

President Chain Store Corp.

2912 TT

2019 Highlights

- 1 Listed for the first time on DJSI Word Index and DJSI Emerging Markets Index. Stayed on the FTSE4Good Index, MSCI Global Sustainability Index, and TWSE Corporate Governance 100 Index. Ranked top 5% by TWSE on Corporate Governance.
- 2 Number of 7-ELEVEN stores in Taiwan exceeded 5,600.
- 3 Multidimensional lifestyle and cobranded stores satisfied different needs of customers in different shopping districts.
- 4 Fresh foods revenue contribution exceeded 20%, thanks to equipment and process optimization, product upgrade, collaboration with famous restaurants & chefs, and capitalizing on customer trends.
- 5 CITY CAFE revenue exceeded NT\$14 billion in 2019. Premium coffee made more widely available.
- 6 Launched Myship, a comprehensive and secure transaction platform. Handled more than 200 million EC parcels.
- 7 Number of OPENPOINT members surpassed 6.5 million. Member contribution kept increasing thanks to more engaging membership program.
- 8 Introduced various payment tools. Expanded the use of OPENPOINTS through diversified collection and redemption campaigns.
- 9 Franchisee percentage and renewal kept increasing.
- 10 Number of 7-ELEVEN stores in Philippines exceeded 2,800.

Financial Highlights

◆ Historical Revenue and Profit

Unit: NTD billion

	2015	2016	2017	2018	2019	YOY
Revenue (Company Only)	133.4	140.1	144.5	154.1	158.0	2.6%
Revenue (Consolidated)	205.5	215.4	221.1	244.9	256.1	4.6%
Net Profit	8.2	9.8	31.0	10.2	10.5	3.3%
One-off gain from Starbucks deal	-	-	20.4	-	-	-
EPS (NT\$)	7.92	9.46	29.83	9.82	10.14	+0.32

1. The one-off gain from Starbucks deal includes disposal gain of Starbucks Shanghai, remeasurement gain of Starbucks Taiwan and related expenses.
2. The net profit decline in 2018 was due to the one-off gain from Starbucks Shanghai deal in 2017.

2020 Third Quarter Financial Results

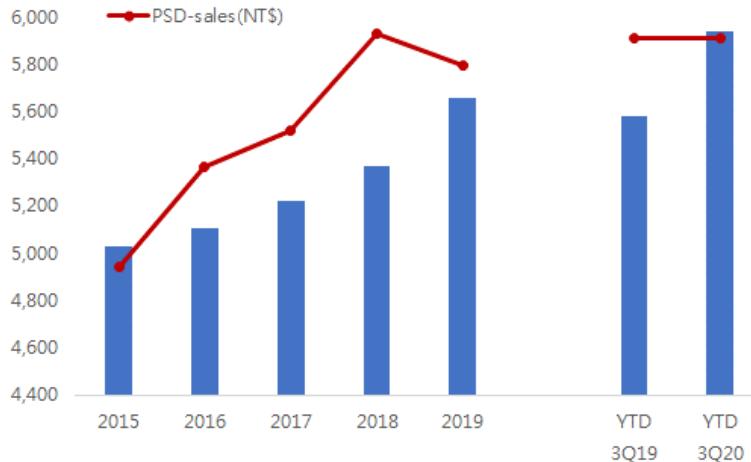
Unit: NTD billion

	3Q19	3Q20	YOY	YTD 3Q19	YTD 3Q20	YOY
Revenue (Company Only)	41.1	44.7	8.85%	118.6	125.4	5.73%
Revenue (Consolidated)	66.1	67.8	2.60%	191.1	192.3	0.64%
Net Profit (Consolidated)	3.1	3.2	1.54%	9.4	8.8	-6.32%
Net Profit attributable to the parent company	2.8	2.9	3.66%	8.3	8.0	-3.69%
EPS (NT\$)	2.67	2.76	0.09	7.95	7.66	-0.29

Note: 7-11 Taiwan operation remained solid and the sales and operating profits of 7-11 Taiwan grew year on year in YTD 3Q20. Given that the one-off tax refund from subsidiaries was recognized in 2019, and 7-11 Philippine was hit hard by lockdown measures due to the impact of COVID-19, the net profit attributable to the parent company declined 3.69% YoY to NT\$8.0 billion in YTD 3Q20. However, not only the sales and operating profits of 7-11 Taiwan but also consolidated net profit in 3Q20 increased compared to last year.

Sales and Profitability (Company)

Store numbers and PSD



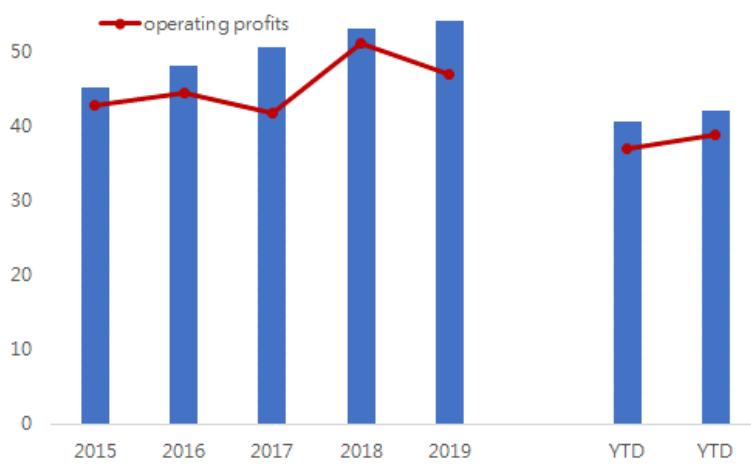
Sales



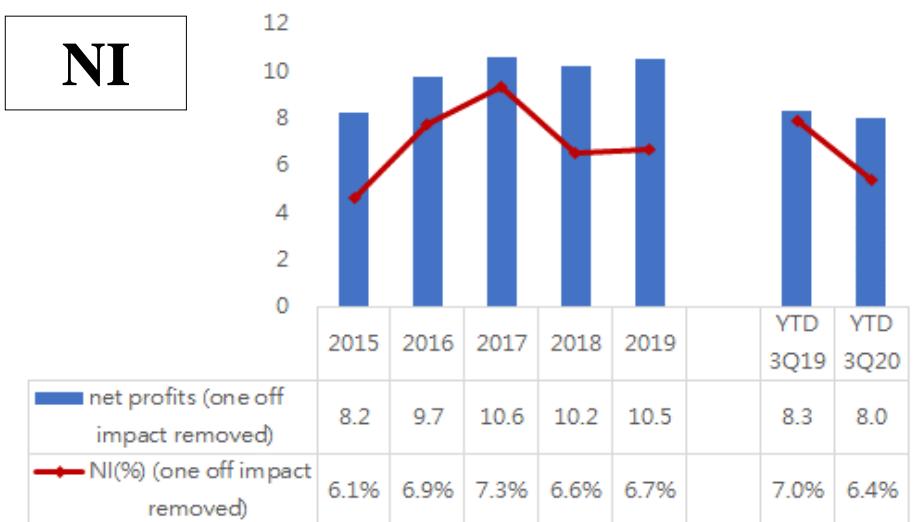
Unit: NTD billion

Note: 1H20 PSD-sales declined due to COVID-19 but turned to positive growth in 3Q20 which led to flattish PSD-sales in YTD 3Q20.

Gross and Operating Profits



NI



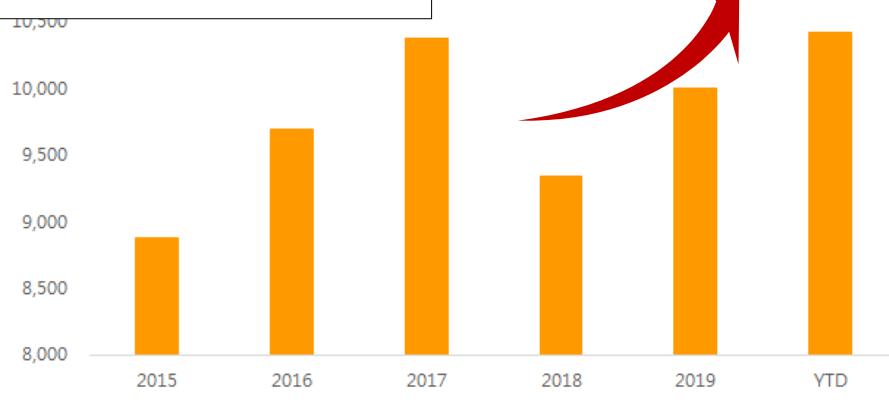
Note1: Adjusted for the one-off gain from the BankPro in 2016; one-off gain from the Starbucks deal in 2017.

Note2: 7-11 Taiwan had steady growth on operating profits in YTD 3Q20. Given that the one-off tax refund from subsidiaries was recognized in 2019 and 7-11 Philippine was hit hard by lockdown measures due to the impact of COVID-19, net profits of YTD 3Q20 declined year on year.

Note: Gross and Operating Profits continued to grow in YTD 3Q20.

Sales and Profitability(Consolidated)

Store numbers



Note : 2015~2017 store number included Starbucks Shanghai. The number of stores continued to grow in YTD 3Q20.

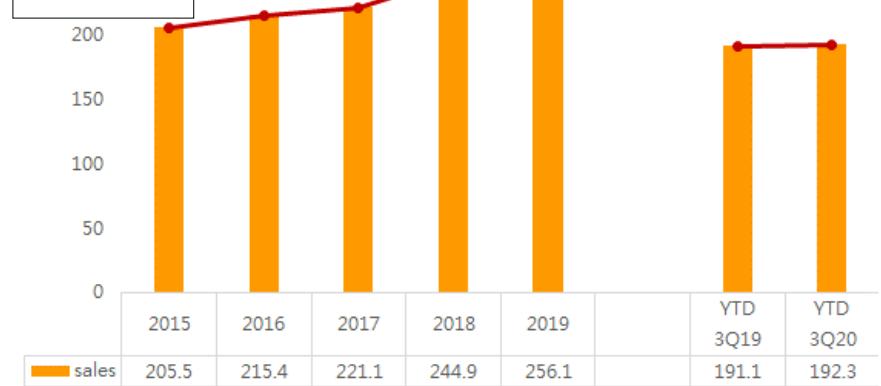
Gross and Operating Profits



Note1: One-off expense from Shanghai Starbucks deal in 2017.

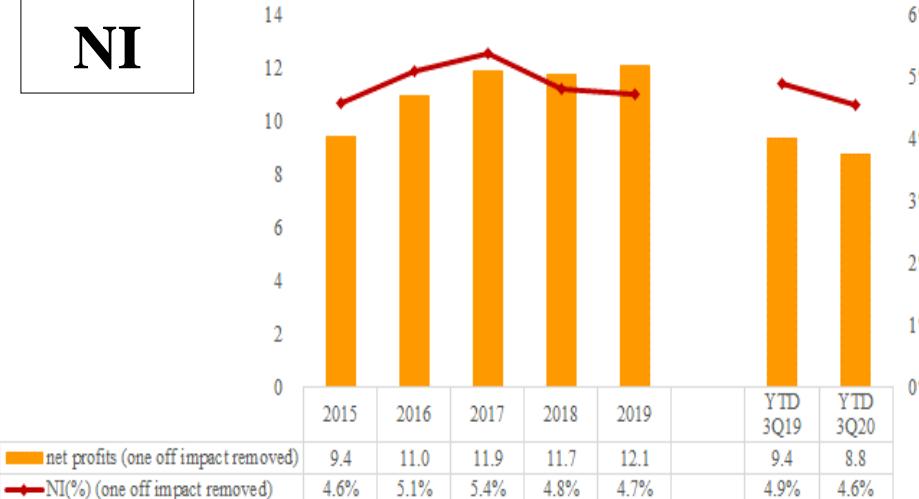
Note2: Operating profits of 7-11 Taiwan grew year on year in YTD 3Q20. However, the subsidiaries 7-11 Philippine was hit hard by lockdown measures due to the impact of COVID-19. Thus, consolidated operating profits of YTD 3Q20 declined year on year.

Sales



Note : In YTD 3Q20, the sales of 7-11 Taiwan, Transnet and Books.com grew year on year but the sales of 7-11 Philippine and other subsidiaries declined due to the impact of COVID-19.

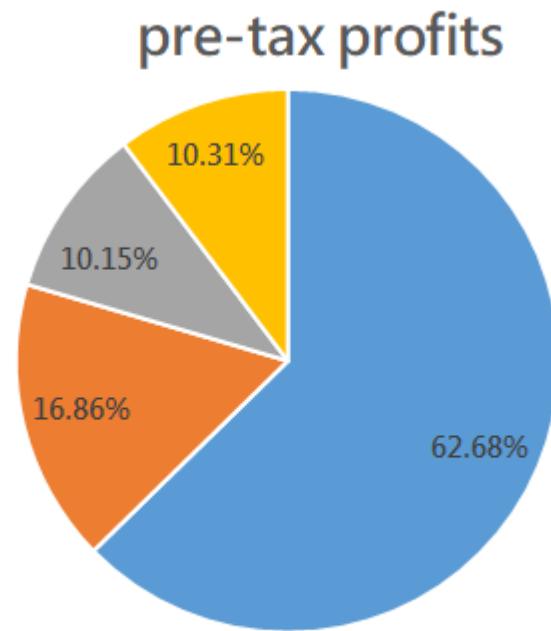
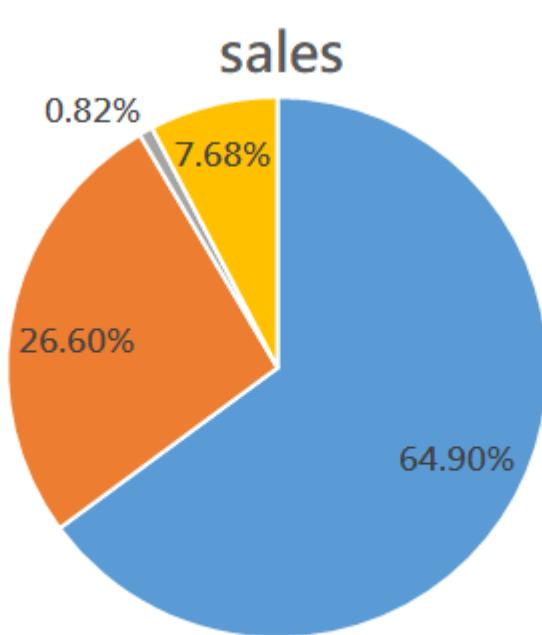
NI



Note1: Adjusted for the one-off gain from the BankPro in 2016; one-off gain from the Starbucks deal in 2017.

Note2: 7-11 Taiwan had steady growth on operating profits in YTD 3Q20. Given that the one-off tax refund from subsidiaries was recognized in 2019 and 7-11 Philippine was hit hard by lockdown measures due to the impact of COVID-19, consolidated net profits of YTD 3Q declined year on year.

Segment Information



■ Taiwan 7-11 ■ Retail ■ Logistics ■ Others, Adjustment and elimination

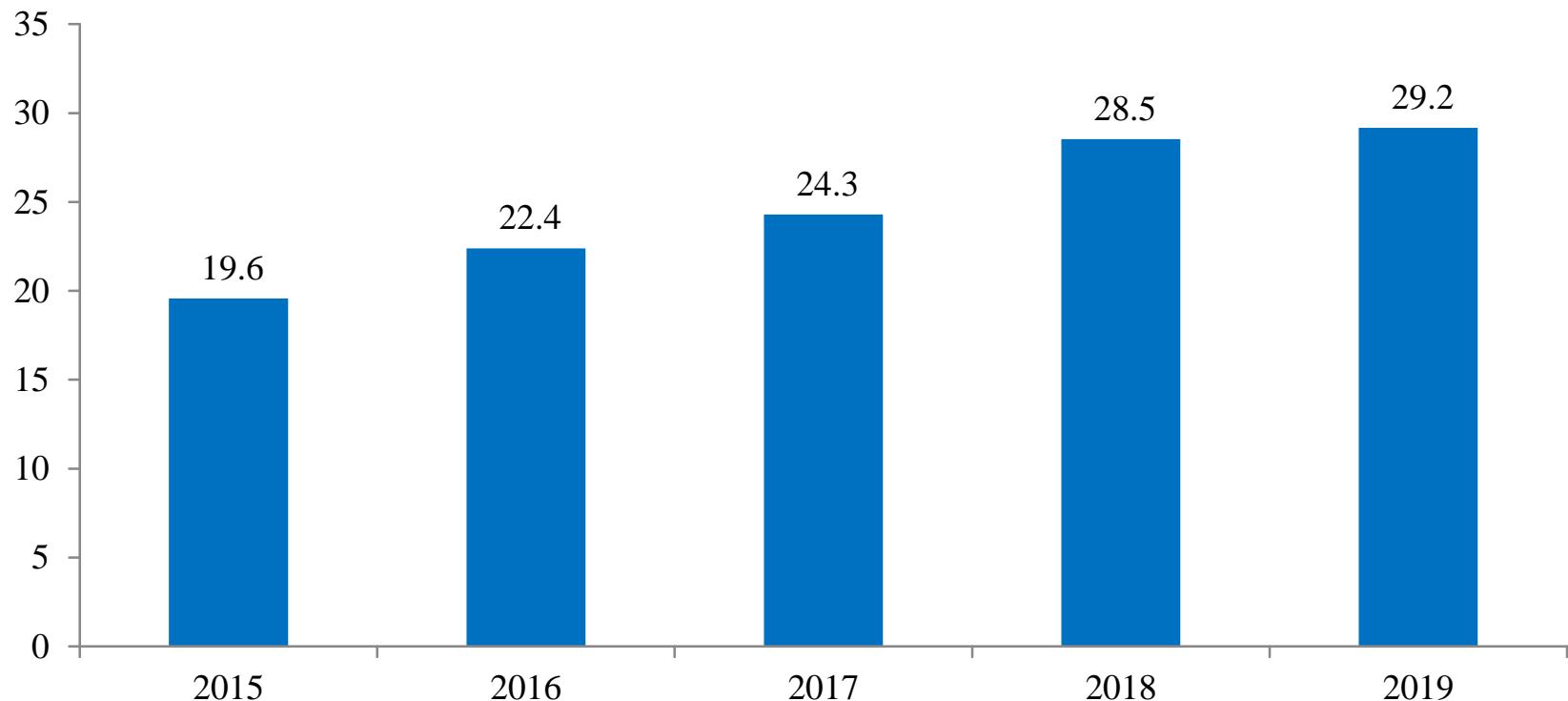
■ Taiwan 7-11 ■ Retail ■ Logistics ■ Others, Adjustment and elimination

Retail business: Philippine 7-11, Cosmed, Takkyubian(Transnet), Books.com, Mech-President etc.
Logistics: Retail support, Cold Chain, Wisdom distribution etc.
Others: China business, F&B business (e.g. Starbucks) and Support business

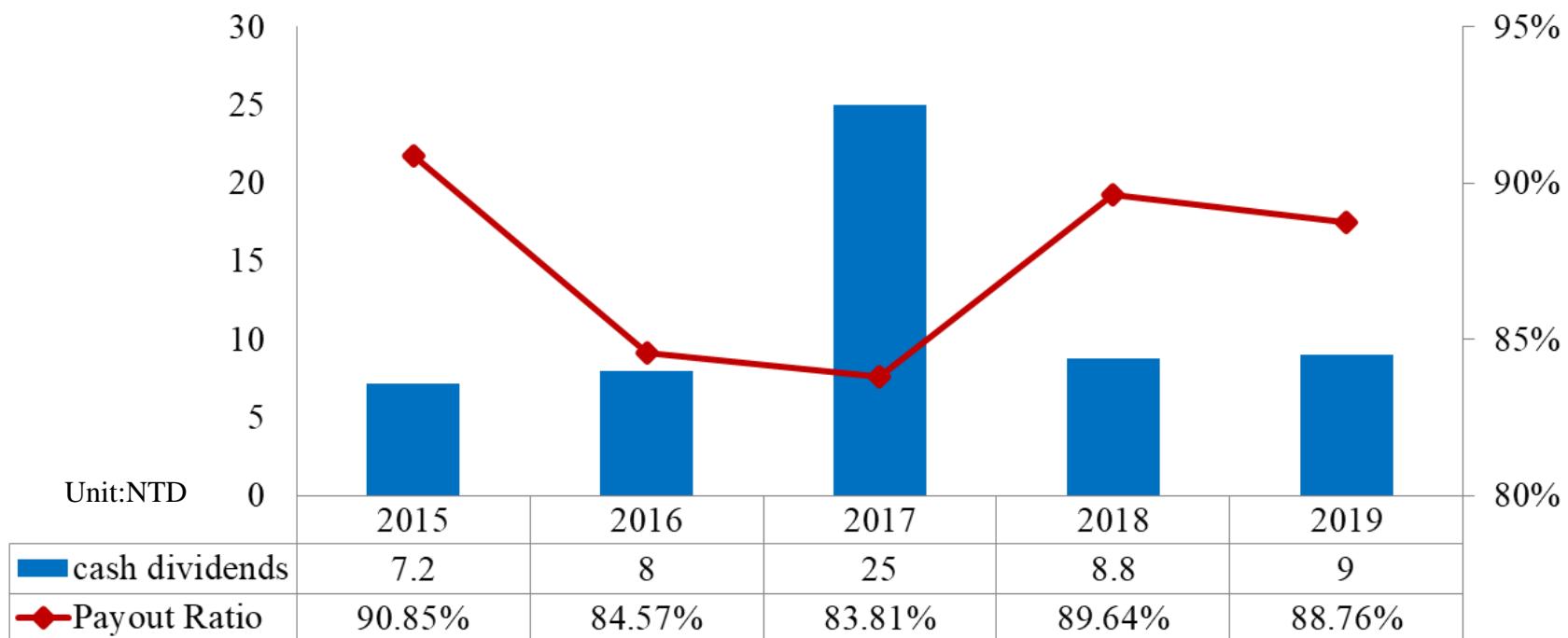
Steady Cash Flow

Net Cash(Consolidated)

Unit: NTD billion



Sustainable Cash Dividend



Note: The cash dividend has been approved by the shareholders meeting.

2020 Outlook

- 1 PCSC keeps exceeding customer's expectation and evolving into a reliable service platform.
- 2 Maintaining store expansion of 7-ELEVEN Taiwan to drive future growth.
- 3 Introducing diversified lifestyle stores with boundless possibilities to meet customer's needs.
- 4 Providing quality, tasty, innovative and convenient fresh food service.
- 5 Strengthening CITY CAFE brand value by expanding !+? CAFE RESERVE and CITY PRIMA. Offering convenience to customers by mobile pick up function.
- 6 Introducing high-quality, exclusive and differentiated products from around the world.
- 7 Developing a comprehensive digital platform by leveraging online to offline integration.
- 8 Reinforcing OPENPOINT program to enhance the contribution and stickiness of members.
- 9 Leveraging high technology to enhance customer experiences and improve efficiency.
- 10 Subsidiaries are continuously growing by integrating group resources and realizing synergy.

The End