



Taiwan Mobile  
台湾大哥大

# **Taiwan Mobile Co., Ltd.**

## **1Q18 Results Summary**

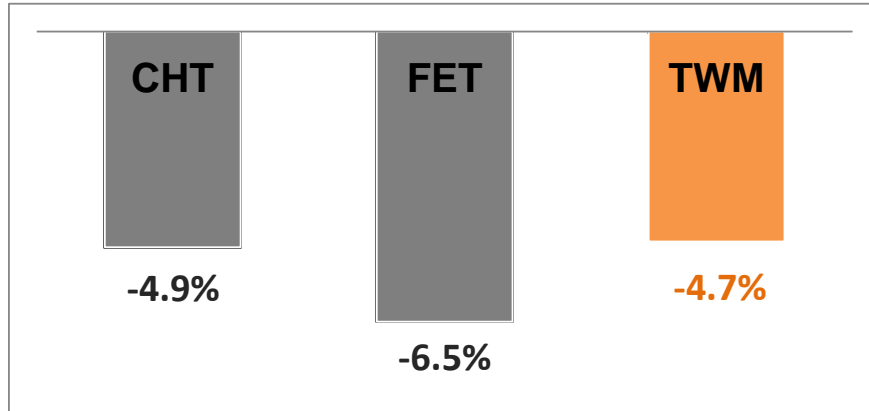
**April 30, 2018**

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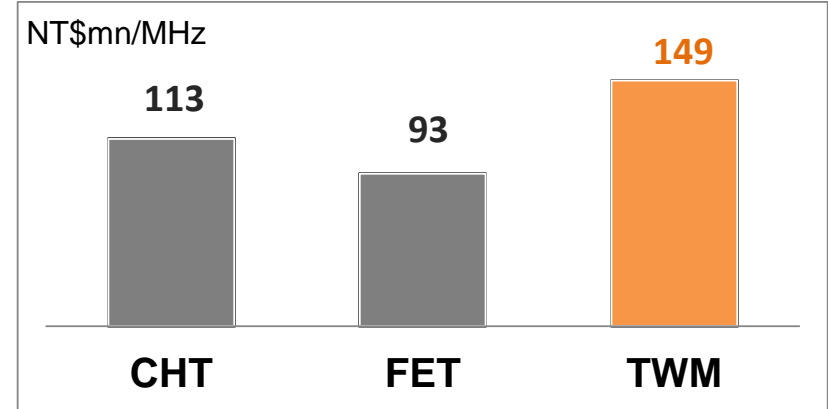


# Business Overview

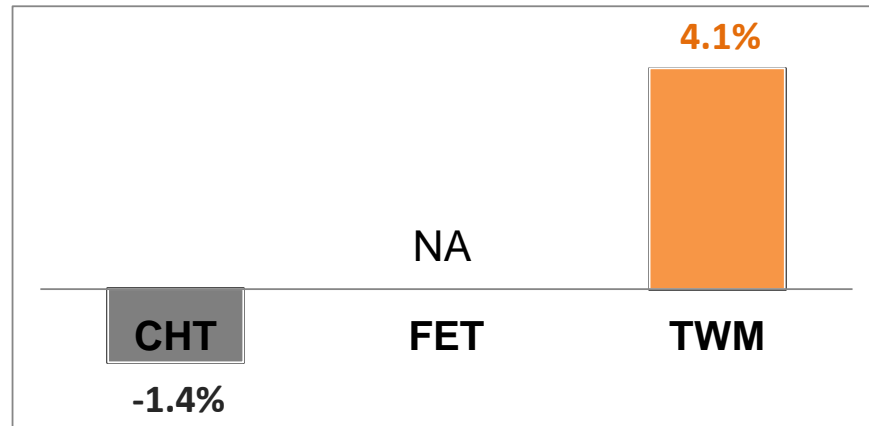
### 1Q18 Mobile Service Revenue<sup>1&2</sup> YoY Change



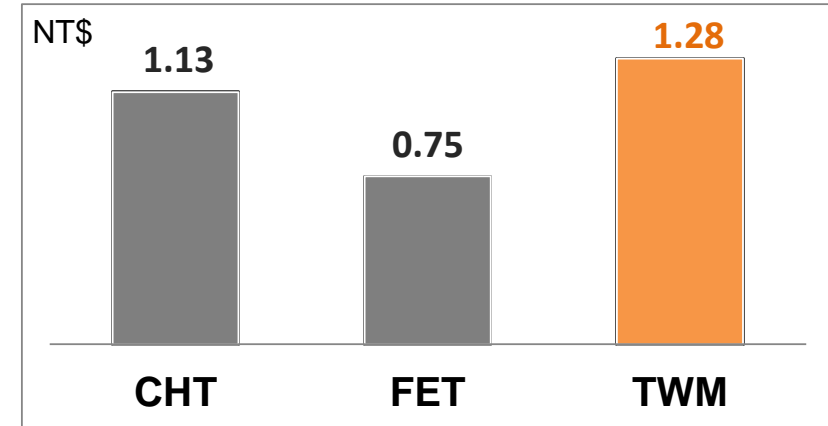
### 1Q18 Spectrum Yield<sup>3</sup>



### 1Q18 Telecom EBITDA<sup>1&2</sup> YoY Change

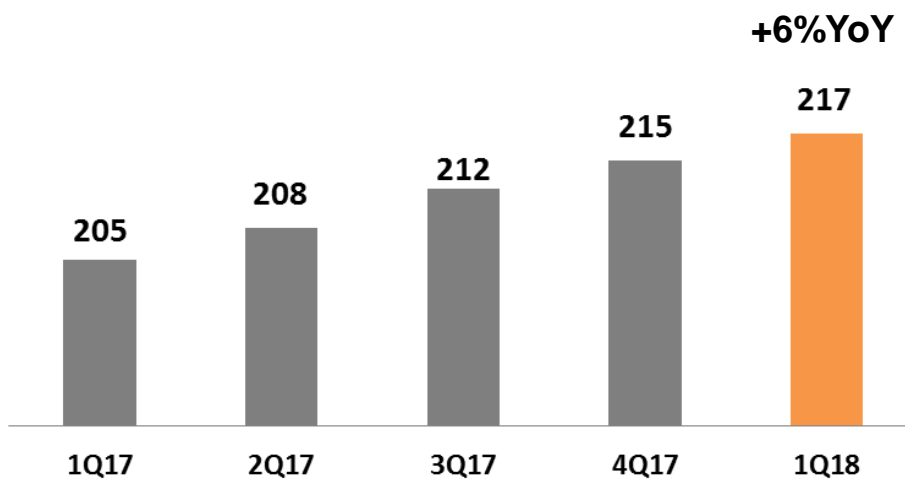


### 1Q18 EPS (IFRS 15)

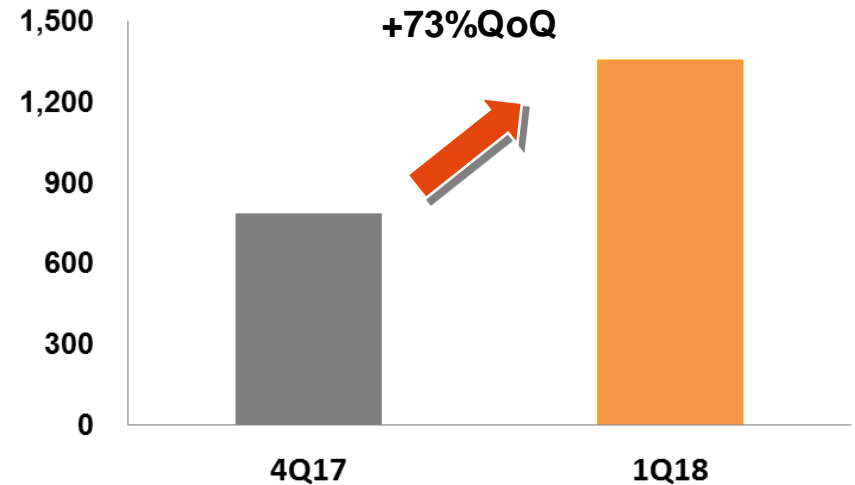


1. Pre-IFRS 15 numbers (aka residual value method)
2. TWM's numbers excluded domestic roaming.
3. 1Q18 mobile service revenue (under residual value method) divided by the amount of spectrum owned by each telco.

### Fixed Broadband Subs (K)

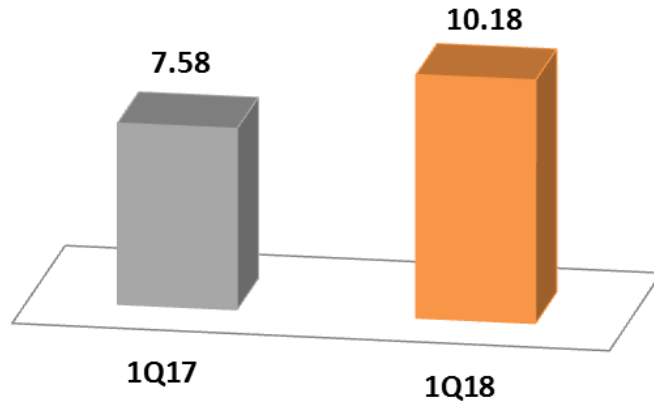


### MAU<sup>1</sup> of myVideo (K)

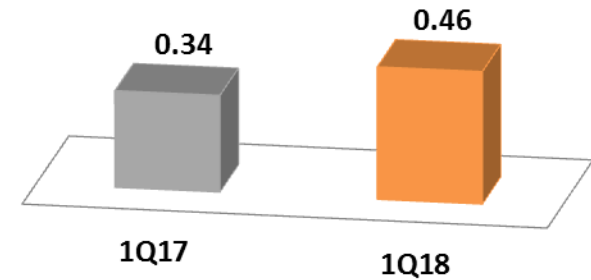


1. MAU : monthly active users.

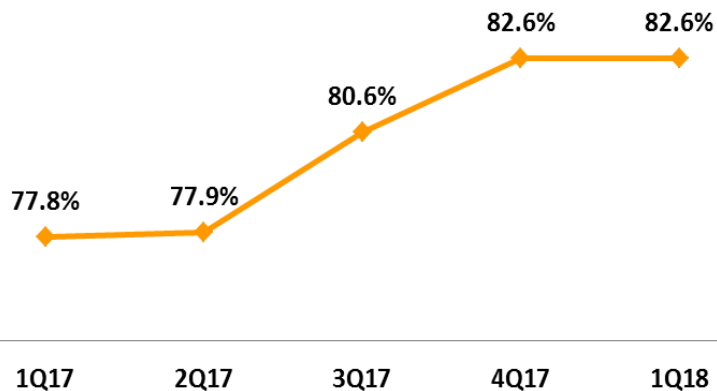
**Total Revenue  
(NT\$bn)**



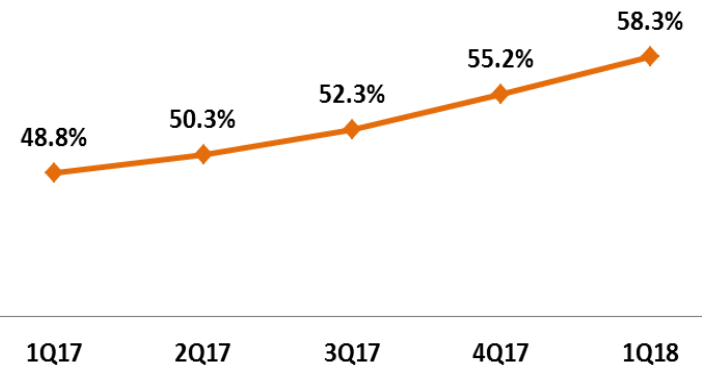
**Total EBITDA  
(NT\$bn)**



**E-commerce as % of Total Revenue**



**Mobile Commerce<sup>1</sup> as %  
E-commerce Revenue**



1. Mobile commerce : online retail sales made through mobile devices.



# Financial Overview

# Performance by Business

NT\$bn	Revenue				EBITDA			
	Telecom	CATV	momo	Total <sup>1</sup>	Telecom	CATV	momo	Total <sup>1</sup>
1Q18	18.47	1.60	10.18	30.31	6.77	0.81	0.46	8.17
% of total	61%	5%	34%	100%	83%	10%	6%	100%
1Q18 YoY	-6%	-1%	34%	5%	-5%	-6%	37%	-3%
4Q17 YoY	-5%	-4%	30%	4%	-6%	-12%	39%	-5%
Ex-roaming 1Q18 YoY					0%	-6%	37%	1%
Ex-roaming 1Q18 YoY (Pre-IFRS 15)					4%			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 minor adjustments / eliminations.



NT\$bn	1Q18			
	Amount	QoQ	YoY	% of 1Q guidance
Revenues	30.31	-5%	5%	102%
Operating Costs	(21.38)	-7%	9%	101%
Operating Expenses	(4.19)	-4%	1%	95%
Operating Income	4.74	10%	-7%	111%
Non-op. Income (Exp.)	(0.17)	-84%	2%	103%
Pre-tax Income	4.56	43%	-7%	112%
Net Income	3.48	43%	-12%	108%
EPS <sup>1</sup> (NT\$)	1.28	44%	-12%	108%
EBITDA	8.17	5%	-3%	106%

1. EPS is based on share count of 2.722bn.

# Balance Sheet Analysis

NT\$bn	1Q18	4Q17	1Q17	NT\$bn	1Q18	4Q17	1Q17
<b>Total Assets</b>	<b>155.27</b>	<b>154.52</b>	<b>148.73</b>	<b>Liabilities</b>	<b>82.76</b>	<b>89.01</b>	<b>78.25</b>
Current Assets	31.22	32.35	32.58	Current Liabilities	52.14	56.48	31.42
- Cash & Cash Equivalents	7.66	6.63	7.93	- ST Debts	28.27	30.86	8.26
- Accounts Receivable	14.24	14.68	14.77	- Other Current Liabilities	23.88	25.62	23.16
- Inventories	3.98	4.33	3.82	Non-current Liabilities	30.62	32.53	46.83
- Other Current Assets	5.33	6.71	6.07	- Long-term Borrowings	26.32	28.35	42.81
Non-current Assets	124.05	122.17	116.15	- Other Non-current Liabilities	4.30	4.18	4.02
- Long-term Investment	5.88	6.05	5.58	<b>Shareholders' Equity</b>	<b>72.51</b>	<b>65.51</b>	<b>70.48</b>
- Property and Equipment	43.42	44.57	45.00	Paid-in Capital	34.21	34.21	34.21
- Concession	42.92	43.67	37.20	Capital Surplus	13.94	13.94	14.99
- Other Non-current Assets	31.82	27.88	28.37	Legal Reserve	26.14	26.14	24.61
	<b>1Q18</b>	<b>4Q17</b>	<b>1Q17</b>	Treasury Shares	(29.72)	(29.72)	(29.72)
<b>Current Ratio</b>	60%	57%	104%	Un-appropriated Earnings	0.63	0.63	0.63
<b>Net Debt to Equity</b>	65%	80%	61%	Non-controlling Interest	6.07	5.88	5.92
<b>Net Debt to EBITDA (x)</b>	1.44	1.60	1.32	Retained Earnings & Others <sup>2</sup>	21.25	14.44	19.85
<b>ROE<sup>1</sup> (annualized)</b>	20%	22%	23%				

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

2. Including accumulated profits and other equity items.

NT\$bn	1Q18	4Q17	1Q17
Operating Cash Flow	7.96	7.99	7.49
Investing Cash Flow	(2.16)	(9.70)	(1.70)
Financing Cash Flow	(4.76)	2.37	(5.56)

NT\$bn	1Q18	4Q17	1Q17
Cash CAPEX <sup>1</sup>	(2.76)	(2.24)	(2.66)
Free Cash Flow <sup>1</sup>	5.20	5.74	4.83

1. Excluding 4G License Fees



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# Event Updates

## 2017 Earnings Distribution

On April 27, 2018, TWM's board meeting approved the proposal to distribute NT\$15.2bn in cash dividends, translating into a 107% payout to shareholders. Dividend per share is NT\$5.6 on 2.72bn shares, excluding treasury shares held by 100%-owned subsidiaries.

## Straight Bond Issuance

On April 20, 2018, **TWM successfully completed the issuance of its 5th unsecured corporate straight bonds with a total amount of NT\$15bn**, which consist of NT\$6bn for the 5-year bond (with a fixed annual rate of 0.848%) and NT\$9bn for the 7-year bond (with a fixed annual rate of 1.00%).

-  Received the “Silver Class Sustainability Award” in the category of global telecom industry in RobecoSAM’s 2018 Sustainability Yearbook.
-  Selected as a constituent of the ECPI INDEX CERTIFICATE 2017.

In order to deliver satisfactory returns to our shareholders, sustaining the stability of free cash flow generations and adding differentiation to strengthen our market foothold remain our main focuses.



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Q & A