



Press Release

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Rewarding first six months for bonprix: successful growth underpins positive annual forecast

International fashion brand **bonprix** demonstrated pleasing market growth over the first six months¹ of fiscal year 2019/20, boosting real turnover by 11.7% despite the challenging integration of its Russia Group² and a demanding US business. This represents a 3.3% increase in like-for-like sales³ in line with projections by the Otto Group member. Double-digit growth rates saw Eastern European markets like Poland and the Czech Republic, but also the Netherlands and Austria, perform particularly strongly. There were positive results across bonprix's domestic market in Germany too. The brand upped sales by almost 4% compared to the previous year and **bonprix.de** continued to be ranked Germany's second highest selling online shop in the fashion sector⁴. In addition to a successful first half of the year, excellent results at the end of September have reinforced bonprix's promising annual forecast.

"We're delighted with the progress we've seen in Germany and Europe and feel confident about the months ahead," said Dr Kai Heck, Executive Director and Head of Finance at bonprix, about the half-year figures. "The strong growth in many of our markets can be attributed to our versatile market and product range strategy, as well as first-class stock management." The company's 'mobile first' approach also continues to bear fruit. Since the last half-year period, its app and mobile web shops have seen a 25% higher demand internationally.

There were only marginal gains in bonprix's US market compared to the previous year. To boost growth the company has invested in digital marketing for its VENUS brand. It has also adopted a cost-sharing approach to shipping and returns commonly seen across the market. The introduction of a cross-border Sales & Marketing team in both Hamburg and Moscow is a further measure geared towards growing the Russian market. "We're making good use of our commitment and expertise to overcome challenges posed by the Russian and US markets. Although complex to navigate, they both offer enormous potential," confirms Dr Richard Gottwald, Chairman of the Executive Board and Head of International Sales.

¹ 01 March 2019 to 31 August 2019 (from fiscal year 2017/18, the closing date for consolidated accounts has been set as the 28 February for all subsidiaries within the Otto Group).

² bonprix's Russian business was previously part of Otto Group Russia and was incorporated into bonprix Handelsgesellschaft in fiscal year 2019/20.

³ Compared to the first half of fiscal year 2018/19, does not include the Russian business.

⁴ Source: Case study "The German E-Commerce Market 2019" by EHI Retail Institute/Statista. Ranking based on revenue figures.

Originally part of the Otto Group, the Russian side of the business was incorporated into the bonprix Group at the start of 2019/20. As well as increasing revenue, it bolstered the company's international workforce, which now totals around 3,900 employees. The amalgamation sees bonprix take over all business activities for Otto Group Russia (OGR), including managing the Russian warehouse in Twer.

bonprix currently operates in thirty countries across the world with its portfolio set to expand even further in early 2020. As previously announced, a new Spanish web shop is aimed at securing a significant market share of fashion-conscious Spanish shoppers. One example of how successful bonprix's internationalisation strategy has been is the cooperation with Lascana, another Otto Group subsidiary. Since summer 2019, bonprix has been marketing Lascana's lingerie and swimwear online in Italy. It's a sales model the company hopes to pursue in other European countries in the future too.

When it comes to innovation, bonprix is sticking to its plans and investing in some promising developments across the board. A recently announced target within its CR strategy is to ensure textiles in every product range contain at least 70% sustainable fibres by 2025. After the launch and technological stabilisation phase of its "fashion connect" retail concept, bonprix is now focussing on local marketing measures to promote the pilot store in Hamburg's prominent Mönckebergstrasse. Over the next few months, the idea of linking customers' online and offline activities to create a new, digitally-assisted shopping experience will also be developed, using retargeting strategies to reap multichannel potential more effectively.

An encouraging return and good sales growth are forecast for the current fiscal year 2019/20. Although Dr Richard Gottwald anticipates further challenges he remains positive. "There's considerable movement within the industry at the moment. Traditional apparel brands are being forced to address new consumer behaviours while facing stronger competition, in particular from the Asian markets. As a vertical fashion brand, bonprix has spent the last few years paving the way for long-term success on an international scale."

Images

At <https://en.bonprix.de/corporate/press/> or upon request (copyright: bonprix)

About bonprix

As an internationally successful fashion retailer, bonprix reaches more than 35 million customers in 30 countries. The company, which is part of the Otto Group and is based in Hamburg, was established in 1986 and now employs around 3,900 people worldwide. In fiscal 2018/2019 (February 28), bonprix Handelsgesellschaft mbH generated sales of EUR 1.57 billion, making it one of the Otto Group's best-performing businesses. At bonprix, customers can enjoy fashion and shopping on all channels – online, via the catalog or at one of its fashion stores. At approximately 85 percent, the lion's share of the company's sales comes from e-commerce. In Germany, www.bonprix.de is one of the ten highest-grossing online shops and the No. 2 for fashion.* Selling only its own brands bpc, bpc selection, BODYFLIRT, RAINBOW and John Baner, bonprix offers customers outstanding value for money. Its range includes clothing for men, women and children, accessories, as well as textiles and articles for the home.

**Source: Survey "E-Commerce Markt Deutschland 2019" by EHI Retail Institute/Statista*

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