

Press Release

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Otto Group reports solid growth in e-commerce

Preliminary forecasts see the Otto Group set to close its 2018/19 financial year (to 28.02.) with global online revenues of approximately 7.7 billion euros. This represents a rise of 5.1 percent on a comparable basis. The retail and services group generated revenues of over 5.4 billion euros in its online business in Germany, an increase of 5.9 percent.

Despite an extremely challenging year for textile and furniture retail, the Otto Group achieved solid, sustainable growth in its online business. Compared to the previous 2017/2018 financial year, the internationally active retail and services group raised its online revenues on a comparable basis* by 5.1 percent globally to reach a preliminary estimate of 7.7 billion euros. Revenues in Germany climbed 5.9 percent* versus the previous year to reach a forecast 5.4 billion euros. The Otto Group thus reinforces its position as one of the leading national and global online retailers.

Within the Otto Group company portfolio, the single retail company OTTO performed successfully on the market, pushing its online revenues over 8 percent higher to around 3 billion euros. Other Group companies such as Limango also reported a very positive development, with the family shopping provider growing over 20 percent on a comparable basis and generating revenues of approximately 230 million euros.

“In view of the very difficult prevailing conditions in the financial year that closes today, above all due to the weather, the growth in our online business is satisfactory. At the same time we are very much aware of the challenges posed by an increasingly fierce competitive environment. The demands on retailers are rising exponentially and this is triggering fundamental changes; we need to react constantly to these in order to remain economically successful over the long term”, explains Dr Rainer Hillebrand,

Deputy Chairman of the Otto Group Executive Board and responsible for Group Strategy, E-Commerce and Business Intelligence.

As already announced, Dr Hillebrand, who has reached the stipulated maximum age for Executive Board Members, will retire on 30 April 2019. Following 28 years' service to the international retail and services company, the Otto Group has expressed its gratitude for his outstandingly successful work. Sebastian Klauke, currently Otto Group Chief Digital Officer, is to succeed him on the Group Executive Board.

Sebastian Klauke emphasises that on the one hand the Group will need to adapt new, customer-orientated technologies more quickly and thus seek out new sources of revenue that fully exploit the advantages of digital business models. On the other, it will be just as important not to neglect the core business but to optimise it constantly.

“To stay successful on the market in future too, technology needs to become part of our corporate identity. For this reason we will continue firmly on our path to becoming a fully digitalised retail and services group”, confirms Sebastian Klauke.

The Otto Group is playing a pioneering role in the development and application of new solutions in the future-orientated business areas of the Internet of Things (IoT) and Augmented Reality (AR). For example, the single company OTTO has announced that with ‘OTTO ready’ it will offer a smart IoT interface between the online shop and Internet-capable household devices that will enable the automated reordering of consumables such as dishwasher tabs, for instance. The Group is currently using Augmented Reality above all in the Home and Living segment; the ‘Yourhome’ app offers customers the possibility of virtually viewing furniture articles in their own home before they decide whether to purchase.

**Changes versus the previous year are presented on a comparable basis due to various extraordinary effects, including the deconsolidation of About You, financial-year harmonisation of individual Group companies in the 2017/18 financial year, as well as adjustments to the reporting system.*

Otto Group

Founded in Germany in 1949, today the Otto Group is a globally active retail and services group with around 51,800 employees. The Group comprises 123 major companies 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 2017/18 financial year (to 28 February) the Otto Group generated revenues of 13.7 billion euros. The Otto Group is one of the world's largest online retailers. Ecommerce, catalogue sales and over-the-counter (OTC) retail form the three pillars of the Otto Group's Multichannel Retail activities. Worldwide corporate activities, 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 operate largely independently, guaranteeing flexibility, customer proximity and optimum target-group appeal in their respective national markets.

Press Contacts:

Thomas Voigt: tel. +49 40 6461 4010 / thomas.voigt@ottogroup.com

Martin Zander: tel. +49 40 6461 2820 / martin.zander@ottogroup.com