Taiwan Mobile

4Q25 Results Conference Call

March 13, 2026

Jamie Lin, President: Good afternoon, everyone. Welcome to Taiwan Mobile's 4th quarter 2025 results conference call. Before I start our presentation, please refer to our safe harbor notice on this page.

Now let's take a look at our business overview. Please turn to page 4 for 2025 highlights.

4Q25 Highlights

2025 was a landmark year for Taiwan Mobile, defined by robust financial performance and the disciplined execution of our growth strategies. Our core engines—Telco, Telco+, and New Telco+Tech—generated significant momentum, driving consolidated EBITDA to an all-time high and pushing EBIT up 6% YoY to a 14-year peak. This profitability was bolstered by AI-driven operational efficiencies and the realization of T-Star merger synergies.

With net income and EPS of NT$4.77 reaching 9- and 7-year highs respectively, we have proven the success of our evolution into a new breed of enterprise at the intersection of telecom and technology. Unlike pure-play tech companies, we command the underlying critical infrastructure—including high-speed connectivity and high-power data center capacity. This 'Telco+Tech' ecosystem creates a formidable competitive moat: one where AI doesn't just optimize our digital interfaces, but fundamentally redefines our physical operations and new business creation. We are not merely participating in the AI cycle; we are providing the essential platforms that power it.

Now, let's take a closer look at our mobile business on the next page.

Mobile – Growth Engine #1

Turning to our core mobile business, our 'Sustainable Growth Foundation' strategy continues to yield impressive results. This is underscored by a record-low postpaid churn rate of 0.59%, which is a formidable 13bps improvement YoY, as well as a 3% YoY increase in smartphone ARPU to NT$687.

We continue to see high-quality growth in our user base, particularly within the 5G segment. 5G penetration reached 44% (a 3ppts YoY increase), fueled by strong demand for the iPhone 17 series and our unique bundles.

The migration from 4G to 5G remains a powerful revenue driver, with conversions yielding a 53% uplift in monthly fees, while blended contract renewals saw a 7% uplift. These factors supported a 10% YoY growth in 5G revenue, which now contributes 68% of our total mobile service revenue.

Looking at the broader landscape, we are seeing a very healthy industry environment that focuses on value competition. Total number porting volume declined by 17% in 2025 as a result.

Next, let's turn to page 6 for updates on our home broadband business.

Broadband – Growth Engine #2

Our Home Broadband business maintained steady momentum, posting a 5% YoY revenue growth in Q4. This performance is driven by a compelling value proposition; for instance, our 1Gbps plan offers customers up to 42% savings compared with the market leader.

Growth was further bolstered by our expanded footprint and "Double Play" bundles, which seamlessly integrate mobile data, broadband, and premium OTT content like HBO Max and Netflix. By partnering with other MSOs, our service coverage now exceeds 90% of households island-wide, positioning us for continued market share gains.

The upgrades toward high-speed connectivity also continues. Our subscriber base for 300Mbps-and-above speeds surged 27% in 2025—growing at nearly twice the speed of the market leader, proving the strength of our high-tier offerings.

Now, let's talk about our Telco+ Businesses on the next page.

Telco+ – Growth Engine #3

I am excited to formally introduce Telco+ as our growth engine #3. This segment is the cornerstone of our enterprise strategy, leveraging our 'Gift-as-a-Service' model to provide cloud, AI, and cybersecurity solutions.

The growth here has been exceptional, with revenue climbing 26% in 2025—bolstered by significant government SI projects and the successful launch of our AI Data Center (AIDC) business in Q3. As enterprises accelerate their AI transformations, TWM is ideally positioned to be their partner of choice, further fueling the growth of our overall telecom service revenue.

Next, let's move on to our New Telco+Tech Businesses.

New Telco+Tech – Growth Engine #4

Our fourth engine, New Telco+Tech, delivered a solid 12% revenue increase in 2025, fueled by the rapid scaling of our digital ventures.

Our Direct Carrier Billing business 大哥付隨帳收 grew 7%, as we expanded our service portfolio to drive recurring usage. By deepening integration across more digital platforms, we are seeing increased adoption of carrier-based payments throughout our user base.

Our e-commerce services for brands (or "品牌電商" in Mandarin) saw its revenue jump by 74% QoQ, driven by e-commerce high season and new client acquisition. We will continue to leverage group synergies and data-driven insights to capture market share and enhance marketing efficiency.

Finally, let's look at momo.

momo

Despite a challenging broader operating environment, momo's core fundamentals remain resilient. We maintained a stable 13.6% take rate and grew our active user base by 3% YoY. This stability is supported by the strong traction in our high-growth segments: the mo-shop+ third-party marketplace and our Retail Media Network (RMN). In 2025, the 3P platform achieved triple-digit GMV growth and now offers an expansive selection of over 3.4 million SKUs.

Our RMN is also proving to be a significant competitive advantage. We have already reached 40% merchant penetration, with momo ads delivering ROAS that is 1.5x that of other market players. This performance underscores the superior precision of our platform and the high value we provide to our brand partners.

With that overview of our strategic progress, I'll now turn the floor over to our CFO, George Chang, for a detailed look at the financials.

Performance by Business

George Chang, CFO & Spokesperson:

Good afternoon. Let's start with Performance by Business.

In 4Q25, our telecom business delivered 12% YoY revenue growth and accounted for 45% of consolidated revenue. In addition to steady performance in our consumer telecom business where mobile service revenue reached a 12-year high, contributions from government SI projects and our new AIDC drove telecom service revenue up 15% YoY to a record high.

As for profitability, telecom EBITDA grew by 12% YoY and contributed 79% of consolidated EBITDA in Q4. The YoY increase was driven by mobile plan upselling and disciplined management of subsidies and marketing expenses.

Let's go to Results Summary.

Results Summary

In Q4 2025, revenue, EBITDA, and operating income all reached levels not seen since 2014, when T Star and APT first entered the 4G market. This highlights a full structural recovery, as we move beyond the decade-long 4G price competition and re-establish new performance highs.

For the full year, while consolidated revenue was flat, EBITDA and operating income went up by 2% and 6% respectively. This was supported by an industry-leading telecom EBIT YoY expansion of 18%, driven by network consolidation synergies.

On the non-operating side, the YoY increase in losses was primarily driven by a high base effect from one-off gains booked in 2024. Excluding these gains, full year net income and EPS for 2025 would have increased by about 10% YoY. Additionally, the rise in interest expenses stems from the issuance of convertible bonds and is recorded on an accrual basis, with no cash impact.

Let's move on to Balance Sheet.

Balance Sheet Analysis

The YoY decline in cash & cash equivalents was primarily attributable to momo's use of internally generated cash flow to fund capital expenditures and dividend payments, while maintaining a debt-free position.

PP&E decreased YoY, reflecting a moderation in cash capex. Conversely, right-of-use assets and non-current lease liabilities rose YoY and QoQ, following the commencement of our new AI data center in Q3.

We reduced gross debt by NT$9bn YoY, a testament to our disciplined capital allocation and robust cash generation.

Supported by healthy cash flows, our net debt-to-EBITDA ratio improved YoY, while consistent profitability kept our ROE steady at 15%.

Lastly, let's look at Cash Flow on the next slide.

Cash Flow Analysis

In Q4, operating cash flow rose 16% YoY, underpinned by EBITDA growth and favorable working capital dynamics. This was mainly driven by an increase in accounts payable, reflecting business expansion in iPhone bundles and enterprise projects.

For the full year, operating cash flow grew 4% YoY. This was led by strong momentum in our telecom business, which more than offset a softer performance in our e-commerce segment.

Long-term investing cash outflow moderated in 2025 compared with higher investment levels seen in 2024. Financing cash outflow increased, primarily reflecting the repayment of long-term borrowings.

Our 2025 cash capex saw a slight uptick, mainly due to payments for momo's central distribution center. In contrast, telecom cash capex decreased by 5% YoY, reflecting a moderation in 5G network deployment.

Finally, supported by robust operations, full-year Free Cash Flow rose 9% to NT$21.49bn, translating into a solid FCF yield of 6.5%.

Let me turn the presentation back to Jamie for event updates and Key Message.

2025 Earnings Distribution

Regarding our 2025 earnings distribution, the Board today approved a proposal to distribute NT$14.52bn in cash dividends, or NT$4.8 per share. The DPS is 7% higher than the previous year and marks our highest since 2019. This represents a payout ratio of over 100% and a cash dividend yield of approximately 4.5%, which is the highest among our peers.

Next, let me walk you through our 2026 guidance.

2026 Guidance

Looking ahead to 2026, we are guiding for consolidated revenue growth of 5% to 7% YoY. This momentum is mirrored in our telecom-related revenues, also projected to rise by 5% to 7%, driven by the ongoing migration to high-value 5G plans and the scaling of our AI-enhanced ecosystem.

On the bottom line, we expect telecom operating profit to grow between 4% and 6%. While we continue to invest in our telco+tech transformation, we are increasingly leveraging AI to optimize operational efficiency and personalize customer engagement, ensuring a stable upward trajectory in operating income.

To support this growth, the Board has approved a total CAPEX budget of NT$8.24bn for 2026. Of this total, NT$6.13bn is to be allocated to mobile and fixed networks to reinforce our 5G network quality and capacity. The remainder will be strategically deployed across cable broadband, digital TV, and e-commerce, focusing on expanding our "Telco+Tech" footprint and AI-driven service capabilities.

While these figures represent our approved budget, actual cash payments for the year will remain subject to the specific timing of our network deployment and the completion of system provisioning.

Awards and ESG Recognitions

Taiwan Mobile continues to lead in sustainability, achieving 17% renewable energy usage in 2025—significantly surpassing our original 14% target and accelerating our net-zero roadmap.

Our technical leadership was further validated by OpenSignal’s H2 2025 Report, where we secured top rankings in Video Experience, 5G Video, 5G Voice App Experience, and Availability. This recognition reinforces our commitment to providing the most reliable and high-quality connectivity for our users.

Our ESG excellence was validated by the TIP Taiwan Sustainability Rating, where we received the highest "AAA" rating, ranking among the top 5% of all listed companies in Taiwan.

We are also honored to be the inaugural winner of the "Cultural Impact Award" from the ESG for Culture Impact Awards, hosted by TAICCA, highlighting our unique contribution to the creative industry. Furthermore, we received the 2025 CSEA Excellent Customer Service Award for our industry-leading AI system applications and team performance.

Finally, we are proud to be named “Best IT Employer” for the 3rd consecutive year and to receive CommonWealth Magazine’s “CSR Award” for the 18th time. These accolades, alongside our Talent Sustainability and Family-Friendly Workplace awards, underscore our long-term commitment to our people and society.

Key Message

Finally, to wrap up this presentation, here is the key message we would like for you to take away with.

Taiwan Mobile delivered a landmark year in 2025, achieving record-high EBITDA and solid growths across all key financial metrics.

For 2026, we are confident in achieving our guidance via three pillars:

- Reinforcing the Core: Driving growth through unique bundles, cross-selling, and superior network quality while maintaining cost discipline.
- Accelerating Telco+: Leveraging AI capabilities and strategic partnerships to capture expanding enterprise demand.
- Scaling Telco+Tech: Maximizing group synergies and our vast user base to scale new tech services.

With that, let’s open the floor for questions. If you are participating online, you are more than welcome to send your questions via the chat box. We will begin by addressing the telephone line inquiries before moving on to the web. Operator, please go ahead.