

# President Chain Store Corp.

2912TT

# 2017H1 Financial Results

# Financial Highlights

## ◆ Historical revenue and profit

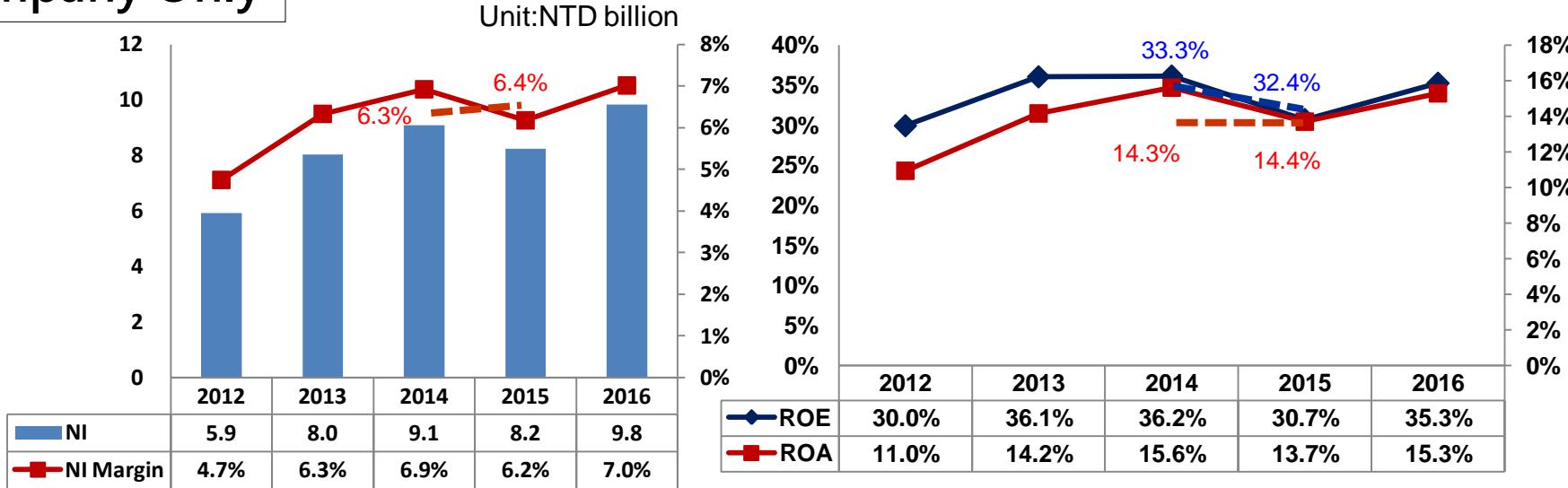
Unit:NTD billion

	2012	2013	2014 (adjusted)	2015	2016	2016 V.S. 2015	2017H1	2017H1 V.S. 2016H1
Revenue (Company Only)	124.8	126.9	131.3	133.4	140.1	5.1%	70.5	3.1%
Revenue (Consolidated)	192.6	200.6	200.4	205.5	215.4	4.8%	108.2	2.3%
Net Profit	5.9	8.0	9.1	8.2	9.8	19.4%	5.5	9.8%
EPS (NT\$)	5.69	7.73	8.74	7.92	9.46	1.54	5.32	0.48

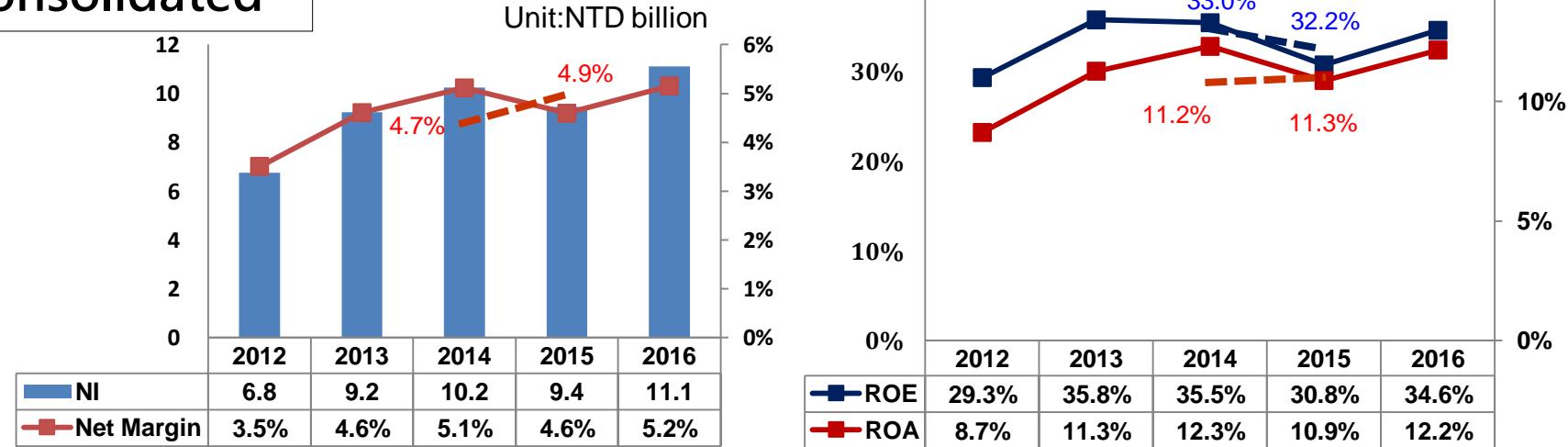
Note : Numbers in 2014 are adjusted based on the updated IFRS for joint-venture subsidiaries.

# Profitability Trend

## Company Only

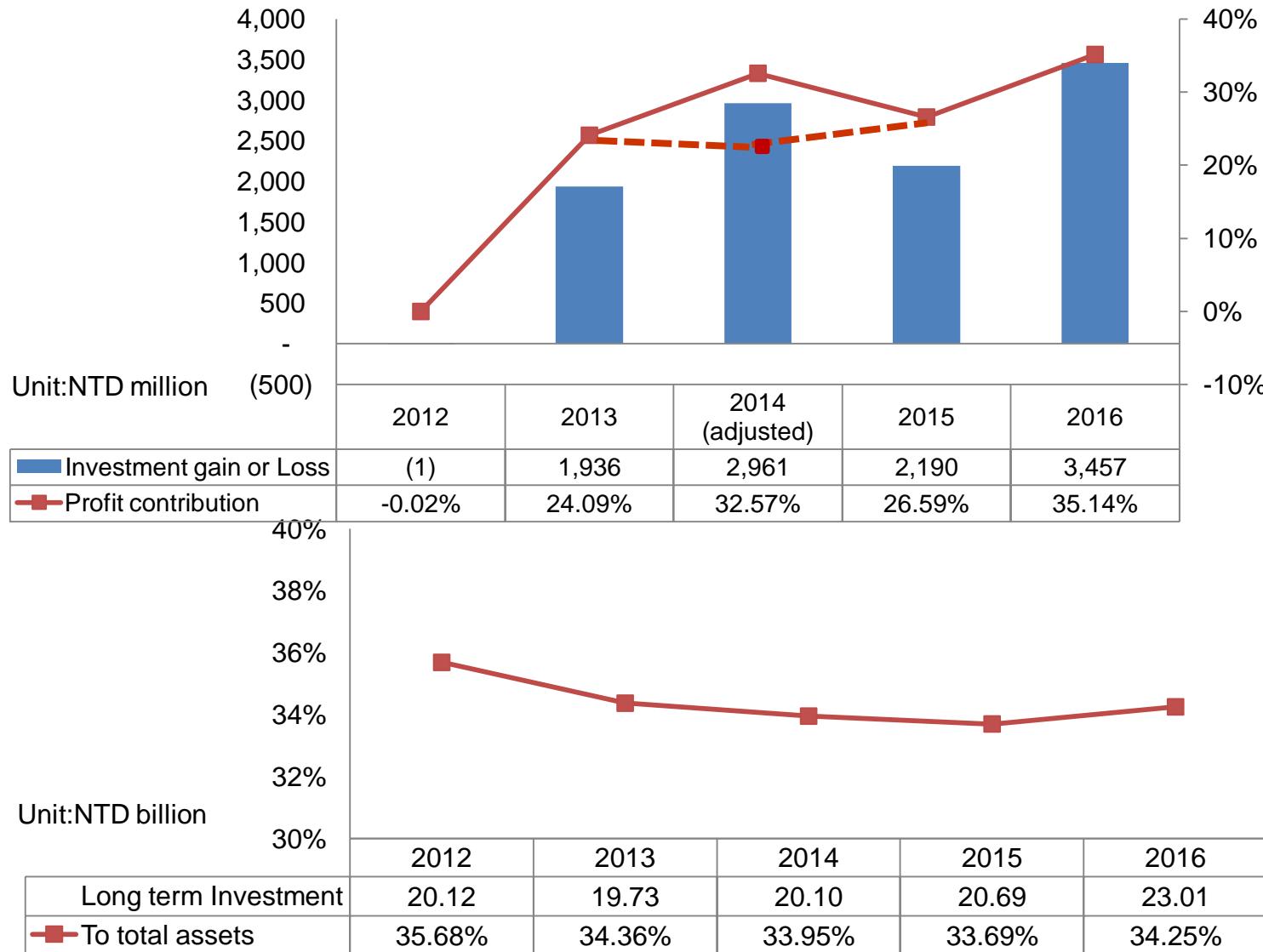


## Consolidated



Note : Numbers in 2014 and 2015 are adjusted on MUJI disposal gain and profit-sharing program respectively for like-for-like comparison. °

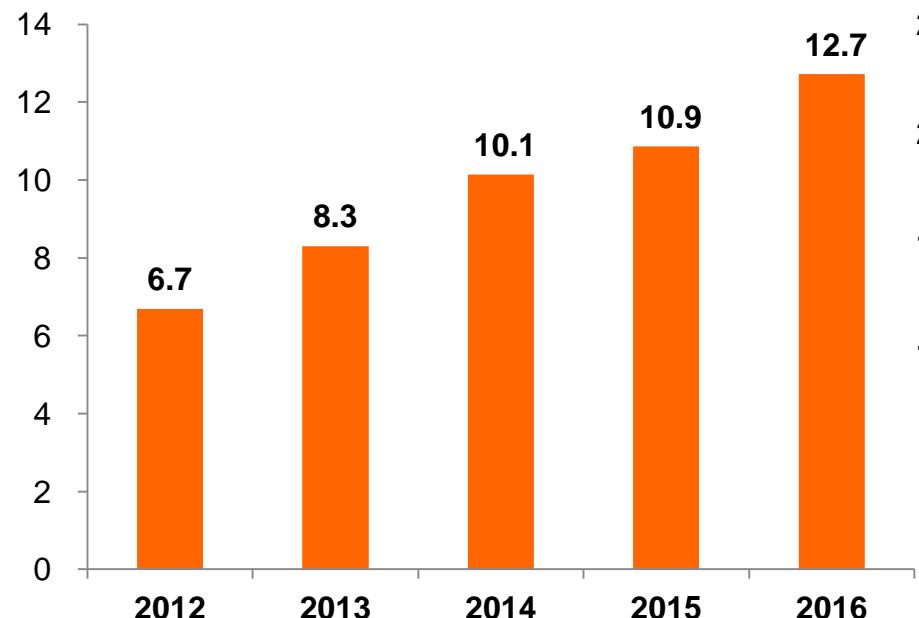
# Subsidiaries Contribution Trend



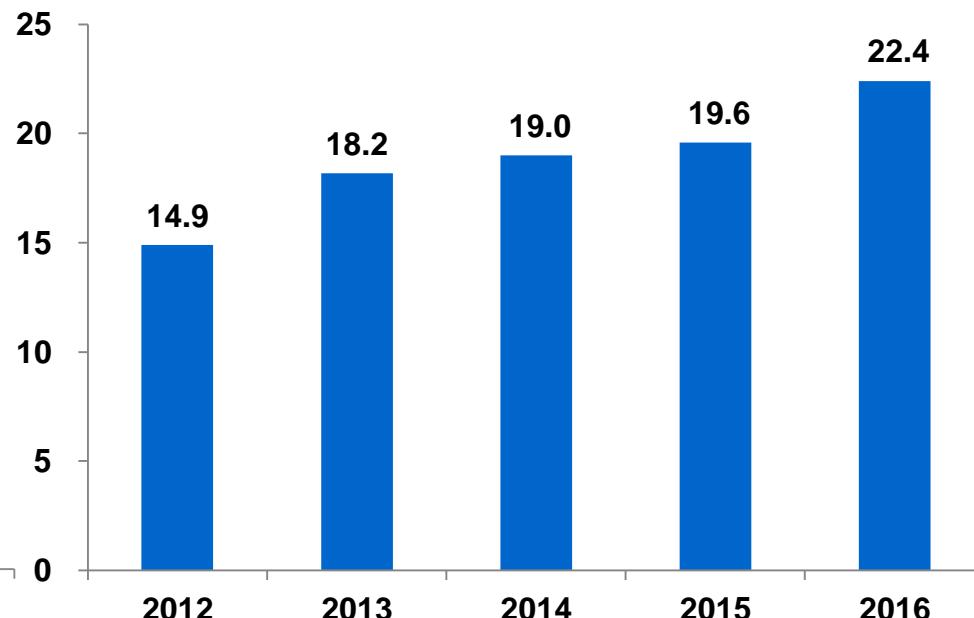
# Cash Flow Trend

Unit:NTD billion

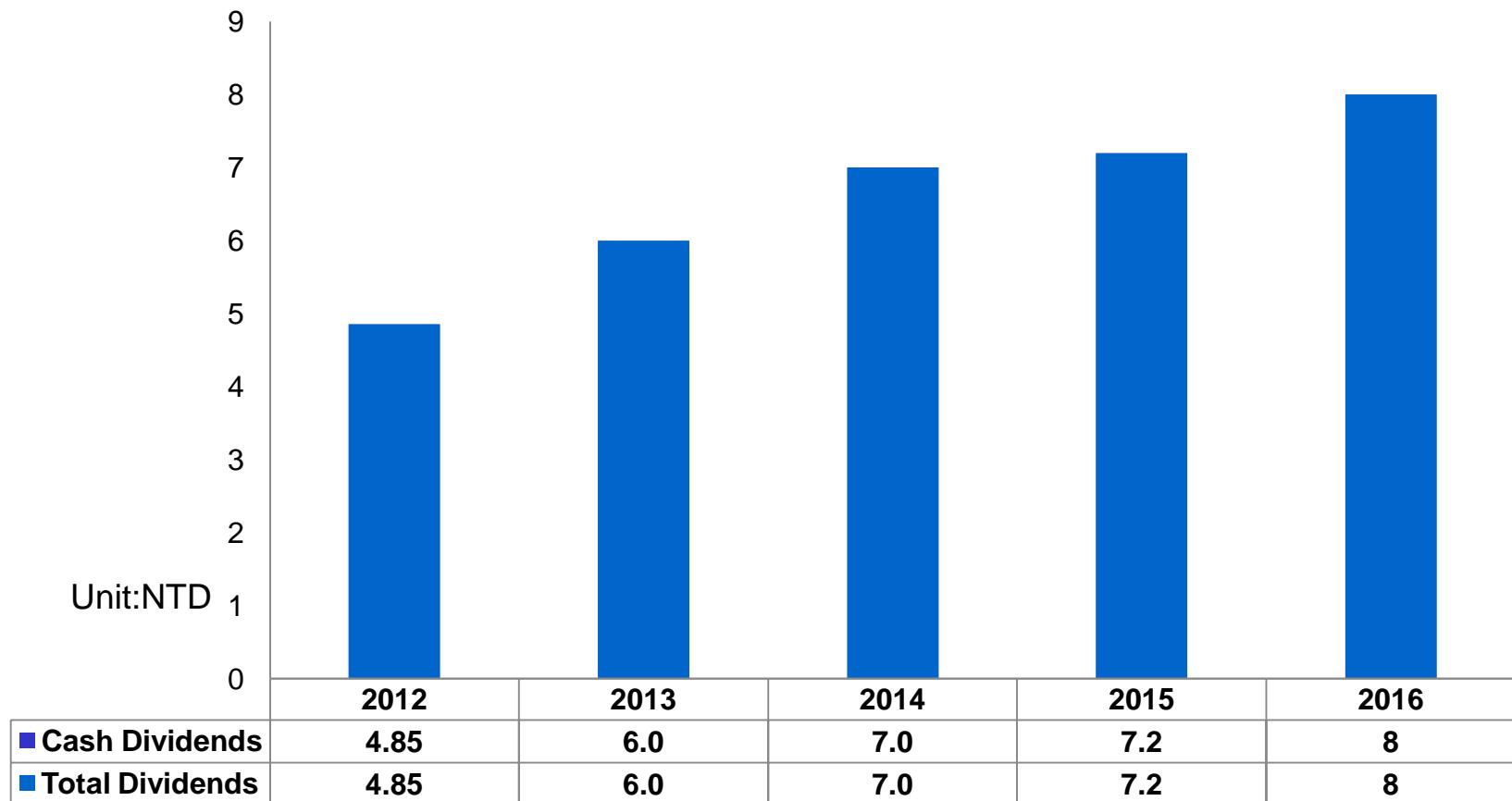
Net Cash(Company only)



Net Cash(Consolidated)

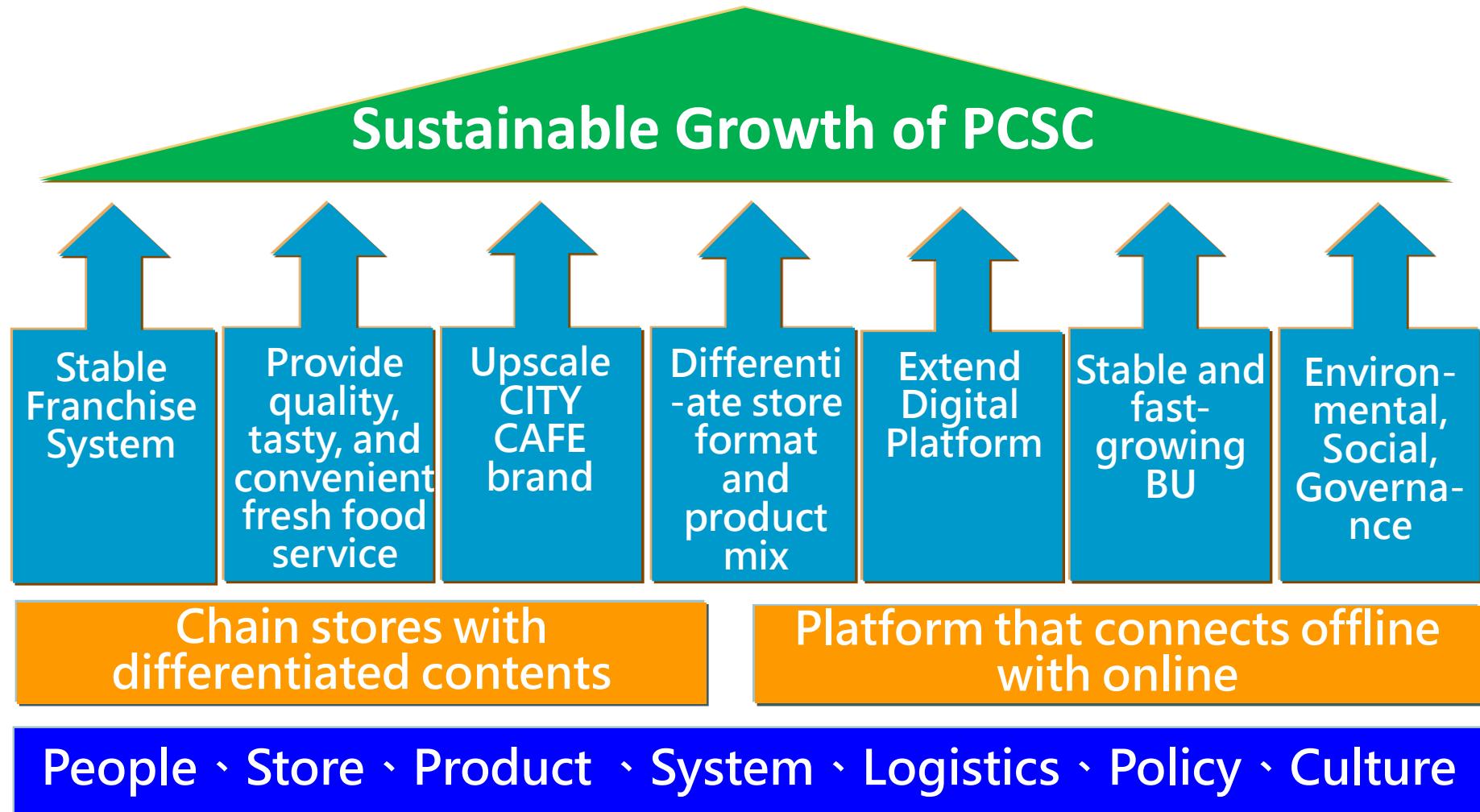


# Cash Dividend Trend



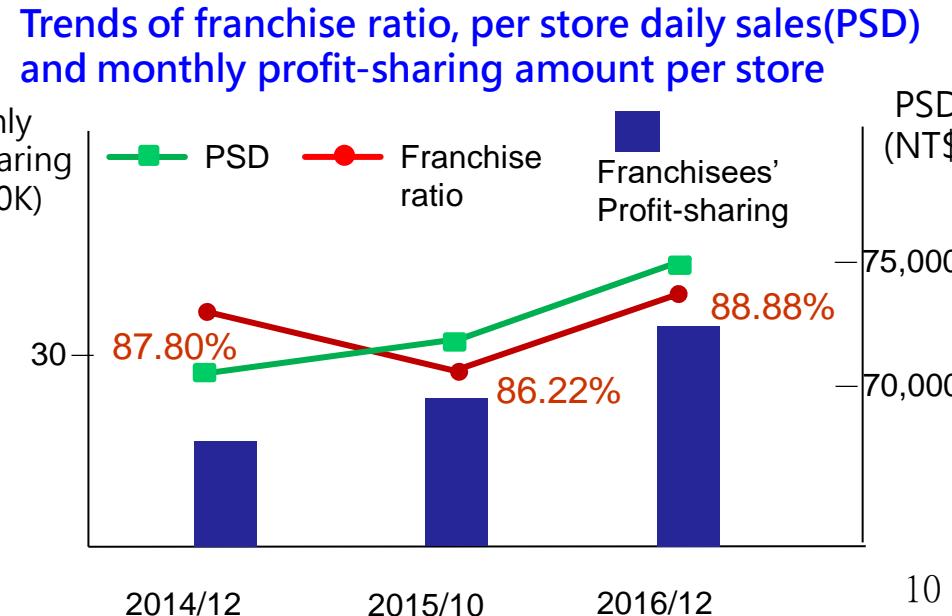
# 2017 Outlook

# 7 Strategies for Sustainable Growth



# Stable Franchise System

- Persistent store profitability growth relies on store-by-store and item-by-item management.
- Improve store operational efficiency by system upgrade and labor-saving devices.
- Introduce better franchise system to increase franchisees profitability and franchise ratio.
- Support franchisees to face the change of Labor Law, especially in recruitment and work schedule arrangement.



# Provide Quality, Tasty, and Convenient Fresh Food Service

## Food Safety

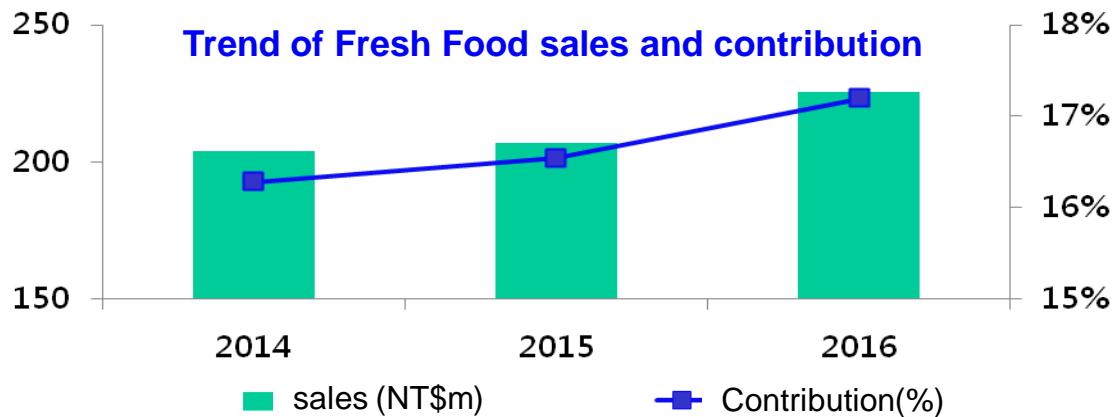
- Continue to strengthen traceability mechanism by origin management, system upgrade, suppliers evaluation, self-testing ability, etc..

## Infrastructure

- Integrate 18°C and 4°C fresh food:
  1. More variety, better taste, and lower wastage.
  2. Improve efficiency of store layout and delivery.

## Premium Quality

- Upgrade value and taste of products through new materials and technique.
- Experiential marketing is a good way to communicate.



# Upscale CITY CAFE Brand

## Upgrade CITY CAFE quality

- CITY CAFE continues to deliver strong growth.
- Grow CITY CAFE brand by upgrading coffee bean quality, developing coffee masters, and strengthening marketing campaign.

## Introduce new product

- Introduce new product line to generate new growth drivers.
- Speed up the roll-out of CITY Fresh Tea.
- Improve store service efficiency by optimizing procedures.



**CITY CAFE**  
**現萃茶**



Year 2016  
5107 stores  
11b sales

Year 2013  
4845 stores  
9b sales

Year 2009  
3700 stores  
3.5b sales

Year 2005  
300 stores  
100m sales

Year 2007  
1000 stores  
500m sales

Year 2015  
5028 stores  
10.6b sales  
Introduce CITY Fresh

# Diversify Store Format

- Bigger format stores account for 71% of total store number, 40 square meters stores account for 31%.
- More experiential, entertaining, educational stores will be rolled out in an efficient and systematic way.

A 7-ELEVEN store designed by OPEN! family to generate joyful atmosphere.



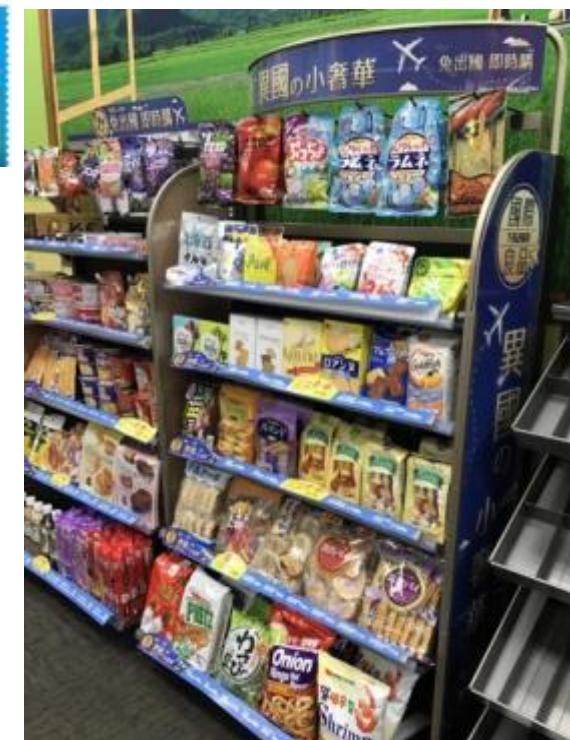
# Diversify Store Format(continued)

A 7-ELEVEN store with reading room and flexible space brings comfortable and joyful atmosphere .



# Differentiate Product Mix

- Private-labeled brands, iseLect and UNIDESIGN, bring new choices for customers.
- Selective and premium international products are introduced to enrich product mix.
- Exclusive and quality brands products make 7-ELEVEN always a fresh shopping place.



# Extend Digital Platform

## Rewards

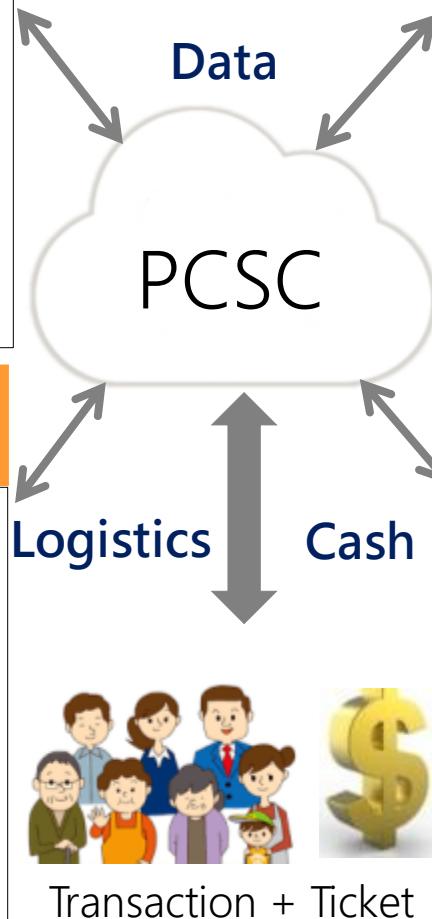


1. The membership of OPENPOINT grew 85%.
2. Growth drivers :
  - ① Continuous growth of membership.
  - ② Strengthen i-gift platform.

## Delivering and Pick-up



1. Total transactions exceeded 100m, and in-store pick-up is the main contributor.
2. Growth drivers :
  - ① Strengthen logistics infra to further expand capability .
  - ② More connections with other EC platforms.



## Payment

1. The new card issuance and active cards grew significantly.
2. More customers use icashH to shop at 7-ELEVEN.
3. Growth drivers :  
More card holders with higher payment/Mobile service.



## Multi-media Application

1. Total transactions of ibon/ ibon APP exceeded 200 m.
2. Growth drivers :
  - ① Enhance mobile service.
  - ② Increase service items.

# Stable and Fast-Growing Subsidiaries

■ Develop subsidiaries that deliver stable growth :  
16 subsidiaries with over NT\$100 million net profit in 2016, including Cosmed Takkyubin, Books.com, Cold-Chain and Wisdom etc..



7-COFFEE(Shanghai 7-ELEVEN)



City Blends (Philippine 7-ELEVEN)

■ Grow overseas markets :  
1. Philippine 7-ELEVEN achieved 2,000 stores, and Shanghai Starbucks will reach 1,500 stores in 2017.  
2. Shanghai 7-ELEVEN reached store-level BEP, and will further strengthen business model.



Disney Store (Shanghai Starbucks)

# Environmental, Social and Governance

■ Happiness, Gung Ho, and sustainability, the concept of our ESG are built in our operational strategies.

## Happiness

■ We value well-being of franchisees and employees.



## Gung Ho

- NT\$100M/per year was invested in food safety mechanisms.
- CSR is included in the suppliers evaluation.
- We are a community center that brings trust, convenience, and happiness to our neighbors.

## Sustainability

We continue to....

- reduce energy usage intensity of our stores.
- procure more Green Mark and energy-saving products and equipments.



# Q&A