

**President Chain Store Corp.**

**2912 TT**

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# 2022 1H Highlights and Results

# Historical Financial Results

Unit: NTD billion	2017	2018	2019	2020	2021	YOY
Revenue (Company Only)	144.5	154.1	158.0	168.1	168.0	-0.1%
Revenue (Consolidated)	221.1	244.9	256.1	258.5	262.7	1.6%
Net Profit	31.0	10.2	10.5	10.2	8.9	-13.4%
One-off gain from Starbucks deal	20.4	-	-	-	-	-
EPS (NT\$)	29.83	9.82	10.14	9.85	8.52	-13.4%

Note 1 : In 2017, 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 profit of 2021 declined due to the impact of COVID-19 in Q2 and Q3. However, as the pandemic slowdown, it has been recovering quarter by quarter.

# 2022 1H Financial Results

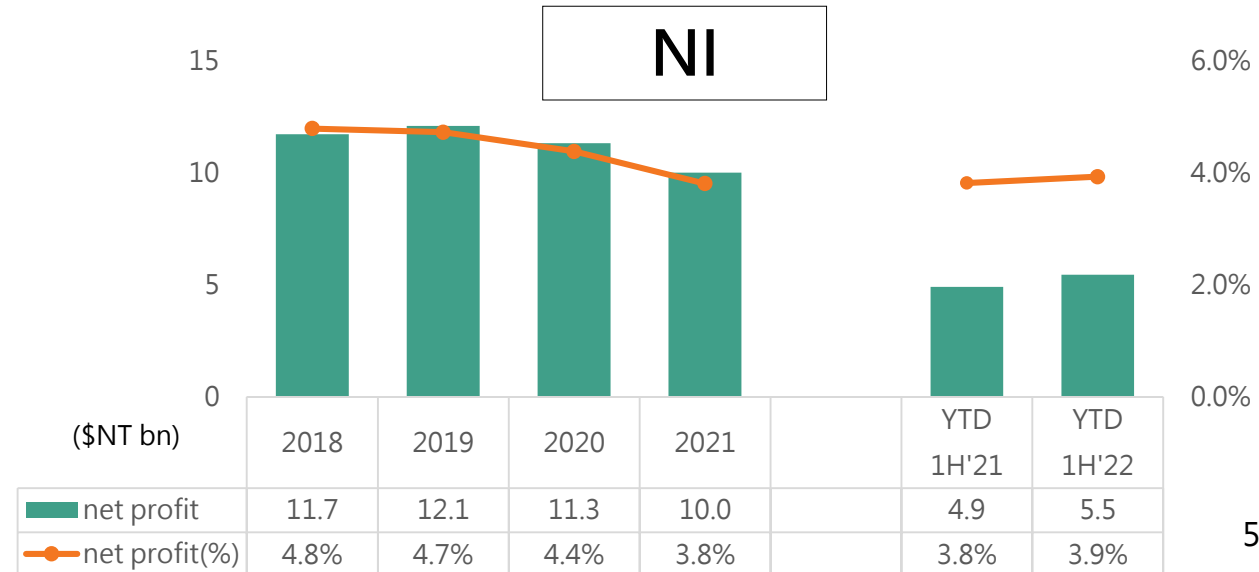
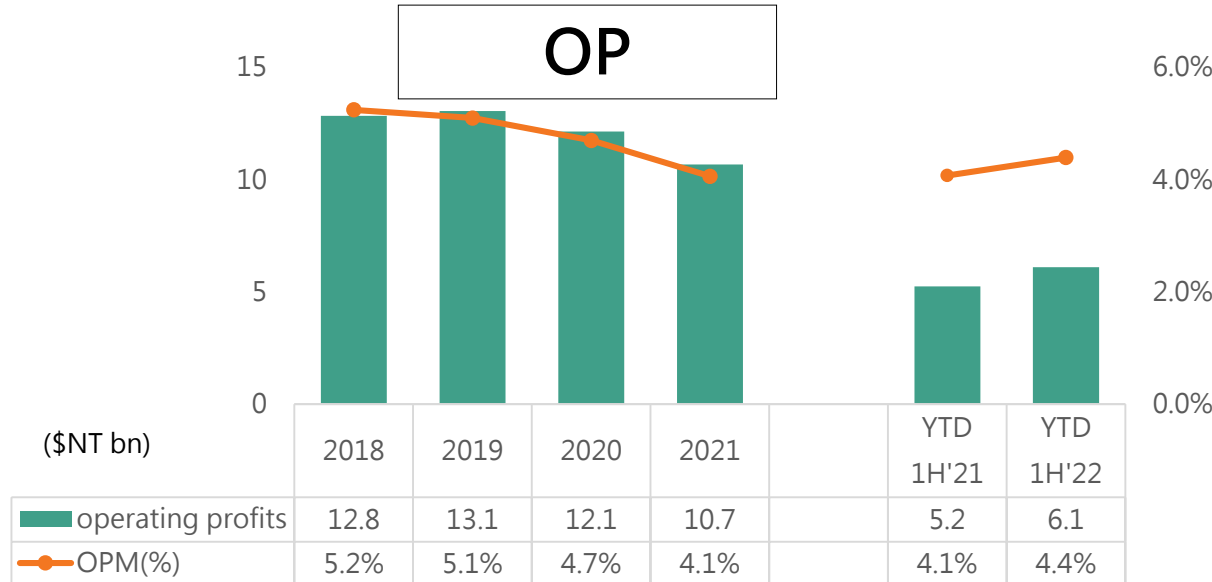
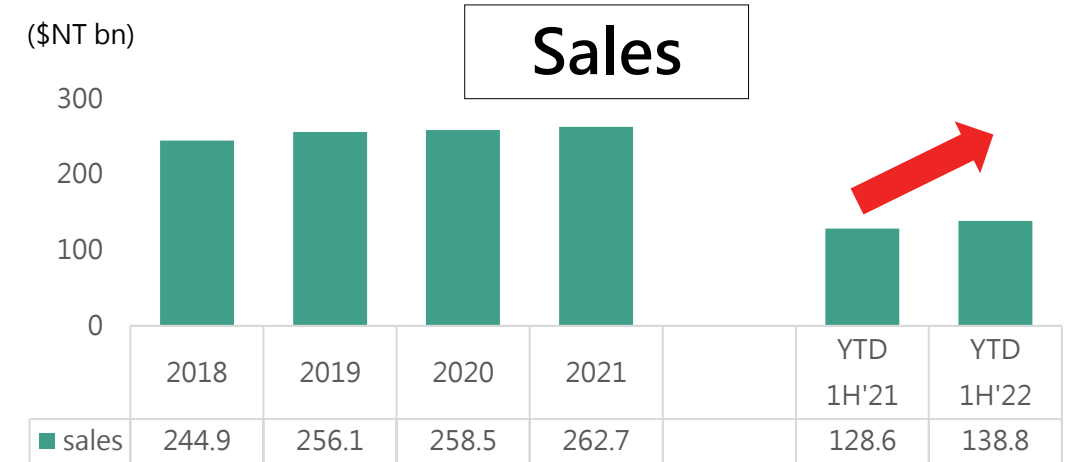
Unit: NTD billion

	2Q21	2Q22	YOY	YTD 1H21	YTD 1H22	YOY
Revenue (Company Only)	41.5	44.8	7.9%	83.3	87.6	5.1%
Revenue (Consolidated)	63.6	71.1	11.9%	128.6	138.8	7.9%
Net Profit (Consolidated)	1.9	2.9	49.3%	4.9	5.5	11.1%
Net Profit attributable to the parent company	1.8	2.5	38.7%	4.5	4.6	3.2%
EPS (NT\$)	1.70	2.36	38.8%	4.31	4.45	3.2%

Even though the confirmed cases here in Taiwan reached record high in 2Q, the impact has been gradually narrowing down. Now the government maintain in Level 2 restriction policy compared to Level 3 last year. So both sales and profit increased in 2Q22. The main contribution of consolidated profit came from Taiwan 7-11, Philippines 7-11, Starbucks, Transnet, Cosmed and etc.

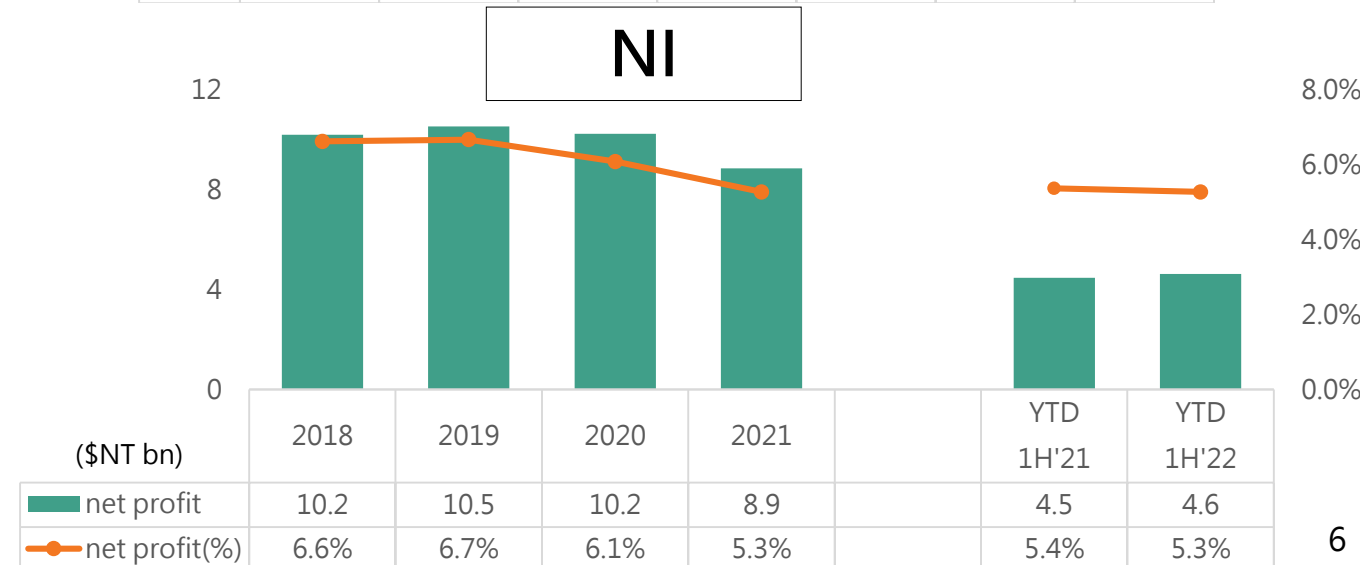
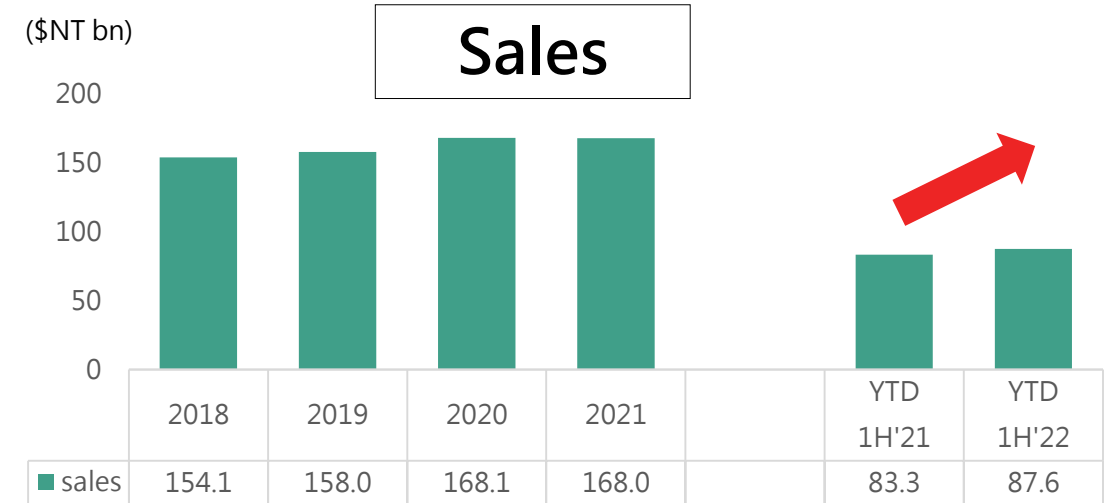
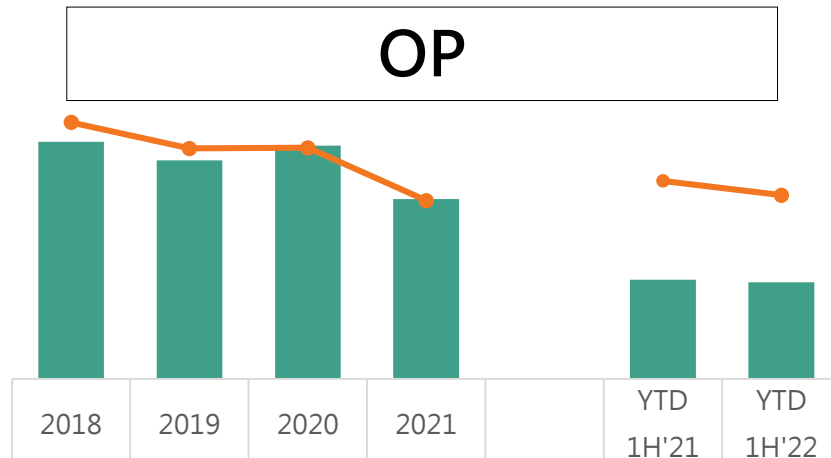
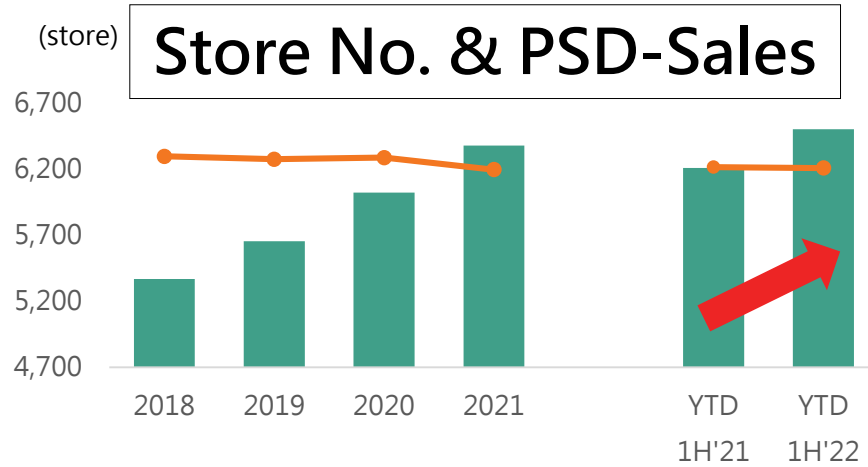
# Sales and Profitability (Consolidated)

- The impact of COVID-19 has been narrowing down and Philippines 7-11, Starbucks, Transnet and Cosmed keep increasing and recovering. So the operating profit can grow in 1H22.
- Some amount of deferred tax liabilities in 1Q21 was reversed due to the injection of oversea subsidiaries, so the tax rate last year was lower. For the profit before tax increased in 17.8% and margin reached to 5.0%.



# Sales and Profitability (Parent)

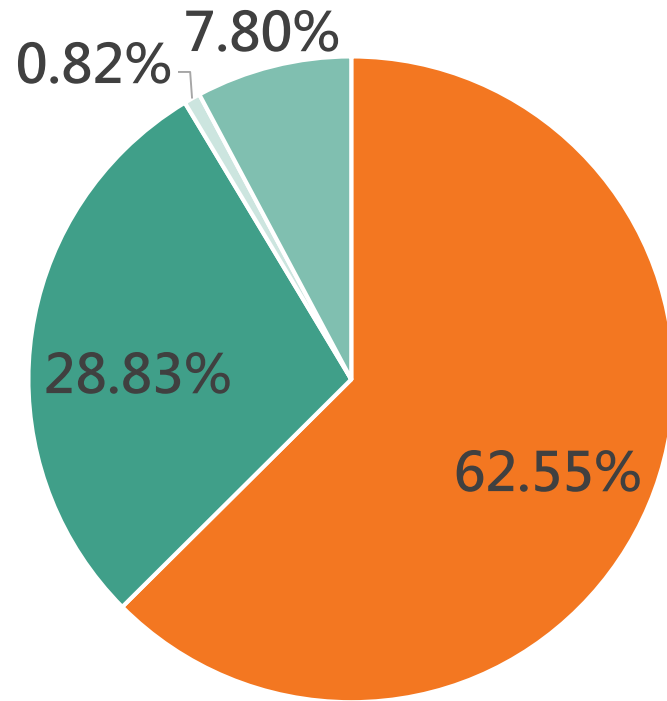
- Taiwan 7-11 has been recovering step by step in 2Q22. Not only the increase of fresh food, CITY CAFE and commission revenue but also the improvement of subsidiaries can drive the increase in sales and profit.
- Some amount of deferred tax liabilities in 1Q21 was reversed due to the injection of overseas subsidiaries, and there is no this issue this year.



- The operating profit of Taiwan 7-11 has already turned positive growth in 2Q22 and narrowed down to low-single digit decline in 1H22. The situation is improving.

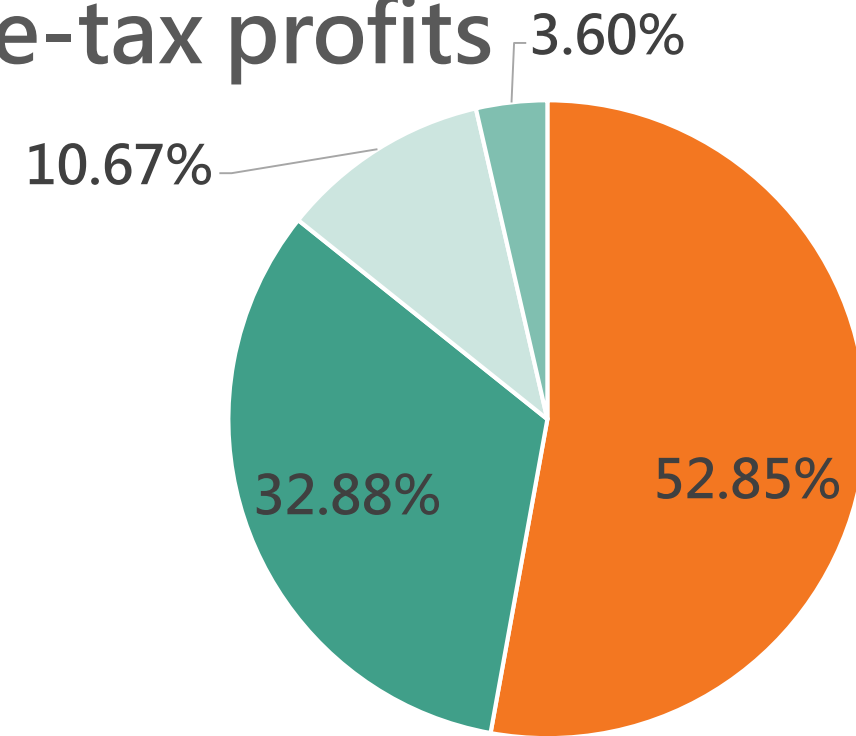
# Segment Information

sales



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

pre-tax profits



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

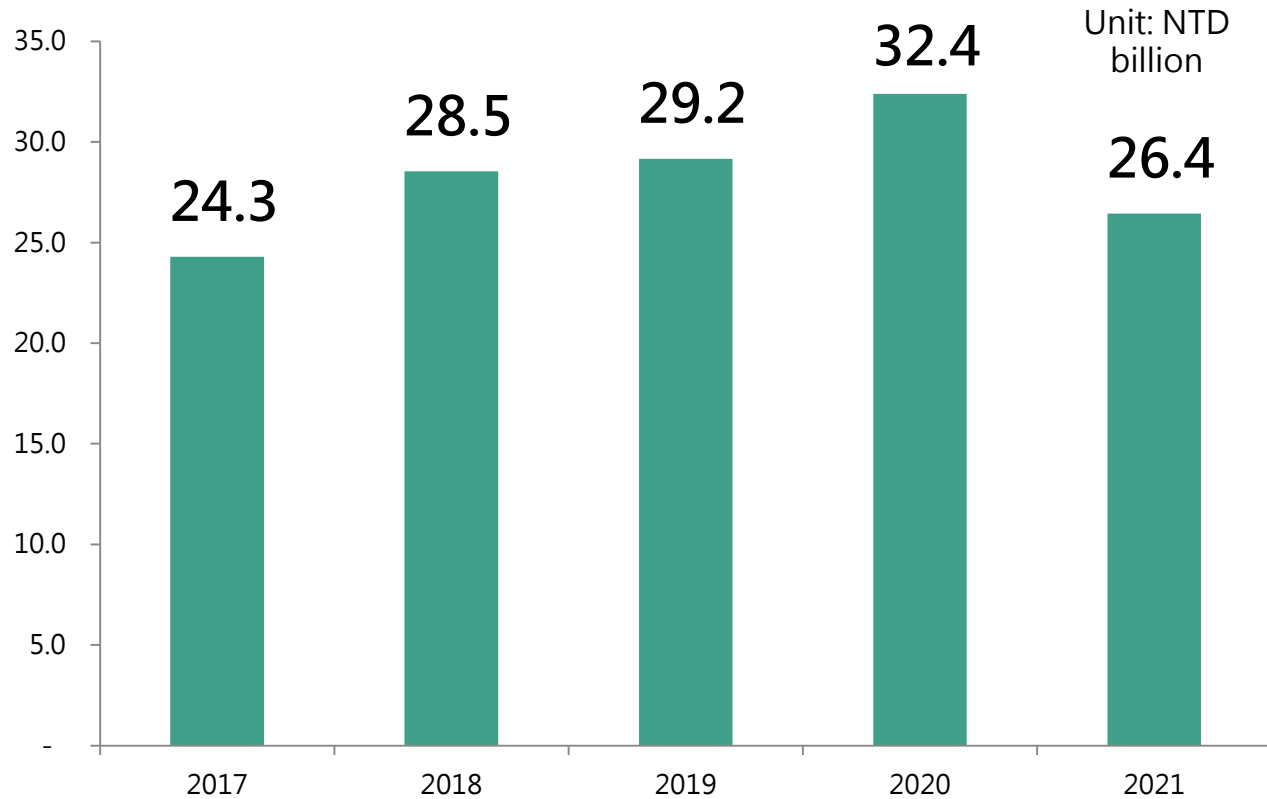
Retail business: Philippines 7-11, Cosmed, Takkyubian(Transnet), Books.com, Mech-President etc.

Logistics: Retail support, Cold Chain, Wisdom distribution etc.

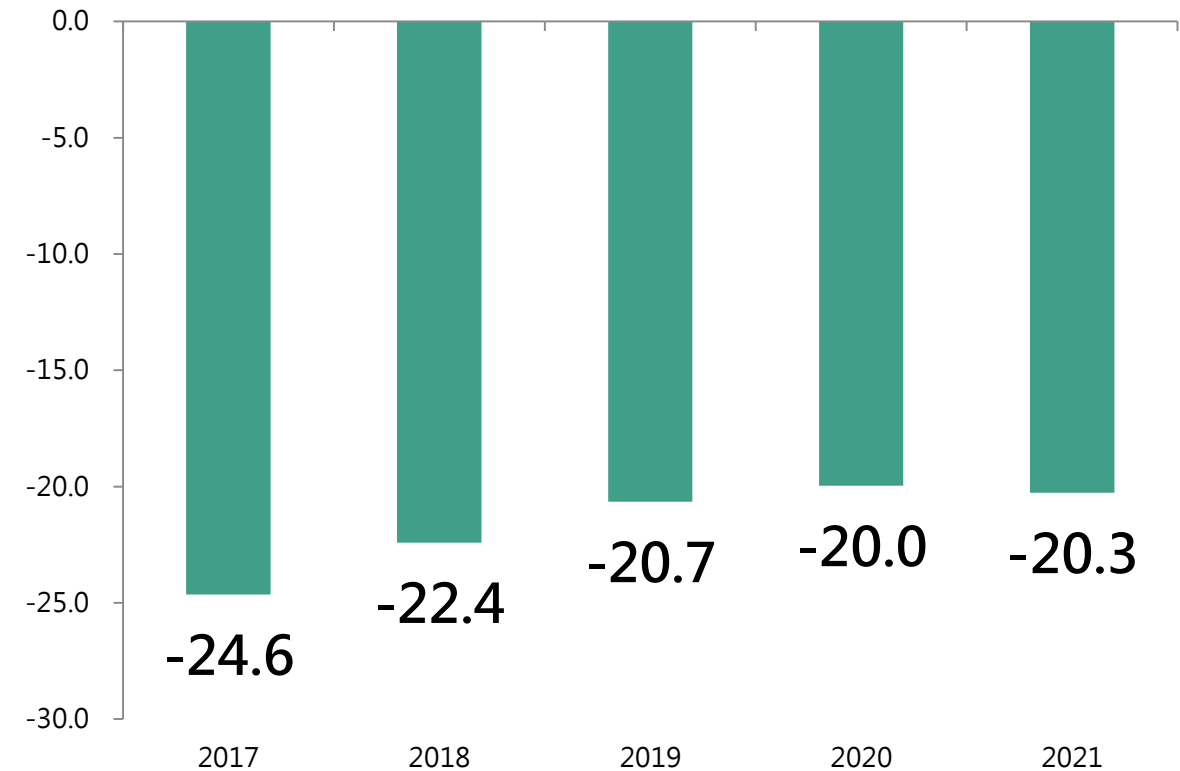
Others: China business, F&B business (e.g. Starbucks) and Support business

# Steady cash flow during pandemic

## Net Cash (Consolidated)



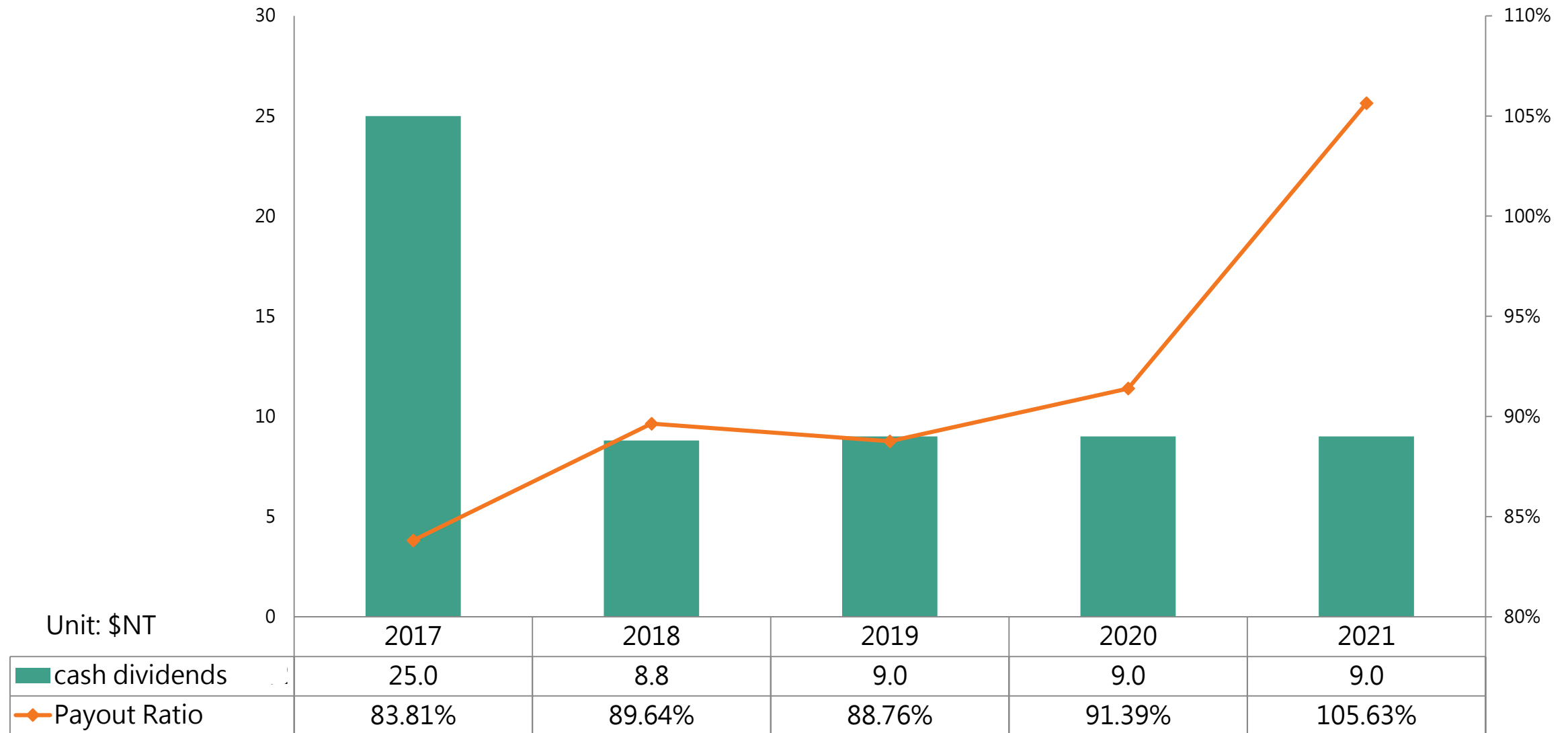
## Cash Conversion Day (Consolidated)



Note: Average collection days is not applicable, as PCSC is a retail business.



# Sustainable cash dividend



Note : 2021 cash dividend has been approved by AGM.

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# Outlook

## Lifestyle-Based Service Platform That Exceeds Customer Expectations

Satellite 7-11 Stores  
Generate Extra Revenues

Intelligent Vending  
Machine



Delivery



E-Service



Fresh Food



CITY CAFE



Pursue new store concepts to create endless possibilities



K.Seren



Bakery



Semeur Bakery



Books.com



Diverse Lifestyle Mall



21 Plus



Veggie Selection



Cold Stone



Mister Donuts

Synergize to Form the Largest Chain Brand

Innovation and Integration  
Attract Consumers to the  
Stores

Digital  
Platform



OPEN POINT

行動隨時取

i預購



Social  
Media

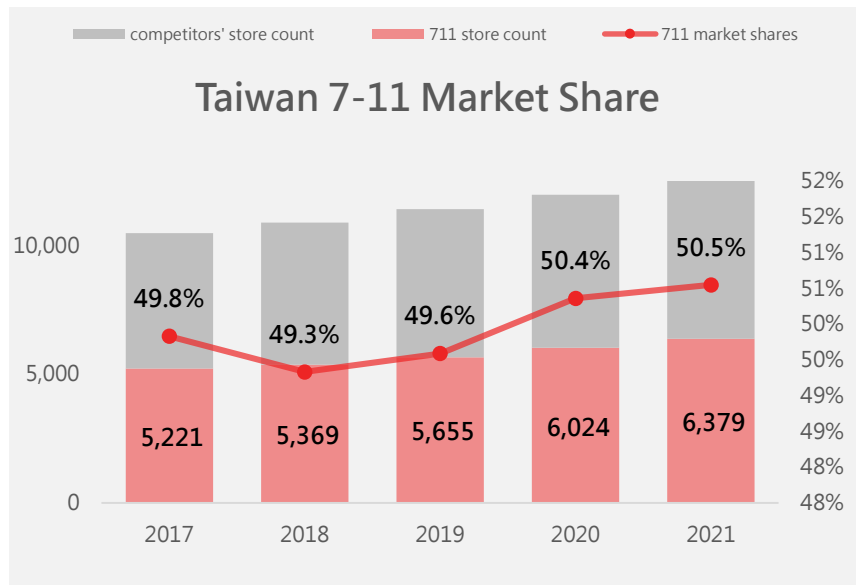
i划算



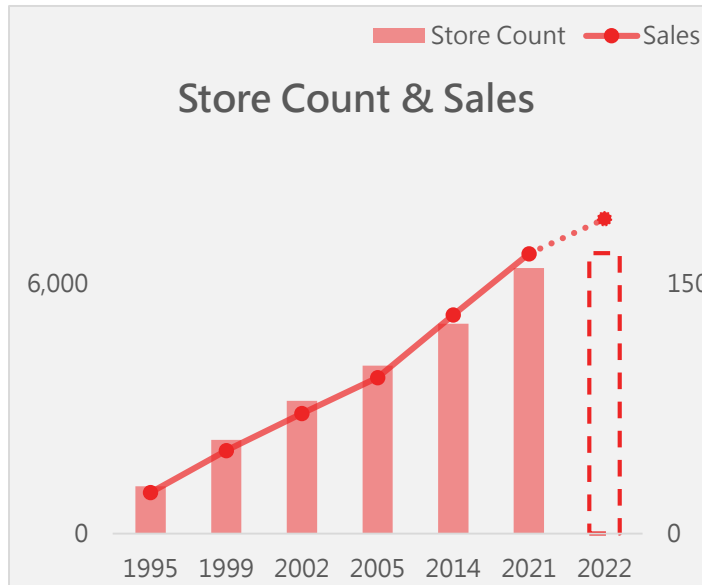
# Aggressive Expansion; Strengthen the Franchise

- Aggressive expansion focusing on both quality and quantity to ensure economies of scale
- Providing full support to franchisees during Covid-19, maintaining an approximately 90% franchisee ratio to total store, solidifying the franchise system and long-term foundation

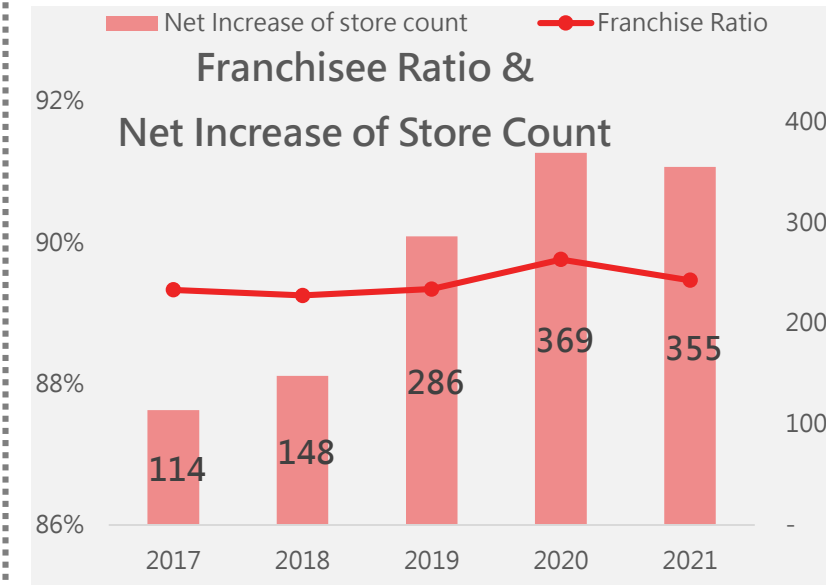
## 7-ELEVEN Taiwan Market Share by No. of Stores



## Revenue Growth in Recent Years



## 7-ELEVEN Taiwan Franchisee Overview



# Build Diverse Lifestyle Platforms

- Pooling internal and external resources to create group synergy
- Create opportunities for customers to look around the stores and provide 4E experience
- Provide diverse products mix to satisfy customer demands
- Introduce elements appropriate to the location and size of the stores

Experience + Education +

Entertainment + Exploration



Create Space for Unlimited Imagination

Special  
Feature Store

Co-brand  
Store

Lifestyle  
Store

Diverse Lifestyle  
Mall

Community Service  
Center



Paid Business  
Private Room



STARLUX Airlines



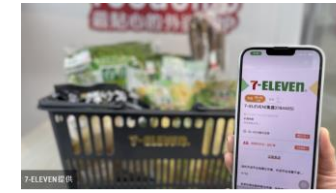
Cold Stone



Veggie Selection



Diverse Lifestyle Mall



OPEN NOW



American Diner  
Style



Detective  
Conan



K.Seren



Bakery

To be continued...

Expanding Out-of-Store  
Services

Delivery



Intelligent Vending  
Machine





# Become a Reliable Fresh Food Platform

## Increase Value

- Co-branding with Michelin star restaurants
- Optimizing taste to shake the food market
- Using local ingredients to create delicious dishes



## Grasp Trends

- Healthy Vegetables - Veggie Selection; Simple Fit
- Frozen Fresh-Ready to Cook
- Exotic cuisine - Scratch the itch to travel

天素地蔬

Simple Fit



## Diversify

- Mobile ordering and pickup APP - Digital Marketing Tools
- iPre-order & iGroup-buying - Extending the reach of physical store shelves
- Delivery - Expanding the range of fresh food sales

OPEN POINT  
行動隨時取

i預購  
i划算



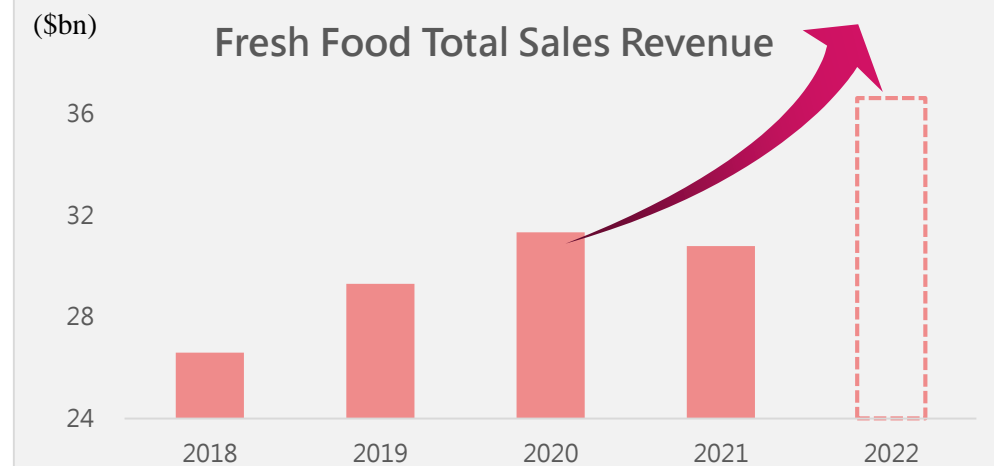
Qualify controlled by labs



CAS Certification  
Professional Vegetarian  
Production Facility



Safe and Delicious  
Social Kitchen



# Shape CITY CAFE Brand Culture



## Grasping digital opportunity



- ✓ Steady growth in cloud performance and improved conversion rate
- ✓ Precision marketing to accelerate the consumption
- ✓ Launch subscription plan to increase stickiness

## Cultivate Member Loyalty

## Consolidating existing customer base and develop new customer segments

- ✓ Traffic & profit maker
- ✓ Second growth curve: CITY PRIMA
- ✓ Structure innovation: oatmilk latte, etc.



## Enhance Brand Value



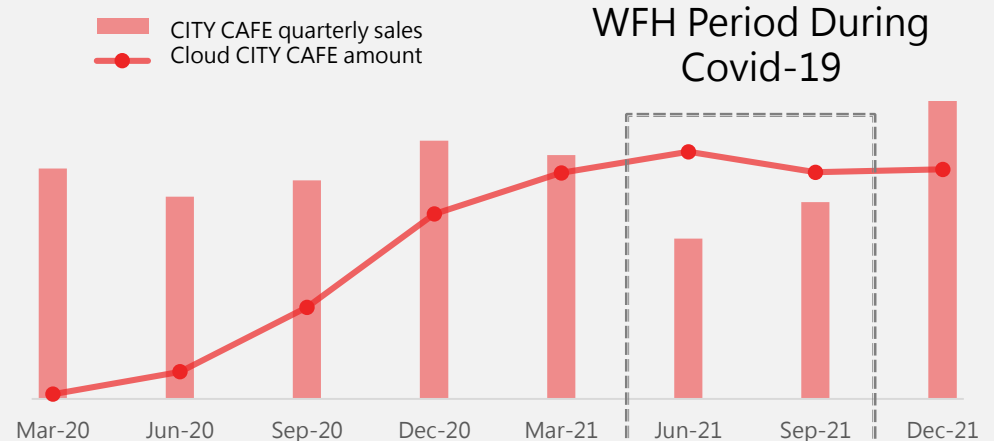
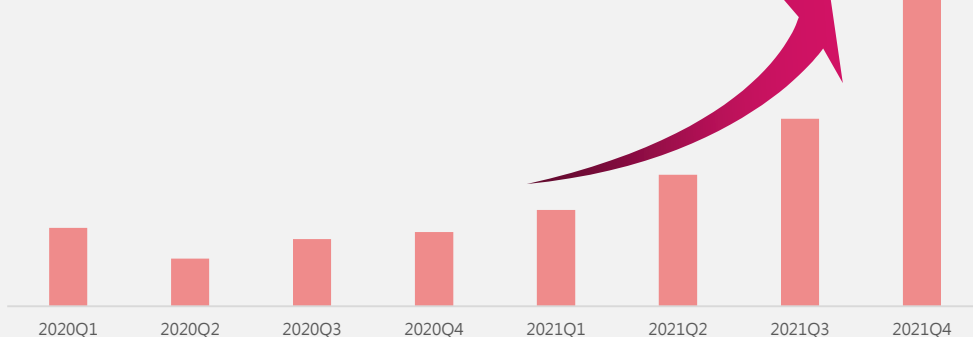
## Promoting out-of-store services

- ✓ Intelligent Coffee Machine robust deployment
- ✓ iPre-order: sale of coffee paraphernalia
- ✓ Delivery: expand the sales range

## Generate Extra Revenues



## CITY PRIMA Sales



# New Businesses Expansion; New Highs of Commission

ES Transaction  
per year

300-400  
million

Collection Transaction  
per year

300-400  
million

## Further Dedication in Core Businesses

- ✓ Upgrade of self-operated platform services (MyShip)
  - Ranked No. 2 in all parcels
  - International shipment
  - Fast delivery and quick collection service
- ✓ Cold-chain in-store pickup service (B2C, C2C)
  - The second growth curve

## Expand the Scope

- ✓ Markets of migrant workers
  - Remittance, payment and other integrated services
- ✓ Epidemic New Life Movement
  - Vaccine Appointment
  - Stimulus vouchers; extra-bonus vouchers



## Resource Integration

- ✓ Logistics integration, transportation capacity enhancement
- ✓ Home-to-store delivery service by Transnet
- ✓ Systematized data analysis

## E-Service Commission Revenue

2021 Sales YOY  
+ 25~30%

2017 2018 2019 2020 2021

Note: Shopee started to cancel free-shipping in 2018.



# Digital Evolution; Innovation Breakthroughs



## The first X-Store Unmanned store

Number of  
Members  
6.4mn

## Start of Group Membership Integration

Number of  
Members  
Exceeding 12mn



## Integrating Group Members from 14 Channels

## Expanding external reach of members

Number of  
Members  
Exceeding 14mn

The fifth  
X-Store  
Unmanned store

2006

# 2018

2019

2020

2021

2022

ibon kiosk



# Intelligent Vending Machine



# Self Checkout Machine



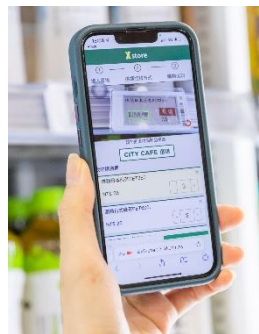
**OPEN錢包**  
(E-Wallet)



# Intelligent Coffee Machine



**i 划算**  
(iGroup-buying)



To be continued... 17

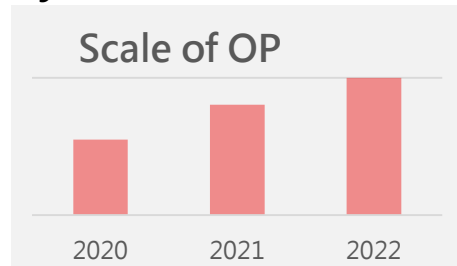
# Create Comprehensive Digital Service Platform

## OPENPOINT *Ecosphere*

## Member Contribution UP

## *Precision marketing*

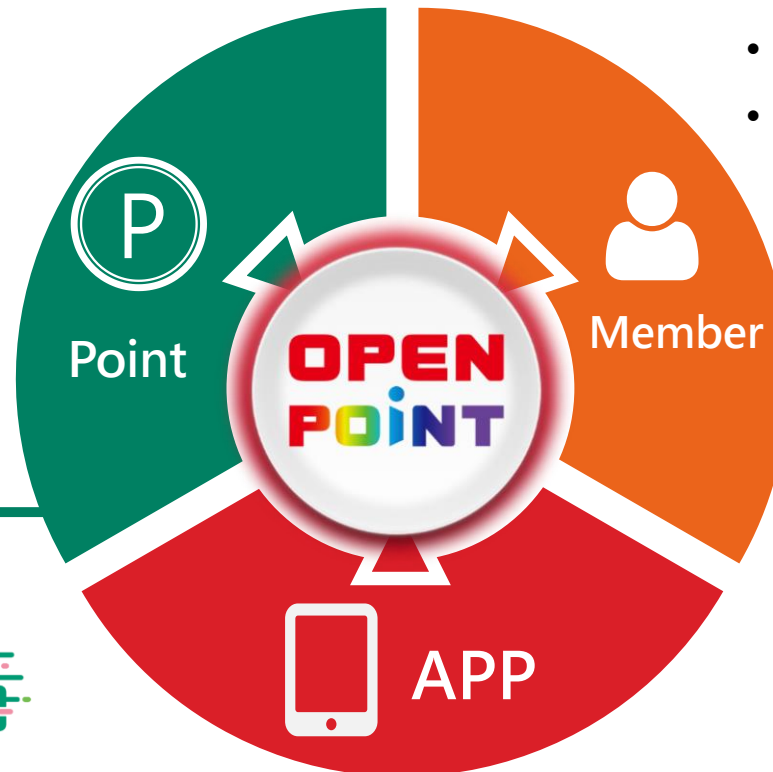
- Expand external partnerships to boost traffic
- Point monetization, circular economy circle



- Product development
- Subscription plan

(iPre-order)

- CVS in EC
- Store shelf extension  
(Lunar New Year's dishes, home appliances, consumer electronics, etc.)



(iGroup-buying)

- Group buy +1
- Remote area shopping service

- Member segment label
- Operation of customer data center to create value



2021 Member Contribution

50% ↑

2021 Active Member%

40~45%

## *Pre-order + community platform*

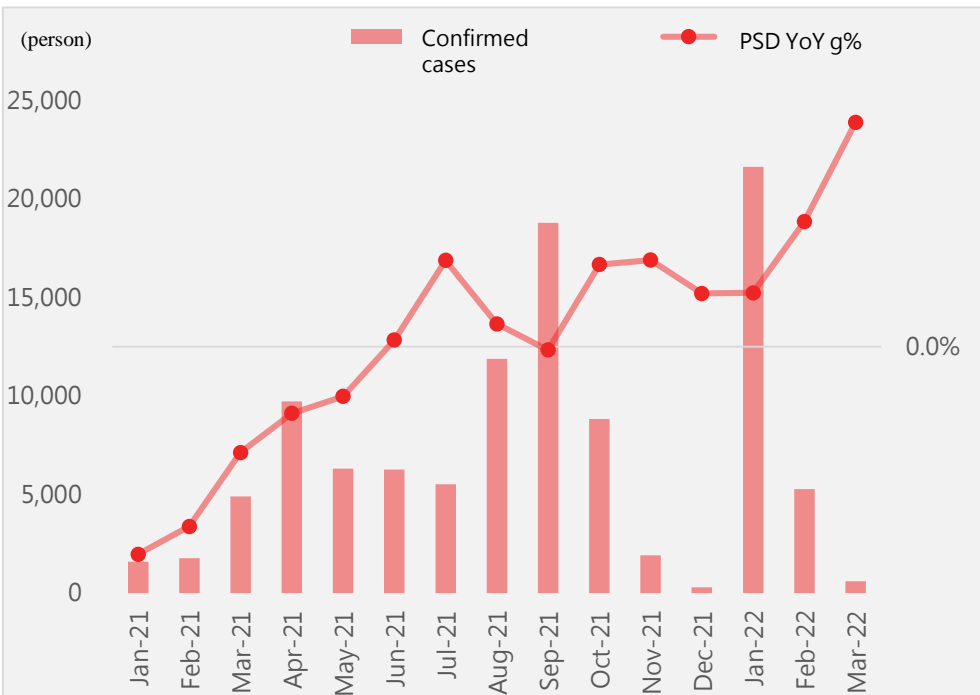
- Boost usage through digital tools
- Continues to develop new features and optimize the experience



# 7-ELEVEN Philippines Recovers Steadily in Post-Pandemic Era

## Store adjustment tailored to business district

- 3,073 stores in 2021, with 60% ↑ market share and holding at No. 1; continue to roll out stores in 2022
- PSD-sales resumed positive growth in 2H2021 through operating structure adjustment under Covid-19



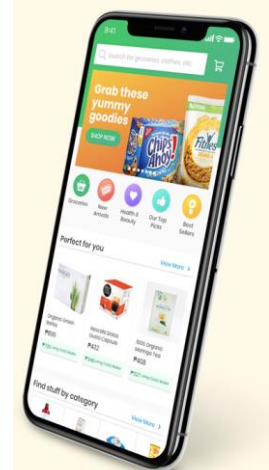
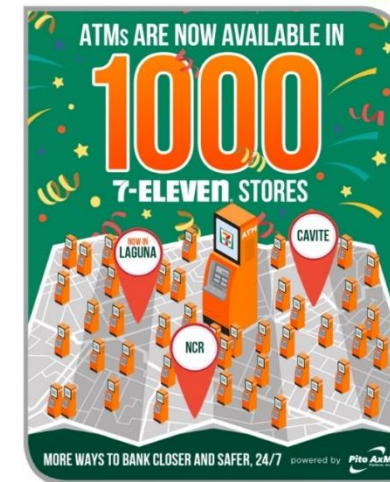
## Diversify products to optimize portfolio

- Focus on fresh food, coffee, grocery categories
- Expand ATM services to provide convenience
- Capitalize on the business opportunities from presidential election
- Expand logistics and warehousing to build a complete supply chain



## Mastering digital tools and creating digital ecosphere

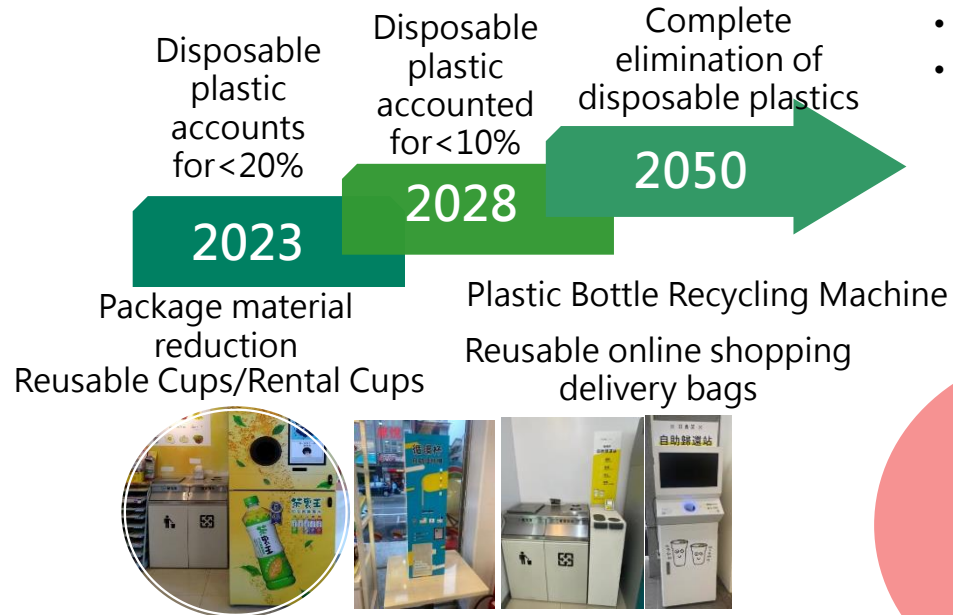
- Continuous optimization of APP features
- Expansion of CLIQQ grocery platform
- Delivery partnership to create out-of-store performance
- Increase in both number of E-Wallet users and their usage



# ESG: Sustainable Earth + Inclusive Society + Happy Corporation

## 2021: Start of the Sustainability Era at PCSC, Incorporating Sustainability into Our Daily Operations

### Decrease the use of plastics



- Selected as a constituent of DJSI Index for the third consecutive year
- Ranked in the top 5% for the seventh consecutive year in Taiwan Corporate Governance Evaluations System
- FTSE4Good, MSCI ESG Leaders Indexes, etc.

### Strengthen food waste management

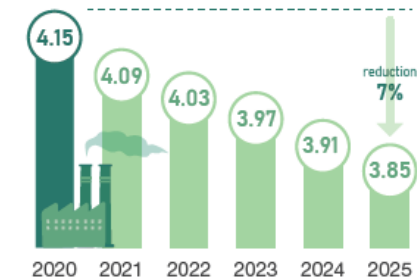
- Launch Leftover iLove Food Map
- Reduce waste; recycling of food waste



### Reduce carbon emissions

- Launch TCFD and CDP surveys
- ISO 50001, ISO 14064 certification

GHG Intensity Reduction Path Map



### Focus on community issues

- One store in one township, reaching out to remote areas to meet the demand
- Online-offline collaboration; OPENPOINT App charity donation
- DIY activities extend to homes, keeping children company through the pandemic



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# The End