

Press Release of 23rd February 2022

Dear ladies and gentlemen of the press,

since 2008 – i.e. for 14 years now – ecostra GmbH has conducted an annual survey of international brand manufacturers who are tenants in outlet centres in Europe. Since 2012, this survey has been carried out in cooperation with the French research institute Magdus. By now, the report is regarded to be "the" benchmark for the European outlet industry. The results are printed in detail in the so-called "Outlet Centre Performance Report Europe" (OCPRE), which can be obtained from the ecostra webshop.

The OCPRE is the only Europe-wide survey of brands on the economic performance of their stores in the single outlet centres. All outlet centres in Europe that have been in operation for more than 2 years were included in the survey portfolio. Only brand manufacturers with at least three stores in three different outlet centres in Europe were allowed to take part in the survey. The survey was conducted among the decision-makers (sales managers, expansion managers) of the brands at the respective company headquarters, not among the store managers on site, as only the first-mentioned have the opportunity and the overview to evaluate the performance of their stores in different centres, which are also often located in different European countries. A total of 67 international brand manufacturers (previous year 68) took part in the survey, which operate a total of 1,162 outlet stores (previous year: 1,149) in European outlet centres. On average, each brand manufacturer operates on average approx. 17.3 outlets, which illustrates that brands that already have an extensive network of outlet stores in Europe participated in this survey.

We would be delighted if you could print this press release in your publication. If you need further illustration material (e.g. printable photos of selected objects) for this purpose, we can also provide you with these free of charge and free of rights.

If you have any questions, please feel free to contact us at any time. Contact person is at

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Yours

ecostra GmbH Magdus

For the first time ever: a single operator at once wins gold, silver and bronze Value Retail has the most successful outlet centres in Europe

The outlet operator Value Retail is a constant candidate for the top places in the ranking of the most economically successful outlet centres in Europe. For example, last year, "Bicester Village", managed by Value Retail, was voted into first place for the fifth time by the outlet tenants surveyed. This time, however, the Anglo-American company achieved something very special: for the first time ever since the "Outlet Centre Performance Report Europe" (OCPRE) was introduced in 2008 as an annually updated showcase of outlet centre performance, with Value Retail a single operator conquered all the medal places at once. Gold goes to "La Roca Village" in La Roca del Vallés, Spain, north of Barcelona. Silver went to "Kildare Village" in the north of Ireland and bronze to the previous serial winner "Bicester Village" in the British county of Oxfordshire. All three centres were developed and operated by Value Retail.

High turnover justifies high rents

"This is indeed a very special achievement, which should not be underestimated," Dr Joachim Will comments on this result. Will is head of the Wiesbaden-based business consultancy ecostra, which conducts this annually updated, Europe-wide survey together with the French research institute magdus.

Will: "It is well known in the market that Value Retail, in its centres, charges by far the highest rents in the outlet sector. At the same time, the brand manufacturers surveyed now confirm to us that their outlet stores also achieve the best returns there. Obviously, it is worthwhile to operate shops in Value Retail centres despite the high rents."

Secret winner: "Clarks Village" in the southwest of England

But other outlet centres in Europe have also seen money rolling in despite the temporary, corona-related lockdowns. Fourth place in the ranking is shared by two French centres with identical tenant ratings: "The Village" in Villefontaine near Lyon and "One Nation Paris" in Le Clayes sous Bois, very close to the tourist hotspot Versailles. The centre in Villefontaine was only opened in May 2018 and is therefore a comparatively young centre, but it was already able to place itself in the top group of European outlet centres last year. "The renewed top ranking shows that the developer and operator of the project 'La Compagnie de Phalsbourg' has done a lot right here," states Dr. Caroline Lamy, who is responsible for processing the report on behalf of the French research institute magdus. Lamy: "'The Village' continues to be on the right track. Even the centre's online marketplace is recording a very good sales growth and the leasing strategy is focused on premium brands and already includes a prominent portfolio here." The following ranks are taken by four centres, managed by the European market leader McArthurGlen: Roermond (Netherlands), Miramas (France), Ellesmere Port and York (both United Kingdom). Clarks Village" in Street (United Kingdom) may feel like the secret winner, achieving a top score with an average of 1.25, but narrowly missing the threshold for inclusion in the ranking (5 tenant votes) due to only 4 tenant votes.

Czech outlet centres bring up the rear in the ranking

However, there are also sites where there is anything but joy and tenants express great dissatisfaction. The "Outlet Arena Moravia" in the Czech city of Ostrava brings up the rear in the ranking and thus carries the "red lantern" in the current report. With the "Premier Outlet Prague Airport", another Czech centre occupies the second-last place in the ranking, whereby this centre has virtually crashed compared to the previous year. Will: "While the 'Outlet Arena Moravia' seems to have some problems in leasing shops and establishing a suitable market positioning, the 'Premier Outlet Prague Airport' is primarily confronted with the slump in international city tourism, which before Corona offered a stable demand basis for a site in the direct vicinity of Prague Airport." The "Paddock Paris" in Romainville (France) is downright slagged off by the tenants, which also missed the ranking with four tenant votes, but received the worst possible rating of all these tenants with a "five" in each case.

Holy AG again best operator, Value Retail scores during Corona crisis

In the evaluation of the best operator, the criteria used were leasing performance and the quality of management and marketing. As in the previous year, Holy AG was voted into first place here by the brands. With "Outletcity Metzingen", Holy AG currently operates the most successful German outlet centre. As in the previous year, Value Retail was named the best operator in coping with the special challenges posed by the Corona pandemic.

Corona pandemic also leaves its mark on the outlet market

The consequences of the infection control measures during the Corona pandemic were the subject of a specific section of the OCPRE questionnaire. Unlike many shopping centres, which usually have a food

anchor and could therefore remain at least partially open, the outlet centres were almost completely closed during the lockdown phases. About 94 % of the outlet tenants experienced a drop in sales compared to the last Corona-free year 2019, only 6 % managed to generate sales that were up to 25 % higher than the comparable year 2019, which did not yet know any shop closures. Almost 28 % of tenants had to settle for less than half of the 2019 turnover. There was corresponding pressure on landlords. Almost two-thirds of tenants (approx. 64 %) - and thus again significantly more than in the previous year (approx. 57 %) - suspended their rent payments at least temporarily. But apparently it was still possible to find amicable solutions with the landlords, as only just under 8 % of the outlet tenants report to be involved in a legal dispute with the landlord because of rent defaults.

Profitability of outlets on the rise again

Outlet stores continue to be significantly more profitable for brand manufacturers than their own brand stores in the cities high streets. Here, the survey results of OCPRE have never shown a different picture over all these years. However, a clear reassessment can be seen for online shops. Will: "Until 2019, outlet stores were clearly the most profitable sales channel for brands. With the 2020 Covid pandemic, this picture changed, with the profitability of online shops now rated slightly better. In the latest survey cycle, the profitability of these two distribution channels is now rated as largely identical. Thus, the pendulum seems to be swinging back in the direction of the outlets."

Expansion is slowing down. Germany is still in focus

Irrespective of this, the expansion euphoria in the outlet market has also slowed down. The brand manufacturers surveyed intended to open an average of 2.6 new outlet stores and to close only 0.9 stores, so that a further consolidation of the outlets network can be assumed. However, since the peak year 2018 with an average of approx. 3.7 new openings, the momentum has slowed noticeably. When expanding, the German market is top of the list of destinations for most brand manufacturers. 52% of all respondents are looking for outlet space in Germany. Obviously also due to a lack of suitable sites, however, the figure has dropped significantly compared to the previous year (approx. 65 %). There is now a strong increase in interest in France, Poland, Spain and Italy as target countries, all of which already have well-developed outlet markets and a corresponding supply of floorspace.

The complete "Outlet Centre Performance Report Europe 2021" with all detailed figures, evaluations and comments can be ordered at the ecostra webshop starting with mid-March 2022 at a price of € 150 (plus VAT). The report is available in print only.

Overview: The top 20 of the economically most successful outlet centres in Europe from the tenant's point of view 2021

Rank Europe	Outlet Centre	Country	Operator	Ø-Grade**
1	La Roca del Vallès – La Roca Village	Spain	Value Retail	1,50
2	Kildare – Kildare Village	Ireland	Value Retail	1,57
3	Bicester – Bicester Village	United Kingdom	Value Retail	1,60
4*	Les Clayes sous Bois – One Nation Paris	France	Catinvest	1,71
4*	Villefontaine – The Village	France	La Compagnie de Phalsbourg	1,71
6*	Roermond – McArthurGlen Roermond	Netherlands	McArthurGlen	1,73
7	Miramas – Designer Outlet Provence	France	McArthurGlen	1,88
8*	Ellesmere Port – McArthurGlen Cheshire Oaks	United Kingdom	McArthurGlen	1,90
8*	York – McArthurGlen York	United Kingdom	McArthurGlen	1,90
10	Metzingen – Outletcity Metzingen	Germany	Holy AG	1,91
11	Wustermark – McArthurGlen Berlin	Germany	McArthurGlen	1,92
12*	Wertheim – Wertheim Village	Germany	Value Retail	2,00
12*	Noventa di Piave – McArthurGlen Noventa di Piave	Italy	McArthurGlen	2,00
12*	Ashford – McArthurGlen Ashford	United Kingdom	McArthurGlen	2,00
12*	Swindon – McArthurGlen Swindon	United Kingdom	McArthurGlen	2,00
16	Landquart – Landquart Fashion Outlet	Switzerland	VIA Outlets	2,08
17	Zweibrücken – Zweibrücken Fashion Outlet	Germany	VIA Outlets	2,10
18	Soltau – Designer Outlet Soltau	Germany	ROS	2,12
19	Pont-Sainte-Marie – McArthurGlen Troyes	France	McArthurGlen	2,13
20*	Castel Romano – McArthurGlen Castel Romano	Italy	McArthurGlen	2,14
20*	South Normanton – McArthurGlen East Midlands	United Kingdom	McArthurGlen	2,14

* = The identical average rating with another outlet centre leads to a double ranking.

** = Average rating based on school grades from 1 (= significantly above-average performance) to 5 (= significantly below-average performance)

Source: ecostra / magdus

The leading outlet centres in selected European countries:

Top 3 in France 2021

Rank F	Rank Europe	Outlet Centre	Operator	Ø-Grade**
1*	4*	Villefontaine – The Village	La Compagnie de Phalsbourg	1,71
1*	4*	Les Clayes sous Bois – One Nation Paris	Catinvest	1,71
3	7	Miramas – Designer Outlet Provence	McArthurGlen	1,88

* = The identical average rating with another outlet centre leads to a double ranking.

** = Average rating based on school grades from 1 (= significantly above-average performance) to 5 (= significantly below-average performance)

Source: ecostra / magdus

Top 3 in Germany 2021

Rank D	Rank Europe	Outlet Centre	Operator	Ø-Grade**
1	10	Metzingen – Outletcity Metzingen	Holy AG	1,91
2	11	Wustermark – McArthurGlen Berlin	McArthurGlen	1,92
3	12*	Wertheim – Wertheim Village	Value Retail	2,00

* = The identical average rating with another outlet centre leads to a double ranking.

** = Average rating based on school grades from 1 (= significantly above-average performance) to 5 (= significantly below-average performance)

Source: ecostra / magdus

Top 3 in the United Kingdom 2021

Rank UK	Rank Europe	Outlet Centre	Operator	Ø-Grade**
1	3	Bicester – Bicester Village	Value Retail	1,60
2*	8*	Ellesmere Port – McArthurGlen Cheshire Oaks	McArthurGlen	1,90
2*	8*	York – McArthurGlen York	McArthurGlen	1,90

* = The identical average rating with another outlet centre leads to a double ranking.

** = Average rating based on school grades from 1 (= significantly above-average performance) to 5 (= significantly below-average performance)

Source: ecostra / magdus

Top 3 in Spain 2021

Rank E	Rang Europe	Outlet Centre	Operator	Ø-Grade**
1	1	La Roca del Vallès – La Roca Village	Value Retail	1,50
2	31*	Madrid – Getafe The Style Outlets	Neinver	2,33
3	51*	Marratxi – Mallorca Fashion Outlet	VIA Outlets	2,67

* = The identical average rating with another outlet centre leads to a double ranking.

** = Average rating based on school grades from 1 (= significantly above-average performance) to 5 (= significantly below-average performance)

Source: ecostra / magdus

Top 3 in Italy 2021

Rank I	Rank Europe	Outlet Centre	Operator	Ø-Grade**
1	12*	Noventa di Piave – McArthurGlen Noventa di Piave	McArthurGlen	2,00
2	20*	Castel Romano – McArthurGlen Castel Romano	McArthurGlen	2,14
3	26*	Serravalle Scrivia – McArthurGlen Serravalle	McArthurGlen	2,25

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** = Average rating based on school grades from 1 (= significantly above-average performance) to 5 (= significantly below-average performance)

Source: ecostra / magdus

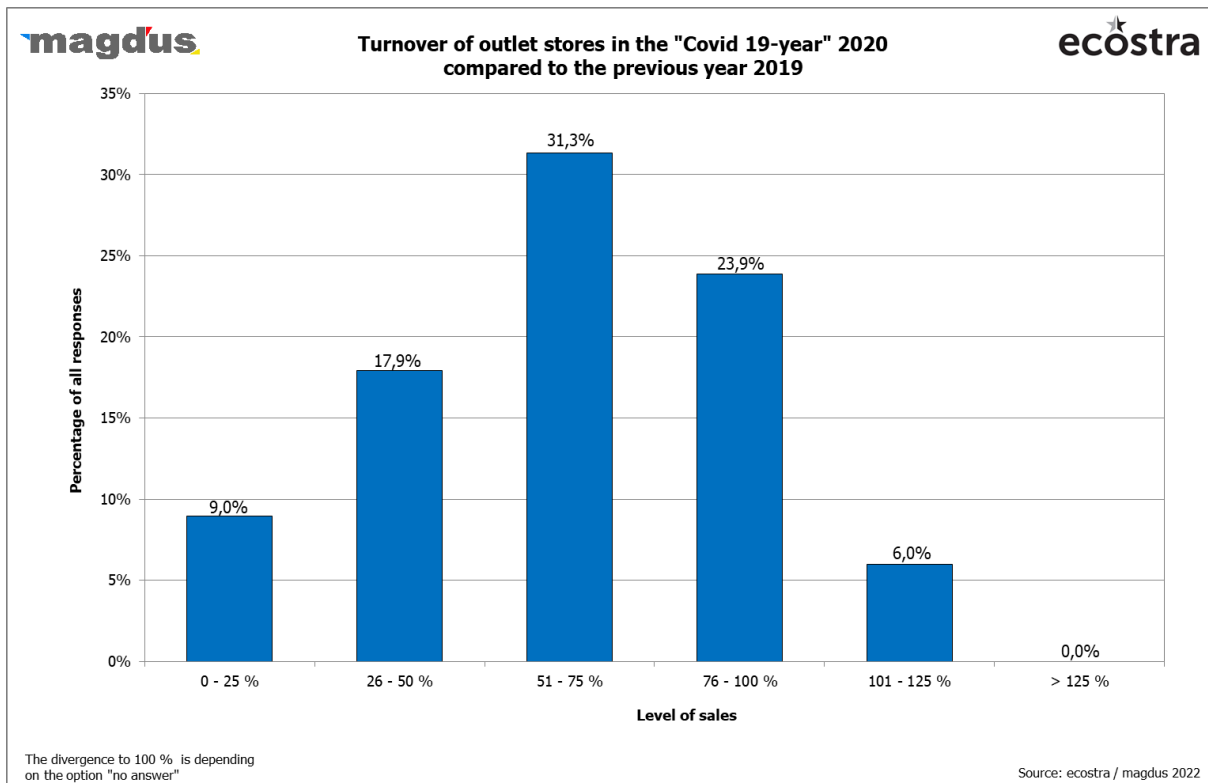
Overview: The 10 European outlet centers with the weakest economic performance from the tenant's point of view in 2021

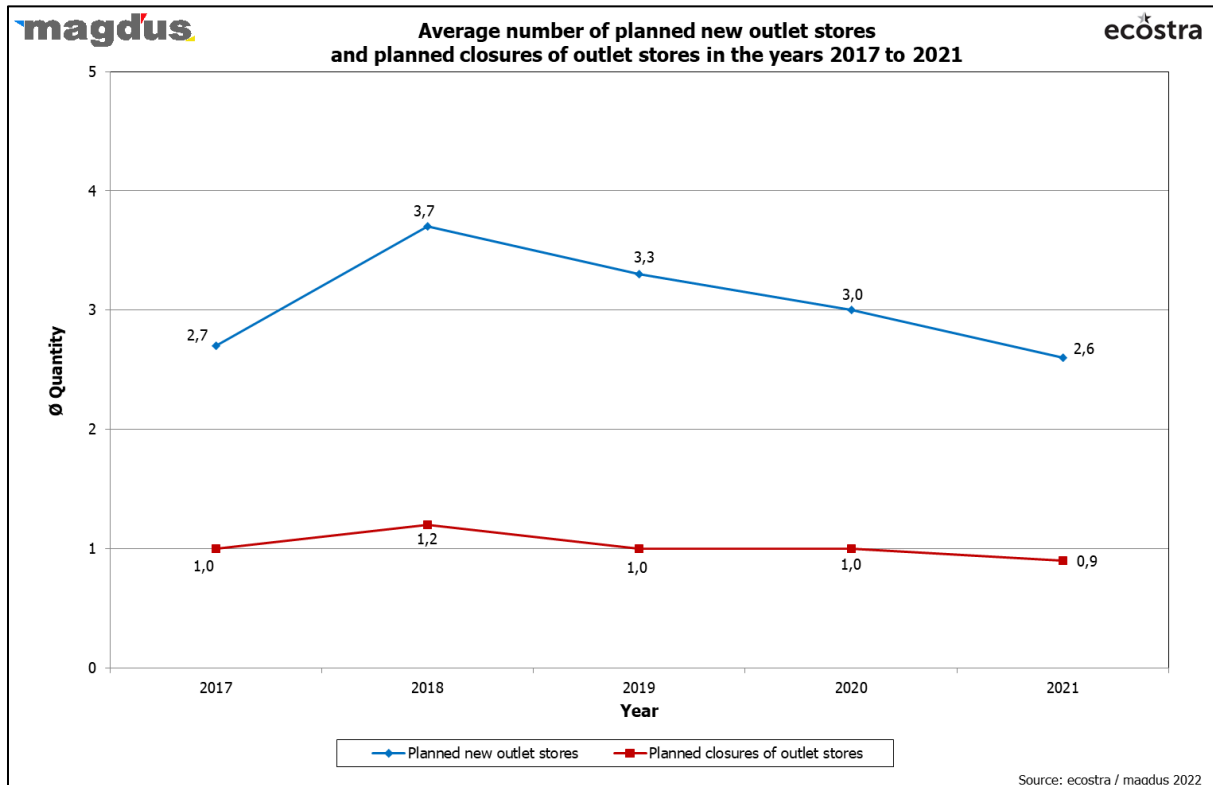
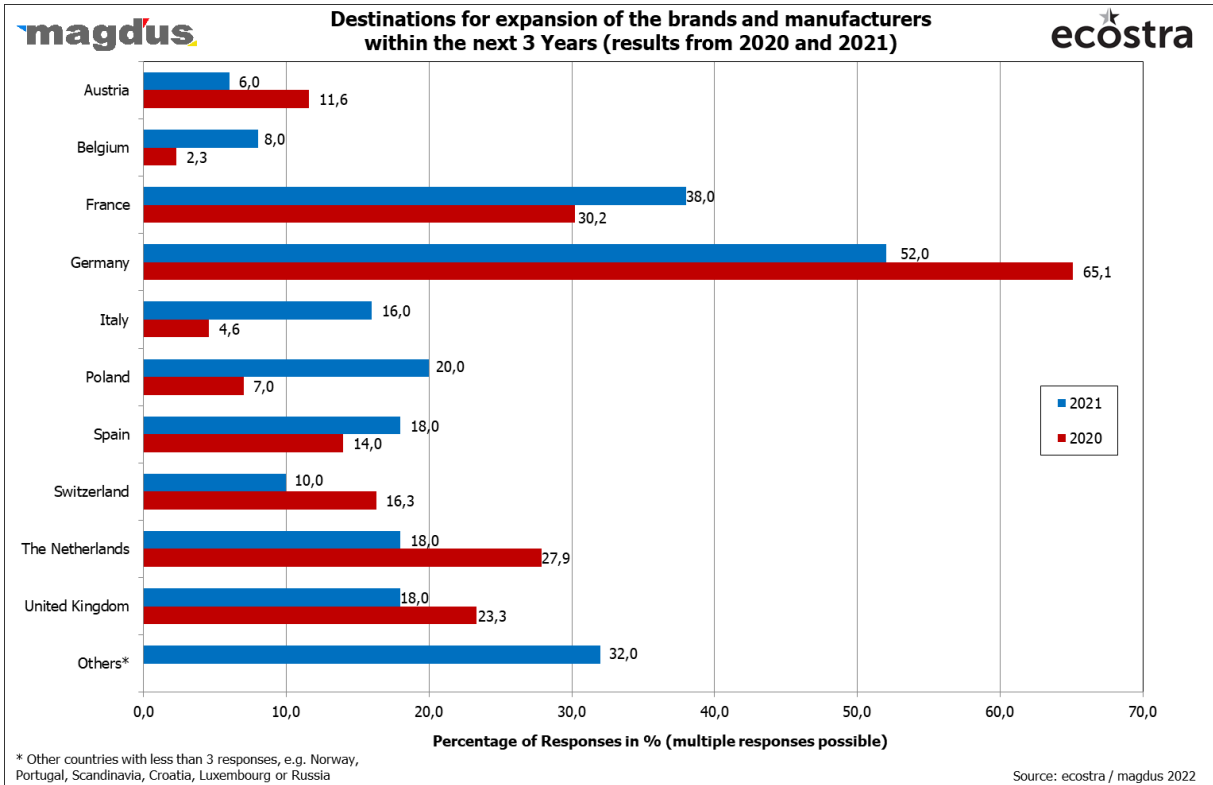
Rank Europe	Outlet Centre	Country	Operator	Ø-Grade**
80*	Coquelles – Channel Outlet Store	France	Advantail	3,20
80*	Szczecin – Outlet Park Szczecin	Poland	Echo Investment	3,20
82*	Carregado – Campera Outlet Shopping	Portugal	Startvalue	3,40
82*	San Jose de la Rinconada – Sevilla Fashion Outlet	Spain	VIA Outlets	3,40
82*	Kungsbacka – Hede Gothenburg Fashion Outlet	Sweden	VIA Outles	3,40
82*	Livingston – Designer Outlet Livingston	United Kingdom	Realm	3,40
86	Aubergenville – Marques Avenue A13	France	Marques Avenue	3,50
87	L'Ile Saint Denis – Marques Avenue	France	Marques Avenue	3,60
88	Ruzyne – Premier Outlet Prague Airport	Czech Republic	The Prague Outlet One a.s.	3,80
89	Ostrava – Outlet Arena Moravia	Czech Republic	CBRE	4,43

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Source: ecostra / magdus





Definition Outlet Centre:

Outlet Centres are an agglomeration of many outlet store units within a coordinately-planned or a spatially-interrelated complex of buildings with more than 5,000 m² retail sales area (= approx. 6,000 m² GLA) and with more than 20 outlet stores. There brand manufacturers and vertically-integrated retailers sell past seasons, factory seconds, surplus stock etc. directly to the consumer, without using retail businesses as (intermediate) distributive channels. All products are sold with a discount to the original high-street price of at least 25 %, whereas double-pricing ("High Street Price" / "Outlet Price") is ruled by the leasing contract. The marketing targets a supraregional area and above all customers from far away are addressed. The coordination, organisation and marketing of an outlet centre is carried out by a centre management.

ecostra company profile

ecostra GmbH belongs to the leading management consultancies for the real estate business and the retail trade. Beside consulting tasks as for example the optimization of the existing retail net of a company, the production of location analyses and studies for the expansion planning as well as feasibility and profitability investigations for project developers, financial service providers and investors, ecostra also compiles utilization concepts for shopping centres or analyzes the chances and risks, e.g., of a possible relaunch of a centre. Beside the private sector ecostra also works for the public sector by providing retail development concepts for cities and regions and offers expert advice for approval procedures, administrative court procedures and cartel court procedures. The spatial field of activity encompasses all European countries. ecostra is seated in the Hessian capital of Wiesbaden.

Beside the classical shopping centres a special focus of the retail trade research is put by ecostra at outlet centres. Here ecostra has published among other things a fundamental study on behalf of the German federal ministry of construction as well as various books and articles on the location requirements, the relevant operational aspects as well as to the impact of factory outlet centers on regional and local trade.

magdus company profile

The purpose of Magdus, the European Factory Outlet Centres Observatory, is to study the concept of factory outlet centres in Europe. News, key figures, interviews with experts and economic studies, Magdus is THE reference point for the sector.

The objective of the Magdus conference is to create a place for professionals to meet and exchange ideas, and takes place each year in the French capital Paris. During every edition, 250 participants from all over Europe attend the bilingual conferences led by recognized contributors, workshops run by professionals open to participative exchanges of ideas, and the presentation of the Magdus Awards that reward the most exceptional players, projects and initiatives of the year

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