

President Chain Store Corp.

2912 TT

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# 2020 Highlights and Results

# 2020 Performance Overview

## Leadership Advantage

- Taiwan 7-ELEVEN exceeded 6,000 stores with market share > 50% and stable franchise ratio of 90%. Introduced lifestyle and co-brand stores to meet diversified needs
- Strong foundation and adaptability: Continued growth in per-store daily (PSD) sales; revenue growth over NT\$10B
- Ranked No.1 (Industry Leader) among 63 international food and staples retailers by Dow Jones Sustainability Index

## O2O Integration

### O2O Service Platform:

- Improved OpenPoint APP provides easy access to a virtual storefront; sales from pre-orders through APP over NT\$3B since launch
- OpenPoint membership extended to other PCSC businesses; now over 12 million members
- Integration of delivery platform with PCSC businesses to create synergy and extend service into homes

## Expansion across Asia

### Continued expansion of retail presence with 10,000+ stores in Asia

- Taiwan: Retail, drugstore, F&B, logistics support, e-commerce, delivery etc.
- Overseas: Philippine 7-ELEVEN, retail business in China

# Financial Highlights

## ◆Historical revenue and profit

Unit: NTD billion

	2016	2017	2018	2019	2020	YOY
Revenue (Company Only)	140.1	144.5	154.1	158.0	168.1	6.4%
Revenue (Consolidated)	215.4	221.1	244.9	256.1	258.5	1.0%
Net Profit	9.8	31.0	10.2	10.5	10.2	-2.9%
One-off gain from Starbucks deal	-	20.4	-	-	-	-
EPS (NT\$)	9.46	29.83	9.82	10.14	9.85	-2.9%

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

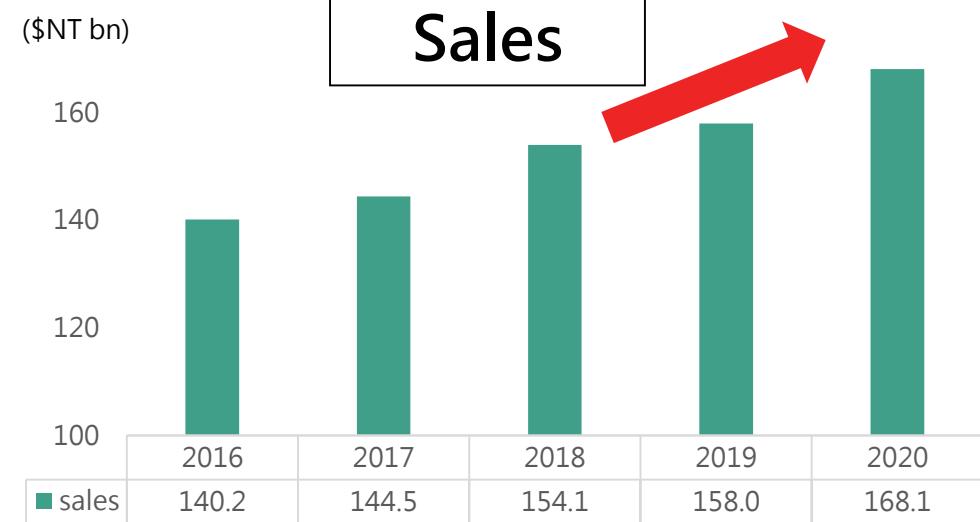
Note 2 : The operating profits of Taiwan 7-ELEVEN grew year on year in 2020. Given that the one-off tax refund from subsidiaries was recognized in 2019, and overseas subsidiaries were hit hard by lockdown measures due to the impact of COVID-19, the net profit attributable to the parent company declined in 2020.

# Sales and Profitability (Company)

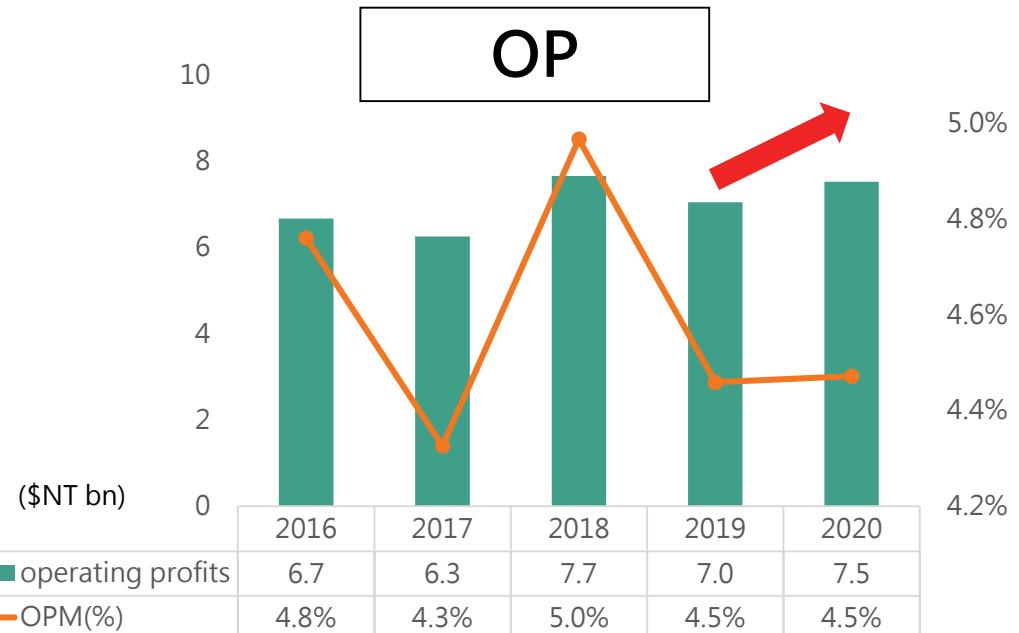
## Store no. and PSD-Sales



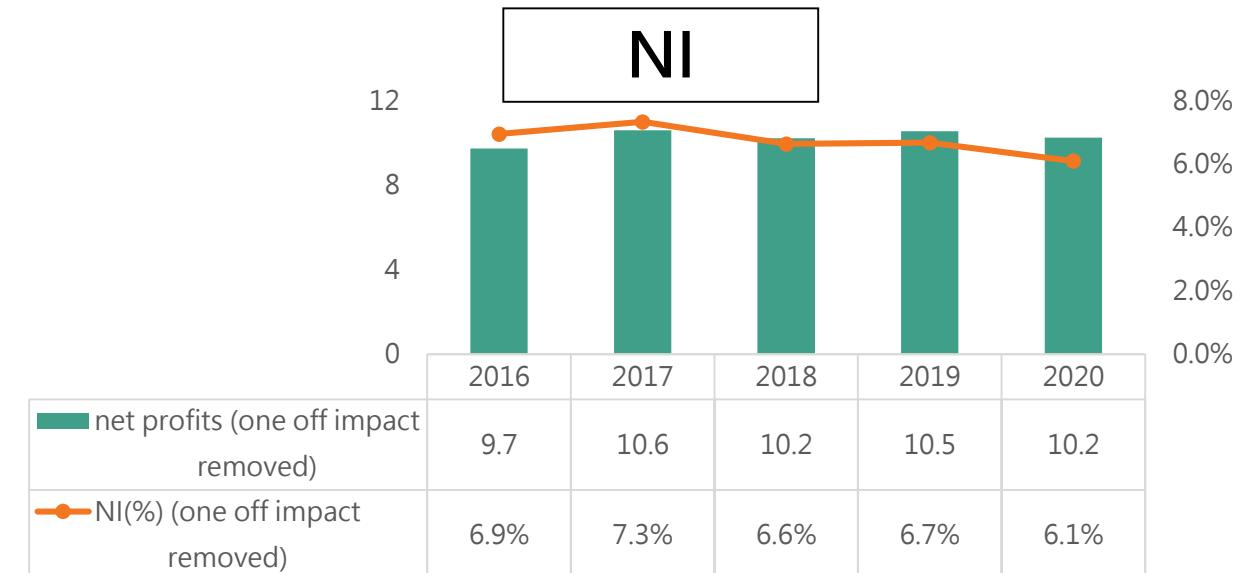
## Sales



## OP

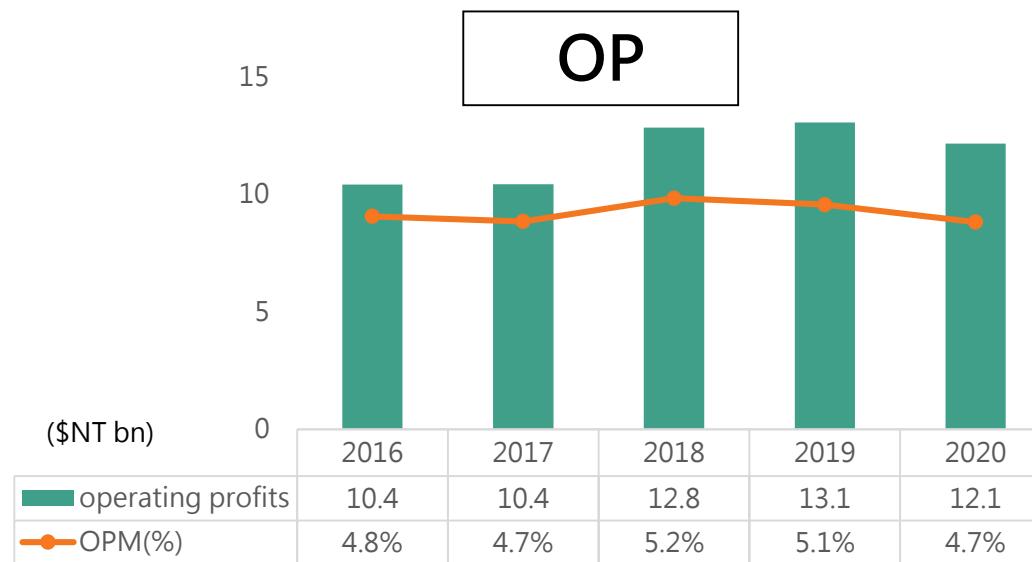
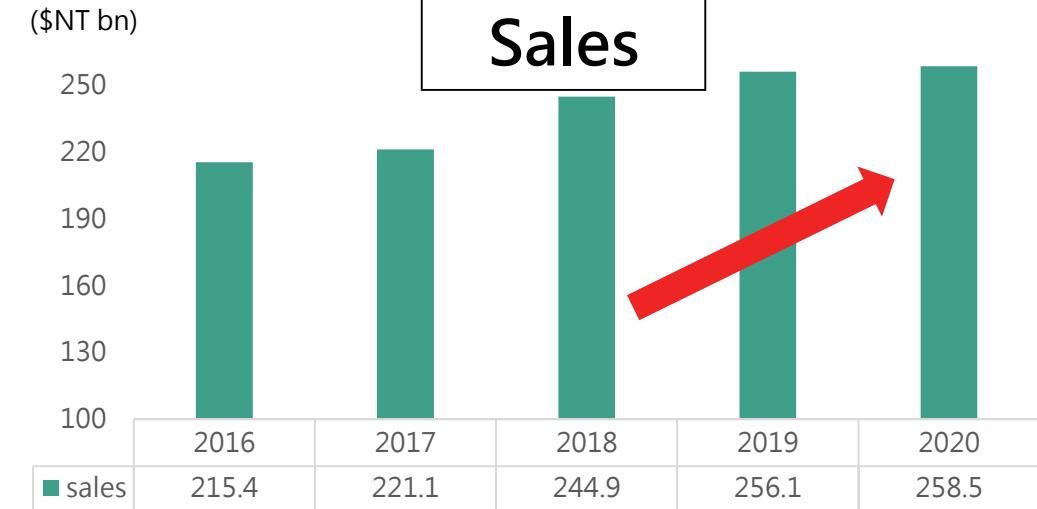
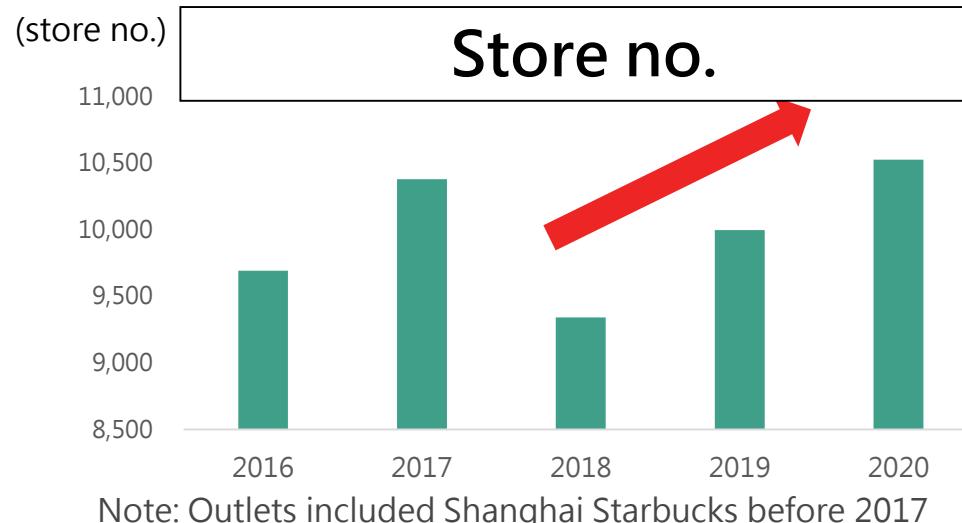


## NI

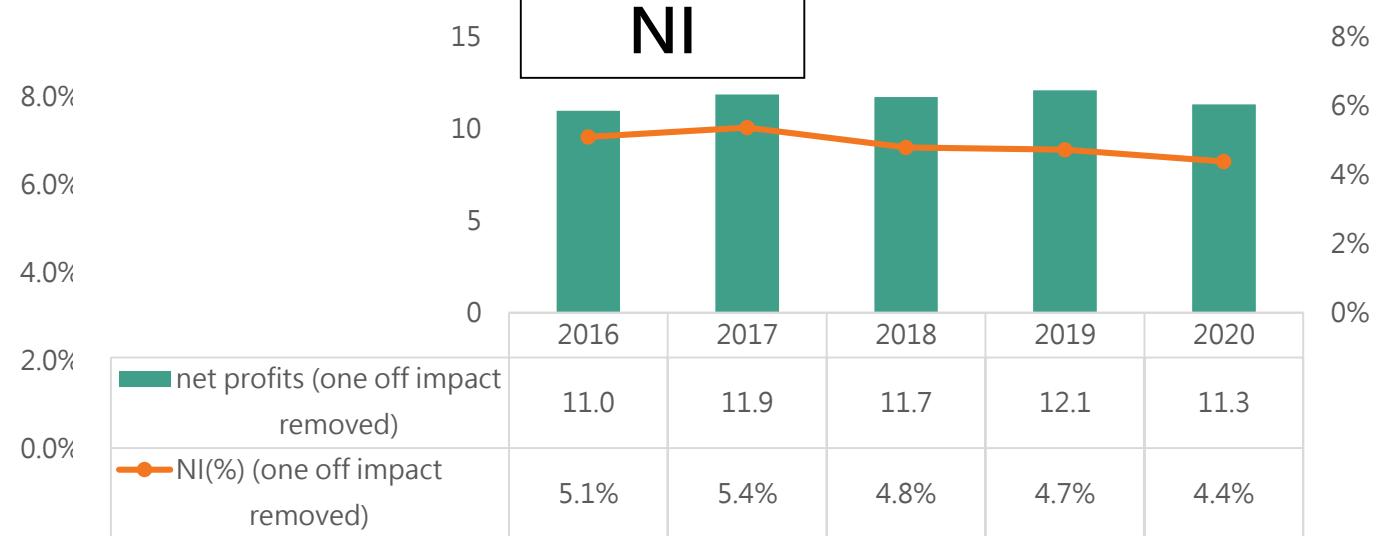


Note: Figures in 2016 and 2017 excluded BankPro E-service and Shanghai Starbucks disposal gain respectively. Net profit declined in 2020 because overseas subsidiaries were hit hard by lockdown measures due to the impact of COVID-19.

# Sales and Profitability (Consolidated)

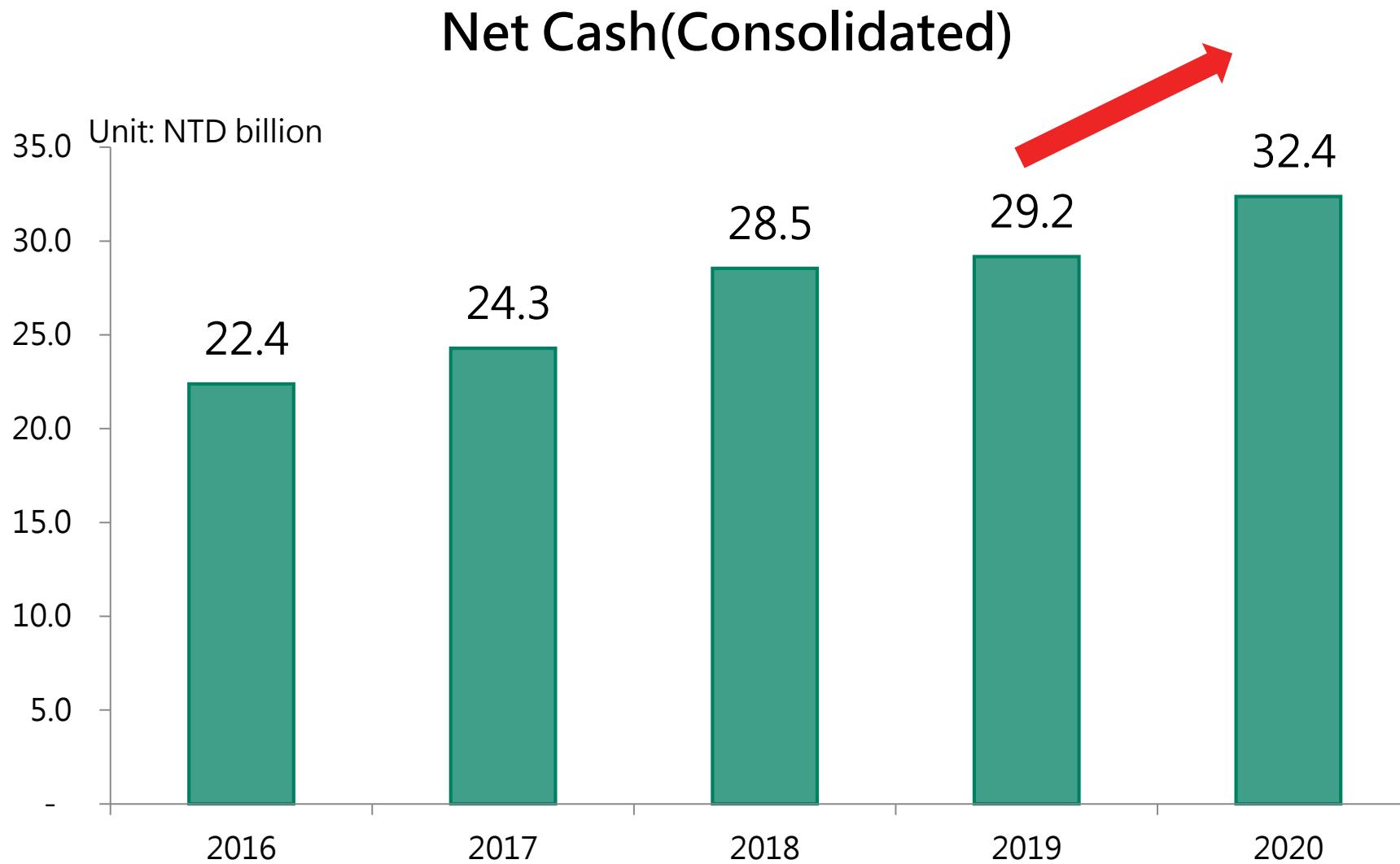


Note: OPM declined because overseas subsidiaries were hit hard by lockdown measures due to the impact of COVID-19.

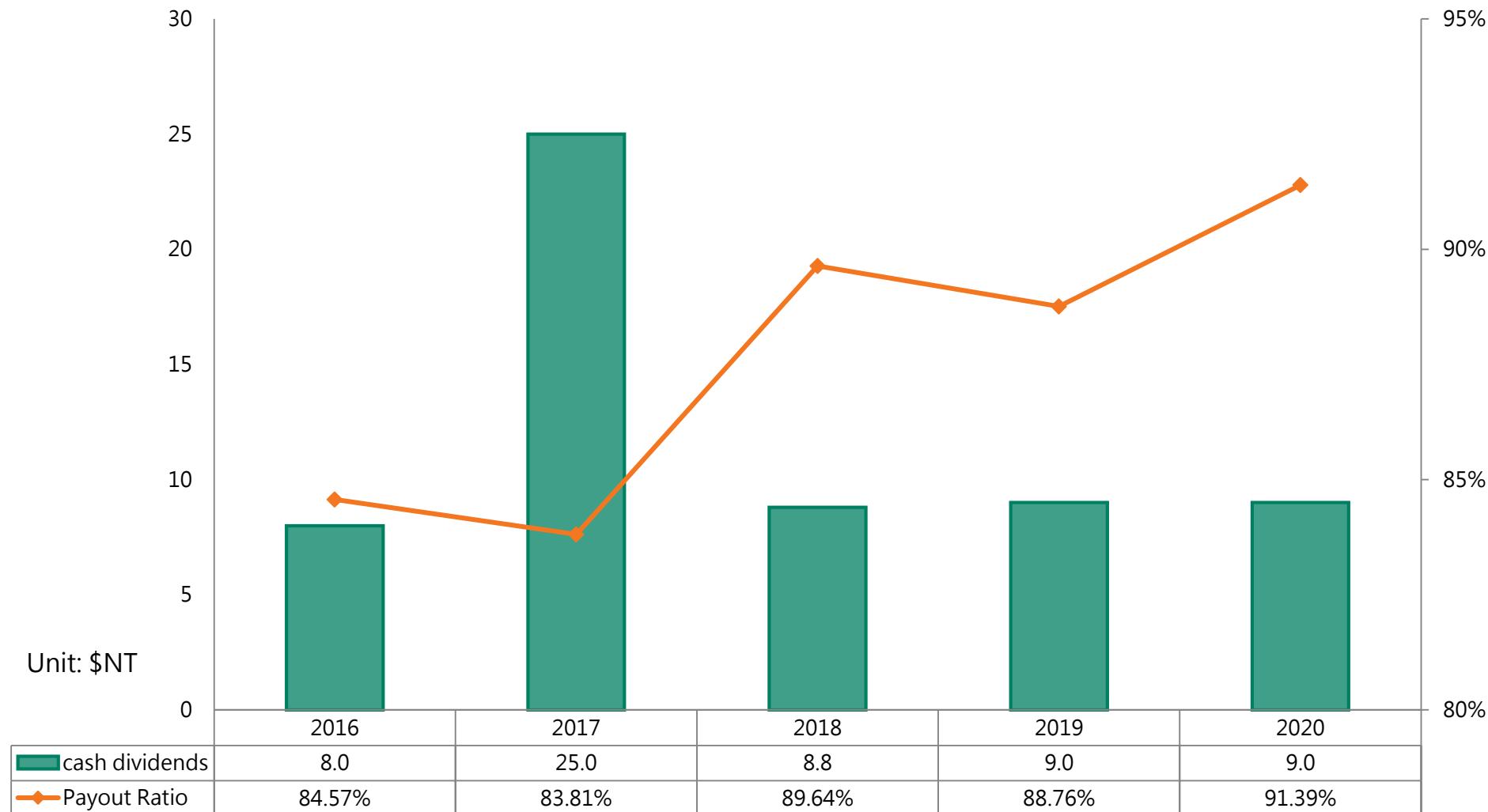


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# Steady Cash Flow



# Sustainable Cash Dividend



Note : 2020 cash dividend has not been approved by AGM.

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# Outlook



# Key Milestones to Create New Momentum for Growth

PSD Sales

100K

80K

60K

4,000 Stores  
Convenience Store

5,000 Stores  
Reliance Store

6,000 Stores

Reliance Service Platform

Surpass Customer Expectations

Meet Basic Needs

Satisfy Expectations and Desires

Lifestyle stores, differentiated categories and services, digital economy, points ecosystem

E-service, product mix optimization, franchise program improvements

Bigger store format, TK

Marketing campaigns, CITY CAFE, iBon kiosks

2005

2008

2012

2014

2018

2020~

## Surpass Customer Expectations

Building a Reliance-based Service Platform to Create New Growth Momentum

### Offline Experience

- Enhance core business
- Strengthen brand

Great to have

7-ELEVEN

- Lifestyle Stores
- Differentiated categories
- E-service



- Mobile ordering and pickup
- i-Preorder
- Membership benefits

### Online Service

- Virtual storefront
- Expand into new fields



Adjust structure to align with growth

People, Stores, Products, Logistics, Culture, Systems, Policy



# Aggressive Expansion to Drive Growth

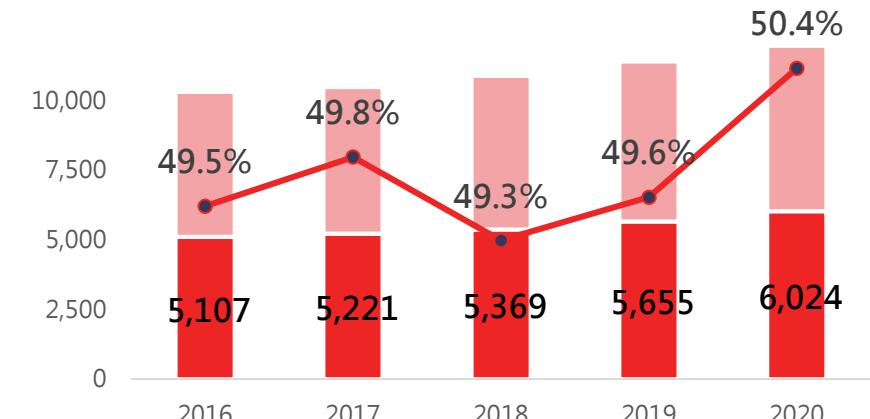
- Aggressive expansion focusing on both quality and quantity to ensure economy of scale
- Stable growth in franchise ratio of total stores; new high in renewal rate

6000 stores: each store flourish in its own way



(Store No. 6000: Fengyi Store)

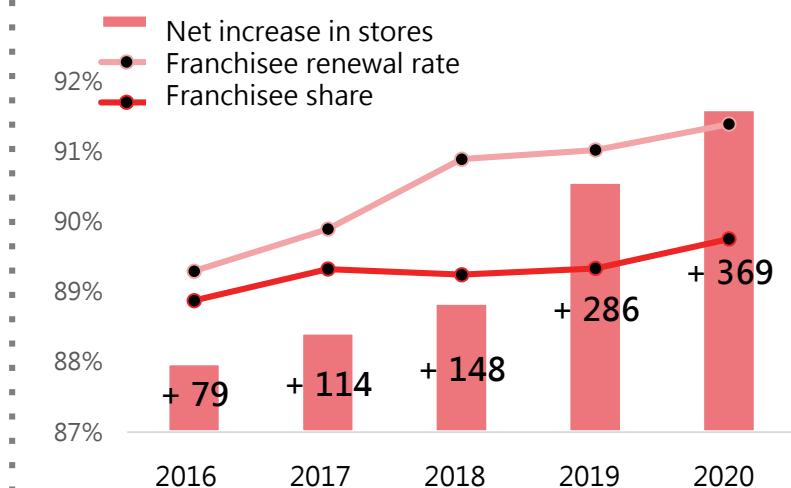
## 7-ELEVEN Taiwan Market Share by No. of Stores



## PSD growth for new stores in past 5 years



## Franchisee Overview



# Diverse Lifestyle Platforms to Meet Local Needs

- Leverage internal and external resources to provide the 4E experiences: Experience, Education, Entertainment, Exploration
- Continue to introduce new elements for  $\infty$  possibilities



$\times$  Any Lifestyle

2018



K.Seren



Bakery



!+? CAFE RESERVE



PIZZA



Books.com



21 TO GO



BEING fit



Candy Store



Draft Beer

2019



Coca-Cola theme store



Kanahei theme store



Heineken theme store



Lay's theme store



Maserati theme store



Disney theme store

# Diverse Lifestyle Platforms to Meet Local Needs

2020



Snoopy theme store



Hello Kitty theme store



Sumikko Gurashi theme store



2021



Cold Stone



OPEN! theme store



Frozen food focus



Cooking classroom



... more ways  
to interact



Simple-Fit concept store



Diverse Lifestyle stores



Pokemon theme store

To be continued...

# Fresh Food: A Community Kitchen that Meets All Needs

## Digital Tools

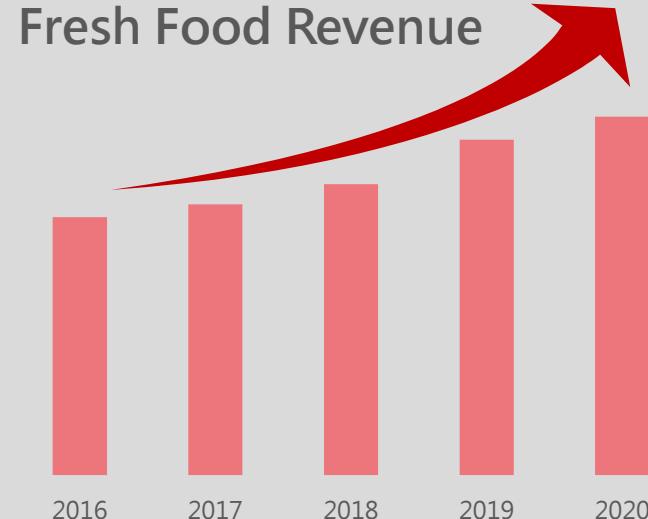
- ✓ Dual AI: Precise ordering, less shortages
- ✓ i-Love Food discounts: Less waste /higher earnings
- ✓ Mobile Ordering and Pickup: Digital marketing channel
- ✓ Delivery Platform: Broaden customer base



Fresh food revenue  
hits new record

## Better and Safer

- ✓ Continue to improve taste and quality
- ✓ Rigorous food safety standards



## New Trends & Opportunities

- ✓ Health/fitness/frozen food trends
- ✓ Differentiated products through collaboration with five-star hotels and famous restaurants
- ✓ New line: Paninis, vegetarian brand



# Strengthen CITY CAFE Brand and Seize Digital Opportunities

## Brand Equity

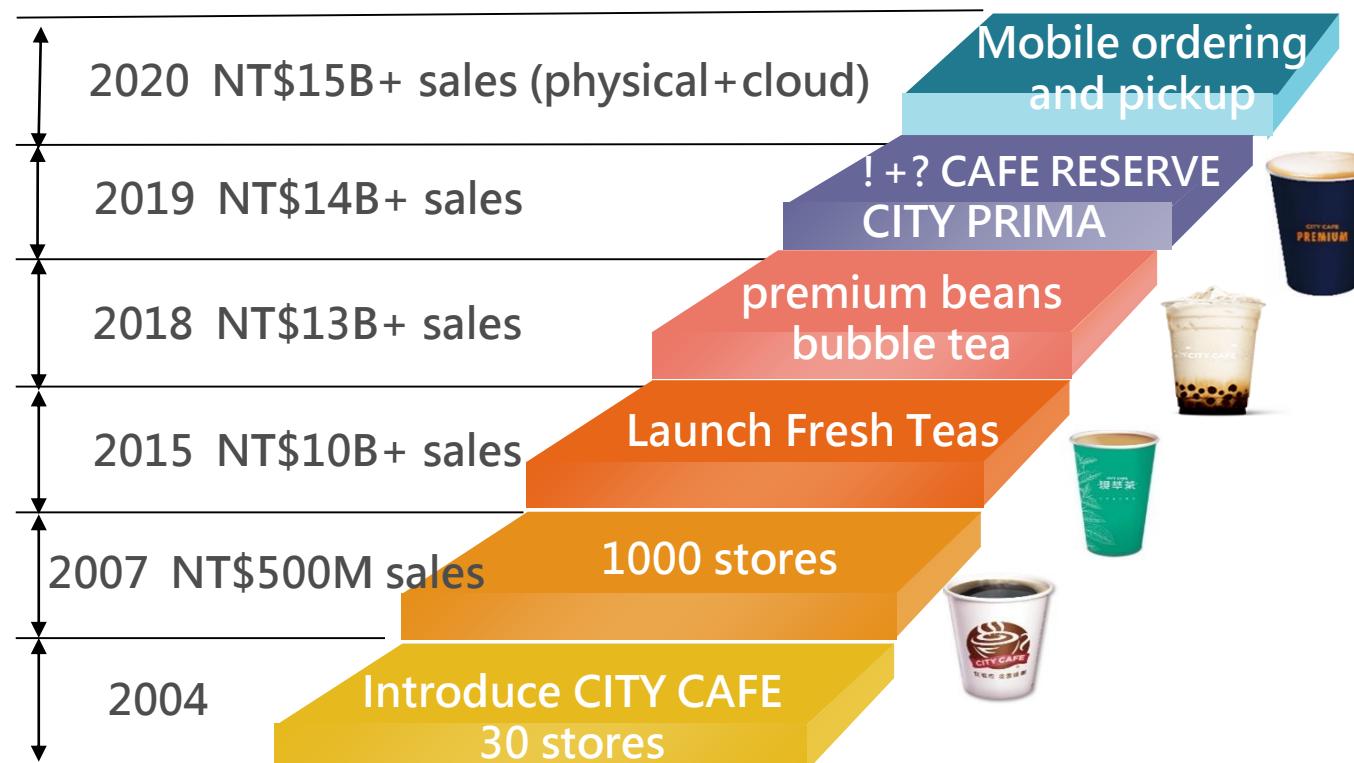
- Continue to upgrade coffee beans and equipment
- High-value differentiated products

## Market Trends

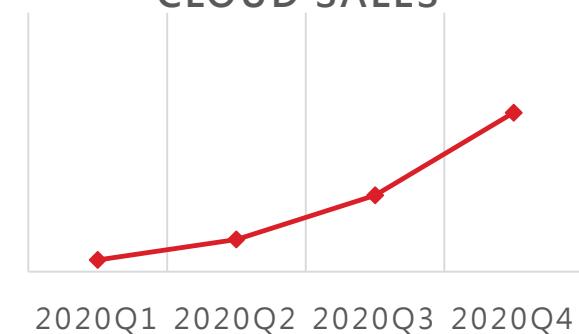
- Four major focuses
- Develop new products for different customer segments

## Digital Opportunities

- Mobile ordering and pickup
- drives cloud business growth
- Intelligent coffee vending machines create new sales



RAPID GROWTH IN CLOUD SALES



# Comprehensive and Convenient Services Drive Growth

## Enhanced E-Service

- ✓ **MyShip business**
  - Own platform share up
  - No. 4 in no. of packages!
- ✓ **Quick Collection Service**

Pickup at home; capacity still growing
- ✓ **Cold Chain Pickup**

A second growth curve
- ✓ **Local Collaboration**

Help physical retailers pivot to online

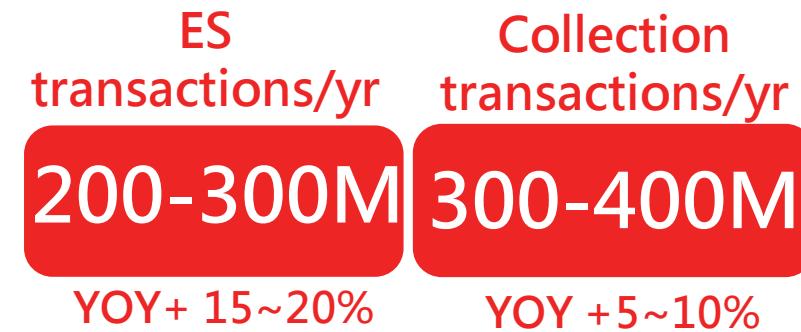
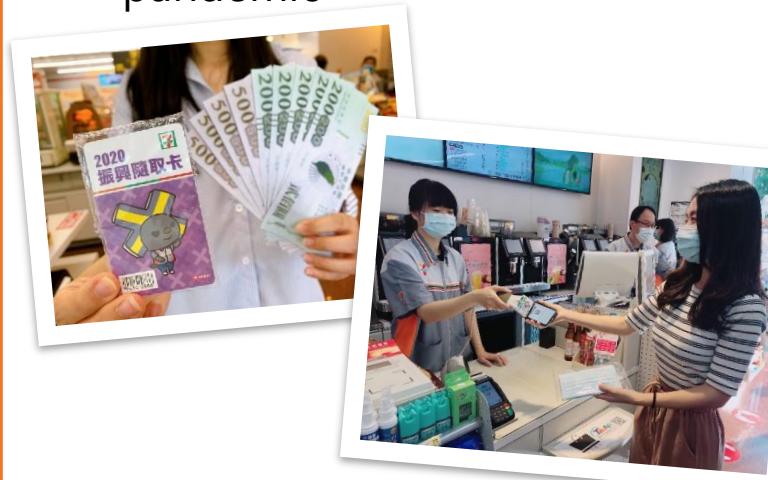


## New Collection Options

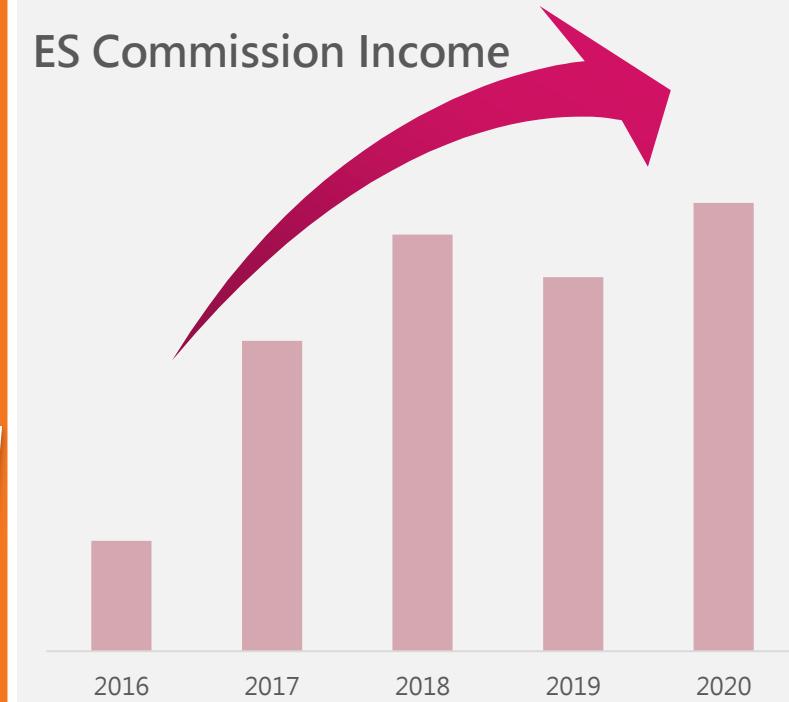
- ✓ **Collection/Payments Platform**

Migrant worker remittances/loan collection
- ✓ **Mask/Stimulus Voucher Preorders**

New opportunities during the pandemic



ES Commission Income

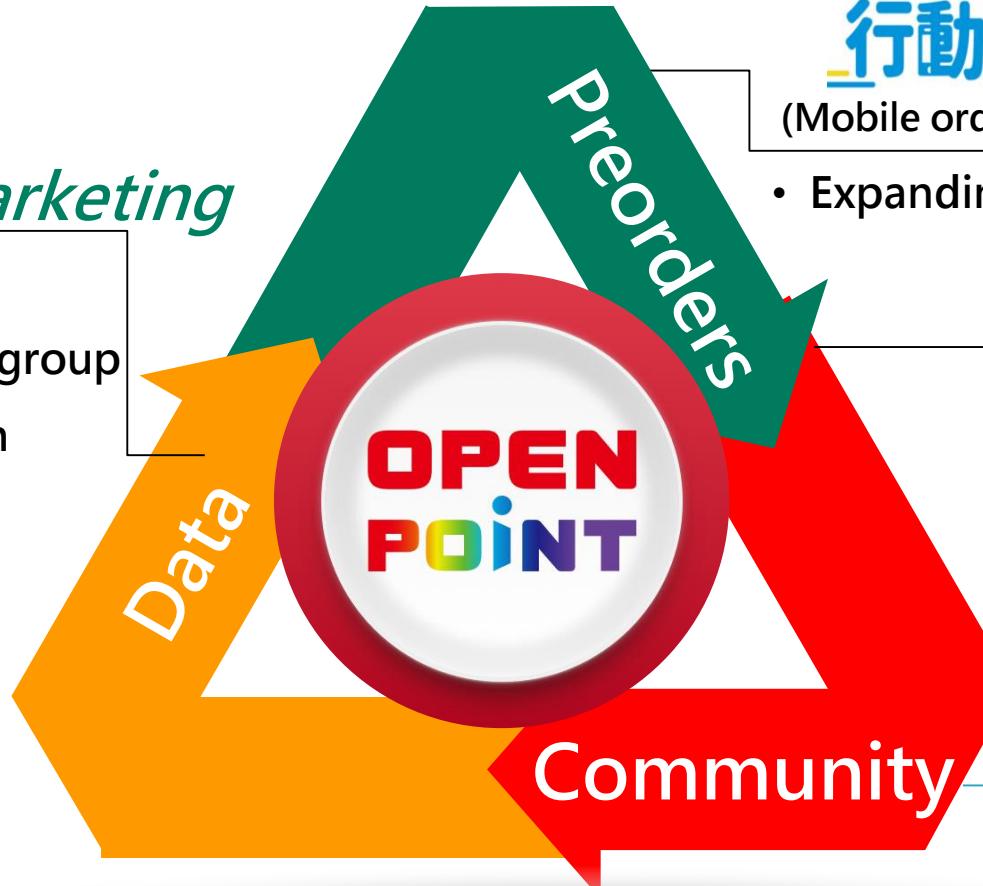


# A High-Quality Comprehensive Digital Service Platform

## Building up the OpenPoint Ecosystem in 2021

### *Precision Marketing*

- Membership tiers
- Integration across group
- Data value creation



### **OPEN POINT** 行動隨時取 (Mobile ordering and pickup)

- Expanding to key products



### **i預購** (i-Preorder)

- convenient store on e-commerce



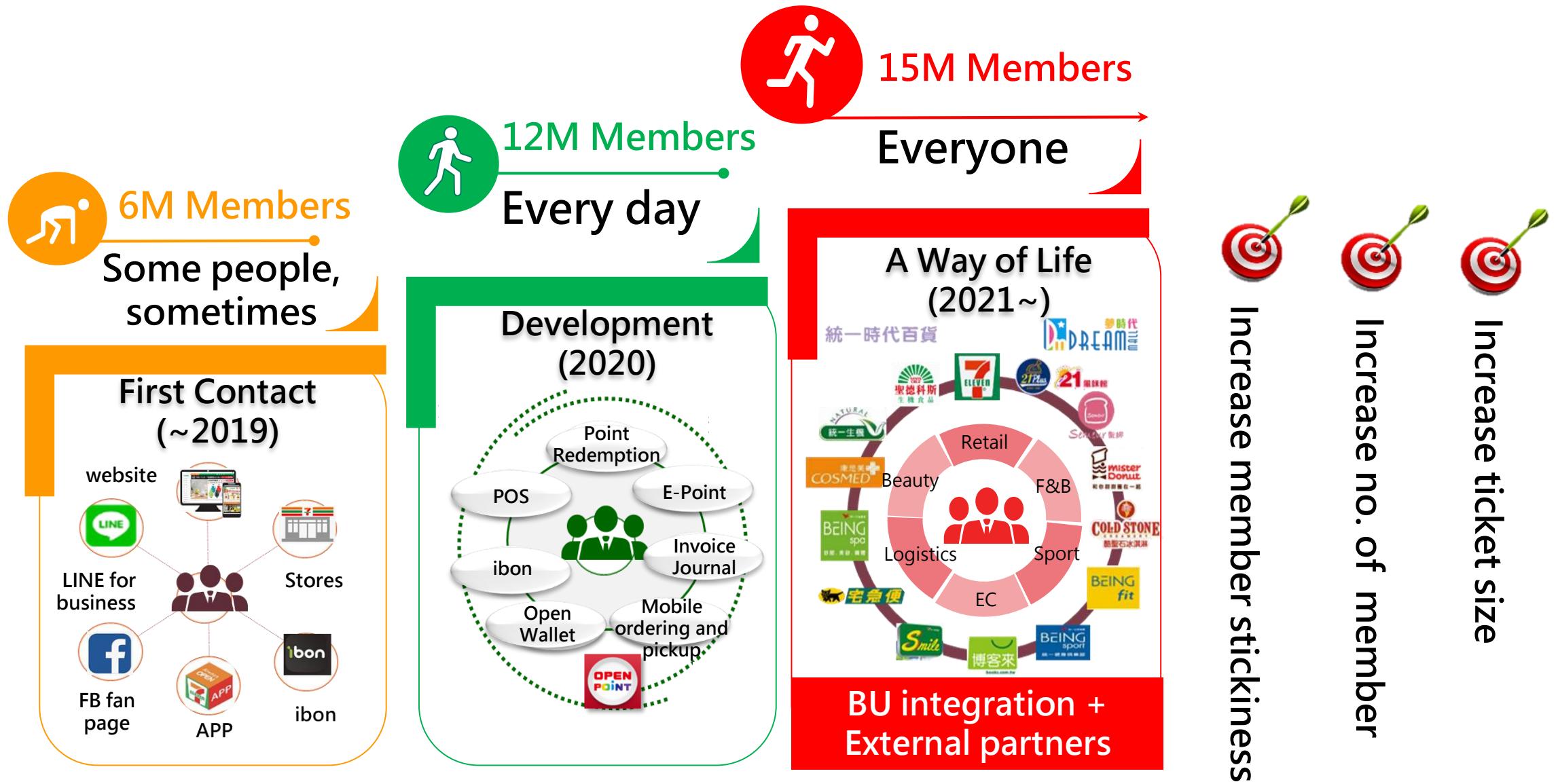
Holiday dishes, appliances, consumer electronics, etc.

### *Upgraded Features*

- Store communities
- "+1" ordering



# Building the OpenPoint Ecosystem



# Innovative Technologies for the Future

## Intelligent Vending Machine



- Multiple temperature zones allow diverse product stock
- IoT network for precise control

## Intelligent Coffee Vending Machine



- New opportunity to generate sales outside of stores
- Diverse payment methods for a variety of locations

## Self-Checkout Counter

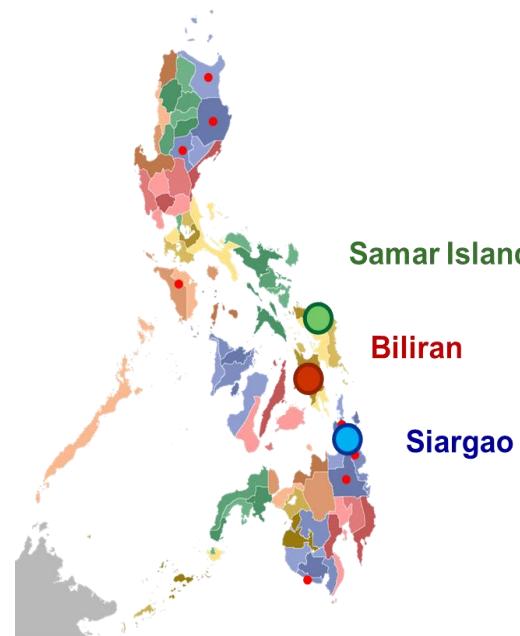


- QR code + contactless technology for accuracy
- Quick, easy, efficient

# 7-Eleven Philippines: Ready for the New Normal

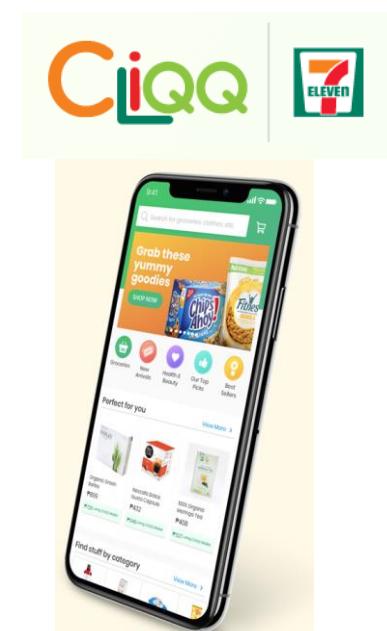
## High-Quality Expansion

- Market share leader for convenience store segment; 2,978 stores in 2020, continued expansion in 2021
- Franchise program improvements and stable franchise ratio



## Flexible Operations

- More daily necessity and grocery products; flexible shelving & pricing strategies
- Continue to develop differentiated product categories, and strengthen fresh food and coffee brands
- Expand delivery service



## Digital Development and New Services

- Keep up with customer trends to provide more comprehensive and convenient service
- Develop e-commerce platform and ATM services etc.
- CliQQ Wallet user base growing

# Sustainable Company for Customers, Society, and Environment

## Rigorous Supplier Management for Food Safety



Quality inspection lab est. 2012; full source tracing to ensure food safety

## Plastics and Packaging Reduction Programs



Prioritization of packaging with less plastic and biodegradable plastics; eliminated plastic straws and used sip lids in 2019

## Charity Platform for Disadvantaged Groups and Global Issues



## i-Love Food program for Food Waste Reduction



Goal to reduce food waste by half by 2030

**2 years running  
Dow Jones Sustainability  
Indices (DJSI World and DJSI  
Emerging market Index)**



**First Honor  
2020 DJSI Industry Leader  
of Food and Staples  
Retailing**

**First Honor  
Enterprise Asia  
Responsible Enterprise  
Award**

**FTSE4Good Emerging Markets Index; MSCI ESG Leaders Indexes and Global SRI Indexes; TWSE Corporate Governance 100 Index; FTSE4Good TIP Taiwan ESG Index;  
Top 5% in Taiwan Corporate Governance Evaluation System**

The end