



TAX FREE SHOPPING RECOVERY ACCELERATES DURING EUROPE'S SUMMER HOLIDAY SEASON

- At today's Annual Altagamma Luxury Observatory Conference in Milan, Global Blue will present new data signposting the recovery of Continental Europe's Tax Free Shopping market
- Over the summer¹ 2021 period, Tax Free Shopping spend across Europe averaged at 38% of 2019's pre-pandemic levels, with a high of 40% in August
- The recovery was driven by long-mid haul luxury shoppers from the GCC² (86% versus summer 2019) as well as those from the US (73%)
- The UK shopper, a valuable nationality newly eligible to Tax Free, delivered a high average spend (€1,500) that was over twice the European average

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Today at the annual Altagamma Luxury Observatory Conference in Milan, Global Blue reveals new analysis of Tax Free Shopping's post-pandemic recovery in Continental Europe, following the summer holiday season.

Europe's Tax Free Shopping has reached its highest levels since the pandemic

Thanks to the softening of borders across the region, re-opening of long-haul flights and a strong appetite to shop amongst travellers, Tax Free Shopping in Continental Europe this summer reached its highest rate of recovery since the outbreak of the Covid-19 pandemic.

Across Continental Europe, the overall recovery averaged at 38% versus the summer period in 2019, peaking at 40% in August. This is up from an average of 15% between April and June 2021.

Top Tax Free Shopping destinations such as France (49% in September compared to September 2019), Italy (38%) and Spain (38%) all benefitted from a steady increase, while countries who announced softer border restrictions before summer, such as Greece (70%) and Turkey (182%), experienced the highest rates of recovery.

¹ Refers to July, August and September 2021

² Gulf Coast Countries: Saudi Arabia, Kuwait, UAE, Qatar

Luxury shoppers from the GCC and the US region are driving recovery

Over the three summer months (July-September), shoppers from the GCC consistently fuelled Tax Free Shopping recovery, achieving 86% of their 2019 summer spending levels and peaking at 143% in September. A summer average of 112% was achieved in France, while Spain reached 84% and Italy 73%.

The GCC Tax Free recovery rate was boosted by high-end luxury shoppers with an appetite to spend - indeed, 'Elite'³ shoppers from the GCC reached an average recovery of 125% over the summer months. This was driven by pent-up demand as well as a partial reallocation of spending from the UK into Europe, following the end of the UK's Tax Free Shopping scheme earlier this year.

Meanwhile, American shopper spend spiked after the US was added to the EU Council's approved travel list in June and remained strong all summer with an average of 73% and a height of 85% in August. This is compared to a rate of 16% during April-June 2021.

New Tax Free Shoppers from the UK are helping to sustain recovery

Shoppers from the UK - a new 'post-Brexit' Tax Free Shopping nationality - also helped to uplift recovery and accounted for just over 3% of Europe's total Tax Free spend in August and September.

With an average spend of €1,500, which is more than twice the European average, the UK shopper is a valuable new Tax Free nationality. Their top destinations this summer were France (33% of overall UK Tax Free spend), Spain (23%) and Italy (22%).

Research by Global Blue shows a continuous improvement of traveller sentiment

Research by Global Blue has indicated further positive recovery prospects: according to its traveller sentiment research⁴, 70% of international shoppers surveyed in September and October are willing to travel in the coming months (provided there are no quarantine conditions), up from 62% in July and August. This rises to 76% amongst Elite and Frequent shoppers.

Pier-Francesco Nervini, Chief Operating Officer North & Central Europe & Global Accounts at Global Blue commented:

"The softening of borders across the continent alongside the establishment of 'health pass' schemes has spurred more confidence in travel and enabled high-end luxury shoppers from some key destination markets to securely plan and execute their trips. Although the travel retail industry still has a long way to go on its path to recovery, it is very encouraging to see a strong appetite amongst international shoppers - particularly those from the US and GCC - to return to spending and shopping in European stores."

³ Individual international shoppers who have spent more than €40,000 over the past 24 months

⁴ Sample: 16,000 international global shoppers who have already done a Tax Free Shopping transaction with Global Blue

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ABOUT GLOBAL BLUE

Global Blue pioneered the concept of Tax Free Shopping 40 years ago. Through continuous innovation, it has become the leading strategic technology and payments partner, empowering merchants to capture the growth of international shoppers.

The Group connects all stakeholders involved in the international shopping ecosystem, helping:

- More than 29 million international shoppers receive a seamless and personalised shopping experience, enabling them to claim back the VAT on their eligible purchases when they shop abroad and to pay in their home currency brands, identify at a guaranteed best rate,
- More than 300,000 points of sale, including leading department stores and luxury growth opportunities through smart data and intelligence solutions, increase footfall through data-driven marketing solutions and convert traffic into merchant revenue through innovative in-store technologies,
- More than 50 acquirers, at around 130,000 points of interaction, benefit from additional revenue streams and offer merchants and travellers Dynamic Currency Conversion options and other Added-Value Payment Solutions,
- Customs & authorities in more than 40 countries increase country attractiveness and ensure a secure and compliant Tax Free Shopping scheme.

Global Blue is listed on the NYSE under the ticker [GB].

For more information, visit <http://www.globalblue.com/corporate/>