



OTB GROUP PRESENTS ITS RESULTS AT 31 DECEMBER 2021

TURNOVER UP 16.2%, 38 NEW OPENINGS

JIL SANDER REACHES BREAK-EVEN JUST NINE MONTHS AFTER JOINING THE GROUP

Breganze (Vicenza) 10 February 2022 - OTB, the international fashion and luxury group that powers a range of global, unconventional brands, including Diesel, Jil Sander, Maison Margiela, Marni and Viktor&Rolf, the Staff International and Brave Kid companies, and holds a minority investment in the Amiri brand, today presented its consolidated financial statement as at 31 December 2021.

KEY NUMBERS

- **Turnover: 1,530 million euro**
- **Net Sales: 1,456 million euro**
- **EBITDA: 354 million euro for a 24.3 % return on Net Sales**
- **EBIT: 187 million euro for a 12.8 % return on Net Sales**
- **Net Profit: 142 million euro**
- **Net Financial Position (pre IFRS 16): 383 million euro**

2021 was a year of important growth marking a turning point for the entire OTB group, which returned to pre-pandemic turnover levels and reported significant improvements in earnings and margins. The financial year closed with **turnover of 1,530 million euro** (excluding other non-recurring revenues of 130 million euro), **an increase of 16.2% from 2020 and in line with 2019. Net profit was 142 million euro**, up by 141 million euro from 2020 and by 140 million euro from 2019.

Net sales amounted to 1,456 million euro, an increase of 18% from 2020 driven by the luxury business (Marni, Maison Margiela, Jil Sander and Viktor&Rolf). Among the geographical regions, the best performance was reported in the **Asia Pacific** area and in **North America**, while the **online** distribution channel consolidated its position within the group.

Group **EBITDA**, net of non-recurring items, was 258 million euro (+47% from 2020 and +36% from 2019).

Group **EBIT**, net of non-recurring items, reached 94 million euro (an increase of 80 million euro from 2020 and 76 million euro from 2019), arising from contributions from all the brands and the consolidation of the structural measures that began in 2020 and continued in 2021.

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Capital expenditure amounted to 47 million euro, an increase with respect to both 2020 and 2019, and focused primarily on the development of the retail network, digital innovation and logistics.

Despite the rise in investments, the Group's **net financial position** was positive and improved by more than 200 million euro compared with 2020 to reach 383 million euro, demonstrating OTB ability to generate cash.

KEY HIGHLIGHTS

All the brands in the OTB **luxury business** reported solid growth with respect to both 2020 and 2019, outperforming the pre-pandemic levels with improvements of **49% from 2020 and 55% from 2019**.

Turnover rose 25% from 2020 at **Maison Margiela**, which achieved progress in all regions and channels, confirming the upward trend that had already begun in 2019, for overall growth of 107% over the three years 2019-2021.

During Glenn Martens' first year as creative director, **Diesel** began a brand evolution based on a bold combination of the brand heritage and the new director's innovative approach. This enabled Diesel to pave the way for a new phase of development designed to position the brand in the alternative luxury segment. The new creative direction is attracting the interest of international clients who follow new fashion trends most closely; the first flagship store implementing the new concept of the Glenn Martens era opened recently in New York. In 2021 the brand largely completed the distribution requalification process, with the elimination of elements that were no longer in line with the new strategy.

Key events in 2021 included the **closing of the acquisition of 100% of Jil Sander** in April. Thanks to the brand's global prestige, the transaction enabled OTB to improve its positioning in the luxury sector. The intensive work and synergies formed with the Group, together with significant turnover growth, led **Jil Sander to reach operating break-even and generate cash in just 9 months**.

GROUP KEY FACTS

Acceleration of the innovation path

Digital innovation is an integral and distinctive element of the strategy of the Group, which in October 2021 decided to join the **Aura Blockchain Consortium** as a founder member, alongside the leading international luxury groups (LVMH, Prada Group and Cartier, a Richemont group brand). The drive to explore the new business opportunities offered by the virtual worlds and the metaverse led OTB to become the first group to create an internal newco – **BVX (Brave Virtual Xperience)** – dedicated entirely to the development of metaverse, gaming and NFT projects, content and products.

Growth of the direct channels

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There was a strong focus on investment in the Group's direct channels in 2021, with the **opening of 38 new stores** and the strengthening of the **e-commerce** channel. Important initiatives included the adoption of the **MOON omni-channel platform** by Marni, soon to be followed by Maison Margiela and Jil Sander. An innovative integrated operating model first launched with Diesel in 2020, MOON offers a completely customised fluid digital shopping experience. During the year, Diesel, Maison Margiela and Marni also completed a full restyling of their online stores, receiving a warm response from clients. These initiatives drove a rise in direct online sales of 6% compared with 2020 and 34% compared with 2019.

Regions: Asia Pacific and US strategic markets

The Asia Pacific region confirmed its position as a strategic market for the Group. Investments were increased in **China**, where OTB now has 80 monobrand stores in 16 cities, a number that will double over the next three years. In March 2022, a new retail project is scheduled to open in the JC Plaza shopping mall in Shanghai, which will house Maison Margiela, Jil Sander, Marni and Amiri stores. The two-storey street-front retail spaces will feature interactive display areas, where brand enthusiasts will be able to enjoy an immersive experience and engage with the spirit, values and philosophy of each brand. OTB also opened a subsidiary in **South Korea** to provide direct management and development of an area with significant growth potential. It continued to consolidate its growth in **Japan**, which remains one of the Group's most important markets globally, accounting for around a quarter of aggregate turnover.

The organisation was strengthened in **North America**, in part thanks to the appointment of top-level managers to lead the growth of all the Group brands.

Sustainability

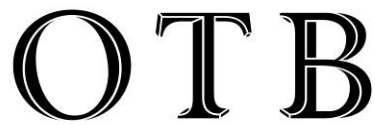
In 2021, OTB launched the **"Be Responsible. Be Brave" sustainability strategy** involving all the brands and companies in the Group.

The strategy focuses on three main areas – safeguard of the environment, attention to products and social commitment – and sets ambitious concrete targets such as attainment of carbon-neutral of group operations by 2030.

The results of the **Corporate Carbon Footprint will be reported** for the first time in 2022 with the publication of the **OTB Sustainability Report**.

Specifically, the Group is paying close attention to responsible management of water and chemicals – having become a contributor to the ZDHC Foundation's international Roadmap to Zero Programme – and to all aspects of the circular economy, from design to upcycling and recovery of production waste.

The Group has already begun preparing for this virtuous journey through a central strategic direction of all the initiatives, which are executed by the managers of each Group company, with a view to establishing an action plan that takes an all-round, integrated approach to exploring all the new horizons of sustainability.



Industrial model

Within the Group's industrial model, the strategic role of Staff International has been strengthened to leverage important synergies across the Group. Supervision of the production supply chain, which in 2021 continued to receive financial support from OTB through the **C.A.S.H. project**, proved once again to be a crucial element in supporting Made in Italy and creating value for the entire chain.

All logistics operations were integrated on the industrial platform and placed under the control of the Group in November, guaranteeing closer process monitoring, greater efficiency and a higher level of service.

Given its results, OTB Group – which recently finalised its 2022-2024 strategic plan – confirms its ambitious organic growth targets. Growth is one of the key points of a development path that could lead the Group to consider a potential opening to the capital market.

“The values that have always distinguished OTB Group are a commitment to fostering creativity, diversity and courage, speed and agility, support for talent and backing for the whole supply chain. These are the factors that will guide our growth over the coming years, with a close eye on sustainability, which for me has always been a long-term investment. This is an irreversible cultural change and the only choice we have if we want to continue to do business in the future. That is why I have inculcated this approach in everyone in the Group, in every corporate role, because only then will we succeed in conducting our business sustainably. Entrepreneurs have a great responsibility, and this is the greatest opportunity we have to build a better future for our industry. We are also following the most significant developments in the virtual worlds and the metaverse, so that once again we can be pioneers in a completely new dimension in which we strongly believe. Indeed, we were the first to invest in the start-up of a newco (BVX) that could transport the entire Group towards innovative new business horizons. We want to go on strengthening our position as an international player in unconventional fashion and luxury, the Brave & Alternative Luxury Group, and also open up to other brands that embrace our philosophy. We started down this road less than a year ago with Jil Sander, consolidating our presence in the luxury world. With its timeless garments, Jil Sander is an icon in the luxury sector and we intend to continue enhancing its positioning in the high luxury segment, maintaining the distinctive features that have made it a unique and celebrated brand around the world,” said OTB Chairman **Renzo Rosso**.

“2021 was a richly satisfying year during which we reached – and in some cases beat – all our targets in particularly challenging economic and social conditions. As a result of the work of the last few years, the Group is in a stronger position to take the next steps in its ambitious strategic plan from now to 2024. Our production and distribution platforms, cornerstones of our industrial model, will

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certainly be one of the bases of our development. In 2021 we also decided to re-organise the governance of the supply chain, which is now fully under our responsibility, and completed the acquisition of Jil Sander, which, thanks to the "OTB recipe", achieved break-even in 9 months. These are strategic decisions designed to boost our positioning in the luxury sector, support our growth in digital and direct channels, and raise OTB's profile on key markets like the USA, or with important growth potential like the entire Asia Pacific region, China in primis. We are determined that, increasingly, growth will be zero impact, and in July we shall be presenting our first sustainability report to illustrate the results achieved in the year since the launch of the "Be Responsible. Be Brave." strategy. It will also lay out the route towards attainment of all the targets we have set in terms of the safeguard of the planet, the attention to products and our social impact on the community," said OTB CEO **Ubaldo Minelli**.

About OTB Group

OTB is an international fashion group powering a range of global, unconventional brands, including Diesel, Jil Sander, Maison Margiela, Marni and Viktor&Rolf. The group also controls the Staff International and Brave Kid companies and holds a minority investment in L.A. brand Amiri. As its name suggests (OTB stands for "Only The Brave"), the group pushes boundaries and challenges established rules to redefine the world of fashion and lifestyle, by fostering the creativity of international talents. OTB embodies the brave, innovative and unapologetic spirit and vision of its founder and chairman Renzo Rosso. Embracing consumer-centric digital innovation, together with a concrete long-term commitment to creating a sustainable business, are the pillars of the development philosophy of the Group that employs over 6,000 people worldwide.

For further information:

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