

President Chain Store Corp.

2912TT

2017H1 Financial Results

Financial Highlights

◆ Historical revenue and profit

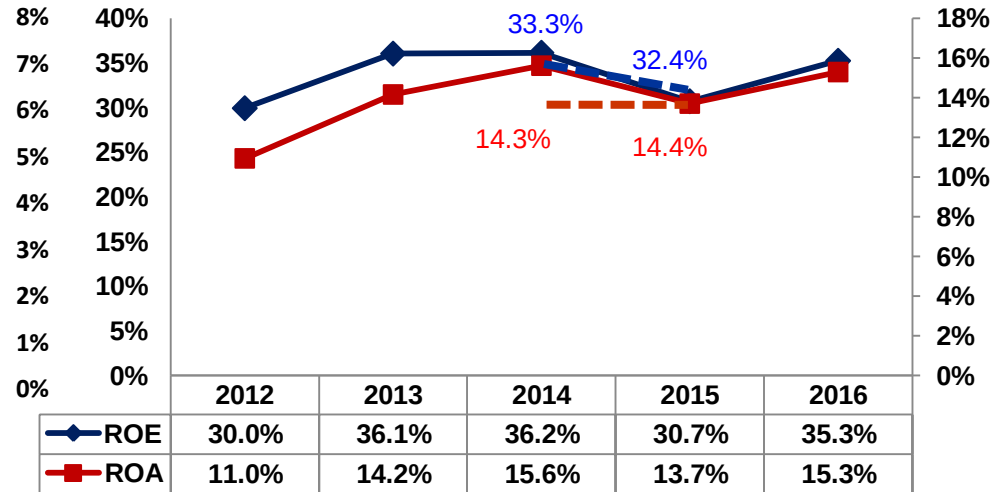
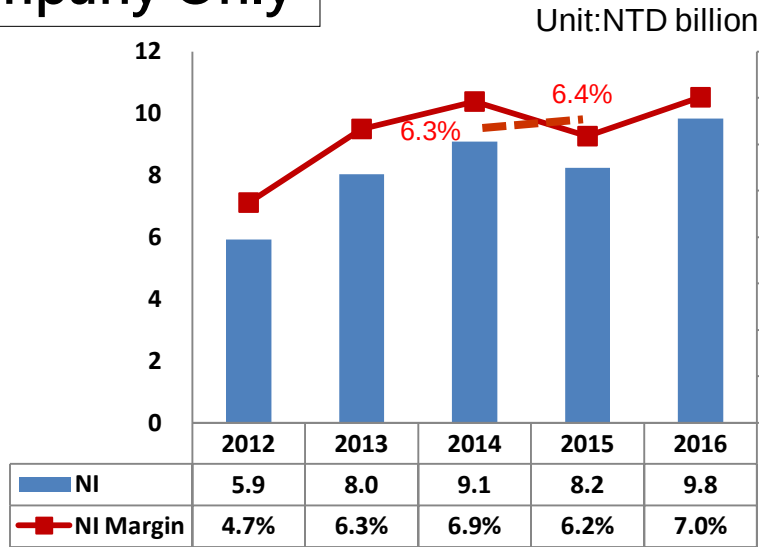
Unit:NTD billion

	2012	2013	2014 (adjusted)	2015	2016	2016 V.S. 2015	2017H1	2017H1 V.S. 2016H1
Revenue (Company Only)	124.8	126.9	131.3	133.4	140.1	5.1%	70.5	3.1%
Revenue (Consolidated)	192.6	200.6	200.4	205.5	215.4	4.8%	108.2	2.3%
Net Profit	5.9	8.0	9.1	8.2	9.8	19.4%	5.5	9.8%
EPS (NT\$)	5.69	7.73	8.74	7.92	9.46	1.54	5.32	0.48

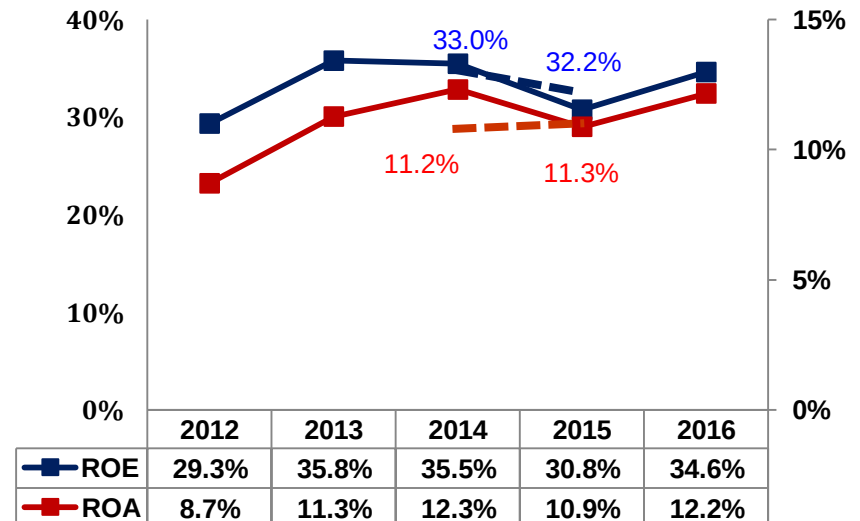
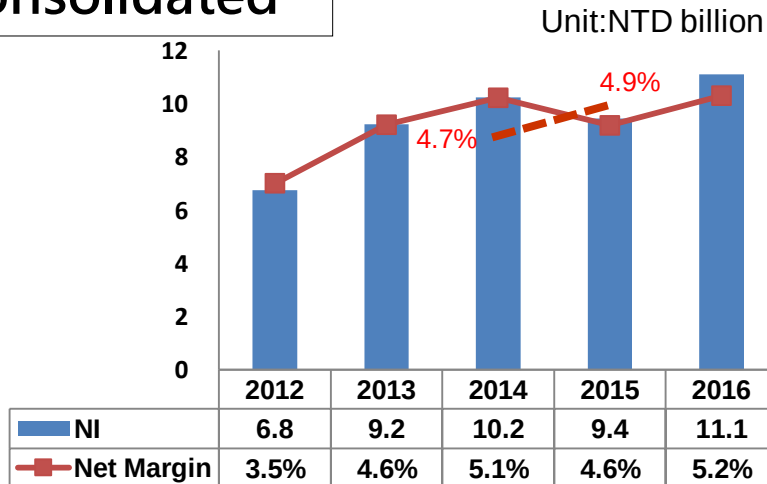
Note : Numbers in 2014 are adjusted based on the updated IFRS for joint-venture subsidiaries.

Profitability Trend

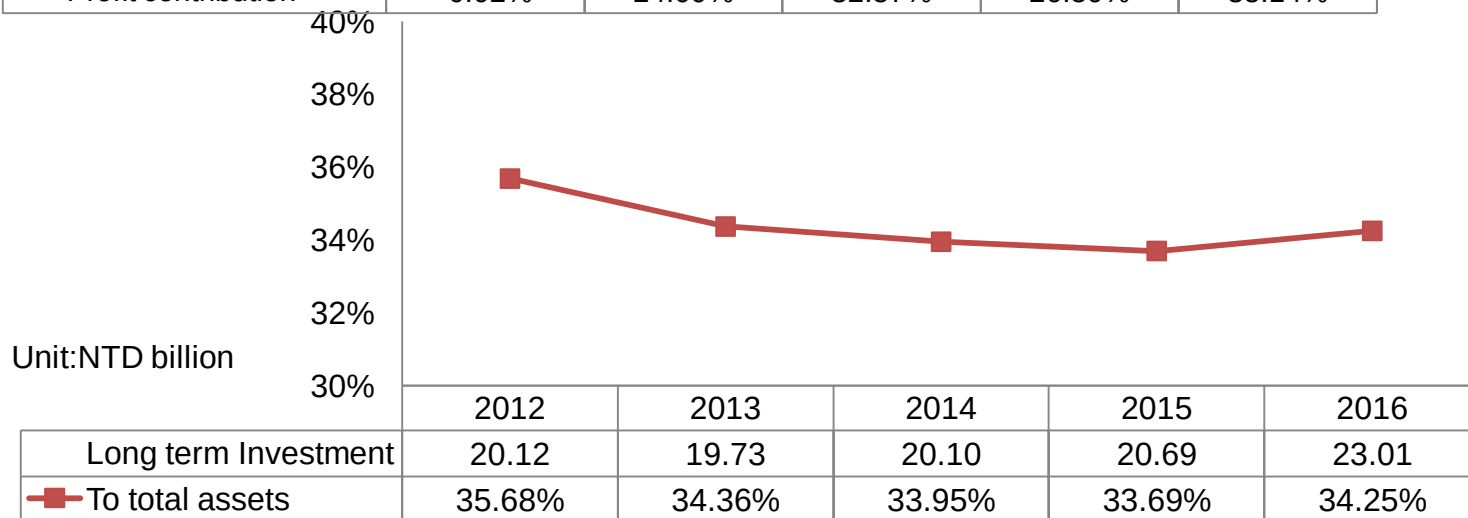
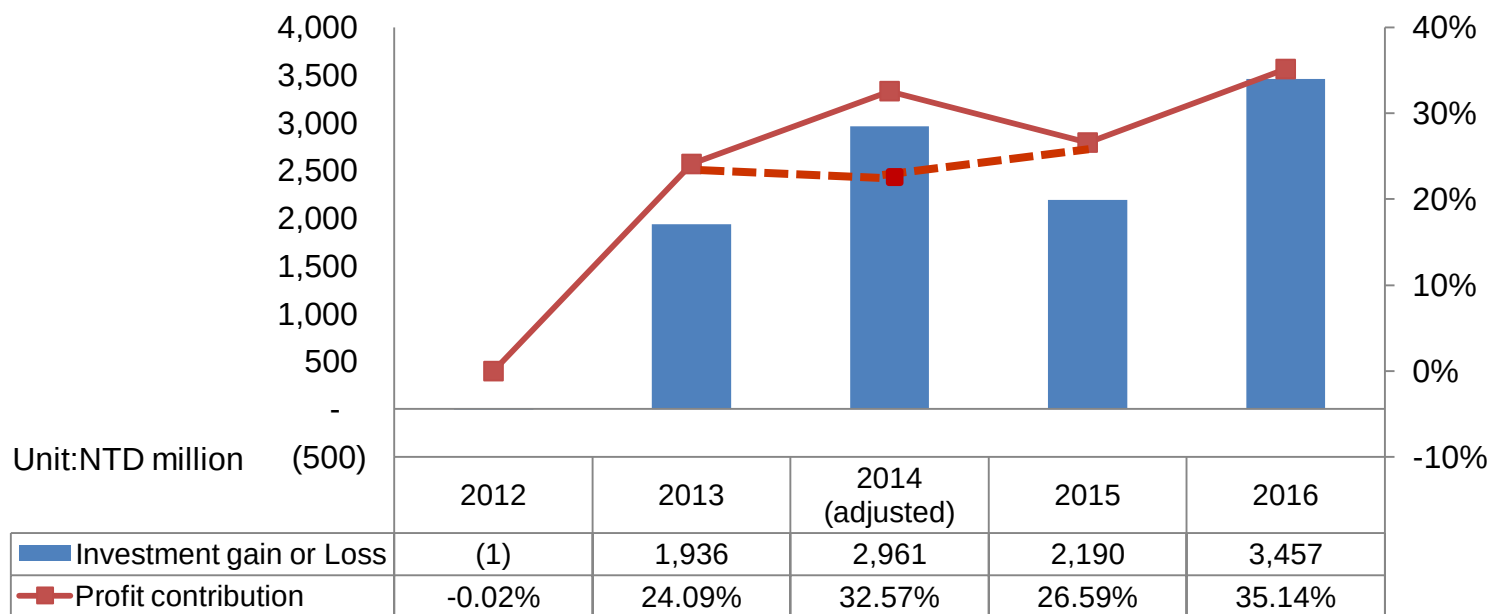
Company Only



Consolidated



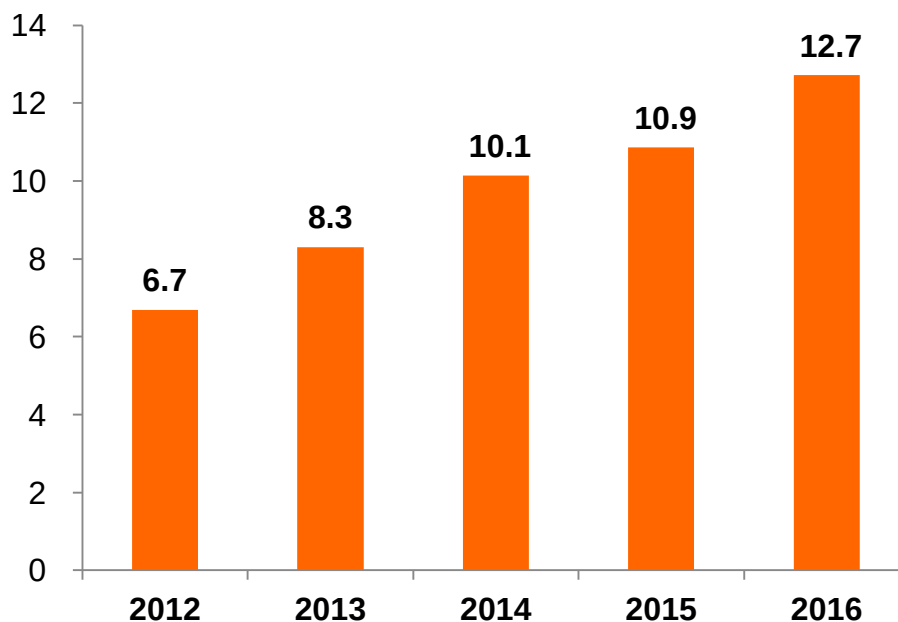
Subsidiaries Contribution Trend



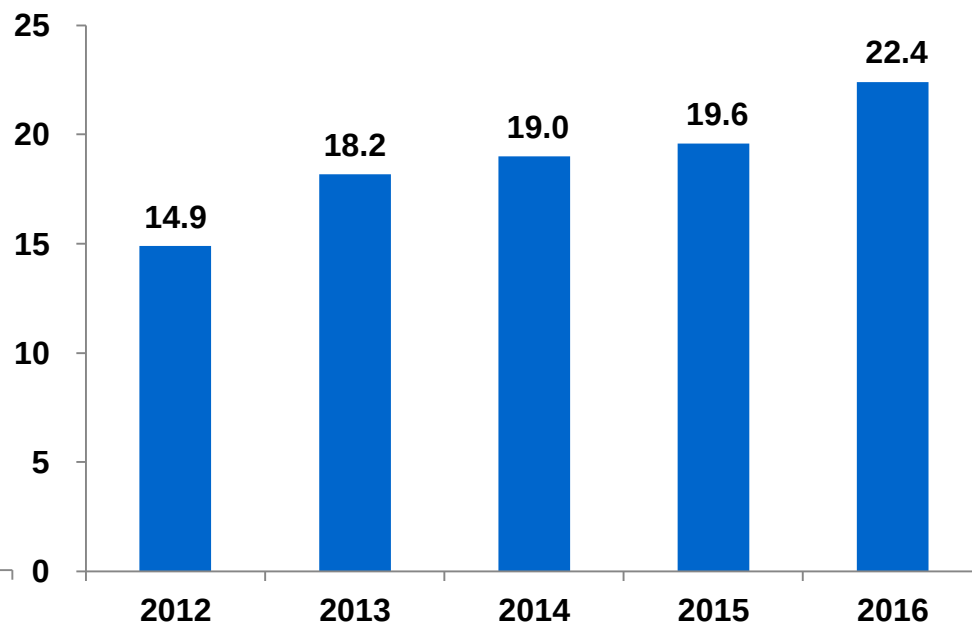
Cash Flow Trend

Unit:NTD billion

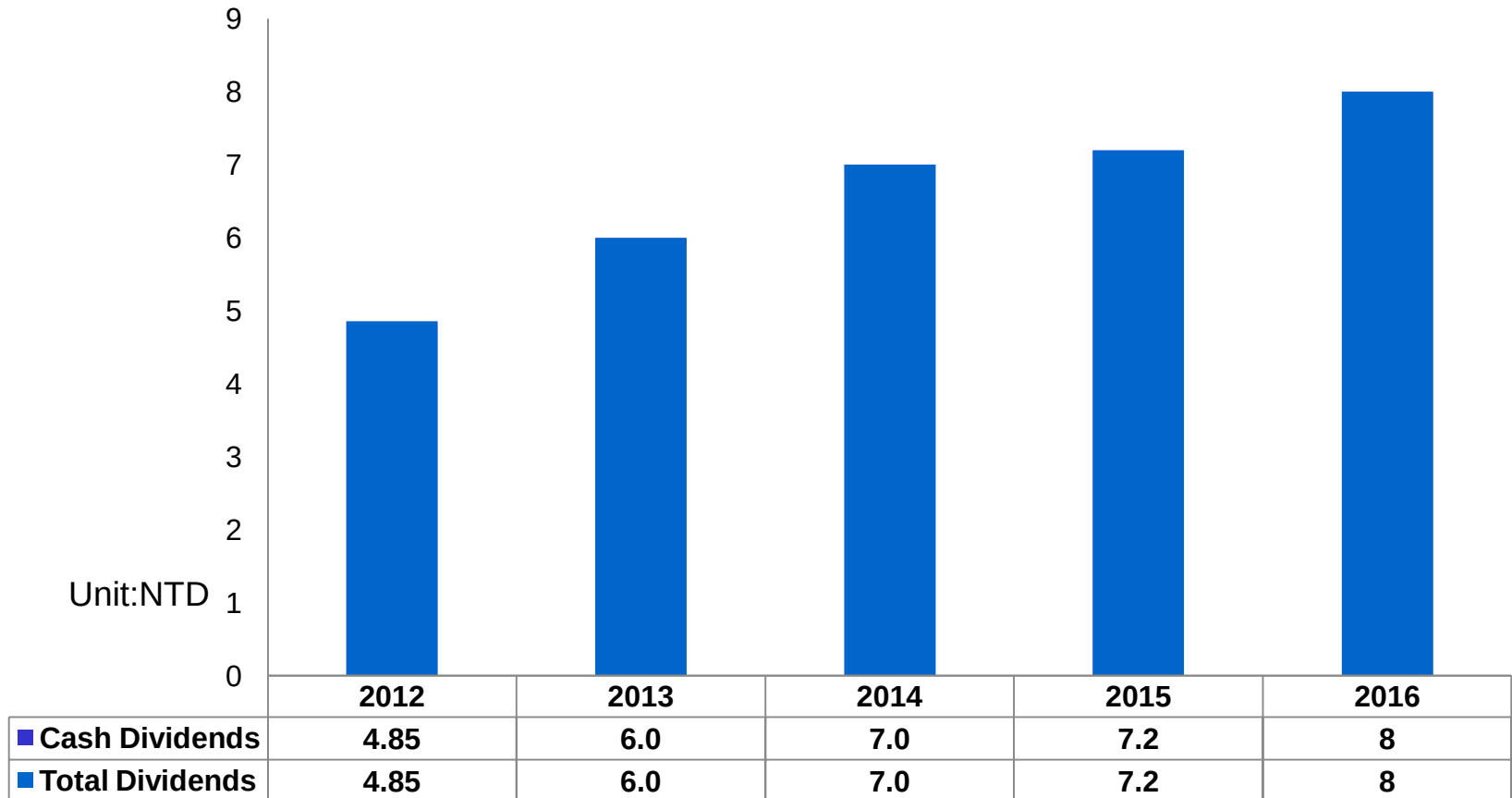
Net Cash(Company only)



Net Cash(Consolidated)



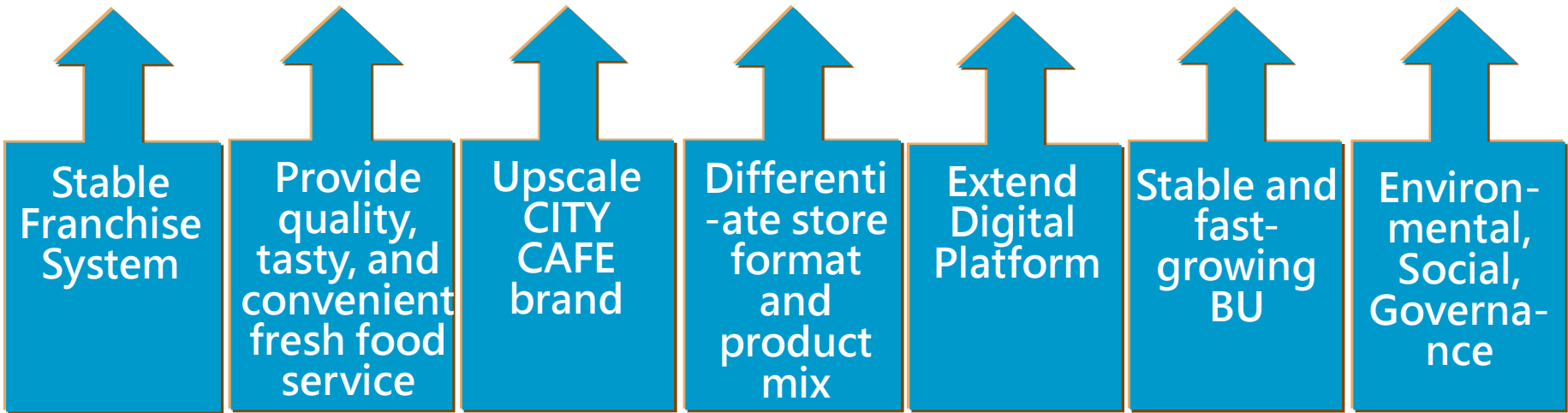
Cash Dividend Trend



2017 Outlook

7 Strategies for Sustainable Growth

Sustainable Growth of PCSC



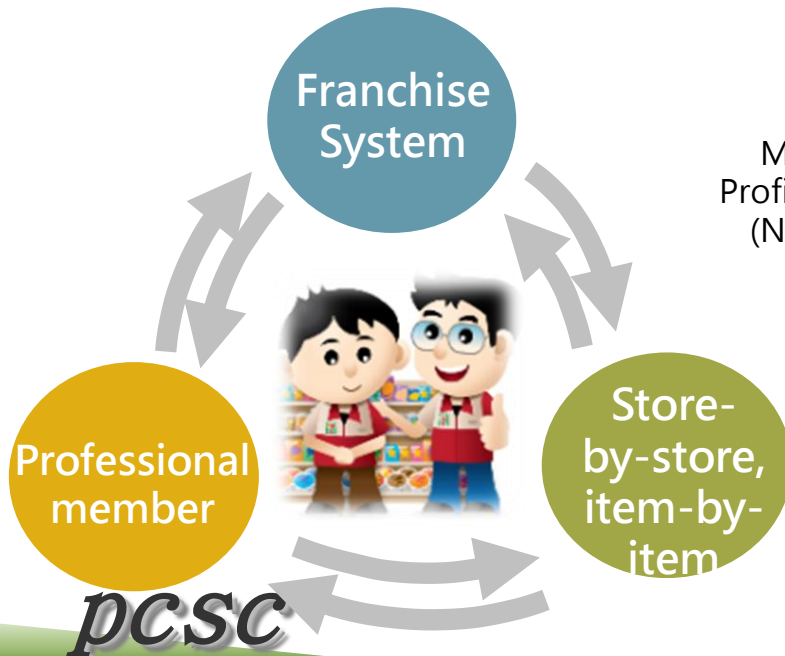
Chain stores with differentiated contents

Platform that connects offline with online

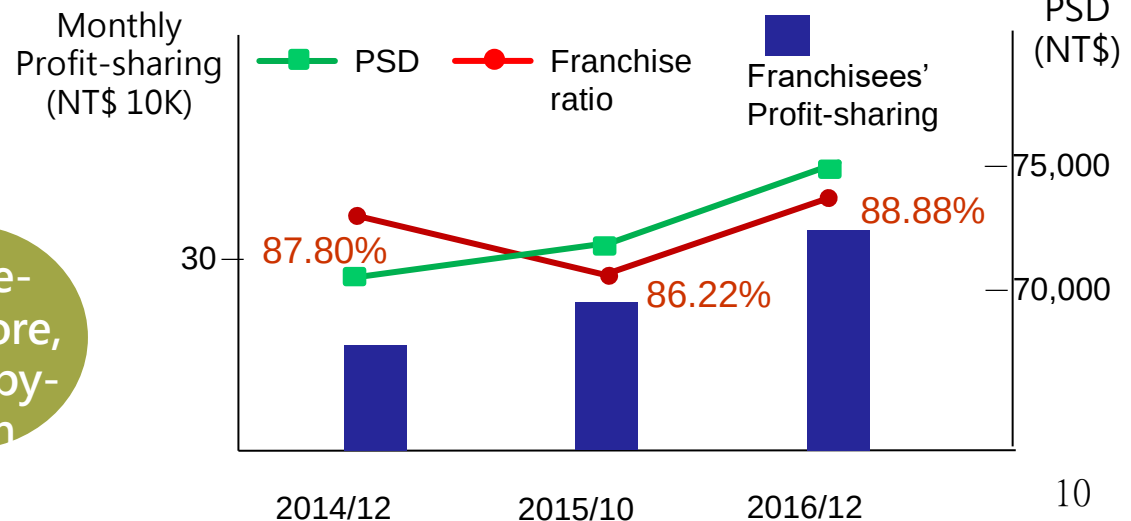
People 、 Store 、 Product 、 System 、 Logistics 、 Policy 、 Culture

Stable Franchise System

- Persistent store profitability growth relies on store-by-store and item-by-item management.
- Improve store operational efficiency by system upgrade and labor-saving devices.
- Introduce better franchise system to increase franchisees profitability and franchise ratio.
- Support franchisees to face the change of Labor Law, especially in recruitment and work schedule arrangement.



Trends of franchise ratio, per store daily sales(PSD) and monthly profit-sharing amount per store



Provide Quality, Tasty, and Convenient Fresh Food Service

Food Safety

- Continue to strengthen traceability mechanism by origin management, system upgrade, suppliers evaluation, self-testing ability, etc..

Infrastructure

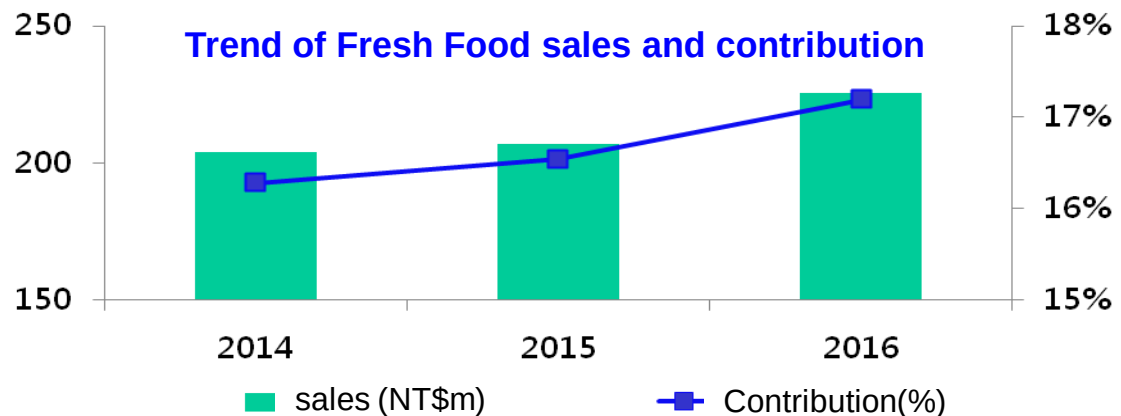
- Integrate 18°C and 4°C fresh food:
 - More variety, better taste, and lower wastage.
 - Improve efficiency of store layout and delivery.

Premium Quality

- Upgrade value and taste of products through new materials and technique.
- Experiential marketing is a good way to communicate.



pcsc



Upscale CITY CAFE Brand

Upgrade CITY CAFE quality

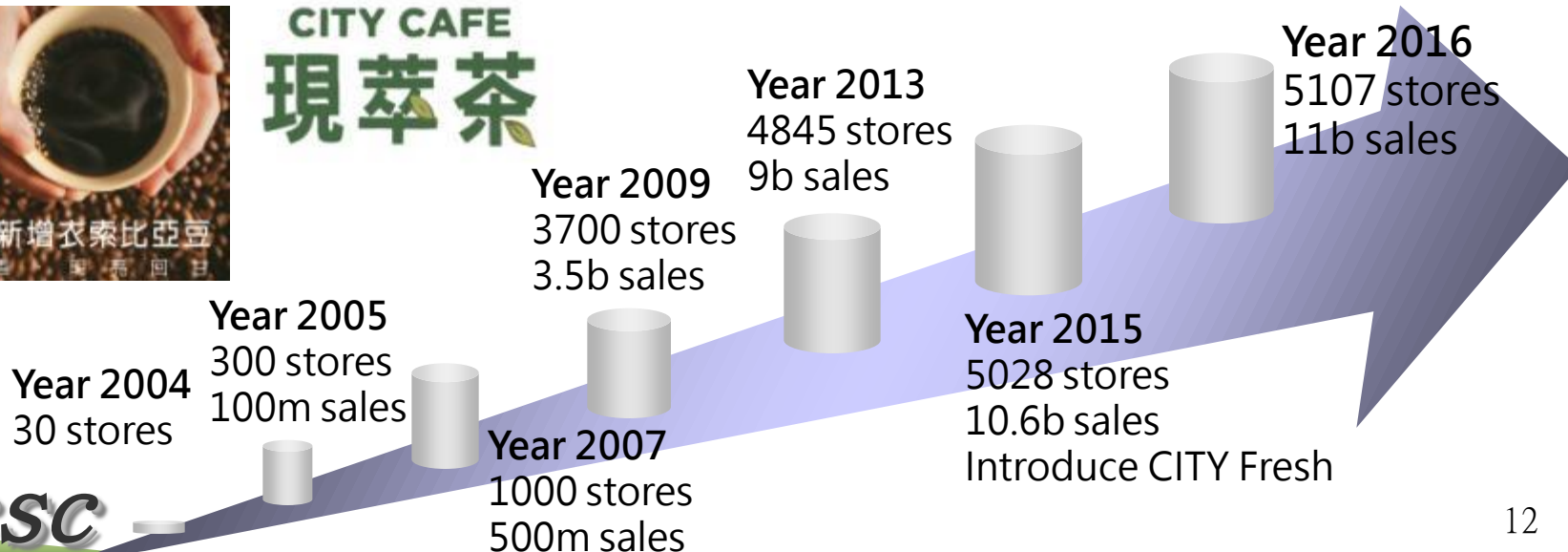
- CITY CAFE continues to deliver strong growth.
- Grow CITY CAFE brand by upgrading coffee bean quality, developing coffee masters, and strengthening marketing campaign.

Introduce new product

- Introduce new product line to generate new growth drivers.
- Speed up the roll-out of CITY Fresh Tea.
- Improve store service efficiency by optimizing procedures.



CITY CAFE
現萃茶



Diversify Store Format

- Bigger format stores account for 71% of total store number, 40 square meters stores account for 31%.
- More experiential, entertaining, educational stores will be rolled out in an efficient and systematic way.

A 7-ELEVEN store designed by OPEN! family to generate joyful atmosphere.



Diversify Store Format(continued)

A 7-ELEVEN store with reading room and flexible space brings comfortable and joyful atmosphere .



Differentiate Product Mix

- Private-labeled brands, iseLect and UNIDESIGN, bring new choices for customers.
- Selective and premium international products are introduced to enrich product mix.
- Exclusive and quality brands products make 7-ELEVEN always a fresh shopping place.



Extend Digital Platform

Rewards



1. The membership of OPENPOINT grew 85%.
2. Growth drivers :
 - ① Continuous growth of membership.
 - ② Strengthen i-gift platform.

Delivering and Pick-up



1. Total transactions exceeded 100m, and in-store pick-up is the main contributor.
2. Growth drivers :
 - ① Strengthen logistics infra to further expand capability .
 - ② More connections with other EC platforms.



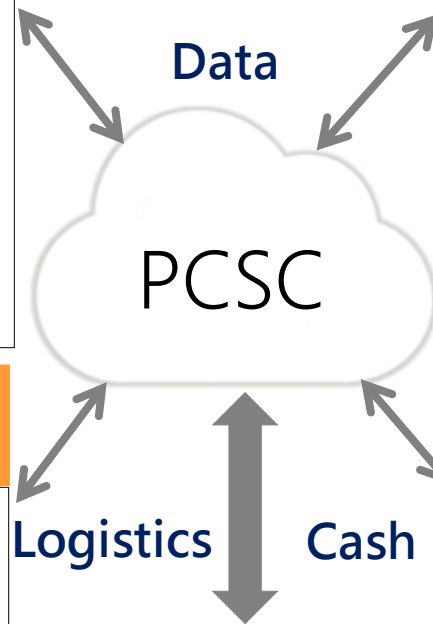
Payment

1. The new card issuance and active cards grew significantly.
2. More customers use icash to shop at 7-ELEVEN.
3. Growth drivers :
More card holders with higher payment/Mobile service.



Multi-media Application

1. Total transactions of ibon/ibon APP exceeded 200 m.
2. Growth drivers :
 - ① Enhance mobile service.
 - ② Increase service items.



Transaction + Ticket

Stable and Fast-Growing Subsidiaries

- Develop subsidiaries that deliver stable growth :
16 subsidiaries with over NT\$100 million net profit in 2016, including Cosmed Takkyubin, Books.com, Cold-Chain and Wisdom etc..

- Grow overseas markets :
 1. Philippine 7-ELEVEN achieved 2,000 stores, and Shanghai Starbucks will reach 1,500 stores in 2017.
 2. Shanghai 7-ELEVEN reached store-level BEP, and will further strengthen business model.



7-COFFEE(Shanghai 7-ELEVEN)

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City Blends (Philippine 7-ELEVEN)



Disney Store (Shanghai Starbucks)

Environmental, Social and Governance

- Happiness, Gung Ho, and sustainability, the concept of our ESG are built in our operational strategies.

Happiness

- We value well-being of franchisees and employees.



Gung Ho

- NT\$100M/per year was invested in food safety mechanisms.
- CSR is included in the suppliers evaluation.
- We are a community center that brings trust, convenience, and happiness to our neighbors.

Sustainability

We continue to....

- reduce energy usage intensity of our stores.
- procure more Green Mark and energy-saving products and equipments.



Q&A