

Greencross Limited



MACQUARIE AUSTRALIAN SECURITIES CONFERENCE (SYDNEY)

MAY 2015



Important notice and disclaimer

Although Greencross Limited ("**Greencross**") has made every effort to ensure the accuracy of information contained in this presentation, Greencross makes no representations as to, and takes no responsibility for, the accuracy, reliability or completeness of the information contained in this presentation and disclaims all liability that may otherwise arise due to any information contained in this presentation being inaccurate, misleading or deceptive, except to the extent that liability cannot be lawfully excluded.

The material contained in this presentation is for information purposes only and does not constitute financial product advice. The information contained in this presentation has been prepared without taking into account the investment objectives, financial situation or particular needs of any particular person. Before making any investment decision, you should consider, with or without the assistance of a financial adviser, whether an investment is appropriate in light of your particular investment needs, objectives and financial circumstances. Any views expressed in this presentation are those of the individual presenter, except where specifically stated to be endorsed as the views of Greencross Limited.

All information, text, material and graphics contained in the Greencross presentation ("**Content**") are copyright 2015 Greencross. You must not reproduce, copy, modify, republish, upload to a third party, transmit, post or distribute this Content in any way except as authorised in writing by Greencross.

FY2015 - another transformational year for GXL

- Increased the size of our store and clinic network by over **33%** taking the total number of outlets to **329**, extending our footprint so that we can now reach **59%** of ANZ pet owning families. We are **2x** the size we were in 2012
- Acquired **42** City Farmers stores and integrated them into our network and established a further **26** stores
- On track to open our **200th** retail store in May
- Purchased **18** vet clinics expected to deliver over \$31 million of annualised revenue taking total clinic numbers to **130** including **3** co-located vet clinics growing to **5** by the end of FY2015
- Raised over **\$3 million** for our charitable partners and brought total number of animal lives saved to almost **20,000**
- Commenced the implementation of a best practice supply chain network within our retail business and completed the integration of the business through the reorganisation of our leadership team

Greencross Strategy Update

F2015 has been a transformational year for Greencross. We have strengthened our position in a robust industry and delivered strong EPS growth.

What do we want you to take away from this presentation?

- *The ANZ pet care market is robust, substantial and growing*
- *The ANZ pet care market is fragmented and complex and pet parents are increasingly seeking a trusted advisor*
- *Greencross is uniquely positioned to be this trusted advisor*
- *Greencross has a clear path to create attractive returns*
- *Our team has the experience and capability to successfully implement our plan*

The pet sector in Australia and New Zealand is resilient and growing across all segments

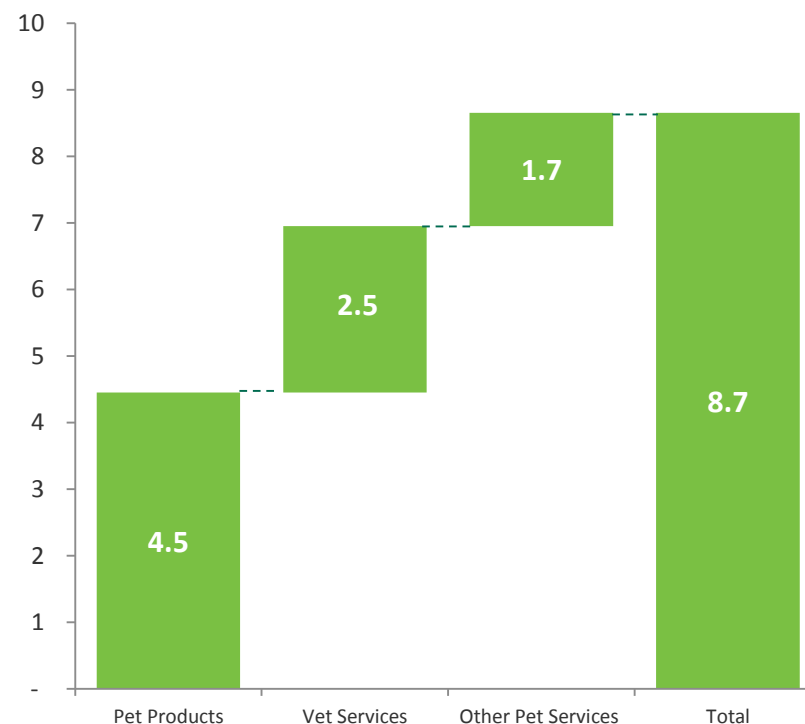


Greencross' addressable market is estimated to be approaching \$9 billion. The market is growing at ~4% per annum and is expected to reach \$11 billion by 2020.

Key drivers of the growth in the pet sector

Pet products (food & accessories)	<ul style="list-style-type: none"> ■ Humanisation – owners treating pets as part of their family leads to more purchases of higher quality food, treats and accessories¹ ■ Premiumisation – increasing trend towards high nutrition foods including breed and age specific foods containing dietary supplements
Veterinary services	<ul style="list-style-type: none"> ■ Humanisation – desire to provide highest level of medical care to pets regarded as family members, moving from reactive support to proactive well-being care ■ Specialisation – increasing demand for specialised medical procedures, particularly as pet insurance penetration rates increase ■ Vet demographics - desire for career flexibility is reducing demand for practice ownership
Other pet services	<ul style="list-style-type: none"> ■ Humanisation – increasing demand for services including grooming, dog minding, pet hotels, training & obedience, travel, pet crematoria etc. ■ Outsourcing – increased demand for outsourcing of activities like dog walking and dog washing by time poor pet parents

Australian and New Zealand pet care market (\$ billion)²



1. 60% of Australian pet owners regard their pets as members of their family (Source: Pet Ownership in Australia 2013).

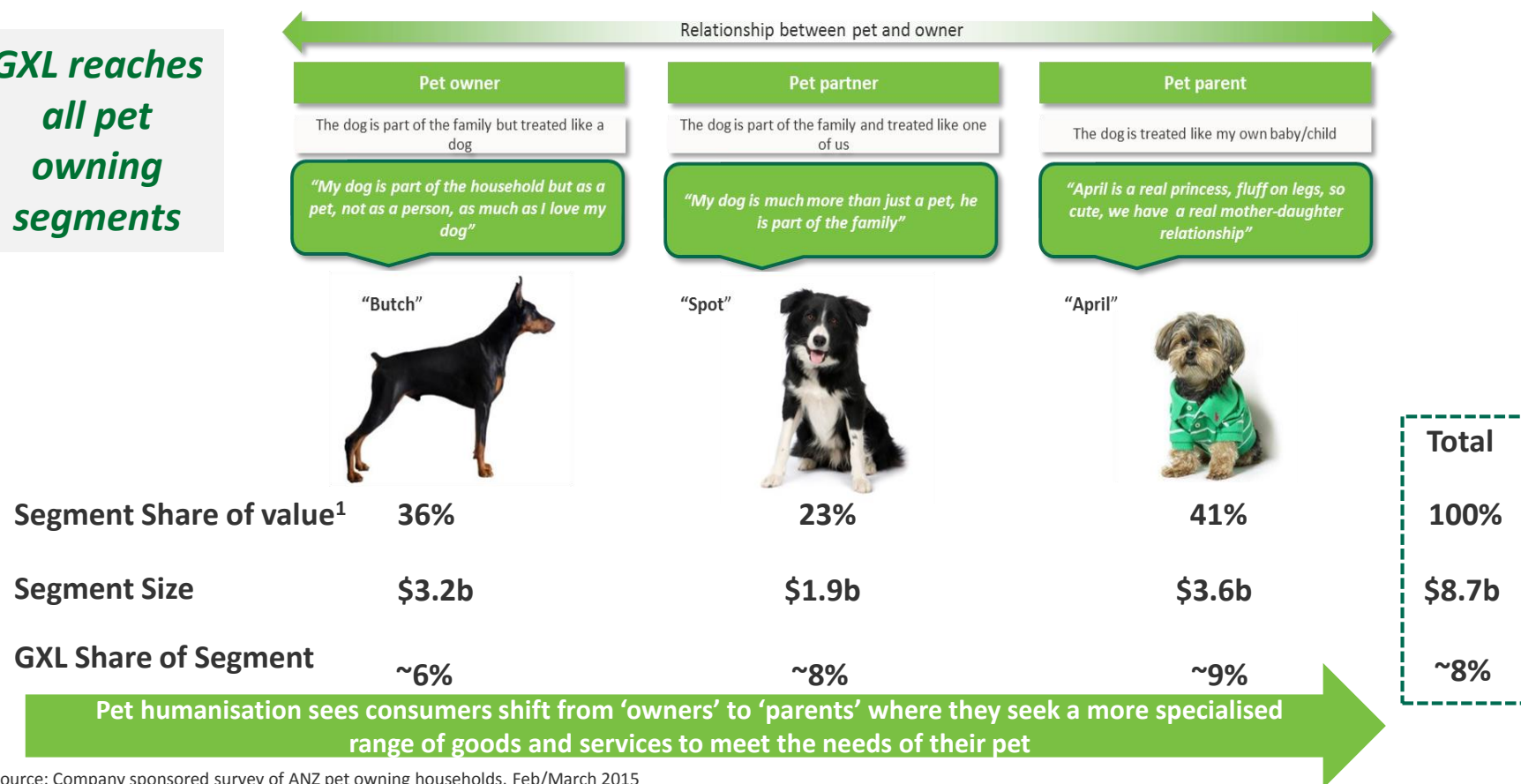
2. Source: Management estimates, Euromonitor and IBIS World Industry Reports.

Pet humanisation leads consumers to make purchasing decisions for their pets as they would for themselves

We asked Pet owning households how they think of their pet

- 63% said that their pet is a valued member of the family
- 37% said that their pet is treated as if it was their child¹

**GXL reaches
all pet
owning
segments**



1. Source: Company sponsored survey of ANZ pet owning households, Feb/March 2015

Greencross is uniquely positioned in a fragmented market

Greencross offers its customers the full spectrum of pet care products and services enabling it to support all of their pet's needs for the whole of its life

Major Market Segments ->		Food Manufactured	Food Non Processed	Veterinary	Services Groom, Train, Board, etc.	Services Burial, Crem., Insurance, etc.	Accessories Healthcare (incl F&T ¹)	Accessories Other	On-Line Toys, Drugs, Food, Access.
		\$3.0bn		\$2.5bn	\$1.7bn		\$1.3bn		\$0.2bn
ANZ Pet Market \$8.7bn	Woolworths/Big W	✓	✓			Insurance ✓	F&T ✓	✓	✓
	Coles/Target/K-mart	✓	✓			Insurance ✓	F&T ✓	✓	✓
	Aldi/Independents	✓	✓					✓	
	Greencross	✓	✓	✓	✓	✓	✓	✓	✓
	Pet Superstores	✓	✓		✓		✓	✓	✓
	Vet Chains	✓		✓	✓		✓		
	Independent Pet Stores	✓					✓	✓	
	Independent Vets	✓		✓	✓		✓		
	Other Pet Care				✓	✓			Online Only ✓
	Other Players		Butchers etc. ✓			Financial Services ✓			

1. F&T is Flea & Tick medication

Greencross is focused on helping consumers be better pet parents



Our Purpose

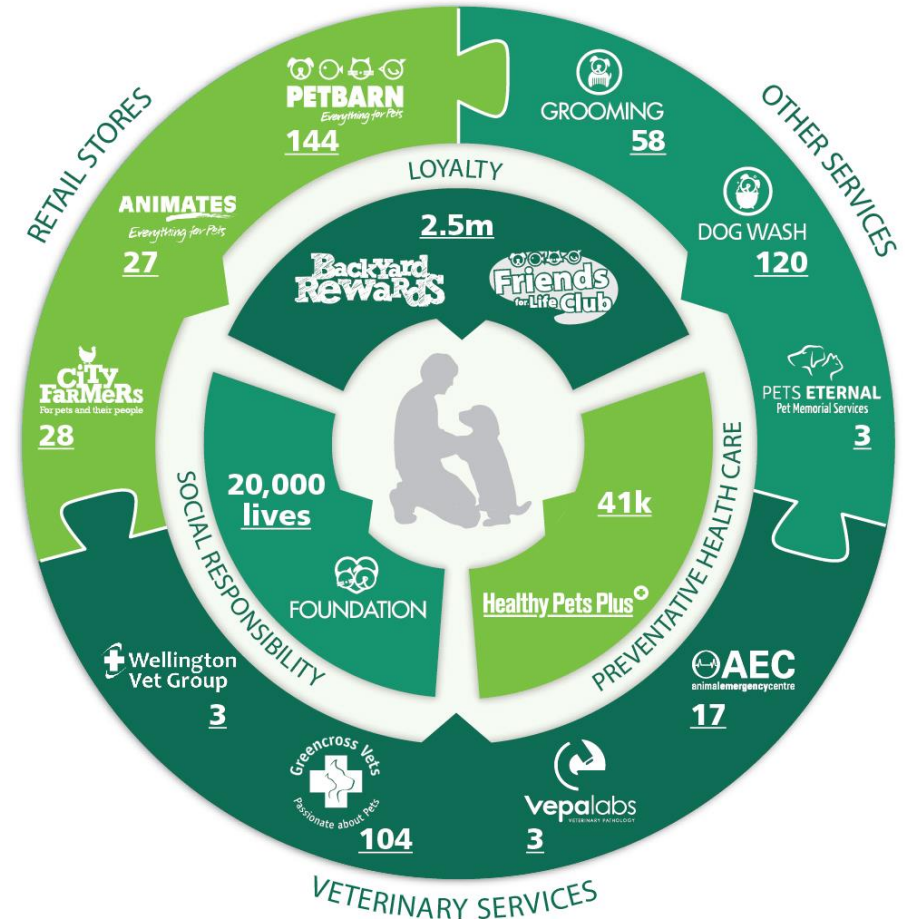
To make our world a happier place through the love of pets

Our Vision

To be the best pet care company in the world

For:

- Our customers
- Our communities
- Our shareholders
- Our suppliers
- Our teams



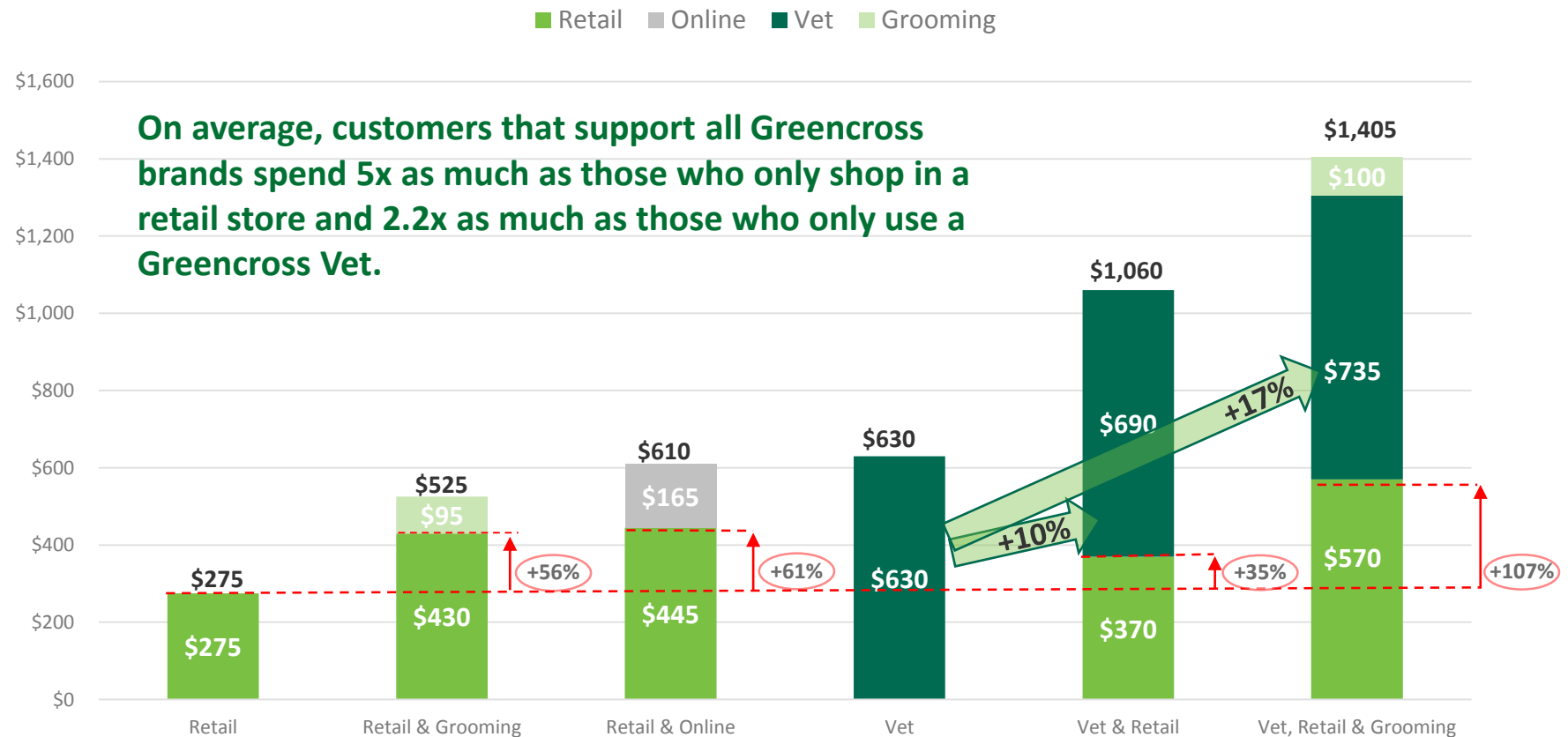
Delivering Our Purpose

By nurturing longer, deeper relationships between pets and the people that love them via a network of convenient destinations for all their pet needs

Greencross' reach amplifies spend

Engagement increases as customers access the full suite of Greencross activities, delivering additional spend in total and within all segments

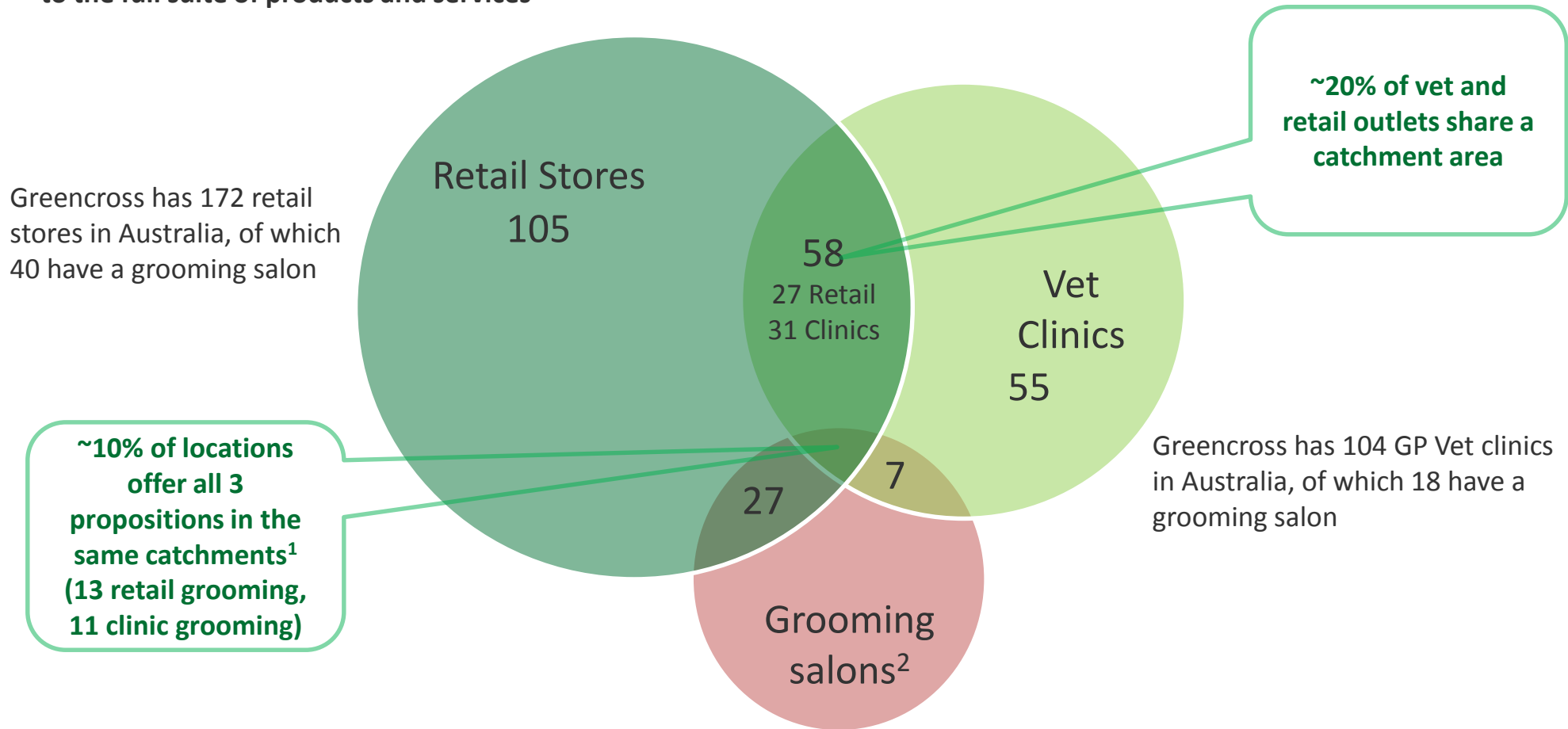
Greencross Average Customer Spend - \$ per annum¹



1. Based on LTM spend by Australian FFL members and vet clinic clients (approximately 85% of retail sales are made by FFL members)

A clear path to value creation for Greencross is increasing consumer access to it's goods and services.

With 30% of the Greencross network offering both a retail outlet and vet clinic in the same catchment, there remains a substantial runway to expand the Greencross store and clinic networks so that our existing customers have access to the full suite of products and services



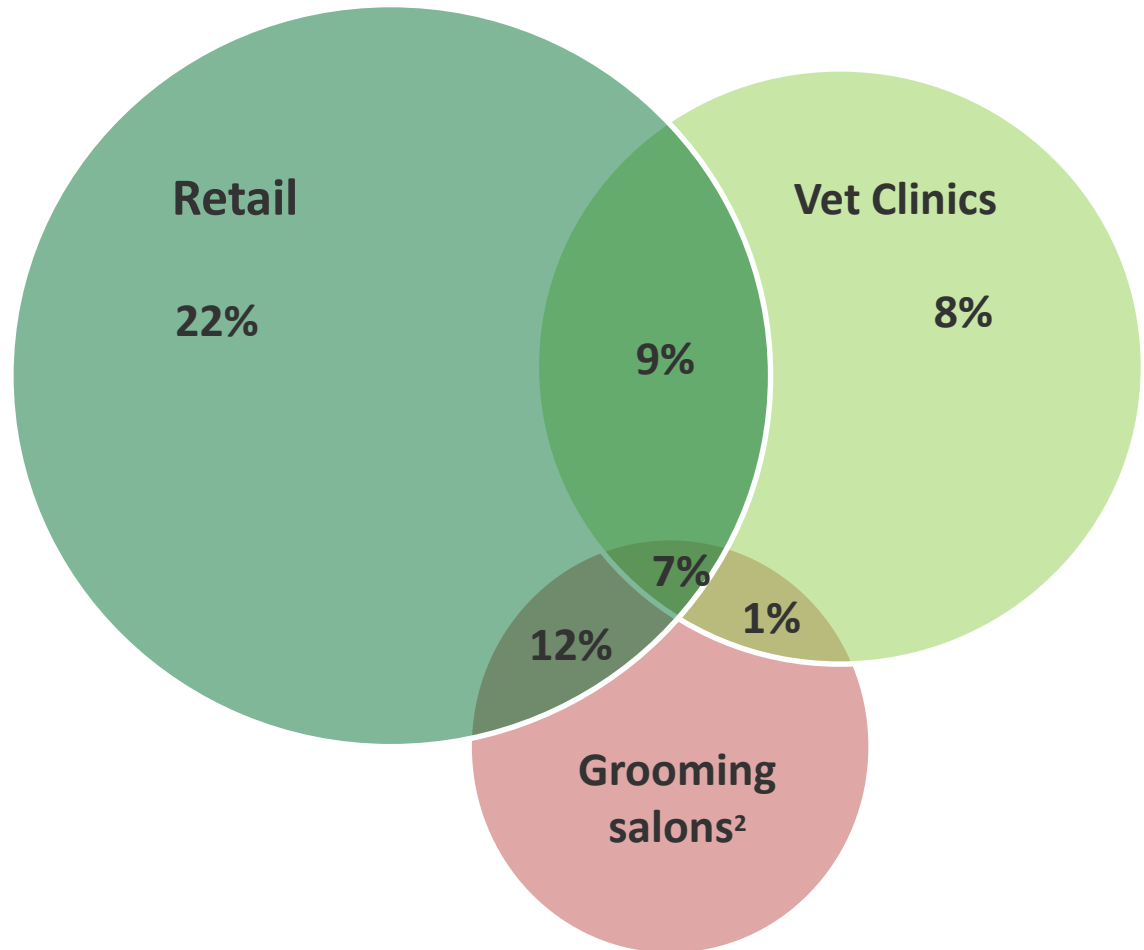
1. Within a 4km radius

2. Greencross has no standalone grooming salons in Australia

Today, Greencross is accessible to 59% of Australian pet owning households

In addition to expanding Greencross' reach with our existing consumer base, expanding the store, clinic and grooming network will enable Greencross to reach more Australians

% of Australian pet owning households that can easily access a Greencross outlet³



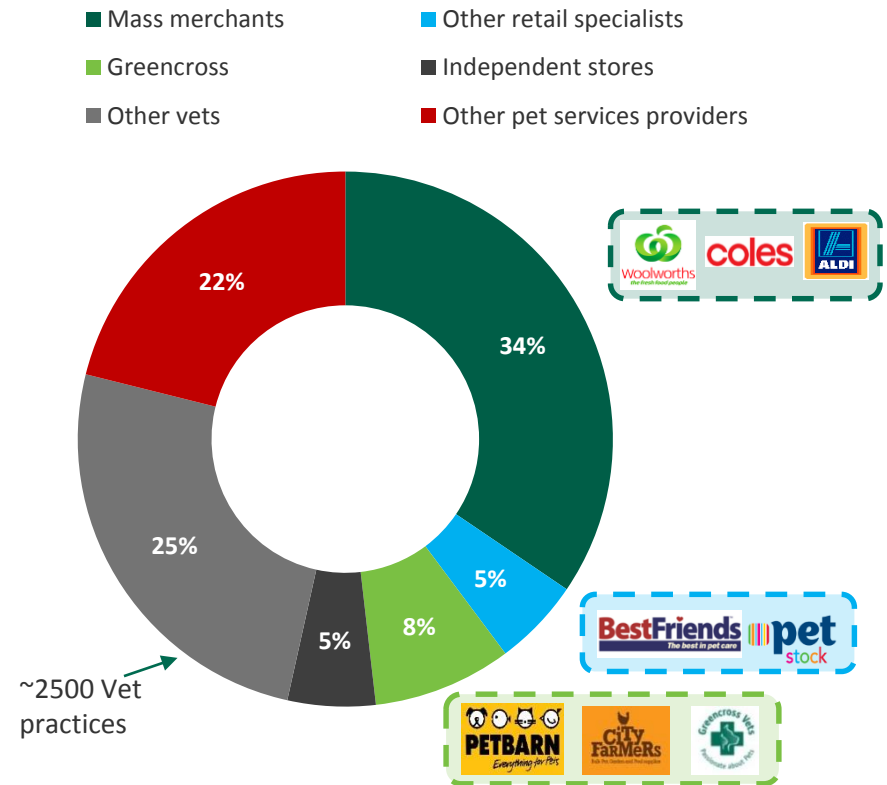
- 4.9m (63%)¹ of Australia's 7.8m households own a pet yet only 0.4m households are within easy access of all 3 Greencross propositions³

1. Source: Euromonitor Australian Pet Care 2014
2. Greencross has no stand alone grooming salons in Australia
3. Within a 4km radius

Greencross' aim is to achieve 20% market share in an attractive and growing market

Activity	Tactic
Organic & Margin Growth	<ul style="list-style-type: none"> Increasing customer/client engagement within existing units <ul style="list-style-type: none"> Service and range Services (grooming, training, etc.) Vet Cross referral Proactive health support via HPP Broadening on-line Increasing penetration of private label and exclusive brand products Use scale to reduce CODB
Extending Market Reach	<ul style="list-style-type: none"> Additional outlets <ul style="list-style-type: none"> Stores GP clinics Emergency centres Specialty centres Co-locations (retail, vet, grooming)

Australian pet care market share¹



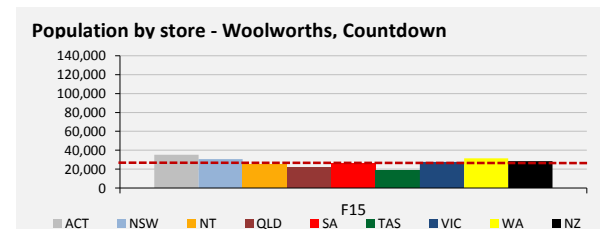
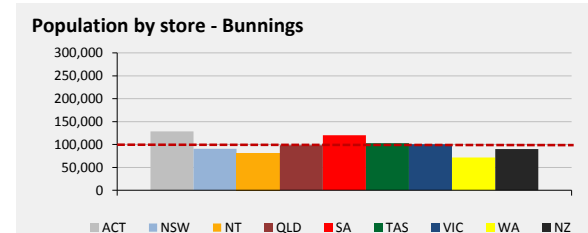
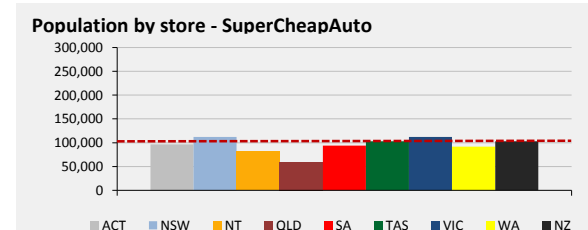
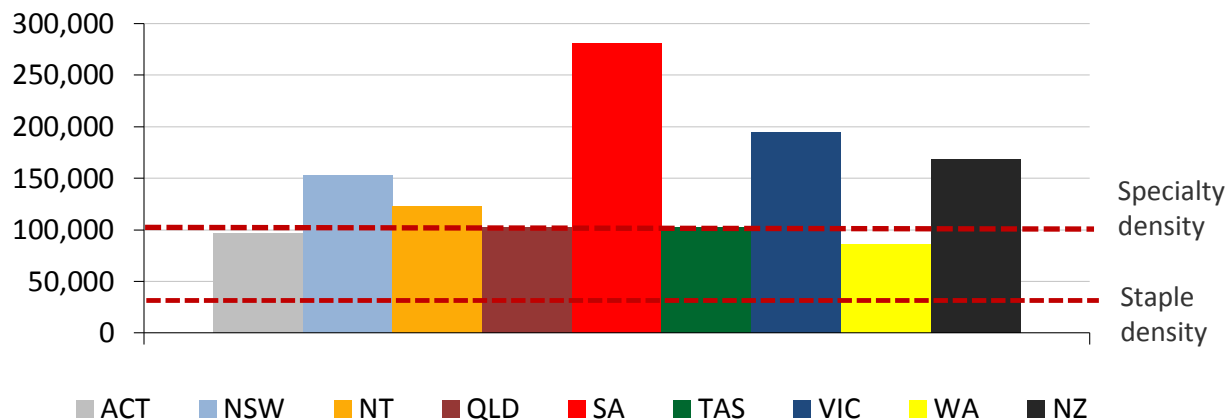
1. Management estimates

Retail store network target

Comparison with the store networks of other ANZ retailers suggest that a target of 325 to 375 retail stores in ANZ is achievable from our current retail network of 199 stores

- Our retail stores are a “specialty staple” selling FMCG products for pets
- Our average head of population per retail store is ~ 140,000 and we are targeting 75,000 to 85,000
- By comparison:
 - Specialty retailers SuperCheapAuto and Bunnings each operate ~300 stores (an average head of population per store of 93,000)¹
 - Whereas staple retailer, Woolworths operates ~1,030 stores (an average head of population per store of 27,000)¹

Population by store - Petbarn, City Farmers & Animates



1. Management estimates based on ASX announcements and public available documents.

We have the management depth and capability to successfully deliver our plan



Jeffrey David
Chief Executive Officer

- Involved in the retail industry for 30 years, commencing with family wholesaling business (Davids Limited) in 1985
- Has worked in or led teams in Australia, Asia and the USA.
- Founding Chairman of ShopFast (Australia's largest online grocery business)
- Co-founder of Petbarn serving as its Executive Chairman from 2005 through 2013 and founding Director of Greencross Limited

Martin Nicholas
Chief Financial Officer

- Responsible for Greencross' finance, review and administration activities
- 27 years as a leading finance executive in the UK, Australia and Asia in FMCG and services, including CFO roles at Unilever and Rentokil
- Prior to joining Greencross was the CFO of Study Group ,a global education group

Scott Charters
Chief Operating Officer -
Retail

- Has led Greencross' retail activities for 7 years
- 20 years with Woolworths in roles including Area Manager, National Retail Support Manager and Head of Advertising
- Prior to joining Petbarn was the COO of Barbeques Galore

Dr. Ian Kadish
Chief Operating Officer –
Veterinary Services

- Responsible for Greencross' Vet and services operations
- 27 years experience in corporate healthcare, working in and leading teams in the USA, UK, Australia and Africa in large listed healthcare companies and McKinsey and Company
- Prior to Greencross was the CEO of Laverty Pathology, a division of ASX Listed Primary Healthcare

TBA (appointment made)
Chief People Officer

- Responsible for Greencross' people and culture strategy
- 27 years as a leading HR executive in companies across industries including food manufacturing, telecommunications, financial services and IT.
- Joins GXL during August 2015

David Bissett
Chief Operating Officer –
Supply Chain and
Business Systems

- Responsible for Greencross' Supply Chain and Business Systems (IT)
- 15 years experience in the retail industry at Coles and supply chain management consulting with PwC
- Prior to joining Petbarn, was Head of Vendor Management at Coles where he led a number of supply chain projects

David Hutchinson
Chief Marketing Officer

- Responsible for Greencross' sales & marketing and digital (online) activities
- Former marketing director of B&Q PLC, a retail market leader in the UK DIY category
- 20 years experience in sales and marketing in retail and FMCG

Vincent Pollaers
General Counsel &
Company Secretary

- Responsible for Greencross' legal and compliance activities
- Prior to Petbarn, positions held included corporate lawyer with Freshfields, London; General Counsel and Strategy Executive, IBM Australia/NZ; and Managing Director, Asia Pacific of boutique strategy consultancy McKinney Rogers

Experienced Board



Our directors bring to the Board relevant experience and skills, including industry and business knowledge, financial management and corporate governance

Stuart James
Independent
Non-Executive Chairman

- An experienced executive within the financial and healthcare sectors. Stuart's past roles have included Managing Director of Australian Financial Services for Colonial and Managing Director of Colonial State Bank (formerly the State Bank of NSW)
- Stuart also held an executive role as CEO of the Mayne Group from January 2002 to January 2005
- Member of the Remuneration and Nomination Committee

Jeffrey David
Chief Executive Officer

- Involved in the retail industry for 30 years, commencing with family wholesaling business (Davids Limited) in 1985
- Has worked in or lead teams in Australia, Asia and the USA.
- Founding Chairman of ShopFast (Australia's largest online grocery business)
- Co-founder of Petbarn serving as its Executive Chairman from 2005 through 2013 and founding Director of Greencross Limited

Christina Boyce
Independent
Non Executive Director

- Former partner of McKinsey & Co with over 20 years strategic consulting and management experience
- Currently a Non-Executive Director of Monash IVF Group and Cryosite Limited
- Chair of the Remuneration & Nomination Committee and member of Audit and Risk Management Committee

Andrew Geddes
Independent
Non Executive Director

- Background in professional service firm management and development, including the development of management programs for the veterinary industry
- Non- Executive Director of Count Financial Limited for 12 years prior to its sale to the CBA
- Founding Chairman of Greencross and a member of the Audit and Risk Management Committee

Christopher Knoblanche
Independent
Non Executive Director

- Former Managing Director and Head of Citigroup Corporate and Investment Banking previously CEO of Andersen Australia, CEO of Andersen Business Consulting Asia Pacific and Regional Managing Director of Deloitte Management Solutions – Asia
- Independent Board Member of the Environment Protection Authority NSW, Advisory Board Member of Whistle Fund Management Company, Advisory Board Member of Norton Rose Fulbright – Lawyers, Board Member of Aussie Home Loans and Director of GE Capital/Money Australia
- Chair of the Audit & Risk Management Committee and member of Remuneration and Nomination Committee

Glen Richards
Non Executive Director

- 27 years experience in the veterinary industry including research, companion animal practice, equine and mixed practice
- Practised companion animal medicine and surgery in Brisbane, Townsville and London prior to establishing Greencross Vets in 1994
- Founding Managing Director of Greencross Ltd and Founding Director of Petbarn
- Currently a Non-Executive director of ASX listed companies 1300smiles Limited and Regeneus Limited

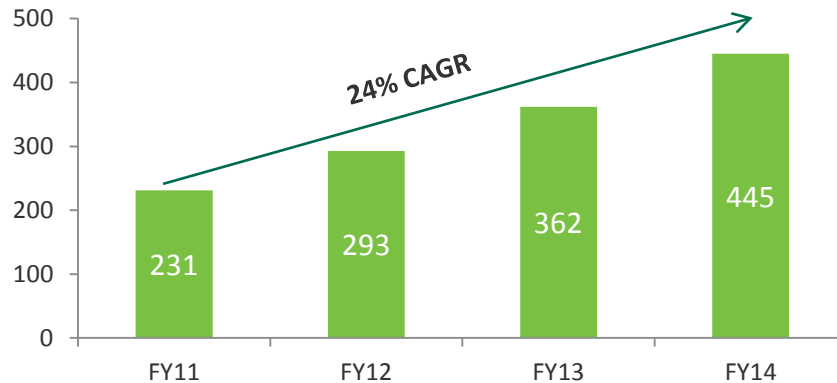
Paul Wilson
Non Executive Director

- 27 years of retail experience including 12 years with Caltex as Retail Manager responsible for 500 retail service station / convenience stores
- Former COO of ShopFast (Australia's largest online grocer)
- Co-founder of Petbarn and served as its Managing Director from 2005 through 2013

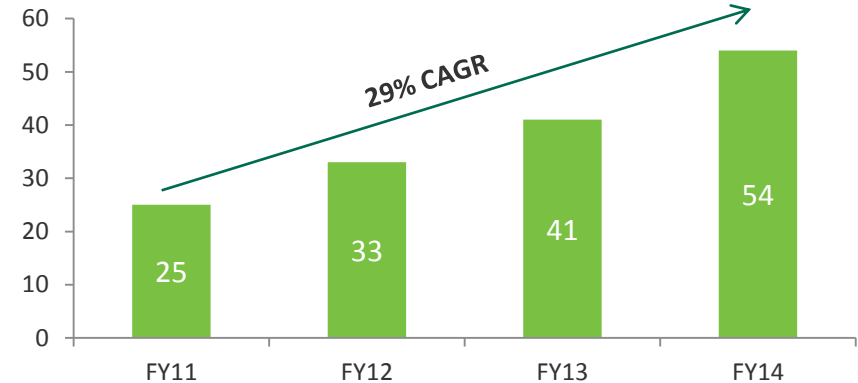
Greencross has a strong track record of growth

Greencross has continued its strong growth trajectory in FY2015

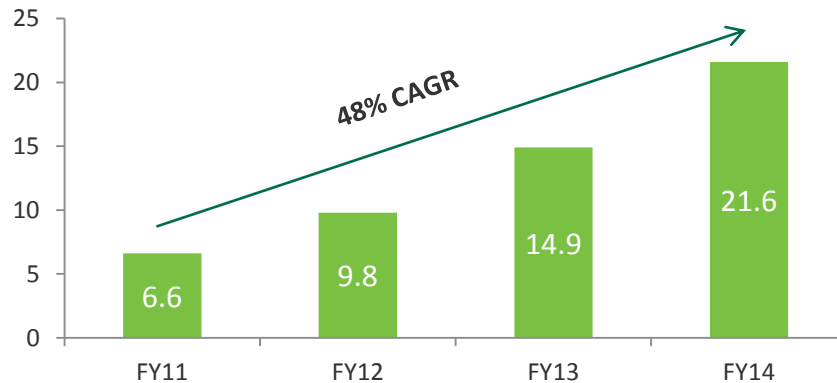
Pro Forma Revenue (\$m)¹



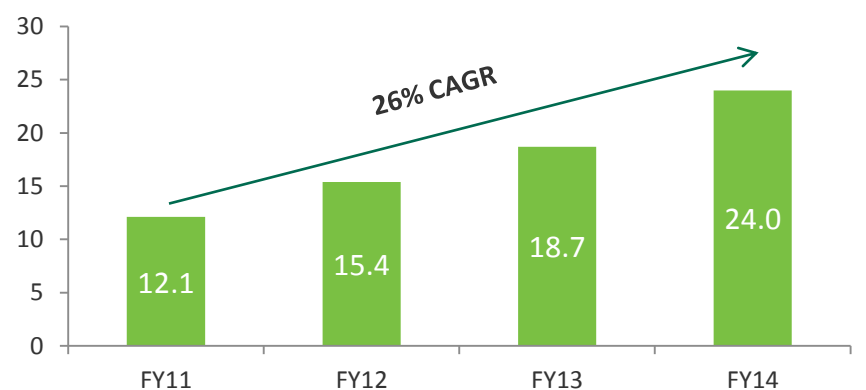
Pro Forma EBITDA (\$m)¹



Pro Forma NPAT (\$m)¹



Reported, underlying EPS (cents)²



1. Pro Forma assumes the merger with Mammoth was completed on 30 June 2010, excluding integration and transaction costs and one off items. Includes Pro Forma synergies only in FY2014. Excludes City Farmers which was acquired on 17 July 2014.
2. Underlying EPS as reported by Greencross Limited

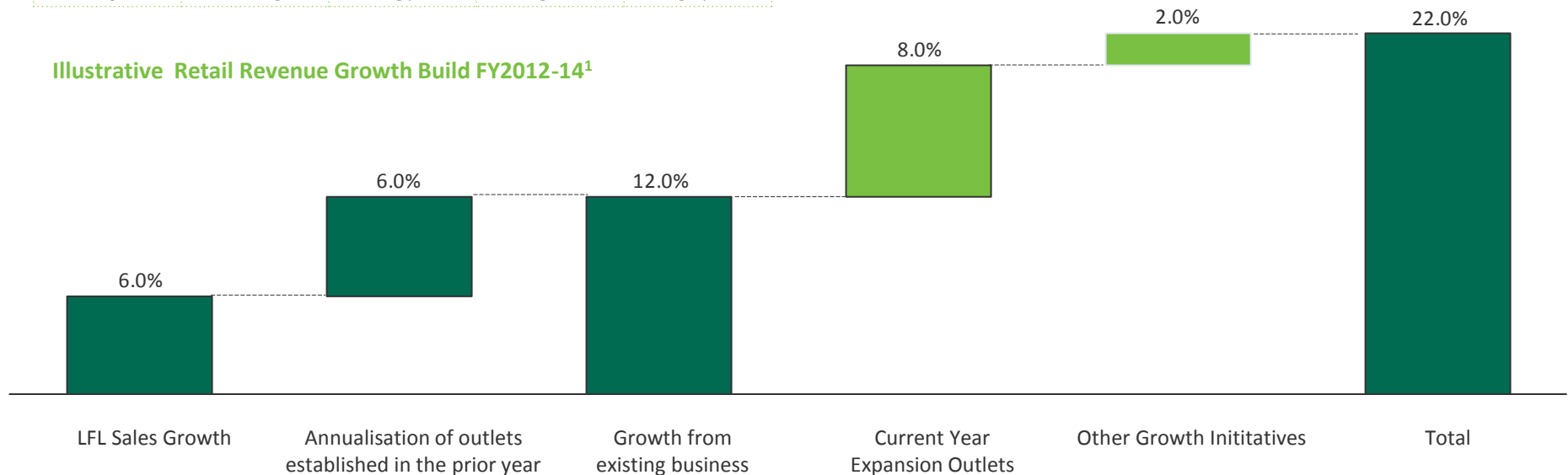
Core platforms of growth – how ~20% growth has been delivered between FY2012 and FY2014

Greencross' continuing investment in new outlets underpins its annual revenue growth

Total Revenue and EBITDA Growth¹

Year	Revenue (\$m)	Growth %	Underlying EBITDA (\$m)	Growth %
FY2011	231		25	
FY2012	293	27%	33	32%
FY2013	362	24%	41	24%
FY2014	445	23%	54	32%

Illustrative Retail Revenue Growth Build FY2012-14¹



Greencross' growth starts from a core base of annualised prior year expansion and LFL sales momentum (as detailed in the following two slides)

1. Based on unaudited management accounts. EBITDA is underlying and pro forma and excludes integration, acquisition and other one off costs. Group shown as if merger occurred on 1 July 2011.

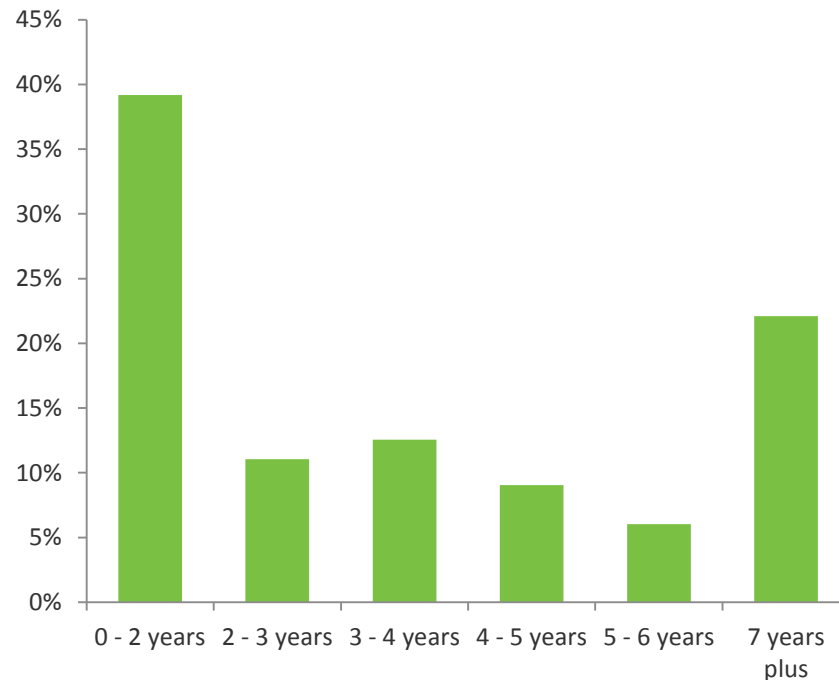
Retail fleet maturity is a key driver of future growth

Ramp up of sales in immature stores expected to drive future LFL sales

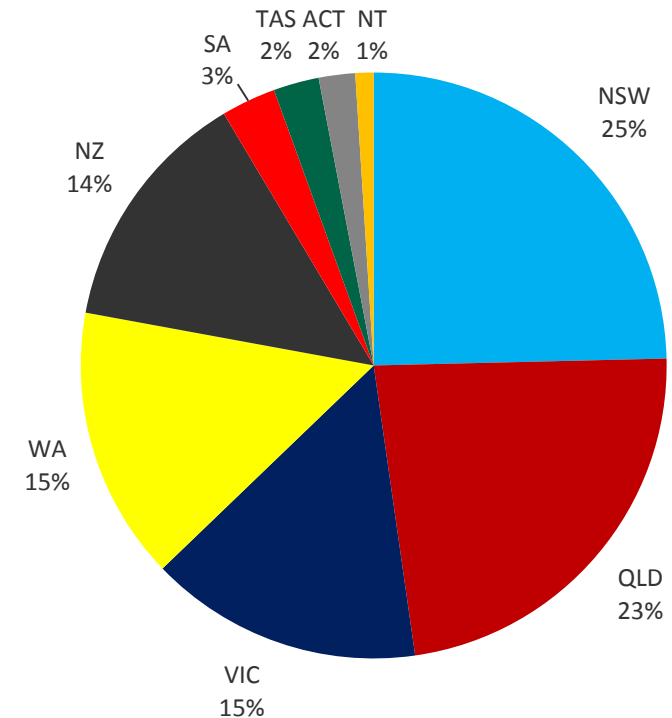
Fleet maturity – ~60% of Greencross' retail stores are < 4 years old.
The average time to store maturity is 5 to 6 years.

Geographic diversity - no single state or territory accounts for more than 25% of the retail store fleet

Retail stores – distribution by age (years)



Retail stores – distribution by geographic region



Inorganic growth goals

Greencross has three core inorganic growth platforms, each with attractive returns

	Annual target	Revenue at maturity ¹	Required investment ¹	Target payback ¹	Time to maturity ¹
Vet Acquisitions	~\$20m Annualised revenue	\$1.2m	\$1.0m	4.5 years	1 to 2 years
Greenfield Stores	~20 stores	\$3.0m	\$1.2m including inventory and services	3.5 years	5 to 6 years
Co-locations	~12 clinics	\$0.8m	\$0.5m	4.0 years	5 to 6 years

1. Per site


Greencross' private label penetration has now increased to 15% of retail sales in Australia

Private label penetration improves customer loyalty and margin. Greencross' long term goal is to achieve 25% private label penetration.



Growth Funding

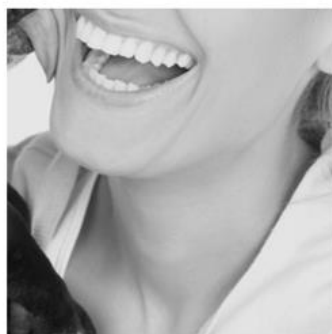
Greencross has the capital available to meet its growth goals

- Estimated expansion capex per annum ~ \$50m 
- A\$350m debt facility in place with \$90m undrawn
- Maturation of fleet improving underlying cashflow generation
- Debt levels will increase in the near term as strategic growth is implemented with leverage ratios reducing as the company moves towards self funding
- Growth will become self funding by 2017/18

	Number per year	Investment (\$m)	Annual Investment (\$m)
Clinics	20	1.0	20
Stores	20	1.2	24
Co-Locations	12	0.5	6
Total	52	0.96	50



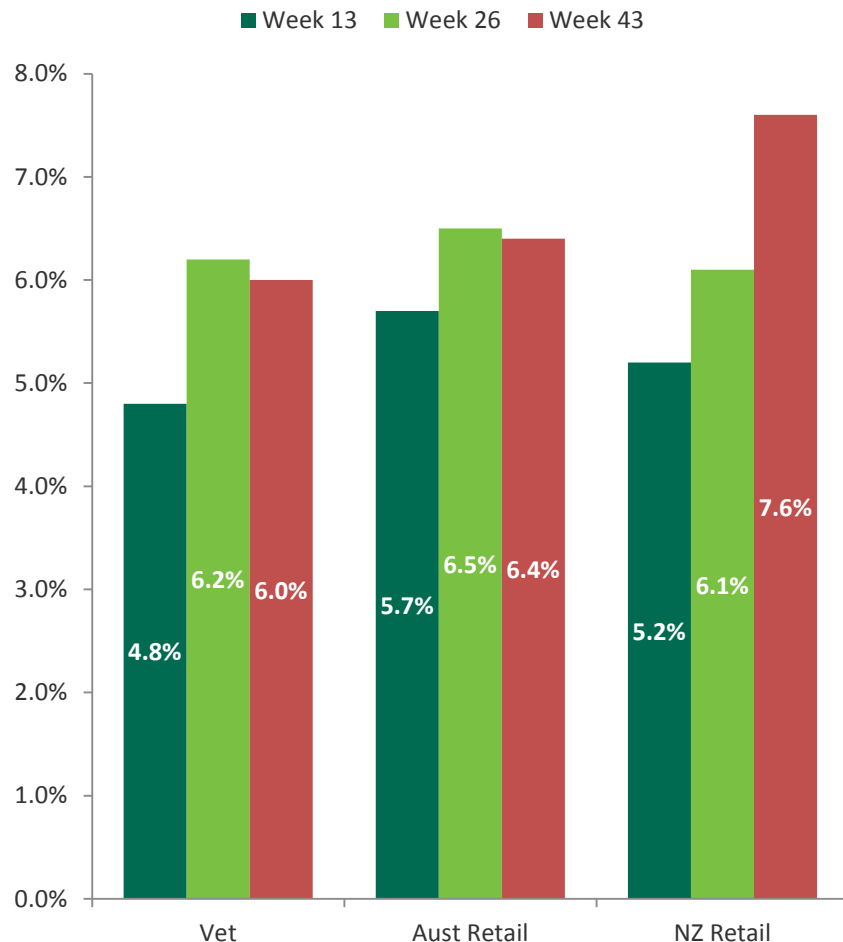
Trading & Operational Update



YTD LFL sales remain within the target range of 5% to 7%, despite some headwinds in March and April FY2015



FY2015 YTD LFL Sales



1. Australian LFL sales exclude City Farmers stores on the basis that they have been owned for < 12 months

Australian LFL sales have been adversely impacted by a number of one off events inhibiting expected H2 acceleration

Australian Retail (6.4% LFL sales as at Week 43)¹

LFL sales in March and April were adversely affected by a number of one off events in including:

- Wholesale food supply disruption arising from implementation of WMS impacting on shelf availability
- Cyclonic weather in Queensland in February and March
- Heavy rainstorms in NSW in mid April

Vet (6.0% LFL sales as at Week 43)¹

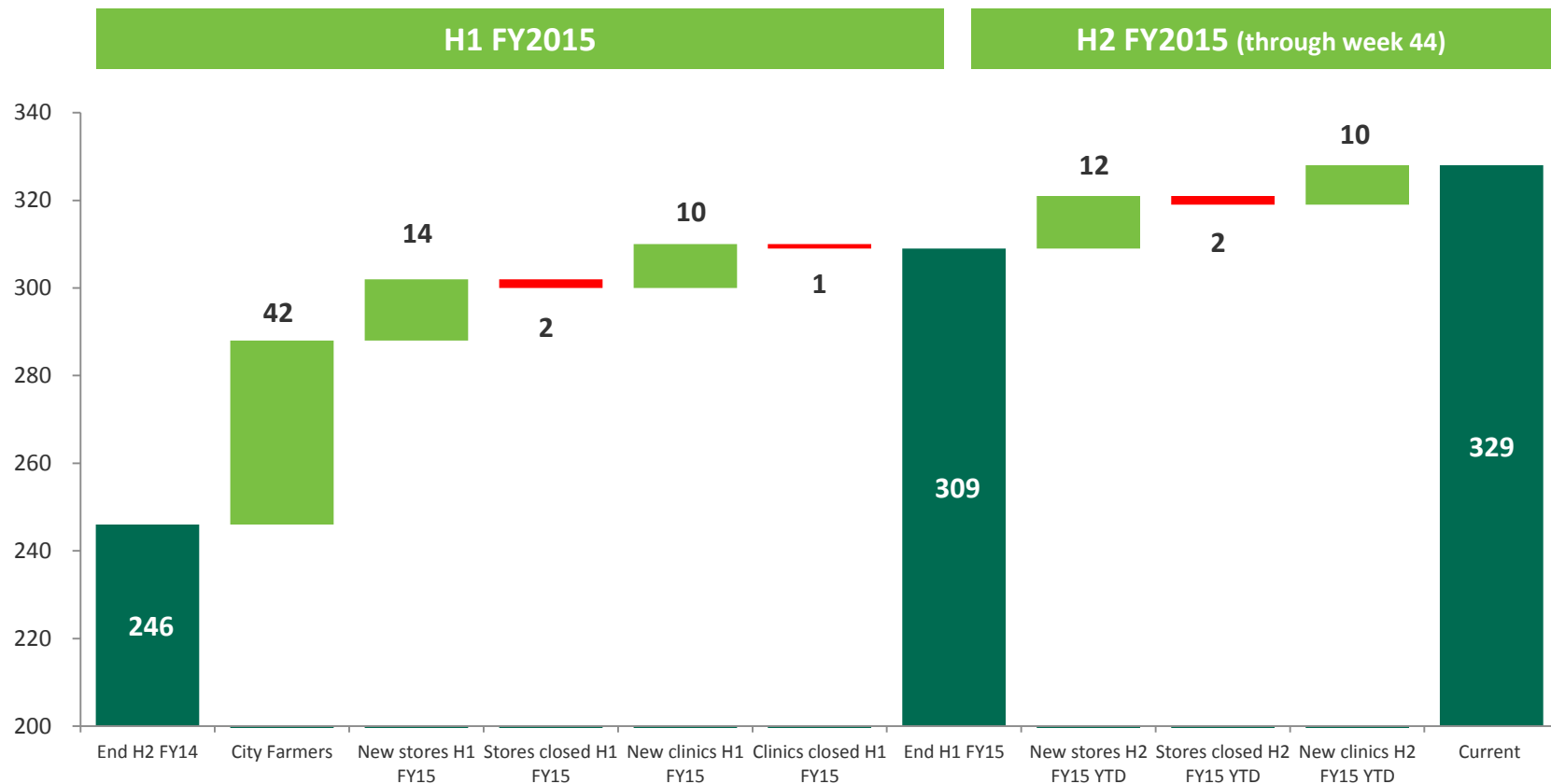
LFL sales in March and April were adversely affected by weather events which led to temporary closure of some clinics

- Cyclonic weather in Queensland in February and March
- Heavy rainstorms in NSW in mid April

Our network has expanded by 30% in FY2015 YTD

83 stores and clinics have been added to the network in FY2015 (including City Farmers)

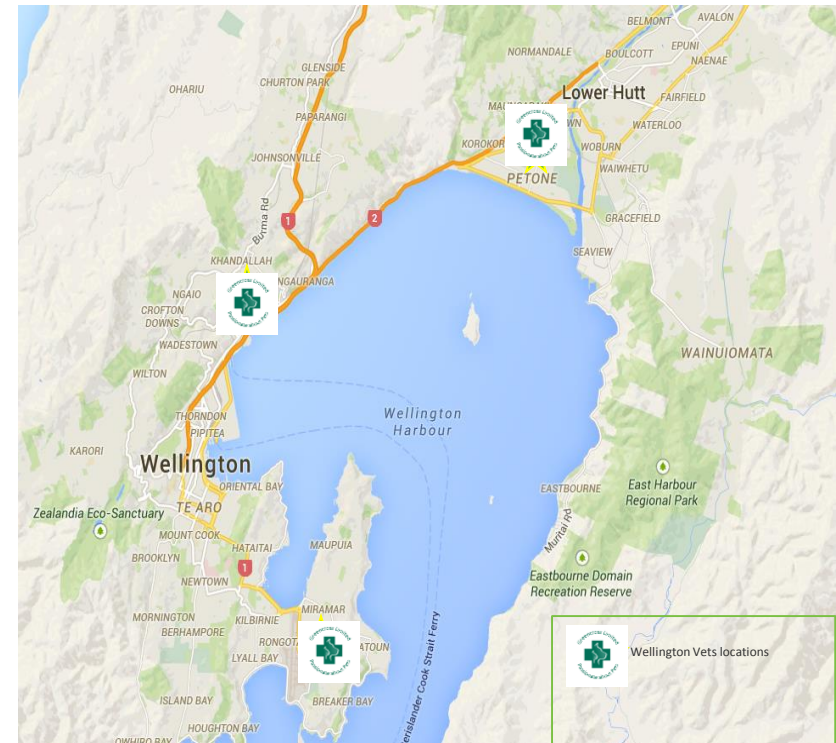
- In FY2015 YTD Greencross has added 64 retail stores and 19 clinics (including vet acquisitions representing over \$31 million in annualised revenue)



New Zealand vet market entry

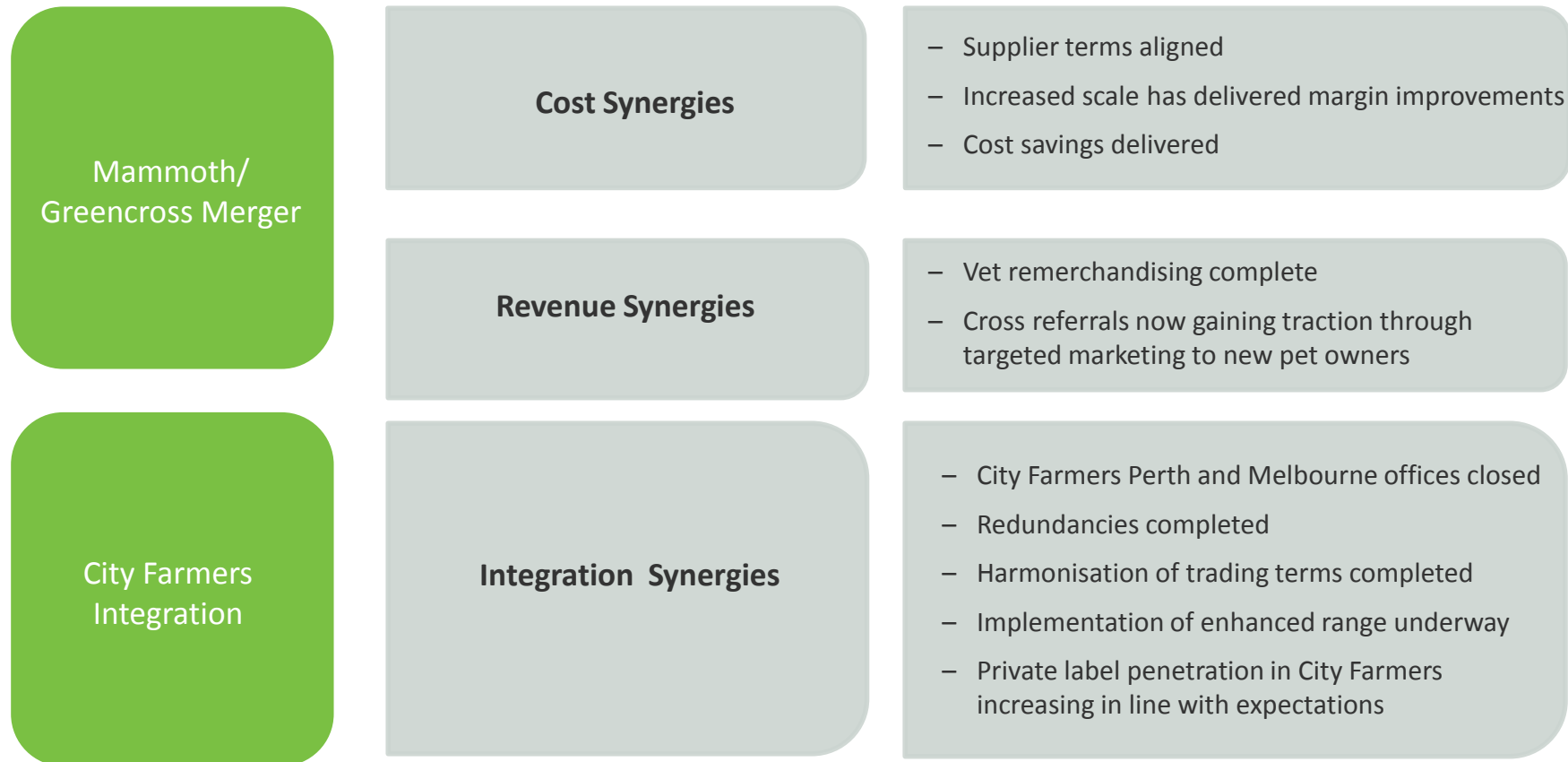
Greencross has acquired 3 vet clinics in Wellington

- Acquisitions expected to deliver annualised revenue of NZ\$3 million
- Acquisition price represented an EV/EBITDA multiple of less than 4.0x
- Greencross believes there is a significant opportunity to make further acquisitions in the \$0.4 billion New Zealand veterinary services market which remains highly fragmented
- There are over 500 veterinary clinics and more than 2,600 registered vets in New Zealand



Cost synergies delivered, integration completed and delivery of revenue synergies underway

Cost synergies have been realised from both the Mammoth merger and the integration of City Farmers and progress is being made on delivery of revenue synergies



Greencross has continued to grow strongly, however the following factors have slowed the expected level of revenue acceleration in H2



Greencross' business has been adversely impacted by the following factors....

Revenue Impact (\$m)¹

WA economy

- Adversely impacting sales growth in WA stores
- WA stores (30) represent approximately 15% of total fleet

\$3m

Supply chain disruption

- Supply chain disruption arising from implementation of new third party warehouse management system has impacted on shelf availability
- Remedial action has seen fill rates recover

\$4m to \$5m

Adverse weather conditions

- Extreme weather over the past 3 months impacted trading in QLD and NSW

\$2m

....resulting in a total revenue impact of up to \$10.0 million

1. Full year impact

Revised Guidance

- **Revised annual underlying¹ FY2015 EPS growth guidance of between 40% - 46%**
- **Revised FY2015 underlying¹ EPS guidance of between 33.5 cents and 35.0 cents**

As a consequence of the factors discussed on the previous slide:

- Greencross has revised its underlying EPS guidance as follows:
 - FY2015 underlying EPS guidance of between 33.5 and 35.0 cents from previous guidance of 36.0 cents
 - The revised guidance range represents underlying annual EPS growth of between 40% and 46%

However:

- Fundamental growth drivers of the ANZ pet sector and Greencross remain unchanged
- Greencross continues to target revenue growth in FY 2016 in line with historic growth rates
- Future growth is expected to be underpinned by the following:
 - Strong LFL sales growth
 - Annualisation impact from full year contribution of acquisitions completed in FY2015
 - Continuation of new store roll out, vet acquisitions and co-locations

1. Excludes integration, acquisition and other one off costs

Greencross is Australasia's leading integrated consumer facing pet care company



FY2015 has been a transformational year for Greencross, strengthening our position in a robust industry

Attractive category

- ~\$9 billion addressable market in Australia and New Zealand growing to ~\$11 billion by 2020
- Demographic trends and the **humanisation of pets** underpin growth expectations
- Pet specialty retail sector (prepared pet food and pet product) has **outperformed most other retail categories** over the last decade¹
- **Fragmented** landscape

History of strong financial performance

- Delivered FY2011-FY2014 historical **EBITDA CAGR of over 25%**
- Successful network expansion through new store / clinic openings and acquisitions
- Fleet maturity and service innovation deliver industry leading LFL sales growth

Strong competitive position

- Currently trading 329 outlets, including **199 stores and 130 vet clinics** across Australia and New Zealand]
- **Integrated pet care model** provides point of differentiation for pet parents against competitors, strengthening engagement via expanded product and service offerings and creating cross-selling opportunities
- Established **precedents in the US and UK** markets

Robust growth profile

- Ongoing **roll out of new stores and acquisitions of clinics**
- **Co-location of clinics and retail stores** strengthening pet parent engagement delivering increased spending within Greencross outlets

Experienced board and management

- Proven performance with **extensive industry experience**
- Board and senior management have **significant shareholdings** in Greencross

1. Based on the compound annual growth rate of sector sales between 2003 and 2012

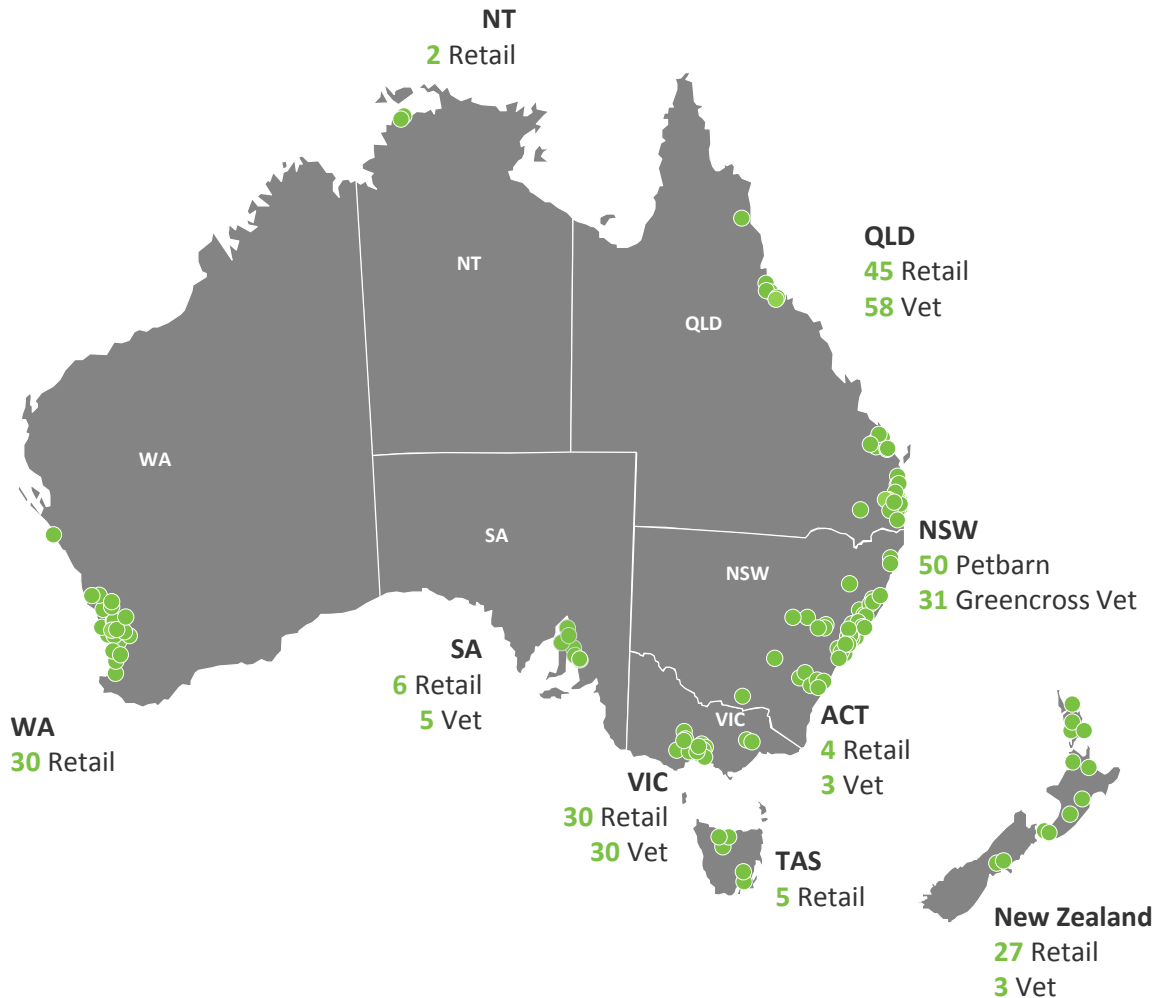


Appendix

Store and Clinic Formats

Greencross' span of services, geographic spread and scale gives us the broadest reach to pet owning families in ANZ

Greencross now has 199 retail stores and 130 vet clinics in Australia and New Zealand



Greencross Retail - Everything for pets

Greencross Retail offers a broad range of products and services aimed at owners of a variety of pets, including dogs, cats, fish, birds, reptiles and small animals, through its retail store and online channels

Every species



DOG



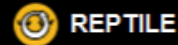
CAT



FISH



BIRD



REPTILE



SMALL ANIMAL

A comprehensive product range

Food



Training and behaviour control



Health and wellbeing



Collars, leads, other accessories



Grooming



Bedding and clothing



Toys



Kennels, cages and aquariums



Thoughtful advice

Did you know?

The right food improves your pets health and happiness.



It pays to feed your dog the very best.

We have litter in 4 different materials to suit your needs.



PETBARN Everything for Pets

100% satisfaction guarantee on all of our super premium dry dog food

Did you know?

Our Friends for Life members have saved over \$2.3 million in 6 months

Friends for Life Club

We guarantee our fish for 7 days

Petbarn Adoptions have saved over 10,000 lives

petbarn.com.au

Supportive services



- Petbarn is the largest provider of grooming services in Australia
- Dog wash and grooming facilities in a modern, comfortable and safe environment for your pet



- Do It Yourself dog wash units conveniently located in selected Petbarn stores



- Petbarn provides accessible drop off points for your pets. Pet accommodation in conjunction with Hanrob Pet Hotels

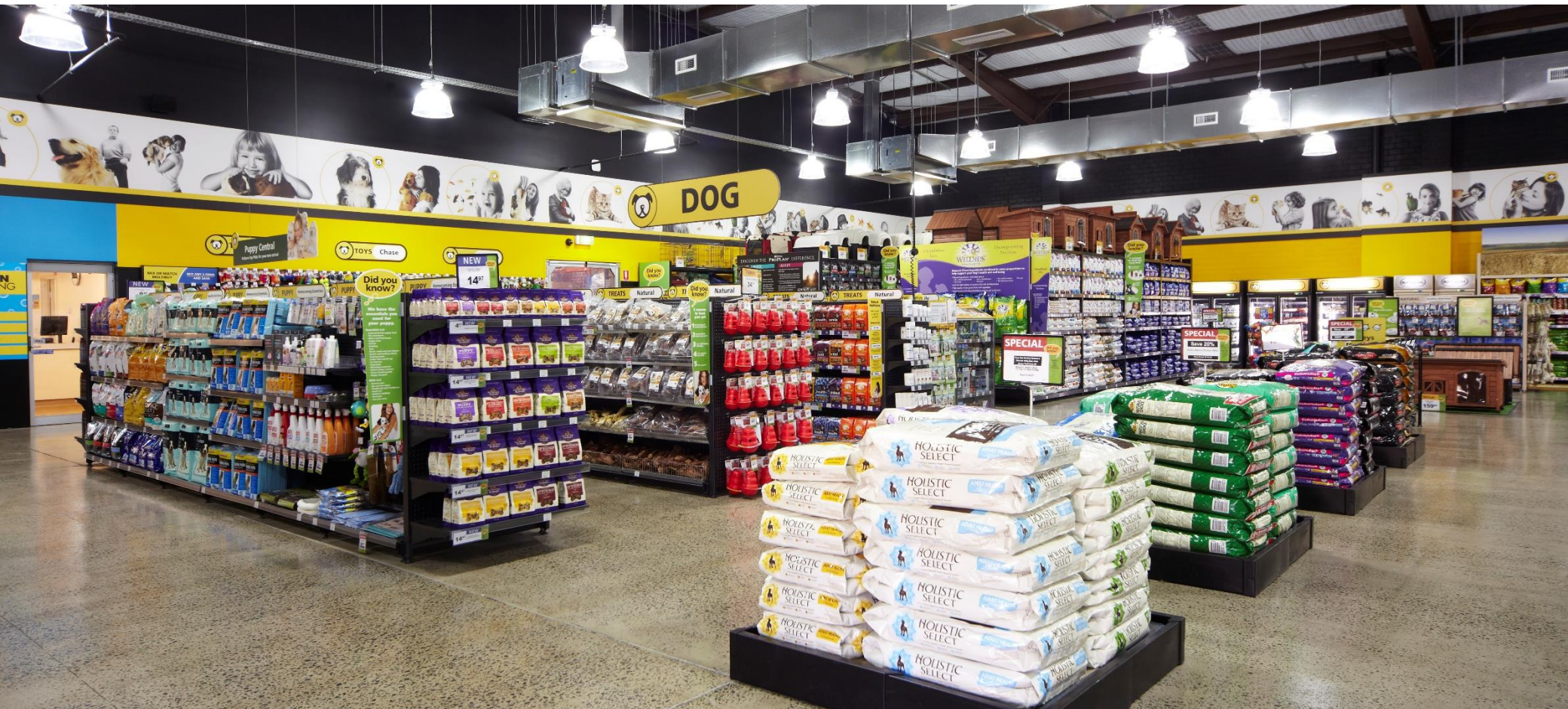


- Promote pet adoption with charity based organisations such as the RSPCA and Lort Smith



- Petbarn Foundation was established to support charities focused on enriching the lives of pets and the people who love and need them

Retail Stores



Petbarn, Animates and City Farmers stores follow a similar layout. All feature a centre spine which the departments run off. Signage is simple, crisp and clear.

Retail Stores



Polished concrete floors allow and encourage customers to bring their dogs in shopping, many do just that.

Retail Stores



The large amount of information on our signage is designed to educate customers how to be the best pet parents they can.

Retail Stores



Our range story is very important to reinforce our specialist position.

Retail Stores



Our registers are open and inviting. Medicinal products are easily available so customers can discuss the available options with team members.

Retail Stores



Exclusive lines like these treats are important traffic driving tools.








Retail Stores



Live fish is a popular category across our stores. We do not sell companion animals but run adoptions centres through our foundation.

Greencross Vet – Passionate about pets

Greencross Vets offers comprehensive ‘whole of life’ support to pet parents

Proactive			Responsive		
General Practices	Pathology Labs		Emergency Centres	Specialty Centres	
General Consultations	Parasite Prevention	Training and Obedience			
Vaccinations	Surgical Procedures	Desexing			
Radiology and Ultrasound	Laboratory and Pathology Testing	Microchipping			
Dentistry	Weight Loss Programs	Pet Crematoria			

Clinics



Our clinics have full fit outs allowing minor operations to be completed on site.

Clinics



Our clinics have modern full fit outs which allow us to maximise retail sales.

Co-Locations



We are rolling out co-located clinics within our retail stores.