President Chain Store Corp.

2912TT

2019Q1 Financial Results

Financial Highlights

◆ Historical revenue and profit

Unit: NTD billion

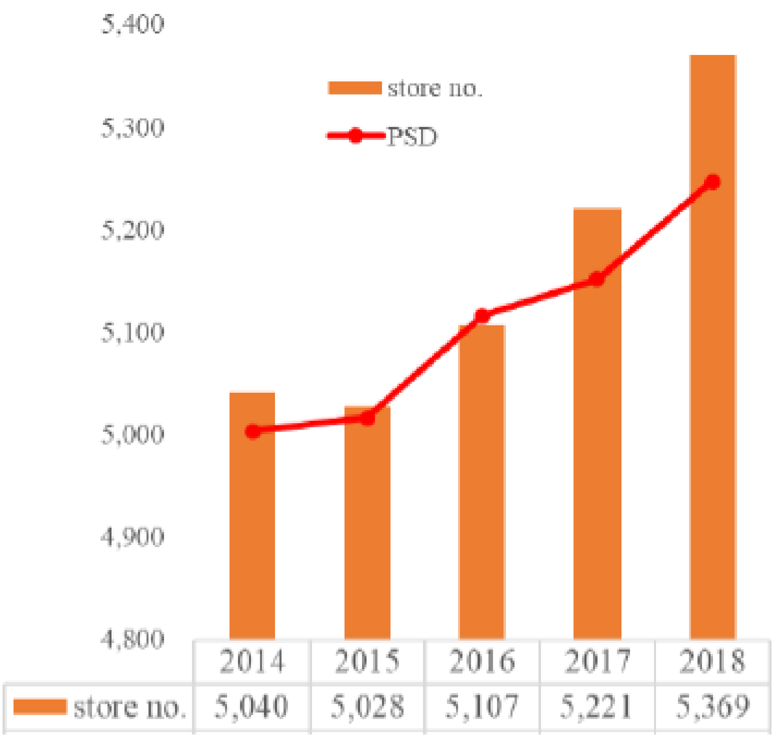
	2014	2015	2016	2017	2018	YOY	**2019Q1**	**YOY**
Revenue (Company Only)	131.3	133.4	140.1	144.5	154.1	6.6%	37.9	2.1%
Revenue (Consolidated)	200.4	205.5	215.4	221.1	244.9	10.7%	61.1	3.6%
Net Profit	9.1	8.2	9.8	31.0	10.2	-67.1%	2.9	14.6%
One-off gain from Starbucks deal	-	-	-	20.4	-	-	-	-
EPS (NT$)	8.74	7.92	9.46	29.83	9.82	-20.01	2.8	+0.36

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

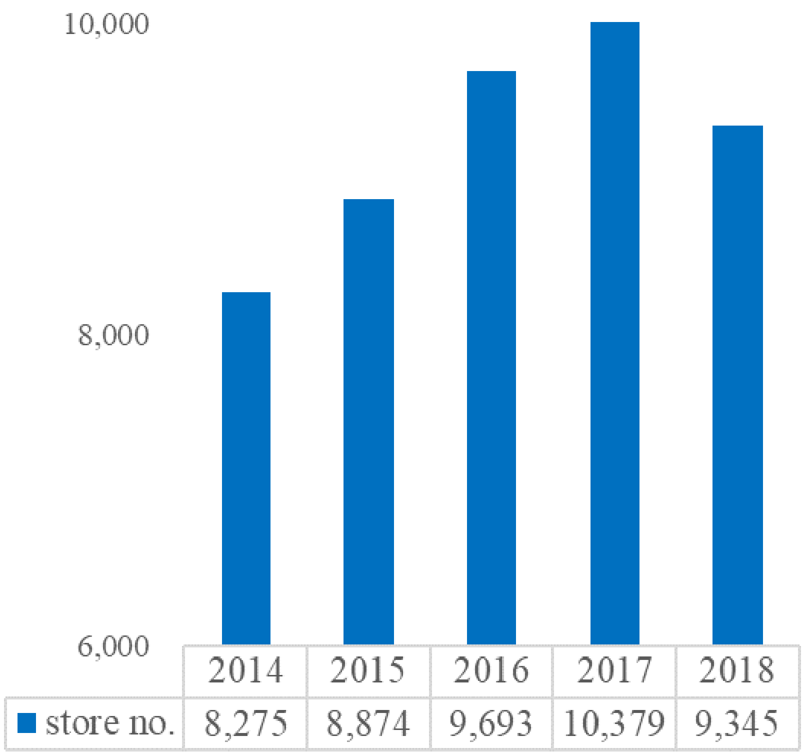
Note 2：Excluding one-off gain from Shanghai Starbucks deal in 2017, 2018 pre-tax profits grew.

Store Number Trend

Local 7-ELEVEN



PCSC

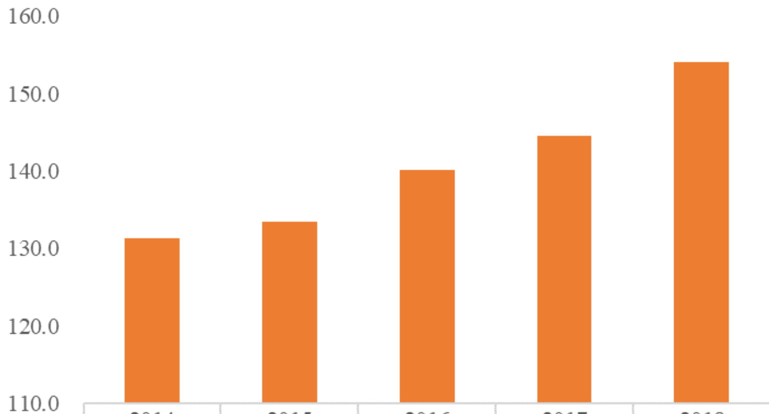


Note: Outlets in 2018 increased by 443 compared to 2017, which excluded Shanghai Starbucks.

Sales and Profitability (Company)

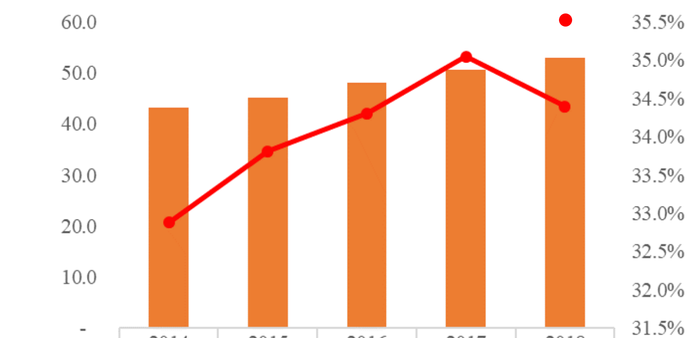
NT$ billion

Sales



	2014	2015	2016	2017	2018
sales	131.3	133.4	140.2	144.5	154.1

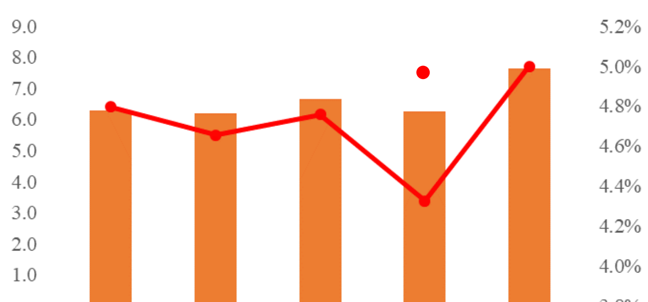
GP



	2014	2015	2016	2017	2018
GP	43.2	45.1	48.1	50.6	53.0
GM(%)	32.9%	33.8%	34.3%	35.0%	34.4%

Note：2018 GM% decreased because of tobacco tax.

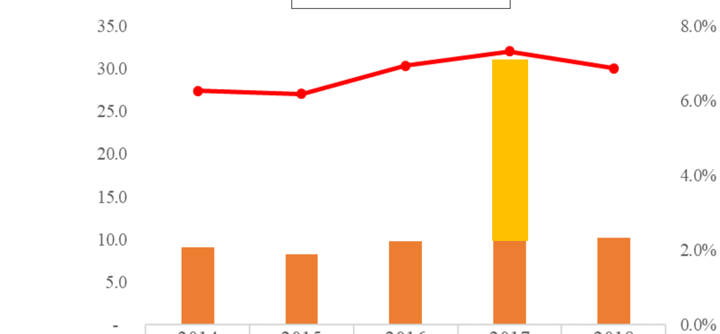
OP



	2014	2015	2016	2017	2018
OP	6.3	6.2	6.7	6.3	7.7
OPM(%)	4.8%	4.7%	4.8%	4.3%	5.0%

Note：one-off expense from Shanghai Starbucks deal in 2017.

NI



	2014	2015	2016	2017	2018
NI	9.1	8.2	9.8	31.0	10.2
NI Margin	6.3%	6.2%	6.9%	7.3%	6.9%

Note: Figures in 2014, 2016, 2017 and 2018 excluded MUJI disposal gain, BankPro E-service disposal gain, Shanghai Starbucks gain and one-off DTL impact respectively for like-for-like comparison.

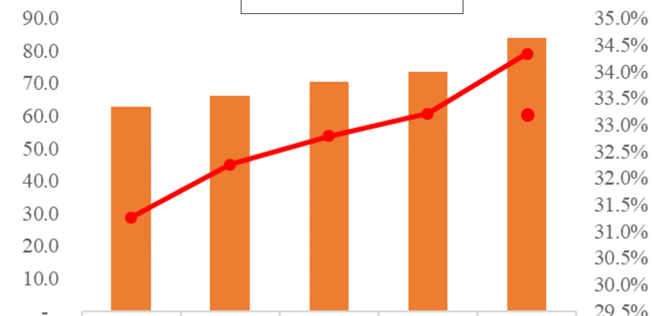
Sales and Profitability (Consolidated)

NT$ billion

Sales

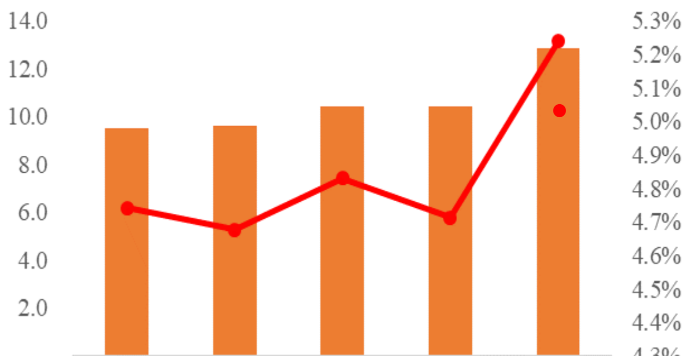
	2014	2015	2016	2017	2018
sales	200.4	205.5	215.4	221.1	244.9

GP



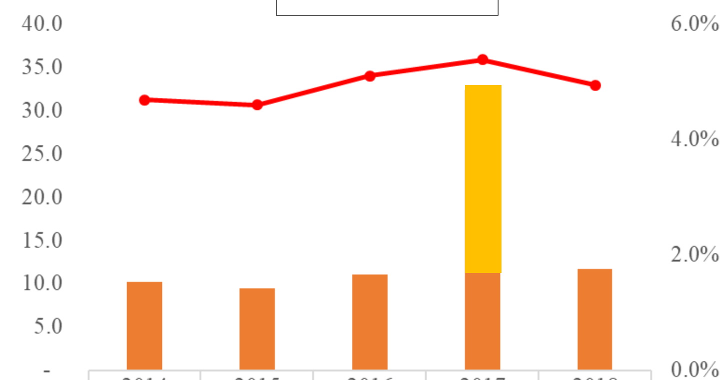
	2014	2015	2016	2017	2018
GP	62.7	66.3	70.6	73.4	84.1
GM(%)	31.3%	32.3%	32.8%	33.2%	34.3%

OP



	2014	2015	2016	2017	2018
OP	9.5	9.6	10.4	10.4	12.8
OPM(%)	4.7%	4.7%	4.8%	4.7%	5.2%

NI

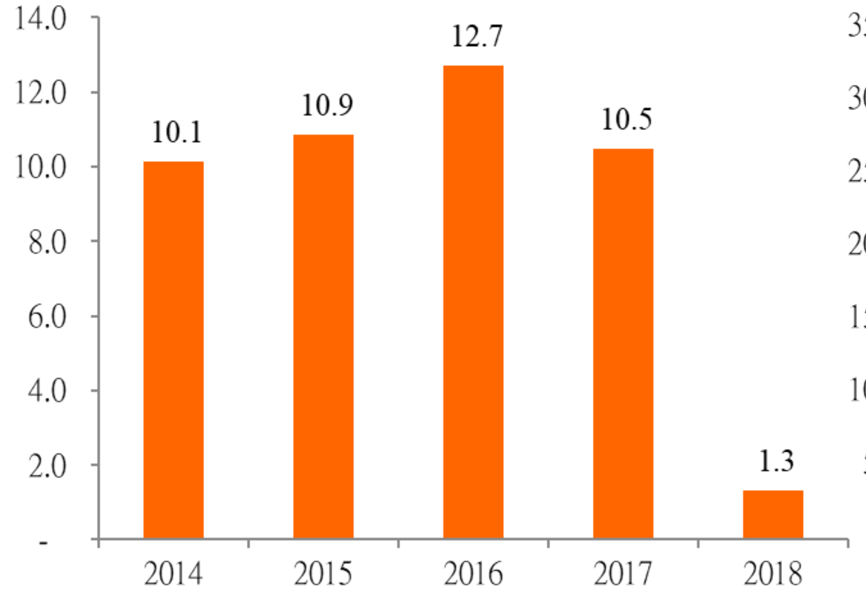


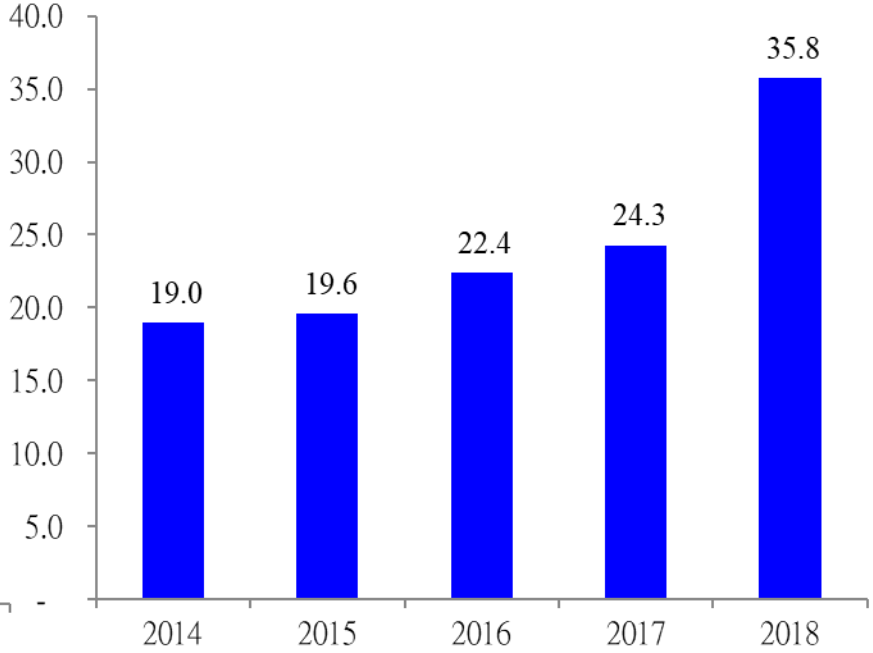
	2014	2015	2016	2017	2018
NI	10.2	9.4	11.1	32.3	11.7
NI Margin	4.7%	4.6%	5.1%	5.4%	4.9%

Note: The Figure for 2014, 2016, 2017 and 2018 does not include MUJI disposal gain, BankPro E-service disposal gain, Shanghai gain and one-off DTL impact respectively.

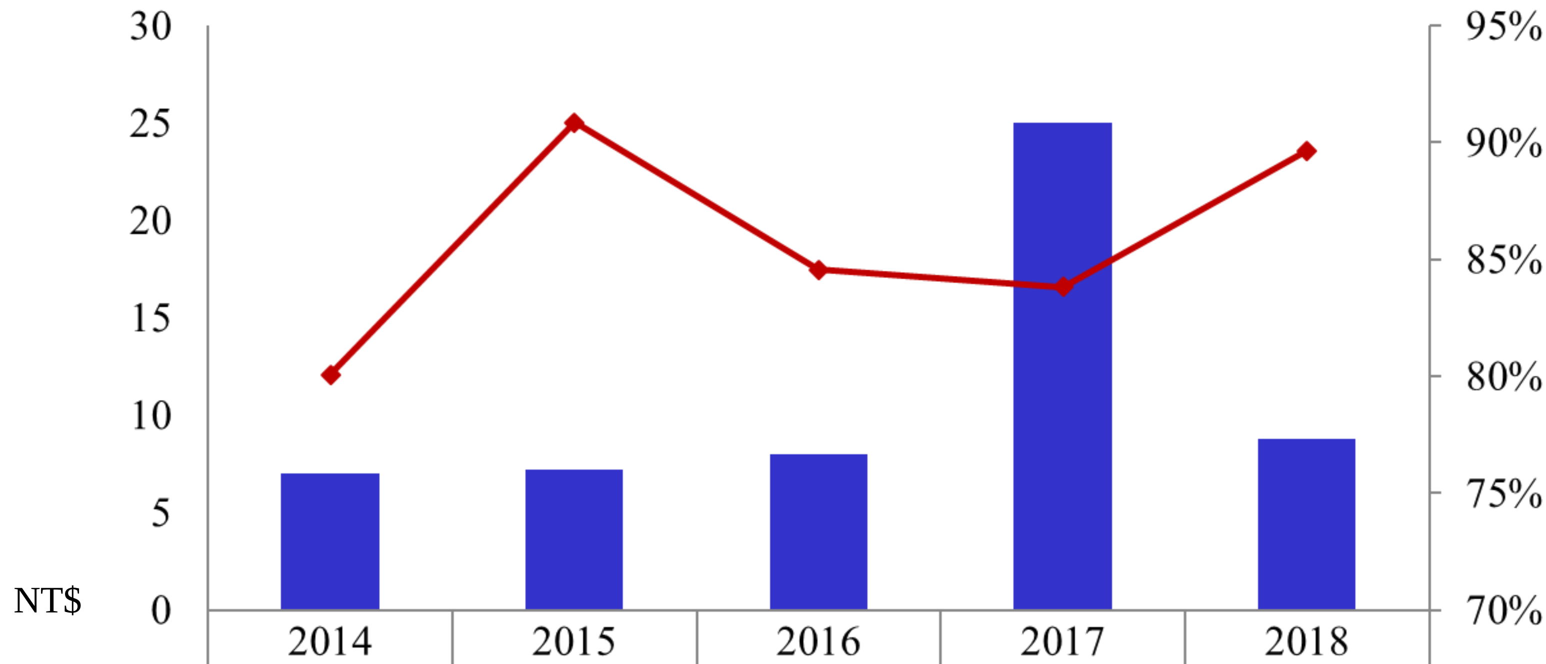
Steady Cash Flow

NT$ billion





Sustainable Cash Dividend



	2014	2015	2016	2017	2018
cash dividend	7	7.2	8	25	8.8
Payout Ratio	80.06%	90.85%	84.57%	83.81%	89.64%

Note：2018 cash dividend has not been approved by AGM.

Outlook

Sustainable Growth of PCSC

Long-term goals

7-ELEVEN in local
Advancing PSD Sales to NTD 100K

Subsidiaries
Seizing trends and opportunities

Let each store flourish in its own way; Steady Investment for stable growth

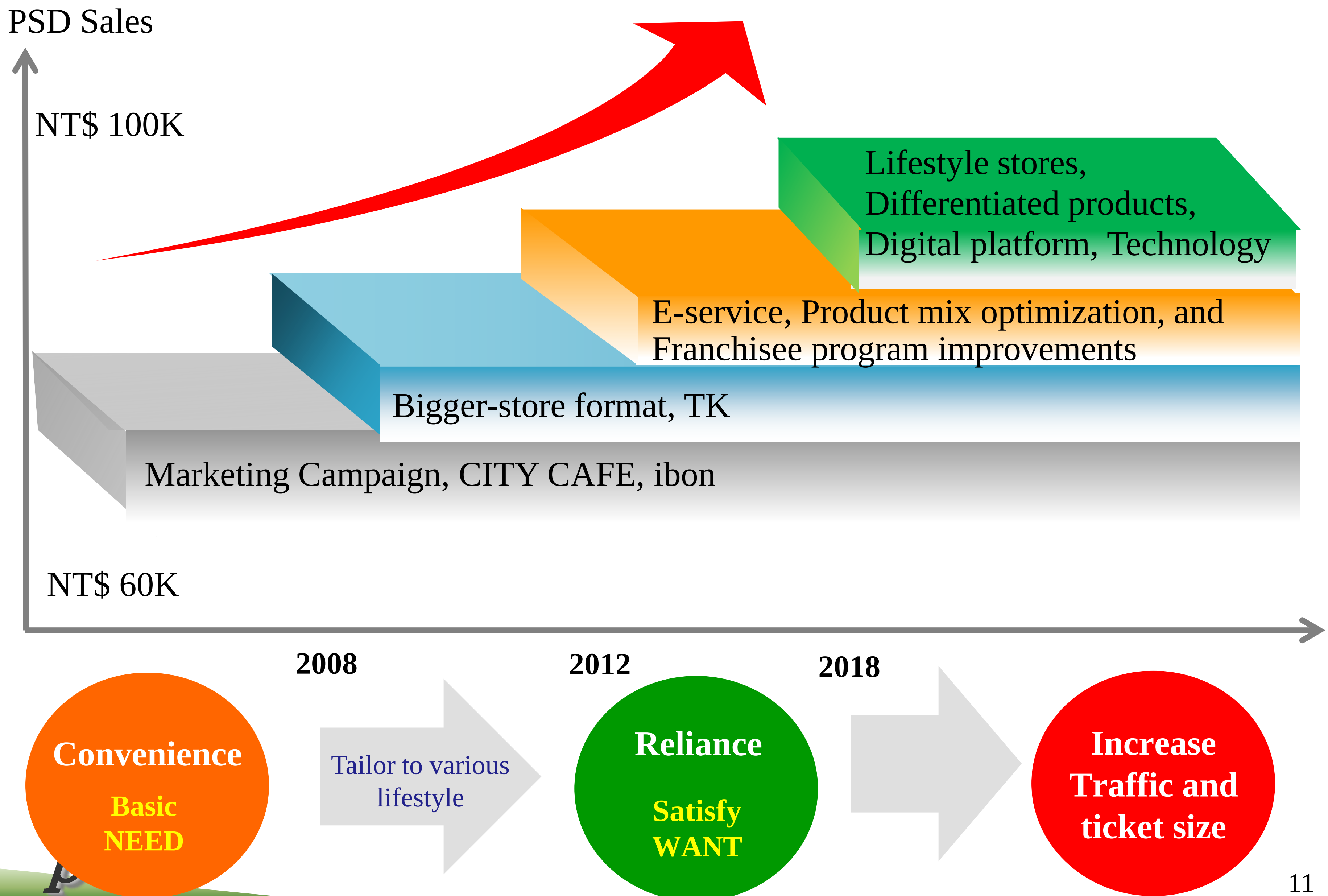
Adjust Structure to align with Growth

Realize synergies; Expand the business

Lifestyle Change ; Environment Challenge
New Technology ; Regional Development

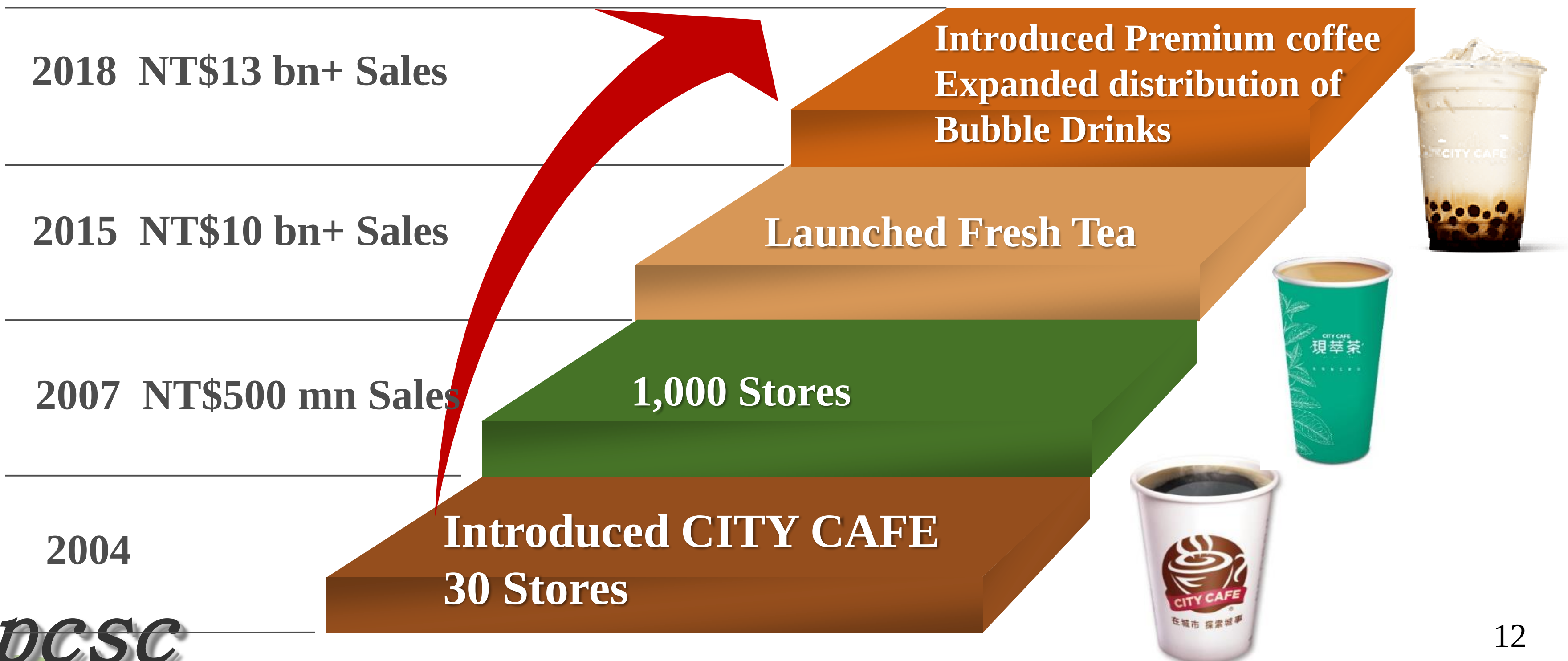
People, Store, Product, System, Logistics, Policy, Culture

Key Milestones



Upscale CITY Brand

- Upgrade coffee beans and equipment to enhance quality. CITY CAFE generated a revenue of over NT$13bn in 2018 with steady growth in coffee, tea and bubble drinks.
- Reinforce brand value and enrich customer experience with high quality and differentiated products.



Provide Quality, Tasty, and Convenient Fresh Food Service

Famous restaurants & chefs

Innovation

Differentiation

Advanced Technique

Traceability

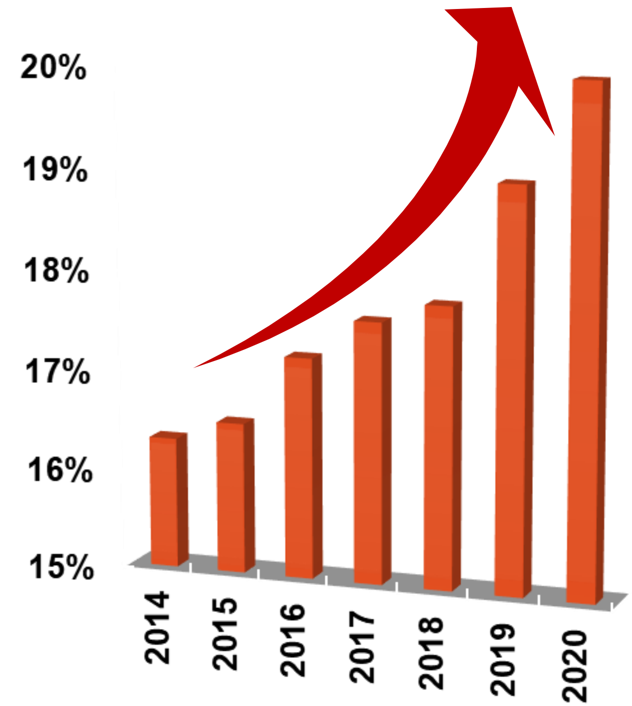
Food Safety

Strengthen between peak times

Healthy & Quality

Consumption Trend

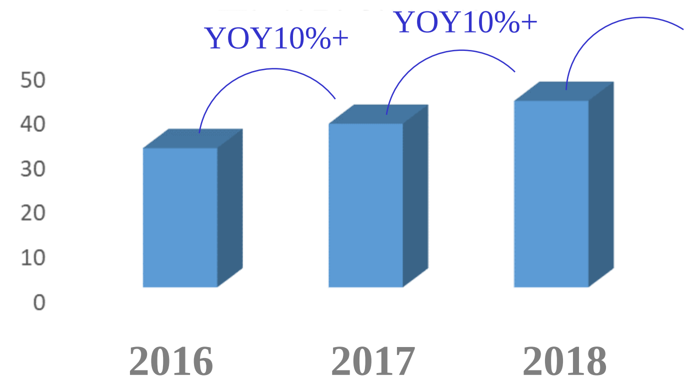
Sales contribution up to 20% by 2020
(excluding CITY CAFE)



Differentiated Product Mix

Exclusive and unique products from around the world

Sales of differentiated products

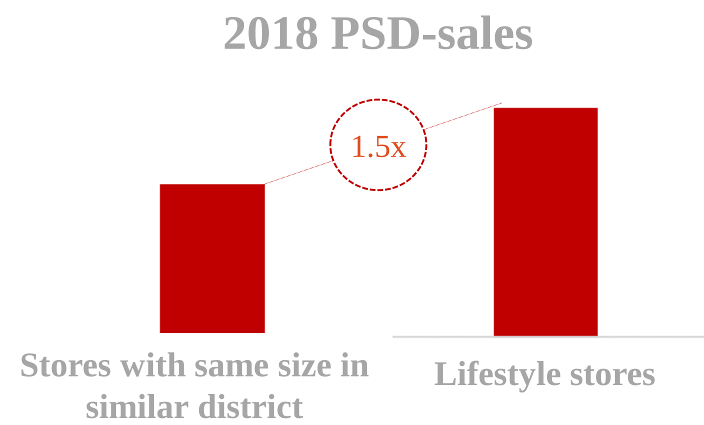


Collaboration with SEJ, to introduce premium, famous, and 7-only products

Constantly roll out four thematic gondolas

Lifestyle Store for everyone

- Create PCSC synergy to meet the needs of One-stop shopping.
- Unlock unlimited potentials by cooperating with external resources
- Offer a unique 3E experience: Experience, Education, & Entertainment



✖ Any Lifestyle

Lifestyle Store for everyone

Comprehensive Digital Service

Step 1
Various payment methods and points rewards

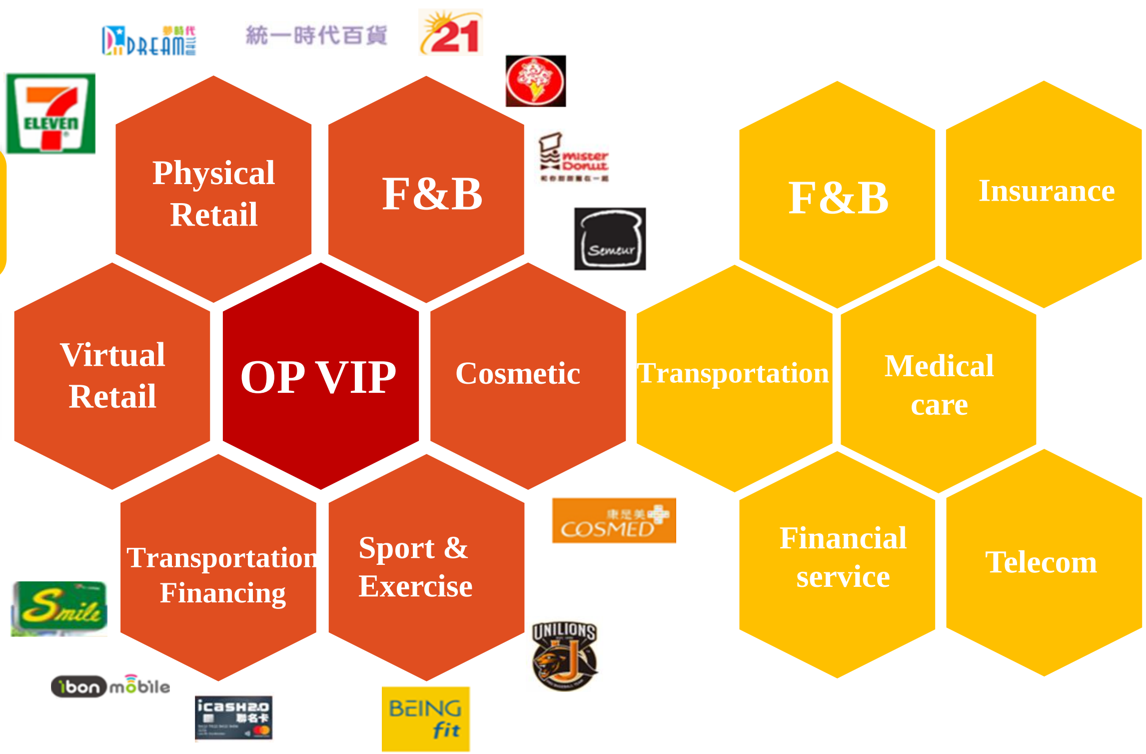
Step 2
Points integration across PCSC

Step 3
Platform expansion with strategic alliances

E-commerce platform Integration

Ecommerce Business

Mobile Business



- ASP improvement
- Increase Traffic
- Strengthen VIP loyalty and increase visit frequency

Cash Flow: OPEN WALLET

Logistics Flow:

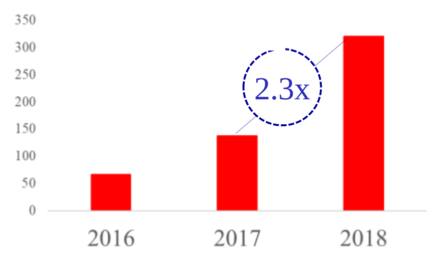
Information Flow :Completed customer consumption and engagement footprint

Comprehensive Digital Platform

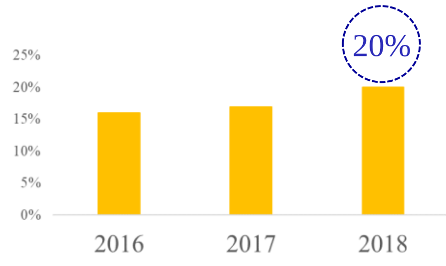
Leverage O2O Integration

OP VIP Management

OP members



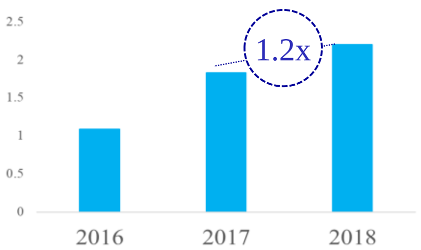
Non-cash payment



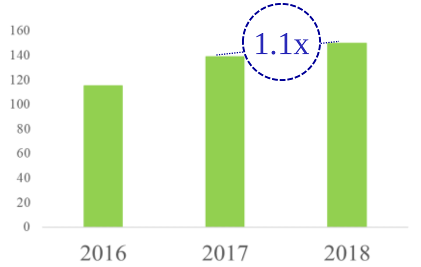
VIP members to grow by 100% in 2019

Commission revenue

E-Commerce parcels



ibon、ibon app transaction



Offer new services to Increase traffic

Go Digital in the Philippines

Aggressive Expansion

- Maintain dominant market shares, and expect to net increase 300+ stores in 2019

Quality Improvement

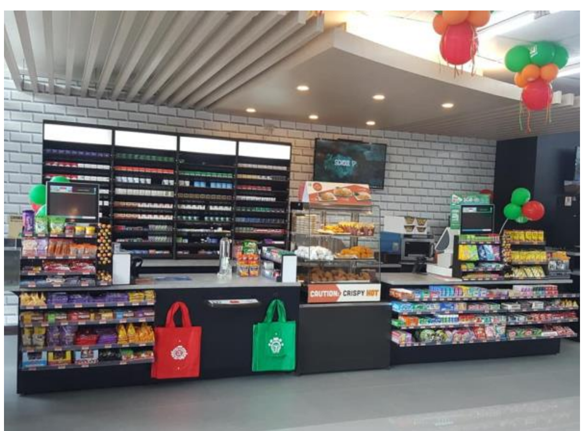
- Enhance coffee brand image
- Increase fried products offerings
- Optimize franchise system

Growing Digital service

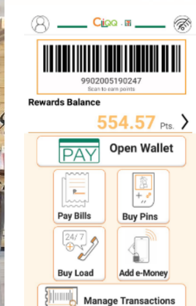
- Launch E-Commerce gondola in physical stores
- Cooperate with Lazada and Shopee to increase parcels in-store pick up and return service
- Increase e-payment percentages

City Blends
Honest-to-goodness coffee

FRIED CHICKEN



CLIQQ SHOP



pcsc

Regional Trend and Opportunities

- Utilize PCSC resources and transfer Know-how
- Adapt to lifestyle trend and drive sustainable growth for Takkyubin, Books.com, and Uni-wonder corp.
- 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