

**President Chain Store Corp.**

**2912TT**

# 2019 9M Financial Results

# Financial Highlights

## ◆ Historical revenue and profit

Unit: NTD billion

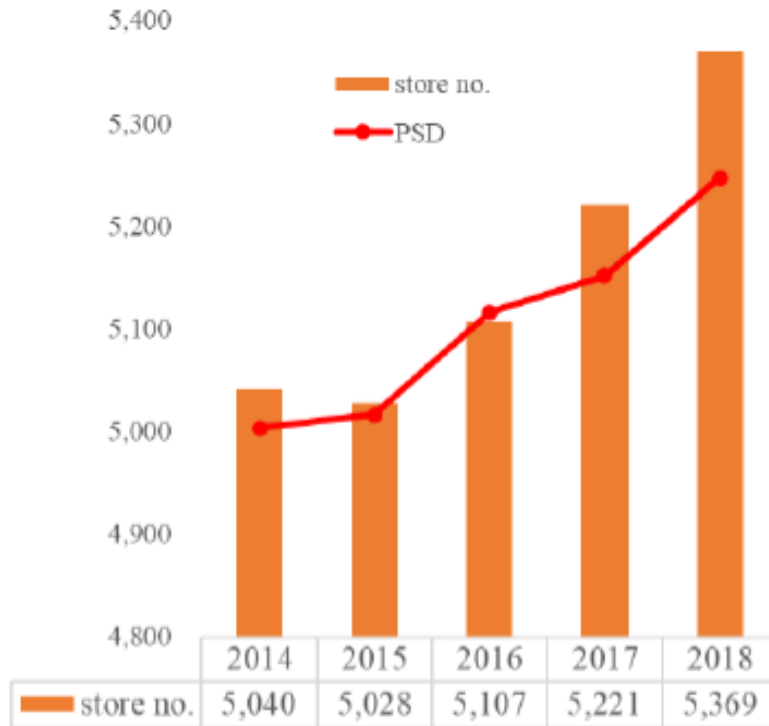
	2014	2015	2016	2017	2018	YOY	2019 9M	YOY
Revenue (Company Only)	131.3	133.4	140.1	144.5	154.1	6.6%	118.6	2.2%
Revenue (Consolidated)	200.4	205.5	215.4	221.1	244.9	10.7%	191.1	4.3%
Net Profit	9.1	8.2	9.8	31.0	10.2	-67.1%	8.3	4.1%
One-off gain from Starbucks deal	-	-	-	20.4	-	-	-	
EPS (NT\$)	8.74	7.92	9.46	29.83	9.82	-20.01	7.95	0.31

Note 1 : The one-off gain from Starbucks deal includes disposal gain of Shanghai Starbucks, re-measurement gain of Uni-wonder corp. and relative expenses.

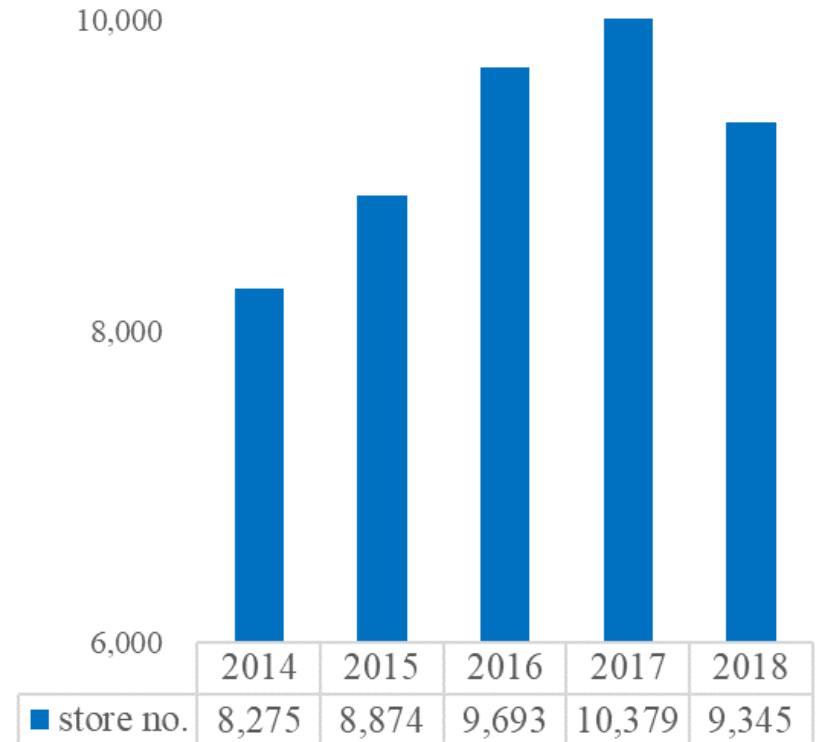
Note 2 : Excluding one-off gain from Shanghai Starbucks deal in 2017, 2018 pre-tax profits grew.

# Store Number Trend

## Local 7-ELEVEN



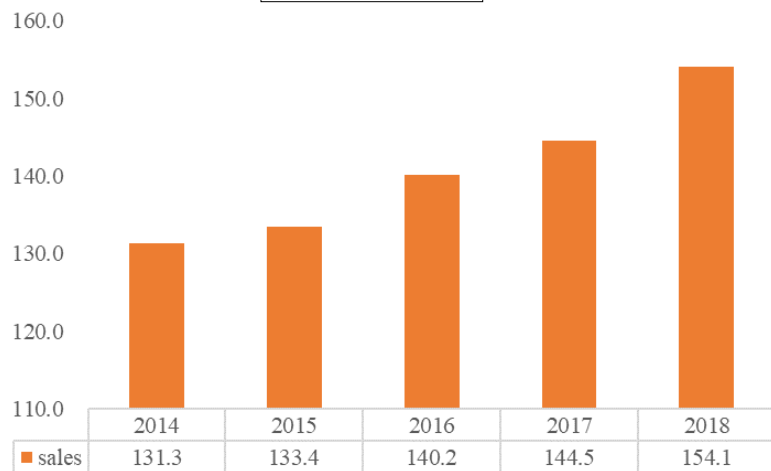
## PCSC



Note: Outlets in 2018 increased by 443 compared to 2017, which excluded Shanghai Starbucks.

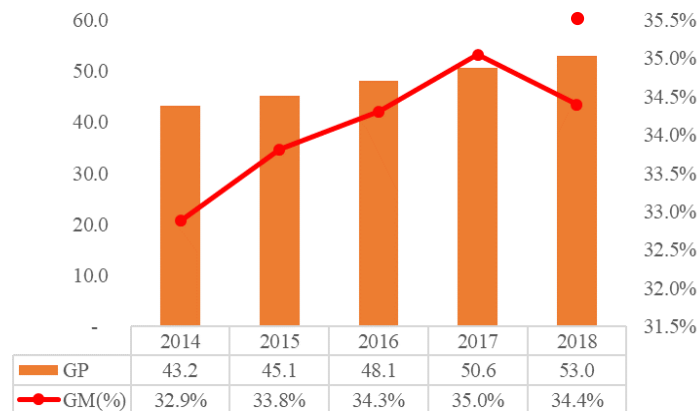
# Sales and Profitability (Company)

## Sales



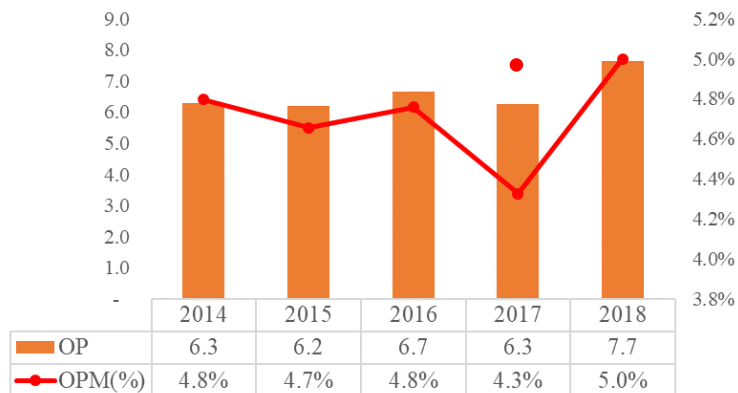
## GP

NT\$ billion



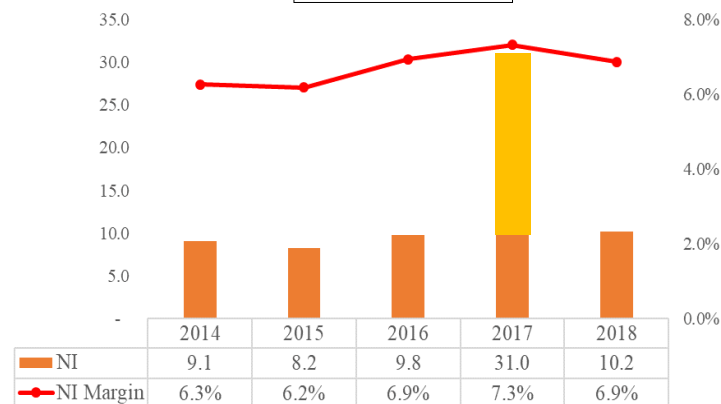
Note : 2018 GM% decreased because of tobacco tax.

## OP



Note : one-off expense from Shanghai Starbucks deal in 2017.

## NI

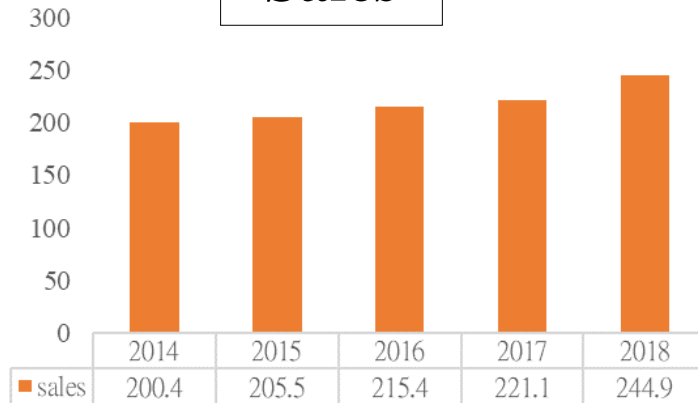


Note: Figures in 2014, 2016, 2017 and 2018 excluded MUJI disposal gain, BankPro E-service disposal gain, Shanghai Starbucks gain and one-off DTL impact respectively for like-for-like comparison.

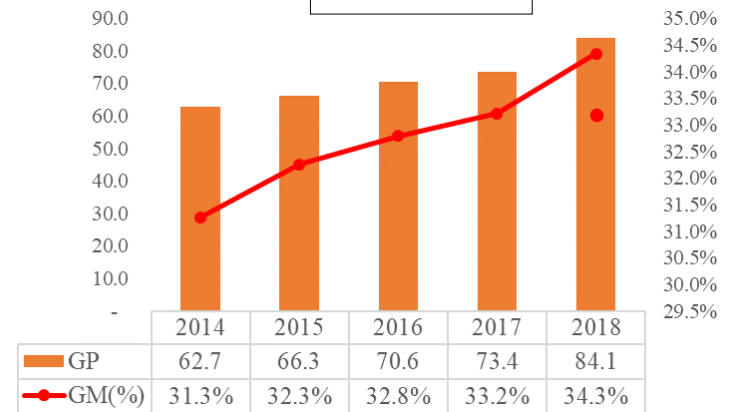
# Sales and Profitability (Consolidated)

NT\$ billion

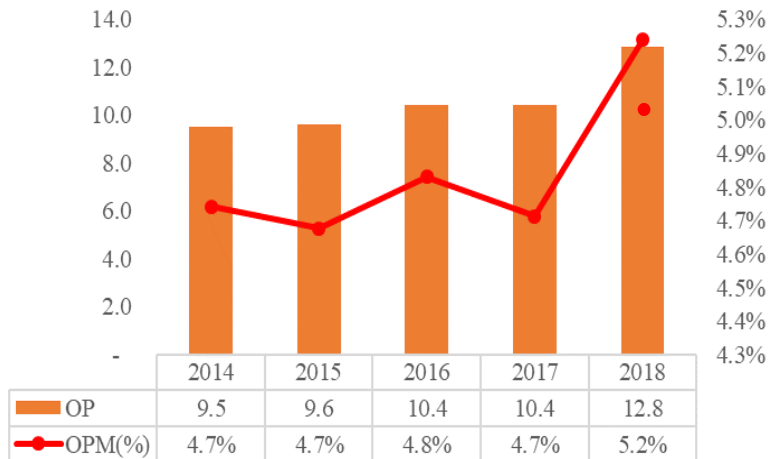
## Sales



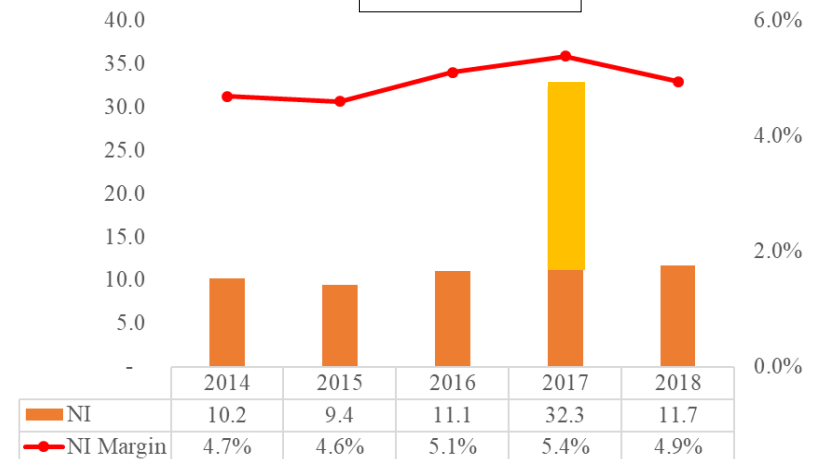
## GP



## OP



## NI



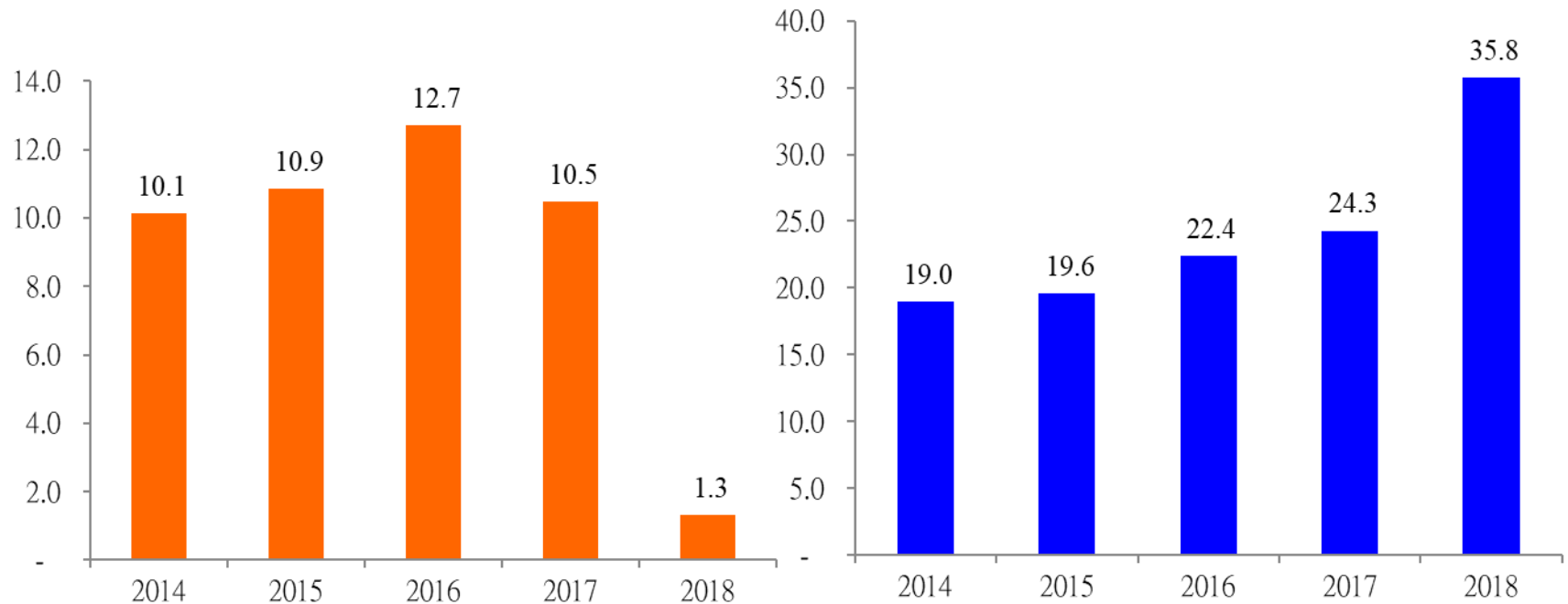
Note: The Figure for 2014, 2016, 2017 and 2018 does not include MUJI disposal gain, BankPro E-service disposal gain, Shanghai gain and one-off DTL impact respectively.

# Steady Cash Flow

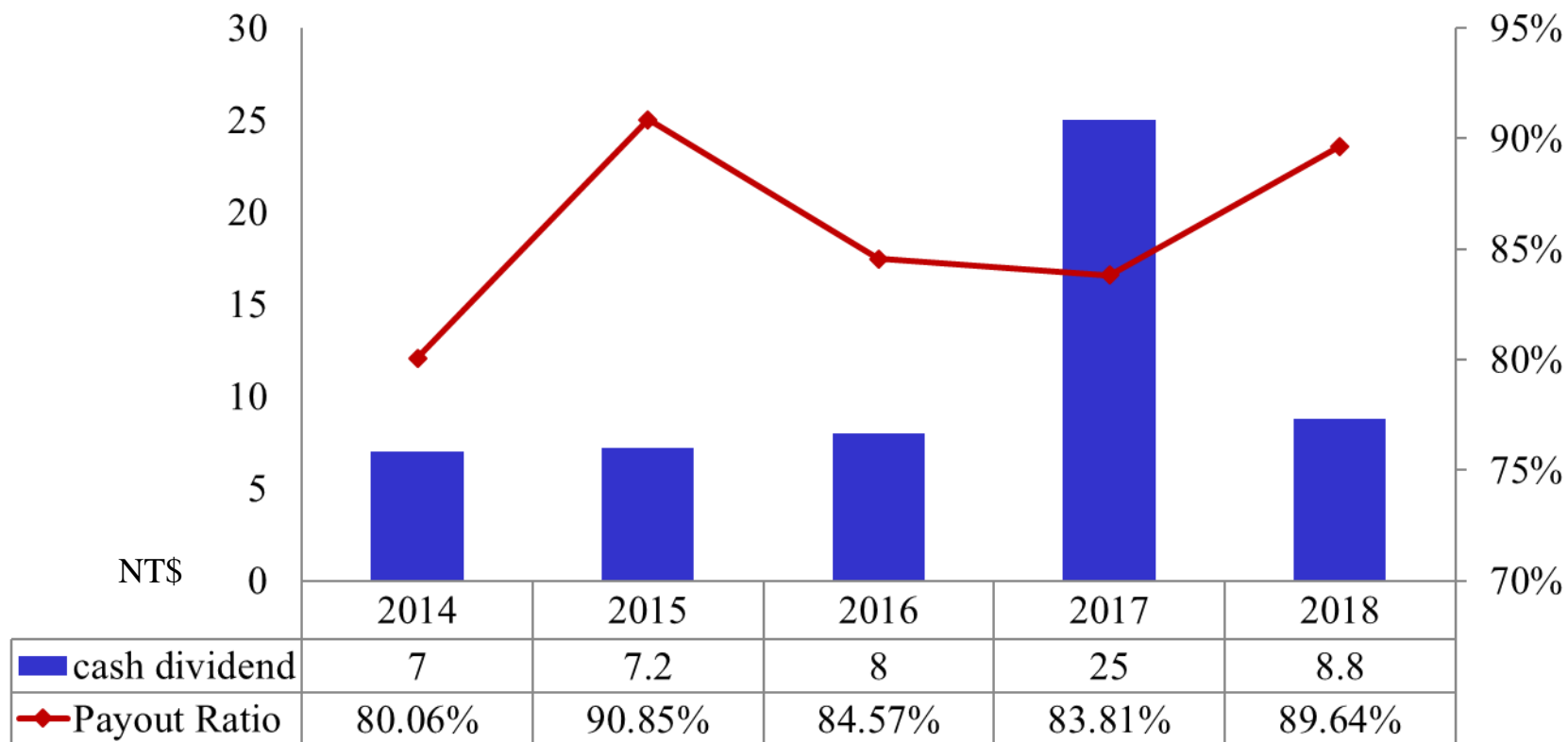
NT\$ billion

**Net Cash(Company only)**

**Net Cash(Consolidated)**



# Sustainable Cash Dividend



Note : 2018 cash dividend has not been approved by AGM.

# Outlook

# Sustainable Growth of PCSC

**Long-term goals**

**7-ELEVEN in local**

**Advancing PSD Sales to NTD 100K**

**Subsidiaries**

**Seizing trends and opportunities**

Let each store  
flourish in its own way;  
Steady Investment  
for stable growth

Adjust Structure  
to align with Growth

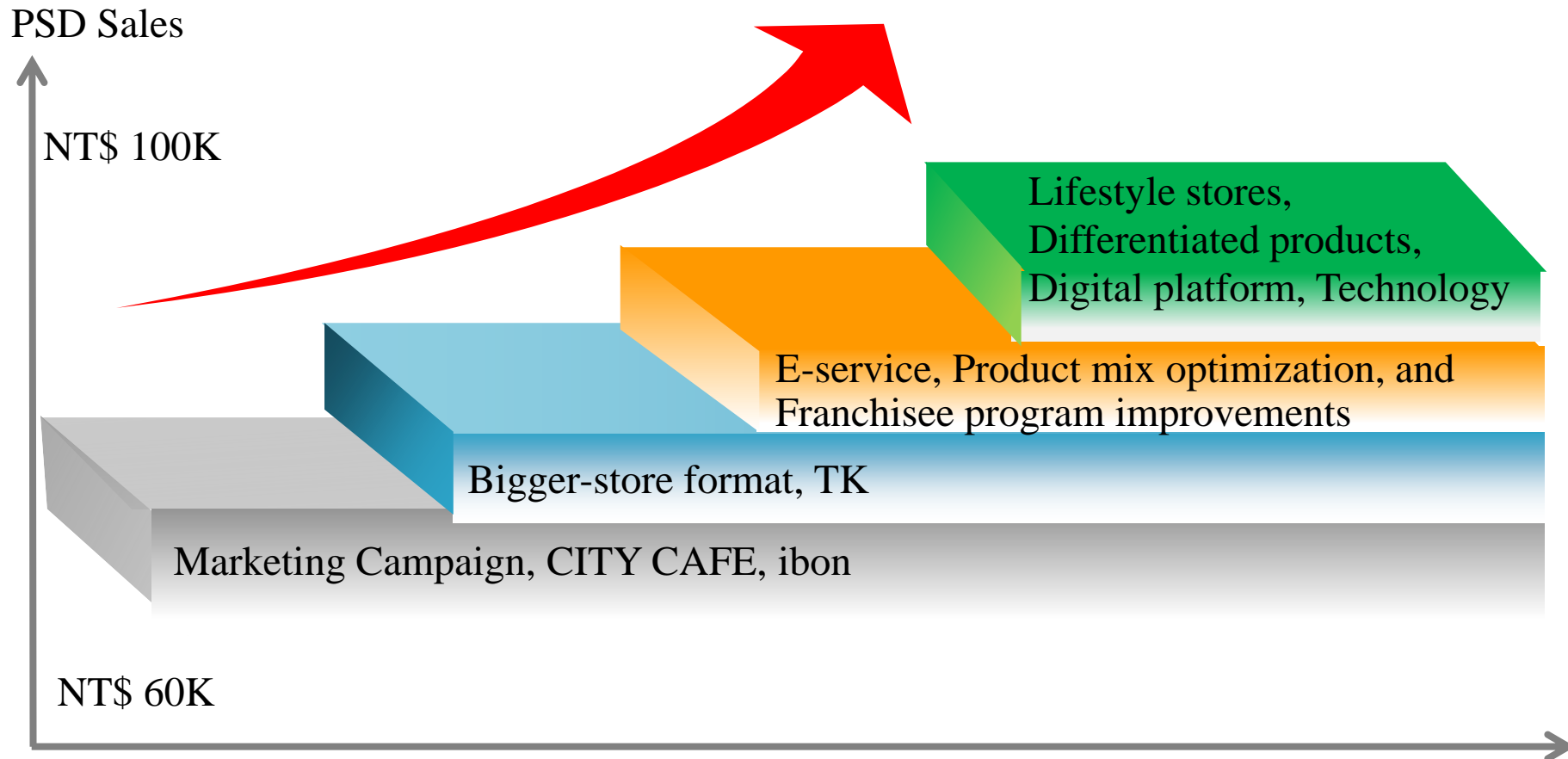
Realize synergies;  
Expand the business

**Lifestyle Change ; Environment Challenge**

**New Technology ; Regional Development**

**People, Store, Product, System, Logistics, Policy, Culture**

# Key Milestones



2008

2012

2018

**Convenience**

**Basic  
NEED**

Tailor to various  
lifestyle

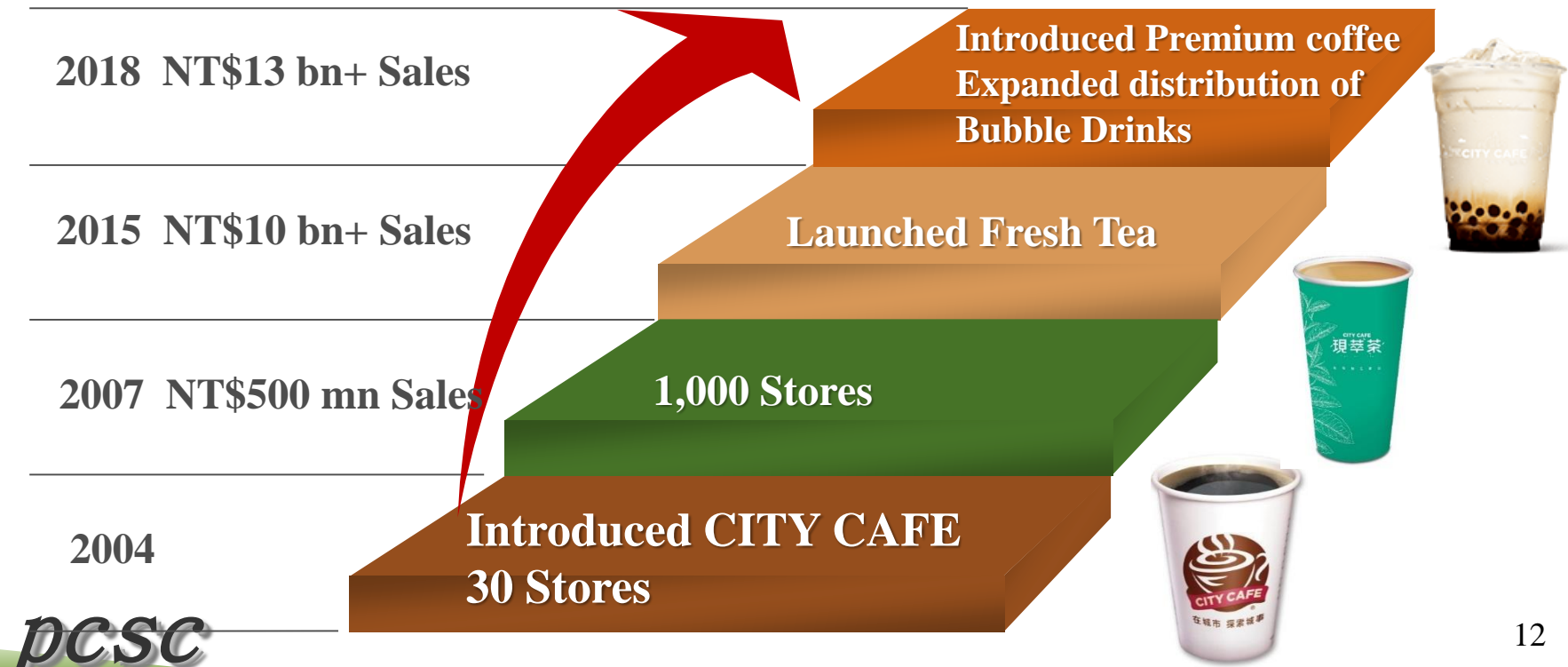
**Reliance**

**Satisfy  
WANT**

**Increase  
Traffic and  
ticket size**

# Upscale CITY Brand

- Upgrade coffee beans and equipment to enhance quality. CITY CAFE generated a revenue of over NT\$13bn in 2018 with steady growth in coffee, tea and bubble drinks.
- Reinforce brand value and enrich customer experience with high quality and differentiated products.



# Provide Quality, Tasty, and Convenient Fresh Food Service

Famous restaurants  
& chefs

Innovation  
Differentiation



Advanced Technique  
Traceability  
Food Safety

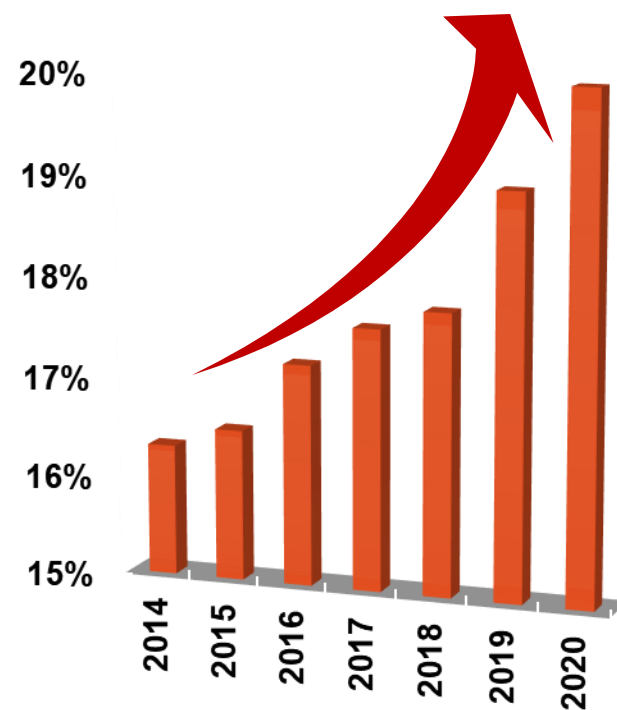


Strengthen between  
peak times

Healthy & Quality  
Consumption Trend



Sales contribution up to  
20% by 2020  
(excluding CITY CAFE)

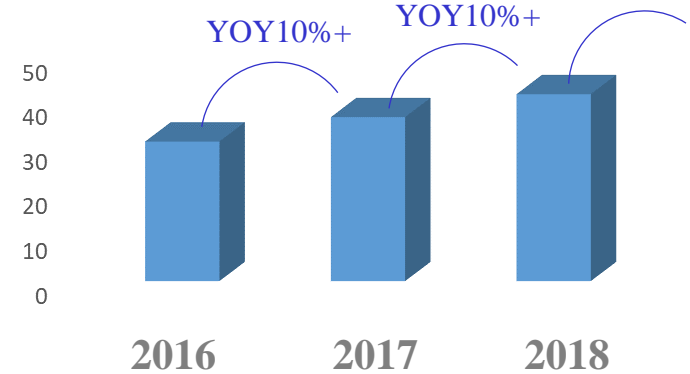


# Differentiated Product Mix

Exclusive and unique products from around the world



Sales of differentiated products



Collaboration with SEJ, to introduce premium, famous, and 7-only products



Constantly roll out four thematic gondolas



Big-Packed



Imported



MUJI

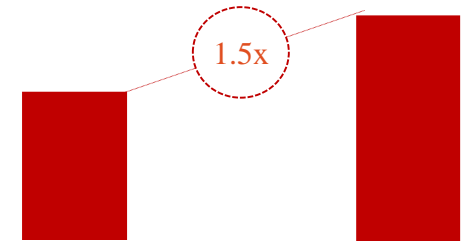


7 Premium

# Lifestyle Store for everyone

- Create PCSC synergy to meet the needs of One-stop shopping.
- Unlock unlimited potentials by cooperating with external resources
- Offer a unique 3E experience: Experience, Education, & Entertainment

2018 PSD-sales

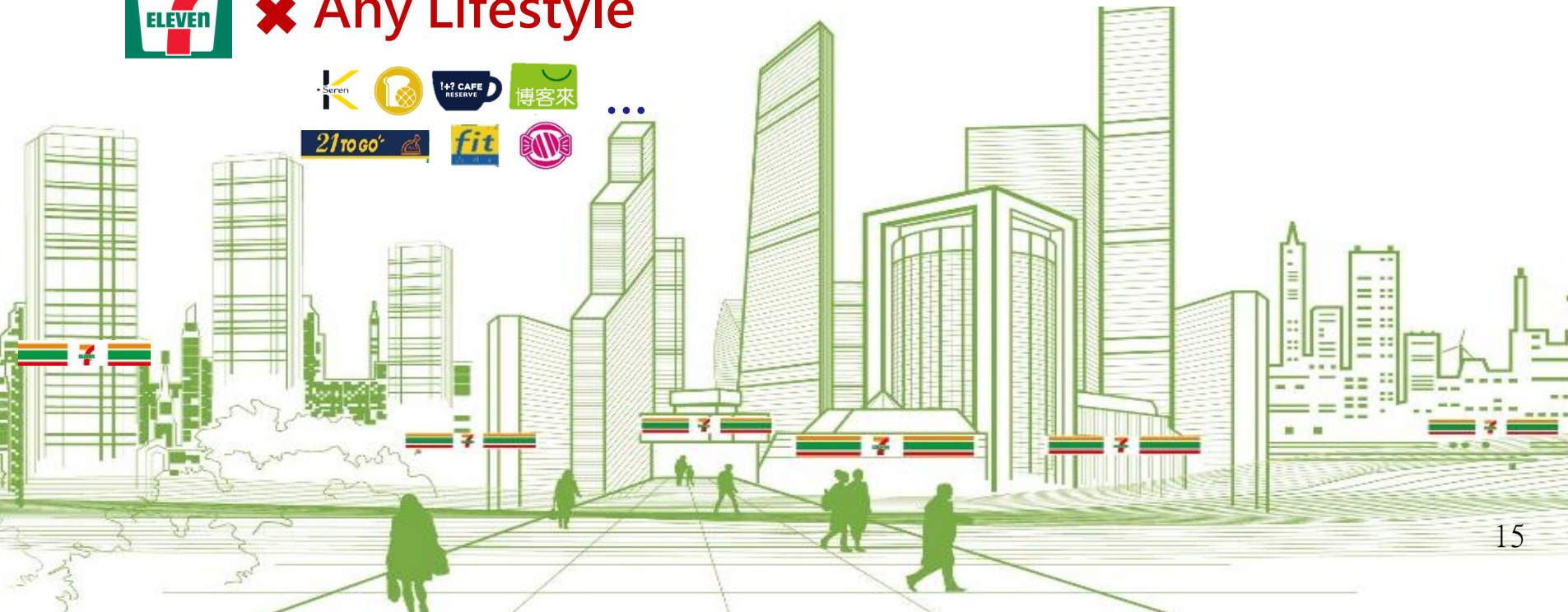


Stores with same size in similar district

Lifestyle stores



✕ Any Lifestyle



# Lifestyle Store for everyone



# Comprehensive Digital Service

## Step 1

Various payment methods and points rewards

## Step 2

Points integration across PCSC

## Step 3

Platform expansion with strategic alliances



ASP improvement  
Increase Traffic  
Strengthen VIP loyalty and increase visit frequency

Cash Flow: OPEN WALLET

Logistics Flow:



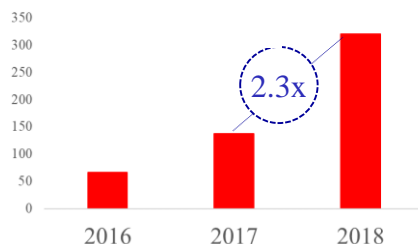
Information Flow :Completed customer consumption and engagement footprint

# Comprehensive Digital Platform

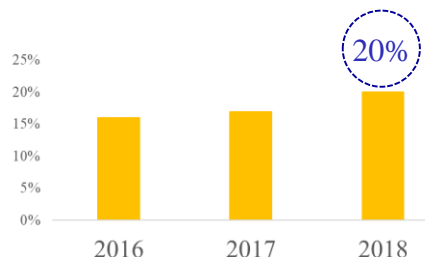
## Leverage O2O Integration

### OP VIP Management

#### OP members



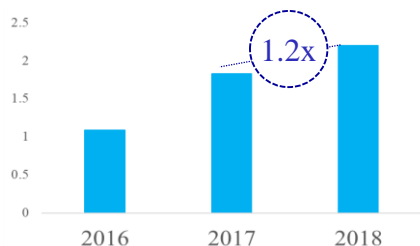
#### Non-cash payment



VIP members to grow by  
100% in 2019

### Commission revenue

#### E-Commerce parcels



#### ibon 、ibon app transaction



Offer new services to  
Increase traffic

# Go Digital in the Philippines

## Aggressive Expansion

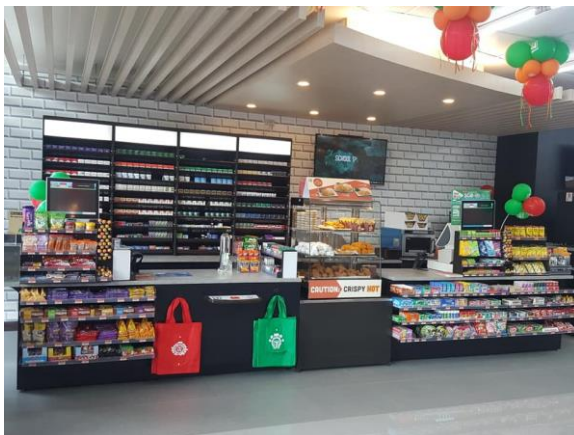
- Maintain dominant market shares, and expect to net increase 300+ stores in 2019

## Quality Improvement

- Enhance coffee brand image
- Increase fried products offerings
- Optimize franchise system

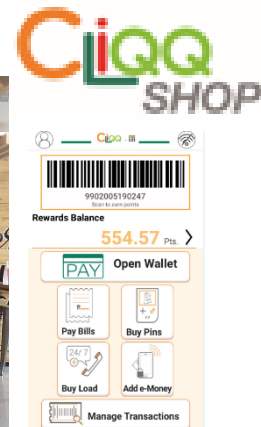


pcsc



## Growing Digital service

- Launch E-Commerce gondola in physical stores
- Cooperate with Lazada and Shopee to increase parcels in-store pick up and return service
- Increase e-payment percentages



# Regional Trend and Opportunities

- Utilize PCSC resources and transfer Know-how

- Adapt to lifestyle trend and drive sustainable growth for Takkyubin, Books.com, and Uni-wonder corp.

- Strengthen profitability of Philippine 7-ELEVEN
- Improve operations of Shanghai and Zhejiang 7-ELEVEN by enhancing infrastructure

- Evaluate potential investments in domestic and overseas markets

# Q&A