

salling group



HD – General presentation

Today our purpose is unchanged:

We are here to improve everyday life

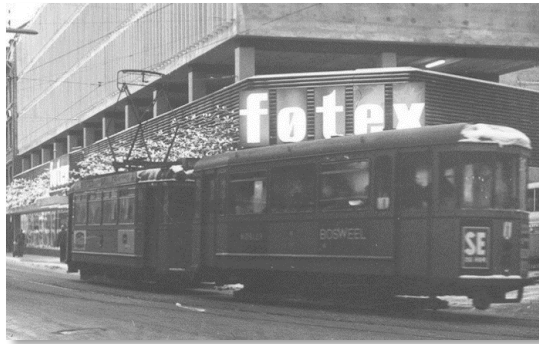
- for our customers, our
colleagues, and in the societies
we are part of

Herman Salling founded Salling Group in 1960, building on the legacy of his father Ferdinand Salling



The ambition was to become a strong retailer by always being at the forefront of the customers' needs

New formats for new times – highlights from our history



1960

føtex made grocery shopping easier by offering food and textile under one roof

Bilka was the first hypermarket creating a one-stop shopping universe

1970



1981

Netto introduced discount with everyday low price and convenient shopping experience

Since 1990, Netto have expanded the concept to other European countries

1990



We are Denmark's largest retailer with a strong portfolio of both brick & mortar and online formats

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Brick & mortar

Discount, super-
& hypermarkets



Netto 

fotex

Bilka

Department
& toys stores



Salling



Online business

Non-food
E-commerce



wupti

fotex.dk

Bilka.dk

Salling



Digital
services



**SEND
& HENT**

flowr
mere end blot en tanke

Convenience

Online groceries
& meal boxes



BilkaToGo

Restaurants



 *Carl's Jr.*



BilkaToGo is our online click-and-collect solution for convenient grocery shopping at attractive prices

BilkaToGo

Order your groceries online
before 10 am



Access the same assortment
and prices as in the hypermarket



Pick up the order at your local
Bilka without leaving the car or
at pick-up points

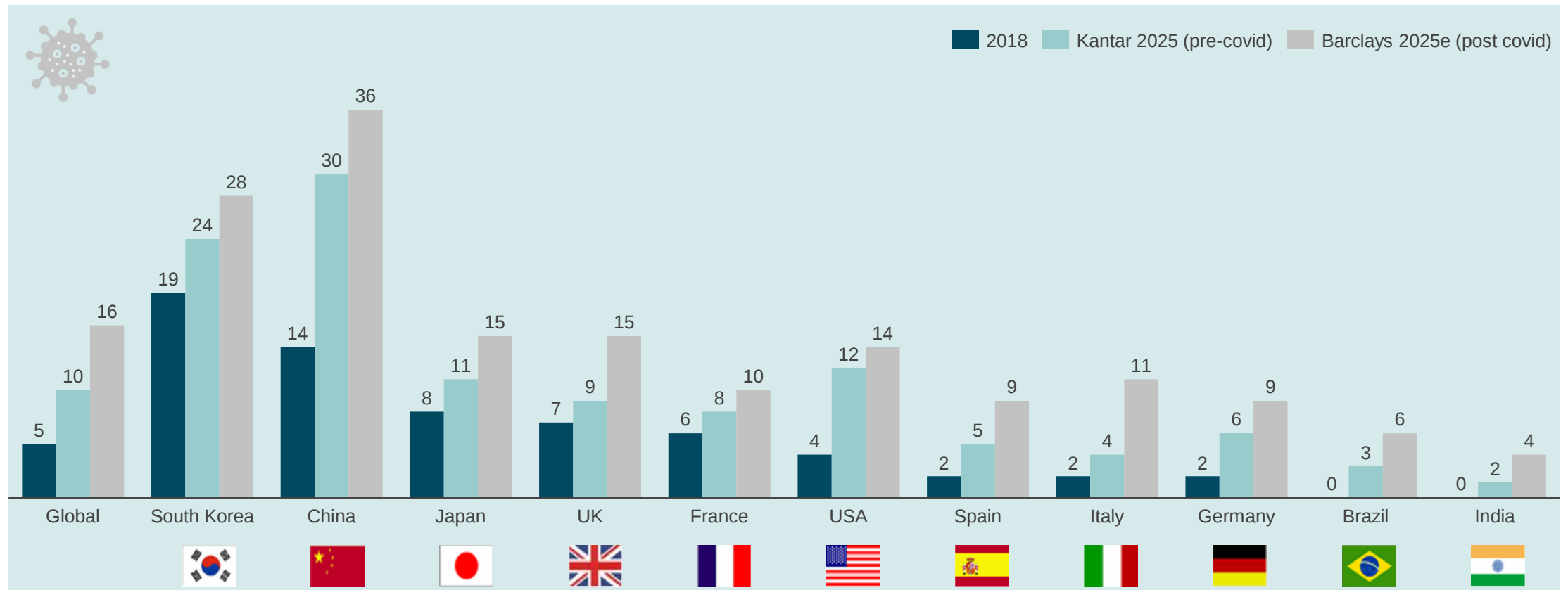




Complete offering by online grocery

Internationally, many experts are now more bullish on online food share than before COVID-19

Online/E-commerce sales, % of total FMCG sales



From Greenfield April 2020 to time to scale April 2021

New business

New business model

New buildings

New fleet of vans

New frontend (CX)

New commerce backend

New dark store warehouse

New last mile solution

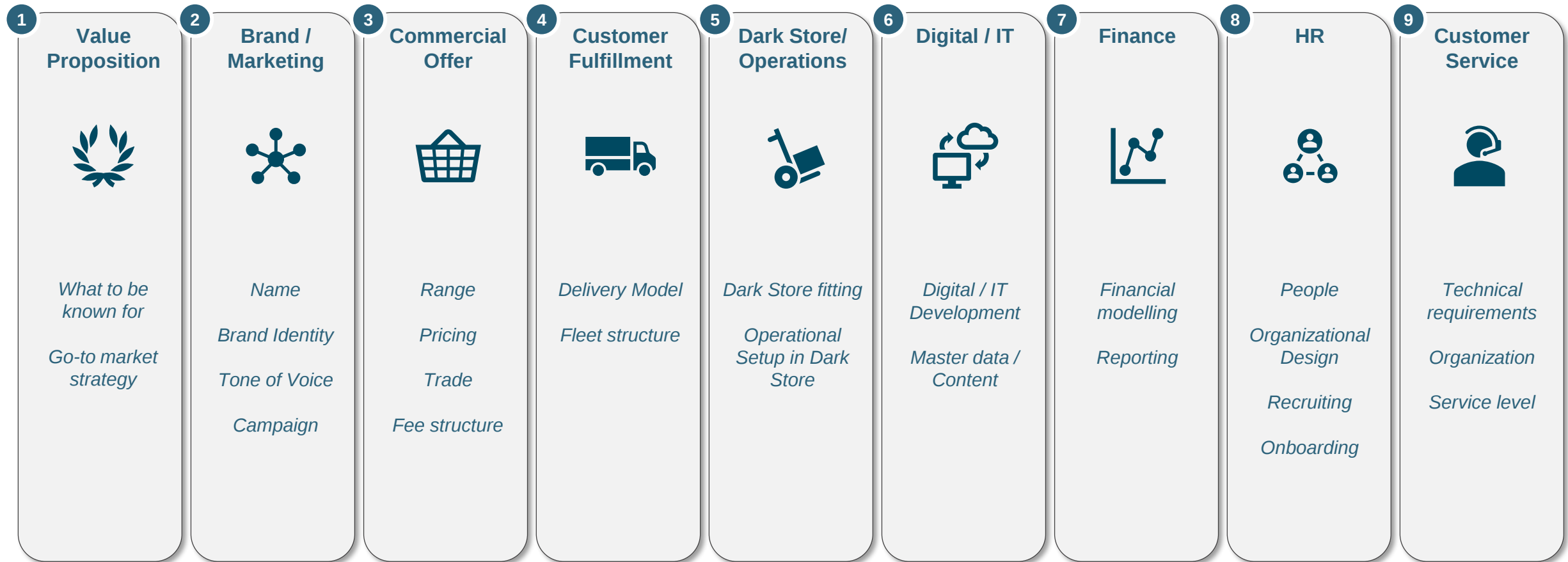


Ultra-fresh supply chain

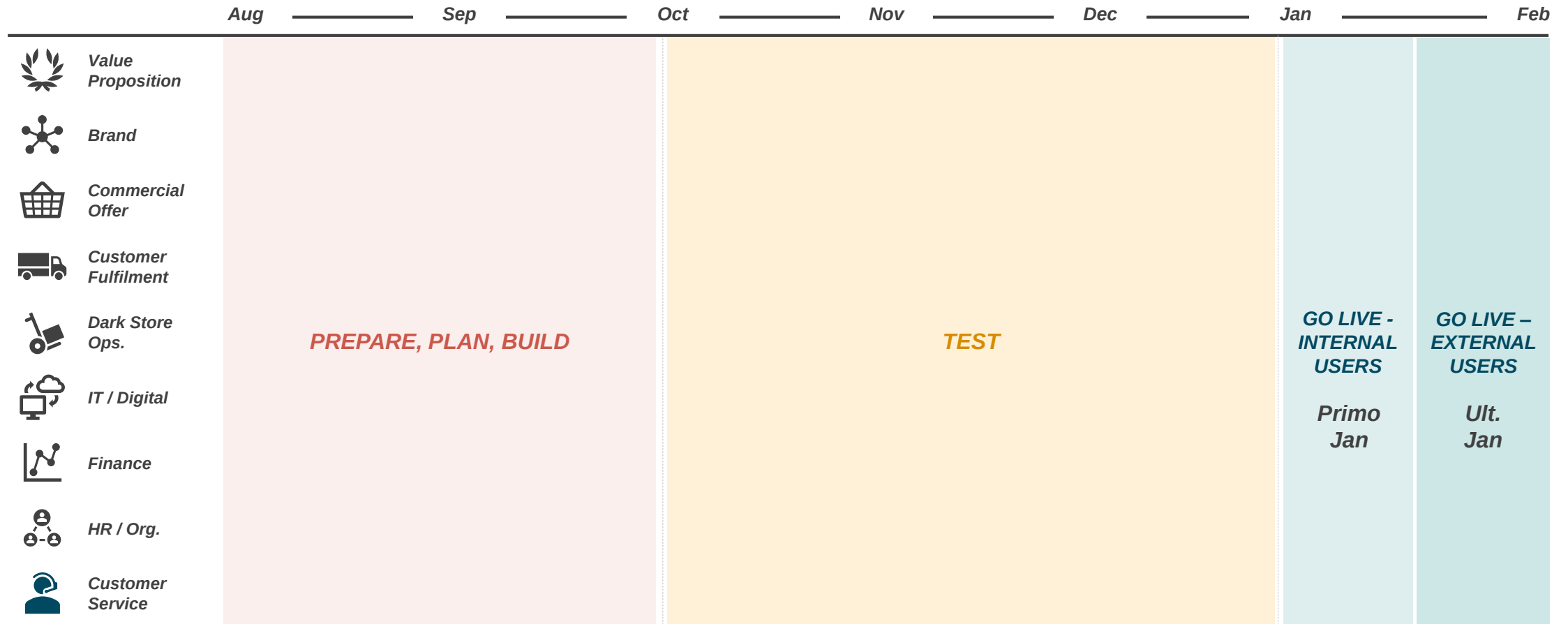


The program has been organized in workstreams to utilize cross-functional skills and external parties

Workstreams and sub-areas

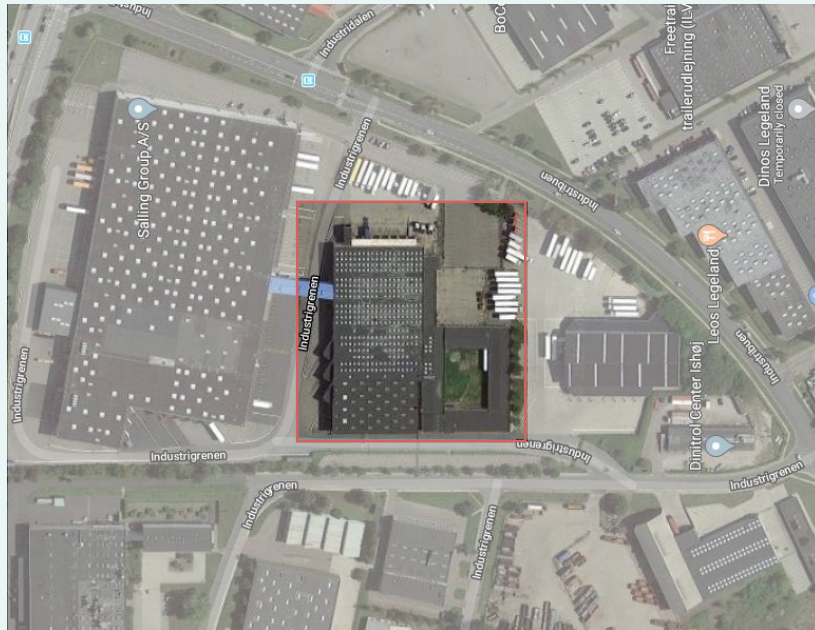


All workstreams are working towards a go live primo 2021



We operate in an existing warehouse in Ishøj, and refit it to make room for our Dark Store

The Dark Store is built in an existing warehouse in Ishøj – which is modified to the purpose

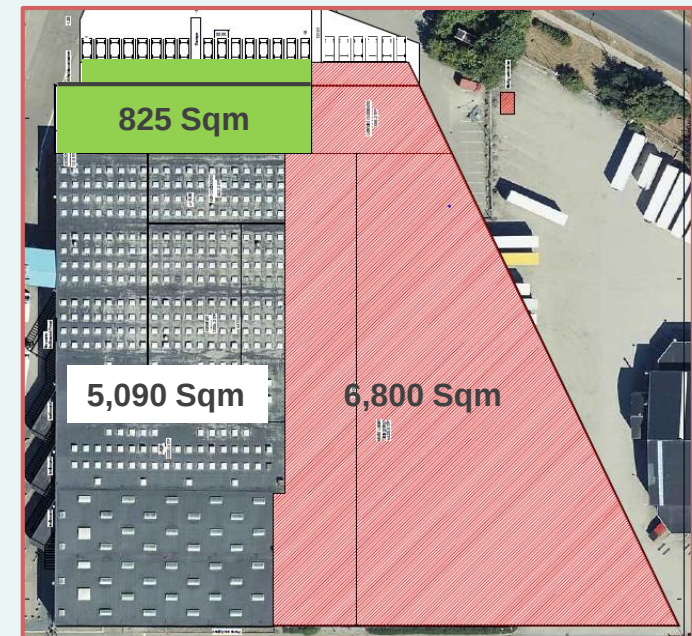


We are refitting our current Warehouse in Ishøj to make room for the full scope of the manual Dark Store

Phase 1
5,915 Sqm



Phase 2
12,715 Sqm



The art of the opportunity

- Greenfield decision Easter 2020
- Project ramp-up June 2020
- MVP (alpha) mid October 2020
- MLP (beta) primo February 2021
- New building ready, June 2021
- Time to scale, June 2021

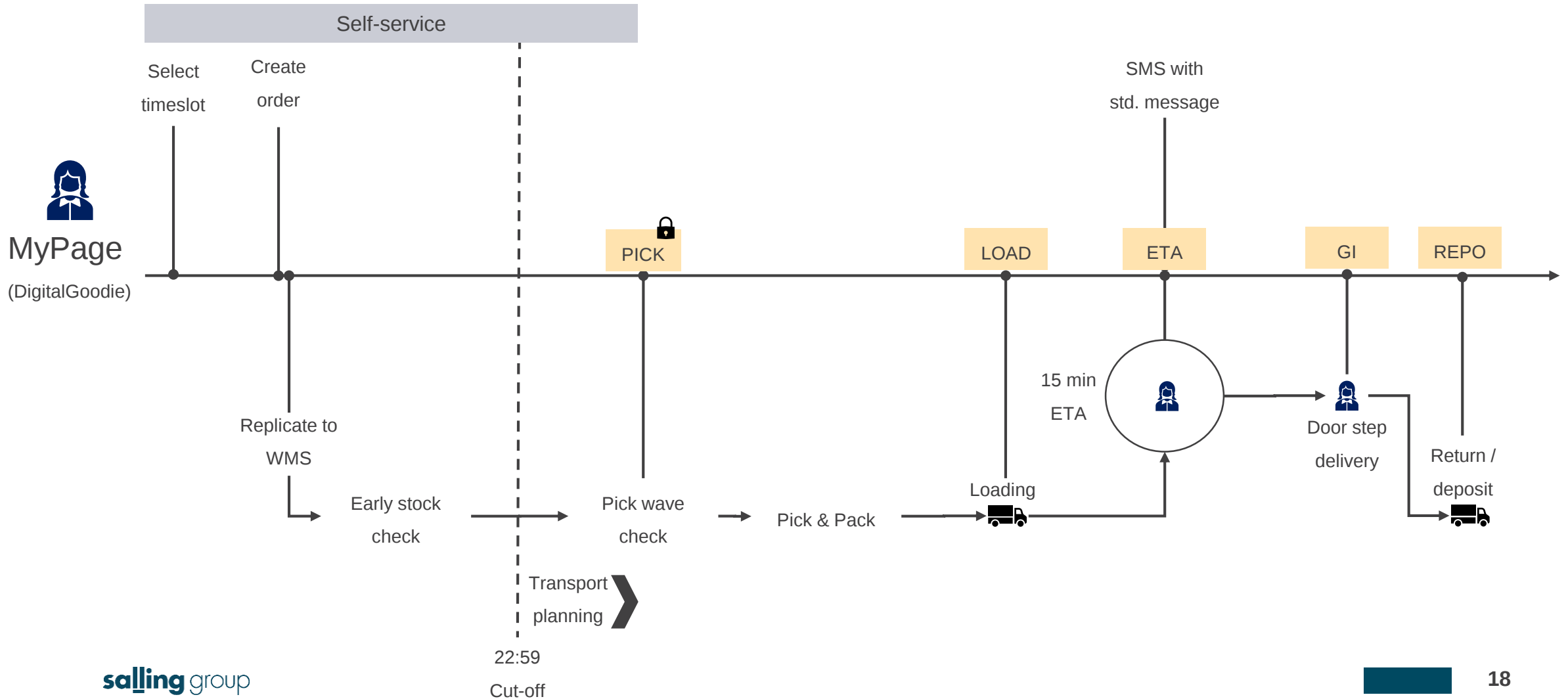


Straight forward process

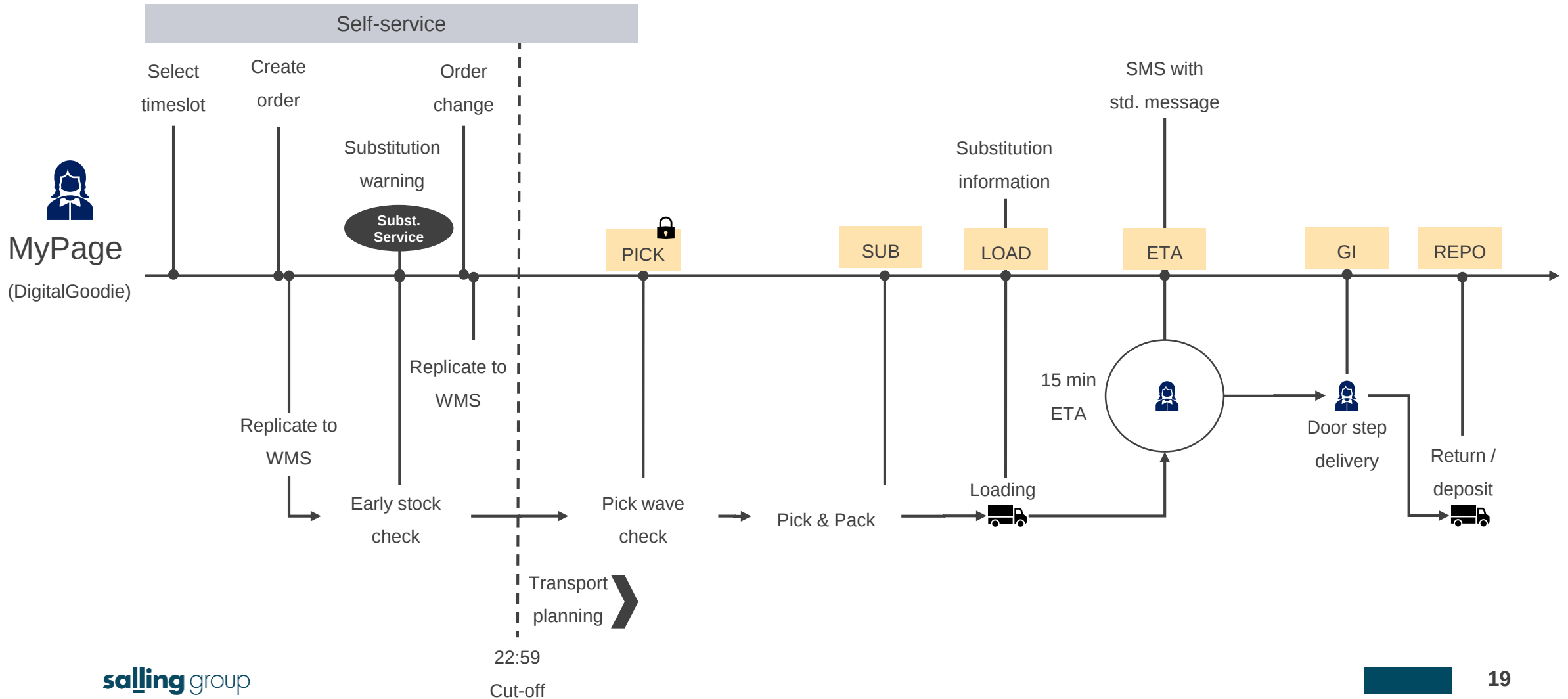


...but meeting expectation in an hourly supply chain is the true challenge. It is a new game to us.

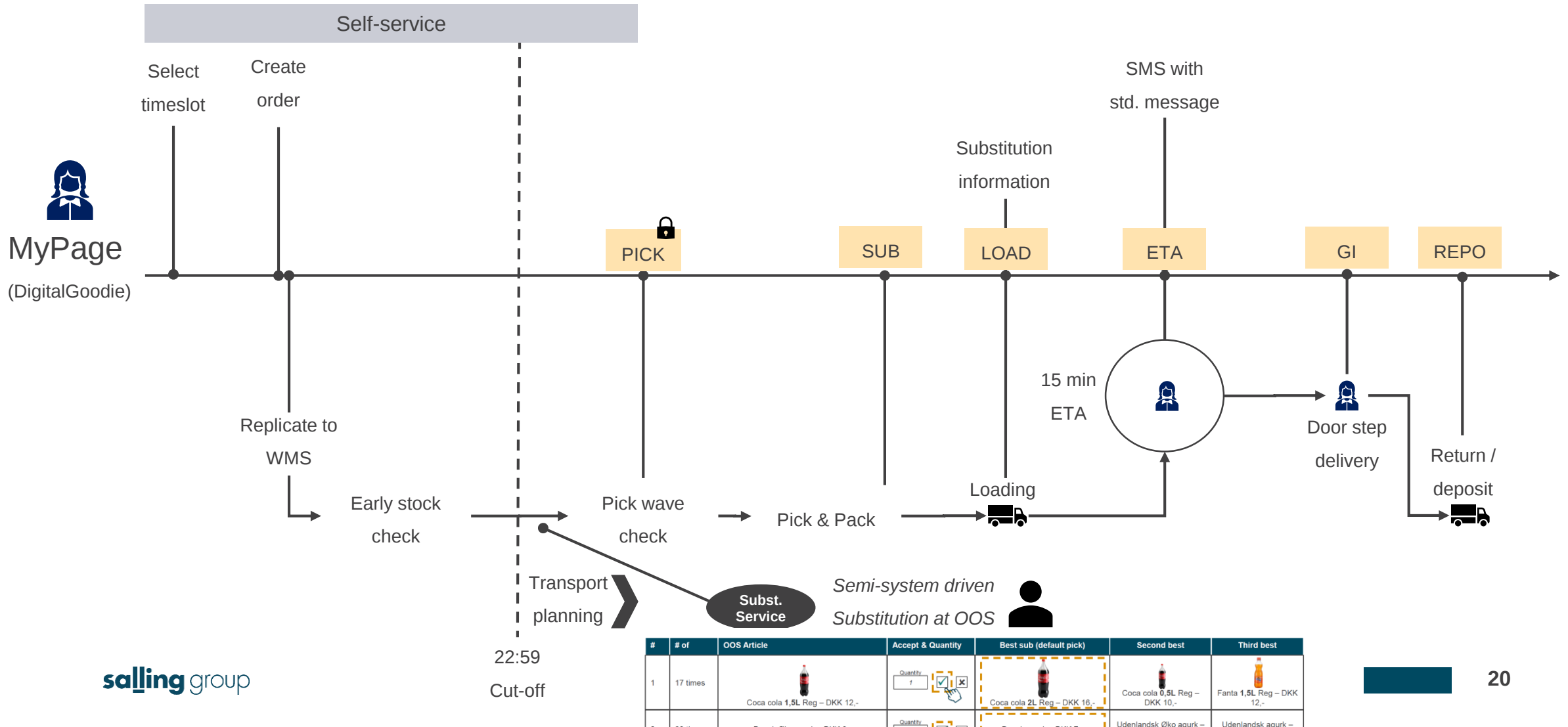
Order Life Cycle



Order Life Cycle, early substitution



Order Life Cycle, late substitution

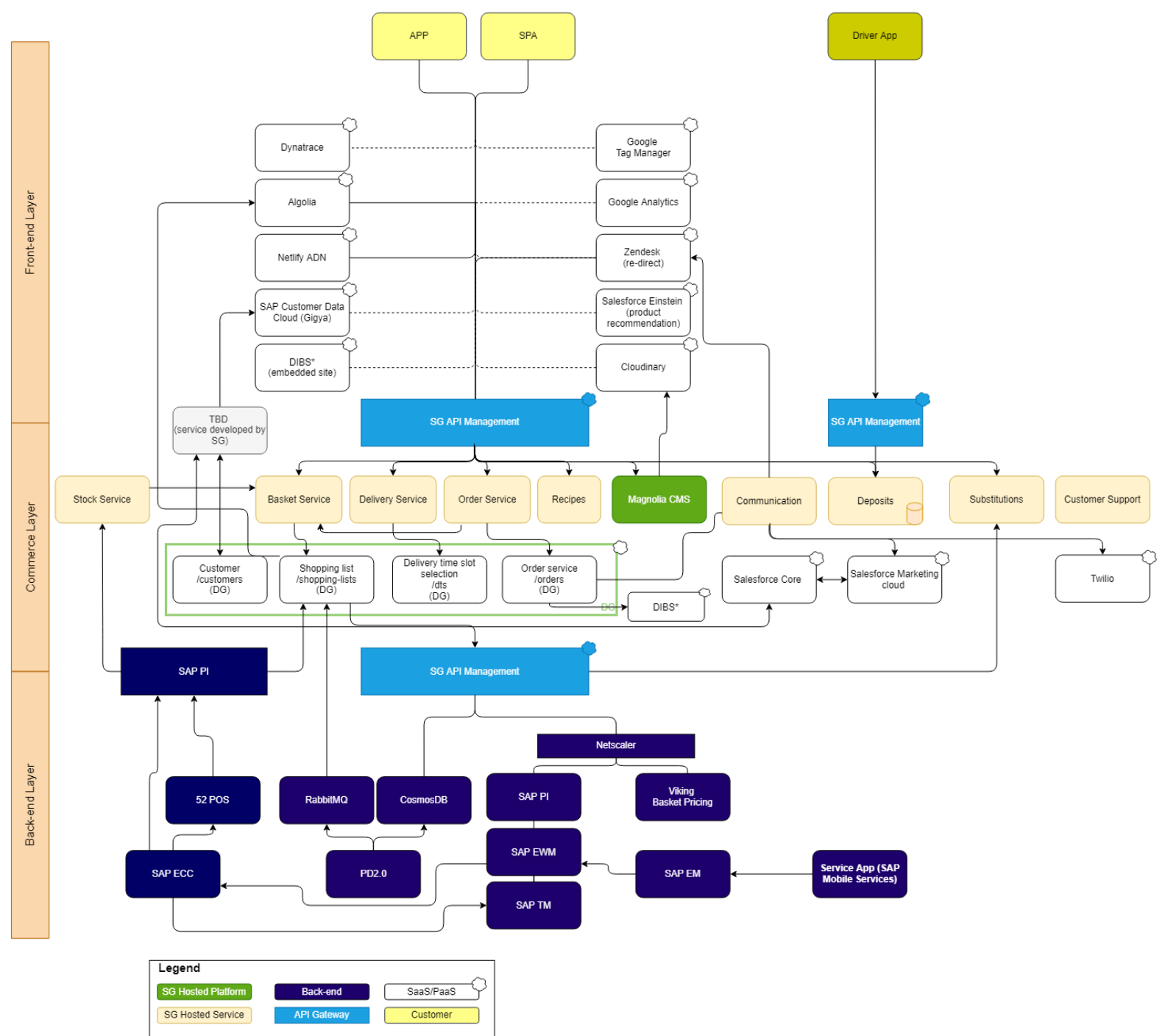


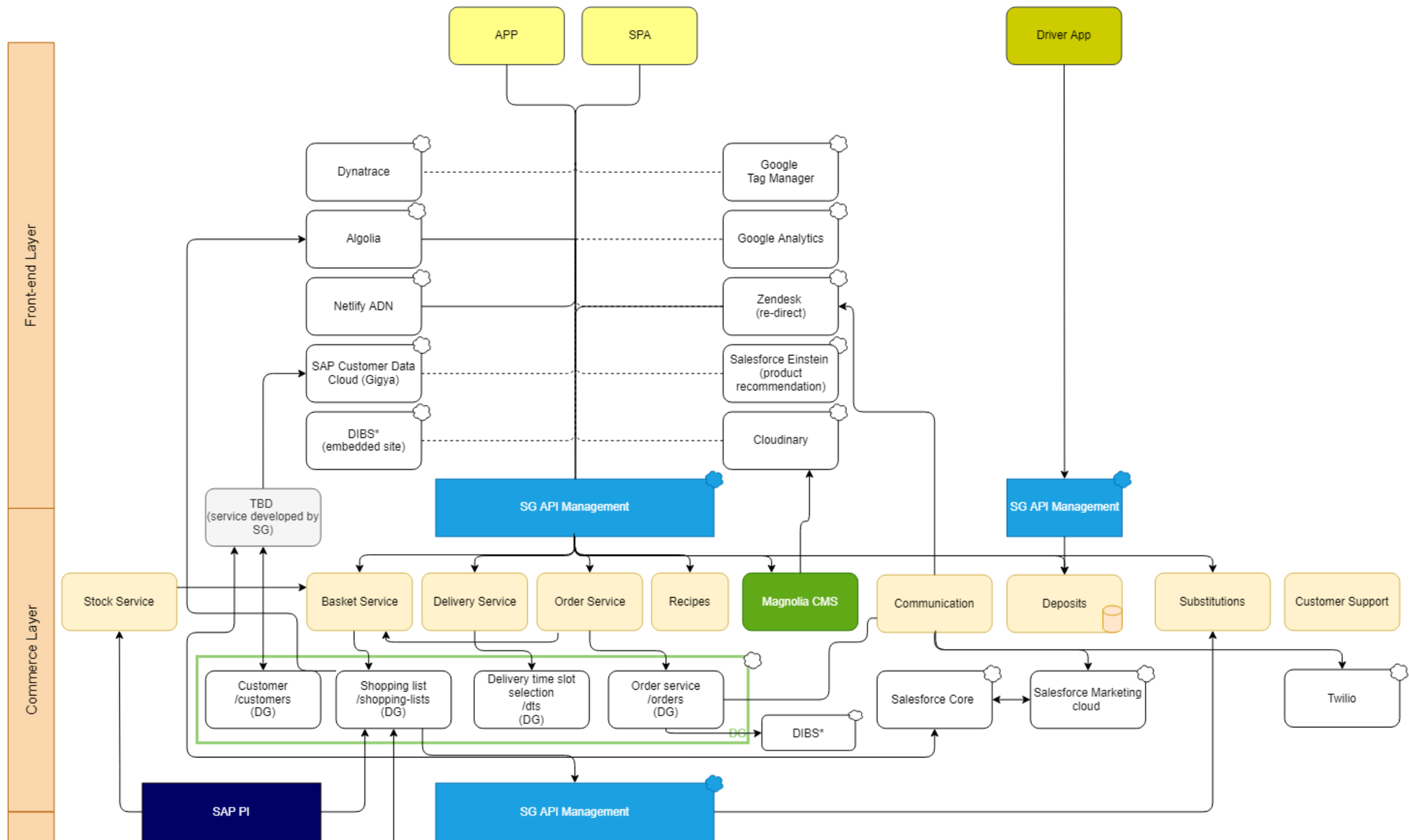
The TECH story

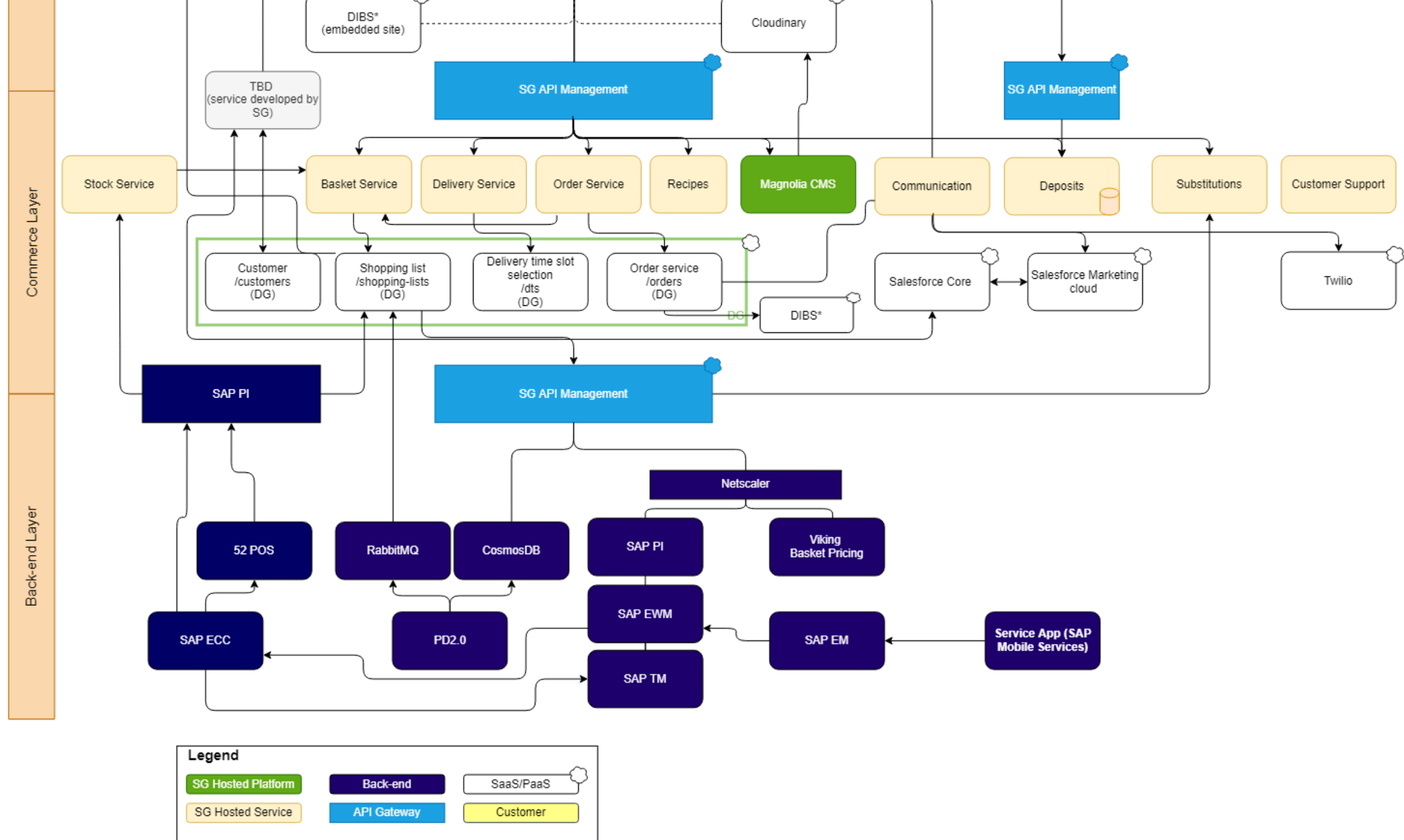


Technology foundation from non-food reused in food online

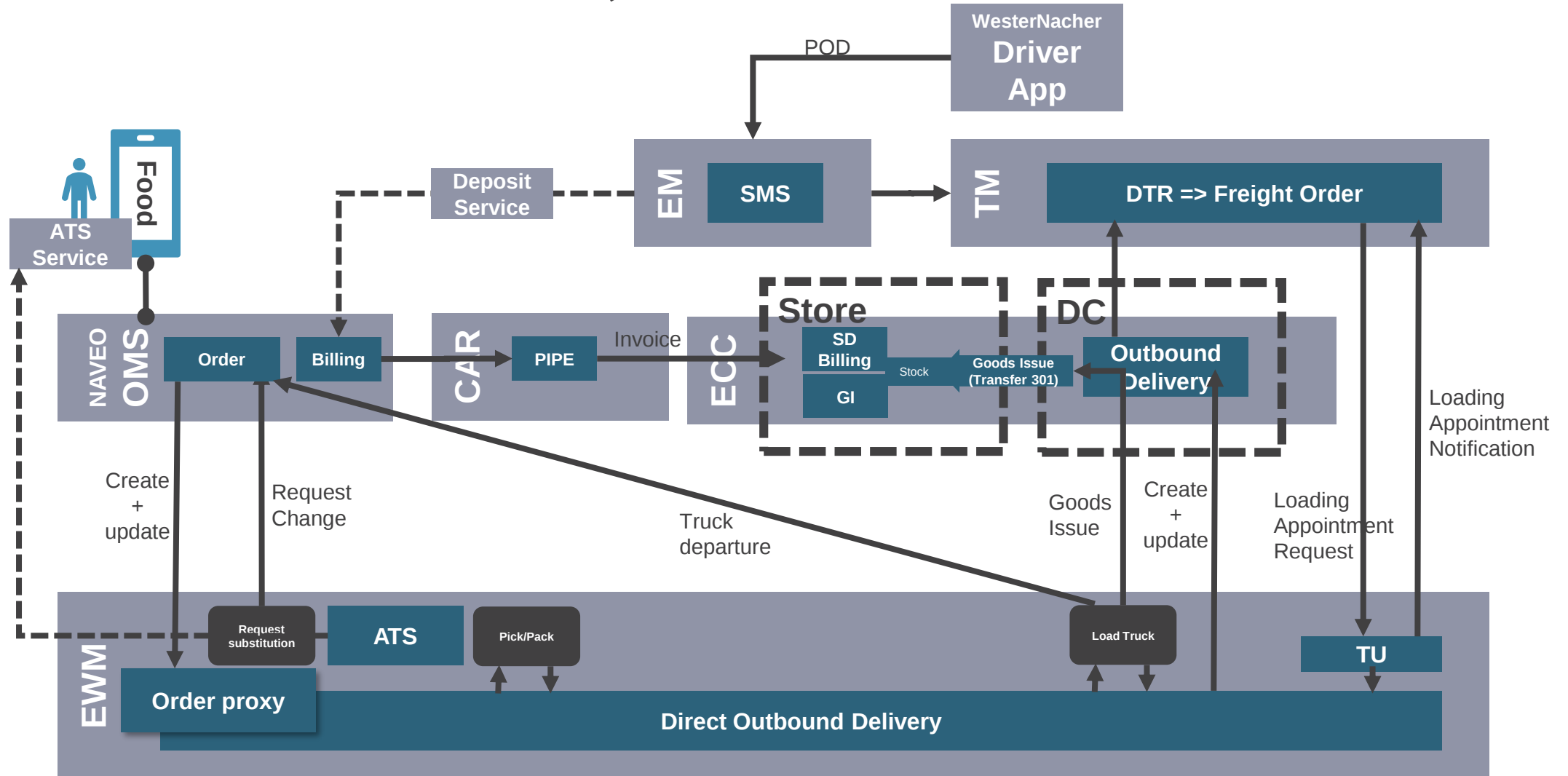
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OMS/WMS/TM/ECC, Current Flow



Our share of learnings ...so far

Dark store, warehouse blended with store ops

SAP EWM, TM, EM works the real challenge come from legacy supply chain that is build for something else. Major topics were:

1. Logistic display, an old fix to manage changing UoM
2. Internal store optimized supply chain network to hourly mindset. Safety stock is not always the answer, some products just need timely execution

Operations of customer exposed supply chains requires a different workforce/capacity planning approach. Non-food e-commerce is one thing, but online grocery has proven to be a harder ball game due to high number of items per order.

Union agreements of 16-week work schedule is a truly hard optimization challenge

Near 24/7/365 operating hours for a greater part of our business challenges the IT maintenance concepts. Rethink started to keep efficiency.



Questions?



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