



Taiwan Mobile
台湾大哥大

Taiwan Mobile Co., Ltd.

1Q17 Results Summary

May 4, 2017

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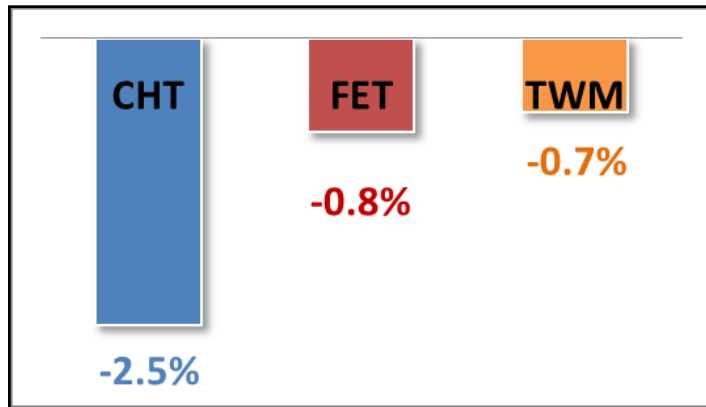
Business Overview

Outperformance in Telecom Business

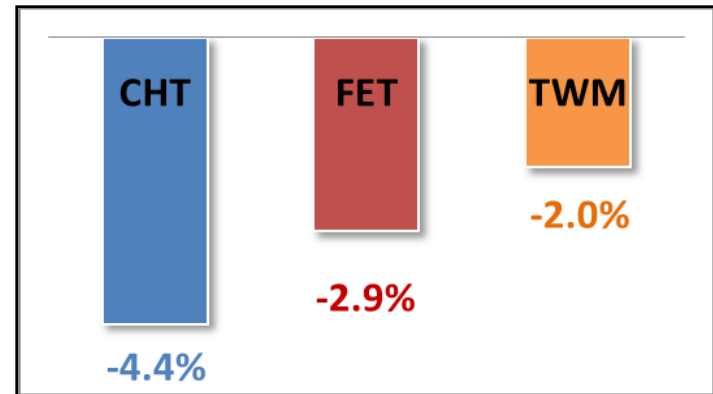
Key Operating Metrics

1Q17 YoY Change

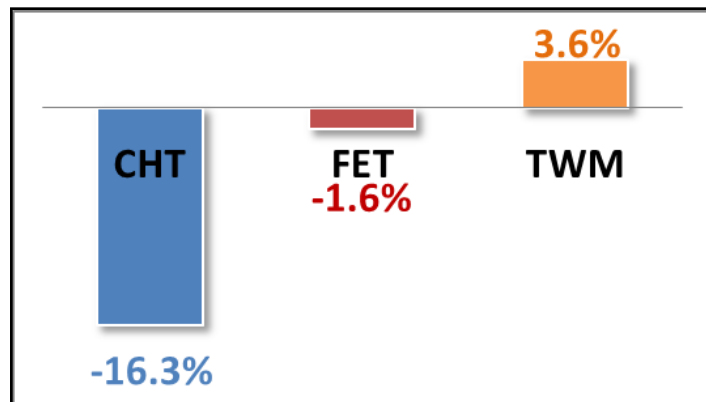
Total Mobile Subscribers



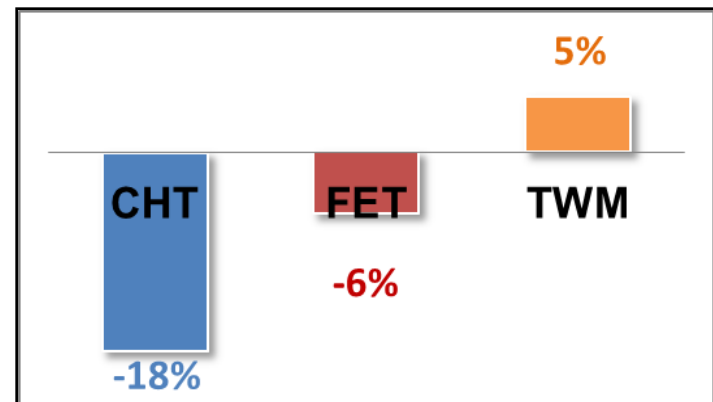
Mobile Service Revenue¹



Telecom EBIT



EPS



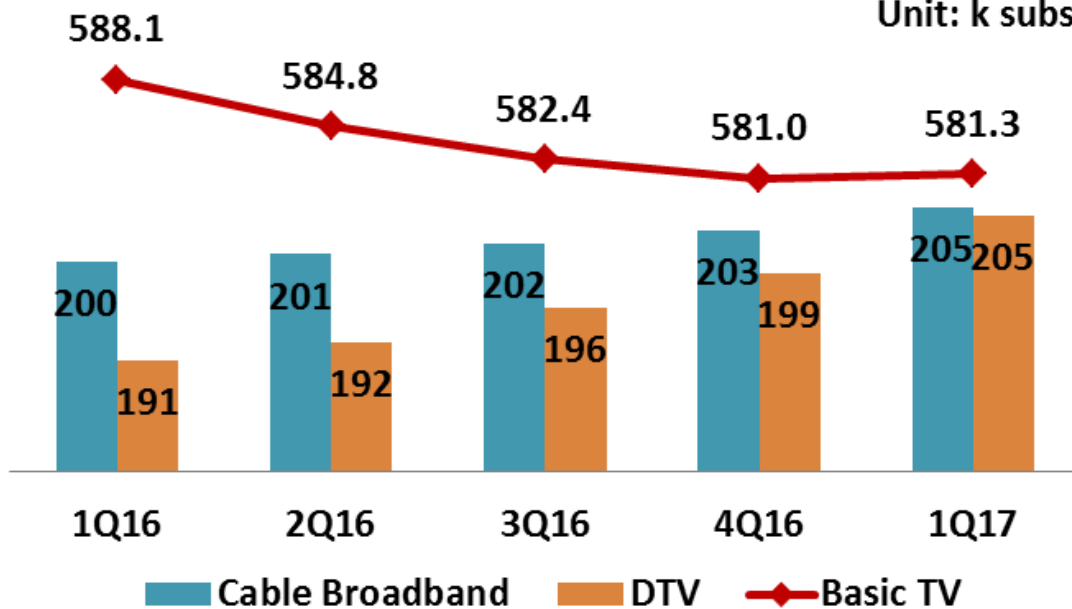
1. Based on Residual Value Method, i.e. excluding revenue adjustments under the current bundle sales accounting policy



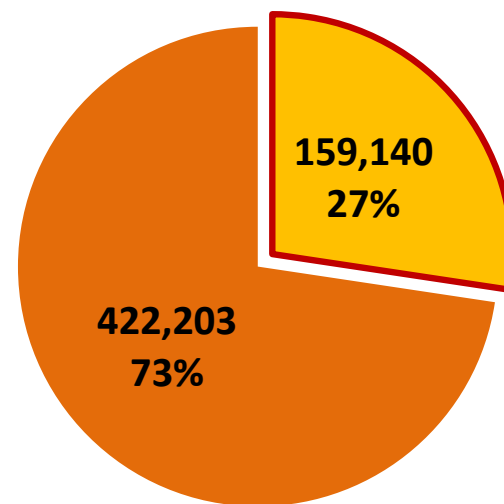
Competition in CATV Tapering Off

Subscriber Number

Unit: k subs



Only 27% TV Subs in an Area with Competition



(Unit: NT\$bn)	1Q17	QoQ
CATV		
Total Revenue	1.61	0%
EBITDA	0.86	2%
EBITDA Margin	53.5%	+1.5ppts

E-commerce – the Bright Spot

(Unit: NT\$bn)	1Q17	QoQ	YoY
momo			
Total Revenue	7.58	-1%	8%
- E-commerce	5.90	1%	18%
- TV Home Shopping & Others	1.68	-7%	-16%
EBITDA	0.34	0%	-14%
EBITDA Margin	4.5%	+0.0ppts	-1.2ppts
Equity Investment Income	0.038	73%	52%



Financial Overview

NT\$m	1Q17			
	Amount	YoY	QoQ	% of 1Q17 Forecast
Revenue	28,841	-1%	-6%	97%
Cost	(19,636)	0%	-8%	97%
Operating expense	(4,131)	-8%	-10%	91%
Operating income	5,074	1%	8%	107%
Net non-oper. items	(171)	-27%	-50%	117%
Income before tax	4,903	3%	13%	107%
Net income	3,961	5%	15%	109%
EPS (NT\$)	1.46	5%	15%	109%
EBITDA	8,443	0%	3%	104%
EBITDA margin	29.27%			

Performance by Business

NT\$bn	Revenue				EBITDA			
	Telecom	CATV	momo	Total	Telecom	CATV	momo	Total
1Q17	19.61	1.61	7.58	28.84	7.14	0.86	0.34	8.44
% of total	68%	6%	26%	100%	85%	10%	4%	100%
1Q17 YoY	-4%	-2%	8%	-1%	1%	-4%	-14%	0%
4Q16 YoY	-3%	-3%	11%	0%	5%	-6%	21%	5%

Note: 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.

Balance Sheet Analysis

NT\$bn	1Q17	4Q16	1Q16		1Q17	4Q16	1Q16
Total Assets	148.73	151.38	153.75	Liabilities	78.25	85.19	84.09
Current Assets	32.58	34.28	32.98	Current Liabilities	31.42	38.14	49.84
- Cash & Cash Equivalents	7.93	7.70	8.70	- ST Debts	8.26	13.62	25.53
- Accounts Receivable	14.77	15.42	15.72	- Other Current Liabilities	23.16	24.53	24.31
- Inventories	3.82	4.07	2.78	Non-Current Liabilities	46.83	47.05	34.25
- Other Current Assets	6.07	7.09	5.77	- Long-Term Borrowings	42.79	42.91	29.39
Non-current Assets	116.15	117.10	120.77	- Other Non-current Liabilities	4.04	4.14	4.86
- Long-term Investment	5.58	5.41	5.37	Shareholders' Equity	70.48	66.19	69.66
- Property and Equipment	45.00	45.37	46.79	- Paid-in Capital	34.21	34.21	34.21
- Concession	37.20	37.86	39.81	- Capital Surplus	14.99	14.99	14.59
- Other Non-current Assets	28.37	28.45	28.80	- Legal Reserve	24.61	24.61	23.04
	1Q17	4Q16	1Q16	- Un-appropriated Earnings	0.63	0.63	2.76
Current Ratio	104%	90%	66%	- Treasury Shares	(29.72)	(29.72)	(29.72)
Net Debt to Equity	61%	74%	66%	- Non-controlling Interest	5.92	5.77	5.90
Net Debt to EBITDA (x)	1.32	1.44	1.39	- Retained Earnings & Others*	19.85	15.71	18.89
ROE (annualized)	25%	23%	24%				

* Including accumulated profits and other equity items

Cash Flow Analysis

NT\$bn	1Q17	4Q16	1Q16
Operating Cash Flow	7.49	7.94	10.03
Investing Cash Flow	(1.70)	(2.36)	(2.91)
Financing Cash Flow	(5.56)	(4.44)	(7.00)

NT\$bn	1Q17	4Q16	1Q16
Cash CAPEX	(2.66)	(2.26)	(2.75)
Free Cash Flow	4.83	5.68	7.29



Event Updates

 **2016 Earnings Distribution**

TWM's board meeting today (May 4, 2017) approved a proposal to distribute NT\$15.2bn in cash dividends, translating into a 99.5% 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**

Received the distinction of Industry Mover in the category of global telecom industry and qualified for inclusion in the 2017 Sustainability Yearbook issued by RobecoSAM (Sustainable Asset Management) for the first time, the only awardee from the Taiwan telecom industry.

Maintaining stable profits remains a key area of focus for Taiwan Mobile. Differentiated offerings to mitigate the longer-than-expected industry rationalization have helped us to increase the take-up of higher-end rate plans and lower customer acquisition costs. Looking ahead, we don't expect to see worsened competitive dynamics. Taiwan Mobile will strike a balance between responding to competition and maintaining profitability.



Q & A