FLEMINGO

MEADFA Conference 2014

"New Frontiers "

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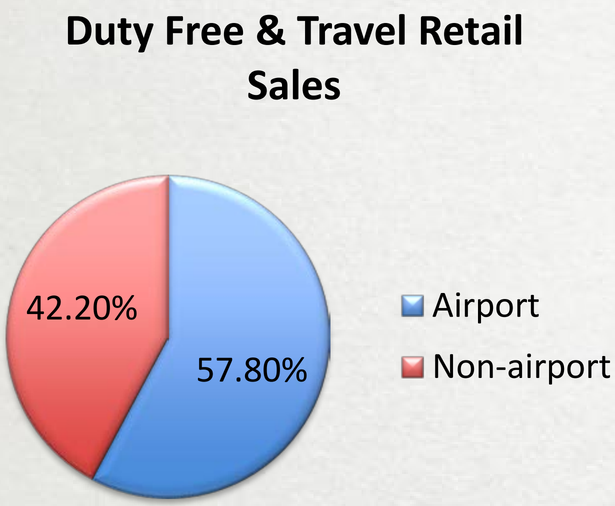
INTRODUCTION

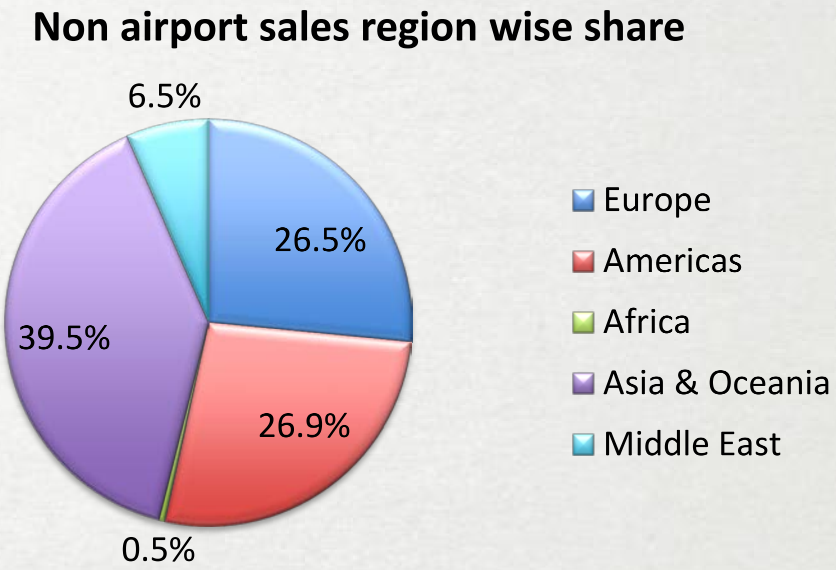
- Emerging market, travel retail specialist
- Present in 36 countries with 211 operations
- 7 formats – Duty Free, Duty Paid, Inflight, Cruise retail, F&B, Diplomatic and Master Retailing
- Vision : 2B.BY 2020

FLEMINGO IN NON AIRPORT CHANNELS

- Flemingo operates duty free shops in airports, seaports, borders, In-flight, cruise ships and for diplomats (UN Commissary shops, Diplomatic duty free shops, Online service for diplomats)
- Flemingo has over 126 of the total 211 are in non airport

REVENUE – AIRPORT & NON- AIRPORT





Courtesy : Generation Research

DIPLOMATIC DUTY FREE

- Diplomatic duty free provides duty free products to diplomats around the world E.g.. Downtown shops, UN Commissary shops, etc.
- Services such as online e-commerce site, door to door delivery, e-catalogue, works well with this format
- Wide range of product assortment and categories E.g. Toothpaste to tequila
- Typical UN diplomatic store could have 5000 to 10,000 SKUs
- Many known customers , so opportunity to engage is higher
- Opportunities for long term business
- Business continuity can be risk depending on the political stability and change in legislations.

Diplomatic sales are approximately $160 Million globally
Europe contributes to more than 50%

INFLIGHT

- 60% of the inflight purchases are impulse buys
- Use of technology – Pre order is important
- Understanding customer / sector for selection of products E.g. Trolley by route
- Training and incentives for inflight sales staff
- New product development
- Middle Eastern airlines gaining momentum – More sectors than most
- How does inflight operations differentiate itself from expanding airport retail ????
- How many of you bought on inflight on the way here?

The share of the duty free market for inflight retail has shrunk from 6.4% to 5% over the last four years.

Courtesy http://www.trbusiness.com/16331-tourvest-challenges-industry.html

BORDERS

- Bulk buy of liquor and tobacco
  - As product availability is not high around the borders (remote)
  - Duty levels
- Frequent travelers, Creates low penetration
- Border shops moving towards shopping malls Eg LATAM
- Pax are usually regional travelers, pilgrims/workers
- Is there an opportunity for other categories such as convenience , travel accessories, ?

Low investments; lower rentals & revenue share

CRUISE INDUSTRY

- Cruise line retail industry is estimated to be at US 1.3 Billion in size
- Cruise line passengers estimated to grow at CAGR of 2.9%
- Shop product range from 15 cents to $134000
- Key growth drivers
  - Larger capacity , new builds
  - More local ports
  - More destination
  - New on board / on shore activities that match demands of consumers

3 Cruise ships control 79% of traffic !!

SEAPORTS

- Pax in seaports differ country to country and port to port
- Sales to passengers, crew and ship stores
- Product assortment would range from tooth brush to beer
    - Crew buy for personal use – from snacks, toiletries to small electronics
    - Ship stores buy beer, water, tobacco , liquor , juices, soft drinks and food stuff
- Price off and bulk promotions

Many container vessel have a no alcohol policy

FERRY AND CRUISE TERMINALS

- Understanding seasonality and pax profile
  - Eg. Drive on passenger, Port users
- Cruise ship regulation
- Cruise terminals - recreation facilities, bars, etc could be an add on revenue
- Free WIFI services, connectivity stations, coffee shops, convenience stores are crowd pullers
- Tobacco is a big category

Ships spend 70% time in ports where duty free cant be sold

TANGIERS

THANK YOU