



May 13, 2026

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TWM Consolidated

NT\$b	<u>1Q26</u>	<u>1Q25</u>	<u>YoY</u>
Revenues	49.78	48.17	3%
Operating Income	5.93	5.15	15%
Non-op. Income (Expenses)	(0.26)	(0.24)	11%
Pre-tax Income	5.67	4.91	15%
(Income Tax)	(1.14)	(0.76)	49%
(Minority Interest)	(0.38)	(0.49)	-23%
Net Income	4.15	3.66	13%
EPS (NT\$)	1.37	1.21	13%

Highlights of Operating Results

1Q26

While consolidated revenue rose by 3% YoY, EBITDA and operating income went up by 8% and 15% YoY respectively, mainly driven by increased SI project contributions, profit from content investment, savings in subsidies and channel commissions, as well as operating efficiencies. Excluding the one-off tax benefit recognized in 1Q25, normalized net income would have increased by 17% YoY. With ongoing debt reduction and EBITDA growth, net debt-to-EBITDA ratio improved to 1.58x, while ROE climbed to 17%. 1Q26 pre-IFRS 16 free cash flow reached NT\$7.04bn, underpinned by disciplined CAPEX and robust operating inflows. On an annualized basis, this equates to a free cash flow yield of 8.5%.

Key Message

Taiwan Mobile is leading the telecom industry with a 4.5% cash dividend yield and a sector-high first quarter EPS. Our performance is anchored by a stable Telco Core foundation, while our Telco+ and New Telco+Tech segments are delivering double-digit structural growth. Together, these engines are upgrading our operational scale and value structure, accelerating our evolution into an AI-driven powerhouse.

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I. Revenue Analysis

Table 1. Key Operational Data

Residual Value (NT\$b)	1Q26	4Q25	1Q25	QoQ	YoY
Mobile Service Revenue	16.81	16.82	16.24	0%	3%
Postpaid ARPU (NT\$)	629	632	616	0%	2%
09x Postpaid ARPU (NT\$)	687	687	666	0%	3%
Blended ARPU (NT\$)	580	577	541	1%	7%

Note: Operational data and reported financials from 4Q23 onwards reflect Taiwan Mobile's merger with T Star effective on December 1, 2023.

Revenue (NT\$b)	1Q26	4Q25	1Q25	QoQ	YoY
Telecom	22.76	25.39	21.51	-10%	6%
Service	16.26	17.58	15.31	-8%	6%
Device Sales	6.50	7.81	6.21	-17%	5%
momo	26.59	31.67	26.41	-16%	1%
CATV revenue¹	1.71	1.48	1.47	15%	16%
Pay-TV	0.72	0.73	0.74	-1%	-3%
Broadband ¹	0.63	0.62	0.60	2%	5%
Content & channel leasing	0.36	0.14	0.14	165%	167%
Others²	0.17	0.18	0.16	-5%	10%

1. CATV revenue includes broadband costs borne by TWM for its Double Play customers which is eliminated in consolidated revenue.

2. Other revenue primarily consists of operating revenue from our 49.9%-held Taipei New Horizon Co., Ltd., which became a consolidated entity on Feb 21, 2014.

	1Q26	4Q25	1Q25	QoQ	YoY
Mobile Subscribers (K)	9,693	9,633	10,026	1%	-3%
- Postpaid	8,627	8,558	8,485	1%	2%
Monthly Churn	1.2%	1.9%	1.3%		
-Postpaid	0.5%	0.6%	0.6%		
MOU (bn)	0.69	0.73	0.72	-6%	-4%
Pay-TV Subs (K)	473	476	485	-1%	-3%
Cable Broadband Subs (K) ¹	332	329	320	1%	4%
DTV Subs (K)	292	292	294	0%	-1%

CATV ARPU (NT\$)	1Q26	4Q25	1Q25	QoQ	YoY
Pay-TV	504	507	508	-1%	-1%
Broadband	631	627	623	1%	1%
Blended ²	944	938	916	1%	3%

1. Cable broadband customers signed via TWM Double Play series are not included.

2. Cable TV & broadband-related revenue (excluding content agency) divided by CATV subscriber number.

Telecom

In 1Q26, 5G penetration in TWM's smartphone postpaid user base exceeded 44%, about 3ppts higher than a year ago. For contract renewals, a 6% overall uplift was seen in monthly tariffs, with a 50% boost in 4G to 5G renewals. As a result, 5G revenue grew by 9% YoY, lifting its contribution to mobile service revenue to 68%.

Mobile service revenue rose 3% YoY, supported by a 3% growth in 09x postpaid ARPU. The YoY increase in blended ARPU was mainly driven by higher prepaid ARPU, as a clampdown on idle prepaid users resulted in a sharp drop in the number of subscribers.

Steady performance in our consumer telecom business, contributions from government SI projects and our new AIDC drove telecom service revenue up 6% YoY in 1Q26. On a QoQ basis, the declines in service revenue and device sales were attributable to the high base effect of a large-scale SI project and the peak season for iPhone sales and e-commerce in 4Q25, respectively.

Our unique bundles continued to enable upselling and deepen customer engagement. In 1Q26, we further expanded our broadband service coverage area to 94% for Double Play bundles, which bodes well for steady increases in user sign-up and ARPU.

momo

Despite a still challenging operating environment, momo returned to YoY revenue growth in 1Q26, after four quarters of declines. Its e-commerce GMV rose by 5% YoY, while the take rate remained stable. The 3P platform, mo shop+, achieved double-digit GMV growth and now offers over 3.5 million SKUs.

Cable TV

Our broadband business recorded a solid 5% YoY revenue growth in 1Q26. Including Double Play users, broadband subs on speeds of 300Mbps or higher surged by 25% YoY. CATV revenue grew double-digit YoY, boosted by newly represented channels under our content agency business.

II. EBITDA Analysis

Table 2. EBITDA Breakdown

NT\$b	1Q26	4Q25	1Q25	QoQ	YoY
EBITDA	11.35	11.40	10.55	0%	8%
- Telecom	9.38	9.00	8.59	4%	9%
- momo	1.13	1.49	1.14	-24%	-1%
- CATV	0.79	0.77	0.79	2%	1%

NT\$b	1Q26	4Q25	1Q25	QoQ	YoY
D&A	5.42	5.39	5.40	1%	0%
- Telecom	4.85	4.81	4.82	1%	1%
- momo	0.34	0.34	0.35	-1%	-4%
- CATV	0.21	0.21	0.21	0%	-1%

NT\$b	1Q26	4Q25	1Q25	QoQ	YoY
EBIT	5.93	6.01	5.15	-1%	15%
- Telecom	4.53	4.19	3.77	8%	20%
- momo	0.79	1.15	0.79	-31%	0%
- CATV	0.58	0.56	0.57	3%	1%

Table 3. Non-operating Items

NT\$b	1Q26	4Q25	1Q25	QoQ	YoY
Non-Operating Income (Expense)	(0.26)	(0.42)	(0.24)	-38%	11%
- Net Interest Expense	(0.34)	(0.33)	(0.33)	5%	4%
- Write-off Loss	(0.02)	(0.03)	(0.03)	-24%	-29%
- Other Income (Expense) ¹	0.10	(0.07)	0.12	nm	-17%

1. Lawsuit-related interest expenses accrued from 4Q24 onwards are classified under other expenses rather than interest expense, to reflect its non-recurring and accrual nature.

EBITDA Analysis

Telecom EBITDA rose 9% YoY in 1Q26, reflecting higher revenues, effective mobile plan upselling, and disciplined management in subsidies and marketing expenses.

momo's EBITDA margin contraction moderated in 1Q26, reflecting improved efficiencies on a more normalized cost structure after the initial investment phase for 3P and RMN.

CATV EBITDA edged higher YoY, as the decrease in pay-TV revenue was more than offset by steady growth in broadband subscriber numbers and traction in our bundled offerings.

D&A Analysis

In 1Q26, the YoY increase in telecom D&A related to our new AI data center was partially offset by a decline in momo's D&A. To optimize the utilization of its proprietary logistics centers, momo has strategically reduced its reliance on leased third-party facilities. This consolidation has resulted in a subsequent decline in its D&A. Under IFRS 16, rental expenses are primarily reflected as depreciation expenses.

Non-Operating Item Analysis

Non-operating expenses increased YoY in 1Q26, primarily due to higher mark-to-market losses, which were mostly offset by higher equity method income from our strategic investments.

III. Income Statement Analysis

Table 4. 1Q26 Consolidated Results

NT\$b	1Q26	QoQ	YoY
Revenue	49.78	-12%	3%
Cash Cost & Expense	(38.42)	-15%	2%
Operating Income	5.93	-1%	15%
Non-op. Income (Expense)	(0.26)	-38%	11%
Pre-tax Income	5.67	1%	15%
Net Income	4.15	7%	13%
EPS (NT\$)	1.37	7%	13%
EBITDA	11.35	0%	8%

Income Statement Analysis

1Q26

While consolidated revenue rose by 3% YoY, EBITDA and operating income went up by 8% and 15% YoY respectively. That was mainly driven by increased SI project contributions, profit from content investment, savings in subsidies and channel commissions, as well as operating efficiencies.

IV. Cash Flow Analysis

Table 5. Cash Flow

NT\$bn	1Q26	4Q25	1Q25
Operating	10.74	10.32	9.07
Pre-tax Income	5.67	5.59	4.91
Non-cash Add-backs	5.91	5.97	5.96
--Depreciation ¹	2.54	2.58	2.65
--Amortization	1.66	1.65	1.65
--Others ¹	1.71	1.75	1.66
Changes in Working Capital & Income Taxes	(0.84)	(1.16)	(1.76)
Others	0.00	(0.08)	(0.04)
Investing	(5.63)	(2.12)	(3.46)
Capex ²	(2.47)	(2.34)	(3.48)
Divestment (Acquisition)	(3.31)	(0.12)	(0.01)
Other Financial Assets (Increase)	0.12	0.01	0.13
Refundable Deposits (Increase)	0.02	(0.04)	(0.09)
Others	0.02	0.38	(0.00)
Financing	(3.61)	(7.09)	(6.00)
Short-term Borrowings	(2.59)	(5.08)	(10.42)
Proceeds from Issuance of Bonds	0.00	0.00	10.01
Long-term Bank Loan	(0.03)	(0.63)	0.96
Repayment of The Principal Portion of Lease Liabilities ³	(1.17)	(1.13)	(1.12)
Dividends Payments	0.00	0.00	0.00
Repayments of Bonds Payable	0.00	0.00	(5.00)
Interest (Payment) & Others	0.17	(0.25)	(0.43)
Net Cash Position Chg.	1.50	1.11	(0.38)

1. Depreciation of right-of-use assets shown separately under "Others" instead of "Depreciation" in this table.

2. Inclusive of prepayments for equipment, the acquisition of computer software & other intangible assets, cash capex is net of government subsidies.

3. An operating cash outflow item prior to 2019.

Table 6. Capex & FCF

NT\$bn	1Q26	4Q25	1Q25
Cash Capex	2.47	2.34	3.48
- Mobile	1.55	1.23	2.29
- Fixed-line	0.37	0.27	0.36
- Cable	0.16	0.19	0.20
- momo & others	0.39	0.65	0.63
% of Revenue	5%	4%	7%
Free Cash Flow¹	7.04	6.70	4.41

1. Free cash flow was on a pre-IFRS 16 basis.

Cash Flow Analysis

1Q26

Our first-quarter operating cash flow demonstrated healthy growth on a QoQ and YoY basis. That performance was driven by strengthened earnings and favorable working capital movements, primarily attributable to increased advance deposits from new contract signings and higher cash inflows from project-based services.

Investing cash outflows increased QoQ and YoY due to a strategic media investment. This led to a corresponding decrease in debt repayment within financing cash outflows for the first quarter.

Capex and Free Cash Flow Analysis

1Q26 pre-IFRS 16 free cash flow rose to NT\$7.04bn, underpinned by lower CAPEX and higher operating cash inflows compared with the prior year. On an annualized basis, this equates to a free cash flow yield of 8.5%.

V. Balance Sheet Analysis

Table 7. Balance Sheet

NT\$b	1Q26	4Q25	1Q25
Total Assets	236.42	234.66	237.90
Current Assets	41.81	42.72	42.68
- Cash & Cash Equivalents	10.06	8.57	11.56
- Receivable & Contract Assets	21.36	21.89	19.82
- Inventories	6.91	8.63	7.39
- Short-term Investment	0.29	0.31	0.31
- Other Current Assets	3.19	3.31	3.60
Non-current Assets	194.60	191.94	195.23
- Long-term Investment	16.01	12.47	12.83
- Property and Equipment	51.65	52.75	52.84
- Right-of-use Assets	15.05	13.10	11.69
- Concession	59.15	60.60	64.95
- Other Non-current & Contract Assets	52.75	53.02	52.92
Liabilities	136.57	140.11	139.23
Current Liabilities	76.46	62.17	62.59
- ST Borrowings	38.60	21.70	25.78
- Accounts & Notes Payable	13.28	14.91	12.86
- Current Lease Liabilities	4.38	4.18	4.04
- Other Current Liabilities	20.20	21.37	19.91
Non-current Liabilities	60.11	77.94	76.64
- Long-term Borrowings	42.00	61.48	61.29
- Non-current Lease Liabilities	10.90	9.10	7.70
- Other Non-current Liabilities	7.22	7.37	7.65
Shareholders' Equity	99.85	94.55	98.67
-Paid-in Capital	37.23	37.23	37.23
-Capital Surplus	29.44	29.03	30.19
-Legal Reserve	36.11	36.11	34.72
-Treasury Shares	(29.46)	(29.72)	(29.72)
-Un-appropriated Earnings	0.00	0.00	0.00
-Non-controlling Interest	8.79	8.41	9.02
-Retained Earnings & Others ¹	17.73	13.48	17.23

1: Including YTD profits and other equity items

Table 8. Ratios

	1Q26	4Q25	1Q25
Current Ratio	55%	69%	68%
Interest Coverage (x)	17.7	23.7	15.1
Net Debt (Cash) to Equity	71%	79%	76%
Net Debt (Cash) to EBITDA (x)	1.58	1.73	1.73
ROE (annualized)¹	17%	15%	15%
ROA (annualized)²	7%	6%	7%

1. The interest expense used in the calculation for coverage ratio excludes the aforementioned lawsuit-related one-off interest expenses. (refer to note 1 in Table 3)

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

3. ROA = Accumulated Net Income + Interest Expenses*(1-Tax Rate) (Annualized) / Average Total

Assets

The inventory balance of current assets declined, reflecting improved turnover efficiency. Meanwhile, accounts receivable and contract assets saw an 8% YoY uptick, which aligned with revenue growth across both mobile and fixed-line segments.

The YoY rise in long-term investments was largely attributable to a NT\$3bn strategic investment in the media sector during the quarter.

Right-of-use assets saw a YoY increase, reflecting the expansion of operational floor space dedicated to our AI data center facilities.

Liabilities & Shareholders' Equity

Short-term borrowings rose YoY, primarily reflecting the reclassification of three-year revolving commercial paper as current liabilities. This adjustment was made in January in accordance with the FSC's IFRS guidance.

Gross debt declined by NT\$2.6bn QoQ and NT\$6.5bn YoY, reaching a post-merger low. This deleveraging was driven by stable cash flow generation following the T Star merger.

Ratio Analysis

Our net debt-to-EBITDA ratio improved to 1.58x, supported by debt reduction and EBITDA growth. Concurrently, strong profitability propelled ROE to 17%.



VI. Management Remarks

Key Message

Taiwan Mobile is leading the telecom industry with a 4.5% cash dividend yield and a sector-high first quarter EPS. Our performance is anchored by a stable Telco Core foundation, while our Telco+ and New Telco+Tech segments are delivering double-digit structural growth. Together, these engines are upgrading our operational scale and value structure, accelerating our evolution into an AI-driven powerhouse.

Awards and ESG Recognitions

- S&P Global Sustainability Yearbook: Listed for 9 consecutive years, ranking among the Global Top 5% for seven of those years.
- Business Weekly "AI Innovation Top 100": Winner of the Diamond Award in the ICT category.
- Google Verified Peering Provider (VPP): Officially attained Silver Certification for enterprise-grade connectivity.
- SGS Qualicert: Achieved international service certification for 14 consecutive years.
- Sports Activist Awards: Honored by the Ministry of Education for 9 consecutive years with the Gold Class and Long-term Sponsorship awards.