Second Quarter 2026 Results

for the period ending June 30, 2026

August 14, 2026

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TWM Consolidated

NT$bn	2Q26	YoY	1H26	YoY
Revenues	**49.43**	**4%**	**99.21**	**4%**
Operating Income	**6.12**	**18%**	**12.05**	**17%**
Non-op. Income (Expenses)	**(0.07)**	**-89%**	**(0.33)**	**-61%**
Pre-tax Income	**6.05**	**33%**	**11.72**	**24%**
(Income Tax)	**(1.14)**	**29%**	**(2.28)**	**38%**
(Minority Interest)	**(0.37)**	**-3%**	**(0.75)**	**-14%**
Net Income	**4.54**	**38%**	**8.69**	**25%**
EPS (NT$)	**1.49**	**37%**	**2.86**	**24%**

Highlights of Operating Results

2Q26

Consolidated revenue rose by 4% YoY, as telecom, momo and CATV all delivered revenue growth for two quarters in a row. Operating income went up by 18% YoY to a new quarterly high in over two decades. This was mainly driven by telecom savings in subsidies and channel commissions, overall operating efficiencies, as well as lower D&A expenses. Aided by a stronger non-operating performance, 2Q26 net income rose to a two-decade high. Pre-IFRS 16 free cash flow rose to NT$7.45bn, underpinned by lower capex and higher operating cash inflows compared with the prior year. On an annualized basis, this translates into a free cash flow yield of 8.4%.

1H26

The solid consolidated results were driven mainly by the telecom business, supported by increased contributions from SI projects, AIDC, and content investments, as well as lower marketing spend. Coupled with a significant drop in non-operating expenses, net income surged 25% YoY, while EPS reached NT$2.86, the highest in the industry. Our net debt-to-EBITDA ratio fell to 1.33x as debt decreased and EBITDA continued to grow. Meanwhile, ROE rose to 19% on improved profitability.

2026 Guidance Update

Consolidated revenue: up 5~7% YoY (unchanged)
  Telecom-related revenues: up 5~7% YoY (unchanged)
Consolidated operating profit: up 7~9% YoY (previously 1~2%)
  Telecom operating profit: up 13~15% YoY (previously 4~6%)

Please refer to material information announcement for full details.

Key Message

Key Growth Drivers
- Sustained momentum in mature core telecom and momo businesses.
- Rapid expansion in Telco+ and New Telco+Tech businesses.

Already Capturing Alpha in Agentic Era
- Industry-leading AI-driven structural cost reduction & productization.
- Fast-growing Enterprise AIDC and AICT solutions.

Future Outlook
- Fully confident in meeting our updated full-year financial guidance.
- Firmly committed to maximizing long-term structural increase in shareholder returns— and hence, delivering a golden decade.

Subsequent Event: Tender Offer for Systex (6214.TW)

On August 12, 2026, Taiwan Mobile announced a tender offer to purchase up to a 58% stake in Systex, on top of the 11.86% the Company already owned since September 2024. The offer features a 50/50 cash-and-stock structure, with the cash portion fully supported by TCC's own cash and group borrowings. Upon completion, we expect to drive synergies in cross-selling, AI applications, and regional expansion. The transaction is subject to Taiwan Fair Trade Commission approval, with the tender period running from August 18 through October 6.

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I. Revenue Analysis

Table 1. Key Operational Data

Residual Value (NT$bn)	2Q26	1Q26	2Q25	QoQ	YoY
Mobile Service Revenue	16.84	16.81	16.37	0%	3%
Postpaid ARPU (NT$)	628	629	619	0%	1%
09x Postpaid ARPU (NT$)	689	687	670	0%	3%
Blended ARPU (NT$)	578	580	545	0%	6%

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

Revenue (NT$bn)	2Q26	1Q26	2Q25	QoQ	YoY
Telecom	**21.85**	**22.76**	**21.11**	**-4%**	**4%**
Service	15.98	16.26	15.35	-2%	4%
Device Sales	5.87	6.50	5.76	-10%	2%
momo	**27.09**	**26.59**	**26.03**	**2%**	**4%**
CATV revenue[1]	**1.71**	**1.71**	**1.50**	**0%**	**14%**
Pay-TV	0.71	0.72	0.73	-1%	-4%
Broadband[1]	0.63	0.63	0.60	1%	5%
Content & channel leasing	0.37	0.36	0.16	1%	127%
Others[2]	**0.17**	**0.17**	**0.16**	**-3%**	**2%**

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.

	2Q26	1Q26	2Q25	QoQ	YoY
Mobile Subscribers (K)	**9,810**	**9,693**	**10,008**	**1%**	**-2%**
- Postpaid	8,753	8,627	8,513	1%	3%
Monthly Churn	**1.1%**	**1.2%**	**1.4%**		
-Postpaid	0.5%	0.5%	0.6%		
MOU (bn)	**0.71**	**0.69**	**0.73**	**3%**	**-3%**
Pay-TV Subs (K)	**469**	**473**	**482**	**-1%**	**-3%**
Cable Broadband Subs (K)[1]	334	332	323	1%	3%
DTV Subs (K)	291	292	293	0%	-1%

CATV ARPU (NT$)	2Q26	1Q26	2Q25	QoQ	YoY
Pay-TV	501	504	506	-1%	-1%
Broadband	633	631	626	0%	1%
Blended[2]	949	944	923	0%	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 2Q26, 5G penetration in TWM's smartphone postpaid user base exceeded 45%, 2.6ppts higher than a year ago. For contract renewals, we saw a 6% overall uplift in monthly tariffs, with a 46% boost in 4G to 5G renewals. As a result, 5G revenue grew by 8% YoY, lifting its contribution to mobile service revenue to 69%.

Mobile service revenue rose by 3% YoY, supported by a 3% growth in 09x postpaid ARPU. The YoY increase in blended ARPU was mainly driven by higher prepaid ARPU following a clampdown on idle prepaid users in 2H25.

Our unique bundles continued to drive upselling and deepen customer engagement. In 2Q26, we introduced a new high-value, multi-platform OTT bundle that combines mobile data with a 2-year subscription to Netflix, Prime Video, HBO Max, and our own MyVideo.

Like our existing Double Play and OP bundles, the majority of subscribers on the new bundle opted for NT$999 or higher rate plans, which bodes well for steady growth in postpaid subscribers and ARPU. Our postpaid subscriber churn rate also fell to a record low of 0.50% in 2Q26.

Steady performance in our consumer telecom business, along with contributions from AIDC and government SI projects, drove telecom service revenue up 4% YoY in 2Q26.

momo

momo delivered positive YoY revenue growth for the second consecutive quarter. Its e-commerce GMV rose by 7% YoY, while its take rate remained stable.

Cable TV

Our broadband business recorded a solid 5% YoY revenue growth in 2Q26. Including Double Play users, broadband subs on speeds of 300Mbps or higher surged by 22% YoY. CATV revenue grew by double-digits YoY, boosted by newly represented channels under our content agency business.

II. EBITDA Analysis

Table 2. EBITDA Breakdown

NT$bn	2Q26	1Q26	2Q25	QoQ	YoY
EBITDA	**11.50**	**11.35**	**10.59**	**1%**	**9%**
- Telecom	9.52	9.38	8.61	2%	11%
- momo	1.13	1.13	1.12	0%	0%
- CATV	0.79	0.79	0.82	0%	-3%

NT$bn	2Q26	1Q26	2Q25	QoQ	YoY
D&A	**5.38**	**5.42**	**5.42**	**-1%**	**-1%**
- Telecom	4.82	4.85	4.84	-1%	0%
- momo	0.33	0.34	0.35	-1%	-4%
- CATV	0.21	0.21	0.21	-1%	-1%

NT$bn	2Q26	1Q26	2Q25	QoQ	YoY
EBIT	**6.12**	**5.93**	**5.17**	**3%**	**18%**
- Telecom	4.71	4.53	3.77	4%	25%
- momo	0.79	0.79	0.77	1%	3%
- CATV	0.58	0.58	0.60	1%	-3%

EBITDA Analysis

Telecom EBITDA rose 11% YoY in 2Q26, reflecting higher revenues, effective mobile plan upselling, and disciplined management of subsidies and marketing expenses.

Accompanied by a gradual revenue recovery over the past two quarters, momo's EBITDA stabilized YoY, while EBIT grew 3% YoY on the back of a decline in D&A, as momo strategically reduced its reliance on third-party logistics facilities.

CATV EBITDA softened slightly YoY, driven by lower pay-TV revenue, although this was largely offset by steady broadband growth supported by our bundled offerings.

D&A Analysis

In 2Q26, D&A dipped QoQ and YoY as telecom, momo, and CATV all saw a drop in D&A during the quarter. The decline in telecom equipment D&A more than offset the IFRS 16 depreciation related to AIDC. Under IFRS 16, rental expenses are primarily recognized as depreciation expenses.

Table 3. Non-operating Items

NT$bn	2Q26	1Q26	2Q25	QoQ	YoY
Non-Operating Income (Expense)	**(0.07)**	**(0.26)**	**(0.61)**	**-73%**	**-89%**
- Net Interest Expense	(0.28)	(0.34)	(0.29)	-17%	-4%
- Write-off Loss	(0.03)	(0.02)	(0.12)	23%	-79%
- Other Income (Expense)[1]	0.24	0.10	(0.20)	140%	nm

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.

Non-Operating Item Analysis

2Q26 non-operating performance improved notably YoY, driven by 1) lower financing costs, 2) higher equity-method income led by Systex, 3) better mark-to-market gains on our investment holdings, and 4) favorable base effects from 2Q25 asset write-offs and FX translation losses.

III. Income Statement Analysis

Table 4. 2Q26 Consolidated Results

NT$bn	2Q26	QoQ	YoY
Revenue	**49.43**	**-1%**	**4%**
Cash Cost & Expense	(37.94)	-1%	3%
Operating Income	**6.12**	**3%**	**18%**
Non-op. Income (Expense)	(0.07)	-73%	-89%
Pre-tax Income	6.05	7%	33%
Net Income	**4.54**	**9%**	**38%**
EPS (NT$)	1.49	9%	37%
EBITDA	**11.50**	**1%**	**9%**

Table 5. 1H26 Consolidated Results

NT$bn	1H26	1H25	YoY
Revenue	**99.21**	**95.64**	**4%**
Cash Cost & Expense	(76.36)	(74.50)	3%
Operating Income	**12.05**	**10.32**	**17%**
Non-op. Income (Expense)	(0.33)	(0.85)	-61%
Pre-tax Income	11.72	9.46	24%
Net Income	**8.69**	**6.94**	**25%**
EPS (NT$)	2.86	2.30	24%
EBITDA	**22.85**	**21.14**	**8%**

Income Statement Analysis

2Q26

Consolidated revenue rose by 4% YoY, as telecom, momo and CATV all delivered revenue growth for two quarters in a row. Operating income went up by 18% YoY to a new quarterly high in over two decades. This was mainly driven by telecom savings in subsidies and channel commissions, overall operating efficiencies, as well as lower D&A expenses. Aided by a stronger non-operating performance, 2Q26 net income rose to a two-decade high.

1H26

The solid consolidated results were driven mainly by the telecom business, supported by increased contributions from SI projects, AIDC, and content investments, as well as lower marketing spend. Coupled with a significant drop in non-operating expenses, net income surged 25% YoY, while EPS reached NT$2.86, the highest in the industry.

Taiwan Mobile

IV. Cash Flow Analysis

Table 6. Cash Flow

NT$bn	2Q26	1Q26	2Q25
Operating	**10.45**	**10.74**	**8.77**
Pre-tax Income	6.05	5.67	4.55
Non-cash Add-backs	5.88	5.91	5.97
--Depreciation[1]	2.49	2.54	2.67
--Amortization	1.66	1.66	1.64
--Others[1]	1.72	1.71	1.66
Changes in Working Capital & Income Taxes	(1.31)	(0.84)	(2.07)
Others	(0.16)	0.00	0.31
Investing	**(1.72)**	**(5.63)**	**(2.41)**
Capex[2]	(1.82)	(2.47)	(2.37)
Divestment (Acquisition)	0.03	(3.31)	(0.26)
Other Financial Assets (Increase)	(0.00)	0.12	0.10
Refundable Deposits (Increase)	0.01	0.02	0.07
Others	0.08	0.02	0.05
Financing	**(6.68)**	**(3.61)**	**(5.70)**
Short-term Borrowings	(7.88)	(2.59)	3.33
Proceeds from Issuance of Bonds	0.00	0.00	3.70
Long-term Bank Loan	(0.65)	(0.03)	(2.14)
Repayment of The Principal Portion of Lease Liabilities[3]	(1.14)	(1.17)	(1.07)
Dividends Payments	(0.10)	0.00	(0.07)
Repayments of Bonds Payable	0.00	0.00	(9.00)
Interest (Payment) & Others	3.10	0.17	(0.44)
Net Cash Position Chg.	**2.06**	**1.50**	**0.66**

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 7. Capex & FCF

NT$bn	2Q26	1Q26	2Q25
Cash Capex	**1.82**	**2.47**	**2.37**
- Mobile	1.09	1.55	1.36
- Fixed-line	0.23	0.37	0.21
- Cable	0.18	0.16	0.21
- momo & others	0.32	0.39	0.60
% of Revenue	**4%**	**5%**	**5%**
Free Cash Flow[1]	**7.45**	**7.05**	**5.29**

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

Cash Flow Analysis

In the second quarter, operating cash flow grew YoY, driven primarily by stronger earnings. This performance was supported by expanding telecom EBITDA and favorable working capital dynamics at momo. Reflecting a revenue increase of 4% YoY and 2% QoQ, momo's working capital movements generated an additional NT$440mn YoY and NT$704mn QoQ in positive cash flow during 2Q26.

Investing cash outflows decreased sequentially QoQ and YoY. The QoQ reduction reflects a high base effect from a one-time media investment in 1Q26, while the YoY decline was driven primarily by lower mobile and momo capital expenditures. Consequently, 1H26 cash capex decreased by NT$1.55bn YoY to NT$4.3bn, led by a NT$0.98bn decline in our telecom business and a NT$0.52bn fall at momo.

Backed by robust cash generation, we accelerated debt repayment during the quarter, exceeding 1Q26 and 2Q25 levels.

Capex and Free Cash Flow Analysis

2Q26 pre-IFRS 16 free cash flow rose to NT$7.45bn, underpinned by lower capex and higher operating cash inflows compared with the prior year. On an annualized basis, this translates into a free cash flow yield of 8.4%.

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V. Balance Sheet Analysis

Table 8. Balance Sheet

NT$bn	2Q26	1Q26	2Q25
Total Assets	**237.39**	**236.42**	**236.68**
Current Assets	45.46	41.81	43.49
- Cash & Cash Equivalents	12.12	10.06	12.22
- Receivable & Contract Assets	22.44	21.36	20.30
- Inventories	6.77	6.91	7.04
- Short-term Investment	0.31	0.29	0.32
- Other Current Assets	3.81	3.19	3.61
Non-current Assets	191.93	194.60	193.19
- Long-term Investment	16.00	16.01	12.40
- Property and Equipment	50.93	51.65	53.05
- Right-of-use Assets	14.73	15.05	11.28
- Concession	57.70	59.15	63.50
- Other Non-current & Contract Assets	52.57	52.75	52.95
Liabilities	**145.33**	**136.57**	**150.11**
Current Liabilities	86.52	76.46	70.97
- ST Borrowings	31.00	38.60	18.59
- Accounts & Notes Payable	14.65	13.28	13.03
- Current Lease Liabilities	4.37	4.38	3.99
- Other Current Liabilities	36.50	20.20	35.35
Non-current Liabilities	58.81	60.11	79.14
- Long-term Borrowings	41.05	42.00	64.40
- Non-current Lease Liabilities	10.66	10.90	7.38
- Other Non-current Liabilities	7.10	7.22	7.37
Shareholders' Equity	**92.06**	**99.85**	**86.57**
-Paid-in Capital	37.23	37.23	37.23
-Capital Surplus	29.15	29.44	29.03
-Legal Reserve	37.54	36.11	36.11
-Treasury Shares	(28.21)	(29.46)	(29.72)
-Un-appropriated Earnings	0.00	0.00	0.00
-Non-controlling Interest	7.58	8.79	7.51
-Retained Earnings & Others[1]	8.76	17.73	6.40

1: Including YTD profits and other equity items

Table 9. Ratios

	2Q26	1Q26	2Q25
Current Ratio	53%	55%	61%
Interest Coverage (x)	19.0	17.9	14.4
Net Debt (Cash) to Equity	65%	71%	82%
Net Debt (Cash) to EBITDA (x)	1.33	1.58	1.63
ROE (annualized)[1]	19%	17%	15%
ROA (annualized)[2]	8%	7%	6%

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

As our telecom business continued to grow, accounts receivable and contract assets increased by 11% YoY, in line with revenue growth across both mobile and fixed-line segments.

PP&E declined as depreciation exceeded capital additions, with 5G rollout and T-Star network consolidation capex behind us. Meanwhile, right-of-use assets increased, driven mainly by the new AI data center lease, which started in 2H25 — reflecting our asset-light strategy for growth. At momo, PP&E increased due to its investment in its own logistics center, while right-of-use assets fell as the company strategically reduced its reliance on leased warehouses.

Liabilities & Shareholders' Equity

Our gross debt decreased by NT$8.5bn QoQ and NT$10.9bn YoY, driven by our disciplined balance sheet management and steady cash flow generation.

As of the end of 2Q26, our legal reserve balance has exceeded our paid-in capital. Consequently, the company is no longer required to make further earnings appropriations toward legal reserves.

During the quarter, we also successfully monetized a portion of our treasury shares, which strengthened our financial position by adding NT$4bn to our cash balance and total shareholders' equity.

Ratio Analysis

The current ratio declined YoY and QoQ, primarily due to the reclassification of three-year fixed rate commercial paper as current liabilities and the recognition of dividends payable following the AGM's approval of the dividend distribution.

Our net debt-to-EBITDA ratio fell to 1.33x as debt decreased and EBITDA continued to grow. Meanwhile, ROE rose to 19% on improved profitability.

VI. Guidance Update (Excludes Systex Tender Offer)

- Consolidated revenue: up 5~7% YoY (unchanged)
  - Telecom-related revenues: up 5~7% YoY (unchanged)
- Consolidated operating profit: up 7~9% YoY (previously 1~2%)
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VII. Management Remarks

Key Message

- Key Growth Drivers
  - Sustained momentum in mature core telecom and momo businesses.
  - Rapid expansion in Telco+ and New Telco+Tech businesses.
- Already Capturing Alpha in Agentic Era
  - Industry-leading AI-driven structural cost reduction & productization.
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- Future Outlook
  - Fully confident in meeting our updated full-year financial guidance.
  - Firmly committed to maximizing long-term structural increase in shareholder returns—and hence, delivering a golden decade.

Awards and ESG Recognitions

- Extel 2026 Asia Executive Team Survey: Named a "Most Honored Company" for the fifth consecutive year in the Rest of Asia (ex-China) rankings, while grabbing the overall No.1 spot within the telecommunications sector. Earned the "Most Honored Company" distinction for the fourth consecutive year and remained the only Taiwanese telecom operator to receive this honor in the Overall Asia rankings. Ranked Top 3 across all six evaluation categories: Best CEO, Best CFO, Best IR Program, Best IR team, Best ESG, and Best Board of Directors.
- CDP Supplier Engagement Assessment: Awarded the highest "A" rating for five consecutive years.
- Taiwan Corporate Governance Evaluation: Ranked among the Top 5% of listed companies for 12 consecutive years, one of only seven companies in Taiwan to achieve this distinction.
- FTSE4 Good TIP Taiwan ESG Index: Selected as a constituent for nine consecutive years.
- Dow Jones Best-in-Class Index (DJBIC): Selected as a constituent of both the World Index and Emerging Markets Index.
- Satellite Digital Applications Innovation Competition: Won the Gold Award in the inaugural competition organized by the Administration for Digital Industries, Ministry of Digital Affairs (moda).
- AI Taiwan Future Commerce Expo 2026: Received the "Taiwan AI Award" and the "Future Commerce Silver Award for Product Innovation."

VIII. Subsequent Event: Tender Offer for Systex (6214.TW)

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