

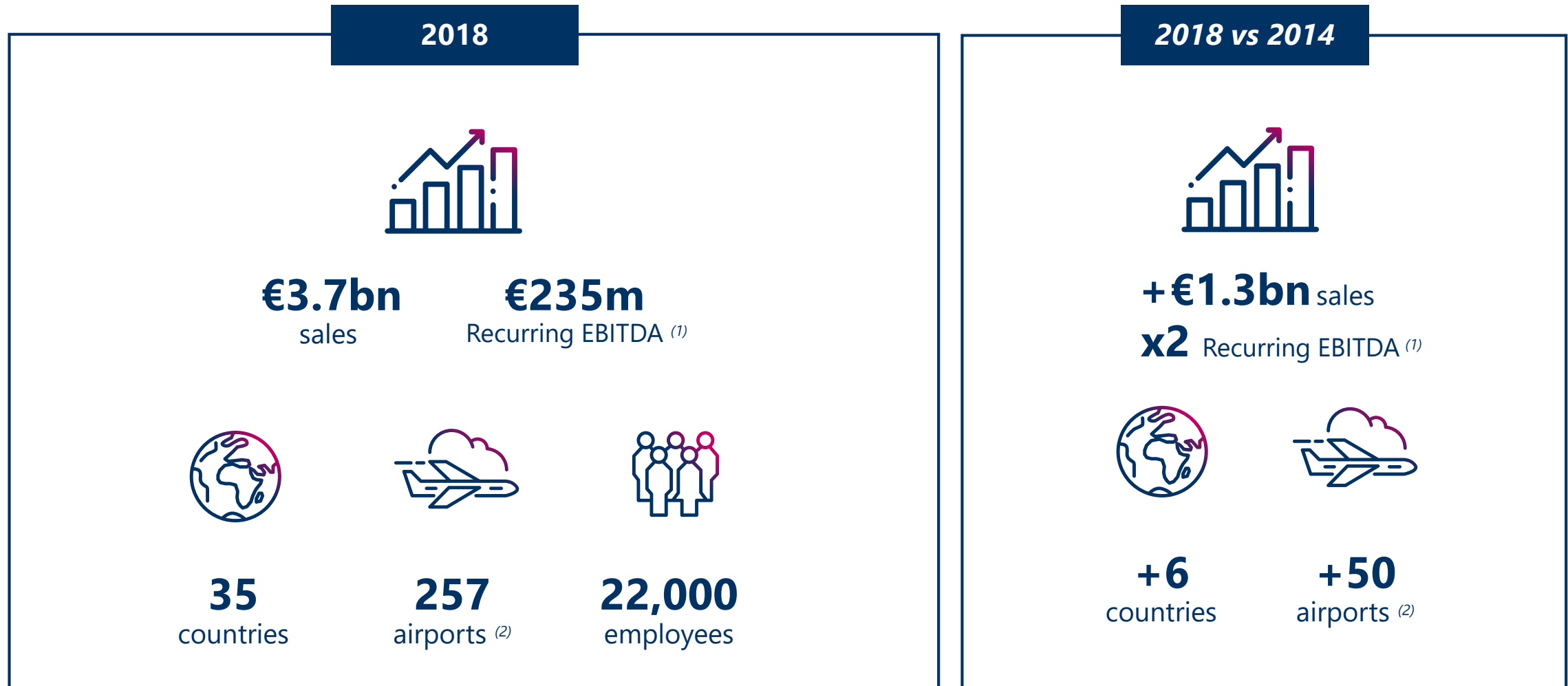
Introduction to Lagardère Travel Retail

04/06/2019

Investor Meeting



Lagardère Travel Retail is a leading global travel retail operator delivering its 2015-2019 Strategic Plan financial objectives



Travel retail perimeter only, IFRS view. Data including HBF.

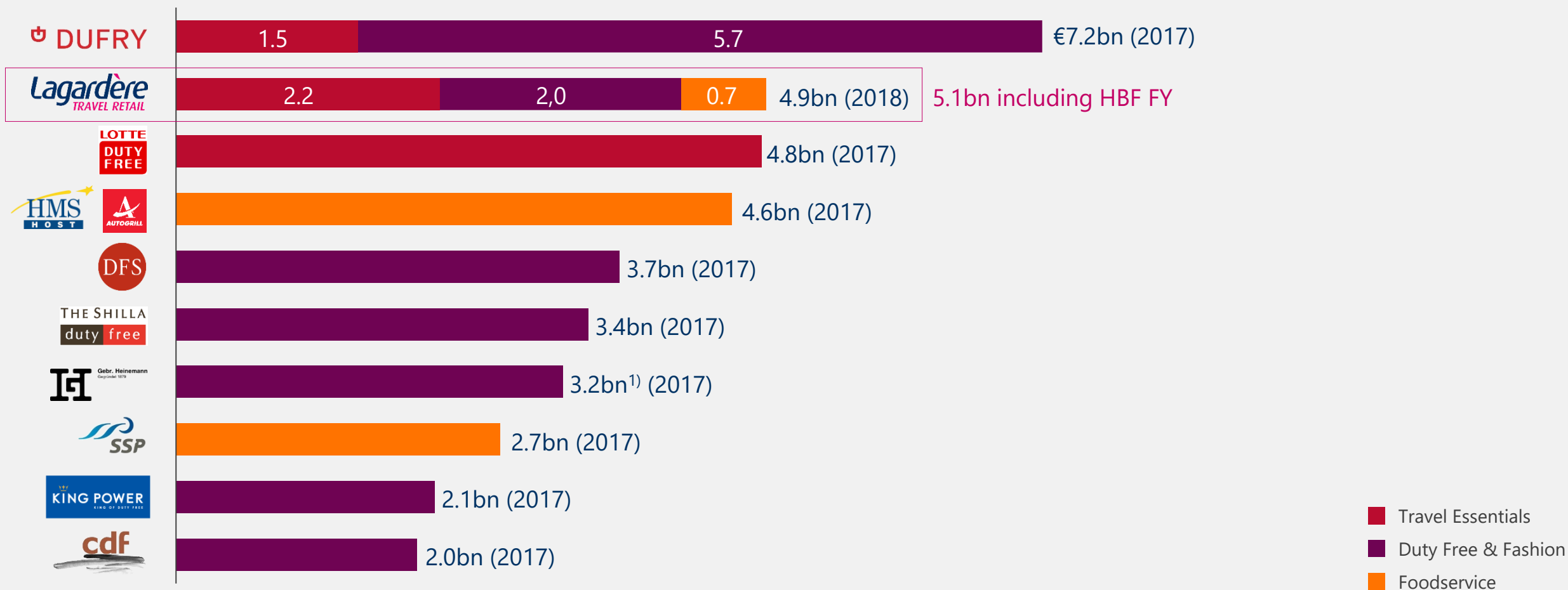
⁽¹⁾ After Head Office costs (incl. management fees)

⁽²⁾ Including franchises

Source: Lagardère Travel Retail internal data

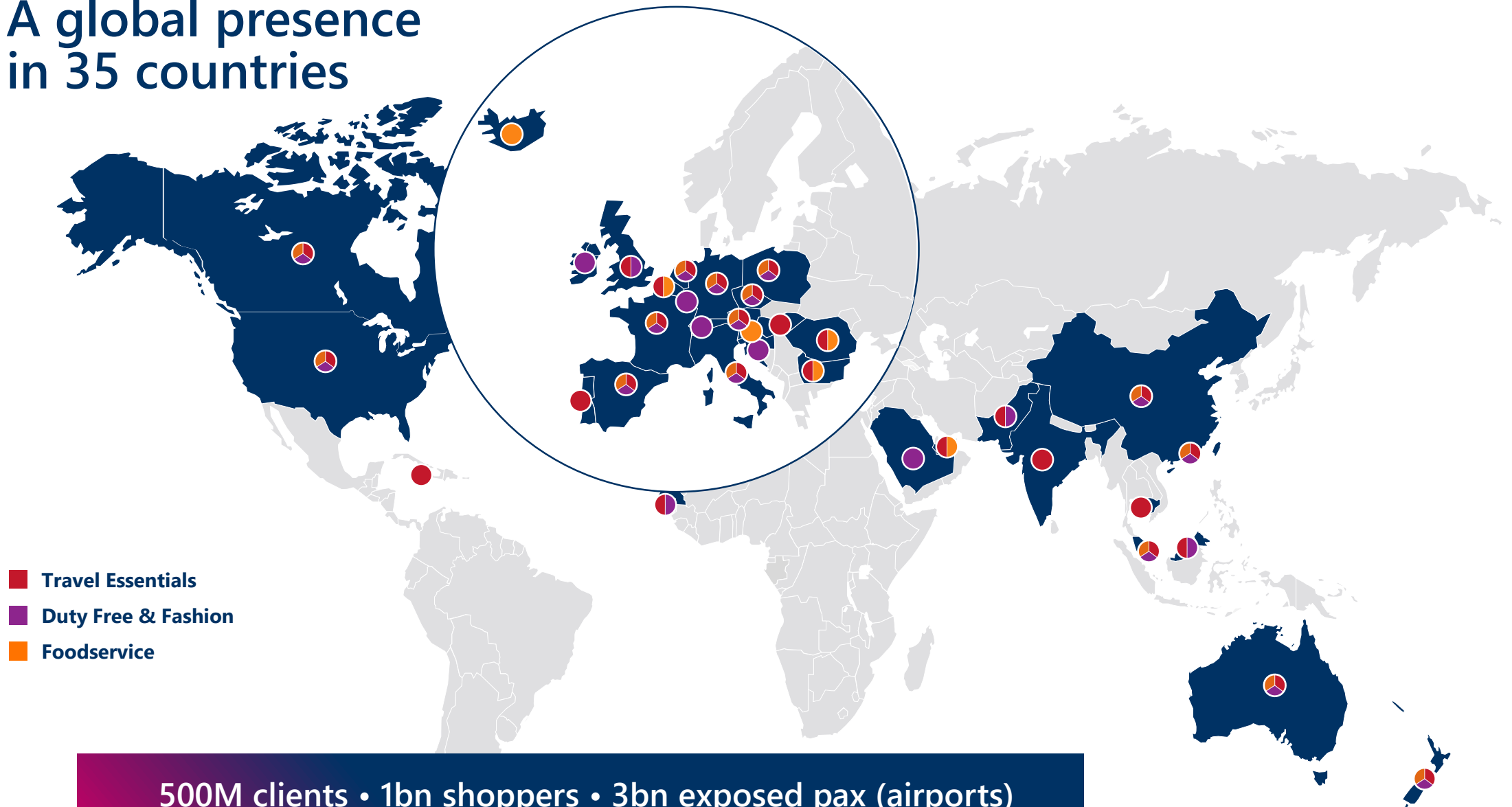
Lagardère Travel Retail is a leading global travel retailer

We cover all segments of travel retail



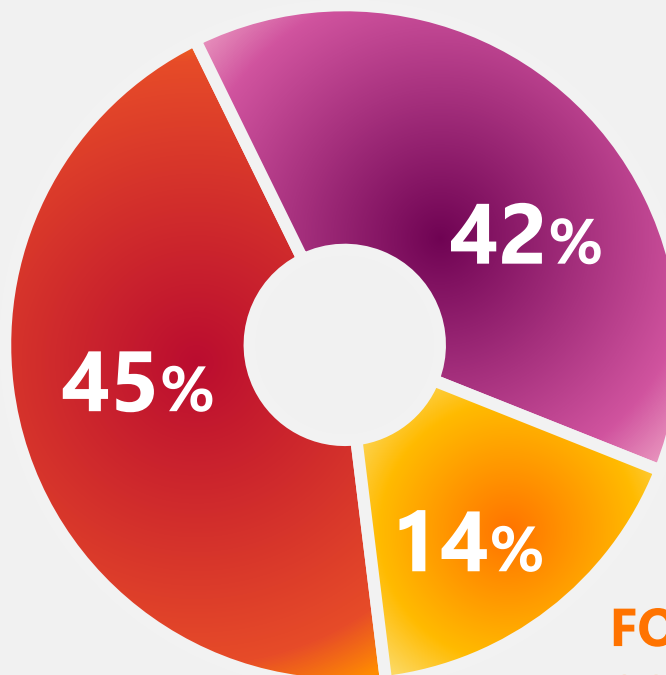
Top Travel Retailers by sales (Sales @100%, €bn) 1) excluding €900m distribution activities
Note: fx at 31/12/2017 (source Oanda). Sources: Companies' reports, The Moodie Davitt Report, Lagardère Travel Retail estimates

A global presence in 35 countries



We cover all segments of travel retail

**TRAVEL
ESSENTIALS**
29 countries
3,000 outlets



**DUTY FREE
& FASHION**

24 countries
700 outlets



FOODSERVICE*

20 countries
900 outlets



€4.9bn⁽¹⁾

(1) Sales @100% 2018

The global leader and expert in Travel Essentials



€2.2bn⁽¹⁾
sales



29
countries



3,000
stores



190
airports



750
railway & metro
stations

(1) Sales @100% 2018





RELAY, Sydney Airport T2, Australia



RELAY, Bari Airport (Italy)

Other own brands



1 Minute
Warsaw Airport, Poland



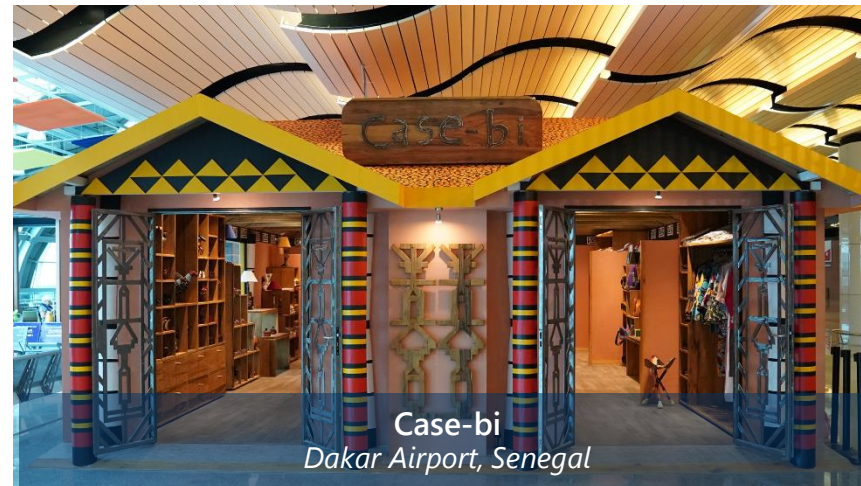
Discover Glasgow
Glasgow Airport, United Kingdom



World of Venice
Venice Airport, Italy



Tech2go
Phnom Pehn Airport, Cambodia



Case-bi
Dakar Airport, Senegal

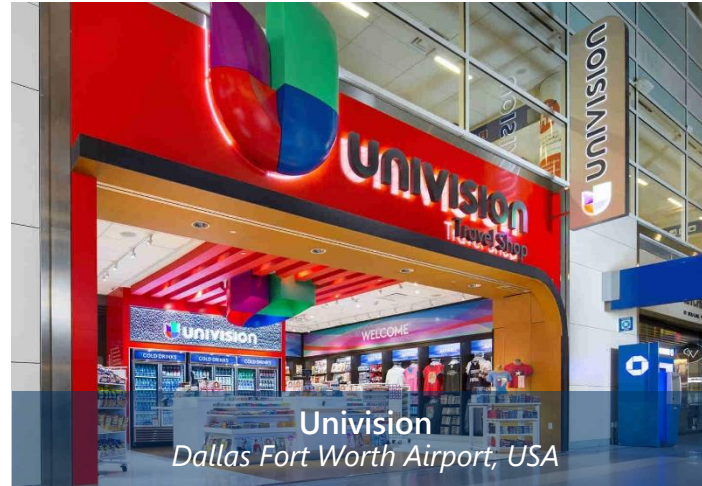


Air de Paris
Paris CDG Airport, France

Partner brands



Marks & Spencer
Paris Gare de l'Est station, France



Univision
Dallas Fort Worth Airport, USA



Lego
Sydney Airport T2, Australia



The Official All Blacks store
Auckland Airport, New Zealand



Trip Advisor
Houston Airport, USA



Fnac
Paris CDG Airport, France

A global leading position in Duty Free & Fashion



€2.0bn⁽¹⁾
sales

(1) Sales @100% 2018



24
countries



700
stores



135
airports



11
airlines





New Age Beauty Buy Paris Duty Free, Paris CDG airport (France)

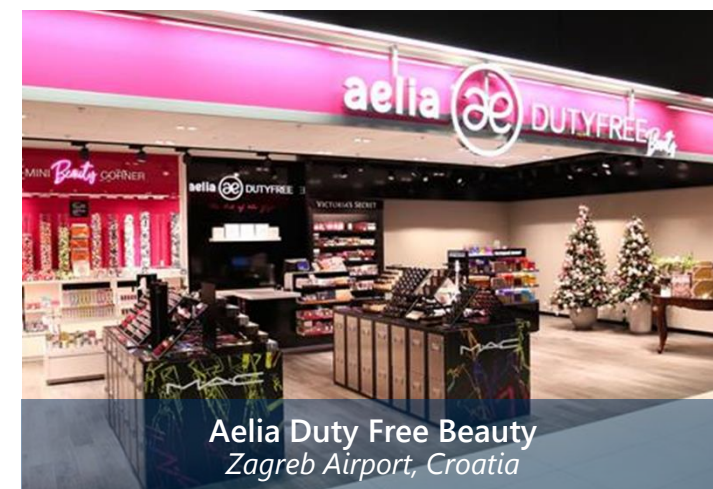
Other brands



Duty Zero by cdf & House of Hennessy
Hong Kong International Airport



Délices de Lyon
Lyon Airport, France



Aelia Duty Free Beauty
Zagreb Airport, Croatia



BuY Paris Duty Free
Paris CDG Airport, France



Casa del Gusto
Rome Fiumicino Airport, Italy



The Fashion Place
Lyon Airport, France

Partner brands



Hermès
Paris CDG Airport, France



Victoria's Secret
Prague Airport, Czech Republic



Nespresso
Paris Orly Airport, France



Rituals
Prague Airport, Czech Republic



M&M's
Paris CDG Airport, France



Tiffany & Co.
Paris CDG Airport, France

A global leader in Foodservice



€700m*
2018 sales

+€200m
with HBF



20
countries

+3
SK / NL / GA



900
outlets

+150
with HBF + NL



90
airports

+30
with HBF



150
railway & metro
stations

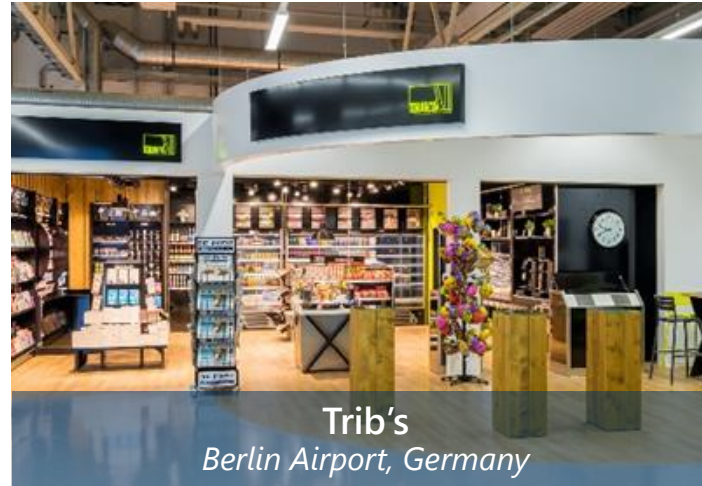
+26
with NL



Own brands



Vino Volo
Sacramento Airport, US



Trib's
Berlin Airport, Germany



The Daily DXB
Dubai Airport, UAE



So!Coffee
Krakov Airport, Czech Republic



Emporio del Grano
Venice Airport, Italy



Bread & Co.
Nice Airport, France

Partner brands



Burger King
Frankfurt train station, Germany



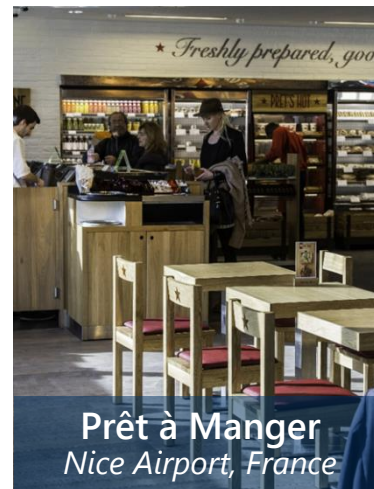
Dean & DeLuca
Hong Kong International Airport



P.F. Chang's
Los Angeles Airport, US



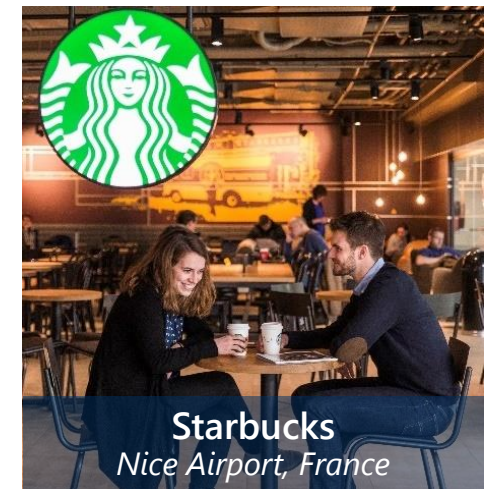
Costa Coffee
Prague Downtown, Czech Republic



Prêt à Manger
Nice Airport, France



Eric Kayser



Starbucks
Nice Airport, France

Achieving many structural improvements

**Pure player
in Travel Retail:**
sale of the
Distribution activities

**Rebalanced
geographical mix**
with the acquisition
and integration of Paradies
& HBF in North America

**Sustained business
development**
in both existing countries and
new territories while **improving
profitability
and cash generation**

**Organization
transformation**

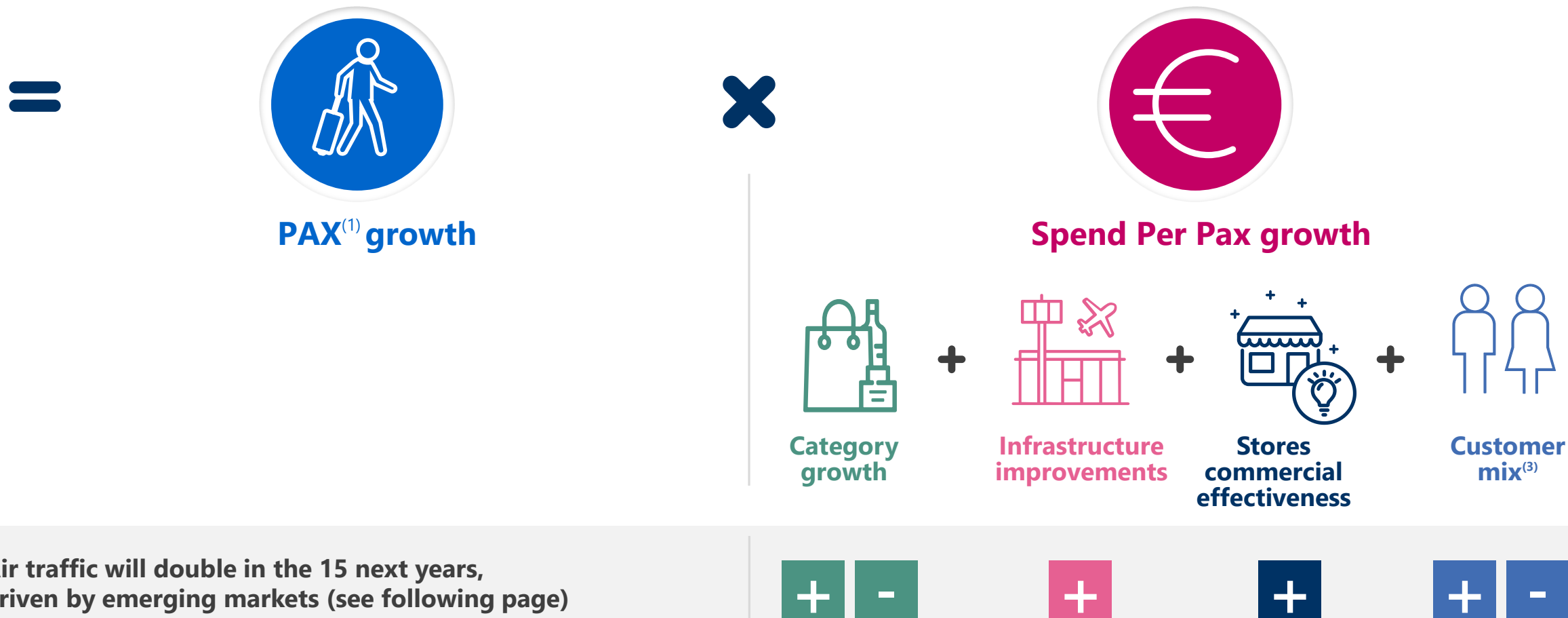
**Concepts and product
reinvention and extension**

**Launch of the Innovation
and Digital initiatives**

We operate in a dynamic growing market despite challenging marginal SPP in duty free

ILLUSTRATIVE

Travel retail market growth



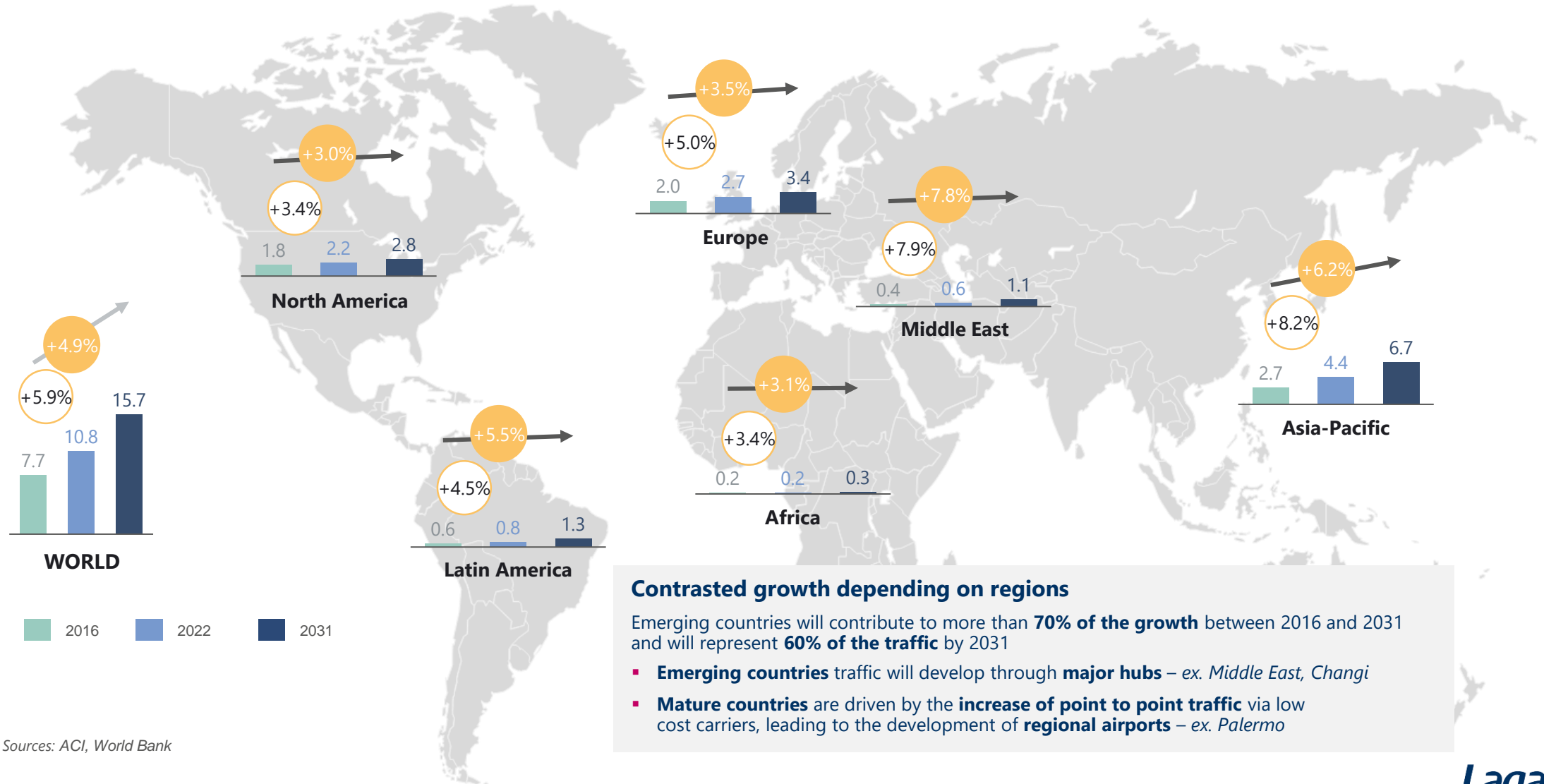
1) Passenger

2) Source ACI for Airports traffic. Market consensus for Rail traffic, incl. UIC

3) Customer mix: passenger nationality, profile (legacy vs. low cost carriers) and tax regime (Duty Free vs. Duty Paid)

Air traffic will double in the 15 next years, driven by emerging markets

Air traffic forecast by region [# bn PAX; CAGR; 2016-2022-2031]



Contrasted growth depending on regions

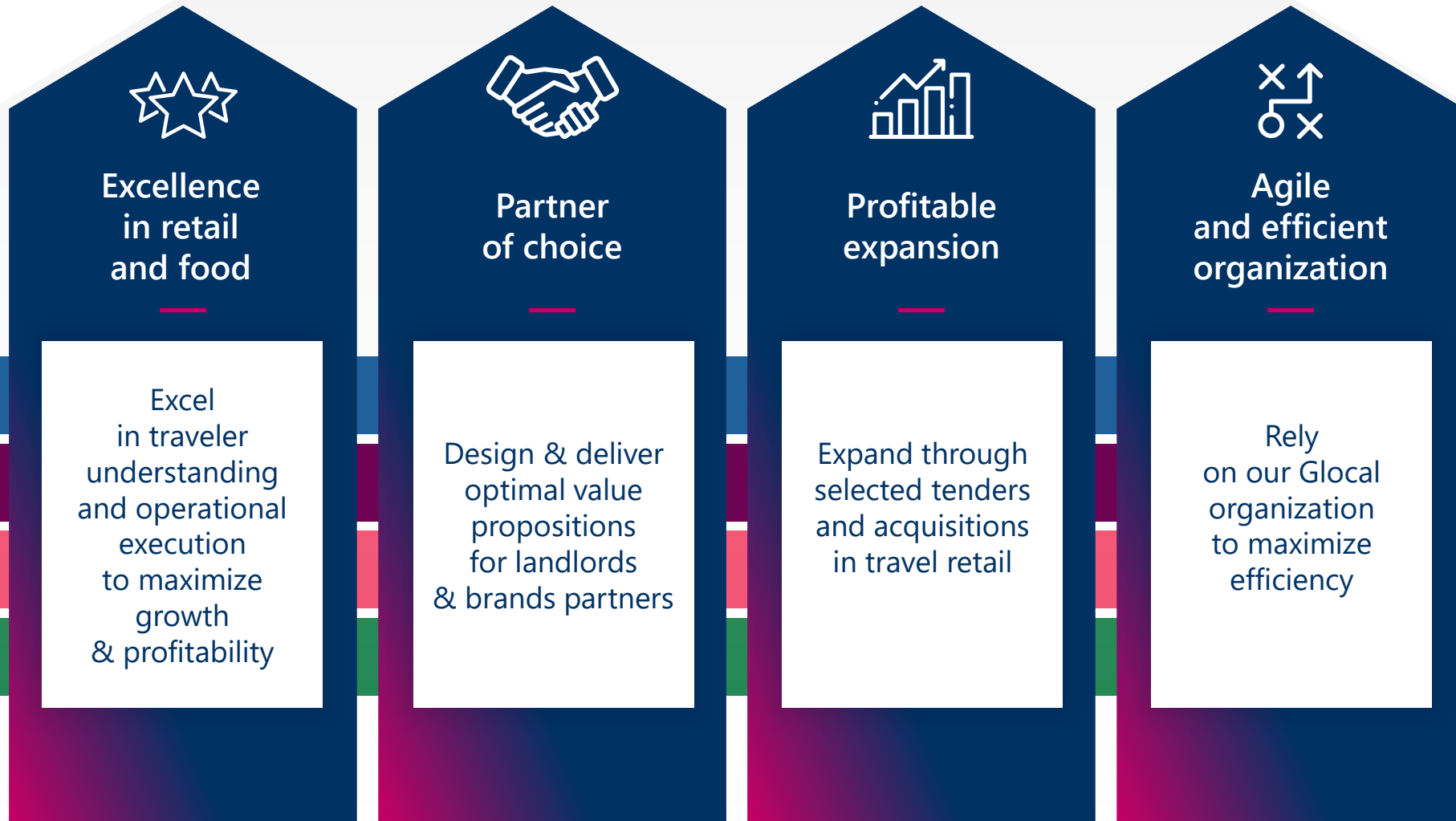
Emerging countries will contribute to more than **70% of the growth** between 2016 and 2031 and will represent **60% of the traffic** by 2031

- **Emerging countries** traffic will develop through **major hubs** – ex. *Middle East, Changi*
- **Mature countries** are driven by the **increase of point to point traffic** via low cost carriers, leading to the development of **regional airports** – ex. *Palermo*

Sources: ACI, World Bank

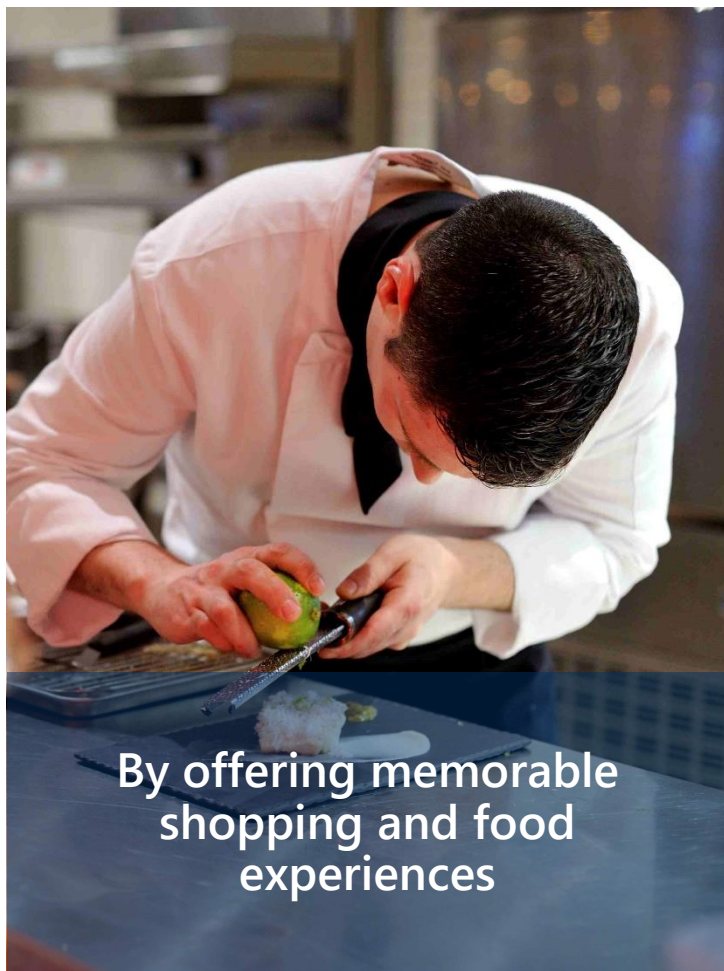
A clear mission driven by 4 strategic pillars and supported by 4 ambitious enablers

A team committed to exceeding travelers'
and partners' expectations, every day



Excellence in retail and food

Be recognized as travelers' preferred retailer



By offering memorable shopping and food experiences



By adapting to each environment & to each traveler profile



By constantly innovating for a seamless customer journey

Partner of choice

The widest & most diverse portfolio in Travel Retail

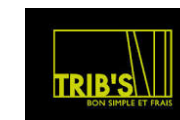


TRAVEL ESSENTIALS

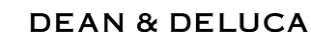
DUTY FREE & FASHION

FOODSERVICE

Own brands



Partner brands

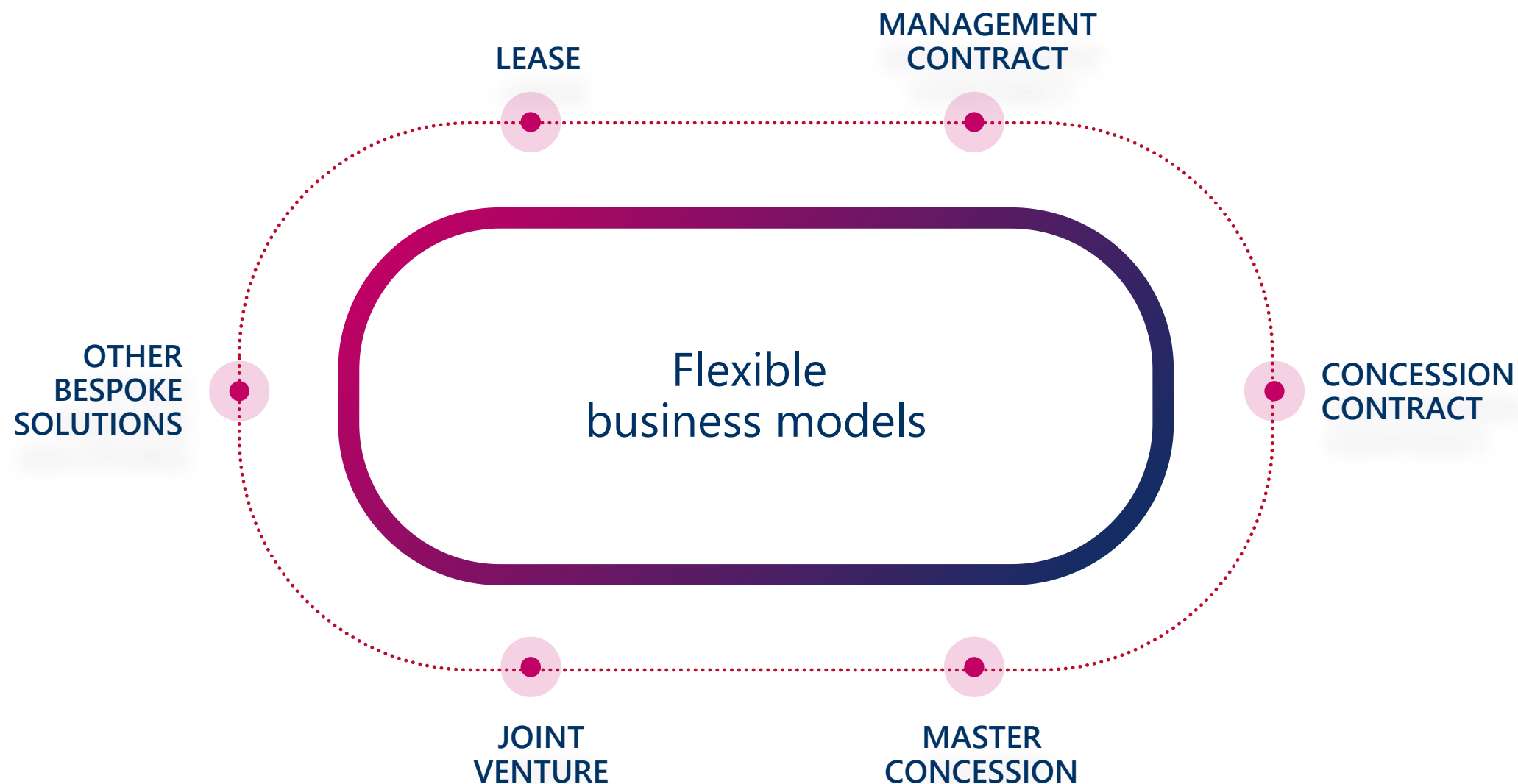


Bespoke brands



Non-exhaustive list

Partner of choice



Partner of choice



A long standing experience of successful joint ventures with international strategic partners



- JV allow for a combination of expertise and alignment of interest between parties.
- Its main benefits are the ability to better anticipate and activate strategic planning, commercial development and day-to-day operations

Our JV operations show our ability to build **long term partnerships**, based on a **shared vision** and **successful results**.



Profitable expansion

Major openings and successes
in 2019



Openings & Inaugurations | *Opening soon or tenders won* | **New countries**

We have a clear path for a 3BLs Global expansion, through new tenders & M&A:

WHERE to expand?

Geographies



1. Existing Countries

- **Strengthen positions** in existing activities through tenders and M&A
- Develop **new BL in existing countries**
- Expand in **new channels**

2. New Territories

- **Strategic development** that changes the Group profile because of its size or because it opens opportunities for growth
- **Tactical development:** opportunistic approach

Channels



Strategic

- | Existing | To investigate |
|---|---|
| <ul style="list-style-type: none">• Airports• Stations• Touristic sites / Museums | <ul style="list-style-type: none">• Downtown DF• Cruise |
| <ul style="list-style-type: none">• Motorways (if capex light) | <ul style="list-style-type: none">• Ferries (DF)• Diplomatic• Wholesale |

Tactic

To investigate

HOW to expand?

Tenders

offer competitive rents & attractive commercial offer; improved takeover/ start-up process

M&A

reach critical size
in some businesses / countries



Franchise

Relay being the first priority, other internal brands such as Aelia or Tech2go may be considered

A locally-empowered organization supported by central functions

LAGARDÈRE TRAVEL RETAIL EXCOM



COUNTRIES

FRANCE & MIDDLE EAST

FRANCE & LUXEMBOURG
KSA
UAE

EUROPE, MIDDLE EAST & AFRICA

ITALY	SWITZERLAND	POLAND
SPAIN & PORTUGAL	UK & IRELAND	CZECH REPUBLIC
GERMANY	ICELAND	ROMANIA & BULGARIA
AUSTRIA & SLOVENIA	NETHERLANDS	SENEGAL
		GABON

ASIA PACIFIC

GREATER CHINA
SINGAPORE & MALAYSIA
PACIFIC

NORTH AMERICA

USA
CANADA



BUSINESS LINES

TRAVEL ESSENTIALS	DUTY FREE & FASHION	FOODSERVICE	FINANCE	IT	HR	...
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CENTRAL FUNCTIONS

Support, coordination
and best practice sharing via

- Management meetings
- Management Board
- Hermès Leadership Forum
- Business reviews
- Strategic planning
- ...

This ambitious strategy is supported by 4 enablers

A team committed to exceeding travelers' and partners' expectations, every day



Excellence
in retail
and food



Partner
of choice



Profitable
expansion



Agile
and efficient
organization

INNOVATION

DIGITAL

PROCESSES
& SYSTEMS

TALENTS
& CSR



Our innovation approach



Unleash *innovation*

We strive to ensure a **strong innovation commitment** to our partners and customers

Landlords & Partner brands

Stand out as the **partner of choice** for bringing innovative solutions to life

Travelers

Re-enchanted travelers' experiences throughout their journey

Employees

Empower each collaborator to **take risks** and **explore new projects**

Open-innovation partners

Provide agile and impactful playgrounds to test and roll-out innovative solutions

The digital transformation will be a key priority for the Group in the 5 next years



We have defined our
Digital priorities

- ✓ Provide frictionless and highly simplified **digital stores**
- ✓ Build **targeted customer activation** capabilities
- ✓ Develop **omni-channel** in Duty Free and Food
- ✓ Further digitalize our **core business processes**



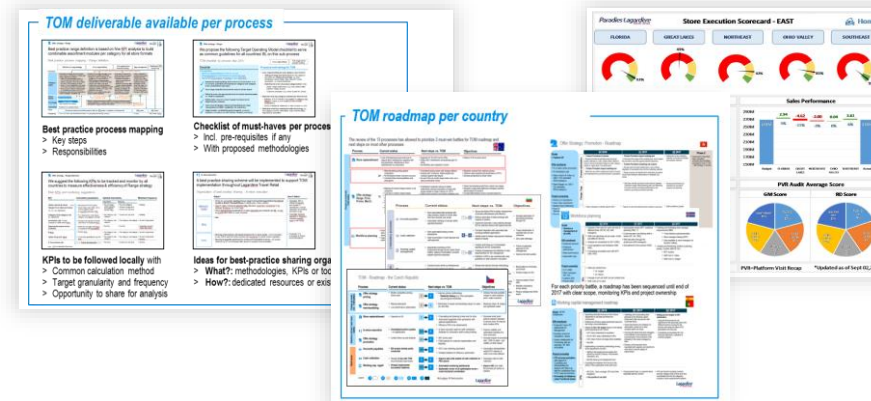
Key Success Factors

- ✓ Ability to **industrialize and roll-out**
- ✓ Adapted **organization**
- ✓ Structured **communication** on digital vision for B2B, B2C and B2E

Continue to optimize and harmonize our processes and systems is crucial to gain efficiency

TOM project

maximize our operational performance through the development of shared best practices, methodologies & KPIs



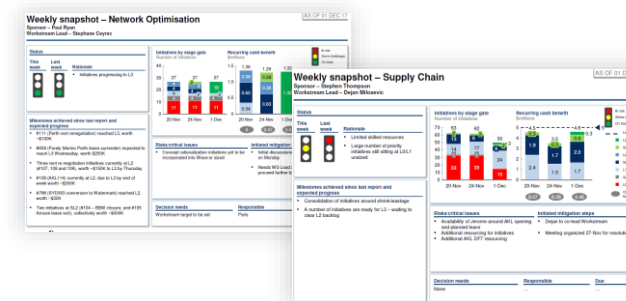
IT strategy

implement common IT strategy, strengthen IT security and gain in agility



BOOST

optimize all aspects of the efficiency (costs & productivity, organization model, health & culture, revenue streams and supply chain)



Strong group CSR commitments, through our PEPS program

Planet

Reduce **energy consumption** of POS

-50% food waste by 2025

Ban of **non-reusable plastics** in all our POS by 2025

100% cage-free eggs by 2015

Develop **local food/products** in all restaurants and stores

Ethics

Specific commitments TBD on:

- *Anti-bribery*
- *Personal data protection*
- *Fair trade practice*

People

Specific commitments TBD on:

- *Equal opportunities*
- *Diversity and gender balance*
- *Disabled persons*
- *Employee engagement*
- *Employee recognition*
- *Trainings*
- *Employees health & safety*

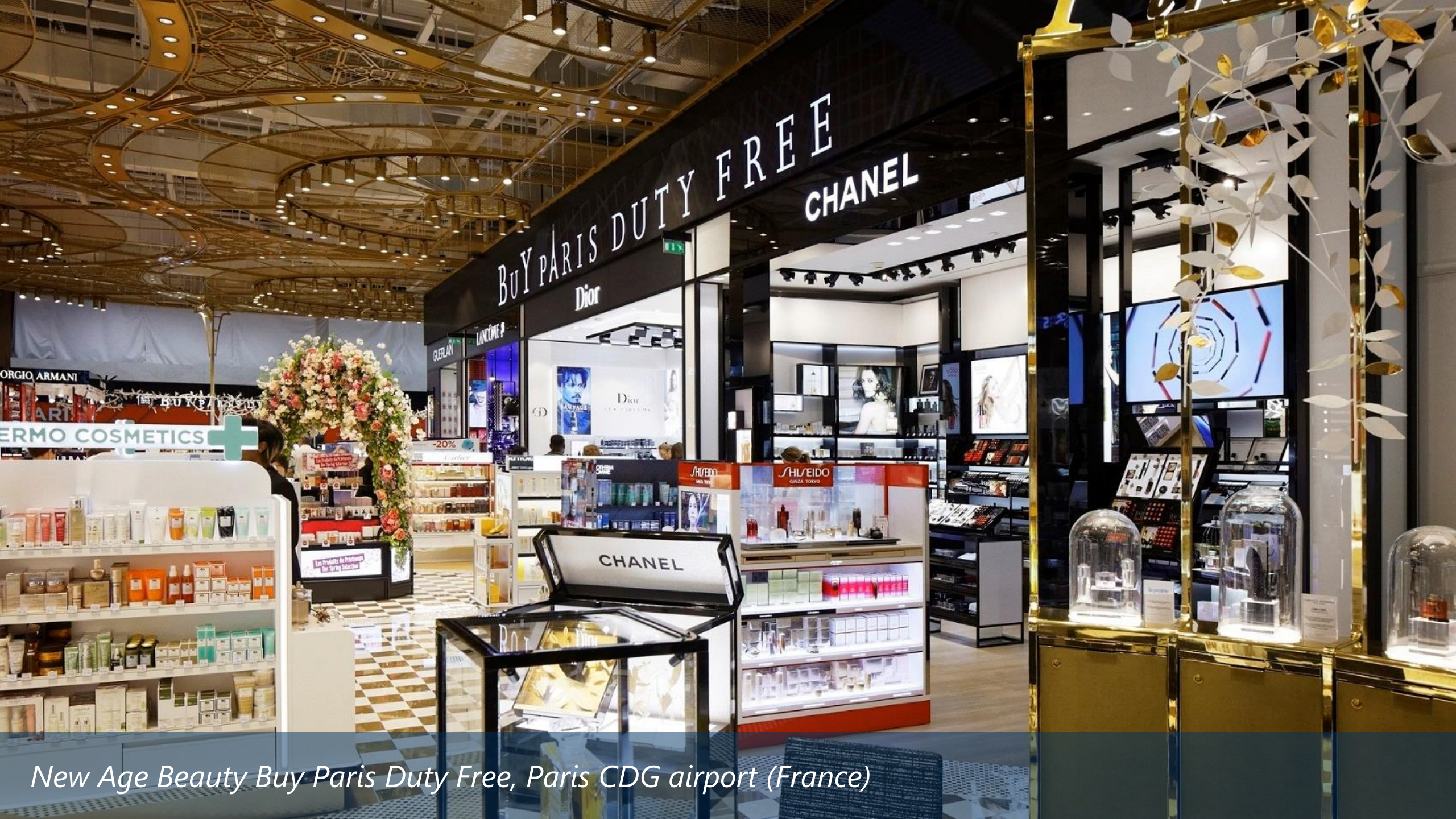
Social

Specific commitments TBD on:

- *Charity*
- *Local / Community programs*

Make employee experience unique and become the most attractive employer brand





New Age Beauty Buy Paris Duty Free, Paris CDG airport (France)



VINO VOLO
Discover great wines
A PARADIES LAGARDÈRE COMPANY

An elevated airport experience



47 stores in 34 airports across the US and Canada



Experience
new horizons,
every day
