

President Chain Store Corp.

2912TT

2018H1 Financial Results

Financial Highlights

◆ Historical revenue and profit

Unit:NTD billion

	2013	2014	2015	2016	2017	YoY	2018 H1	YoY
Revenue (Company Only)	126.9	131.3	133.4	140.1	144.5	3.1%	76.1	7.9%
Revenue (Consolidated)	200.6	200.4	205.5	215.4	221.1	2.7%	120.2	11.1%
Net Profit	8.0	9.1	8.2	9.8	31.0	215.3%	5.2	-6.5%
One-off gain from Starbucks deal	-	-	-	-	20.4	-	-	-
EPS (NT\$)	7.73	8.74	7.92	9.46	29.83	+20.37	4.97	-0.35

Note 1 : The one-off gain from Starbucks deal includes disposal gain of Shanghai Starbucks, re-measurement gain of Taiwan Starbucks and relative expenses.

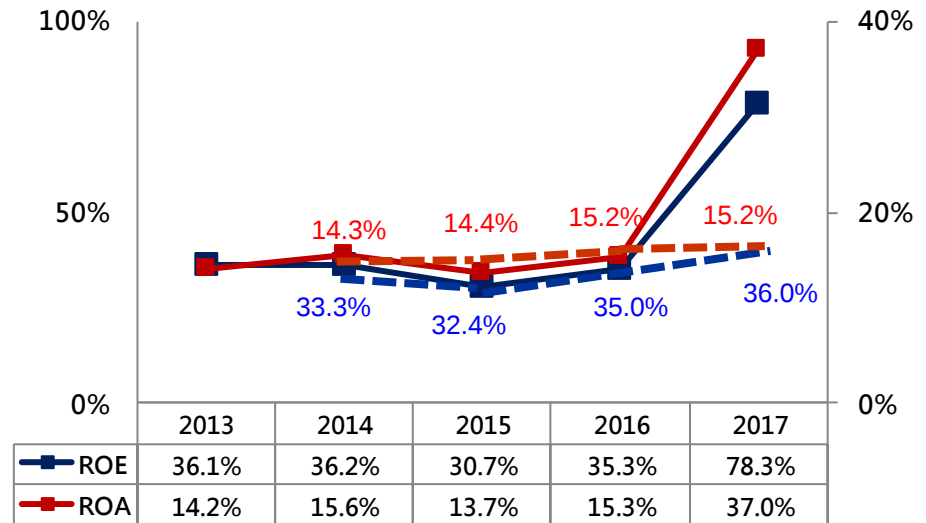
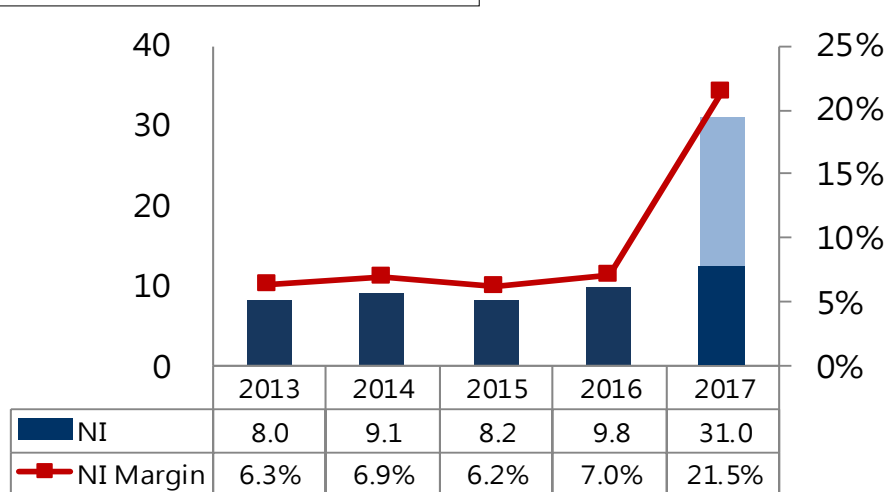
Note 2 : Excluding one-off gain from Starbucks deal, PCSC's recurring 2017 EPS is NT\$10.18, YoY grows NT\$0.72.

Note 3 : Excluding one-off tax adjustment from deferred tax liabilities etc, 2018H1 consolidated profits YoY grows.

Profitability Trend

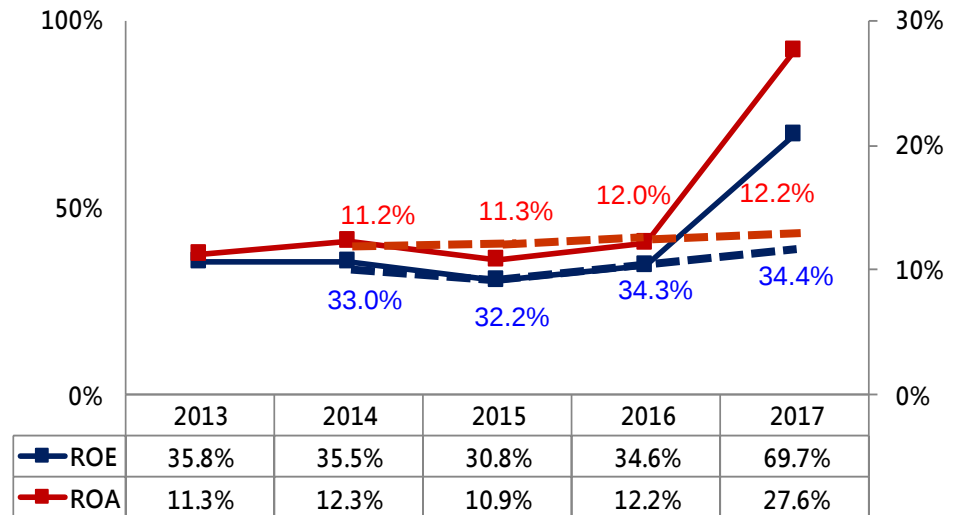
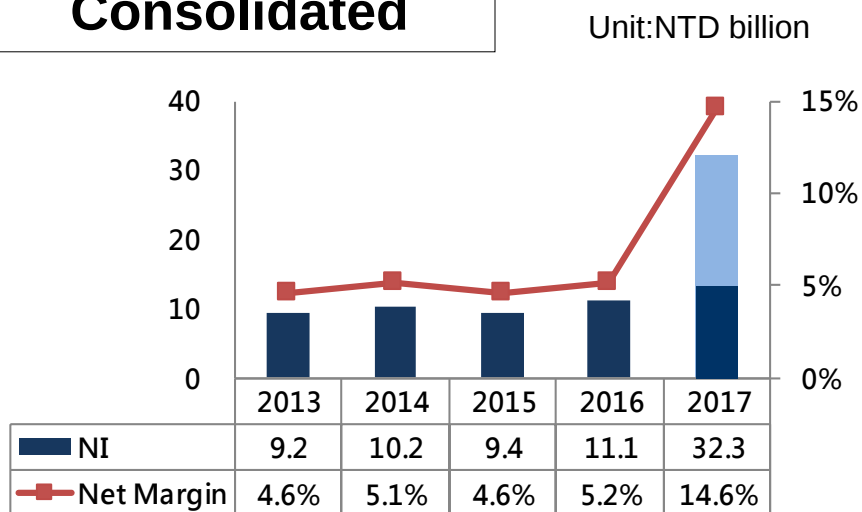
Company Only

Unit:NTD billion



Consolidated

Unit:NTD billion

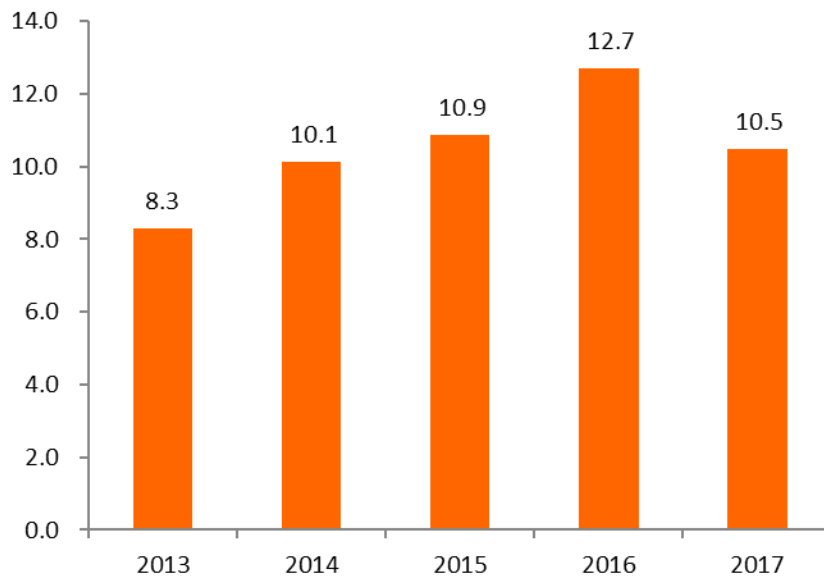


Note : Numbers in 2014, 2015, 2016 and 2017 excluded MUJI disposal gain, profit-sharing adjustment, BankPro E-service disposal gain, and Starbucks gain respectively for like-for-like comparison.

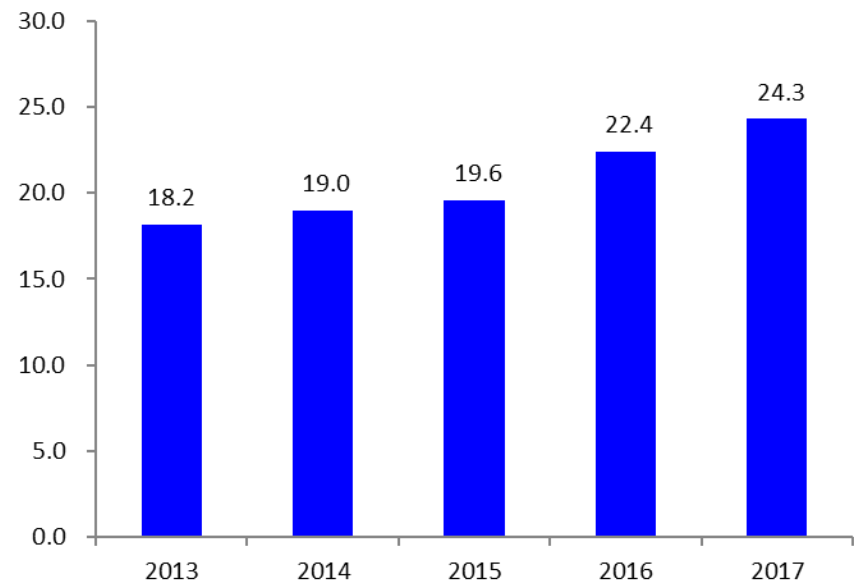
Cash Flow Trend

Unit: NTD billion

Net Cash(Company only)

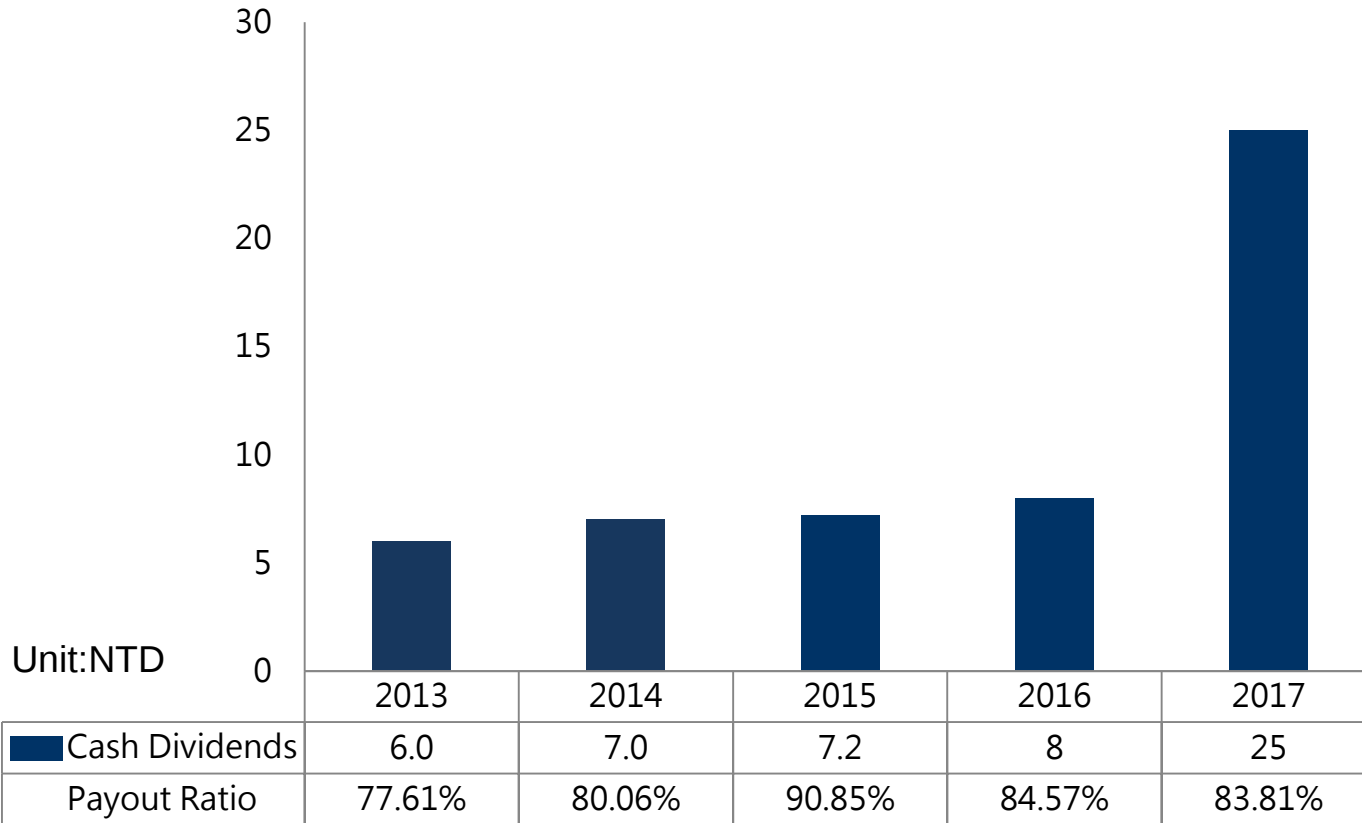


Net Cash(Consolidated)



Note : The longer holidays in the end of 2017 resulted in payment terms deferred temporally.

Cash Dividend Trend



Note 1 : 2017 cash dividend has not been approved by AGM.

Note 2 : 2017 cash dividend includes Shanghai Starbucks disposal gain.

Outlook

Sustainable Growth of PCSC

Long-term targets

Taiwan 7-ELEVEN

Advancing PSD Sales to NTD 100K

Subsidiaries

Following trends and opportunities

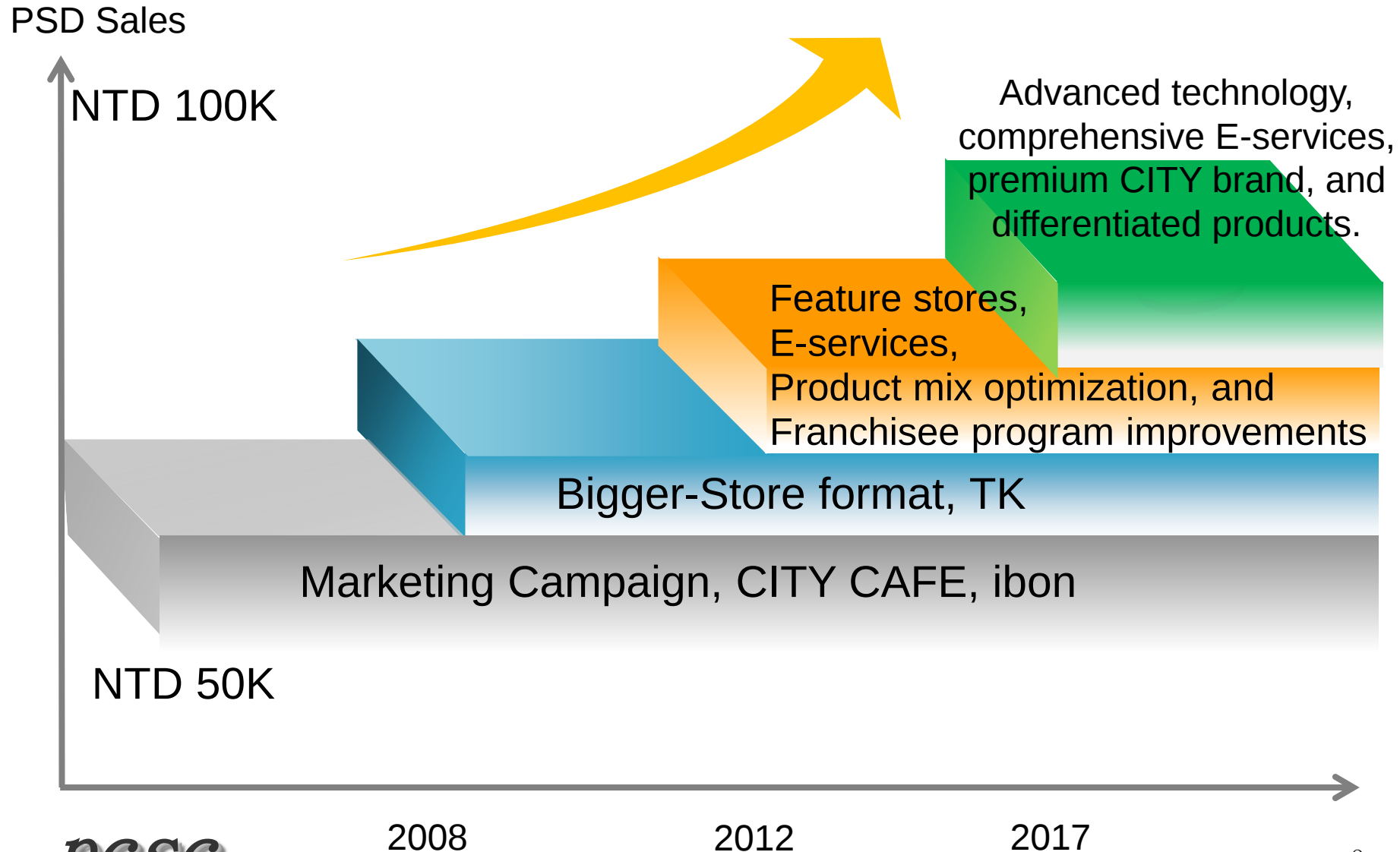
Let each store
flourish in its own way;
Replicate the successes
across the network.

Nurture talent with
in-depth expertise;
Expand the business with
clear strategies.

New Technology ; Advanced process;
Lifestyle trend ; Regional development.

People, Store, Product, System, Logistics, Policy, Culture

Multiple Drivers for Sustainable Growth



Apply Technology to Enhance Efficiency and Value

Value and Experience

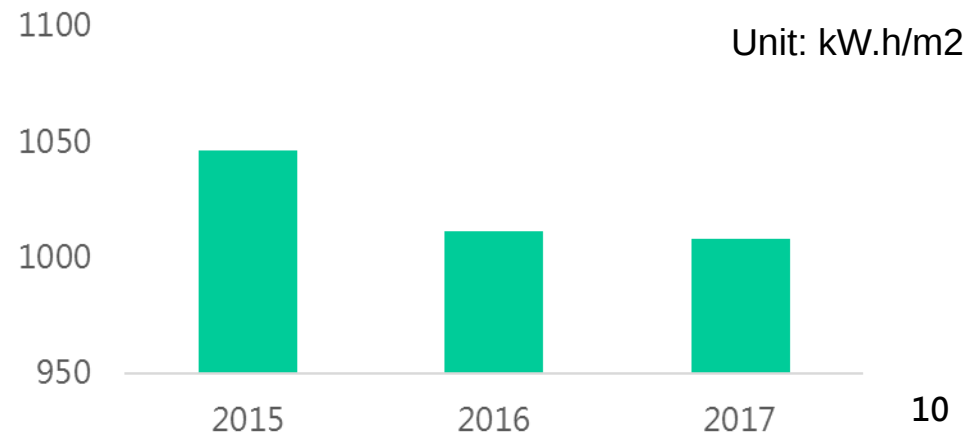
- Improve operational efficiency and customer experience by system upgrade and advanced technologies testing in X-store.

Environmental Friendly

- Apply energy-saving equipment to reduce electricity consumption.
- Expand energy-saving efficiency to BUs through joint procurement.



Trend of Energy Use Intensity

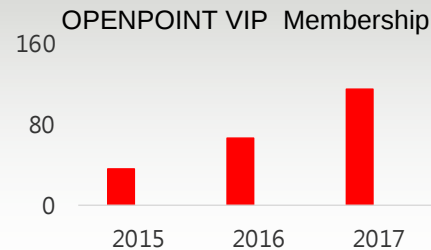


Extend Digital Platform

Integrate digital flow with
OPENPOINT membership



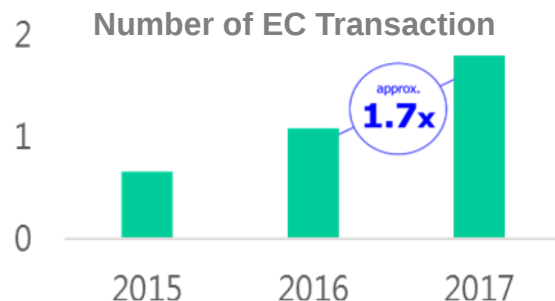
Rewards



- Points' value enhancement
- Strategic Alliance
- Simplified Registration process



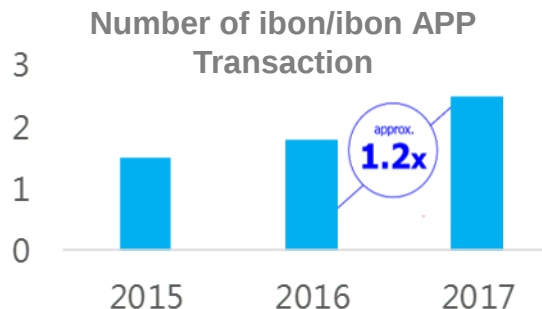
Delivering and Pick-up



Key Drivers:

- Invest in automation equipment and warehouse to enhance capacity and efficiency.
- Value-added pick-up services.

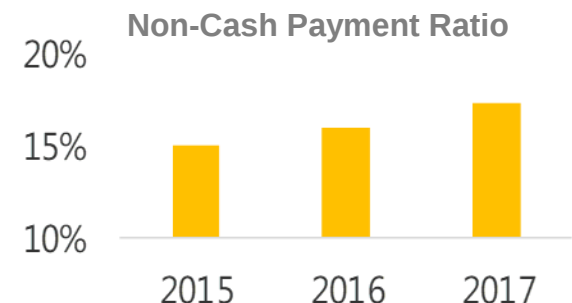
Multi-media Application



Key Drivers:

- Integrate online and offline services
- Customized service

Non-Cash Payment

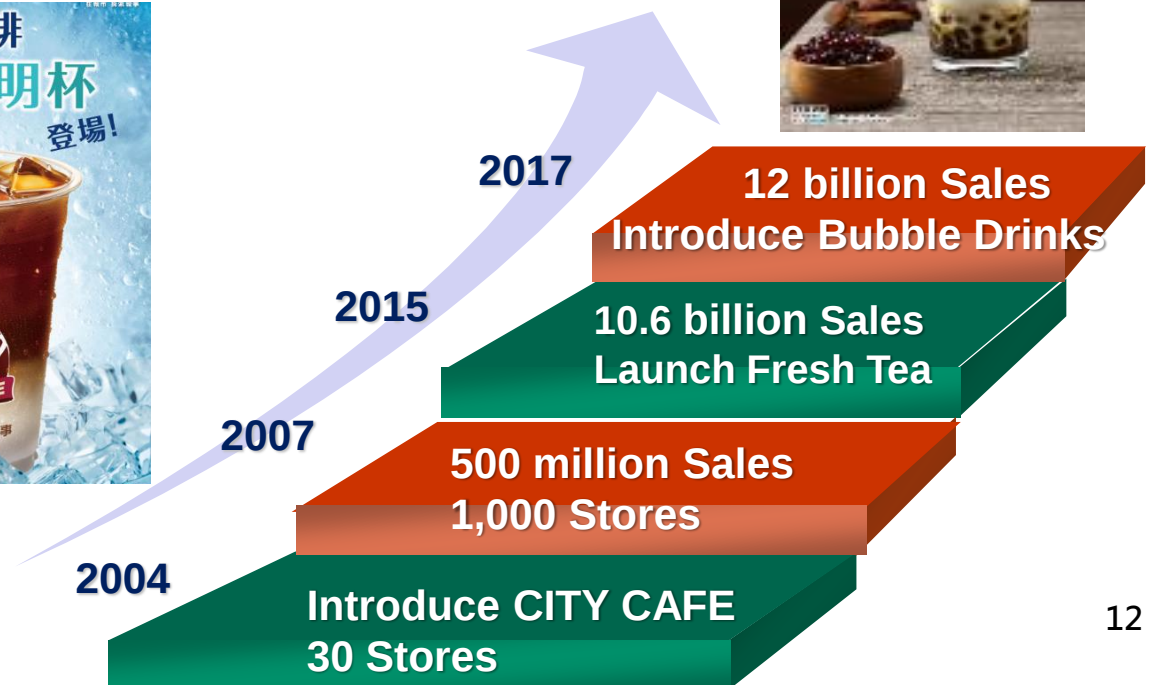


Key Drivers:

- Diversify payment tools
- Increase non-cash payment ratio

Upscale CITY Brand

- Upgrade systems and equipment to enhance quality.
- Grow CITY Brand through new products and merchandise launched.
- Improve store service efficiency by optimizing procedures.



Provide Quality, Tasty, and Convenient Fresh Food Service

Food Safety

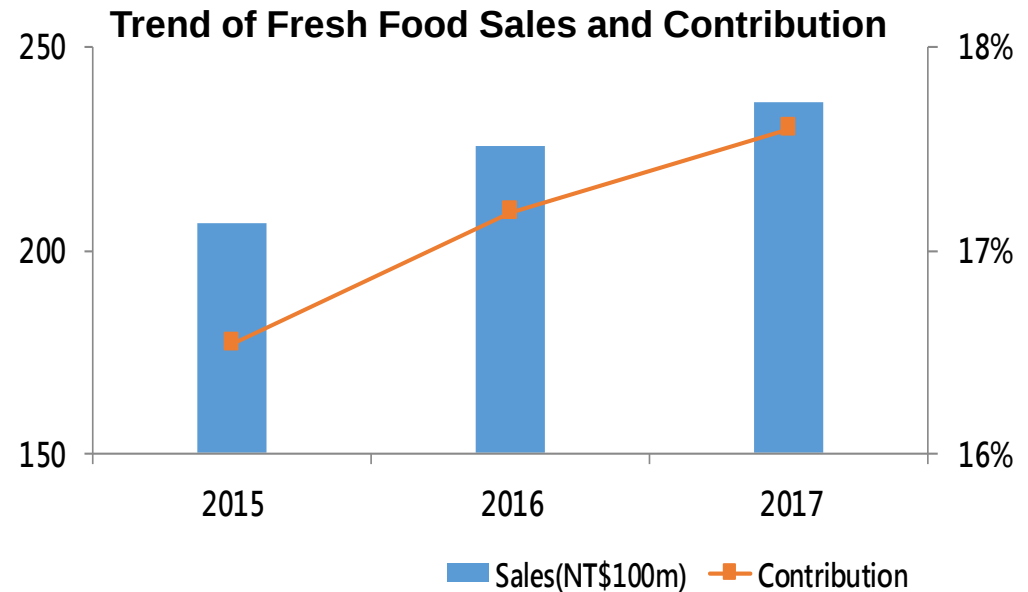
- Strengthen traceability mechanism from farm to table.
- Preventive management.

Infrastructure

- Renew equipment, improve efficiency of process and delivery.

Product Upgrade

- Advanced technique make quality street foods available in 7-ELEVEN.



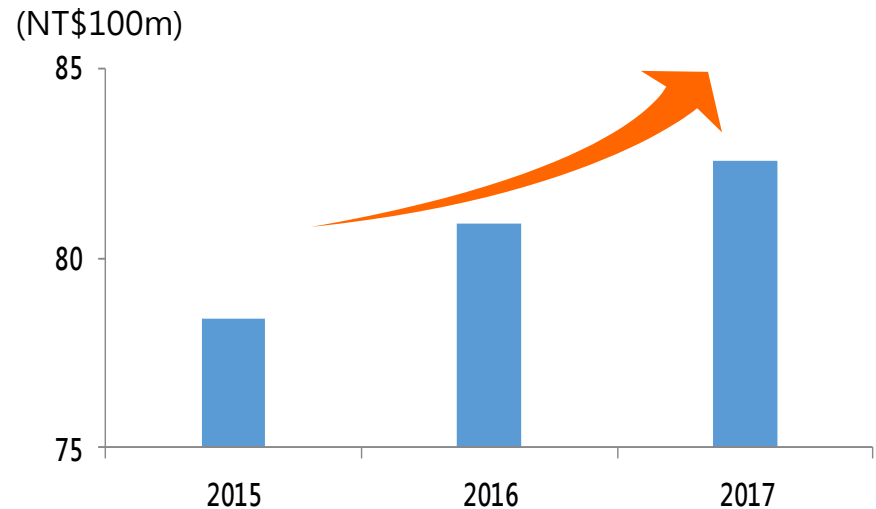
Differentiate Product Mix

- Extend frozen products of iseLect and daily necessities of UNIDESIGN.
- Selective, premium and exclusive international products to enrich product mix.
- Exclusive and quality brands products enhance the feeling of freshness.



pcsc

Trend of International and PL product sales



Fast-Growing Philippine 7-ELEVEN

Aggressive Expansion

- Maintain dominant market shares, and will exceed 2,600 stores in 2018.
- Continue to expand stores in new areas.



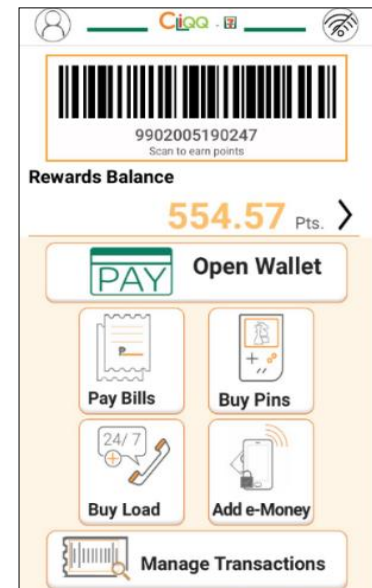
Profitability Improvement

- Ground up more satellite kitchens to raise the capacity of fried products.
- Continually introduce coffee machines and enhance brand image.
- Expand assortment to optimize product display.
- Adjust Franchise program.



Digital Service

- Introduce E-Wallet, CliQQ Pay.
- Develop in-store pick-up service.
- Transfer successful experiences from Taiwan 7- ELEVEN.



Regional Trend and Opportunities



- Cultivate talents and transfer Know-how.

- Follow the lifestyle trend to drive sustainable growth of Takkyubin, Books.com, Taiwan Starbucks , etc.

- Strengthen profitability of Philippine 7-ELEVEN.
- Improve operations of Shanghai and Zhejiang 7-ELEVEN by enhancing infrastructure.

- Evaluate potential investments in domestic and overseas markets.

Q&A