



Taiwan Mobile  
台湾大哥大

# Taiwan Mobile Co., Ltd.

## 4Q16 Results Summary

January 25, 2017

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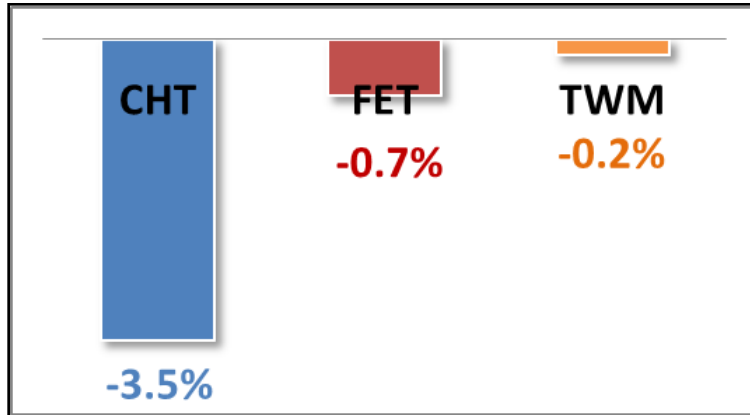
# Business Overview

# Mobile Growth Leading the Pack

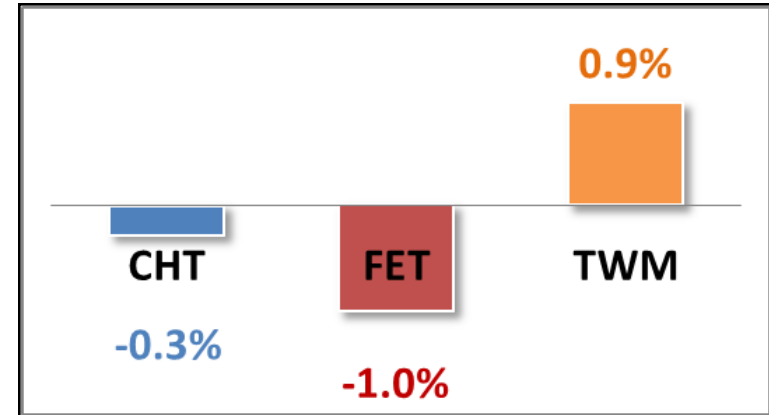
## Key Operating Metrics

2016 YoY change

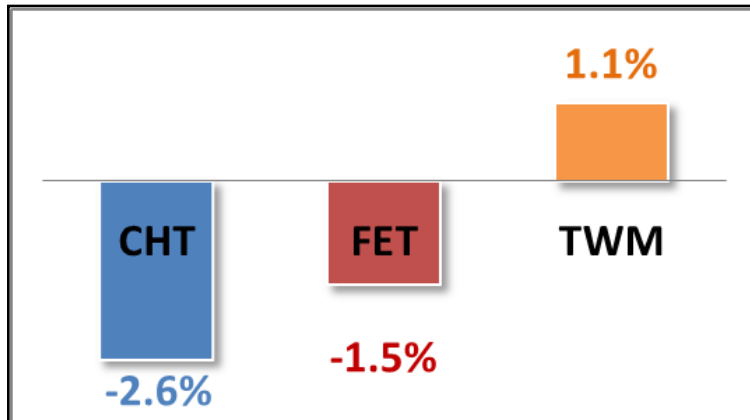
Total Subscribers



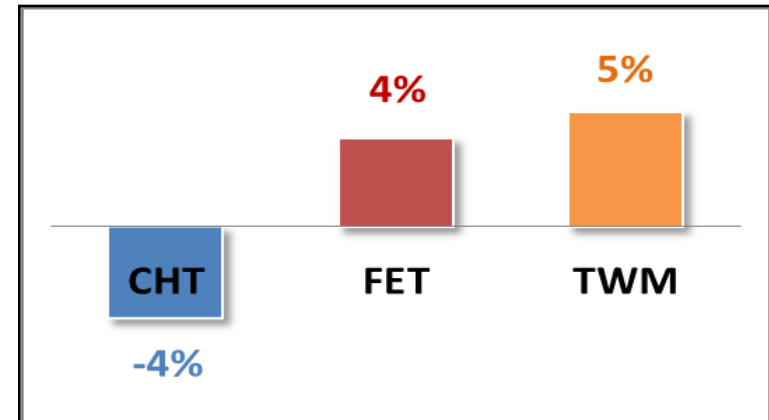
Blended ARPU<sup>1</sup>



Mobile Service Revenue<sup>1</sup>



Telecom EBITDA



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

# Online Shopping - A Bright Spot

(Unit: NT\$bn)	4Q16	QoQ	YoY	2016	YoY
<b>momo</b>					
<b>Total Revenue</b>	<b>7.62</b>	<b>13%</b>	<b>11%</b>	<b>28.08</b>	<b>10%</b>
<b>- Online Shopping</b>	<b>5.82</b>	<b>17%</b>	<b>22%</b>	<b>20.58</b>	<b>19%</b>
<b>- TV Home Shopping &amp; Others</b>	<b>1.80</b>	<b>-1%</b>	<b>-14%</b>	<b>7.50</b>	<b>-11%</b>
<b>EBITDA</b>	<b>0.34</b>	<b>14%</b>	<b>21%</b>	<b>1.37</b>	<b>15%</b>
<b>EBITDA Margin</b>	<b>4.4%</b>	<b>0.1ppts</b>	<b>0.4ppts</b>	<b>4.9%</b>	<b>0.2ppts</b>



# Financial Overview

# Performance by Business

NT\$bn	Revenue				EBITDA			
	Telecom	CATV	momo	Total	Telecom	CATV	momo	Total
<b>4Q16</b>	<b>21.29</b>	<b>1.62</b>	<b>7.62</b>	<b>30.56</b>	<b>6.86</b>	<b>0.84</b>	<b>0.34</b>	<b>8.16</b>
<b>% of total</b>	<b>70%</b>	<b>5%</b>	<b>25%</b>	<b>100%</b>	<b>84%</b>	<b>10%</b>	<b>4%</b>	<b>100%</b>
<b>4Q16 YoY</b>	<b>-3%</b>	<b>-3%</b>	<b>11%</b>	<b>0%</b>	<b>5%</b>	<b>-6%</b>	<b>21%</b>	<b>5%</b>
<b>2016</b>	<b>81.85</b>	<b>6.53</b>	<b>28.08</b>	<b>116.65</b>	<b>28.57</b>	<b>3.50</b>	<b>1.37</b>	<b>33.87</b>
<b>2016 YoY</b>	<b>-2%</b>	<b>0%</b>	<b>10%</b>	<b>0%</b>	<b>5%</b>	<b>-2%</b>	<b>15%</b>	<b>5%</b>

Note: The combined total of telecom, CATV and momo does not equal the consolidated total of each account due to other revenue and minor adjustments / eliminations.

NT\$m	4Q16	YoY	2016 Full-year	YoY	As % of Full-year Guidance
Revenue	30,558	0%	116,647	0%	97%
Cost	(21,274)	-1%	(78,791)	-1%	94%
Operating expenses	(4,599)	-1%	(17,837)	1%	96%
Operating income	4,684	8%	20,020	7%	108%
Net non-operating items	(344)	74%	(828)	37%	83%
Income before tax	4,340	5%	19,191	6%	110%
Net income	3,441	-9%	15,320	-2%	109%
EPS (NT\$)	1.27	-8%	5.63	-2%	109%
EBITDA	8,161	5%	33,872	5%	103%
EBITDA margin	26.71%		29.04%		

# Balance Sheet Analysis

NT\$bn	4Q16	3Q16	4Q15		4Q16	3Q16	4Q15
<b>Total Assets</b>	<b>151.38</b>	<b>151.26</b>	<b>156.09</b>	<b>Liabilities</b>	<b>85.19</b>	<b>88.76</b>	<b>90.79</b>
Current Assets	34.28	32.39	34.16	Current Liabilities	38.14	51.34	59.23
- Cash & Cash Equivalents	7.70	6.57	8.58	- ST Debts	13.62	27.82	35.28
- Accounts Receivable	15.42	15.66	15.70	- Other Current Liabilities	24.53	23.52	23.95
- Inventories	4.07	2.95	4.19	Non-Current Liabilities	47.05	37.42	31.56
- Other Current Assets	7.09	7.21	5.69	- Long-Term Borrowings	42.91	33.38	26.48
Non-current Assets	117.10	118.87	121.93	- Other Non-current Liabilities	4.14	4.04	5.08
- Long-term Investment	5.41	5.55	4.96	<b>Shareholders' Equity</b>	<b>66.19</b>	<b>62.50</b>	<b>65.29</b>
- Property and Equipment	45.37	46.42	47.58	- Paid-in Capital	34.21	34.21	34.21
- Concession	37.86	38.53	40.45	- Capital Surplus	14.99	14.59	14.59
- Other Non-current Assets	28.45	28.36	28.95	- Legal Reserve	24.61	24.61	23.04
	<b>4Q16</b>	<b>3Q16</b>	<b>4Q15</b>	- Un-appropriated Earnings	0.63	0.63	2.76
<b>Current Ratio</b>	90%	63%	58%	- Treasury Shares	(29.72)	(29.72)	(29.72)
<b>Net Debt to Equity</b>	74%	87%	81%	- Non-controlling Interest	5.77	5.62	5.74
<b>Net Debt to EBITDA (x)</b>	1.44	1.62	1.65	- Retained Earnings & Others*	15.71	12.57	14.67
<b>ROE (annualized)</b>	23%	28%	25%				

\* Including accumulated profits and other equity items

NT\$bn	4Q16	3Q16	2016	2015
Operating Cash Flow	7.94	7.89	31.83	25.81
Investing Cash Flow	(2.36)	(3.55)	(11.53)	(15.18)
Financing Cash Flow	(4.44)	(5.31)	(21.17)	(9.95)

NT\$bn	4Q16	3Q16	2016	2015
Cash CAPEX	(2.26)	(3.05)	(10.49)	(12.62)
Free Cash Flow	5.68	4.84	21.34	13.19



# 2017 Guidance & Event Updates

NT\$bn	2017F	2016A	YoY
<b>Revenue</b>	<b>118.85</b>	<b>116.65</b>	<b>2%</b>
<b>EBITDA</b>	<b>32.43</b>	<b>33.87</b>	<b>-4%</b>
<b>D&amp;A Expense</b>	<b>13.88</b>	<b>13.85</b>	<b>0%</b>
<b>Operating Income</b>	<b>18.56</b>	<b>20.02</b>	<b>-7%</b>
<b>Non-operating Expense</b>	<b>0.66</b>	<b>0.83</b>	<b>-20%</b>
<b>Pre-tax Income</b>	<b>17.90</b>	<b>19.19</b>	<b>-7%</b>
<b>Net Income</b>	<b>14.38</b>	<b>15.32</b>	<b>-6%</b>
<b>EPS<sup>1</sup> (NT\$)</b>	<b>5.28</b>	<b>5.63</b>	<b>-6%</b>

1. EPS is based on total share counts of 2.722bn.

## Capex Guidance

The board today (January 25, 2017) approved a NT\$8.5bn capex for 2017, including NT\$5.0bn for mobile, NT\$1.0bn for fixed-line, NT\$1.4bn for CATV and NT\$1.1bn for momo and other subsidiaries.

## Awards and Recognition

- Received the most (six) awards among telecom peers from the Taiwan Institute for Sustainable Energy Research for the third consecutive year: “Taiwan’s Top 10 Role Model Company for Sustainability”, the “Integrity and Transparency Award”, the “Growth through Innovation Award”, the “Role Model Award for Community Service and Outreach”, the “Climate Leadership Award”, and the “2016 Taiwan’s Top 50 Corporate Sustainability Report Award – Gold Award in ICT Sector”
- Received the internationally renowned Swiss SGS Qualicert certification for its quality direct stores channel and customer service system for the fifth year in a row (2012~2016)

**Our advantage in 4G spectrum and infrastructure investments delivered solid EBITDA growth in 2016. In 2017, we still expect to grow our free cash flow as we continue to invest for growth. Looking ahead, we're committed to sustaining the long-term health of our business so we can deliver above-market returns to our shareholders.**

 Q & A