



Seven & i Holdings "IR Day 2024 Autumn"

Overseas CVS Operations Strategy

October 24, 2024

Agenda



Company Highlights



Growth Strategy



Financial Performance





Company Highlights



Our Iconic History

Nearly 100 Years of Innovation and Growth

World's First C-Store

From the dock of an icehouse in Dallas, Texas, **the world's first convenience store** is born.



All Night Long

A 7-Eleven location near a university in Austin stays open **24/7** and the idea is a hit.



The Self-Service Movement

7-Eleven leads the way, offering self-serve gas and the **first self-serve soda fountain with Big Gulp**.

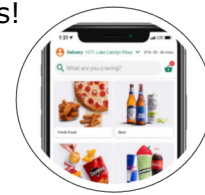


New 7-Eleven Day Traditions

HAPPY SLURPEE! 7-Eleven starts a new tradition on its 75th birthday in 2002 that continues to this day – **FREE Slurpee drinks on 7/11 day!**

Digital Transformation

7-Eleven introduces 7NOW delivery, allowing our iconic brands to only be a tap away – after launching our app and with quick delivery, it has never been easier to get 7-Eleven products!



Beyond Texas

New stores open in Florida, Maryland, Virginia, and Pennsylvania.

The Drink Revolution

It starts with the launch of the Slurpee® drink and the **world's first coffee to go**.



Getting Healthy

7-Eleven starts shipping fresh food products daily.

New Ownership

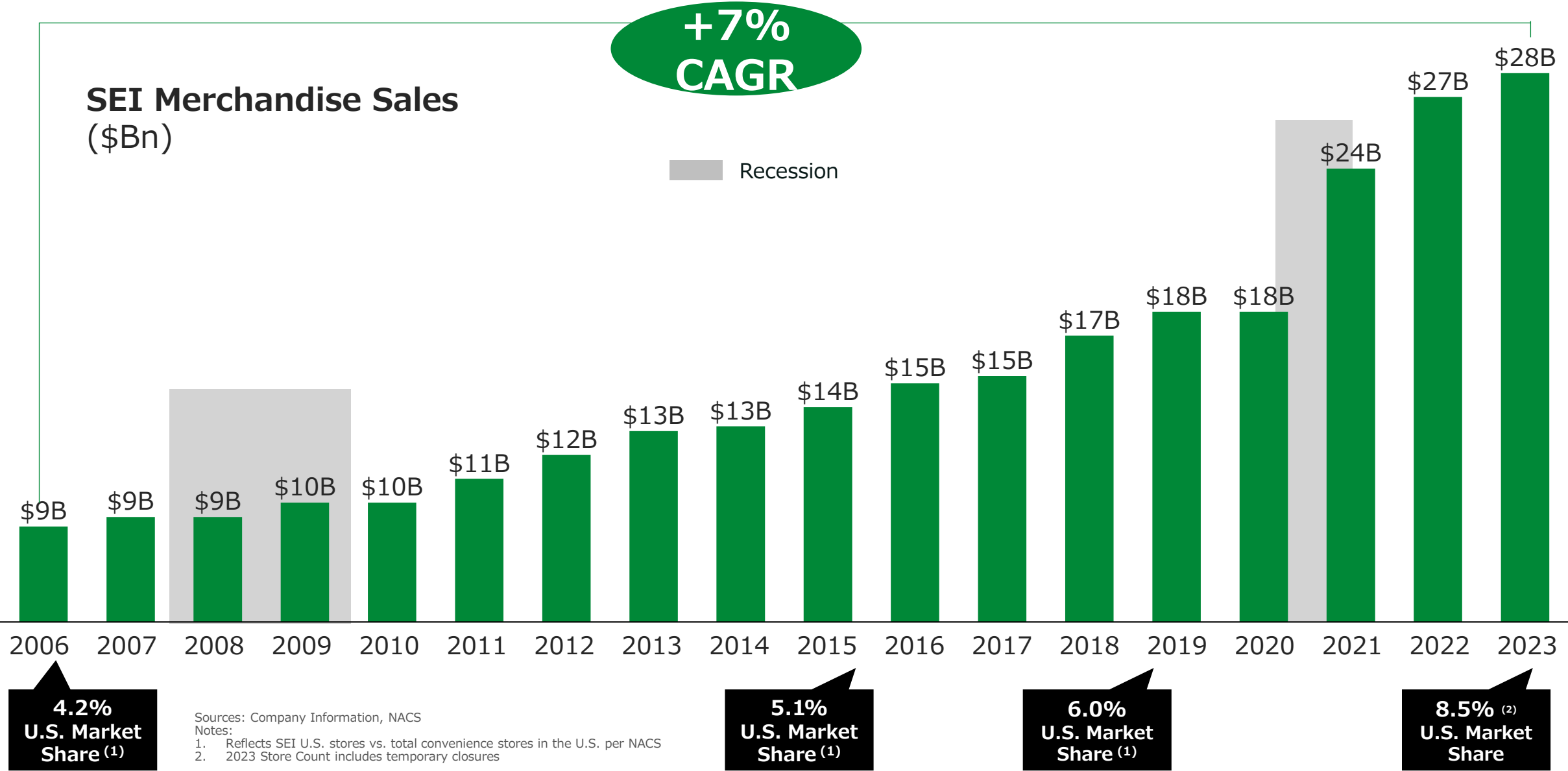
7-Eleven, Inc. is now owned by Seven & i Holdings Co. Ltd.

A Growing 7-Eleven Family

7-Eleven becomes an even bigger family of brands. The acquisitions of Sunoco and Speedway adds over 5,000 new stores across the U.S.



Leader in the North American C-Store Market



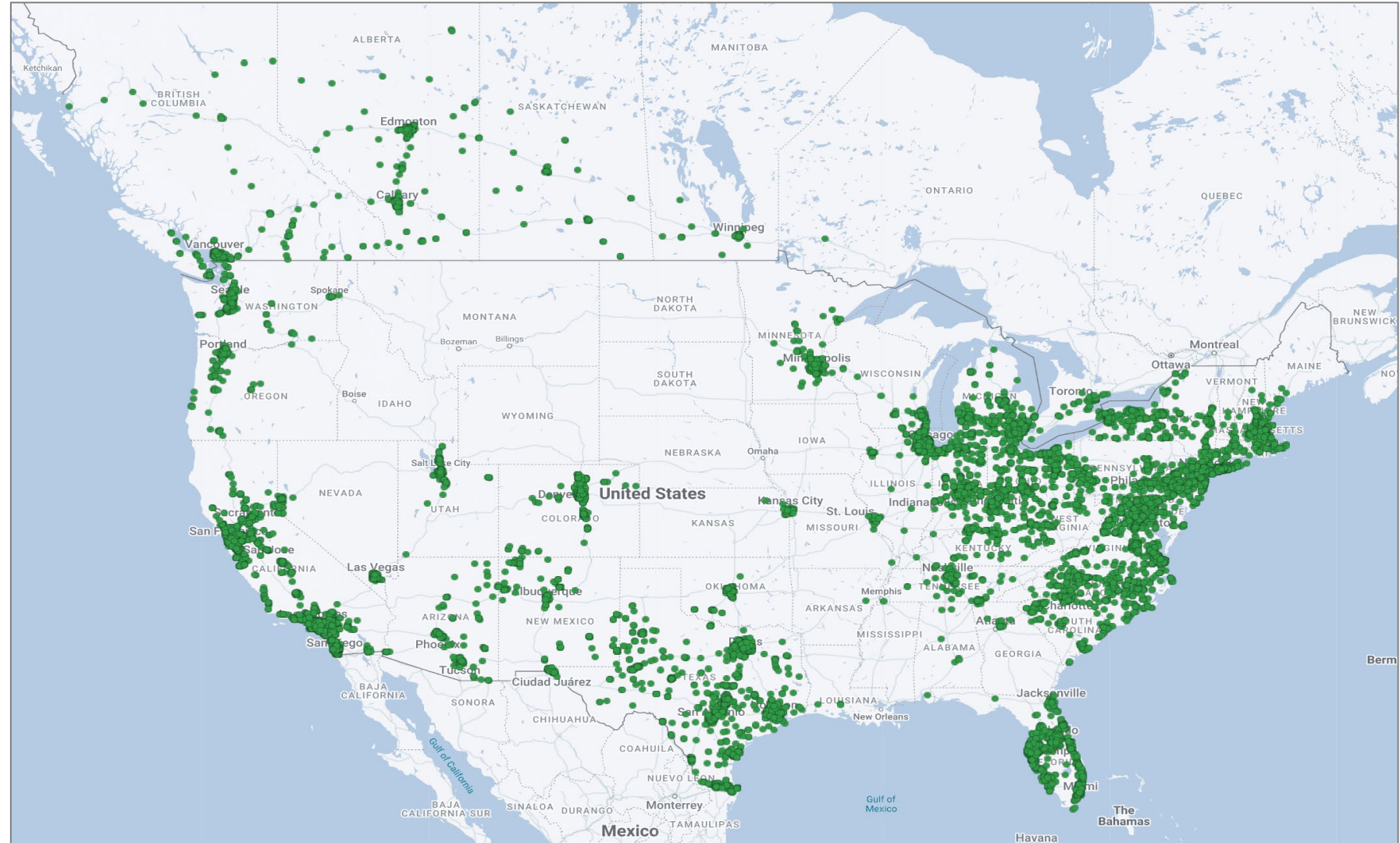
Since 2006, SEI's Merch Sales +7% CAGR & Market Share has grown from 4.2% to 8.5%

Expansive Store Footprint with Room to Grow

~13,229*
U.S. & Canada
Stores

Presence in 47/50 Top
Markets

~50% of the U.S.
population
has 7-Eleven/Speedway
within 2 miles...
and ~30% within
1 mile



* As of Q2 2024

SEI Has an Industry Leading Presence in the United States and an Unmatched Last Mile Distribution Network

Convenience Retailer of Choice

Performance

4.1B Annual Transactions	\$28B Total Merch Sales (1.8B Fresh Food Units Sold)	12.7B Fuel Gallons sold	\$725M⁽¹⁾ Growing Delivery Business (+22% YoY)	51 Acquisitions since 2006
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Financials

15% Op Income CAGR since 2006	7% Merchandise Sales CAGR Since 2006	S&P: A Rating	Moody's: Baa2 Rating
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Outcome

#1 C-store Rewards Program 97M Members⁽²⁾	#1 C-store Delivery Program 28 Minutes Delivery Time	#1 Fuel Retailer in the U.S. 8,440 Fuel Stores
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Accolades

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Sources: Online Publications, Company Filings
 Note:
 All data as of Dec 2023 unless marked otherwise; 1. 2024 Forecast 2. As of Q2 2024



Growth Strategy



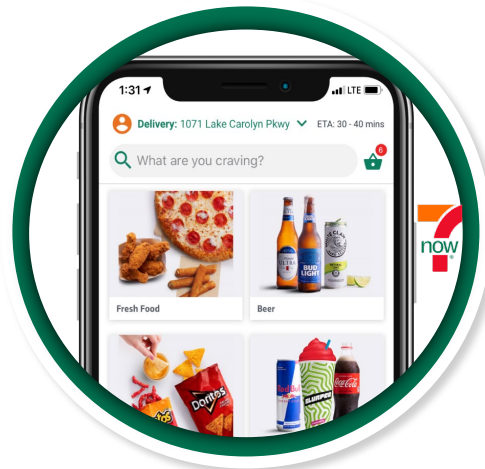
Our Four Key Pillars of Growth

1



**Grow
Proprietary
Products**

2



**Accelerate
Digital &
Delivery**

3



**Improve
Efficiencies
and Cost
Leadership**

4



**Grow &
Enhance
Store
Network**

1 Grow Proprietary Products

Focus on Innovation, Quality Improvement and Value

Fresh Food

Restaurants

Proprietary
Beverages

Private Brands

Sales

+1.6% YoY*

+3.8% YoY*

+1.1% YoY*

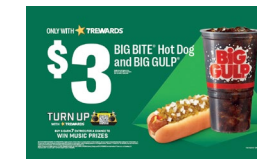
Innovation



Quality
Improvement



Value



Number of SKUs
Planned for 2025

+51 SKUs

+20 Menu Items

+55 SKUs

+200 New Items

Offering an Innovative and High-Quality Food & Beverage Experience at Great Value

* Total company Q2 YoY growth

1 Grow Proprietary Products

Food & Beverage Modernization



**Rolling Out to ~1,900
Stores by 2024**

4,940
Stores with Full Program
(As of Dec.23)



\$240
APSD Lift

Invest in Restaurants



1,084*
Restaurants

~46%*
GP %

Top
30
Restaurant operator
in the U.S.

Restaurant Expansion

+50
Restaurants in 2025

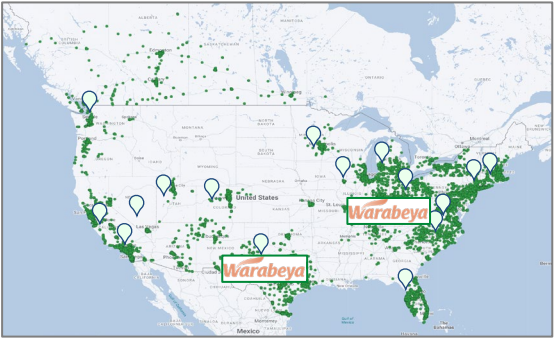
Investing in Food & Beverage Modernization and Restaurants to Drive Growth in Proprietary Products

* As of Q2 2024

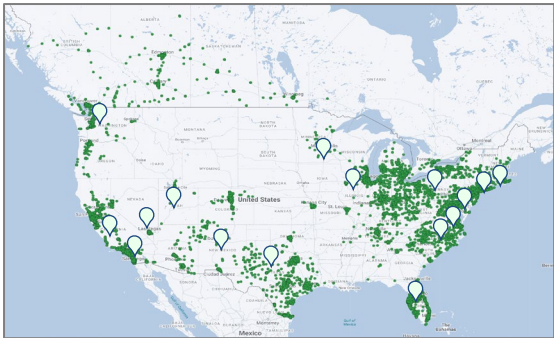
1 Proprietary Products Growth Enabled By Strong Value Chain



Proprietary Products Growth Supported by Value Chain



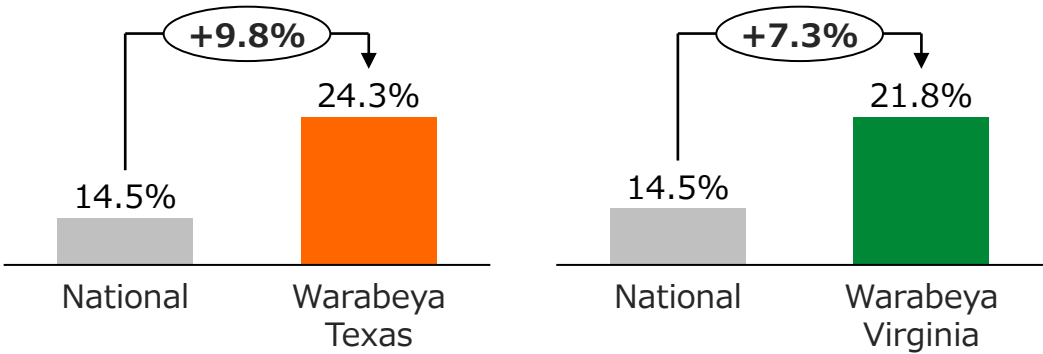
16 Commissaries



16 Bakeries

Growing Store Coverage

2024 Q2YTD Commissary Sales \$ Contribution to Entire Fresh Food Business



Enhanced Commissary Long-Term Plan *Start Operation

	# of Stores	2024	2025	2026	2027
Ohio	1,108	→ *			
So. Cal	1,310	→ *			
Florida	1,339	→ *			

~45% Store Coverage with Enhanced Commissaries by 2027

1 Proprietary Products: Delivering Value

Q3 Value Offers Started end of Aug. 2024



October U.S. SS Sales

Expected to be
Flat vs. Oct. 2023
(~+300 bp improvement to Sep. 2024)

Fusion Energy
2 for \$4.00



7S Snack Pies
\$1



7S Chips
2 for \$3.00



Q4 Value Offers



Delivering Value Offerings to Change Consumer Perception of C-Stores and Driving Sales and Traffic

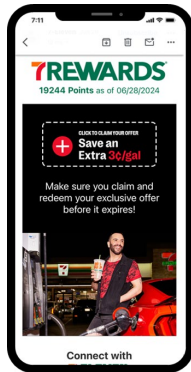
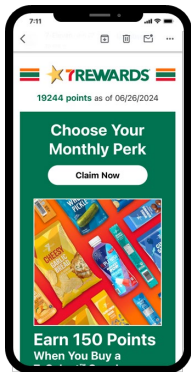
Example of offers in Q3 and Q4

2 Accelerate Digital & Delivery: Loyalty

Offering Value with Loyalty Program

Leveraging digital to offer value and frictionless shopping

Accelerating personalization



Delivering Value through Loyalty



97M

Total Members
+35% vs. 2021 ⁽¹⁾

~35%

Scan Rate
+160 bps vs. 2021 ⁽¹⁾

Growing Rewards Members

Increasing Loyalty

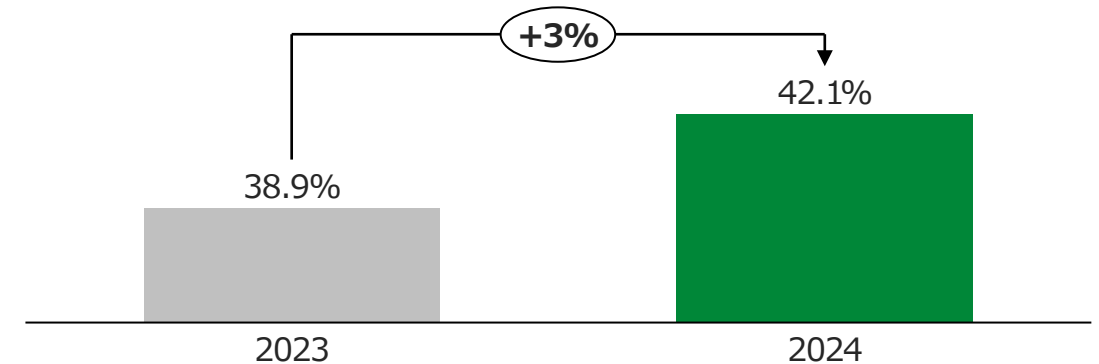
9.5%

High-Frequency Members ⁽²⁾
+120 bps vs. 2023 ⁽¹⁾



Growing Loyalty Sales

% of Merch Sales from Loyalty; June LTM



SEI is Well Positioned to Benefit From Consumer's Digital and Convenience Evolution Journey

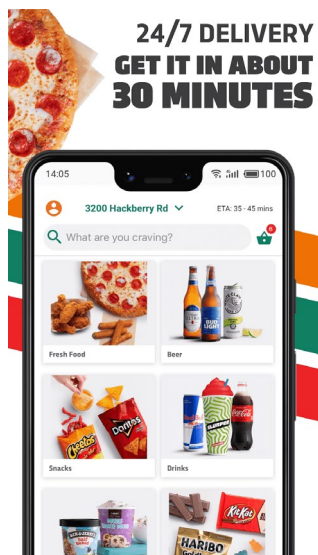
Notes:

1. As of Aug 2024
2. Platinum, Gold & Silver Members

2 Accelerate Digital & Delivery: 7NOW

7NOW Delivery

Offer value and quality products
to our customers in the most convenient way



Grow 7NOW to \$1B Business

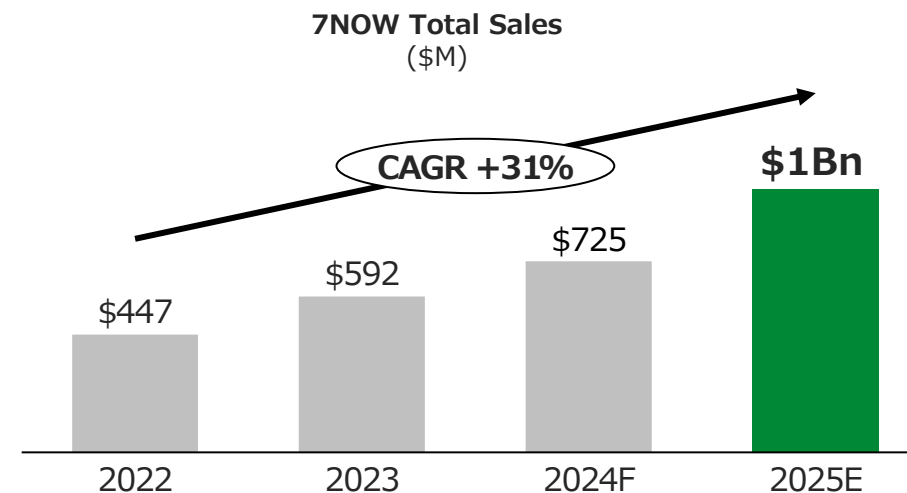
Strong Q2 7NOW Performance

+29%
Same-store Sales Growth

\$15.84
Average Basket Size

~28 mins
Delivery Time

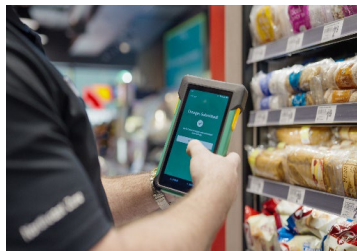
11%
Operating Margin



Driving Sales with Industry Leading Delivery Program Expanding to 7,500 stores & Targeting \$1B in Sales by 2025

3 Improve Efficiencies and Cost Leadership

RIS/DEX and Retailer Initiative "RI"



- ✓ Proprietary POS system which enables localized assortment
- ✓ Drives back-office synergies

625
Speedway stores completed
as of September 2024

**Targeting to Complete
Speedway Store Conversions
to RIS 2.0 by 2025**

Store Portfolio Optimization

**Close
444 Underperforming Stores**

SEI Replaced Market Concentrated Impairment
Approach to Store-by-Store Evaluation Process

Cost Leadership

Key Focus Areas

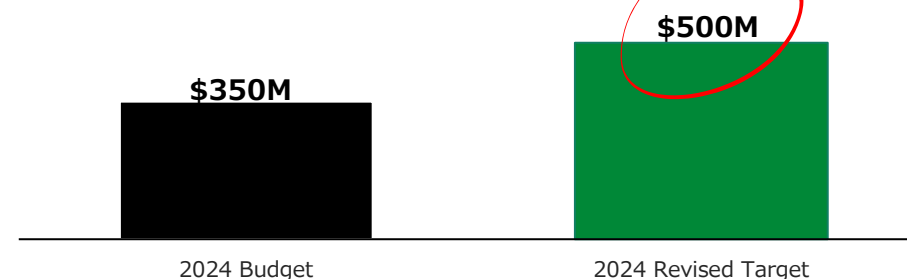
Merch/ Fuel
COGS

Store
Operations

Financial
Fees

G&A / Other
Indirect
Spend

Revised 2024 Target



Optimization Benefit

Op Income Benefit

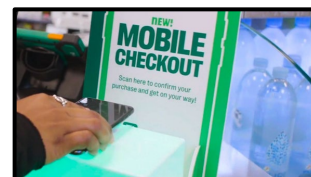
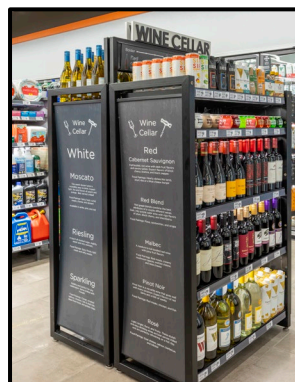
- ~\$30M in 2024
- ~\$110M Annualized run rate

4 Grow & Enhance Store Network

Prior Standard



Testing with Evolution Stores



New Standard



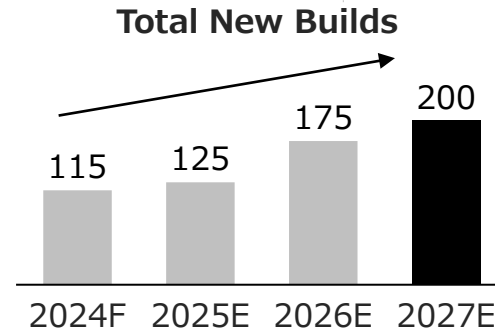
Implementing learnings to **meet customer needs** in existing and new stores
Supporting **proprietary products, digital & delivery and store simplification**

Larger, Food Forward Facilities With Fuel Drive Increased Sales and Traffic

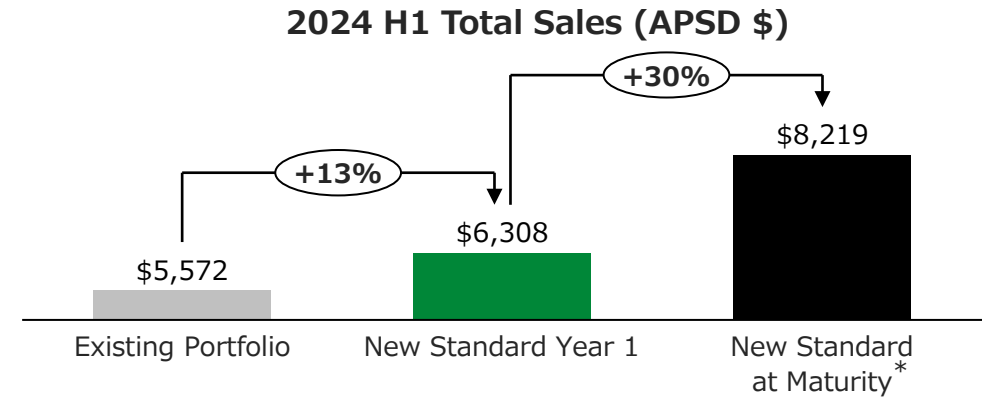
4 Grow & Enhance Store Network – New Standard Stores

Incorporating Learnings from Evolution Stores

- ✓ Food forward
- ✓ Larger stores and fuel offerings
- ✓ Digital innovation / frictionless shopping



New Standard Stores Outperform Existing Store Network



New Stores to Deliver Increased Sales and Traffic & Enhanced Customer Experience

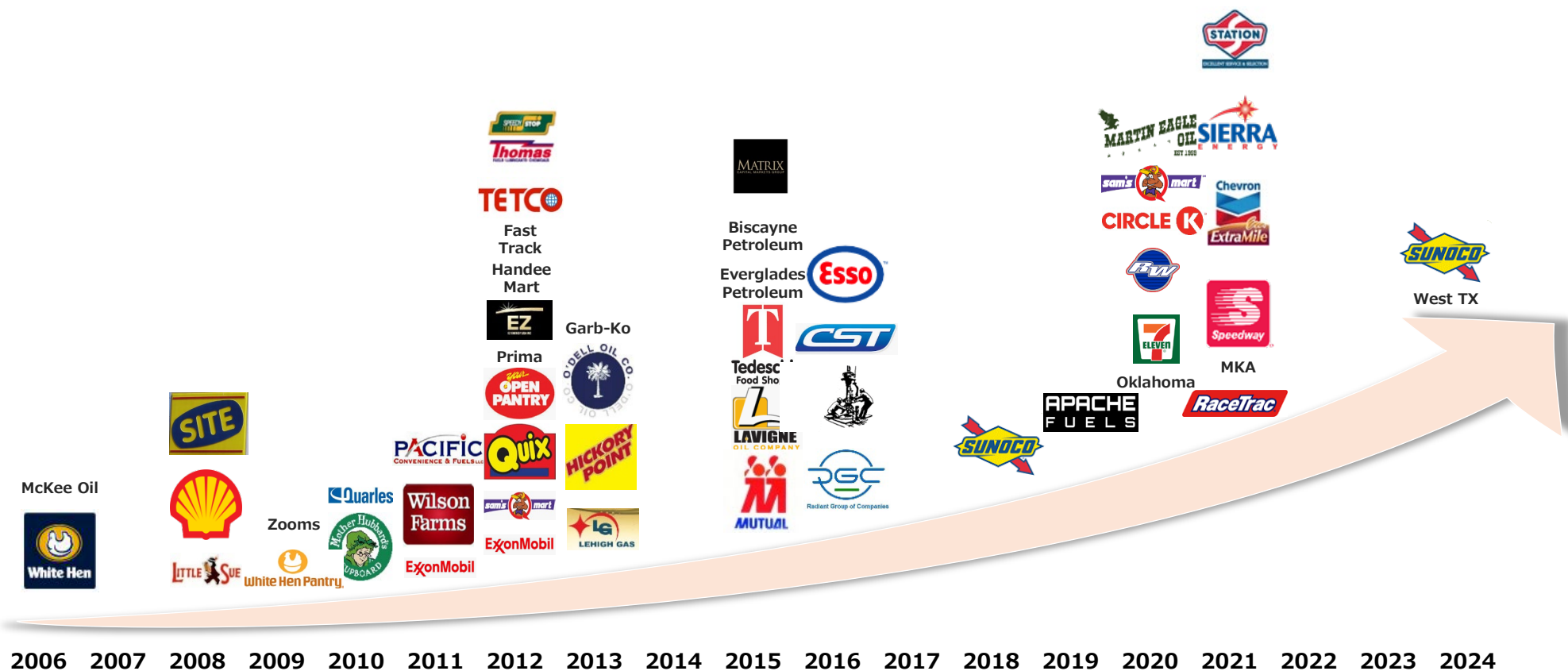


Images from new standard store in Allen, TX

Plan to Build 500 New Stores Between 2025 and 2027

* Maturity at 4th year after opening

4 Proven Track Record of Successful M&A



14%

Mature Acquisition ROIC*

- ✓ Fragmented Industry
(top 10 share <20%)
- ✓ Target **high-quality** stores
- ✓ Dedicated team with **proven track record**
- ✓ **Rigorous** prioritization process

Since 2006, SEI Has Acquired 7,454 Stores Through 51 Transactions

* Reflects mature deals (3-years post acquisition As of Dec'23 LTM)



Financial Performance

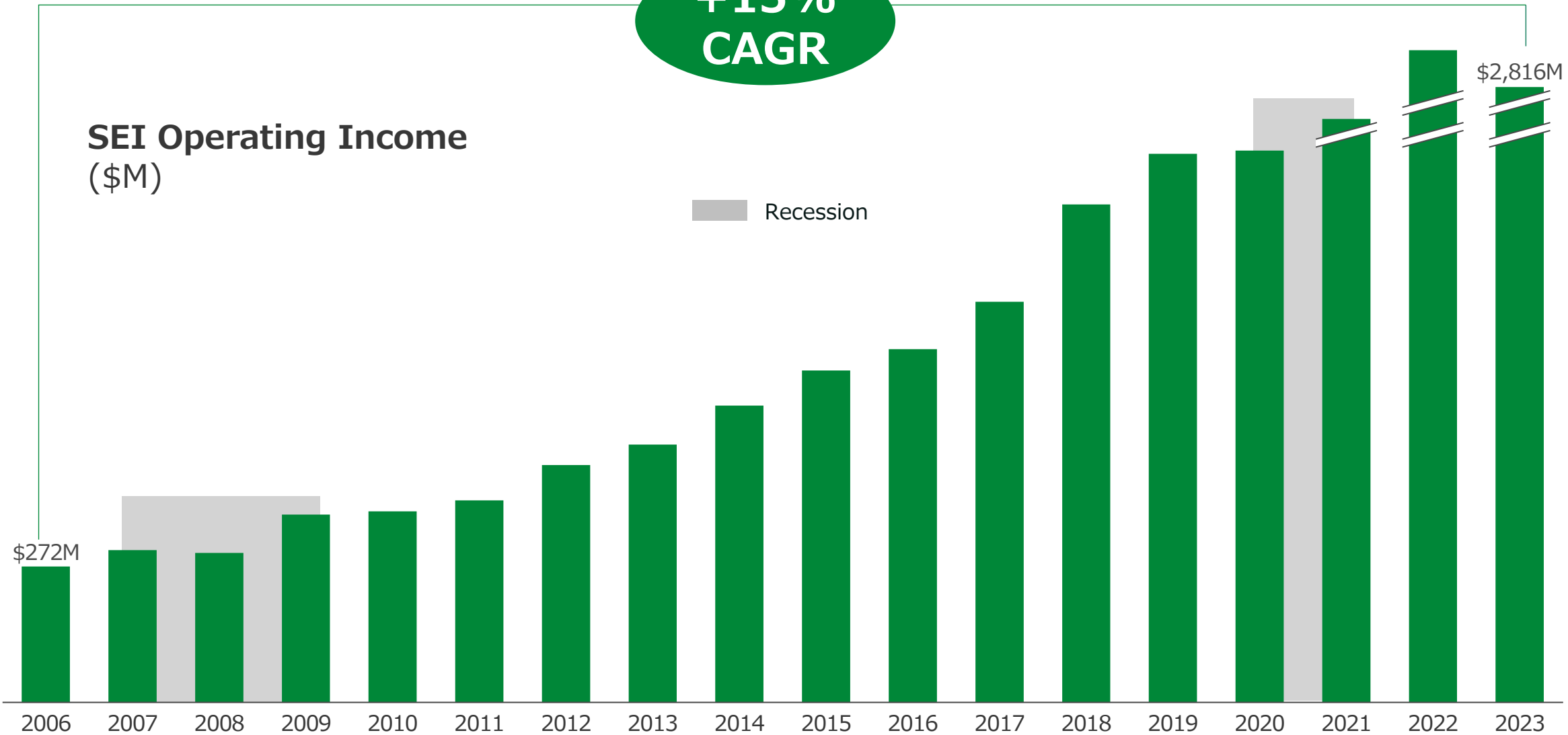
Sustained Historical Growth With Consistent Profitability



+15%
CAGR

SEI Operating Income
(\$M)

Recession



Financial Targets KPI for FY2030

Strategy for Sustainable Growth

Drive Traffic, Sales and Margin, and Reduce Costs Through 2030 with 4 Key Priorities

1. Grow Proprietary Products

- Ongoing identification of new, innovative, high-potential categories and items
- Drive Sales and Traffic through value-oriented offers & assortment
- Invest in Food & Beverage Modernization and restaurants to drive growth in Proprietary Products

2. Accelerate Digital & Delivery

- Expand 7NOW Delivery
- Increase traffic and transactions through loyalty programs
- Grow alternate revenue channels with Retail Media Network

3. Improve Efficiencies and Cost Leadership

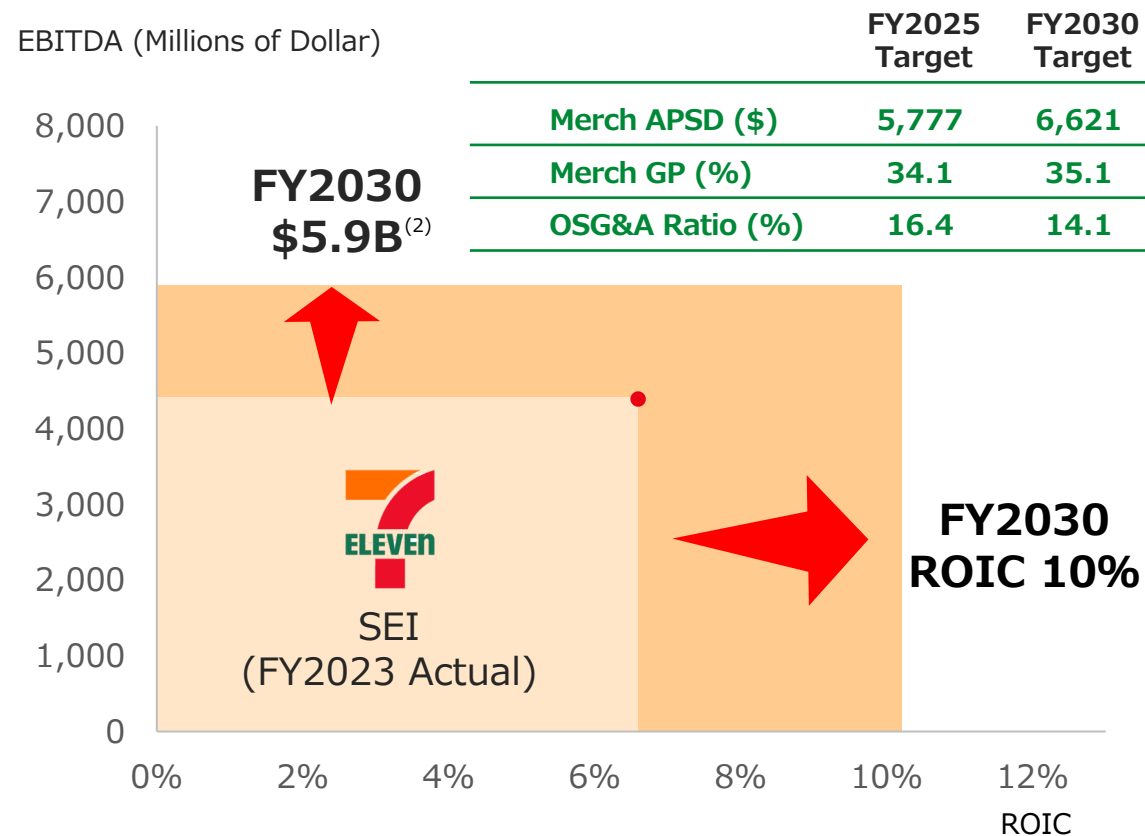
- Actively reduce OSG&A with rigor and discipline

4. Grow & Enhance Store Network

- Build larger, food forward new stores with digital and fuel offerings
- Continue aggressively pursuing M&A opportunities

Major KPIs to achieve the targets

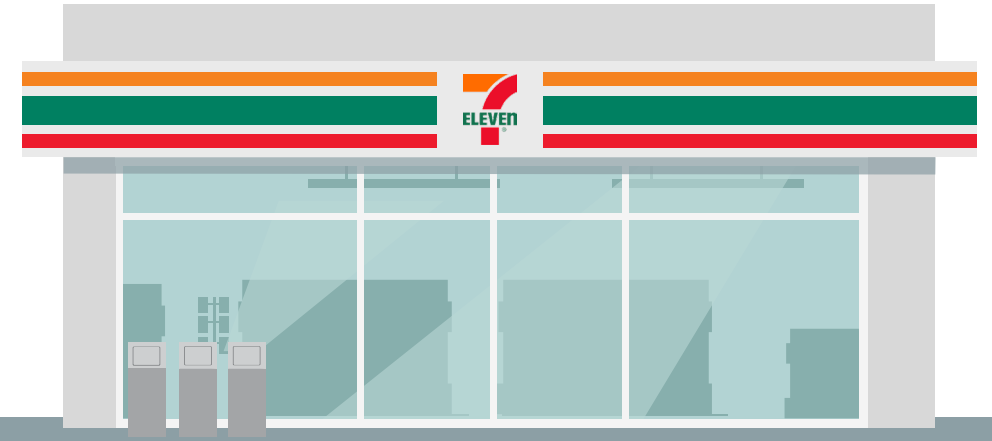
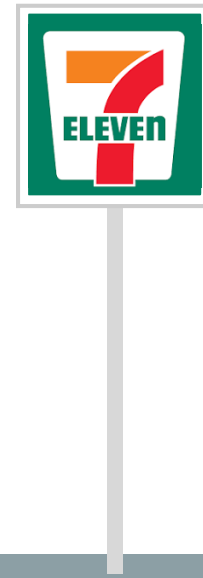
ROIC and Corporate Value Enhancement⁽¹⁾



Notes:

1. ROIC = (Net Income + Interest Payment x (1- Tax Rate)) / (Equity + Gross Debt (both using avg. of beginning/end of each period))
2. U.S. GAAP basis: EBITDA calculated as EBIT + Depreciation & Amortization

Key Investment Highlights



1

Iconic
7-Eleven
brand

2

Largest
convenience
retailer in
North
America

3

Innovative
merchandise
and digital
capabilities

4

Values-driven
culture with
experienced
team

5

Solid history
of financial
performance

6

Proven
track record
of growth

THANK YOU





The information disclosed by the Company may contain forward-looking statements. These statements are based on management's judgment in accordance with materials available to the Company at the time of disclosure, with future projections based on certain assumptions. The forward-looking statements therefore incorporate various risks, estimates, and uncertainties, and as such, actual results and performance may differ from the future outlook included in disclosed information due to various factors, such as changes in business operations and the financial situation going forward.