What is the Status Quo & Outlook on E-Commerce in CEE & the Czech Republic especially?

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E-Commerce continues to be **a major growth engine** for the retail industry.

The **rapid shift to** e-commerce is leading many retailers to reevaluate the size and role of their physical footprint as they bolster their **online capabilities**.

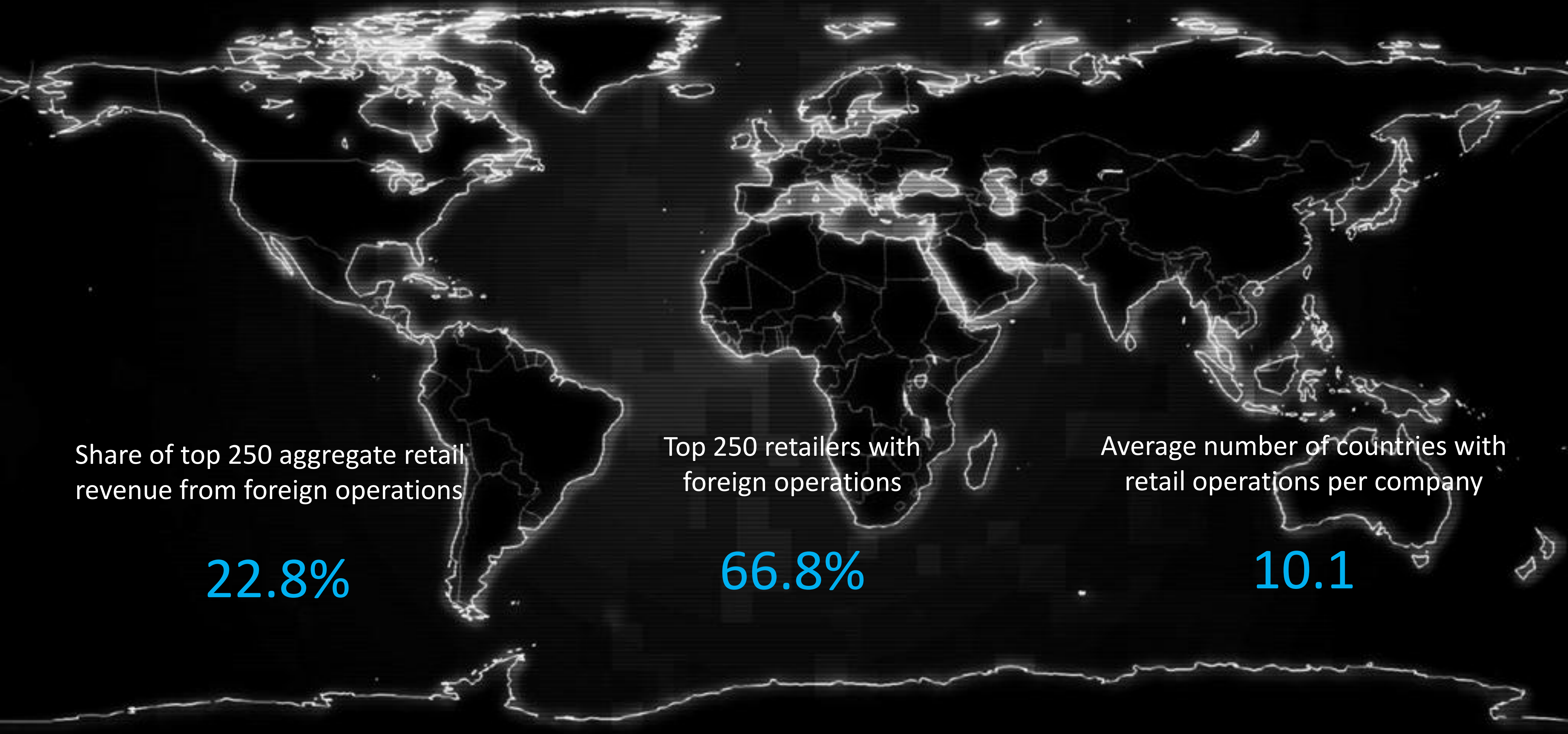
The number of Top 250 retailers without a transactional website continued to drop in FY2015 to 31.

Online sales grew of Top 250 retailers with e-commerce operations - **4.5 times faster** (18.3%) than this group's total retail revenue.

For many Top 250 retailers, **E-COMMERCE IS THE PRIMARY DRIVER OF REVENUE GROWTH.**

Source: Deloitte - Global Powers of Retailing 2017 study

GEOGRAPHICAL EXPANSION



Share of top 250 aggregate retail revenue from foreign operations

22.8%

Top 250 retailers with foreign operations

66.8%

Average number of countries with retail operations per company

10.1

Source: Deloitte, Top 250 quick statistics, FY2015

OMNICHANNEL

SEAMLESS RETAIL

COMMUNICATION
SALES CHANNELS

COUNTRIES/REGIONS

54% of European e-shoppers

have already bought from foreign websites

(+2ppt vs. 2016)

Source: E-shopper Barometer 2017, DPDgroup

CEE

CEE is a very complex "market" which makes it lower priority for global players.

There are **40 100 e-shops in Czech Republic**
(highest no. of e-shops per inhabitant in Europe).

alza.cz — 21 countries

MALL GROUP — 7 countries

NOTINO — 23 countries

E-commerce revenue grew by 18% in 2017 vs. 2016.
Share of e-commerce sales on total retail is 10% (5^{th} in Europe).

Tough competition puts e-retailers under pressure and leads to continuous improvement of quality of the service.

CEE COMPLEXITY IS AN ADVANTAGE & OPPORTUNITY FOR LOCAL PLAYERS

EASIER & FASTER GEOGRAPHICAL EXPANSION

SEAMLESS RETAIL

E-COMMERCE IS THE MAIN DRIVER OF GROWTH

THANK YOU

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