



統一企業(股)公司 UNI-PRESIDENT ENTERPRISES CORP.

Security Code: 1216 TT

2018 Annual Results

UPCH



UPEC



統一蛋糕屋

晨光®

茶裏王®

回甘 就像現泡
單細胞生茶萃取技術

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PCSC



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Agenda

1. Uni-President (1216TT) Group Overview

2. CVS & Retail Business (PCSC 2912TT)

3. China F&B Business (UPCH 220HK)

1. Uni-President(1216TT) Group Overview

The Highlight of Uni-President Group

Largest F&B Company in Taiwan

- ✓ Market Cap US\$13.63bn, QFII ratio 55.47%
- ✓ Total assets US\$13.50bn, and revenue US\$14.31bn.
- ✓ Vertical integration from manufacturing, distribution to retailing.

Leading F&B Company in China (UPCH)

Largest CVS & Hypermarket Retailers in Taiwan

- ✓ **“7-11”** Convenience Store Chains & **“Carrefour”** Hypermarket Chains

Focusing F&B and Retail Businesses in Asia

* Market cap & QFII based on the closing price NT\$73.90 (US\$1=NT\$30.806) as of Mar 22, 2019

** Total assets and revenue were consolidated-based in 2018: US\$1=NT\$30.149

The Major Structure of Uni-President Group

Taiwan F&B: Uni-President (UPEC) (1216 TT)



F&B

Uni-President China (UPCH) (220 HK)
UPEC holds 70.49%

Southeast Asia Holdings
(Vietnam、Thailand、Philippines)
UPEC holds 100%

TTET Union (1232TT)



UPEC holds 38.50%
UP Group holds 46.14%

Wei Lih Food
UPEC holds 33.30%
Taiwan To.2 Noodle Company



Kuang Chuan Dairy

UPEC holds 31.25%
Taiwan To.3 Dairy Company



Retail & Logistics

President Chain Stores (PCSC) (2912TT)



UPEC holds 45.40%

Uni-Wonder Corp. (Taiwan Starbucks)

UPEC holds 40%
PCSC holds 60%



President Drugstore (Cosmed)



PCSC holds 100%

President Transnet Corp. (Takkyubin Taiwan)

UPEC holds 20%
PCSC holds 70%



Phillipine 7-11 (SEVN PM)



PCSC holds 52.22%

Container & Packaging

Ton-Yi Industrial (9907TT)



UPEC holds 45.55%
UP Group holds 47.49%

Leisure Business

President Fair Development (Dream Mall)

UPEC holds 40.50%
UP Group holds 100%

Uni-President Development (Taipei BOT)

UPEC holds 30%
UP Group holds 70%

Others

President International Development (PIDC)

UPEC holds 69.37%

Scinopharm (1789TT)



UPEC holds 37.94%
UP Group holds 47.96%

President Securities (2855TT)

UPEC holds 28.31%

* The above structure only includes Uni-President's major subsidiaries

Key P&L Items of Uni-President (Consolidated)

Unit : NTD in Millions

| Consolidated | 2018Y | | | 2017Y | | 2016Y | | 2015Y | |
|------------------|---------|---------|---------|---------|---------|---------|--------|---------|--------|
| | Amount | % | YoY | Amount | % | Amount | % | Amount | % |
| Revenue | 431,446 | 100.00% | 7.90% | 399,861 | 100.00% | 413,364 | 100.0% | 416,151 | 100.0% |
| Gross Profit | 145,285 | 33.67% | 9.45% | 132,741 | 33.20% | 137,650 | 33.3% | 137,922 | 33.1% |
| Operating Profit | 26,986 | 6.25% | 20.71% | 22,357 | 5.59% | 21,091 | 5.1% | 21,638 | 5.2% |
| Pre Tax Income | 35,308 | 8.18% | -53.84% | 76,488 | 19.13% | 30,502 | 7.4% | 27,249 | 6.5% |
| Net Income | 26,945 | 6.25% | -55.07% | 59,965 | 15.00% | 23,675 | 5.7% | 21,593 | 5.2% |
| *Net Income | 17,442 | 4.04% | -56.23% | 39,845 | 9.96% | 14,527 | 3.5% | 14,108 | 3.4% |
| *EPS (after tax) | 3.07 | | | 7.01 | | 2.56 | | 2.48 | |

*The figure is attributable to the equity holders of the company.

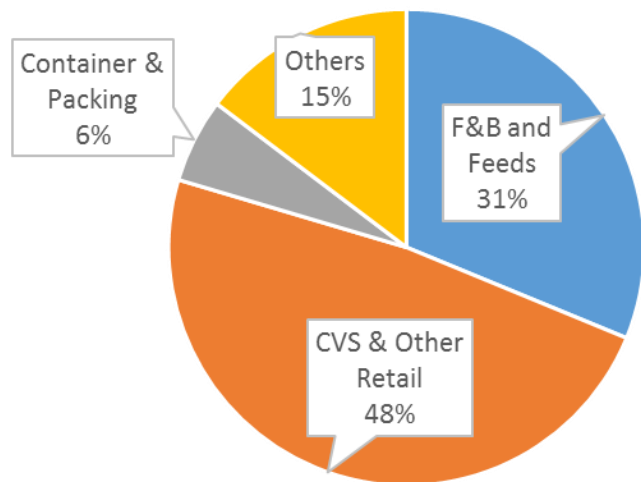
Segment Information of Uni-President (Consolidated)

Unit : NTD in Millions

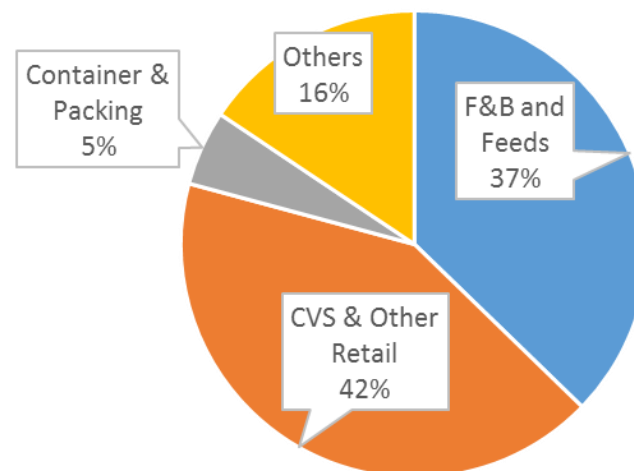
| 2018Y Segment Results | F&B and Feeds | CVS & Other Retail | Container & Packing | Others | Total | Adj. | Consolidated |
|-----------------------|---------------|--------------------|---------------------|---------------|---------------|-------|---------------|
| Segment revenue ** | 134,669 | 208,682 | 24,683 | 63,412 | 431,446 | - | 431,446 |
| YoY | 3.40% | 6.36% | 11.61% | 23.61% | 7.90% | | 7.90% |
| Segment income | 9,543 | 10,743 | 1,333 | 3,998 | 25,617 | 1,369 | 26,986 |
| Segment margin | 7.09% | 5.15% | 5.40% | 6.30% | 5.94% | | 6.25% |
| YoY | 27.13% | 18.32% | -8.35% | 51.75% | 23.90% | | 20.71% |

** Revenue from external customers

Segment revenue



Segment income



Uni-President (1216TT) Key Cash Flow Items (Consolidated)

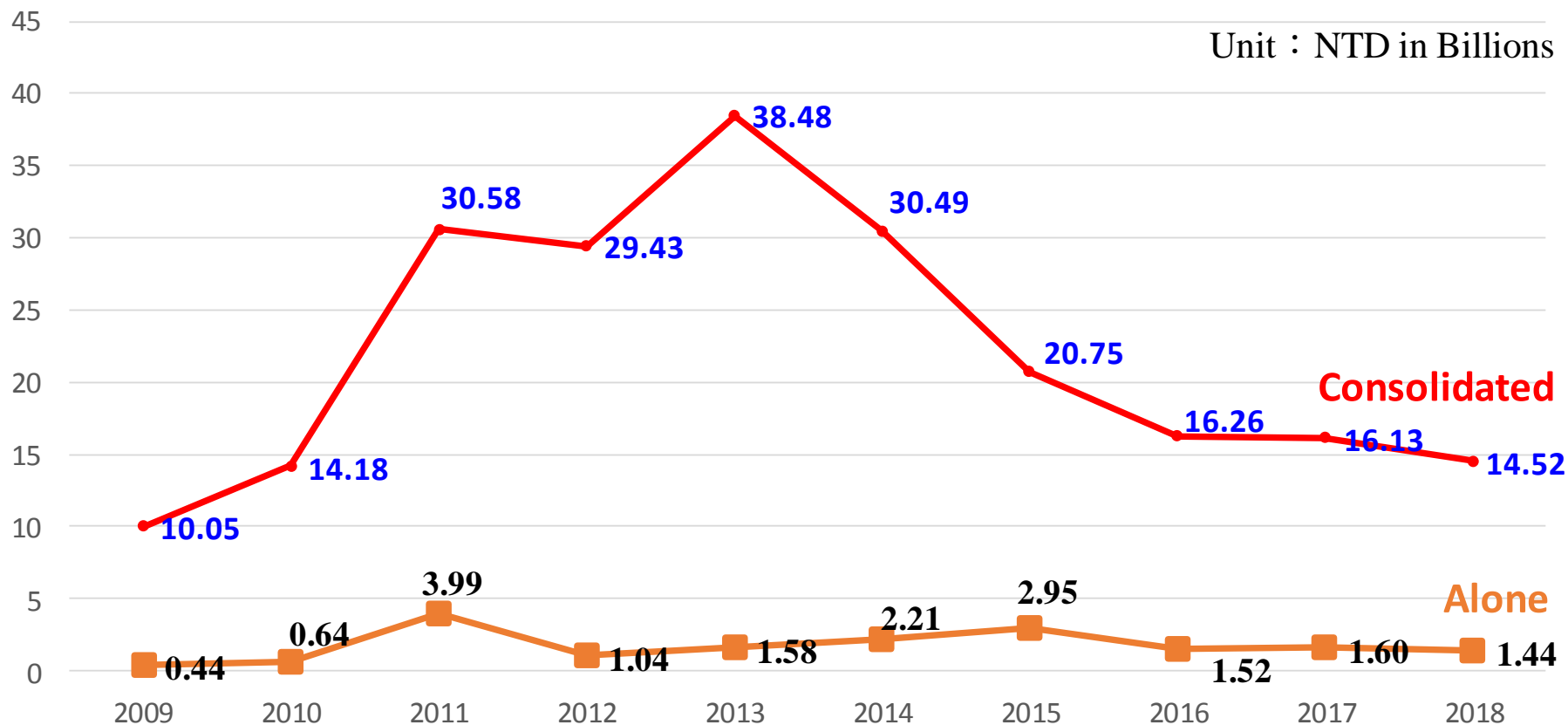
Unit : NTD in Billions

| Items | 2018Y | 2017Y |
|--|--------------|--------------|
| Beginning Balance | 54.70 | 56.33 |
| Net Cash provided by operating activities | 43.10 | 46.46 |
| Net cash (used in) investing activities | 11.28 | (9.13) |
| *Capital Expenditure | (14.52) | (16.13) |
| Proceeds from disposal of assets / investments | 43.35 | 5.78 |
| Net cash (used in) provided by financing activities | (29.37) | (40.84) |
| Ending Balance | 80.06 | 54.70 |

* Capital expenditures includes the acquisition and disposal of PP&E (including interests payment), the increase of intangible assets, the prepayment of equipment (including interests payments), and the long-term prepaid rent (the land-use right)

Uni-President (1216TT) Key Cash Flow Items

* Historical Capex



* 2014-2018 figures are based on 2013Y version of Taiwan IFRS

Historical Key P&L Items of Uni-President (Standalone)

Unit : NTD in Millions

| Stand-alone | 2018Y | | | 2017Y | | 2016Y | | 2015Y | |
|--------------------------------------|--------|---------|---------|--------|---------|--------|---------|--------|---------|
| | Amount | % | YoY | Amount | % | Amount | % | Amount | % |
| Revenue | 38,940 | 100.00% | -0.87% | 39,283 | 100.00% | 38,919 | 100.00% | 38,287 | 100.00% |
| Gross Profit | 11,891 | 30.54% | 2.81% | 11,566 | 29.44% | 11,533 | 29.63% | 11,107 | 29.01% |
| Operating Profit | 2,290 | 5.88% | 116.67% | 1,057 | 2.69% | 2,016 | 5.18% | 1,750 | 4.57% |
| Net Income | 17,442 | 44.79% | -56.23% | 39,845 | 101.43% | 14,527 | 37.33% | 14,108 | 36.85% |
| EPS (after tax) | 3.07 | | | 7.01 | | 2.56 | | 2.48 | |
| Cash dividend/share | * 2.50 | | | 5.50 | | 2.10 | | 2.00 | |
| Stock dividend/share | 0.00 | | | 0.00 | | 0.00 | | 0.00 | |
| Cash dividend as % of Total dividend | 100% | | | 100% | | 100% | | 100% | |
| Cash dividend payout ratio | 81% | | | 78% | | 82% | | 81% | |

Note*: Y2018 dividend policy was proposed at 2019/3/27 board meeting (pending shareholders' meeting resolution).

Major Profit Contributors to Uni-President (Standalone)

| Stand-alone basis (NTD in Millions) | 2018Y | | 2017Y | | YoY | Y2016 | | Y2015 | |
|---|--------|---------|--------|---------|---------|--------|---------|--------|---------|
| | Amount | % of NI | Amount | % of NI | | Amount | % of NI | Amount | % of NI |
| Operating Income | 2,290 | 13% | 1,057 | 3% | 117% | 2,016 | 14% | 1,750 | 12% |
| Total Investment Income (Equity Method) | 15,133 | 87% | 37,245 | 93% | -59% | 12,595 | 87% | 12,391 | 88% |
| Major Components of Investment Income: | | | | | | | | | |
| 1.Cayment President (100% ownership) | 4,763 | 27% | 4,510 | 11% | 5.62% | 3,737 | 26% | 4,353 | 31% |
| 2.PCSC(2912TT) (45.4% ownership) | 4,616 | 26% | 14,108 | 35% | -67.28% | 4,488 | 31% | 3,690 | 26% |
| 3.Ton Yi Industrial (9907TT) (45.55% ownership) | 672 | 4% | 279 | 1% | 140.74% | 492 | 3% | 270 | 2% |
| 4.Kai Yu Investment (100% ownership) | 593 | 3% | 13,536 | 34% | -95.62% | 959 | 7% | 664 | 5% |
| 5.PRESCO (100% ownership) | 484 | 3% | 417 | 1% | 16.02% | 284 | 2% | 217 | 2% |
| 6.Nan Lien Intl (100% ownership) | 441 | 3% | 426 | 1% | 3.49% | 422 | 3% | 364 | 3% |
| 7.TTET Union (38.50% ownership) | 349 | 2% | 313 | 1% | 11.52% | 337 | 2% | 344 | 2% |
| 8.Presicarre (20.5% ownership) | 344 | 2% | 356 | 1% | -3.32% | 304 | 2% | 246 | 2% |
| 9.President Securities (28.31% ownership) | 343 | 2% | 741 | 2% | -53.78% | 233 | 2% | 265 | 2% |
| 10.Kuang Chuan Dairy (31.25% ownership) | 336 | 2% | 316 | 1% | 6.19% | 348 | 2% | 340 | 2% |
| Net Income | 17,442 | 100% | 39,845 | 100% | -56.23% | 14,527 | 100% | 14,108 | 100% |

2. CVS & Retail Business (PCSC 2912TT)

CVS & Retail Businesses



President Chain Store Corp. (PCSC 2912TT)

(UPEC holds 45.40%)

- **History:** Opened the first 7-11 in Taiwan in 1980 & Listed on TWSE since 1997.
- **Valuation:** Market cap US\$10.02bn* , QFII ratio 41.74%.
- **Geographic Scope:** Taiwan 、 China 、 Southeast Asia (Philippine).

* Market cap & QFII Ratio based on closing price NT\$297 as of Mar 22, 2019 US\$1=NT\$30.806

Key P&L Items of PCSC (2912TT) (Consolidated)

Unit : NTD in Millions

| Consolidated | 2018Y | | | 2017Y | | 2016Y | | 2015Y | |
|------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| | Amount | % | YoY | Amount | % | Amount | % | Amount | % |
| Revenue | 244,888 | 100.00% | 10.74% | 221,132 | 100.00% | 215,359 | 100.00% | 205,481 | 100.00% |
| Gross Profit | 84,077 | 34.33% | 14.49% | 73,434 | 33.21% | 70,607 | 32.79% | 66,281 | 32.26% |
| Operating Profit | 12,835 | 5.24% | 23.15% | 10,422 | 4.71% | 10,405 | 4.83% | 9,610 | 4.68% |
| Net Income | 11,744 | 4.80% | -63.66% | 32,318 | 14.61% | 11,139 | 5.17% | 9,442 | 4.60% |
| *Net Income | 10,206 | 4.17% | -67.09% | 31,017 | 14.03% | 9,837 | 4.57% | 8,239 | 4.01% |
| *EPS (after tax) | 9.82 | | | 29.83 | | 9.46 | | 7.92 | |

*The figure is attributable to the equity holders of the company.

PCSC (2912TT) Consolidated Revenue by Segments

Unit : NTD in Millions

| Revenue by Segments | 2018Y | % of Rev. | YoY | 2017Y | % of Rev. |
|---|----------------|----------------|---------------|----------------|----------------|
| 1.Convenience Store | 153,413 | 62.65% | 6.63% | 143,873 | 65.06% |
| 2.Retail Business (including filling stations) | 69,459 | 28.36% | 6.38% | 65,296 | 29.53% |
| 3.PCSC's other operating segments (including restaurant and China retail) | 19,994 | 8.16% | 114.32% | 9,329 | 4.22% |
| 4.Logistics Business | 2,022 | 0.83% | -23.22% | 2,634 | 1.19% |
| Total Revenue | 244,888 | 100.00% | 10.74% | 221,132 | 100.00% |

Key P&L Items of PCSC (2912TT) (Standalone)

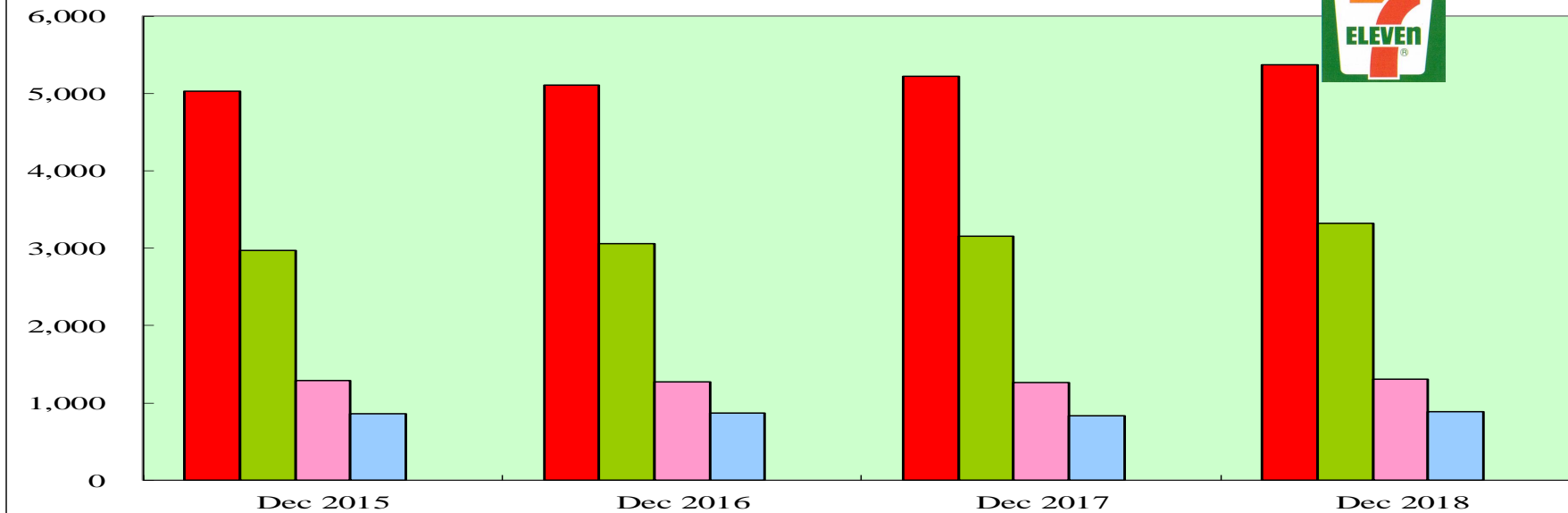
Unit : NTD in Millions





| Standalone | 2018Y | | | 2017Y | | 2016Y | | 2015Y | |
|----------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| | Amount | % | YoY | Amount | % | Amount | % | Amount | % |
| Revenue | 154,075 | 100.00% | 6.64% | 144,480 | 100.00% | 140,147 | 100.00% | 133,408 | 100.00% |
| Gross Profit | 53,012 | 34.41% | 4.69% | 50,639 | 35.05% | 48,084 | 34.31% | 45,109 | 33.81% |
| Operating Profit | 7,655 | 4.97% | 22.54% | 6,247 | 4.32% | 6,674 | 4.76% | 6,412 | 4.81% |
| Net Income | 10,206 | 6.62% | -67.09% | 31,017 | 21.47% | 9,837 | 7.02% | 8,239 | 6.18% |
| EPS(after tax) | 9.82 | | | 29.83 | | 9.46 | | 7.92 | |
| Cash dividend/share | * 8.80 | | | 25.00 | | 8.00 | | 7.20 | |
| Stock dividend/share | 0.00 | | | 0.00 | | 0.00 | | 0.00 | |
| Cash dividend payout ratio | 90% | | | 84% | | 85% | | 91% | |

Note*: Y2018 dividend policy was proposed at 2019/2/27 board meeting (pending shareholders' meeting resolution)..

PCSC's Market Share in Taiwan

Number of Convenience Stores in Taiwan



| | 2015.12 | 2016.12 | 2017.12 | 2018.12 |
|--|---------|---------|---------|---------|
|  7-ELEVEN | 5,028 | 5,107 | 5,221 | 5,369 |
|  A company | 2,972 | 3,057 | 3,152 | 3,324 |
|  B company | 1,286 | 1,273 | 1,267 | 1,306 |
|  C company | 862 | 873 | 838 | 885 |

Data source: PCSC

PCSC's Major Retail Scopes in Taiwan

PCSC (2912TT)

Convenience Store

Taiwan 7-ELEVEN



PCSC holds 100%
of stores: 5,369

Drugstore

Cosmed Taiwan



PCSC holds 100%
of stores: 397

Department Store

Uni-Ustyle



PCSC holds 70%
UPEC holds 30%
of store: 1

Shopping Mall

Dream Mall



PCSC holds 19.0%
UPEC holds 40.5%
PIDC holds 40.5%
of store: 1

Restaurants

Uni -Wonder Corp.
(Taiwan Starbucks)



PCSC holds 60%
UPEC holds 40%
of stores: 454

Cold Stone Creamery



PCSC holds 100%
of stores: 29

Mister Donut



PCSC holds 50%
of stores: 65

21 Century



PCSC holds 100%
of stores: 26

Distribution & Logistics

Retail Support International



UP Group holds 65%

Uni-President Cold-Chain



UP Group holds 100%

Wisdom Distribution



UP Group holds 100%

President Transnet Corp.
(Taiwan Takkyubin)



PCSC holds 70%
UPEC holds 20%

Online Retailer

博客來網路書店 統一企業集團
books.com.tw

PCSC holds 50.03%

ibon mart

統一超商線上購物中心

Ibon Mart
PCSC holds 100%

* Store No. is as of end Dec 2018

PCSC's Major Retail Scopes Overseas

China

Convenience Store

Shanghai 7-ELEVEN

PCSC holds 100%
of stores: 118



Zhejiang 7-ELEVEN

PCSC holds 100%
of stores: 28



Supermarket

Shandong Uni-Mart

PCSC holds 55%
of stores: 192



Southeast Asia

Convenience Store

Philippine 7-ELEVEN (SEVN PM)

PCSC holds 52.22%
of stores: 2,550



* Store No. is as of end Dec, 2018

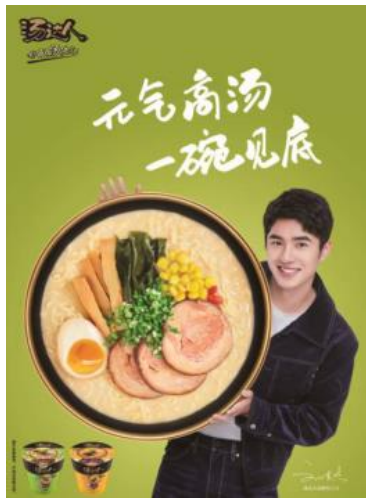
3. China F&B Business (UPCH 220HK)

F&B Business in China

Uni-President China Holdings Ltd. (UPCH 220 HK) (UPEC holds 70.5%)

- Commenced China F&B operations in **1992**
- Listed on HKSE since **Dec 17th, 2007**
- Current market cap US\$4.19bn*
- Distribution to 31 provinces across China

* Market cap based on closing price HK\$7.61 as of Mar 22, 2019, US\$1=HK\$7.8474



Historical Key P&L Items of UPCH (220HK) (Consolidated)

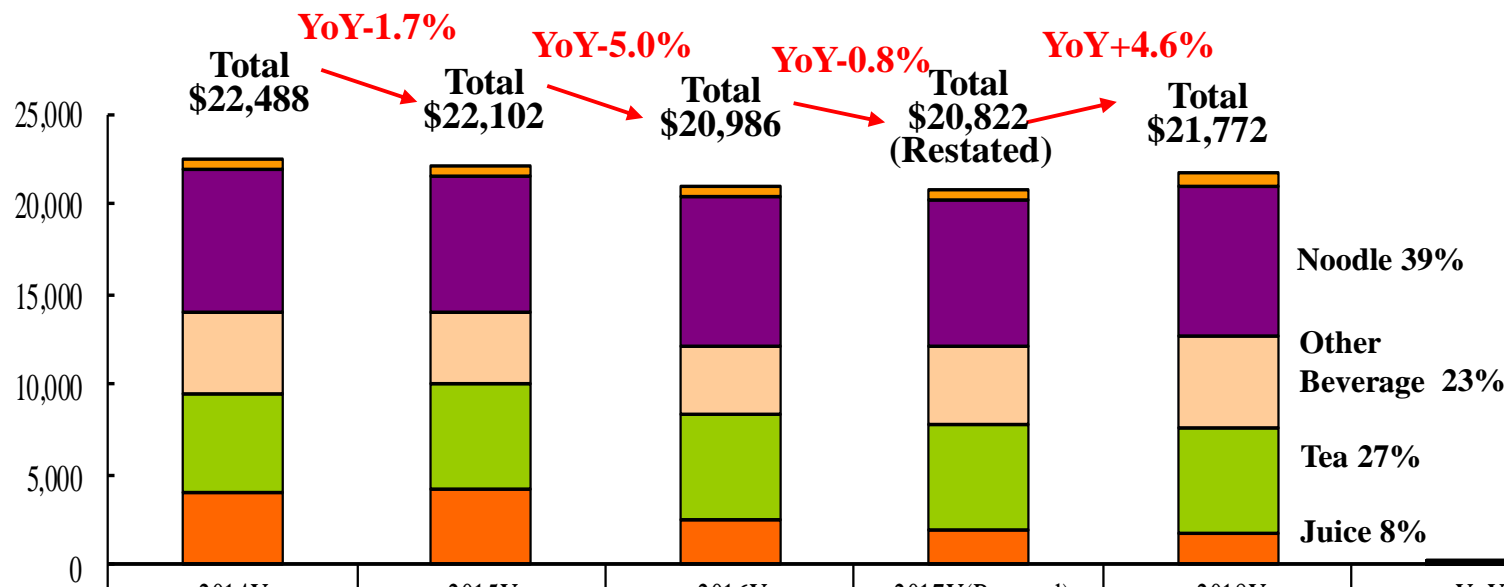
Unit : RMB in Millions

| Consolidated | 2018Y | | | 2017Y(Restated) | | 2016Y | | 2015Y | |
|----------------------------|--------|-----------|--------|-----------------|-----------|--------|-----------|--------|-----------|
| | Amount | % of Rev. | YoY | Amount | % of Rev. | Amount | % of Rev. | Amount | % of Rev. |
| Revenue | 21,772 | 100.00% | 4.56% | 20,822 | 100.00% | 20,986 | 100.00% | 22,102 | 100.00% |
| Gross Profit | 7,289 | 33.48% | 10.83% | 6,577 | 31.59% | 7,228 | 34.44% | 8,141 | 36.83% |
| Operaitng Profit | 1,312 | 6.03% | 10.53% | 1,187 | 5.70% | 963 | 4.59% | 1,031 | 4.66% |
| Pre Tax Profit | 1,540 | 7.07% | 20.60% | 1,277 | 6.13% | 1,068 | 5.09% | 1,171 | 5.30% |
| * Net Profit | 1,030 | 4.73% | 17.31% | 878 | 4.22% | 607 | 2.89% | 835 | 3.78% |
| * EPS(cents) | 23.84 | | | 20.33 | | 14.06 | | 19.32 | |
| Total Payout Ratio | 100% | | | 70% | | 20% | | 20% | |
| Cash dividend/share(cents) | 23.84 | | | 14.23 | | 2.812 | | 3.864 | |

* The figure is attributable to the equity holders of the company.

UPCH (220HK) Sales Break-down by Products

Unit : RMB in millions



| | 2014Y | 2015Y | 2016Y | 2017Y(Restated) | 2018Y | YoY |
|-----------------|-------|-------|-------|-----------------|-------|--------|
| Other Business | 523 | 483 | 584 | 668 | 728 | 8.9% |
| Instant Noodles | 7,960 | 7,567 | 8,221 | 7,974 | 8,425 | 5.7% |
| Other Beverage | 4,540 | 3,947 | 3,766 | 4,360 | 4,953 | 13.6% |
| RTD Tea | 5,526 | 5,826 | 5,915 | 5,826 | 5,944 | 2.0% |
| RTD Juice | 3,939 | 4,278 | 2,500 | 1,993 | 1,723 | -13.5% |

UPCH (220HK) Margin & Expenses Breakdown

Gross Margin As % of revenue

| | 2018Y | 2017Y(Restated) |
|----------------|--------------|------------------------|
| Company | 33.5% | 31.6% |
| Instant Noodle | 30.1% | 28.2% |
| Beverage | 37.0% | 34.7% |

Expenses As % of revenue

| | 2018Y | 2017Y(Restated) |
|-------------------|--------------|------------------------|
| Company | 28.50% | 27.2% |
| Selling&Marketing | 23.40% | 22.5% |
| Administration | 5.10% | 4.7% |

Net Margin As % of revenue

| | 2018Y | 2017Y(Restated) |
|----------------|--------------|------------------------|
| Company | 4.70% | 4.2% |
| Instant Noodle | 5.50% | 5.2% |
| Beverage | 10.20% | 8.3% |