



COMMERCIAL ACTIVITIES IN PARIS

2019 INVESTOR DAY



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- 2 A 4 pillar strategy driving a sustainable growth
- 3 The « ultimate Parisian shopping and dining experience »
- 4 The business model
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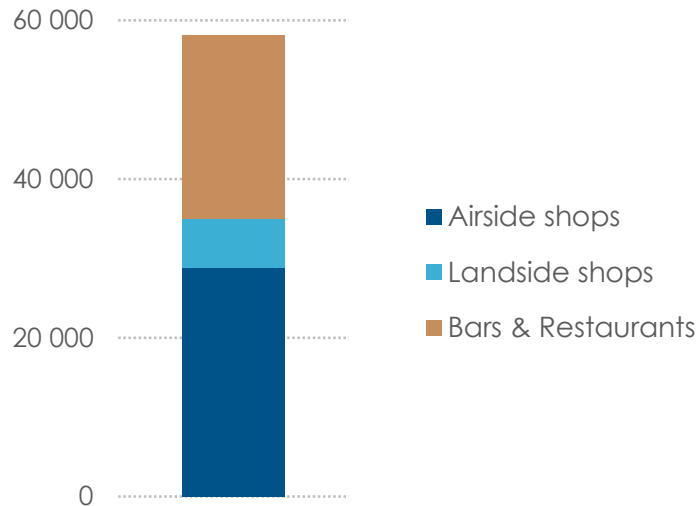
1

Global overview and past performance

COMMERCIAL ACTIVITIES

GLOBAL OVERVIEW 2018

58,100 sqm, with **382** points of sales
(retail + F&B)



A concession based business model,
with mainly **2 types** of concessionnaires

- ◆ Brands, mostly in luxury
- ◆ 4 Joint-ventures owned 50% by ADP

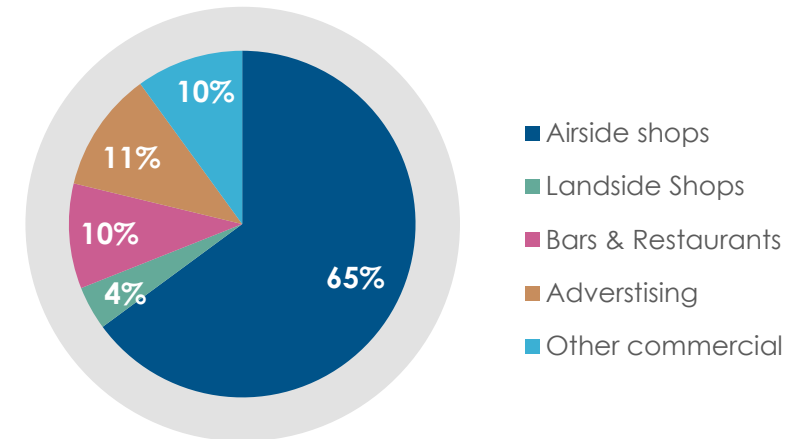
SDA
Société de Développement Aéroportuaire

RELAY@ADP

Média Aéroports
de Paris

epigo

Revenue of **€490M** coming from
commercial activities, as variable rents
(% of sales)



A SPP ⁽¹⁾ airside, including retail and F&B,
of **€20,9⁽²⁾** (**€18,4** Retail)

- ◆ China representing 2% of traffic, but
14% of retail sales

1. Spend per pax

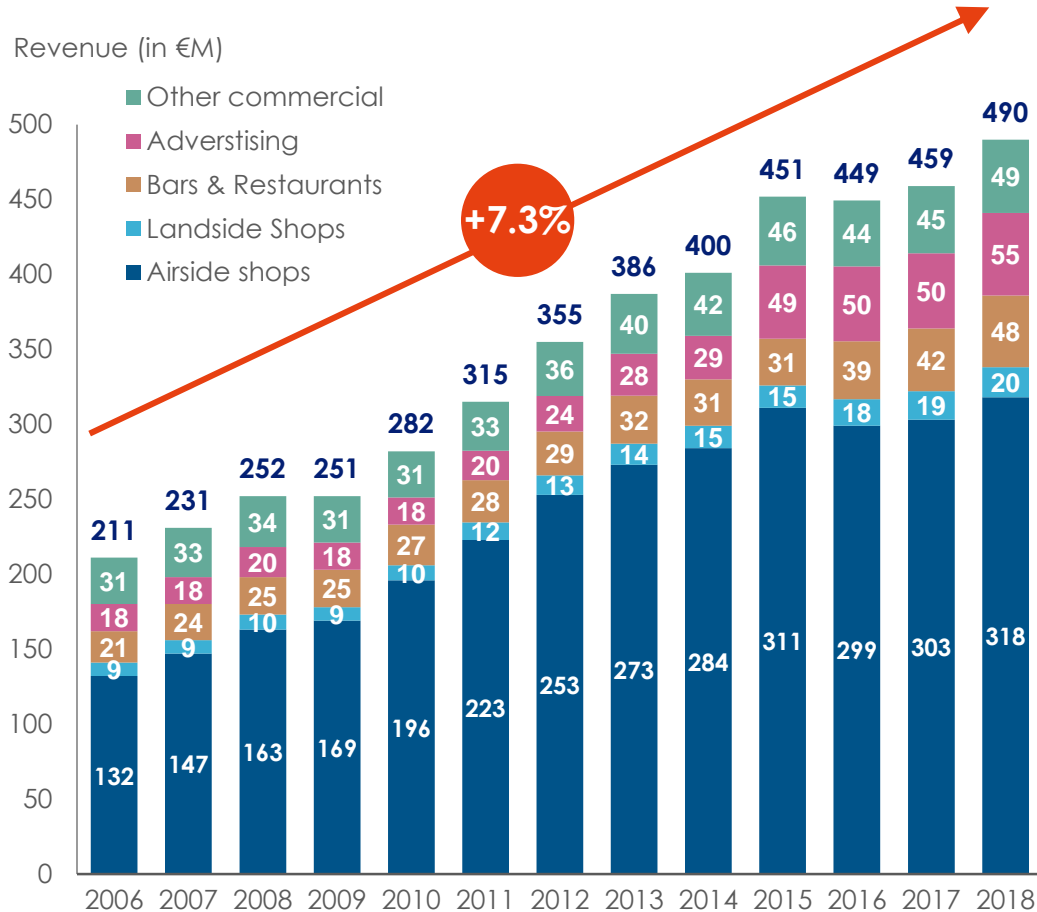
2. Spend per pax retail + F&B airside

PAST PERFORMANCE 2006-2018

A STRONG GROWTH OF REVENUE AND SPP⁽¹⁾ OVER THE PERIOD

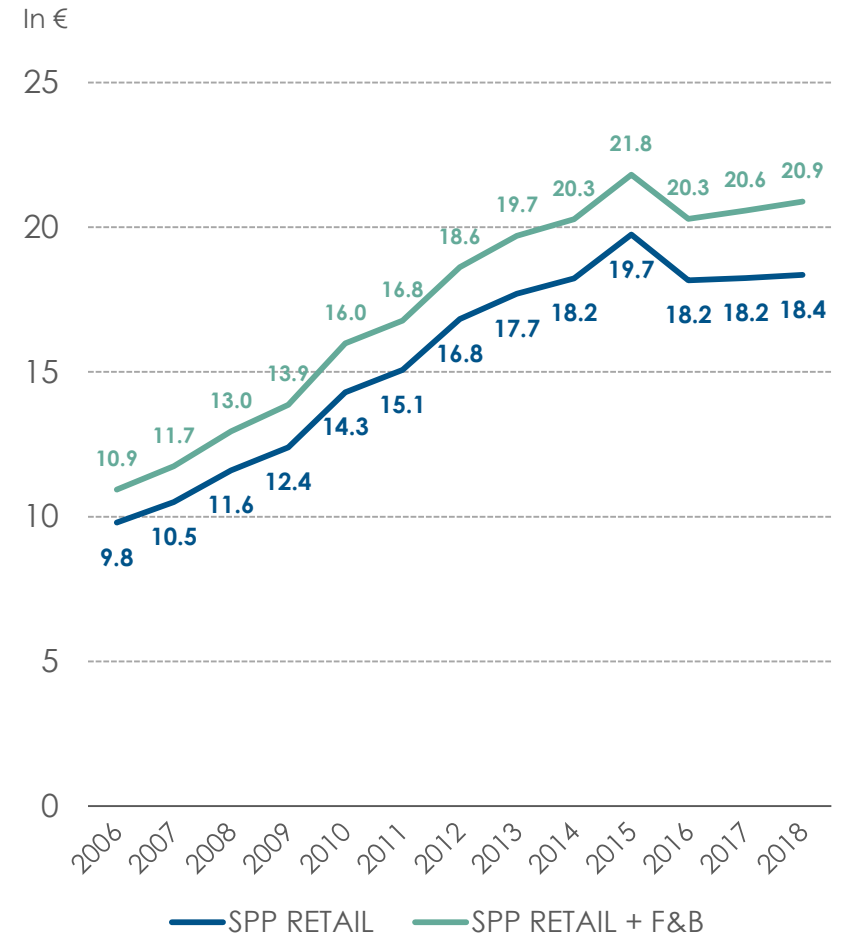
A 2006-2018 CAGR of 7.3%

with strong growth for retail, F&B and advertising



A strong growth of the SPP

both for airside retail and airside F&B

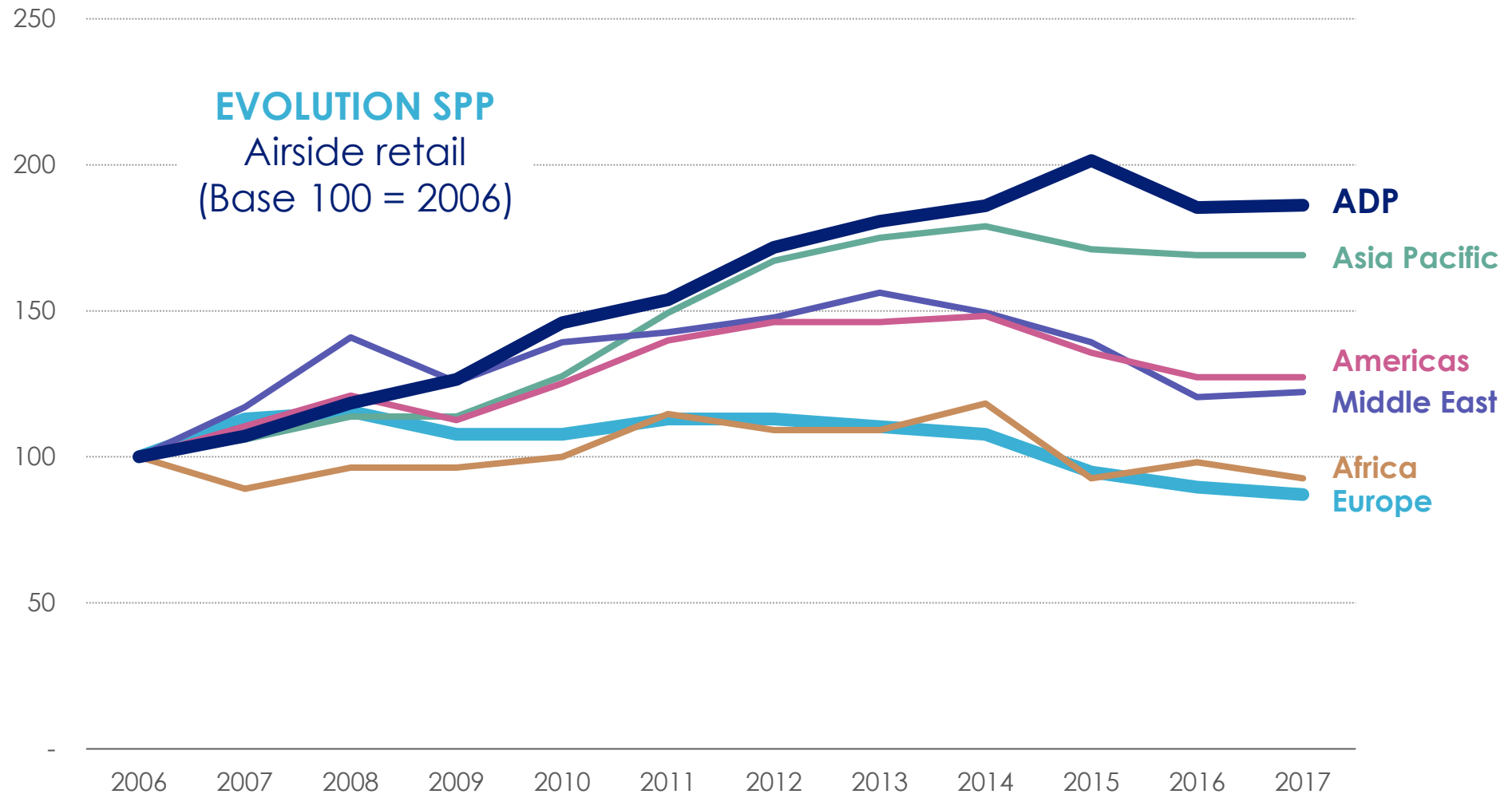


SPP trend before the opening of major infrastructures in Paris-Orly and Paris-Charles de Gaulle in 2019 & 2020

1. Sales in airside shops divided by the number of departing passengers (Sales/Pax)

PAST PERFORMANCE 2006-2017

A GROWTH AMONG THE BEST PERFORMERS WORLDWIDE



2

**A 4 pillar strategy driving
a sustainable growth**

2 PILLARS ON SUPPLY AND 2 PILLARS ON DEMAND

2 PILLARS ON SUPPLY

A positioning around
**The « ultimate Parisian shopping
& dining experience »**



**A business model to
sustain the positioning**

SDA
SOCIÉTÉ DE DISTRIBUTION AÉROPORTUAIRE

Média Aéroports
de Paris

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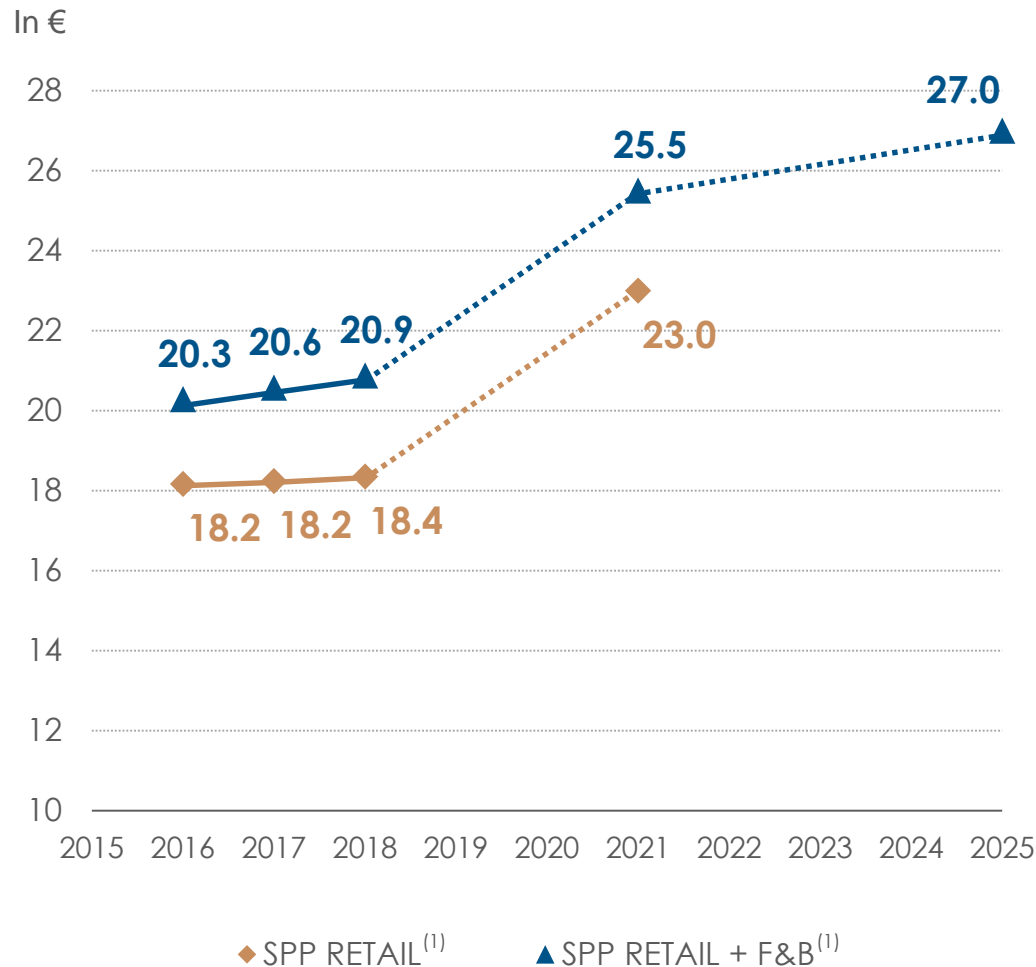
epigo

2 PILLARS ON DEMAND

**The impact
of Traffic**

**The stimulation
of Demand**

COMMERCIAL GUIDANCE FOR 2025



A target of **€27** in 2025 for the SPP airside retail + F&B

An intermediary target of **€25.5** in 2021 for the SPP⁽¹⁾ airside retail + F&B, 2021 being the first full year after the delivery of the infrastructure projects of the 2016-2020 period

3

**The « ultimate Parisian
shopping and dining
experience »**

**Excellence in Parisian Interior
design and space management**



**Excellence in Parisian
Brands portfolio**



**THE
ULTIMATE
PARISIAN
SHOPPING &
DINING
EXPERIENCE**

**Excellence
in service**



Excellence in price positioning



EXCELLENCE IN DESIGN AND SPACE MANAGEMENT

High standards in design, offering various Parisian experiences to our passengers



The right integration of the commercial zones inside the airport environment

Optimization of available time airside :
new security zones, new tax refund process, smartization of checking and immigration

Short distances between gates and commercial zones + sitting area at the heart of commercial zones

Easy way finding

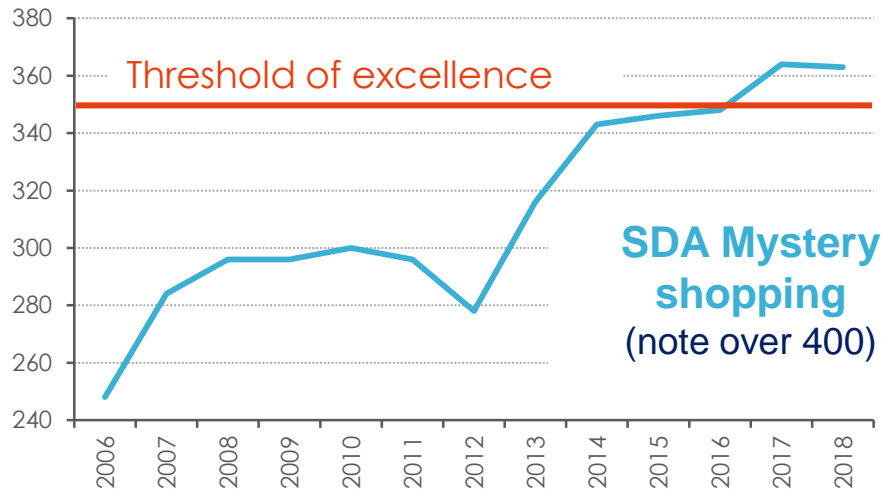
Maximum exposure of commercial offer

Entertainment & Events

EXCELLENCE IN SERVICE AS A KEY DRIVER OF DIFFERENTIATION

The Quality of service in-store

welcome, expertise, multicultural approach,
culture of gesture



Free instore services

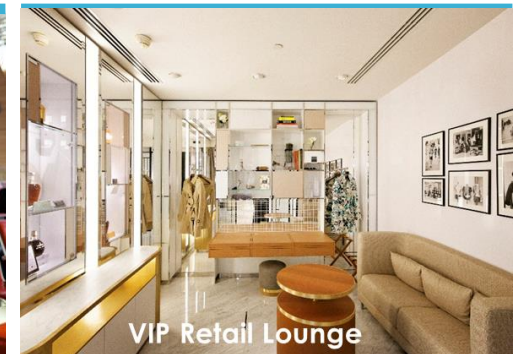
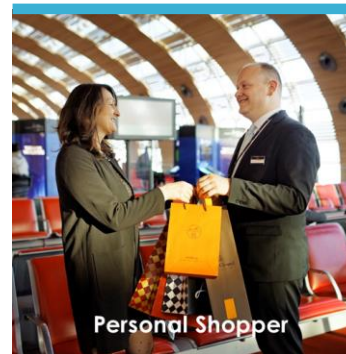


Easy shopping

- ◆ Secure shopping
- ◆ No tax refund formalities
- ◆ Largest offer of means of payment (inc. Mobile)
- ◆ Free wifi
- ◆ Minitrolleys
- ◆ Shop & collect
- ◆ Stock visibility & transfers



Tailored services for VIP customers



FROM A TRADITIONAL DUTY FREE TO A PARISIAN DEPARTMENT STORE

A focus on **3 product lines**,
which personify the most the French savoir-faire:
Perfume & cosmetics, Luxury Fashion,
and French Art de vivre

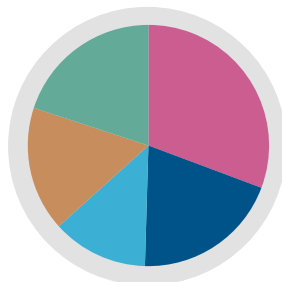


On each key product line, a brand portfolio mixing **all the French leading brands** + best international brands,
with downtown best standards

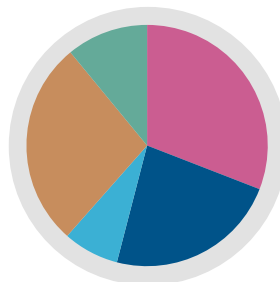


A **fast evolving mix...**

Retail Mix 2006



Retail Mix 2018



- Beauty
- French Art de vivre
- Tobacco
- Luxury Fashion
- Other

... And a **favourable mix**
to drive the future growth

- Organic growth
- Low exposure to health concern
- Low exposure to price competition
- French brands market share

FOOD & BEVERAGE WITH STRONG PERSPECTIVES OF GROWTH

4 pillars in the strategy

Mix of **international & French Brands**, offering many types of food options



Differentiation via the **French Chefs**



Moderate pricing vs downtown

Large variety of price points, but a global target of increasing the **average basket**

A successful laboratory at the 2F2,
to be duplicated in all our terminals



THE PARISIAN DEPARTMENT STORE

TWO FORMATS TO ADAPT OUR OFFER TO OUR PASSENGER MIX

The **Premium** format

- ◆ International Clientele
- ◆ **5 Terminals at Paris-Charles de Gaulle :**
2E Halls K/L/M, T1 international, 2A/C
- ◆ 4,500 to 5,000 sqm Retail per terminal with high profitability, 1,000 to 1,500 sqm F&B
- ◆ Large presence of Luxury and VVIP services



The **Superior** format

- ◆ European Clientele
- ◆ **2 Terminals at Paris-Charles de Gaulle**
(2B/D, 2F) and **3 at Paris-Orly** (Only 1/3/4)
- ◆ 3,000 to 4,500 sqm Retail per terminal , 1,000 to 1,500 sqm F&B
- ◆ Few Luxury Fashion and special focus on trendy Beauty and Food





2E HALL K,
THE PREMIUM
RETAIL
LABORATORY
& FLAGSHIP



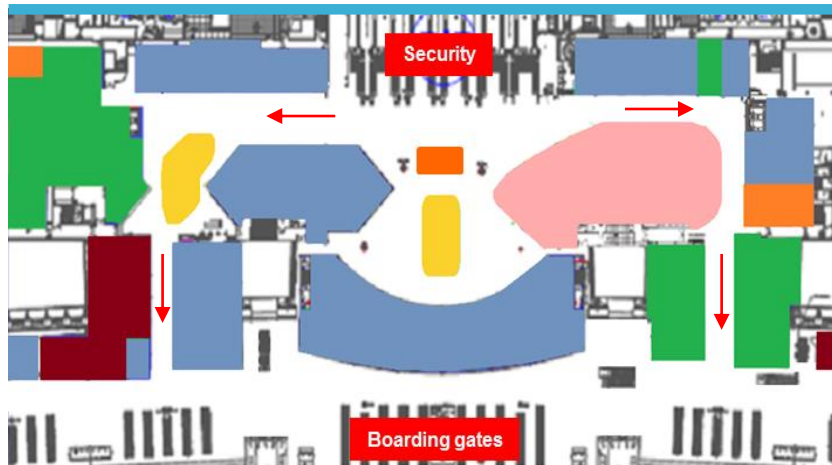
THE 2E HALL K: THE PREMIUM RETAIL FLAGSHIP, READY TO BE DUPLICATED

AN AMBITION TO MAKE THE 2EK BECOME THE BEST TERMINAL IN THE WORLD

Our premium **Flagship and Laboratory**

State of progress

- Space management
- Interior design
- Brand portfolio & concepts
- Excellence in service
- Events & Entertainment
- Smartization & digitalization

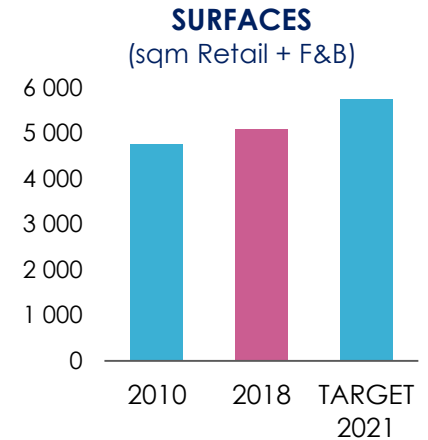


- Food & Beverage
- Luxury Fashion
- Gastronomy, Wine & Spirit
- Retail Services
- Perfume & cosmetics
- Convenience & Electronics

A **2021 portfolio** of **21 monobrand** boutiques



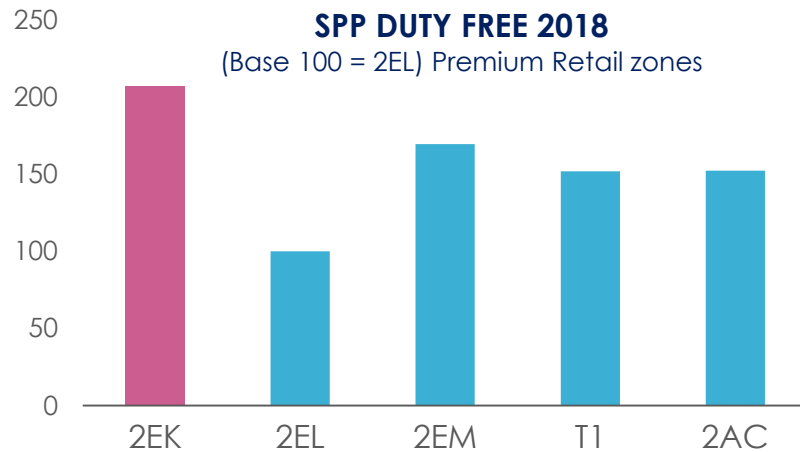
□ New brand, not present in 2018



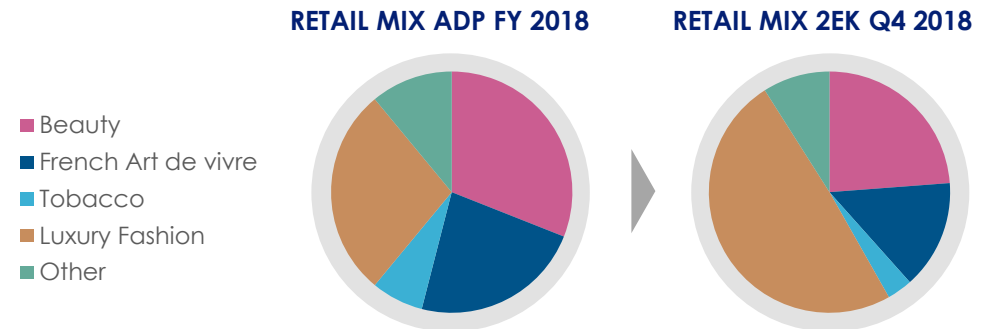
THE 2E HALL K: THE PREMIUM RETAIL FLAGSHIP, READY TO BE DUPLICATED

EXCELLENT RESULTS WHICH GIVE CONFIDENCE IN THE FUTURE

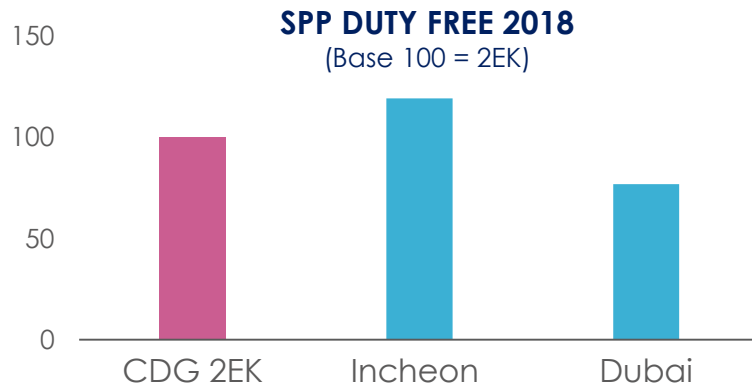
By far our **best performing terminal**



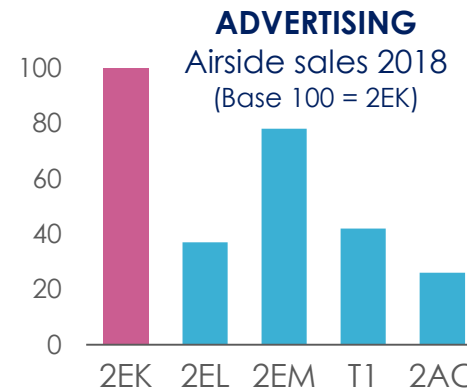
A typical parisian Department store mix, totally unique in airport world, with very limited exposure to tobacco, and a strong focus on fastest growing categories



One of the **best SPP in the world**



Very strong synergies with advertising



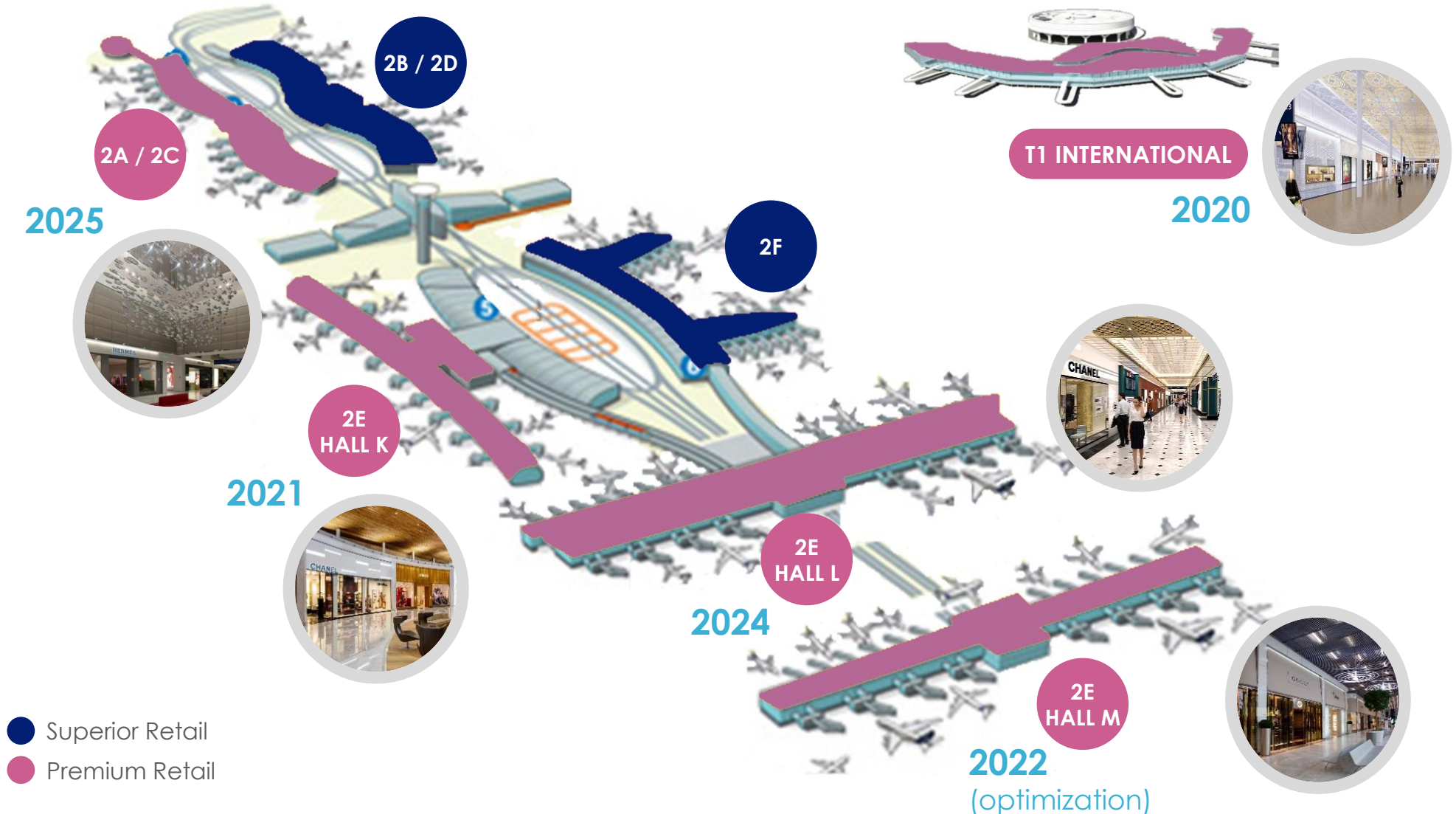


THE PREMIUM
CONCEPT
DUPLICATION
PLAN



THE PREMIUM CONCEPT DUPLICATION PLAN

FIVE PREMIUM RETAIL TERMINALS IN TOTAL, ALL AT PARIS - CHARLES DE GAULLE



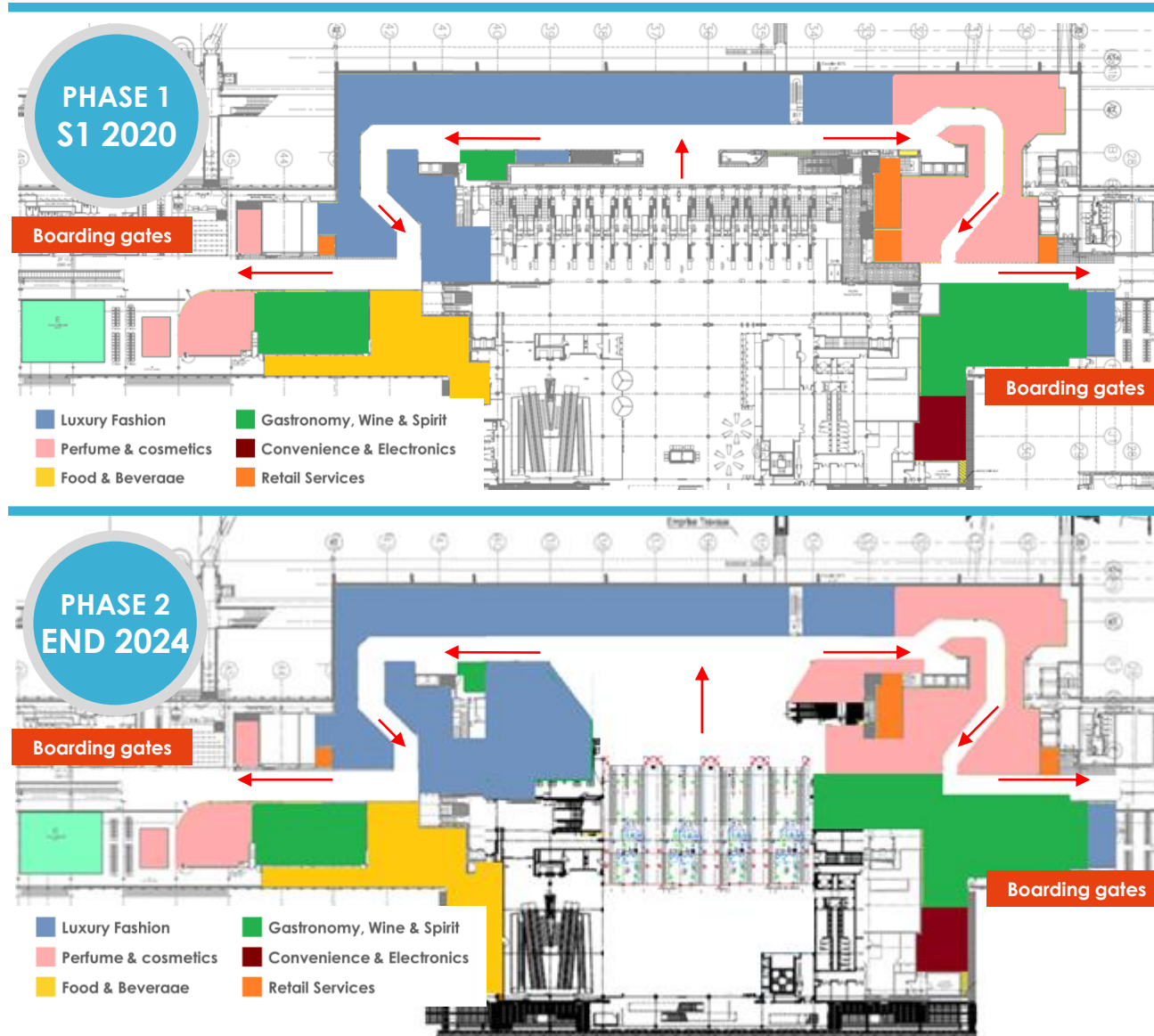
THE 2E HALL L: THE PARISIAN GALERIE

PHASE 1 OPENING S1 2020 & PHASE 2 OPENING END 2024



THE 2E HALL L: THE PARISIAN GALERIE

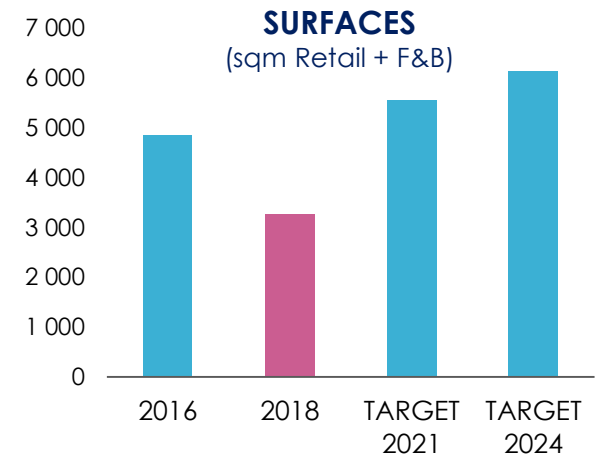
PHASE 1 OPENING S1 2020 & PHASE 2 OPENING END 2024



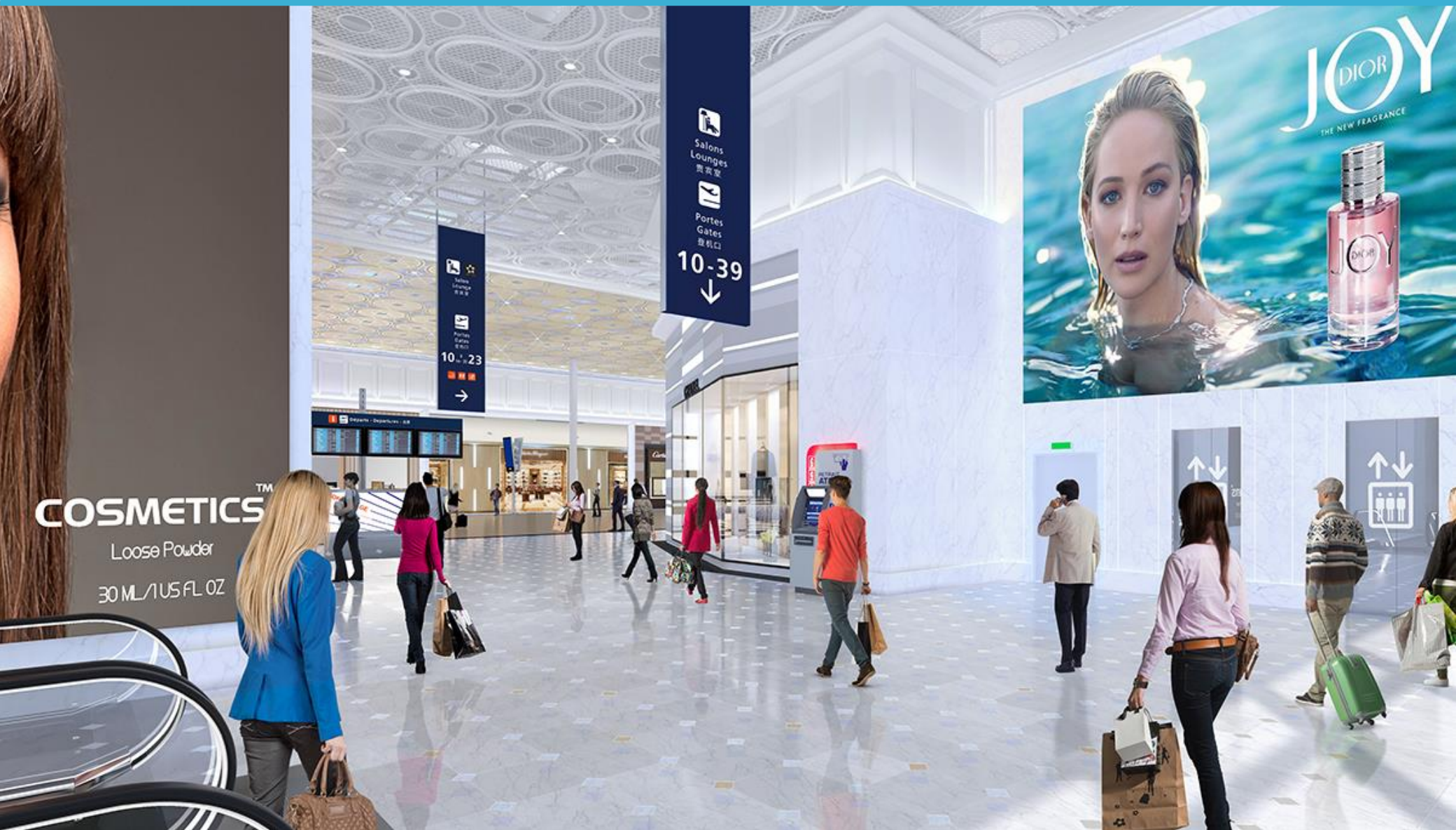
A 2020 portfolio of 16 monobrand boutiques



□ New brand, not present in 2018



THE T1 INTERNATIONAL : THE PARISIAN DEPARTMENT STORE OPENING SUMMER 2020





HERMÈS
PARIS

CHANEL

Dior

Cartier

CELINE

L**V**
LOUIS VUITTON

SAINT LAURENT
PARIS

GUCCI
G

BVLGARI

ROLEX

PRADA

RIMOWA

BURBERRY
LONDON ENGLAND

LONGCHAMP
PARIS

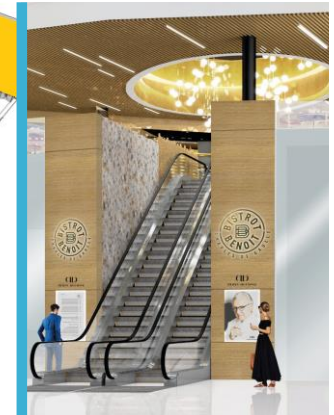
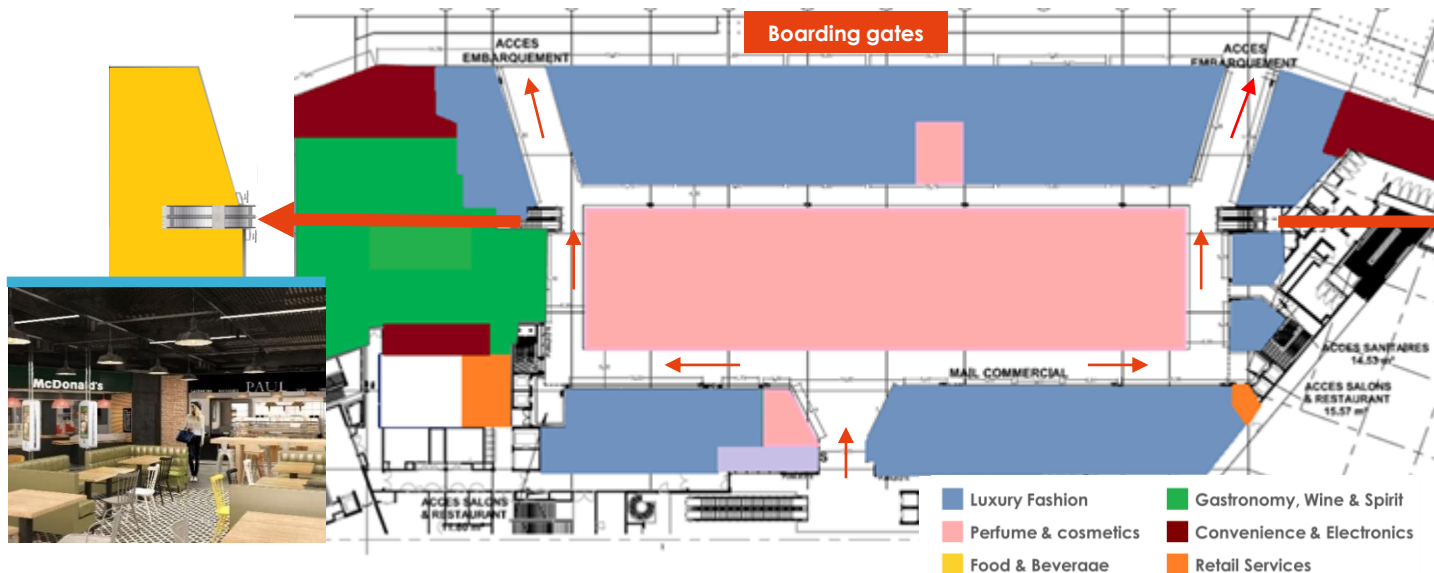
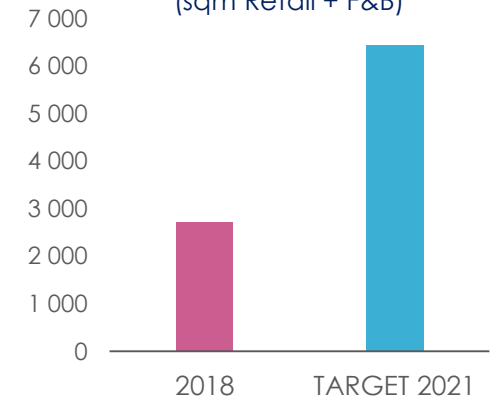
Salvatore Ferragamo

LADURÉE

MONCLER

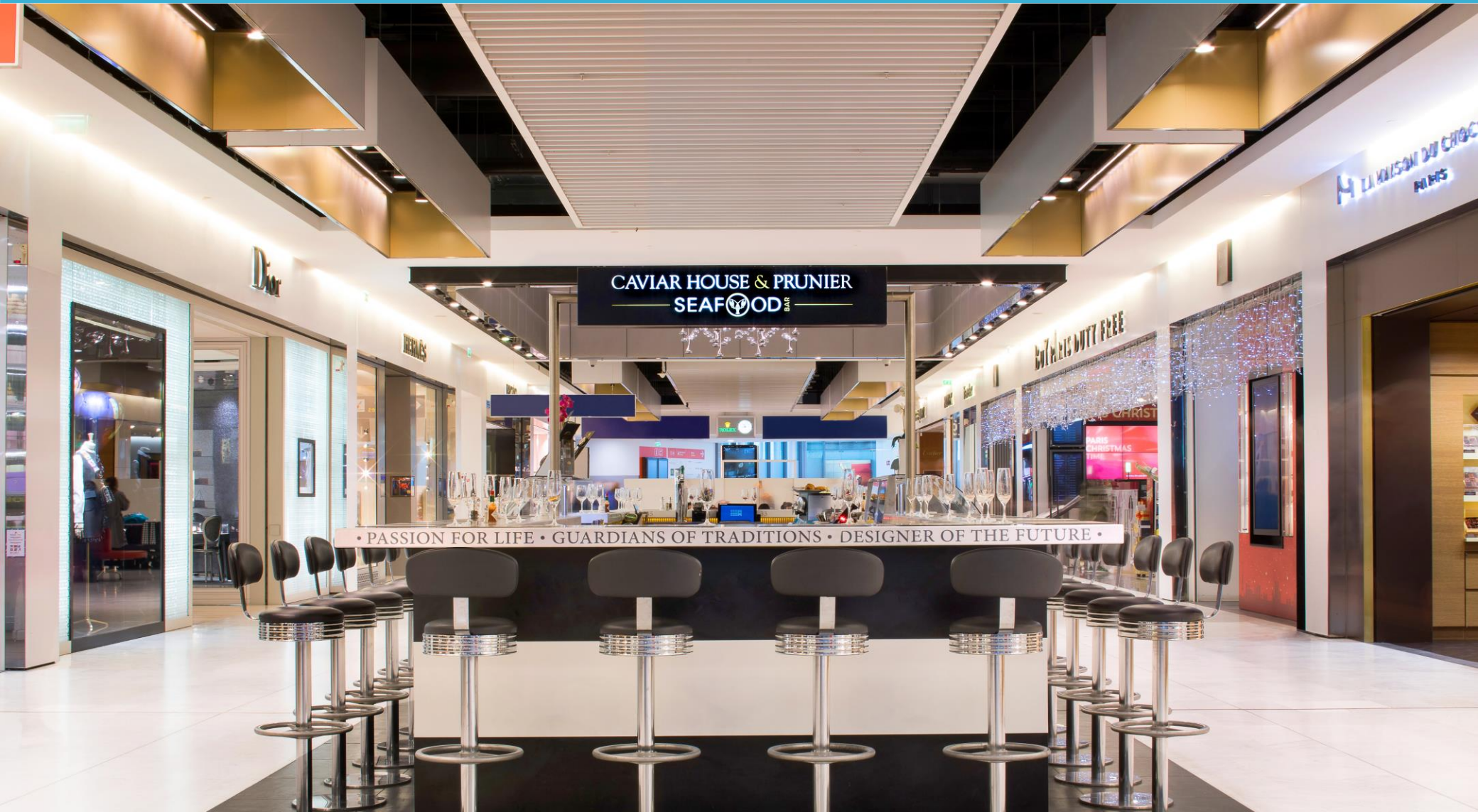
SURFACES

(sqm Retail + F&B)



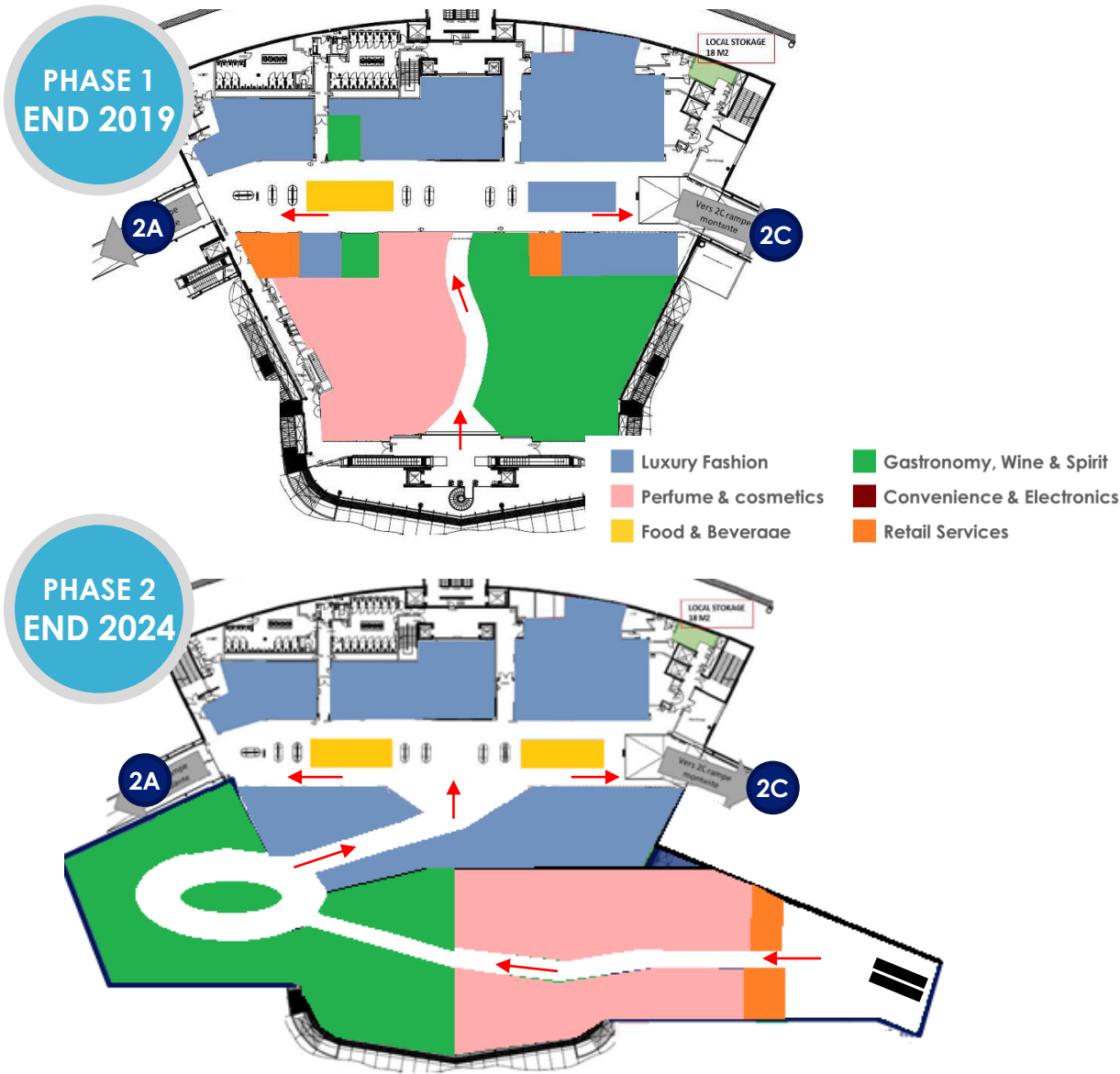
THE 2AC JUNCTION: THE PARISIAN DEPARTMENT STORE

PHASE 1 ENDING END 2019 & PHASE 2 ENDING END 2024



THE 2AC JUNCTION: THE PARISIAN DEPARTMENT STORE

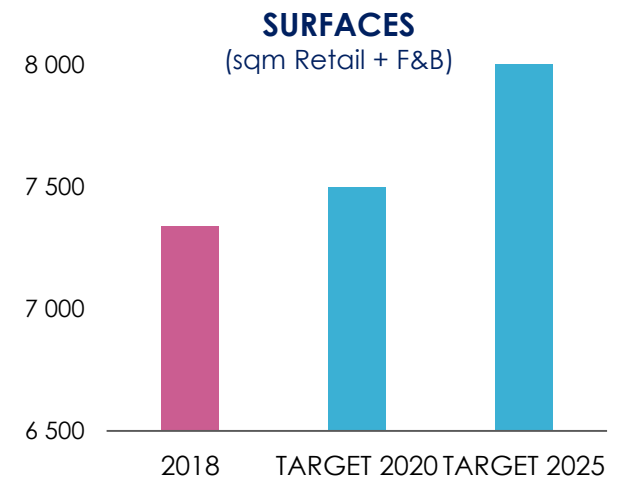
PHASE 1 ENDING END 2019 & PHASE 2 ENDING END 2024



A 2019 portfolio of
11 monobrand boutiques



□ New brand, not present in 2018

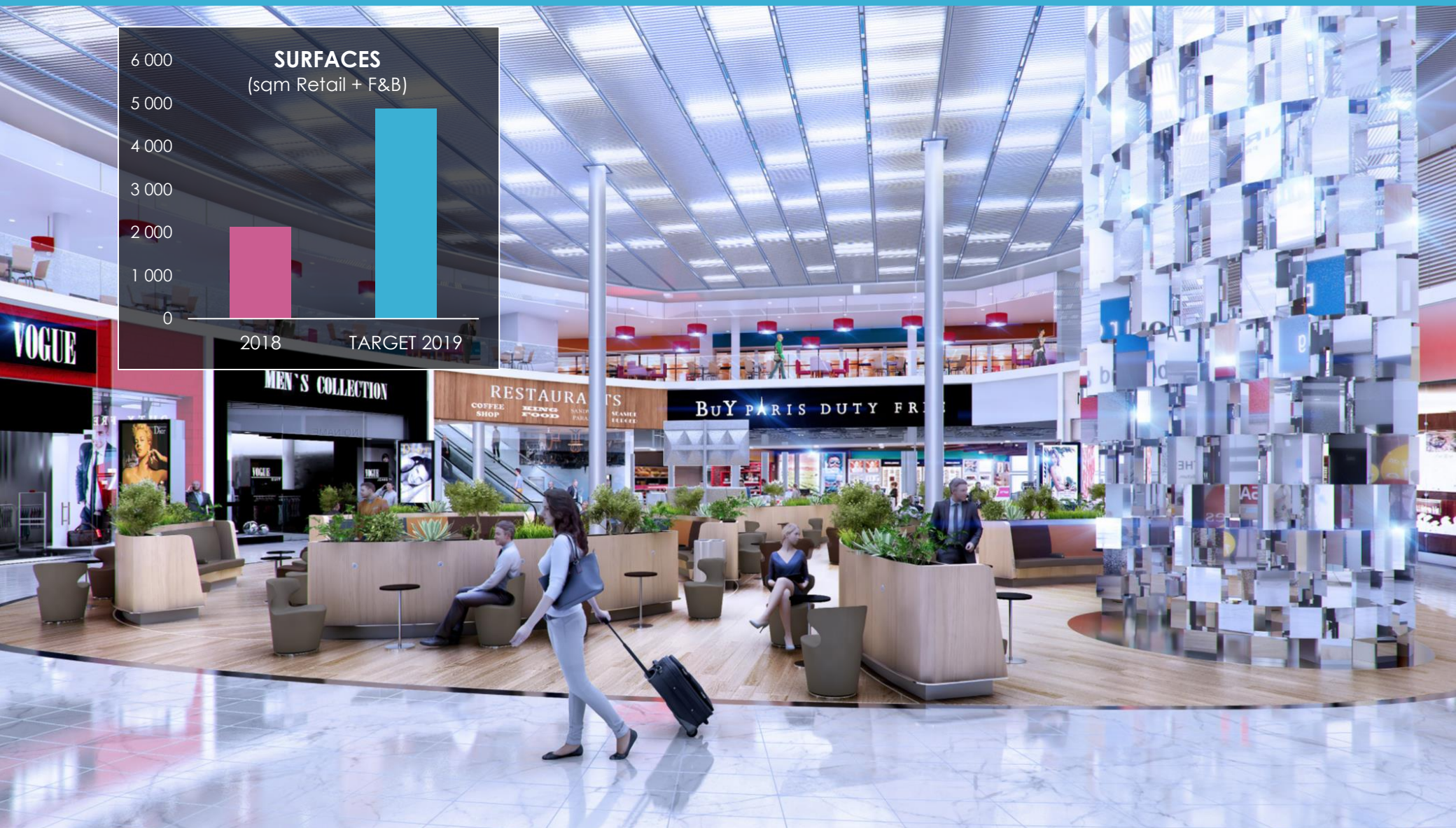
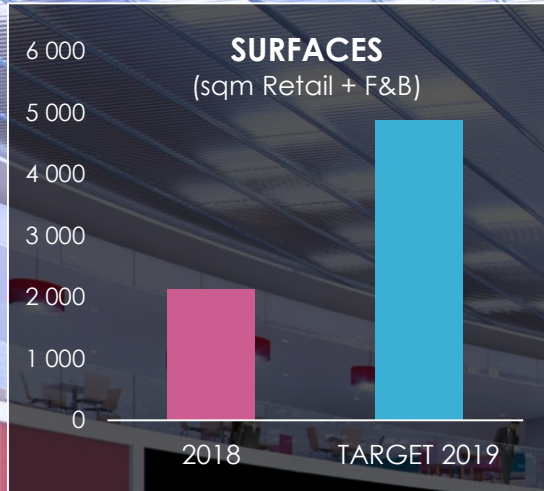




THE SUPERIOR
CONCEPT
LABORATORY
& DUPLICATION

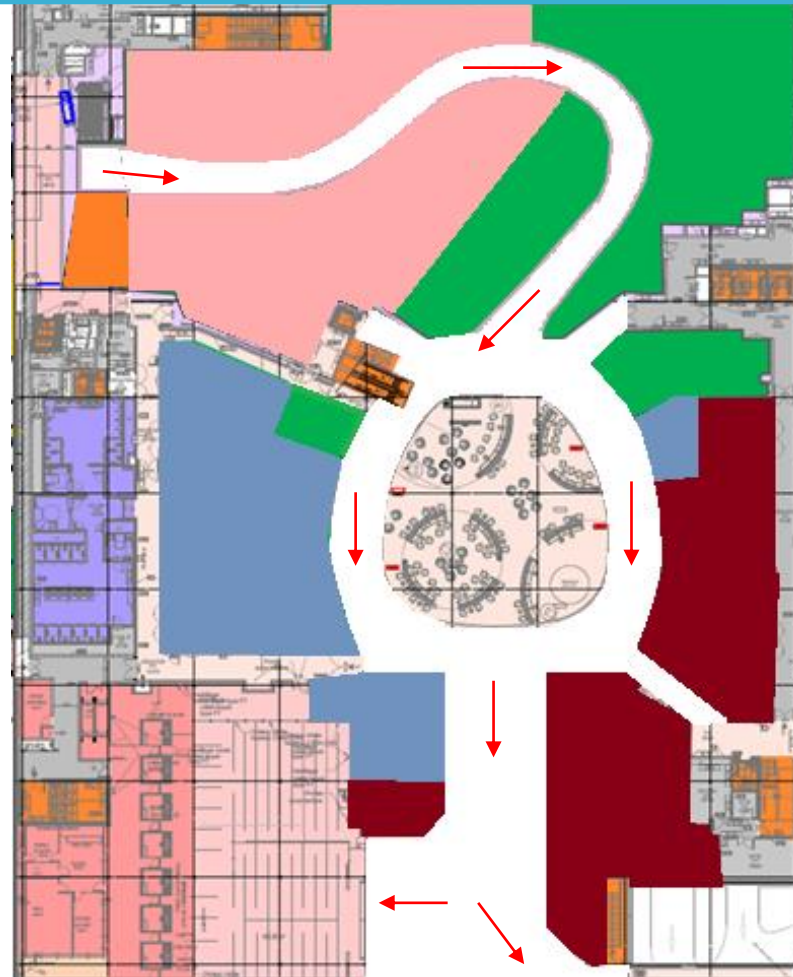


THE SUPERIOR CONCEPT LABORATORY: ONLY 3 OPENING S1 2019



THE SUPERIOR CONCEPT LABORATORY: ONLY 3

FOCUS ON FRENCH CHEFS & GASTRONOMY AND TRENDY BEAUTY & FASHION

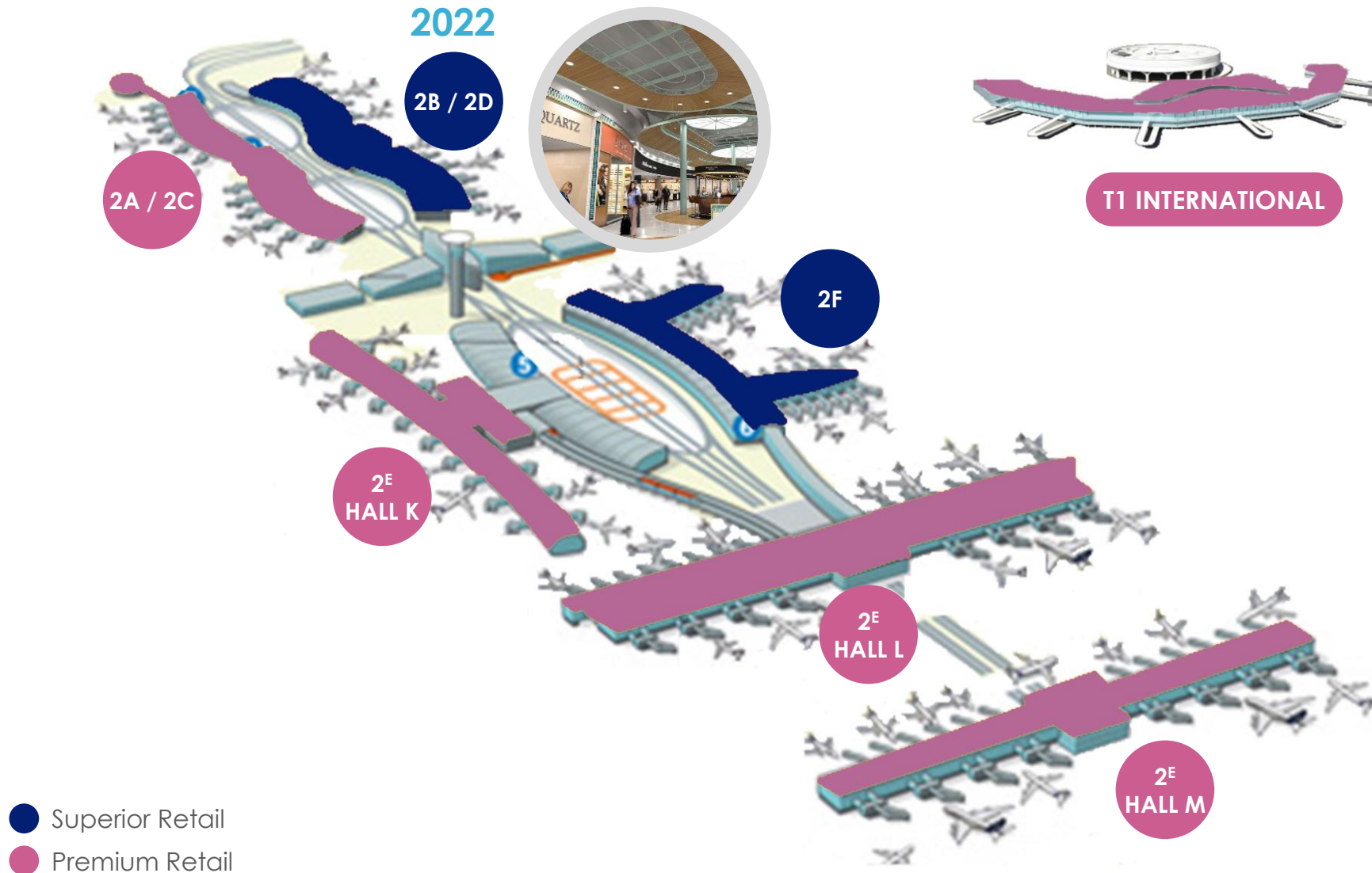


- Luxury Fashion
- Perfume & cosmetics
- Food & Beverage
- Gastronomy, Wine & Spirit
- Convenience & Electronics
- Retail Services



THE SUPERIOR CONCEPT DUPLICATION PLAN

FIVE SUPERIOR RETAIL TERMINALS IN TOTAL, 2 AT PARIS-CHARLES DE GAULLE AND 3 AT PARIS-ORLY



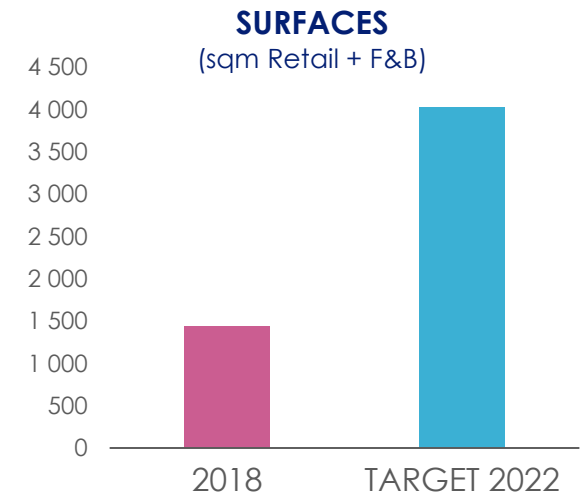
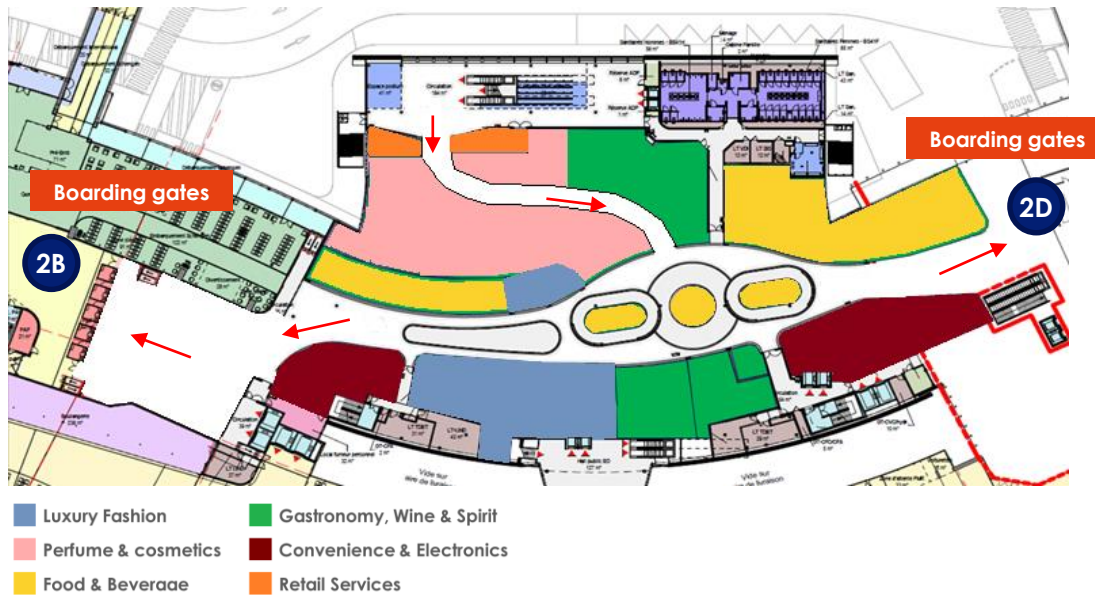
THE 2BD JUNCTION: THE PARISIAN FOOD HALL

MAIN OPENING SUMMER 2020, WITH A FINALIZATION IN 2022



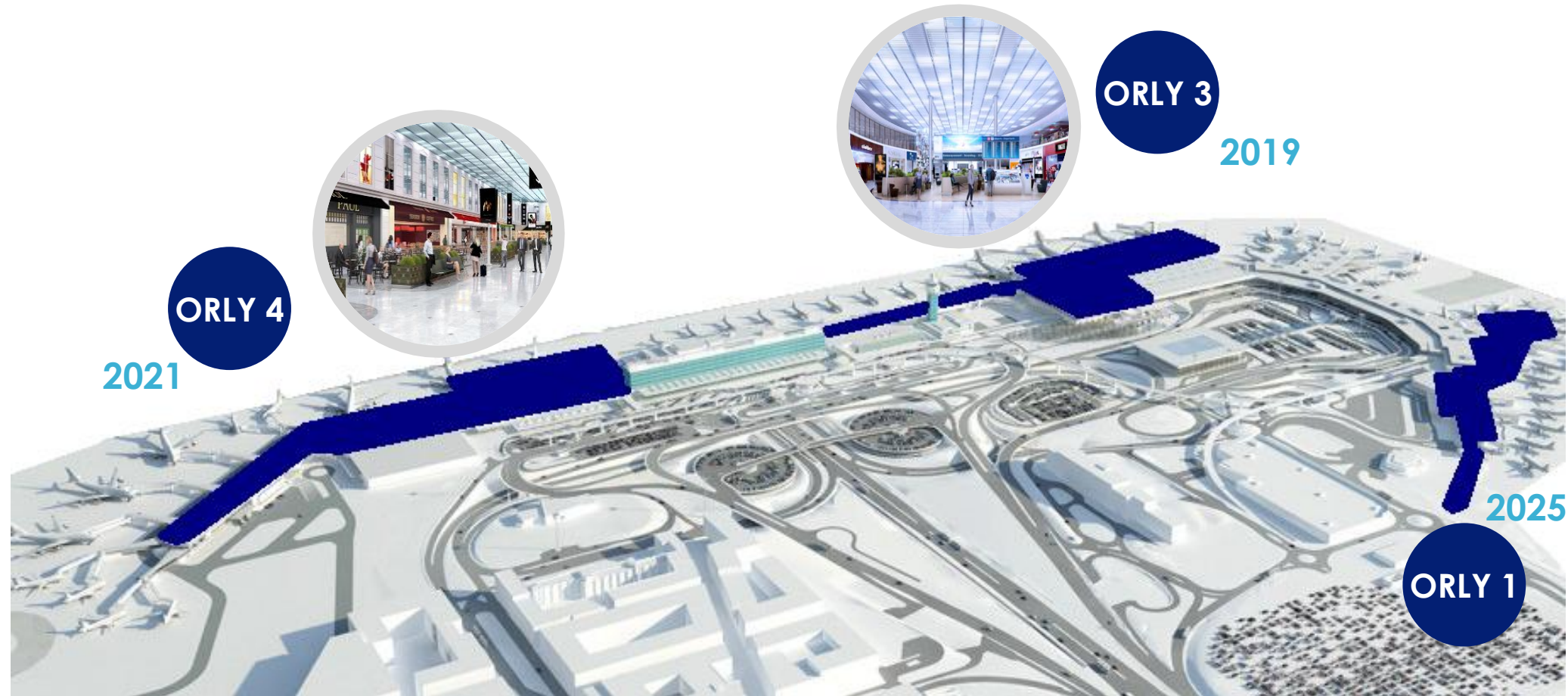
THE 2BD JUNCTION: THE PARISIAN FOOD HALL

MAIN OPENING SUMMER 2020, WITH A FINALIZATION IN 2022



THE SUPERIOR CONCEPT DUPLICATION PLAN

FIVE SUPERIOR RETAIL TERMINALS IN TOTAL, 2 AT PARIS-CHARLES DE GAULLE AND 3 AT PARIS-ORLY

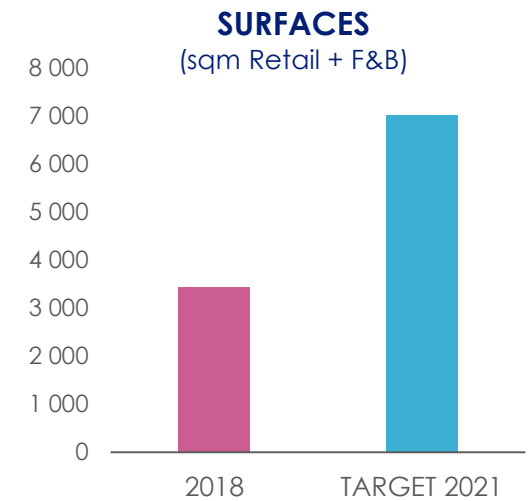


ONLY 4: THE PARISIAN SQUARE
PROJECT ENDING S1 2021

The « ultimate Parisian shopping and dining experience » |



ONLY 4: THE PARISIAN SQUARE PROJECT ENDING S1 2021



4

The business model

A UNIQUE BUSINESS MODEL TO SUSTAIN THE POSITIONING

A CONCESSION BUSINESS MODEL WITH EITHER JV OR BRANDS OPERATING

A business model built to sustain our positioning around « the ultimate Parisian shopping & dining experience », and to have

- ◆ The right **level of control**
- ◆ The right **level of partnership** with concessionnaires
- ◆ A **cost optimization** on everything which is not directly relied to the 4 pillars of the positioning

A concession business model,
with mostly 2 types of concessionnaires

Brands operating directly their stores



4 JVs, owned 50% by ADP, and 50% by a partner
(Lagardère, JC Decaux, SSP)



The partnership **inside JVs**

Long term view

Contracts up to end 2022 for SDA,
Relay@ADP (travel essentials) and MAP

Contracts up to 2025 for Epigo

Full consolidation in ADP accounts
(excluding Epigo)

MAP since 2016

SDA and Relay@ADP from Q2 2019⁽¹⁾

Strong presence in the governance to
make sure the global strategy is well declined
inside each JV

1. Parties agreed on these new arrangements at the end of March 2019. The legal documentation is currently being finalized for signature

5

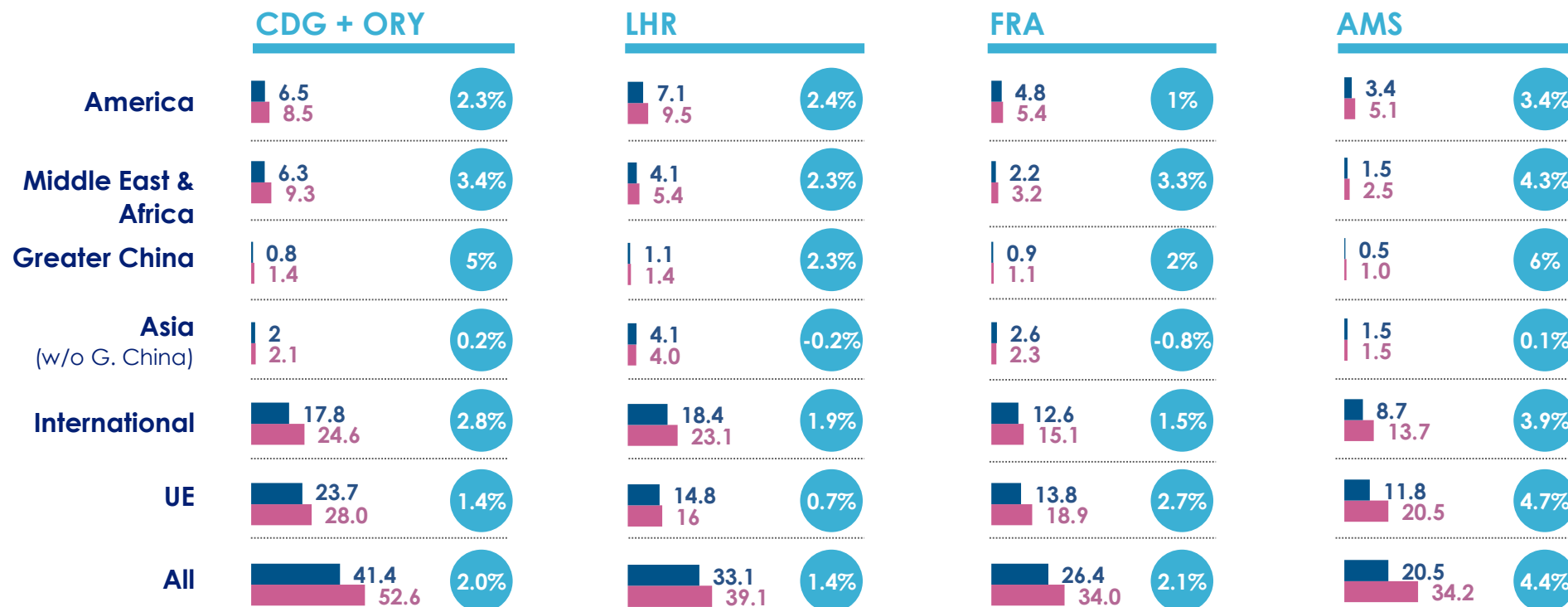
The impact of traffic

DEPARTING TRAFFIC GROWTH AND TRAFFIC MIX

A STRONG DYNAMIC TOWARDS INTERNATIONAL TRAFFIC

Evolution of **departing traffic** 2006 > 2018, mpax

■ 2006 ■ 2018 % CAGR 2006 > 2018



2% CAGR since 2006 primarily due to International traffic
with a +6.8 Mpax departures towards international destinations

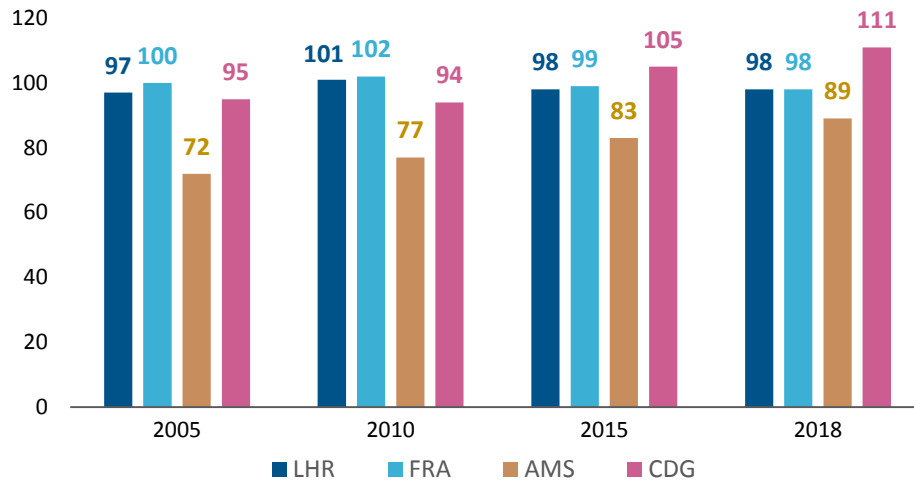
5% CAGR on traffic towards Greater China, including Hong Kong and Taiwan

THE ROLE OF AVIATION MARKETING

DEVELOPMENT OF INTERCONTINENTAL CONNECTIVITY, WITH FOCUS ON CHINA

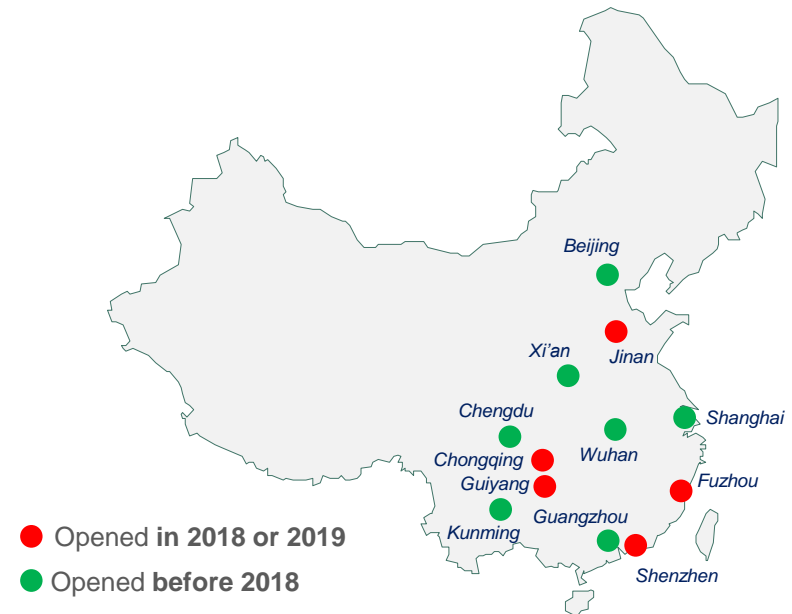
Evolution of Intercontinental connectivity¹

In # intercontinental destinations¹



- ◆ CDG **most connected European airport** to intercontinental destinations with **111 destinations in 2018**
- ◆ A **new incentive strategy** to grow the connectivity on most contributive routes, or create new connectivity on most promising routes (eligible market + SPP)

Chinese cities connected to CDG and ORY (Excluding Hong Kong and Taiwan)



- ◆ Paris **most connected European City with China** in terms of # of destinations and frequencies²
- ◆ **4 new destinations launched in 2018** (Jinan, Shenzhen, Chongqing and Fuzhou) and already **1 in 2019** (Guiyang)

1. Excluding Europe, Russia, Turkey, Maroc, Algeria, Tunisia, Libya and Egypt. Destinations with +104 annual frequencies

2. Excluding Hong Kong and Taiwan

6

The stimulation of demand

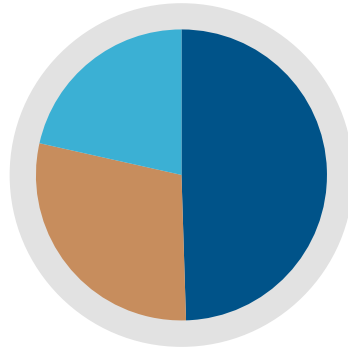
THE STIMULATION OF DEMAND: THE CASH DISPOSAL

A NEW TAX REFUND PROCESS TO DRIVE RETAIL GROWTH

The optimization of tax refund process is a **major stake** for retail

- ◆ **Big users** of the Tax refund process are the **best customers** in our stores, with available time lost while lining up at the tax refund counter
- ◆ More than **€250M** refunded (2018) to passengers at Paris-Orly + Paris-Charles de Gaulle

- Differed refund on credit card
- cash refund in €
- cash refund in local currency



- ◆ Part of their spend in our stores comes from the cash disposal gained from tax refund, but **only if the tax refund is done in €cash**

A **new process starting April 2019**, targeting better quality of service, and better reinvestment of cash refund in stores :

- ◆ A new concessionnaire for tax refund, **Cash Paris**, partnering Global Blue, Planet and SDA
- ◆ Cash refund **only in €**
- ◆ Tax refund process transferred from landside to **airside, close to shops**
- ◆ **Better quality of service**, delivered by SDA staff (less queues, better welcome)

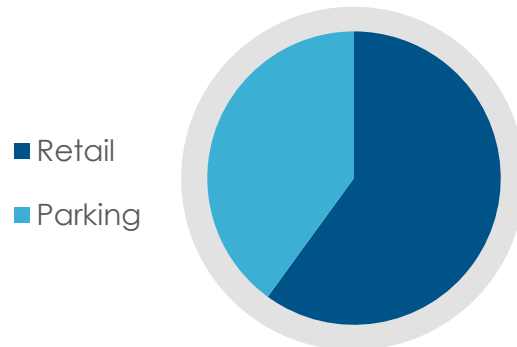


THE STIMULATION OF DEMAND: THE CRM

A WAY TO MAKE PARIS AÉROPORT BECOME THE FAVOURITE RETAIL PLACE

my PARIS AÉROPORT

- ◆ Launched: **30/05/2016**
- ◆ Target: **Frequent Flyers**
- ◆ **450 K** members
(2020 objective already reached)
- ◆ **€37 M** sales in 2018 (x **4.3** vs 2017)



- ◆ SDA: Members average basket almost **twice** the French customers average basket

my PARIS AÉROPORT

VOTRE PARKING AU MEILLEUR PRIX EN RÉSERVANT DÈS MAINTENANT

8 jours de stationnement en parking ECO pendant les vacances de la Toussaint

À partir de **75€*** au lieu de 129€ sur place

JE RÉSERVE

N'OUBLIEZ PAS VOTRE AVANTAGE my PARIS AÉROPORT

-5% SUR TOUTES VOS RÉSERVATIONS DE PARKING.

J'EN PROFITE

NOUVEAU SERVICE

DECouvrez A PARIS-CHARLES DE GAULLE LE PARKING ECO VALET

CONFIEZ-VOUS VOS CLÉS: VOTRE PERSONNEL SE CHARGE DE GARDER VOTRE VOITURE ET VOUS LA RESTITUE À L'ENTRÉE DU PARKING À VOTRE RETOUR.

JE RÉSERVE

my PARIS AÉROPORT
LE PROGRAMME DE FIDÉLITÉ

LE PRINTEMPS REVIENT ET NOS OFFRES AUSSI

PARIS Loves SPRING

-20% DE RÉDUCTION SUR LA 2^{ème} BOUTEILLE D'ALCOOL⁽¹⁾

-20% DE RÉDUCTION SUR LE 2^{ème} PARFUM⁽²⁾

JUSQU'AU 9 AVRIL
DANS LES BOUTIQUES BuY PARIS DUTY FREE DES AÉROPORTS PARIS-CHARLES DE GAULLE ET PARIS-ORLY

J'en profite

THE STIMULATION OF DEMAND: PLANNED PURCHASE

A CREATION OF AWARENESS BEFORE THE ARRIVAL AT THE AIRPORT

A **strong evolution** in customer behaviours, towards **planned purchase**



Source: M1ndset Study Perimetre ADP

- ◆ Creation of awareness of our commercial offer among our passengers before their arrival at the airport is key

Initiatives targeting **both international and local passengers**

- ◆ BtoB and BtoBtoC move on **4 priority markets** (China, HK, Japan, Russia): press conferences, social networks, partnerships with local tourist actors...



- ◆ Development of a **marketplace**, selling today parking & services, and tomorrow retail in addition

7

Conclusion

CONCLUSION

A strategy based on **4 pillars**

A POSITIONING: the « ultimate Parisian shopping & dining experience »
A BUSINESS MODEL to sustain the positioning
A DYNAMIC TRAFFIC, with a favourable mix
A STIMULATION OF DEMAND

A strategy enriched in the coming years by **many new projects and initiatives**, which will drive the growth

A target of €27 in 2025 for the SPP airside retail + F&B

A intermediary target of €25.5 in 2021 for the SPP airside retail + F&B, 2021 being the first full year after the delivery of the infrastructure projects of the 2016-2020 period



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About Groupe ADP

Groupe ADP develops and manages airports, including Paris-Charles de Gaulle, Paris-Orly and Paris-Le Bourget. In 2018, the group handled through its brand Paris Aéroport more than 105 million passengers and 2.3 million metric tonnes of freight and mail at Paris-Charles de Gaulle and Paris-Orly, and more than 176 million passengers in airports abroad through its subsidiary ADP International. Boasting an exceptional geographic location and a major catchment area, the Group is pursuing its strategy of adapting and modernizing its terminal facilities and upgrading quality of services; the group also intends to develop its retail and real estate businesses. In 2018, group revenue stood at €4,478 million and net income at €610 million.

Registered office: 1 rue de France – 93290 Tremblay en France, France. A public limited company (Société Anonyme) with share capital of €296,881,806. Registered in the Bobigny Trade and Company Register under no. 552 016 628.

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