



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

Security Code: 1216 TT

2018 Q3 Results

## UPCH



## UPEC



统一蛋糕屋

茶裏王

回甘 就像现泡  
單細胞生茶萃取技術

晨光

純喫茶



來一客

Dr. Milker

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\$14.09bn, QFII ratio 55.73%
- ✓ Total assets US\$13.89bn, and revenue US\$13.40bn.
- ✓ 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\$76.30 (US\$1=NT\$30.771) as of Nov 6, 2018

\* \* Total assets and revenue were consolidated-based in 2017: US\$1=NT\$29.848

# 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 33.3%  
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%

**President Drugstore (Cosmed Taiwan)**



PCSC holds 100%

**TAKKYUBIN**



PCSC holds 70%  
UPEC holds 20%

**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 40.5%  
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 27.71%;  
UP Group holds 33.11%

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

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

Unit : NTD in Millions

Consolidated	2018.1-9M			2017.1-9M		2017Y		2016Y	
	Amount	%	YoY	Amount	%	Amount	%	Amount	%
Revenue	330,259	100.00%	8.27%	305,037	100.00%	399,861	100.0%	413,364	100.0%
Gross Profit	112,620	34.10%	9.58%	102,775	33.69%	132,741	33.2%	137,650	33.3%
Operating Profit	22,454	6.80%	15.32%	19,471	6.38%	22,357	5.6%	21,091	5.1%
Pre Tax Income	29,493	8.93%	10.47%	26,698	8.75%	76,488	19.1%	30,502	7.4%
Net Income	22,630	6.85%	0.81%	22,448	7.36%	59,965	15.0%	23,675	5.7%
*Net Income	14,802	4.48%	-0.57%	14,887	4.88%	39,845	10.0%	14,527	3.5%
*EPS (after tax)	2.61			2.62		7.01		2.56	

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



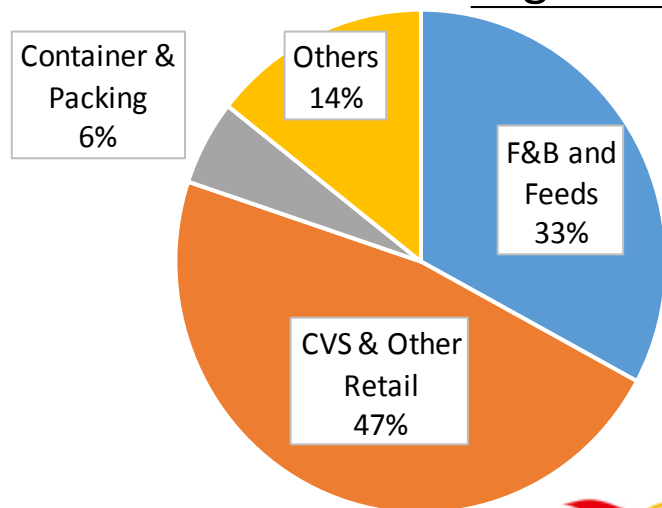
# Segment Information of Uni-President (Consolidated)

Unit : NTD in Millions

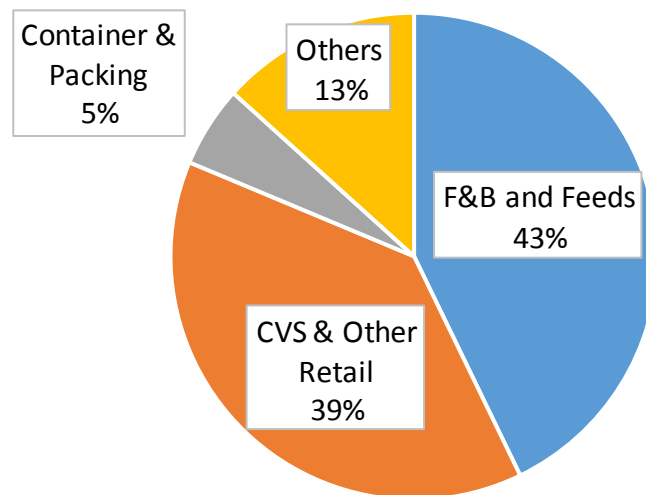
2018.1-9M Segment Results	F&B and Feeds	CVS & Other Retail	Container & Packing	Others	Total	Adj.	Consolidated
Segment revenue **	108,587	156,063	18,020	47,588	330,259	-	330,259
YoY	4.23%	6.35%	14.89%	23.85%	8.27%		8.27%
Segment income	9,160	8,233	1,153	2,846	21,392	1,062	22,454
Segment margin	8.44%	5.28%	6.40%	5.98%	6.48%		6.80%
YoY	13.53%	8.72%	-4.76%	73.13%	15.66%		15.32%

\*\* Revenue from external customers

Segment Revenue



Segment income





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

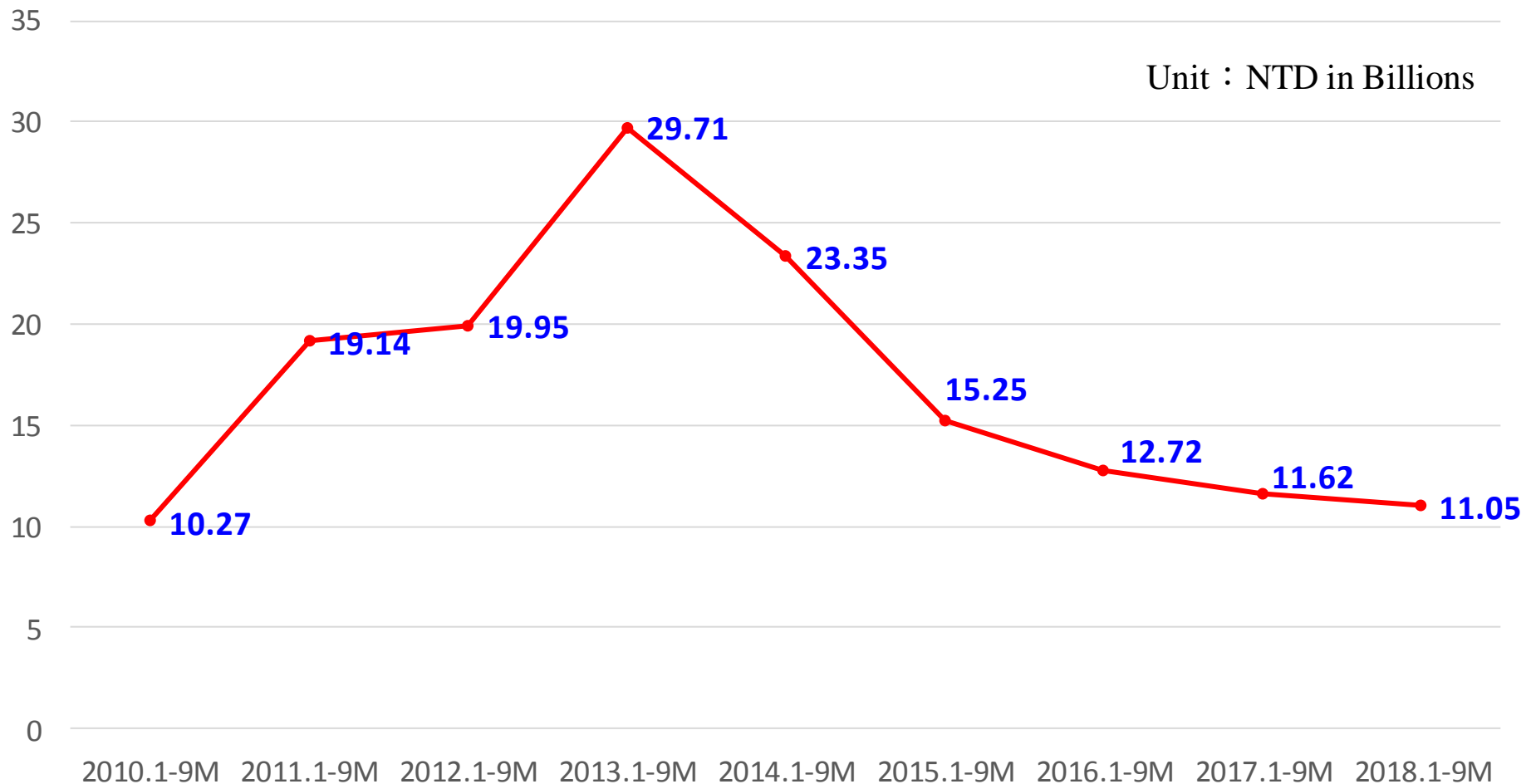
Unit : NTD in Billions

Items	2018.1-9M	2017.1-9M
<b>Beginning Balance</b>	<b>54.70</b>	<b>56.33</b>
<b>Net Cash provided by operating activities</b>	34.71	28.37
<b>Net cash (used in) investing activities</b>	15.26	(11.90)
*Capital Expenditure	(11.05)	(11.62)
Proceeds from disposal of assets / investments	43.09	3.88
<b>Net cash (used in) provided by financing activities</b>	(31.77)	(31.09)
<b>Ending Balance</b>	<b>72.81</b>	<b>43.18</b>

\* 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 (Consolidated)

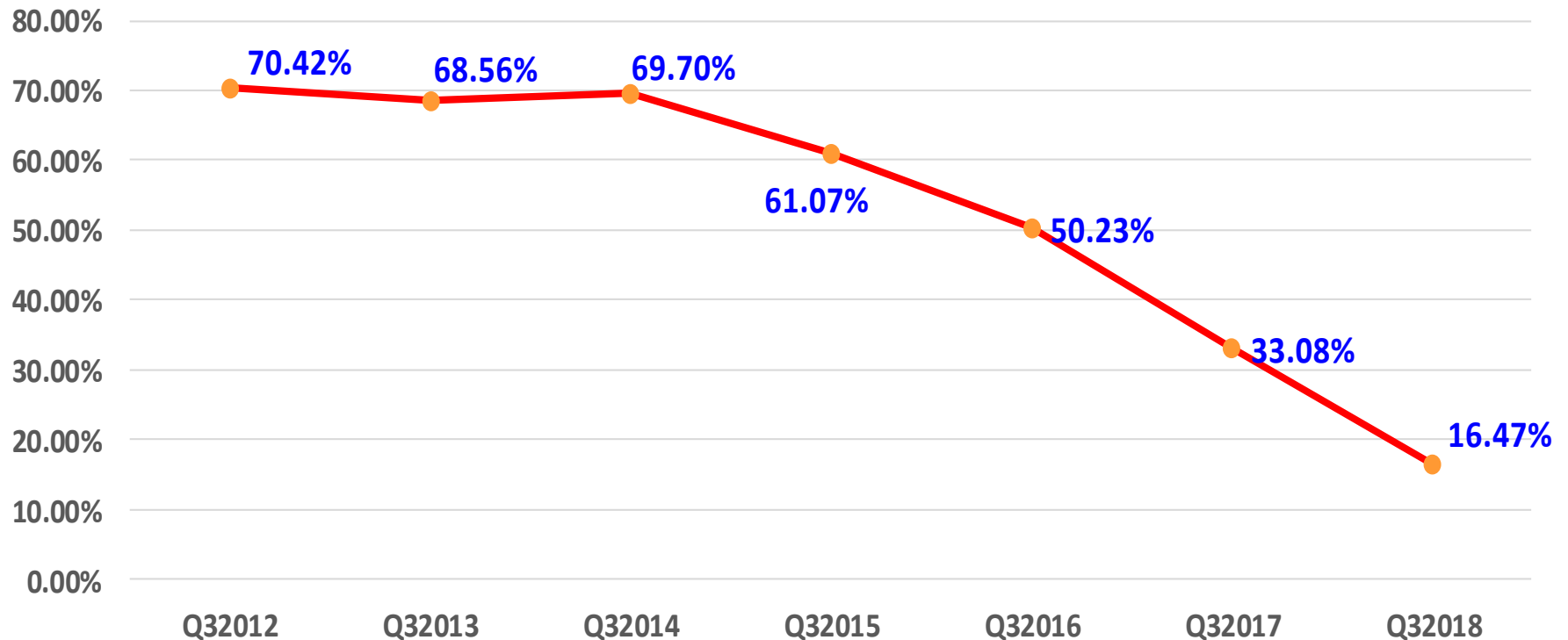
## \* Historical Capex



\* 2014-2017 figures are based on 2013Y version of Taiwan IFRS

# Uni-President (1216TT) Key Financial Items (Consolidated)

## Net Gearing Ratio (Consolidated)



- 2014-2017 figures are based on 2013Y version of Taiwan IFRS
- Net gearing ratio = (total financial debt – cash and cash equivalent) / total equity

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

Unit : NTD in Millions

Stand-alone	2017Y			2016Y		2015Y		2014Y (adjusted)	
	Amount	%	YoY	Amount	%	Amount	%	Amount	%
Revenue	39,283	100.00%	0.94%	38,919	100.00%	38,287	100.00%	40,225	100.0%
Gross Profit	11,566	29.44%	0.29%	11,533	29.63%	11,107	29.01%	10,327	25.7%
Operating Profit	1,057	2.69%	-47.58%	2,016	5.18%	1,750	4.57%	1,534	3.8%
Net Income	39,845	101.43%	174.29%	14,527	37.33%	14,108	36.85%	11,126	27.7%
EPS (after tax)	7.01			2.56		2.48		1.96	
Cash dividend/share	5.50			2.10		2.00		1.40	
Stock dividend/share	0.00			0.00		0.00		0.40	
Cash dividend as % of Total dividend	100%			100%		100%		78%	
Cash dividend payout ratio	78%			82%		81%		* 69%	

Note1: 2014Y(adjusted) is based on 2013Y version of Taiwan IFRS

Note2\*: Y2014 cash dividend payout ratio was based on pre adjusted EPS\$2.04 in 2014.

# Major Profit Contributors to Uni-President (Standalone)

Stand-alone basis (NTD in Millions)	2018.1-9M		2017.1-9M		YoY	2017Y		2016Y	
	Amount	% of NI	Amount	% of NI		Amount	% of NI	Amount	% of NI
Operating Income	N/A	N/A	N/A	N/A	N/A	1,057	3%	2,016	14%
Total Investment Income (Equity	N/A	N/A	N/A	N/A	N/A	37,245	93%	12,595	87%
Major Components of Investment Income:									
1.Cayment President (100% ownership)	4,705	32%	4,469	30%	5.27%	4,510	11%	3,737	26%
2.PCSC (2912TT) (45.40% ownership)	3,655	25%	3,956	27%	-7.61%	14,108	35%	4,488	31%
3.Ton Yi Industrial (9907 TT) (45.55% ownership)	578	4%	270	2%	114.08%	279	1%	492	3%
4.Kai Yu Investment (100% ownership)	521	4%	964	6%	-45.90%	13,536	34%	959	7%
5. PIDC (69.37% ownership)	375	3%	491	3%	-23.56%	609	2%	335	2%
6. PRESCO (100% ownership)	349	2%	286	2%	22.10%	417	1%	284	2%
7.President Securities (28.31% ownership)	347	2%	504	3%	-31.06%	741	2%	233	2%
8.Nan Lien Intl (100% ownership)	341	2%	345	2%	-1.14%	426	1%	422	3%
9.Presicarre (20.50% ownership)	275	2%	288	2%	-4.61%	356	1%	304	2%
10.Kuan Chuan Dairy (31.25%	270	2%	257	2%	5.12%	316	1%	348	2%
Net Income	14,802	100%	14,887	100%	-0.57%	39,845	100%	14,527	100%



## **2. CVS & Retail Business (PCSC 2912TT)**

# CVS & Retail Businesses



**President Chain Store Corp. (PCSC 2912TT)**

**(UPEC holds 45.4% )**

- **History:** Opened the first 7-11 in Taiwan in 1980 & Listed on TWSE since 1997.
- **Valuation:** Market cap US\$11.44bn\* , QFII ratio 43.20%.
- **Geographic Scope:** Taiwan 、 China 、 Southeast Asia (Philippine).

\* Market cap & QFII Ratio based on closing price NT\$338.5 as of Nov 6, 2018 US\$1=NT\$30.771



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

Unit : NTD in Millions

Consolidated	2018.1-9M			2017.1-9M		2017Y		2016Y	
	Amount	%	YoY	Amount	%	Amount	%	Amount	%
Revenue	183,181	100.00%	10.71%	165,458	100.00%	221,132	100.00%	215,359	100.00%
Gross Profit	63,139	34.47%	15.05%	54,878	33.17%	73,434	33.21%	70,607	32.79%
Operating Profit	9,936	5.42%	14.48%	8,679	5.25%	10,422	4.71%	10,405	4.83%
Net Income	8,992	4.91%	-5.91%	9,556	5.78%	32,318	14.61%	11,139	5.17%
*Net Income	7,944	4.34%	-7.82%	8,618	5.21%	31,017	14.03%	9,837	4.57%
*EPS (after tax)	7.64			8.29		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	2018.1-9M	% of Rev.	YoY	2017.1-9M	% of Rev.
1.Convenience Store	115,610	63.11%	6.91%	108,137	65.36%
2.Retail Business (including filling stations)	51,105	27.90%	6.05%	48,189	29.12%
3.PCSC's other operating segments (including restaurant and China retail)	14,947	8.16%	111.05%	7,082	4.28%
4.Logistics Business	1,520	0.83%	-25.89%	2,050	1.24%
<b>Total Revenue</b>	<b>183,181</b>	<b>100.00%</b>	<b>10.71%</b>	<b>165,458</b>	<b>100.00%</b>

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

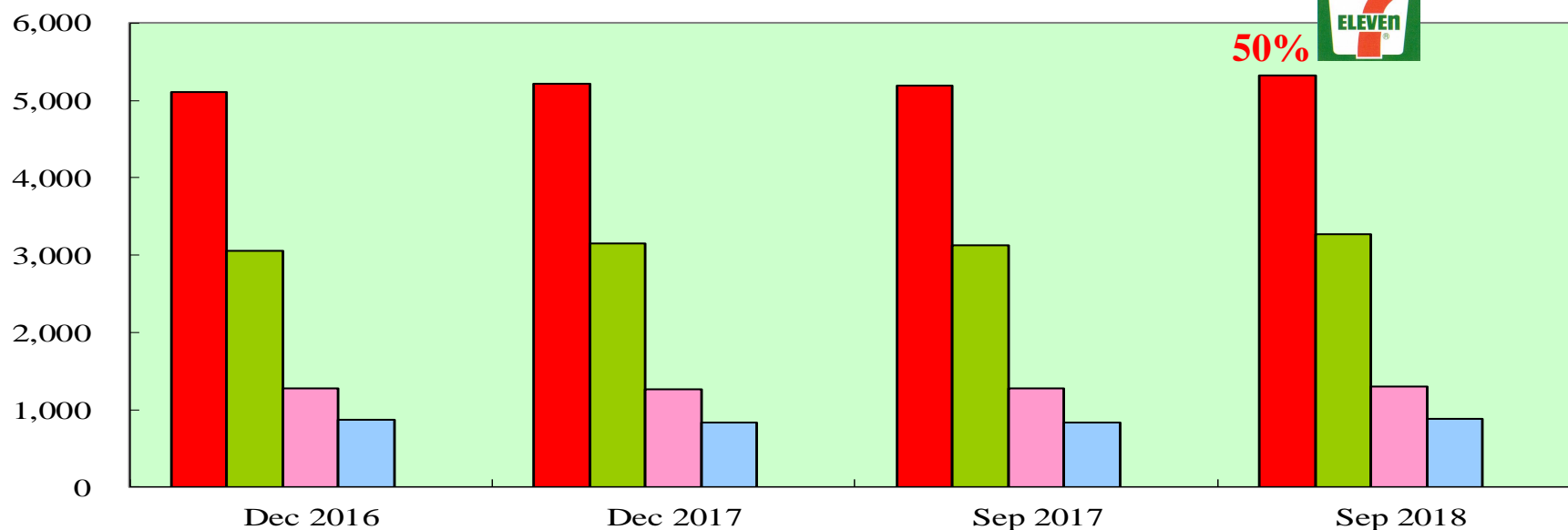
Unit : NTD in Millions

Standalone	2017Y			2016Y		2015Y		2014Y (adjusted)	
	Amount	%	YoY	Amount	%	Amount	%	Amount	%
Revenue	144,480	100.00%	3.09%	140,147	100.00%	133,408	100.00%	131,331	100.00%
Gross Profit	50,639	35.05%	5.31%	48,084	34.31%	45,109	33.81%	43,180	32.88%
Operating Profit	6,247	4.32%	-6.40%	6,674	4.76%	6,412	4.81%	6,301	4.80%
Net Income	31,017	21.47%	215.32%	9,837	7.02%	8,239	6.18%	9,090	6.92%
EPS(after tax)	29.83			9.46		7.92		8.74	
Cash dividend/share	25.00			8.00		7.20		7.00	
Stock dividend/share	0.00			0.00		0.00		0.00	
Cash dividend payout ratio	84%			85%		91%		80%	

Note: 2014Y(adjusted) is based on 2013Y version of Taiwan IFRS

# PCSC's Market Share in Taiwan

## Number of Convenience Stores in Taiwan



	Dec 2016	Dec 2017	Sep 2017	Sep 2018
7-ELEVEN	5,107	5,221	5,197	5,321
A company	3,057	3,152	3,130	3,272
B company	1,273	1,267	1,270	1,293
C company	873	838	838	880

Data source: PCSC

# PCSC's Major Retail Scopes in Taiwan

## PCSC (2912TT)

### Convenience Store

#### 7-ELEVEN



PCSC holds 100%  
# of stores: 5,321

#### Drugstore

#### Cosmed Taiwan



PCSC holds 100%  
# of stores: 400

### Department Store

#### Uni-Ustyle



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

### Shopping Mall

#### Dream Mall



PCSC holds 19%  
UPEC holds 40.5%  
PIDC holds 40.5%  
# of store: 1

### Restaurants

#### Uni -Wonder Corp.

PCSC holds 60%  
UPEC holds 40%  
# of stores: 458



#### 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%

#### TAKKYUBIN



PCSC holds 70%  
UPEC holds 20%

### Online Retailer



Books.com.tw  
PCSC holds 50.03%



統一超商線上購物中心  
Ibon Mart  
PCSC holds 100%

\* Store No. is as of end Sep 2018

開創健康快樂的明天

# PCSC's Major Retail Scopes Overseas

## China

### Convenience Store

#### Shanghai 7-ELEVEN

PCSC holds 100%  
# of stores: 121



#### Zhejiang 7-ELEVEN

PCSC holds 100%  
# of stores: 26



### Supermarket

#### Shandong Uni-Mart

PCSC holds 55%  
# of stores: 191



## Southeast Asia

### Convenience Store

#### Philippine 7-ELEVEN (SEVN PM)

PCSC holds 52.22%  
# of stores: 2,442



\* Store No. is as of end Sep, 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 17<sup>th</sup>, 2007**
- Current market cap US\$4.54bn\*
- Distribution to 31 provinces across China

\* Market cap based on closing price HK\$8.24 as of Nov 6, 2018, US\$1=HK\$7.8357



## UPCH (220HK) Key Financials

<b>RMB in thousands</b>	<b>2018.1-9M</b>	<b>2017.1-9M</b>	<b>YoY</b>
Reported Net Profit	1,113,261	934,792	<b>19.09%</b>

<b>RMB in thousands</b>	<b>2018.1-6M</b>	<b>2017.1-6M</b>	<b>YoY</b>
Reported Net Profit	714,289	569,641	<b>25.39%</b>

<b>RMB in thousands</b>	<b>2018.1-3M</b>	<b>2017.1-3M</b>	<b>YoY</b>
Reported Net Profit	257,040	173,787	<b>47.91%</b>

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

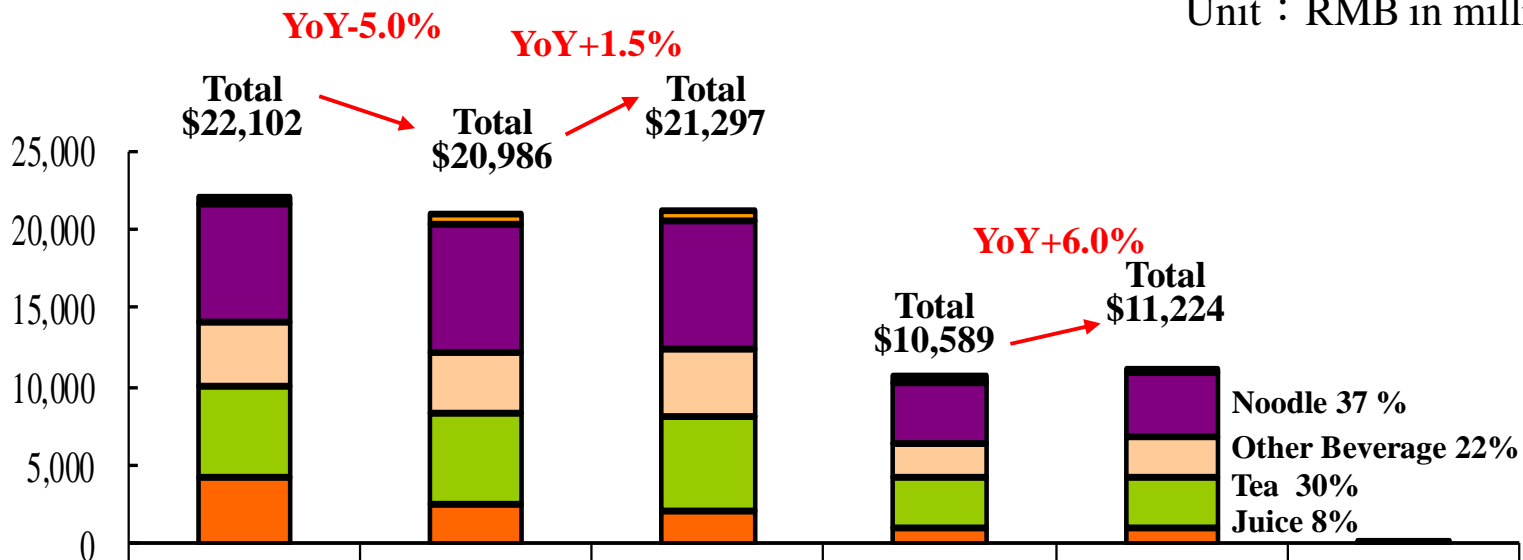
Unit : RMB in Millions

Consolidated	1H18			1H17 (Restated)		2017Y		2016Y	
	Amount	% of Rev.	YoY	Amount	% of Rev.	Amount	% of Rev.	Amount	% of Rev.
Revenue	11,224	100.00%	6.00%	10,589	100.00%	21,297	100.00%	20,986	100.00%
Gross Profit	3,757	33.47%	11.72%	3,363	31.76%	7,052	33.11%	7,228	34.44%
Operaitng Profit	933	8.31%	18.25%	789	7.45%	1,187	5.57%	963	4.59%
Pre Tax Profit	1,010	9.00%	25.94%	802	7.57%	1,277	6.00%	1,068	5.09%
* Net Profit	714	6.36%	25.26%	570	5.38%	878	4.12%	607	2.89%
EPS(cents)	16.54			13.19		20.33		14.06	
Total Payout Ratio						70%		20%	
Cash dividend/share(cents)						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



	2015Y	2016Y	2017Y	1H17 (Restated)	1H18	YoY
Other Business	483	584	669	325	316	-2.9%
Instant Noodles	7,567	8,221	8,163	3,846	4,152	8.0%
Other Beverage	3,947	3,766	4,462	2,148	2,445	13.8%
RTD Tea	5,826	5,915	5,964	3,216	3,394	5.6%
RTD Juice	4,278	2,500	2,039	1,054	917	-13.0%

# UPCH (220HK) Margin & Expenses Breakdown

## Gross Margin As % of revenue

	1H18	1H17(restated)
Company	33.5%	31.8%
Instant Noodle	29.0%	28.0%
Beverage	37.5%	34.9%

## Expenses As % of revenue

	1H18	1H17 (restated)
Company	26.2%	26.0%
Selling&Marketing	21.8%	21.6%
Administration	4.4%	4.4%

## Net Margin As % of revenue

	1H18	1H17 (restated)
Company	6.4%	5.4%
Instant Noodle	5.4%	4.9%
Beverage	13.1%	10.7%

\* Instant noodles and Beverages are operating margin



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