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Taiwan Mobile Co., Ltd.
2Q19 Results Summary

July 25, 2019

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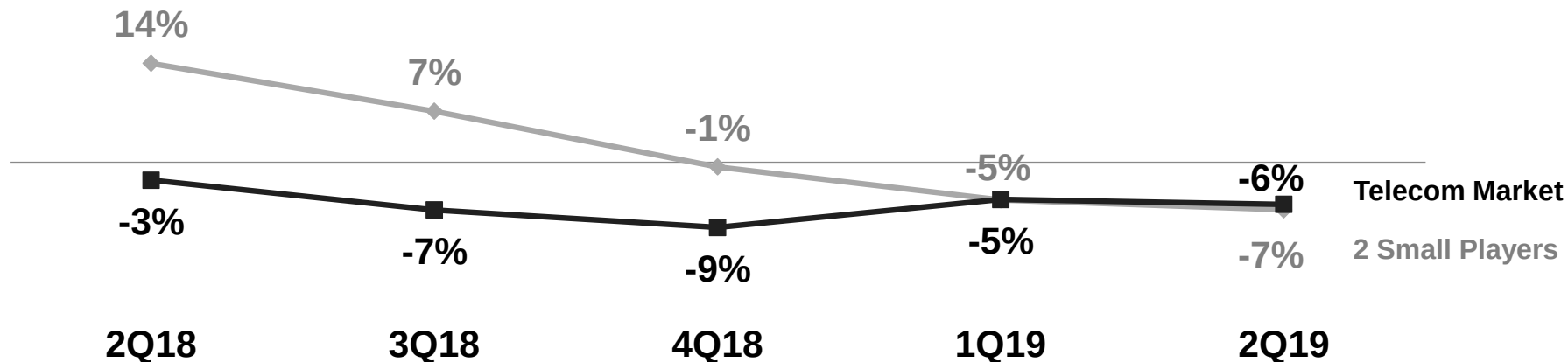


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Business Overview

Stabilization in Telecom Market

Telecom Revenue YoY Change



2Q19 Spectrum Yield

(Mobile Service Revenue/Spectrum Amortization)



Mobile Service Revenue

NT\$m	CHT	TWM	TWM	FET
	IFRS		Pre-IFRS	
2Q19	14,664	11,203	12,924	12,599
1Q19	14,721	11,342	13,129	12,707
June 2019 YoY	-5.9%	-7.1%	-7.9%	-8.0%
2Q19 YoY	-17.8%	-13.8%	-14.0%	-12.0%
1Q19 YoY	-8.4%	-11.2%	-11.9%	-11.4%

Note: 1Q19 spectrum amortization is used in the calculation prior to release of 2Q19 financial statements.

Versatility

2Q19 results



+65% YoY

of iPhone bundle plan



+14% YoY

Cloud service revenue



+6ppts YoY

% of non-handset bundle plan



+35% YoY

IoT connectivities



1.1% Record low

Postpaid churn rate



+70% YoY

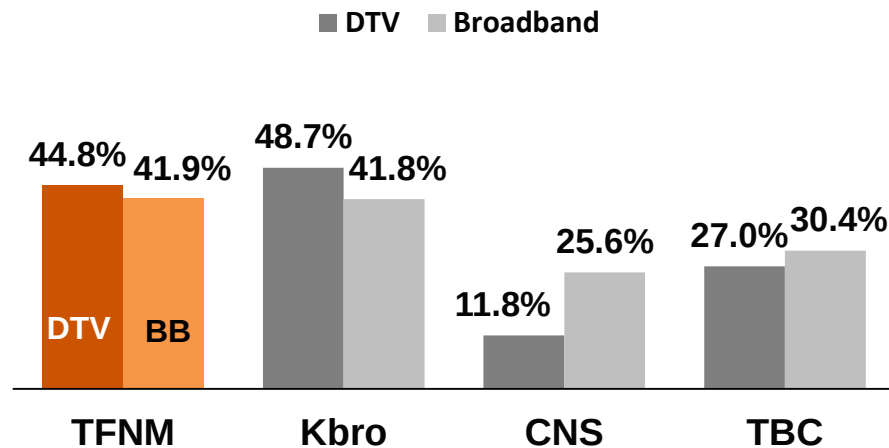
ICT service revenue

Resilience in Pay-TV Business

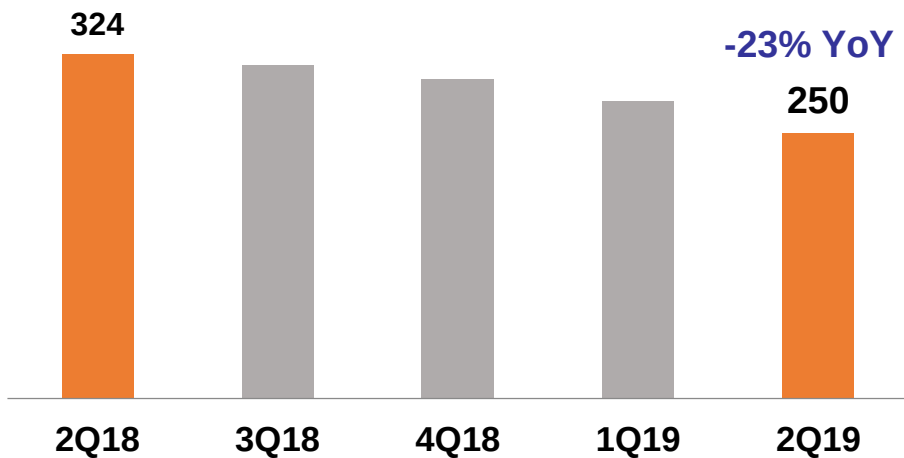
2Q19 Basic TV Subscribers

('000)	Subscribers	YoY(%)
TFNM	559	-2.7%
Kbro	1,145	-3.7%
CNS	1,134	-4.7%
TBC	739	-2.6%
Top 4 MSO	3,577	-3.6%

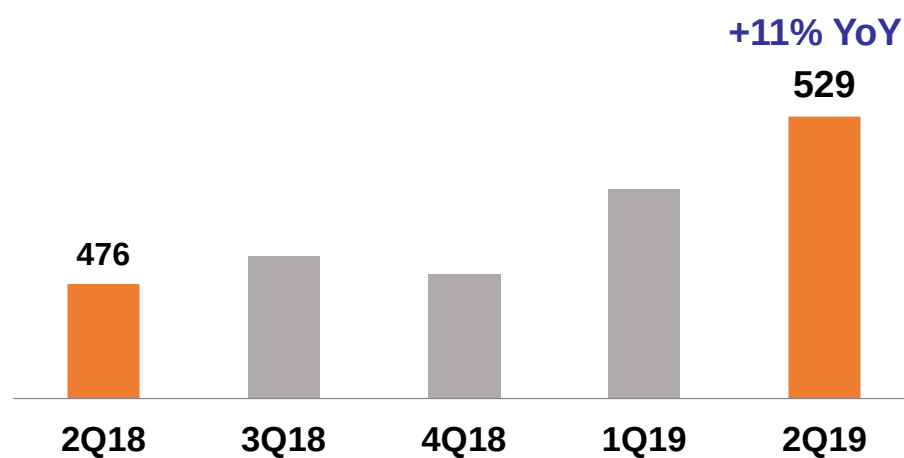
2Q19 Penetration Rate



Pre-IFRS 16 D&A (NT\$m)

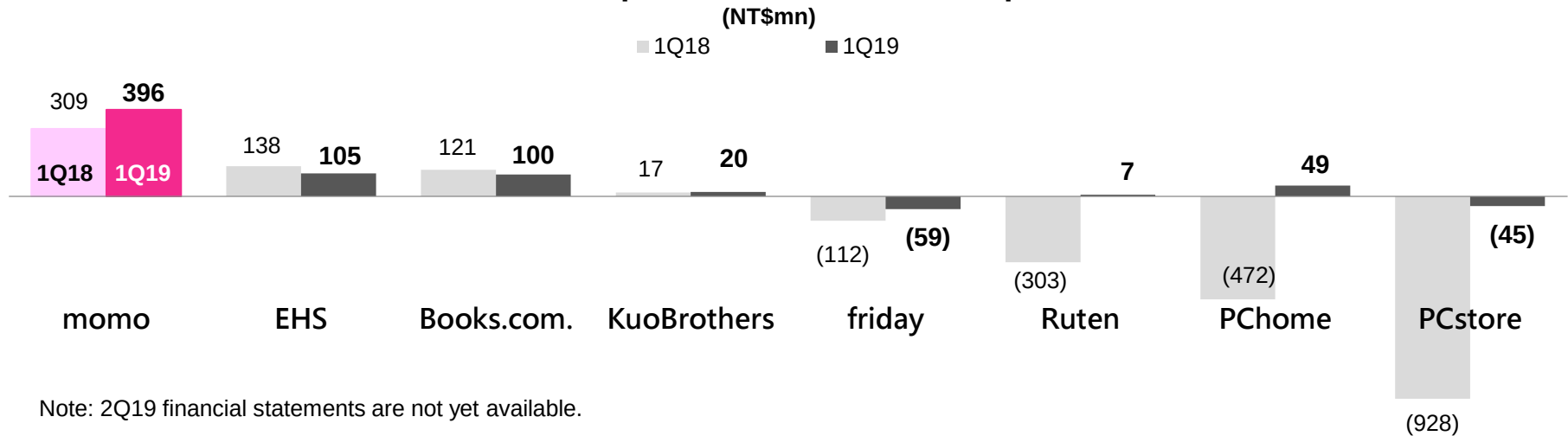


EBIT (NT\$m)



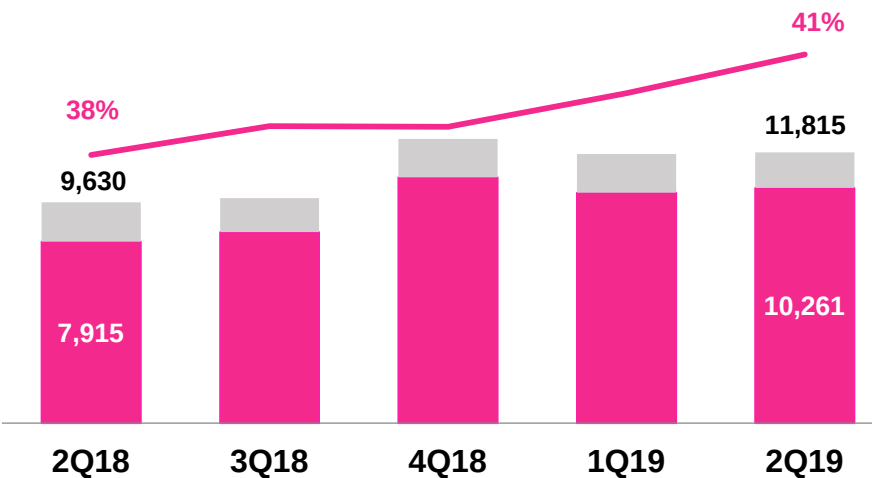
momo's Dominance in B2C Market

E-commerce platform net income comparison

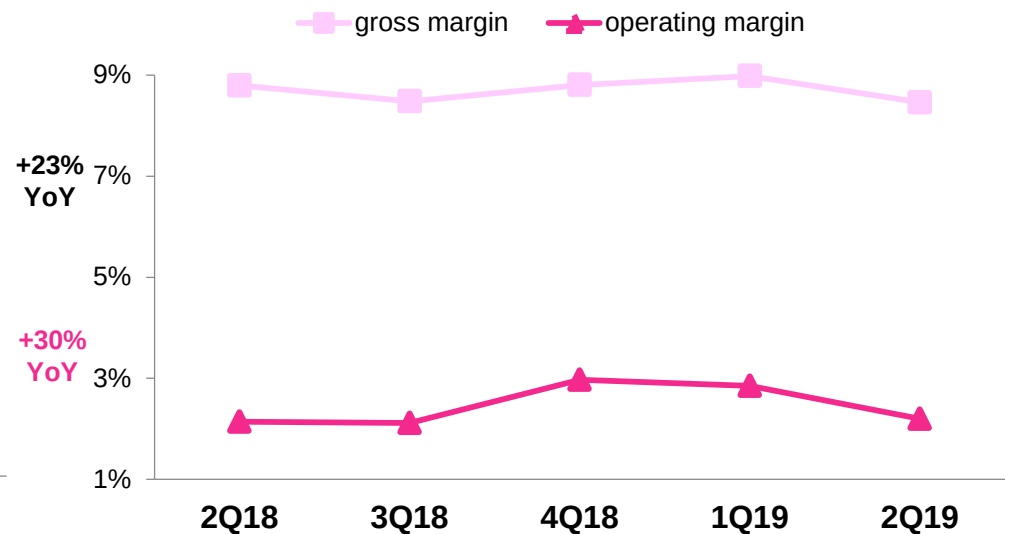


Revenue
(NT\$mnn)

■ B2C ■ others — 3C(%)



B2C profitability





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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
2Q19	16.38	1.54	11.82	29.61	6.14	0.78	0.44	7.46
% of total	55%	5%	40%	100%	82%	10%	6%	100%
2Q19 YoY	-5%	-3%	23%	4%	-12%	-3%	8%	-11%
1Q19 YoY	-10%	-3%	15%	-1%	-11%	-3%	17%	-9%
2Q19 YoY (Reported)								1%

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	2Q19			1H19		
	Amount	YoY	% of 2Q guidance	Amount	YoY	% of full year guidance
Revenues	29.61	4%	99%	59.49	1%	48%
Operating Costs	(21.49)	10%	99%	(43.17)	5%	48%
Operating Expenses	(3.80)	-5%	92%	(7.76)	-5%	46%
Operating Income	4.33	-13%	103%	8.55	-12%	50%
Non-op. Income (Exp.)	(0.10)	-11%	61%	(0.24)	-17%	34%
Pre-tax Income	4.22	-13%	105%	8.31	-11%	51%
Net Income	3.21	-16%	105%	6.28	-14%	51%
EPS ¹ (NT\$)	1.16	-17%	104%	2.29	-14%	51%
EBITDA	8.43	1%	101%	16.84	2%	50%
EBITDA Pre-IFRS 16	7.46	-11%		14.90	-10%	

1. EPS is based on share count of 2.747bn in 2Q19, and 2.738bn in 1H19.

Balance Sheet Analysis

NT\$bn	2Q19	1Q19	2Q18	NT\$bn	2Q19	1Q19	2Q18
Total Assets	153.60	155.21	151.41	Liabilities	89.18	82.53	90.77
Current Assets	27.10	28.60	29.48	Current Liabilities	49.76	39.41	48.18
- Cash & Cash Equivalents	6.77	7.84	7.62	- ST Debts	8.70	13.60	9.77
- Receivable & Contract Assets	14.60	14.43	14.89	- Current Lease Liabilities ¹	3.42	3.41	0.00
- Inventories	4.08	3.96	3.58	- Other Current Liabilities	37.63	22.40	38.42
- Other Current Assets	1.64	2.38	3.39	Non-current Liabilities	39.42	43.12	42.59
Non-current Assets	126.51	126.60	121.93	- Long-term Borrowings	28.73	32.29	38.27
- Long-term Investment	7.36	6.43	5.87	- Non-current Lease Liabilities ¹	6.19	6.37	0.00
- Property and Equipment	40.74	40.66	43.12	- Other Non-current Liabilities	4.50	4.46	4.31
- Right-of-use Assets ¹	9.67	9.87	0.00				
- Concession	39.12	39.82	42.04	Shareholders' Equity	64.42	72.68	60.64
- Other Non-current & Contract Assets	29.63	29.82	30.90	Paid-in Capital	34.68	34.34	34.21
	2Q19	1Q19	2Q18	Capital Surplus	16.65	13.47	12.31
Current Ratio	54%	73%	61%	Legal Reserve	28.92	27.56	27.56
Net Debt to Equity	48%	52%	67%	Treasury Shares	(29.72)	(29.72)	(29.72)
Net Debt to Pre-IFRS 16 EBITDA (x)	1.03	1.28	1.23	Un-appropriated Earnings	0.49	3.39	3.39
ROE² (annualized)	18%	17%	22%	Non-controlling Interest	5.86	6.37	5.68
				Retained Earnings & Others ³	7.53	17.27	7.22

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	2Q19	1Q19	2Q18
Operating	7.07	8.44	7.51
Investing	(1.37)	(2.09)	(0.28)
Financing	(6.76)	(6.02)	(7.28)

NT\$bn	2Q19	1Q19	2Q18
Pre-IFRS 16 Operating ¹	6.12	7.47	7.51
Cash CAPEX ²	(1.38)	(2.02)	(1.69)
Free Cash Flow ²	4.74	5.45	5.82

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

Awards and Recognition

-  Honored with the 2019 “Annual CSR Survey – Telecom Service Industry” award and “Outstanding Solutions – Public Welfare ” award from *Global Views Monthly*.
-  Ranked among the top 5% of listed companies in the “Corporate Governance Evaluation” conducted by the Taiwan Stock Exchange and Taipei Exchange, for the fifth year in a row
-  The only telecommunications company in Taiwan that has an approved science-based greenhouse gas emissions reduction target from the Science-Based Targets initiative (SBTi).
-  Recognized as “Asia's Best CEO”, “Asia's Best CFO” and “Best Investor Relations Company (Taiwan)” by the Corporate Governance Asia magazine at the 2019 Asian Excellence Awards.

Key Message

TWM started seeing improved fundamentals with June operating results stabilized compared with a year ago. Joining forces with digital leaders, including momo and AppWorks companies, to offer compelling service bundles will prove to be our winning strategy.

Looking forward, as we approach the tail-end of 4G deployment, we will be in a good position with more financial flexibility to make strategic moves, expand our footprint and generate healthy returns for our shareholders.



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Q & A