

# WH Smith PLC acquisition of InMotion – providing access to the world’s largest travel retail market

## INMOTION

- ▶ Pure play travel retailer
- ▶ Largest airport-based digital accessories retailer in North America
- ▶ Present in 22 of the 25 busiest airports in North America

**114** Stores

**43** Airports

**750** Employees



Sales of

**\$166m<sup>(1)</sup>**

and EBITDA of

**\$23m<sup>(1)(2)</sup>**

Like-for-like sales growth

**13%** 2018

**12%** 2017

### Total number of stores by competitor

InMotion	<b>114</b>
Competitor 1	15
Competitor 2	13
Competitor 3	8

### Strong and trusted relationships with leading brands



## WHSmith

The Company was founded in 1792 and is one of the oldest store chains in the world

Countries

**28**

Stores

**1,400**

Airports

**52**

Employees

**14,000**

Two core businesses

Travel and High Street

Travel track record

10 consecutive years of profit growth

Returns to shareholders

Over £1bn returned to shareholders since 2007

Travel accounts

for 2/3 of Group operating profit



(1) Expected for year ended 31 December 2018

(2) EBITDA on a fully consolidated basis excluding certain non-recurring items. As is mandatory in some US airport lease contracts, InMotion has minority partners. The share of post-tax profit attributable to those minority partners will be recognised as a non-controlling interest in WH Smith's income statement going forward

# Transaction

Pure play travel retailer in the world's largest travel retail market

Drive WH Smith international growth – platform to launch WH Smith airport format into North America

Growth opportunities for InMotion outside of North America

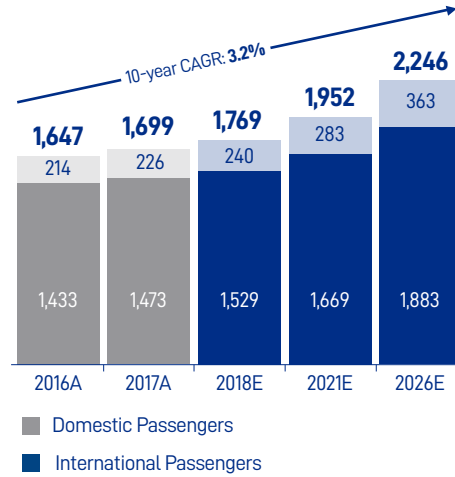
Purchase price

**\$198m (£155m)<sup>(1)</sup>**

Strong financial returns

- ▶ C. \$166m revenue and c. \$23m EBITDA
- ▶ EPS accretive from first full financial year after completion
- ▶ Free cash flow accretive

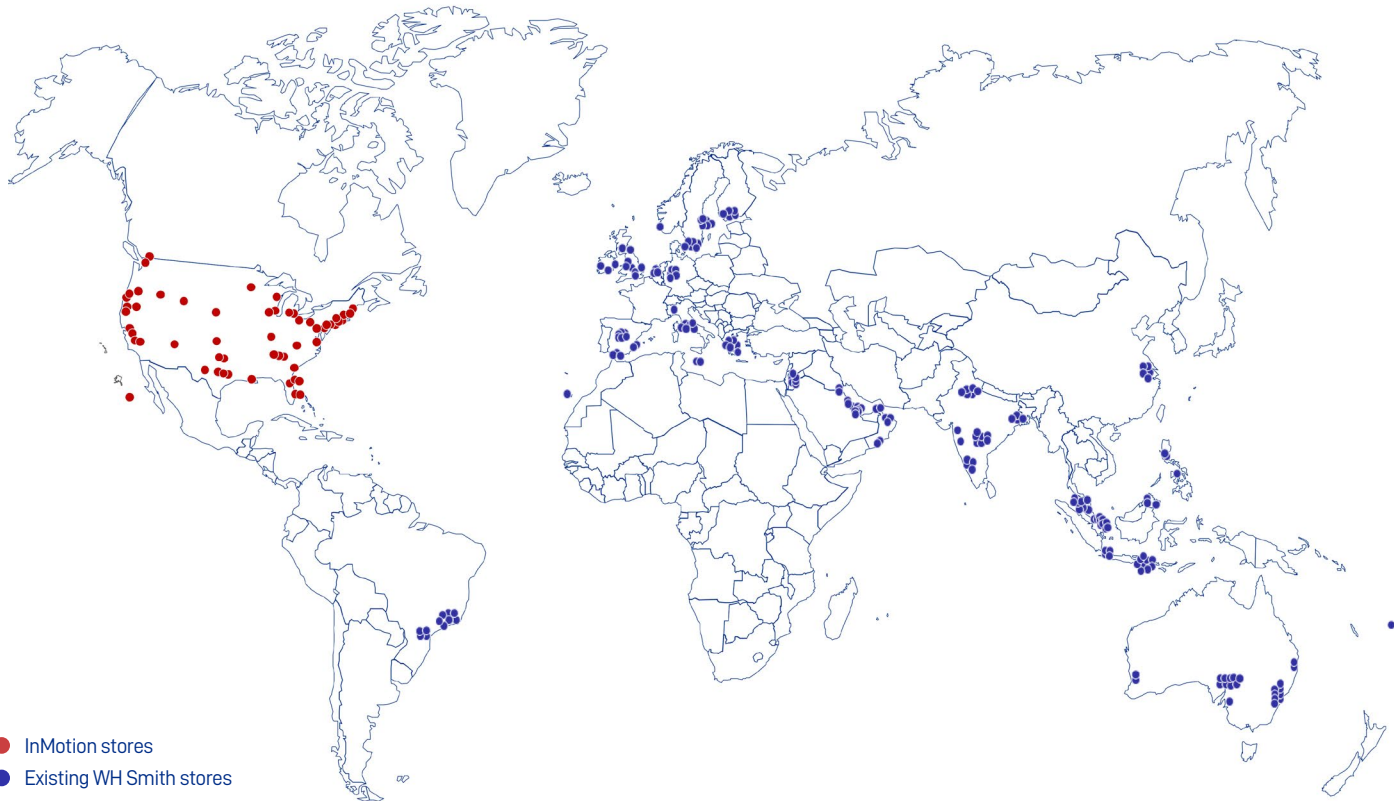
USA passenger numbers: forecast growth <sup>(2)</sup> (2016 – 2024, millions of passengers)



Total Travel Retail market \$10.2bn in 2017 <sup>(3)</sup>



## Doubles the size of WH Smith International Travel Retail



**WH Smith International Travel Retail**  
Sales £132m<sup>(4)</sup>, 300 stores<sup>(5)</sup>

**Proforma including InMotion Travel Retail**  
Sales \$262m<sup>(6)</sup>, 414 stores

(1) USD converted to GBP at spot FX rate of 1.28

(2) Domestic and International passengers include scheduled and non-scheduled PAX. Total passengers also includes transit passengers

(3) ARN classifications defined by predominant use of space. Food and beverage, news and gift and specialty sales from all airports. Duty Free sales from international airports

(4) As at 31 August 2018 (5) As at 30 October 2018 (6) Proforma including expected sales of InMotion for year ended 31 December 2018