



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

Security Code: 1216 TT

2019 Annual Results

UPCH



UPEC



統一蛋糕屋

AB 優酪乳

麥香

茶裏王

回甘就像現泡
單細胞生茶萃取技術

純喫茶



來一客

滿漢大餐

統一麵



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\$12.34bn, QFII ratio 51.24%
- ✓ Total assets US\$15.86bn, and revenue US\$14.88bn.
- ✓ Vertical integration from manufacturing, distribution to retailing.

Leading F&B Company in China (UPCH)

Largest CVS & Hypermarket Retailers in Taiwan

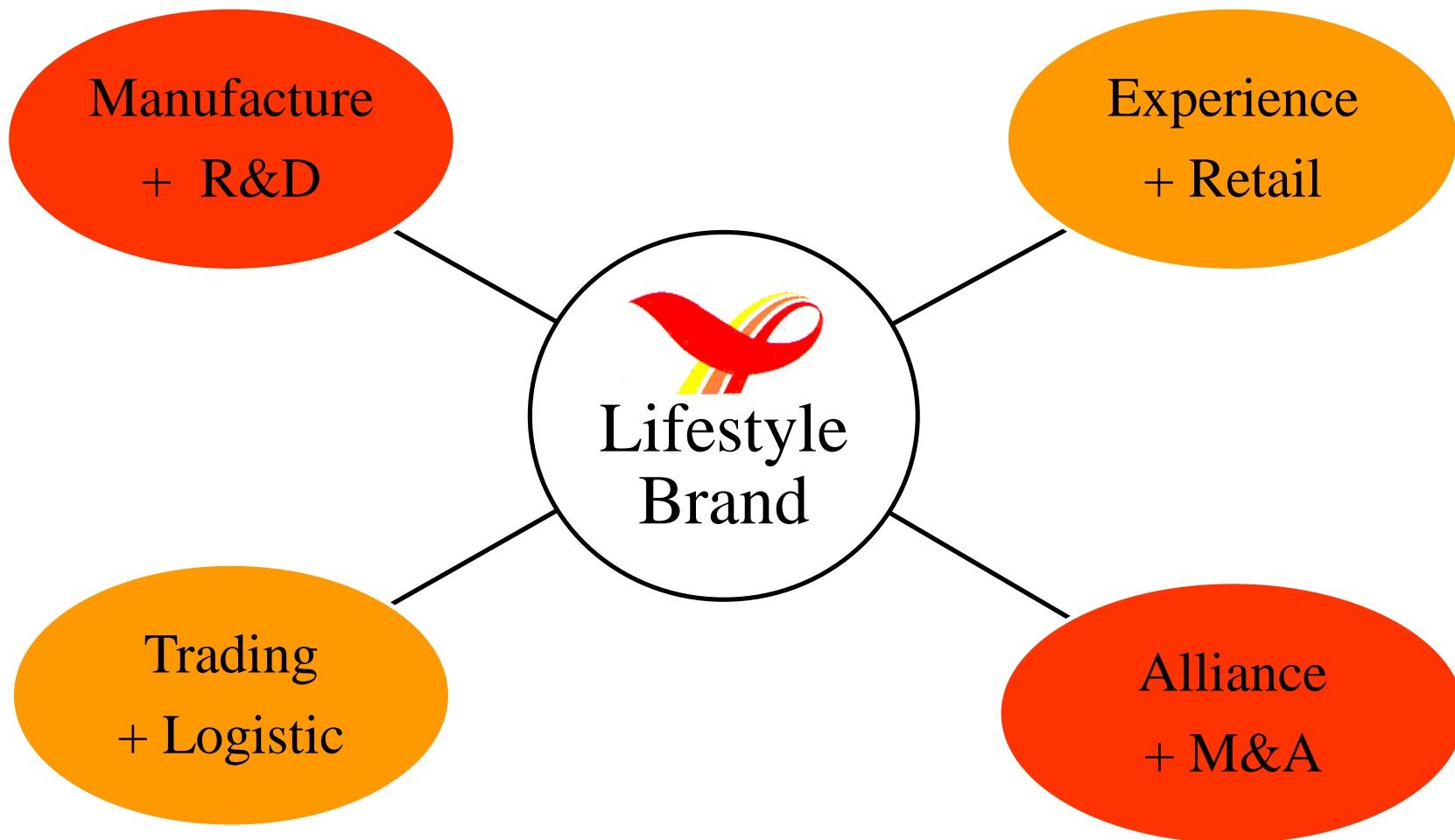
- ✓ “7-11” Convenience Store Chains & “Carrefour” Hypermarket Chains

Focusing F&B and Retail Businesses in Asia

* Market cap & QFII based on the closing price NT\$65.80 (US\$1=NT\$30.306) as of Mar 26, 2020

** Total assets and revenue were consolidated-based in 2019: US\$1=NT\$30.106

The Highlight of Uni-President Group



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 | 2019Y | | | 2018Y | | 2017Y | | 2016Y | |
|------------------|---------|---------|-------|---------|---------|---------|---------|---------|---------|
| | Amount | % | YoY | Amount | % | Amount | % | Amount | % |
| Revenue | 447,978 | 100.00% | 3.83% | 431,446 | 100.00% | 399,861 | 100.00% | 413,364 | 100.00% |
| Gross Profit | 153,963 | 34.37% | 5.97% | 145,285 | 33.67% | 132,741 | 33.20% | 137,650 | 33.30% |
| Operating Profit | 29,628 | 6.61% | 9.79% | 26,986 | 6.25% | 22,357 | 5.59% | 21,091 | 5.10% |
| Pre Tax Income | 36,397 | 8.12% | 3.08% | 35,308 | 8.18% | 76,488 | 19.13% | 30,502 | 7.38% |
| Net Income | 28,484 | 6.36% | 5.71% | 26,945 | 6.25% | 59,965 | 15.00% | 23,675 | 5.73% |
| *Net Income | 19,007 | 4.24% | 8.97% | 17,442 | 4.04% | 39,845 | 9.96% | 14,527 | 3.51% |
| *EPS (after tax) | 3.35 | | | 3.07 | | 7.01 | | 2.56 | |

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

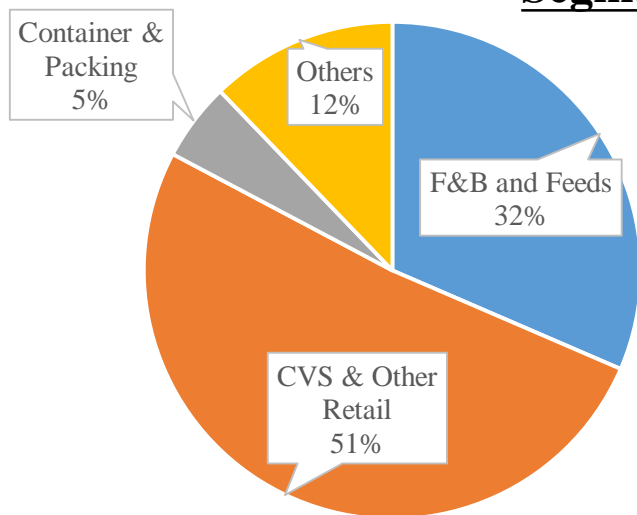
Segment Information of Uni-President (Consolidated)

Unit : NTD in Millions

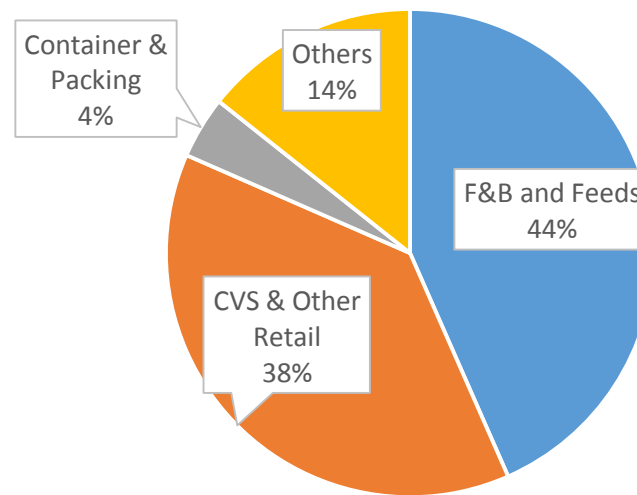
| 2019Y Segment Results | F&B and Feeds | CVS & Other Retail | Container & Packing | Others | Total | Adj. | Consolidated |
|--------------------------|------------------|-----------------------|------------------------|--------|---------|-------|--------------|
| Segment revenue ** | 141,042 | 229,663 | 22,697 | 54,576 | 447,978 | - | 447,978 |
| YoY | 4.73% | 4.54% | -8.05% | 4.16% | 3.83% | | 3.83% |
| Segment income | 12,321 | 10,830 | 1,166 | 4,064 | 28,382 | 1,246 | 29,628 |
| Segment margin | 8.74% | 4.72% | 5.14% | 7.45% | 6.34% | | 6.61% |
| YoY | 29.11% | 0.12% | -12.52% | 3.59% | 10.79% | | 9.79% |

** Revenue from external customers

Segment Revenue



Segment Income



Key Cash Flow Items of Uni-President (Consolidated)

Unit : NTD in Billions

| Items | 2019Y | 2018Y |
|---|--------------|--------------|
| Beginning Balance | 80.06 | 54.70 |
| Net cash flows from operating activities | 58.87 | 43.10 |
| Net cash flows (used in) from investing activities | (23.08) | 11.28 |
| *Capital Expenditure | (13.65) | (14.52) |
| Proceeds from disposal of assets / investments | 2.35 | 43.35 |
| Net cash flows (used in) financing activities | (40.77) | (29.37) |
| Ending Balance | 74.71 | 80.06 |

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

Key Balance Sheet Items & Indices of Uni-President (Consolidated)

| Item (NTD in Billions) | 2019.12.31 | | 2018.12.31 | |
|---|------------|---------|------------|---------|
| | Amount | % | Amount | % |
| Total Asset | 477.46 | 100.00% | 407.15 | 100.00% |
| Total Liabilities | 303.45 | 63.56% | 236.85 | 58.17% |
| Total Stockholders' Equity | 174.01 | 36.44% | 170.30 | 41.83% |
| Current Ratio | 106.86% | | 117.06% | |
| Interest-bearing Liabilities to Equity Ratio | 55.68% | | 60.04% | |
| Net Interest-bearing Liabilities to Equity Ratio | 12.75% | | 13.03% | |

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

Unit : NTD in Millions

| Stand-alone | 2019Y | | | 2018Y | | 2017Y | | 2016Y | |
|--------------------------------------|--------|---------|-------|--------|---------|--------|---------|--------|---------|
| | Amount | % | YoY | Amount | % | Amount | % | Amount | % |
| Revenue | 40,771 | 100.00% | 4.70% | 38,940 | 100.00% | 39,283 | 100.00% | 38,919 | 100.00% |
| Gross Profit | 12,730 | 31.22% | 7.06% | 11,891 | 30.54% | 11,566 | 29.44% | 11,533 | 29.63% |
| Operating Profit | 2,483 | 6.09% | 8.40% | 2,290 | 5.88% | 1,057 | 2.69% | 2,016 | 5.18% |
| Net Income | 19,007 | 46.62% | 8.97% | 17,442 | 44.79% | 39,845 | 101.43% | 14,527 | 37.33% |
| EPS (after tax) | 3.35 | | | 3.07 | | 7.01 | | 2.56 | |
| Cash dividend/share | 2.50 | | | 2.50 | | 5.50 | | 2.10 | |
| Cash dividend as % of Total dividend | 100% | | | 100% | | 100% | | 100% | |
| Cash dividend payout ratio * | 75% | | | 81% | | 78% | | 82% | |

Note *: Y2019 dividend policy was proposed at 2020/3/27 board meeting (pending shareholders' meeting resolution).

Major Profit Contributors to Uni-President (Standalone)

| Stand-alone basis (NTD in Millions) | 2019Y | | 2018Y | | YoY | 2017Y | | 2016Y | |
|--|--------|---------|--------|---------|---------|--------|---------|--------|---------|
| | Amount | % of NI | Amount | % of NI | | Amount | % of NI | Amount | % of NI |
| Operating Income | 2,483 | 13% | 2,290 | 13% | 8.40% | 1,057 | 3% | 2,016 | 14% |
| Total Investment Income (Equity Method) | 16,836 | 89% | 15,133 | 87% | 11.26% | 37,245 | 93% | 12,595 | 87% |
| Major Components of Investment Income: | | | | | | | | | |
| 1.Cayment President (100% ownership) | 5,973 | 31% | 4,763 | 27% | 25.41% | 4,510 | 11% | 3,737 | 26% |
| 2.PCSC(2912TT) (45.4% ownership) | 4,786 | 25% | 4,616 | 26% | 3.68% | 14,108 | 35% | 4,488 | 31% |
| 3.President Securities (28.31% ownership) | 676 | 4% | 343 | 2% | 97.35% | 741 | 2% | 233 | 2% |
| 4.PRESCO (100% ownership) | 542 | 3% | 484 | 3% | 12.10% | 417 | 1% | 284 | 2% |
| 5.Kai Yu Investment (100% ownership) | 531 | 3% | 593 | 3% | -10.34% | 13,536 | 34% | 959 | 7% |
| 6.Nan Lien Intl (100% ownership) | 470 | 2% | 441 | 3% | 6.46% | 426 | 1% | 422 | 3% |
| 7.PIDC (69.37% ownership) | 466 | 2% | 318 | 2% | 46.49% | 609 | 2% | 335 | 2% |
| 8.Kuang Chuan Dairy (31.25% ownership) | 418 | 2% | 336 | 2% | 24.49% | 316 | 1% | 348 | 2% |
| 9.TTET Union (38.50% ownership) | 375 | 2% | 349 | 2% | 7.46% | 313 | 1% | 337 | 2% |
| 10.Presicarre (20.5% ownership) | 372 | 2% | 344 | 2% | 8.02% | 356 | 1% | 304 | 2% |
| Net Income | 19,007 | 100% | 17,442 | 100% | 8.97% | 39,845 | 100% | 14,527 | 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\$9.55bn* , QFII ratio 39.59%.
- **Geographic Scope:** Taiwan 、 China 、 Southeast Asia (Philippine).

* Market cap & QFII Ratio based on closing price NT\$278.5 as of Mar 26, 2020 US\$1=NT\$30.306

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

Unit : NTD in Millions

| Consolidated | 2019Y | | | 2018Y | | 2017Y | | 2016Y | |
|------------------|---------|---------|-------|---------|---------|---------|---------|---------|---------|
| | Amount | % | YoY | Amount | % | Amount | % | Amount | % |
| Revenue | 256,059 | 100.00% | 4.56% | 244,888 | 100.00% | 221,132 | 100.00% | 215,359 | 100.00% |
| Gross Profit | 87,848 | 34.31% | 4.49% | 84,077 | 34.33% | 73,434 | 33.21% | 70,607 | 32.79% |
| Operating Profit | 13,050 | 5.10% | 1.68% | 12,835 | 5.24% | 10,422 | 4.71% | 10,405 | 4.83% |
| Net Income | 12,112 | 4.73% | 3.13% | 11,744 | 4.80% | 32,318 | 14.61% | 11,139 | 5.17% |
| *Net Income | 10,543 | 4.12% | 3.30% | 10,206 | 4.17% | 31,017 | 14.03% | 9,837 | 4.57% |
| *EPS (after tax) | 10.14 | | | 9.82 | | 29.83 | | 9.46 | |

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

PCSC (2912TT) Consolidated Revenue by Segments

Unit : NTD in Millions

| Revenue by Segments | 2019Y | % of Rev. | YoY | 2018Y | % of Rev. |
|---|----------------|----------------|--------------|----------------|----------------|
| 1.Convenience Store | 157,417 | 61.48% | 2.61% | 153,413 | 62.65% |
| 2.Retail Business (including filling stations) | 76,009 | 29.68% | 9.43% | 69,459 | 28.36% |
| 3.PCSC's other operating segments (including restaurant and China retail) | 20,533 | 8.02% | 2.69% | 19,994 | 8.16% |
| 4.Logistics Business | 2,100 | 0.82% | 3.87% | 2,022 | 0.83% |
| Total Revenue | 256,059 | 100.00% | 4.56% | 244,888 | 100.00% |

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

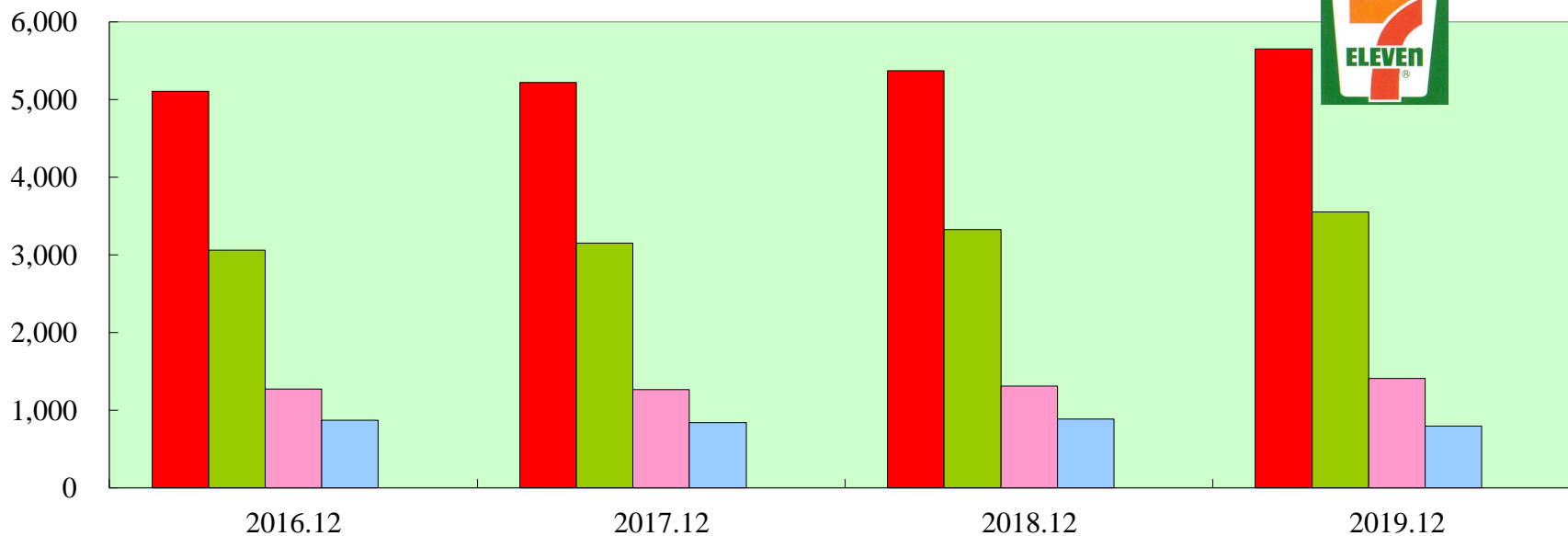
Unit : NTD in Millions

| Standalone | 2019Y | | | 2018Y | | 2017Y | | 2016Y | |
|----------------------------|---------|---------|--------|---------|---------|---------|---------|---------|---------|
| | Amount | % | YoY | Amount | % | Amount | % | Amount | % |
| Revenue | 158,032 | 100.00% | 2.57% | 154,075 | 100.00% | 144,480 | 100.00% | 140,147 | 100.00% |
| Gross Profit | 54,177 | 34.28% | 2.20% | 53,012 | 34.41% | 50,639 | 35.05% | 48,084 | 34.31% |
| Operating Profit | 7,046 | 4.46% | -7.95% | 7,655 | 4.97% | 6,247 | 4.32% | 6,674 | 4.76% |
| Net Income | 10,543 | 6.67% | 3.30% | 10,206 | 6.62% | 31,017 | 21.47% | 9,837 | 7.02% |
| EPS(after tax) | 10.14 | | | 9.82 | | 29.83 | | 9.46 | |
| Cash dividend/share | 9.00 | | | 8.80 | | 25.00 | | 8.00 | |
| Stock dividend/share | 0.00 | | | 0.00 | | 0.00 | | 0.00 | |
| Cash dividend payout ratio | 89% | | | 90% | | 84% | | 85% | |

Note*: Y2019 dividend policy was proposed at 2020/2/27 board meeting (pending shareholders' meeting resolution)..

PCSC's Market Share in Taiwan

Number of Convenience Stores in Taiwan



| | 2016.12 | 2017.12 | 2018.12 | 2019.12 |
|-----------|---------|---------|---------|---------|
| 7-ELEVEN | 5,107 | 5,221 | 5,369 | 5,655 |
| A company | 3,057 | 3,152 | 3,324 | 3,550 |
| B company | 1,273 | 1,267 | 1,306 | 1,405 |
| C company | 873 | 838 | 885 | 794 |

Data source: PCSC

PCSC's Major Retail Scopes in Taiwan

PCSC (2912TT)

Convenience Store

Taiwan 7-ELEVEN



PCSC holds 100%
of stores: 5,655

Drugstore

Cosmed Taiwan



PCSC holds 100%
of stores: 389

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: 475

Cold Stone Creamery



PCSC holds 100%
of stores: 32

Mister Donut



PCSC holds 50%
of stores: 74

21 Century



PCSC holds 100%
of stores: 30

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 2019

PCSC's Major Retail Scopes Overseas

China

Convenience Store

Shanghai 7-ELEVEN

PCSC holds 100%
of stores: 116



Zhejiang 7-ELEVEN

PCSC holds 100%
of stores: 39



Supermarket

Shandong Uni-Mart

PCSC holds 55%
of stores: 202



Southeast Asia

Convenience Store

Philippine 7-ELEVEN (SEVN PM)

PCSC holds 52.22%
of stores: 2,864



* Store No. is as of end Dec 2019

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\$3.94bn*
- Distribution to 31 provinces across China



* Market cap based on closing price HK\$7.08 as of Mar 26, 2020, US\$1=HK\$7.7539



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

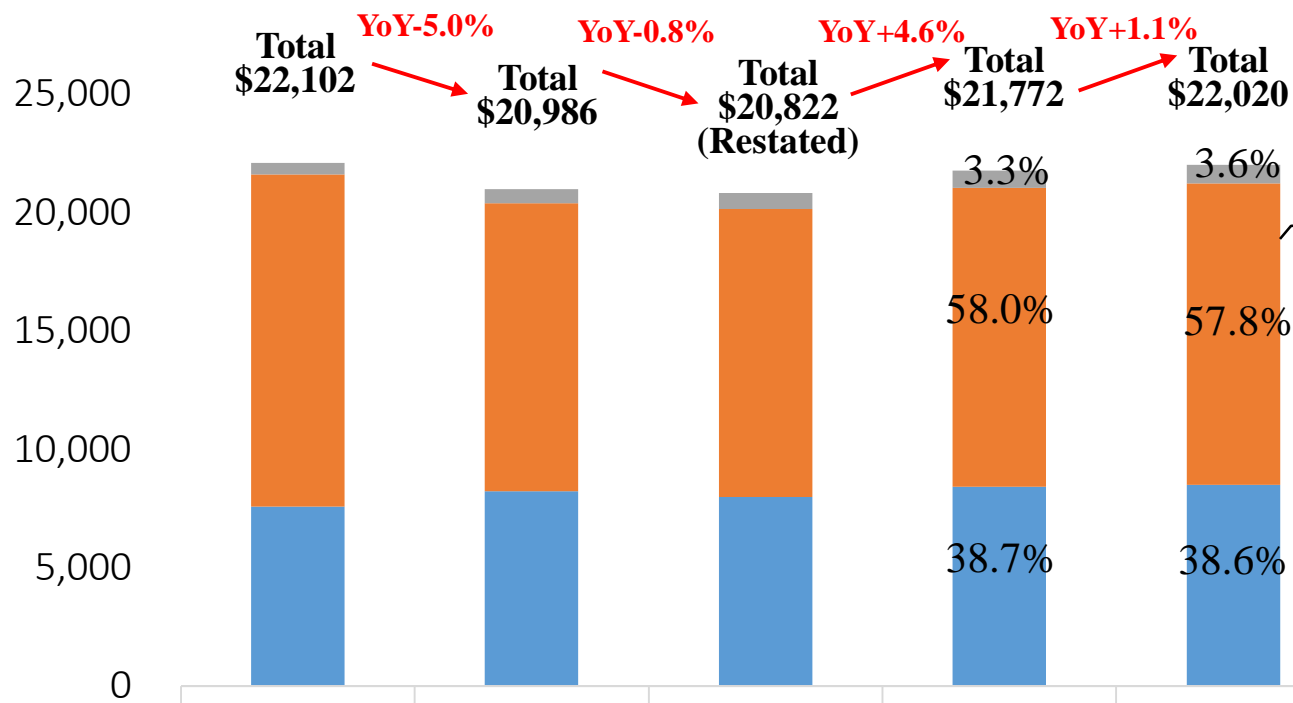
Unit : RMB in Millions

| Consolidated | 2019Y | | | 2018Y | 2017Y(Restated) | | 2016Y | | |
|----------------------------|--------|-----------|--------|--------|-----------------|--------|-----------|--------|-----------|
| | Amount | % of Rev. | YoY | Amount | % of Rev. | Amount | % of Rev. | Amount | % of Rev. |
| Revenue | 22,020 | 100.00% | 1.14% | 21,772 | 100.00% | 20,822 | 100.00% | 20,986 | 100.00% |
| Gross Profit | 7,918 | 35.96% | 8.64% | 7,289 | 33.48% | 6,577 | 31.59% | 7,228 | 34.44% |
| Operating Profit | 1,806 | 8.20% | 35.62% | 1,332 | 6.12% | 1,187 | 5.70% | 963 | 4.59% |
| Pre Tax Profit | 1,971 | 8.95% | 28.03% | 1,540 | 7.07% | 1,277 | 6.13% | 1,068 | 5.09% |
| * Net Profit | 1,366 | 6.20% | 32.68% | 1,030 | 4.73% | 878 | 4.22% | 607 | 2.89% |
| * EPS(cents) | 31.63 | | | 23.84 | | 20.33 | | 14.06 | |
| Total Payout Ratio | 100% | | | 100% | | 70% | | 20% | |
| Cash dividend/share(cents) | 31.63 | | | 23.84 | | 14.23 | | 2.812 | |

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

UPCH (220HK) Sales Break-down by Products

Unit : RMB in millions



| | 2015 | 2016 | 2017 (restated) | 2018 | 2019 | YoY |
|----------------|--------|--------|--------------------|--------|--------|------|
| Other | 483 | 584 | 668 | 728 | 789 | 8.4% |
| Beverage | 14,051 | 12,181 | 12,179 | 12,619 | 12,730 | 0.9% |
| Instant noodle | 7,567 | 8,221 | 7,974 | 8,425 | 8,501 | 0.9% |

UPCH (220HK) Margin & Expenses Breakdown

Gross Margin As % of revenue

| | 2019Y | 2018Y |
|----------------|-------|-------|
| Company | 36.0% | 33.5% |
| Instant Noodle | 32.0% | 30.0% |
| Beverage | 39.9% | 37.0% |

Expenses As % of revenue

| | 2019Y | 2018Y |
|-------------------|-------|-------|
| Company | 29.0% | 28.6% |
| Selling&Marketing | 24.4% | 23.4% |
| Administration | 4.6% | 5.1% |

Operating Margin* As % of revenue

| | 2019Y | 2018Y |
|----------------|-------|-------|
| Company | 8.2% | 6.1% |
| Instant Noodle | 5.8% | 5.5% |
| Beverage | 12.7% | 10.2% |

* Segment profit does not include unallocated profit/ (loss) which are mostly headquarter expenses