OTB upbeat on strong growth, digital focus is key, Jil Sander close to profitability

By Sandra Halliday - 10 February 2022

Italian luxury fashion group OTB hailed a strong set of results on Thursday saying that its turnover rose 16.2% last year and it saw 38 new store openings. Importantly, it also said that Jil sander had reached break-even only nine months after joining the business.
The company is known for its offbeat approach to the businesses it owns, which also include Diesel, Maison Margiela, Marni, Viktor&Rolf, Staff International and Brave Kid, plus its minority investment in Amiri.

During the year, turnover rose by that encouraging 16.2% figure to €1.53 billion and net sales were up 18% to €1.456 billion. This was driven by the luxury business at Marni, Maison Margiela, Jil Sander and Viktor&Rolf. And geographically, the best performance was reported in Asia Pacific and in North America, while online distribution “consolidated its position within the group”.

EBITDA was €354 million (up 47% on the year and 36% against two years ago) for a 24.3% return on net sales. Its net profit was €142 million.

The company said that 2021 was a year of important growth and a turning point for the group as it returned to pre-pandemic turnover levels and also saw “significant improvements” in its earnings and margins.

All of the brands in its luxury business reported “solid growth” on both a one and two-year basis. 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”.

Diesel was also a key focus during the year. It was actually Glenn Martens’ first year as creative director, and Diesel “began a brand evolution based on a bold combination of the brand heritage and the new director’s innovative approach”.

This enabled it to “pave the way for a new phase of development designed to position the brand in the alternative luxury segment”. The company said that 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 and 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”.

The company was also heavily immersed in digital last year and joined the Aura Blockchain Consortium as a founder member, alongside big names such as LVMH, Prada Group and Cartier.

And OTB was “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”.

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.

Chairman Renzo Rosso said: “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.

“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.

“We want to go on strengthening our position as an international player in unconventional fashion and luxury 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.”