



Taiwan Mobile Co., Ltd.

3Q20 Results Summary



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Business Overview



3Q20 Operational Highlights

Rise in amortization
following 5G launch



Postpaid smartphone
monthly fee
turning the corner



Boosting momo's
e-commerce growth



110%

Achievement Ratio
for 3Q20 Net Income



Mobile Business in 5G Era

3Q20 results



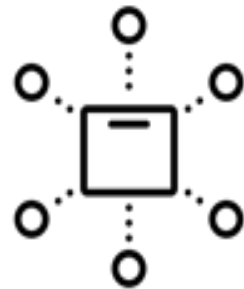
Service Adoption

50% higher than 4G



5G ARPU

~90% opting for \$999 or higher rate plans



Double Play bundles



Mobile Data



Fixed Broadband



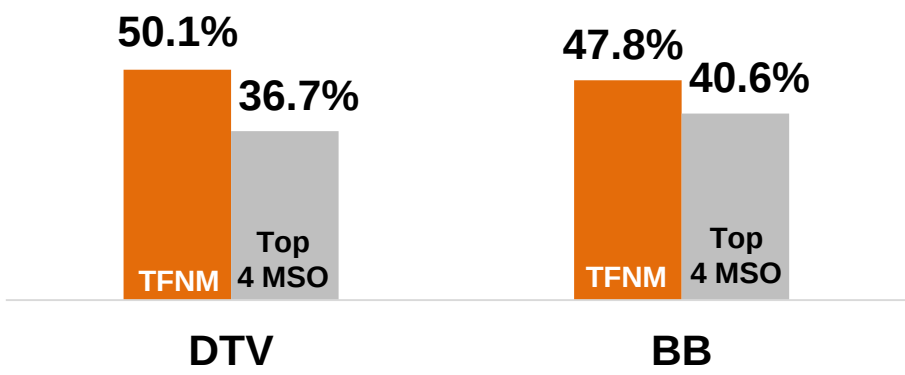
CATV Business – propelled by Broadband

3Q20 Basic TV Subscribers

('000)	Subscribers	YoY
TFNM	550	-1.1%
Top 4 MSO	3,482	-2.0%

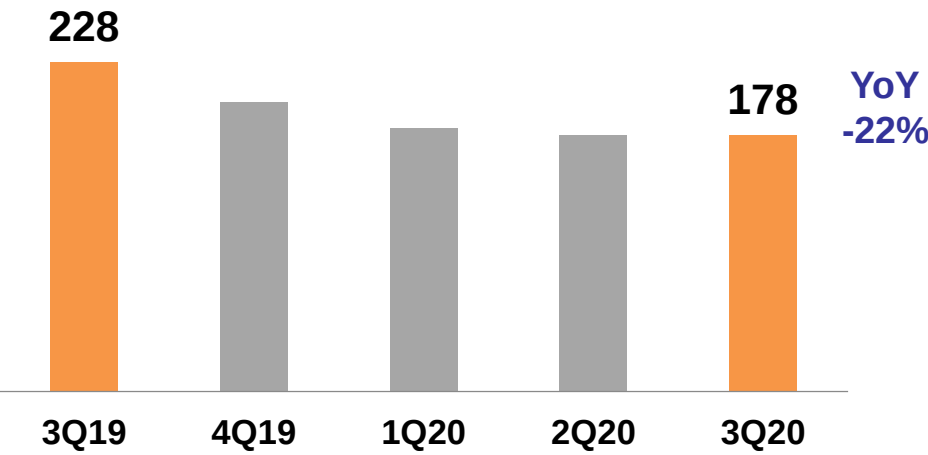
Source: Market intelligence

3Q20 Penetration Rate

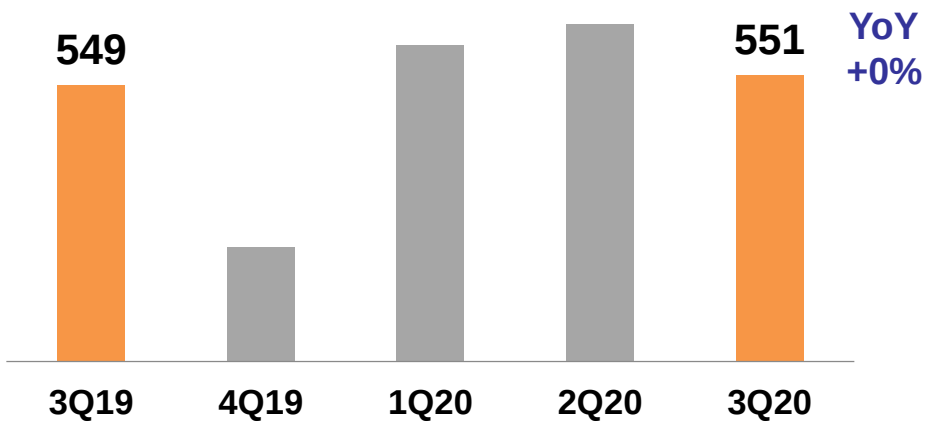


Source: Market intelligence

D&A
(NT\$mn)



EBIT
(NT\$mn)





momo – the Growth Engine

Satellite Warehouses (#)



19
+6 YoY
3Q20

E-commerce Total Transaction (#)



+30.1%
YoY
3Q20

E-commerce Profitability

Gross Margin

8.52% → 8.25%

EBITDA Margin

3.28% → 3.70%

3Q19

3Q20

Total Revenue (NT\$m)

YoY

Total

12,372

15,583

+26%

Others

1,460

-11%

E-commerce

10,912

14,290

+31%

3Q19

3Q20

EBIT (NT\$m)

YoY

332

458

+38%

-18%

+66%

3Q19

3Q20



Financial Overview



Performance by Business

NT\$bn	Revenue				EBIT			
	Telecom	CATV	momo	Total ¹	Telecom	CATV	momo	Total ¹
3Q20	14.44	1.56	15.58	31.24	2.73	0.55	0.46	3.84
% of total	46%	5%	50%	100%	71%	14%	12%	100%
3Q20 YoY	-16%	3%	26%	1%	-18%	0%	38%	-10%
2Q20 YoY	-12%	0%	34%	6%	-11%	7%	31%	-4%

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	3Q20			1-3Q20		
	Amount	YoY	% of 3Q guidance	Amount	YoY	% of full year guidance
Revenues	31.24	1%	94%	94.44	5%	70%
Cash Cost & Expense	(23.45)	4%	92%	(70.83)	9%	69%
Operating Income	3.84	-10%	104%	12.46	-3%	79%
Non-op. Income (Exp.)	(0.04)	49%	14%	(0.19)	-27%	20%
Pre-tax Income	3.81	-10%	111%	12.27	-2%	83%
Net Income	2.82	-13%	110%	9.18	-4%	82%
EPS ¹ (NT\$)	1.01	-14%	111%	3.27	-5%	83%
EBITDA	7.80	-6%	99%	23.61	-6%	75%

1. EPS is based on share count of 2.811bn.



Balance Sheet Analysis

NT\$bn	3Q20	2Q20	3Q19
Total Assets	180.74	177.39	158.83
Current Assets	32.05	30.27	34.23
- Cash & Cash Equivalents	10.46	8.24	13.02
- Receivable & Contract Assets	13.44	13.77	14.80
- Inventories	4.89	3.72	4.71
- Other Current Assets	3.26	4.54	1.69
Non-current Assets	148.69	147.12	124.60
- Long-term Investment	3.80	3.57	6.43
- Property and Equipment	41.36	38.55	39.97
- Right-of-use Assets	9.01	9.21	9.93
- Concession	65.88	66.96	38.41
- Other Non-current & Contract Assets	28.64	28.84	29.86
	3Q20	2Q20	3Q19
Current Ratio	51%	50%	65%
Net Debt to Equity	89%	81%	50%
Net Debt to EBITDA (x)	1.95	1.68	1.02
ROE¹ (annualized)	17%	18%	18%

NT\$bn	3Q20	2Q20	3Q19
Liabilities	111.12	110.89	89.43
Current Liabilities	62.91	60.18	52.66
- ST Debts	34.69	21.69	21.67
- Accounts & Notes Payable	8.53	8.35	12.08
- Current Lease Liabilities	3.47	3.53	3.53
- Other Current Liabilities	16.21	26.61	15.38
Non-current Liabilities	48.21	50.71	36.77
- Long-term Borrowings	37.99	40.37	25.85
- Non-current Lease Liabilities	5.52	5.68	6.37
- Other Non-current Liabilities	4.70	4.66	4.54
	69.62	66.50	69.40
Shareholders' Equity	69.62	66.50	69.40
Paid-in Capital	35.12	35.09	34.96
Capital Surplus	18.94	18.68	19.11
Legal Reserve	30.17	30.17	28.92
Treasury Shares	(29.72)	(29.72)	(29.72)
Un-appropriated Earnings	0.00	0.00	0.49
Non-controlling Interest	6.27	6.02	6.01
Retained Earnings & Others ²	8.83	6.24	9.63

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

2. Including accumulated profits and other equity items.



Cash Flow Analysis

NT\$bn	1~3Q20	YoY	3Q20	2Q20	3Q19
Operating	23.02	-16%	6.31	7.47	11.83
Investing	(33.92)	518%	(0.59)	(1.54)	(2.03)
Financing	12.70	nm	(3.50)	(6.79)	(3.54)

NT\$bn	1~3Q20	YoY	3Q20	2Q20	3Q19
Pre-IFRS 16 Operating ¹	19.98	-18%	5.28	6.50	10.83
Cash CAPEX ²	(5.20)	-6%	(1.65)	(1.90)	(2.12)
Free Cash Flow ²	14.79	-22%	3.63	4.60	8.72

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 5G License Fees



Event Updates



Awards and Recognitions

- **Thirteen-time winner of CommonWealth Magazine’s “Excellence in Corporate Social Responsibility Award”.**
- **Ranked 10th in ISS’s first edition of “Taiwan’s Top 30 Corporations in ESG” and rated the highest in the telecom industry.**



Key Message

The competitive landscape in Taiwan's mobile industry has become more benign, evidenced by the continued decline of ported numbers since 5G launch in July, as all operators introduced higher monthly fees for 5G unlimited data plans. Meanwhile, our 5G service is poised to gain momentum on the back of accelerated network rollout, iPhone 12 release, and a wider range of 5G Android phone options. Enhanced synergies from momo and cable broadband also give us an edge over our peers.

