# Taiwan Mobile Co., Ltd.
## 1Q24 Results Summary

May 14, 2024

# Disclaimer

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# Business Overview

# 1Q24 Highlights

## Solid growth across 3 core sectors

**Mobile Service Revenue**
+27% YoY*

**E-commerce**
+7% YoY

**Home Broadband Subs**
+4% YoY

**Consolidated EBITDA** — New High

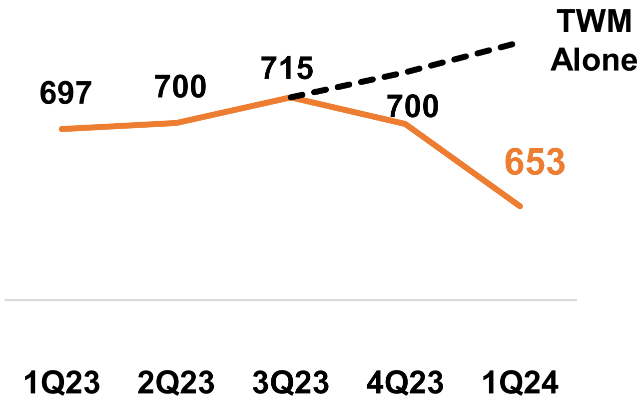
**Consolidated Operating Income** — New High since 2Q18

*Reflects a full quarter of T Star's contribution as the merger took place on Dec 1, 2023.

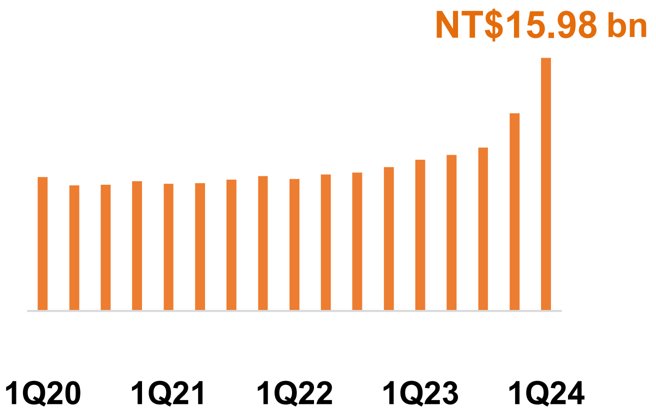
# Mobile – Growth Engine #1

## 1Q24 results

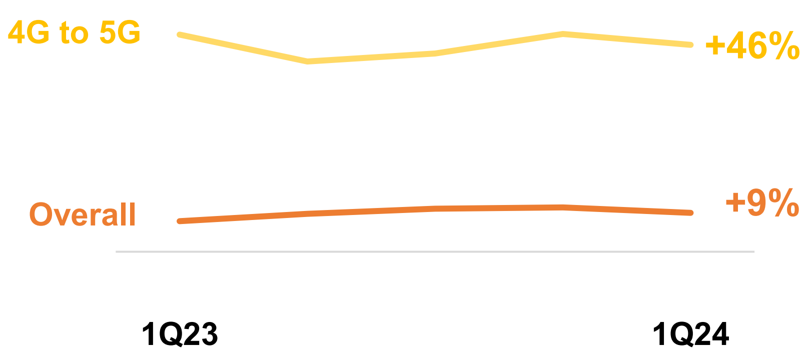
### Smartphone ARPU




### Mobile Service Revenue
(non-bundle)

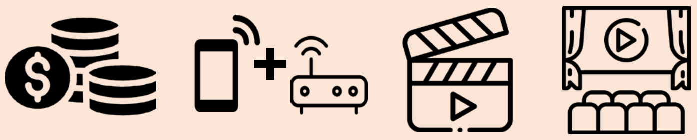



### Monthly fee uplift from renewals

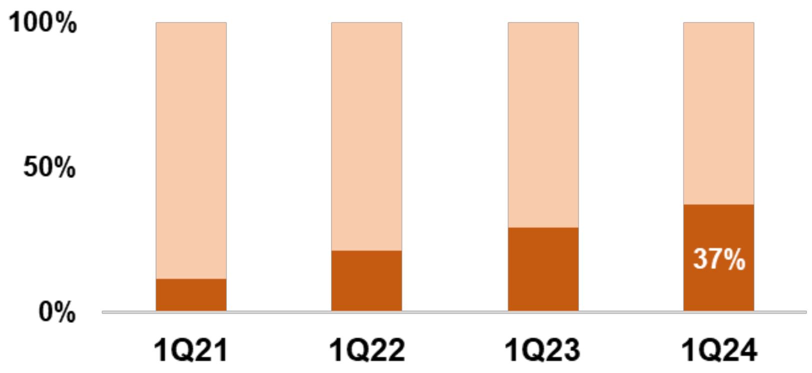



***Unique bundles***

momobile Double Play Disney+ OP Life

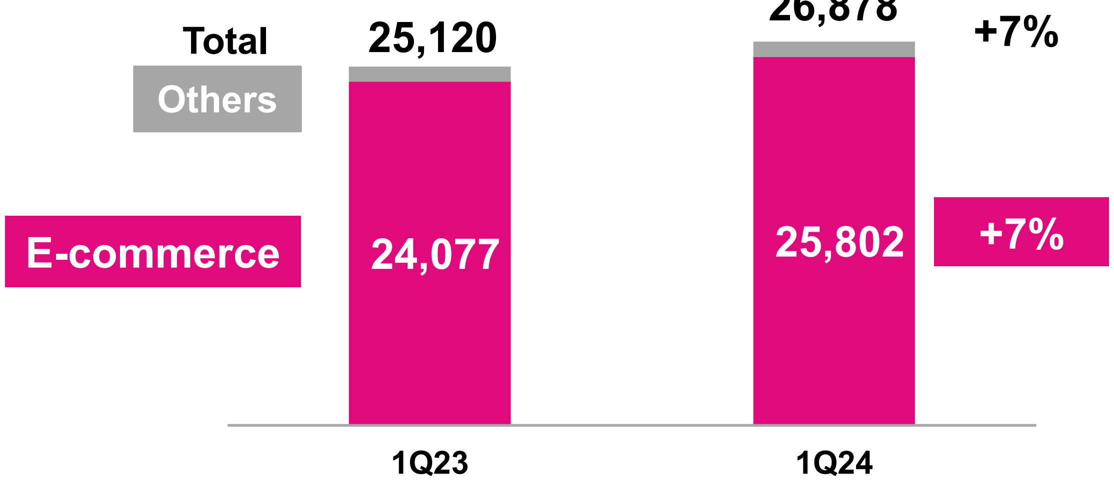


***5G Penetration of Smartphone User Base***

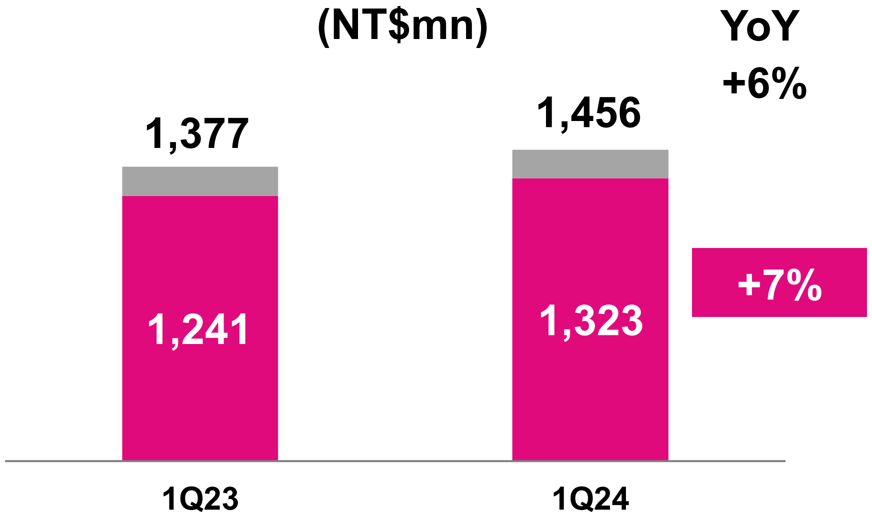


# momo – Growth Engine #2

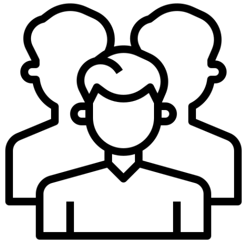
## Revenue
(NT$mn)




## EBITDA
(NT$mn)




## Active Users

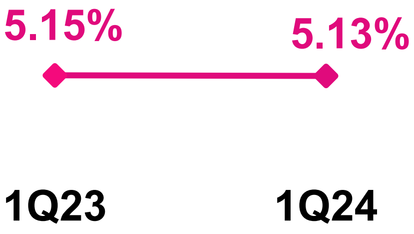


+7%

YoY

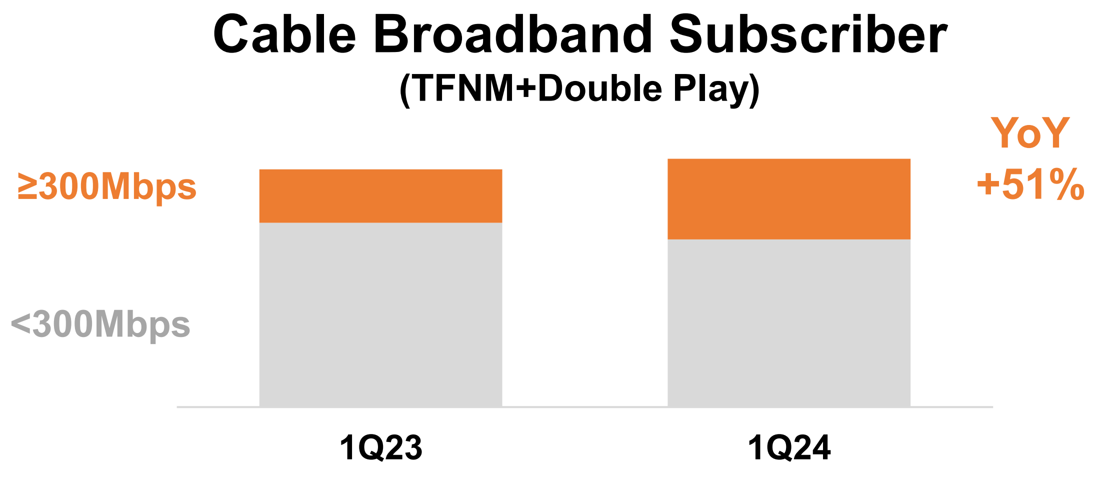
1Q24

## E-commerce EBITDA Margin

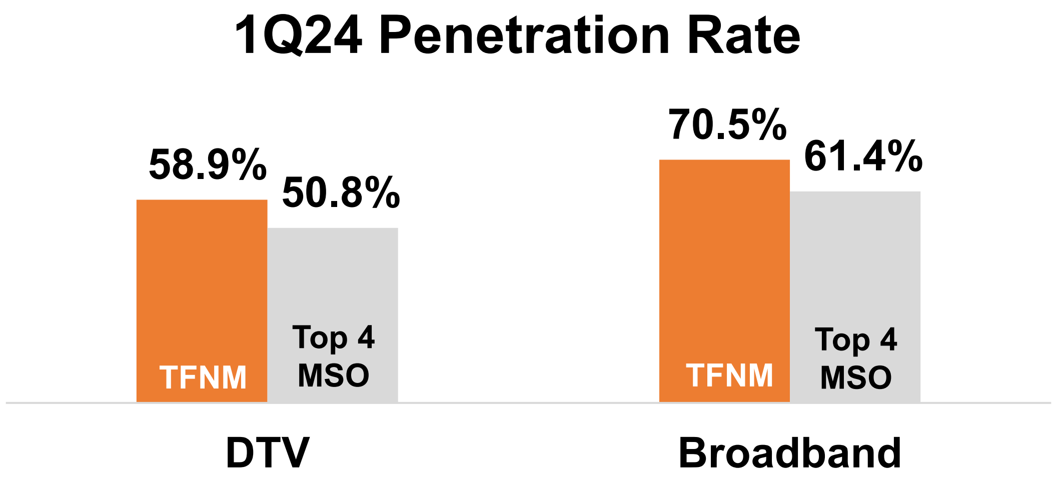



Note: E-commerce includes B2C and B2B2C businesses.

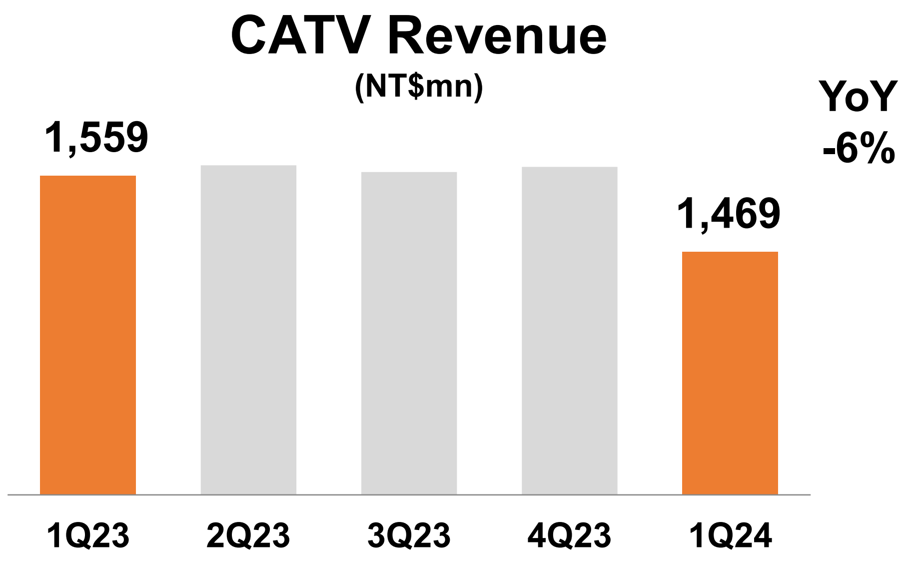
# Broadband – Growth Engine #3

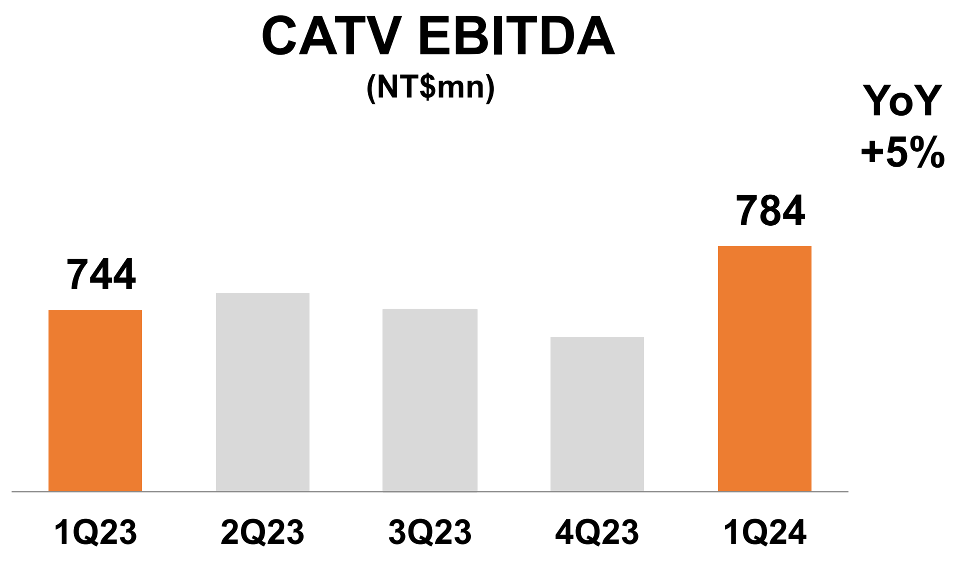



Source: Market intelligence




Source: Market intelligence



# Financial Overview

# Performance by Business

| NT$bn | Revenue | | | | EBITDA | | | |
|---|---|---|---|---|---|---|---|---|
| | Telecom | momo | CATV | Total[1] | Telecom | momo | CATV | Total[1] |
| 1Q24 | 20.72 | 26.88 | 1.47 | 48.28 | 8.18 | 1.46 | 0.78 | 10.59 |
| % of total | 43% | 56% | 3% | 100% | 77% | 14% | 7% | 100% |
| 1Q24 YoY | 20% | 7% | -6% | 12% | 27% | 6% | 5% | 22% |
| 4Q23 YoY | 12% | 3% | -6% | 6% | 11% | 5% | -1% | 9% |

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

# Results Summary

| NT$bn | 1Q24 | | |
|---|---|---|---|
| | Amount | QoQ | YoY |
| Revenues | 48.28 | -10% | 12% |
| Cash Cost & Expense | (37.69) | -15% | 10% |
| Operating Income | 4.66 | 4% | 9% |
| Non-op. Income (Exp.) | (0.33) | nm | 46% |
| Pre-tax Income | 4.32 | -12% | 6% |
| Net Income[1] | 2.97 | -17% | 9% |
| EPS (NT$) | 0.98 | -22% | 2% |
| EBITDA | 10.59 | 12% | 22% |

1. Excluding one-off divestment gains in 4Q23, 1Q24 net income would have increased QoQ.

# Balance Sheet Analysis

| NT$bn | 1Q24 | 4Q23 | 1Q23 |
|---|---|---|---|
| **Total Assets** | **239.02** | **242.96** | **191.46** |
| Current Assets | 42.98 | 44.16 | 40.43 |
| - Cash & Cash Equivalents | 13.96 | 13.24 | 14.26 |
| - Receivable & Contract Assets | 19.77 | 20.28 | 16.37 |
| - Inventories | 6.52 | 8.19 | 7.89 |
| - Other Current Assets | 2.74 | 2.44 | 1.91 |
| Non-current Assets | 196.04 | 198.81 | 151.03 |
| - Long-term Investment | 9.54 | 9.38 | 7.83 |
| - Property, Plant and Equipment | 52.09 | 52.86 | 46.76 |
| - Right-of-use Assets | 12.82 | 13.75 | 9.76 |
| - Concession | 70.77 | 72.24 | 55.10 |
| - Other Non-current & Contract Assets | 50.83 | 50.58 | 31.59 |

| | 1Q24 | 4Q23 | 1Q23 |
|---|---|---|---|
| **Current Ratio** | 59% | 58% | 63% |
| **Net Debt to Equity** | 77% | 86% | 73% |
| **Net Debt to EBITDA (x)** | 1.80 | 2.23 | 1.57 |
| **ROE[1] (annualized)** | 12% | 15% | 15% |

1. ROE = Accumulated Net Income (Annualized) /Average Shareholders' Equity
2. Including accumulated profits and other equity items.

| NT$bn | 1Q24 | 4Q23 | 1Q24 |
|---|---|---|---|
| **Liabilities** | **142.03** | **149.58** | **115.34** |
| Current Liabilities | 72.32 | 75.73 | 64.24 |
| - ST Debts | 33.80 | 35.05 | 31.37 |
| - Accounts & Notes Payable | 13.68 | 13.61 | 12.48 |
| - Current Lease Liabilities | 5.08 | 5.79 | 3.66 |
| - Other Current Liabilities | 19.76 | 21.28 | 16.72 |
| Non-current Liabilities | 69.71 | 73.85 | 51.10 |
| - Long-term Borrowings | 54.56 | 58.10 | 38.21 |
| - Non-current Lease Liabilities | 7.79 | 7.98 | 6.08 |
| - Other Non-current Liabilities | 7.36 | 7.77 | 6.81 |
| | | | |
| **Shareholders' Equity** | **97.00** | **93.38** | **76.13** |
| Paid-in Capital | 37.23 | 37.23 | 35.19 |
| Capital Surplus | 31.33 | 31.30 | 15.37 |
| Legal Reserve | 33.50 | 33.50 | 32.60 |
| Treasury Shares | (29.72) | (29.72) | (29.72) |
| Un-appropriated Earnings | 0.00 | 0.00 | 0.00 |
| Non-controlling Interest | 9.16 | 8.56 | 8.85 |
| Retained Earnings & Others[2] | 15.49 | 12.51 | 13.82 |

# Cash Flow Analysis

| NT$bn | 1Q24 | 4Q23 | 1Q23 |
|---|---|---|---|
| Operating | 10.32 | 7.69 | 4.81 |
| Investing | (2.85) | 0.51 | (2.61) |
| Financing | (6.75) | (6.14) | (2.88) |

| NT$bn | 1Q24 | 4Q23 | 1Q23 |
|---|---|---|---|
| Pre-IFRS 16 Operating[1] | 8.73 | 6.45 | 3.66 |
| Cash CAPEX | (2.77) | (1.43) | (2.37) |
| Free Cash Flow | 5.96 | 5.01 | 1.29 |

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.

# Event Updates

# Awards and ESG Recognitions

CDP Climate Change
Grade A Rating
*For the 4th time*

Best among Taiwanese telcos

**Received top scores in 6 categories**

Targets, Scope 1 & 2 Emissions, Scope 3 Emissions, Opportunity Disclosure, Business Strategy, Financial Planning & Scenario Analysis, and Emission Reduction Initiatives

CDP Supplier Engagement Rating
Grade A Rating
*For 3 years in a row*

Top 12% of evaluated companies

**Received top scores in 3 categories**

Supplier Engagement, Scope 3 Emissions, Overall CDP Climate Change Performance

ISO 20400 Certification
Sustainable Procurement Guidance

**Provided guidance to 15 high-carbon-emitting suppliers in establishing SBT carbon reduction pathways**

# Key Message

**In the first quarter of 2024, we delivered commendable financial results, marked by healthy EPS growth and robust free cash flow. Our core mobile business continued its strong growth trajectory, while we out-execute merger integration against already aggressive plans.**

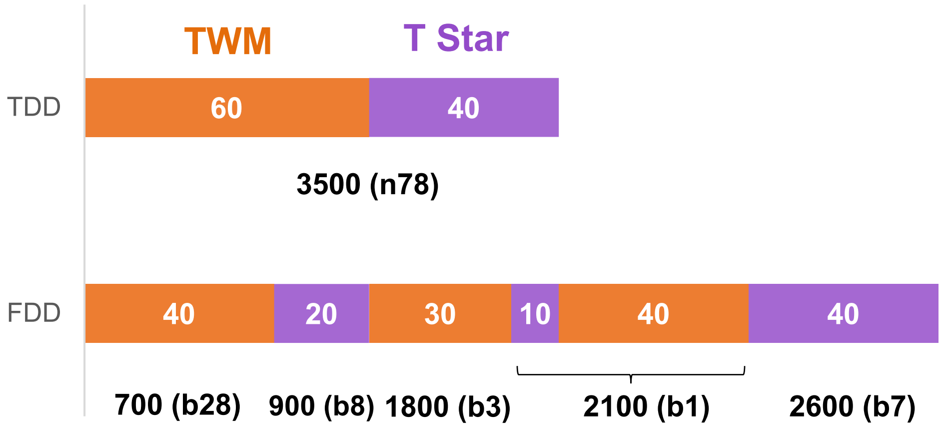
**Looking ahead, we will relentlessly pursue the full potential of these flywheels by 1) further accelerating the realization of merger synergies, and 2) leveraging our expanded scale to seize more growth opportunities.**

# Q&A

# Appendix: TWM – TST Merger

- **The merger with T Star was effective on December 1, 2023.**
- **Approximately 204mn new shares were issued, bringing total outstanding shares to 3,723mn (including 699mn treasury shares which are excluded from EPS calculation and dividend distribution).**

**Combined Sub 6GHz Spectrum Holdings** (MHz)




**Market Share by 09x Subscribers** (As of Dec 2023)