



Philippine Seven Corporation (SEVN:PM)

INVESTORS BRIEFING

Q3 2016

7th Floor The Columbia Tower,
Ortigas Avenue, Mandaluyong City 1550
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

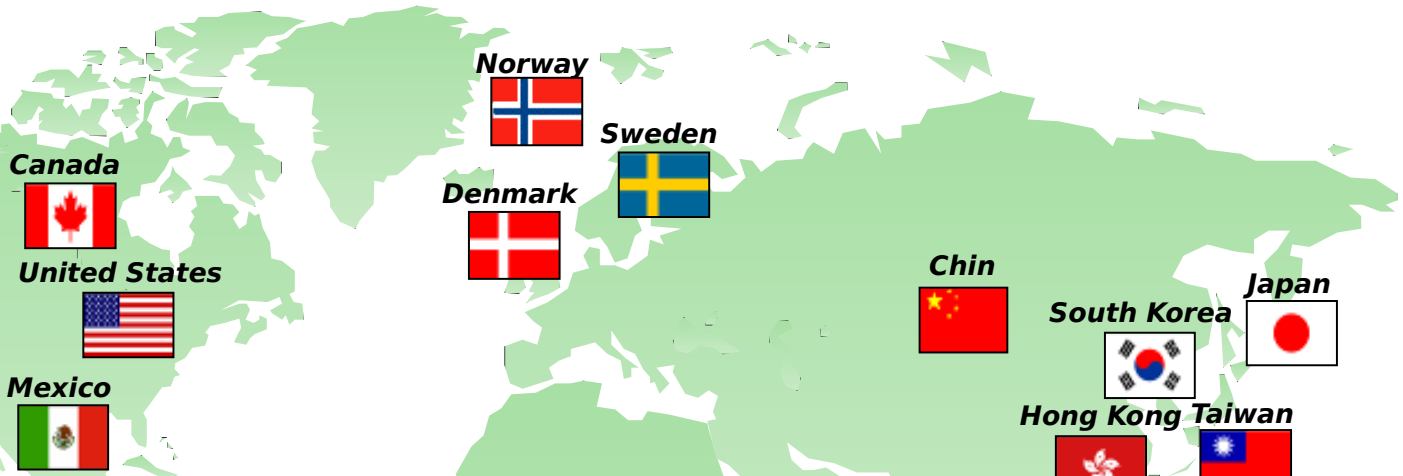


The World's Largest Retailer: > 60,000 Stores

SERVING OVER

44M

**GUESTS
DAILY**



**2015
\$100
Billion
in Sales
Estimated**

2X

**WORLD'S
POPULATION
EVERY
YEAR**

Local Coverage and Industry Landscape

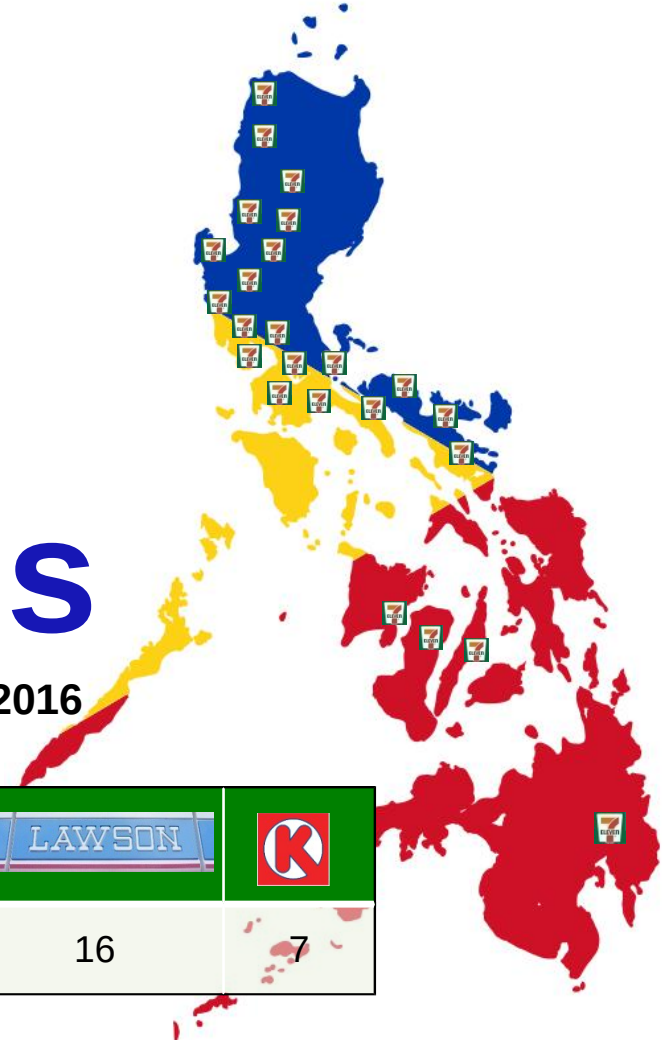


7-Eleven By Area	Store Count	%
Metro Manila	754	41%
Luzon-ex MM	783	42%
Visayas	218	12%
Mindanao	85	5%
Total	1,840	100%

1,840 stores

+ 361 stores vs. Q32015

As of Sep. 30, 2016



All CVS (June 30)						
Store Count	1,740	529	104	115	16	7

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

PSC History at a Glance



1982	PSC was established	2007	PhilSeven Foundation was established
1984	Opened first store	2010	Achieved 500 th Store Milestone
1996	Reached 100 th Store Mark	2012	Opened 711 th Store and entered Visayas Market via Cebu
1998	PSC launches its IPO; Opened first Franchise store	2013	Surpassed 1,000 th Store Milestone
2000	PCSC purchased 50.4% of PSC's common shares	2014	Opened stores in Iloilo, Panay Island
2005	Moved to a full-scale distribution center	2015	Entered Davao City and CDO in Mindanao

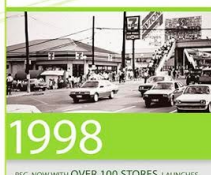


PHILIPPINE SEVEN CORPORATION



1984

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



1998

PSC NOW WITH OVER 100 STORES, LAUNCHES ITS INITIAL PUBLIC OFFERING, WITH SHARES OFFERED AT ₱440.



2000

PRESIDENT CHAIN STORE CORP. (PCSC) PURCHASES 50.4% OF PSC'S COMMON SHARES AT ₱8.30 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 SIGNS 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 1000TH STORE AT GREENFIELD DISTRICT, MANDALUYONG CITY.



2014

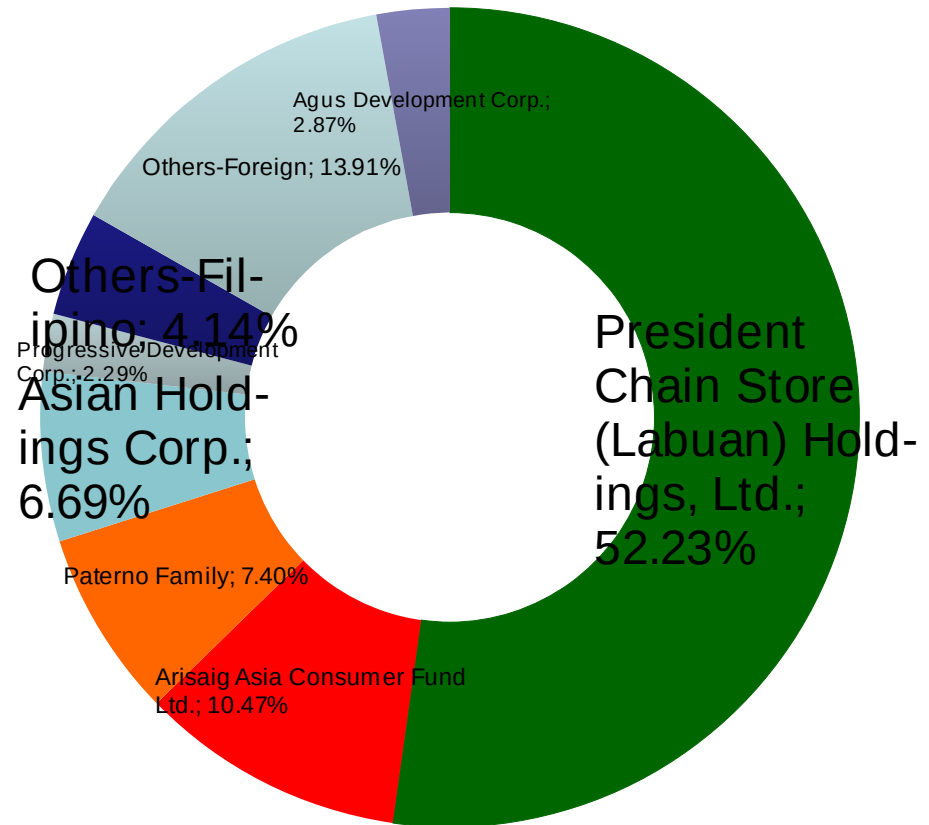
PSC CONTINUES ITS AGGRESSIVE EXPANSION PLANS IN THE VISAYAS REGION BY OPENING SIX 7-ELEVEN STORES IN ILOILO CITY.

Shareholding Structure



Present Shareholding Structure

As of September 30, 2016	%
President Chain Store (Labuan) Holdings, Ltd	52.22%
Others-Foreign	13.91%
Arisaig Asia Consumer Fund Ltd.	10.47%
Paterno Family	7.40%
Asian Holdings Corporation	6.69%
Others-Filipino	4.14%
Agus Development Corporation	2.87%
Progressive Development Corporation	2.29%



SEVN Share Information



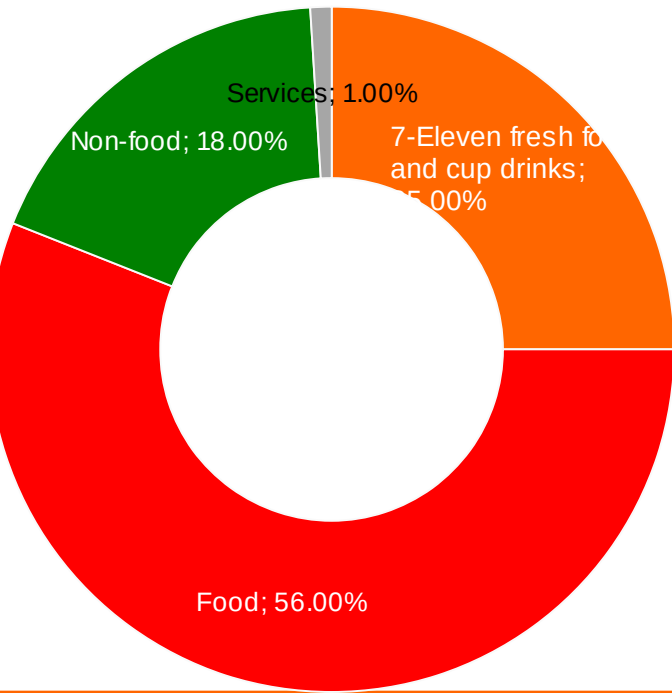
Price (Nov. 10, 2016)	Php 150.00
Hi/Low (YTD)	Php 98.00 – Php 181.00
Free Float	32%
Outstanding Shares	458.44 million
Market Capitalization	USD 1.41 billion

Dividend Payment	2008	2009	2010	2011	2012	2013	2014	2015	2016
Stock	.10	.10	.05	.15	.15	.15	-	-	-
Cash	-	-	.05	.10	.10	.10	.30	.40	.55
Total (Php/share)	.10	.10	.10	.25	.25	.25	.30	.40	.55
Dividend Payout	43.3%	31.0%	18.4%	27.2%	24.3%	21.4%	20.1%	20.9%	25.0%

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



#7Election

The voice of the **GULP** generation!

Available only for 20oz (600mL) Cups

Reminded, certified! **THE FUN WAY TO VOTE**

REMEMBER: We will not sell unless all 7-Election cups are available in this store.

Results updated weekly at www.7-election.com.ph

Made Partner: RABBIT, BANGKO, BANGKO, BANGKO

Brought to you by: RABBIT, BANGKO, BANGKO, BANGKO

City Blends Presents **JADINE LOVE**

20 FEBRUARY 2016

GET A CHANCE TO WIN **FREE TICKETS**

EARN 1 E-RAFFLE ENTRY FOR EVERY 5 CUPS OF ANY SIZE & FLAVOR

1 CUP = 2 VIP TICKETS | 2 PATRON TICKETS | 2 GEN AD TICKETS

7-ELEVEN RUN 2016

in partnership with **SKYWAY FILINVEST CITY**

01/17/16

500M KIDS RUN	5KM	10KM BUDDY RUN	21KM
3KM	10KM	16KM	42KM

7-ELEVEN Easy GC

in a **CLIQQ**

Redeem Your GCs Now!

P10 P20 P50

Promo runs from August 17 to September 27, 2016. Per DTI-FTES-SPD Permit #11063. Series of 2016. Redemption is good until 60 days from end of promo period.

7-ELEVEN HERO BUDDIES

Earn 1 Hero E-Stamp for every P100 purchase* in any 7-ELEVEN store

Get these for **FREE**

HEROES RUN SINGLET
385 SINGLET | 75 SINGLET | 5 SINGLET + P299

WIRELESS EARPHONE
449 EARPHONE | 89 EARPHONE | 5 EARPHONE + P359

GULP Batman v Superman: Dawn of Justice COLLECTIBLE TUMBLER

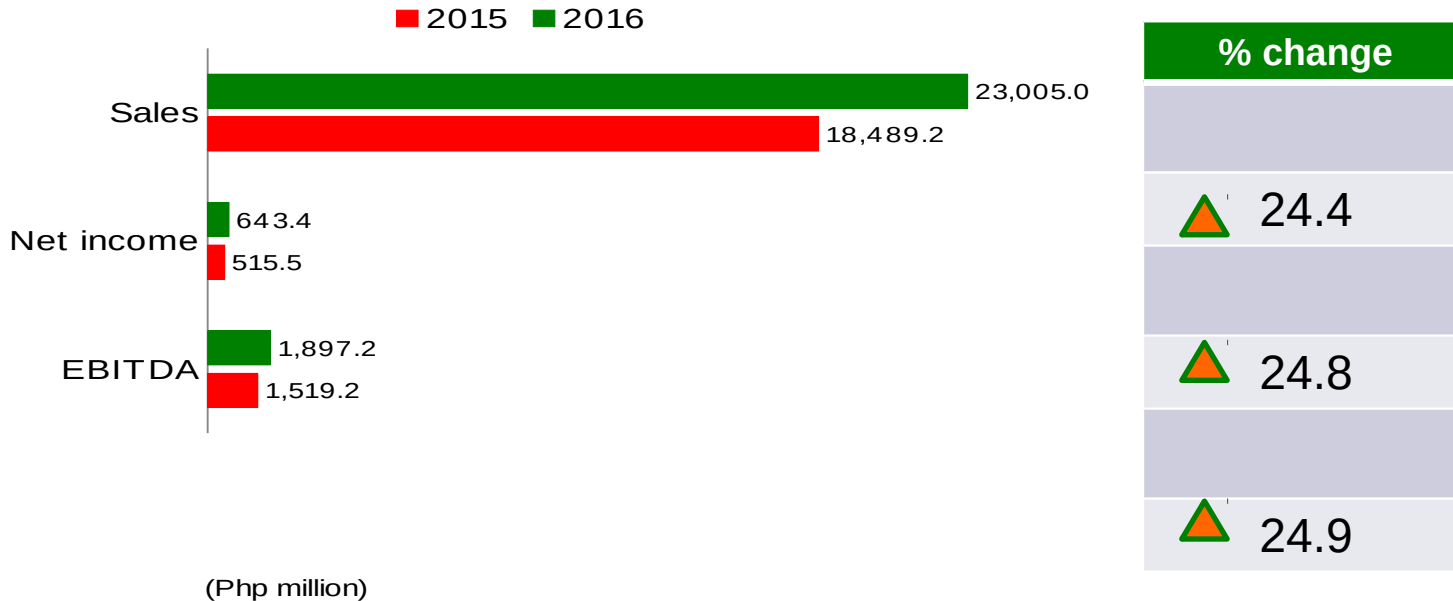
*LIMITED EDITION P59 only

711ph Promo runs from March 16 to May 24, 2016. Per DTI-FTES-SPD Permit #1467. Series of 2016. Redemption is good until 60 days from end of promo period.

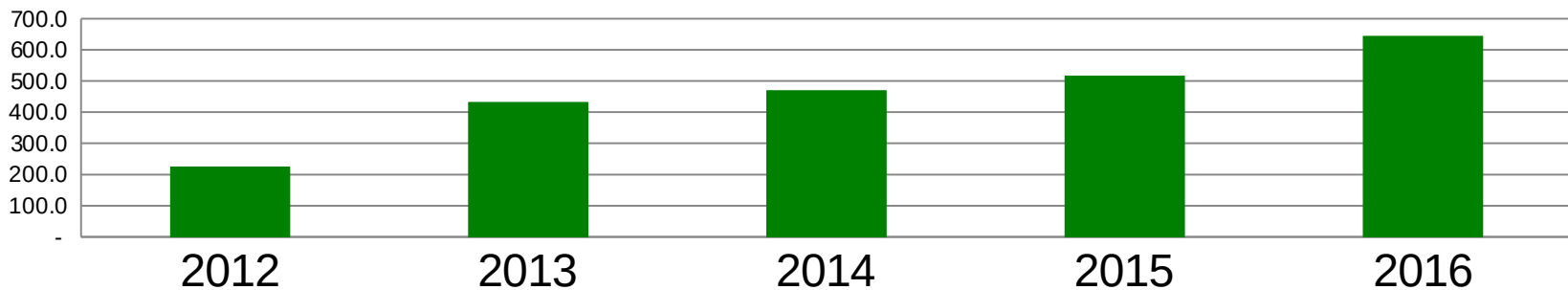
7-ELEVEN TRAIL 2016



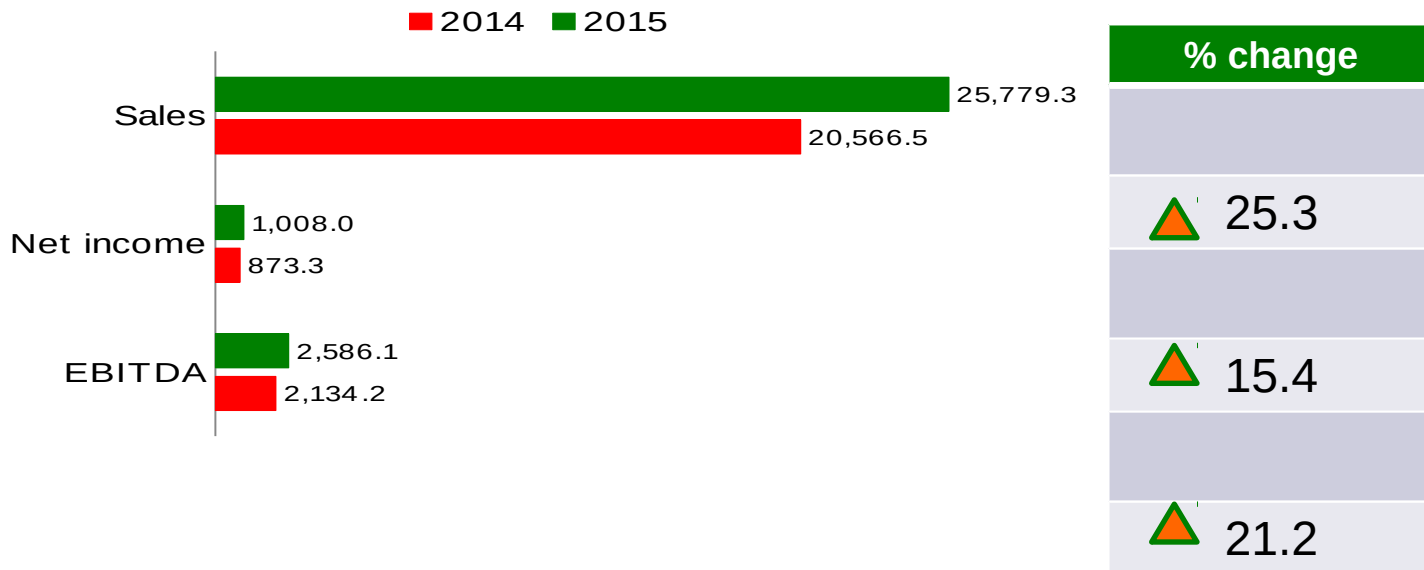
9M 2016 Financial Highlights



YTD September 2016 Net Income 5-Year Trend

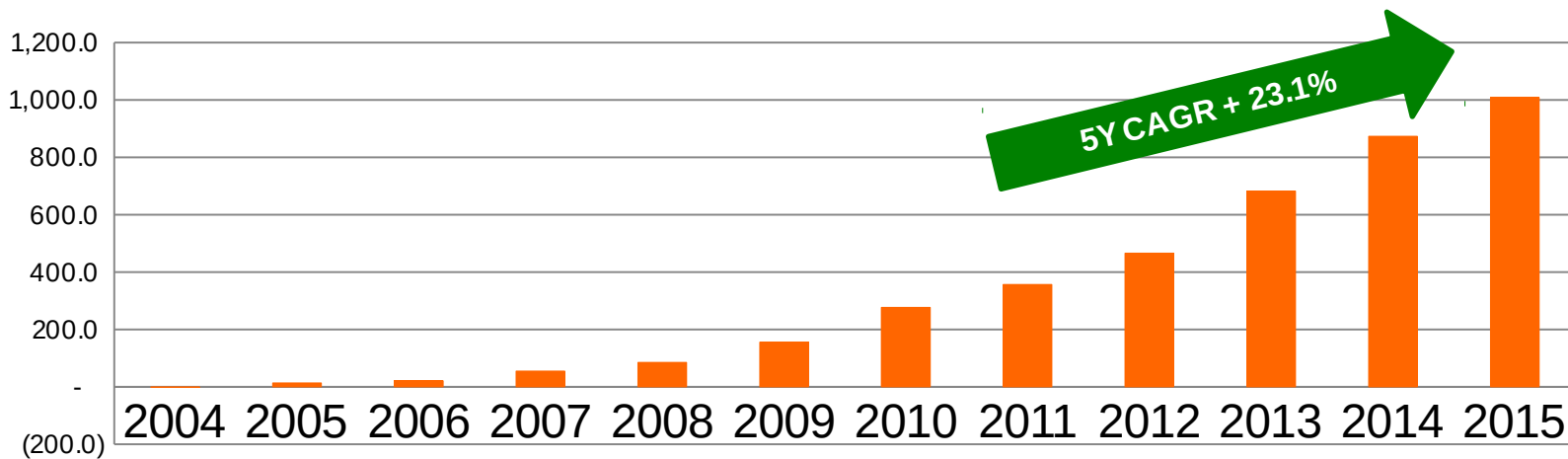


FY 2015 Financial Highlights

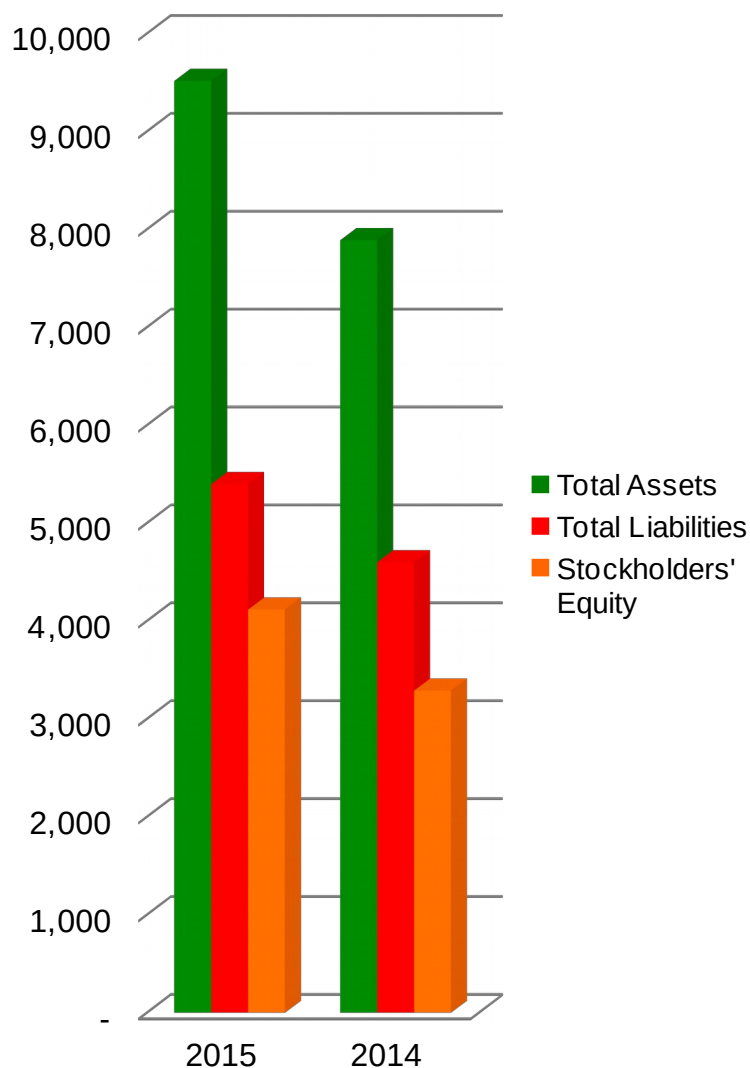


(Php million)

Net income



FY 2015 Financial Highlights

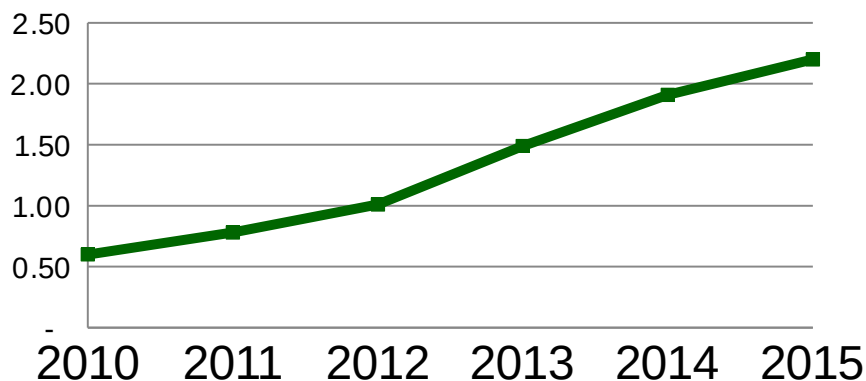


Balance Sheet and Cash Flow (in Php Million except Book Value per Share)	As of Dec. 31, 2015	% change
Total Assets	9,515.9	21%
Current Assets	3,648.8	8%
Non-current Assets	5,867.2	30%
Current Liabilities	4,976.6	18%
Total Liabilities	5,398.6	17%
Stockholders' Equity	4,117.3	25%
Book Value per Share (P)	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

Liquidity and Leverage Ratio:

Selected Financial Ratio	2015	2014
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*	6.2	4.6
EBITDA %	10.0*	6.6	10.2
EBIT %	5.8*	4.8	8.4
ROE	27.2	30.7	40.6
Days inventory outstanding	29.5	24.0	22.6
Days payable outstanding	40.7	51.9	69.2

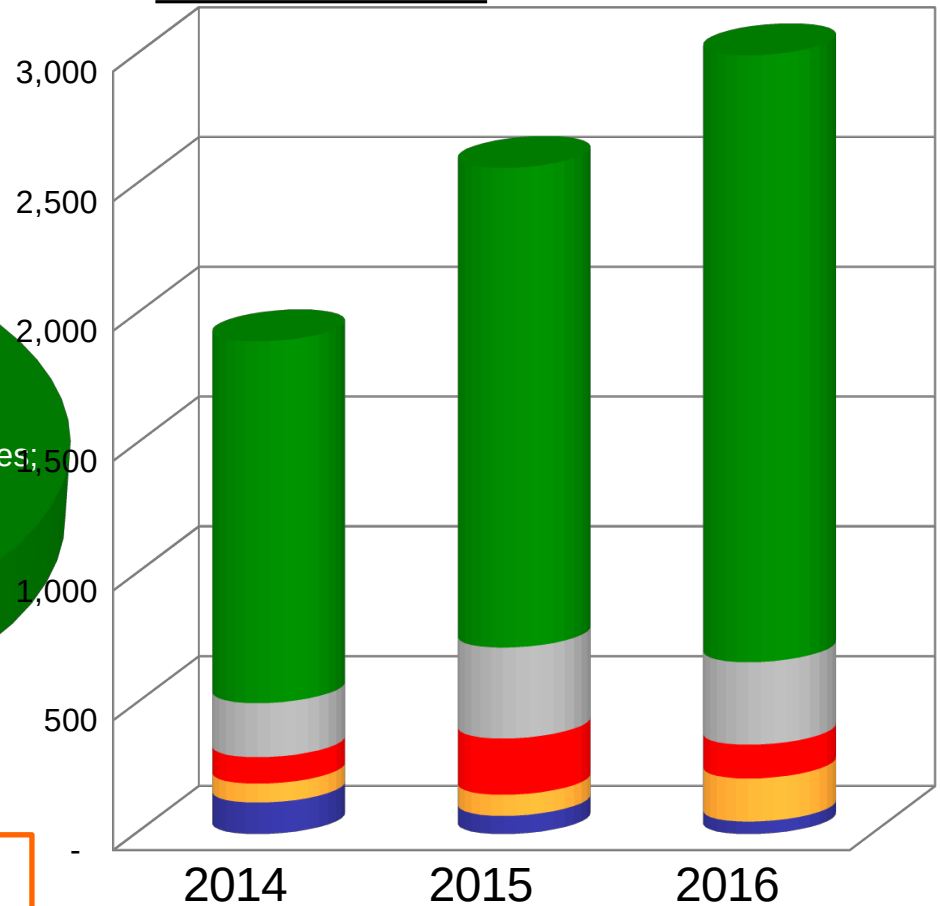
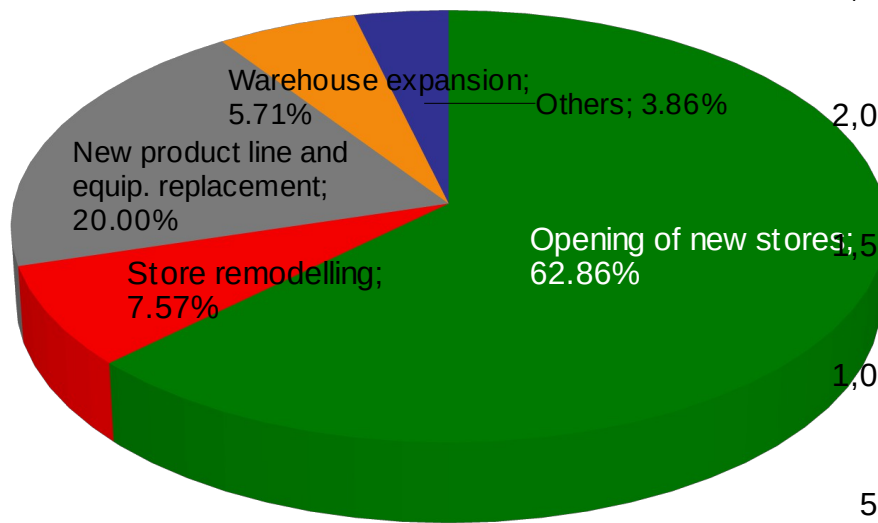
• Based from system-wide sales

2017 CAPEX



2017 Budget of Php3.5 billion

• 3 Year Trend



- To open close to 400 stores in 2017
- 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

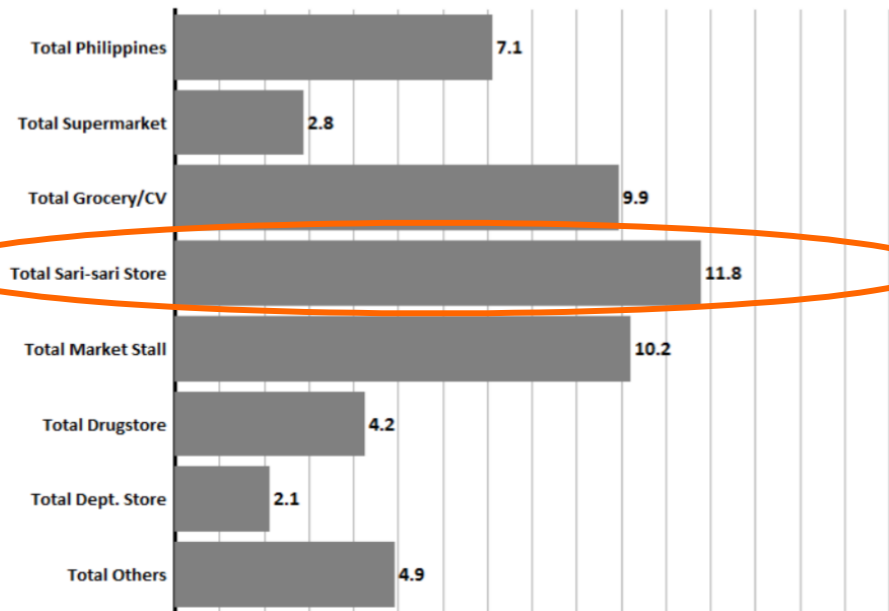
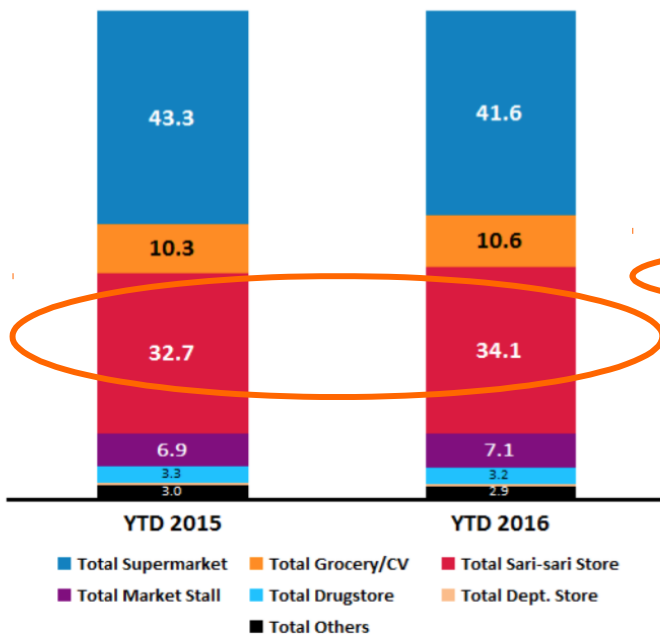


TOTAL PHILIPPINES – BY CHANNEL

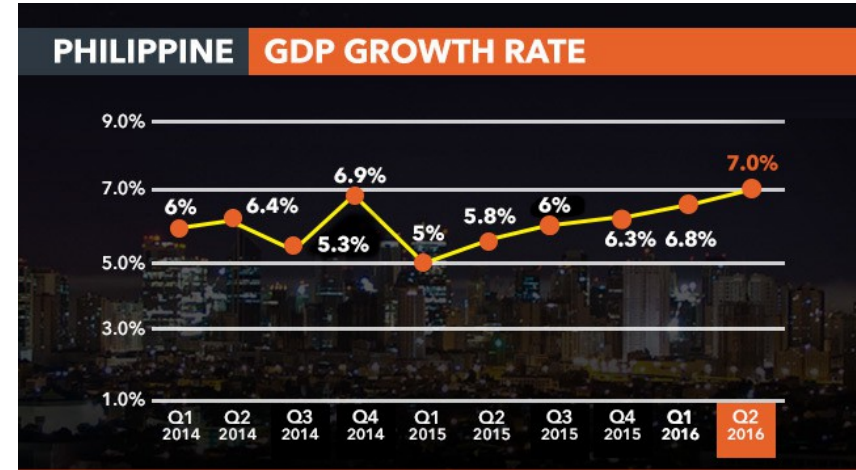
Total PH growth led by the strong growth of Grocery/CV, Sari-Sari Store, and Market Stall amidst stability in main channel Supermarket

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

Total Philippines by Channel | Period Ended MAY16
Value Change % vs Year Ago



Recent Local Events



Proposed legislations/rules:

1. End of labor contractualization
2. Restriction on tobacco and liquor sales
3. Tax on sugar-sweetened beverages (SSB)
4. Tax reform package





*** End of Presentation ***