



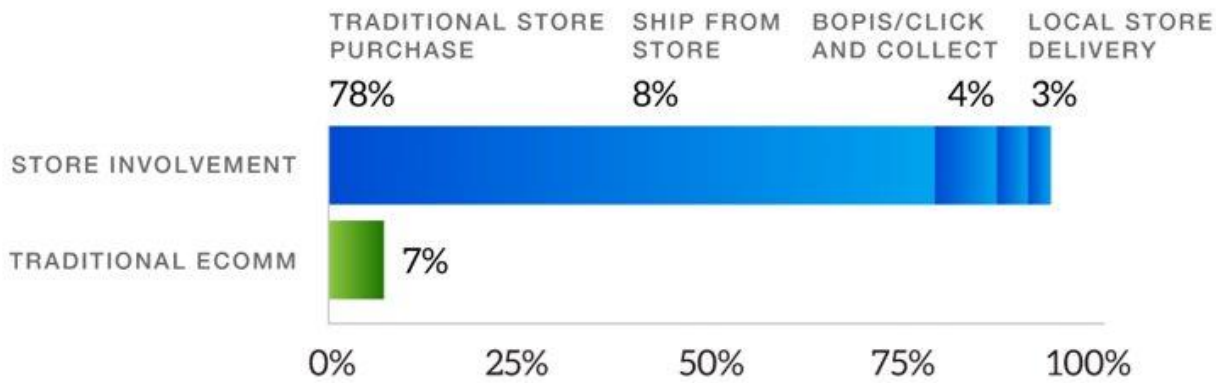
The Future of Commerce

Gary Sankary	Esri
Greg Buzak	IHL
James Prewitt	Blue Yonder
Laura Hoffman Duke	Walmart

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Global Supply Chain Institute*

2020 Results - Was it Digital or Stores?

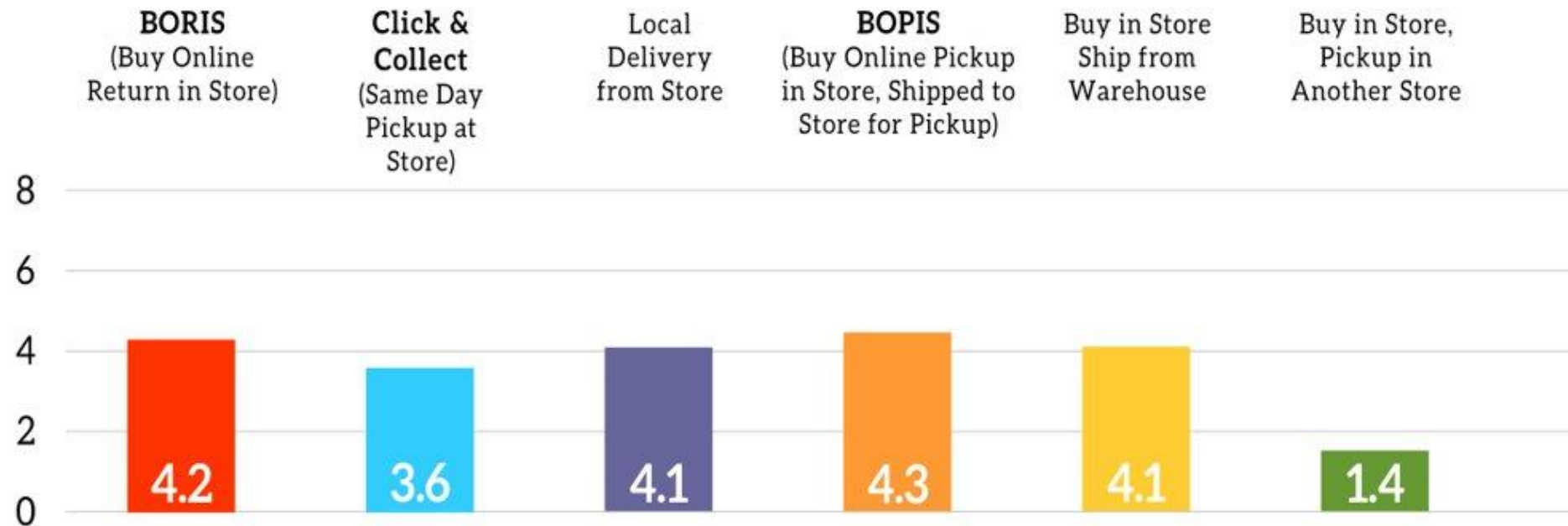
HINT: IT WAS STORES





MARGIN IMPROVEMENT When Customer Journey Is Optimized

Source: 2021 IHL Group





Growth of New Locations to Fulfill From for Online Orders Over Next 2 Years

SECOND LOCATION
IN-STORE
MICRO FULFILLMENT **+700%**

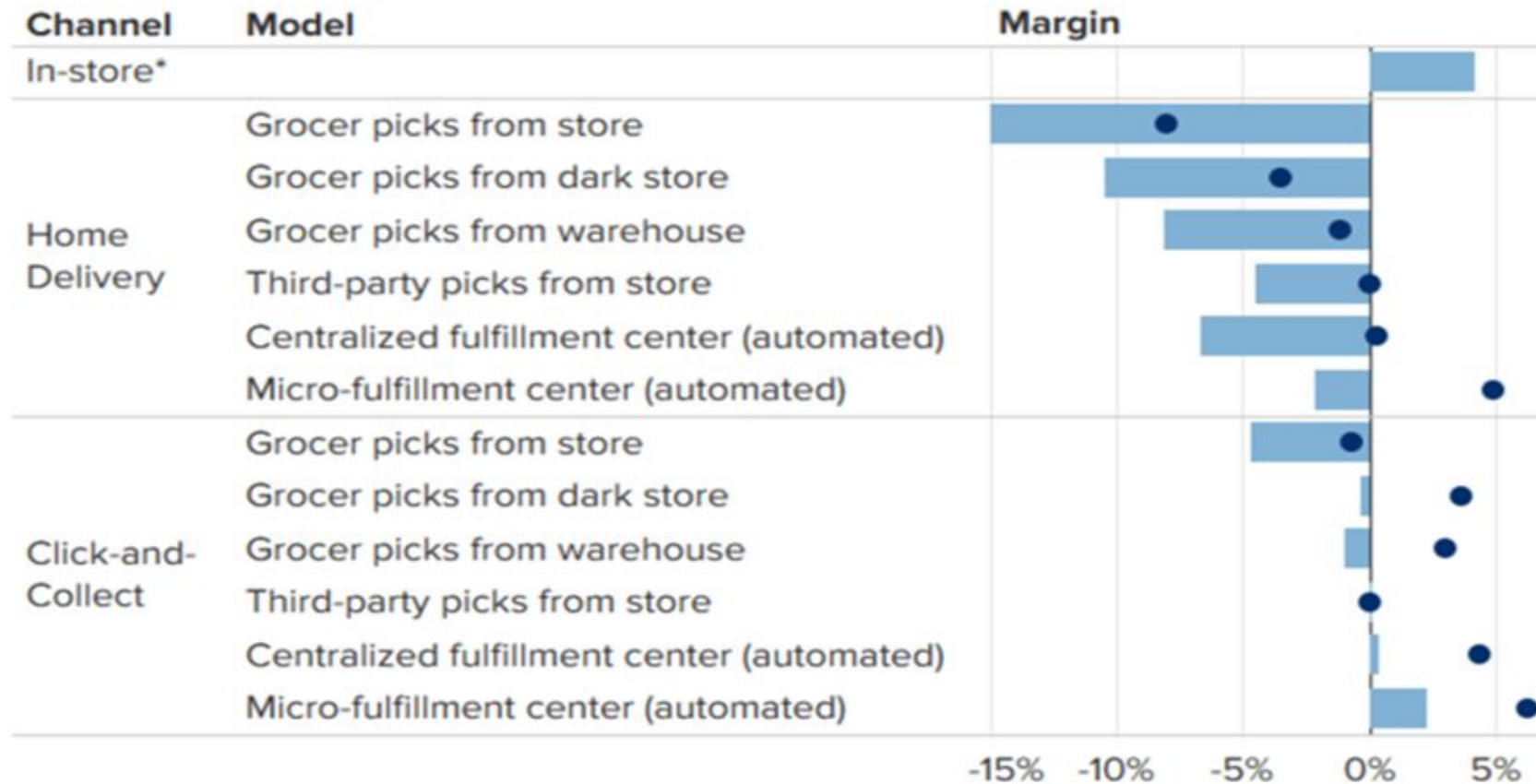
DARK STORES **+966%**

Source: 2021 IHL/IRIS News Store Matters Study

Online grocery profitability

Estimated grocer margins by channel and model

- Approximate margin without fees
- Approximate margin with \$7 delivery or \$4 click-and-collect fee

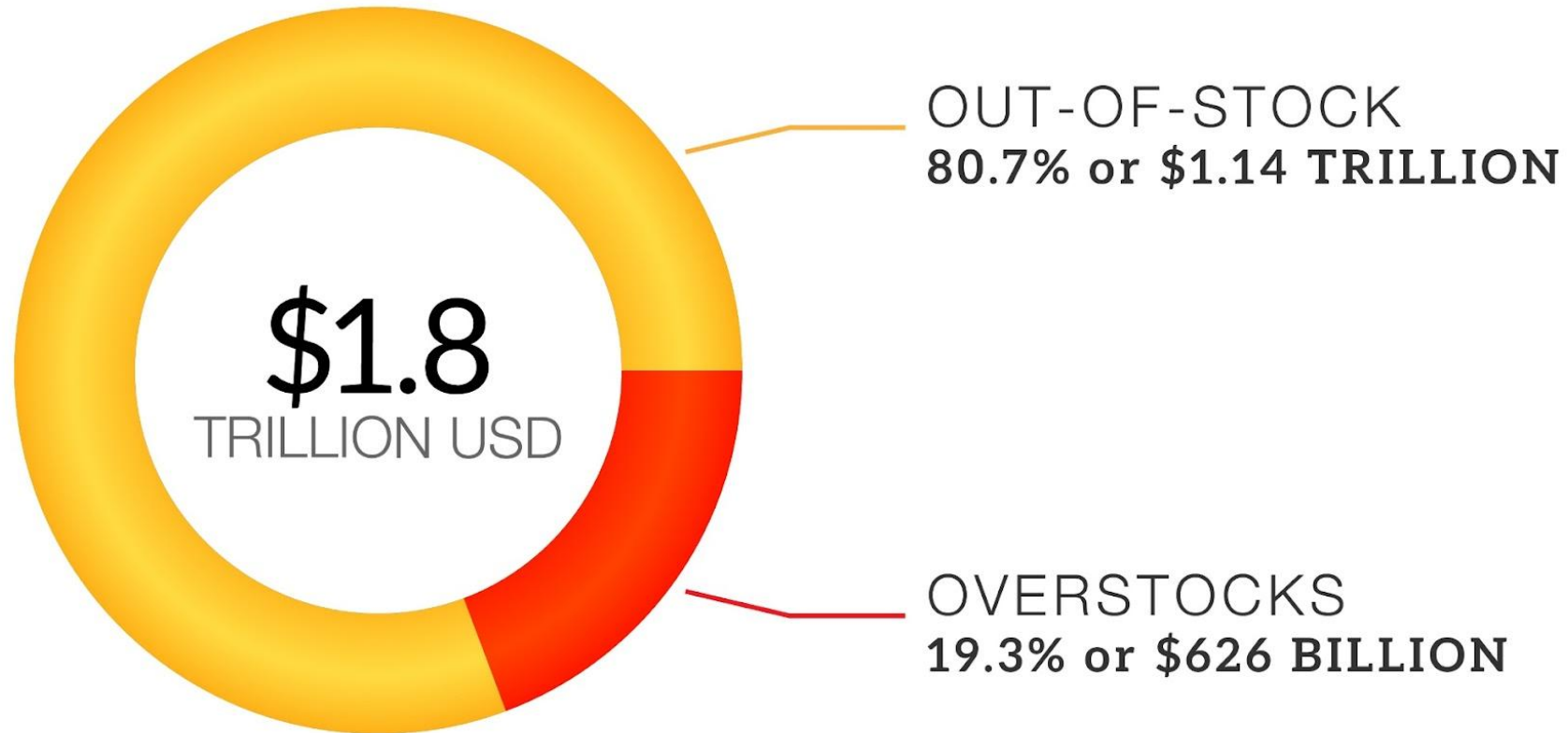


*In-store margins range from 2-4%

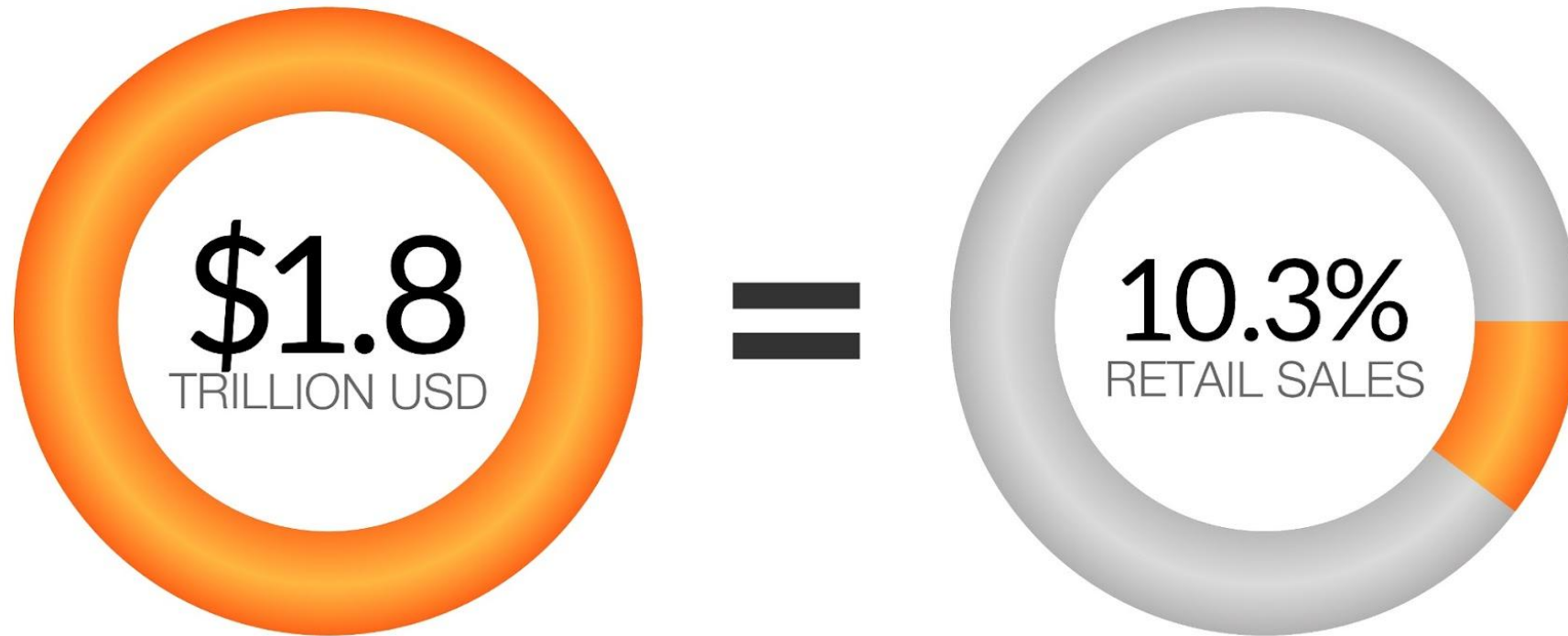
SOURCE: Bain & Company, APQC, Capital IQ, FMI, National Retail Federation, Jefferies, Euromonitor, Materials Handling & Logistics Conference. Based on a chart originally created by Bain & Company. Centralized and micro-fulfillment center margins assume a center is working at full capacity. Margins represent earnings before income and tax.



Worldwide Inventory Distortion



Worldwide Inventory Distortion



The Next Battleground in Retail



Source: IHL Group



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