



LAX PASSENGER DYNAMICS

2019 URW DEPARTING PASSENGER INTERCEPT (T1, T2, T3, T6, TBIT)



UNIBAIL-RODAMCO-WESTFIELD

Disclaimer

This presentation has been prepared by Unibail-Rodamco-Westfield for general circulation and is circulated for information only. The data that appears in this document is based on internal or external studies, compilations of different studies, or third-party declarations. This data, along with all other information contained in this document and particularly visual images, is provided for reference only, is subject to change over time and should not, under any circumstance, be considered to be contractual information. Unibail-Rodamco-Westfield reserves the right to modify the information in this document at any time without prior warning. Unibail-Rodamco-Westfield accepts no liability whatsoever for any loss or damage of any kind arising out of the use of all or any part of this presentation.

The facts contained herein and the terms of our discussions are strictly confidential and are not a substitute for a lease or contract nor a promise to lease or contract, nor to any commitment on the part of Unibail-Rodamco-Westfield and its affiliates. It does not commit Unibail-Rodamco-Westfield and its affiliates to negotiate exclusively with your company. Unibail-Rodamco-Westfield and its affiliates reserve at any moment the ability to conclude a lease or contract with third parties, and to terminate the current discussions with your group, without any compensation being able to be claimed on either side. The facts contained herein and the terms of our discussions are not guaranteed in time and are subject to developments and amendment. Only the signature of the lease or contract in its final form and by duly authorized executive will constitute a commitment on the part of Unibail-Rodamco-Westfield, its subsidiaries or its representatives.



Methodology

- Passenger Intercepts at the post-security Gate Areas / Dining Patios:
 - T1
 - T2
 - T3
 - T6
 - TBIT
- 510 interviews per terminal, with 2,550 interviews in total
- Interviews were conducted between April 11th to May 6th, across both weekdays and weekends, covering the hours of 1pm - 9pm on Thursday/Friday/Sunday and 7am - 3pm on Saturday/Monday
- Interview languages:
 - Domestic Terminals: English/Spanish
 - TBIT: English, Mandarin/Cantonese, Korean, Spanish



Passenger Profile

- ✓ High proportion of leisure travelers
- ✓ Low proportion of local travelers
- ✓ Higher dwell at TBIT than Domestic

All LAX Terminals

54% male, 40 years old, \$129k HHI

Majority US residents (80%), a minority live locally (24% in Los Angeles County)

Majority leisure travelers (74%)

Travel from LAX 4.8 times per year, though half of all passengers are infrequent travelers (55% <2x per year)

Half travel alone (48%)

Dwell TBIT 133 min; Other Domestic 109 min post-security

Terminal Differences

- **T1 (Southwest):**
 - Highest proportion of domestic destinations (98%)
 - Highest proportion of business travelers (33%)
 - Highest travel frequency through LAX (7.1 annual visits)
 - Shortest post-security dwell (90 min)
- **T2-T3 (Delta), T6 (Alaska):**
 - Majority domestic
 - Average travel frequency through LAX
 - Average post-security dwell
- **TBIT (variety of airlines):**
 - Highest proportion of Int'l destinations (81%)
 - Highest proportion of Int'l Residents (17% Asia, 23% Other International)
 - Lowest travel frequency through LAX (3.2 annual visits)
 - Longest post-security dwell

Passenger Productivity

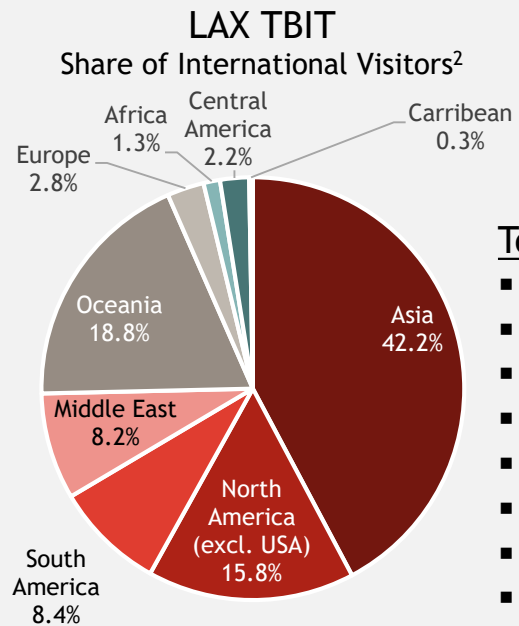
- ✓ Opportunity to convert more passengers to visiting a merchant
- ✓ International terminals have a stronger opportunity for retail vs. domestic terminals

All LAX Terminals

- 81% of passengers visited/planned to visit a merchant. Food/Beverage visitation (71%) is higher than Retail visitation (36%).
- 26% visited/planned to visit both.
- Retail conversion is 76% (ranging from 81% TBIT - 69% T1).
- For passengers who had completed their merchant visit at time of interview, they visit:
 - 1.2 Food/Bev merchants spending \$24
 - 1.1 Retail merchants spending \$42
- Stronger productivity is associated with Terminal, Residents of Asia and Dwell.
 - Strongest food visitation among those with 2+ hours dwell and in T3
 - Strongest retail behaviors among those who are Residents of Asia and in TBIT

TBIT

The majority of the 40% International Residents at LAX TBIT¹ reside in Asia:



Top Asia Countries

- Korea
- Japan
- Philippines
- Taiwan
- China
- Thailand
- Singapore
- Hong Kong

Residents of Asia are the most productive retail segment at LAX

Highest visitation (46%), conversion (91%), and spend (\$175)

Most likely vs. others to:

- Shop for souvenirs/gifts (16%), beauty/fragrance (13%), apparel (9%)
- Visit Duty Free (17% vs 2%-7% other)
- Want retail pre-ordering (13% vs. 3% for all others)

(1) 2019 LAX Passenger Intercepts

(2) Source: EnviroNics, May 21, 2018 - May 20, 2019 (LAX TBIT)

Passenger Perceptions

✓ Value for money continues to be a focus

All LAX Terminals

% Better than other terminals/airports

- 44% overall terminal experience
- 37% overall shop/dine experience
- 58% Wayfinding
- 30% Selection of local goods/dining

Food 40% variety
 34% quality
 28% wait times
 15% value for money

Retail 28% variety
 25% quality
 21% wait times
 13% value for money

ACI ASQ Value for Money²

LAX (Q4'18):
Total - 3.02 Food, 3.16 Retail



(1) 2019 LAX Passenger Intercepts
(2) ACI Airport Service Quality Report
URW CONFIDENTIAL: INTERNAL USE ONLY

Terminal Differences

Passengers in T1 and TBIT were most positive about LAX overall while T2 and T3 were most critical.



- T1 passengers were most likely to consider their overall terminal experience, overall shopping/dining experience, variety of food/bev options, and selection of local goods **better** than other airports.
 - Least likely to pre-plan food/retail purchases (37%)
- T1 and TBIT most positive on retail perceptions of variety, quality, and VFM



- T2 are most critical, with lowest satisfaction on nearly every perception
 - 20% were unable to find a specific food item (mainly healthier options, breakfast items, or more/different burgers/ chicken)
 - Most likely to visit an airport lounge (17%)
- T3 are also more critical in terms of perceptions
 - Most likely to report **time as a barrier** to visit
 - Strongest interest in ability to **pre-order food** (42% vs 30% for all other terminals)
 - Most likely to **pre-plan** food/retail (75%)

Most frequent write in suggestion for LAX was burgers (22%), followed by café/soups/salads (12%)

Leasing Requests

- ✓ Health & Wellness concepts (e.g., fresh foods, juices, Rx / vitamins) may resonate
- ✓ Sleep pods and pre-ordering food are top opportunities

All LAX Terminals

Dining

- ✓ National fast food/fast casual (28%)
- ✓ Fresh foods including salad/fruits veggies/vegetarian (28%), fresh prepared order-to-go meals (26%), to juices/smoothies (25%)
- ✓ National sit-down dining (24%)

Services

- ✓ Sleep pods (41%)
- ✓ Pre-ordering food (32%)

Retail → 79% were interested in additional retail

- ✓ Health care (drugstore, vitamins) (20%)
- ✓ Apparel including men's/women's (20%) and athletic appeal (17%)
- ✓ Electronics/tech (18%)



Information Sources, Pre-Planning, Lounge

- ✓ Important to build content to encourage pre-planning

All LAX Terminals

38% of travelers used a digital information source to review food/retail options, and were equally likely to use before or after they arrived.

Top sources:

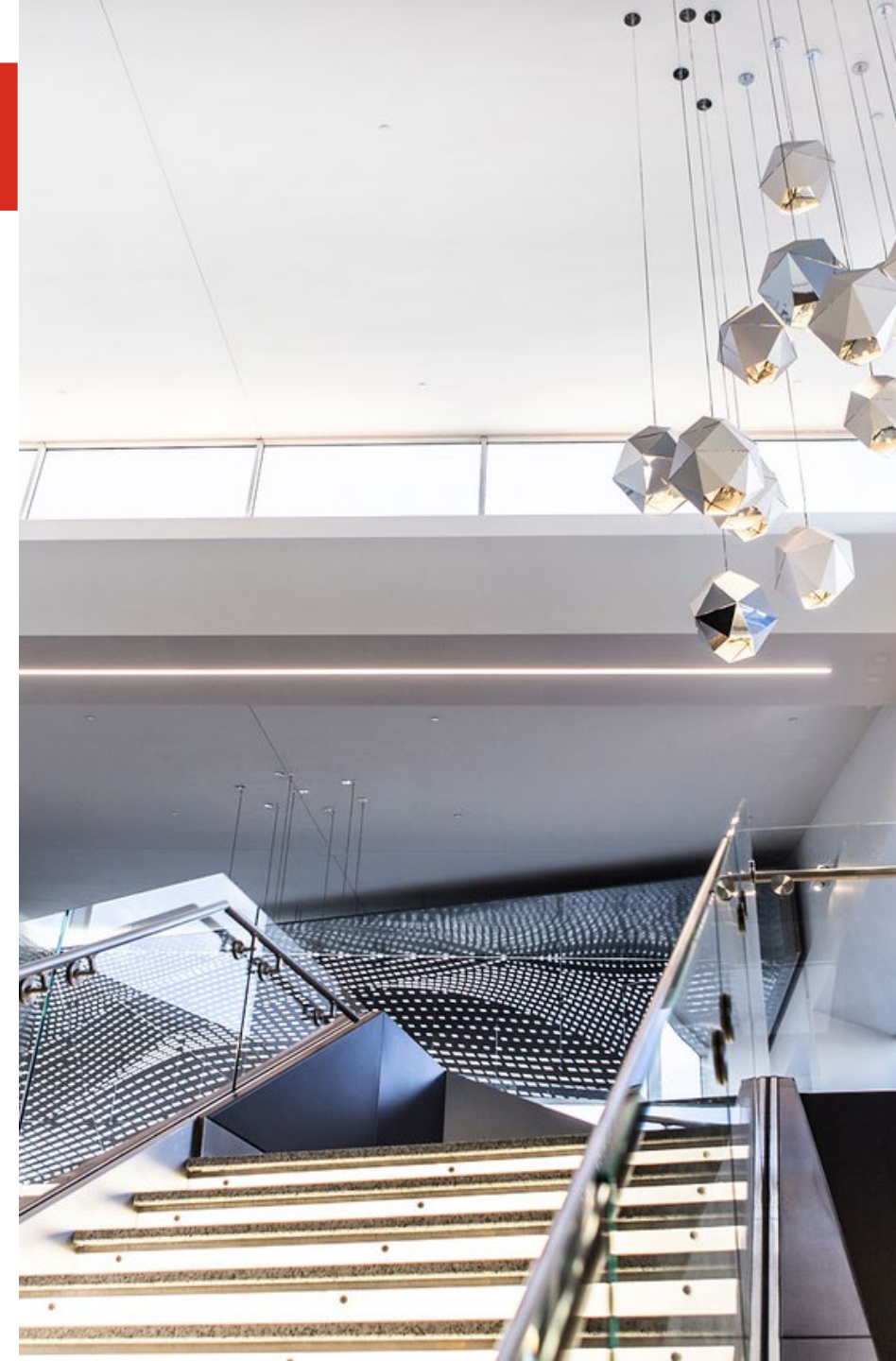
- LAX website
- Google
- Airline/travel app

1% used in-terminal digital directories

56% of passengers planned to visit a merchant before arriving.

- Pre-planners were much more likely to purchase food (91%) vs. those who did not pre-plan (45%).

6% of passengers visited one of the airport lounges.



THANK YOU



UNIBAIL-RODAMCO-WESTFIELD