Fuel Forecourt Retail Market

May 2020
Are you set to be the mobility retailer of tomorrow?

Our report on Fuel Forecourt Retail Market focuses on the future of forecourt retailing. In the following pages we delve into how the trends today are shaping forecourt retailing now and tomorrow. We start by looking at the current state of the Global Forecourt Retail Market, both in terms of geographic size and the top players dominating this space.

Next, we explore the trends that are re-shaping the industry; these are centred around the increase in importance of the Retail proposition, Adjacent Services and Mobility. As you go along, you will find examples of how leading organisations are investing their time and resources, in technology and innovative concepts to become more future-ready.

The changing shopper missions of visiting forecourts have resulted in major changes to the forecourt structure. Fuels sales are declining, and will continue to fall in the future, while non-fuel retail offerings will gain prominence. For this reason, it is vital for retailers and suppliers to understand that forecourts are now not seen only as petrol stations but rather as convenience stores, selling fuel.

Additionally, the future of forecourts is very much linked to the future of transport. The type of vehicles that will run on the road, play of shared mobility and significance of alternative fuels (electrification or hydrogen), all will have an impact on the number and purpose of future forecourt sites.

In light of this, we have imagined how forecourts will look like in the future. We believe that the in-city petrol stations which have a location advantage, will become suited for convenience retailing; urban forecourts would become prominent transport exchanges; and high way sites will cater to long distance travellers. However the level and speed of such transformation will vary by economy, as evolutionary trends in fuel retailing observed in developed markets are yet to fully shape-up in developing ones.

Further, as the pace of disruption accelerates, fuel and forecourt retailers need to reimagine themselves. We continue to highlight to industry players to actively respond to the many threats and opportunities; for this reason we have outlined some action items that can help adapt to the new reality.

The preferred mobility retailer of tomorrow will be the one who makes ‘change’ a part of its strategy — installing new and improved concepts will be the real game changers.

Note 1. EV: Electric Vehicle; AV: Autonomous Vehicle; MaaS: Mobility as a Service

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01. Market overview
Global forecourt retail market — mid-COVID analysis (1/2)

Market Scenario

Global forecourt retail market stood at US$196.6 billion in 2019 and is expected to grow at a CAGR of 3.6 percent during 2019–23, to reach US$226.4 billion by 2023.

Largest and high growth markets: The US holds the largest market share while Argentina and China reported highest forecourt growth.

Major markets will continue to grow and occupy their respective positions in the global forecourt landscape.

- Forecourts in the US are expected to grow at a CAGR of 2.5 percent during 2019–23.
- Germany, UK and Switzerland are likely to grow at a faster rate in 2019–23 than they did in 2014–19.
  - Germany’s forecourt market is being reshaped by global trends — Aral (BP’s brand) is rapidly expanding Rewe To Go stores and further, driven by COVID, companies are developing means for safe and contactless delivery. Despite the crisis, players such as Rewe’s are exploring the M&A route to take advantage of emerging opportunities for new partnerships.
  - In the UK, 88 percent of sites have a forecourt shop of some form; sites with the BP fuel brand had the highest number of forecourt shops, followed by Esso. Additionally, the UK’s Forecourt shop sector continues to generate sales of around £4.5 billion per year. The trend of in-store pick-up and home delivery is taking centre stage amid COVID fears, with retailers increasingly venturing into third-party partnerships.
  - In Switzerland, focus on ‘foodvenience’ is driving growth, placing specific emphasis on ultrafreshness and healthy products. Moreover, urbanisation continues to develop in the region spurring demand for greater convenience, speed and choice.

Developing countries will drive growth in the global forecourt retail market between 2019–23.

- Argentina, Iran and Brazil will grow at a CAGR of 17 percent, 13 percent and 8 percent, respectively.
- Growing tendency towards convenience stores in China will remain a key growth driver; by 2025 an increase of nearly 30,000 fuel sites is expected in the country. BP is planning to grow its footprint in China and Shell (with funding from Alibaba Group) is planning to automate the refuelling process in China.

Note(s): 1. About ~94 percent of Aral’s sites feature a shop.
2. Source: Market size statistics sourced from Euromonitor; Pre-COVID analysis.

Established markets will continue to hold their respective positions, while developing economies will grow at a faster rate.

Note: Refer to the Appendix I for a detailed country-wise view.

Current forecourt growth versus future forecourt growth, by country

- Top 5 markets
- Remaining 15 markets

Note(s): 1. Top 20 regions per 2023F market size; bubble size is 2023 market size (US$ billion); 2. Includes revenues from convenience retail items only; 3. Major Markets (ordered by 2023 market size): (1) USA; (2) Germany; (3) China; (4) UK; (5) Australia.
4. Source: Data from Euromonitor (database updates historic and forecast data annually); Pre-COVID analysis.

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Global forecourt retail market — mid–COVID analysis (1/2)

Competitive Landscape

Globally, Couche-Tard is the largest forecourt retailer by revenue, whereas, Sinopec has reported the fastest growth

Market Leader: Canadian firm Couche-Tard held the market leader position and reported a greater than market average CAGR of 15.9 percent during 2014–19 achieved through an extensive store network, proactive product marketing strategies and focus on enhancing customer experience

Fastest growing player: China Petroleum and Chemicals Corp (Sinopec) which derives its revenue only from China, reported the fastest growth (CAGR of +27.3 percent during 2014–19). It is focussing on the new business model of ‘Internet + service stations + convenience stores + comprehensive services’ to advance the development of self-owned brands and growth of non-fuel business. Additionally, it is exploring novel ways to make sales amid the pandemic; launching ‘zero-touch’ vegetable sales at its 6,000 gas stations in 147 Chinese cities — fresh vegetables ordered via an app delivered ‘touch-free’ to customers’ car trunk

Other players among the top five:

— Seven & I Holdings held second position in terms of revenue. Focus on enhancing in-store customer experience, creating differentiation via private labels and operation of an extensive store network in the US1 were key growth drivers. In response to COVID, it is expanding its delivery footprint via third-party providers (e.g. Postmate, DoorDash, Favour delivery in the US) and is introducing ready-to-bake options

— BP, Shell and Sinopec accounted for ~8.9 percent2 of the global forecourt convenience sales, in 2019

- BP is continually expanding convenience partnerships sites (1,100 in 2017; 1,400 in 2018; 1,600 in 2019 — targets 2,000 by 2021) with REWE in Germany, M&S in the UK and MyAuchan in Luxembourg. Driven by COVID, BP expanded its partnership with Deliveroo to offer home delivery service to its customers; across the UK, BP and M&S have 125 outlets available on Deliveroo

- Shell plans to expand its ‘new fuel’ (EV/Hydrogen3) and forecourt retailing business into new geographies. Further, it will invest US$500 million (in the next 3 years) into convenience retail and on upgrading the stores, in a bid to increase the contribution of non-fuel sales to 50 percent by 2025. It is also tapping into the accelerated home delivery trend via third-party partnerships

Note(s): 1. Includes revenues from convenience retail items only; 2. ‘Others’ category includes over 40 competitors
Source: Data sourced from Euromonitor (at current prices and fixed exchange rate). Euromonitor updates historic/forecast data annually, per latest data, in 2018–19 Couche-Tard is the leader; ***Pre-COVID analysis

Global forecourt retail1 sales by players (in US$ billion)
COVID-19: Implications for the fuel and forecourt retailers

- Change in long-term consumer buying behaviour
- Product mix re-evaluation and network rationalisation
- Falling oil prices and demand
- Liquidity crunch
- Demand fluctuations
- Supply chain disruption
- Increasing operating costs
- Workforce challenges
- Consumer and workforce health and safety

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How is COVID impacting the fuel and forecourt market?

**Historic slump in global oil prices...**

On the fuel front, the industry is being hit by a double whammy of falling prices and demand, driven by extreme lockdown measures and voluntary social distancing.

As of April 2020, the oil price plunged to its lowest level amidst the rising spread of pandemic and supply-demand mismatch (WTI Futures; Jan’20-Dec’20F US$/bbl)

- **US-Iran conflict**
- Beginning of oil price war
- End of price war
- **Oil price collapse**
- Near term outlook: Expected to improve depending on longevity of impact of Covid-19

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<td>61.2</td>
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<td>16.9</td>
<td>(37.6)</td>
<td>28.8</td>
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Note: WTI Futures, Jan’20-Dec’20F US$/bbl
Source: Bloomberg; forecasts taken from Energy Information Administration

**Demand shock**
- Fall in demand of oil from end markets (such as aviation, transportation, electricity generation and industrial sectors)
- Restricted movement of goods/services and people relating to the closure of businesses and factories
- Expected reduction of 9.6 million barrels per day (bpd) of oil demand in 2020 due to pandemic

**Supply shock**
- Oversupply of crude oil globally, intensified by Russia-OPEC oil price conflict (wherein Russia and Saudi Arabia decided to increase oil production, flooding the market with excess oil)
- Over 86 percent of stock capacity full in major US crude oil storage, as of May 2020, which is leading to supply glut

Near term outlook:
- Expected to improve depending on longevity of impact of Covid-19

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Note: WTI Futures (Crude Oil) and Brent Crude both have been showing similar kind of trend. For the purpose of this study, WTI Futures has been considered.

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How is COVID impacting the fuel and forecourt market?

...driven by reduction in road traffic and fuel consumption...

Road traffic has plummeted across the globe as social isolation practices curtailed commuter and highway traffic — resulting in falling fuel consumption. Global oil demand slumped by about 30 percent[^1], leading to growing inventories across regions.
How is COVID impacting the fuel and forecourt market?

...is impacting the fuel and forecourt retailers

<table>
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<tr>
<th>Challenges faced by forecourt retailers</th>
<th>Implications for forecourt retailers</th>
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<tr>
<td><strong>Demand fluctuations</strong></td>
<td><strong>Store image more crucial than ever before</strong></td>
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<td>– Unprecedented increase in demand for food retail resulting in initial out-of-stock situations</td>
<td>Operators that strategically invest in and differentiate their store image to address consumer expectations around health and safety — will likely be ahead of the recovery curve, effectively taking market share</td>
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<td>– Significant drop in demand for fuel as well as traditional products of some convenience categories like cigarettes and food-to-go resulting in large unused inventory</td>
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<td><strong>Supply chain disruptions</strong></td>
<td><strong>COVID to spur network rationalisation</strong></td>
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<td>– On the fuel front — retailers’ revenues and profit margin under pressure, owing to the demand and supply shock in the oil sector</td>
<td>Current situation is akin to a ‘stress test’ — fuel stations suffering the most today are those which are vulnerable to closure going forward. The pandemic is likely to aggravate network rationalisation</td>
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<td>– On the c-store front — stock outs and narrower ranges are disrupting brand loyalty and spurring demand for cost effective private label options¹</td>
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<td><strong>Direct store operating expenses (DSOE)</strong></td>
<td><strong>Product-mix will have to be altered</strong></td>
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<td>– Added DSOE owing to frequent deep cleaning and sanitation, and new safety measures, will make it difficult to sustain the underlying operating margin level</td>
<td>Sale of ‘open food products’ likely to be impacted; ‘meal kits’ are witnessing a comeback (US customers spent US$100 million on meal kits in 4 weeks till 11 April); scaling back of food service operations — self-serve foods and coffee could move behind the counter</td>
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<td>– Reduction in other expenses² could offset this cost partially — however, in 2020 the DSOEs are expected to remain considerably higher</td>
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<td><strong>Liquidity implications</strong></td>
<td><strong>Partnership with third-party players</strong></td>
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<td>– C-stores have been fortunate to enter the economic downturn from a position of strength; pre-COVID, the industry had good profitability, healthy leverage and sufficient liquidity</td>
<td>While M&amp;A deals are being stalled amidst the uncertainty, partnership with third party players to support technology and logistics (delivery) is an area that is likely to remain relatively active</td>
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<td>– However, they now have to proactively manage balance sheets and liquidity — as lenders and investors are being more selective than they were prior to the pandemic</td>
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<td><strong>Workforce challenges</strong></td>
<td><strong>Fuel stations without a strong non-fuel offering are likely to be impacted more</strong></td>
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<td>– Increased labour requirements to meet higher demand for ecommerce, click-and-collect, delivery and DC² operations</td>
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<td>– Health and safety of employees and customers will now be integral to provide a safe shopping experience. This will require operating robust protocols for health and pre-mobilisation checks, travel/worker place access and social distancing</td>
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<td><strong>Change in long-term buying patterns</strong></td>
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02. Trends in forecourt retail
Summary: Evolution of forecourts

Forecourts’ product and service offerings are continuously evolving, driven by customer demand for convenience — contribution of fuel retailing will continue to decline while non-fuel retail offerings will gain prominence.

Forecourt in the past

Consumers' forecourt visits centred around 'distress' fuel purchase — this dictated the design of forecourts and the type of services offered.

Market Size (2014):

- Fuel — 90%
- Adjacent Services — 10%

Forecourt today

Convenience and 'to-go' culture has shifted the consumer demand towards retail shopping and adjacent services.

US$ 163 billion

Market Size (2019):

- Fuel — 50%
- Adjacent Services — 15%

Future forecourt (over 10–15 years)

In the future, consumer demand for convenience coupled with wider mobility and energy trends will enhance the role of services.

US$ 197 billion

Market Size (2029):

- Fuel — 20%
- Adjacent services — 30%
- Mobility — 10%

Note (1) KPMG forecast 2)

A trend made prominent by rising partnerships for logistics and delivery, in light of COVID-19.

Source: KPMG Analysis; pre-COVID market size statistics stated.

Note: Home delivery trend made more prominent by rising logistics/delivery partnerships in light of COVID-19.

Note:

- Home delivery goods & services**
  - Car wash and repair
  - Pick up point for packages
  - Amazon lockers
  - Co-working spaces
  - Child play areas
  - Laundry services
  - Pharmacy

- Fast-food outlets
- e-stores (groceries and other products)
- Liquid boost (cafes, soft drink kiosks)
- High-end restaurants
- Luxury cafes
- Checkout-free c-stores

- Charging points for electric and autonomous vehicles (EV/AV)
- Mobility hubs (EV/AV service stations)
- EV/AV accessories

Technology to have an over arching presence all across
I. Retail & F&B
Convenience culture is fuelling forecourt shopping...

Increasing prevalence of the convenience culture is driving growth of the forecourt retail market, which is responding by improving its food and product offerings

Customer perception of PFS\(^1\) is changing...

With people getting busier, forecourt stores have become one-stop convenience shops owing to their location advantage and long opening hours. Additionally, amid the coronavirus fears, they are emerging as an alternative to high traffic supermarkets.

A shopper’s mission of visiting a forecourt has shifted from need-based ‘distress purchase’ of fuel to convenience retailing

— Non-fuel products such as grocery, tobacco, meals-to-go are attracting more footfalls than fuel offerings. Per HIM report 2020\(^2\) — only 19 percent of forecourt shoppers cite fuel as their main reason for visiting a forecourt

— ACS\(^3\) reported that 88 percent of the 8,382 fuel forecourt sites in the UK, have ‘shops’

— BP\(^4\) reported that, half of the customers at its forecourts in the UK did not buy petrol

Non-fuel purchases at forecourt stores (2019, UK)

Only 19% of forecourt shoppers cite fuel as their main reason for visiting a forecourt — HIM report 2020

The average basket size is

- 2.34 items
- £6.06

The average shopper spend at forecourts is

*excluding fuel

Source: ACS, The Forecourt Report 2019

Non-fuel purchases are attracting more footfalls than fuel offerings.

— In a bid to capitalise on the convenience trend, forecourt retailers are investing in convenience retail offerings. Moreover, the margins on c-retailing are significantly higher than fuel

— In the US, non-fuel revenues accounted for 32 percent of outlet revenues and ~63 percent of gross margins\(^5\)

— Independent UK forecourt retailers are significantly investing in their stores (~ £14,463 per store on an average) in areas of food-to-go, refrigeration, shelving and store signage

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Ascona group + Nisa Retail

— Forecourt retailer Ascona tied up with Nisa Retail to supply 37 UK sites with grocery products as well as the Co-op’s own-label range

— Stores will vary in size (800–3,000 sq ft) and will adopt Nisa Evolution fascia and take on latest store formats

BP + Albert Heijn

— Expanded partnership with Albert Heijn (owned by grocery giant Ahold Delhaize) after a successful pilot phase

— This will enable customers to access Albert Heijn’s ‘to go’ food and drinks across 100 sites in the Netherlands

EG Group

— Has tie-ups with Greggs, Subway, KFC and Starbucks

— Ramped up its food-to-go offer — acquired 146 KFC restaurants and one Pizza Hut store in the UK & Ireland

— Has opened up a drive-thru KFC and Starbucks, at some of its sites

Rontec + Morrison’s

— Rontec developed its own chain of stores ‘Shop N Drive’ — stocking ~5,000 products (including bacon, eggs, bread, frozen meals)

— Extended its partnership with Morrison’s; plans to add 50 Morisons Daily stores and trial new formats

“The UK forecourt market has evolved considerably in the past decade — from a time when the fuel mission accounted for over a third of visits, to now accounting for less than a fifth. Retailers and operators are feeling the pressure or seeing an opportunity — to find alternative and innovative ways to drive footfall to their stores and thereby capitalise on the growth opportunities in the market.”

— Sarah Coleman, project manager at MCA Insight & HIM (February 2020)


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...and enhancing the role of retail experience

Forecourt retailers are re-designing c-stores with the modern consumer in mind, and offering a variety of localised products to shoppers — in a bid to attract customers and increase the probability of impulsive purchases

Besides standardising branding across their global stores, most forecourt retailers are revamping their in-store design to:

- Differentiate themselves from peers and attract more customers
- Increase the retail space
- Supplement their food-to-go offering with seating for customers who would prefer to eat in-store

**BP Australia** launched a ‘concept store’ featuring modern interiors with yellow and charcoal accents and wooden ceiling panels for a refreshed appeal

**Applegreen’s M1** Lisburn store won the Forecourt Trader of the Year Award (2017) for its store design; has a mezzanine floor which can be accessed via an escalator, and also has an Applegreen lounge

**Applegreen’s Spalding** store won the Forecourt Trader award for Best Design & Development (2019)

**SPAR Express** forecourt store (Australia) is equipped with a new store design concept, featuring wood paneling, clear store signage and easy to navigate floor plan

**Coop** launched a freezer filling deal which can feed a family of four for £5

**7-Eleven’s** Dallas lab store is testing new wellness products such as gluten-free, keto-friendly and naturally sweetened goodies. Additionally, it operates combined distribution centres which supply fresh products (lunch boxes, rice balls, sandwiches etc.) to the stores 3 times/day. **7-Eleven** also implemented a cold chain (low temperature logistics network) to maintain freshness of harvested vegetables while transporting them

**Woolworths** partnered with Australia Post and DHL Supply Chain to deliver the ‘Basics Box’ of groceries in Australia, in light of the COVID-pandemic. Meant for the elderly and vulnerable, the US$80 worth box contains meals, snacks, and essential items; under a similar initiative **Morrisons** also launched ‘Essential Box’ (£35 to £55) delivery in the UK

Note: 1. Locally sourced to tailor to local preferences; 2. Delicious Ideas Food Group 3. Contains: Birds Eye four chicken burgers, Birds Eye two Southern fried chicken grills, Birds Eye mini potato waffles, Birds Eye mixed vegetables and a Cadbury’s Double Decker ice cream tub 4. In order to keep offerings fresh; Temperature-separated combined distribution centres are operated by third parties and enable products from different suppliers and manufacturers to be delivered to 7-Eleven stores on the same truck 5. Including electronic devices and toiletries, over-the-counter medication, cleaning supplies and other non-food items

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…redefining customer relationship,

Forecourt retailers are leveraging innovative digital tools to engage the modern and safety conscious consumer at every step of their purchase experience journey.

A. Station locator
The customer uses mobile app to locate the closest outlet; views real-time fuel prices and browses through products/services available.

B. Outlet selection
The customer preference for an outlet is based on his/her convenience function: fuel price and discount offers on his/her debit/credit card also influence the decision.

C. Payment
The customer can choose to either:
1. Pre-pay for the fuel, groceries and car wash services via e-Wallet, or
2. Pay-at-Pump via an outdoor payment terminal.

D. Re-fuel and relax
The vehicle is re-fuelled at the forecourt and is then lined up for car washing, during which the customer picks up his/her groceries and spends the ‘wait’ time in a bistro.

E. Explores the ‘offer of the day’
The customer is attracted by the ‘offer of the day’ — spends time on the forecourt to explore the offer and ends up making an impulse purchase.

F. Rates experience
The customer rates the forecourt retailer with ‘n’ stars on the app and shares his/her experience on social media.

G. Personalised offers & loyalty rewards
Later during the day, the customer receives a personalised discount offer, valid on a preferred product and a chance to win loyalty points.

H. Order online or re-visit forecourt
The customer then chooses to either:
1. Order product via ‘convenience store delivery app’, which is delivered at home or a public hot spot (beaches/parks/others) via a delivery partner (such as, UberEats or Grubhub).
   - Deliveries via partnerships are becoming prominent, driven by COVID-19; per a latest study, 12 percent of UK shoppers are using delivery apps (such as Deliveroo/UberEATS) more during the lockdown, than before. Additionally, 5 percent expect to continue to do so even after the lockdown ends.
2. Re-visit the forecourt to utilise the discount offer, makes contactless payment via mobile/QR code.


Health and safety across all touch points, becomes integral in light of COVID-19 — customers to likely prefer fuel stations that are frequently disinfecting high touch areas, offering contactless delivery and following strict food safety and handling policies.

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Digitalisation is creating operational efficiencies,

The forecourt industry is quickly adapting to digital opportunities with many retailers understanding the advantages it brings; adoption in some cases remains slow, its potential to transform the industry is huge. Driven by the pandemic, the future solutions will see an accelerated involvement of digital retailing.

Operational efficiencies through:

- Data-driven insights
  - Store data can enable forecourt retailers to:
    - Design CRM campaigns
    - Design new products
    - Identify up-sell/cross-sell opportunities
    - Explore the time/day when purchases spike
    - Look at a customer’s path to purchase
    - Automatically replenish wet stock based on sales history or stock levels
  - What’s in it for forecourt retailers?
    - Accurate marketing insights generation
    - Efficient wet stock management
    - Right size food offering and targeting right customer, at right time
    - Efficient price strategy
    - Improved capabilities and services drive more speed and consistency
    - Better insights into customer habits and desires, resulting in improved sales and ability to avert potential issues

- Process digitalisation
  - Utilising sophisticated IT infrastructure to facilitate communication and standardise management across global operations
  - Leveraging tools to gain real-time view on POS terminals, store systems, inventory and merchandising
  - Integrating control of all types of forecourt equipment with the POS
  - Embedding automation to save labour costs
  - Using tablets within stores for staff, for inventory tracking
  - Enhanced forecourt efficiency via predictive analytics
  - Productivity increase of having empowered workers
  - Labour cost-saving
  - Operational transparency
  - Inventory control and tracking (fuel inventory), supply chain management and audit and compliance

Challenges and recommendations

- Fuel retailers are faced with various barriers when adopting digital — these inhibit them to scale
  - Internal barriers (mainly workforce related)
    - Fuel retailers can help in scaling up quickly
    - Fuel retailers overcome privacy challenges
  - Strategic partnerships with fast food chains, e-commerce giants or other fuel retailers can help in scaling up quickly
  - Regulatory challenges (e.g. GDPR) related to storing and processing sensitive data

Note: 1. Applegreen won the 2019 NACS European Convenience Retail Technology Award for this solution. 2. Leveraging learnings and industry best practices (such as tokenisation/minimising storage of card data) adopted to comply with PCI DSS (Payment Card Industry Data Security Standard). 3. Pseudonymisation replaces most identifiable fields in a data set with artificial identifiers, or pseudonyms.
With m-commerce¹ pervading every aspect of the retail landscape including forecourt, convergence between mobile and payments is taking place, driven by consumer demand for ‘faster, better, cheaper, easier and safer’ shopping experiences.

Forecourt retailers are continuously adopting faster payment methods to reduce customer checkout times at their stores. The trend is being accelerated by the pandemic — increased concern about hygiene is spurring contactless payments, as people refrain from using cash.

Mobile/app based payments

Most traditional fuel retailers such as BP and Shell have launched or are already using this form of payment. Per ACS analysis², about 82 percent of the forecourt sites in the UK accept mobile payments.

BP

BP launched a smartphone app-based payment system, ‘Bpme’ which enables users to select the pump and make the payment.

Couche-Tard

Provides various quick payment settlement options such as mobile-app (Circle K Pay, Easy Pay), payment by car etc. for both fuel and non-fuel purchases.

Shell

Shell’s m-payment app ‘Fill up and Go’ lets customers pay via their mobile; it partnered with Jaguar to enable customers to use the car’s touchscreen to go cashless via the shell app. In Thailand, it launched Pay at Pump: in-car contactless payment with PromptPay QR Code to enhance convenience and safety amid the COVID situation.

Seven & I Holdings

Accepts Apple and Google Pay across its stores; Canada stores also accept Alipay and WeChat Pay. In the US it introduced mobile checkout — enabling customers to scan their purchases and checkout with the 7-Eleven mobile app. Further, it leveraged contactless technology to enable health care workers pay via their employee badges at a pop-up store.

What’s in it for forecourt retailers?

Reduced check out time and speedy transaction process

Mobile/app payments have the ability to enhance brand loyalty by:

— Serving the customer demand for ‘convenience’
— Making it easier to quantify the value delivered, by analysing app data (via back-end analytics)
— Making the payment process safe and contactless, as customers look for minimal human interaction driven by COVID-19 fears
— Calculating customer value which can be used for hyper/personalisation of suitable offers, promotions and push notifications (coupons, discount offers)

Note: 1. Mobile commerce 2. ACS: Association of Convenience Stores | The Forecourt Report 2019 3. Usually it is required to keep the engine, lights and electrical systems (radio/devices that emit electromagnetic radiation) turned off at the petrol station. Some however argue that phones are too low-powered to trigger an explosion, but BP claims a spark could be produced if a phone is dropped and its battery knocked loose 4. Ministry of Economy, Trade and Industry Japan (Link) 5. Pop-up store in Texas, amid COVID

Radio Frequency Identification (RFID)

A RFID chip embedded in items at forecourt store, could potentially lead to an entire basket being scanned in one go and reduce the standard self-service checkout time — making shopping at forecourt stores even more convenient, quick and hassle free.

IBM

IBM has trialled the use of RFID chip to scan an entire basket or trolley’s worth of shopping in one go, at a Shell petrol station in Holloway Road, London; the system could render traditional barcodes obsolete.

Seven & I Holdings

Seven & I Holdings has introduced RFID based unmanned cashless checkout facilities in Japan. By 2025⁴, aims to implement an RFID self-checkout system for all products.

Consideration:

Forecourt retailers will have to consider the use of mobile phones at petrol stations, owing to the associated safety issues²

* especially amid the coronavirus pandemic, where digital/contactless payments are edging out any other form of payment owing to the associated hygiene factor
II. Adjacent Services
Adjacent services are gaining centre stage...

In addition to the expansion of product portfolios and ranges, forecourt players are focusing on new and innovative services to cater to multiple customer needs — beyond those of their car.
...especially in established and high-growth markets

Developing countries such as Argentina and Brazil have displayed high growth potential for forecourts in general and adjacent services in particular; mature markets will also experience high growth in adjacent services at forecourts

Key established economies

Established economies such as the UK and the US will continue to hold a strong position in the forecourt market, and given the enabling environment (infrastructure, technology and prominence of services in general) forecourt services are expected to become more prominent. In the US however, consumer preference to refill grocery from stores rather than branded fuel stations will make it difficult for forecourt retailers to engage with the customer who never enters the forecourt site.

High growth economies

Forecourt growth in Argentina and Brazil will be coupled with growth in adjacent services, driven by the convenience culture as well as the openness of the economies to innovation.

Further details

Developing economies

Convenience culture is picking up in both, China and India. However, India appears to lag in terms of infrastructure and technology adoption; global trends such as reliance on non-fuel revenues to drive margins and entry of hypermarkets in fuel retailing, are yet to fully develop in the country.

Though Germany is a prominent forecourt market, its ageing population inhibits service growth. Also, the convenience channel has traditionally held a small share of the German retail in general, largely owing to high number and density of supermarkets in the country.

Note 1. Per UKPRA 2019 Market Review. 2. Y-axis reflects the overall score a country has achieved after taking into account four parameters (details in Appendix III) which impact the prominence of forecourt services in the respective economy; higher the score, more is the potential for a structural shift towards ‘adjacent services’; Source: KPMG Analysis.
III. Mobility
Global mobility megatrends are transforming the industry...

Three main disruptive forces will fundamentally transform how people and things move in the future — EVs, C&AV and MaaS

**Disruptive forces**

**Enablers**
- Influx of new technology
- Changing consumer demands in terms of:
  - Mobility
  - Convenience
  - Sustainable environment (societal demands)

**Impact**
- Shift from **personal ownership model** to a mobility ecosystem model based on on-demand services
- New business models and value chains will emerge
- Collaborations driven by a need to enhance capabilities
- Change in the **future fuel mix** driven by a trend towards cleaner fuel

Note 1. EV: Electronic Vehicle; C&AV: Connected and Autonomous Vehicles; MaaS: Mobility as a service
...resulting in emergence of new business models

Connected cars, autonomous vehicles and rise of mobility as a service will lead to a change in the existing business models of the forecourt players, while also bringing data privacy into play

<table>
<thead>
<tr>
<th>Connected cars</th>
<th>With a rise in Internet of things (IoT), the car of the future will become a connected hub that relays and processes customer data...</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019 market size (global): US$63.03 billion</td>
<td>Inter-connectedness to generate huge amount of customer data</td>
</tr>
<tr>
<td>2027 market size (global): US$225.16</td>
<td>Mobile based applications + Car infotainment system</td>
</tr>
</tbody>
</table>

> Utilise the customer data to provide personalised services and products. IoT will enable connected vehicles to provide information on availability of "fuel of choice" at best prices in a locality. Hence, forecourts selling at a competitive price will witness a boost.

| Challenges/costs | Data confidentiality, cyber security concerns and GDPR compliance |

Market for autonomous vehicles (AVs) is expected to be worth US$556.7 billion by 2026

| MaaS ecosystem includes: | + 
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Mobility as a service (MaaS) market size and market penetration:</td>
<td></td>
</tr>
</tbody>
</table>

| 2018 market size: US$171.5 billion | 2024 market size forecast: US$347.6 billion |

| CAGR: 12.5%² | CAGR: 39.4%³ |
| 0.0% | 1.7% |
| 0.0% | 1.7% |
| 0.0% | 1.7% |
| 0.0% | 1.7% |
| 0.0% | 1.7% |
| 0.0% | 1.7% |
| 0.0% | 1.7% |
| 0.0% | 1.7% |

Opportunities

+ Shift towards B2B sales model, as fleet owners are more likely to use AVs than individuals. Moreover, driverless commercial/fleet could make the food/restroom breaks at forecourt redundant.

Challenges/costs

+ Consumer perception of mobility is also shifting from asset ownership towards mobility as a service, forcing the forecourt retailers to adapt:

Opportunities

+ Tie-up with AV service providers to cater to their recharging/refuelling needs. Urban forecourts could provide car sharing (for both ICES, EVs) and car rental services. Forecourt retailers could provide attractive offers/discounts to ride sharing/hailing drivers, if they fueled up on their station²

Challenges/costs

+ Shared mobility could lead to multiple customers with differing tastes on the road. As a result, forecourt retailers will have to provide compelling incentive for each type of customer to ensure footfall and business.
...and an increase in collaborations, to boost capabilities

Electrification will lead to partnerships between forecourt retailers, carmakers and energy providers to expand electric vehicle (EV) charging beyond forecourts; while the forecourt of future will have to be designed keeping in mind the EVs

**Government subsidies, coupled with mandates to discontinue diesel/petrol is incentivising consumers to switch to EVs**

**Global EV market size 2017–25 (US$ billion)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Plug-in Hybrid Electric Vehicle</th>
<th>Hybrid Electric Vehicle</th>
<th>Battery Electric Vehicle</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>119</td>
<td>138</td>
<td>163</td>
</tr>
<tr>
<td>2018</td>
<td>119</td>
<td>138</td>
<td>163</td>
</tr>
<tr>
<td>2019F</td>
<td>195</td>
<td>237</td>
<td>292</td>
</tr>
<tr>
<td>2020F</td>
<td>201F</td>
<td>243</td>
<td>351</td>
</tr>
<tr>
<td>2021F</td>
<td>246</td>
<td>351</td>
<td>444</td>
</tr>
<tr>
<td>2022F</td>
<td>246</td>
<td>351</td>
<td>444</td>
</tr>
<tr>
<td>2023F</td>
<td>246</td>
<td>351</td>
<td>444</td>
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<tr>
<td>2024F</td>
<td>246</td>
<td>351</td>
<td>444</td>
</tr>
<tr>
<td>2025F</td>
<td>246</td>
<td>351</td>
<td>444</td>
</tr>
</tbody>
</table>

**Opportunities**

- **Partnerships with energy providers to expand EV charging beyond petrol stations and forecourts**
- **Possible transition to ‘mobility’ hubs; offering converging range of services** (battery swap-out services to allow for faster powering up) and retail offers

**Challenges/costs**

- **EV will be the vehicle of choice and will lead to a reduction of the footprint of future forecourts**. Additionally, future forecourts will have to be **designed (existing ones re-designed)** keeping in mind EV charging infrastructure
- **EVs will require retailers to develop innovative business models to incentivise electrification of private sector fleets (Uber, Lyft)**

**“Within five years we plan to have more than 100 Electric Forecourts in use, with each supported by solar energy and battery storage. This infrastructure will accelerate the electric vehicle revolution” — Toddington Harper, CEO | Gridserve, April 2019**

Electric forecourts will also offer “a coffee shop, supermarket, high-speed internet and everything else you would expect to find at a service station”, plus an education centre which will aim at “improving consumer confidence in such technologies” — Press Release, Gridserve, March 2020

We recognise that the customers are not just necessarily going to go to recharge just at retail sites, they’re going to want to charge at work and home, so we’re moving into this space” — Mark Gainsborough, executive vice president | Shell’s New Energies operation, February 2019

“The opportunity also to explore options for providing charging services away from our existing retail sites makes FreeWire an ideal partner for BP.” — Tufan Erginbilgic, chief executive | BP Downdstream, January 2018

**“The opportunity also to explore options for providing charging services away from our existing retail sites makes FreeWire an ideal partner for BP.” — Tufan Erginbilgic, chief executive | BP Downdstream, January 2018**

**Note:** Limited details on the laboratory available. 1. **IONITY** is a joint venture between BMW Group, Daimler AG, Ford Motor Company and the Volkswagen Group with Audi and Porsche 3. Oil & Gas 4. Ultra-fast charging

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Trend towards cleaner fuel...

A move towards cleaner fuel driven by increasing pollution and the increasing need for a sustainable environment has increased the preference for electric vehicles among both manufacturers and consumers.

Rising transport sector’s CO₂ emissions¹ ...

Global energy-related emissions ≈ 30 Gt CO₂

Transport emissions ≈ 7 Gt CO₂

Road transport emissions ≈ 5 Gt CO₂

¹ and (2) introduce vehicle emissions standards and regulations, to support clean fuel transport

... have steered countries to (1) set up mandatory fuel economy² targets via Global Fuel Economy Initiative³ (GFEI)

OECD average average fuel economy (Lge/100km) Non-OECD average average fuel economy (Lge/100km)

<table>
<thead>
<tr>
<th>Year</th>
<th>OECD</th>
<th>Non-OECD</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>8.1</td>
<td>7.5</td>
</tr>
<tr>
<td>2008</td>
<td>7.6</td>
<td>7.6</td>
</tr>
<tr>
<td>2011</td>
<td>7.0</td>
<td>7.5</td>
</tr>
<tr>
<td>2030</td>
<td>4.0</td>
<td></td>
</tr>
</tbody>
</table>

Legend:
- Above Euro 3
- Euro 3
- Below Euro 3
- No Policy
- Unknown

Note: 1. 100 percent values for these were not available, 2. Vehicles use energy, and fuel economy measures energy per unit of vehicle travel. It is the rate of energy use. Litres per 100km (Europe), Km per litre (Japan) Miles per gallon (United States), 3. The Global Fuel Economy Initiative promotes the introduction of cleaner, more energy efficient vehicles in developing and transitional countries.

Launch of ‘Road to Zero’ strategy which aims to have half of new car sales to be ultra low emission by 2030

Adoption of Bharat Stage VI emission norms (standards to regulate emission of air pollutants from motor vehicles) from 1 April 2020

Since 2009, EU legislation sets mandatory emission reduction targets for new cars. From 2021, phased in from 2020, the EU fleet-wide average emission target for new cars will be 95 g CO₂/km

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...is changing the alternative fuel landscape

Hydrogen has the potential to become a vital part of the transport mix in a low-carbon future — requiring players to re-invent their business models to account for new infrastructure requirements (around fuel production, storage and distribution)

Production of hydrogen (H₂) utilises renewable source of energy such as water and is hence, considered sustainable. As a result, fuel cell hydrogen vehicles – which can travel up to 700 km on a single tank and can be refuelled in a few minutes – could be the future

### How hydrogen reaches the vehicle?

#### Production

- **Onsite production**
  - at refuelling station via electrolysis that uses water procured from nearby lakes or rivers, and electricity

- **Offsite production**
  - in large plants through electrolysis, gasification or renewable liquid reforming

#### Storage

- Can be stored as a compressed gas or liquid, or in a chemical compound

#### Distribution to PFS

- H₂ is distributed either through pipeline or by truck, railcar, ship, barge in high-pressure tube trailers, else via liquefied Hydrogen Tankers

#### Dispensing the fuel into the consumer’s vehicles

- H₂ is fuelled into the consumer’s vehicles in few minutes. A 4 kg H₂ tank holds the energy equivalent of 4 gallons of gasoline. Such a tank is filled in 3-5 minutes

#### Supply chain & other challenges

- **Transporting, storing and delivering H₂ to the fuelling station is considered to be expensive on a per-GGE² basis**
  - To ensure dispensing pressure is good and consumer friendly, metering needs to be done correctly, which becomes challenging, as H₂ is lightest molecule
  - High cost — expected cost to build a H₂ economy could be ~US$280 billion during 2018–30, including US$80 billion for infrastructure to store, transport and distribute H₂
  - Handling H₂ requires compliance with safety regulations, there exists a high risk of potential ignition of H₂ leakage at the station or at the vehicle (e.g. on 10 June 2019, an explosion occurred at the Uno-X H₂ station in Norway)

#### Re-fuelling infrastructure considerations

<table>
<thead>
<tr>
<th>Impact:</th>
<th>Established as a greenfield project on a standalone site</th>
</tr>
</thead>
<tbody>
<tr>
<td>Impact:</td>
<td>As new facility, therefore, no need to work within the constraints of existing site infrastructure</td>
</tr>
<tr>
<td>Mobile re-fuelling stations (used where there is no permanent hydrogen re-fuelling station asset)</td>
<td></td>
</tr>
<tr>
<td>Impact:</td>
<td>As mobile hydrogen re-fuelling stations are primarily an instrument for a market launch or for demonstration projects, they are unlikely to have a significant impact on forecourt retailers</td>
</tr>
<tr>
<td>H₂ facility integrated into an existing refuelling station and added as another fuel offering</td>
<td></td>
</tr>
<tr>
<td>Impact:</td>
<td>The precondition for this is - there should be sufficient space on the existing site for the required hydrogen facilities and that the delivery, storage and dispensing of hydrogen alongside other liquid or gaseous fuels is possible from both a technical and a regulatory perspective</td>
</tr>
</tbody>
</table>

---

**Note:** 1. Petrol Filling Station 2. Per gasoline gallon equivalent 3. For further details visit the [website](4) 4. [Link](4)

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Hence, the fuel-mix of future will be radically different from today

Stringent emission regulations/standards and an imminent influx of electric vehicles has led to a change in fuel mix, which in future will also comprise electric charging points and alternative fuels such as hydrogen and biofuels.

Yesterday

Today

Tomorrow

Legend:

Unleaded petrol

Biofuels (ethanol)

Premium and super unleaded petrol

Alternate fuels

Diesel

Electricity

LPG Auto Gas

“This is about us thriving through the energy transition. We’re looking at the next evolution and the needs of our customers in the broader sense. We’re doing nature-based solutions, giving motorists the opportunity to do something about their carbon footprint as we continue to invest and ramp up long-term solutions of electric vehicle charge posts for those people when they’re ready to move to EV transportation.”

— Bernie Williamson, Retail General Manager | Shell, October 2019

Various factors will have a role to play...

Apart from emission standards set by various economies for a low-carbon future other factors such as — (a) the overall regulatory landscape (relating to EV/biofuels), (b) technical feasibility of new fuel and technologies and (c) the level of customer, societal, as well as, political acceptance, will influence the pace of change and final form of the future fuel mix. Not only will the fuel-mix change in future, but also the mix of partners or stakeholders supplying this fuel in future will be drastically different from today.

Note: 1. E.g. UK Government adopted the Alternative Fuels Infrastructure Directive (AFID) — these are new rules on the labeling of petrol and diesel at service stations to enhance the understanding of the fuel’s biofuel content; in 2019 new labels were introduced at UK filling stations; Source: KPMG Analysis.
03. How are these trends shaping forecourt retailing

— Future forecourt
Emerging trends signal a change in the role of forecourt

**In-city petrol stations**

... have prime locations, will ideally become suited for convenience retailing

**Urban forecourts**

... would become prominent for transport exchanges

**Highway forecourts**

... would cater to long distance travellers and become one-stop multi-use hubs

Evolutionary trends in fuel retailing observed in developed markets are yet to fully shape-up in developing ones; hence, the future disruption in terms of technology, infrastructure and operations will materialise first in the mature markets — eventually percolating to other economies
In-city forecourts will shape up to be 'convenience stores selling fuel' instead of fuel sellers with c-store offerings; the role of local forecourt as a 'fuel provider' will hence diminish. This will open up vast opportunities for products and ancillary service offerings.

They will have a smaller format/site with c-stores at the forefront to draw in passing trade.

As e-commerce trend intensifies demand for intermediate storage is bound to increase — making in-city stations well placed to act as local distribution centres playing a key role in last-mile logistics.

These forecourts are likely to face competitive pressures from two types of players: (1) disrupters such as ‘store on wheels’ (which deliver fuels and services directly to the customers e.g. Zebra Fuel1) and (2) traditional supermarkets.

Health and safety will be a top priority and fuel pumps will be responsible to minimise the potential contraction of coronavirus at the pump.

Retail shops will be in the forecourt, and fuel will take the backcourt.

Non-fuel retail innovations, e.g.
- C-store experience
- Localised food offerings, plus a dedicated space for farmers market
- Customised store format
- Other value-added services, such as ATM

Hygiene and safety:
- Plastic gloves to handle nozzle
- Hand protection dispenser, E.g. GripHero2
- Robotic refuelling

Health and safety:
- Higher daily frequency of store cleaning
- Disinfecting high-touch areas
- Strict food safety and handling policies with self-serve items
- Plexiglass sneeze guard installation

Cart wipes and hand sanitizer stations

Click & Collect lockers for web purchases and peer-to-peer retailing

Solar panels for clean and low cost energy

Local distribution centres (last-mile delivery)

'On Roof' facilities for drone distribution & logistics services

Various type of fuels:
- Gasoline
- Battery charging
- New liquefied gas (LNG, CNG, LPG)

Note 1. Uses a fleet of specially adapted vans to dispense fuel directly into the customer’s vehicle and claims to be price competitive with inner city petrol stations/forecourts 2. Source: KPMG Analysis

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Future forecourt: Urban (2/3)

- Urban forecourt/petrol station will function as a "transfer hubs". I.e. people would be able to switch between different modes of transport.
- These forecourts would be characterised by prominence of "to-go" model—driven by mobile customers grabbing quick eats/coffee while hopping from one transport vehicle to another.
- Urban forecourts will be fewer in number (as EVs could be charged at home or at work); they will act as 'back-up' charging facilities with UFC also available.
- These stations would have larger spaces and fewer restrictions than the inner city ones.
- Additionally, pure play electric forecourts will emerge. For instance, Gridserve, an energy services company has plans to develop a UK-wide network of electric forecourts, adjacent to a main road or close to metropolitan areas. The construction of first such forecourt started in March 2020.
- Health and safety will be a top priority. Fuel pumps will be responsible to minimise the potential contraction of coronavirus at the pump.

Note: 1. UFC: Ultra Fast Charging; 2. Link
Source: KPMG Analysis
Future forecourt: Highway (3/3)

- **One stop multi-use hubs** offering variety of services such as entertainment, leisure and fuel.
- **Highway service station operators** will have a higher design freedom due to larger spaces and fewer restrictions compared to inner city and urban petrol stations.
- **Given the availability of space** the forecourt will be architecturally engaging in design and built using environmentally sustainable materials.
- **Highway forecourts** will cater to different types of commuters — long distance travellers will have lounges to relax while those who don’t want to wait can avail wide range of ‘to-go’ offerings.
- **Health and safety** will be a top priority and fuel pumps will be responsible to minimise the potential contraction of coronavirus at the pump.

**Legend:**
- Trend intensified by COVID-19

- **Health and safety** — Higher daily frequency of store cleaning
- **Disinfecting high-touch areas**
- **Strict food safety and handling policies with self-serve items**

- **Hygiene and safety** — Plastic gloves to handle nozzle
- **Hand protection dispenser, E.g. GripHero²**
- **Robotic refuelling**
- **Plexiglass sneeze guard installation**

- **Cart wipes and hand sanitizer stations**

- **Multiple eating joints with variety of food choices**

- **Retail and C-stores with a customised store format; value added services such as ATM, Children’s play area etc. present**

- **Drive through services** so that consumers who don’t want to wait can avail the ‘to-go’ offerings quickly.

- **Vending machine for ‘pit stop’ services**

- **Decals for social distancing**

- **Dedicated areas for HGV’s with advanced EV charging infrastructure**

- **‘Battery Swap’**

- **Ev and UFC1 charging and parking**

- **Solar panels for clean and low cost energy**

- **High-speed diesel pumps and wide lanes**

- **Note: 1. UFC: Ultra Fast Charging; 2. Link**

Source: KPMG Analysis

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04. How are forecourt retailers responding today

— Current strategies
The changing landscape is forcing forecourt retailers to adapt...

### Why is the landscape changing?

<table>
<thead>
<tr>
<th>Cause</th>
<th>Extensive investments in:</th>
</tr>
</thead>
</table>
| Pressure on Profitability | — Decline of fuel revenues and margins  
— OPEX heavy retail business |
| Significant investment requirements | — Outlets, to increase customer experience  
— Technology, to better serve customers  
— Infrastructure, to serve the new fuel landscape |
| More demanding consumers | — Convenience in products, services and location  
— Easy and hassle-free shopping experience  
— Quality and provenance |
| Uncertainty on future | — Uncertainty on future fuel landscape and mix  
— Role of (the different types of) forecourts both in retail and in fuel |

### What do the retailers need to do?

<table>
<thead>
<tr>
<th>Need</th>
<th>How can they do it?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Performance improvement &amp; cost reduction</td>
<td>— To restore profitability and be able to generate sufficient cash flows for investments, forecourts are actively trying to improve performance and reduce costs (OPEX)</td>
</tr>
<tr>
<td>Revenue optimisation &amp; diversification</td>
<td>— To overcome the decline of fuel revenues, new sources of revenue are developed both within existing segments (expansion of convenience retail) and by introducing new segments</td>
</tr>
<tr>
<td>Increase customer experience</td>
<td>— To respond to more demanding consumers, forecourt retailers are enhancing customer experience through all aspects of the business to retain and expand the customer base that increasingly needs to be pursued to visit as the importance and necessity of fuel sales is in decline</td>
</tr>
<tr>
<td>Risk reduction</td>
<td>— The wide uncertainty about the future fuel landscape and the role of the forecourt clearly leads forecourts to actively pursue strategies that prevent them to become obsolete in the future</td>
</tr>
</tbody>
</table>

### How can they do it?

<table>
<thead>
<tr>
<th>Method</th>
<th>Why</th>
<th>How</th>
</tr>
</thead>
<tbody>
<tr>
<td>Back-office standardisation and digitisation</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Digitise front-end (e.g. check-out)</td>
<td>1 3</td>
<td></td>
</tr>
<tr>
<td>Data driven insights</td>
<td>1 2 3</td>
<td></td>
</tr>
<tr>
<td>Acquisitions in mobility domain</td>
<td>2 4</td>
<td></td>
</tr>
<tr>
<td>Starting adjacent services</td>
<td>2 4</td>
<td></td>
</tr>
<tr>
<td>Consolidation</td>
<td>1 2 4</td>
<td></td>
</tr>
</tbody>
</table>
...leading to consolidation, as one of the key ways to maintain market position (1/2)

Forecourt retailers are consolidating in a bid to maintain or improve their market position. Continued single site acquisitions by group operators is being witnessed; moreover, oil companies have also been acquiring pure-play EV terminal manufacturers.

<table>
<thead>
<tr>
<th>Group</th>
<th>Acquisition Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>MRH</td>
<td>Acquired Chartist Retail (operates independently owned portfolios of service station forecourts); the acquisition is in line with MRH’s strategic objectives of widening both the breadth of offerings and locations served.</td>
</tr>
<tr>
<td>Applegreen</td>
<td>Acquired a network of seven sites from Indie Carsley Group for £21 million in a bid to establish major service area presence in the UK. Sites are mainly located on the strategic arterial route of the A1(M).</td>
</tr>
<tr>
<td>Applegreen</td>
<td>Acquired Welcome Break, a motorway service area operator, for a cash consideration of approximately £322 million. This move broadens Applegreen’s Motorway Service Area network.</td>
</tr>
<tr>
<td>7-Eleven</td>
<td>Acquired Sunoco’s 1,030 convenience stores across 17 states in the US for US$3.3 billion (£2.6 billion) with an aim to expand its presence in Texas, while consolidating existing positions in North America.</td>
</tr>
<tr>
<td>EG Group</td>
<td>Acquired 762 convenience stores in the US from Kroger Co. for US$2.2 billion (£1.7 billion); group has retained Kroger’s branding and aims to understand the US market dynamics via this acquisition.</td>
</tr>
<tr>
<td>MFG</td>
<td>Acquired ExxonMobil’s 1,000 sites (Esso Brand) in Germany under branded wholesale agreement. The group started to operate in Germany through this acquisition.</td>
</tr>
<tr>
<td>MFG</td>
<td>Acquired 14 stations from forecourt operator Golden Cross Group. This follows the purchase of sites from FW Kerridge, Burns &amp; Co., and Manor Service Stations in 2017.</td>
</tr>
<tr>
<td>MFG</td>
<td>Acquired rival MRH for £1.2 billion to consolidate its position in the UK market — move is expected to create a forecourt network of over 900 sites with a combined annual fuel sales of 3.6 billion litres.</td>
</tr>
<tr>
<td>Prax</td>
<td>Acquired the retail network of the two forecourt retailers listed in UK Top 50 Indices, HKS Retail and Retail Fuels Limited with an aim to reinforce presence in the UK.</td>
</tr>
</tbody>
</table>

Note: Convenience store news reported; 1USD = 0.78632 GBP, per Oanda as at 22 April 2019.
…leading to consolidation, as one of the key ways to maintain market position (2/2)

Forecourt retailers are consolidating in a bid to maintain or improve their market position. Continued single site acquisitions by group operators is being witnessed; moreover, oil companies have also been acquiring pure-play EV terminal manufacturers.

<table>
<thead>
<tr>
<th>2019</th>
<th>2020</th>
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</thead>
<tbody>
<tr>
<td>MFG</td>
<td>EG Group</td>
</tr>
<tr>
<td>Symonds Retail</td>
<td>Cumberland Farms</td>
</tr>
<tr>
<td>MFG acquired Symonds Retail, operator of 10 sites (including six BP branded, three Shell and one Texaco). The acquisition also includes three ‘new to industry sites’ and increases the total number of petrol stations operated by MFG in the UK, to 904</td>
<td>UK-based EG Group which first entered the US market in 2018 with acquisition of Kroger’s 762 c-stores, in 2019 acquired Cumberland Farms, which operates 567 c-stores in seven Northeast states and Florida. With this, its US site count reached 1,680 stores in 31 states</td>
</tr>
</tbody>
</table>

**COVID-19 impacting M&A deals**

The pandemic prompted Couche-Tard to drop the AUD 8.8 billion (US$5.6 billion) proposal for acquiring fuel retailer Caltex Australia.

Note: 1. As at 16 April it is a non-binding, conditional and incomplete proposal if approved, completion is expected to occur mid-2020; 2. The Oklahoma stores were not licensees or franchisees of seven eleven, they were totally independent.

Other notes: Convenience store news reported; Exchange rate used for conversion as is 1 USD = 0.80254 GBP as at 30 March 2020.
05. How should forecourt retailers respond in the future?

— Future strategies
A. Brace for disruption

Fuel retailers are most likely to face the following possible challenges in the future...

Customer spend at forecourts will continue to shift from fuel purchase to convenience retailing

(Dominance of fossil fuels is at threat and it is uncertain at the moment which charging technology will dominate in the future; in addition, the pandemic is altering shopping habits and spurring digital purchases)

Adjacent value-added and entertainment services will gain centre stage

(Service offerings will become a clear differentiator, new segments providing highly personalised customer engagements, will emerge. Making delivery of value propositions both physically and virtually crucial)

Forecourt footprint could witness a potential fall in some markets, while in others, it will have to be repurposed

(EV charging can be done at home, office, malls or restaurants and hence charging may not require the same footprint of sites as exists today)

MaaS will enable new services; new business models will emerge

(Rise of car-sharing and ride-sharing reduces the amount of cars on roads)

Source: KPMG Analysis
## B. Prepare for tomorrow

... requiring them to respond by building compelling retail propositions, efficiently managing infrastructure and operations, and re-shaping their strategic objectives.

### Immediate actions (next 5 years)

- Develop competing ancillary service propositions to capitalise on customer EV charge wait time
- Provide offers at the point of sale (via GPS/beacon technology)
- Scale back foodservice operations in light of the pandemic
- Increase delivery curb-side pick up
- Increase food-to-go offerings and ready-to-go meals
- Reinvent the customer relationship using digital and mobile technologies
- Cross sell
- Measure customer behaviour in response to EV and AV using predictive models
- Review and “churn” concepts continually to keep them fresh and interesting

### Long term (next 10 years)

- Infrastructures to account for hydrogen production, storage and distribution
- Unlock value from car parks via alternative use cases (e.g. installation of charging points, Click & Collect lodgers)
- Develop facilities for drone distribution and other logistics services
- Use existing physical sites to provide for: (1) logistics services and (2) services to the logistics sector
- Devise new economic models for sites (e.g. renting space to new energy suppliers (electricity etc.) and leisure retailers
- Designing new forecourts (and re-designing existing ones) with EV charging infrastructure
- Engage and grow new skills (e.g. data science)
- Invest in solar power, battery technology and mobile charging projects, to enter into carbon mobility space
- Diversify business model and offer localised products
- Use digital marketing
- Rapid testing of new tech solutions
- Digital payments to maximise revenue and security + capture customer info
- Use existing physical sites to develop facilities for parcel pick-up/drop and collect
- Digitise accounts receivables/payables value chain
- Military, surpluses and security

### Action items

- Predictive maintenance
- Inventory solutions to identify high value, fast moving SKUs
- Workplace and store safety
- Non-contact digital payment and delivery options
- Digitalisation and automation to save costs
- Move from fuel to mobility service
- Partner with tech players
- Lead the way into non-traditional fuel offering (e.g. EV)
- Partner with supermarkets (e.g. Walmart) to expand EV charging beyond forecourts
- Partner with operators of fleet vehicles to cater to their recharging or re-fueling needs
- Partner with automakers to develop software that ensures their brand of fuel is the primary/default choice of the AV

### Note:

Highlighted action items reflect the trends intensified or driven by COVID-19
C. Reinvent to stay relevant

Fuel retailers need to reimagine themselves in the face of current disruption. A two-pronged business plan, whereby forecourt retailers continue to focus on fossil fuel but start to pivot towards electric car charging technology is ideal in the short run. They however, need to define a long-term strategy centred around:

- **Customer experience**
- **Service-based offerings**
- **Digital solutions**

Forecourt retailers who do not future proof themselves, will perish!

Source: KPMG Analysis
06. Appendices
Appendix I
Market Scenario (1/2)

Statistics — Forecourt Retail, by Geography (2019)

Note: *The market size is based on retail value RSP excluding sales tax (current value at fixed exchange rates); **CAGR Cumulative average growth rate; Market size comprises revenue derived from convenience sales only

Source: Euromonitor International Ltd 2020; pre-COVID analysis

Global (2019)
Market size*: US$196.6 billion
CAGR** (2014–19): 3.82%
Total number of sites/outlets: 349,792
### Market Scenario (2/2)

#### Global Top 12 2019 Market Share

<table>
<thead>
<tr>
<th>Rank</th>
<th>Country</th>
<th>Market size: US$</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td></td>
<td>111.08 billion</td>
</tr>
<tr>
<td>2</td>
<td></td>
<td>14.84 billion</td>
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<td>3</td>
<td></td>
<td>11.14 billion</td>
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<td>10</td>
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<td>2.09 billion</td>
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<tr>
<td>12</td>
<td></td>
<td>1.86 billion</td>
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#### Global Top 12 2024* Market Share

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<td>125.26 billion</td>
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<td>2</td>
<td></td>
<td>17.25 billion</td>
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<td>7.63 billion</td>
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<td>4.93 billion</td>
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<td>2.95 billion</td>
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<td>10</td>
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<td>2.55 billion</td>
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<td>11</td>
<td></td>
<td>2.51 billion</td>
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<tr>
<td>12</td>
<td></td>
<td>2.47 billion</td>
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</tbody>
</table>

Note: * Forecast data for market size
Source: Euromonitor; pre-COVID analysis
Country overview: USA

The forecourt retail market in the US is highly fragmented with multiple players offering similar products and services.

**Forecourt retail market size* (US$ billion)**

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<td>119.5</td>
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<td>125.3</td>
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**Total number of site/outlets**

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<tbody>
<tr>
<td>Sites/outlets</td>
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<td>115,081</td>
<td>114,769</td>
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<td>114,603</td>
<td>114,729</td>
<td>115,131</td>
<td>115,442</td>
<td></td>
</tr>
</tbody>
</table>

**Key players in terms of market share* 2019 %**

- Alimentation Couche-Tard Inc: 72%
- Seven & I Holdings Co Ltd: 5%
- Marathon Oil Co: 5%
- Wawa Inc: 3%
- QuikTrip Corp: 3%
- Murphy USA Inc: 3%
- Casey’s General Stores Inc: 3%
- Others: 7%

**Forecasted figures**

- Alimentation Couche-Tard Inc: 4,105
- Seven & I Holdings Co Ltd: 3,913
- Marathon Oil Co: 2,202
- Casey’s General Stores Inc: 1,593
- EG Group Ltd: 1,492
- Murphy USA Inc: 1,209
- GPM Investments LLC: 804
- QuikTrip Corp: 593
- Wawa Inc: 303
- Chevron Corp: 203
- Meijer Inc: 197
- QuickChek Corp: 77
- Energy Transfer Equity LP: 74

Note: *Market size and share are based on the retail value RSP excluding Sales Tax; Others include Sheetz Inc., EG Group Ltd, GPM Investments LLC, Giant Eagle Inc, Chevron Corp, Meijer Inc., QuickChek Corp, Energy Transfer Equity LP; Market size comprises revenue derived from convenience sales.

Source: Euromonitor International Ltd 2020; pre-COVID analysis.
The German forecourt retail market is also very fragmented with top five players accounting for nearly 38 percent of the forecourt retail market share.

### Forecourt retail market size* (US$ billion)

- **2014:** US$13.0 billion
- **2015:** US$13.2 billion
- **2016:** US$13.4 billion
- **2017:** US$13.7 billion
- **2018:** US$14.4 billion
- **2019:** US$15.3 billion
- **2020 (F):** US$16.3 billion
- **2021 (F):** US$16.7 billion
- **2022 (F):** US$17.2 billion
- **2023 (F):** US$18.0 billion
- **2024 (F):** US$18.8 billion

**CAGR:** 2.99%

### Total number of site/outlets

- **2014:** 14,740
- **2015:** 14,722
- **2016:** 14,720
- **2017:** 14,521
- **2018:** 14,530
- **2019:** 14,528
- **2020 (F):** 14,477
- **2021 (F):** 14,398
- **2022 (F):** 14,297
- **2023 (F):** 14,183
- **2024 (F):** 14,054

### Key players in terms of market share* 2019%

- **Royal Dutch Shell Plc:** 11%
- **British Petroleum Co Plc, The:** 10%
- **Exxon Mobil Corp:** 8%
- **Total SA:** 5%
- **Rewe Group:** 4%
- **Avia International:** 4%
- **ConocoPhillips Co:** 3%
- **ENI SpA:** 2%
- **Internationale Spar Centrale BV:** 2%
- **Westfalen AG:** 2%
- **Others:** 49%

**Total:** US$14.8 billion

### Number of sites/outlets: Only for key players 2019

- **Royal Dutch Shell Plc:** 1,145
- **British Petroleum Co Plc, The:** 894
- **Total SA:** 884
- **Exxon Mobil Corp:** 684
- **Avia International:** 584
- **Rewe Group:** 529
- **ConocoPhillips Co:** 456
- **ENI SpA:** 456
- **Internationale Spar Centrale BV:** 456
- **OIL! Tankstellen GmbH & Co KG:** 405
- **Oilinvest (Netherlands) BV Group:** 297
- **OMV Tankstellen AG:** 263
- **Westfalen AG:** 1,13
- **INTERNATIONALE DIERENKAMER B.V.:** 113

**Note:** Market size and share are based on the retail value RSP excluding Sales Tax; Others include Deutscher Raiffeisenverband eV, Q1 Tankstellenvertrieb GmbH & Co KG, OIL! Tankstellen GmbH & Co KG, PKN Orlen SA, OMV Tankstellen AG, Oilinvest (Netherlands) BV Group, Hellweg Die Profi-Baumärkte GmbH & Co KG; Market size comprises revenue derived from convenience sales only.

**Source:** Euromonitor International Ltd 2020, pre-COVID analysis.
Country overview: China

China Petroleum & Chemical Corp is the dominant player in China, holding 67 percent of the market share and having 27,363 outlets.

Key players in terms of market share* 2019 %
- China Petroleum & Chemical Corp: 67%
- China National Petroleum Corp: 23%
- British Petroleum Co Plc, The: 1%
- Royal Dutch Shell Plc: 1%
- Total SA: 0%
- Others: 8%

Total: US$11.1 billion

Key players in terms of market share* 2019%
- China Petroleum & Chemical Corp
- China National Petroleum Corp
- British Petroleum Co Plc, The
- Royal Dutch Shell Plc
- Total SA
- Others

Note: *Market size and share are based on the retail value RSP excluding Sales Tax; Bifurcation for Others not provided by Euromonitor; Market size comprises revenue derived from convenience sales only.
Source: Euromonitor International Ltd 2020; pre-COVID analysis.
The UK forecourt retail market is very fragmented and is expected to grow at a CAGR of 2.01 percent during the forecast period, to reach US$7.6 billion in 2024.

Forecourt retail market size* (US$ billion)

Total number of site/outlets

Key players in terms of market share* 2019 %

Number of sites/outlets: Only for key players 2019

*% might not total up to 100% owing to rounding

Note: *Market size and share are based on the retail value RSP excluding Sales Tax; Others include Certas Energy UK Ltd, British Petroleum Co Plc, Walmart Inc, Park Garage Group, Musgrave Group Plc, Gleaner Oils Ltd; Market size comprises revenue derived from convenience sales only.

Source: Euromonitor International Ltd 2020; pre-COVID analysis
Country overview: Australia

In Australia, Coles Group Ltd and Woolworths Ltd (Australia) account for 45 percent of the forecourt retail market share.

Key players in terms of market share* 2019 %

- Coles Group Ltd: 25%
- Woolworths Ltd (Australia): 17%
- British Petroleum Co Plc, The: 12%
- Seven & I Holdings Co Ltd: 7%
- United Petroleum Pty Ltd: 4%
- Puma Energy International SA: 3%
- Caltex Australia Ltd: 2%
- On The Run Pty Ltd: 1%
- Idemitsu Kosan Co Ltd: 1%
- APCO Service Stations Pty Ltd: 1%
- Rasvor Pty Ltd: 1%
- Others: 6%

Total: US$5.7 billion

Note: *Market size and share are based on the retail value RSP excluding Sales Tax; Bifurcation for Others not provided by Euromonitor; Market size comprises revenue derived from convenience sales only
Source: Euromonitor International Ltd 2020, pre-COVID analysis

Forecasted figures

Number of sites/outlets: Only for key players 2019

- Coles Group Ltd: 714
- British Petroleum Co Plc, The: 590
- Caltex Australia Ltd: 543
- Seven & I Holdings Co Ltd: 541
- Woolworths Ltd (Australia): 540
- United Petroleum Pty Ltd: 408
- Puma Energy International SA: 270
- On The Run Pty Ltd: 140
- Idemitsu Kosan Co Ltd: 49
- APCO Service Stations Pty Ltd: 22
- Rasvor Pty Ltd: 9

Forecasted figures

Legend:

- Coles Group Ltd
- Woolworths Ltd (Australia)
- British Petroleum Co Plc, The
- Seven & I Holdings Co Ltd
- United Petroleum Pty Ltd
- Puma Energy International SA
- Caltex Australia Ltd
- On The Run Pty Ltd
- Idemitsu Kosan Co Ltd
- APCO Service Stations Pty Ltd
- Rasvor Pty Ltd
- Others

Note: *Market size and share are based on the retail value RSP excluding Sales Tax; Bifurcation for Others not provided by Euromonitor; Market size comprises revenue derived from convenience sales only
Source: Euromonitor International Ltd 2020, pre-COVID analysis
Country overview: Canada

In Canada, the top two players—Alimentation Couche-Tard Inc. and Parkland Fuel Corp—make up for ~50 percent of the forecourt retail market

**Forecourt retail market size** (US$ billion)

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<tr>
<td>Value</td>
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<td>4.3</td>
<td>4.5</td>
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<tr>
<td><strong>CAGR</strong></td>
<td>4.18%</td>
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<tr>
<td><strong>CAGR</strong></td>
<td>4.67%</td>
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**Total number of site/outlets**

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<tr>
<td>Value</td>
<td>7,885</td>
<td>7,956</td>
<td>8,099</td>
<td>8,131</td>
<td>8,765</td>
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<td>9,074</td>
<td>9,165</td>
<td>9,238</td>
<td>9,284</td>
<td>9,312</td>
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<tr>
<td><strong>Forecasted Figures</strong></td>
<td></td>
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</table>

**Key players in terms of market share** 2019 %

- Alimentation Couche-Tard Inc: 39%
- Parkland Fuel Corp: 13%
- Royal Dutch Shell Plc: 12%
- Suncor Energy Inc: 11%
- Seven & I Holdings Co Ltd: 5%
- Empire Co Ltd: 13%
- Husky Energy Inc: 4%
- Others: 15%

**Total: US$3.9 billion**

**Number of sites/outlets: Only for key players 2019**

- **Alimentation Couche-Tard Inc**: 1,946
- **Royal Dutch Shell Plc**: 1,317
- **Suncor Energy Inc**: 1,195
- **Parkland Fuel Corp**: 1,013
- **Husky Energy Inc**: 408
- **Empire Co Ltd**: 378
- **Canadian Tire Corp Ltd**: 301
- **Seven & I Holdings Co Ltd**: 219
- **Exxon Mobil Corp**: 51

Note: *Market size and share are based on the retail value RSP excluding Sales Tax; Bifurcation for Others not provided by Euromonitor; Market size comprises revenue derived from convenience sales only*

Source: Euromonitor International Ltd 2020; pre-COVID analysis
Country overview: Spain

Repsol YPF Distribuidora SA in Spain is the most dominant player both in terms of market share and the number of outlets.

Forecourt retail market size* (US$ billion)

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<td>2.82</td>
<td>2.89</td>
<td>2.97</td>
<td>3.04</td>
<td>3.11</td>
</tr>
</tbody>
</table>

CAGR: 4.99%

Key players in terms of market share* 2019 %
- Repsol SA: 22%
- El Corte Inglés SA: 9%
- Galp Energía SGPS SA: 9%
- Carrefour SA: 4%
- Cepsa Estaciones de Servicio SA: 4%
- Disa Peninsula SLU: 4%
- British Petroleum Co Plc, The: 2%
- Internationale Spar Centrale BV: 2%
- Others: 54%

Total: US$2.7 billion

% might not total up to 100% owing to rounding

Note: *Market size and share are based on the retail value RSP excluding Sales Tax; Bifurcation for Others not provided by Euromonitor; Market size comprises revenue derived from convenience sales only

Source: Euromonitor International Ltd 2020; pre-COVID analysis

Total number of site/outlets

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<td>8,664</td>
<td>9,119</td>
<td>9,542</td>
<td>9,637</td>
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<td>10,085</td>
<td>10,267</td>
<td>10,421</td>
<td>10,546</td>
<td>10,641</td>
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</table>

International Spar Centrale BV: 130

Legend:
- Forecasted figures

Number of sites/outlets: Only for key players 2019

<table>
<thead>
<tr>
<th>Player</th>
<th>2019</th>
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<tbody>
<tr>
<td>Repsol SA</td>
<td>3,130</td>
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<td>Galp Energía SGPS SA</td>
<td>510</td>
</tr>
<tr>
<td>Carrefour SA</td>
<td>430</td>
</tr>
<tr>
<td>Cepsa Estaciones de Servicio SA</td>
<td>360</td>
</tr>
<tr>
<td>El Corte Inglés SA</td>
<td>350</td>
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<tr>
<td>Disa Peninsula SLU</td>
<td>330</td>
</tr>
<tr>
<td>British Petroleum Co Plc, The</td>
<td>170</td>
</tr>
<tr>
<td>Internationale Spar Centrale BV</td>
<td>13</td>
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</tbody>
</table>

Legend:
- Forecasted figures

Forecasted figures

Note: % might not total up to 100% owing to rounding

*Market size and share are based on the retail value RSP excluding Sales Tax; Bifurcation for Others not provided by Euromonitor; Market size comprises revenue derived from convenience sales only

Source: Euromonitor International Ltd 2020; pre-COVID analysis
Country overview: Netherlands

In Netherlands, the top five players account for more than 65 percent of the forecourt retail market.

**Forecourt retail market size** (US$ billion)

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**Total number of site/outlets**

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**Number of sites/outlets: Only for key players 2019**

- **Royal Dutch Shell Plc**: 398
- **Exxon Mobil Corp**: 303
- **Total SA**: 253
- **British Petroleum Co Plc, The**: 237
- **Avia International**: 137
- **European Forecourt Retail Group SAS**: 95
- **Gulf Oil International**: 61
- **Ollinvest (Netherlands) BV Group**: 46
- **Kuwait Petroleum Corp**: 27
- **Others**: 23%

Note: *Market size and share are based on the retail value RSP excluding Sales Tax; Bifurcation for Others not provided by Euromonitor. Market size comprises revenue derived from convenience sales only.

Source: Euromonitor International Ltd 2020; pre-COVID analysis
Country overview: Switzerland

The top five players hold more than 70 percent of the market share in Switzerland’s forecourt retail market

**Forecourt retail market size** (US$ billion)

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<td>2.54</td>
<td>2.67</td>
<td>2.82</td>
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**CAGR:** 4.74%

**Total number of site/outlets**

- **Key players in terms of market share**
  - Migros Genossenschaftsbund eG: 22%
  - Coop Genossenschaft: 4%
  - British Petroleum Co Plc, The: 4%
  - Avia International: 6%
  - ENI SpA: 6%
  - fenaco-LANDI Gruppe: 8%
  - Oilinvest (Netherlands) BV Group: 9%
  - Royal Dutch Shell Plc: 12%
  - SOCAR Co: 9%
  - Others: 20%

**Total: US$2.3 billion**

**Number of sites/outlets:** Only for key players 2019

- Migros: 307
- Coop Genossenschaft: 251
- British Petroleum Co Plc, The: 158
- ENI SpA: 138
- fenaco-LANDI Gruppe: 119
- Royal Dutch Shell Plc: 119
- Avia International: 113
- Oilinvest (Netherlands) BV: 107
- SOCAR Co: 44
- Internationale Spar Centrale: 31
- Jubin Frères SA: 25

**Legend:**
- **Forecasted figures**

Note: *Market size and share are based on the retail value RSP excluding Sales Tax; Others include Clinternational Spar Centrale BV, Jubin Frères SA; Market size comprises revenue derived from convenience sales only.

Source: Euromonitor International Ltd 2020; pre-COVID analysis
Country overview: Poland

PKN Orlen SA is the dominant player holding 32 percent of the market share in the forecourt retail market of Poland.

Forecourt retail market size* (US$ billion)

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CAGR: 8.83%

Total number of site/outlets

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<td>7,730</td>
<td>7,751</td>
<td>7,799</td>
<td>7,846</td>
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</table>

Key players in terms of market share* 2019 %

- PKN Orlen SA: 32%
- British Petroleum Co Plc, The: 10%
- Royal Dutch Shell Plc: 9%
- Grupa Lotos SA: 8%
- Alimentation Couche-Tard Inc: 7%
- Amic Energy Management GmbH: 6%
- Others: 32%

Total: US$2.1 billion

Number of sites/outlets: Only for key players 2019

- PKN Orlen SA: 1,743
- British Petroleum Co Plc, The: 546
- Grupa Lotos SA: 480
- Royal Dutch Shell Plc: 415
- Alimentation Couche-Tard Inc: 268
- Amic Energy Management GmbH: 114
- Others: 3,969

Note: *Market size and share are based on the retail value RSP excluding Sales Tax; Bifurcation for Others not provided by Euromonitor; Market size comprises revenue derived from convenience sales only.

Source: Euromonitor International Ltd 2020; pre-COVID analysis.
Country overview: France

France reported a decline in market size from 2014 to 2019; however, a CAGR of 1.4 percent has been forecasted over 2020-24.

### Forecourt retail market size* (US$ billion)

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CAGR: 1.42%

### Total number of site/outlets

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### Key players in terms of market share* 2019 %

- Total SA: 39%
- Royal Dutch Shell Plc: 11%
- Exxon Mobil Corp: 9%
- British Petroleum Co Plc, The: 9%
- Carrefour SA: 3%
- E Leclerc: 1%
- Others: 5%

**Total: US$2.1 billion**

### Number of sites/outlets: Only for key players 2019

- **Total SA**: 1,259
- **Exxon Mobil Corp**: 155
- **Royal Dutch Shell Plc**: 139
- **British Petroleum Co Plc, The**: 111
- **Carrefour SA**: 97
- **E Leclerc**: 11

**Forecasted figures**

**Legend:**
- **Forecasted Figures**

Note: *Market size and share are based on the retail value RSP excluding Sales Tax; Bifurcation for Others not provided by Euromonitor; Market size comprises revenue derived from convenience sales only.*

Source: Euromonitor International Ltd 2020; pre-COVID analysis.
Country overview: Thailand

Thailand forecourt retail market is highly consolidated with Seven & I holding 71 percent market share and the highest number of sites/outlets.

### Forecourt retail market size* (US$ billion)

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### Total number of site/outlets

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### Key players in terms of market share* 2019 %

- **Seven & I Holdings Co Ltd**: 71%
- **PTT PCL**: 8%
- **Tesco Plc**: 8%
- **Royal Dutch Shell Plc**: 4%
- **Big C Supercenter PCL**: 2%
- **Exxon Mobil Corp**: 1%
- **Central Group**: 1%
- **Others**: 1%

### Number of sites/outlets: Only for key players 2019

- **Seven & I Holdings Co Ltd**: 1,621
- **PTT PCL**: 273
- **Big C Supercenter PCL**: 162
- **Royal Dutch Shell Plc**: 155
- **Internationale Spar Centrale BV**: 100
- **FamilyMart Co Ltd**: 45
- **Bangchak Petroleum PCL, The**: 44
- **Exxon Mobil Corp**: 35
- **Central Group**: 32

Note: *Market size and share are based on the retail value RSP excluding Sales Tax. Others include FamilyMart Co Ltd, The Bangchak Petroleum PCL, Internationale Spar Centrale BV. Market size comprises revenue derived from convenience sales only.

Source: Euromonitor International Ltd 2020, pre-COVID analysis.
Country overview: Italy

In Italy, the market is consolidated with the top four contributing to 92 percent of the forecourt retail market share.

Forecourt retail market size* (US$ billion)

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CAGR: 2.38%

Key players in terms of market share* 2019 %

- Exxon Mobil Corp: 38%
- ENI SpA: 10%
- Oilinvest (Netherlands) BV Group: 8%
- API - Anonima Petroli Italiana SpA: 7%
- Others: 33%

Total: US$0.3 billion

Number of sites/outlets: Only for key players 2019

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Note: *Market size and share are based on the retail value RSP excluding Sales Tax; Bifurcation for Others not provided by Euromonitor; Market size comprises revenue derived from convenience sales only.

Source: Euromonitor International Ltd 2020; pre-COVID analysis.
Country overview: India

Bharat Petroleum Corp Ltd is the key player in the Indian forecourt retail market with 23 percent market share and the highest number of sites/outlets.

Forecourt retail market size* (US$ billion)

- **Bharat Petroleum Corp Ltd**: 0.07 (2019), forecasted to 0.06 (2020F) to 0.04 (2024F)
- **Indian Oil Corp Ltd**: 0.04 (2019), forecasted to 0.03 (2020F) to 0.02 (2024F)
- **Others**: 0.04 (2019), forecasted to 0.03 (2020F) to 0.02 (2024F)

**Total number of sites/outlets**

- **Bharat Petroleum Corp Ltd**: 353 (2024F)
- **Indian Oil Corp Ltd**: 346 (2024F)
- **Others**: 350 (2024F)

**Key players in terms of market share* 2019 %**

- **Bharat Petroleum Corp Ltd**: 23%
- **Indian Oil Corp Ltd**: 6%
- **Others**: 71%

**Total: US$0.05 billion**

**Number of sites/outlets: Only for key players 2019**

- **Bharat Petroleum Corp Ltd**: 157
- **Indian Oil Corp Ltd**: 103
- **Others**: 73

Note: *Market size and share are based on the retail value RSP excluding Sales Tax; Bifurcation for Others not provided by Euromonitor. Market size comprises revenue derived from convenience sales only.

Source: Euromonitor International Ltd 2020, pre-COVID analysis.
Country overview: Brazil

The Brazilian forecourt market is consolidated, with top four key players contributing to 53 percent of the entire market share.

**Forecourt retail market size** (US$ billion)

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**Key players in terms of market share** 2019 %

- **Total: US$1.69 billion**
  - British Petroleum Co Plc, The: 47%
  - Royal Dutch Shell Plc: 22%
  - Pampa Energia SA: 16%
  - AleSat Combustiveis SA: 12%
  - Others: 3%

**Total number of site/outlets**

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<td>8,719</td>
<td>8,889</td>
<td>9,039</td>
<td>9,169</td>
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**Number of sites/outlets: Only for key players 2019**

- **British Petroleum Co Plc, The**: 2,548
- **Pampa Energia SA**: 1,369
- **Royal Dutch Shell Plc**: 1,060
- **AleSat Combustiveis SA**: 273

Note: *Market size and share are based on the retail value RSP excluding Sales Tax; Bifurcation for Others not provided by Euromonitor. Market size comprises revenue derived from convenience sales only.

Source: Euromonitor International Ltd 2020; pre-COVID analysis.
Country overview: Mexico

Fomento Económico Mexicano SAB de CV is the largest player in Mexico in terms of market share and number of outlets.

Forecourt retail market size* (US$ billion)

<table>
<thead>
<tr>
<th>Year</th>
<th>Market Size</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>1.27</td>
</tr>
<tr>
<td>2015</td>
<td>1.30</td>
</tr>
<tr>
<td>2016</td>
<td>1.40</td>
</tr>
<tr>
<td>2017</td>
<td>1.47</td>
</tr>
<tr>
<td>2018</td>
<td>1.56</td>
</tr>
<tr>
<td>2019</td>
<td>1.64</td>
</tr>
<tr>
<td>2020F</td>
<td>1.74</td>
</tr>
<tr>
<td>2021F</td>
<td>1.83</td>
</tr>
<tr>
<td>2022F</td>
<td>1.94</td>
</tr>
<tr>
<td>2023F</td>
<td>2.05</td>
</tr>
<tr>
<td>2024F</td>
<td>2.17</td>
</tr>
</tbody>
</table>

Note: *Market size and share are based on the retail value RSP excluding Sales Tax; Bifurcation for Others not provided by Euromonitor, it does include Organización Soriana SAB de CV; Market size comprises revenue derived from convenience sales only; Source: Euromonitor International Ltd 2020; pre-COVID analysis.

Total number of site/outlets

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Sites/Outlets</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>5,596</td>
</tr>
<tr>
<td>2015</td>
<td>5,569</td>
</tr>
<tr>
<td>2016</td>
<td>5,577</td>
</tr>
<tr>
<td>2017</td>
<td>5,578</td>
</tr>
<tr>
<td>2018</td>
<td>5,600</td>
</tr>
<tr>
<td>2019</td>
<td>5,619</td>
</tr>
<tr>
<td>2020F</td>
<td>5,659</td>
</tr>
<tr>
<td>2021F</td>
<td>5,680</td>
</tr>
<tr>
<td>2022F</td>
<td>5,704</td>
</tr>
<tr>
<td>2023F</td>
<td>5,731</td>
</tr>
</tbody>
</table>

Key players in terms of market share* 2019 %

- Fomento Económico Mexicano SAB de CV: 14%
- Seven & I Holdings Co Ltd: 5%
- Alimentation Couche-Tard Inc: 7%
- Others: 74%

Number of sites/outlets: Only for key players 2019

- Fomento Económico Mexicano SAB de CV: 2,886
- Alimentation Couche-Tard Inc: 198
- Seven & I Holdings Co Ltd: 180
- Organización Soriana SAB de CV: 17
Country overview: Argentina

Globally, Argentina recorded the highest CAGR across the globe in 2019 (at 32.4 percent); YPF SA holds half of the forecourt retail market share in the country.

Forecourt retail market size* (US$ billion)

Key players in terms of market share* 2019 %

- YPF SA
- Royal Dutch Shell Plc
- Trafigura Argentina SA
- Bridas Corp
- Others

Total: US$0.77 billion

Legend:
- Forecasts figures

Forecasted figures

Total number of site/outlets

Number of sites/outlets: Only for key players 2019

- YPF SA
- Royal Dutch Shell Plc
- Bridas Corp
- Trafigura Argentina SA
- Others

Note: *Market size and share are based on the retail value RSP excluding Sales Tax; Bifurcation for Others not provided by Euromonitor; Market size comprises revenue derived from convenience sales only

Source: Euromonitor International Ltd 2020; pre-COVID analysis

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Appendix II
Case study: Lekkerland || Germany

Lekkerland, a German wholesaler launched an innovative store concept at the end of 2016 called the “Frischwerk concept” which was part of the company’s future strategy — Convenience 2020.

The Frischwerk concept takes a fresh look at petrol stations and food services in Germany and has been designed taking consumer and supplier feedback on layout, setup, marketing, training of staff.

Some of the key findings form these feedback and research were:

— Demand for a clear division between two zones, which can be referred to as ‘traditional’ and ‘modern’. Food services and everything related is ‘modern’, while all that’s related to car care, petrol and cigarettes is ‘traditional’. From an operational point of view there must be two different people working in the two areas clearly linked to each section

— A shopper friendly atmosphere was also an important factor

— Another critical element was the prices at gas stations in Germany which are often perceived by consumers as too high or the pricing structure is not consistent. So the company developed a pricing model (dynamic pricing) as a recommendation to our customers that also includes the competition in the area around the station (what are others charging)

— The company also borrowed the ‘meal deal’ idea (three or four items for a single, good price) which was prevalent in the UK but wasn’t really being done in German petrol stations till 2016

Further the company is also testing a digital screens solution in and outside the stores where they can offer products or promotions depending on different consumer need states

Source: Frischwerk: Lekkerland’s innovative store concept for petrol stations, PetrolPLAZA; Lekkerland transforms forecourt experience in Germany with Frischwerk concept, Global Convenience Store Focus
Appendix III
## Methodology: Adjacent Services Growth Potential

<table>
<thead>
<tr>
<th>Aspect</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Objective</strong></td>
<td>The objective of country attractiveness is to understand the potential of growth of the forecourt adjacent services on a country to country basis. Attractiveness is gauged in terms of quantitative parameters around:</td>
</tr>
<tr>
<td></td>
<td>Digital adoption index; Source: World Bank (2016, latest available)</td>
</tr>
<tr>
<td></td>
<td>Historic growth of convenience store; Source: Euromonitor data</td>
</tr>
<tr>
<td></td>
<td>Expected growth in forecourt market; Source: Euromonitor data</td>
</tr>
<tr>
<td></td>
<td>Services as a percent of GDP; Source: World Bank latest data (mainly 2018)</td>
</tr>
<tr>
<td></td>
<td>Demographics structure; Source: World Bank, Demographic Dividend</td>
</tr>
<tr>
<td><strong>Approach</strong></td>
<td>The quantitative factors are assigned weightages according to the possible impact:</td>
</tr>
<tr>
<td></td>
<td>Digital adoption index; weightage assigned: 30%</td>
</tr>
<tr>
<td></td>
<td>Historic growth of convenience store; weightage assigned: 30%</td>
</tr>
<tr>
<td></td>
<td>Expected growth in forecourt market; weightage assigned: 20%</td>
</tr>
<tr>
<td></td>
<td>Services as a percent of GDP; weightage assigned: 15%</td>
</tr>
<tr>
<td></td>
<td>Demographics structure; weightage assigned: 5%</td>
</tr>
<tr>
<td></td>
<td>Ranks/ratings are assigned to each data point on the scale of 1-23, with 1 being the most attractive and 23 being the least</td>
</tr>
<tr>
<td></td>
<td>Calculation of overall ranks/scores - Ratings are multiplied by the weighting value of each factors. Then sum of the weighted scores across all factors gives the total/consolidated score for a player; basis which the overall rank is calculated. The calculation of consolidated score is based on a KPMG proprietary excel tool</td>
</tr>
<tr>
<td><strong>Caveats</strong></td>
<td>The data, that is the weightages, is based on KPMG Analysis</td>
</tr>
<tr>
<td></td>
<td>The ranking is linked to the weightages and any changes to the weightages will affect the ranking</td>
</tr>
</tbody>
</table>
Appendix IV
<table>
<thead>
<tr>
<th>Name</th>
<th>Headquarters</th>
<th>Primary Industry</th>
<th>Business Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alimentation Couche-Tard Inc.</td>
<td>Canada</td>
<td>Food Retail</td>
<td>Operates and licenses convenience stores. Its convenience stores offer tobacco products, grocery items, beverages, and fresh food offerings; road transportation fuel; and stationary energy, marine fuel, aviation fuel, and chemicals. The company operates its convenience store chain under various banners, including Circle K, Comer Stone, Couche-Tard, Holiday, Ingo, Mac's, Re.Store, and Topaz. It is also involved in the sale of lottery tickets, calling cards, gift cards, postage stamps, and bus tickets; issuance of money orders; and provision of ATMs and car wash services.</td>
</tr>
<tr>
<td>Amazon.com Inc.</td>
<td>US</td>
<td>Internet and Direct Marketing Retail</td>
<td>Engages in the retail sale of consumer products and subscriptions in North America and internationally. The company operates through three segments: (1) North America, (2) International and (3) Amazon Web Services (AWS) segments. It sells merchandise and content purchased for resale from third-party sellers through physical stores and online stores. The company also manufactures and sells electronic devices, including Kindle e-readers, Fire tablets, Fire TVs, and Echo devices. In addition, it offers programs that enable sellers to sell their production on its websites, as well as their own branded websites; and programs that allow authors, filmmakers, skill and app developers, and others to publish and sell content.</td>
</tr>
<tr>
<td>Applegreen Plc</td>
<td>Ireland</td>
<td>Automotive Retail</td>
<td>Operates motorway service areas and petrol filling stations in Ireland, the UK and the US via three segments: (1) Retail Ireland, (2) Retail UK, and (3) Retail USA. The company operates as a roadside convenience food and beverage retailer that sells fuel, food, and other groceries under its Bakewell brands, as well as other partner international brands, such as Burger King, Subway, Costa Coffee, Greggs, Lavazza, Chopstix, Freshii, 7-Eleven, Starbucks, KFC, Pret a Manger, Pizza Express, Waitrose, WH Smith, Harry Ramsden, Tossed and the Ramada and Days Inn hotel.</td>
</tr>
<tr>
<td>BP Chargemaster</td>
<td>UK</td>
<td>Specialized Consumer Services</td>
<td>BP Chargemaster operates a network of electric vehicle charging points. BP Chargemaster was formerly known as Chargemaster Limited and changed its name to BP Chargemaster in August 2018.</td>
</tr>
<tr>
<td>BP Plc</td>
<td>UK</td>
<td>Integrated Oil and Gas</td>
<td>Engages in the energy business worldwide. It operates through three segments: (1) Upstream, (2) Downstream, and (3) Rosneft. The Upstream segment is involved in the oil and natural gas exploration, field development, and production; midstream transportation, storage, and processing; and marketing and trading of LNG, biogas, power and natural gas liquids (NGLs). The Downstream segment refines, manufactures, markets, transports, supplies, and trades in crude oil, petroleum, and petrochemical products and related services to wholesale and retail customers. The Rosneft segment engages in the exploration and production of hydrocarbons, as well as jet fuel, bunkering, bitumen, and lubricants activities. It also provides convenience retail services to consumers through company-owned and franchised retail sites, as well as other channels, including dealers and jobbers.</td>
</tr>
<tr>
<td>Caltex Australia Limited</td>
<td>Australia</td>
<td>Oil and Gas Refining and Marketing</td>
<td>Engages in purchasing, refining, distributing, selling, and supplying petroleum products in Australia, New Zealand, and Singapore. It operates through Convenience Retail, and Fuels and Infrastructure segments.</td>
</tr>
<tr>
<td>Carsley Group</td>
<td>UK</td>
<td>Automotive Retail</td>
<td>Carsley Group operates petrol stations. As of 5 October 2017, Carsley Group operates as a subsidiary of Applegreen Plc.</td>
</tr>
<tr>
<td>China Petroleum &amp; Chemical Corporation</td>
<td>China</td>
<td>Integrated Oil and Gas</td>
<td>China Petroleum &amp; Chemical Corporation, an energy and chemical company, engages in oil and gas, and chemical operations in the People's Republic of China. It operates through five segments: (1) Exploration and Production, (2) Refining, (3) Marketing and Distribution, (4) Chemicals, and (5) Corporate and Others. It is a subsidiary of China Petrochemical Corporation.</td>
</tr>
<tr>
<td>Costa Limited</td>
<td>UK</td>
<td>Restaurants</td>
<td>Operates a chain of coffee shops in the UK and internationally. Offers caffe latte, velvety flat white, classic Americano, rich cortado, cappuccino, white &amp; black americano, hot chocolate, and mocha. Operates as a subsidiary of The Coca-Cola Company (Coca-Cola acquired Costa from Whitbread)</td>
</tr>
</tbody>
</table>

Source: Standard & Poor Capital IQ, accessed 28 August 2019
<table>
<thead>
<tr>
<th>Name</th>
<th>Headquarter</th>
<th>Primary Industry</th>
<th>Business Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>CST Brands Inc.</td>
<td>US</td>
<td>Automotive Retail</td>
<td>Through its subsidiaries, operates as an independent retailer of motor fuel and convenience merchandise items in the US and eastern Canada. It operates through three segments: (1) US Retail, (2) Canadian Retail, and (3) CrossAmerica. The company's retail operations include sale of motor fuel at retail sites, commission sites, and cardlocks; food, convenience merchandise items, and services at retail sites; and heating oil to residential customers, as well as heating oil and motor fuel to small commercial customers. Also provides other products and services, including car wash, lottery, money orders, air/water/vacuum services, video and game rentals and access to ATMs.</td>
</tr>
<tr>
<td>Delicious Ideas Food Group</td>
<td>UK</td>
<td>Packaged Foods and Meats</td>
<td>Manufactures and markets confectionery products.</td>
</tr>
<tr>
<td>Euro Garages Limited</td>
<td>UK</td>
<td>Automotive Retail</td>
<td>Owns and operates petrol station forecourts in the UK. Its forecourts feature convenience stores that sell car care products, groceries (chilled and ambient), newspapers and magazines, and tobacco; fast food outlets; and coffee shops. Euro Garages Limited has strategic partnerships with BP, Shell, SAB, Spar, Starbucks, Subway, Greggs, and Burger King. Its ultimate parent is EG Group Limited.</td>
</tr>
<tr>
<td>Exxon Mobil Corporation</td>
<td>US</td>
<td>Integrated Oil and Gas</td>
<td>Explores for and produces crude oil and natural gas in the US, Canada, Other Americas, Europe, Africa, Asia, and Australia/Oceania. It operates through (1) Upstream, (2) Downstream, and (3) Chemical segments. Exxon is also involved in the manufacture, trade, transport, and sale of crude oil, petroleum products, and other specialty products; and manufactures and markets petrochemicals, including olefins, polyolefins, aromatics, and various other petrochemicals.</td>
</tr>
<tr>
<td>First Utility Limited</td>
<td>UK</td>
<td>Electric Utilities</td>
<td>First Utility Limited, doing business as first:utility, supplies electricity and gas to residential and business customers. The company was incorporated in 2004 and is based in Warwick, UK. First Utility Limited operates as a subsidiary of The Shell Petroleum Company Limited.</td>
</tr>
<tr>
<td>FW Kerridge Limited</td>
<td>UK</td>
<td>Automotive Retail</td>
<td>FW Kerridge Ltd. owns and operates petrol stations.</td>
</tr>
<tr>
<td>Golden Cross Group Limited</td>
<td>UK</td>
<td>Automotive Retail</td>
<td>Operates as service stations providing full vehicle services and petrol pumps.</td>
</tr>
<tr>
<td>Harvest Energy Limited</td>
<td>UK</td>
<td>Oil and Gas Refining and Marketing</td>
<td>Harvest Energy Ltd. blends and supplies motor fuels. It supplies road fuels and fuels and lubricants, such as diesel, bio diesel, gasoil, red diesel, and kerosene. Its customers include national supermarket chains, major oil companies, haulage companies, logistics companies, bus and rail operators, utilities providers, local authorities and other government organisations, delivery services, high street retailers, and construction companies. It markets and sells its products through dealers.</td>
</tr>
<tr>
<td>HKS Retail Limited</td>
<td>UK</td>
<td>Automotive Retail</td>
<td>Owns and operates a chain of fuel filling stations. It provides carwash services, vehicle repair services, services through mini-super market stores, and convenience experience. The company was founded in 1984 and is based in Leicester, UK with locations in Leicester, Loughborough, Coalville, Buckinghamshire, Derbyshire, Surrey, Northampton, Nottinghamshire, Watton-On-Thames, Gosport, and Trivest, UK.</td>
</tr>
<tr>
<td>Holiday Stationstores Inc.</td>
<td>US</td>
<td>Automotive Retail</td>
<td>Operates a chain of gasoline stations and convenience stores. Its stores offer gasoline and fuel and breakfast sandwiches, hams, cheeses, and meat, coffee and donuts, steak burgers and so on. It operates corporately owned stores and franchise stores in the northern tier region of the US, such as Minnesota, Wisconsin, Michigan, North Dakota, South Dakota, Montana, Wyoming, Idaho, Washington, and Alaska. As of December 2017, it was a subsidiary of Alimentation Couche-Tard Inc.</td>
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</table>

Source: Standard & Poor Capital IQ, accessed 28 August 2019
<table>
<thead>
<tr>
<th>Name</th>
<th>Headquarter</th>
<th>Primary Industry</th>
<th>Business Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>International Business Machines (IBM)</td>
<td>US</td>
<td>IT Consulting and Other Services</td>
<td>IBM is an integrated technology and services operating via five segments: (1) Cognitive Solutions, (2) Global Business Services segment, (3) Technology Services &amp; Cloud Platforms segment, (4) Systems segment and Global Financing.</td>
</tr>
<tr>
<td>IONITY</td>
<td>Germany</td>
<td>-</td>
<td>IONITY is a joint venture between BMW Group, Daimler AG, Ford Motor Company and the Volkswagen Group with Audi and Porsche. Its aim is to build a pan-European high-power-charging network for Electric vehicles, to facilitate long-distance travel.</td>
</tr>
<tr>
<td>Kwik Chek Food Stores Inc.</td>
<td>US</td>
<td>Food Retail</td>
<td>Operates a family of customer service-oriented convenience stores, grocery stores, and quick food operations. It offers home-style meals, gourmet coffee, brewed tea, grocery items, snack foods, and more.</td>
</tr>
<tr>
<td>Marks and Spencer Group Plc</td>
<td>UK</td>
<td>Department Stores</td>
<td>Operates various retail stores. The company offers protein, deli, and dairy; produce; ambient and in-store bakery; meals, dessert and frozen; and hospitality and ‘Food on the Move’ products. It also provides women's wear, men's wear, lingerie, kids wear, and home products, as well as financial services, including credit cards, current accounts, savings products, insurances, and mortgages, as well as renewable energy services.</td>
</tr>
<tr>
<td>Motor Fuel Group Limited</td>
<td>UK</td>
<td>Automotive Retail</td>
<td>Motor Fuel Group Limited, a forecourt operator, owns and operates petrol stations in the UK. Its petrol stations operate under various brands. The firm's petrol stations activities include sale of petrol; and operation of shops, as well as other forecourt facilities, including ATM, car wash, vacuum, air and water, liquid petroleum gas, and electricity charge point services.</td>
</tr>
<tr>
<td>MRH (GB) Limited</td>
<td>UK</td>
<td>Automotive Retail</td>
<td>Owns and operates petrol service stations with convenience store in the UK. Its store offers breads, milk, eggs, meal deals, rollover hot dogs, coffees, and other deals.</td>
</tr>
<tr>
<td>P97 Networks Inc.</td>
<td>US</td>
<td>Data Processing and Outsourced Services</td>
<td>Develops PetroZone, a mobile payment, e-commerce and digital marketing platform for fuel retailing industry. Its solution enables consumers to have better mobile shopping experience, options for lower fuel prices, and opt-in personalised digital offers for in-store purchase. Its platform connects consumers with retail fueling merchants and convenience stores across a broad partner ecosystem, including oil company payment networks, merchants, consumer package good companies, automotive companies, and banks.</td>
</tr>
<tr>
<td>Repsol SA</td>
<td>Spain</td>
<td>Integrated Oil and Gas</td>
<td>Operates as an integrated energy company worldwide. Its Upstream segment engages in the exploration and development of crude oil and natural gas reserves. Its Downstream segment is involved in refining and petro chemistry; trading and transportation of crude oil and oil products; marketing of oil products, petrochemicals, and LPG; the marketing, transport, and regasification of natural gas and LNG; and generation and marketing of electricity.</td>
</tr>
<tr>
<td>Rontec Roadside Retail Limited</td>
<td>UK</td>
<td>Automotive Retail</td>
<td>Rontec Roadside Retail Limited operates forecourts in England and Wales. The company offers fuel, food-to-go, and other retail brand forecourts.</td>
</tr>
<tr>
<td>Roofoods Limited</td>
<td>UK</td>
<td>Restaurants</td>
<td>Roofoods Limited, doing business as Deliveroo, owns and operates an online food delivery platform in the UK. Its platform allows users to order food from local restaurants.</td>
</tr>
</tbody>
</table>

Source: Standard & Poor Capital IQ, accessed 28 August 2019
List of key firms mentioned in the report (4/5)

<table>
<thead>
<tr>
<th>Name</th>
<th>Headquarter</th>
<th>Primary Industry</th>
<th>Business Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Royal Dutch Shell Plc</td>
<td>Netherlands</td>
<td>Integrated Oil and Gas</td>
<td>Operates as an energy and petrochemical company worldwide. Operates through Integrated Gas, Upstream, and Downstream segments. It explores for, and extracts crude oil, natural gas, and natural gas liquids; markets and transports oil and gas; produces gas-to-liquids fuels and other products; and operates upstream and midstream infrastructure necessary to deliver gas to market. The company also markets and trades natural gas, LNG, crude oil, electricity, carbon-emission rights; and markets and sells liquefied natural gas as a fuel for heavy-duty vehicles and marine vessels. In addition, it trades in and refines crude oil and other feed stocks, such as gasoline, diesel, heating oil, aviation fuel, marine fuel, biofuel, lubricants, bitumen, and sulphur; produces and sells petrochemicals; and manages oil sands activities. Further, the company produces basic chemicals comprising ethylene, propylene, and aromatics, as well as intermediate chemicals, such as styrene monomer, propylene oxide, solvents, detergent alcohols, ethylene oxide, and ethylene glycol.</td>
</tr>
<tr>
<td>Seven &amp; I Holdings Co. Limited</td>
<td>Japan</td>
<td>Food Retail</td>
<td>Provides convenience stores, general supermarkets, department stores, restaurants, banks, IT services. It operates in seven business segments. Domestic Convenience Store segment operates convenience store businesses based on direct management and franchise systems, such as the operation of 7-Eleven stores in Japan. Overseas Convenience Store segment operates convenience stores, such as 7-Eleven overseas. Superstore segment is a retail business that provides food, daily necessities and other items necessary for daily life. Department Store segment conducts retail business. Finance-Related segment is involved in the banking, credit card business and leasing business. Specialty Store segment operates a retail business that provides specialised and distinctive products and services. Others segment is involved in the real estate business.</td>
</tr>
<tr>
<td>Sunoco LP</td>
<td>US</td>
<td>Oil and Gas Storage and Transportation</td>
<td>Together with its subsidiaries, the firm engages in the distribution and retailing of motor fuels in the US. It operates via two segments: (1) Fuel Distribution and Marketing (purchases motor fuel from independent refineries and major oil companies and supplies it to independently operated dealer stations, distributors and other consumer of motor fuel, and partnership operated stations, as well as to commission agent locations) and (2) All Other Segment (operates retail stores offering motor fuel, merchandise, foodservice and other services that include car washes, lottery, ATM, prepaid phone cards and wireless services).</td>
</tr>
<tr>
<td>The Kroger Co.</td>
<td>US</td>
<td>Food Retail</td>
<td>Operates as a retailer in the US. The company operates supermarkets, multi-department stores, marketplace stores, and price impact warehouse stores. Its combination food and drug stores offer natural food and organic sections, pharmacies, general merchandise, pet centers, fresh seafood, and organic produce; and multi-department stores provide apparel, home fashion and furnishings, outdoor living, electronics, automotive products, and toys. The company’s marketplace stores offer full-service grocery, pharmacy, health and beauty care departments, and perishable goods, as well as general merchandise, including apparel, home goods, and toys; and price impact warehouse stores provide grocery, and health and beauty care items, as well as meat, dairy, baked goods, and fresh produce items. It also manufactures and processes food products for sale in its supermarkets, and sells fuel through fuel centers.</td>
</tr>
<tr>
<td>The New Motion BV</td>
<td>Netherlands</td>
<td>Specialty Stores</td>
<td>Provides smart charging solutions for electric vehicles in Europe and offers charging products for both residential and business locations. It serves private users and business in industries, including private homes, apartments, office locations, housing associations, lease drivers, large corporates, municipalities, parking complex, leasing companies, real estate and OEMs. The New Motion BV operates as a subsidiary of Royal Dutch Shell plc.</td>
</tr>
<tr>
<td>The SPAR Group Limited</td>
<td>South Africa</td>
<td>Food Distributors</td>
<td>Engages in the wholesale and distribution of goods and services to SPAR grocery stores, build it builders’ merchandise outlets, SPAR liquor stores, and other retail outlets. It offers food and non-food products under the SPAR brand; cookware, kitchen utensils, appliances, bathroom linens, and accessories under the SPAR Good Living brand; produce and bakery products under the SPAR Freshline brand; pork, lamb, beef, and chicken meat under the SPAR Tender and Tasty brand; medicines and products under the Pharmacy at SPAR brand; and real value for money under the SaveMor brand.</td>
</tr>
</tbody>
</table>

Source: Standard & Poor Capital IQ, accessed 28 August 2019
## List of key firms mentioned in the report (5/5)

<table>
<thead>
<tr>
<th>Name</th>
<th>Headquarter</th>
<th>Primary Industry</th>
<th>Business Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Waitrose Limited</td>
<td>UK</td>
<td>Food Retail</td>
<td>Waitrose Limited, a food retailer, operates a chain of supermarkets in England, Scotland, and Wales. It sells groceries, such as bakery products, milk, meat, fruits and vegetables, beers, wine and spirits, soft drinks and water, household products, tea and coffee, health and beauty products, baby and child products, and pet care products; home and garden products, including cooking products and kitchenware, dining products and tableware, household cleaning products, laundry products, candles, newsgentlemen and stamps, office and stationery products, and ties, and socks; and flowers and gifts.</td>
</tr>
<tr>
<td>Wawa Inc.</td>
<td>US</td>
<td>Food Retail</td>
<td>Owns and operates a chain of convenience retail stores. Its stores offer fresh food, including hoagies and sandwiches, salads and wraps, and snacks, as well as soups, and sides and bowls; coffee and beverages; dairy products, including milk and ice creams; and fuel services. The company also manufactures and supplies Wawa branded beverages to school districts, colleges, universities, hospitals, nursing homes, prominent restaurants, and hotels, as well as produces milk and juice products. In addition, it sells apparel, coffee, gift cards, and novelties/other.</td>
</tr>
<tr>
<td>WM Morrison Supermarkets Plc</td>
<td>UK</td>
<td>Food Retail</td>
<td>Operates retail supermarkets under the Morrison's brand name in the UK. The company engages in the in-store and online grocery retailing activities. It also supplies eggs; manufactures and distributes fresh food, and morning goods and bread; prepares and supplies seafood; processes fresh meat; invests in, develops, and maintains properties; and offers insurance, leasing, technical testing and analysis, and property partnership services, as well as holds pharmaceutical licence. The company operates through 494 supermarkets, as well as various petrol filling stations.</td>
</tr>
<tr>
<td>Zynstra Limited</td>
<td>UK</td>
<td>Application Software</td>
<td>Provides hybrid information technology (IT) platform for small and mid-sized businesses. It offers Cloud Managed Servers that are delivered as physical on-site servers that have been pre-staged with IT services, a local private cloud for applications, and Azure cloud storage, and pre-integrated with services, such as Microsoft Office 365. The company also provides SMB IT for organizations with 5 to 250 IT workers on any site; Education IT for small and large schools; Enterprise Branch IT for multi-site and remote offices and branches; and Zynstra Cloud Management Platform, a multi-tier cloud management platform that delivers IT management services. In addition, it offers enterprise-grade hybrid IT-as-a-Service for SMBs, branch offices, education, retail, and industries. Further, the company provides Microsoft Office 365 integration, resilient active directory with single sign on, RDX removable storage, cloud backup and disaster recovery, and support services.</td>
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Source: Standard & Poor Capital IQ, accessed 28 August 2019
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