



Press Release

DEICHMANN sales revenue grows by 6 percent in 2014 to €4.9 billion

172 million pairs of shoes sold worldwide / Sales revenues in Germany reach two billion euros for the first time / Omni-channel strategy to be developed further

ESSEN, 17 February 2015. The DEICHMANN Group sold around 172 million pairs of shoes in 2014 – five million more than in the previous year. In 23 European countries and the USA, the Group recorded gross sales in the past financial year of €4.9 billion (€4.2 billion net) – the highest ever in the over 100 years of the company's history. The increase in sales revenues after adjustment for exchange rate effects is thus six percent. At the end of 2014, Europe's largest shoe retailer operated a total of 3,600 branches worldwide and employed a workforce of around 36,150 people. This means that the company created 1,100 new jobs in 2014. In the current year, DEICHMANN will invest some €208 million in the international infrastructure, around €79 million of which will be invested in Germany. In Germany alone, around 350 new jobs will also be created in 2015.

DEICHMANN SE, which is headquartered in Essen, was able to continue its steady growth of recent years both nationally and internationally in 2014. Gross sales revenues for the corporate group totalled €4.9 billion (€4.2 billion) in 2014. In 2013, gross sales revenues were €4.6 billion, which is a rise of six percent after adjustment for exchange rate effects (like-for-like: 2.1 percent). The DEICHMANN Group now earns around 59 percent of its sales revenues abroad. Worldwide, it sold 172 million pairs of shoes – also a record number. This is five million pairs, or around three percent, more than in the previous year.

"2014 was a successful financial year for the DEICHMANN Group in a difficult landscape. Whether it was the warm winter, global exchange rate fluctuations or the economic turbulence in some countries: Our company was faced with numerous challenges which we overcame very well", Heinrich Deichmann, Chairman of the Management Board of DEICHMANN SE, commented. "We succeeded in further consolidating our position as the market leader in Germany and Europe. This was achieved in part by the fact that we further expanded our successful omni-channel activities and are now successfully running 19 online shops internationally with double-digit growth rates in all of them." Deichmann also mentions the collections of the past year as a further reason for the company's successful performance. "We obviously have a great feeling for what our customers want, in that many of our models picked up the trend for sportier fashions."



DEICHMANN's growth was also reflected in 2014 in the number of employees and branches. In the past year, the corporate group was represented by 3,600 branches in 23 European countries and in the USA (2013: 3,500). DEICHMANN operates branches under its own name in Germany and 20 other countries. The corporate group also includes DOSENBACH-OCHSNER AG in Switzerland, vanHaren Schoenen B.V. in the Netherlands and Rack Room Shoes and Off Broadway in the USA. Roland SE and MyShoes SE are subsidiaries in Germany. With a workforce totalling 36,154 people in Germany and abroad, the company employed around 1,100 workers more in 2014 than in 2013.

75.2 million pairs of shoes sold in Germany

At the end of 2014, the DEICHMANN Group operated 1,363 branches in Germany, which is 30 more than in the previous year. In 2015, around 66 branches are to be added and 25 unattractive locations closed. Some 70 stores will be modernized in the course of the year.

75.2 million pairs of shoes were sold across the counter or online in the DEICHMANN Group in Germany last year – an increase of nearly two percent (2013: 73.8 million). At the same time, gross sales revenues reached two billion euros (net €1.7 billion) for the first time, which is 5.1 percent more than in 2013 (€1.9 billion). Like-for-like, the increase was three percent. "We thus grew at a far better rate than the industry as a whole", says Deichmann. As a comparison: The German shoe retail industry ended the year 2014 with an increase in sales of a nominal one percent (source: Association of German Shoe Retailers (BDSE), press release of 22 January 2015).

380 new jobs in Germany in 2015

At the end of 2014, the DEICHMANN Group employed 15,201 people (2013: 14,630) in Germany. 380 new jobs are planned for 2015. In 2014, 1,253 young people started training with DEICHMANN in Germany. In total, the DEICHMANN Group employs 3,270 trainees across all courses and training years. 679 people now work at the Essen site. Here too, there has been steady growth, as a whole series of administrative services are provided for the international group from the company headquarters in Essen.

In February 2014, DEICHMANN opened up a new distribution centre, its fifth in Germany. DEICHMANN now supplies around 200 branches in Southwest Germany with products from its logistics centre in Monsheim in Rhineland-Palatinate. After operating for about a year, the results are positive. Transport routes to the DEICHMANN branches are far shorter, which

means that the stores can be supplied more quickly and the distance driven by the vehicle fleet as a whole has been reduced by 1.3 million kilometres.

Outlook: Qualitative growth and investments in the infrastructure

Investments by the DEICHMANN Group will remain at a high level in 2015. For the current year, the company is planning investments in the sum of €208 million, almost €79 million of which has been set aside for Germany. The funds will be used primarily for the modernization and expansion of the branch network and for investments in logistics and IT.

This year, the company will also further increase the number of branches it operates outside Germany, with the focus on qualitative growth. In total, the DEICHMANN Group is planning to open around 150 new branches (net) worldwide in 2015. Some 180 stores will be modernized.

From 17 February 2015, DEICHMANN will also be represented on the island of Majorca. The shoe retailer will be opening its first branch on the Balearic island in the Porto Pi shopping centre in Palma. In the new store, covering 360 square metres, the Spanish subsidiary DEICHMANN Calzados will be presenting an extensive range of shoes for men, women and children plus sports shoes and accessories.

"This year, we want to push forward further with expansion in our existing markets, because we feel that there is still potential for growth in most countries", says Heinrich Deichmann. "Naturally, we are also investigating further potential markets in new countries. We will talk about that when we get to that point. But we are also planning international growth with other formats within the corporate group."

The DEICHMANN group of companies also includes DOSENBACH-OCHSNER AG in Switzerland. This year, OCHSNER SPORT, the market leader in the Swiss sports retail trade, will be opening its first branch in Germany. From mid-March, OCHSNER SPORT will be represented in the Glacis-Galerie in Neu-Ulm. Germany is an important sports market in which DOSENBACH-OCHSNER AG is now taking its first step as part of a pilot project. Three OCHSNER SPORT stores are initially planned in Germany.

The DEICHMANN Group is crossing another border with its subsidiary MyShoes: The shoe specialist will be opening its first branches in Austria in the autumn. MyShoes is based in the mid-price segment. Customers will find both well-known brands and MyShoes own brand shoes and accessories in the stores.

Heinrich Deichmann emphasizes: "In our expansion – as in the past – we are committed to solid growth under our own steam, without loans and without stock flotations. DEICHMANN will also continue to be an independent, family-owned company in the future."

Online offensive continues

This expansion also includes the company's online activities. This year, DEICHMANN will also be continuing its digital offensive and will open up further online shops in the various markets. The company's omni-channel strategy also involves communication and collaboration with internationally famous fashion bloggers. In the autumn/winter 2015/2016 season, DEICHMANN will once again be cooperating with a well-known international blogger; negotiations for this have been completed. This will be the third Blogger Collection after the collaboration with the Swedish street-style icon Caroline Blomst and the Italian Veronica Ferraro. The limited collection will once again be exclusively available in the corporate group's online shops.

From autumn 2015, DEICHMANN is offering the "Ship2home" home delivery service. That means that customers in the branch can order shoes that they currently cannot find in the branch but which are in the collection and have them sent to their homes – free of charge – provided they are available. In addition, it will also be possible, under the heading "Click & Collect", to select and order shoes online and then collect them from the nearest branch.

At the moment, DEICHMANN operates 19 different online shops internationally and also distributes its collection via its own brand shops in various portals. In addition, the company also offers its customers in the various countries, of course, services such as apps and mobile shops. As early as 2000, DEICHMANN was selling shoes online at www.deichmann.com – the company was the first shoe retailer to have a shop online. Since then, its range of online stores has expanded at an ever-increasing pace.

"We consistently pursue the objective of offering our customers the very best in every channel when it comes to products, prices and service and to make changing between channels as simple and convenient as possible", says Heinrich Deichmann. "For us, it is not important to distinguish what proportion of sales is contributed by each distribution channel. What counts is that customers buy from us."



Now also available from eBay

DEICHMANN therefore recently also started operating in another sales channel in Germany: The company now also offers its collection of shoes and accessories via eBay. It has opened up its own webshop in the online market place, where it presents an extensive range of shoes for men, women and children, plus sports shoes, sneakers and bags. In total, some 1,700 items are available in the DEICHMANN brand shop on eBay.

Preparations are also underway for the company's own customer club, which is being tested initially in a pilot project in Austria and Poland before coming to Germany. It will offer members exclusive advantages and information, and will enable the company to appeal to customers on a much more specific, needs-oriented basis.

Mourning the loss of Dr Heinz-Horst Deichmann

In 2014, the Deichmann family and the company's employees said farewell to Dr Heinz-Horst Deichmann. The founder of the shoe retail chain and, most recently, Deputy Chairman of the Management Board of DEICHMANN SE died in Essen on Thursday, 2 October 2014, at the age of 88. A graduate in medicine and theology, after the Second World War he turned his parents' cobbler's store in Essen into an international shoe retail chain which is the market leader in Europe today. His son Heinrich Deichmann has been Chairman of the Management Board since 1999. The company is therefore now in the third generation of family ownership, and succession within the company has thus been settled for many years.

Dr Heinz-Horst Deichmann adopted the principle of "The company must serve the people". This means not only its customers, but also its staff and people in need. His son Heinrich subsequently set down this principle in writing and turned it into reality, thus making it a binding corporate value for the future. At a meeting with branch managers at the beginning of 2015, Heinrich Deichmann called on his workforce: "Let us carry on the firm with courage and determination just as my father would have wanted."

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DEICHMANN SE, which has its headquarters in Essen, Germany, was founded in 1913 and is still 100% owned by the founding family. The company is a market leader in the European retail shoe trade and employs over 36,000 people worldwide. Branches are operated under the name of DEICHMANN in Germany, Austria, Bosnia-Herzegovina, Bulgaria, Croatia, the Czech Republic, Denmark, Hungary, Italy, Lithuania, Poland, Portugal, Rumania, Serbia, Slovakia, Slovenia, Spain, Sweden, Turkey and the United Kingdom. In addition, the Group is represented in Switzerland (Dosenbach/Ochsner/Ochsner Sport), the Netherlands (vanHaren), the USA (Rack Room Shoes/Off Broadway) and Germany with Roland and MYSHOES.