FLORAL TRADE AND COOPERATION WITH CHINA

Marco van Zijverden
CEO
• Development Dutch Flower Group and its future strategy

• Experience developing Chinese market for fresh flowers

• Potential Chinese flower market and how to maximise its potential, together
FAMILY BUSINESS: START IN 1999

OZ Group (1959)

and

Van Duijn Groep (1969)
Dutch Flower Group (DFG) is a family of 33 specialised trading businesses, sourcing from more than 30 countries and exporting to 100 countries.

Focus on sourcing, preparing and delivering fresh cut flowers, mixed bouquets, plants and decorative greens.

Customer segments: mass retailers (supermarkets, DIY stores, garden centres) and wholesale importers (individual florist supply).
OUR KEY FACTS (2018)

- €1,524 million turnover
- 2,950 employees (FTE)
- 1,700 temporary staff (FTE)
- Offices in 13 countries
- Sourcing from 30 countries
- Export to 100 countries
- 10 million bouquets find their way to the consumer every week
- 75 million stems of fresh cut flowers find their way to the consumer every week
- 10 million plants find their way to the consumer every week
- 90% sustainable sourcing in 2020
• THE NETHERLANDS
• UNITED KINGDOM
• IRELAND
• FRANCE
• SWITZERLAND
• POLAND
• ECUADOR
• UNITED STATES OF AMERICA (MIAMI, NJ)
• COLOMBIA (BOGOTA)
• KENYA (NAIROBI)
• ZIMBABWE (HARARE)
• SOUTH AFRICA (JOHANNESBURG, CAPE TOWN)
• CHINA (SHANGHAI)
OUR MAIN SOURCING REGIONS

- KENYA
- ETHIOPIA
- COLOMBIA
- ECUADOR
- SOUTH AFRICA
- ZAMBIA
- ZIMBABWE
- COSTA RICA
- UNITED STATES OF AMERICA
- ITALY
- CHINA
OUR MAIN SALES REGIONS

- UNITED KINGDOM
- GERMANY
- FRANCE
- POLAND
- ITALY
- RUSSIA
- UNITED STATES OF AMERICA
- CZECH REPUBLIC
- SPAIN
- AUSTRIA
- CHINA
OUR GROWTH

In € millions

1999: 249
2000: 308
2001: 341
2002: 411
2003: 445
2004: 478
2005: 575
2006: 671
2007: 787
2008: 786
2009: 706
2010: 943
2011: 1,039
2012: 1,197
2013: 1,285
2014: 1,379
2015: 1,386
2016: 1,475
2017: 1,524
2018: 1,593
2019: 1,593
STRATEGY 2025

OUR OBJECTIVE
To be the floral partner, globally

VALUE PROPOSITION
Leading global family business in floral trade that stands out from others, by dedication and focus

LEADERSHIP COMPETENCES
Communicative, entrepreneurial, eager, conceptual thinking, innovation-oriented, flexible, adaptive and facilitating

STRATEGIES
- Increase and create market share
- Maintain client and consumer focus
- Enhance a future proof organization & culture
- Strengthen growers’ connection
- Improve operational excellence
- Accelerate digitalization
- Cooperative
- Decisive
- Innovative
- Transparent

OUR VALUES
- Market oriented
- Responsible
- Sustainable
- Professional

BRAND VALUES
How we want to be perceived

CORE VALUES
How we behave and feel

Making life colorful

Leading global family business in floral trade that stands out from others, by dedication and focus

Communicative, entrepreneurial, eager, conceptual thinking, innovation-oriented, flexible, adaptive and facilitating
OUR AMBITION: GLOBAL FLORAL PARTNER

- Improve operational excellence in our companies
- Accelerate digitalization
- Maintain client- and consumer focus
- Enhance a futureproof organisation & culture
- Strengthen world-wide growers’ connection
- Increase and create market share

-> ambition to grow with global partners to €2.5 billion in 2025
IMPROVE OPERATIONAL EXCELLENCE

Quality  Speed  Efficiency  Cost
ENHANCE A FUTURE PROOF ORGANISATION AND CULTURE
OUR AMBITION: GLOBAL FLORAL PARTNER

• Improve operational excellence in our companies
• Accelerate digitalization
• Maintain client- and consumer focus
• Enhance a futureproof organisation & culture
• Strengthen world-wide growers’ connection
• Increase and create market share in China

-> grow with local partners to our ambition of €2.5 billion in 2025
THE HOLEX FAMILY: HOLEX CHINA

• Expert in long-distance export of fresh flowers by air since 37 years

• Daily supply of customers in over 100 countries and regions in the United States, Canada, the Middle East, and China

• Holex started trading with China in 2012
• First Holex China office started on Hankou Road, Shanghai in 2018

• All year round supply assortment of all the popular Dutch and worldwide sourced flowers
• Easy access through real-time web shop
Annual economic growth in China: + 6 to 6.5%
Increasing middle and higher income classes who can afford cut flowers and pot plants

Production (2016):
- Cut Flowers 18,500 million stems 50,500 hectares
- Pot Plants 3,100 million pieces 61,500 hectares

Local production in China and imports from all over the world
- Traditional flowers: Rose and Chrysanthemum
- Newcomers: Lisianthus, Calla, Tulip, Alstroemeria
Traditionally, flower markets are still the main distribution channel for flowers and plants: still 2,980 flower markets in China (2017)

Flowers are not only used at special rituals like marriage and funeral anymore; flowers are becoming more appreciated as gift and home decoration.

The change in Chinese government policy regarding quarantine and import restrictions make flower importing slightly less difficult today.
Easy worldwide floral buying: **one-stop shop for all floral sources.**

- **Holland** (Tulip, Hydrangea, Ilex, Forsythia, Cymbidium, Novelties)
- **Ecuador** (Rose, Hypericum, Eryngium, Tinted Gypsophila)
- **Colombia** (Hydrangea)
- **South Africa** (Protea, Leucospermum, Brunia bouquet)
- **China** (Rose, Lily, Carnation, Chrysanthemum)
Make sure you are always on top of the market because of our excellent customer care

- We have a native Chinese Sales & Customer support team (in both China & Holland offices)
- We offer personal web shop assistance
- We are your spokesperson for worldwide sourcing
- You can buy directly from Holland web shop with Chinese sales support
- Our reliable web shop is 24/7 online
- We send you offerings via web shop, WeChat and Weibo
**CUSTOMER FOCUS**

- Wholesale florist with physical stock of flowers
  - Import license
  - Stock at for example flower market location
  - Sales to other Wholesalers
  - Florists and Event planners

- Online wholesaler with no stock of flowers
  - Import license
  - No stock: all prepared by supplier/grower
  - Web shop is key
  - Sales to florists and Event planners

- Online retailer with no stock of flowers
  - Import license
  - Subscription model
  - Direct sales to consumers
100% reliable cold chain from grower to your doorstep

- New, state-of-the-art warehouse next to Pudong International Airport
- All shipments go into the cooler
- After arriving in China again pre-cooling before shipment to final destination

- We import via multiple airports:
  - Shanghai
  - Guangzhou
  - Zhengzhou
  - Kunming
  - Chengdu
  - Beijing

- We offer nationwide delivery to your doorstep
FRESHLY PACKED FOR YOU, EVERY DAY
• E-commerce: distribution to florists: logistic infrastructure

• E-commerce: distribution to consumers direct: partnerships in logistics
POTENTIAL CHINESE FLOWER MARKET

The online growth opportunity: Asia and North America will lead the way

- North America’s online grocery market will grow by 152% by 2023, adding $38bn
- Europe’s online grocery market will grow by 66% by 2023, adding $21bn
- Asia-Pacific’s online grocery market will grow by 196% by 2023, adding $198bn

Major markets will grow globally by 163% by 2023, adding $257bn

Source: IGD Forecast
• **Home delivery** of groceries is growing rapidly
• Expected to reach $257 billion worldwide by 2023

• **Current floral share** in grocery channels is close to 1% on average

• **A successful transition** of the floral market share into home groceries will result into a total serviceable worldwide market of $2.6 billion.
ONLINE FLORAL CHALLENGES

• Dark stores
don’t have the opportunity to easily integrate flowers in their logistical chain without adding high costs

• Flowers need water
and cooling to stay fresh and alive during their ‘last mile’ to the consumer.

• Online bought flowers
are expensive and rarely meet the value and quality you would get from a local florist.
Our flowers are freshly packed at source with the grower using an unique patented technology, to ensure perfect logistics.

Freshness for 5 days without water and still can be 7 days vase life guaranteed to consumers.

Saving money and less impact on environment using the “short cut” from grower with minimal added costs and energy spent within the supply chain.
Dutch Flower Group wants to embrace opportunities of the Chinese floral market

With experience of Holex we can develop the Chinese market for fresh flowers successfully

Our offer: to be the consolidator for international sourcing, partnership with local flower growers and local logistic partners
INTERESTED IN PARTNERSHIP WITH HOLEX?

www.holex.com

DUTCH FLOWER GROUP

71ST ANNUAL CONGRESS
World Ornamental Horticulture Summit
9 – 14 September, Beijing 2019
YANQING DISTRICT, BEIJING, CHINA