

12. Internationales Symposium Restrukturierung

Institut für Grenzüberschreitende Restrukturierung



Einblicke in die Restrukturierung von Europas führendem Beautyretailer

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Case Study

Creating Impact for a
Leading European Retailer

INITIAL DOUGLAS SITUATION

Operations

- Operations in 19 countries with a total of ~2.450 stores and online shops in 21 countries, total revenue of € 3.3bn
- While the online store is successfully growing, brick & mortar sales challenged even before Covid

Organization

- Strong decentralization and separation between channels

Financial

- Refinancing necessary in 2021 as several notes maturing in Feb-Aug 2022



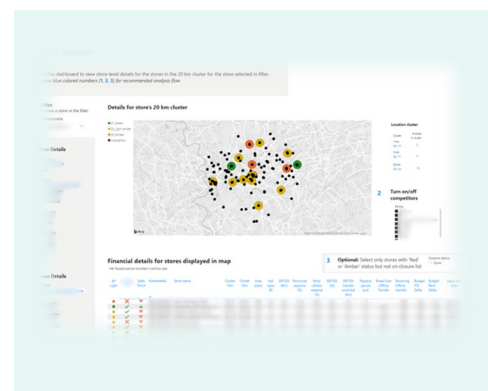
Total
~2.450 stores
€3.3bn revenues

■ Countries with Douglas bricks & mortar stores and online
■ Douglas online operations only
○ xx # stores

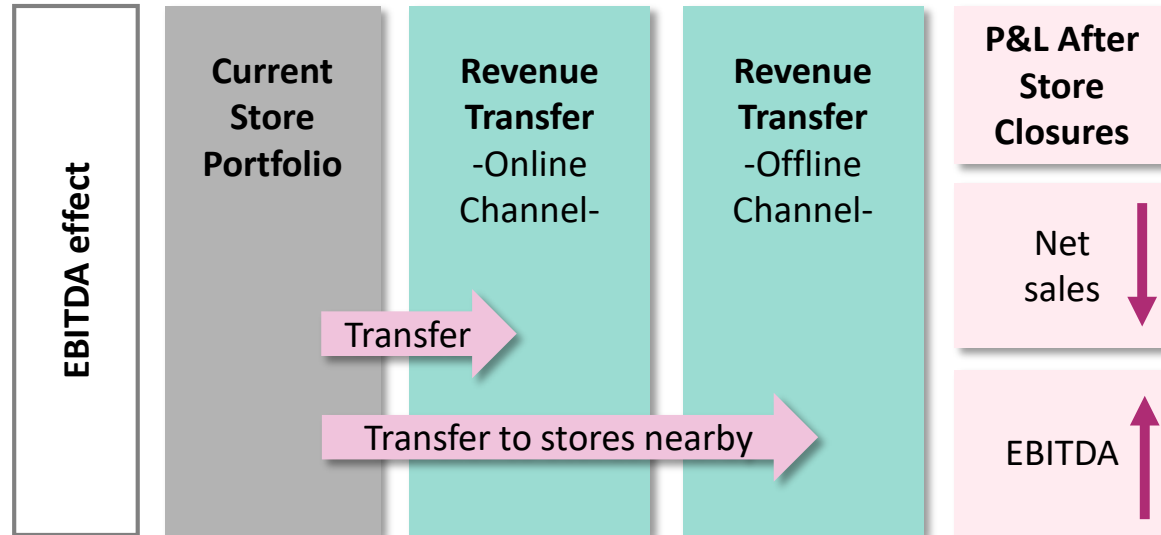


WE OPTIMIZED THE STORE PORTFOLIO BASED ON A HOLISTIC CATCHMENT AREA REVIEW

Store Network Analysis



Store Portfolio Optimization

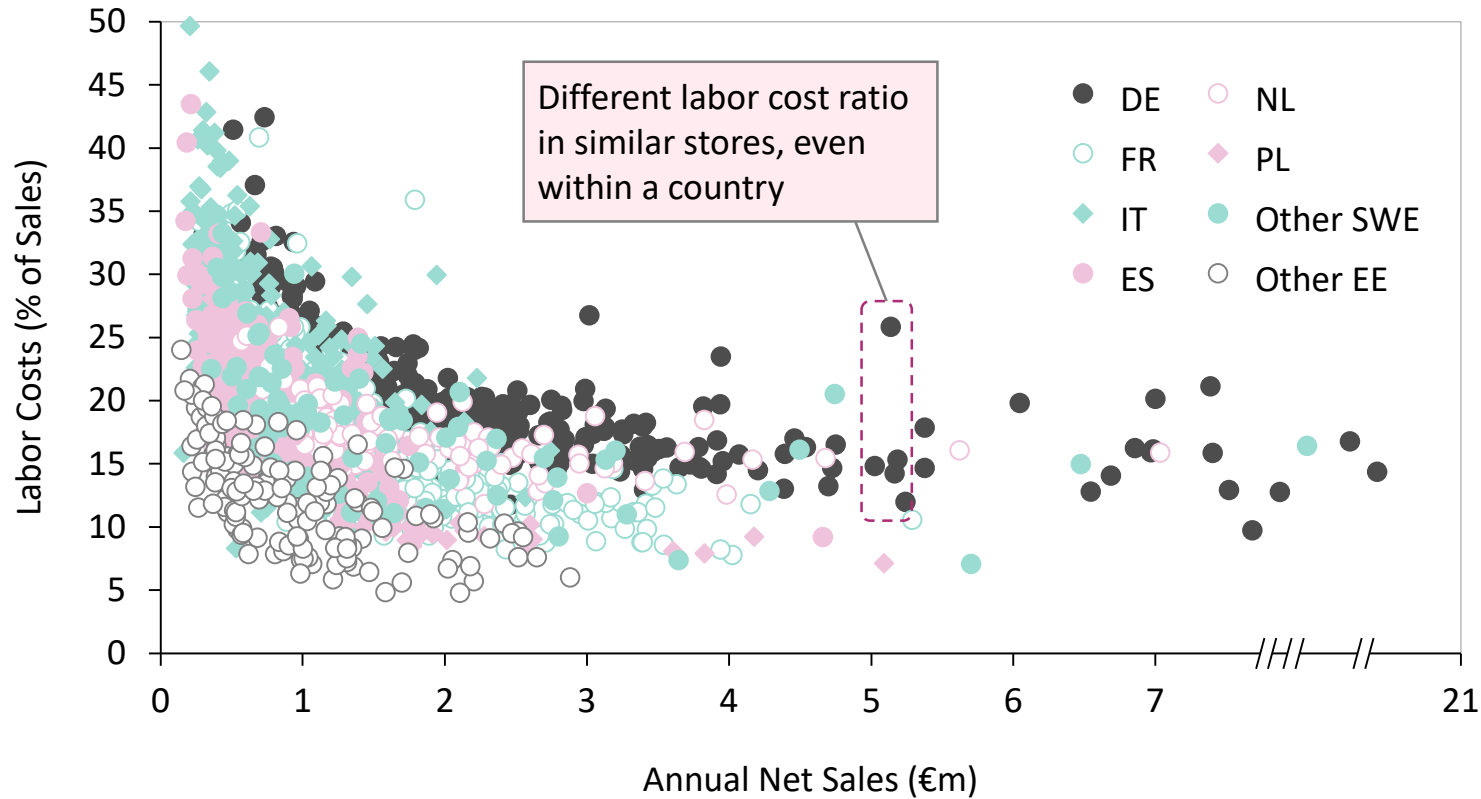


- › Closure of stores with negative or low profitability
- › Revenue transfer to nearby stores or online channel
- › Limited cost build-up in receiving stores

Lower revenues but higher EBITDA in optimized portfolio

INTERNAL BENCHMARKING AND BEHAVIOUR CHANGE DRIVE STORE PERSONNEL RIGHTSIZING POTENTIAL

Store labour cost



Optimization potential

Efficiency improvement

- › Optimization of staffing in “keep open” stores based on internal benchmarking

Changed customer behavior

- › Lasting reduction in city traffic impacting many stores, amplified by Covid-19
- › Increased conversion rate
- › Adaptation of staff level to “new normal” creates cost reduction potential

#FORWARDORGANIZATION AS NEXT STEP OF IMPLEMENTING DIGITAL FIRST STRATEGY

#FORWARDBEAUTY.DIGITALFIRST

- › Concentrate investments on the holistic digital customer journey
- › Focus on e-commerce and partner program
- › Integrate store business as part of the beauty platform (home delivery and ship from store)

Next step: #FORWARDORGANIZATION

Effectiveness

- › Standardization & Harmonization
- › Centralization
- › Data-driven Decision Making

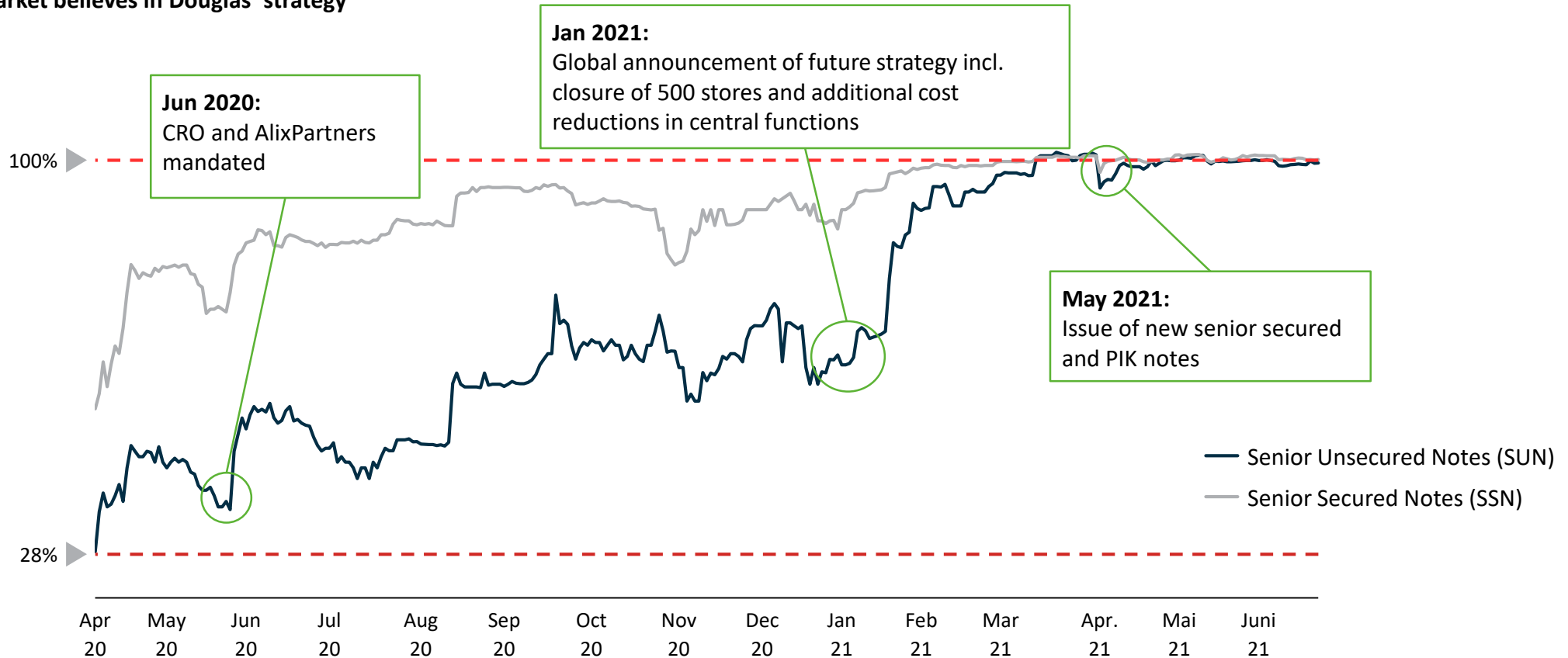
Efficiency

- › Lean HQ Functions
- › Synergies through Country Clusters
- › No Duplication of Efforts

Total Target of €18-20m run-rate savings (~300 FTE)

IMPLEMENTATION SUCCESSFUL AND DOUGLAS NOW IN A POSITION TO REFOCUS ON ITS STRENGTHS

Capital market believes in Douglas' strategy



AlixPartners supported Douglas in an unprecedented situation not only to get back on track, but also to regain trust from investors and safeguard time for further strategic moves.