

Case Study - China

2018.03.07



delta pronatura



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Top 10 Retail Markets

Total Retail Sales 2016-2017, in billions USD

Country	2016	2017
US	4952.63	5125.98
China	4659.62	5078.98
Japan	1346.11	1356.88
India	941.08	1082.24
Germany	866.48	872.55
France	763.35	769.66
Russia	746.23	781.3
UK	701.7	715.74
Brazil	614.88	615.5
Italy	615.5	464.36

Source: GFluence; based on research data from emarketer.com

China – New Development

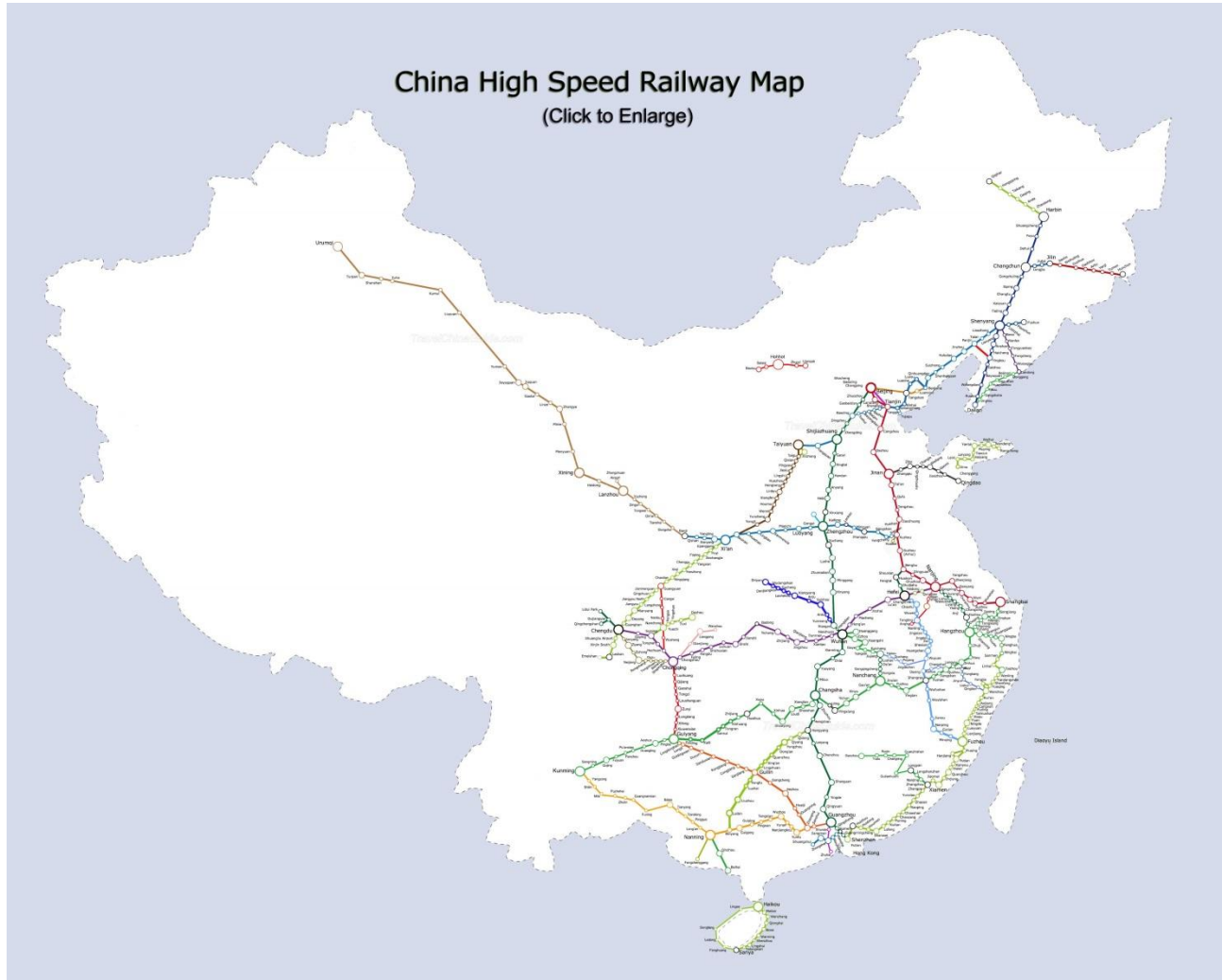
- GDP growth slowing down in recent years to 6.8% → new normal
- Economy restructuring: more consumption
- Urbanization goes further -> increasing middle class



China – Urbanization



China – High Speed Rail Network

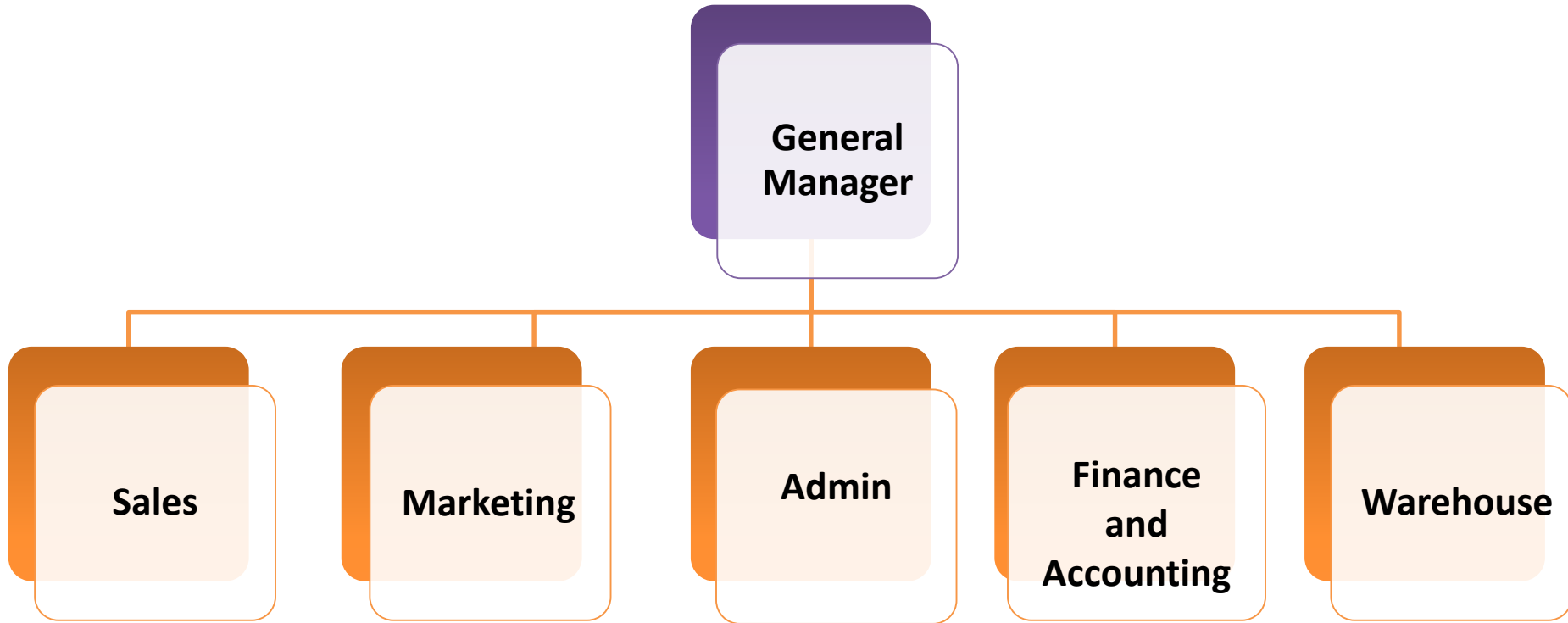


Delta Pronatura China

We are presenting and operating in the market through our own office since 2012. Since then, we have built up a national wide distribution network including international, national and regional retailers. Our network covers all major retailing types including stores, e-commerce and special channels.



Structure



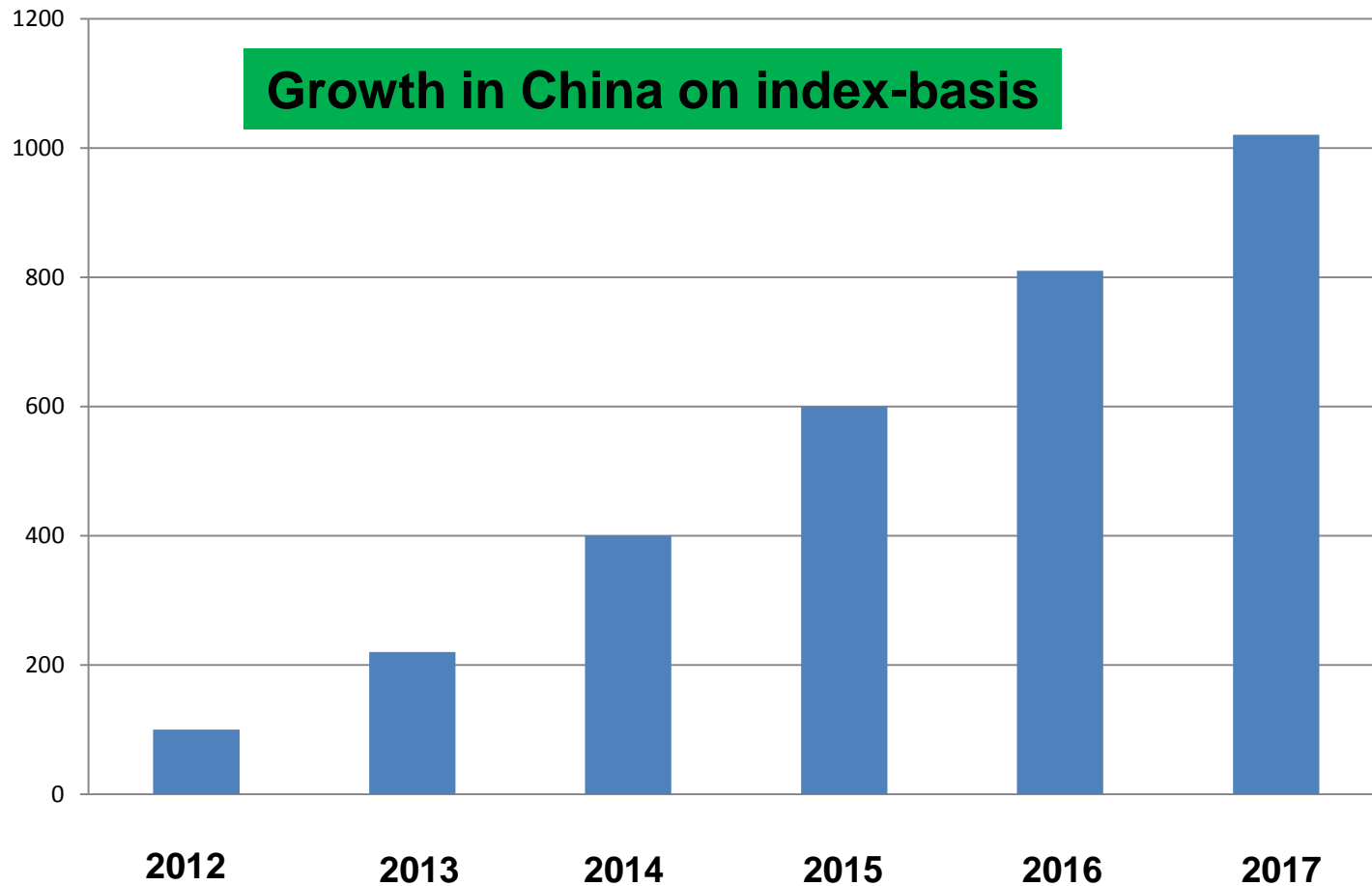
Sales Network



26 Provinces



Delta Pronatura – Business Development



In Store Activities



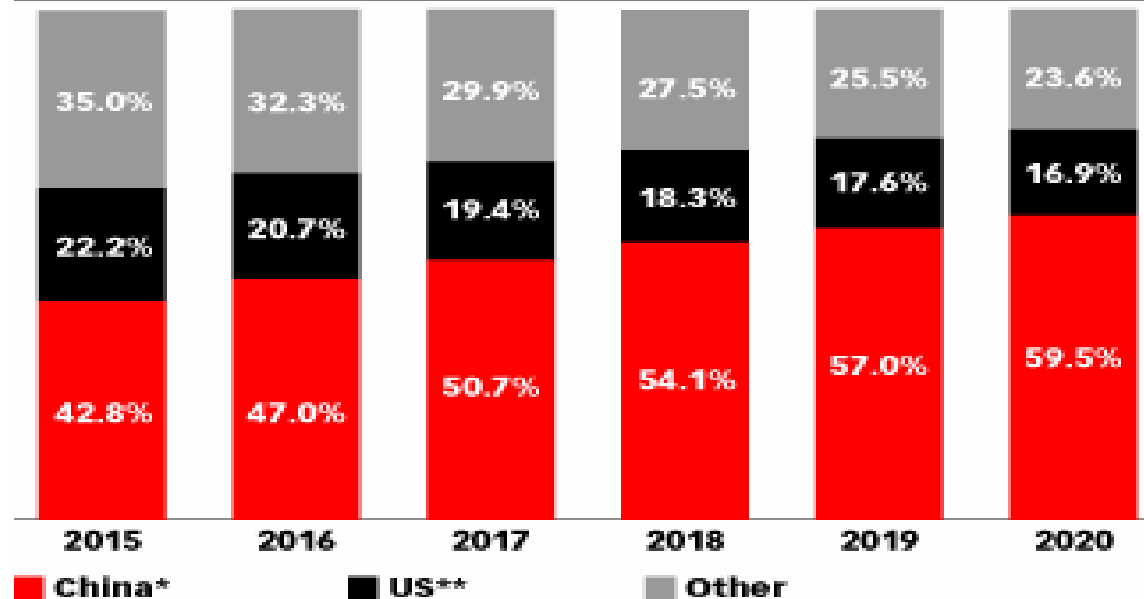
In Store Activities



E-Commerce in China

Retail Ecommerce Sales Share of Worldwide, China* vs. US**, 2015-2020

% of total



Note: includes products or services ordered using the internet via any device, regardless of the method of payment or fulfillment; excludes travel and event tickets; numbers may not add up to 100% due to rounding;

**excludes Hong Kong; **forecast from May 2016*

Source: eMarketer, Aug 2016

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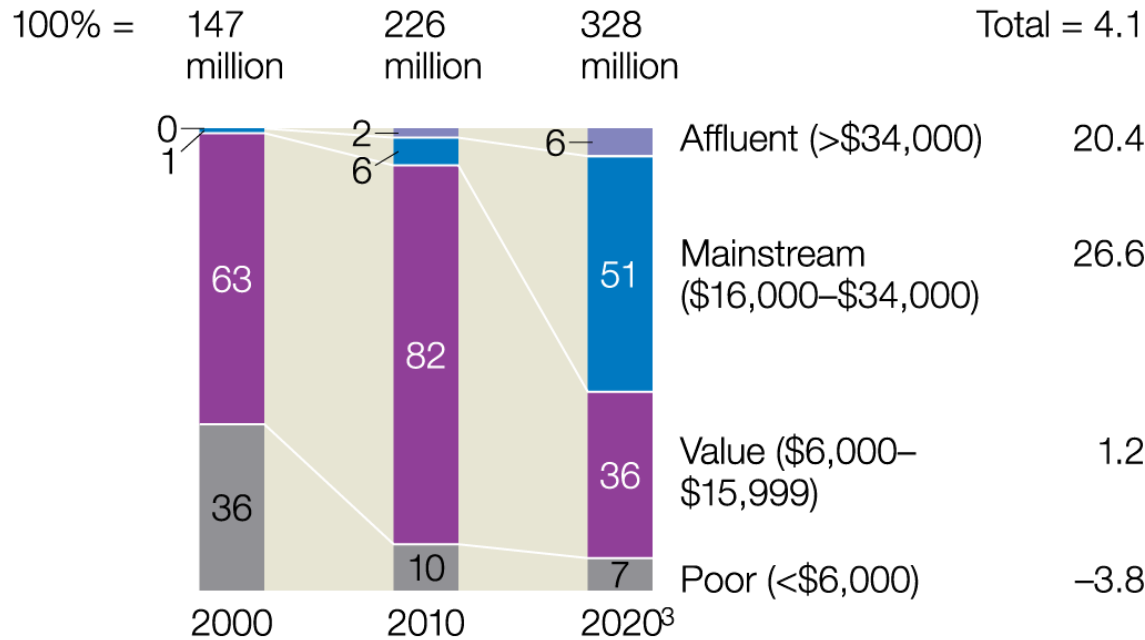
www.eMarketer.com

3rd Party Distribution

Reasons for selling brands in China

Share of urban households by annual household income,¹ %

Projected CAGR,² 2000–20, %



Trends:

1. High Consumer Confidence
2. More Health Conscious
3. Young consumers (post 90s)

¹In real 2010 dollars; in 2010, \$1 = 6.73 renminbi.

²CAGR = compound annual growth rate.

³Forecast.

Source: McKinsey China

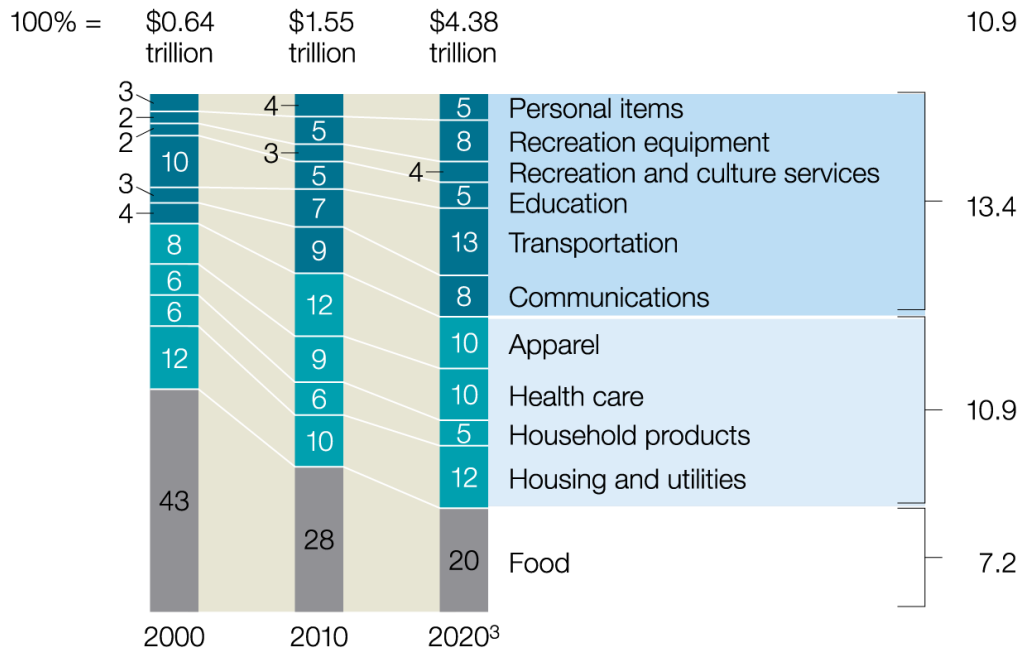
3rd Party Distribution

Reasons for selling brands in China

Urban households' annual consumption by category,¹ %

Projected CAGR,² 2000–20, %

- Discretionary
- Semi-necessities
- Necessities



¹In real 2010 dollars; in 2010, \$1 = 6.73 renminbi. Figures may not sum to 100%, because of rounding.

²Compound annual growth rate.

³Forecast.

3rd Party Distribution

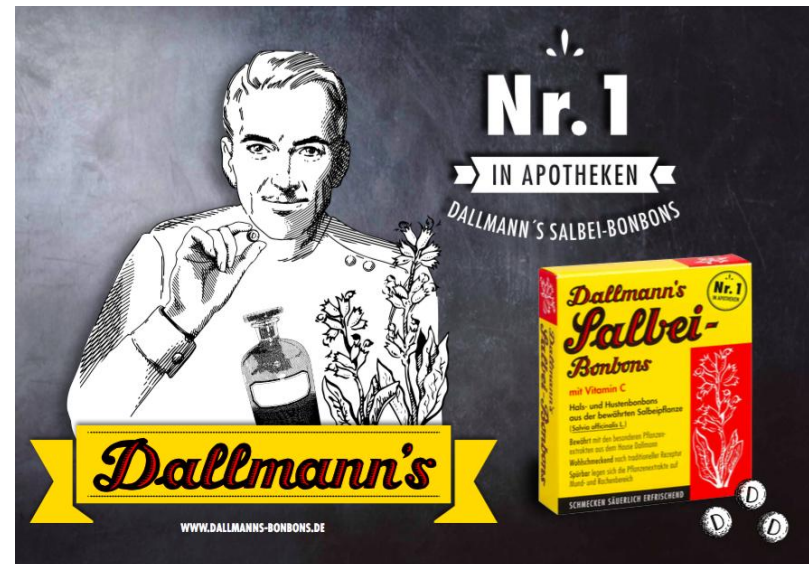
Dallmann's



Concept of Sage Bonbons

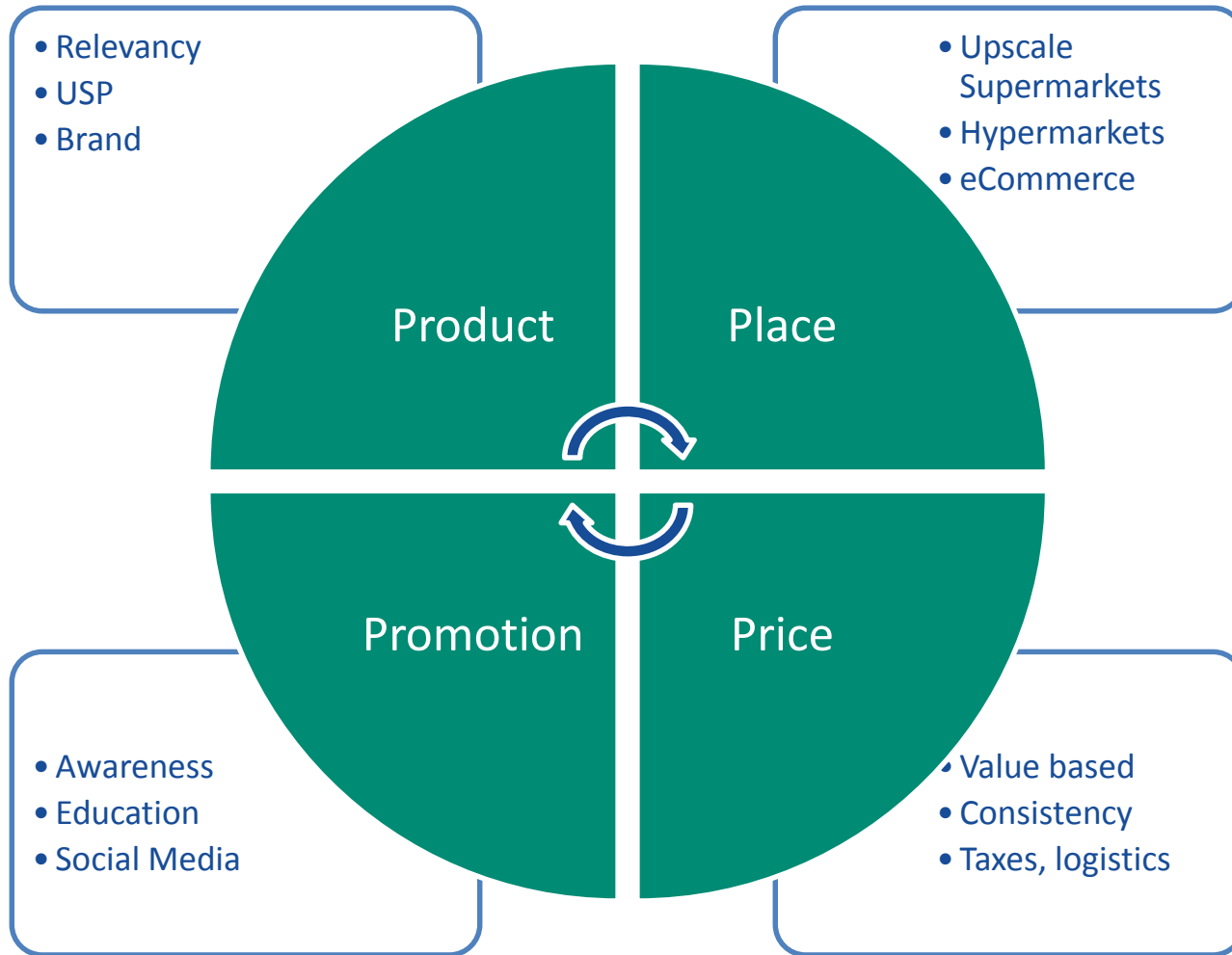
Pollution Awareness

German Quality & Health



3rd Party Distribution

Brands with potential for China





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Many years in China

6 years with own subsidiary, infrastructure & dedicated staff

National distribution coverage with 40+ distributors

Covering various categories, all forms of modern trade, eCommerce, etc.

Open to leverage setup to bring brands into China

Thank you

谢谢