

President Chain Store Corp.

2912TT

2019H1 Financial Results

Financial Highlights

◆ Historical revenue and profit

Unit: NTD billion

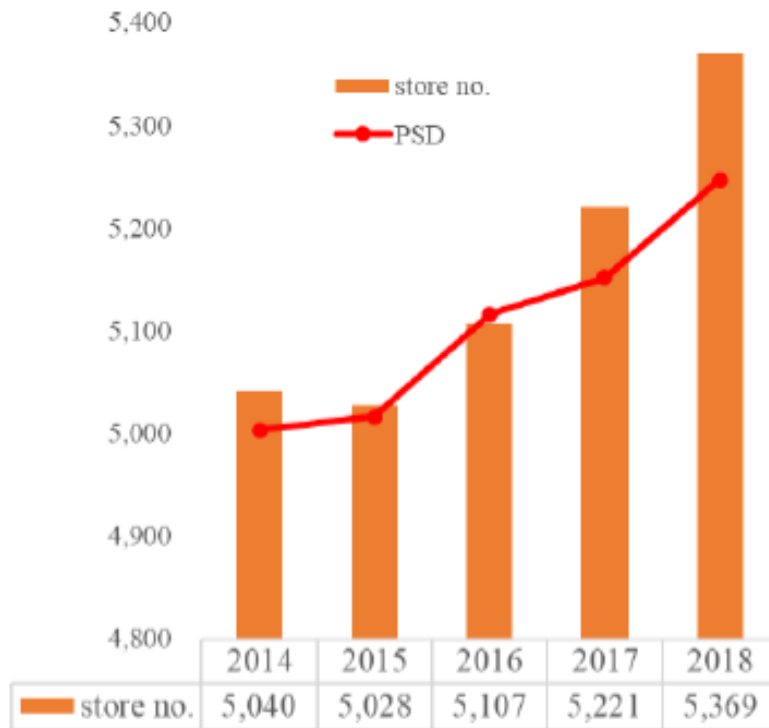
	2014	2015	2016	2017	2018	YOY	2019H1	YOY
Revenue (Company Only)	131.3	133.4	140.1	144.5	154.1	6.6%	77.5	1.9%
Revenue (Consolidated)	200.4	205.5	215.4	221.1	244.9	10.7%	125	4.0%
Net Profit	9.1	8.2	9.8	31.0	10.2	-67.1%	5.5	6.3%
One-off gain from Starbucks deal	-	-	-	20.4	-	-	-	
EPS (NT\$)	8.74	7.92	9.46	29.83	9.82	-20.01	5.29	0.32

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.

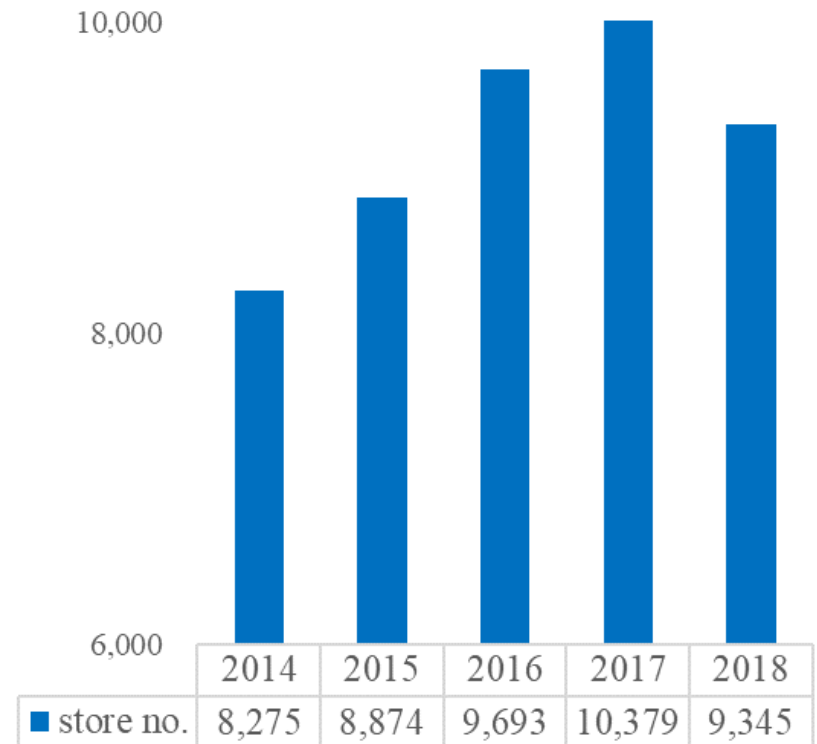
Note 2 : Excluding one-off gain from Shanghai Starbucks deal in 2017, 2018 pre-tax profits grew.

Store Number Trend

Local 7-ELEVEN



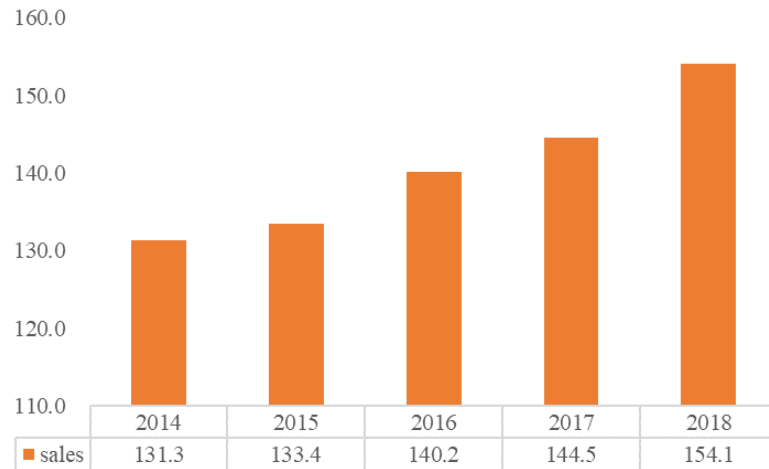
PCSC



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

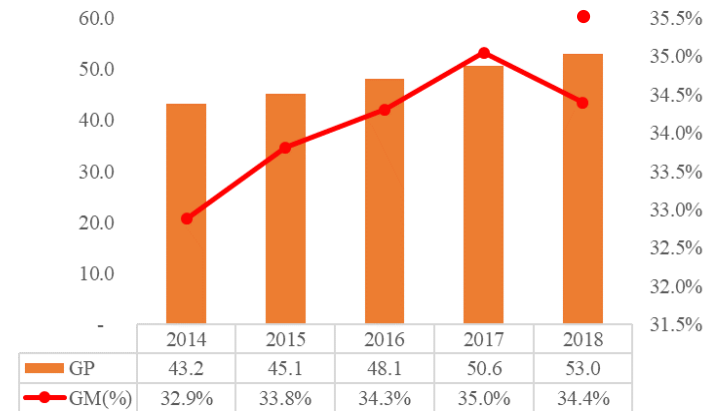
Sales and Profitability (Company)

Sales



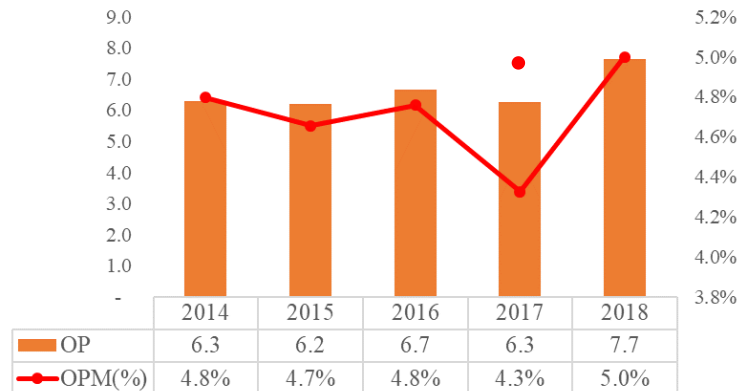
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NT\$ billion



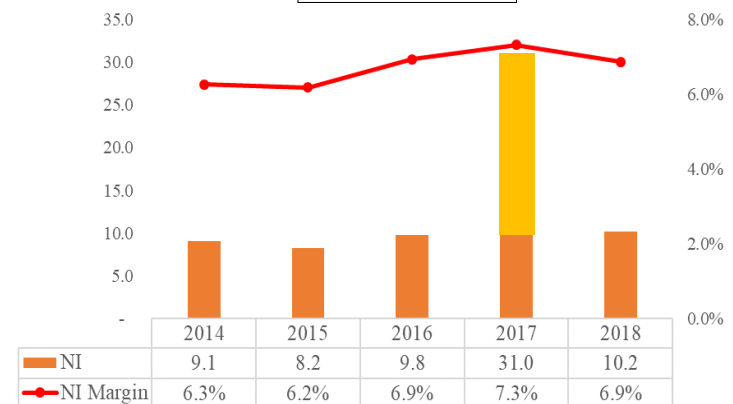
Note : 2018 GM% decreased because of tobacco tax.

OP



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

NI

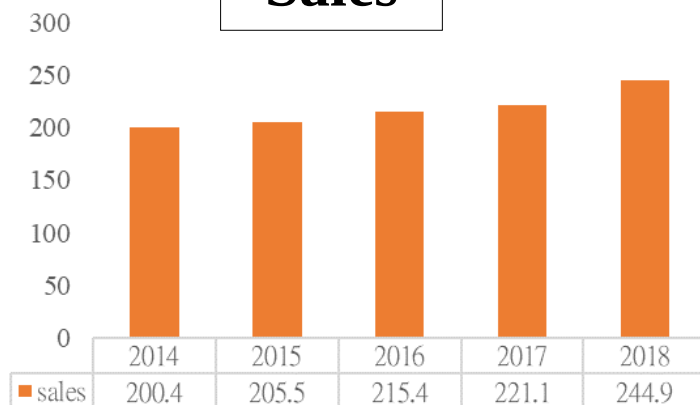


Note: Figures in 2014, 2016, 2017 and 2018 excluded MUJI disposal gain, BankPro E-service disposal gain, Shanghai Starbucks gain and one-off DTL impact respectively for like-for-like comparison.

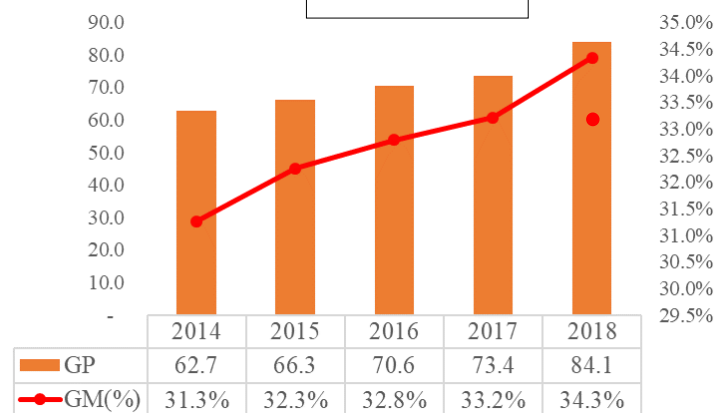
Sales and Profitability (Consolidated)

NT\$ billion

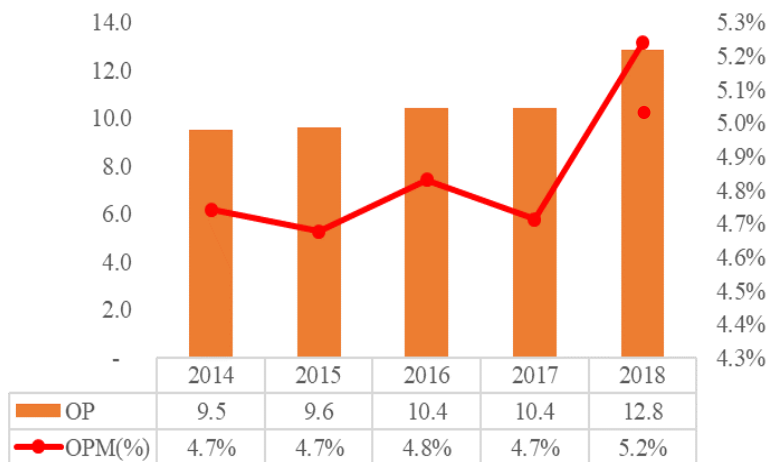
Sales



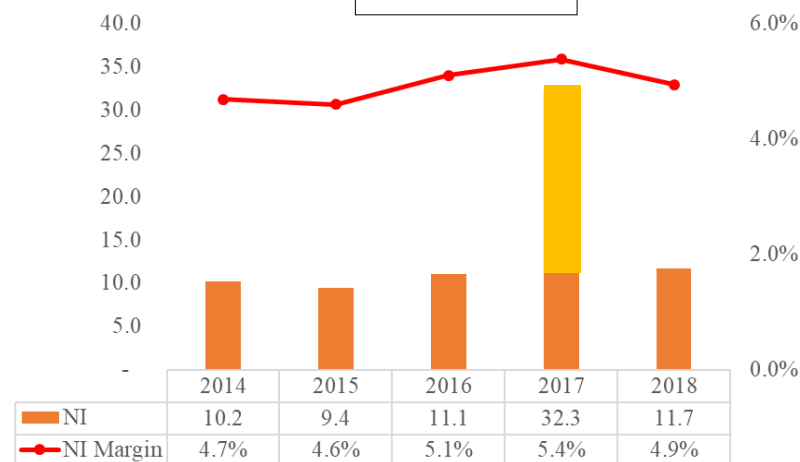
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OP



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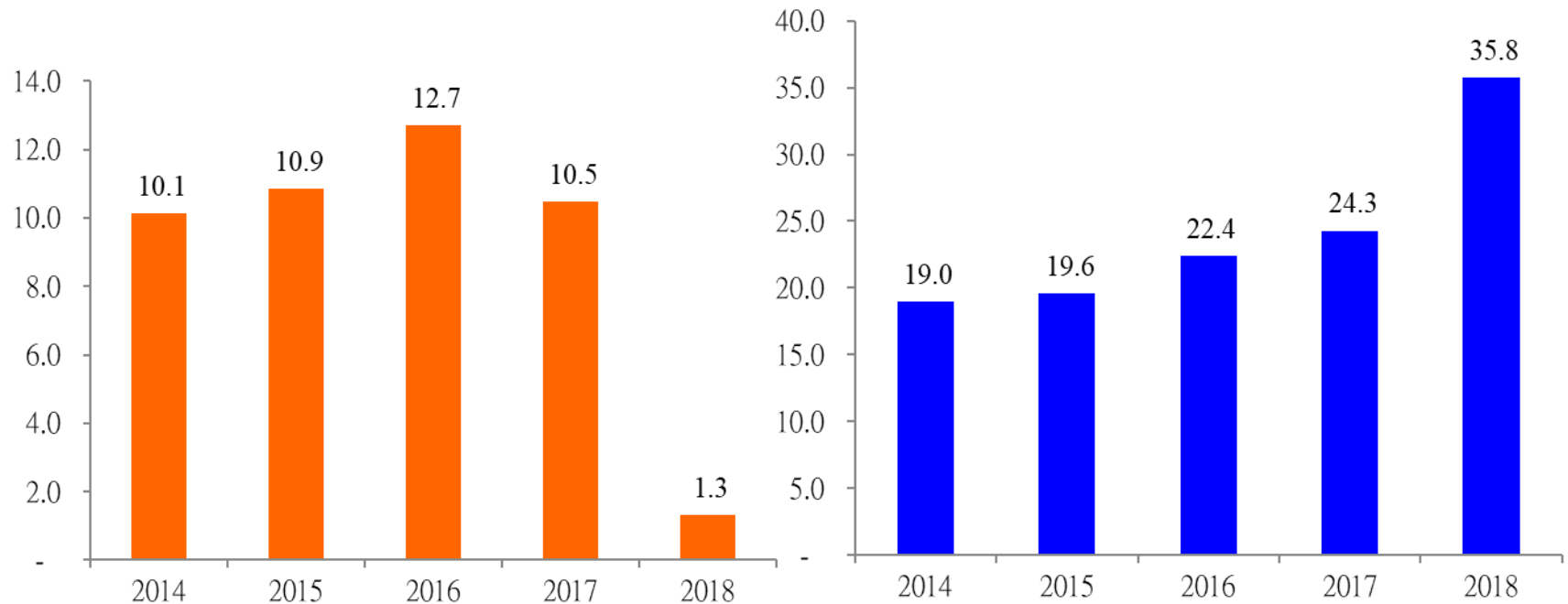
Note: The Figure for 2014, 2016, 2017 and 2018 does not include MUJI disposal gain, BankPro E-service disposal gain, Shanghai gain and one-off DTL impact respectively.

Steady Cash Flow

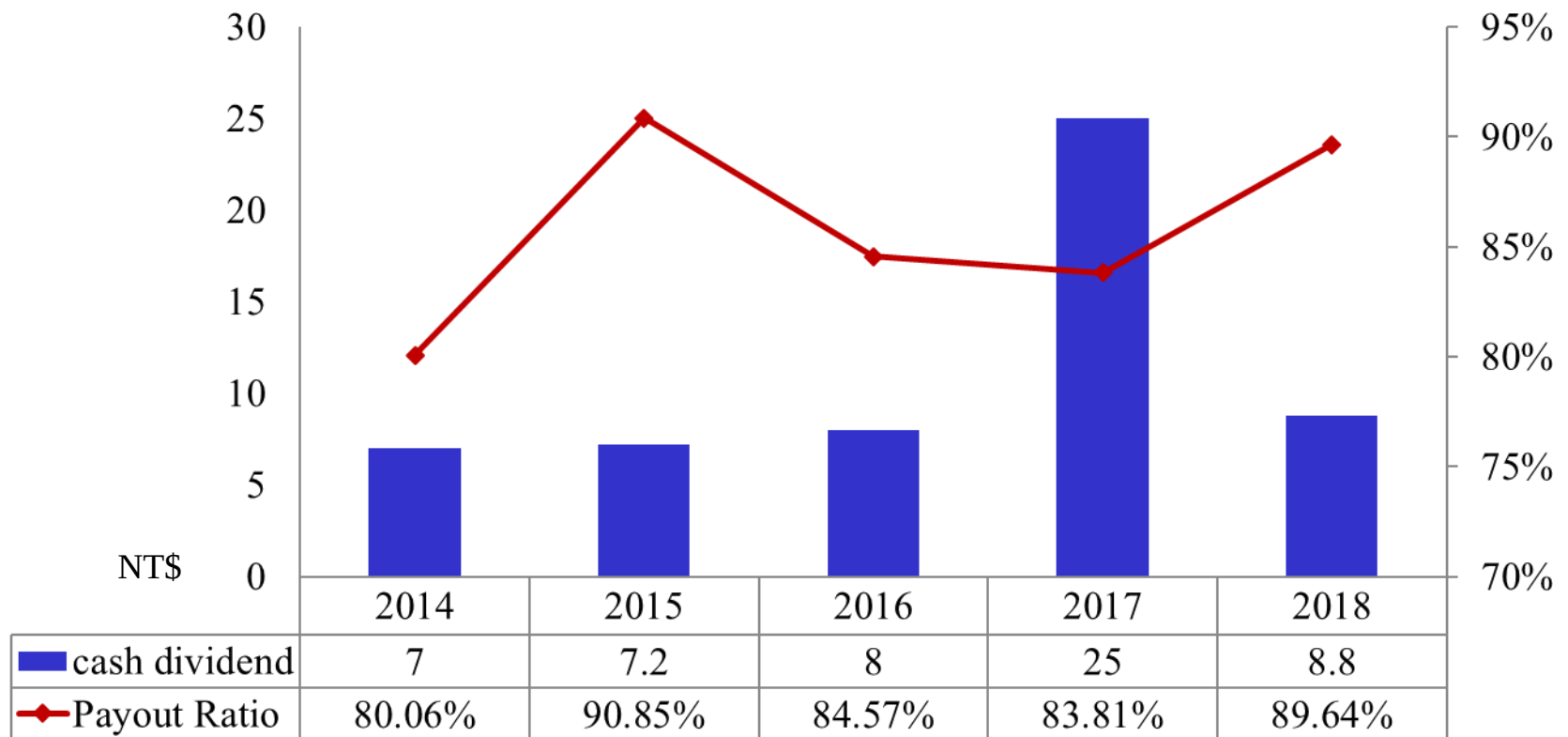
NT\$ billion

Net Cash(Company only)

Net Cash(Consolidated)



Sustainable Cash Dividend



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

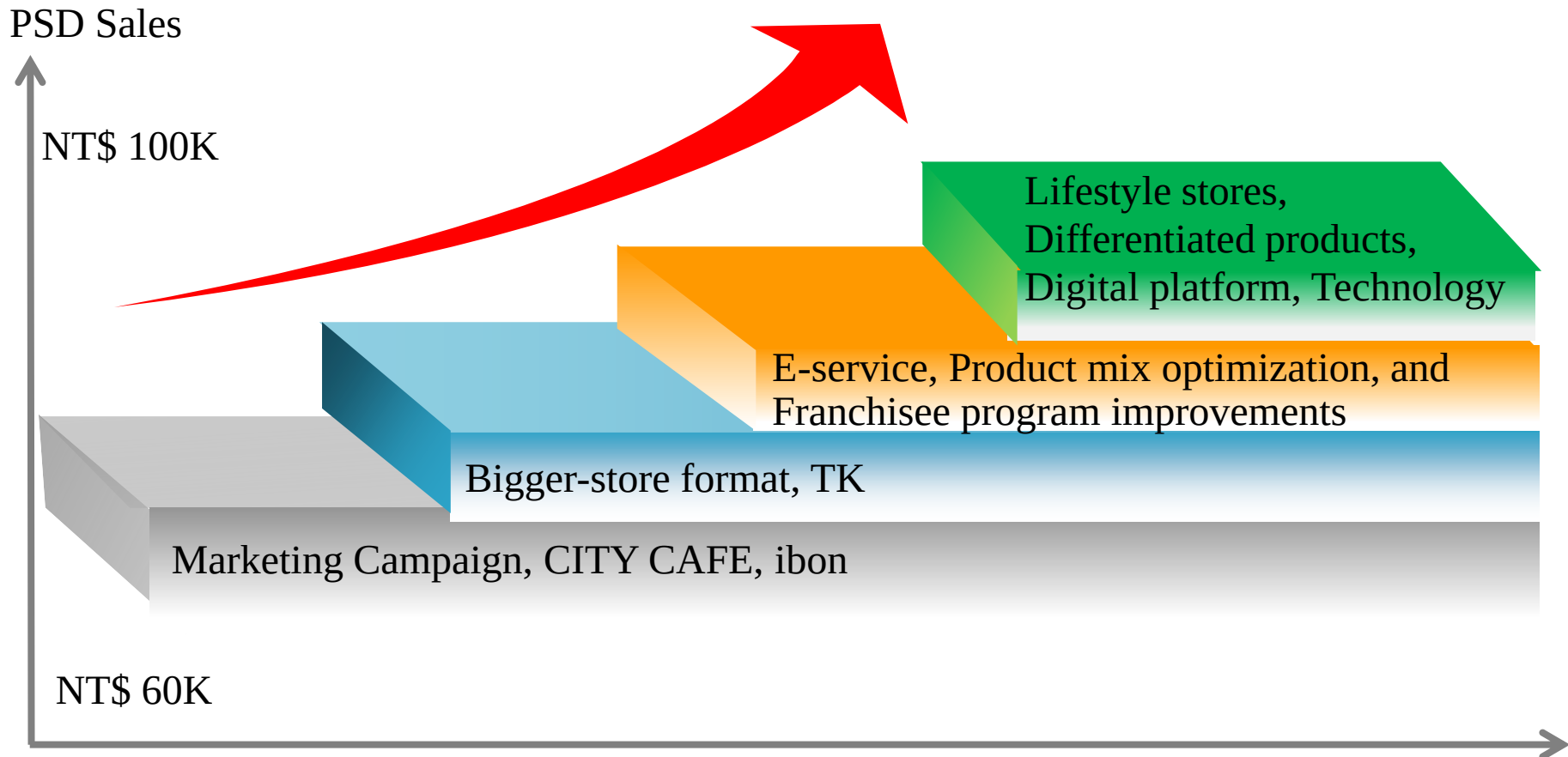
Realize synergies;
Expand the business

Lifestyle Change ; Environment Challenge

New Technology ; Regional Development

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

Key Milestones



2008

2012

2018

Convenience

**Basic
NEED**

Tailor to various
lifestyle

Reliance

**Satisfy
WANT**

**Increase
Traffic and
ticket size**

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



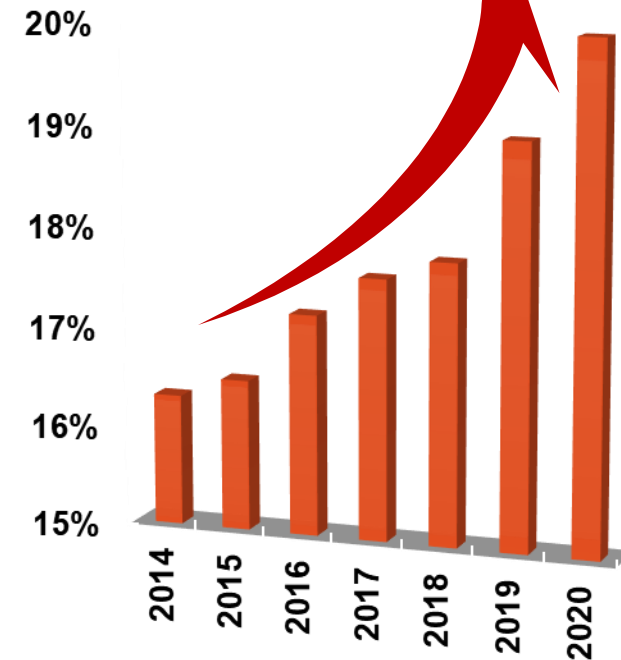
Advanced Technique
Traceability
Food Safety



Strengthen between
peak times
Healthy & Quality
Consumption Trend



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

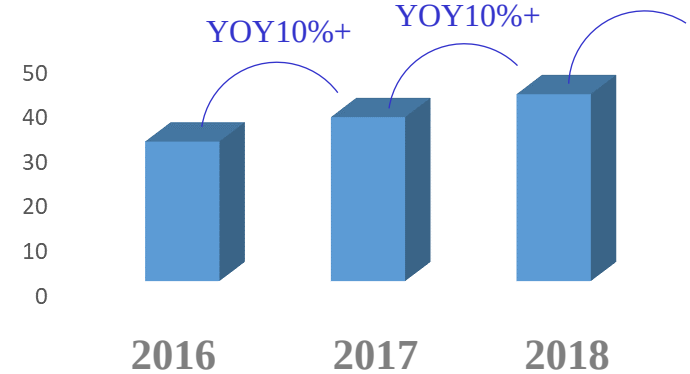


Differentiated Product Mix

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



Big-Packed



Imported



MUJI

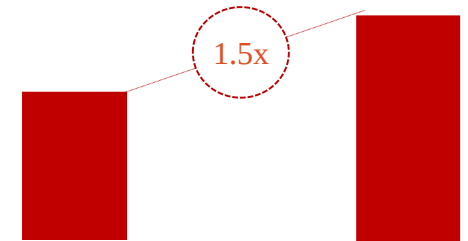


7 Premium

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

2018 PSD-sales



Stores with same size in similar district

Lifestyle stores



✕ 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



Cash Flow: OPEN WALLET

Logistics Flow:



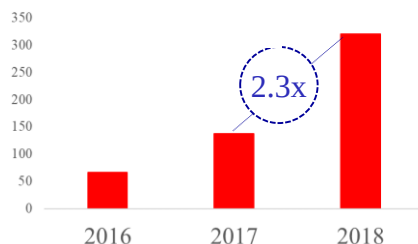
Information Flow :Completed customer consumption and engagement footprint

Comprehensive Digital Platform

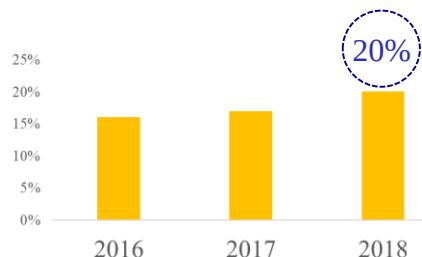
Leverage O2O Integration

OP VIP Management

OP members



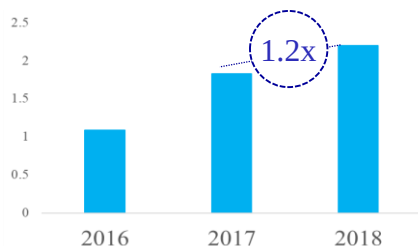
Non-cash payment



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

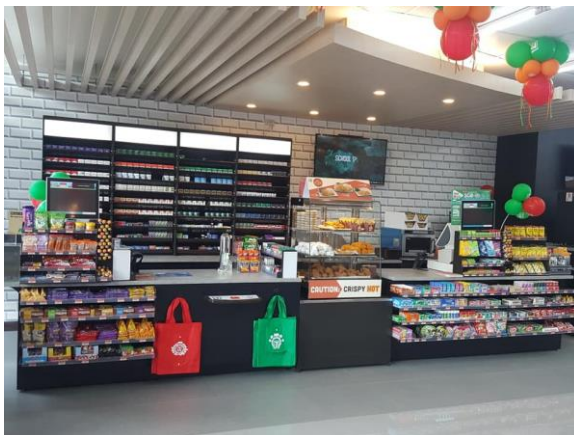
- Maintain dominant market shares, and expect to net increase 300+ stores in 2019

Quality Improvement

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

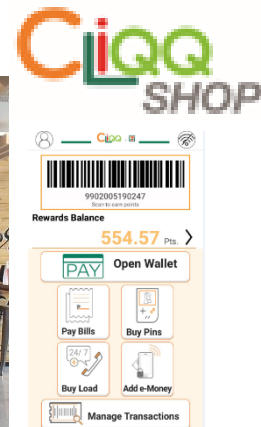


pcsc



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



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