

Keynote Presentation



A Retailer's Perspective: Trends in the Cold Chain

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**Reitan
Distribution**



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COLD CHAIN CONFERENCE**
20-22 MARCH 2019 | BRUSSELS

The Reitan Group

Business areas:

- REMA 1000
- Reitan Convenience
- Reitan Eiendom (Reitan Real Estate)
- Uno-X Energi (Uno-X Energy)
- Reitan Kapital

Turnover in 2017 (including franchise sales) of 89 billion NOK (9,3 billion Euro)

Employs 37,000 people in Scandinavia and the Baltic region

App. 3.850 stores



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The Reitan Group

Vision is to be recognized as the most value-driven company



Our values:

1. We focus on our business idea
2. We keep a high business moral
3. We are committed to be debt-free
4. We encourage a winning culture
5. We have a positive and proactive mindset
6. We talk with each other, not about each other
7. The customer is our ultimate boss
8. We want our work to be enjoyable and profitable



Reitan family



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Our task - Logistics based on the customer and the franchise holder

What

We must

- Strengthen the customer experience when he / she is shopping in our stores
- Simplify the franchise holder's everyday life
- Ensure we maintain a cost-effective operation of the entire supply chain

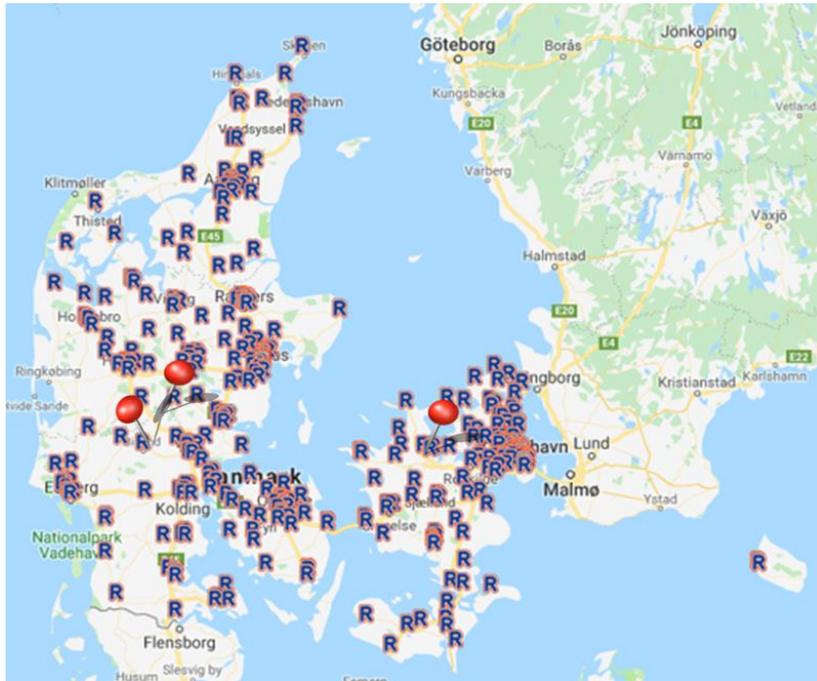
How

	Delivery string	Ambition
1	Fresh goods 	<ul style="list-style-type: none">➤ Delivery every day (7 days per week)➤ Shortest possible leadtime➤ Most handled as terminal goods – as less a possible on stock
2	Cold goods 	<ul style="list-style-type: none">➤ 3 weekly deliveries➤ Day to day ordering
3	Dry goods 	<ul style="list-style-type: none">➤ 3 weekly deliveries of dry goods (Differentiated frequency Fast / Slow movers)➤ Just in time flow on campaign goods



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Our logistic setup in Demnark



Distribution to the REMA 1000 stores and to our partners

Reitan Distribution enters partnership on delivery to key customers within the convenience sector and works with logistics optimization, category development and procurement in close cooperation with our partners

The total turnover in Denmark was in 2017 16,1 billion DKK excl. VAT

Reitan Distribution supplies a total of more than 900 stores



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Market trends



**Growth in
convenience & eating
out**



**Growth in e-
commerce**



**Increased focus on
CSR**



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Growth in convenience & eating away from home



The latest two years convenience have grown 21,7 % (Source: Nielsen)



Average yearly growth in eating away from home on 6 % from 2012 – 2017 (Source: DH Blad)



Big growth in meal boxes



Growth in convenience & eating away from home

Growth in convenience & eating away from home



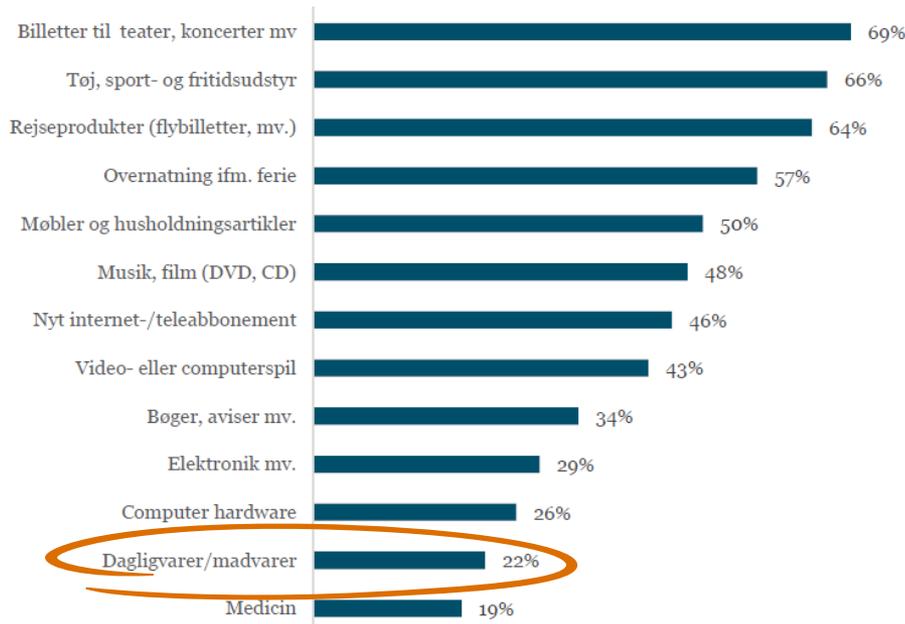
Supply chain impact:

- Focus on freshness
- New delivery methods
- Shorter lead time (Down to a few hours)
- More frequent deliveries
- Requirement for better forecasting and data sharing

Growth in food e-commerce

- Big growth in food e-commerce but from a low level (App. 3 % market share)
- Last mile delivery is still the challenge in order to make a profitable business

Figur 7
Andel der har foretaget et internetkøb inden for det seneste år fordelt på produkttyper



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Our e-commerce solution

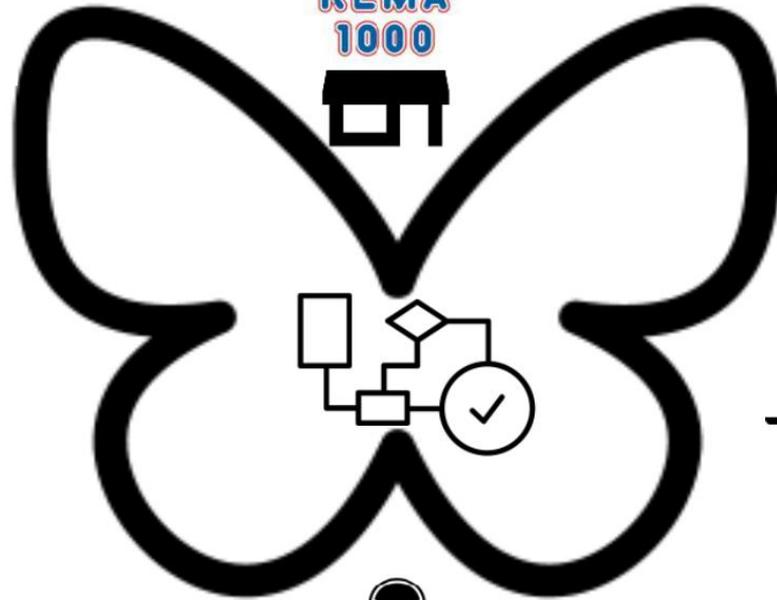
Customer
in store



REMA
1000



Customer
at home



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Increased focus on CSR



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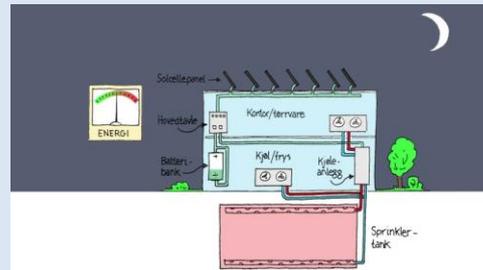
Increased focus on CSR

Our customers expects that we take responsibility

Packaging



Warehousing



Transportation



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Increased focus on CSR

Our customers expects that we take responsibility

Packaging



- Reduce unnecessary use of packaging material
- Reusable packaging – plastic trays
- Recycling – Cardboard and plastic
- Use packaging to reduce food waste



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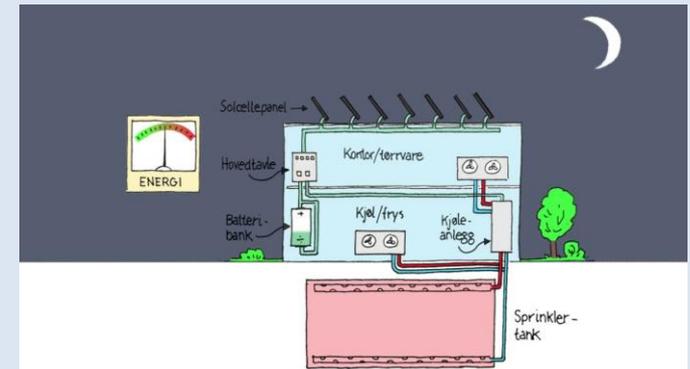
Increased focus on CSR

Our customers expects that we take responsibility

Warehousing



- Build energy friendly
- Use of solar panels
- LED lightning
- CO2 used for cooling



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Increased focus on CSR

Our customers expects that we take responsibility

Transportation



- Use of hybrid trucks in Copenhagen
- 95 % of our trailers are cooled by CO2
- Yard shunters used for moving trailers at our DC's are electric powered



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