



**PARTNER
COUNCIL**

A HAWK INCENTIVES EVENT

Blackhawk Network State of the Union

The Connected Consumer



September 12, 2018
Talbot Roche, CEO, Blackhawk Network

Long-term Growth Focus



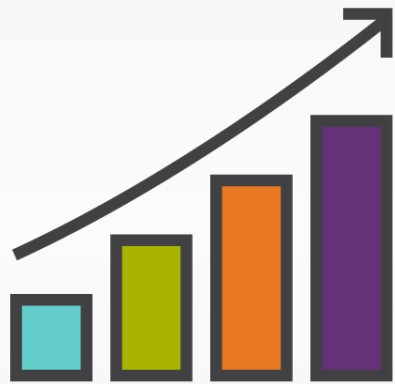
SILVERLAKE



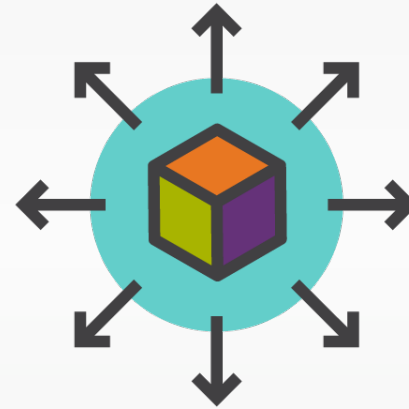
Global leader in
technology & tech
enabled investing

Active shareholder
focused on creating long-
term value

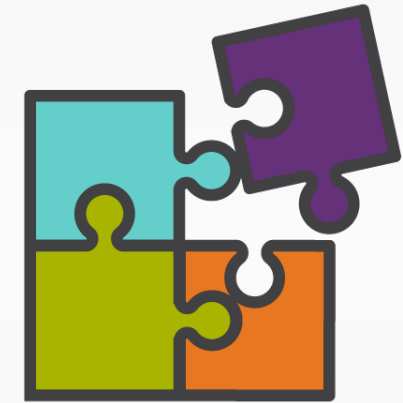
Three Pillars of Growth



Organic
Growth



Operational
Scalability

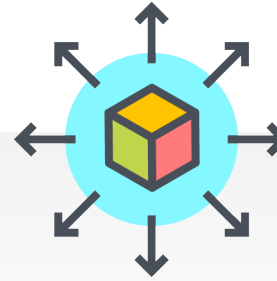


Strategic
Acquisitions

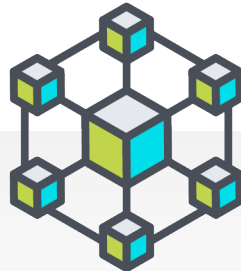
Commitment To Support Resellers



Continuous
reward innovation



Partner tools
and resources



Better technology
to connect



Unique revenue
models through
original content

New Members of Our Team



A person wearing a blue shirt is shown from the chest up, holding a smartphone in their right hand. They are sitting at a desk with a laptop open in front of them. The background is softly blurred, showing what appears to be a window with warm light. A semi-transparent blue banner is overlaid across the top half of the image, containing the title text.

Engaging the Connected Consumer

Focus 2018: The Connected Consumer

FOMO
INFORMED
INNOVATION
IMMEDIACY
PROACTIVE
EMPOWERED
SMARTPHONE
HYPER-CONNECTIVITY
TECHNOLOGY
SHARE
KNOWLEDGEABLE
MOBILE
GEN C
MULTI-TASKER
ENGAGEMENT
DIGITAL
IN-CONTROL
PERSONALIZED
DIGITAL REVOLUTION
ELUSIVE



**CONNECTED
CONSUMER**

Connected Consumer Profile

3.4

*connected devices
per person¹*

\$479B

*Global annual revenue
from smartphone sales²*

1 in 3

*Waking hours an
average adult spends
on smartphone²*

200K

*Collisions caused
by texting annually²*

60

*Number of texts
the average teen
sends daily²*

By 2020

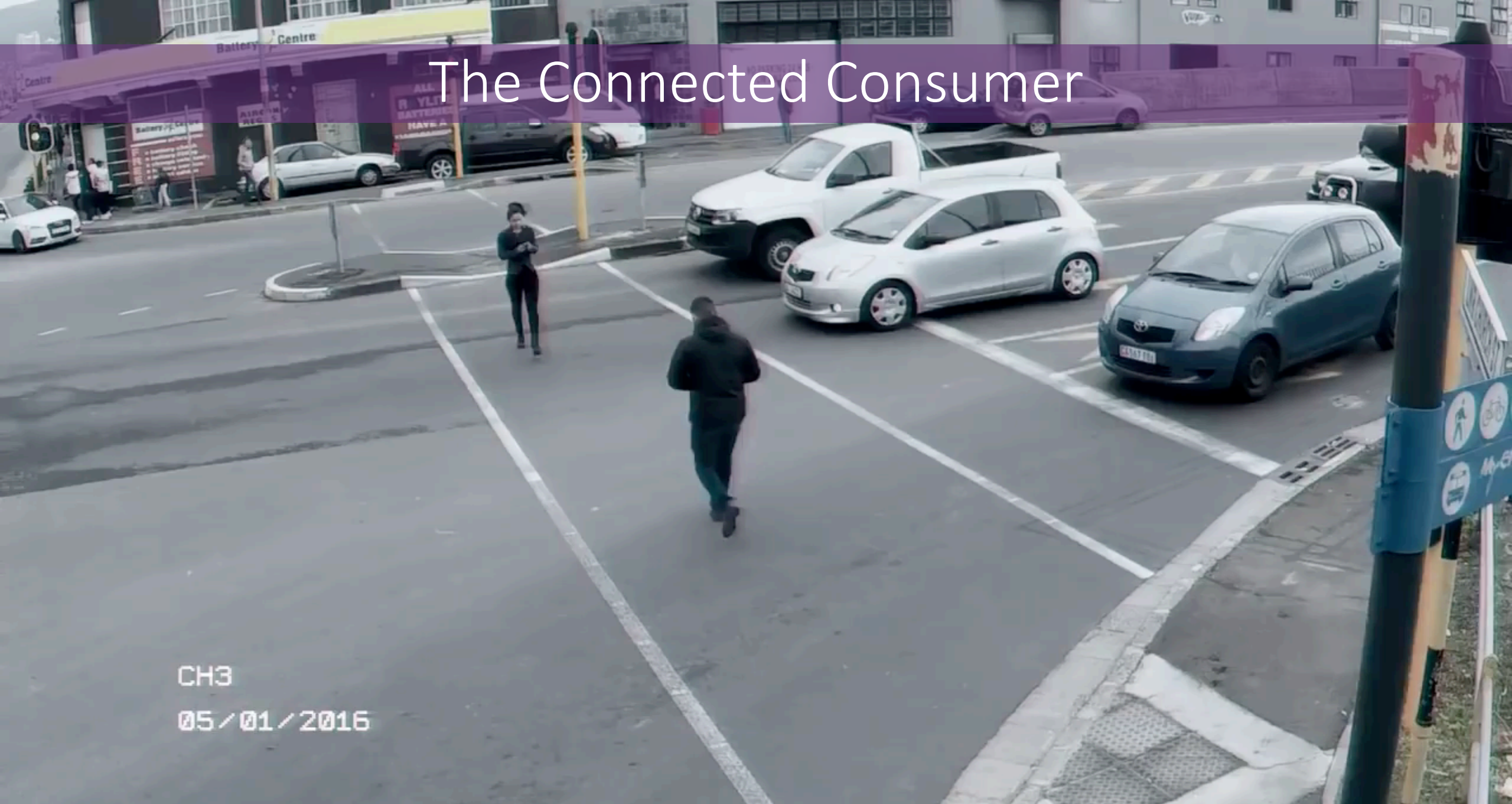
*People will have more conversations
with bots than with their spouses
100k shoppers will shop in augmented reality³*

1 Billion

*Number of regular AR/VR
users by 2021⁴*

1. <http://www.telecompetitor.com/3-4-device-connections-per-person-worldwide-2020-cisco-highlights-11th-visual-networking-index/>; 2. Statista; 3. Gartner; 4. IDC Research

The Connected Consumer



CH3

05/01/2016

Channel Agnostic, the Connected Consumer Seamlessly Switches Between Physical & Digital

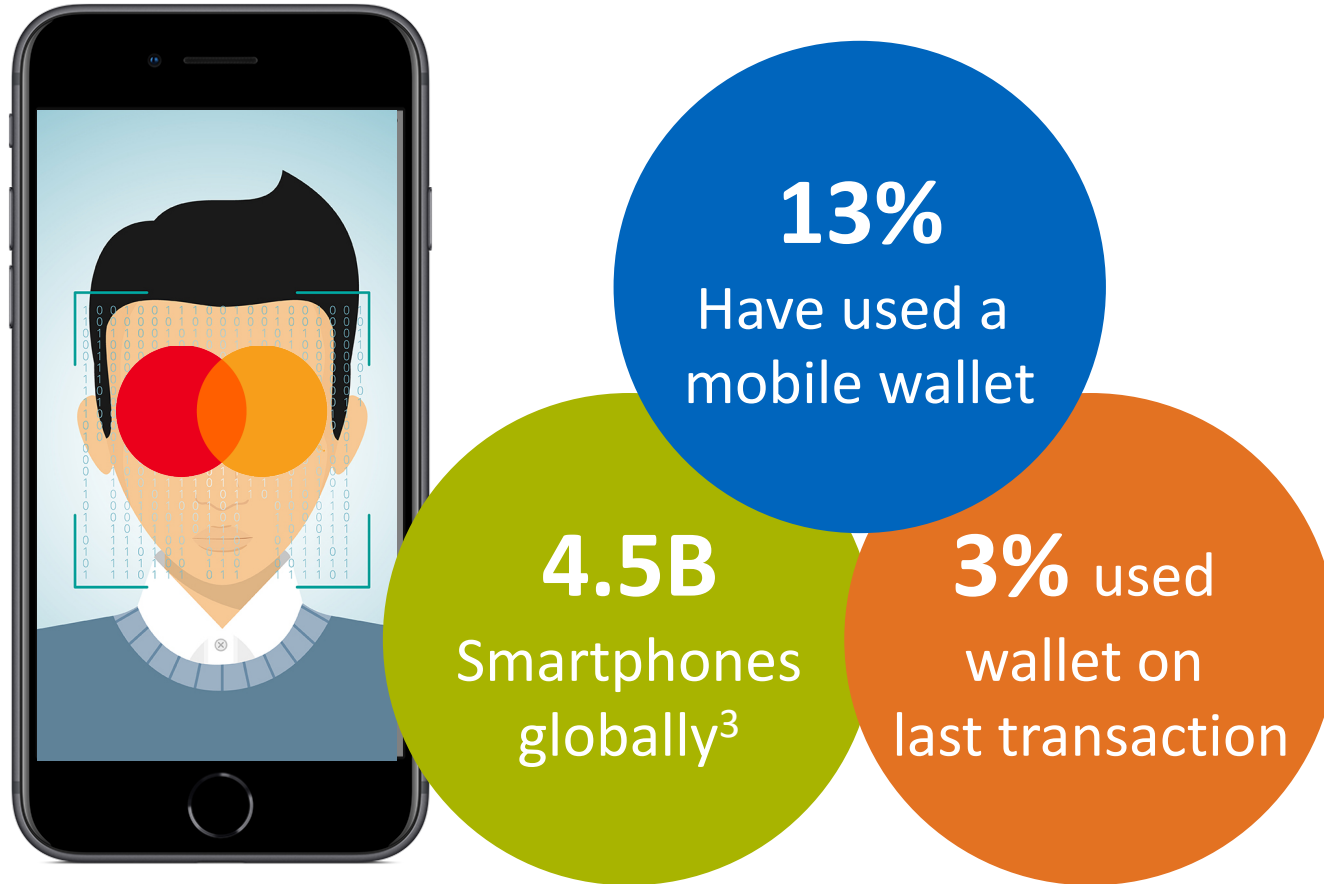


Millennials most agnostic — 52% online & 59% physical

Sources:

- 1) GfK FutureBuy press release Dec 2016
- 2) The e-tailing group, "Mobile Accelerates to the Express Lane," June 2016
- 3) Evolution of Retail: Consumer Survey Report, April 2018

Estimated Over \$500B in Payments Will Be Made with Mobile Wallets by 2020



1. Zion Market Research, *Mobile Market Wallet (NFC, Remote Wallet)*, 2017; 2. Source: BI Intelligence, "Mobile Wallets Are on Fire," March 8, 2017; 3. Orbis Research, *Mobile Wallet — Global Market Outlook (2016–2022)*, 2017.

Connected Consumers Expect Instant Gratification



+20%

Percent of gift card funds loaded to egifts
(vs. 2% in 2011)



78%

Prefer submitting rebates electronically
(vs. 14% mail-in)



+10%

Higher satisfaction with electronic submission
(vs. mail-in)

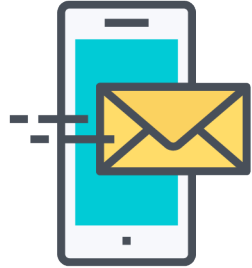


60%

Prefer to interact with customer service online

Source: 2018 US Spring Summit Research, Leger for Blackhawk Network, March 2018

55% Are Interested in Receiving a Digital Gift Card



85%

Want to receive digital gift cards via email



66%

Want to receive digital gift cards via text



68%

Want to receive digital gift cards they can load onto an app



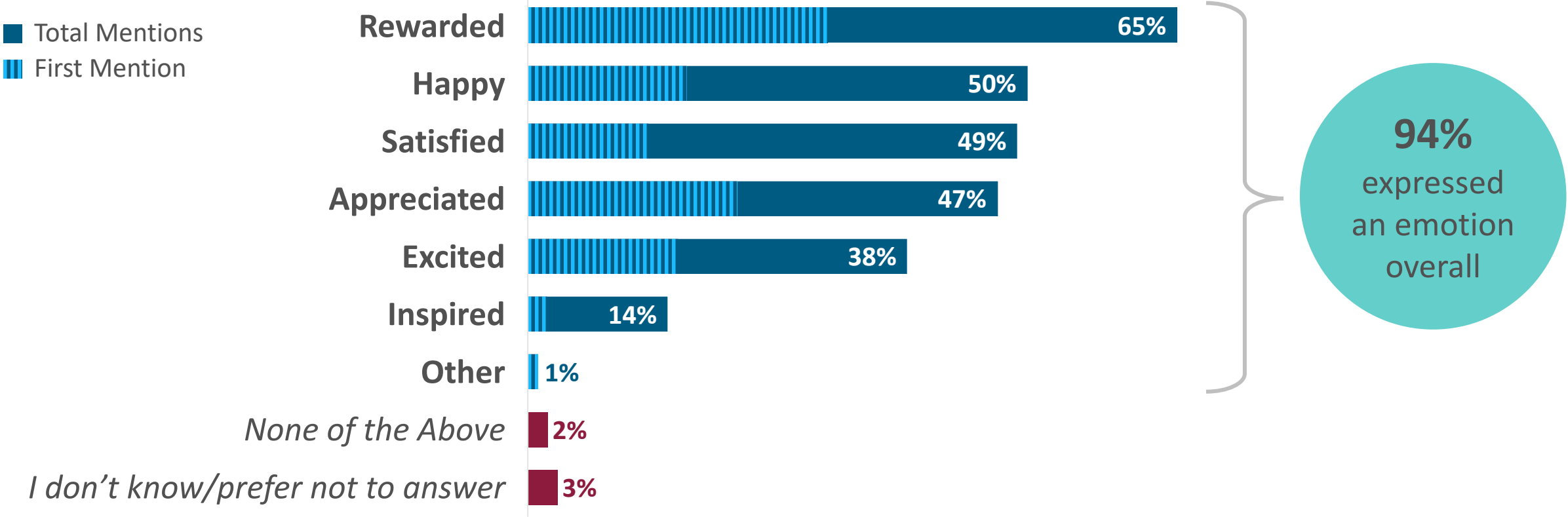
61%

Want to receive digital gift cards that can be added to a mobile wallet

Source: 2018 US Spring Summit Research, Leger for Blackhawk Network, March 2018

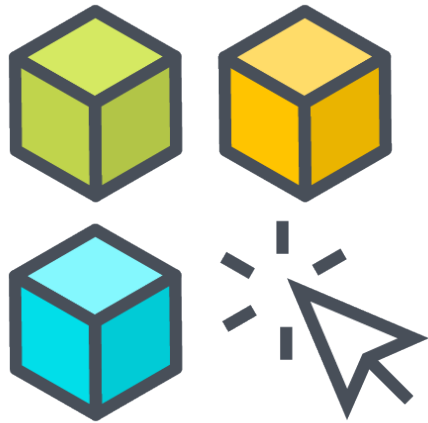
That Rewarding Feeling

Emotions that are felt once the incentive has been received



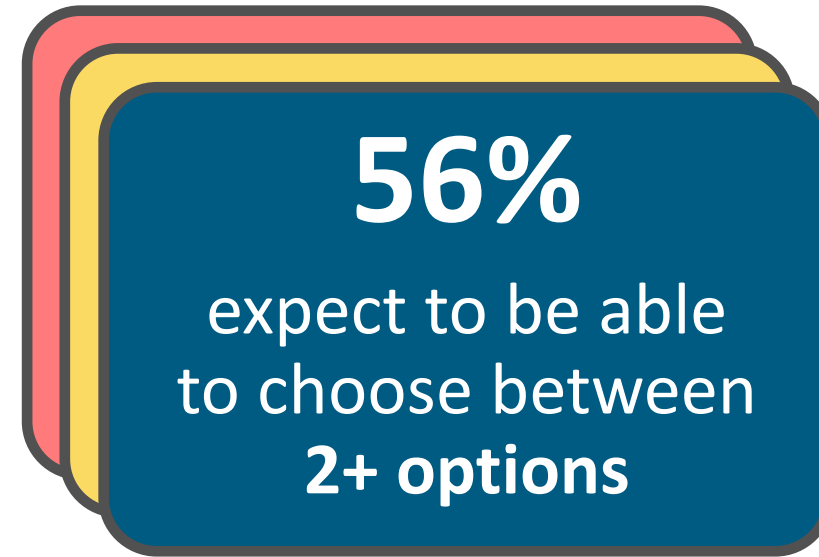
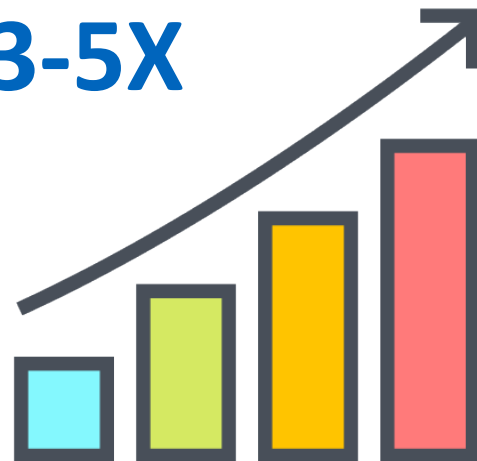
Source: The Market Research study was an online survey of 1,510 Americans completed between February 6 and February 14, 2018, using Leger's online panel, **LegerWeb**. The margin of error for this study was +/-2.5%, 19 times out of 20.

Connecting Through Better Incentives



A better reward mix can increase participation

3-5X



“A key loyalty partner has seen

+200% YOY growth

driven by the variety of egift brands.”

Source: The Consumer Verticals Study is an online survey of 1,515 Americans that was completed between January 25 and February 05, 2018, using Leger’s online panel, LegerWeb. The margin of error for this study was +/-2.5%, 19 times out of 20.

Not Just a Connected Consumer



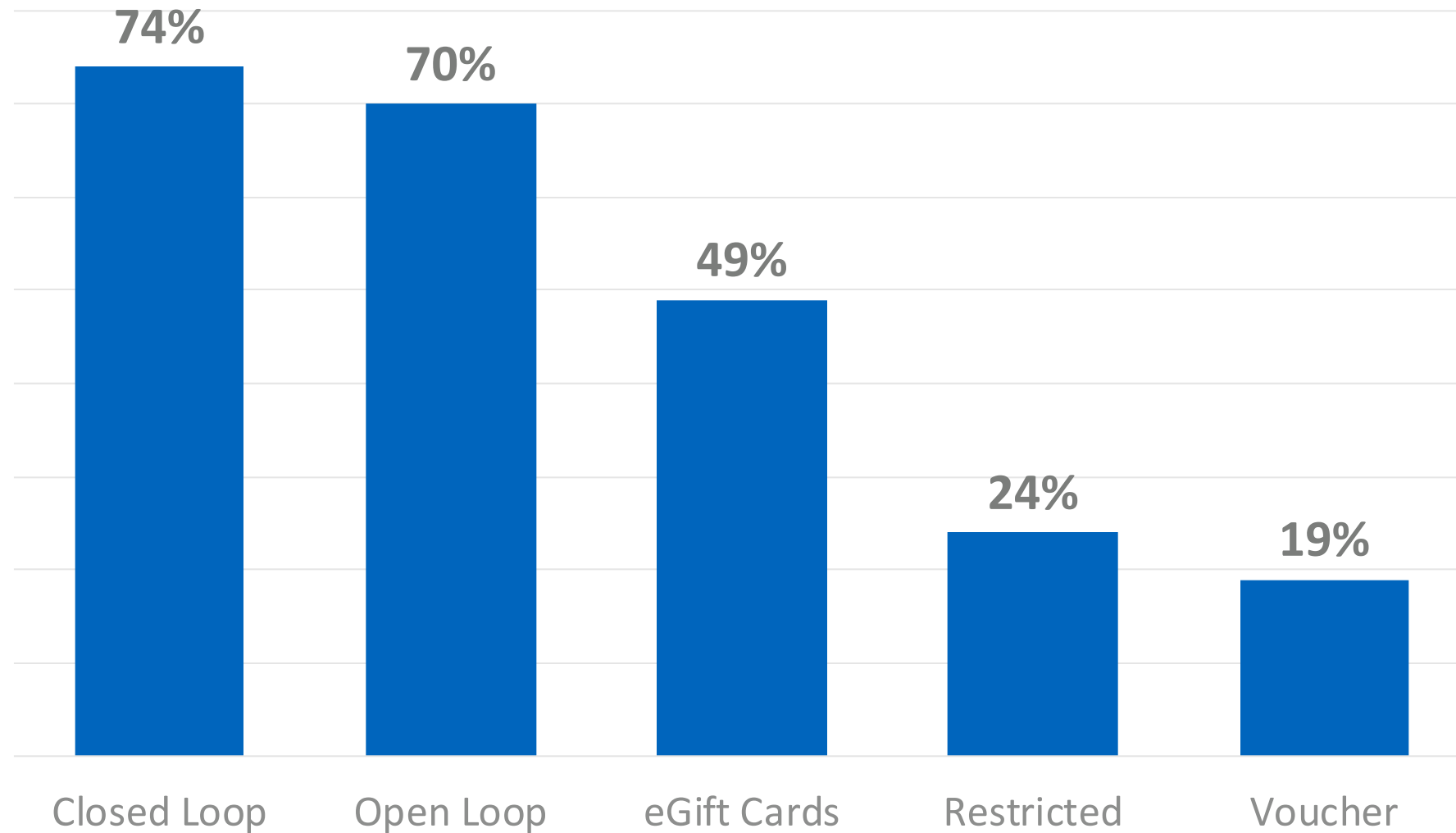
EMPLOYEE

**CORPORATE
CUSTOMER**

**LOYALTY
PARTICIPANT**

SALES PERSON

Type Of Gift Cards Purchased



Source:

- 1) IRF, A Closer Look at Gift Cards, Gift Card Study 2018
- 2) 2018 US Spring Summit Research, Leger for Blackhawk Network

Rewards Innovation Mission



Translate consumer behavior into reward innovation



Provide partners with competitive differentiators



Offer unique revenue streams for our ecosystem

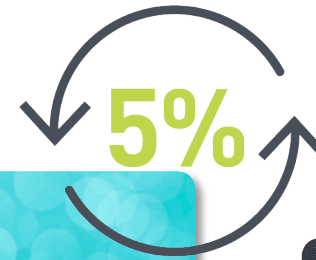


Lead market in prepaid and gift solutions

Original Content



Max
Incentives



Custom
Direct Spend

Digital & Mobile Wallet Innovations



Apple Pay



Samsung Pay



Google Pay

Retail Innovation: Lottery cards



Launched Lottery Cards in all Georgia and Ohio stores



Instant Lottery — Developing new instant product concepts



Quick Ticket — Powerball & Mega Millions in check lane without state mobile restrictions

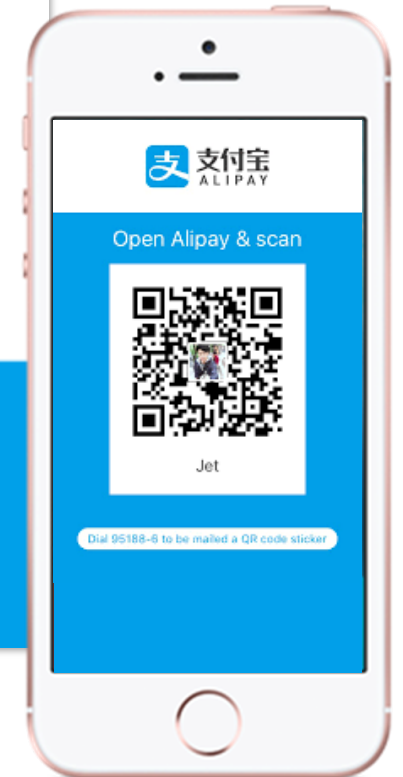
Retail Innovation: Scan Alipay



收银台
Cashier



- 1 打开支付宝 扫一扫
- 2 扫描商户 二维码
ePassi testi
- 3 输入金额 确认付款



New Hawk Marketplace Brands



Global Delivery Innovation



Investments in enhanced delivery tools

Globalization of delivery — multi-currency payment and content (Q3 '19)

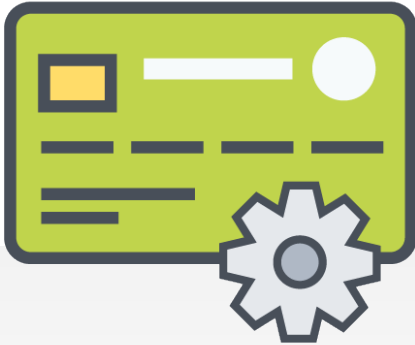
Central access to all Blackhawk content internationally (Q3 '19)

Speed of delivery and API enhancements

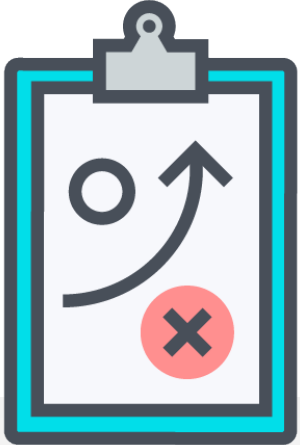
We are Better Together



Focus on
Partnership



Better
Rewards &
Tools



Create
Strategic
Value



Thank You