



AWAKING AFRICA

PRESENTATION BY

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FLEMINGO
THE DUTY FREE PEOPLE



LION

OR

GAZELLE

EVERY MORNING IN AFRICA, A GAZELLE WAKES UP. IT KNOWS IT MUST RUN FASTER THAN THE FASTEST LION OR IT WILL BE KILLED. EVERY MORNING A LION WAKES UP. IT KNOWS IT MUST OUTFRAN THE SLOWEST GAZELLE OR IT WILL STARVE TO DEATH.

IT DOESN'T MATTER WHETHER YOU ARE A LION OR GAZELLE: WHEN THE SUN COMES UP, YOU'D BETTER BE RUNNING!

Introduction to Flemingo

FLEMINGO
THE DUTY FREE PEOPLE

- Global travel retail and duty free operator
- Emerging Market Specialist
- Present in 30 countries and 250 + operations
- Operating Multiple formats such as Duty free stores in airports, Seaports; Inflight; Diplomatic Duty Free; F&B; Cruise Retail; Duty Paid and Master Concession
- Present in 10 countries in Africa (E.G. Ghana, South Africa, Morocco, etc)
- More than 15000 SKUs and range varies from Gin to Gum
- Size of the shop varies from 15 Sq M to 1470 Sq M



Overview of Africa - Upside

- More than 1 Billion population
- 54 Countries
- Majority of the population aged under 20 (highest in the world)
- Around 2000 languages spoken (17 most commonly used)
- Young Population expected to double in the next 35 years
- By 2040, Africa will have bigger workforce than China or India
- 7 out of 10 fastest growing economies will be in Africa

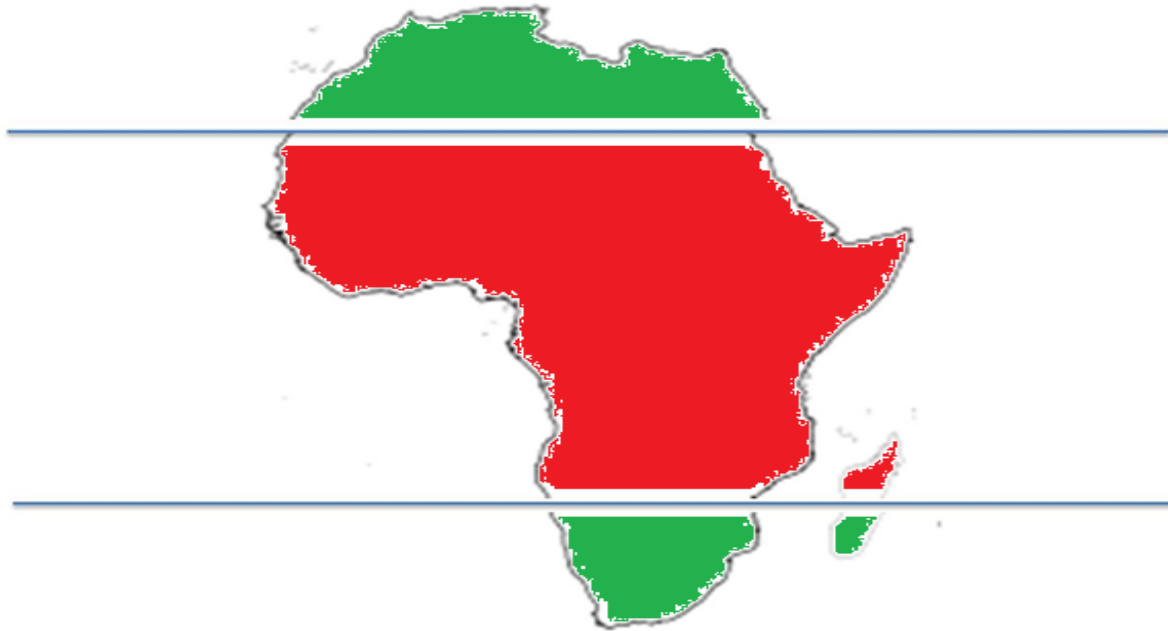
Continent of Hope

- Despite recent trends and events, Africa remains as a continent of hope
- Annual trips by African 0.3; World average 1.7
- African travelling within Africa - Potential
- Many new airports and upgrades (\$34 Billion)
- Tourist potential 56Million + +
- High Spending on beauty
- More focus on goods than service E.G. Availability
- Sense of place
- Pax growth in some locations



- Africa doesn't function as a single Market





Difficulties

- Still recovering from tragedies such as terrorism, Ebola
- Safety and Security, a key focus
- Lack of privatization
- Struggling profitability of airlines
- Pax drop in many locations
- Geographical spread of small locations
- logistics is an issue
- Oil prices and \$ impact



Lessons Learnt

- Multiple activities, balancing risk
- Being nimble is important
- Logistics , stock availability is a key
- Critical mass helps profitability
- Low wage cost
- Politics / Corruption issues
- Need for operational discipline
- Systems, process and control



Conclusion

- You have to be there
- Boots on the ground
- Balance risk, formats
- Every country is different
- No quick returns
- African poverty / wealth

