

# President Chain Store Corp.

2912TT



*pcsc*

# 2014 and 2015H1 Results

# Financial Highlights

## ◆Historical revenue and profitability

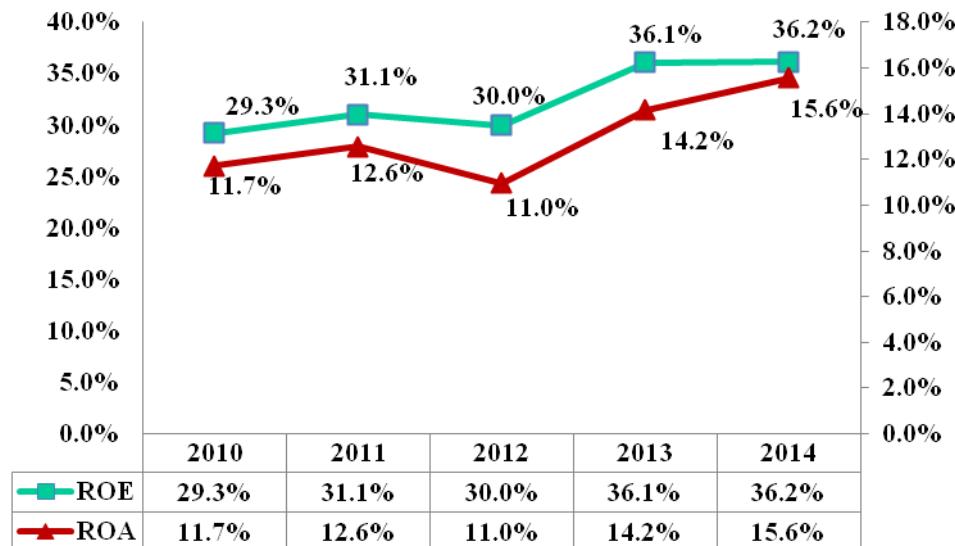
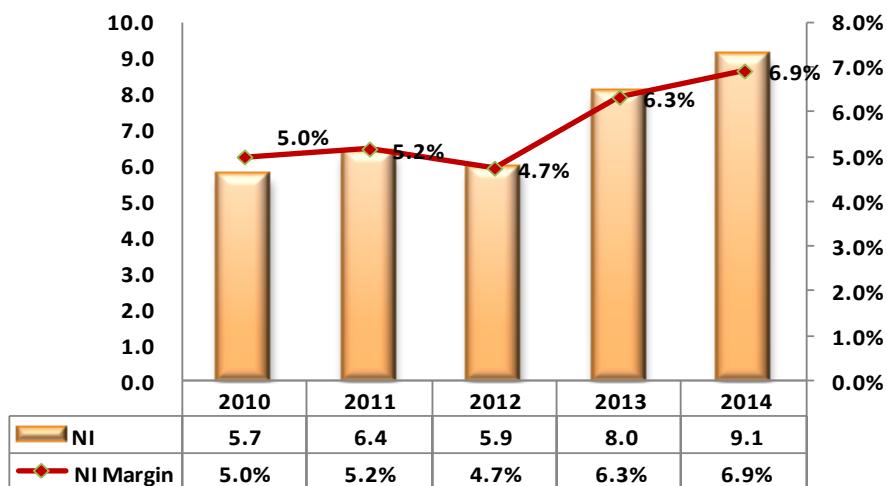
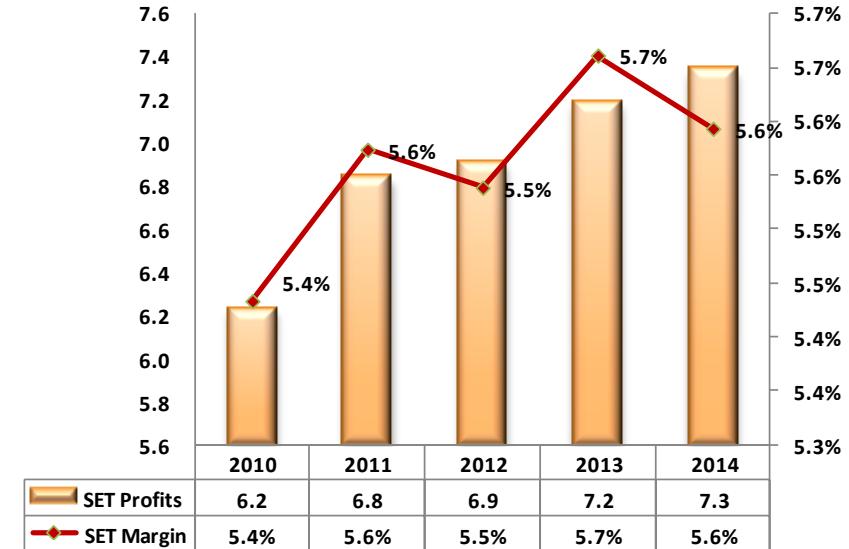
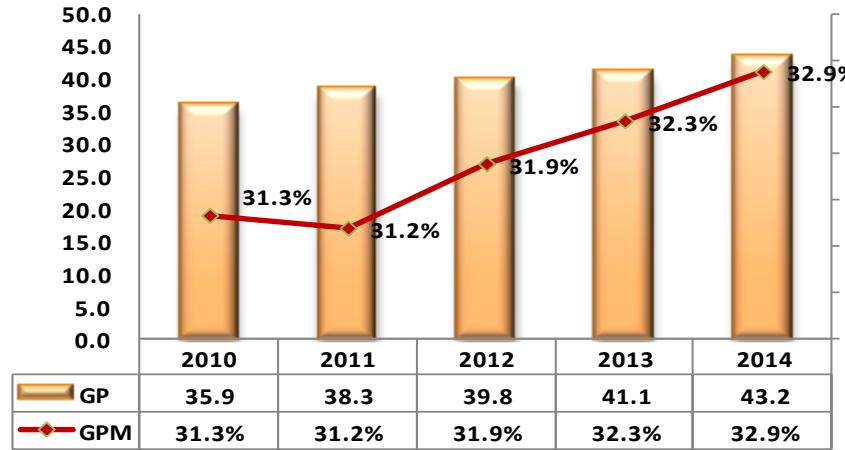
Unit : \$NT' billion

	2010	2011	2012	2013	2014	2013 V.S. 2014	2015H1	2014H1 V.S. 2015H1
Revenue (Company Only)	114.7	122.7	124.8	126.9	131.3	3.4%	64.7	0.4%
Revenue (Consolidated)	169.9	189.3	192.6	200.6	208.0	3.7%	99.6	1.6%
Net Profit	5.7	6.4	5.9	8.0	9.1	13.1%	4.3	-17.1%
EPS (NT\$)	5.51	6.11	5.69	7.73	8.74	+1.01	4.12	

Note : Numbers are under ROC Gaap in 2010~2011, under IFRS in 2012~2015H1.

# Profitability(Company Only)

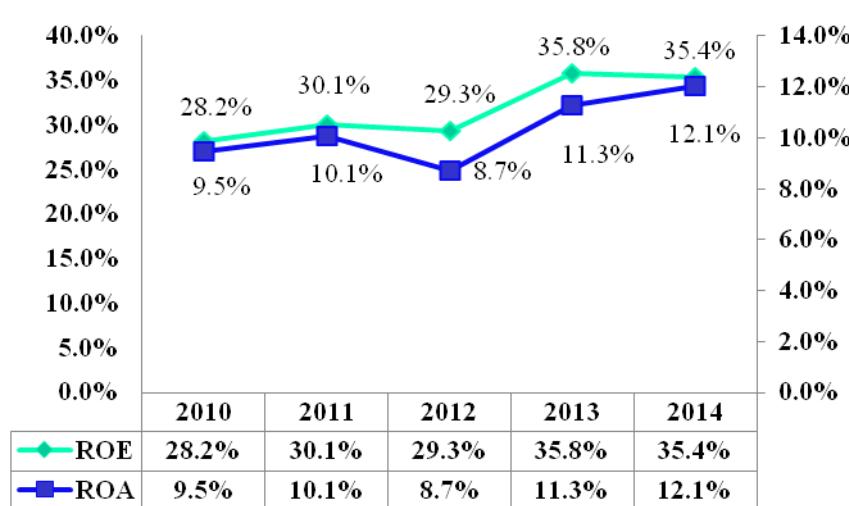
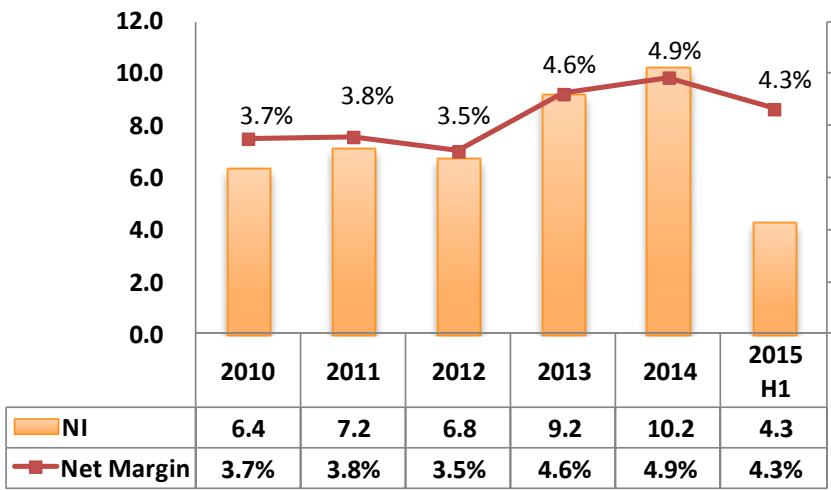
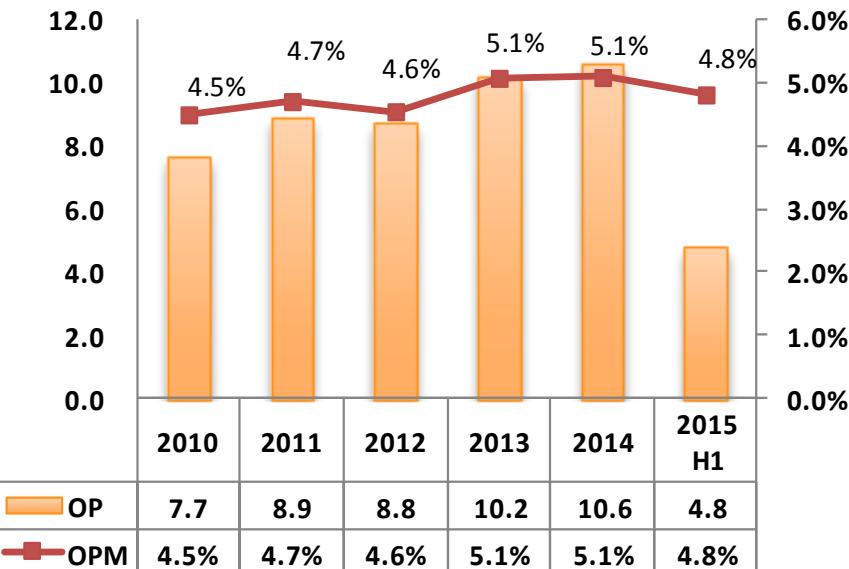
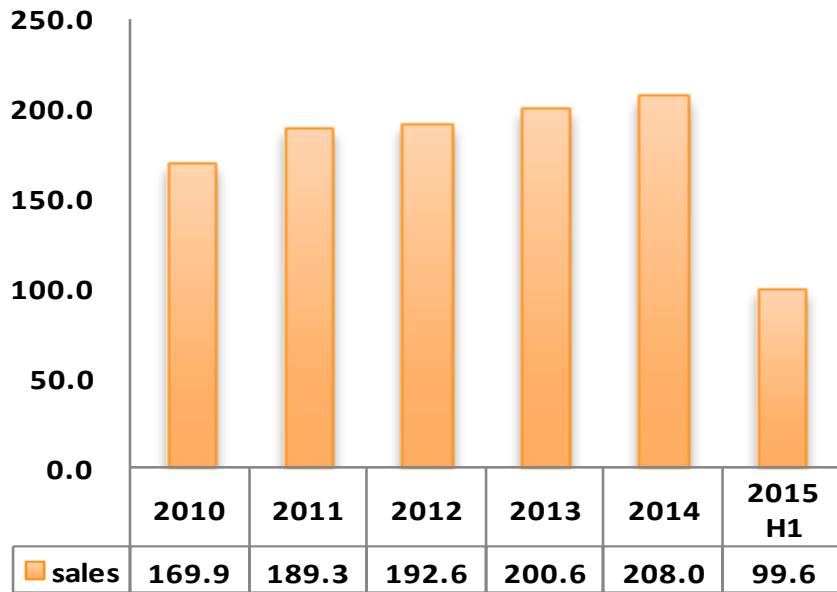
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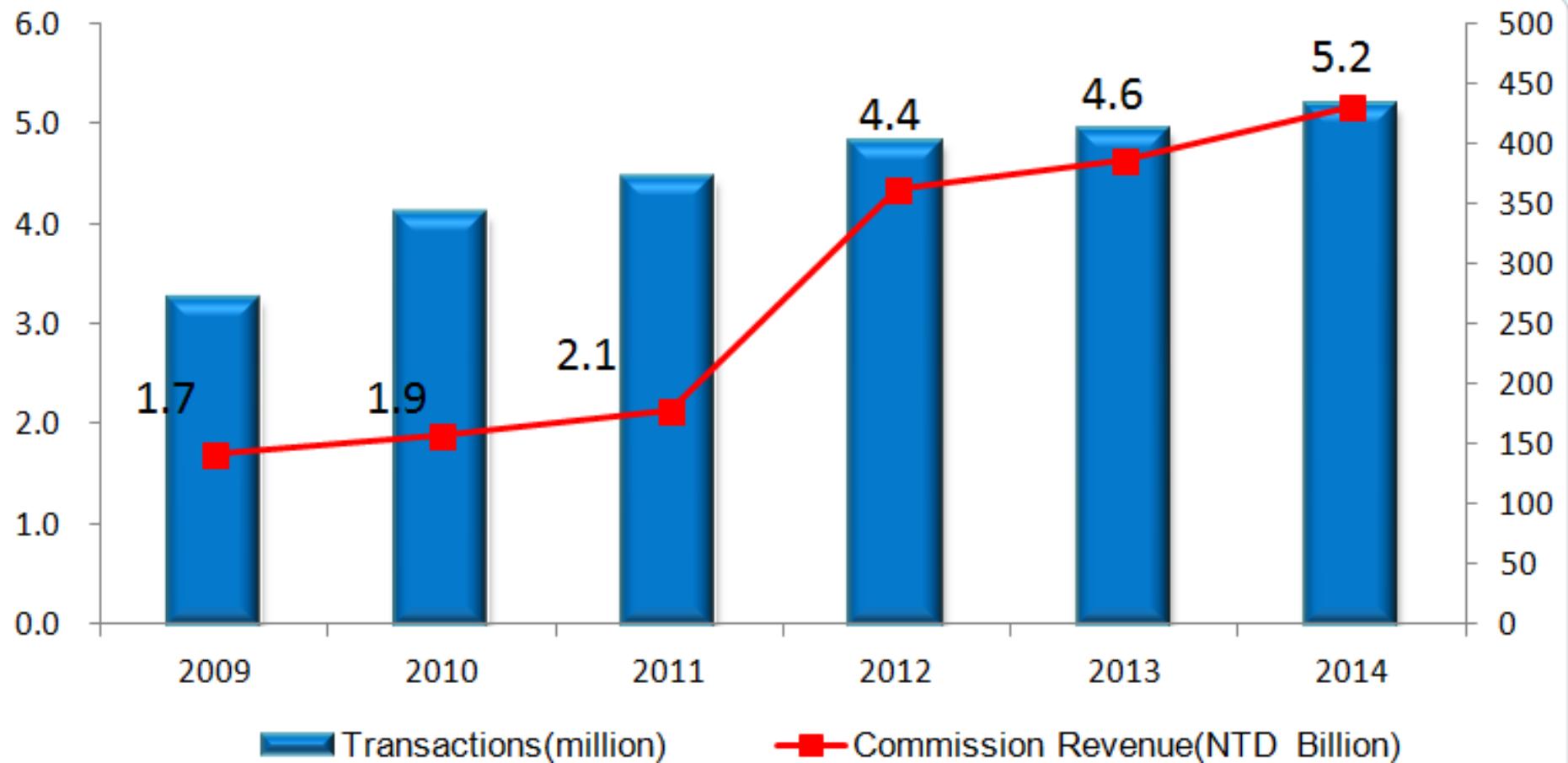
Note : Numbers are under ROC Gaap in 2010~2011, under IFRS in 2012~2014.

# Profitability(Consolidated)

Unit : \$NT'bn

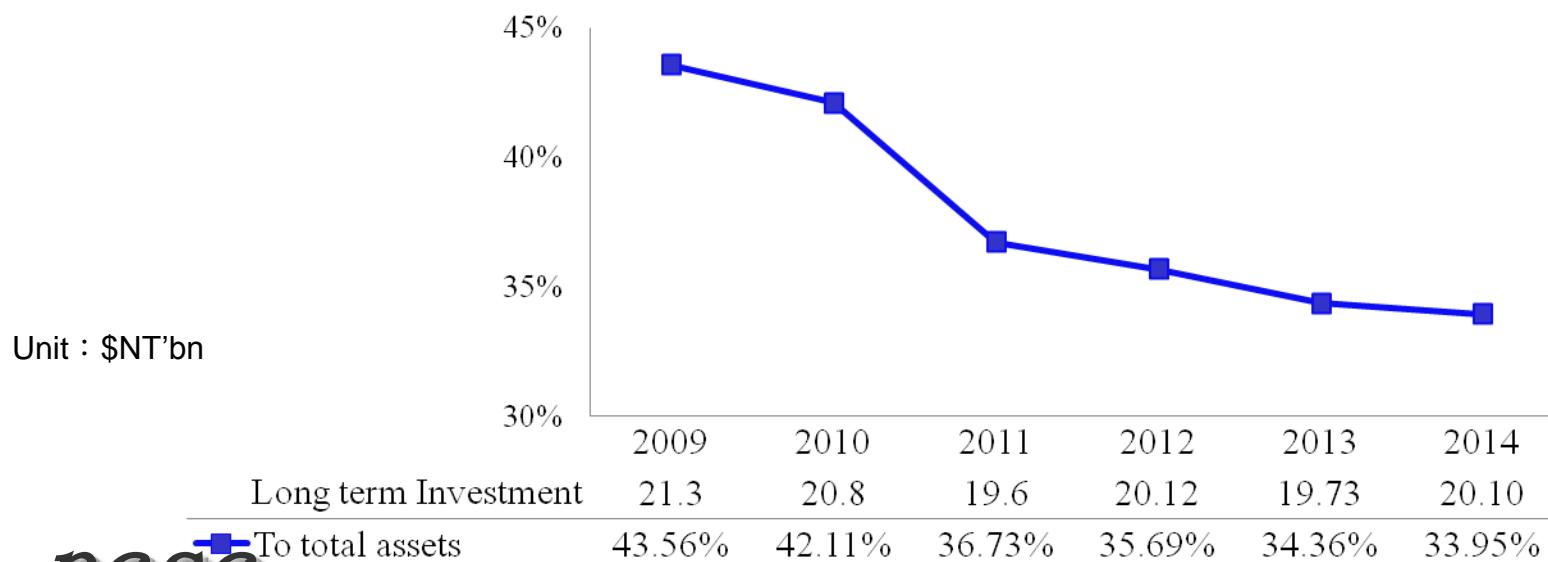
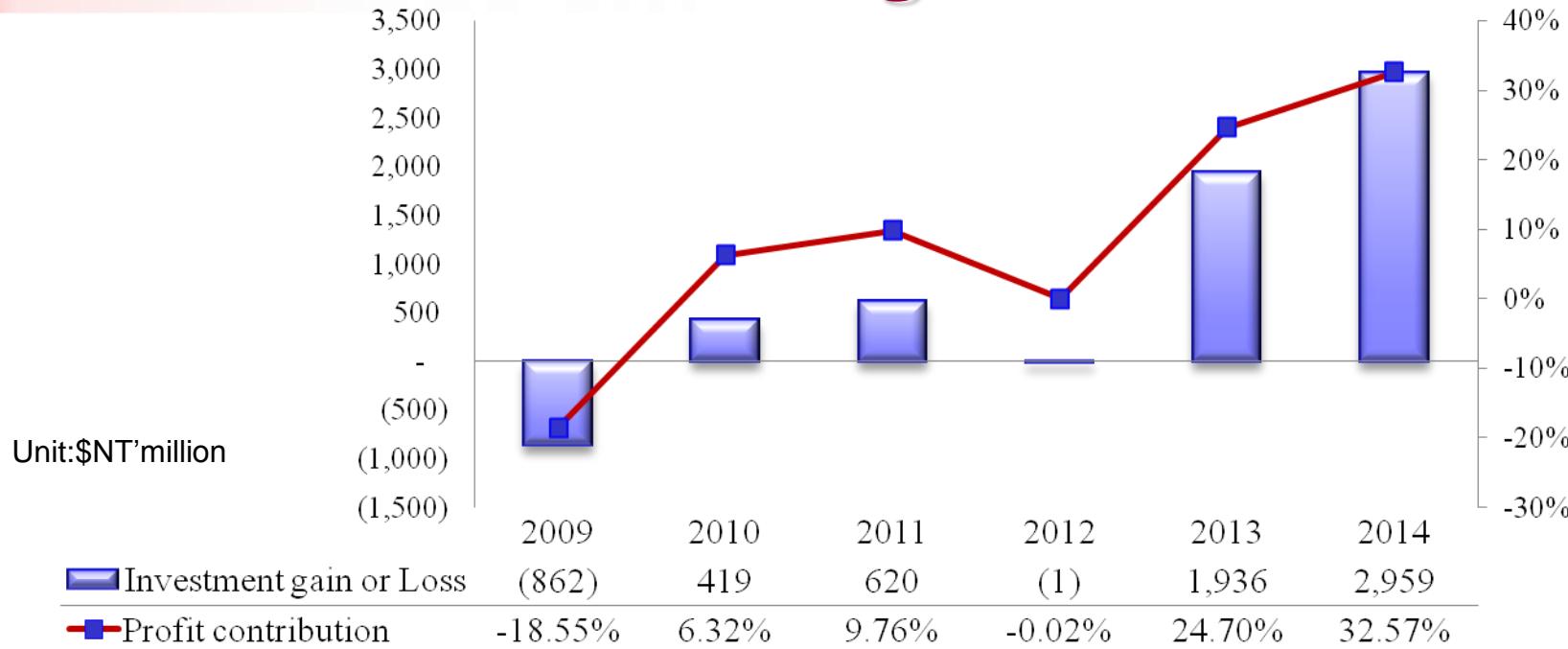


# Bill Collection Services



Note : Numbers are under ROC Gaap in 2010~2011, under IFRS in 2012~2014.

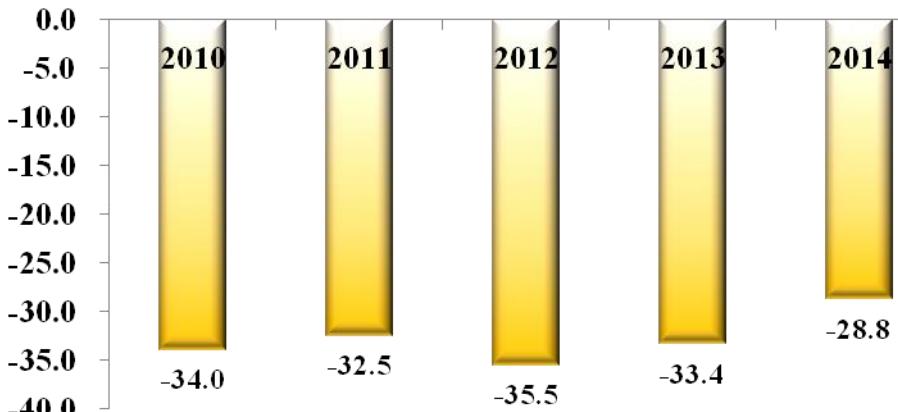
# Focus Brings Profits



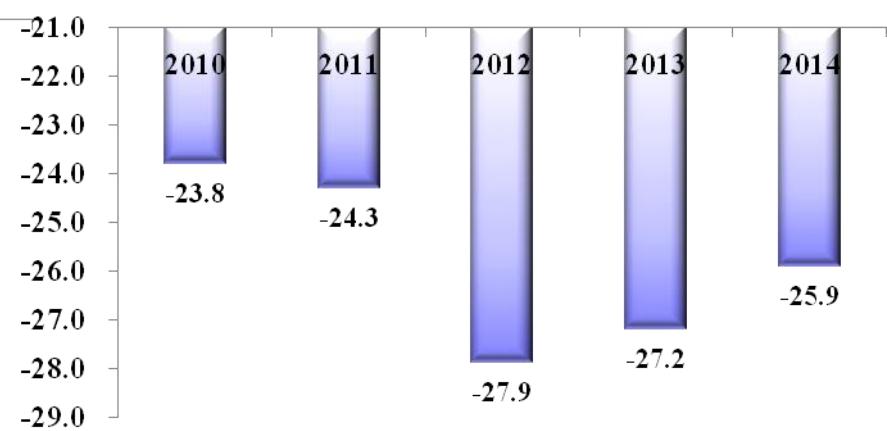
# Negative Cash Cycle Days

Unit : \$NT'bn

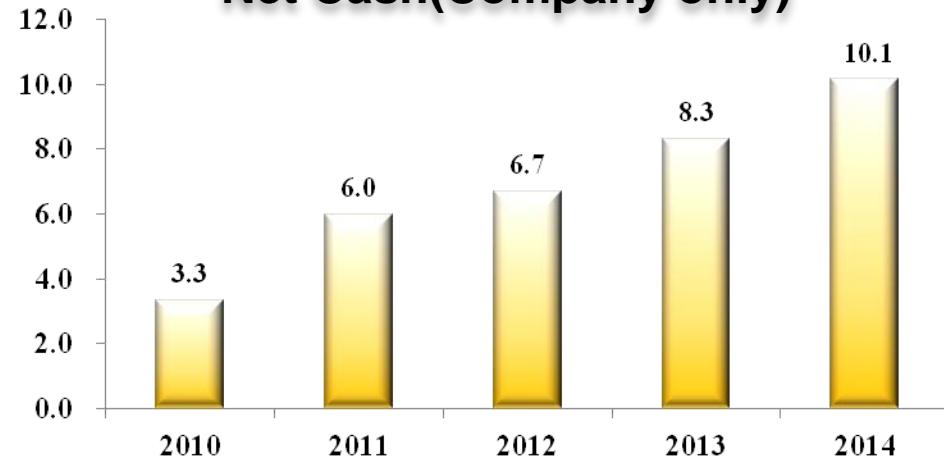
**Cash Conversion Days(Company only)**



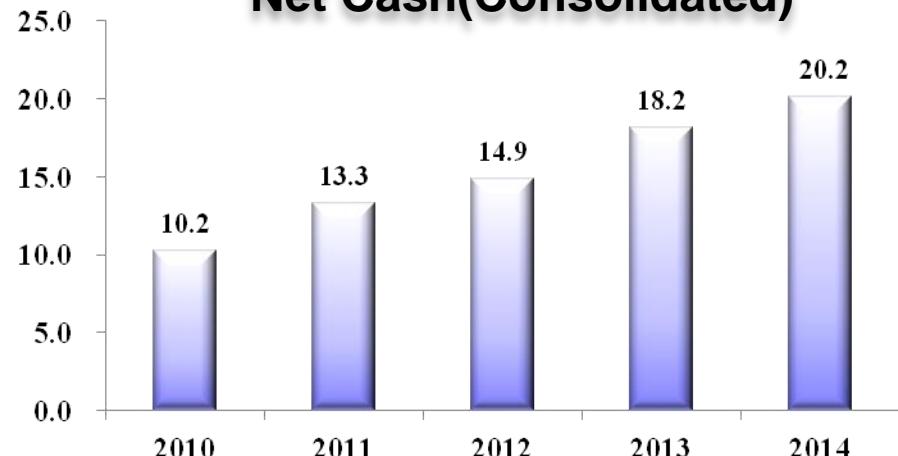
**Cash Conversion Days(Consolidated)**



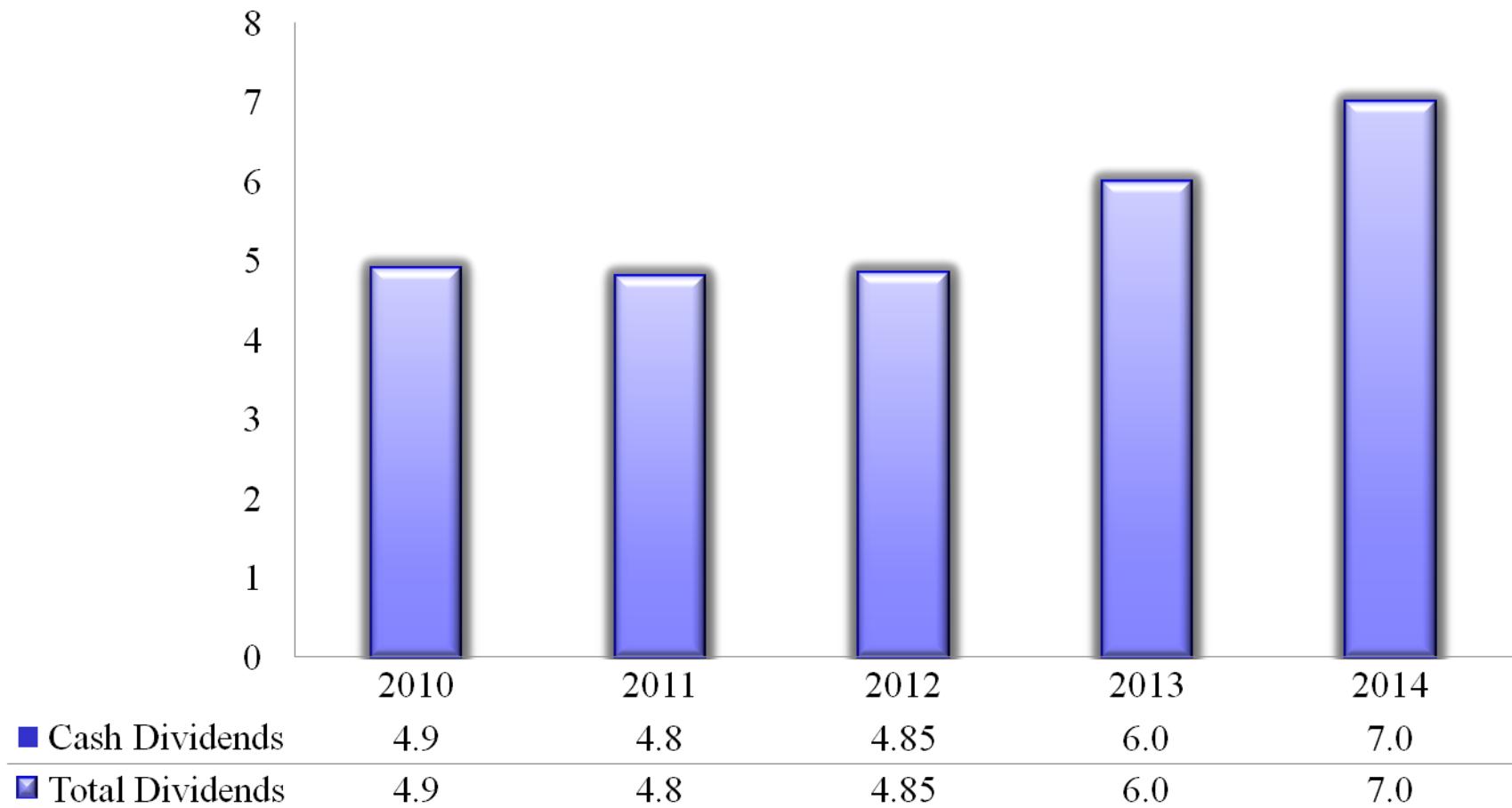
**Net Cash(Company only)**



**Net Cash(Consolidated)**

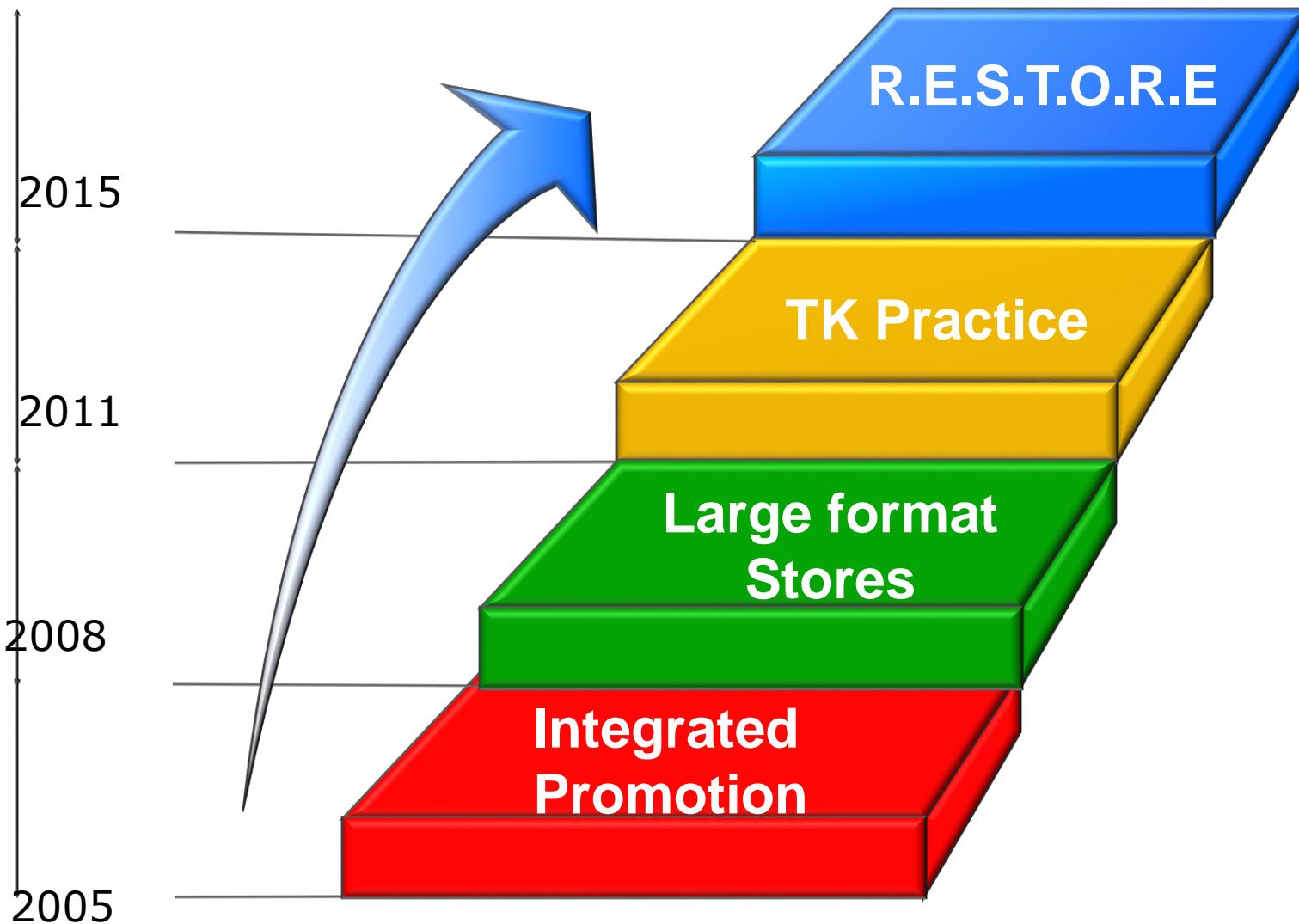


# 100% Cash Dividend



# 2015 Outlook

# Four-stage transformation



***Revitalize Each Store To Obtain Retail Excellence***

# Opportunities and Challenges

## Trends

- ◆ Aging population
- ◆ Fewer children
- ◆ Fast-paced life
- ◆ Price hike but salary stagnant
- ◆ High popularity of mobile devices and accessibility of internet
- ◆ High consciousness of beauty and health
- ◆ Care about the sustainability of the environment

PCSC is staying on top of consumer trends

## Challenges

- ◆ Food safety
- ◆ Costs increase

Conscientious and careful product development  
Focus on Franchisees' profitability

# CITY CAFE

1. By upgrading coffee bean quality, coffee professionals, store atmosphere, CITY CAFE sales reached NTD 9.5b, with 28% black coffee.



2. By launching delivery service and new desserts to bring premium experiences for customers.



樂活純白

微醺曙光

經典咖啡

# Convenient and Quality Fresh Food

- Food quality control mechanism after food safety issues in 2014 :
  1. Adjust product mix and suppliers.
  2. Strengthen traceability management to further control the quality.
- Enhance fresh-food restaurant image by increasing variety and upgrading the quality.
- Expand from Ready-to-eat to Take Home products.



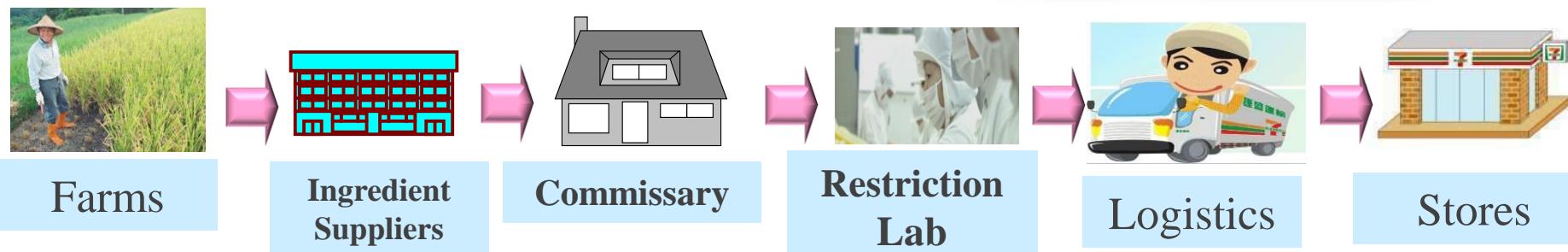
# Convenient and Quality Fresh Food

## ■ From Farms to 7-11 stores

1.1,000 stores with ready-to-cook products. Banana, sweet corn are the best sellers.

2. Traceable vegetables are introduced.

3. Organic vegetables are introduced to fulfill customers' needs.



**1,500 farmers**  
Contracted-farming

**167 suppliers**  
Mutual purchase and  
inspection  
Material sourcing

**13 commissaries**  
ISO22000 certified  
Periodic auditing

**1 restriction lab**

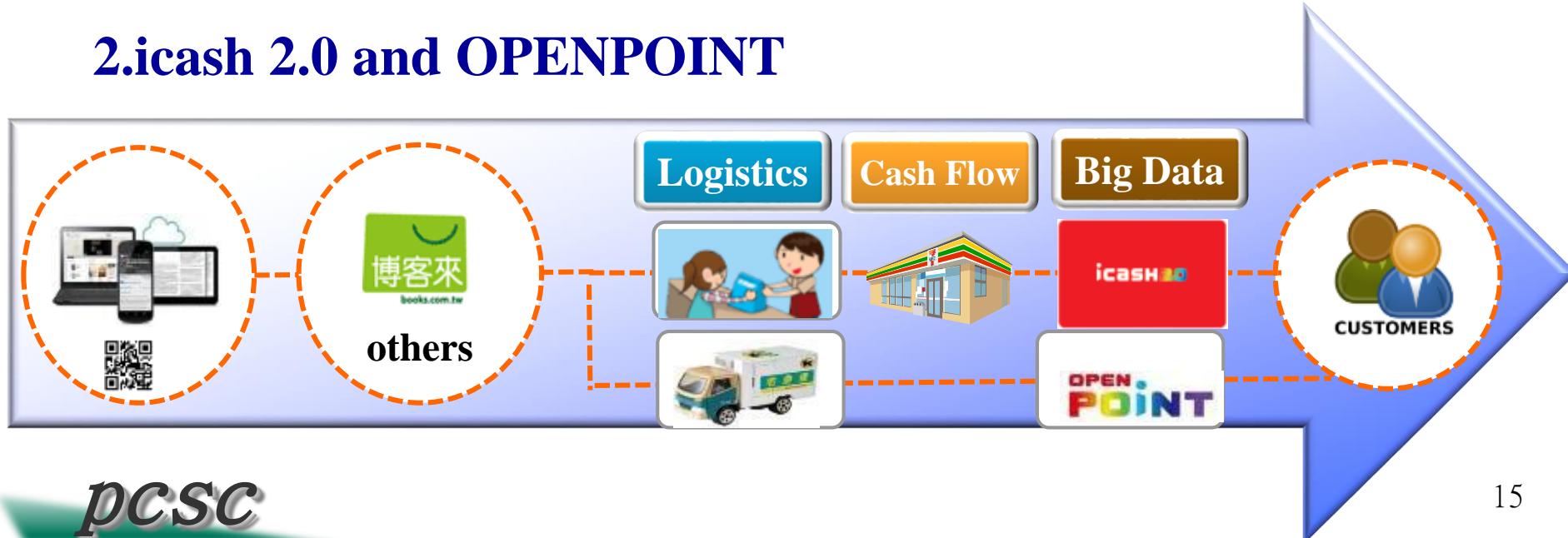
**14 distribution centers**  
Periodic auditing  
Temperature control

**5,040 stores**

# Comprehensive E-service Platform

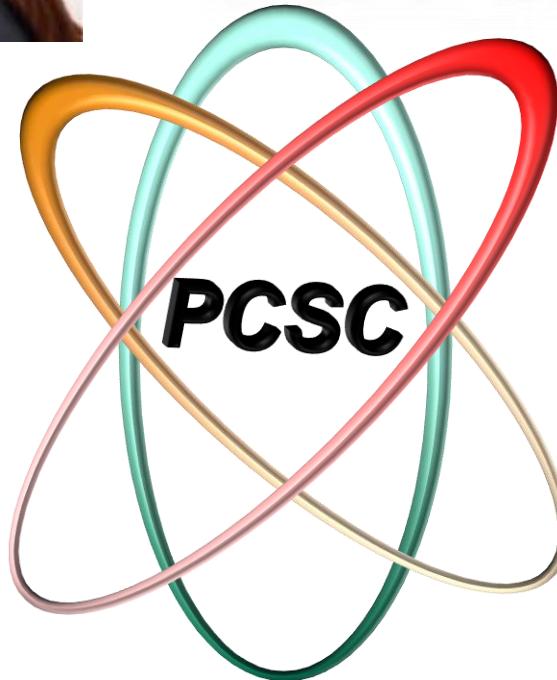
■ Intensive network, completed logistics and information system make 7-11 becomes safe and convenient E-service platform.

■ Continuous Upgrades:  
1.ibon 2G and ibon APP  
2.icash 2.0 and OPENPOINT



# Beauty and Health

■ Cultivate professionals and brands to fulfill customers' needs in health and beauty.



# R.E.S.T.O.R.E → Optimize store utility

- Revitalize each store to obtain retail excellence by strengthening product mix according to different areas and target customers.

Commercial area, school, residential area,  
sightseeing area, transit etc.

Beauty  
products

Health  
products

Daily  
Necessity  
Imported  
products

Fresh  
Fruits  
Organic  
Products



# Overseas Businesses

## ■ Shanghai Starbucks

Total stores will exceed 900 in 2015

## ■ Seven Eleven Philippines

Total stores will exceed 1,500 in 2015

## ■ Continue to strengthen business model of CVS, supermarkets, Food & Beverage in China.



Philippines 7-11



Shanghai Starbucks



# Highlights of ESG Practice

## ■ Environmental-friendly store:

1.72% stores are recognized as the top level of Green CVS stores, which is the highest store numbers in Taiwan.

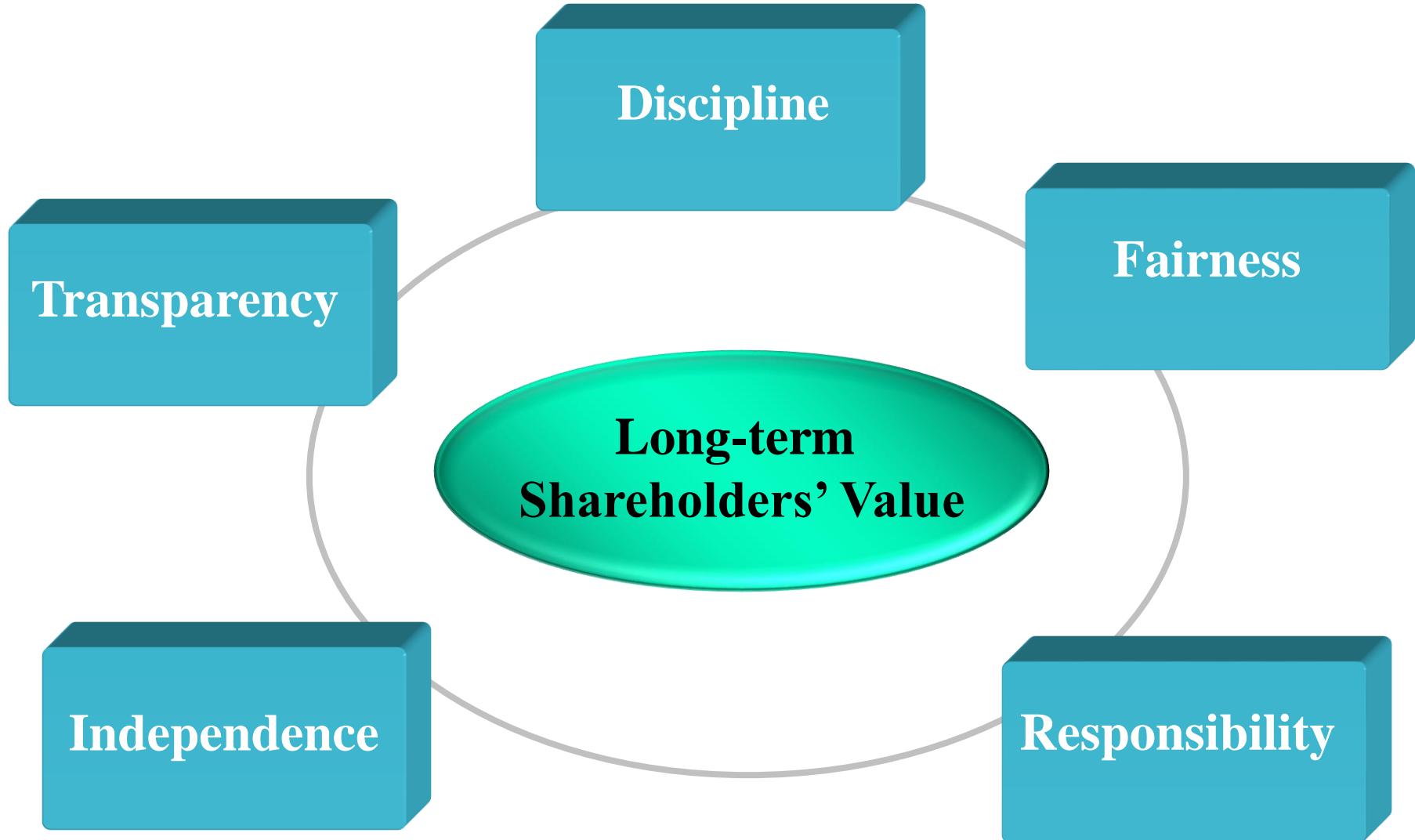
## 2. Energy Usage Intensity is decreasing.

## ■ Benchmark Global G.A.P. to :

1. Upgrade agriculture by encouraging protected cultivation in our supply chain.
2. Promote reduction of toxicity of pesticide and chemical fertilizer.
3. Continue expanding the use of domestic agricultural products to support our farmers.



# Highlights of ESG Practice



# Highlights of ESG Practice

## ■ Focus on franchisees' profitability

1. Due to the increase of minimum wage and fresh food development strategy, PCSC has provided additional subsidization since April 1, 2015, and will adjust the profit-sharing scheme since Oct 1, 2015.
2. Continue pursuing win-win for the company and the franchisees.

## ■ Social Cares

1. Encourage children in the hospitals through OPEN! Cares activities.
2. Care for the elderly who live alone.



# 2015 Cash Flow Projection

Operating Cash inflows	NTD 10~11b
Cash outflows : Taiwan 7-11	NTD 2.5~2.6 b
Long-term investments	NTD 1b
Cash dividends	NTD 7.2 b



# Q&A