

**President Chain Store Corp.**

**2912 TT**

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# 2023 First Half 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.

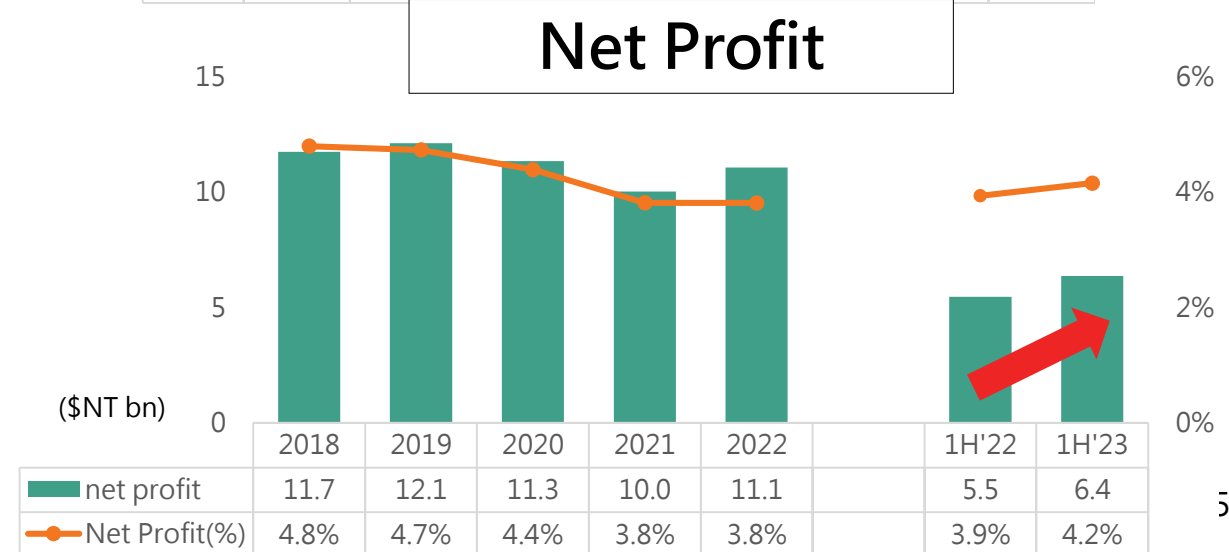
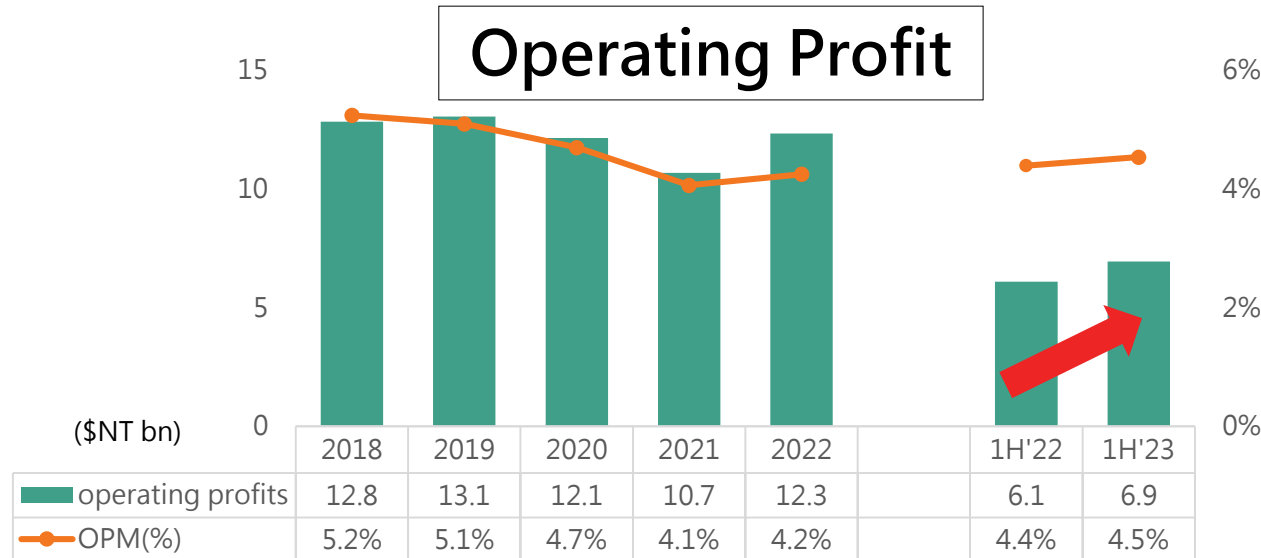
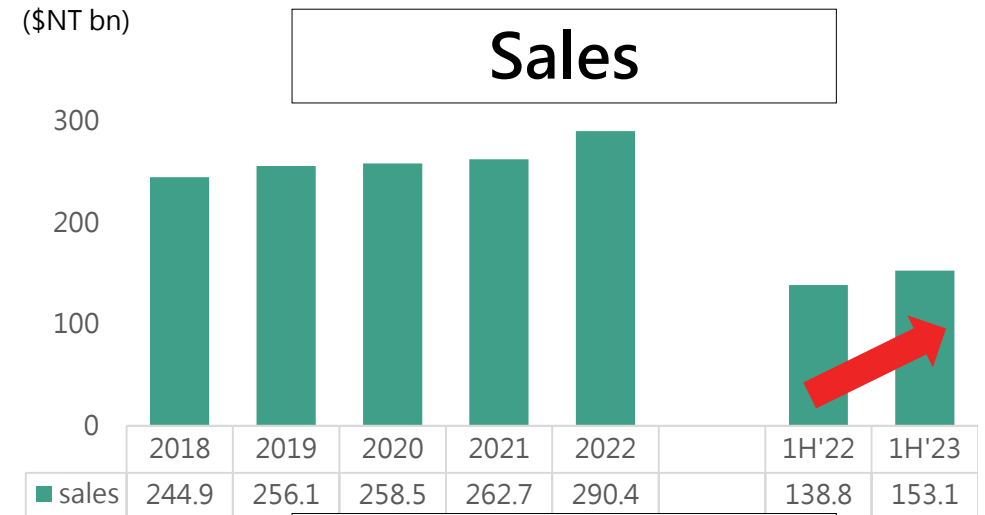
# 2023 First Half Financial Results

Unit: NTD billion	2Q23	2Q22	YoY	YTD 1H23	YTD 1H22	YoY
Revenue (Company Only)	48.8	44.8	8.8%	95.9	87.6	9.5%
Revenue (Consolidated)	77.6	71.1	9.1%	153.1	138.8	10.3%
Net Profit (Consolidated)	3.1	2.9	6.8%	6.4	5.5	16.3%
Net Profit attributable to the parent company	2.6	2.5	4.2%	5.4	4.6	16.3%
EPS (NT\$)	2.46	2.36	4.2%	5.17	4.45	16.2%

- The revenue and profit in 1H23 continuously increased. The main contribution to revenue came from Taiwan 7-11, Philippines 7-11, Starbucks, Shanghai 7-11, COSMED and etc with store expansion and increasing PSD-Sales. The main contribution to profit came from Taiwan 7-11, Philippines 7-11 and interest income from holding company.

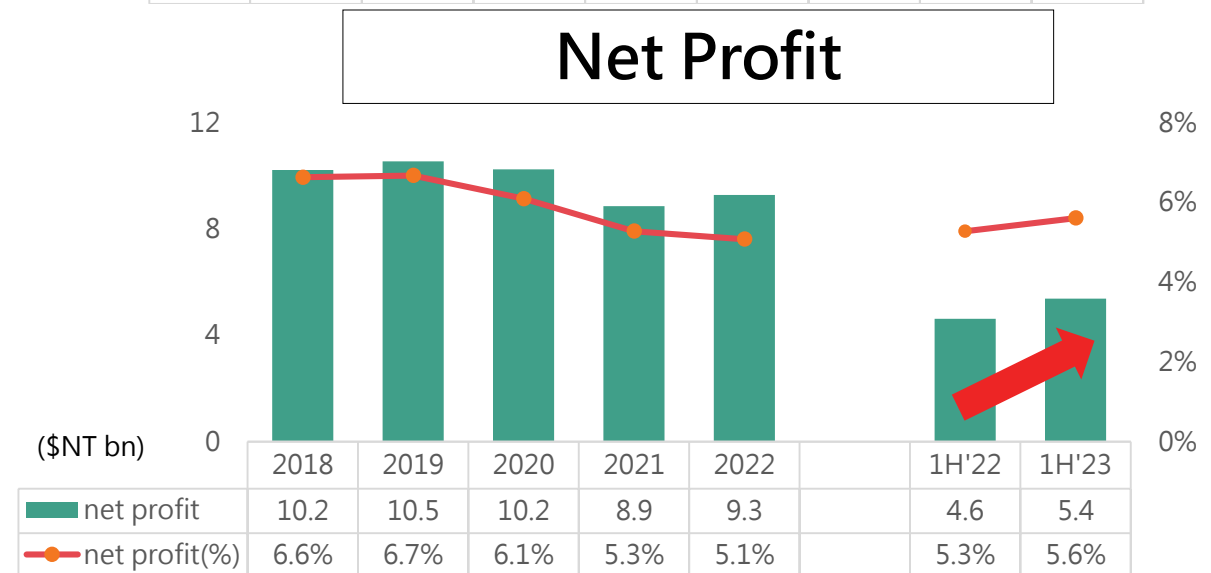
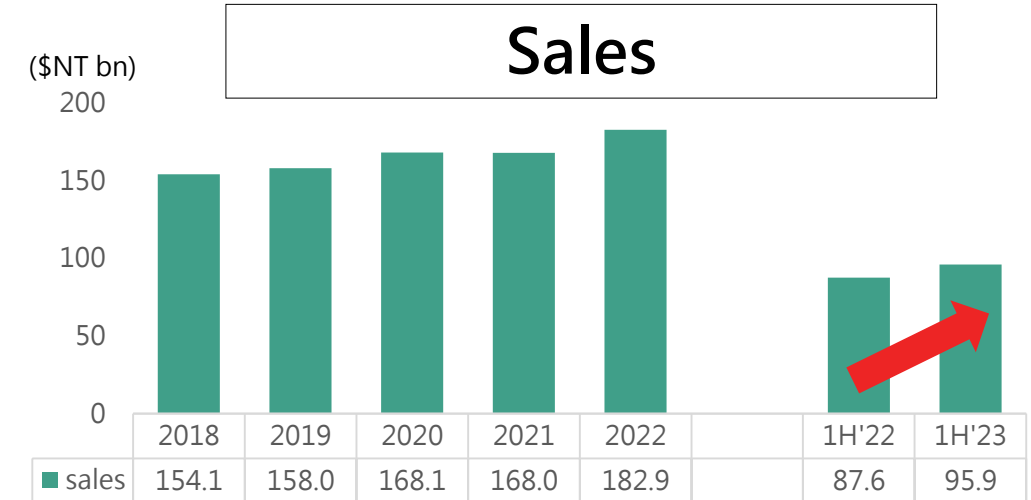
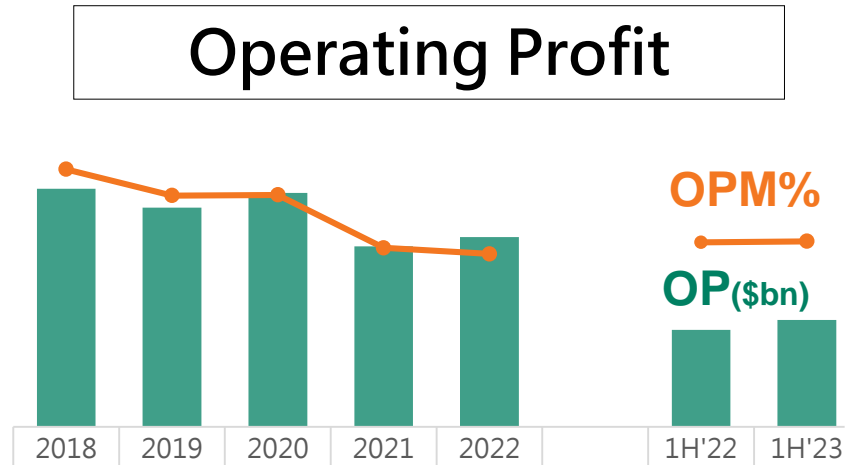
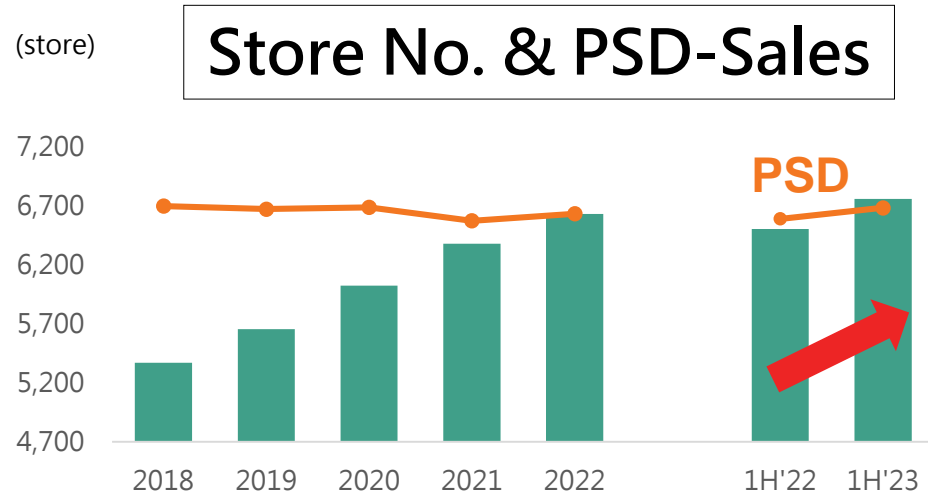
# Sales and profitability (consolidated)

- With store expansion and increasing PSD-sales, the sales increased 10.3% in 1H23. The main contribution came from Taiwan 7-11, Philippines 7-11, Starbucks, Shanghai 7-11, COSMED, and etc.
- The net income increased 16.3% in 1H23, mainly came from Taiwan 7-11, Philippines 7-11 and interest income from holding company.



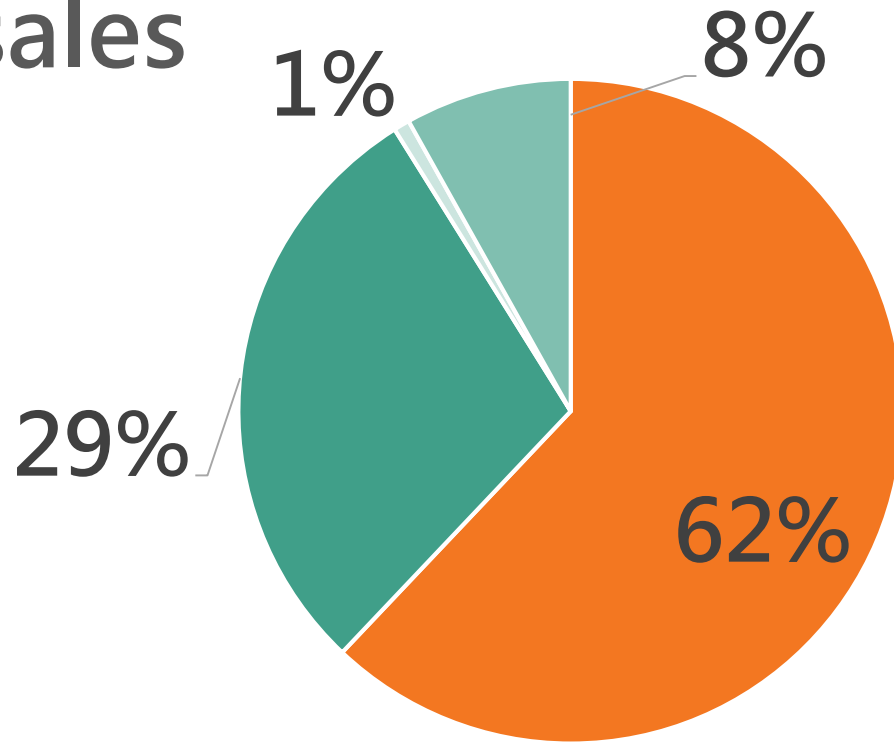
# Sales and profitability (parent)

- Driven by differentiated products like fresh food and CITY CAFE, the PSD-Sales of Taiwan 7-11 increased and recovered back to pre-Covid level. And with store expansion, the total sales can be enhanced.
- The net income raised thanks to the growth of Taiwan 7-11's operating profit and subsidiaries.

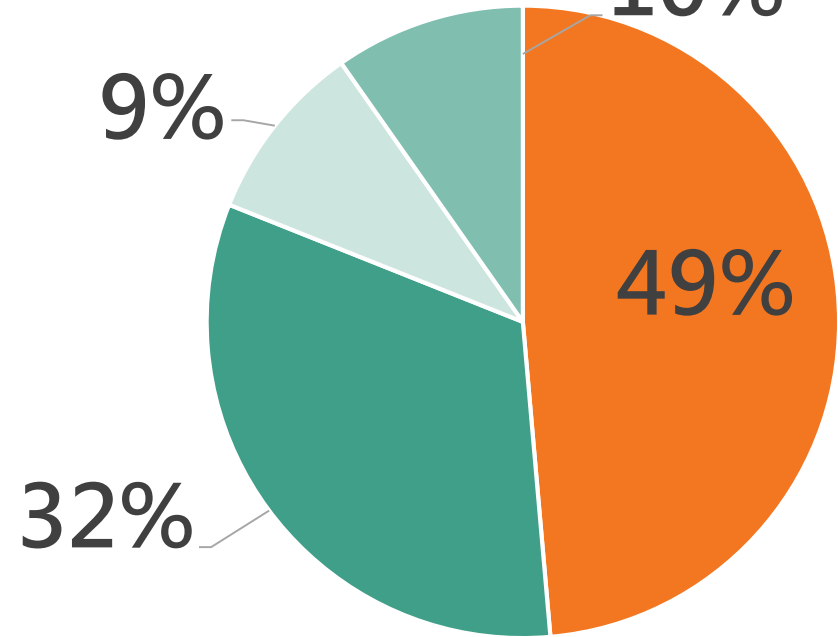


# Segment Information

sales



pre-tax profits



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

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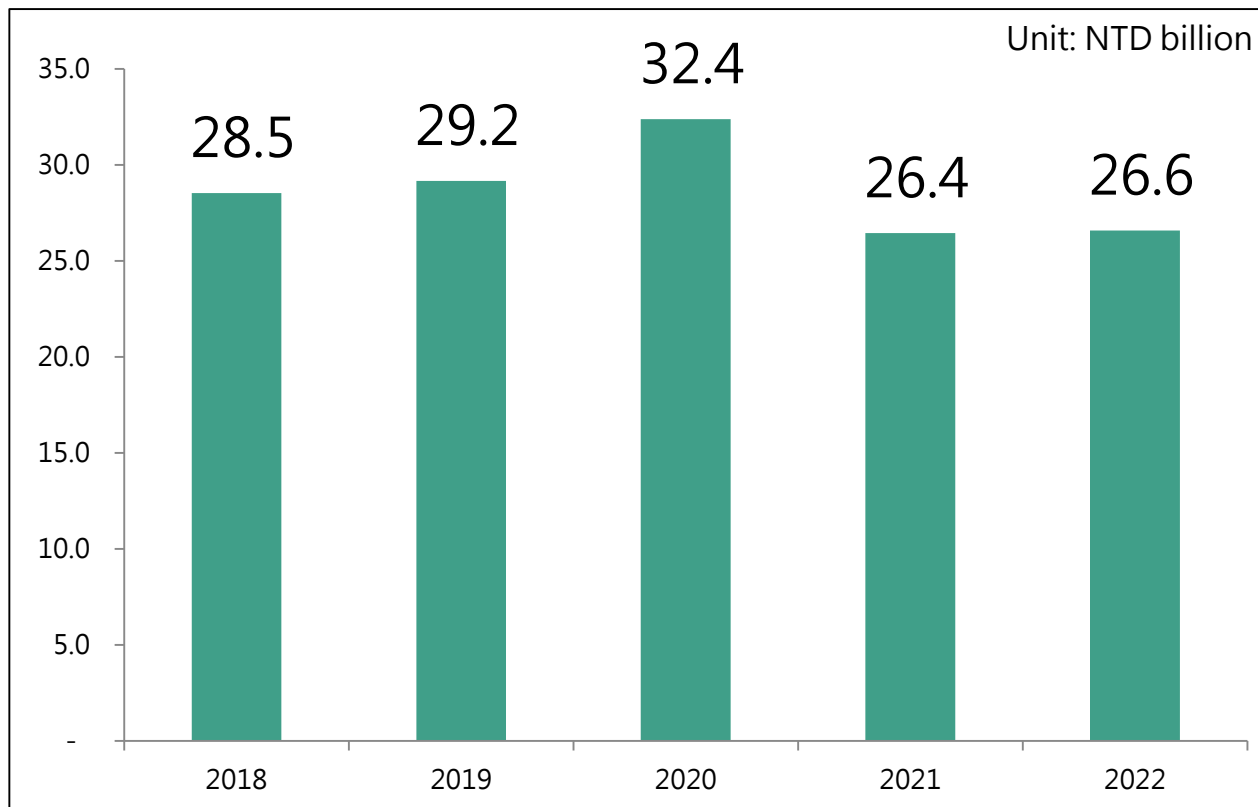
Retail business: Philippines 7-11, Cosmed, Takkyubian(Transnet), Books.com, Mech-President etc.

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

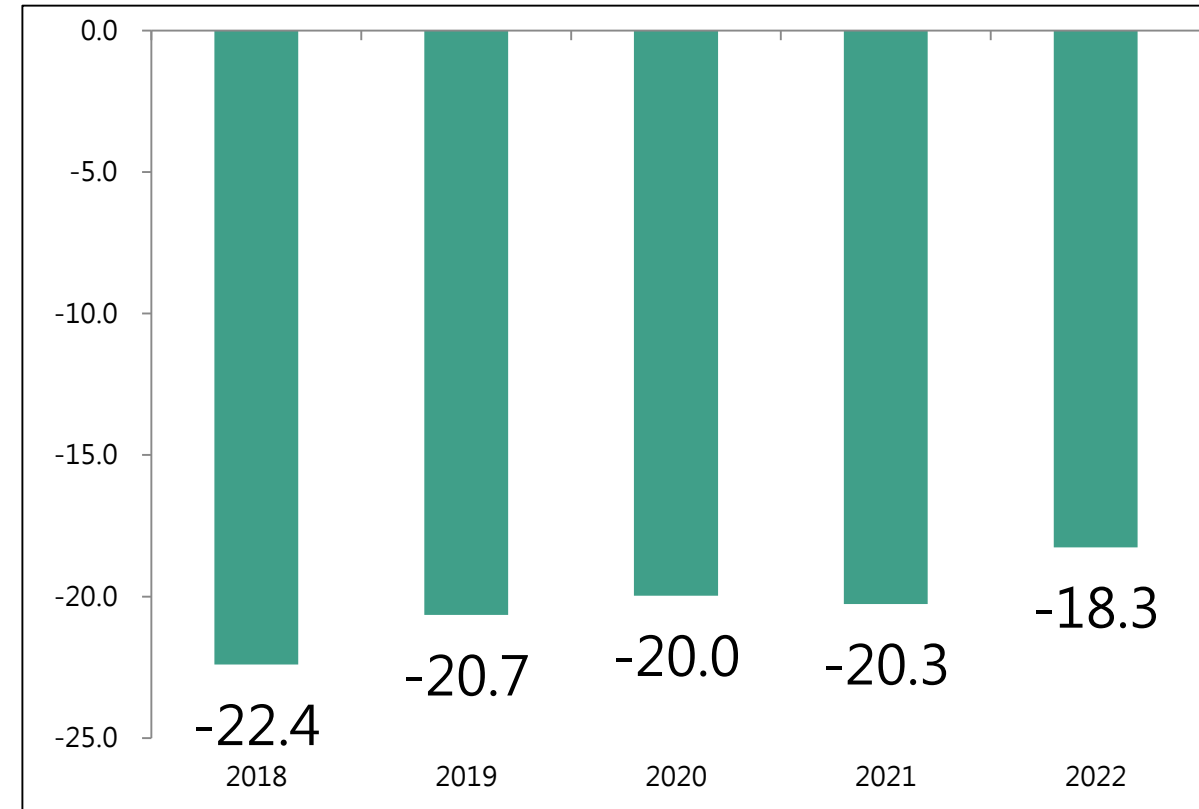
Others: China business, F&B business (e.g. Starbucks) and Support business

# Steady cash flow during pandemic

## Net Cash (Consolidated)



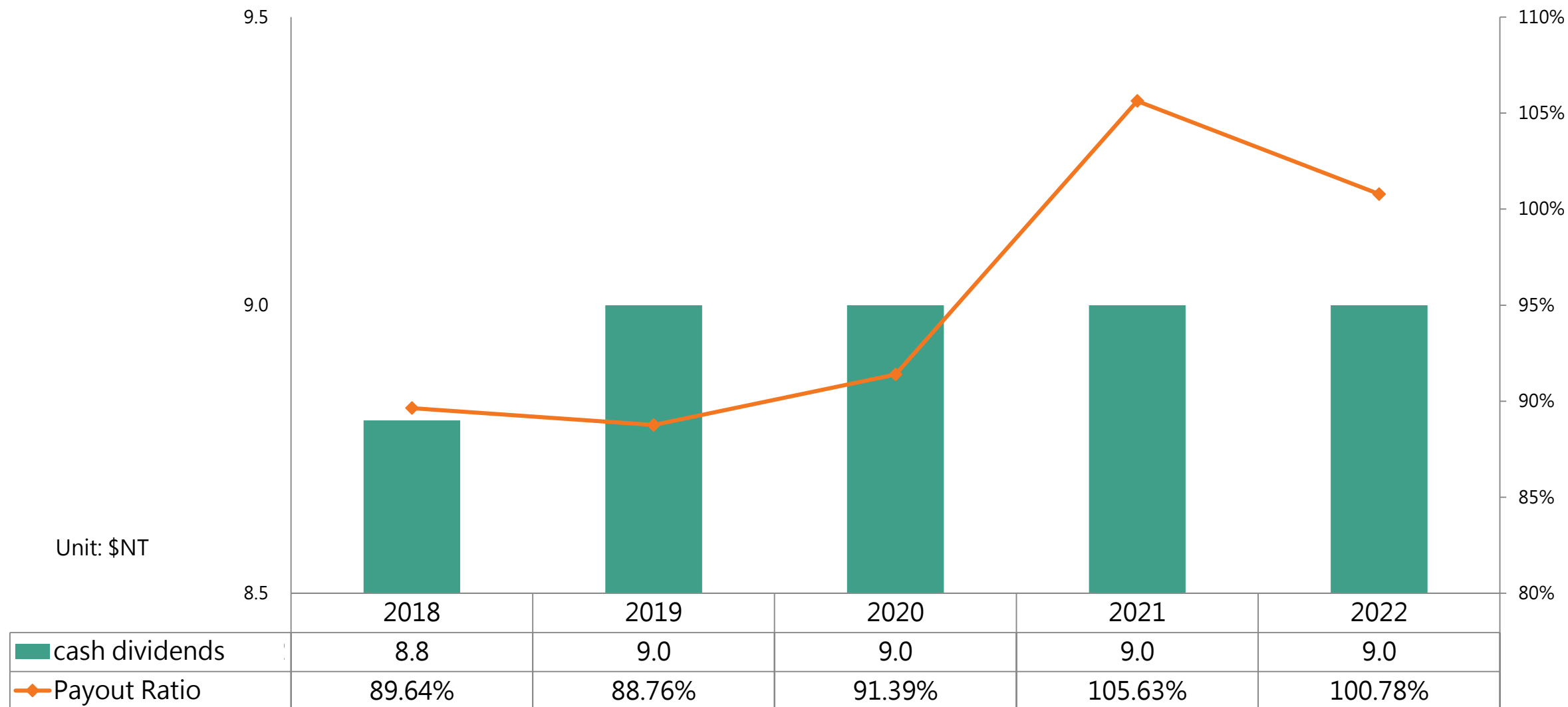
## Cash Conversion Day (Consolidated)



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



# Sustainable cash dividend



Note : 2022 cash dividend has 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

Offline



Online

- 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.)

星級饗宴  
★ STAR RATED CUISINE ★



賣貨便



- Digital promotion
  - Customized marketing push notifications, Data-driven marketing services
  - More uses for loyalty points (overseas partners)

### Sustainable Operations

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



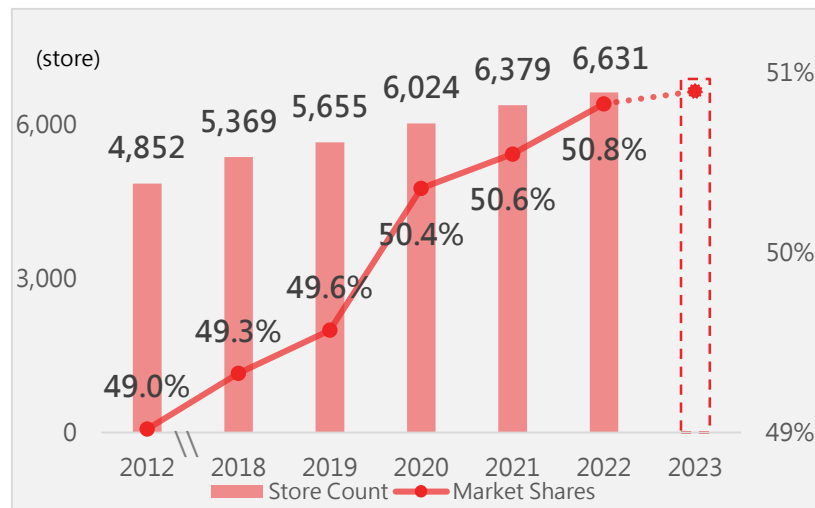
# Store operation

## Strengthen distribution and improve operation efficiency

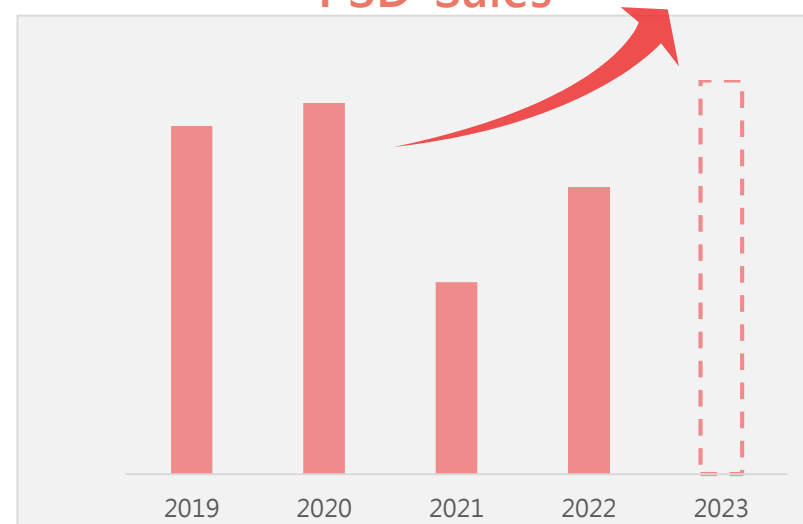
Joint expansion to  
solidify leadership

Post-pandemic recovery  
and surpassing pre-  
pandemic performance

7-ELEVEN Taiwan No. of  
Stores and Market Share



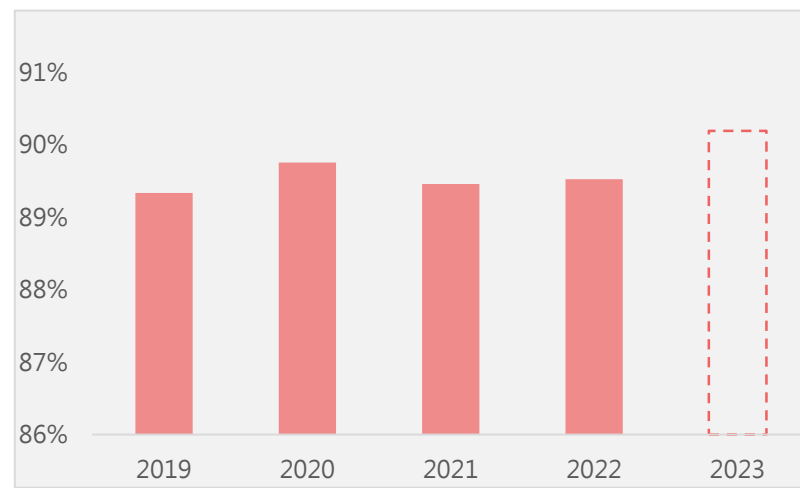
7-ELEVEN Taiwan  
PSD-Sales



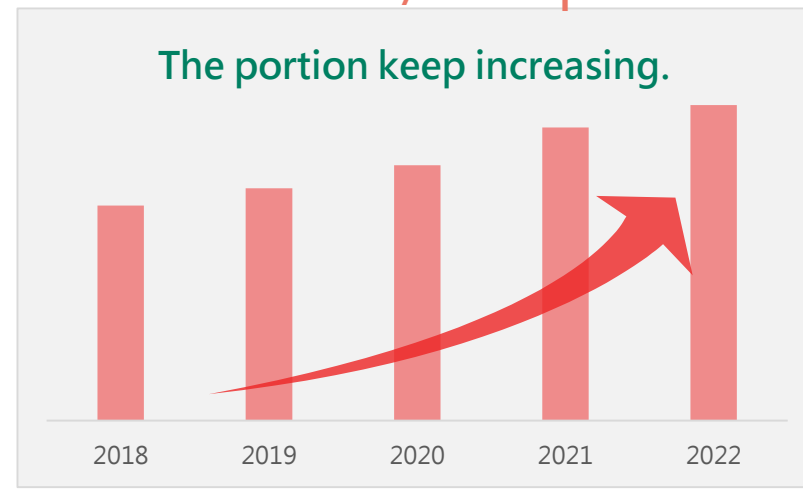
Franchise system to  
support franchise partners

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

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 Lifestyle Elements

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

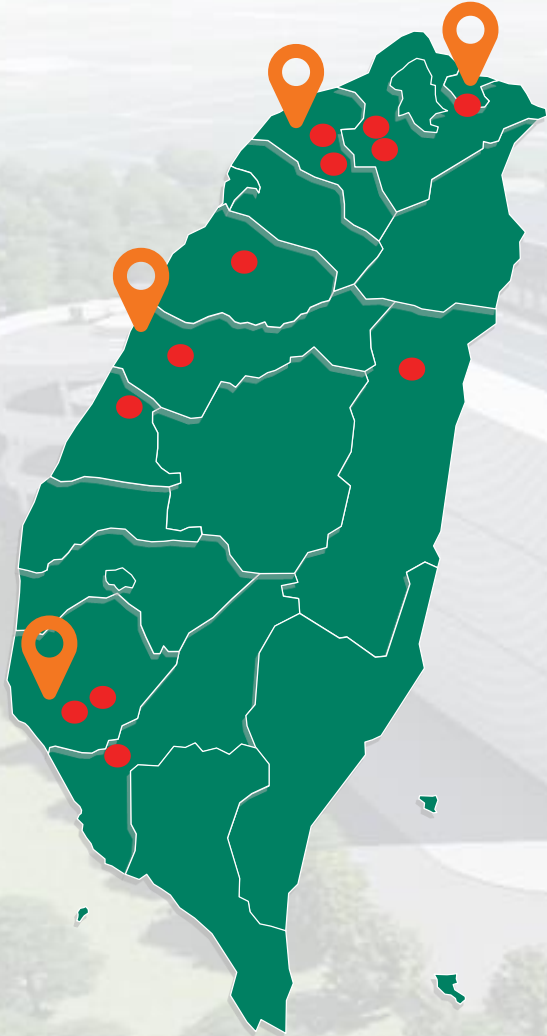


### 7-ELEVEN X COSMED

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.



宅急便  
President  
Transnet  
Corp.  
,etc.

### Automated Equipment

Technology Application UP ↑



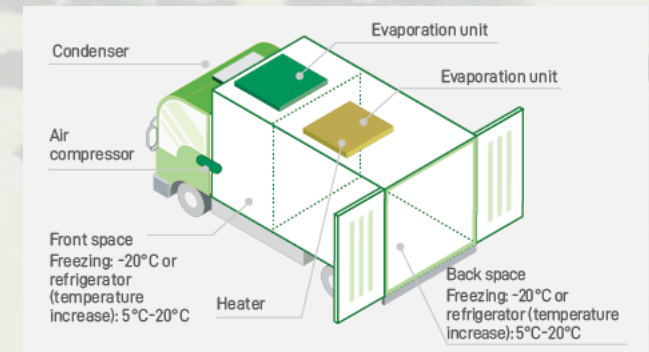
### Build New DC

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 ↑

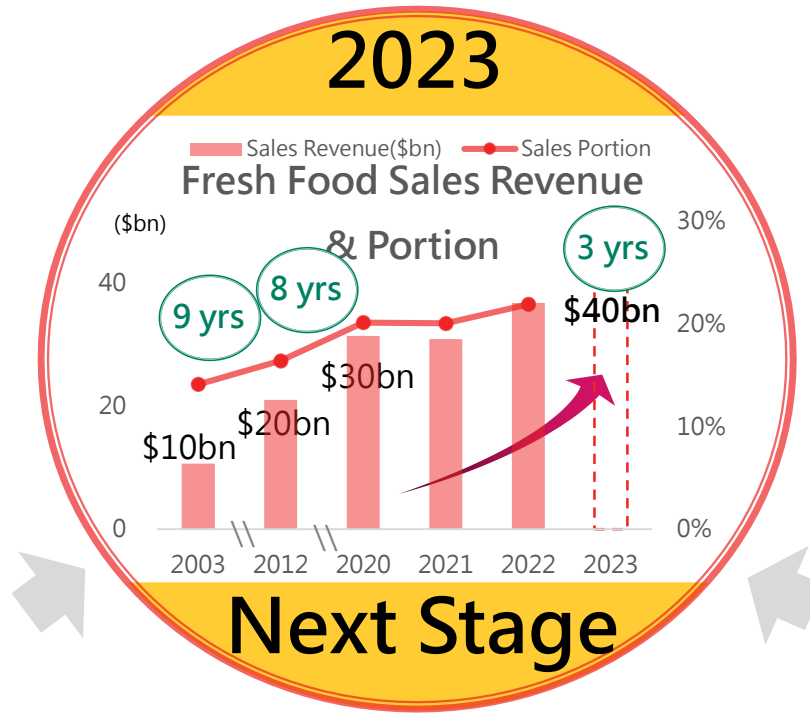




## Respond to customer preferences

### 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



### 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.



# CITY CAFE brand

## Grasp the tastes and trends to build mindshare

### 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



Specialty Coffee  
(Passed CQI\* Evaluation)

Single Origin  
Formula Bean



### 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



OPEN NOW  
隨時送



\*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)

CITY CAFE  
Launch

2004

500 Million  
Revenue

2007

10 Billion ↑  
Revenue

2015

13 Billion ↑  
Revenue

2018

14 Billion  
Revenue ↑

2019

2020

Mobile  
Ordering and  
Pickup Service  
Launch



2022

15 Billion ↑  
Revenue



2023

Reach  
record high  
and keep  
growing





# Services platform

## New innovation services and connect EC & customers

### E-Commerce Package Platform

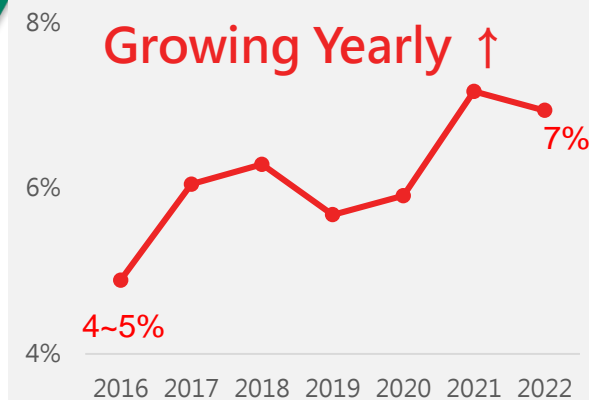
- **Self-operated platforms**
  - Ranked No.2 in all parcels
  - Package growth rate > 50% (MyShip)
  - Build an integrated platform
- **Cold-chain pickup service** (B2C、C2C)
  - Building a second growth curve
- **Logistics integration**
  - Improve distribution efficiency



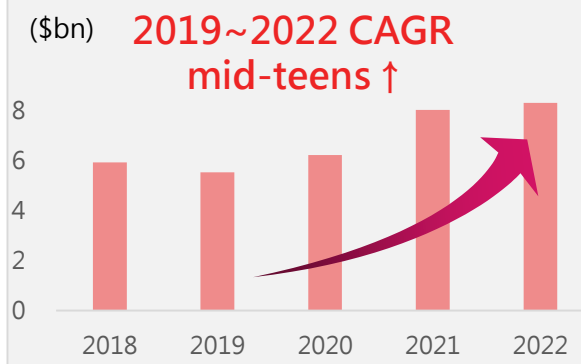
### Expansion of Services

- **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.

### Commission Revenue of Total Sales(%)



### E-Service Commission Revenue



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












(ibon machine)



(digital bill collection in APP payment service)

# Intelligent technology

## Create a digital shopping environment

 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

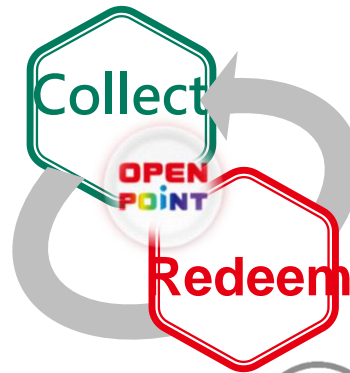
Multifaceted Growth

Increase Point Spending

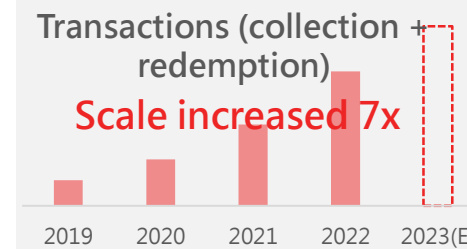
Personalized Marketing



Membership Numbers



- Collect points overseas
- Spend toward bills
- More channels



NEXT  
Data applications

2022  
Tag management

2021

Purchasing behavior description

Data Usage



# 7-ELEVEN Philippines

## Important growth momentum!

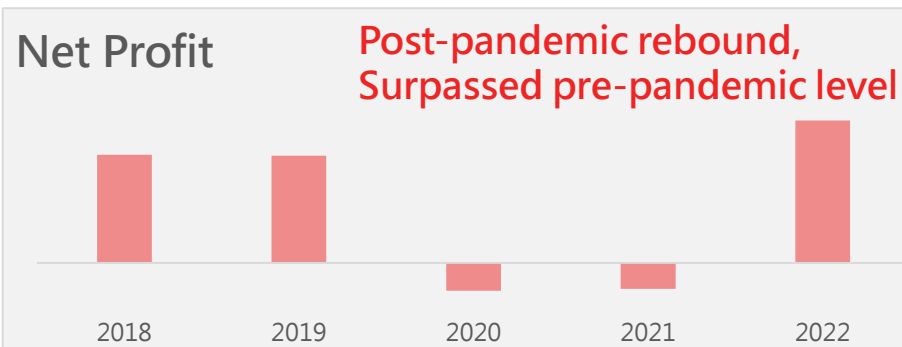
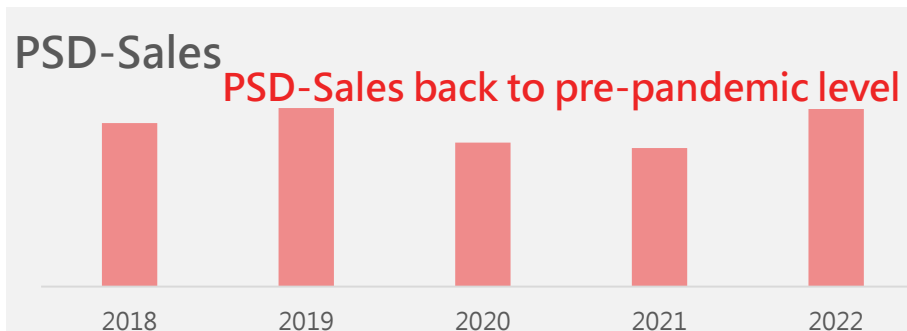
### Strong Fundamentals and Accelerated Expansion

- 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.



### 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.



Note: COVID-19 Lock-down since March 2020

# 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

- Participated in Carbon Disclosure Project evaluation (A- rating)
- Start net zero planning
- Promote ESG concepts in suppliers and subsidiaries



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# The End