



Philippine Seven Corporation (SEVN:PM)

INVESTORS BRIEFING

Q4 2015

**7th Floor The Columbia Tower,
Ortigas Avenue, Mandaluyong City, Philippines**

Email: investor-relations@7-eleven.com.ph

Who We Are



MISSION: To make daily life easier by providing modern convenience.

VISION: To be the best retailer of convenience for emerging markets.

VALUES: We value integrity, teamwork, and reliability. We are data-driven and customer focused in our decisions.

A Global Brand



The World's Largest Retailer: ~ 55,000 Stores

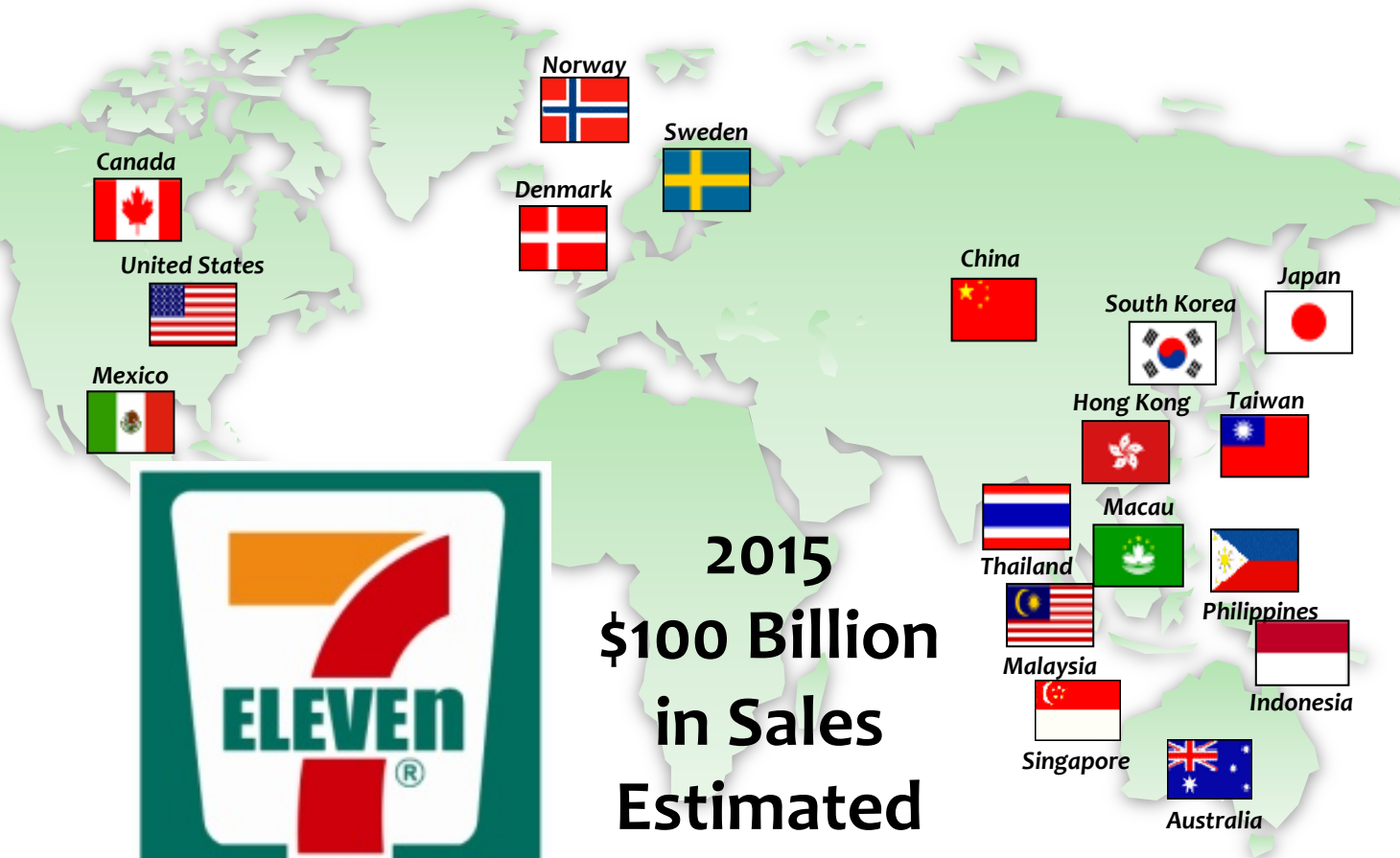
SERVING OVER

44M
GUESTS
DAILY

2X
WORLD'S
POPULATION
EVERY
YEAR



2015
\$100 Billion
in Sales
Estimated



Local Coverage



By Location	Store Count	%
Metro Manila	689	43%
Luzon-ex MM	702	44%
Visayas	178	11%
Mindanao	33	2%
Total	1,602	100%



1,602 stores

As of Dec. 31, 2015

7-Eleven has at least 65% market share in the Philippines.

PSC History at a Glance



1982	PSC was established	2005	Moved to a full-scale distribution center
1984	Opened first store	2007	PhilSeven Foundation was established
1996	Opened 100 th Store	2010	Opened 500 th Store
1998	PSC launches its IPO; Opened first Franchise store	2012	Opened 711 th Store and entered Visayas Market via Cebu
2000	PCSC purchased 50.4% of PSC's common shares	2013	Opened 1,000 th Store



PHILIPPINE SEVEN CORPORATION



1984
THE FIRST 7-ELEVEN STORE OPENS AT THE CORNER OF EDSA AND KAMAS, QUEZON CITY.



1998
PSC, NOW WITH OVER 100 STORES, LAUNCHES ITS INITIAL PUBLIC OFFERING, WITH SHARES OFFERED AT P440.



2000
PRESIDENT CHAIN STORE CORP. (PCSC) PURCHASES 50.4% OF PSC'S COMMON SHARES AT P8.30 PER SHARE, WHICH HELPED STRENGTHEN THE COMPANY AND ENABLED IT TO PURSUE ITS STORE EXPANSION PLANS.



2007
PSC'S BOARD OF DIRECTORS ESTABLISHES PHILSEVEN FOUNDATION INC., THE COMPANY'S CSR ARM.



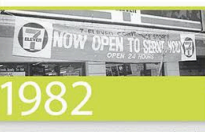
2012
PSC OPENS ITS 711TH STORE IN THE COUNTRY.



2013
EXPANSION CONTINUES IN VISAYAS AS 7-ELEVEN OPENS IN BACOLOD.



2014
7-ELEVEN'S UPGRADED LOOK CONTINUES TO BE ROLLED OUT ACROSS NEW AND EXISTING STORES AND OFFERS CUSTOMERS A MORE INVITING AMBIENCE AND EASY ACCESS TO ITS PRODUCTS.



1982
PHILIPPINE SEVEN CORPORATION (PSC) IS ESTABLISHED AND SECURES ITS MASTER LICENSE TO OPERATE 7-ELEVEN STORES IN THE COUNTRY.



1989
THIS YEAR MARKS THE FIRST YEAR PSC TURNS A PROFIT WITH A TOTAL OF 9 STORES IN OPERATION.



1998
CONVENIENCE DISTRIBUTION INC. (CDI), PSC'S WHOLLY OWNED SUBSIDIARY, IS OPENED TO PROVIDE CENTRALIZED WAREHOUSE AND DISTRIBUTION SYSTEMS TO SERVICE ITS 7-ELEVEN STORES.



2005
PSC LAUNCHES FULL SCALE FRANCHISING AND ENDS THE YEAR WITH 85 FRANCHISE STORES OUT OF OVER 200 STORES.



2010
THE 500TH STORE OPENS AT QUEZON AVENUE, QUEZON CITY.



2012
7-ELEVEN EXPANDS BEYOND LUZON AND CROSSES OVER INTO CEBU, QUEEN CITY OF THE SOUTH.



2013
PSC CELEBRATES A MAJOR MILESTONE AS IT OPENS 1,000TH STORE AT GREENFIELD DISTRICT, MANDALUONG CITY.



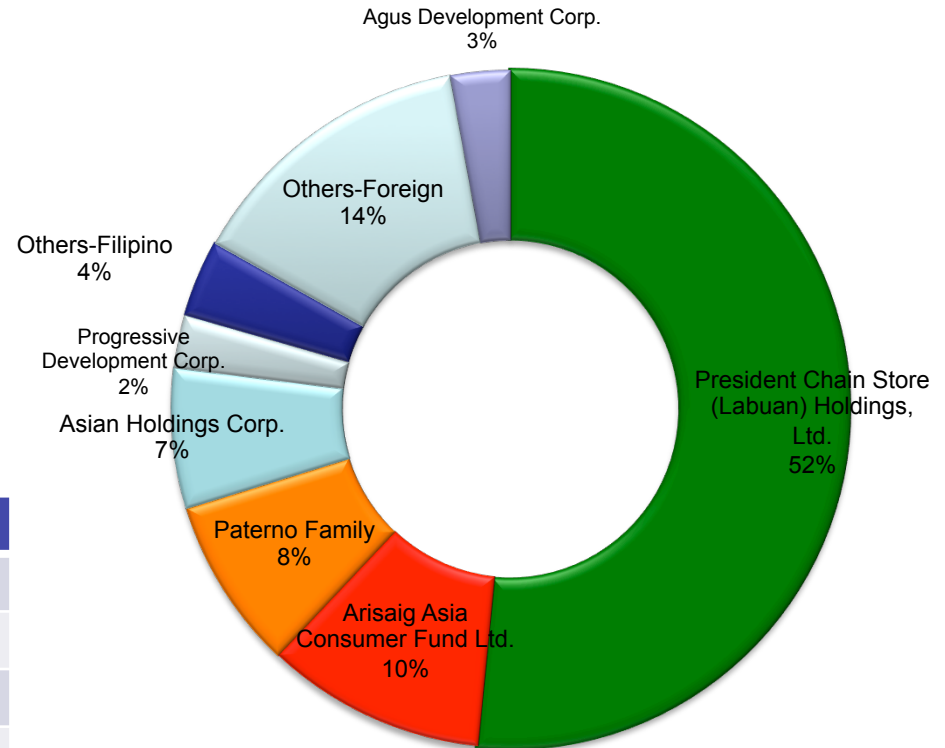
2014
PSC CONTINUES ITS AGGRESSIVE EXPANSION PLANS IN THE VISAYAS REGION BY OPENING SIX 7-ELEVEN STORES IN ILOILO CITY.

Shareholding Structure



Present Shareholding Structure

As of December 31, 2015	%
President Chain Store (Labuan) Holdings, Ltd	51.56%
Others-Foreign	14.00%
Arisaig Asia Consumer Fund Ltd.	10.47%
Paterno Family	8.21%
Asian Holdings Corporation	6.69%
Others-Filipino	3.68%
Agus Development Corporation	2.87%
Progressive Development Corporation	2.51%



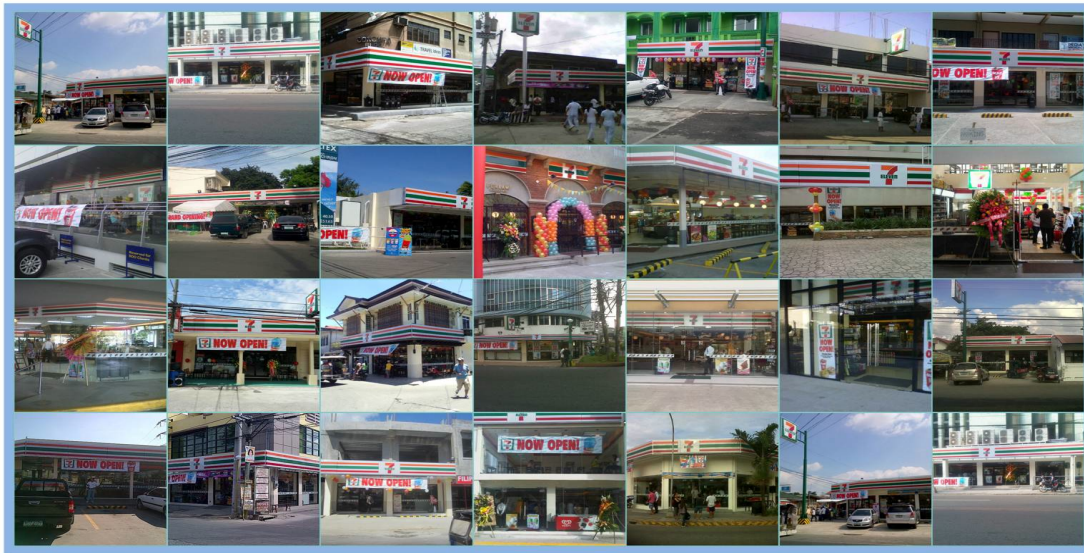
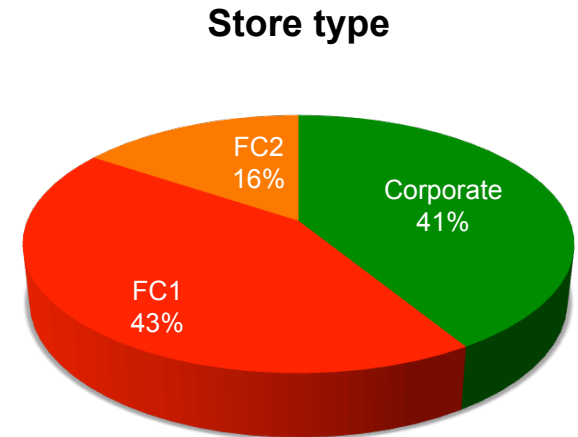
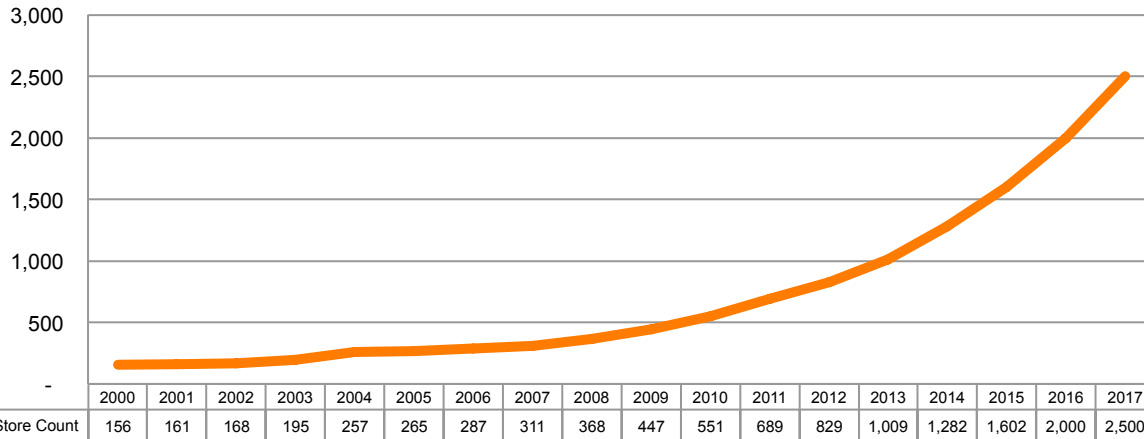
SEVN Share Information



Price (Dec. 29, 2015)	Php 100.00
Hi/Low (12 months)	Php 80.00 – Php 140.00
Free Float	32%
Outstanding Shares	458.44 million
Market Capitalization	USD 974.2 million

Dividend Payment	2008	2009	2010	2011	2012	2013	2014	2015
Stock	.10	.10	.05	.15	.15	.15	-	-
Cash	-	-	.05	.10	.10	.10	.30	.40
Total	.10	.10	.10	.25	.25	.25	.30	.40
Dividend Payout	43.3%	31.0%	18.4%	27.2%	24.3%	21.4%	20.1%	20.9%

Store Count

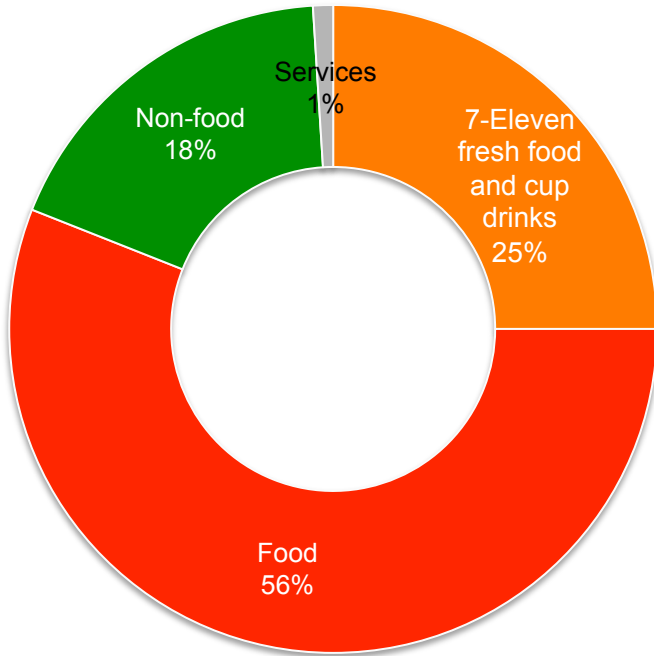


- Number of stores grew by 20% to 25% annually.
- 60% of stores are franchised
- Expects to end 2016 with 2,000 stores from 1,602 end-2015.

Proprietary Products



By Section



1. 7-Eleven fresh food and drinks includes, rice meal, sandwiches, Slurpee® and coffee.
2. Food section are FMCG and alcoholic beverages
3. Non-food are cigarettes and health & beauty items
4. Services pertains to fees earned from bill payment, e-loads and consignment.

Promotions and Events



Breakfast More Combos. All Day!

SAVE UP TO P16 **EVERY DAY! REWARDS**

Use your **EVERY DAY! REWARDS** and get a **Free Magnum Choco Cappuccino** when you buy 5 Breakfast Combos in a week.

39 PESOS + **49 PESOS** + **59 PESOS** + **69 PESOS**

MAKE YOUR OWN COMBO! STEP 1: Choose one food item. STEP 2: Choose one drink.

Some products only available in selected stores.

EVERY DAY! REWARDS

Visit 7-Eleven every day and receive 1 reward point for every purchase.

CHECK BALANCE REDEEM POINTS HELP

<http://rewards.7-eleven.com.ph>

EVERY DAY! WiFi

Now available at **7-ELEVEN**

1 point = 15 mins of **EVERY DAY! WiFi**

(Available in selected stores only)

7-ELEVEN RUN 1500

Proud to be in Iloilo

7-ELEVEN -TRAIL- 1500

Celebrating
1000
Stores in the Philippines

1000 THANKS!

★ RAFFLE PROMO ★
A THOUSAND THANKS TO OUR MOST LOYAL CUSTOMERS

CONGRATULATIONS TO ALL THE WINNERS!

2014 TOYOTA ALTIS WINNER
Patricia Marie Pamesa

IPAD AIR 16GB WINNERS

- Lea Delilla
- Gaudencio Tambubua
- Elision Herrera
- Gertruda Bayadon
- Winston Dandanan
- Arlvin Honorado
- Maryann Catapang
- Genieve Atalin Cabalpa
- Almora Akud
- Aylene Batugal

1000

Franchise Packages

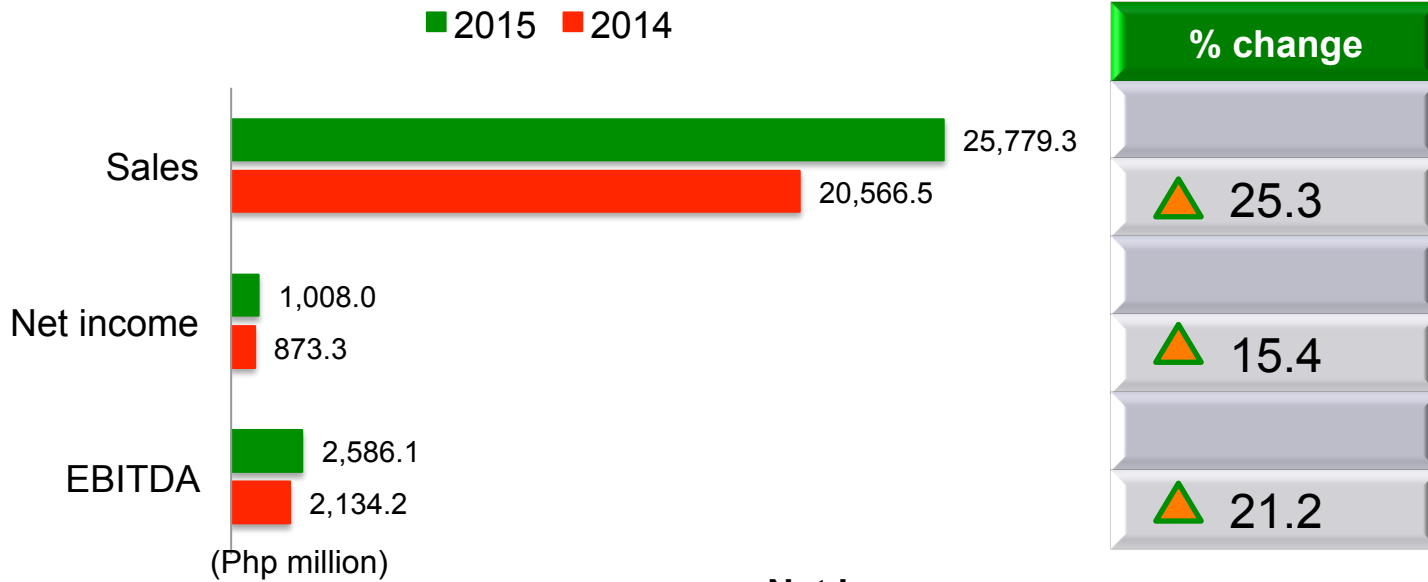


	FC1	FC2
Franchise Type	Investor	Industrial
Investment	USD 80,000-100,000	USD 20,000-25,000
Building	Franchisee	PSC
Merchandise	Franchisee	
Equipment	PSC	
Cash Bond (PGD)	-	Franchisee
Term	5+5 years	
GP Split	66% FC, 34% PSC	40% FC, 60% PSC
Rent	Franchisee	PSC
Electricity	50 - 50 split	60 - 40 split
Manpower	Franchisee	

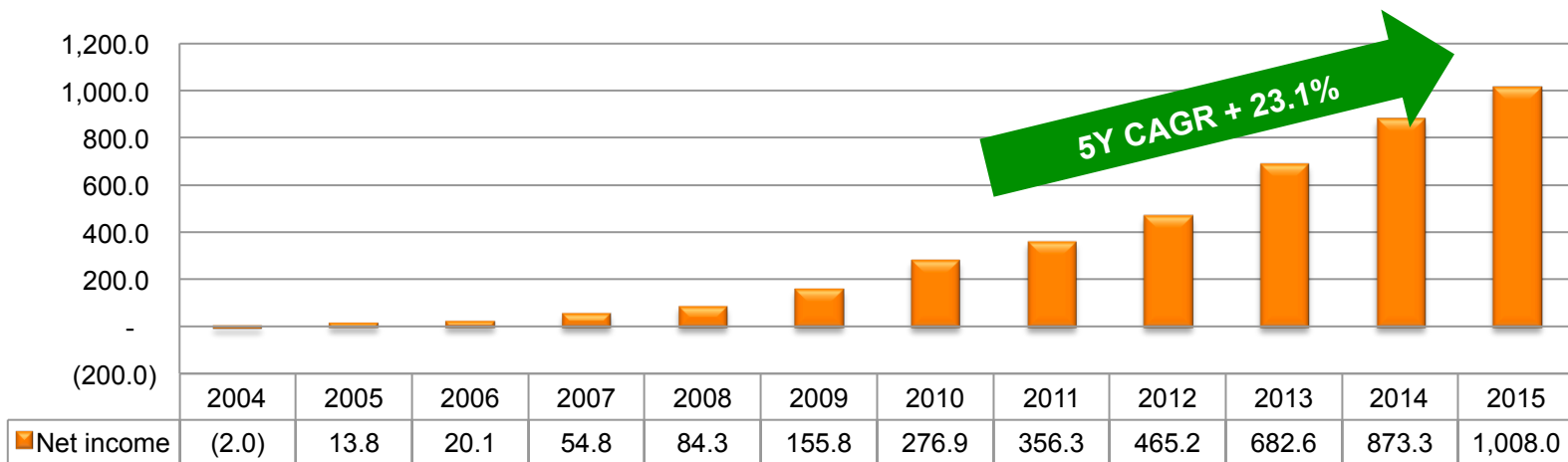
* USD 1.00 = PhP 47.00



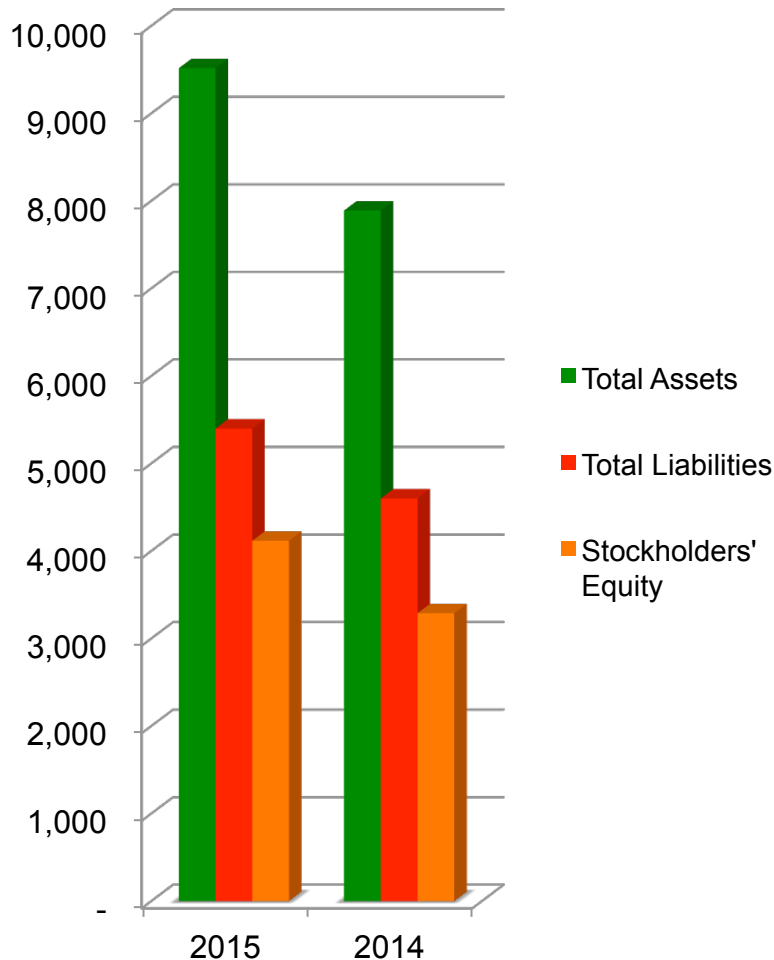
FY 2015 Financial Highlights



Net income



FY 2015 Financial Highlights

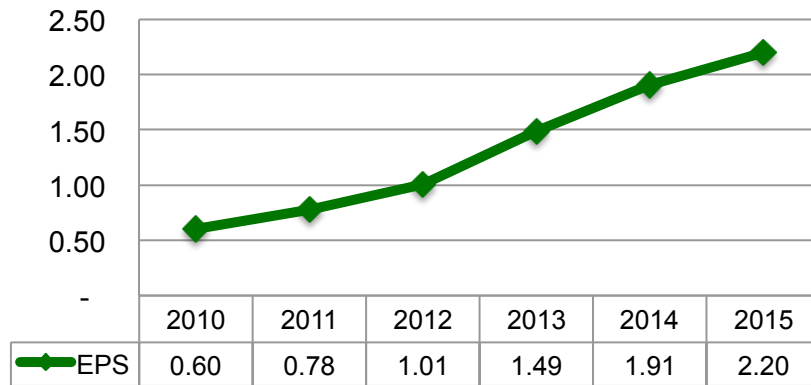


Balance Sheet and Cash Flow (in Php Million except Book Value per Share)	As of Dec. 31, 2015	% change
Total Assets	9,515.9	21%
Current Assets	3,648.8	8%
Non-current Assets	5,867.2	30%
Current Liabilities	4,976.6	18%
Total Liabilities	5,398.6	17%
Stockholders' Equity	4,117.3	25%
Book Value per Share (P)	8.98	25%
Cash Flow from Operating Activities	1,802.1	-17%
Cash Flow used in Investing Activities	-2,432.2	25%
Cash Flow from Financing Activities	264.4	644%

FY 2015 Financial Highlights



EPS



Selected Financial Ratio	2015	2014
Liquidity and Leverage Ratio:		
Current Ratio (x)	0.73	0.80
Net Debt to Equity (%)	8.6%	-14.9%
Profitability Ratio:		
Return on Equity (%)	27.2	30.0
Return on Capital Employed (%)	25.3	31.3
EBITDA Margin (%)	11.5	12.4
EBIT Margin (%)	6.6	7.4
Net Margin (%)	4.5	5.1
Activity Ratio:		
Days Inventory Outstanding	29.7	29.4
Days Payable Outstanding	40.8	50.2
Days Receivable Outstanding	9.6	9.9
Cash Conversion Days	-1.5	-10.8



* Based from revenue from merchandise sales

Comparative Metrics



2015			
7-Eleven	PSC (Philippines)	PCSC (Taiwan)	CPALL (Thailand)
Key Performance Ratio:			
Store count	1,602	5,028	8,832
Net Margin %	3.9*	6.9	4.6
EBITDA %	10.0*	8.9	10.2
EBIT %	5.8*	4.8	8.4
ROE	27.2	36.1	40.6
Days inventory outstanding	29.7	21.4	22.6
Days payable outstanding	40.8	50.1	69.2

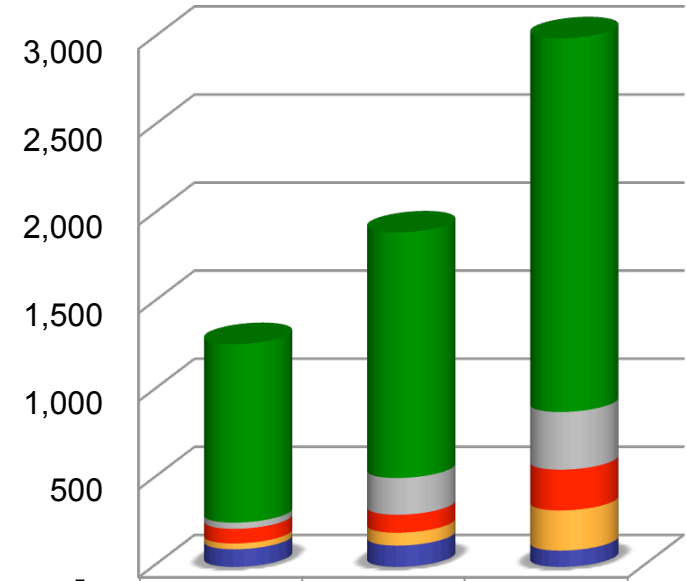
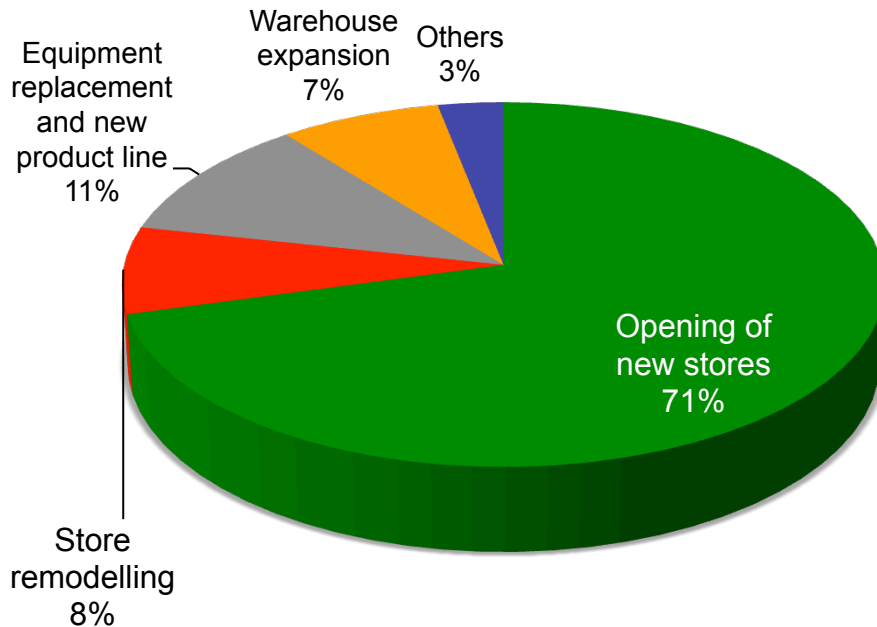
• Based from system-wide sales

2015 CAPEX



2015 Budget of Php3.0 billion

3 Year Trend



	2013	2014	2015
Opening of new stores	1,013	1,394	2,121
Equipment replacement and new product line	35	208	327
Store remodelling	83	102	231
Warehouse expansion	33	73	228
Others	100	121	92

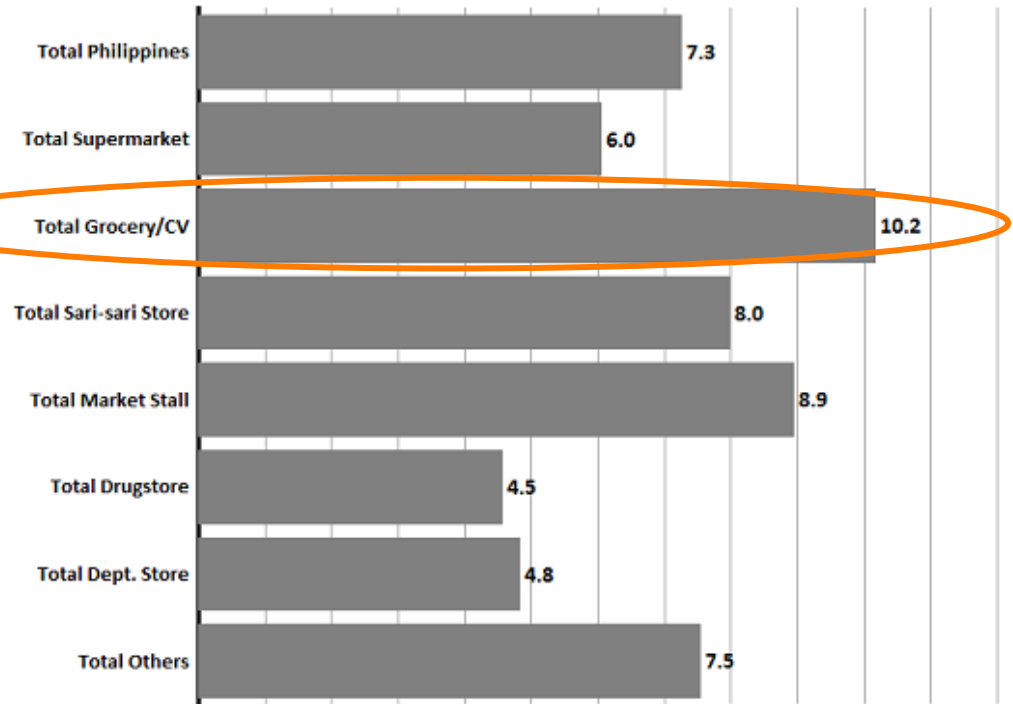
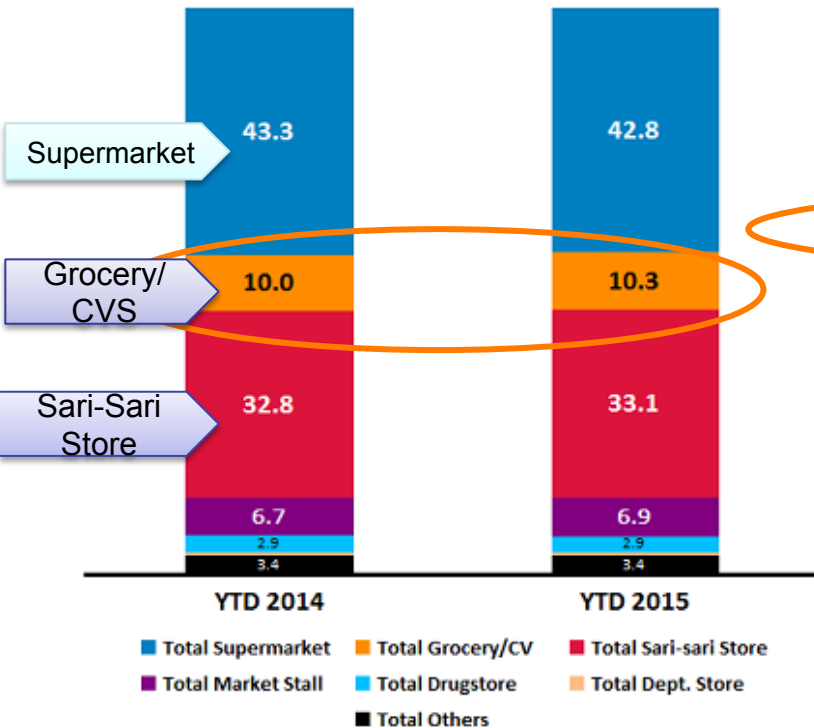
- To build at least 5 new DCs to support expansion
- Cost to build store ranges from P5.0 to P6.0 million
- To remodel close to 100 existing stores aged 6 to 7 years.

Future Growth affected by trend of traditional stores



Total Philippines by Channel | YTD TY vs YTD LY
Value Share of Trade

Total Philippines by Channel | Period Ended SEP15
Value Change % vs Year Ago



Based on General Performance Update YTD SEPTEMBER 2015 by Nielsen



*** End of Presentation ***