

**President Chain Store Corp.**

**2912 TT**

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# 2022 FY Highlights and Results

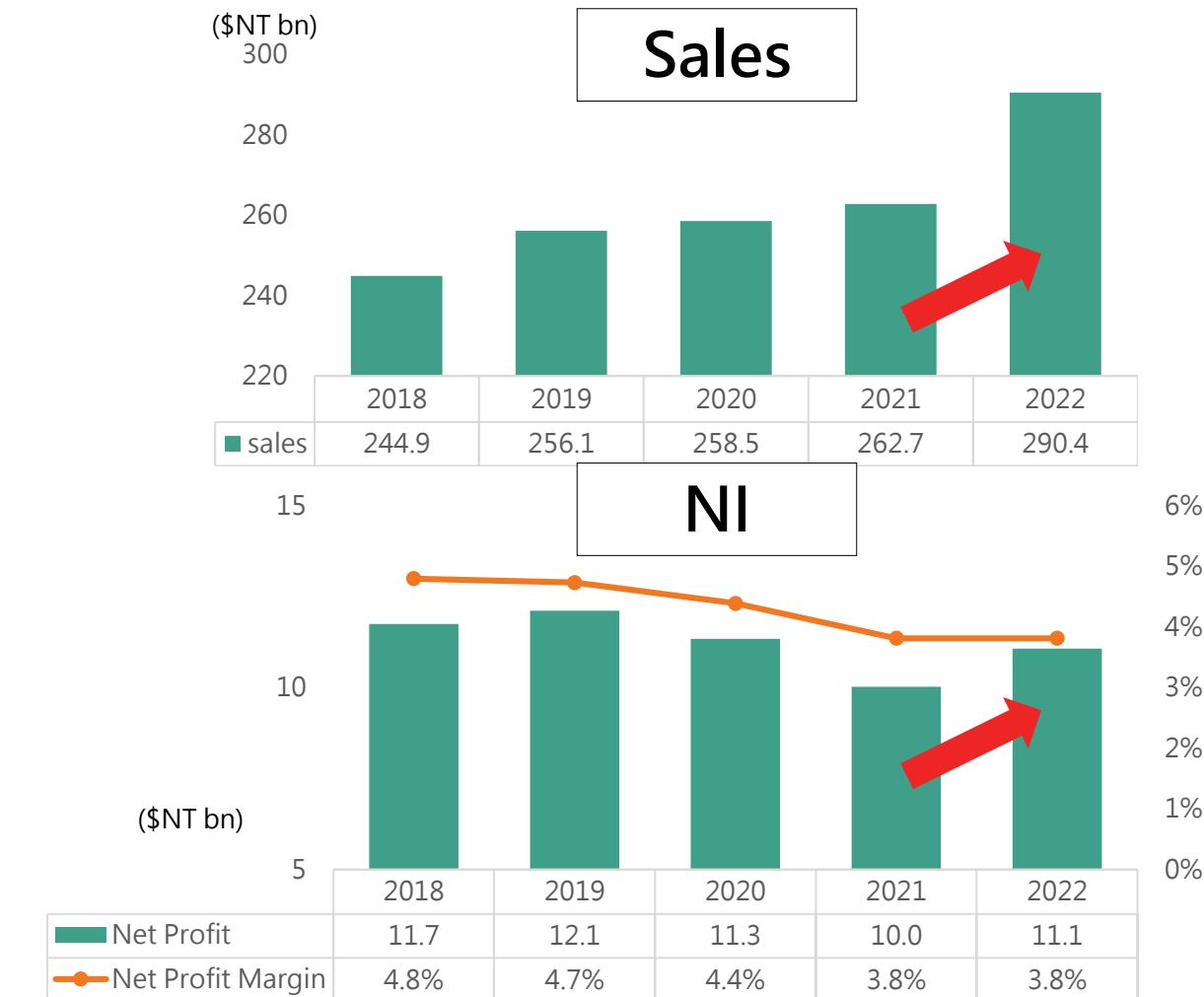
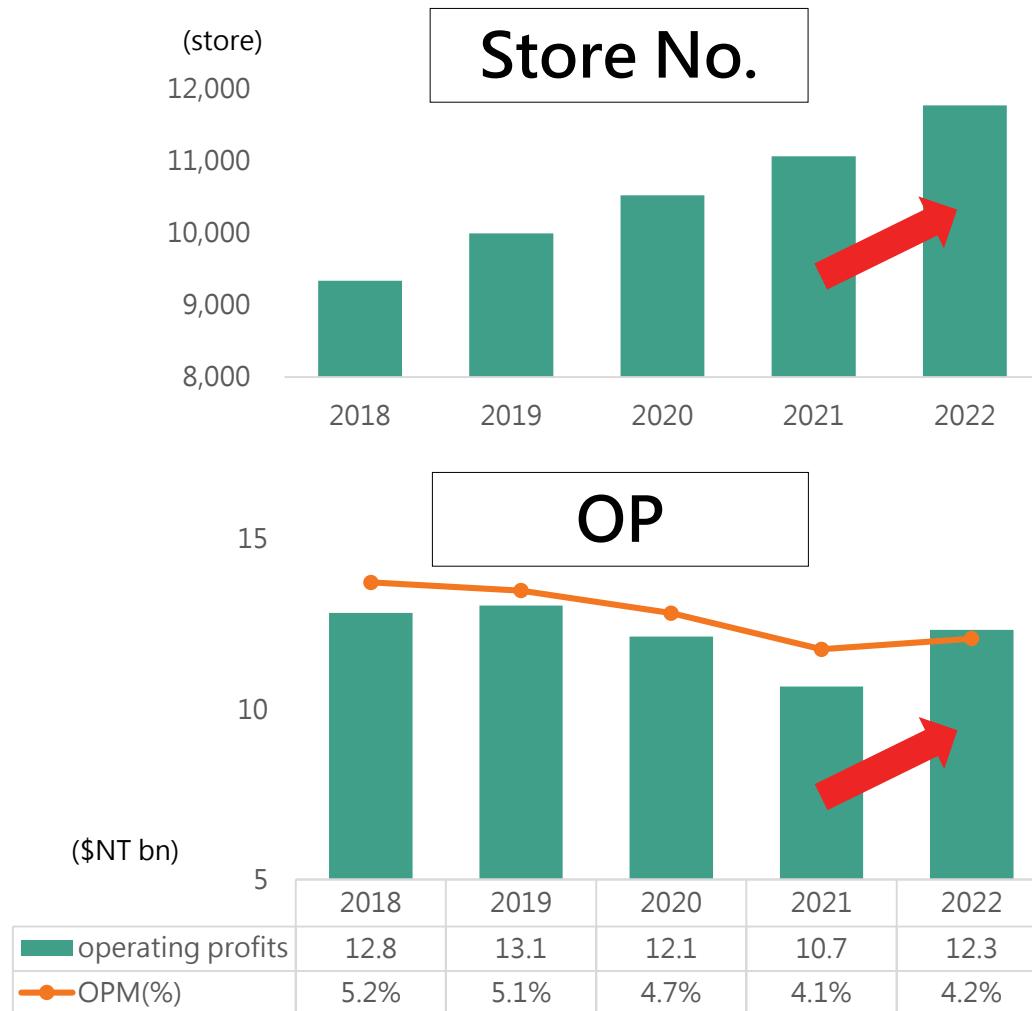
# Historical financial results

Unit: NTD billion	2018	2019	2020	2021	2022	YOY
Revenue (Company Only)	154.1	158.0	168.1	168.0	182.9	8.8%
Revenue (Consolidated)	244.9	256.1	258.5	262.7	290.4	10.5%
Profit attributable to owners of the parent	10.2	10.5	10.2	8.9	9.3	4.7%
EPS (NT\$)	9.82	10.14	9.85	8.52	8.93	4.8%

- The revenue and profit in 2022 increased mainly due to the store expansion and the increase of PSD-sales in Taiwan 7-11, as well as the steady recovery of subsidiaries which include Philippines 7-11, COSMED, and Starbucks.

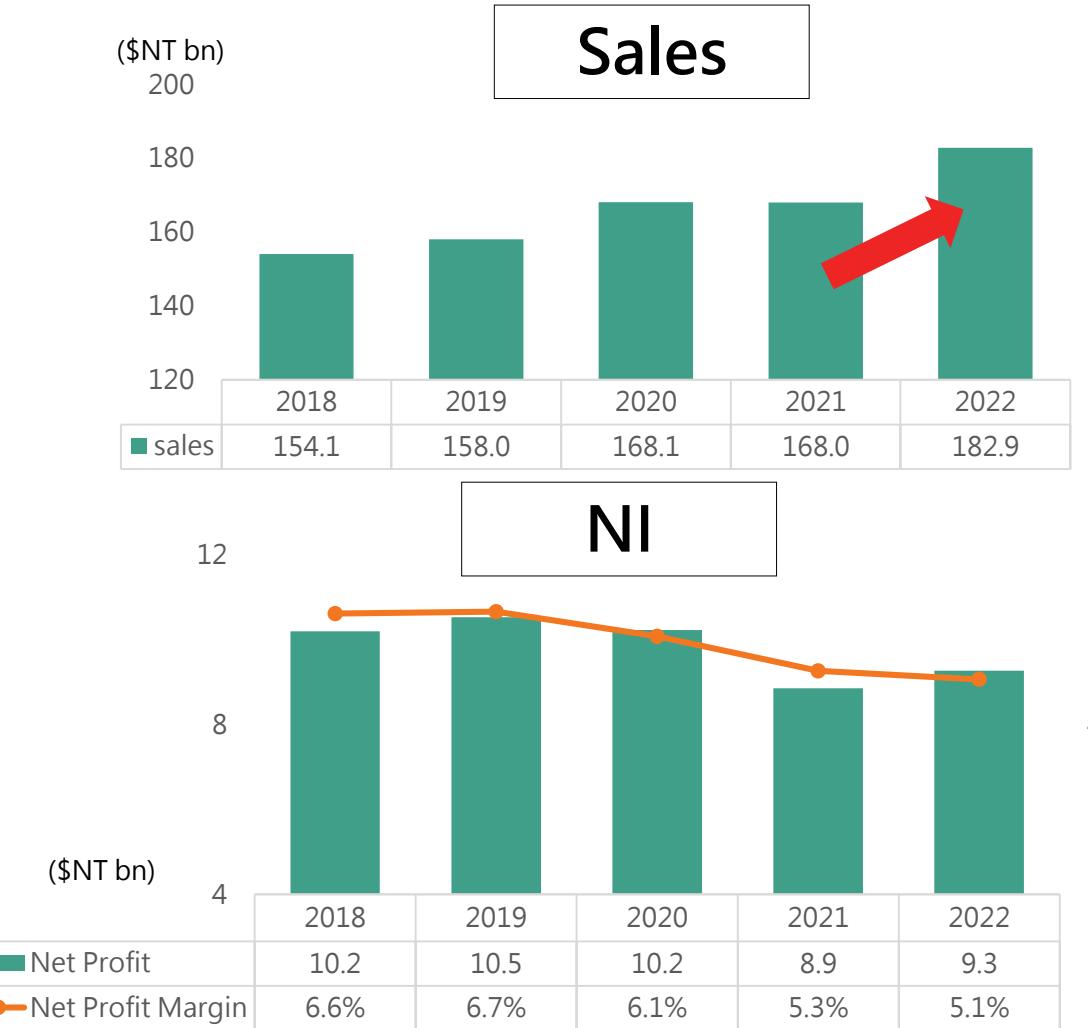
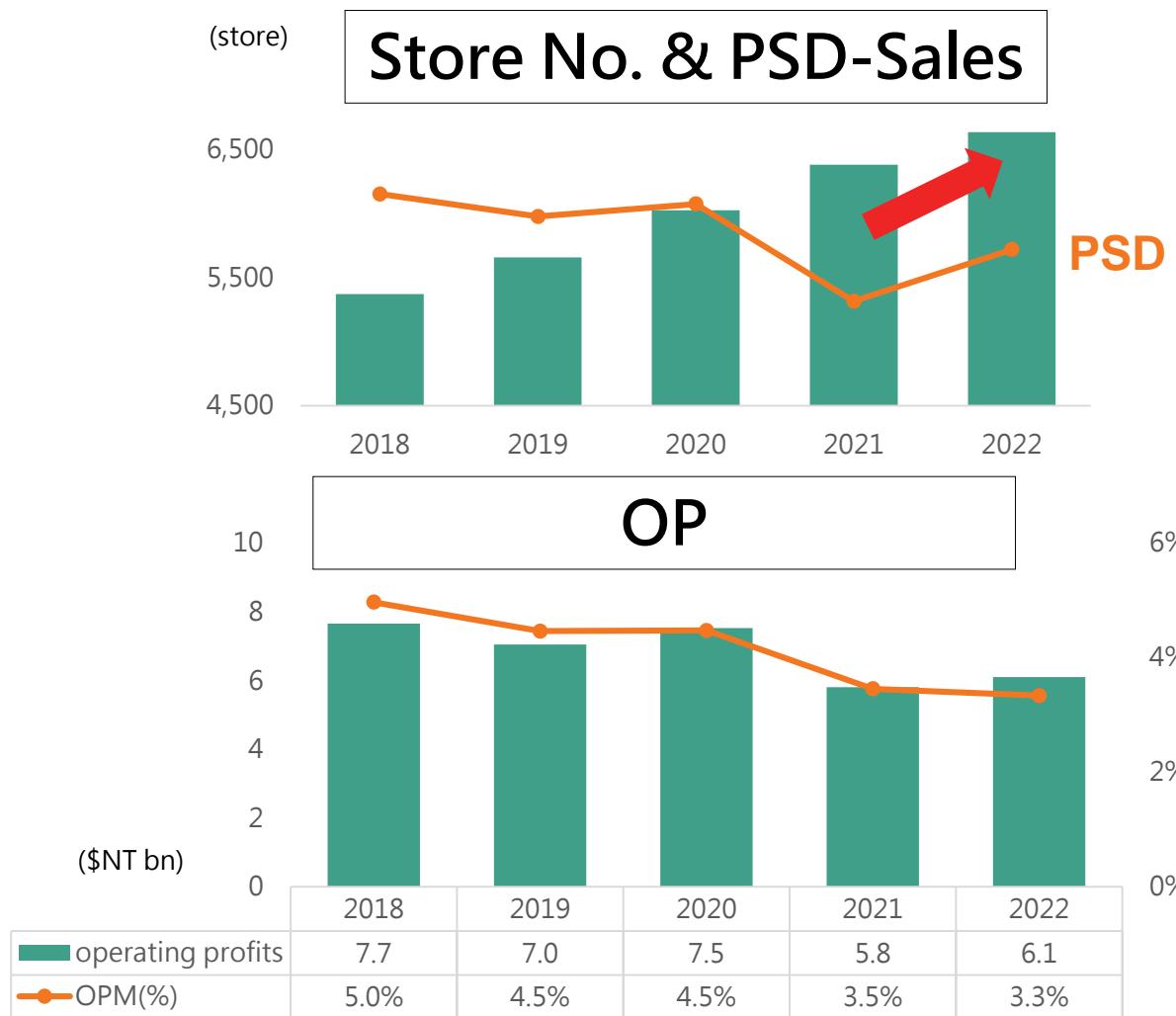
# Sales and profitability (consolidated)

- The revenue and operating profit in 2022 increased. The Group have gradually shaking off the impact of pandemic.
- Some amount of deferred tax liabilities in 2021 was reversed due to the injection of oversea subsidiaries, so the tax rate last year was lower.



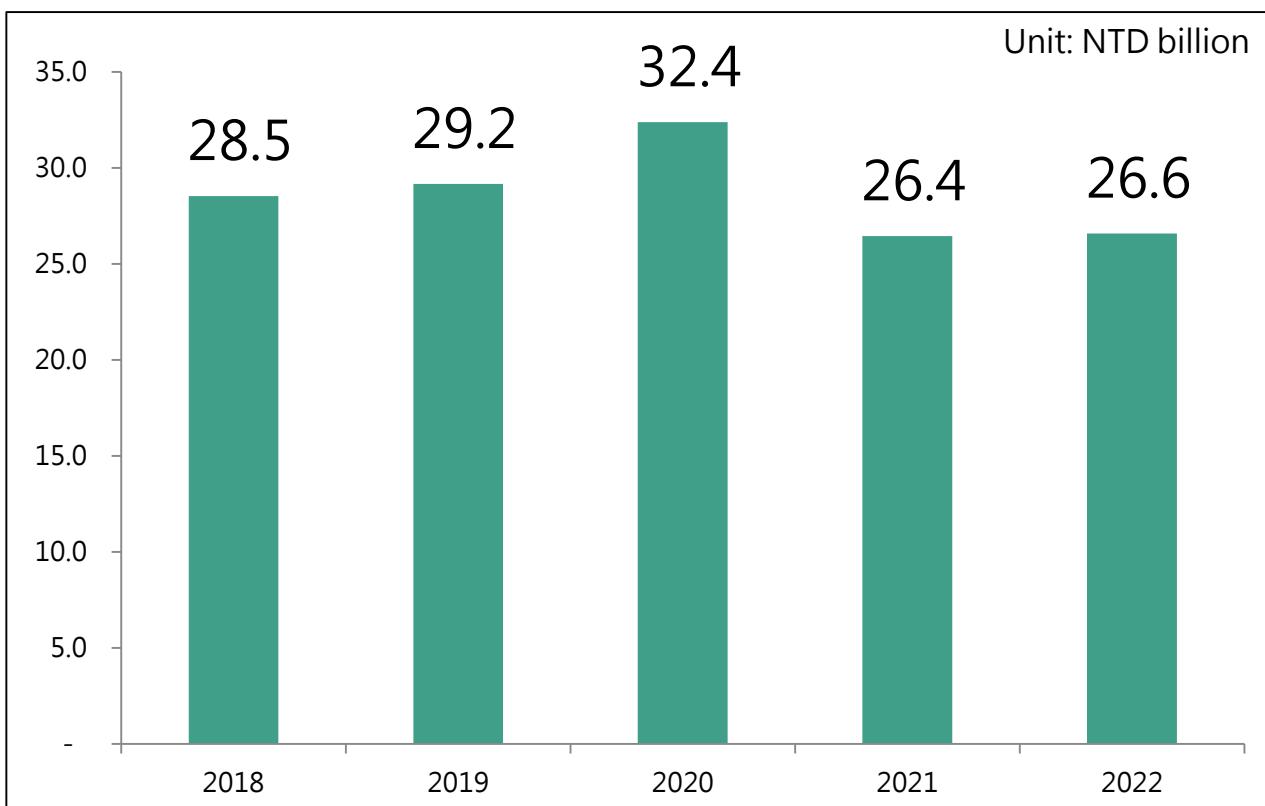
# Sales and profitability (parent)

- The PSD-sales of Taiwan 7-11 increased YoY and quarter by quarter and was driven by differentiated products like fresh food and CITY CAFE. And with store expansion, the total sales can be enhanced.
- The FY profit raised thanks to the growth of Taiwan 7-11 and the recovery of subsidiaries.

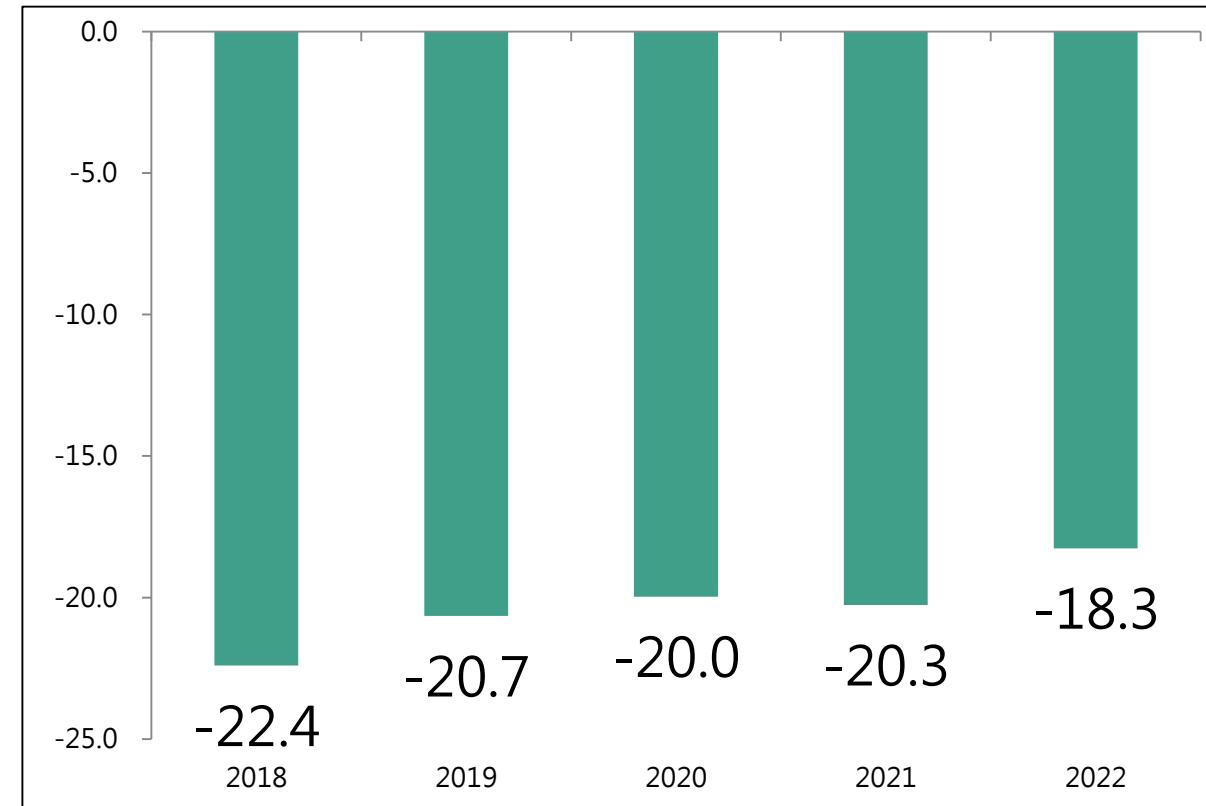


# Steady cash flow during pandemic

Net Cash  
(Consolidated)

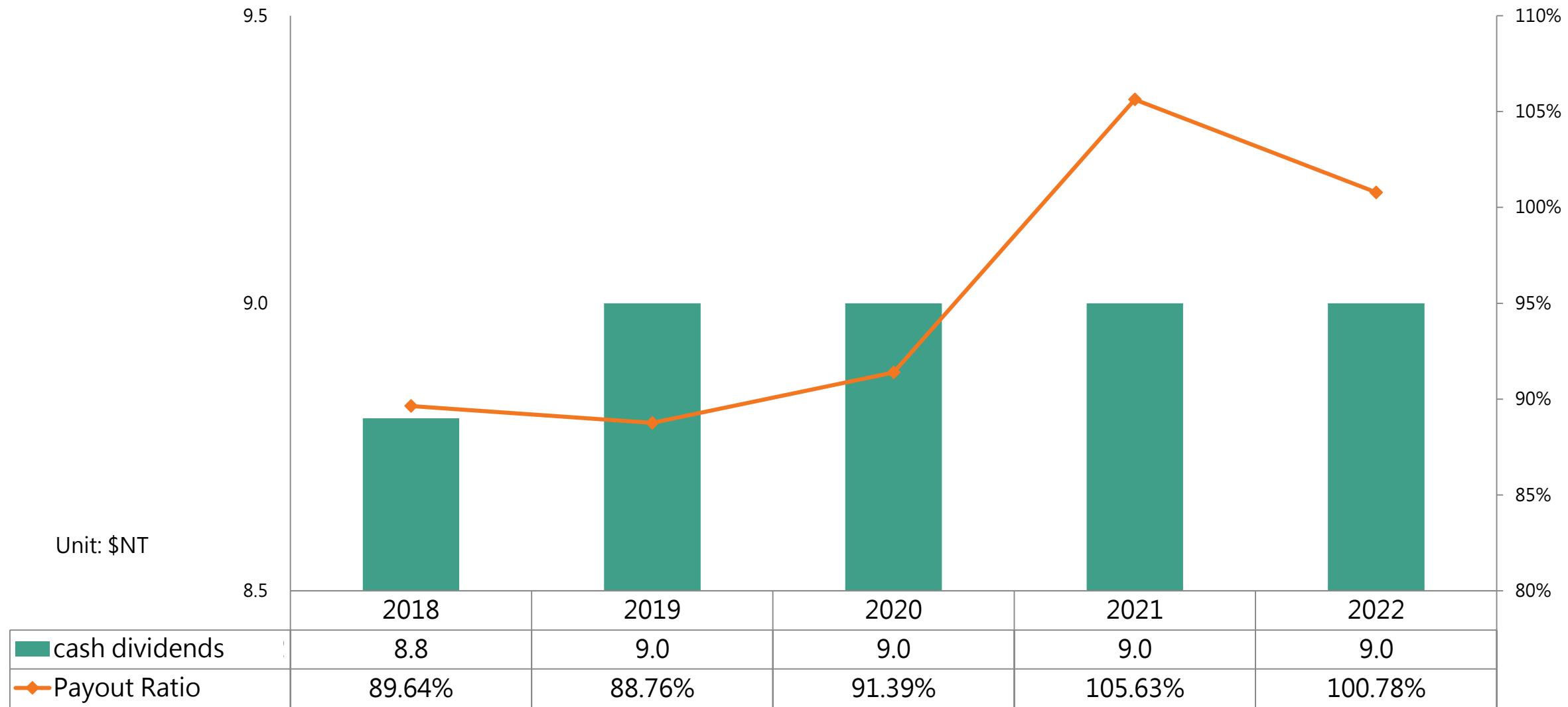


Cash Conversion Day  
(Consolidated)



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

# Sustainable cash dividend



Note : 2022 cash dividend has not been approved by AGM.

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# Outlook

# Innovation, improvement, and integration to focus on sustainable operations

## A Lifestyle Services Platform Beyond Customer Expectations

### Basic + Integration



- Store quality improvement
  - Store performance ↑
- Group logistics integration
  - Delivery efficiency ↑



### Growth Momentum



- Continuous expansion and diverse range of stores
  - Large stores and lifestyle stores
  - Joint expansion combining CVS and drugstore
- Optimized product combinations and services
  - Fresh food, coffee, E-Service
  - New trends (global purchasing, pets, etc.)



### Offline



### Online

### Sustainable Operations

- Support partners for mutual benefit
- Use smart technology to prepare for the future
- ESG initiatives for change



# Store operation

## Strengthen distribution and improve operation efficiency

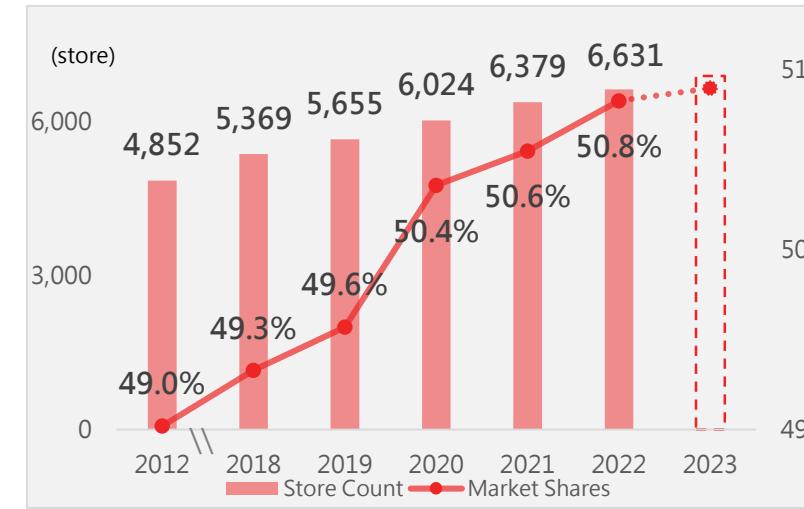
Joint expansion to solidify leadership

Post-pandemic recovery and surpassing pre-pandemic performance

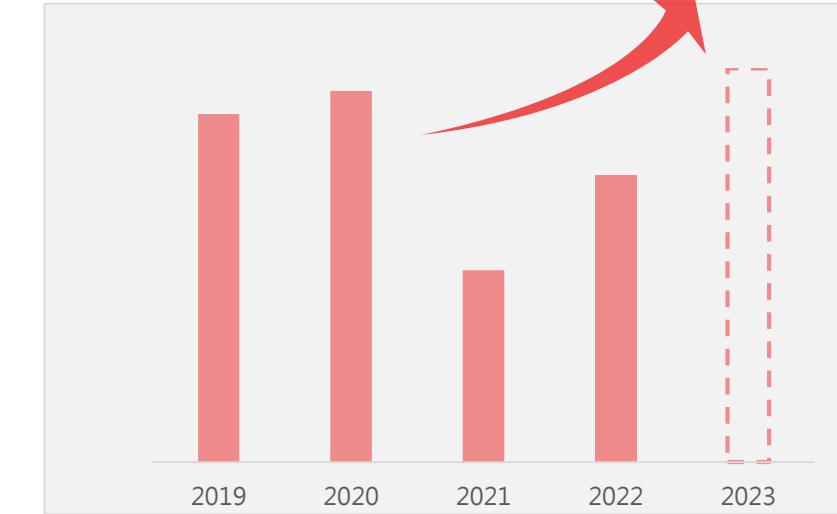
Franchise system to support franchise partners

Strengthen the stabilization of franchise ecosystem system with more multi-store partners

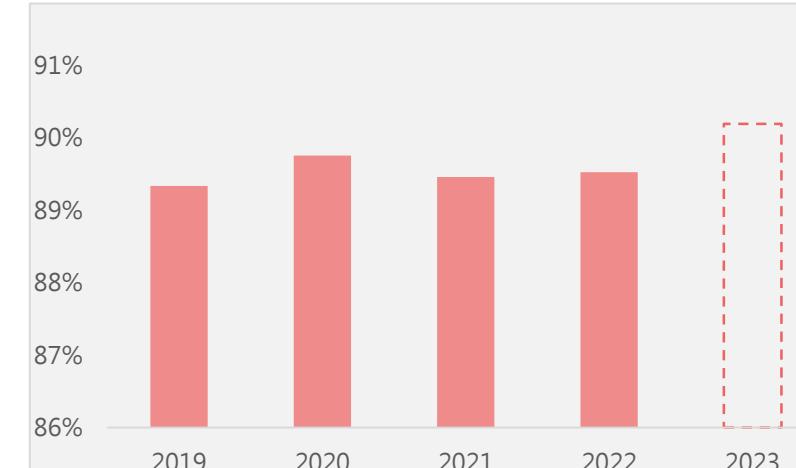
7-ELEVEN Taiwan No. of Stores and Market Share



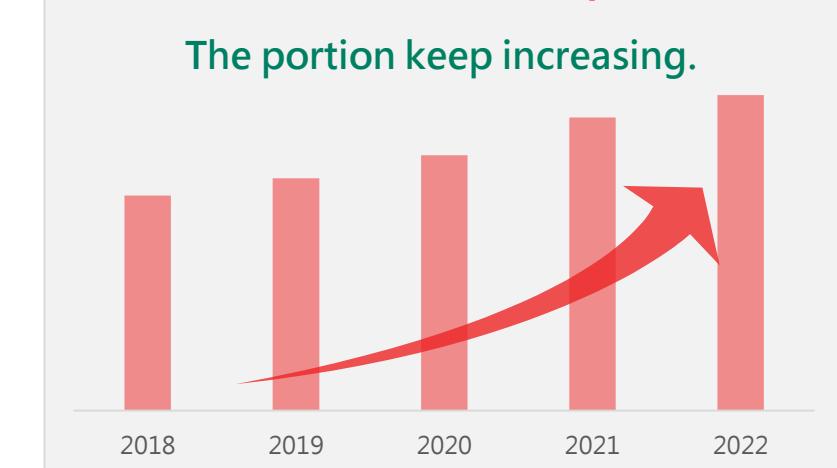
7-ELEVEN Taiwan PSD-Sales



7-ELEVEN Taiwan Franchise Ratio



7-ELEVEN Taiwan Portion of Franchisees w/ Multiple Stores



# Diverse store types

Meet variety of needs in different scenario

## 7-ELEVEN X Food Service

Mister Donut (donuts), COLD STONE (ice cream), 21 Century (roast chicken), Semeur (bakery products), Juice Bar, Veggie Selection, etc.



## 7-ELEVEN X Technology

Use digital technology to enable self-serve and extend service outside store locations, building smarter lifestyles.

(6<sup>th</sup> Unmanned Store)



(Intelligent Vending Machines)



## 7-ELEVEN X Lifestyle Elements

K.Seren (cosmetics), Paid Business Private Room, OPEN!MART (fresh groceries), Books.com(books), etc.

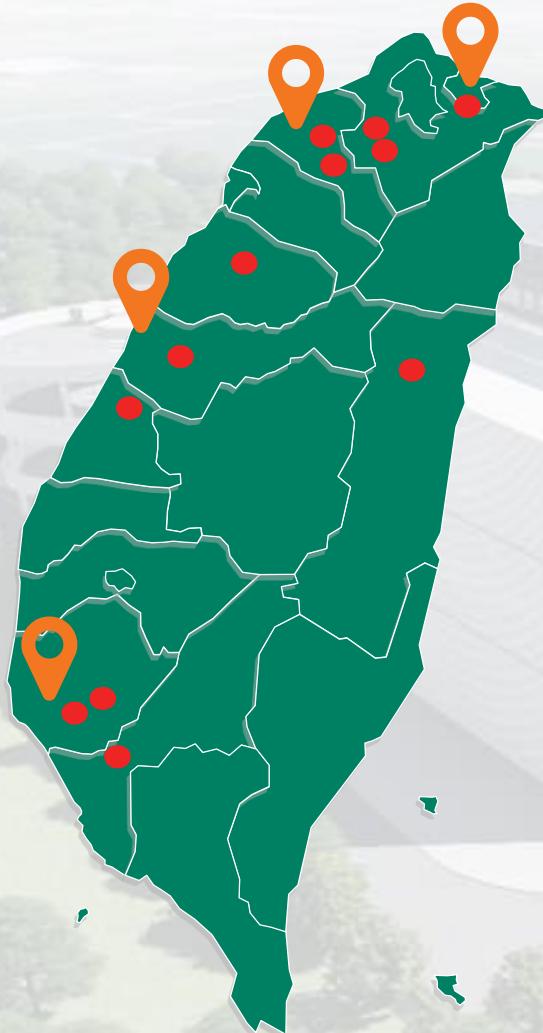


## 7-ELEVEN X COSMED

Positioned as a "Retail+Experience" location to give customers a whole new shopping experience.



## Enhance capacity and distribution efficiency



### Specialization & Concentration

**Distribution Efficiency UP ↑**



Wisdom  
Distribution  
Service  
Corp.



Retail  
Support  
International  
Corp.



Uni-President  
Cold-Chain  
Corp.



President  
Transnet  
Corp.  
,etc.

### Automated Equipment

**Technology Application UP ↑**



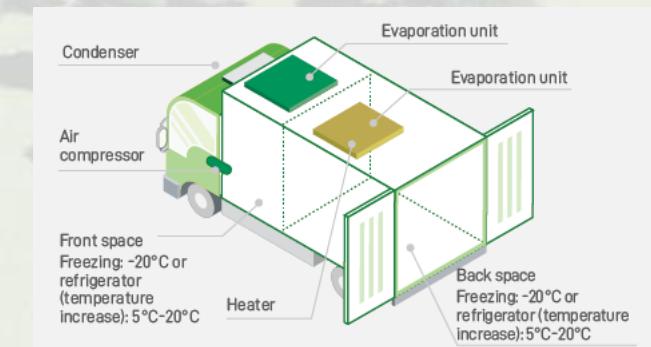
### Build New DC

**Capacity UP ↑**

- Keelung 、 Taoyuan  
Aerotropolis Zone 、 Port of  
Taichung Zone 、 Xinshi  
Logistics Park
- Gradually put into use within 5  
years.

### Green Logistics

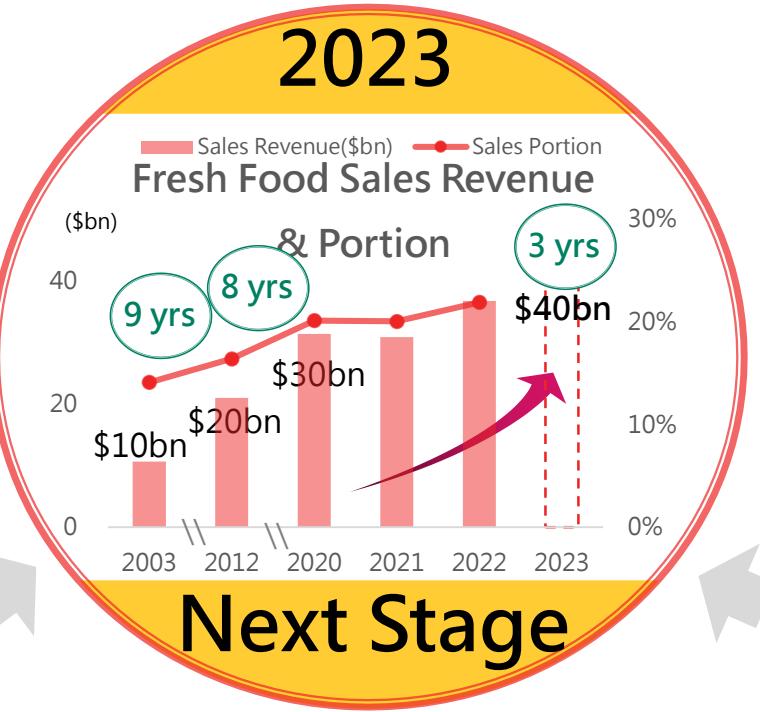
**Sustainable Operation UP ↑**



## Respond to customer preferences

### Seize New Trends

- Trend for health and fitness
  - Simple fit
  - Fresh groceries and fruit
- Side dishes and soup with meals
  - Opportunities for extra purchases between meals



### Strengthen Quality

- Improve supply chain capacity and logistics distribution
  - Automation and AI support
  - Rice cooking equipment and rice frying technique improvements
  - Fresh, fast and flavorful
- Food safety first, more healthier and natural
  - Quality controlled by labs



星級饗宴  
★ STAR RATED CUISINE ★



### Build Brands of Fresh Food

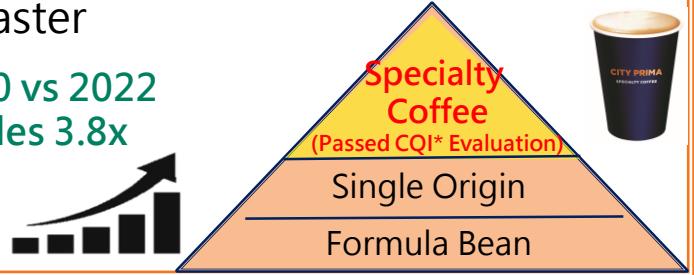
- Star rated cuisine: Expand co-branding and improve flavors!
- Exotic cuisines: Ohlala (pasta brand), Panini as demanded by younger customers.
- Veggie selection: Differentiated & exclusive product line.



### Brand Value Creation

- Continue to upgrade beans and machines
- Second growth curve w/ CITY PRIMA
- Brand value promoted by coffee master

2020 vs 2022  
Sales 3.8x



\*CQI: Coffee Quality Institution

Noted: CITY PRIMA video : [https://www.7-11.com.tw/company/ir\\_en/cityprima.html](https://www.7-11.com.tw/company/ir_en/cityprima.html)

### Innovation and Expansion

- New flavors: Attract young customers
- Ice machines: Increase margin and reduce plastics
- City Tea: Expand into tea drinker market



### More Channels

- Digital platforms: Mobile ordering and pickup APP and subscriptions
- Intelligent coffee machine: Steady expansion across commercial districts
- Delivery platforms: Expand sales



CITY CAFE  
Launch

500 Million  
Revenue

10 Billion ↑  
Revenue

2015

13 Billion ↑  
Revenue

2018

14 Billion ↑  
Revenue

2019

Mobile  
Ordering and  
Pickup Service  
Launch

15 Billion ↑  
Revenue

2022

Reach  
record high  
and keep  
growing

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# Services platform

## New innovation services and connect EC & customers

### E-Commerce Package Platform

- Self-operated platforms
  - Ranked No.2 in all parcels
  - Package growth rate > 50% (MyShip)
  - Build an integrated platform
- Cold-chain pickup service (B2C, C2C)
  - Building a second growth curve
- Logistics integration
  - Improve distribution efficiency



### Expansion of Services

- International services
  - Money transfer service for worldwide worker (collection service)
- Expanded services
  - More fee collection service (management fees, long-term care fees, etc.)
  - Digital bill collection services
  - ibon machine: Over 1,600 services now; future camera feature to enable more.

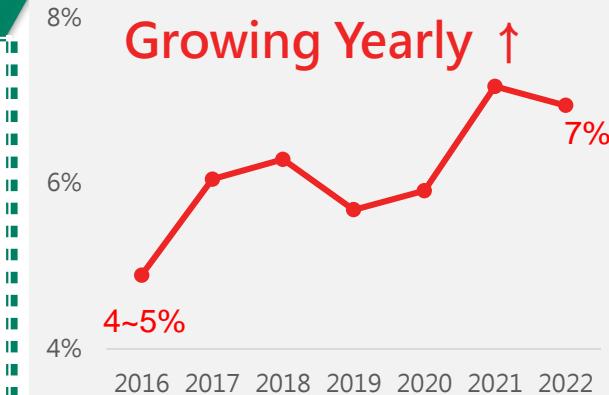


(ibon machine function)



(digital bill collection in APP payment service)

### Commission Revenue of Total Sales(%)



### E-Service Commission Revenue



Note: Shopee phased out free delivery for the customer starting in 2018.

Year	2018	2022
Members	3.2 million	Over 15 million
Cashless payment%	20%	30~35%
Cashless payment tools	IC cards (including icash card), QR code payment, some credit cards, etc.	IC cards (including icash card), QR code payment, credit cards, OPEN Wallet, icash Pay, foreign payment methods (Alipay, WeChat Pay), etc.
OPEN Point usage/Points redeemed	Only 7-Eleven Taiwan/ 500-550 million points	Over 30 channels for using points, including gifting and spending points toward bills/ 2.5-3 billion points
OPEN POINT APP features	Basic features	Mobile ordering and pickup APP(pre-orders for coffee, etc.) iPre-order (CVS in EC), iGroup-buying (group purchases), iMap, etc.
Intelligent vending machine	Intelligent vending machines in testing	Over 1,500 intelligent vending machines Over 100 intelligent coffee machines
Unmanned stores	1	6
Technologies used	Self-service cashier, ibon voice, electronic shelf labels, automatic refrigerator doors, etc.	X POS (conversion to self-service available), iscan X ipay (phone scanning for payment), ARxVR Metaverse experience, RFID smart tags, etc.



# OPEN POINT

## Make points valuable and build the membership ecosystem

No. of Membership  
**>15.6 Million**  
66% of Taiwan's population

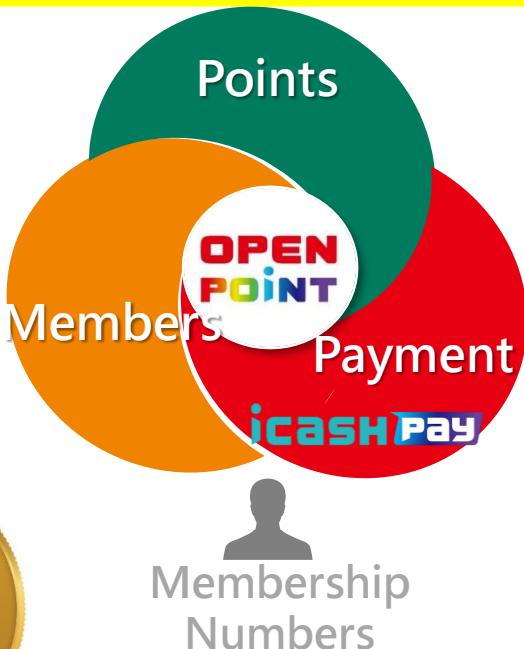
Active Member Share  
**40-45%**  
15% growth in active members

Share of Spending by Members  
**50-55%**  
20% growth in amount spent

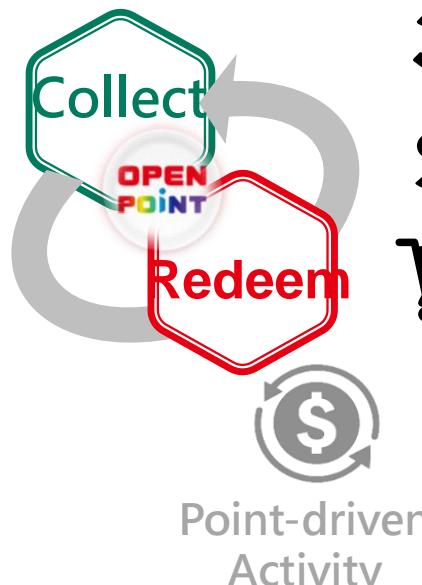
**OPENPOINT**

### OPEN POINT Membership Ecosystem

#### Multifaceted Growth

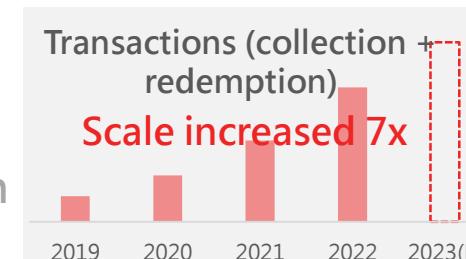


#### Increase Point Spending



#### Personalized Marketing

Collect points overseas  
Spend toward bills  
More channels



Data Usage  
Purchasing behavior description

NEXT  
Data applications

2022

Tag management

2021

Purchasing behavior description

## Important growth momentum!

### Strong Fundamentals and Accelerated Expansion

- 3,393 stores in 2022, CVS market share holding at no. 1.
- Pace of expansion will resume in 2023 to satisfy post-pandemic needs.



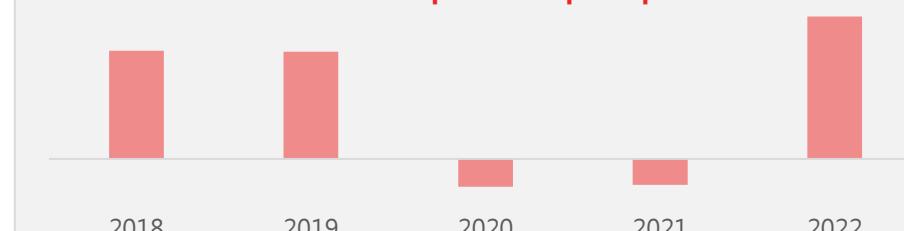
### Strengthening Differentiated Product Categories

- Strengthen efforts in fresh food (fried chicken, baozi, etc.), CITY CAFE (expand to all locations), and groceries.
- Continue introduction of Recycle-ATM .
- PSD-sales exceeded pre-pandemic levels starting in Q3.



### Net Profit

Post-pandemic rebound, Surpassed pre-pandemic level



Note: COVID-19 Lock-down since March 2020

### Proactive Response to Digital Trends

- CLIQQ app usage rising, CLIQQ grocery (EC platform) improving, customer loyalty ↑ .
- E-Wallet user base continues to grow.
- OPEN POINT exchange.



CLIQQ



# Climate change and net zero efforts

CSR

ESG

2022~

2017~2021

~2017

- Change donation program in stores launched in 1989
- Established CSR committee
- Prepared CSR reports
- Participated in Taiwan Corporate Governance Evaluation System (TOP 5%)
- Quality testing laboratories to ensure food safety

- CSR committee now directly under board of directors and independent directors incorporated; name changed to sustainable development committee
- Participated in Dow Jones Sustainability Index evaluations, selected for the global index for 4 consecutive years, and Ranked in world TOP 3 of Food & Staples Retailing industry.
- 4 major task forces include: carbon reduction, plastics reduction, food waste management, sustainable procurement



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# The End

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