

President Chain Store Corp.

2912 TT

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

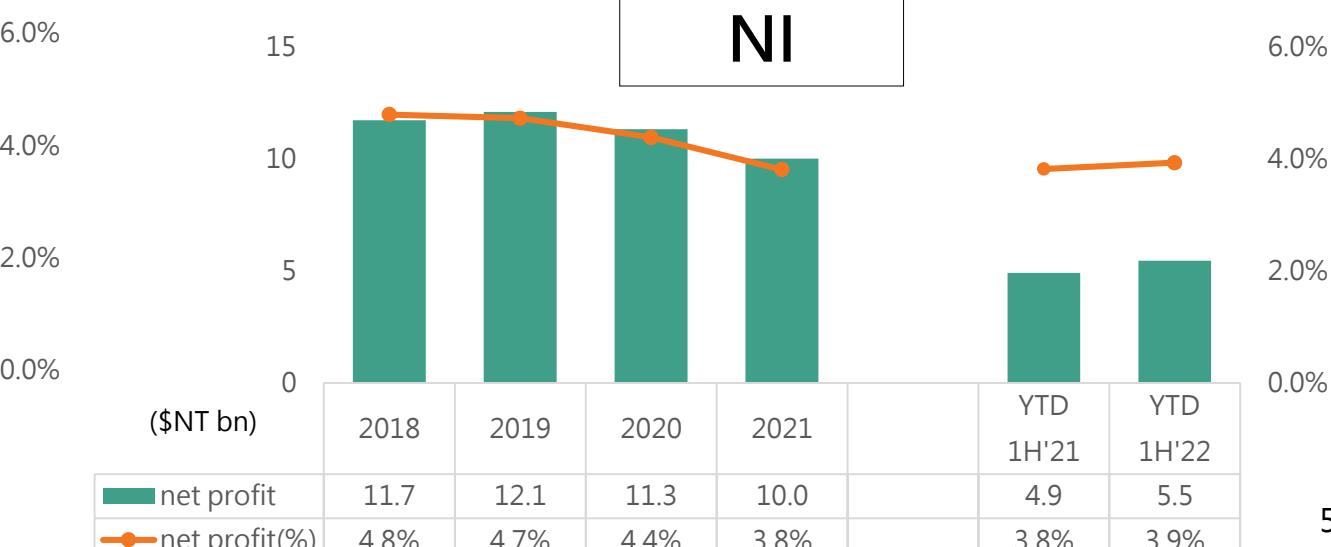
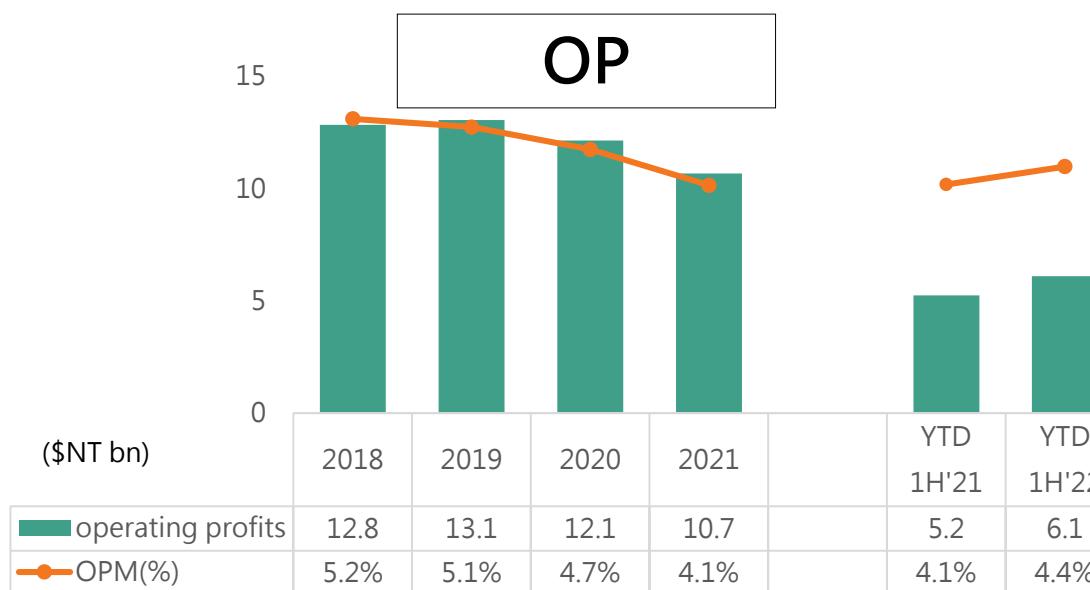
Unit: NTD billion

	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.

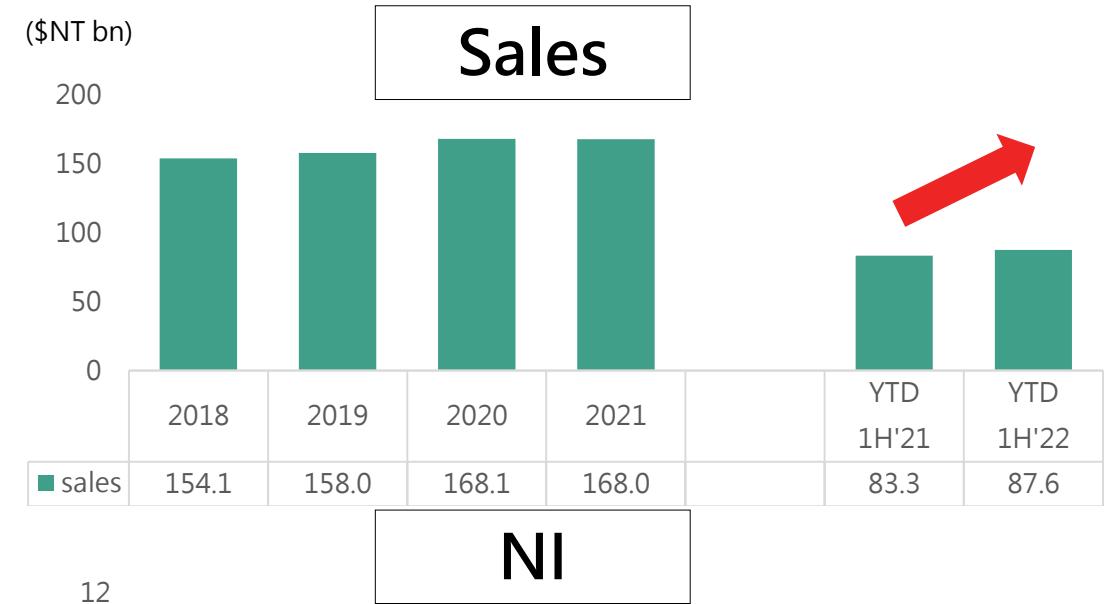
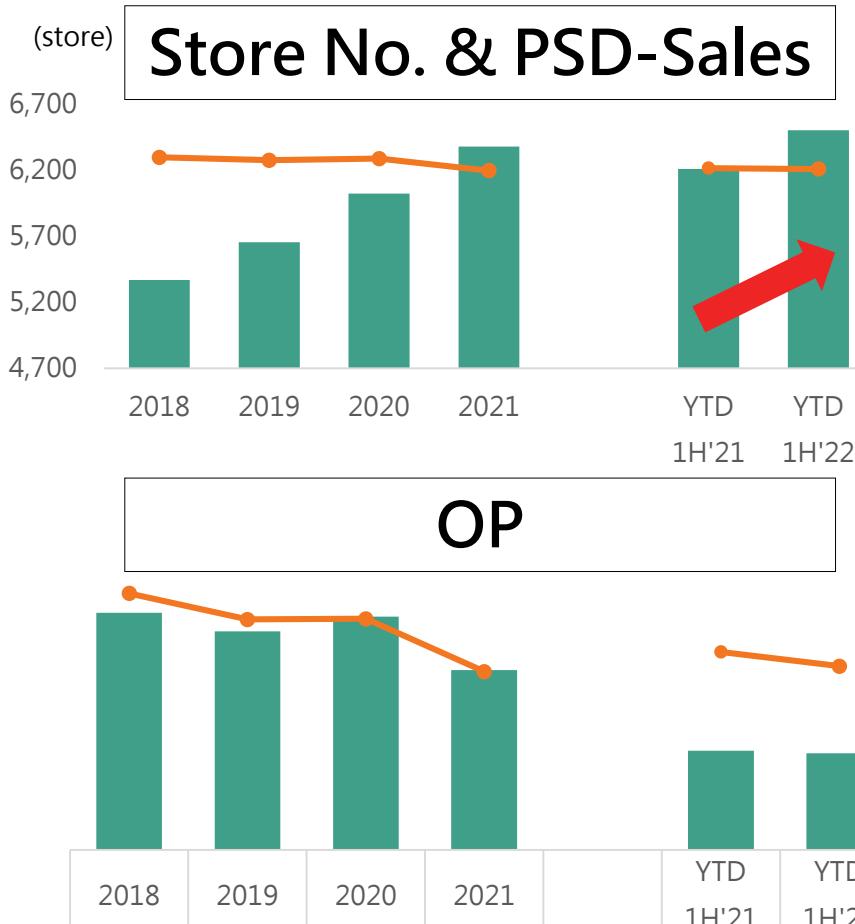
Sales and Profitability (Consolidated)

- 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)

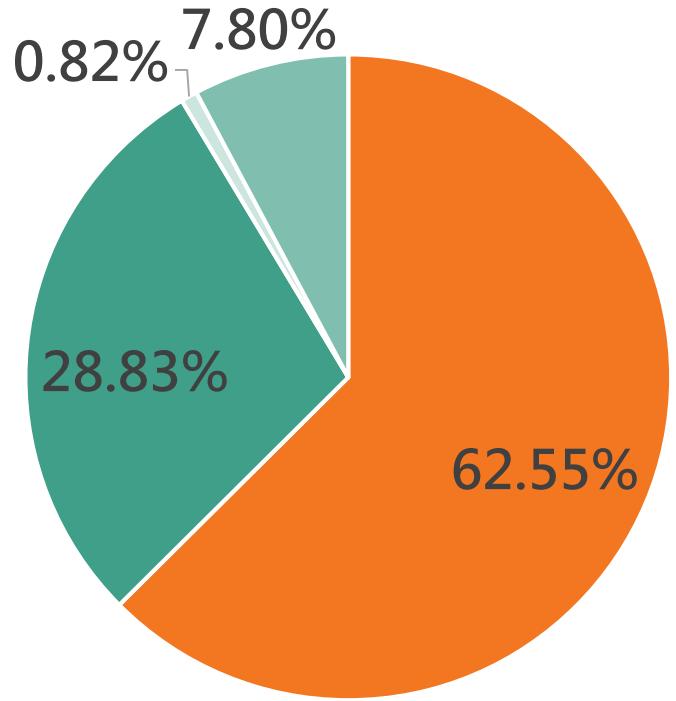
- Taiwan 7-11 has been recovering step by step in 2Q22. Not only the increase of fresh food, CITY CAFE and commission revenue but also the improvement of subsidiaries can drive the increase in sales and profit.
- Some amount of deferred tax liabilities in 1Q21 was reversed due to the injection of oversea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



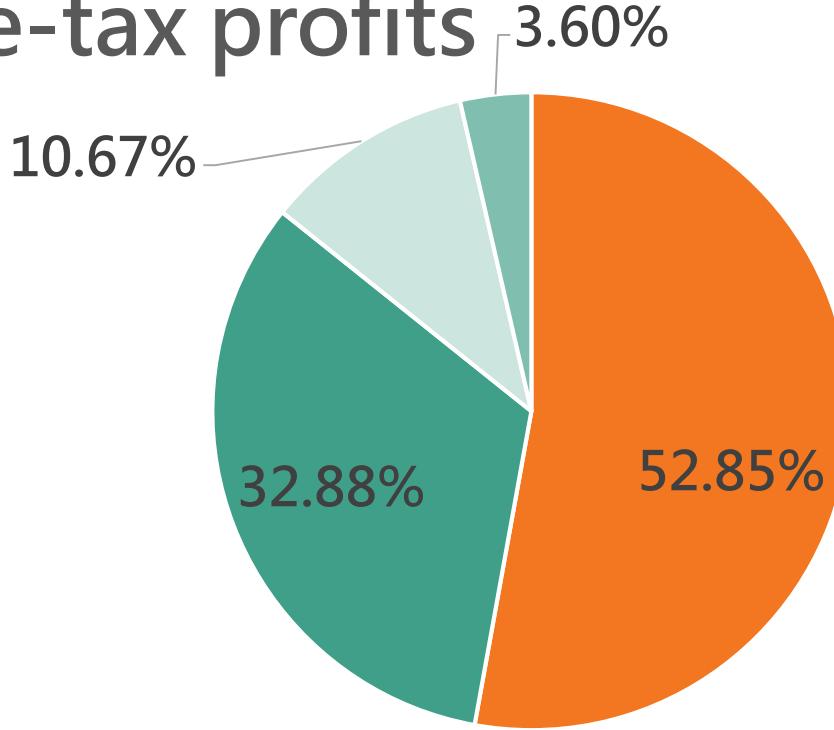
- The operating profit of Taiwan 7-11 has already turned positive growth in 2Q22 and narrowed down to low-single digit decline in 1H22. The situation is improving.

Segment Information

sales



pre-tax profits



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

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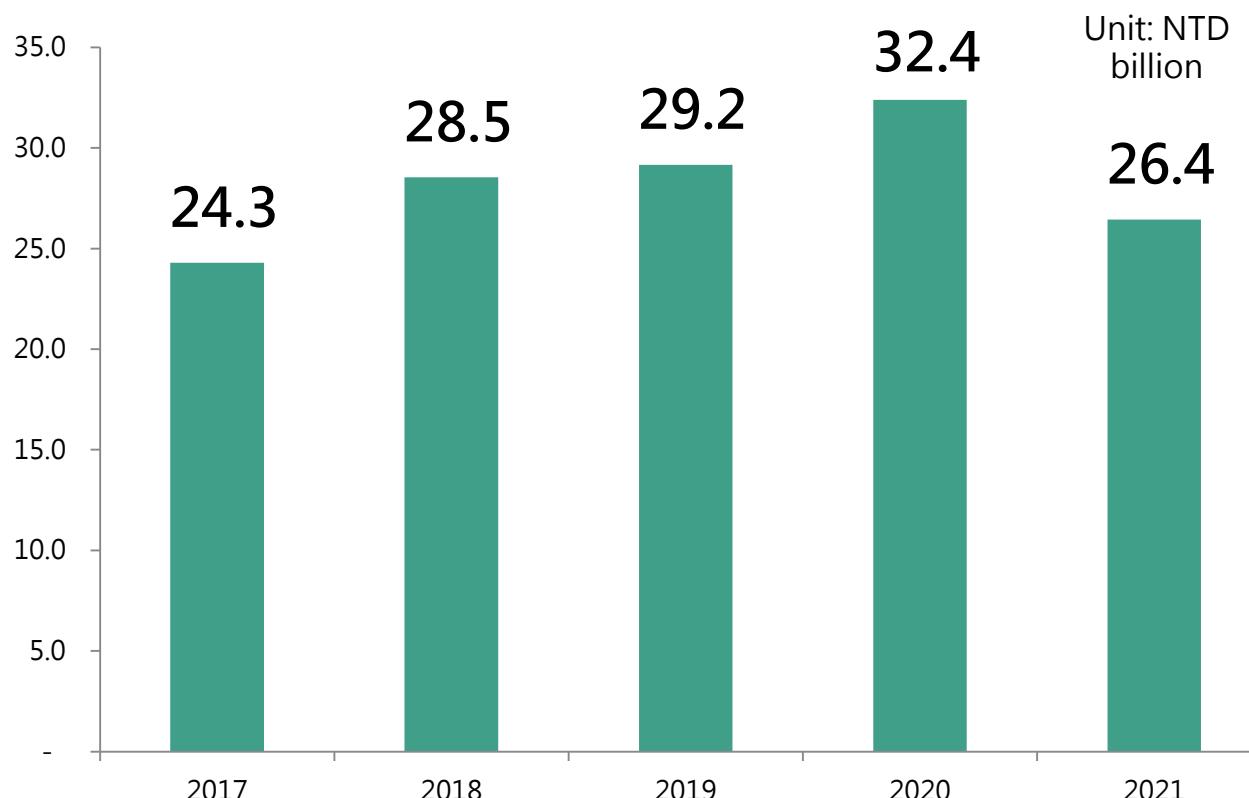
Retail business: Philippines 7-11, Cosmed, Takkyubian(Transnet), Books.com, Mech-President etc.

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

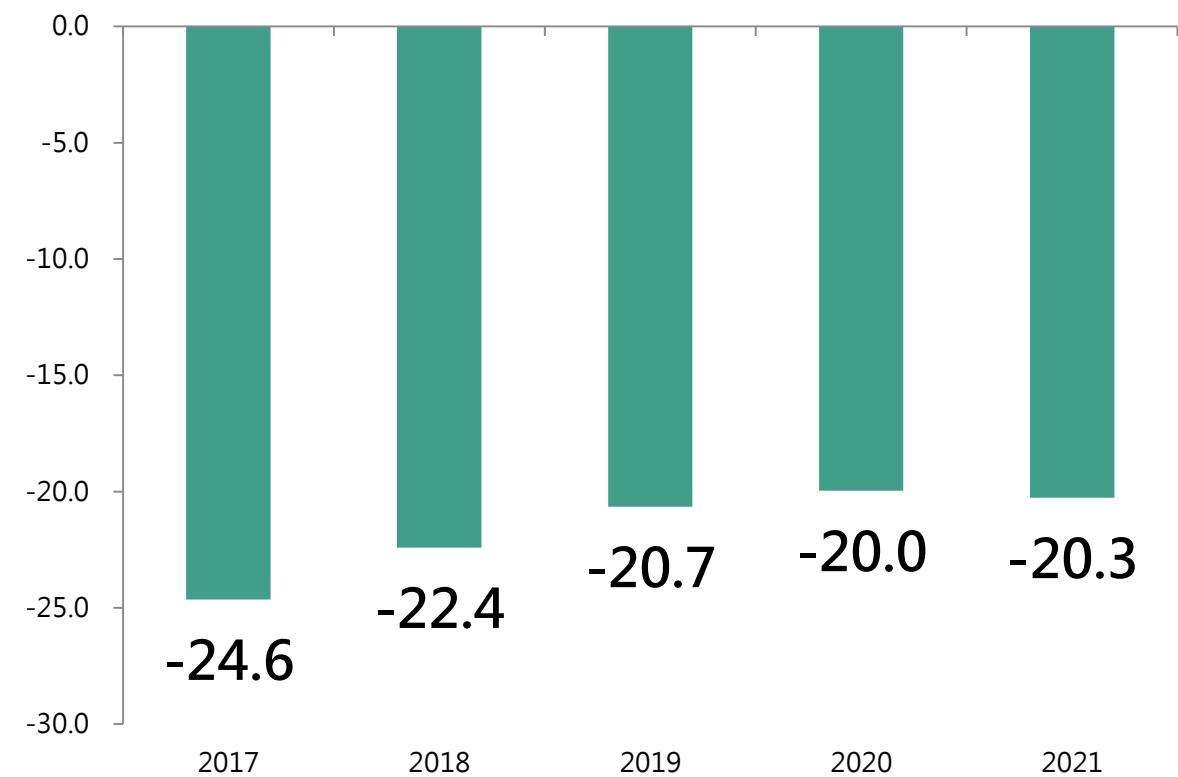
Others: China business, F&B business (e.g. Starbucks) and Support business

Steady cash flow during pandemic

Net Cash
(Consolidated)

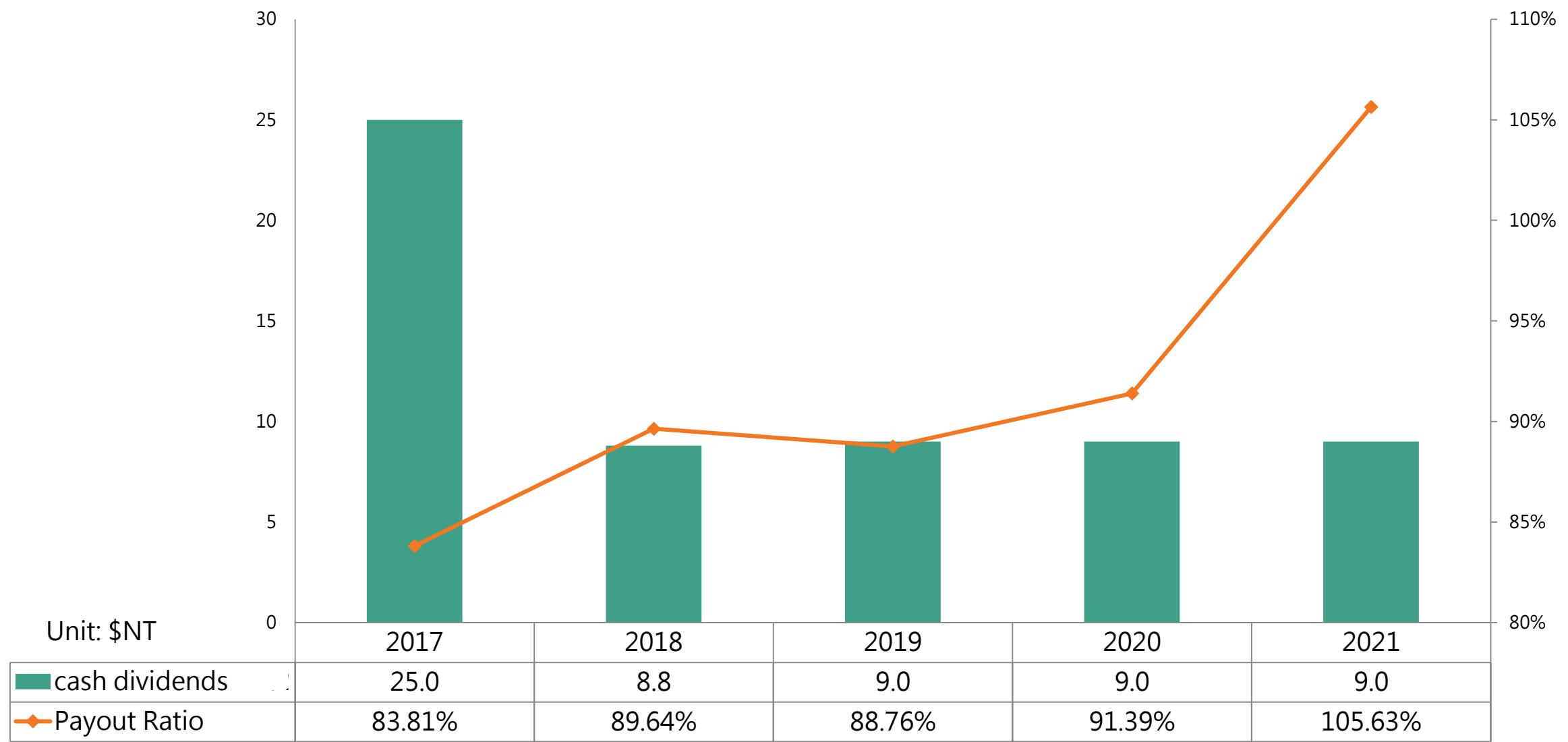


Cash Conversion Day
(Consolidated)



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

Sustainable cash dividend



Outlook

O2O Benefit Maximization; Market Redistribution

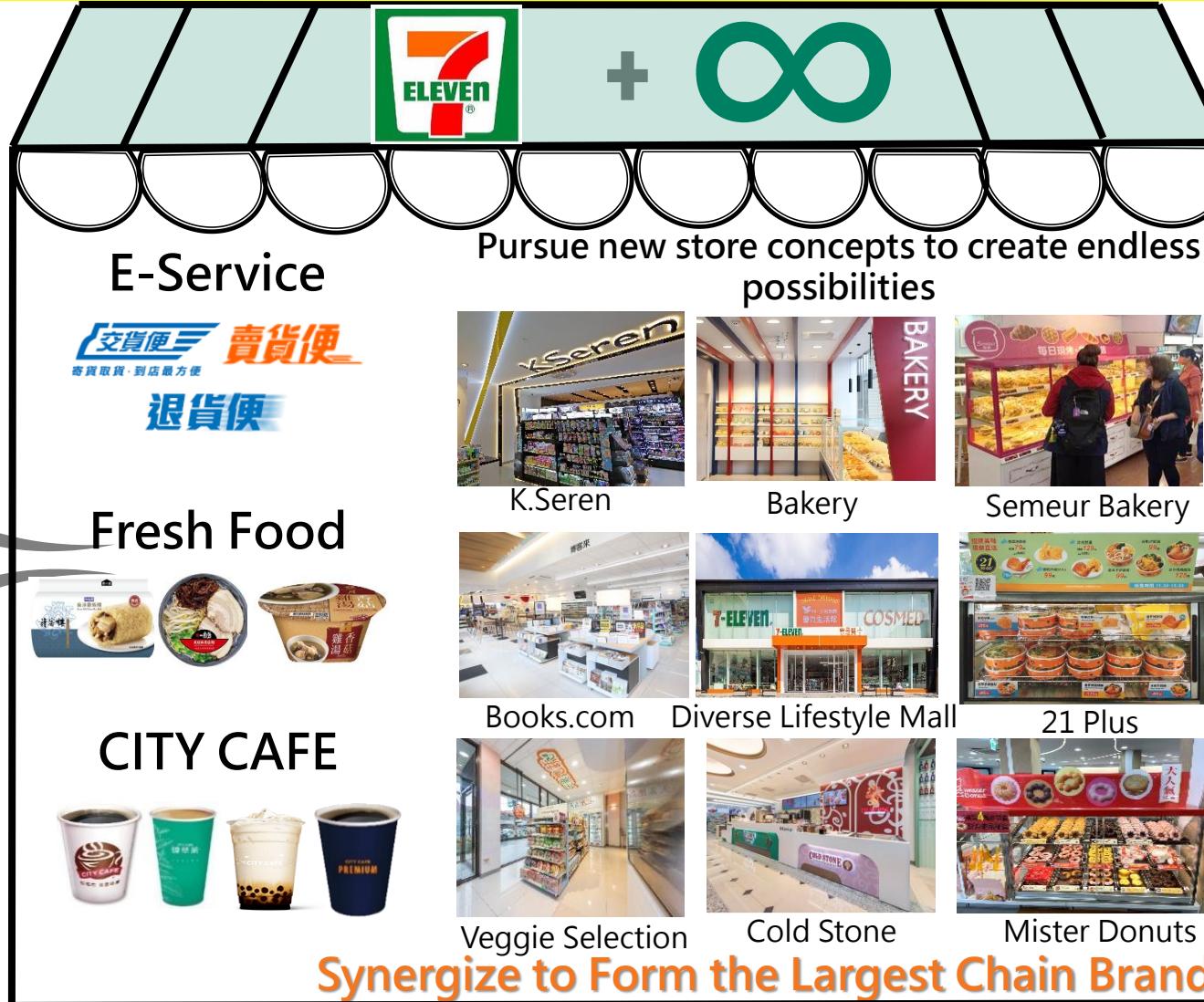
Lifestyle-Based Service Platform That Exceeds Customer Expectations

Satellite 7-11 Stores
Generate Extra Revenues

Intelligent Vending
Machine



Delivery



Innovation and Integration
Attract Consumers to the
Stores

Digital
Platform



行動隨時取
i預購



i划算
LINE



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

competitors' store count 711 store count 711 market shares

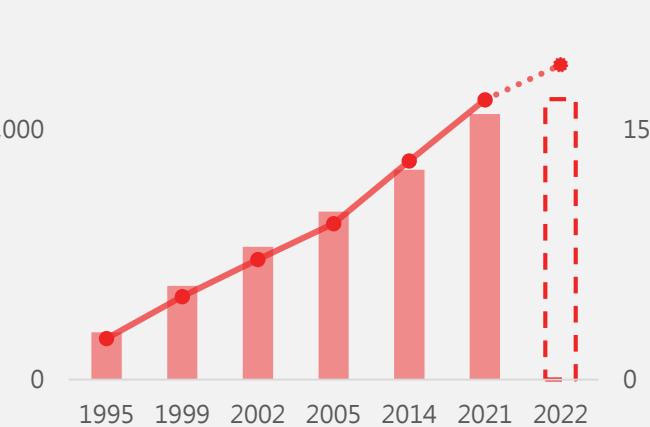
Taiwan 7-11 Market Share



Revenue Growth in Recent Years

Store Count Sales

Store Count & Sales



7-ELEVEN Taiwan Franchisee Overview

Net Increase of store count Franchise Ratio

Franchisee Ratio & Net Increase of Store Count



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

Expanding Out-of-Store Services

Delivery



Intelligent Vending Machine



To be continued...

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



Qualified controlled by labs



CAS Certification
Professional Vegetarian
Production Facility

Grasp Trends

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

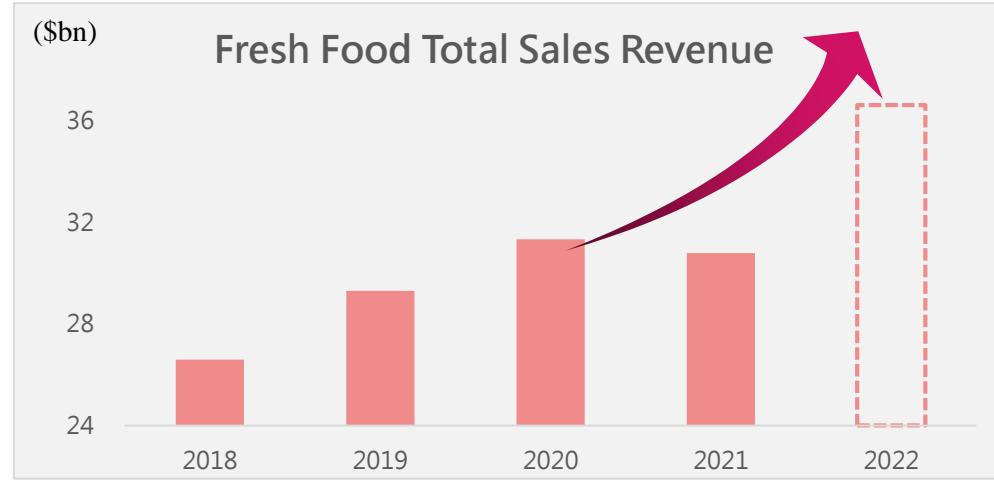


Diversify

- 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

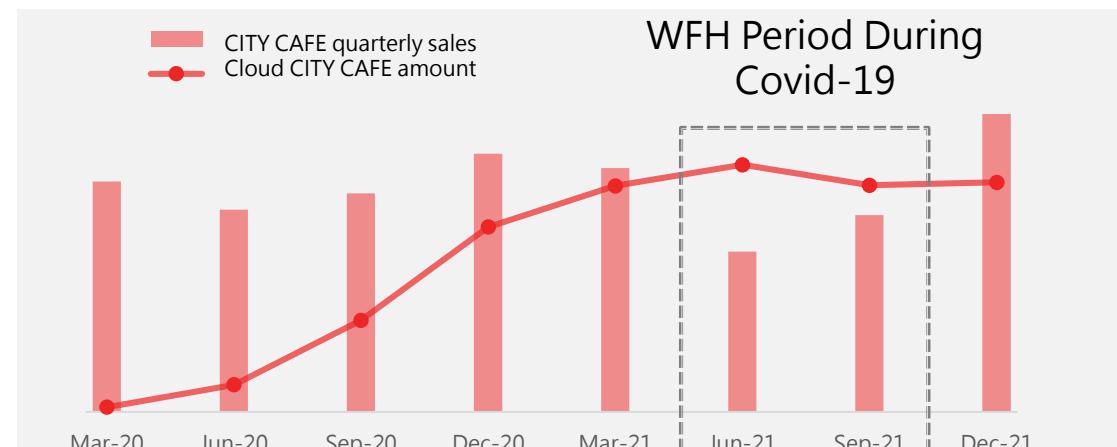
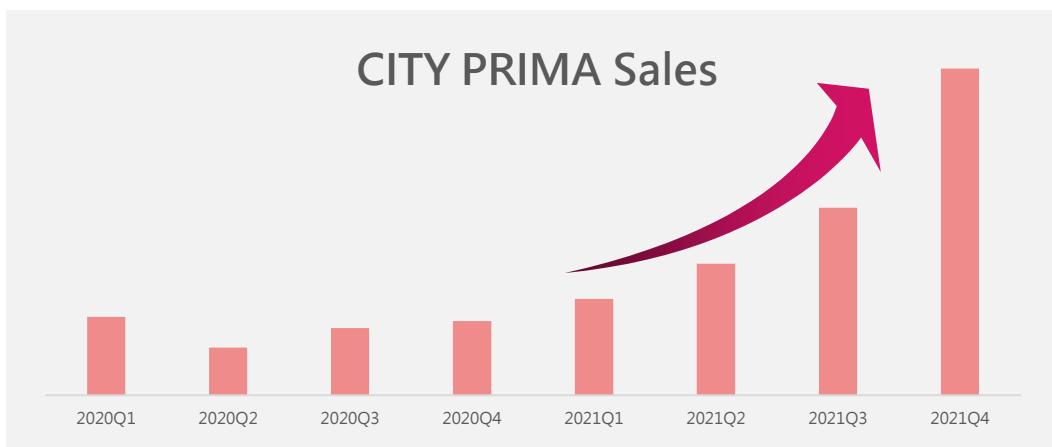


Fresh Food Total Sales Revenue



Safe and Delicious Social Kitchen

Shape CITY CAFE Brand Culture



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

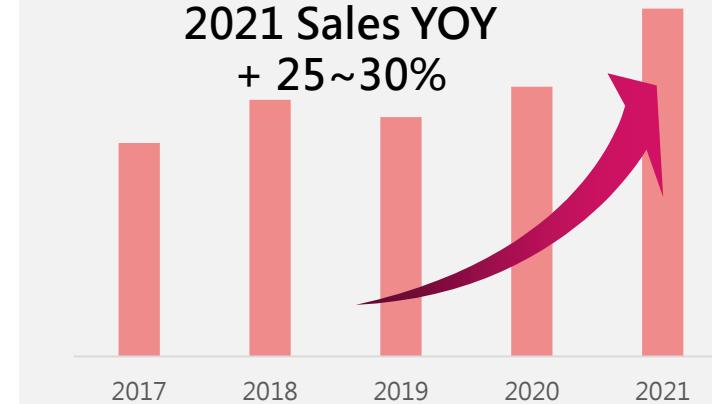
- ✓ Markets of migrant workers
 - Remittance, payment and other integrated services
- ✓ Epidemic New Life Movement
 - Vaccine Appointment
 - Stimulus vouchers; extra-bonus vouchers

Resource Integration

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

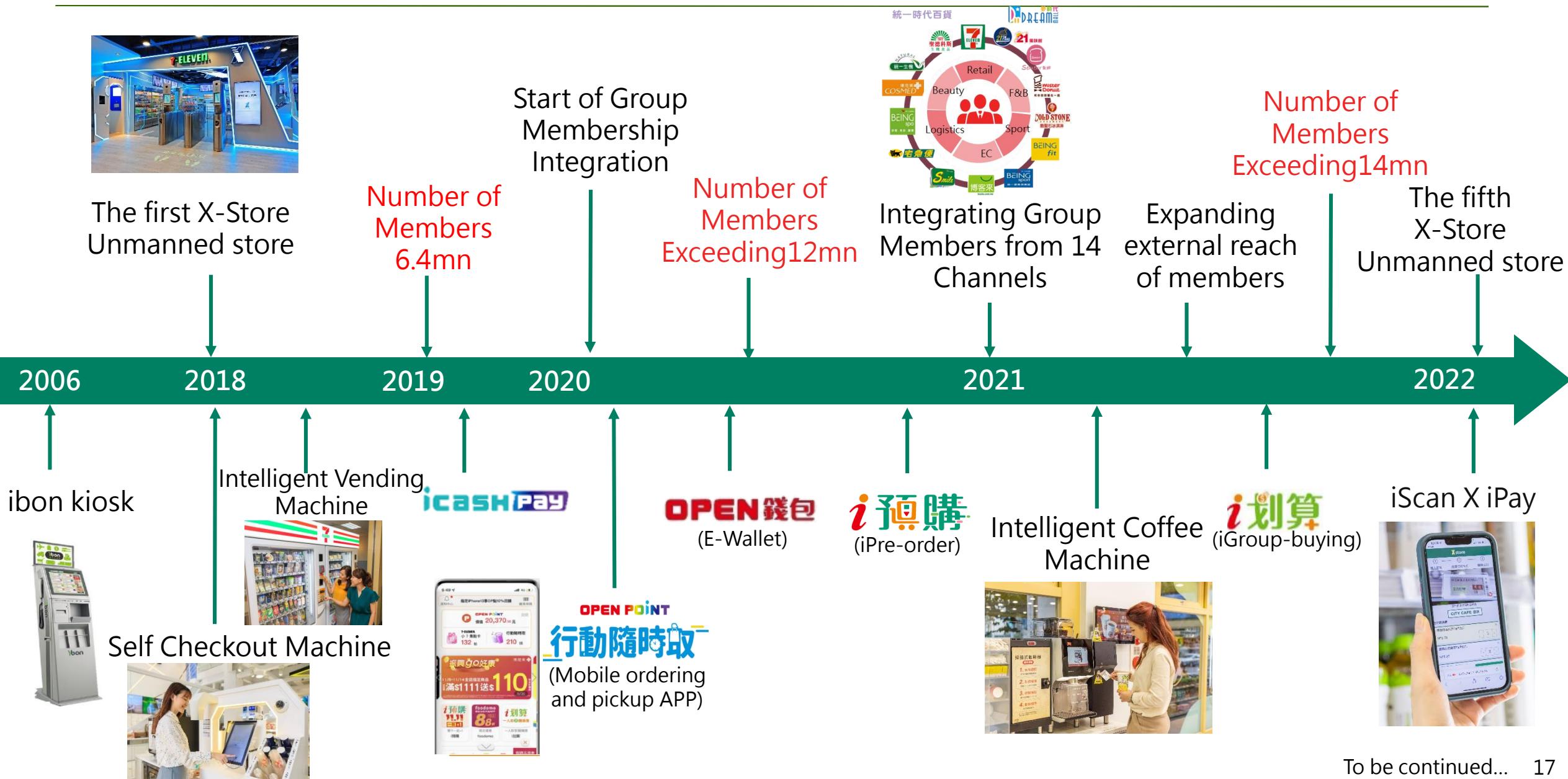
E-Service Commission Revenue

2021 Sales YOY
+ 25~30%



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

Digital Evolution; Innovation Breakthroughs



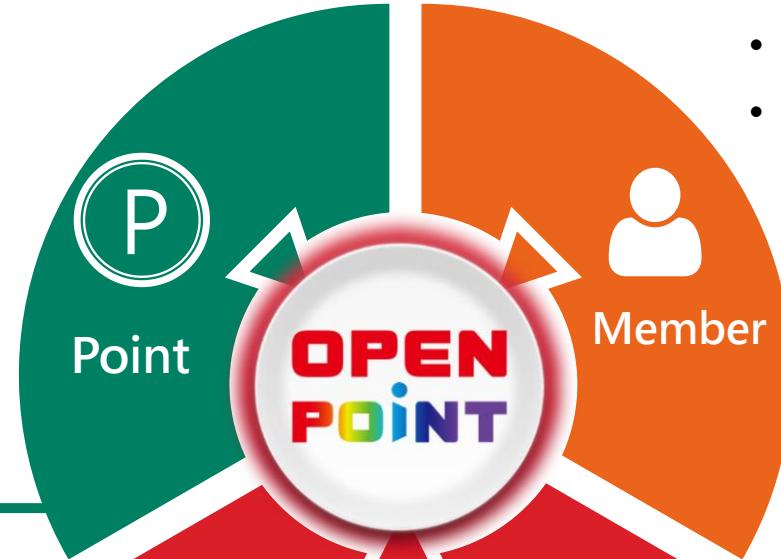
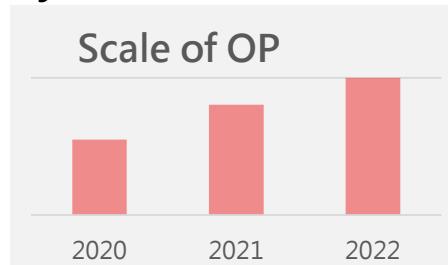
To be continued...

Create Comprehensive Digital Service Platform

OPENPOINT Ecosphere

Member Contribution UP

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



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

- Product development
- Subscription plan

i預購
(iPre-order)

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

i划算 +1
(iGroup-buying)

- Group buy +1
- Remote area shopping service

Precision marketing

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



2021 Member Contribution

50% ↑

2021 Active Member%

40~45%

Pre-order + community platform

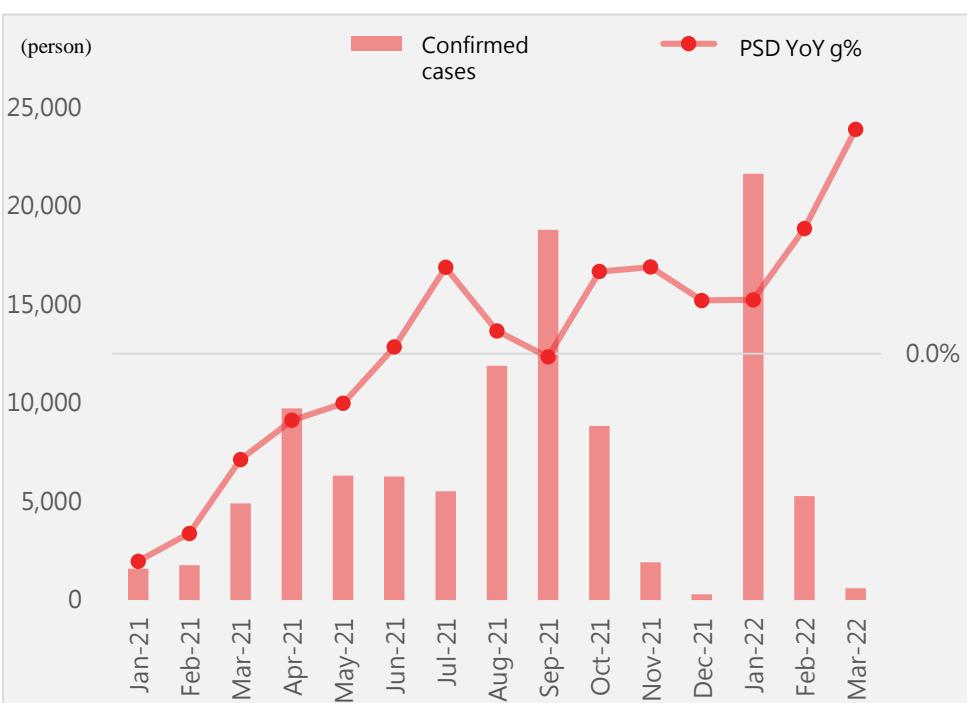
- Boost usage through digital tools
- Continues to develop new features and optimize the experience



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 ecosystem

- 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

Disposable plastic accounts for <20%

2023

Package material reduction

Reusable Cups/Rental Cups



Disposable plastic accounted for <10%

2028

Complete elimination of disposable plastics

2050

Plastic Bottle Recycling Machine

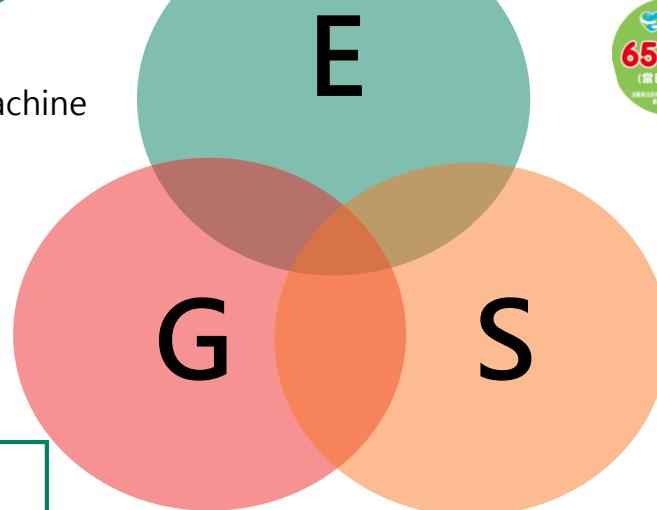
Reusable online shopping delivery bags



- 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

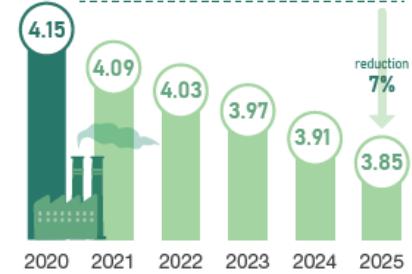
- Launch Leftover iLove Food Map
- Reduce waste; recycling of food waste



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



The End
