



Philippine Seven Corporation (SEVN:PM)

INVESTORS BRIEFING

Q4 2016

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

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

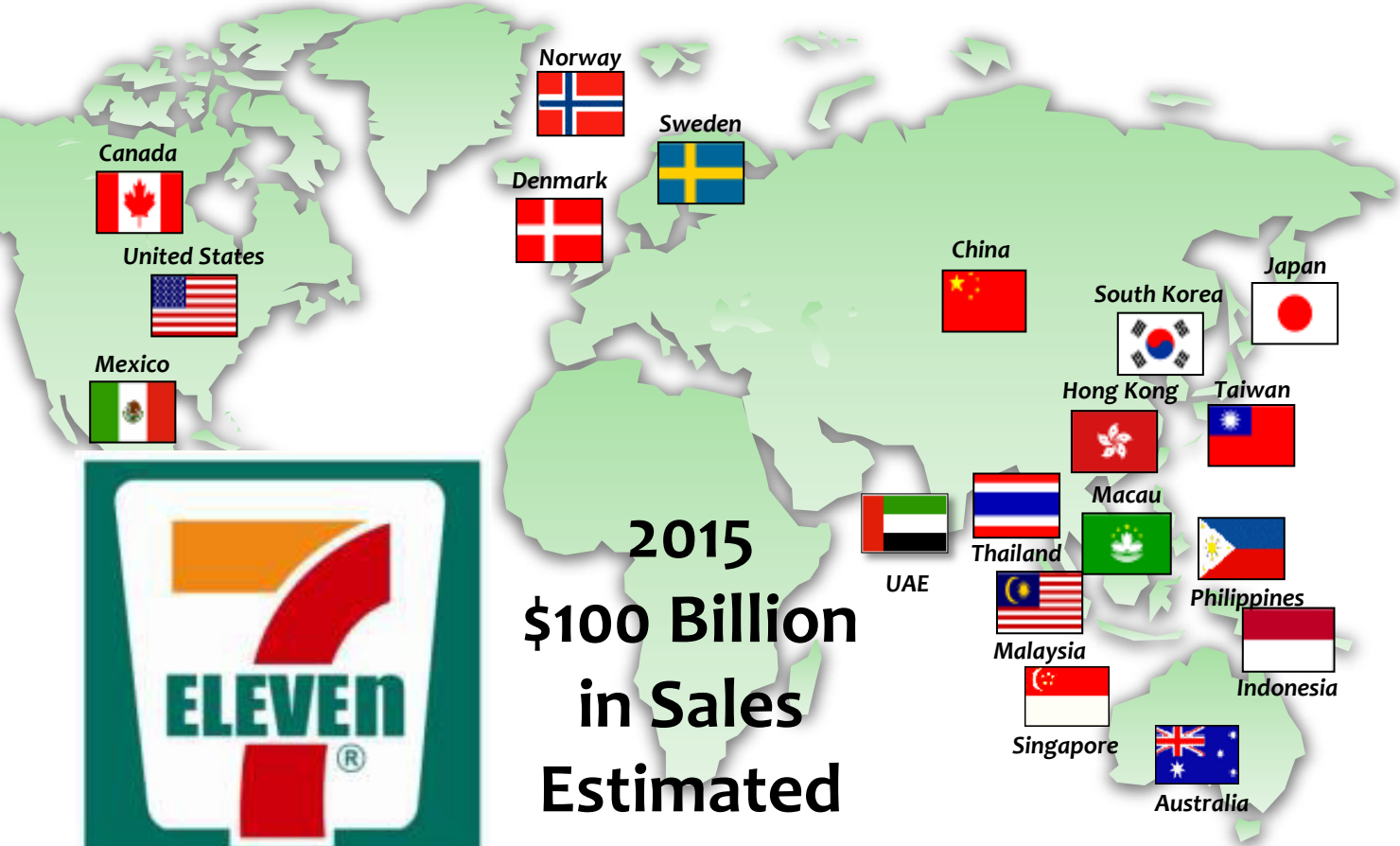


The World's Largest Retailer: > 60,000 Stores

SERVING OVER

44M
GUESTS
DAILY

2X
WORLD'S
POPULATION
EVERY
YEAR



2015
\$100 Billion
in Sales
Estimated

Local Coverage and Industry Landscape



7-Eleven By Area	Store Count	%
Metro Manila	808	41%
Luzon-ex MM	825	41%
Visayas	255	13%
Mindanao	107	5%
Total	1,995	100%



1,995 stores

+393 stores vs. 2015

As of Dec. 31, 2016

All CVS (June 30)						
Store Count	1,995	499	100	130	27	22

7-Eleven has at least 70% 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 KAMAS, QUEZON CITY.



1998

PSC NOW WITH OVER 100 STORES LAUNCHES ITS INITIAL PUBLIC OFFERING, WITH SHARES OFFERED AT P4.40



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 CHAR-AM.



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 ORGANIZED AND ISSUES 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 WAREHOUSES 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

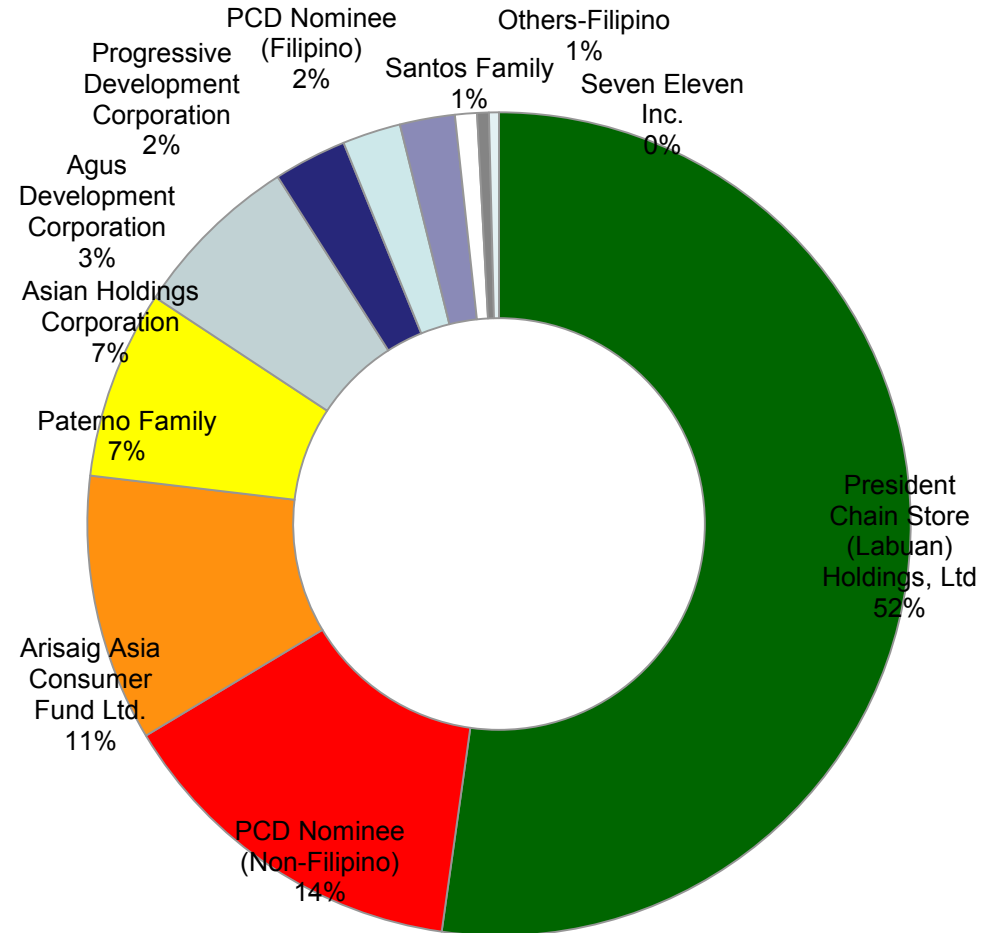
PSC CONTINUES ITS AGGRESSIVE EXPANSION PLANS IN THE VISAYAS REGION BY OPENING SIX 7-ELEVEN STORES IN ILOILO CITY.

Shareholding Structure



Present Shareholding Structure

As of December 31, 2016	%
President Chain Store (Labuan) Holdings, Ltd	52.22
PCD Nominee (Filipino)	2.16
Arisaig Asia Consumer Fund Ltd.	10.47
Paterno Family	7.40
Asian Holdings Corporation	6.69
Others-Filipino	0.46
Agus Development Corporation	2.87
Progressive Development Corporation	2.29
Santos Family	0.86
PCD Nominee (Non-Filipino)	14.18
Seven Eleven Inc.	0.39



SEVN Share Information



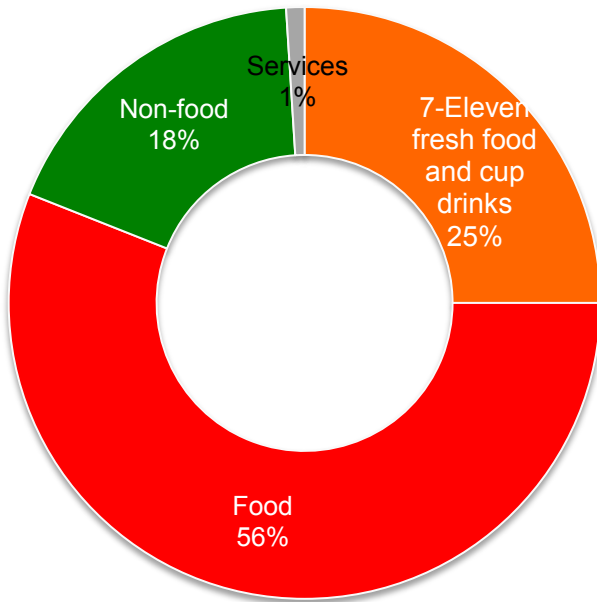
Price (Dec. 28, 2016)	Php135.40
Hi/Low (YTD)	Php 135.00 – Php 136.00
Free Float	33%
Outstanding Shares	458.44 million
Market Capitalization	USD 1.28 billion

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%	21.5%

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 200 (500ml) Cops

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: Brought to you by:

City Blends Presents **JADINE LOVE**

20 FEBRUARY 2016
HAPPY FEBRUARY OF COURAGE!

GET A CHANCE TO WIN **FREE TICKETS**

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

1 NUMBER OF 2 VIP TICKETS | 1 NUMBER OF 2 PATRON TICKETS | 1 NUMBER OF 2 GEN AD TICKETS

7-Eleven EVERY DAY

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 #11093. 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 + P299

WIRELESS EARPHONE
449 EARPHONE | 89 EARPHONE + P359

GULP Batman v Superman: Dawn of Justice COLLECTIBLE TUMBLER

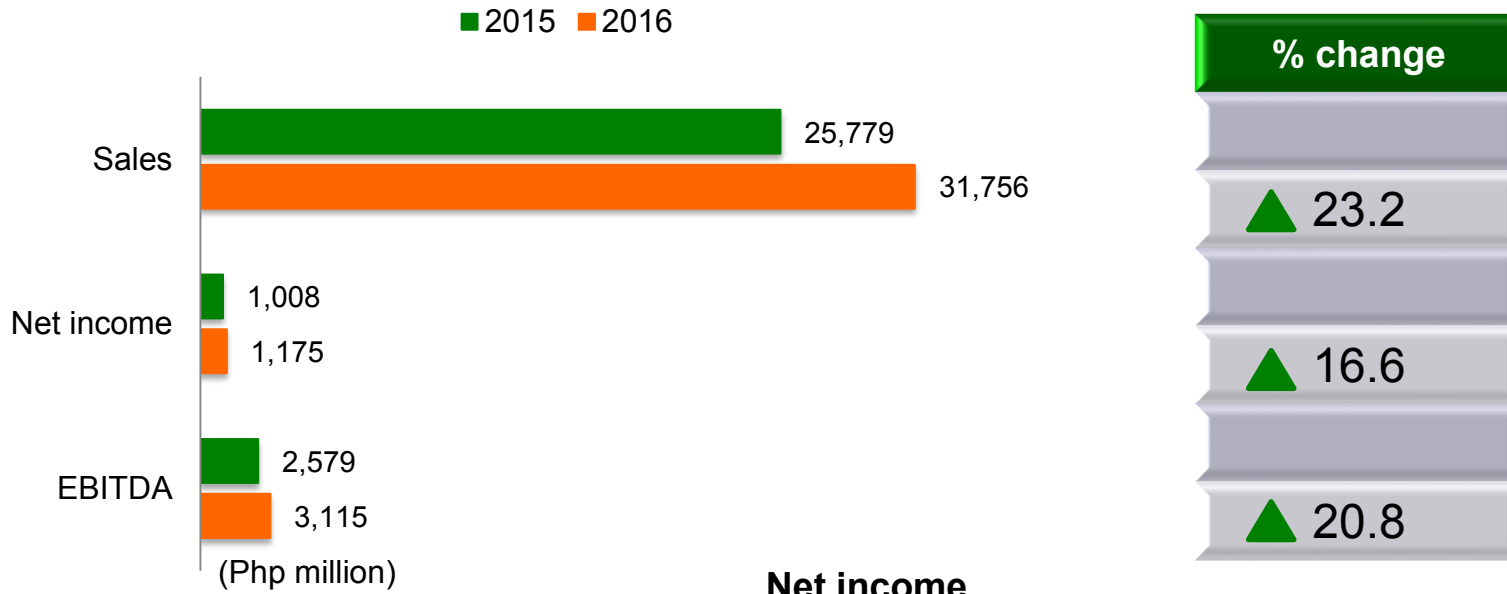
*LIMITED EDITION **P59 only**

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.

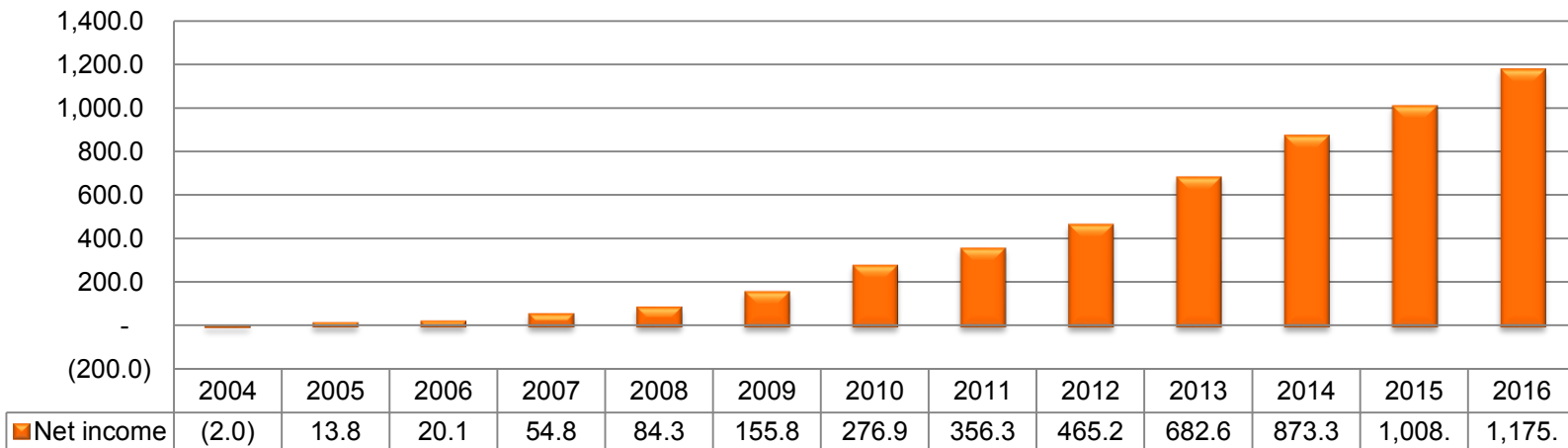
7-ELEVEN TRAIL 2016



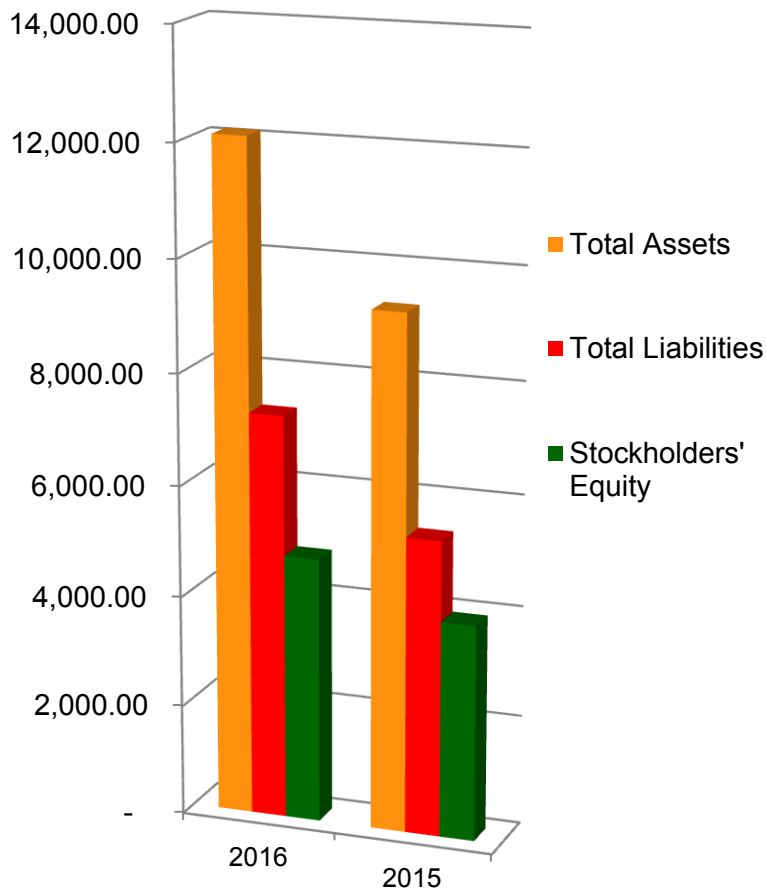
FY 2016 Financial Highlights



Net income



FY 2016 Financial Highlights

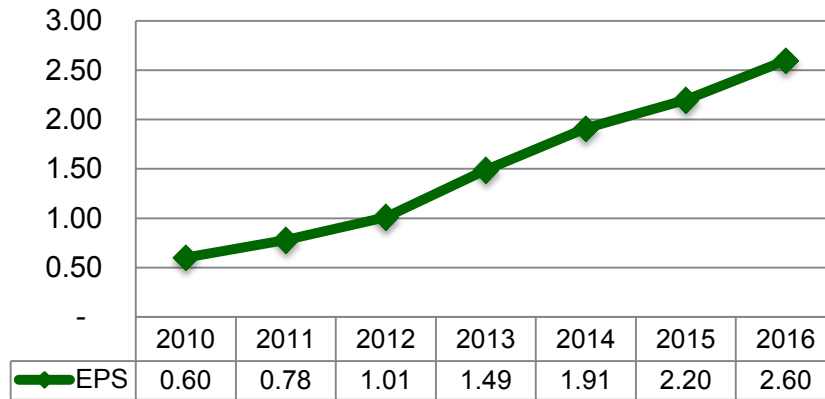


Balance Sheet and Cash Flow (in Php Million except Book Value per Share)	As of Dec. 31, 2016	% change
Total Assets	12,351.6	29.8%
Current Assets	5,372.5	47.2%
Non-current Assets	6,979.1	19.0%
Current Liabilities	6,473.9	30.1%
Total Liabilities	7,310.0	35.4%
Stockholders' Equity	5,041.6	22.5%
Book Value per Share (P)	11.0	22.5%
Cash Flow from Operating Activities	2,782.8	54.7%
Cash Flow used in Investing Activities	(2,458.3)	1.2%
Cash Flow from Financing Activities	350.3	32.5%

FY 2016 Financial Highlights



EPS



Selected Financial Ratio	2016	2015
Liquidity and Leverage Ratio:		
Current Ratio (x)	0.83	0.73
Net Debt to Equity (%)	6.2%	8.6%
Profitability Ratio:		
Return on Equity (%)	25.7	27.2
Return on Capital Employed (%)	29.1	25.3
EBITDA Margin (%)	9.8	11.5
EBIT Margin (%)	5.5	6.6
Net Margin (%)	3.6	4.5
Activity Ratio:		
Days Inventory Outstanding	31.0	29.7
Days Payable Outstanding	38.9	40.8
Days Receivable Outstanding	10.2	9.6
Cash Conversion Days	2.3	-1.5



* Based from revenue from merchandise sales

Comparative Metrics



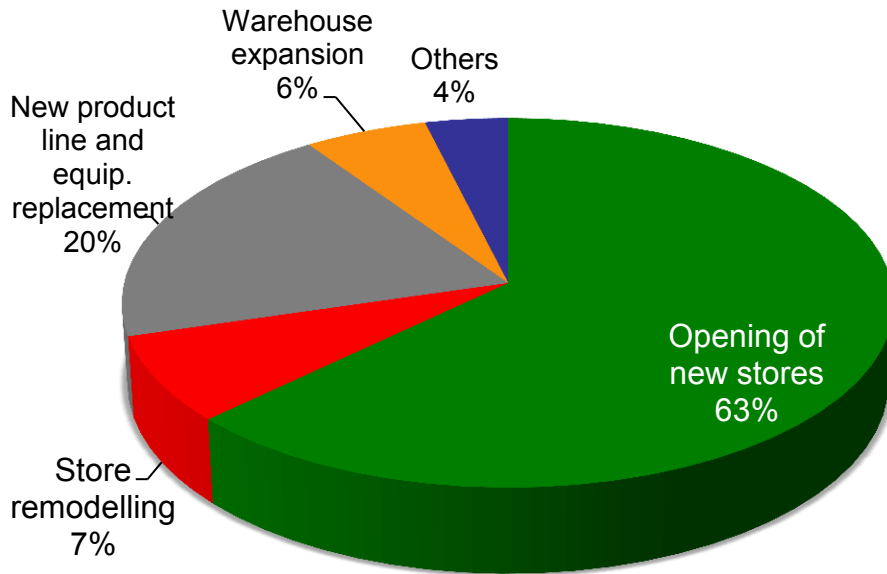
2016			
7-Eleven	PSC – FY (Philippines)	PCSC – Q3 (Taiwan)	CPALL - FY (Thailand)
Key Performance Ratio:			
Store count	1,995	5,107	9,542
Net Margin %	3.7	5.2	5.1
EBITDA %	9.8	9.2	10.2
EBIT %	5.5	6.6	8.6
ROE	25.7	38.5	37.1
Days inventory outstanding	31.0	29.0	21.9
Days payable outstanding	38.9	43.4	65.0

• Based from system-wide sales

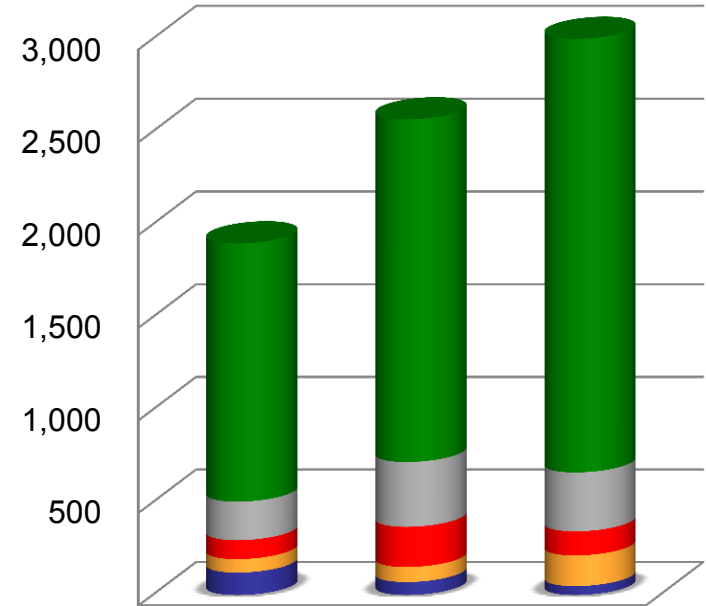
2017 CAPEX



2017 Budget of Php4.1 billion



3 Year Trend



	2014	2015	2016
■ Opening of new stores	1,394	1,848	2,788
■ Equipment replacement and new product line	208	350	318
■ Store remodelling	102	217	130
■ Warehouse expansion	73	81	166
■ Others	121	70	48

- 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

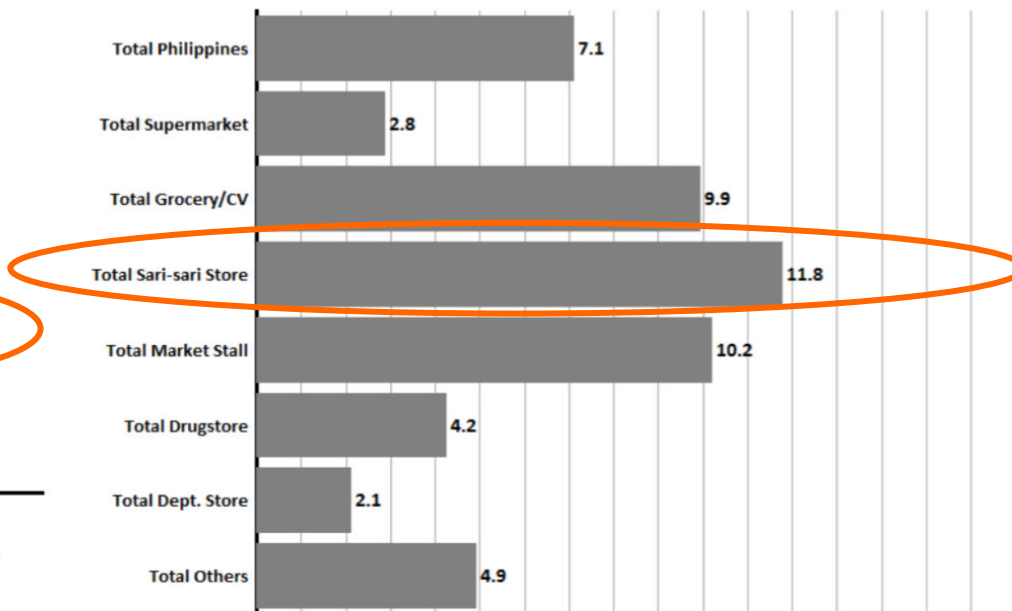
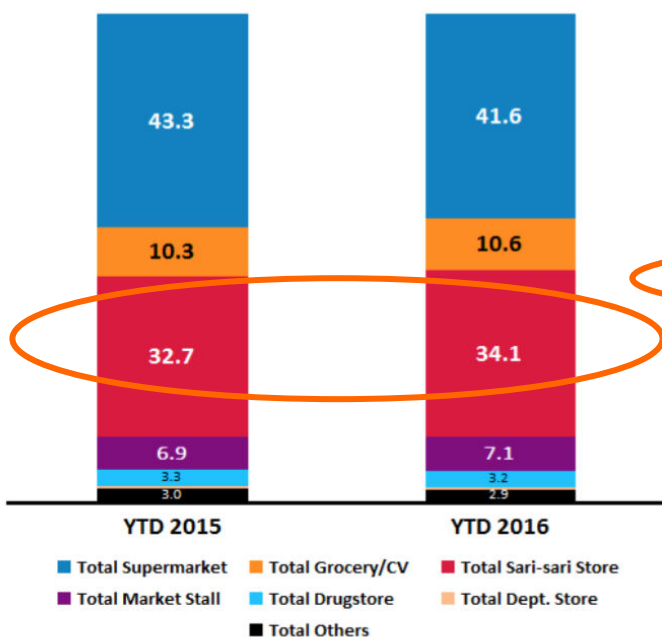


TOTAL PHILIPPINES – BY CHANNEL

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





*** End of Presentation ***