

Subway approach on Payment standardization

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Product Payment Owner

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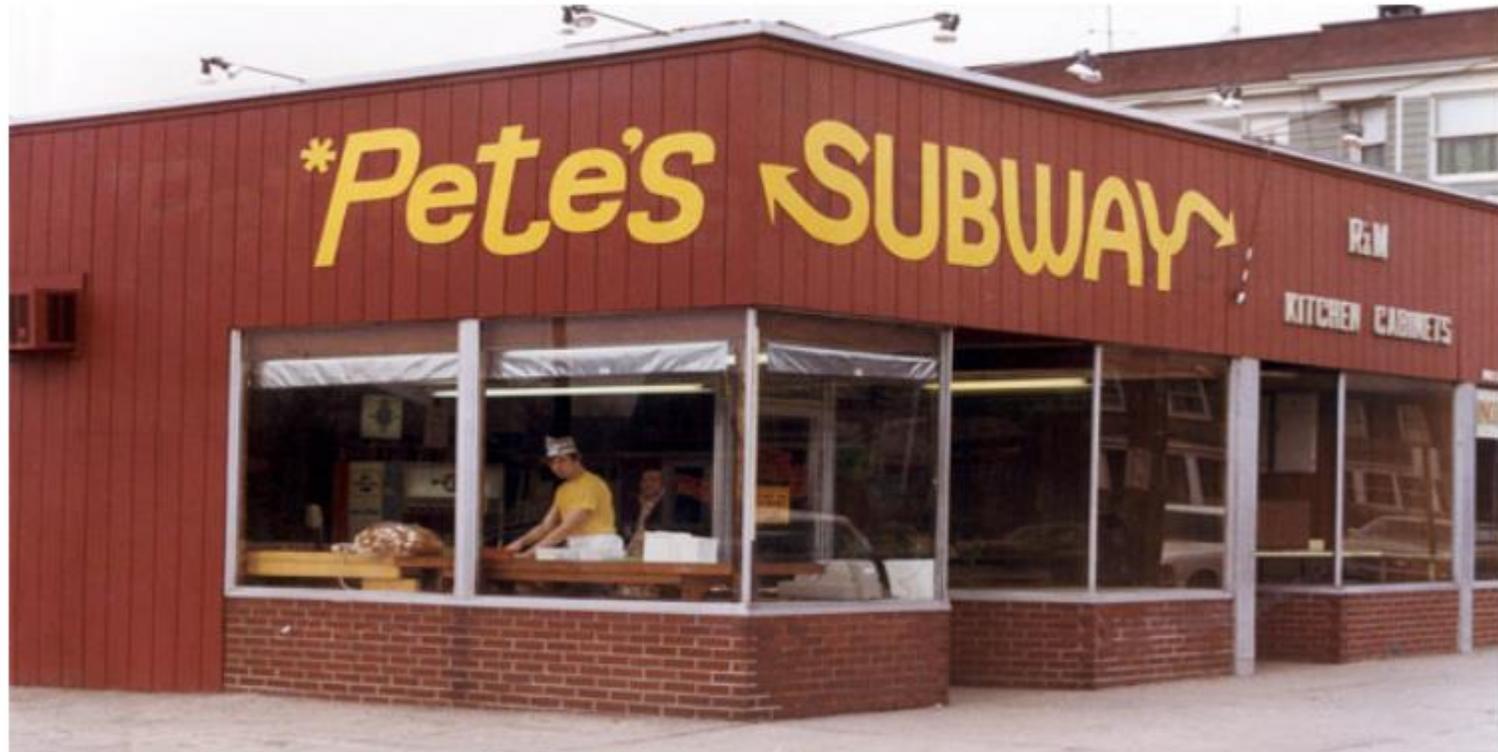
The brand



Subway is a great story

The Seventeen-Year-Old Entrepreneur

Back in 1965, Fred DeLuca set out to fulfill his dream of becoming a medical doctor. Searching for a way to help pay for his education, a family friend suggested he open a submarine sandwich shop.

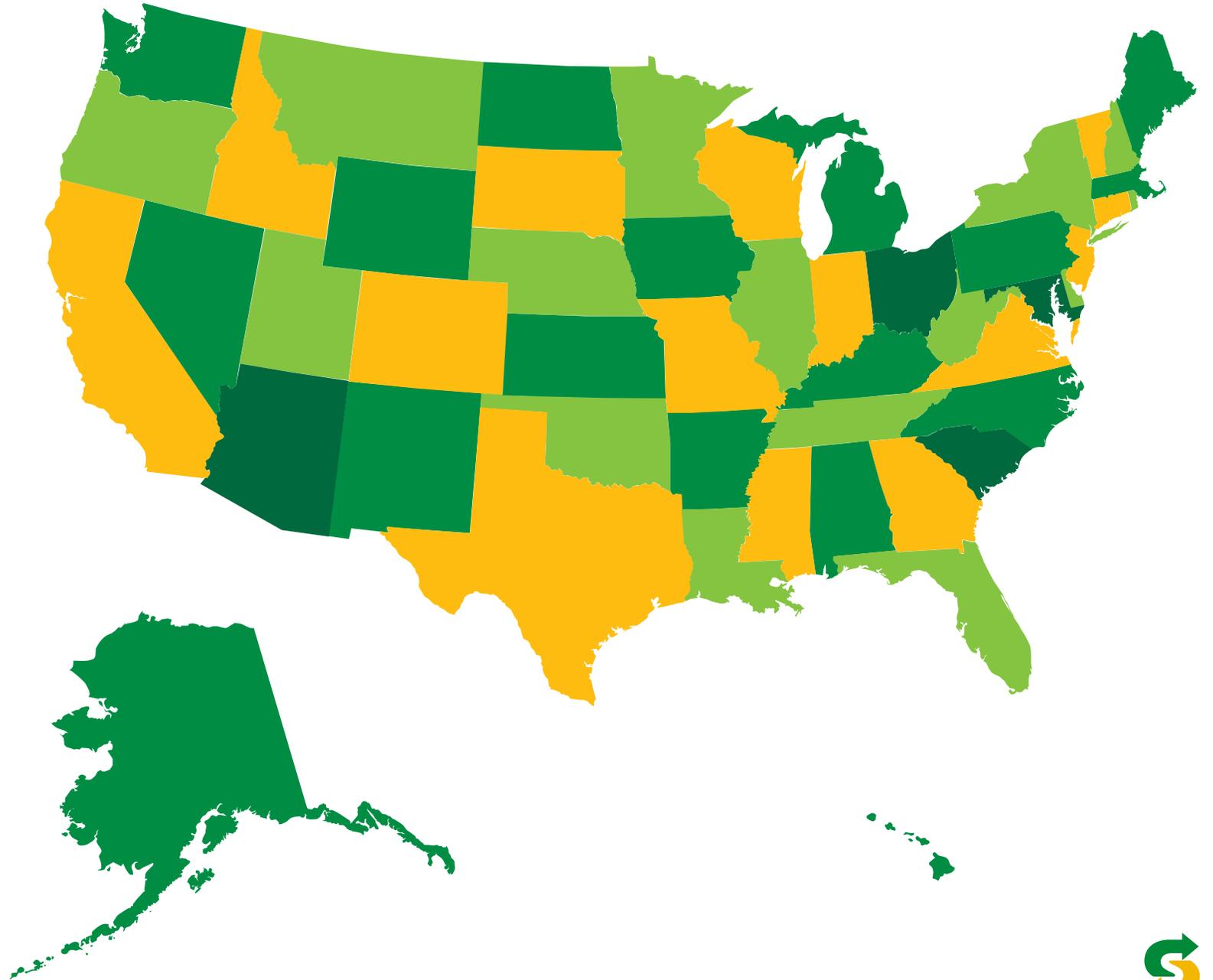


**Let's talk
geography.**



US

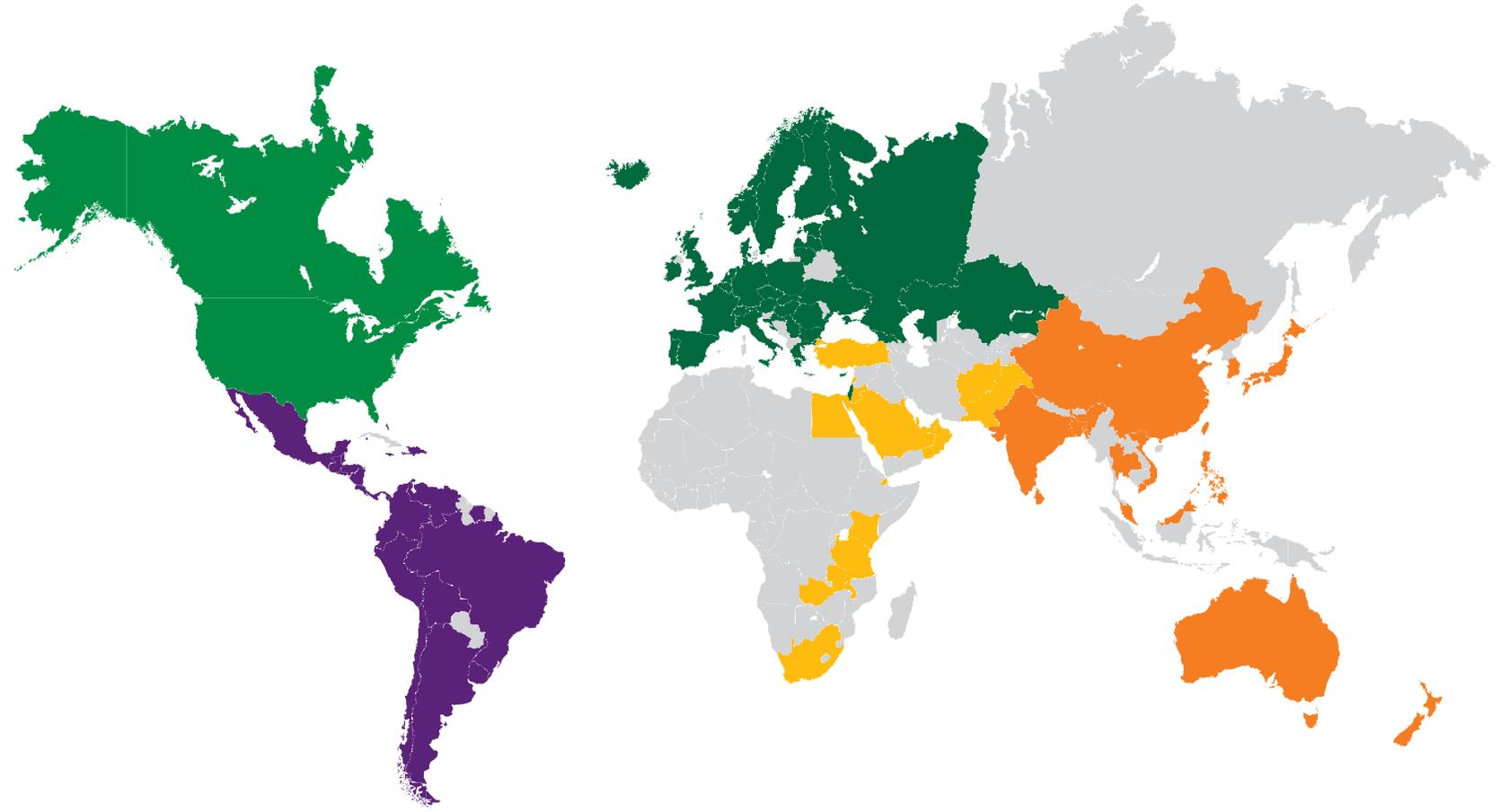
25,000 + restaurants



Global

42,000 + restaurants

100 + Countries



Explore Our World

There are more SUBWAY restaurants in the world than any other restaurant chain, making us a leader in the global development of the quick service restaurant industry. Click any link below to visit that country's web site and learn more:

Country	# of Stores	Country	# of Stores
 AFGHANISTAN	2	 LATVIA (English latviešu)	3
 ANDORRA	1	 LEBANON (العربية English)	8
 ANGUILLA	1	 LIECHTENSTEIN	1
 ANTIGUA AND BARBUDA	3	 LITHUANIA (English lietuvių)	7
 ARGENTINA	168	 LUXEMBOURG	8
 ARUBA	7	 MACAU	2
 AUSTRALIA	1371	 MALAYSIA	225
 AUSTRIA	40	 MALTA	5
 BAHAMAS	10	 MARSHALL ISLANDS	1
 BAHRAIN (العربية English)	22	 MARTINIQUE	2
 BARBADOS	4	 MAURITIUS	6
 BELGIUM (français Nederlands)	7	 MEXICO	973
 BOLIVIA	12	 NETHERLANDS	207
 BONAIRE, ST EUSTATIUS AND SABA	1	 NEW ZEALAND	262
 BRAZIL	2053	 NICARAGUA	27
 BULGARIA	39	 NORTHERN MARIANA ISLANDS (English	3
 CANADA (English français)	3206	Español)	
 CAYMAN ISLANDS	6	 NORWAY	53
 CHILE	127	 OMAN (العربية English)	46
 CHINA	580	 PAKISTAN	91
 COLOMBIA	345	 PANAMA	70
 COSTA RICA	76	 PERU	11
 CROATIA	1	 PHILIPPINES	40

 CURACAO
 CYPRUS
 CZECH REPUBLIC
 DENMARK
 DJIBOUTI
 DOMINICAN REPUBLIC
 ECUADOR
 EGYPT (العربية English)
 EL SALVADOR
 ESTONIA (English eesti)
 FINLAND (English suomi svenska)
 FRANCE
 GEORGIA
 GERMANY
 GREECE
 GRENADA
 GUAM (English Español)
 GUATEMALA
 HONDURAS
 HONG KONG
 HUNGARY
 ICELAND (English íslenska)
 INDIA
 IRAQ
 IRELAND
 ISLE OF MAN
 ITALY
 JAMAICA
 JAPAN
 JORDAN (العربية English)
 KENYA
 KOSOVO
 KUWAIT (العربية English)

10	 POLAND	119
7	 PORTUGAL (Español português)	20
20	 PUERTO RICO (English Español)	181
3	 QATAR (العربية English)	29
1	 ROMANIA	40
16	 RUSSIA	600
19	 SAINT KITTS AND NEVIS	1
4	 SAINT LUCIA	2
83	 SAINT VINCENT AND GRENADINES	2
15	 SAUDI ARABIA (العربية English)	152
188	 SINGAPORE	132
448	 SINT MAARTEN	5
8	 SLOVAKIA	21
679	 SLOVENIA (English)	3
7	 SOUTH AFRICA	5
3	 SOUTH KOREA	335
14	 SPAIN	64
67	 SRI LANKA	4
27	 SURINAME	4
22	 SWEDEN	182
9	 SWITZERLAND (Deutsch français)	48
24	 TAIWAN	136
633	 TANZANIA	5
1	 THAILAND	70
178	 TRINIDAD AND TOBAGO	45
2	 TURKEY (English Türkçe)	96
16	 UNITED ARAB EMIRATES (العربية English)	162
4	 UNITED KINGDOM	2428
320	 UNITED STATES (English Español)	25146
18	 URUGUAY	27
9	 VENEZUELA	143
1	 VIETNAM (English Tiếng Việt)	3
81	 VIRGIN ISLANDS	7

Subway in Number

Restaurants = 42,000 +

Countries = 100 +

Languages = 30 +

Sandwich sale daily = 7,000,000

Daily Electronic payment = 3,000,000



Pick-up

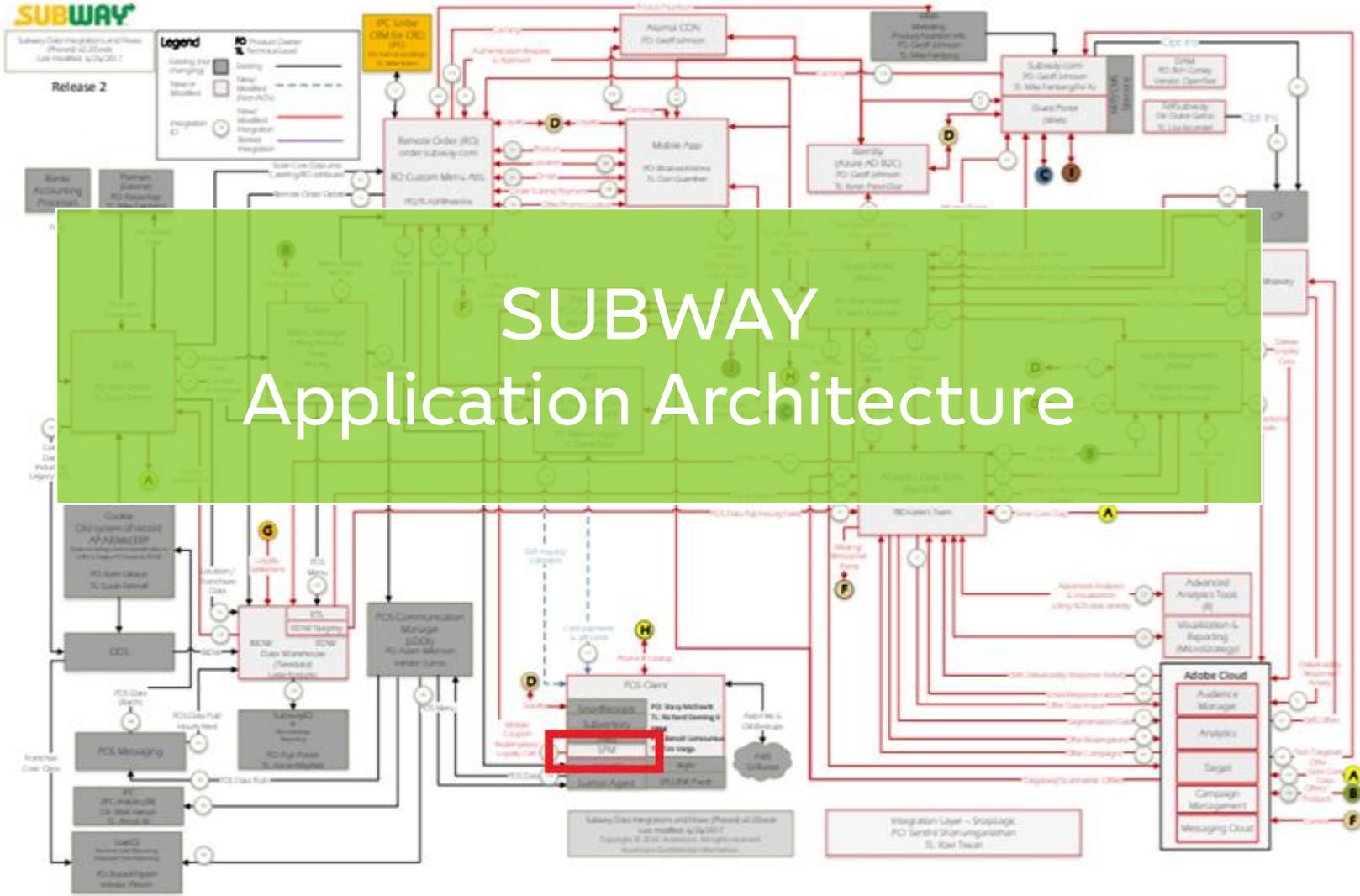
WAY



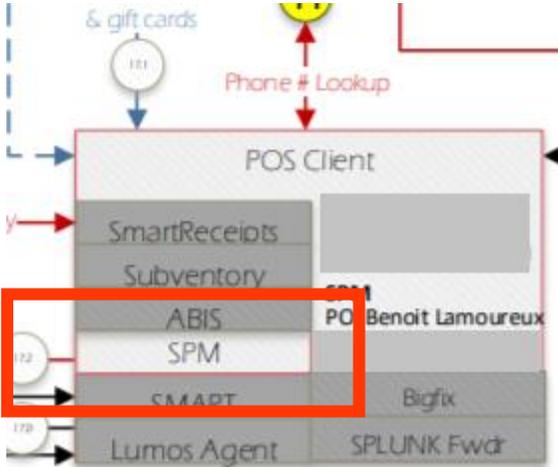
For kids only.
Sorry parents.

Color it with flavor.

Our Architecture



Our Architecture



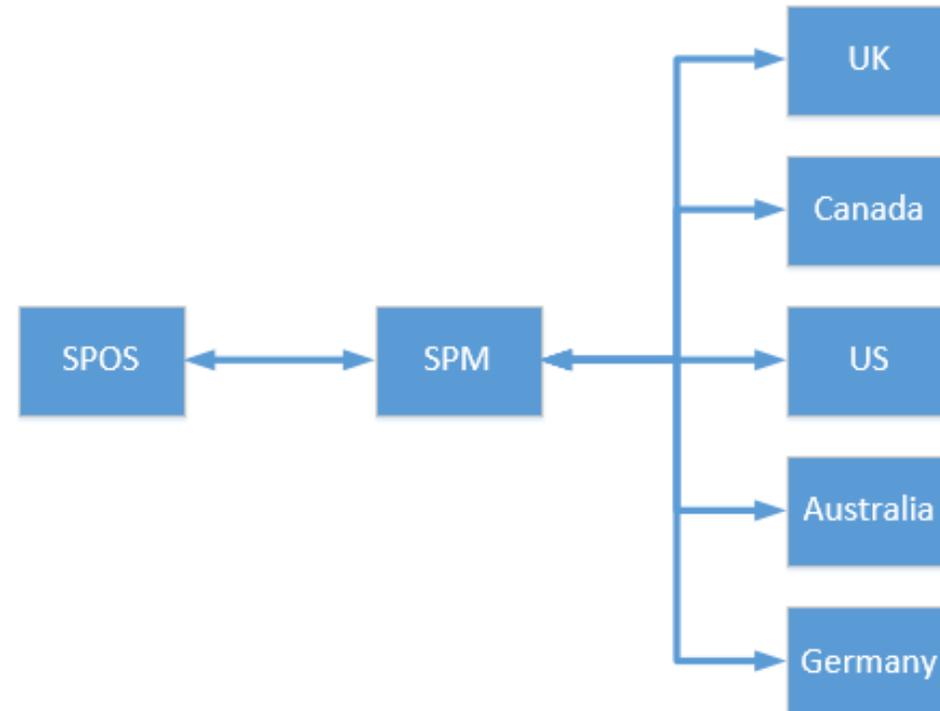
Current state

- Subway Payment Manager (SPM) direct connection to device...



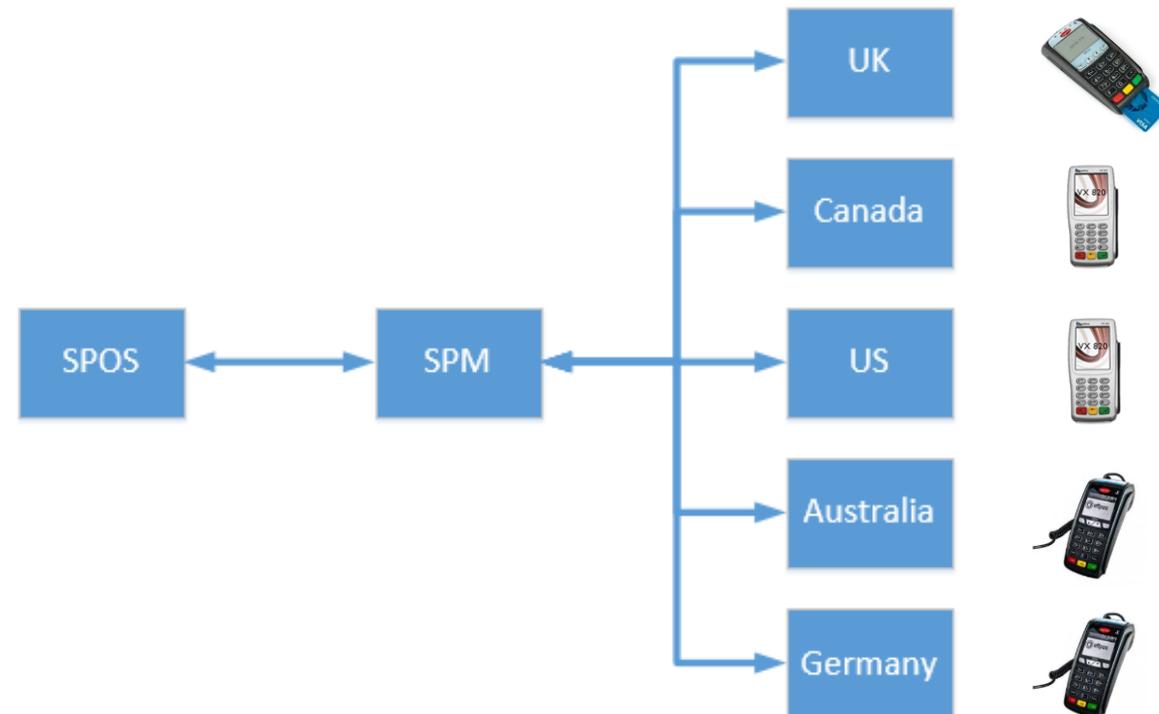
Current state

6 current connections....



Current state

- All different solutions.....



Challenges

- Here is the current footprint of Subway store and forecast that SPM has to support.

Country	Store	Subway POS version	SPM version	Bank Connection	Device Supported
5	34345	1	1	5	5
10	38419	1	1	10	10
30	42810	1	1	30	30
110	44105	1	1	110	110



Impact on testing

- What does it mean on our test teams: SPM, SPOS and QA ?

Country	Store	Subway POS version	SPM version	Bank Connection	Device Supported
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Example of testing costs

	# Hours / country	Sample Labor Rate		Country	Cost per version	Yearly version of SPM	Cost per country
SPM testing	36	\$ 150	\$ 5,400	1	\$ 5,400	6	\$ 32,400
SPOS testing	25	\$ 150	\$ 3,750	1	\$ 3,750	6	\$ 22,500
QA testing	16	\$ 150	\$ 2,400	1	\$ 2,400	6	\$ 14,400
						Total cost per country per year	\$ 69,300



Hypothetical Yearly cost of testing

	Cost per country	Countries				
		5	10	25	50	110
SPM testing	\$ 32,400					
SPOS testing	\$ 22,500					
QA testing	\$ 14,400					
Total	\$ 69,300	\$ 346,000	\$ 693,000	\$ 1,732,500	\$ 3,465,000	\$ 7,623,000



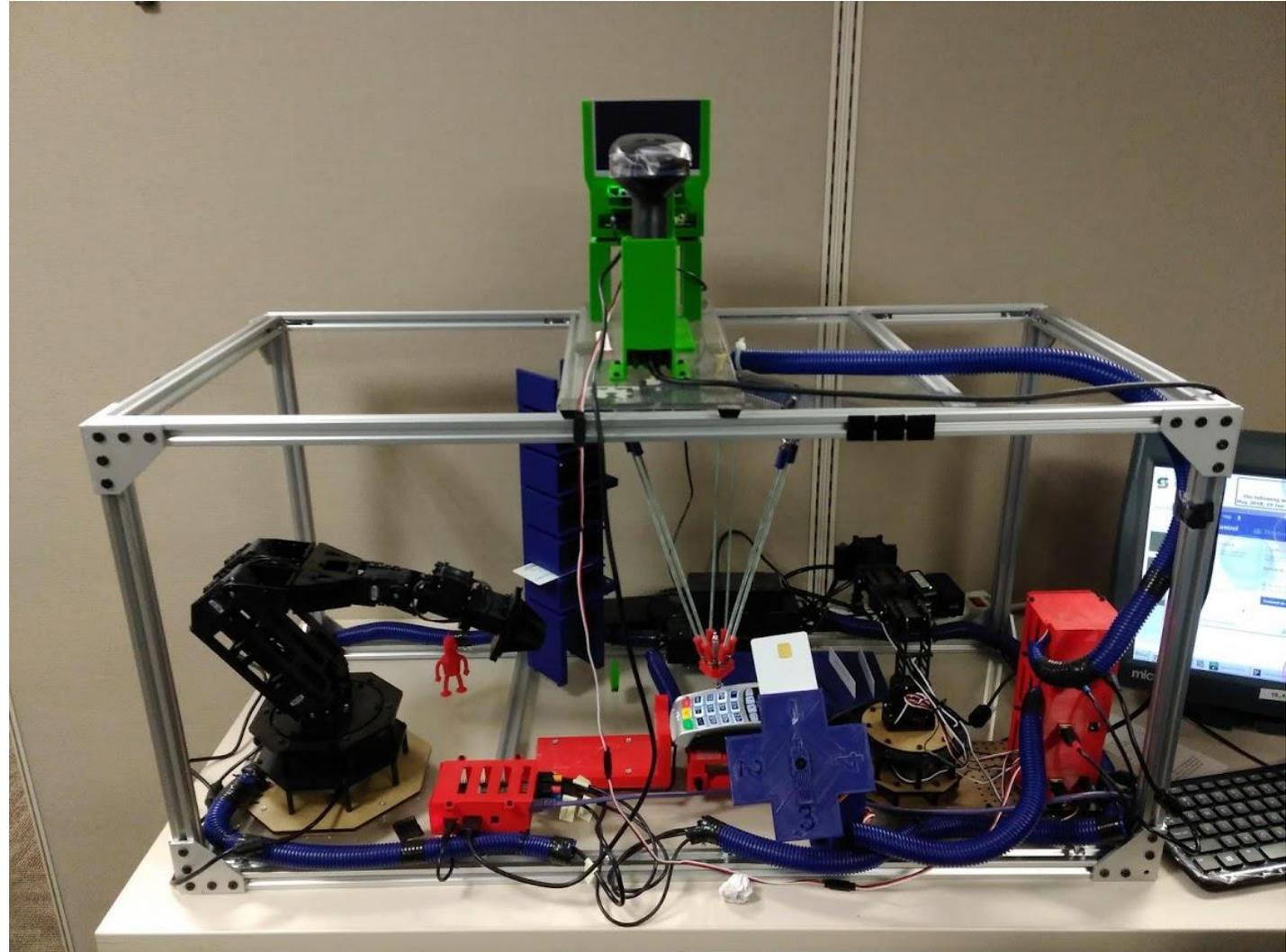
Our Challenges

- Our Labs



Our Challenges

- Payment is a manual process.....



Benefits of Nexo

- Complete virtualization of the terminal
- Automate testing
- Interoperability of solutions
- Certification process between members

- 7 Million good reasons...to standardize



Next steps

- Implement Nexo Retail in-store in Europe
- Implement Nexo Retail in NA
- Implement Nexo around the world



Europe

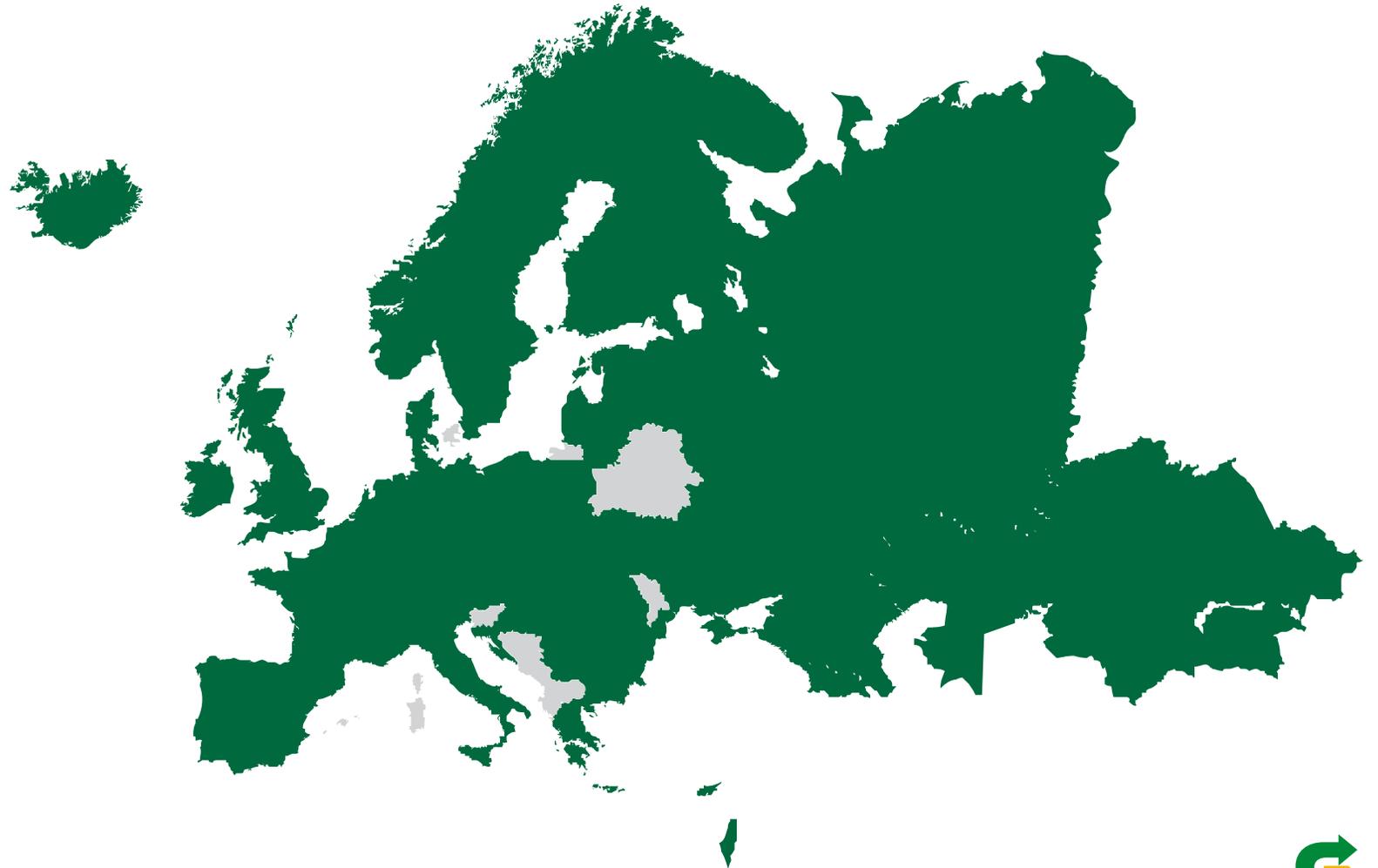
More than 5000 stores

Full Nexo implementation

RFP is out

Vendors have been selected

POC is in the process



North America

27,000 Restaurants

More than 500,000,000 Credit
Card transactions

Next Provider must be 100 %
Nexo Retail enable



Asia-Pacific

Open for solutions



Subway Nexo Timeline



Q4 2018

1st European country



Q2 2019

North American



Q1 2019

Expansion in Europe



**Q3 Asia-Pacific/
Australia**

1 country

...Subway future



2020

India - China - Brazil



2025

Full global coverage



2021-25

World Expansion



Subway RFP process

- 1** Be a Nexo member
- 2** Support Nexo Retail in your device
- 3** Respect the standard
- 4** Be known by our Payment team
- 5** Propose solutions
- 6** Be innovative



Questions

