

President Chain Store Corp.

2912 TT

2023 9M 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.

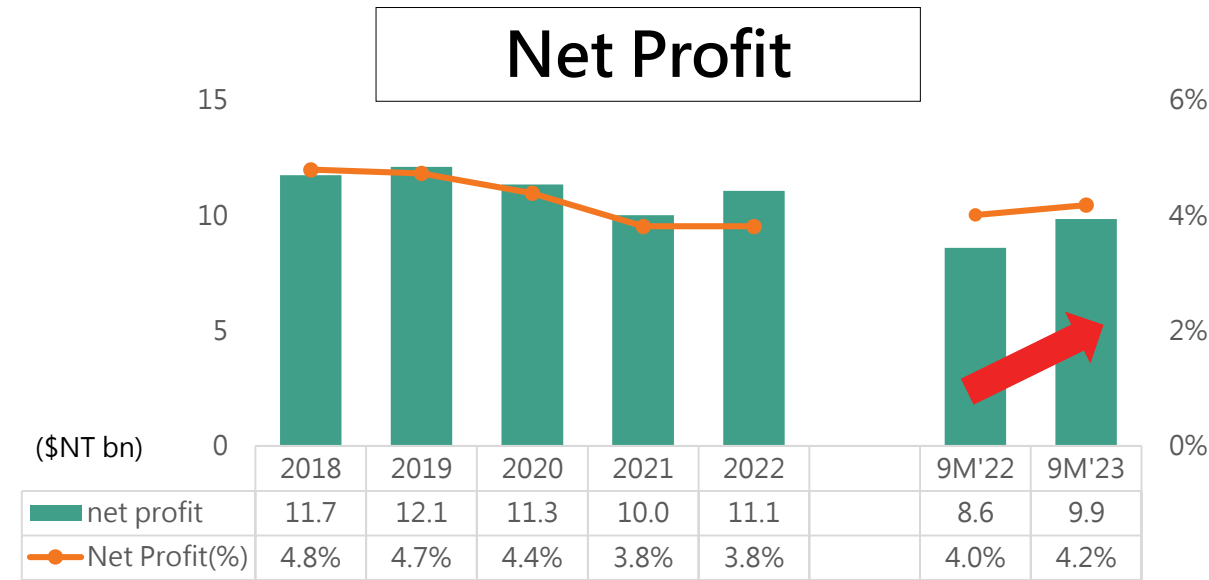
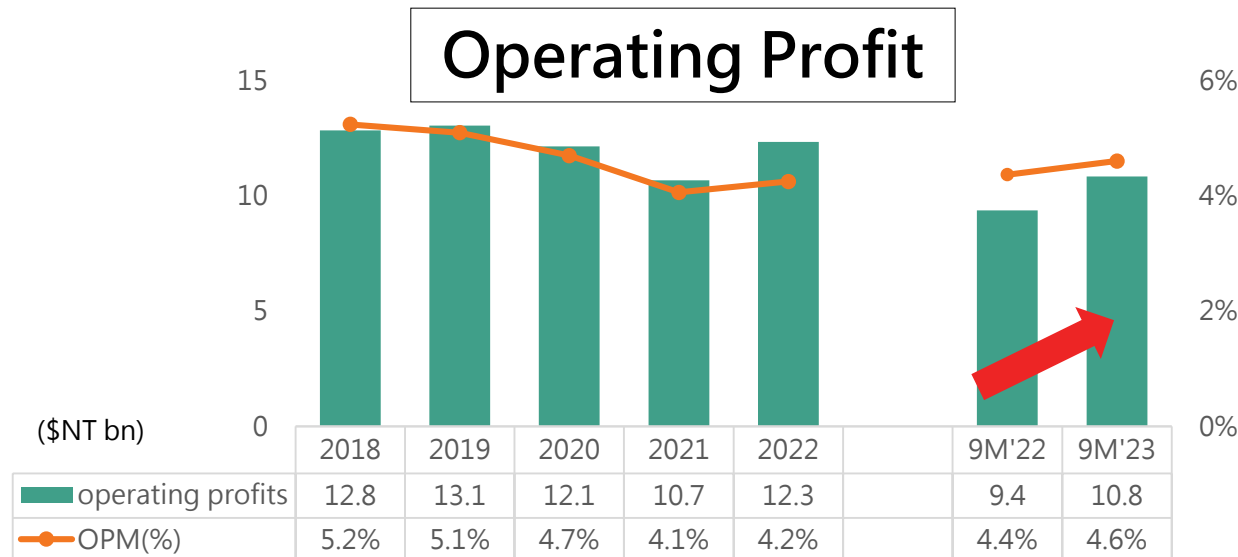
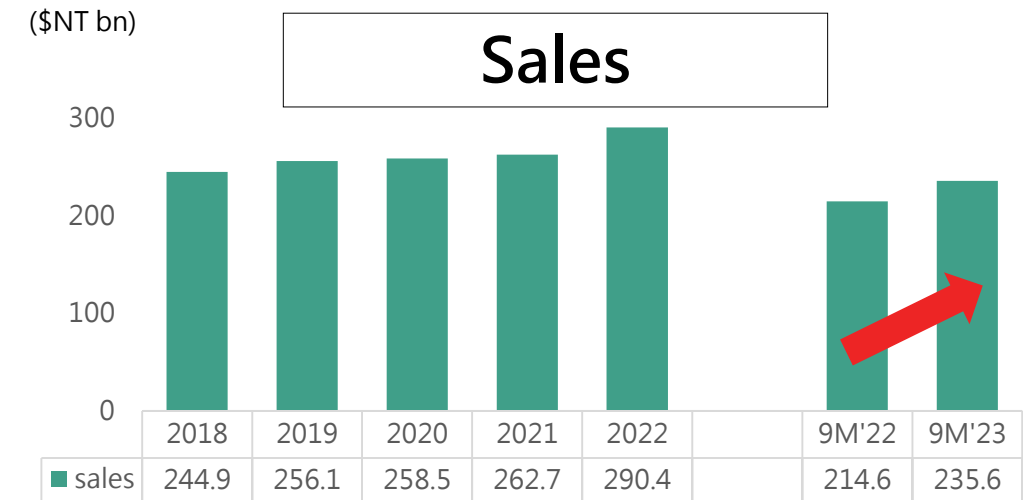
2023 9M Financial Results

Unit: NTD billion	3Q23	3Q22	YoY	YTD 9M' 23	YTD 9M' 22	YoY
Revenue (Company Only)	52.0	48.4	7.6%	147.9	136.0	8.8%
Revenue (Consolidated)	82.5	75.8	8.8%	235.6	214.6	9.8%
Net Profit (Consolidated)	3.5	3.1	11.3%	9.9	8.6	14.5%
Net Profit attributable to the parent company	3.0	2.7	12.8%	8.4	7.3	15.0%
EPS (NT\$)	2.92	2.59	+0.33	8.09	7.03	+1.06

- The revenue and profit in 9M' 23 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.

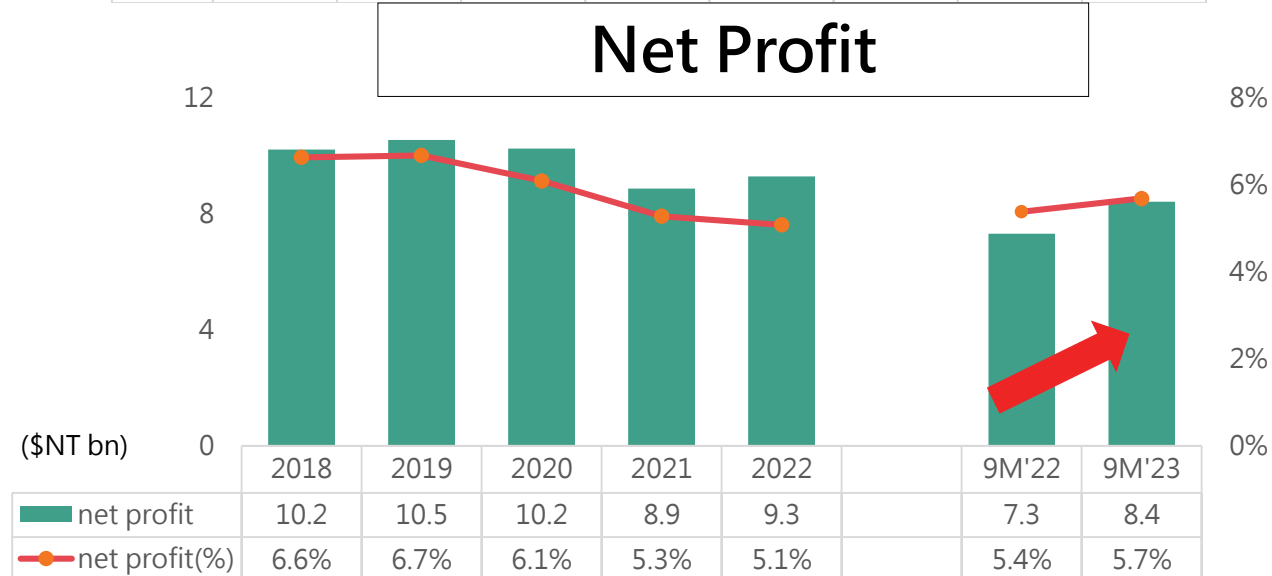
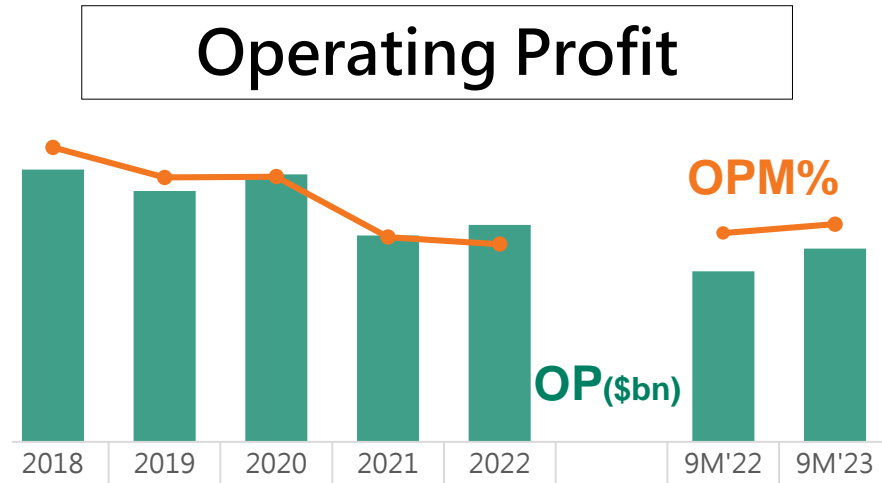
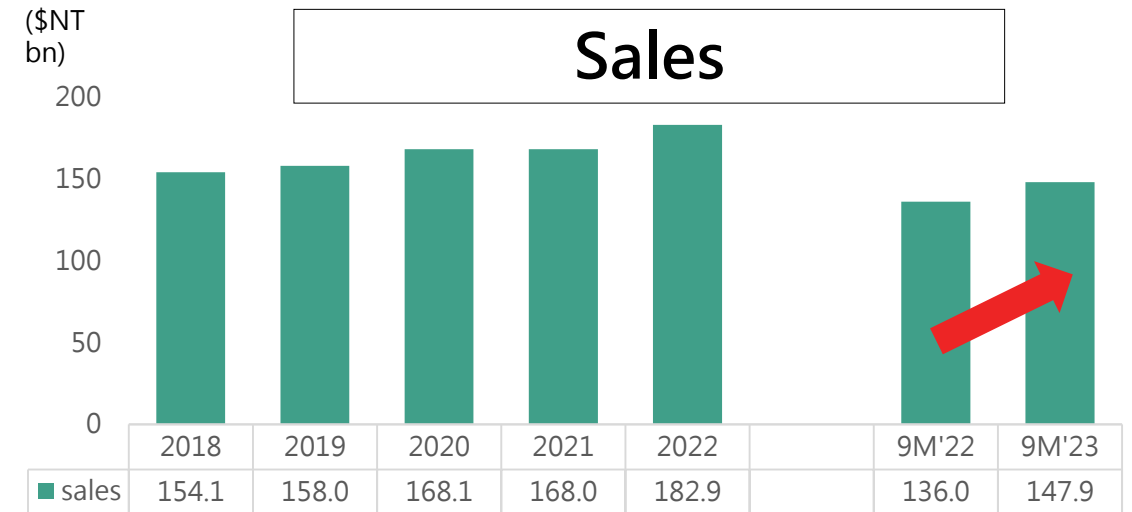
Sales and profitability (consolidated)

- With store expansion and increasing PSD-sales, the sales increased by 9.8% in 9M' 23. The main contribution came from Taiwan 7-11, Philippines 7-11, Starbucks, Shanghai 7-11, COSMED, and etc.
- The gross margin raised by better product mix. And the net income increased by 14.5%, mainly came from Taiwan 7-11, Philippines 7-11 and interest income from holding company.



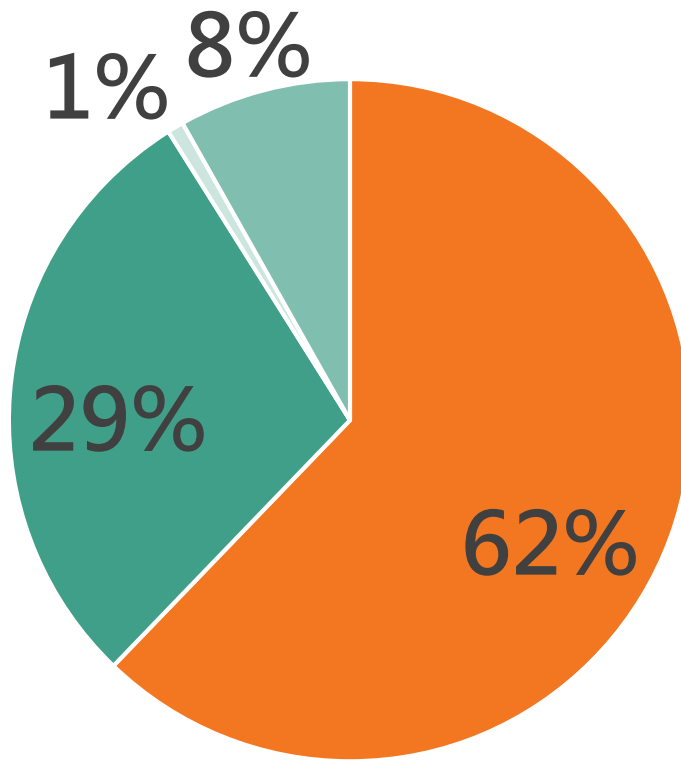
Sales and profitability (parent)

- Driven by fresh food, CITY CAFE and beverage, the PSD-Sales of Taiwan 7-11 increased and surpassed the pre-Covid level. And with store expansion, the total sales can be enhanced.
- The net income raised thanks to the increase of Taiwan 7-11' s gross margin and operating margin and better performance of subsidiaries.



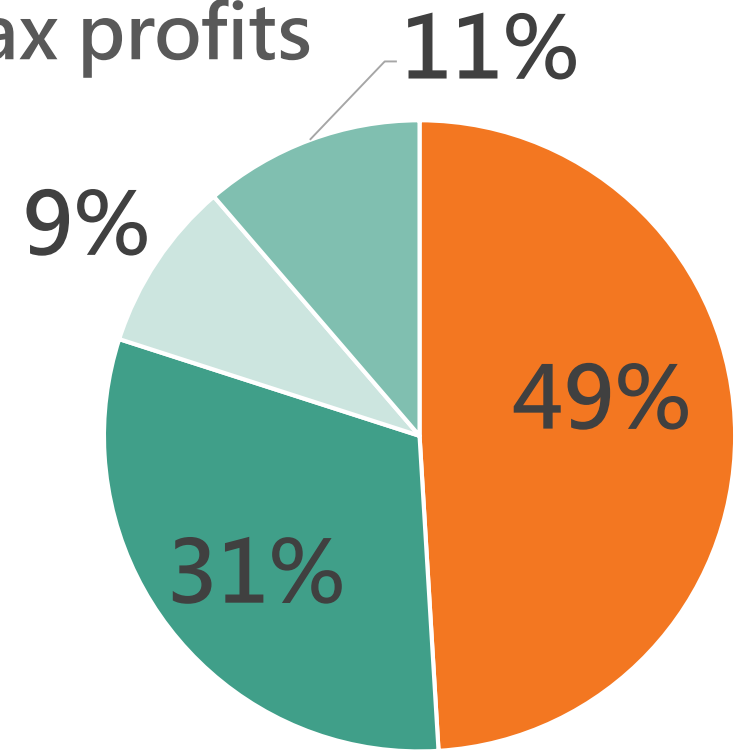
Segment Information

sales



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

pre-tax profits



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

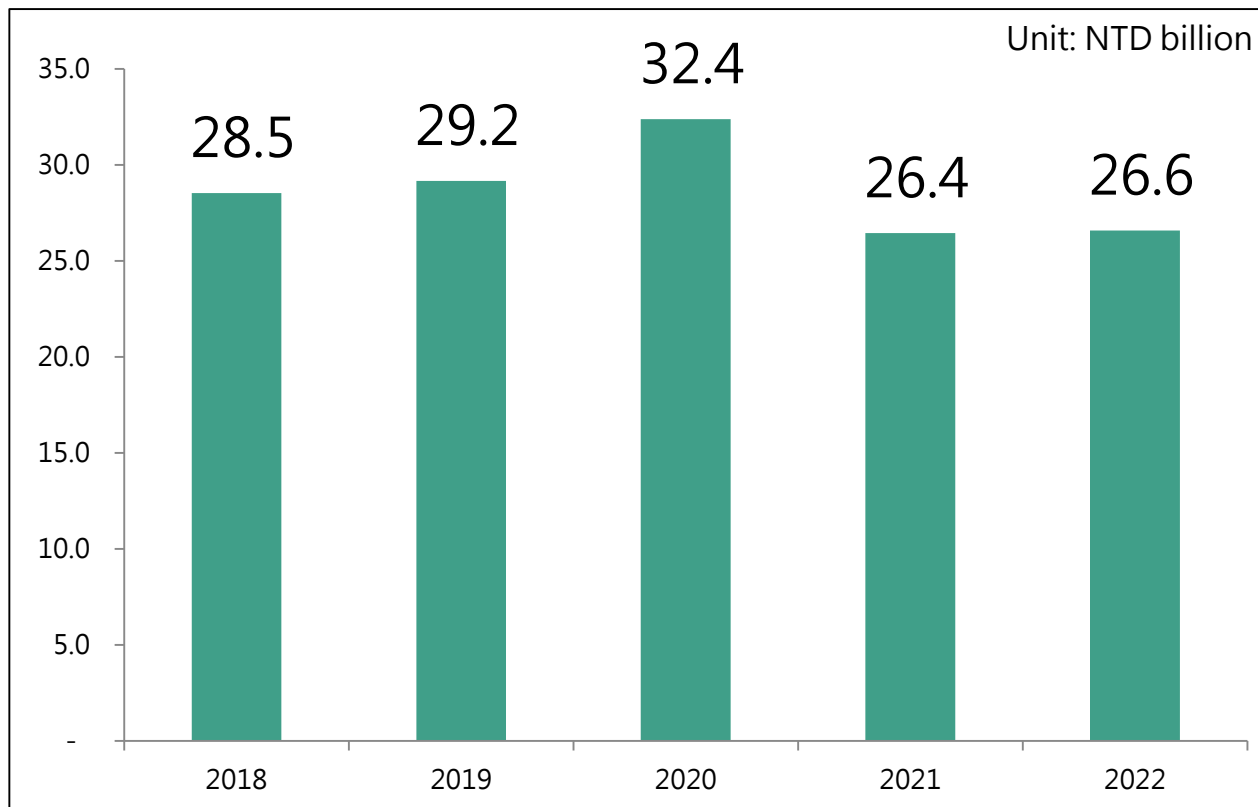
Retail business: Philippines 7-11, Cosmed, Takkyubian(Transnet), Books.com, Mech-President etc.

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

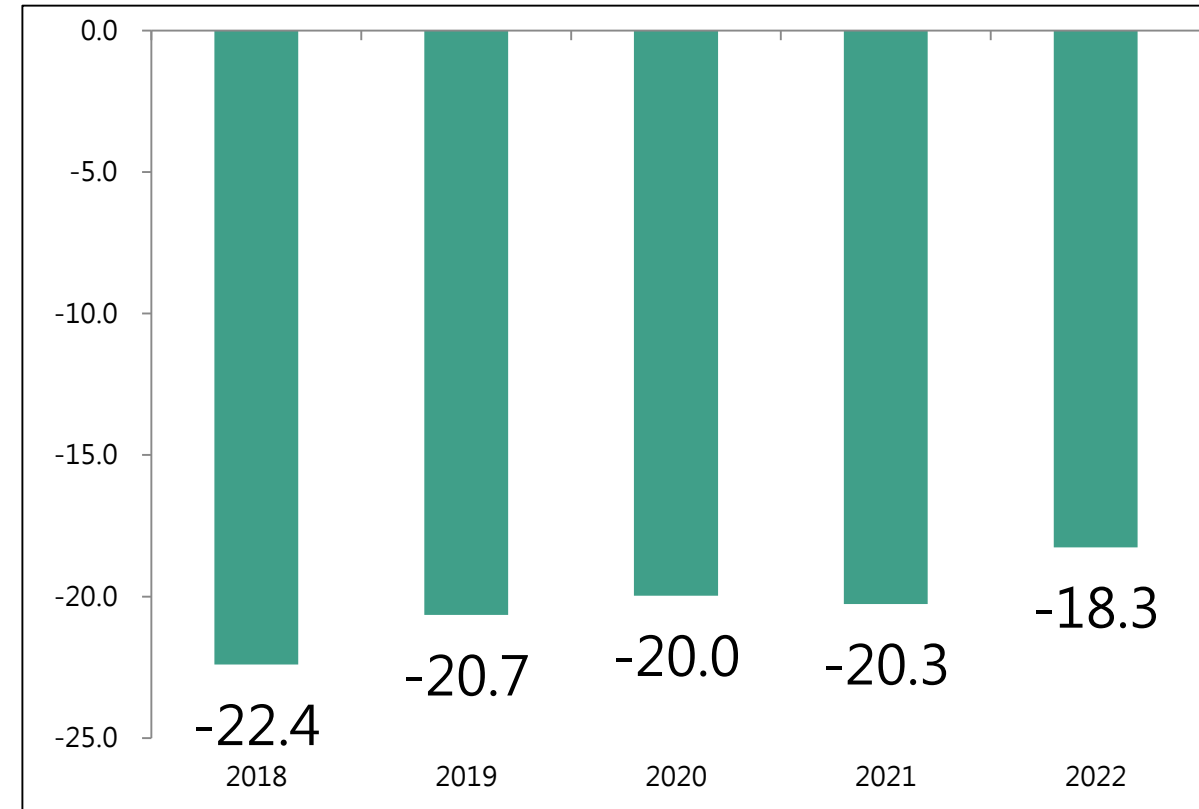
Others: China business, F&B business (e.g. Starbucks) and Support business

Steady cash flow during pandemic

Net Cash (Consolidated)

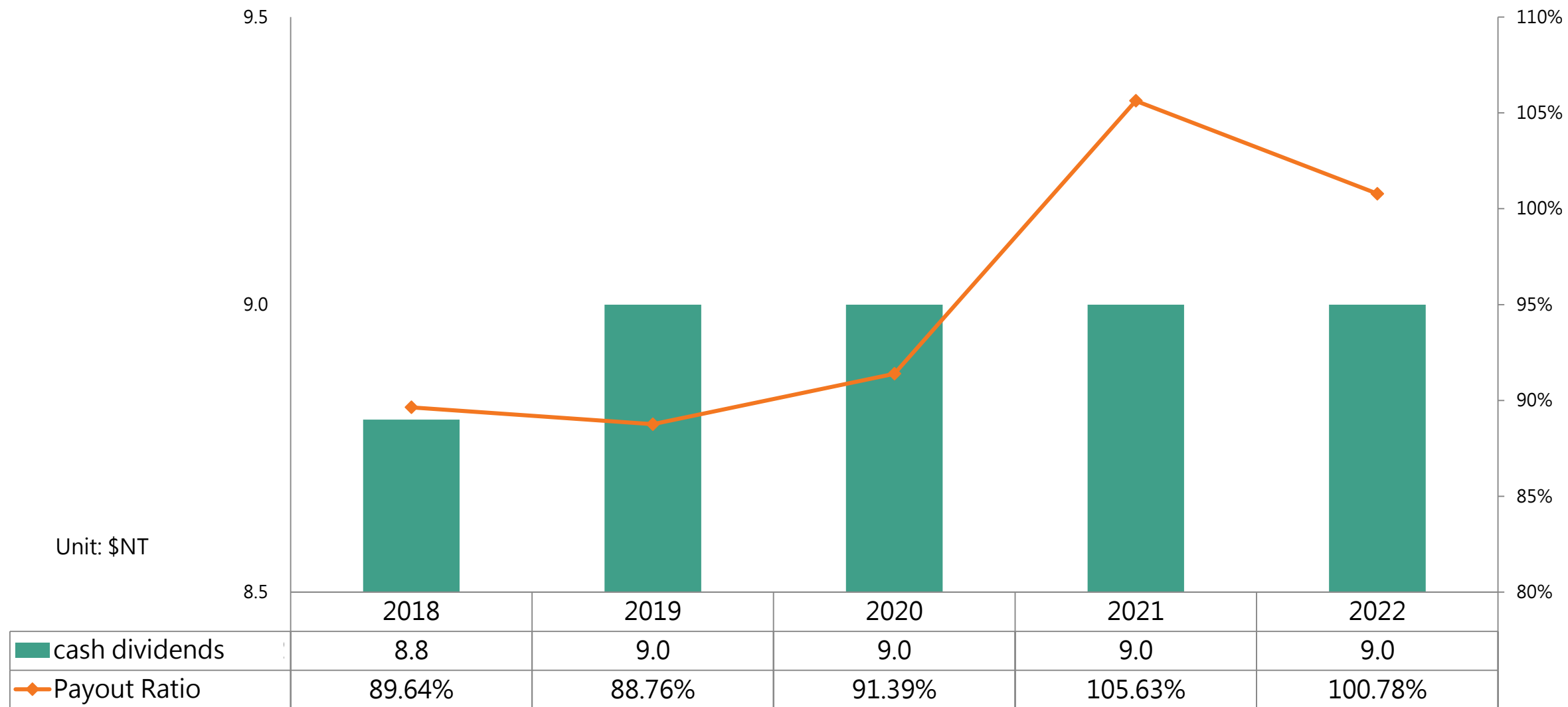


Cash Conversion Day (Consolidated)



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

Sustainable cash dividend



Note : 2022 cash dividend has been approved by AGM.

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



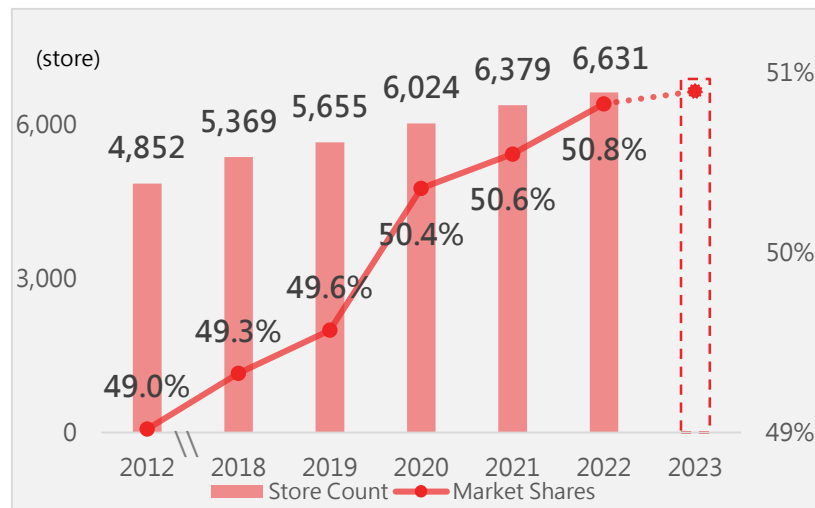
Store operation

Strengthen distribution and improve operation efficiency

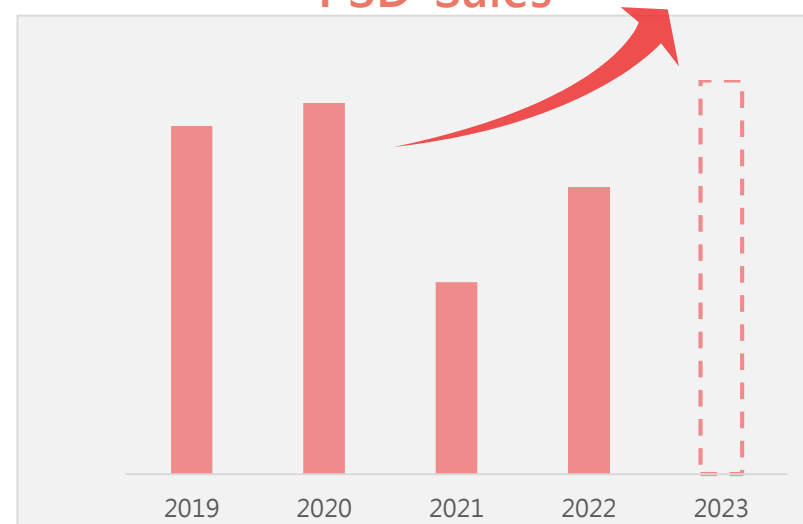
Joint expansion to
solidify leadership

Post-pandemic recovery
and surpassing pre-
pandemic performance

7-ELEVEN Taiwan No. of
Stores and Market Share



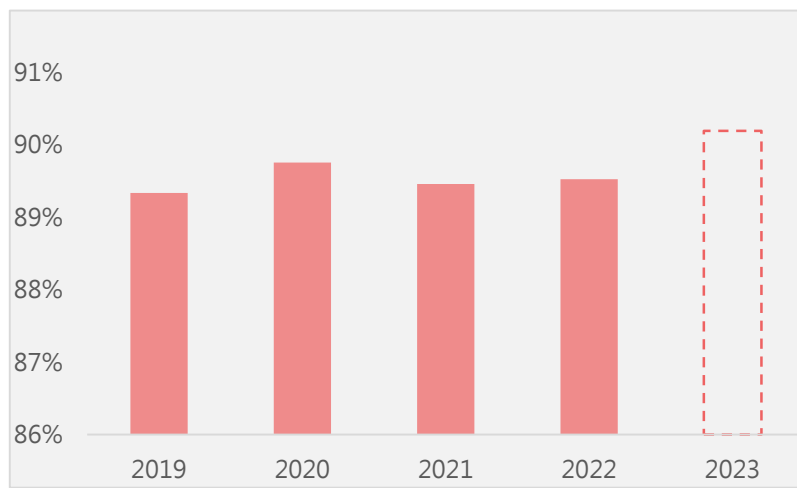
7-ELEVEN Taiwan
PSD-Sales



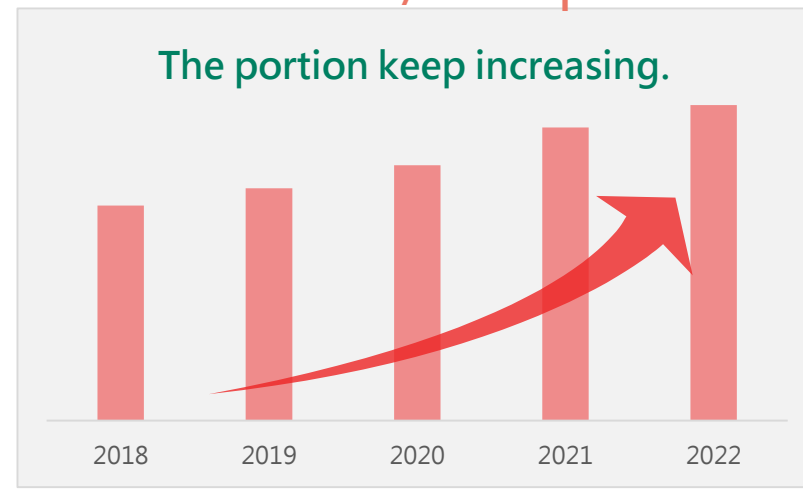
Franchise system to
support franchise partners

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.

(6th Unmanned Store)

(Intelligent Vending Machines)

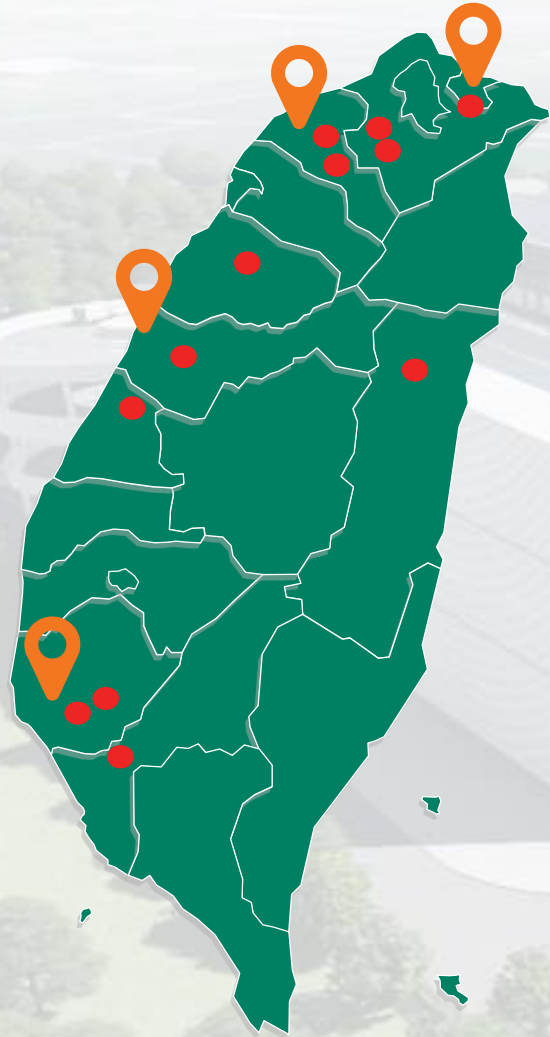


7-ELEVEN X COSMED

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.


President
Transnet
Corp.
,etc.

Automated Equipment

Technology Application UP ↑



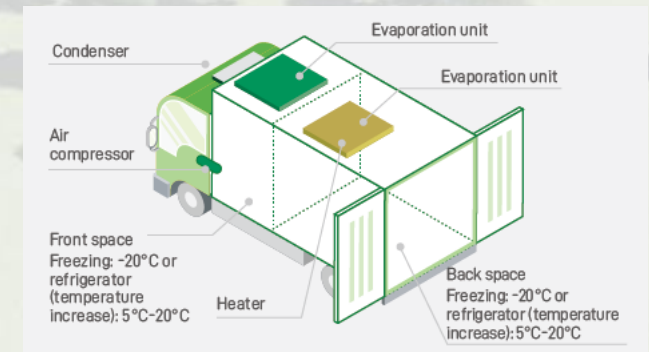
Build New DC

Capacity UP ↑

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

Green Logistics

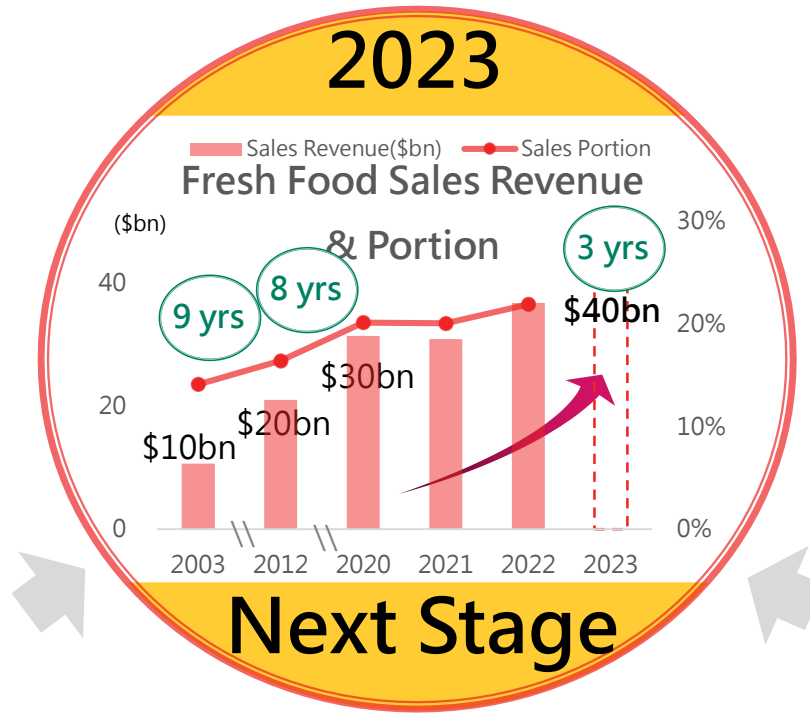
Sustainable Operation UP ↑



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



*CQI: Coffee Quality Institution

Noted: CITY PRIMA video : 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

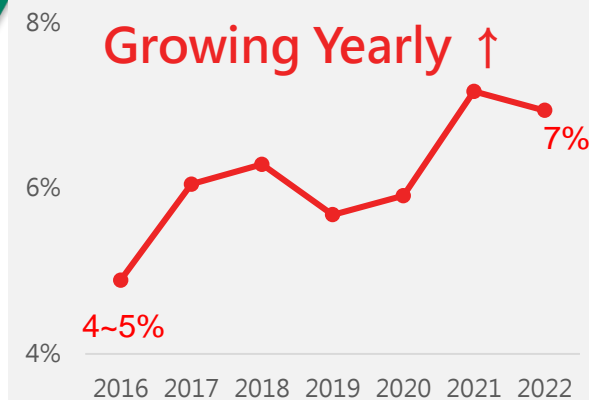
- **Self-operated platforms**
 - Ranked No.2 in all parcels
 - Package growth rate > 50% (MyShip)
 - Build an integrated platform
- **Cold-chain pickup service** (B2C、C2C)
 - Building a second growth curve
- **Logistics integration**
 - Improve distribution efficiency



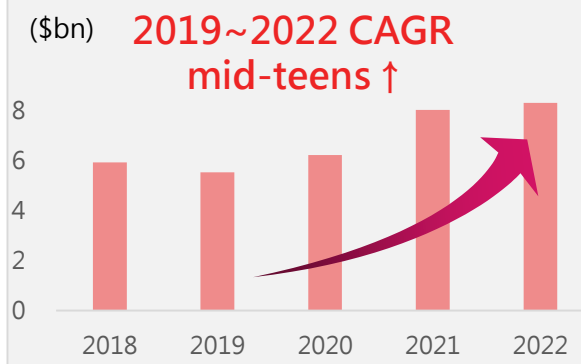
Expansion of Services

- **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

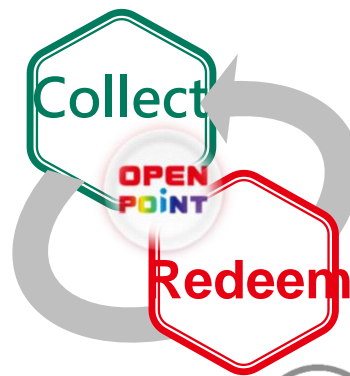
Multifaceted Growth

Increase Point Spending

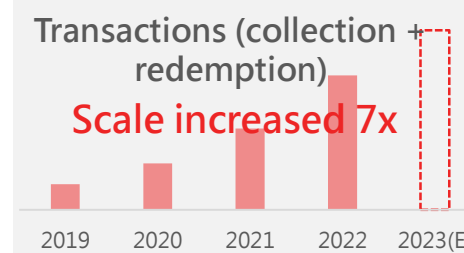
Personalized Marketing



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!

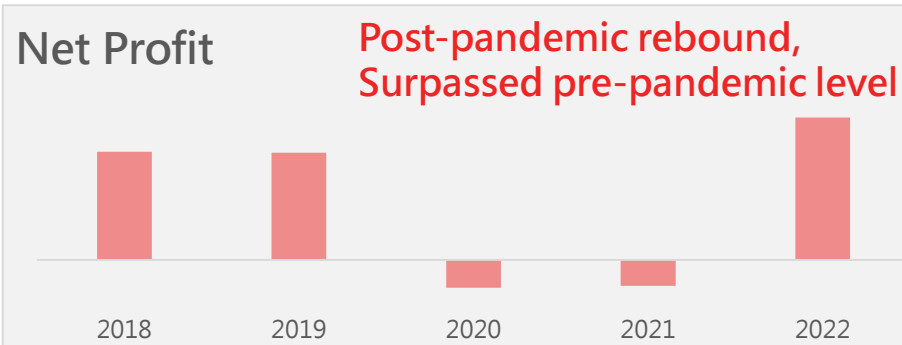
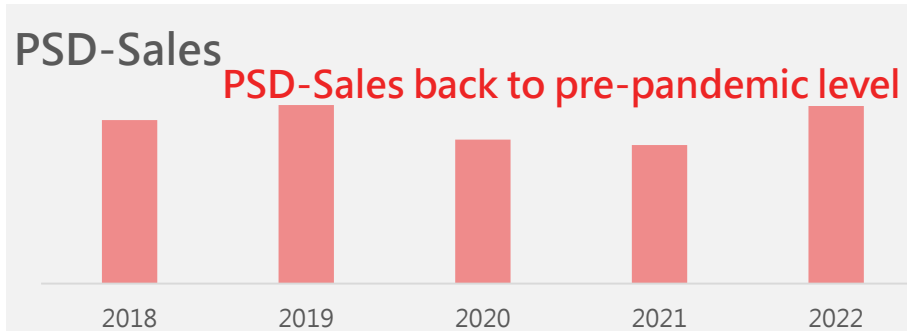
Strong Fundamentals and Accelerated Expansion

- 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.



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

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



The End