

Press Release of 20th February 2024

Dear ladies and gentlemen of the press,

since 2008 – i.e. for 16 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 96 international brand manufacturers (previous year 91) took part in the survey, which operate a total of 1,438 outlet stores (previous year: 1,383) in European outlet centres. On average, each brand manufacturer operates approx. 15.0 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

Roermond once again has the most profitable outlet centre in Europe **Record participation in the tenant survey for the "Outlet Centre Performance Report Europe"**

The "Designer Outlet Roermond" is back at the top of the list of the most successful outlet centres in Europe from a tenant perspective. Located in the Netherlands directly on the border with Germany, this centre last celebrated this success in 2017. With around 200 outlet stores and a gross leasable area of 46,700 m², it is one of the largest outlet centres in Europe and is also open on Sundays all year round. It is followed by two Spanish centres: "Getafe The Style Outlets" by Spanish operator Neinver, located to the south of Madrid in a retail park directly at a motorway junction, and "La Roca Village" by Value Retail to the north of Barcelona, which also benefits in particular from the tourist potential of the Catalanian coastal region. The crown for the best performing outlet operator from a tenant perspective goes to Germany this year. It goes to Metzingen in Swabia to Outletcity AG, which won this category for the fourth time after 2016, 2020 and 2021.

Record: 96 brand manufacturers rated 1,438 of their outlet stores in Europe

"If the traffic news reports a traffic jam in the German state of North Rhine-Westphalia on a Sunday, there's a good chance that it's the A52 motorway to Roermond. Of the almost 8 million visitors per year, around two thirds come from Germany and make the cash registers ring there," comments Dr Joachim Will on the winning Roermond centre. Will is Managing Director of the Wiesbaden-based business consultancy ecostra, which produces the annual "Outlet Centre Performance Report Europe" (OCPRE) together with the French institute magdus. This report is based on a survey of the sales or expansion managers of brand manufacturers with shops in European outlet centres. Will: *"This year we have achieved a new record level of participation. A total of 96 representatives from national and international brand manufacturers evaluated the performance of a total of 1,438 outlet stores in Europe and also answered some other exciting questions about the development of the outlet market."*

Turnover, rent level and brand mix remain the most important criteria when selecting a site

For the first time since 2016, the question of the importance of specific location and property factors when renting outlet stores was asked again. The picture here has remained almost unchanged over the years. The most important criteria for selecting a site included the specific turnover potential, the rent level and the brand mix, while consistency with the company's own sales network or the geographical distance to the brand-orientated high streets in major cities only played a subordinate role. *"As the new results show, this assessment has not changed in the meantime,"* states Thomas Terlinden, who is responsible for the report as project manager at ecostra. Terlinden: *"However, it is clear that the criteria of traffic accessibility, visibility of the centre from the main traffic routes and parking facilities are no longer rated quite as highly by the expansion managers, which is quite surprising given the mostly traffic-oriented location of these centres. In contrast, the centre concept, i.e. whether it is a closed mall or an open village, has obviously become more important for brands when deciding on a site since 2016."*

Challenge: personnel and rising operating costs

As in the previous year, staff shortages and rising operating costs continue to pose the greatest challenges for outlet store operations. The earnings situation of outlet stores for brand manufacturers also continues to be better than that of stores in inner city high streets, although the gap has narrowed slightly compared to the previous year. The comparison with own online stores is different, although the

end of the coronavirus lockdowns certainly played a role here. While the company's own online stores showed better profitability in the previous year, the picture has now changed. The outlet stores are now back in the lead here too - and by a considerable margin. Terlinden: *"This is in line with the general trend in retail following the end of the coronavirus-related infection prevention measures. The purchasing power that flowed into online retail, especially during the lockdown phases, was largely regained. This applies to bricks-and-mortar retail in general, but to outlets in particular."*

Expansion remains rather restrained. Growing interest in already saturated markets

Despite increased revenues from the outlet sales channel, the brands' further expansion is rather restrained and is significantly below the peak value from 2018 (average of approx. 3.7 new openings per brand). For 2024, each of the brand manufacturers surveyed is planning an average of 2.4 new outlet stores, which is a similar figure to the previous year. On the other hand, slightly fewer unprofitable stores are to be closed with an average value of 0.7 (previous year: approx. 0.9 stores/brand). The favoured expansion target in Europe is still Germany, where around 38% of all brands surveyed want to open new outlet stores. Compared to the last survey, however, interest in German sites has decreased slightly. Expansion planners are also focusing on France (approx. 31%), Spain (approx. 27%), Italy and the United Kingdom (approx. 18% each). Austria and Belgium are receiving significantly more attention than in recent years, while Switzerland and the Netherlands are falling behind. Dr Caroline Lamy, head of the French research institute magdus, which compiles the outlet report together with ecostra, also sees the restrictive building law and the lack of space in Germany as reasons for this different assessment of European markets. Lamy: *"In view of the still underdeveloped outlet market in Germany, it is clear that most brands are still looking for new stores in the country. However, the supply of outlet space currently available in established centres is more than limited. What is more surprising is that outlet markets such as Spain, Italy and the United Kingdom are now back on the agenda of expansion planners. These markets are actually considered to be largely saturated. But brands obviously still see good market opportunities there despite the high density of outlet centres and intense competition."* The interest of outlet tenants in so-called "exotic" markets is also rather restrained. In terms of non-European countries, there is still some interest in countries on the Arabian Peninsula, while South America, Africa and the Indian subcontinent are currently playing hardly any role in expansion planning.

The "red lantern" goes to Germany again

Not all outlet centres are a source of joy for the brand manufacturers surveyed. Some centres are viewed critically, not least due to high costs and unsatisfactory returns. The "red lantern" of the worst performing outlet centre in Europe from a tenant's point of view goes to "Fashion Outlet Marl" (Germany), located in North Rhine-Westphalia, which seems to be unable to get out of the bottom of the ranking. The same applies to the "Marques Avenue L'île Saint-Denis" centre near Paris (F) and "Amsterdam The Style Outlets" in Haarlemmermeer (NL), which was highly praised just a few years ago before opening. But in principle there is also hope for these centres: with the "Designer Outlet Roosendaal" in the Netherlands and the "Designer Outlet Luxembourg" in Messancy, Belgium, there are examples that have managed to work their way out of the bottom over the years and are now in the midfield of the performance ranking.

The complete "Outlet Centre Performance Report Europe 2023" with all detailed evaluations and extensive commentaries will be available from the end of March 2024 at a price of € 250 (plus VAT). Pre-orders are already possible in the ecostra webshop. 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 2023

Rank Europe	Outlet Centre	Country	Operator	Ø-Grade**
1	Roermond – McArthurGlen Roermond	Netherlands	McArthurGlen	1,43
2	Madrid – Getafe The Style Outlets	Spain	Neinver	1,44
3	La Roca del Vallès – La Roca Village	Spain	Value Retail	1,55
4	Bicester – Bicester Village	United Kingdom	Value Retail	1,63
5	Las Rozas – Las Rozas Village	Spain	Value Retail	1,70
6	Parndorf – McArthurGlen Parndorf	Austria	McArthurGlen	1,73
7	Metzingen – Outletcity Metzingen	Germany	Outletcity AG	1,77
8	Ellesmere Port – McArthurGlen Cheshire Oaks	United Kingdom	McArthurGlen	1,82
9	Marne la Vallée / Serris – La Vallée Village	France	Value Retail	1,83
10*	Roppenheim – The Style Outlets	France	Neinver	1,88
10*	Vila do Conde / Movidas – Porto Fashion Outlet	Portugal	VIA Outlets	1,88
12	San Sebastian de Los Reyes – The Style Outlets	Spain	Neinver	1,89
13*	Landquart -Landquart Fashion Outlet	Switzerland	VIA Outlets	1,93
13*	Serravalle Scrvia – McArthurGlen Seravalle	Italy	McArthurGlen	1,93
15*	Villefontaine – The Village	France	La Compagnie de Phalsbourg	2,00
15*	Ingolstadt – Ingolstadt Village	Germany	Value Retail	2,00
15*	Wertheim – Wertheim Village	Germany	Value Retail	2,00
15*	Noventa di Piave – McArthurGlen Noventa di Piave	Italy	McArthurGlen	2,00
19	Zweibrücken – Zweibrücken Fashion Outlet	Germany	VIA Outlets	2,06
20	Stuhr-Brinkum – Ochtum Park Outlet Center	Germany	MiRo Grundstücksverwaltung	2,07

* = 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 2023

Rank F	Rank Europe	Outlet Centre	Operator	Ø-Grade**
1	9	Marne la Vallée – La Vallée Village	Value Retail	1,83
2	10*	Roppenheim – The Style Outlets	Neinver	1,88
3	15*	Villefontaine – The Village	La Compagnie de Phalsbourg	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 Germany 2023

Rank D	Rank Europe	Outlet Centre	Operator	Ø-Grade**
1	7	Metzingen – Outletcity Metzingen	Outletcity AG	1,77
2*	15*	Ingolstadt – Ingolstadt Village	Value Retail	2,00
2*	15*	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 2023

Rank UK	Rank Europe	Outlet Centre	Operator	Ø-Grade**
1	4	Bicester – Bicester Village	Value Retail	1,63
2	8	Ellesmere Port – McArthurGlen Cheshire Oaks	McArthurGlen	1,82
3	21	York – McArthurGlen York	McArthurGlen	2,13

* = 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 2023

Rank I	Rank Europe	Outlet Centre	Operator	Ø-Grade**
1	13*	Serravalle Scrivia – McArthurGlen Serravalle	McArthurGlen	1,93
2	15*	Noventa di Piave – McArthurGlen Noventa di Piave	McArthurGlen	2,00
3	26*	Castel Romano – McArthurGlen Castel Romano	McArthurGlen	2,20

* = 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 2023

Rank E	Rang Europe	Outlet Centre	Operator	Ø-Grade**
1	2	Madrid – Getafe The Style Outlets	Neinver	1,44
2	3	La Roca del Vallès – La Roca Village	Value Retail	1,55
3	5	Las Rozas - Las Rozas Village	Value Retail	1,70

* = 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 Poland 2023

Rang PL	Rang Europe	Outlet Centre	Operator	Ø-Grade**
1	28	Paseczno – Designer Outlet Warsaw	ROS	2,23
2	40*	Modlniczka (Kraków) – Factory Kraków	Neinver	2,38
3	52	Warszawa – Factory Warszawa Annopol	Neinver	2,55

* = 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

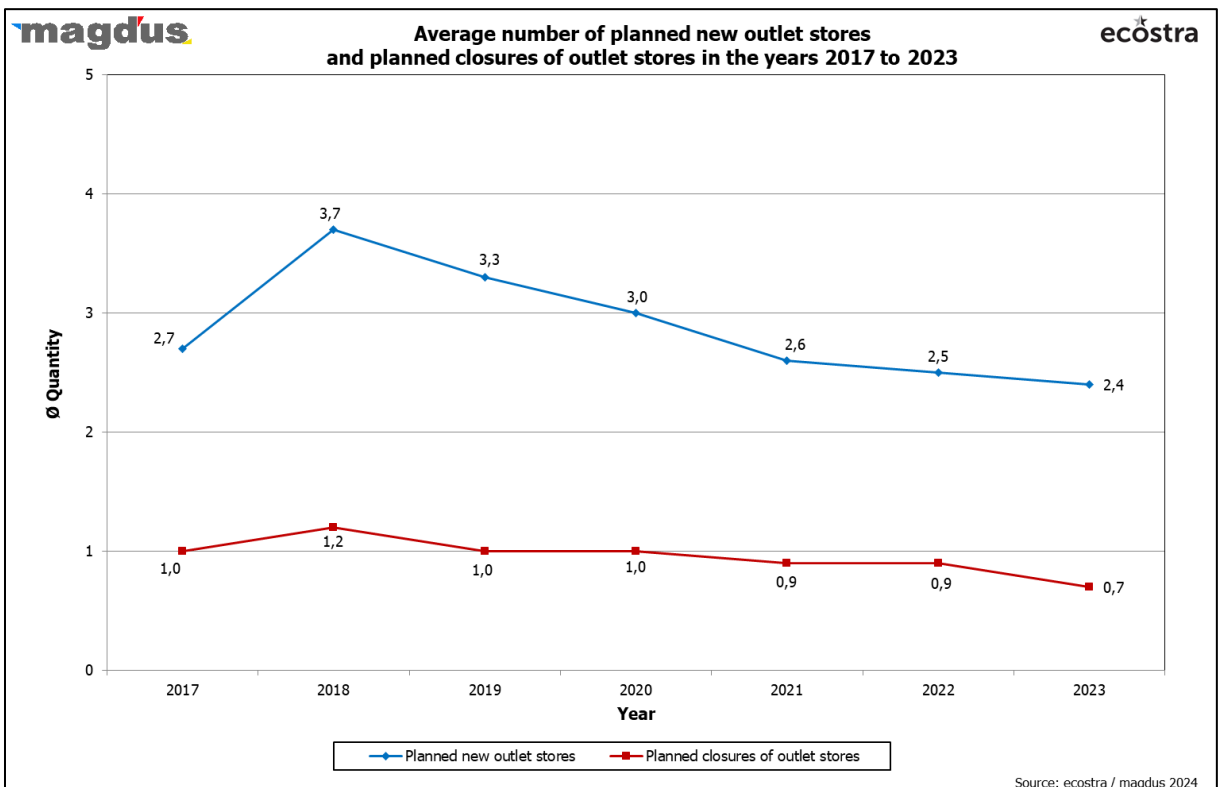
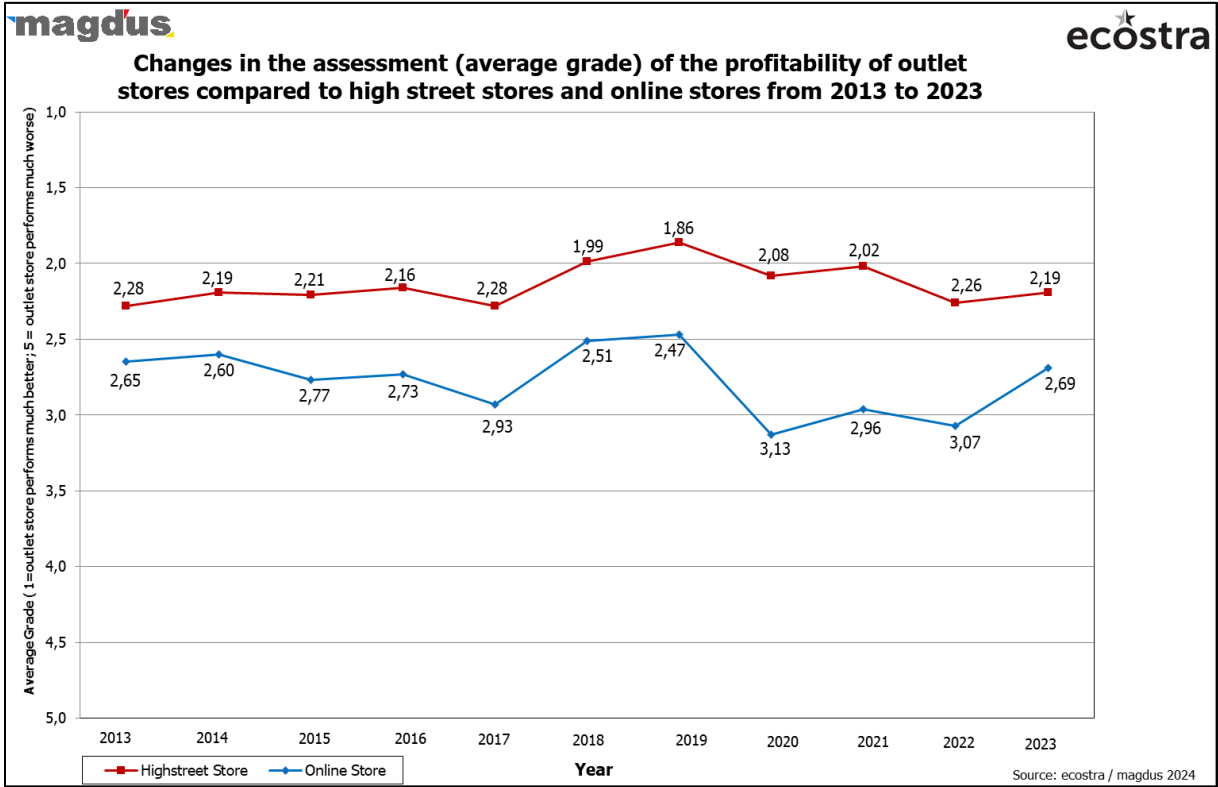
Overview: The 10 European outlet centres with the weakest economic performance from the tenant's point of view in 2023

Rank Europe	Outlet Centre	Country	Operator	Ø-Grade**
99*	Chvalovice (Znojmo) – Freeport Fashion Outlet	Czech Republic	Ekazent	3,50
99*	Bad Münstereifel – City Outlet	Germany	City Outlet Bad Münstereifel GmbH	3,50
99*	Polgár – M3 Outlet Center	Hungary	ROS	3,50
99*	Schönenwerd – Fashion Fish Factory Outlet	Switzerland	Tomaro AG	3,50
103*	Rzgow (Lodz) – PTAK Outlet	Poland	PTAK S.A.	3,60
103*	Carregado – Campera Outlet Shopping	Portugal	Startvalue	3,60
105	Saint-Julien-les-Villas – Marques Avenue Troyes Mode	France	Marques Avenue	3,78
106	Kungsbacka – Hede Gothenburg Fashion Outlet	Sweden	VIA Outlets	3,83
107	Haarlemmermeer – Amsterdam The Style Outlets	Netherlands	Neinver	3,90
108	L'île Saint Denis – Marques Avenue	France	Marques Avenue	4,10
109	Marl – Fashion Outlet Marl	Germany	Outlet Evolution Services	4,63

* = 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



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 every two years 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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