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Taiwan Mobile Co., Ltd.

1Q19 Results Summary

April 30, 2019

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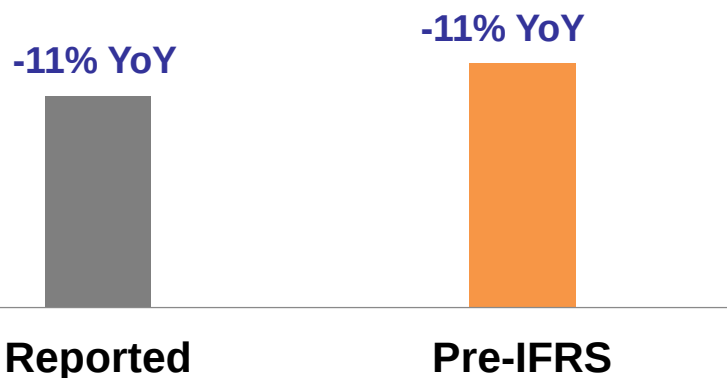


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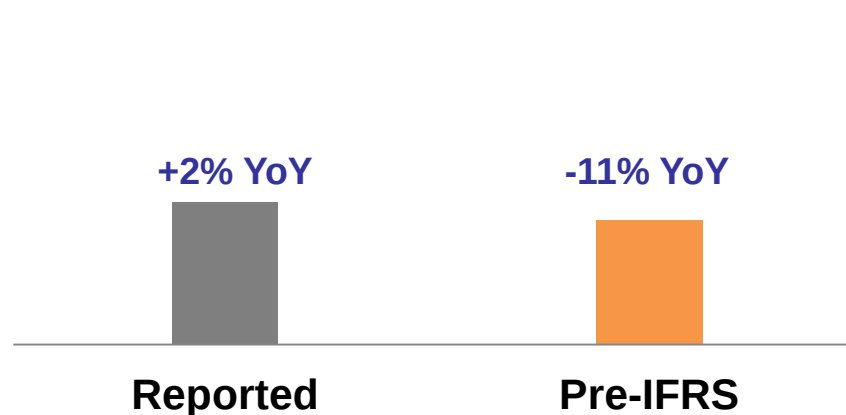
Business Overview

Increase in Free Cash Flow

1Q19 Telecom Service Revenue



1Q19 Telecom EBITDA



Operating Cash Flow (NT\$bn)



Free Cash Flow (NT\$bn)



Versatility



+7ppts YoY

% of mobile sign-ups via
TWM's own channels



-2ppts YoY

SAC as % of ARPU



+5ppts YoY

% of non-handset bundle plan
as main differentiation



+26% YoY

IoT connectivities

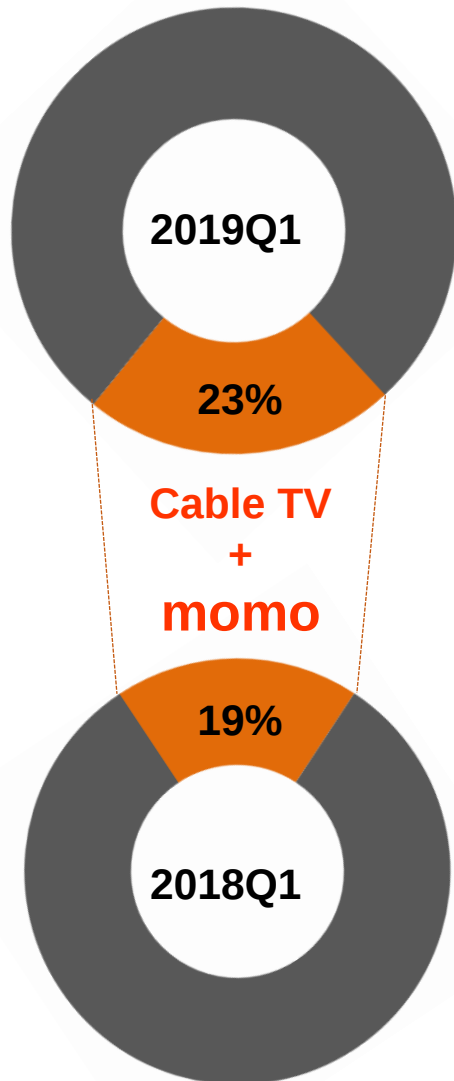


+5% YoY

ICT, cloud, internet and
data access revenue

Diversification

EBIT Contribution



Decline in Telecom

-16% YoY in EBIT

Decline factors

- ✓ \$499 frenzy
- ✓ Domestic roaming
- ✓ MOU

Resilience in Cable TV

+4% YoY in EBIT

Growth drivers

- ✓ Fixed Broadband
- ✓ Digital TV
- ✓ Depreciation ↓

Stellar momentum in momo

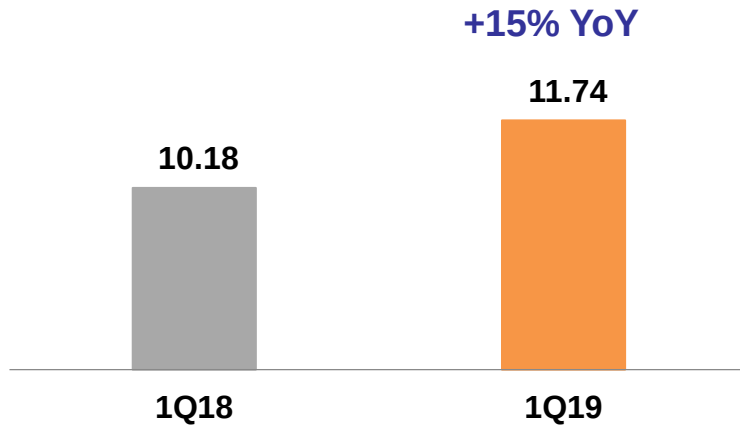
+15% YoY in EBIT

Growth drivers

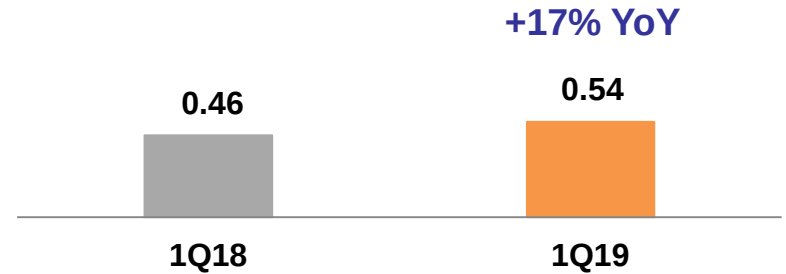
- ✓ e-commerce
- ✓ 3C electronics sales
- ✓ # of transaction
- ✓ Average ticket size

momo – Crown Jewel

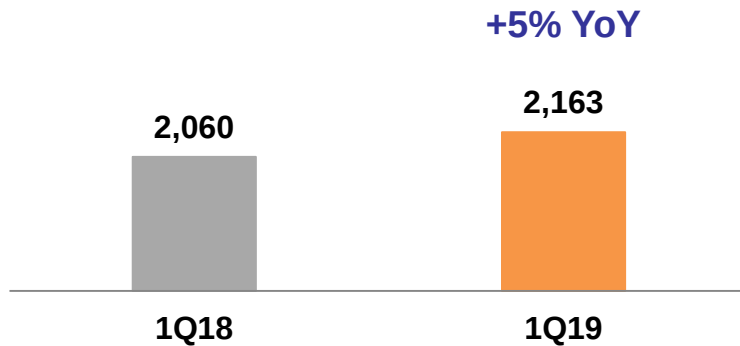
Total Revenue
(NT\$bn)



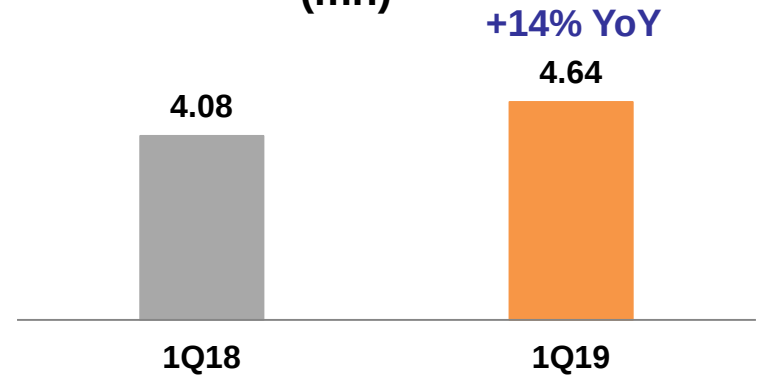
Total Pre-IFRS 16 EBITDA
(NT\$bn)



B2C e-commerce
Average ticket size
(NT\$)



B2C e-commerce
of Transaction
(mn)





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Financial Overview

Performance by Business

NT\$bn	Revenue				Pre-IFRS16 EBITDA			
	Telecom	CATV	momo	Total ¹	Telecom	CATV	momo	Total ¹
1Q19	16.57	1.55	11.74	29.87	6.02	0.79	0.54	7.45
% of total	55%	5%	39%	100%	81%	11%	7%	100%
1Q19 YoY	-10%	-3%	15%	-1%	-11%	-3%	17%	-9%
4Q18 YoY	-13%	1%	25%	-1%	-5%	5%	15%	-2%
1Q19 YoY (Reported)								3%

1. The sum of each account of telecom, CATV and momo does not equal to the consolidated total number due to other revenue and minor adjustments / eliminations.

Results Summary

NT\$bn	1Q19		
	Amount	YoY	% of 1Q guidance
Revenues	29.87	-1%	100%
Operating Costs	(21.68)	1%	100%
Operating Expenses	(3.96)	-5%	93%
Operating Income	4.23	-11%	108%
Non-op. Income (Exp.)	(0.14)	-22%	74%
Pre-tax Income	4.09	-10%	109%
Net Income	3.07	-12%	108%
EPS ¹ (NT\$)	1.13	-12%	109%
EBITDA	8.41	3%	103%
EBITDA Pre-IFRS 16	7.45	-9%	

1. EPS is based on share count of 2.729bn.

Balance Sheet Analysis

NT\$bn	1Q19	4Q18	1Q18	NT\$bn	1Q19	4Q18	1Q18
Total Assets	155.21	147.67	155.27	Liabilities	82.53	79.67	82.76
Current Assets	28.60	29.07	31.22	Current Liabilities	39.41	41.88	52.14
- Cash & Cash Equivalents	7.84	7.50	7.66	- ST Debts	13.60	18.57	28.27
- Receivable & Contract Assets	14.43	15.21	15.51	- Current Lease Liabilities ¹	3.41	0.00	0.00
- Inventories	3.96	3.95	3.98	- Other Current Liabilities	22.40	23.31	23.88
- Other Current Assets	2.38	2.42	4.06	Non-current Liabilities	43.12	37.79	30.62
Non-current Assets	126.60	118.60	124.05	- Long-term Borrowings	32.29	33.31	26.32
- Long-term Investment	6.43	6.20	5.88	- Non-current Lease Liabilities ¹	6.37	0.00	0.00
- Property and Equipment	40.66	41.86	43.42	- Other Non-current Liabilities	4.46	4.48	4.30
- Right-of-use Assets ¹	9.87	0.00	0.00				
- Concession	39.82	40.53	42.92	Shareholders' Equity	72.68	67.99	72.51
- Other Non-current & Contract Assets	29.82	30.01	31.82	Paid-in Capital	34.34	34.24	34.21
	1Q19	4Q18	1Q18	Capital Surplus	13.47	12.58	13.94
Current Ratio	73%	69%	60%	Legal Reserve	27.56	27.56	26.14
Net Debt to Equity	52%	65%	65%	Treasury Shares	(29.72)	(29.72)	(29.72)
Net Debt to Pre-IFRS 16 EBITDA (x)	1.28	1.40	1.44	Un-appropriated Earnings	3.39	3.39	3.98
ROE² (annualized)	17%	21%	20%	Non-controlling Interest	6.37	6.11	6.07
				Retained Earnings & Others ³	17.27	13.83	17.89

1. New items included in accordance with IFRS 16 accounting treatment of leases

2. ROE = Accumulated Net Income (Annualized) / Average Shareholders' Equity

3. Including accumulated profits and other equity items.

Cash Flow Analysis

NT\$bn	1Q19	4Q18	1Q18
Operating	8.44	7.31	7.96
Investing	(2.09)	(2.01)	(2.16)
Financing	(6.02)	(3.74)	(4.76)

NT\$bn	1Q19	4Q18	1Q18
Pre-IFRS 16 Operating ¹	7.47	7.31	7.96
Cash CAPEX ²	(2.02)	(1.87)	(2.76)
Free Cash Flow ²	5.45	5.44	5.20

1. "Lease expenses" previously under operating activities was reclassified into financing cash flow and investing cash flow (to a lesser extent) in accordance with IFRS 16 in 2019.

2. Excluding 4G License Fees



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| Event Updates

Event Updates

2018 Earnings Distribution

On April 30, 2019, TWM's board meeting approved the proposal to distribute NT\$15.4bn in cash dividends, translating into a 113% payout to shareholders. Dividend per share is NT\$5.6 on 2.74bn shares, excluding treasury shares held by 100%-owned subsidiaries.

Awards and Recognition

Recognized as one of the “Sustainability Leaders” in the global telecommunication industry by RobecoSAM in its “The Sustainability Yearbook 2019” and has been awarded the Silver Class distinction for 2 consecutive years.

Key Message

The group will strive to leverage our thriving ecosystem and accelerate our transformation into a regional enterprise following the **5”G”+** guidelines:

1. **Gift** – digital transformation based on in-house big data, user base, and online-offline channel operations
2. **Group** – more synergy with momo, AppWorks, and other strategic partners
3. **Grit** – long-term vision of an ecosystem beyond 5G
4. **Green** – environmental awareness and corporate sustainability
5. **GSEA** (Greater South East Asia) – expanding footholds in South East Asia to become a regional enterprise



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Q & A