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**Taiwan Mobile Co., Ltd.**  
**3Q18 Results Summary**

November 1, 2018

# Disclaimer

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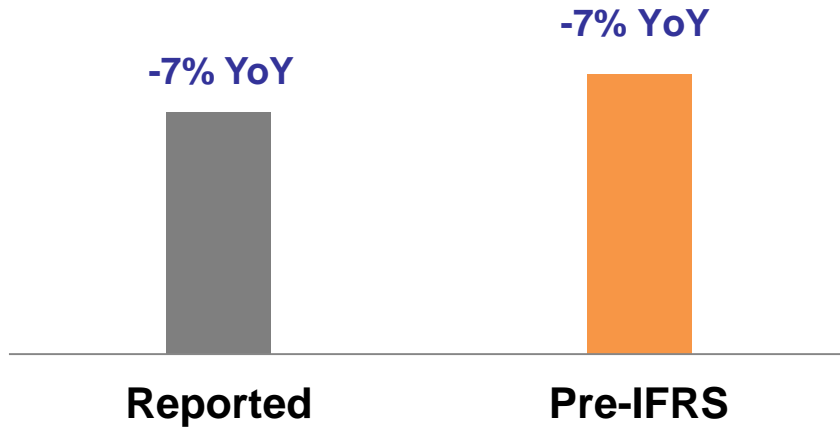


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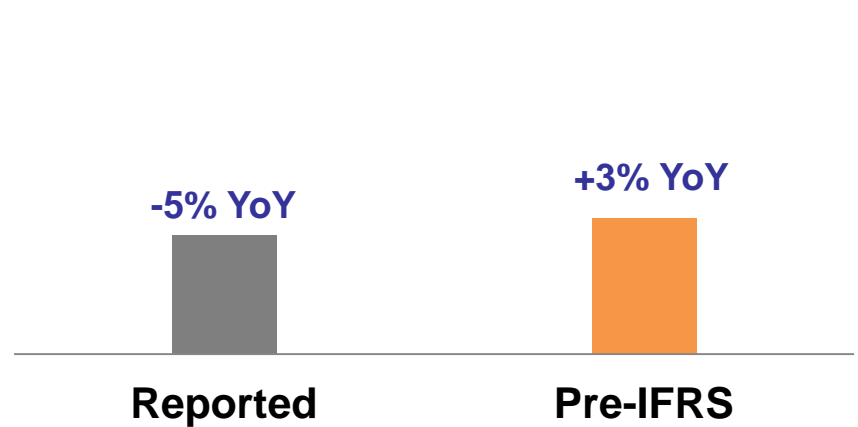
Business Overview

# Steady Increase in Cash Flows

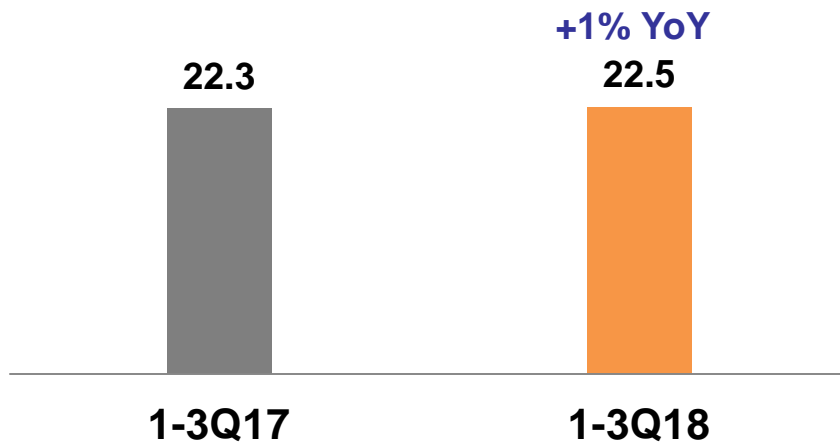
## 1-3Q18 Telecom Service Revenue



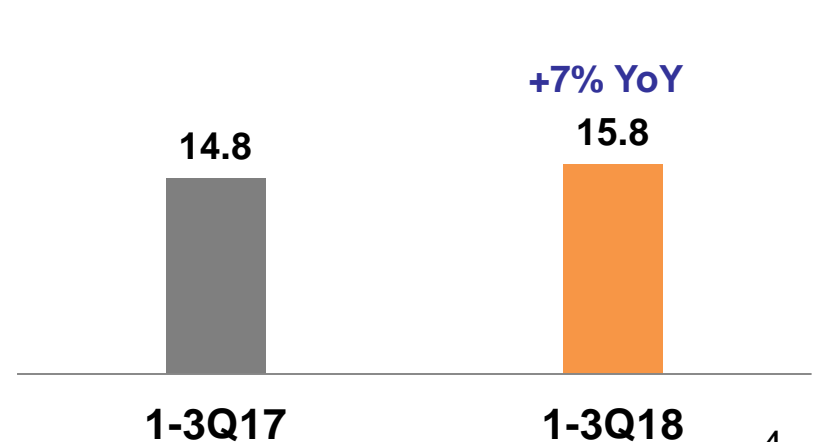
## 1-3Q18 Telecom EBITDA



## Operating Cash Flow (NT\$bn)

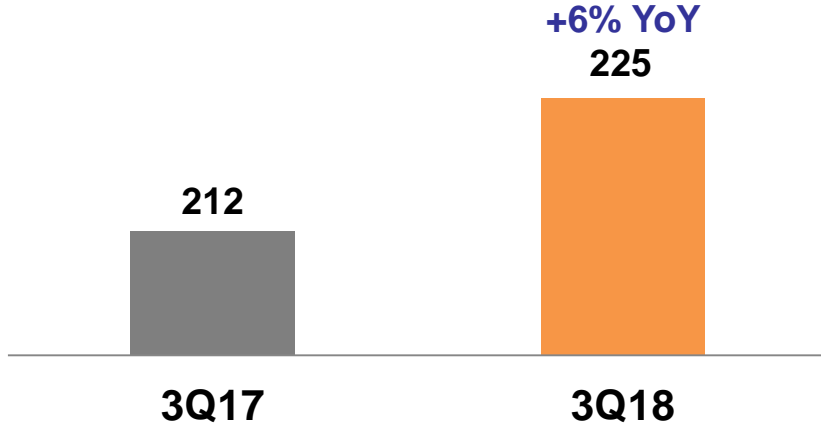


## Free Cash Flow (NT\$bn)

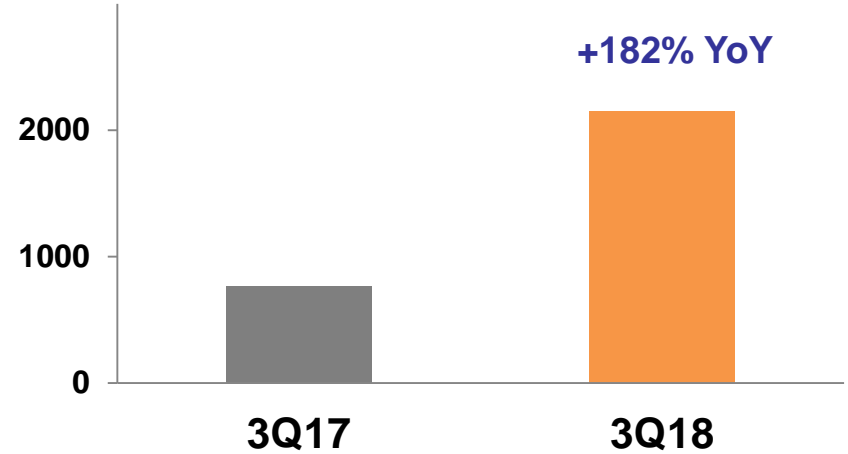


# Cross-Selling Supporting Growth

## Fixed Broadband Subs (K)



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



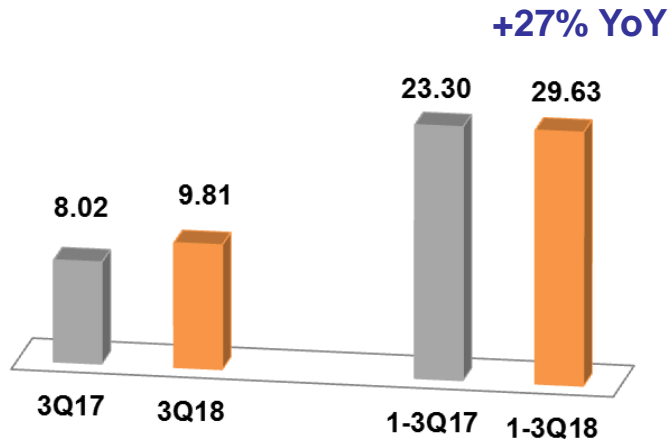
1. MAU : monthly active users.

# Enterprise Business – The Bright Spot 3Q18 Revenue Growth

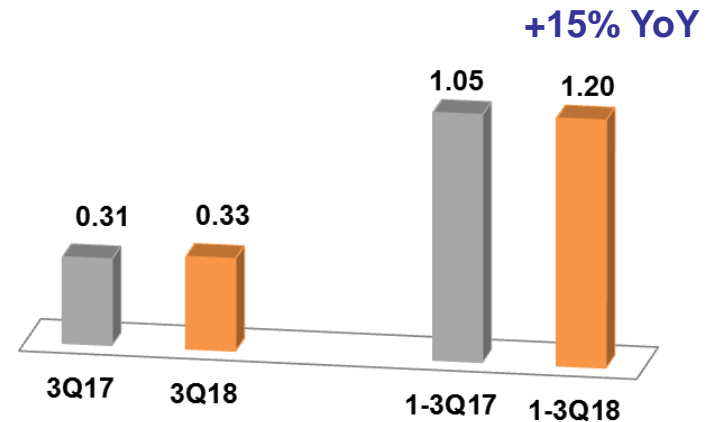


# momo E-commerce – Crown Jewel

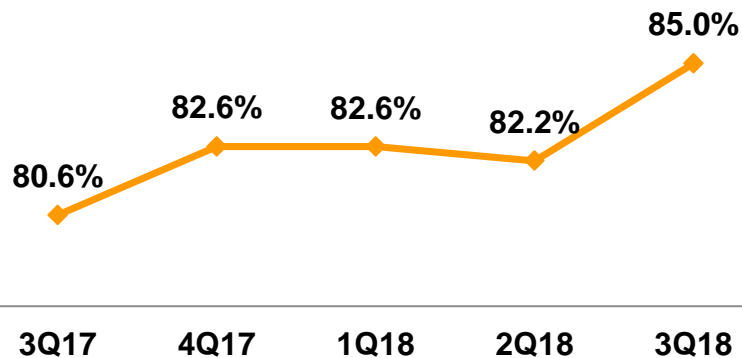
Total Revenue (NT\$bn)



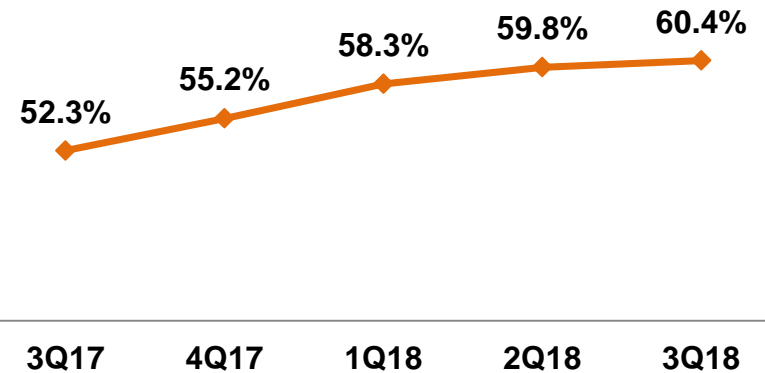
Total EBITDA (NT\$bn)



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.



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Financial Overview

# Performance by Business

NT\$bn	Revenue				EBITDA			
	Telecom	CATV	momo	Total <sup>1</sup>	Telecom	CATV	momo	Total <sup>1</sup>
3Q18	16.84	1.58	9.81	28.32	6.30	0.80	0.33	7.59
% of total	59%	6%	35%	100%	83%	11%	4%	100%
3Q18 YoY	-12%	-3%	22%	-2%	-10%	-5%	7%	-8%
2Q18 YoY	-7%	-1%	25%	3%	0%	-3%	3%	1%
3Q18 YoY (Pre-IFRS 15)					-3%		-3%	

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	3Q18			1-3Q18		
	Amount	YoY	% of 3Q guidance	Amount	YoY	% of Full year guidance
Revenues	28.32	-2%	91%	87.17	2%	71%
Operating Costs	(20.18)	2%	91%	(61.15)	5%	70%
Operating Expenses	(3.93)	-5%	90%	(12.12)	-1%	69%
Operating Income	4.21	-13%	90%	13.90	-6%	77%
Non-op. Income (Exp.)	(0.08)	-16%	54%	(0.37)	9%	64%
Pre-tax Income	4.13	-13%	91%	13.53	-6%	78%
Net Income	3.27	-17%	93%	10.55	-10%	78%
EPS <sup>1</sup> (NT\$)	1.21	-17%	93%	3.88	-10%	78%
EBITDA	7.59	-8%	93%	24.10	-4%	75%

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

# Balance Sheet Analysis

NT\$bn	3Q18	2Q18	3Q17	NT\$bn	3Q18	2Q18	3Q17
<b>Total Assets</b>	<b>147.45</b>	<b>151.41</b>	<b>146.41</b>	<b>Liabilities</b>	<b>82.97</b>	<b>90.77</b>	<b>83.36</b>
Current Assets	26.97	29.48	30.50	Current Liabilities	40.48	48.18	44.54
- Cash & Cash Equivalents	5.94	7.62	5.97	- ST Debts	17.59	9.77	21.86
- Receivable & Contract Assets	15.24	14.89	15.93	- Other Current Liabilities	22.89	38.42	22.68
- Inventories	3.27	3.58	3.15	Non-current Liabilities	42.49	42.59	38.82
- Other Current Assets	2.53	3.39	5.44	- Long-term Borrowings	38.14	38.27	34.77
Non-current Assets	120.47	121.93	115.92	- Other Non-current Liabilities	4.35	4.31	4.05
- Long-term Investment	6.22	5.87	6.22	<b>Shareholders' Equity</b>	<b>64.48</b>	<b>60.64</b>	<b>63.06</b>
- Property and Equipment	42.47	43.12	45.06	Paid-in Capital	34.21	34.21	34.21
- Concession	41.29	42.04	35.82	Capital Surplus	12.30	12.31	13.92
- Other Non-current & Contract Assets	30.50	30.90	28.82	Legal Reserve	27.56	27.56	26.14
	<b>3Q18</b>	<b>2Q18</b>	<b>3Q17</b>	Treasury Shares	(29.72)	(29.72)	(29.72)
<b>Current Ratio</b>	67%	61%	68%	Un-appropriated Earnings	3.39	3.39	0.63
<b>Net Debt to Equity</b>	77%	67%	80%	Non-controlling Interest	5.87	5.68	5.67
<b>Net Debt to EBITDA (x)</b>	1.55	1.23	1.54	Retained Earnings & Others <sup>2</sup>	10.87	7.22	12.21
<b>ROE<sup>1</sup> (annualized)</b>	22%	22%	26%				

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

2. Including accumulated profits and other equity items.

# Cash Flow Analysis

<b>NT\$bn</b>	<b>3Q18</b>	<b>2Q18</b>	<b>3Q17</b>
<b>Operating Cash Flow</b>	<b>7.00</b>	<b>7.51</b>	<b>6.98</b>
<b>Investing Cash Flow</b>	<b>(1.08)</b>	<b>(0.28)</b>	<b>(3.43)</b>
<b>Financing Cash Flow</b>	<b>(7.60)</b>	<b>(7.28)</b>	<b>(3.75)</b>

<b>NT\$bn</b>	<b>3Q18</b>	<b>2Q18</b>	<b>3Q17</b>
<b>Cash CAPEX<sup>1</sup></b>	<b>(2.18)</b>	<b>(1.69)</b>	<b>(2.46)</b>
<b>Free Cash Flow<sup>1</sup></b>	<b>4.82</b>	<b>5.82</b>	<b>4.51</b>

1. Excluding 4G License Fees



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| Event Updates

# Awards and Recognition

-  Selected for 2018 Dow Jones Sustainability World Indices (DJSI World) and ranked Top 1 in global telecommunications.
-  Recognized for the “Best Customer Service Center” of the CSEA (Customer Service Excellence Awards) by Taiwan Contact Center Development Association in 2018.
-  Won Excellence in Corporate Social Responsibility Award 2018 from CommonWealth Magazine.

# Key Message

- 🌍 Growing e-commerce business as well as cross-selling among telecom, content, and internet services to stimulate higher spending per customer is our focus.
- 🌍 The fast growing momentum of the enterprise segment, including the IoT, cloud, and ICT businesses, bring additional promise for future telecom revenues.
- 🌍 Rationalizing costs and optimizing efficiency to ensure steady streams of cash flows remain our commitment.



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Q & A