

MAG USA

TRANSFORMING AIRPORT PARKING. DRIVING REVENUE



THE AWARD-WINNING AIRPORT EXPERTS

UK-BASED. GLOBALLY-FOCUSED.

Manchester Airports Group is a global airport company currently serving 50 million passengers a year. We own and operate four UK airports - Manchester, London Stansted, East Midlands and Bournemouth - which contribute nearly \$6bn to the British economy. Our airports also consistently outperform the market. We saw a strong passenger growth of 10.7% over the last year, and our combined Group gross revenue in 2015 was \$1.1 billion.



We are privately managed on behalf of our shareholders, Manchester City Council, nine wider Greater Manchester Councils and Industry Funds Management (IFM). IFM is a highly experienced, long-term investor in airports and already has significant interests in ten different airports across both Europe and Australia.

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GROSS REVENUE

\$1.1 BILLION

THROUGH OUR COMBINED GROUP

MAG USA HAS LANDED



A NEW AMERICAN FRONTIER

MAG USA was launched in 2015 and since then, we have made a grand entrance into the US airport market. Our ultimate aim is to become the USA's 'go-to' organization for delivering market-leading commercial solutions that transform customer experiences in airports. In particular, MAG USA is focused on airport lounges, car parking services and P3, retail & terminal developments. In December 2015 the first US Escape Lounge opened in Minneapolis St. Paul International Airport, followed by Bradley International Airport in Hartford, Connecticut and Oakland International Airport in California in fall 2016.



Rosie, who in 2014 was named by Premier Magazine as one of the '30 most compelling women in the travel industry', leads MAG USA.

ROSEMARIE ANDOLINO - MAG USA CEO AND PRESIDENT

Our CEO and President is Rosemarie Andolino, overseeing the development of MAG's North American airport services business.

Rosemarie joined MAG following more than 12 years at the Chicago Department of Aviation (CDA). As Commissioner she oversaw the management and operation of one of the world's busiest airport systems during a period of rapid expansion and redevelopment. She revived the organization's focus on customer service as well as leading the \$26 million redevelopment of O'Hare's international terminal, which drove record growth in retail and commercial revenues.

In addition, Rosemarie oversaw the \$8 billion O'Hare Modernization Program (OMP), which reconfigured the airport's complicated intersecting runways to improve efficiency and enhance the traveler's experience. This infrastructure program was implemented on time, under budget and without disruption to one of the world's busiest airfields.



PARKING PERFECTION

AIRPORT OPERATORS WITH OUR FEET SQUARELY ON THE GROUND

At MAG, we are not only concerned with what is up in the air. We know our cars just as much as we know our planes, and as such we are acutely aware of the challenges facing the airport car parking sector. Increased competition from public and private transport, a rapidly-evolving digital landscape and customers who are ever more demanding (better quality, lower price), all place significant risks on one of the largest sources of revenue for US airports.



CIRCA

50 MILLION

**PASSENGERS SERVED PER YEAR
ACROSS OUR FOUR UK AIRPORTS**

INNOVATIVE PARKING THAT ACTUALLY PAYS

Parking lots have to make an airport money, and that is why our entire approach is commercially and service focused. We look at things from a passenger's perspective, understanding exactly what they want, so that we can provide it to them. It's not enough to only have one insight into parking operations alone, we have ensured that we have also become market-leading experts in revenue management, car park systems, e-commerce, IT and marketing, all so we can deliver unparalleled performance.

Thanks to our experience of working with airports serving between 700,000 and 20million passengers a year, the results speak for themselves. This innovative and intuitive understanding has helped us consistently boost year-on-year income and revenue growth across our airports.

PRICING PLANS THAT PUT PASSENGERS FIRST

CONVENIENCE, AND AT A COMPETITIVE PRICE

Customer needs are ever changing. We understand that we must tailor the services we offer to cater for specific customer requirements, whether that customer is driven by cost, convenience or both. A one-size-fits-all approach to pricing is almost certainly not appropriate.

This is why we developed dynamic pricing strategies, e-commerce platforms and business intelligence tools that cater to a broad spectrum of passengers, properly optimizing product pricing while maximizing revenue.

Dynamic pricing allows us to implement demand-based price increases and decreases, opening up the market to more price sensitive consumers and helping to manage demand. This way, we can focus on making our pre-book rates cheaper than our roll-up rates, adding value to the concept of pre-booking to encourage more people to get their reservations in early.



SOME OF THE KEY DRIVERS OF OUR PRICING STRATEGY ARE:



TIME/DAY OF ARRIVAL



LENGTH OF STAY



LEAD-TIME



PURPOSE OF TRAVEL



SEASONALITY



COMPETITION



OCCUPANCY



WE ACCEPT MULTIPLE PAYMENT OPTIONS, INCLUDING PAYPAL AND APPLE PAY

REVENUE MANAGEMENT THAT MAKES AN IMPACT

A PLUGGED-IN TEAM WITH ITS FINGER ON THE PULSE

Fundamental to any parking lot success is a dedicated, experienced team that knows exactly what's going on in the industry. We have that team; a group of commercial experts whose job is to make your life easier by:

- Adopting real-time, occupancy-based pricing strategies
- Introducing price-entry products to stimulate demand in new or stagnant markets
- Optimizing revenue via daily and hourly pricing analysis
- Identifying market segments that can healthily sustain price increases

But it doesn't stop there. We keep on top of things, performing ongoing analysis of our customer base. This allows our teams to maximize ROI by making informed pricing decisions based on passengers' previous behaviour and trend interpretation.

\$178 MILLION



**FORECAST
CAR PARKING
INCOME FOR
2015/2016
IN THE UK**

1,246,082

DIRECT BOOKINGS IN 2015
10% GROWTH SINCE 2014

6,000

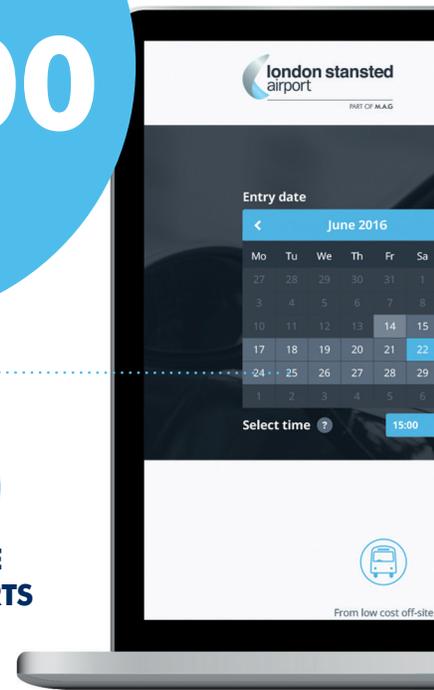
VALET MOVEMENTS PER DAY

IN THE LAST 6 YEARS, MANCHESTER'S TOTAL CAPACITY HAS INCREASED...

TO 45,000

FROM
15,000

UP TO 100,000 CARS PARKED AT ANY ONE TIME ACROSS OUR AIRPORTS



BEST-IN-CLASS BOOKING ENGINE

E-COMMERCE THAT STAYS AHEAD OF THE CURVE

SECTOR-LEADING COMMERCIAL STRATEGIES THAT REALLY DELIVER

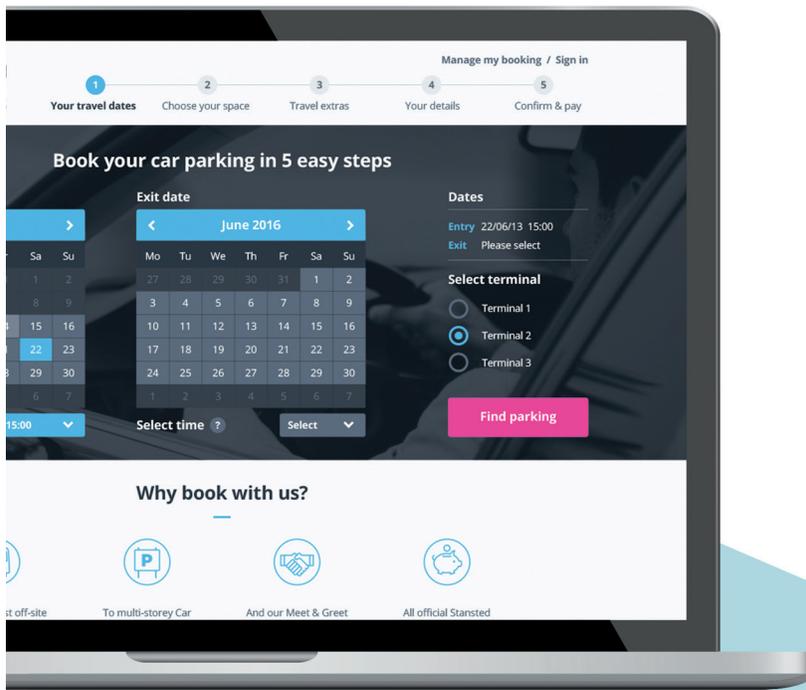
An e-commerce system that's out of date is never going to bring in the revenues you expect, which is why we work hard to remain sector leaders. We continually increase our market penetration through the use of advanced MI tools that help build a best-in-class booking engine and a customer centric online experience.

- 147m web views a year
- Simple 5-step booking process
- Multiple payment options, including Apple Pay
- Fully responsive website design
- In-depth user experience and content reviews

ONGOING DEVELOPMENT

But we don't stop there. In the e-commerce world, the minute you stop moving is the moment you are left behind. A continuous program of IT development means we're constantly rolling out an array of commercially-focused initiatives, including:

- Introduction of system driven bucket pricing and quota system
- Full reporting suite
- Continuous test and evolve strategy for our booking journey
- New Manchester Airport app - people can use it to book, browse departure times and locate their vehicle on returning



TAILORED SOLUTIONS. EXPERTLY DELIVERED.

PRODUCTS THAT PUT YOU IN THE DRIVING SEAT

Every bit of research we've conducted shows that customers are preoccupied with two things when booking airport parking: cost and convenience. We put that at the heart of our offering, developing a variety of parking products to suit all budgets, from high-end 'Meet & Greet' to low-cost 'JetParks'. In addition to being highly profitable, our car parking services greatly improve the traveler's experience, which is reflected in our exceptional ASQ scores.

'MEET & GREET'

'Meet & Greet' is our branded UK offering, a volume 'valet' product which recycles prime real estate with easy terminal access, storing customer vehicles in a location away from the terminal. This particular product offers an unparalleled customer experience, but at a competitive price. We can operate up to 6,000 vehicle movements a day at Manchester Airport and 'Meet & Greet' now creates in excess of \$30m in annual revenue.

**'MEET & GREET' NOW
CREATES IN EXCESS OF
\$30MILLION
IN ANNUAL REVENUE**



BENEFITS FOR THE CUSTOMER

- They drop the vehicles off, we do the parking for them
- No time lost searching for a space
- Hassle-free parking
- Walk straight to check-in

BENEFITS FOR YOU

- Improved customer satisfaction
- Recycling prime parking spaces up to 10 times per day
- Regain market share from off-site parking operators by offering an official alternative
- Flexibility of being able to store vehicles away from prime terminal real estate
- Reduction in need for building new parking garages



'JETPARKS'

This is a low-cost 'park and ride' product, aimed at the leisure market for longer stay durations. It is marketed as a low cost, safe and convenient product, which now parks 20,000 vehicles during peak times at Manchester Airport. JetParks benefits from its own website and has been successfully positioned as a competitor brand to the main off-airport competition.

JetParks.co.uk

'PARK AND RIDE' NOW PARKS OVER
583,000 VEHICLES
 PER ANNUM, CREATING
 REVENUE OUT OF LAND THAT
 WAS UNDERUTILIZED



BENEFITS FOR THE CUSTOMER

- Cost-effective - no additional booking fees, no hidden charges
- Quick, no-fuss, car park booking service
- Safe and secure - fully-manned 24/7

BENEFITS FOR YOU

- Generate revenue out of existing underutilized land
- Low operating and maintenance costs
- Centrally controlled via simple-to-use web portal

MAKING ALL THE RIGHT MOVES

MULTI-CHANNEL MARKETING TO BETTER REACH YOUR TARGET AUDIENCE

Customers are savvy creatures in the modern digital world. A traditional approach simply isn't going to cut it, as waiting for 'roll-up' customers is no longer a feasible business model. Instead, we advocate aggressively promoting pre-bookable products, making people aware of our various offerings through a whole range of channels.

UK DISTRIBUTION BY NUMBERS



As well as extensive car parking distribution reach in the UK, we invest heavily in paid search (PPC) and natural Search Engine Optimization (SEO) activity, ensuring we hold the number one position in all the key online search terms we need.



\$16.3 MILLION
GENERATED FROM CAR PARKING
EMAIL MARKETING IN 2015



UP-TO
\$150,000
FROM ONE CAR PARKING
PROMOTIONAL EMAIL

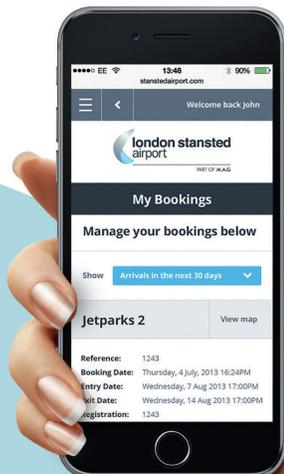


25% MOBILE
25% OF BOOKINGS NOW
TAKEN VIA MOBILE DEVICES

SUPERIOR SYSTEMS

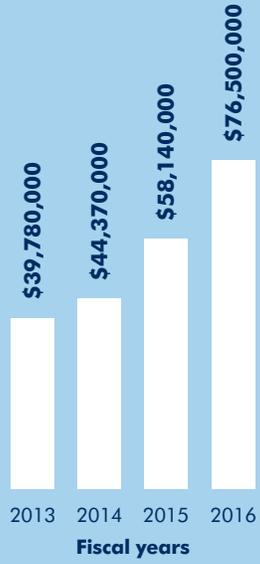
TECHNOLOGY YOU CAN TRUST

With any online-based airport feature, you need systems that back you up, not back you into a corner. That's why we invest heavily in testing, ensuring we always have the ability to quickly adapt to market changes. However, e-commerce is only one part of true revenue management. Data warehousing, visualization and optimization tools, inventory control, data analytics, experienced yield managers and IT teams are also required to effectively combine people, process and systems. With us, you get it all.





Gross income growth



55%
YEAR OVER YEAR
BOOKING GROWTH

LONDON STANSTED AIRPORT CASE STUDY

SINCE ACQUIRING LONDON STANSTED IN FEBRUARY 2013, THE MAG APPROACH TO PARKING HAS HAD A SIGNIFICANT IMPACT ON INCOME.

Integral to the success of MAG at London Stansted Airport is the strategic introduction of new parking products, such as the launch of JetParks. This low cost competitor brand makes us more competitive against the off-airport market, and drives modal shift through our low cost product offerings.

MAXIMIZING TRANSACTION VALUE

We successfully identified opportunities in the lucrative one and two-day markets, where price increases could be sustained without detrimental impact on demand.

- **1-2 day market since acquisition:** Average YoY income growth of 61% and ATV growth of 40%.
- **Reduced price differential** between the low cost and premium car parks, to encourage product upgrades.
- **Day-of-the-week pricing initiatives** aimed at capitalizing on the business market.
- **Removal of low cost products** in price inelastic markets.

MARKET PENETRATION PRICING

Tactical introduction of price entry point products to stimulate demand in the eight-plus day leisure market.

Opening up opportunities to attract customers currently using alternate modes of transport to the airport.

- **8 day + market since acquisition:** Average YoY income growth of 25% and booking growth of 72%.
- **Discounted products** for longer lead-time bookings, aimed at increasing share of the leisure based advanced booking market.



MAG USA TRANSFORMING AIRPORT PARKING. DRIVING REVENUE

MEET THE TEAM



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