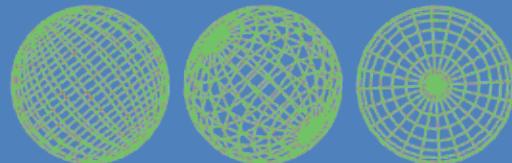


## FMI Conference

# The New Barometer



THE GLOBAL RETAIL THEFT BAROMETER

# Summary of Key Findings

- Global Shrink
  - Comparable Data
    - 2014/15 reported a 1.42% vs 2013/14 reported a .94%
      - Asia Pacific reported a 1.11% vs .91% LY
      - Europe reported a .96% vs 1.02% LY
      - Latin America reported a 1.82% vs .75% LY
      - North America reported a 1.97% vs 1.28% LY
    - 16 individual Countries
      - In 10 countries these retailers reported an **INCREASE** in Shrink
      - In 6 countries these retailers reported a **DECREASE** in Shrink

# Summary of Key Findings

- Global Shrink
  - Comparable Data
    - A record 18 reporting verticals reported data in 2014/15
    - 11 of these verticals had comparable data
      - In 7 of these verticals shrink **INCREASED**
      - In 4 of these verticals shrink **DECREASED**

# Summary of Key Findings

- Global Shrink – 2013/14
  - Categorizing Shrink – the cause of loss
    - Internal = 28%
    - External = 39%
    - Vendor = 13%
    - Admin = 21%
- Global Shrink – 2014/15
  - Categorizing Shrink – the cause of loss
    - Internal = 39%
    - External = 38%
    - Vendor = 7%
    - Admin = 16%



# Summary of Key Findings

- North America Shrink
  - Comparable Data
    - 2014/15 reported a 1.97% vs 2013/14 reported a 1.28%

# Summary of Key Findings

- North American Shrink
  - Comparable Data
    - 15 reporting verticals reported data in 2014/15
    - 8 of these verticals had comparable data
      - In 6 of these verticals shrink **INCREASED**
      - In 2 of these verticals shrink **DECREASED**

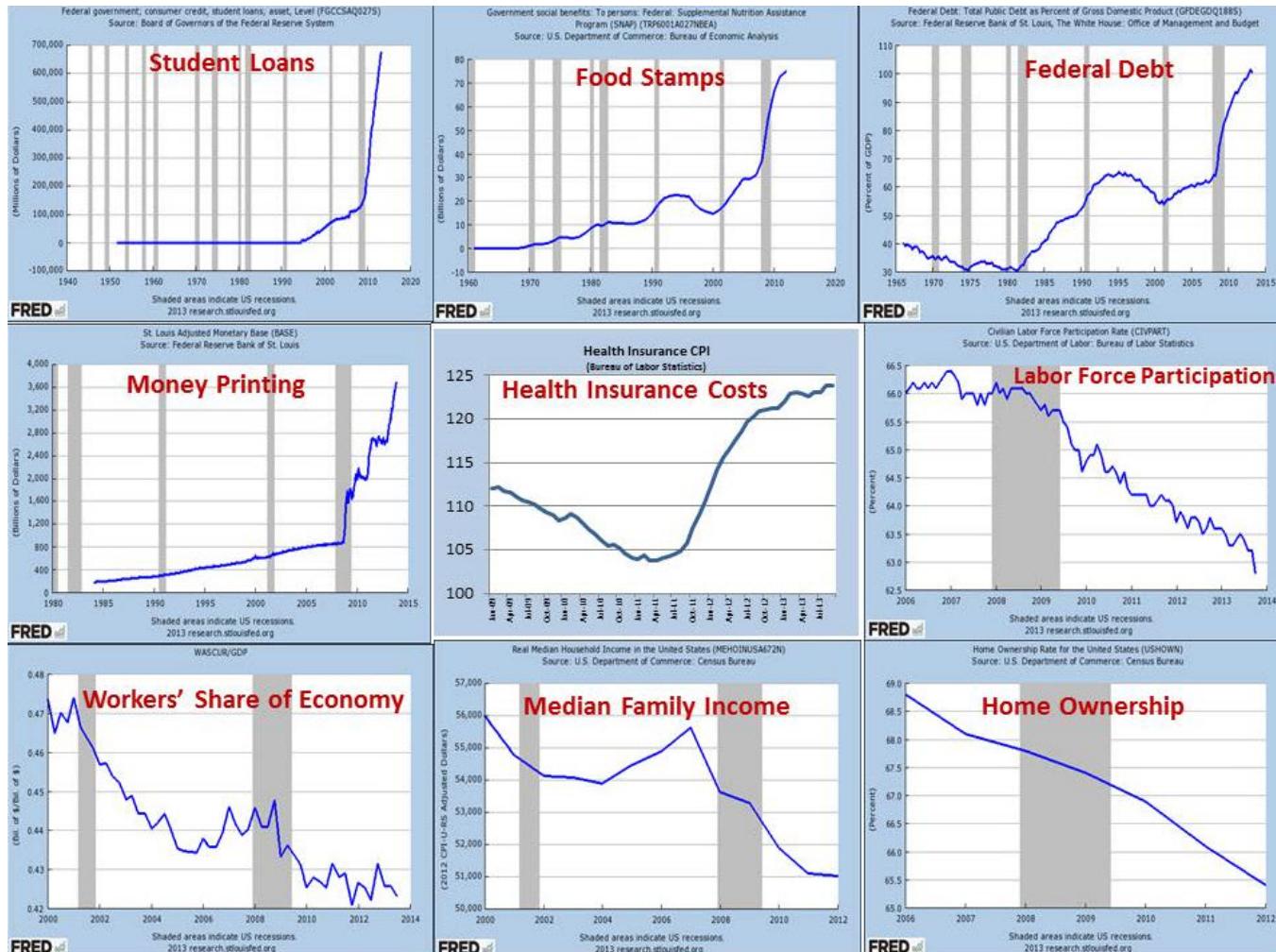
# Summary of Key Findings

- North American Shrink – 2013/14
  - Categorizing Shrink – the cause of loss
    - Internal = 43%
    - External = 37%
    - Vendor = 9%
    - Admin = 11%
- North American Global Shrink – 2014/15
  - Categorizing Shrink – the cause of loss
    - Internal = 45%
    - External = 36%
    - Vendor = 6%
    - Admin = 13%



# Data Analytics – the Risks Ahead

- Forward Looking External Indicators of Risk & Economic Instability



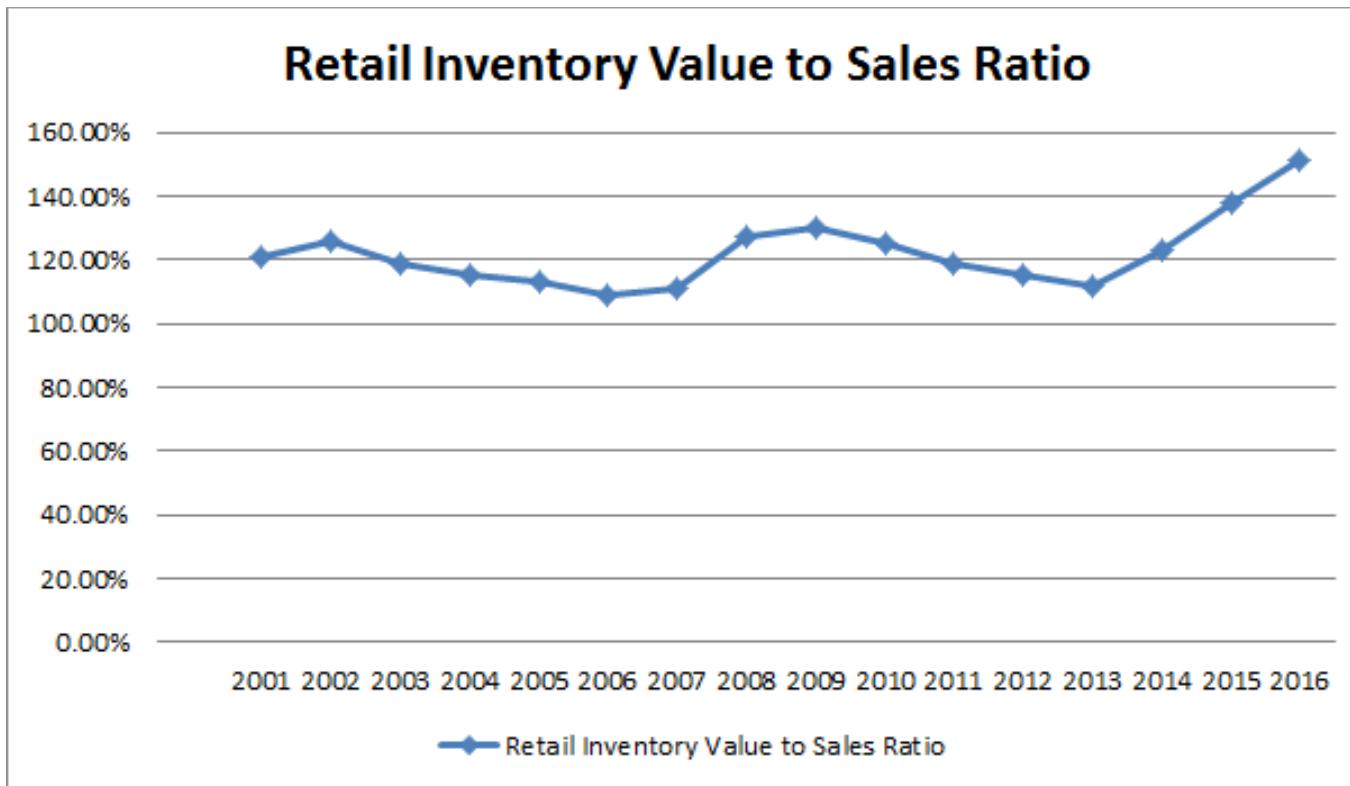
# Data Analytics – the Risks Ahead

- Baltic Dry Index at all time lows
  - A Forward looking Financial Leading Indicator
    - The Baltic Dry Index is a daily average of prices to ship raw materials. It represents the cost paid by an end customer to have a shipping company transport raw materials across seas on the Baltic Exchange, the global marketplace for brokering shipping contracts.



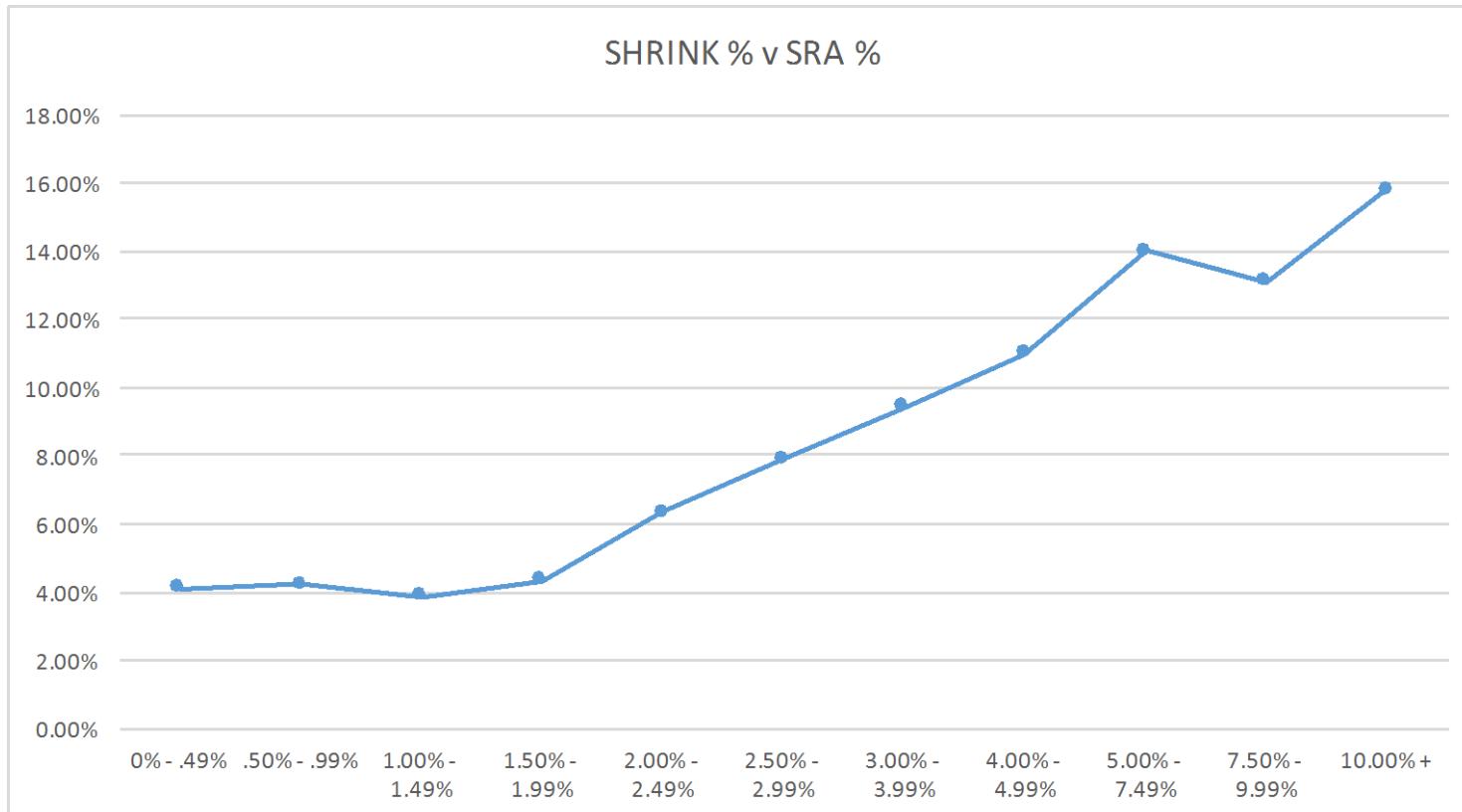
# Data Analytics – the Risks Ahead

- RISK Indicator – On hand Inventory Value v Sales



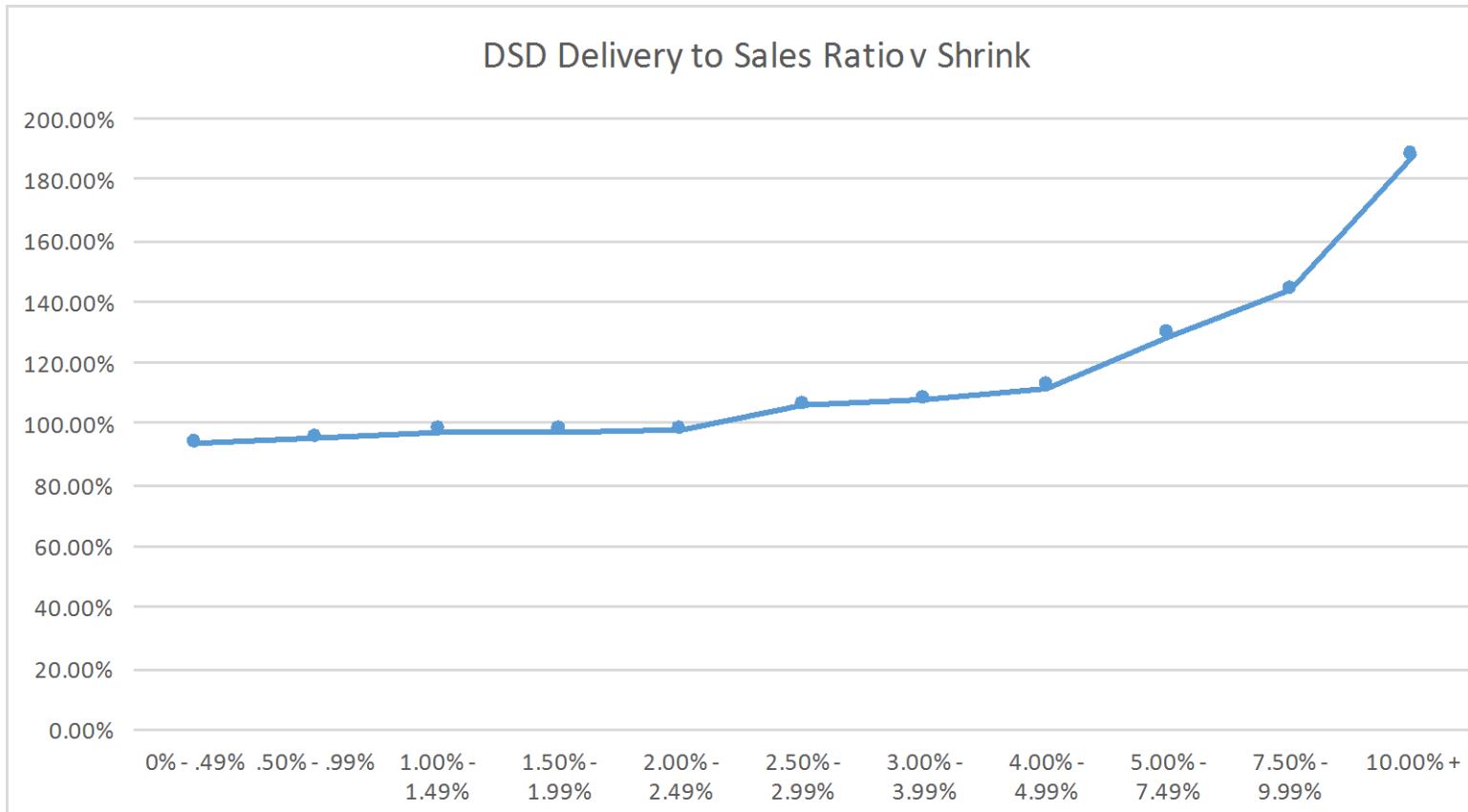
# Data Analytics – the Risks Ahead

- SRA v Shrink as a % to sales (PTS)



# Data Analytics – the Risks Ahead

- DSD iRED v Shrink as a % to sales (PTS)



# Data Analytics – the Risks Ahead

- DSD iRED v Shrink as a % to sales (PTS)

