

Press Release

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Otto Group Enters Strategic Partnership with Covariant to power its Logistics Network with AI Robotics

Companies will begin by deploying over a hundred robots

It's no secret that the logistics industry is undergoing unprecedented change. To build a foundation for future growth, the Otto Group, which is the largest online retailer with European origin, is entering into a long-term strategic partnership with Covariant, the world's leading AI Robotics¹ company. Covariant's AI-powered robots will be used to automate a wide range of manual fulfilment activities that require hand-eye coordination and object manipulation – supporting Otto Group to enhance services for its customers and to take another important step toward a digitalized and AI-driven future.

The Otto Group will deploy Covariant robots to increase operational efficiency, build resilience against labour market challenges, and improve the overall quality of work within their fulfilment centres. The investment is expected to create new work profiles and attractive jobs while enhancing overall facility performance and ensuring more reliable delivery times – especially during periods of high or fluctuating demand.

"Logistics faces the challenge of being as cost-efficient as possible. The use of a generalist AI allows us to rethink processes that were not possible before and provides an answer to the massive shortage of workers. In times when handling is often outsourced to cheaper locations, we are especially happy to continue to be close to our customers and strengthen the European, and especially German business location. The use of AI will be a key success

¹ AI Robotics is the development of intelligent machines that use Artificial Intelligence to enhance their capabilities. AI-powered robots are situationally aware of their surroundings and can autonomously perform tasks and solve problems.

factor in logistics in the future," said Kay Schiebur, Member of the Executive Board, Services, Otto Group.

Covariant was founded by the pioneers of modern deep learning-based AI. The company delivers the widest portfolio of robotic picking, placing, and sorting solutions available in today's market. Each of these solutions is powered by the Covariant Brain, a universal AI platform that enables robots to see, think and act.

The vision of this partnership is to have hundreds of Covariant's AI-powered robotic solutions installed across all Otto Group fulfilment centres. The companies are starting this year in Germany by deploying robots at the Haldensleben and Altenkunstadt facilities. These robots will enable Otto Group to autonomously handle the dynamic and unexpected fulfilment scenarios that have previously limited picking automation including the successful processing of ever-changing products without having to pre-program data. Furthermore, all Covariant robots regardless of facility location learn together as a fleet – ensuring that leanings and operational improvements automatically propagate across the entire Otto Group network.

"This is a huge step forward for the automation of Europe's ecommerce market – and represents one of the largest investments in a foundation model for robotics to date. We're honored that Kay and team recognize the importance of developing a universal AI for robot learning and we look forward to delivering the operational improvements that will help maintain Otto Group's market-leading position for years to come," said Peter Chen, Chief Executive Officer of Covariant.

"In times of a challenging market environment, it is essential that future investments do not fall by the wayside" highlighted Kay Schiebur. "We invest here and now in our future viability to strengthen our leading position in Europe".

Link: [Story](#)

About Otto Group

Founded in 1949 in Germany, the Otto Group is today a globally operating e-commerce and service Group with around 43,000 employees in 30 significant corporate groups, primarily present in the three economic areas of Germany, the rest of Europe, and the USA. Its business activities extend to the Platforms, Brand Concepts, Retailers, Services, and Financial Services segments. In the 2021/22 financial year (28 February), the Otto Group generated revenue of EUR 16.1 billion. With online sales of around EUR 12.1 billion, the Otto Group is among the world's largest online retailers. The Group's main strength is its broad-based presence with various ranges of products for diverse target groups in important regions around the world. A number of strategic partnerships and joint ventures offer the Otto Group outstanding conditions for the transfer of know-how and the use of synergy potential. A high degree of entrepreneurial responsibility and the Group companies' will to collaborate guarantee both flexibility and customer proximity along with optimal appeal to target groups in each country. To learn more, go to ottogroup.com.

About Covariant

Founded in 2017 by the world's leading AI Robotics research scientists, Covariant delivers AI-powered automation solutions that address the change and scale of today's modern warehouse. With offices in North America and Europe, Covariant has customers in 15 countries and nearly 300 robots powered by the Covariant Brain: a universal AI Robotics platform that enables robots to interact with and learn from their dynamic environments – setting a new standard for what's possible in AI and the industries in which it's applied. Covariant offers the broadest portfolio of AI-powered robotic picking applications, including order sortation, item induction, good-to-person order picking, kitting, and depalletization. Robots can autonomously pick virtually any SKU or item on Day One in industries spanning apparel, health and beauty, pharmaceuticals, logistics, and general merchandise. To learn more, go to covariant.ai.

Press contacts

Otto Group, Annette Siragusano +49 40 6461 3982 annette.siragusano@ottogroup.com

Otto Group, Lena Hufmann +49 40 6461 5922 lana.hufmann@ottogroup.com

Covariant, Amanda Taggart+1 310 980 9587 ataggart@covariant.ai