November 11th, 2021

Global Blue

ALTAGAMMA
CREATIVITÀ E CULTURA ITALIANA

Tax Free Recovery Update

CURRENT SITUATION IN EUROPE

European countries are re-opening a large number of corridors for fully-vaccinated travellers stabilizing into phase 3

REGIONAL BORDERS REOPENING

SPECIFIC INTERNATIONAL CORRIDORS OPEN
under quarantine free conditions

MOST CORRIDORS ARE OPEN
as herd immunity is achieved across most relevant countries

STRICT SANITARY CONTROLS

PHASE 1	PHASE 2	PHASE 3	PHASE 4	PHASE 5
BORDERS CLOSED STORES OPEN	INTRA-REGIONAL TRAVELS RE-START	LONG-HAUL FLIGHTS RE-START	GRADUAL RETURN TO NORMAL	NORMAL

WHERE WE STAND TODAY

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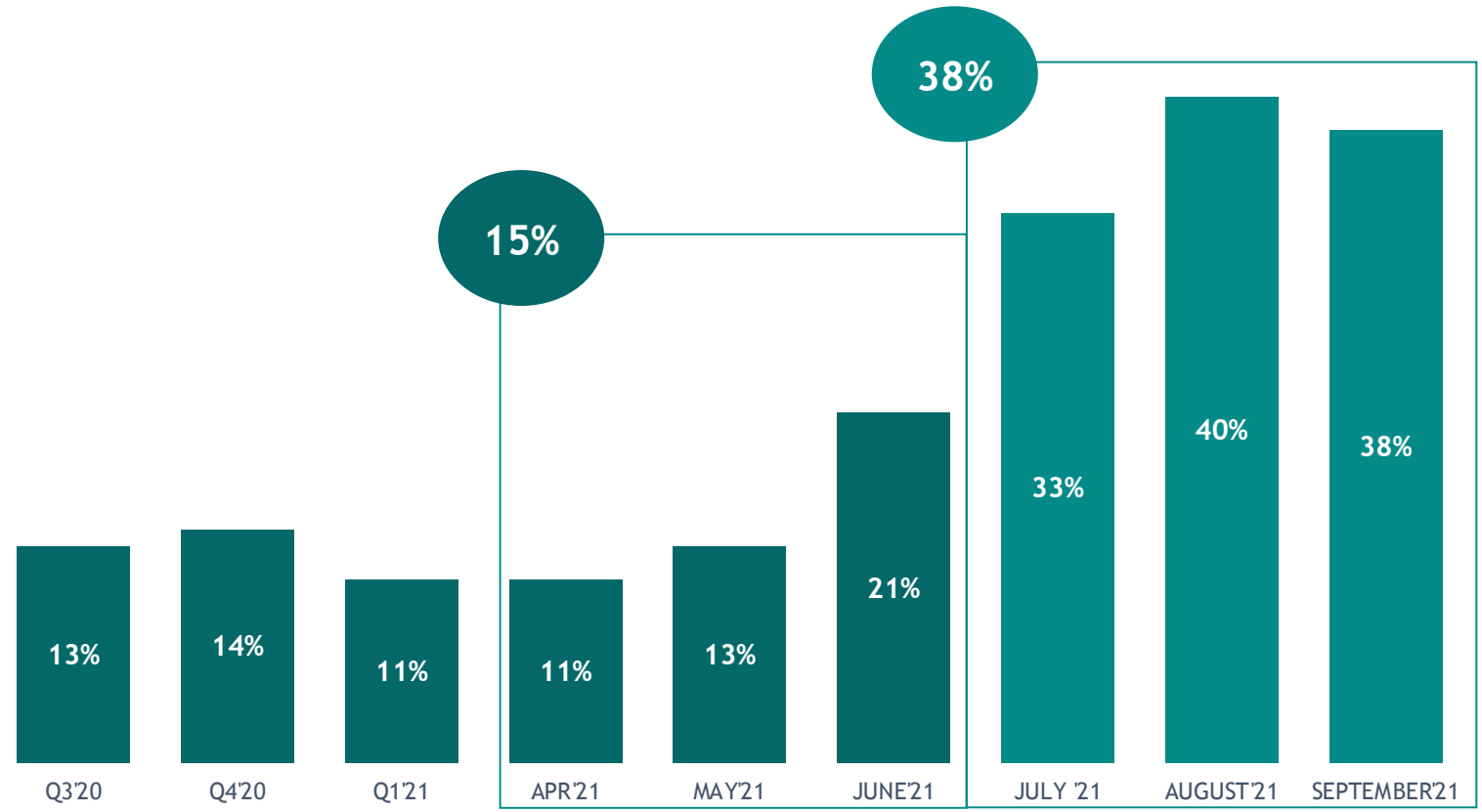
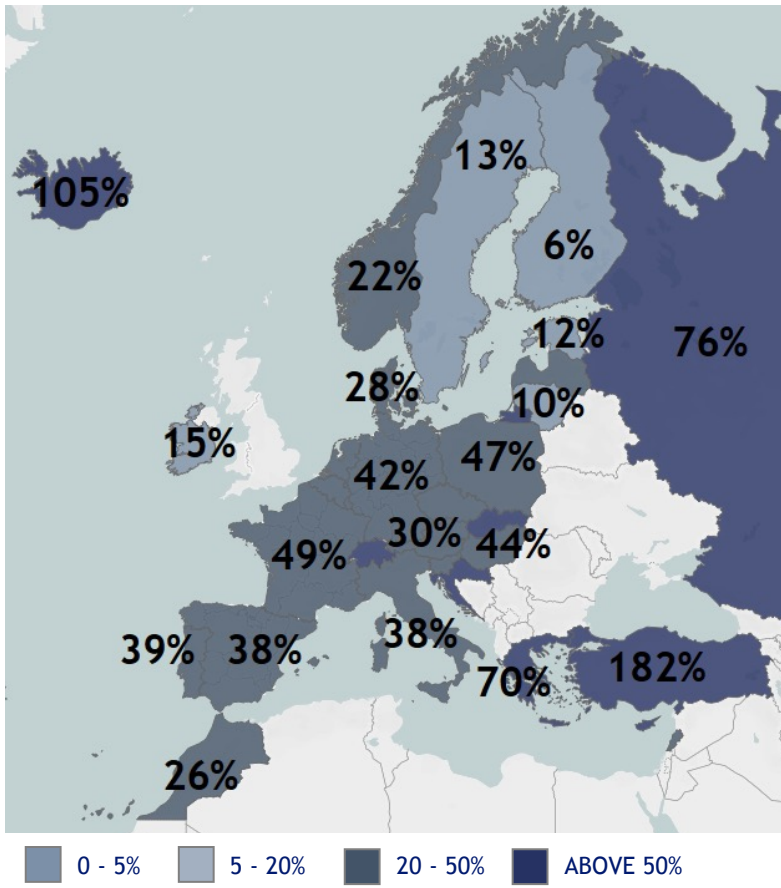
Tax Free recovery stabilizes around 40% in Europe over the holiday season

% ISSUED TAX FREE SPEND VS 2019



SEPTEMBER '21 ISSUED TAX FREE SPEND VS 2019



Source: Global Blue transactional data
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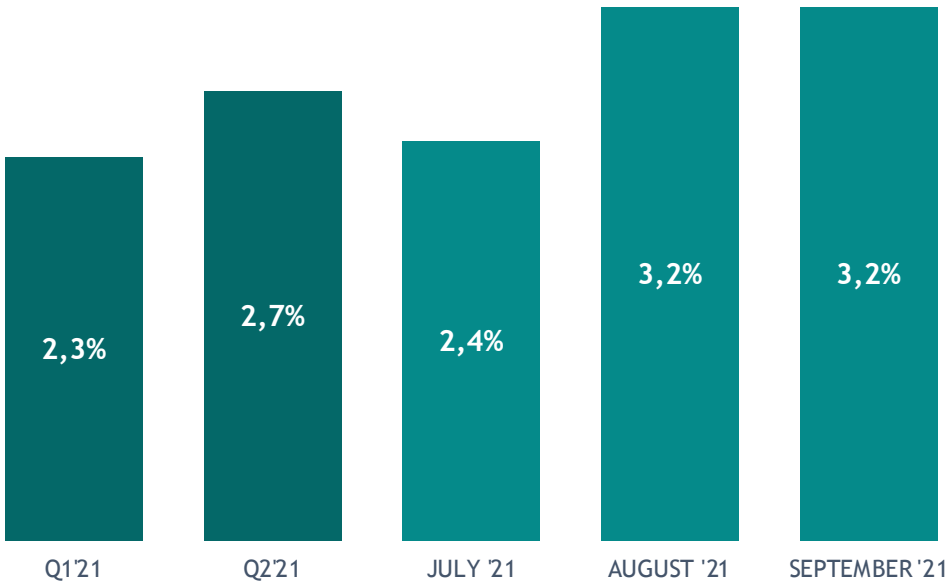
Italy is attracting valuable UK shoppers and accordingly, capture 22% or their Tax Free Spend

% OF EUROPEAN ISSUED TAX FREE SPEND TO UK INTERNATIONAL SHOPPERS IN 2021



UK INTERNATIONAL SHOPPERS MAIN DESTINATIONS IN EUROPE (SEPTEMBER '21)

	% TOTAL TAX FREE	AVERAGE SPEND PER TRANSACTION
	33%	2,400€
	23%	1,400€
	22%	1,600€
	4%	3,100€
OTHERS	18%	900€
EUROPE	100%	1,500€

x2.2
TIME LARGER THAN EUROPEAN AVERAGE

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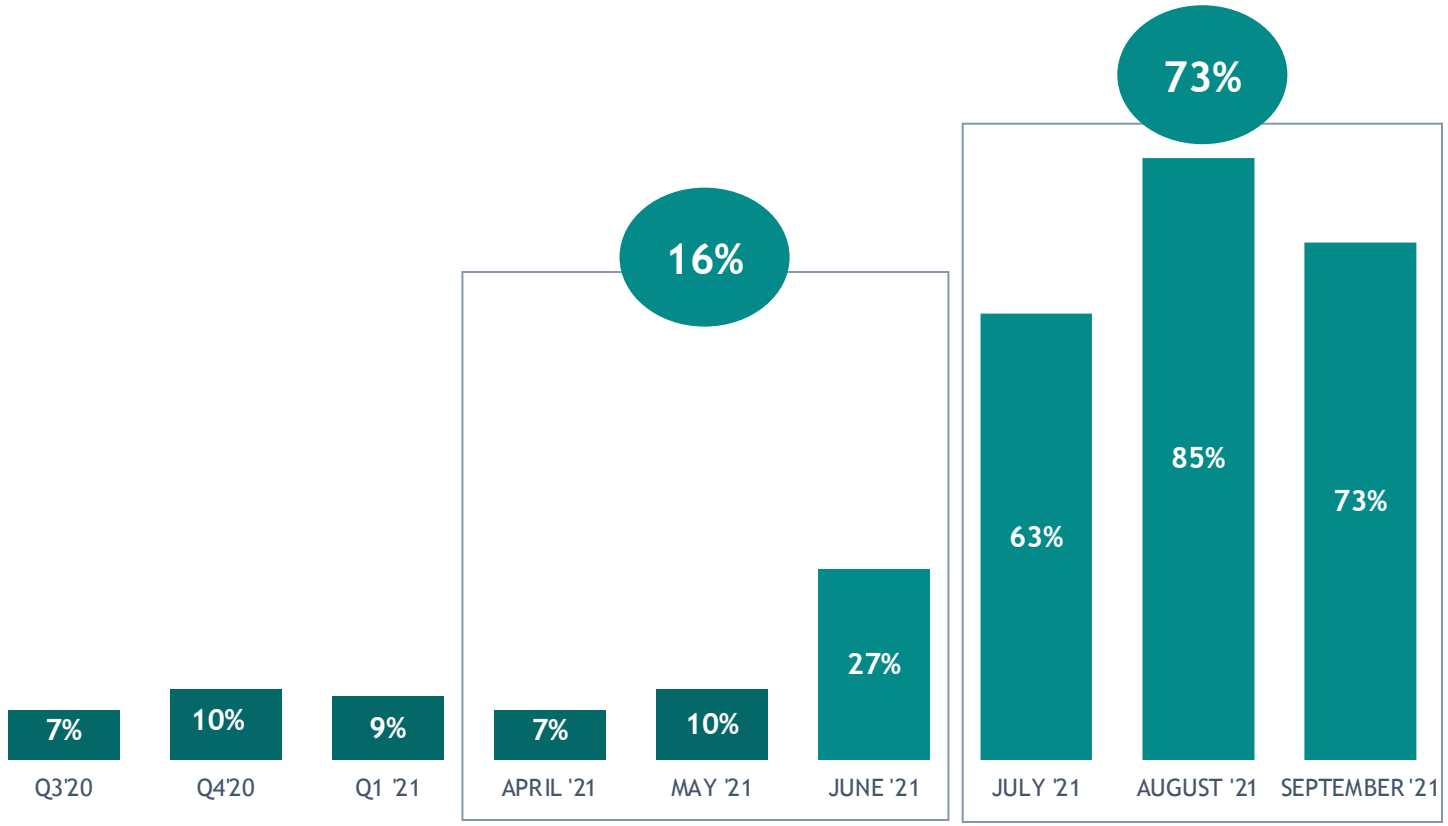
Source: Global Blue transactional data - Issued transaction excluding Destination UK from historical data

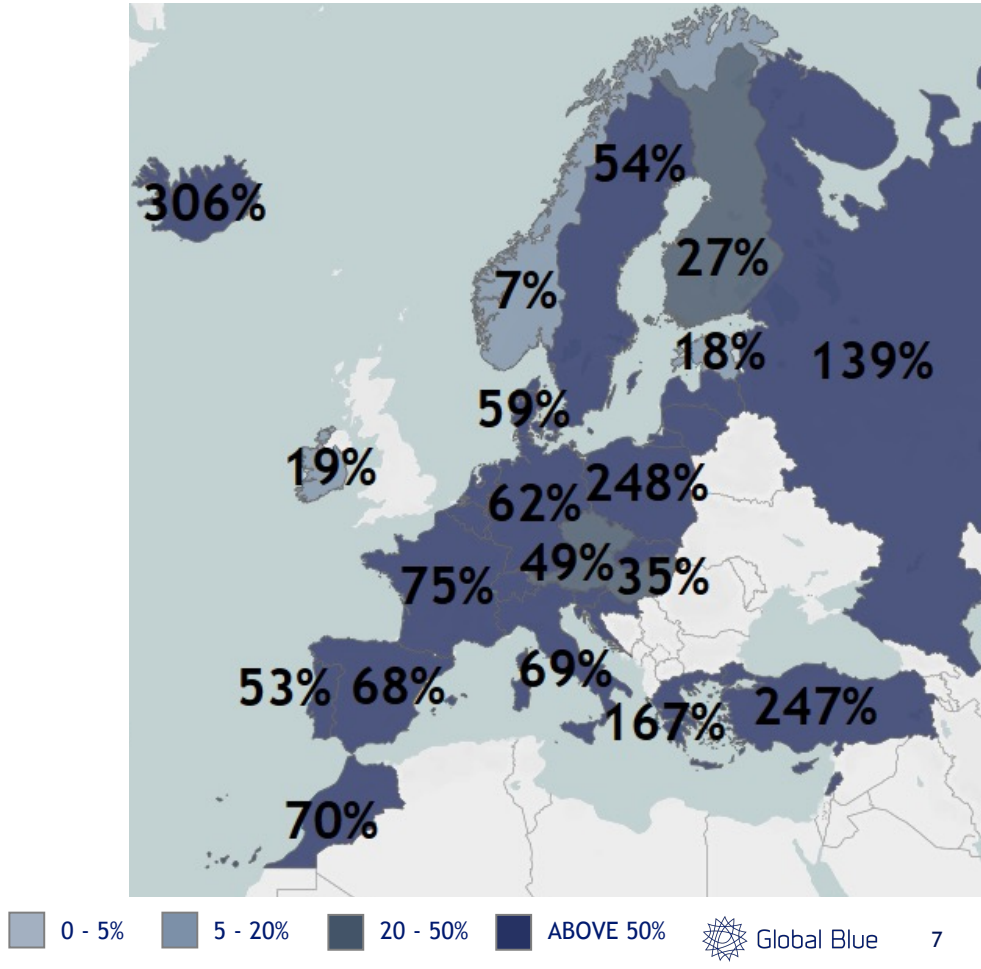
FOCUS ON 2 MAIN NATIONALITIES

US recovery in Europe remains strong, with Italy aligned with the European average

% ISSUED TAX FREE SPEND VS 2019



JULY - SEPTEMBER'21 ISSUED TAX FREE SPEND VS 2019



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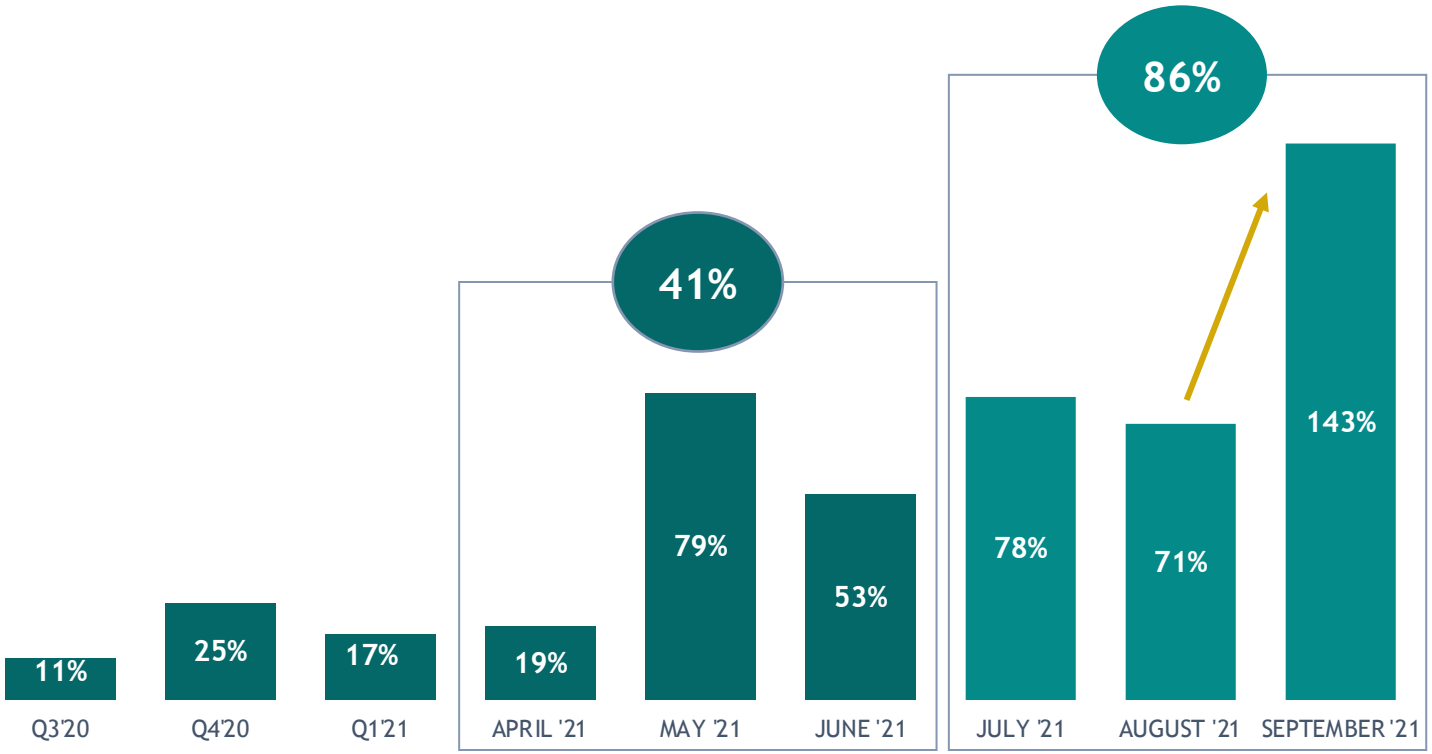
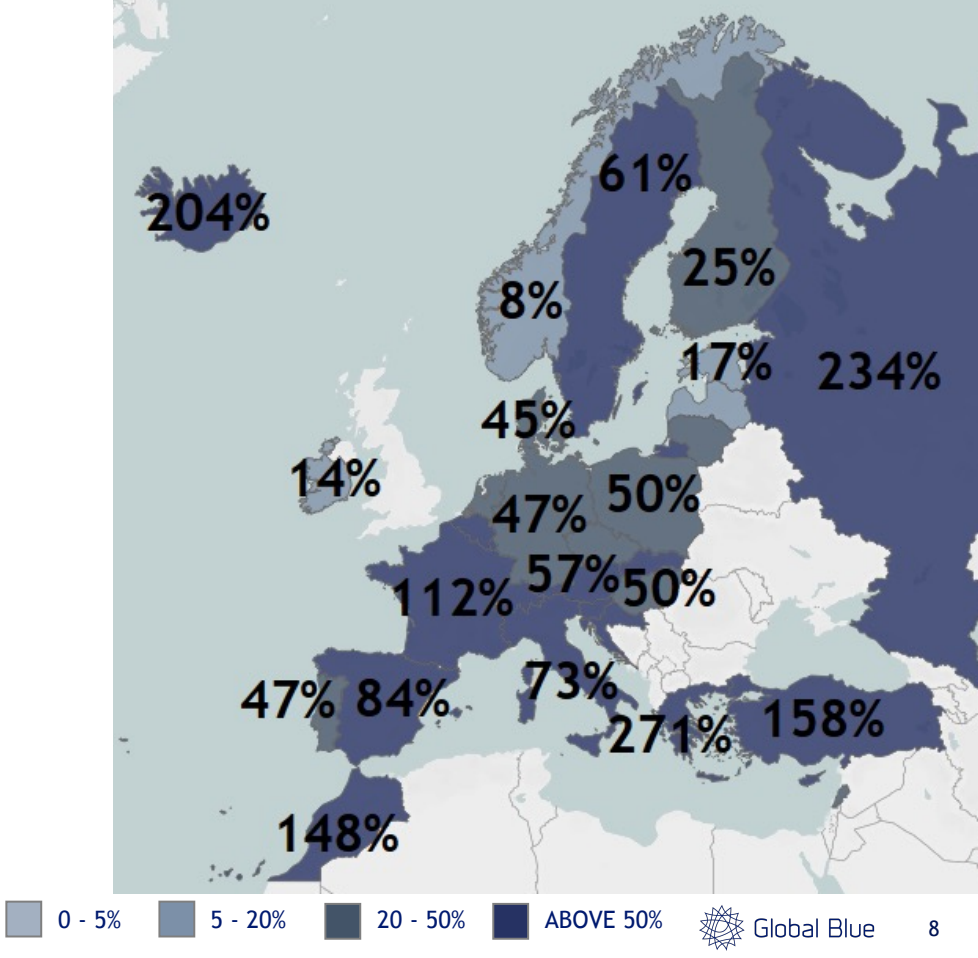
GCC recovery accelerated, due to pent up demand and repatriation of UK Tax Free

% ISSUED TAX FREE SPEND VS 2019



JUL - SEP '21 ISSUED TAX FREE SPEND VS 2019



Source: Global Blue transactional data
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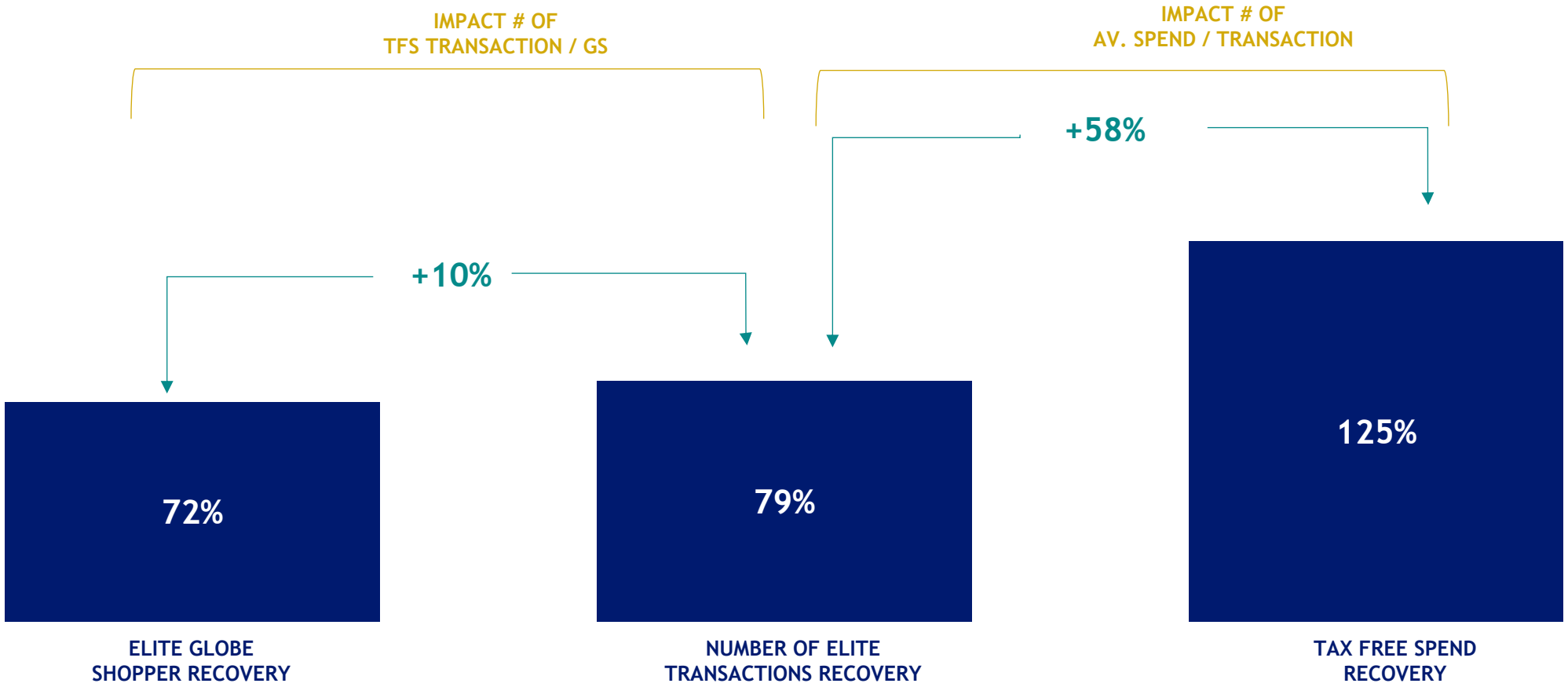
Elite GCC shoppers Tax Free Spend recovery in Continental Europe is driven by a solid increase of the average spend per transaction

TAX FREE RECOVERY MAIN DRIVERS (AUG – OCT'21)



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DRIVERS TO CONSIDER TO ASSESS THE RECOVERY

How to assess the recovery profile for the coming months?

There are 3 main drivers to be considered

DRIVER #1

PROJECTION OF HERD IMMUNITY[1]

DRIVER #2

PROJECTION ON CORRIDORS RE-OPENING

DRIVER #3

INTERNATIONAL SHOPPERS' WILLINGNESS TO TRAVEL & DESTINATION SANITARY ASSESSMENT

[1] 80% of general population as per WHO Guidance

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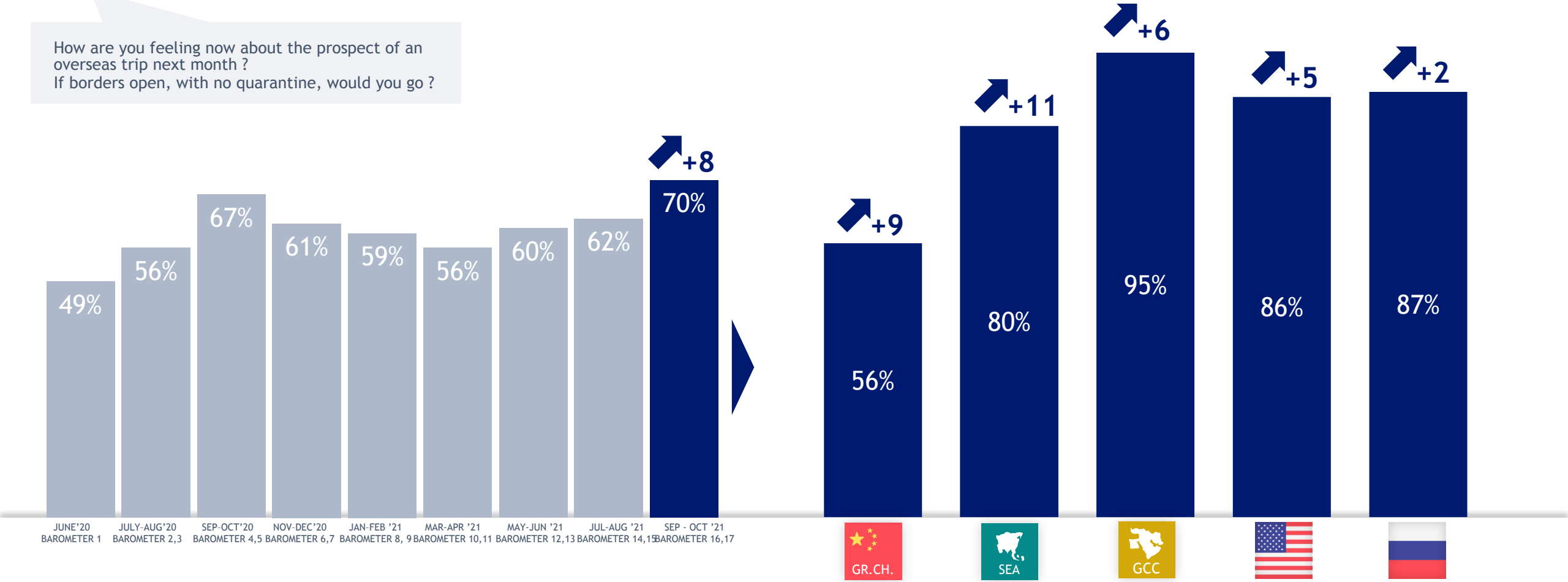
70% of shoppers are willing to resume international travel in coming months

How are you feeling now about the prospect of an overseas trip next month ?
If borders open, with no quarantine, would you go ?



** Weighted average based on Tax Free spend distribution across traveler nationalities in 2019*
Greater China = Mainland China, Hongkong, Macau, Taiwan.
SEA = Cambodia, Indonesia, Malaysia, Myanmar, Philippines, Singapore, Thailand, Vietnam.
Tax Free Shoppers that have spent at least 3K€ in the past 4 months

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↗+9 *Deviation versus previous barometer*

Elite & frequent shoppers will drive business recovery as they show greater willingness to travel than infrequent shoppers

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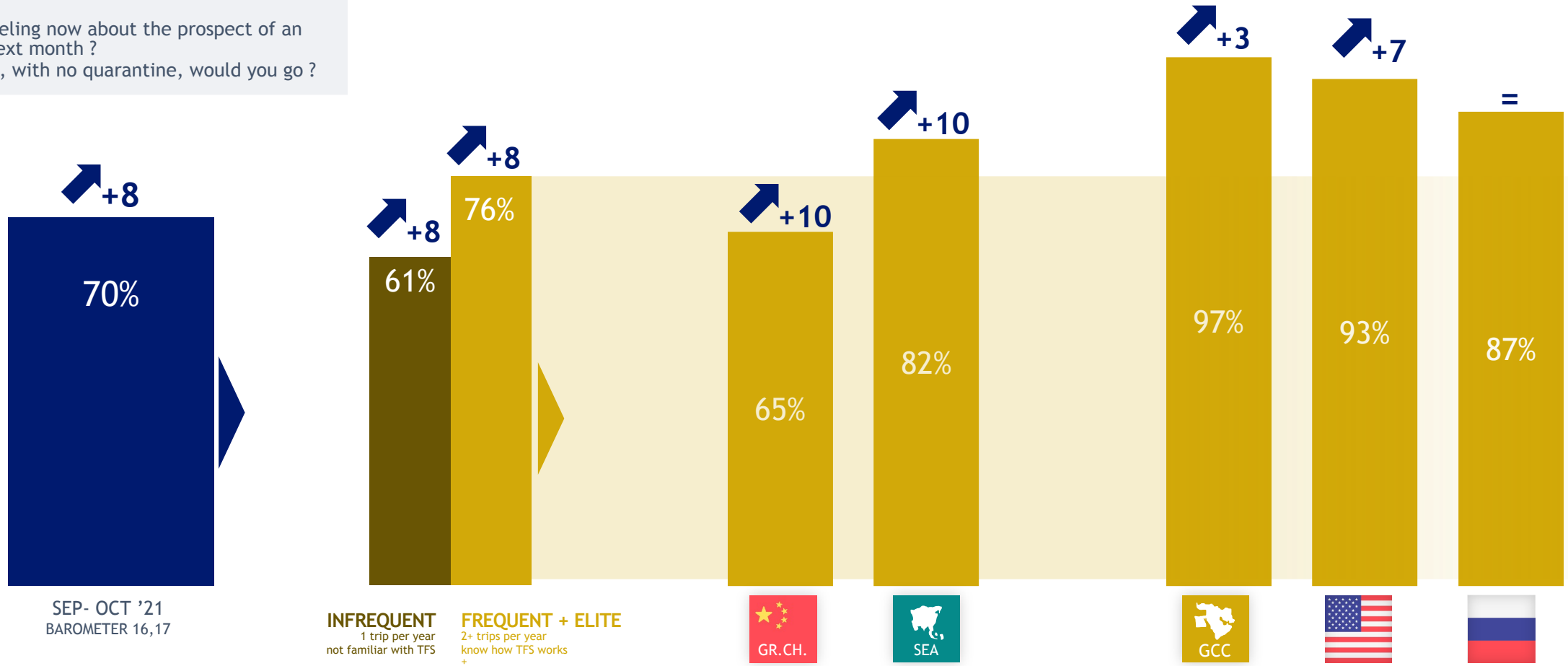

** Weighted average based on Tax Free Spend distribution across traveller nationalities in 2019*

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PERSPECTIVES

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