



Taiwan Mobile Co., Ltd.

1Q20 Results Summary

April 30, 2020

Disclaimer

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Business Overview

1Q20 Operational Highlights

**YoY EBIT growth in
all businesses**



Readying for 5G

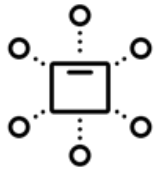


**Stay-at-home
economy booms
amid COVID-19**



Versatility in Telecom Business

1Q20 results



Double Play bundles 

Mobile Data



Fixed Broadband



+36% YoY

IoT connections



**Early bird
migration**



+36% YoY

**ICT/IoT/Cloud
service revenue**

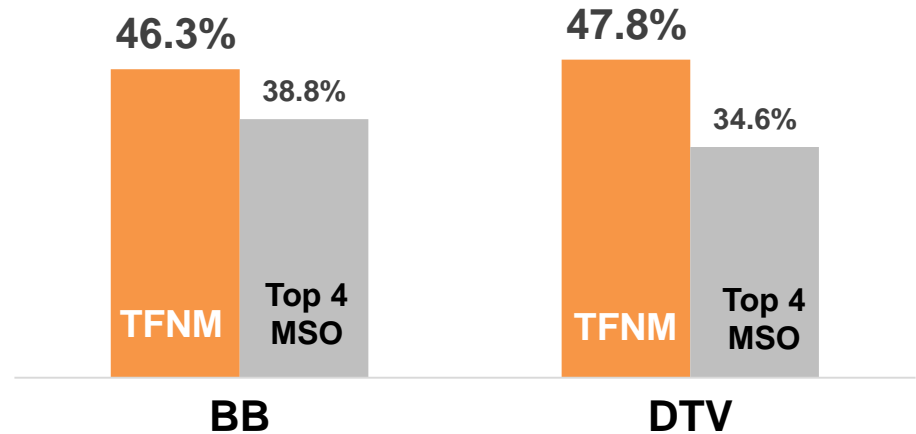
Resilience in Pay-TV Business

1Q20 Basic TV Subscribers

('000)	Subscribers	YoY(%)
TFNM	553	-1.7%
Top 4 MSO	3,518	-2.3%

Source: Market intelligence

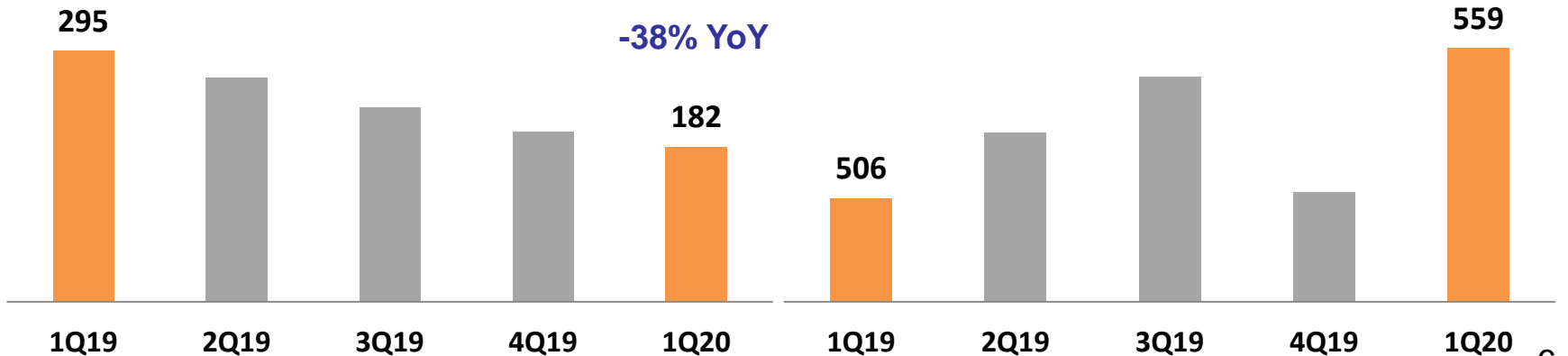
1Q20 Penetration Rate



Source: Market intelligence

D&A (NT\$m)

EBIT (NT\$m)

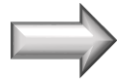


momo – the Growth Engine

Satellite Warehouses (#)

1Q19

5



1Q20

15

+10 YoY

E-commerce Average Customer Order (#)

1Q19

2.87



1Q20

3.27

+14% YoY
(+8.5% in 4Q19)

Total Revenue (NT\$m)

YoY

11,736

1,681

10,055

15,106

1,485

13,621

+29%

-12%

+35%

1Q19

1Q20

EBIT (NT\$m)

YoY

454

172

282

562

154

408

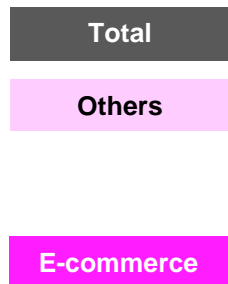
+24%

-11%

+45%

1Q19

1Q20



Superior Overall Performance

Total Revenue YoY Change

6.6%

CHT

TWM

FET

-6.2%

-6.9%

95%

101%

97%

EBIT YoY Change

6.0%

1.2%

CHT

TWM

FET

-3.3%

1Q20 Achievement Ratio

105%
~109%

112%

106%

Net Income YoY Change

7.9%

CHT

TWM

FET

-0.4%

-2.7%

104%
~108%

112%

103%



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Financial Overview

Performance by Business

NT\$bn	Revenue				EBIT			
	Telecom	CATV	momo	Total ¹	Telecom	CATV	momo	Total ¹
1Q20	15.62	1.54	15.11	31.85	3.29	0.56	0.56	4.48
% of total	49%	5%	47%	100%	73%	12%	13%	100%
1Q20 YoY	-6%	-1%	29%	7%	2%	10%	24%	6%
4Q19 YoY	-1%	-6%	28%	8%	1%	6%	15%	2%

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	1Q20		
	Amount	YoY	% of 1Q guidance
Revenues	31.85	7%	101%
Cash Cost & Expense	(23.75)	11%	99%
Operating Income	4.48	6%	112%
Non-op. Income (Exp.)	(0.15)	11%	81%
Pre-tax Income	4.33	6%	114%
Net Income	3.31	8%	112%
EPS ¹ (NT\$)	1.18	4%	112%
EBITDA	8.10	-4%	105%

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

Balance Sheet Analysis

NT\$bn	1Q20	4Q19	1Q19	NT\$bn	1Q20	4Q19	1Q19
Total Assets	178.73	153.92	155.21	Liabilities	102.56	79.74	82.53
Current Assets	30.69	29.91	28.60	Current Liabilities	51.60	44.52	39.41
- Cash & Cash Equivalents	9.10	8.66	7.84	- ST Debts	26.63	18.47	13.60
- Receivable & Contract Assets	13.49	14.07	14.43	- Accounts & Notes Payable	7.70	7.80	7.03
- Inventories	3.77	5.67	3.96	- Current Lease Liabilities	3.58	3.53	3.41
- Other Current Assets	4.32	1.50	2.38	- Other Current Liabilities	13.69	14.72	15.37
Non-current Assets	148.05	124.01	126.60	Non-current Liabilities	50.96	35.22	43.12
- Long-term Investment	3.00	6.72	6.43	- Long-term Borrowings	40.42	24.49	32.29
- Property and Equipment	38.35	39.17	40.66	- Non-current Lease Liabilities	5.93	6.12	6.37
- Right-of-use Assets	9.54	9.66	9.87	- Other Non-current Liabilities	4.61	4.61	4.46
- Concession	67.66	37.71	39.82				
- Other Non-current & Contract Assets	29.50	30.76	29.82	Shareholders' Equity	76.18	74.18	72.68
				Paid-in Capital	35.09	35.09	34.34
				Capital Surplus	20.28	20.27	13.47
				Legal Reserve	28.92	28.92	27.56
				Treasury Shares	(29.72)	(29.72)	(29.72)
				Un-appropriated Earnings	0.49	0.49	3.39
				Non-controlling Interest	6.40	6.16	6.37
				Retained Earnings & Others ²	14.71	12.95	17.27
Current Ratio	59%	67%	73%				
Net Debt to Equity	76%	46%	52%				
Net Debt to EBITDA (x)	1.81	1.03	1.13				
ROE¹ (annualized)	18%	18%	17%				

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

2. Including accumulated profits and other equity items.

Cash Flow Analysis

NT\$bn	1Q20	4Q19	1Q19
Operating	9.24	2.88	8.44
Investing	(31.79)	(2.88)	(2.09)
Financing	22.99	(4.36)	(6.02)

NT\$bn	1Q20	4Q19	1Q19
Pre-IFRS 16 Operating ¹	8.21	1.90	7.47
Cash CAPEX ²	(1.65)	(1.62)	(2.02)
Free Cash Flow ²	6.56	0.28	5.45

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



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Event Updates




Event Updates

2019 Earnings Distribution



On April 30, 2020, TWM's board meeting approved the proposal to distribute NT\$13.4bn in cash dividends, translating into around 4.5% yield to shareholders.

Dividend per share is NT\$4.75 on 2.81bn shares, excluding treasury shares held by 100%-owned subsidiaries. Post earnings distribution, there will be NT\$39.5bn excess reserves available.

Awards and Recognition

-  **The only telecommunications company in Taiwan that received the top grade “ A ” from the CDP in its “Climate Change 2019 Program”.**
-  **Received a Silver Class award in SAM’s “2020 Sustainability Yearbook” for three consecutive years.**
-  **The only telecommunications company in Taiwan that was honored with “ 2019 Critical Infrastructure Protection Award ”.**

Key Message

-  B2C e-commerce as well as subscription-based wireless, broadband and enterprise solutions are increasingly essential to everyday life under this new normal. As such, we are better poised for the extended stress on the economy caused by COVID-19.
-  Investing in critical areas like 5G, broadband, and e-commerce remains our top priority as we accelerate growth and our transformation into a “Tech+Telco” group. At the same time, we will strive to resume FCF stability in a sound manner so that we could uphold our commitment to shareholders.



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Q & A

IR Website

