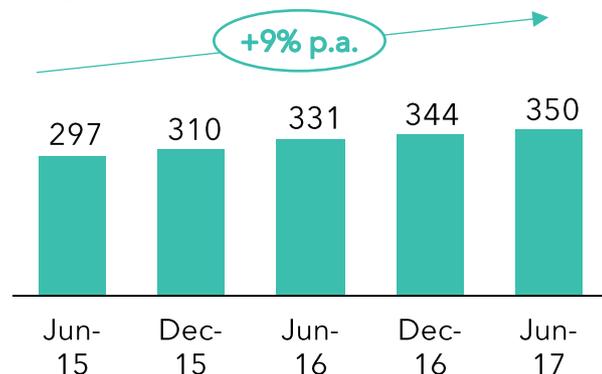
CAPITAL STRUCTURE OVERVIEW

EVOLUTION OF KEY METRICS

Total net leverage



Adj. EBITDA LTM (EURm)



CAPITAL STRUCTURE

Facilities	June 2017	June 2017	Maturity	Pricing
	(as reported)	(pro forma) ¹		
	EUR m	EUR m		
Cash and equivalents	(246)	(218) ³		
RCF (EUR 200m available)	-	-	Feb-22	E+3.50% (0% floor)
Term Loan B (B1/B)	1,370	1,370	Aug-22	E+3.50% (0% floor)
New Term Loan B	-	300	Aug-22	E+3.25% (0% floor)
Senior Secured Notes (B1/B)	300	300	Jul-22	6.25%
Net senior debt	1,424	1,752		
Senior Notes (Caa1/CCC+)	335	335	Jul-23	8.75%
Net debt (Corp: B2/B)²	1,759	2,087		

REPRICING FROM E+3.75% (0% FLOOR) EFFECTIVE AS OF 18-AUG-2017

¹ PRO FORMA FOR THE ACQUISITIONS OF BODYBELL, LLG AND PERFUMERIASIF AS WELL AS THE NEW TERM LOAN B FACILITY

² NET DEBT DOES NOT INCLUDE ACCRUED INTEREST OF EUR 22M

³ CASH BALANCE REFLECTS CONSIDERATION PAID FOR BODYBELL, LLG AND PERFUMERIASIF, NET OF CASH ACQUIRED AND NET PROCEEDS FROM TERM LOAN ISSUANCE

Q3 FY 2016/17 KEY FINANCIALS

COMMENTS

- Like-for-like sales increased by 0.5%
- Online sales grew by 19.2%, store sales down by 2.3% like-for-like reflecting industrywide lower traffic in stores in particular in Germany
- Adjusted EBITDA and respective margin increased mainly due to tight cost control

KEY FINANCIALS

(in EURm)	Q3 2015/16	Q3 2016/17	Delta
Net Sales	598	603	0.8%
<i>Like-for-like</i>			0.5%
Adjusted EBITDA	68	72	5.4%
<i>Margin (%)</i>	11.4%	11.9%	
CAPEX	18	15	-16.9%
Adj. EBITDA - CAPEX	50	57	
Cash conversion ¹	73.7%	79.3%	

ADJUSTMENTS TO EBITDA

(in EURm)	Q3 FY 2015/16	Q3 FY 2016/17
Reported EBITDA	30	56
Consulting fees	3	7
Restructuring costs	0	5
PPA	30	0
Credit card fees	2	2
Other	4	2
Adjusted EBITDA	68	72