

Taiwan Mobile Co., Ltd.

**1Q16 Results Summary** 

**April 28, 2016** 





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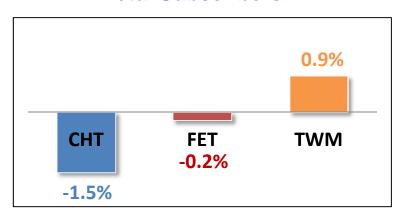
## **Business Overview**



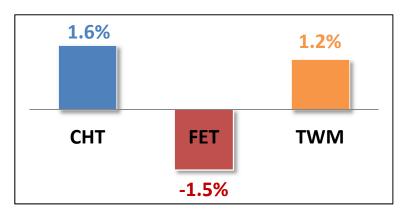
### **Mobile Growth Leading the Pack**

### YoY Growth Rates for 1Q16 via Different Metrics

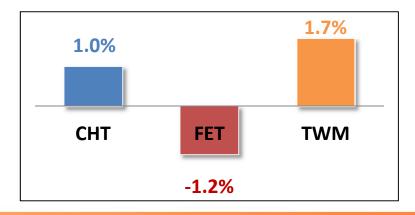
#### **Total Subscribers**



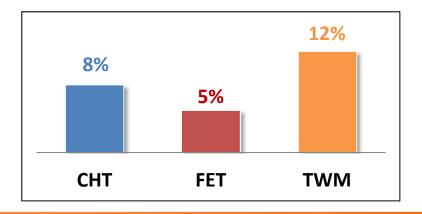
#### Blended ARPU<sup>1</sup>



#### Mobile Service Revenue<sup>1</sup>



### **Telecom EBITDA**



<sup>1.</sup> Based on IFRS - Residual Value Method, i.e. excluding revenue adjustments under the current bundle sales accounting policy



# **Margin Expansion in Retail Business**

(Unit: NT\$bn)  momo	1Q16	QoQ	YoY
Total Revenue	7.01	2%	12%
- Online Shopping	4.99	5%	23%
- TV Home Shopping & Others	2.01	-4%	-8%
EBITDA	0.40	42%	20%
EBITDA Margin	5.6%	+1.6ppts	+0.4ppts



## **Financial Overview**



# **Results Summary**

NT\$mn		1	1Q16						
	Amount	YoY	QoQ	% of 1Q16 Forecast					
Revenue	29,199	-2%	-4%	100%					
Cost	(19,682)	-6%	-9%	97%					
Operating expense	(4,513)	3%	-3%	98%					
Operating income	5,005	15%	15%	113%					
Net non-oper. items	(235)	21%	19%	64%					
Income before tax	4,769	15%	15%	117%					
Net income	3,773	-1%	0%	115%					
EPS (NT\$)	1.39	-1%	1%	115%					
EBITDA	8,417	11%	8%	107%					
EBITDA margin	28.83%								



# Performance by Business

NT\$bn		Reve	enue		EBITDA				
	Telecom	CATV	momo	Total	Telecom	CATV	momo	Total	
1Q16	20.50	1.64	7.01	29.20	7.06	0.90	0.40	8.42	
% of total	70%	6%	24%	100%	84%	11%	5%	100%	
1Q16 YoY	-6%	1%	12%	-2%	12%	1%	20%	11%	
4Q15 YoY	-1%	4%	8%	1%	10%	4%	-28%	8%	

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



# **Balance Sheet Analysis**

NT\$bn	1Q16	4Q15	1Q15		1Q16	4Q15	1Q15
Total Assets	153.75	156.09	157.23	Liabilities	84.09	90.79	87.10
Current Assets	32.96	34.16	33.29	Current Liabilities	49.84	59.23	56.12
- Cash & Cash Equivalents	8.70	8.58	8.22	- ST Debts	25.53	35.28	30.99
- Accounts Receivable	15.70	15.70	15.03	- Other Current Liabilities	24.31	23.95	25.13
- Inventories	2.78	4.19	3.25	Non-Current Liabilities	34.25	31.56	30.98
- Other Current Assets	5.77	5.69	6.79	- Long-Term Borrowings	29.39	26.48	25.42
Non-current Assets	120.79	121.93	123.94	- Other Non-current Liabilities	4.86	5.08	5.55
- Long-term Investment	5.37	4.96	4.77				
- Property and Equipment	46.46	47.25	47.18				
- Concession	39.81	40.45	42.30	Shareholders' Equity	69.66	65.29	70.13
- Other Non-current Assets	29.15	29.28	29.69	- Paid-in Capital	34.21	34.21	34.21
				- Capital Surplus	14.59	14.59	14.72
	1Q16	4Q15	1Q15	- Legal Reserve	23.04	23.04	21.54
<b>Current Ratio</b>	66%	58%	59%	- Un-appropriated Earnings	2.76	2.76	4.83
Net Debt to Equity	66%	81%	69%	- Treasury Shares	(29.72)	(29.72)	(29.72)
Net Debt to EBITDA (x)	1.39	1.65	1.47	- Non-controlling Interest	5.90	5.74	6.36
ROE (annualized)	24%	25%	24%	- Retained Earnings & Others*	18.89	14.67	18.20

<sup>\*</sup> Including accumulated profits and other equity items



# **Cash Flow Analysis**

NT\$bn	1Q16	4Q15	1Q15
Operating Cash Flow	10.03	7.74	5.38
Investing Cash Flow	(2.91)	(1.76)	(6.68)
Financing Cash Flow	(7.00)	(4.68)	1.62

NT\$bn	1Q16	4Q15	1Q15
Cash CAPEX	(2.75)	(2.80)	(3.29)
Free Cash Flow	7.29	4.94	2.09



# **Event Updates**



## **Event Updates**

### **2015** Earnings Distribution

TWM's board meeting today (April 28, 2016) approved a proposal to distribute NT\$15.2bn in cash dividends, translating into a 97% payout to shareholders. Dividend per share is NT\$5.6 on 2.72bn shares, excluding treasury shares held by 100%-owned subsidiaries.

### Awards and Recognition

According to speed tests conducted by Ookla, the internationally recognized standard for internet connection testing, Taiwan Mobile won the "2015 Taiwan's Fastest Mobile Network" and the "2015 Taiwan's Fastest 4G LTE".



# TWM's Latest 4G Rate Plans

### Effective May 1, 2016

4G Rate Plans		Monthly Fee									
		\$199	\$399	\$599	\$799	\$999	\$1,199	\$1,399	\$1,599	\$1,899	\$2,599
	Monthly Usage Cap 200M		3GB	6GB	9GB	16GB	26GB				
Data	Months of Unlimited Data Usage / Contract Period	3 Months		6 Months / 24 Months		12 Months / 24 Months		Unlimited Data			
		-	30 Months		12 Months / 30 Months		15 Months / 30 Months				
Vaiga	Free Minutes of On-net Calls	First 1 Minute per Call	First 3 Minutes per Call	First 5 Minutes per Call		Minutes Call	Free On-net Calls				
Voice	Free Minutes of Off-net Calls per Month	20	20	30	40	50	70	100	120	200	220
	Contract Period				24/30 M	onths					





The mobile industry's rational moves on 4G rate plans set the tone for a healthier growth path for the industry. Taiwan Mobile is expected to benefit from better operating leverage and stronger free cash flow generation going forward.



