

Press Release

Hamburg, Germany, 29.09.2021

Otto Group posts strong half-year results and remains on growth track

The international retail and services group can look back on a successful first six months of the current financial year 2021/22 (to 28 February). The positive revenue development is due in particular to sustained growth in online retail and a revival in brick-and-mortar business.

Above all those Otto Group companies hit by pandemic-related demand weakness in fashion retail in the same period of the previous financial year successfully raised sales revenues, both online and offline. On a comparable basis, Otto Group worldwide sales increased by a good 20 percent, driven in particular by increased demand in the Fashion, Living and Lifestyle assortment. The international retail and services group's pure e-commerce revenue rose by more than 18 percent worldwide and by almost 21 percent in Germany.

"Thanks to our focused growth strategy we have made sensible use of the opportunities we were given," says Alexander Birken, CEO and Chairman of the Otto Group Executive Board. "We are in very good shape economically. Nevertheless, the technological challenges we face and our customers' demands on us as retailers remain high. Interlinking sales channels and intelligent digitalization are becoming increasingly important in retail in general – and even more so in brick-and-mortar retail. Given this, our sustained growth in the competitive arena shows that we are on the right track."

The single company OTTO continues to develop excellently on its way towards becoming an online platform: it increased revenues by a good 30 percent, with over 2,200 retailers and brands already trading on otto.de. Thanks to the automated registration process, the number of cooperations and partners operating on the platform continues to grow above plan. The positive development in the new-customer acquisition rate is equally pleasing and remains at a high level.

Likewise, the international fashion provider Bonprix is back on track for growth after the pandemic-related consumer reticence seen in the fashion segment in the past financial year. Above all, the

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USA as a foreign market has seen an enormous recovery, with swimwear as Venus' focus assortment once again increasingly in demand. Overall, the Bonprix Group, which operates in around 30 countries, reported a clear revenue increase of almost 17 percent compared to the same period of the previous year.

Crate and Barrel, the US furnishing and lifestyle group, also saw an excellent first half-year. On the one hand, the Chicago, Illinois-based company is once again seeing a good double-digit growth rate in e-commerce; on the other, Crate and Barrel's brick-and-mortar business is showing strong growth after the pandemic-related store closures in the same period last year. Overall, the group reported first-half growth of approximately 37 percent.

The Mytoys Group, which focuses on young families, is also seeing a positive development. It successfully raised revenues by twelve percent in the first six months of the new financial year. Significant growth rates were reported especially in the Fashion segment and Mytoys continued to drive its marketplace business forward.

Thanks to the successful shift from brick-and-mortar business to online business, the internationally active Witt Group reported a revenue increase of almost 27 percent for the first half-year. The omnichannel retailer, which specialises in the 50-plus customer group, is showing a very dynamic development in all assortment areas – especially in its online business, which has grown strongly in significance in the pandemic. Witt successfully raised its e-commerce revenues by more than 38 percent in the first half-year.

The Otto Group' Logistics segment is also benefiting from the persistently positive e-commerce trend. For example, Hermes recorded an increase in sales of more than 30 percent* in Germany due to the increasing parcel volumes in the market. The successful start-up About You, listed on the Frankfurt Stock Exchange since June and recently included in the SDAX, also continues to see a very positive development, based on figures recently published by the company.

EOS, the internationally active financial services provider, also recorded very satisfactory development. EOS is once again raising revenues following the difficult business environment at

the beginning of the past financial year, reporting a revenue increase of over 23 percent for the first six months.

Continued positive outlook

Overall, the very healthy growth is having a positive impact at all earnings levels. The main driver is above all the successful development of the textile business, which historically has generated higher margins than other assortments. "All in all, we have steered through the pandemic very well so far and can be satisfied with the overall result," says Alexander Birken. "That said, we are already noticing a cooling in online retail and expect a normalization here in the current year." To secure its business viability for the long term, the Otto Group will continue to invest as planned in expanding the otto.de platform, its logistics infrastructure for an optimal customer experience, and the digital transformation of the Group's companies. For the 2021/22 financial year as a whole the Otto Group expects significant revenue growth and an operating result at the previous year's level.

* Due to investor entry in November 2020, these revenues are no longer included in the Otto Group's consolidated revenues

Otto Group

Founded in Germany in 1949, today the Otto Group is a globally active retail and services group with around 50,000 employees in 30 major company groups and does business in over 30 countries in Europe, North and South America, and Asia. Its business activities are grouped into three segments: Multichannel Retail, Financial Services, and Service. In the 2020/21 financial year (to 28 February), the Otto Group generated revenues of 15.6 billion euros. With online revenues of approximately 9.9 billion euros, the Otto Group is one of the world's largest online retailers. The Group's particular strength is its broad market presence and differentiated product and service offers to diverse customer target groups in almost all of the world's relevant economic regions. Numerous strategic partnerships and joint ventures provide the Otto Group with excellent opportunities to transfer know-how and leverage areas of synergy potential. Group companies demonstrate a high degree of corporate responsibility and willingness to collaborate with one another; at the same time this guarantees flexibility, customer proximity and optimum target-group appeal in their respective national markets.

For further information on the Otto Group visit www.ottogroup.com.

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