4904 (TWSE)
2022 4Q Investor Update

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AGENDA

- FET 2022 4Q and Full Year Performance Overview
- 2023 Priorities & Guidance
- 2022 Dividend Proposal

4Q22 & FY2022 Financial Performance

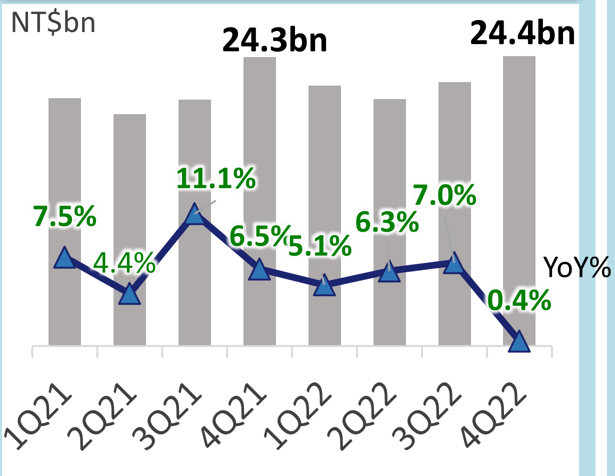
Beating Guidance with Strong Growth Momentum

Item Unit: NT$bn, except for EPS	4Q 2022	4Q 2021	YoY%	FY2022	FY2021	YoY%	FY2022 Guidance	Ach. Rate%
	4Q22			Full Year 2022				
Total Revenue	24.37	24.28	+0.4%	89.15	85.32	+4.5%	88.79	100.4%
EBITDA	7.88	7.25	+8.7%	30.79	28.17	+9.3%	30.45	101.1%
Net Income	2.55	1.97	+29.0%	9.61	9.12	+5.3% (1) +22.1%	9.22	104.2%
EPS (NT$)	$0.78	$0.61	+29.0%	$2.95	$2.80	+5.3% (1) +22.1%	$2.83	104.2%

Note: (1) excluding one-time building sales in July 2021.

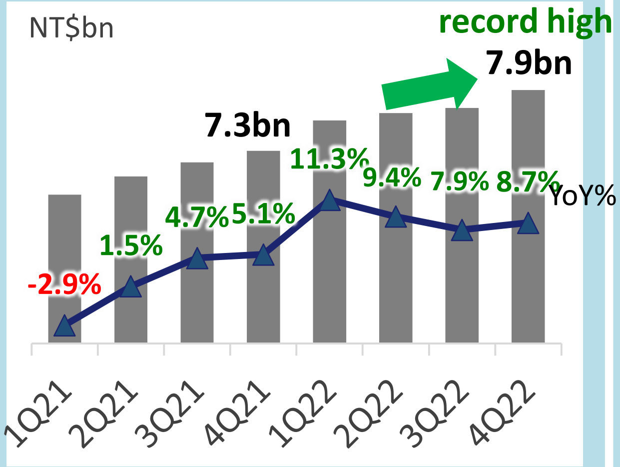
FY2022 Financial Highlights

Total Revenue



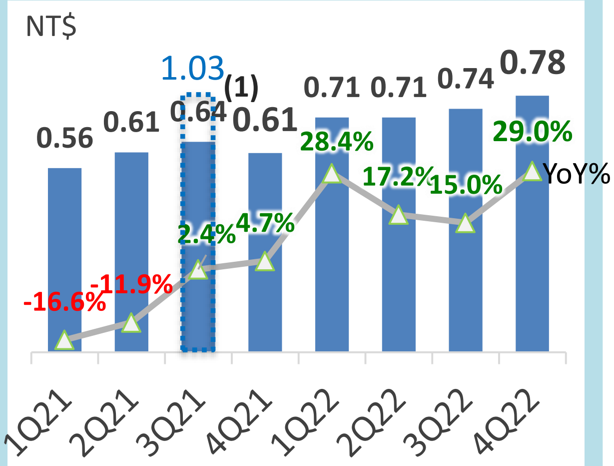
- **4Q Total Revenue** was relatively flat, due to supply shortage of new iPhone models and higher base of ICT revenue in 4Q21.

EBITDA



- **8.7% YoY growth mainly attributed to better service revenue margins.**
- **4Q EBITDA $7.9bn, a record high again since 2018 4Q.**

EPS



- **4Q Net Income reached $2.55bn with EPS $0.78, grew 29.0% YoY, highest in the industry.**

Note: (1) 3Q21 EPS of $0.64 excluded one-time building sales in July 2021.

4Q22 Financial Metrics – *sound and healthy*

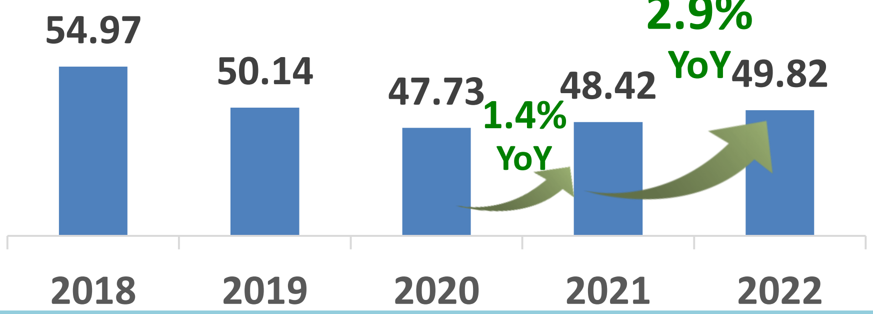
- **Both Net Debt and Net Debt-to-EBITDA ratio improved**
- **Free cash flow continues to be strong**
- **FY2022 Capex Spent: NT$9.95bn, *10% below the guidance of 11.1bn***

Item Unit: NT$bn, unless otherwise stated	As of 4Q 2021	As of 4Q 2022
Net Debt	56.88	52.31
Net Debt to EBITDA(x)[(1)]	2.02x	1.70x
Free Cash Flow[(1)] – YTD	16.88	19.00
Cash-based Capex[(2)] – YTD	12.12	9.95

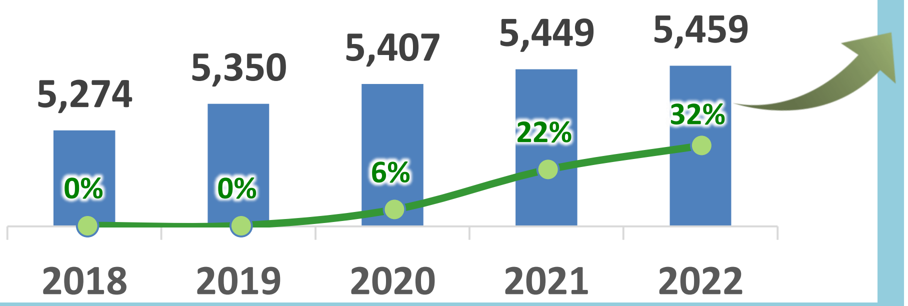
Note: (1) Net Debt to EBITDA and Free Cash Flow in accordance with IFRS 16; (2) Capex excluding APT spectrum swap payment.

Mobile Core Business – *solid growth from 5G*

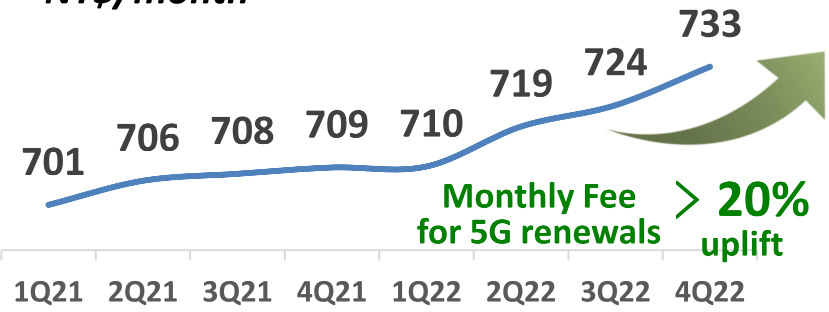
Mobile Service Revenue
NT$bn



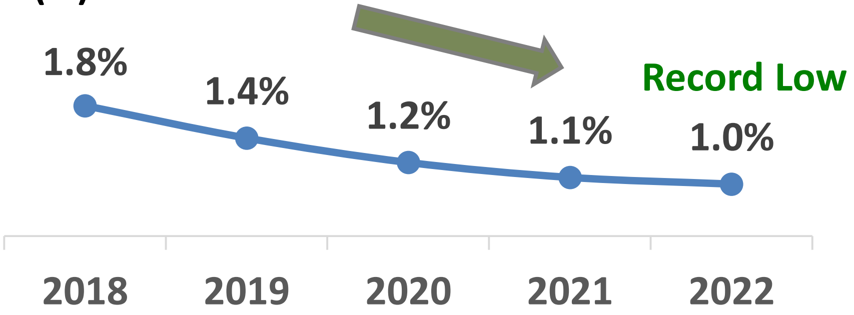
#Postpaid customers
(K)



Mobile Postpaid ARPU
NT$/month



Postpaid churn rate
(%)

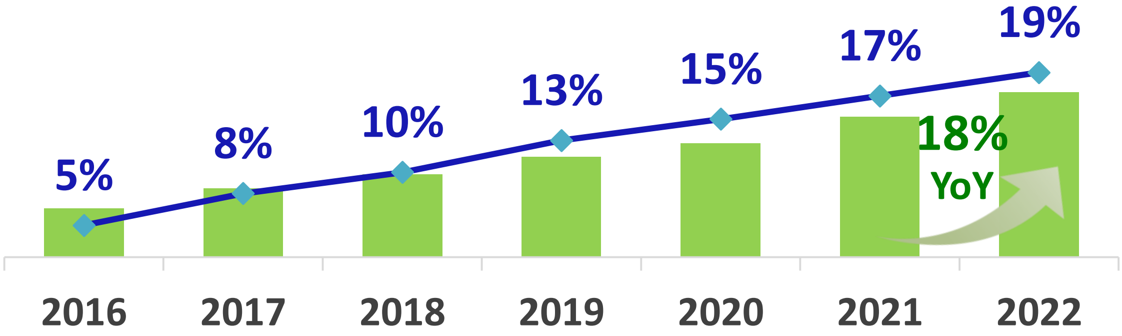


New Economy – *growth continues*

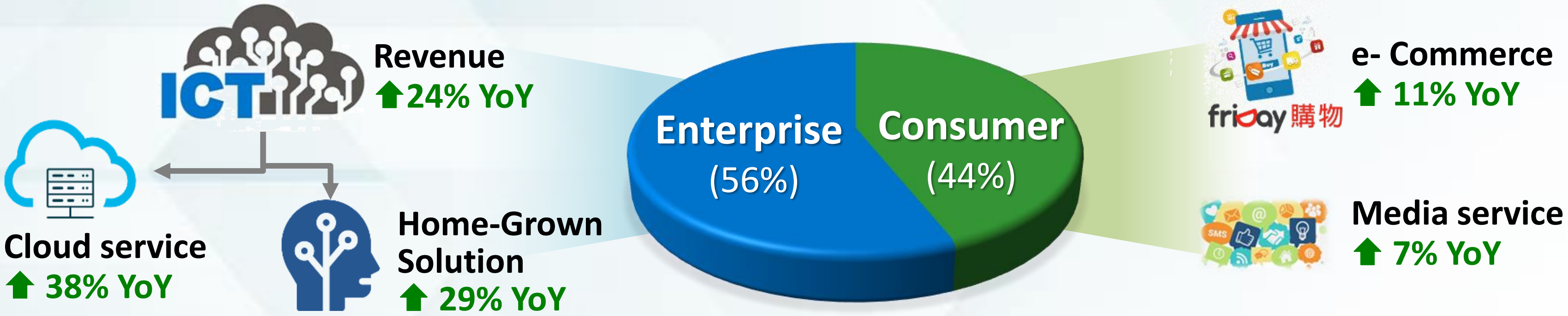
2022 FET New Economy Revenue ▲ 18% YoY

Accounted for 19.4% of total revenue, beat the initial board target of 18.9%

- % of New Economy Revenue over Total Revenue



- Main growth drivers for New Economy revenue:



2022 Enterprise Business Highlight

- **Strong ICT Business demand drove robust Enterprise ICT revenue, reaching record high in 2022; total ICT contract value grew 38% YoY; major wins include:**
  - ✓ **Smart Port Building** for Southern Taiwan international port;
  - ✓ **Digital Transformation** and **Cloud service** for world-leading fast food giant
  - ✓ **EMS** (**E**nergy **M**anagement **S**olution) for Taipower- Microgrid System Project in Penghu Island for **Environmental Sustainability**
  - ✓ **Home-grown solutions** including **EMS** on A/C deployed to 1000+ elementary schools; **5G Telemedicine** now covered 261 villages in 35 townships across 12 counties, **5G-Connected Ambulance**, **virtual health ID card**, **Smart Tourism**...etc.
- **Achieved Level A Enterprise customers satisfaction, NPS (Net Promoter Score) improved 11 points in 2022**





2022 Consumer Business Highlight

- FET **friDay video** ranked **2022 #1 Social Mentions** among local OTT platforms
- FET created joint venture, "**Mission Entertainment**", with 3 top-tier entertainment partners to produce and acquire **local video contents,** to expand FET's OTT, friDay Video, business
- FET's **friDay Shopping** 2022 total annual revenue up **11% YoY**
- FET's **Mobile Circle** app accumulated >5mn downloads, grew **23% YoY** and Active MAU also increased **36% YoY**
- FET's first **5G Metaverse Accelerator** has concluded with 73 venture capital matchmaking opportunities, 12 enterprise co-creation cases for >NT$100mn potential; and 10 companies evaluated for FET's strategic investment

2022 Major Business Awards

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FET 5G Telemedicine Platform

HIPAA

HIPAA certification

19th We, 國家新創獎 Innovators

National Innovation Awards

NHQA 國家醫療品質獎 National Healthcare Quality Award

National Healthcare Quality Award

2022哈佛商業評論 數位轉型 鼎革獎

Digital Transformation Leadership Award

2022 智慧城市 創新應用獎

2022 Smart City Innovation Award

Enterprise Innovation Award for EMS

Project Management Institute. Taipei, Taiwan

2022 PMI Taiwan Grand Award

Outstanding Enterprise Role Model and Project Leader Award

IDC

2022 Future Enterprise Awards

CEO of the Year & Best in Future of Operations

CSEA 2022卓越客服大獎 2022 Customer Service Excellence Awards

2022 CSEA Customer Service Excellent Award

15 Awards across service innovation, tele-marketing, smart care…etc.

臺灣服務業大評鑑 THE BEST SERVICE IN TAIWAN

Golden Award for Best Service

for 11 years in a row

2022 FUTURE COMMERCE 創新商務獎

Best Business Innovation Silver Award

for AI enabled quality mgmt System

Google

Google Digital Garage

2022 Innovative Marketing Award

More Honors and ESG Recognitions…

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Institutional Investor
2022 ASIA (EX-JAPAN) EXECUTIVE TEAM
MOST HONORED COMPANY
Asia Telco #1
for Best CEO &
IR Professional
for 2 years
in a row

ASIAMONEY
Most
Outstanding
Company in
Taiwan
–Telecom
Services

TAIWAN
STOCK EXCHANGE
Top 5%
Corporate
Governance
Companies
for 8 years
In a row

Sustainability Award
Silver Class 2022
S&P Global
S&P Global
Silver Class
for 3 years
In a row

MEMBER OF
Dow Jones
Sustainability Indices
In Collaboration with RobecoSAM
DJSI World
Index
inclusion
for 4 years
in a row

CDP
SUPPLIER
ENGAGEMENT
LEADER
World Leader in
Supplier
Engagement
Rating
for 2 years
In a row

bsi.
By Royal Charter
2022 BSI
Sustainable
Resilience Award
Taiwan
Telecom
Only

TCSA
台灣企業永續獎
Taiwan Top 100
Role Model
for
sustainability

遠見 雜誌
Role Model for
Overall ESG
Performance
for 5 years
In a row

國家人才發展獎
National Talent Development Awards
National Talent
Development
Awards
Taiwan
Telecom
Only

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2023 Priorities

- Sustain **Mobile Growth Momentum** into 2023 with 5G penetration targeting at 40%
- Grow ICT business with **home-grown solutions** and strategic partners
- **Grow video/content business** and **digital services**
- **Proceed with FET-APT Merger**- ***targeted effective date of the integration in Q3***

2023 1H Consolidated Financial Forecast

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In consideration of the effective date for FET/APT merger in 2H

Item Unit: NT$bn, except for EPS	2023 1H Guidance[(1)]	2022 1H	YoY%
Total Revenue	43.91	42.63	+3.0%
EBITDA	15.50	15.21	+1.9%
Net Income	4.87	4.64	+5.0%
EPS	$1.49	$1.42	+5.0%

(1) The above 2023 1H guidance DOES NOT take FET/APT merger into account;

FY2023 Capex Guidance

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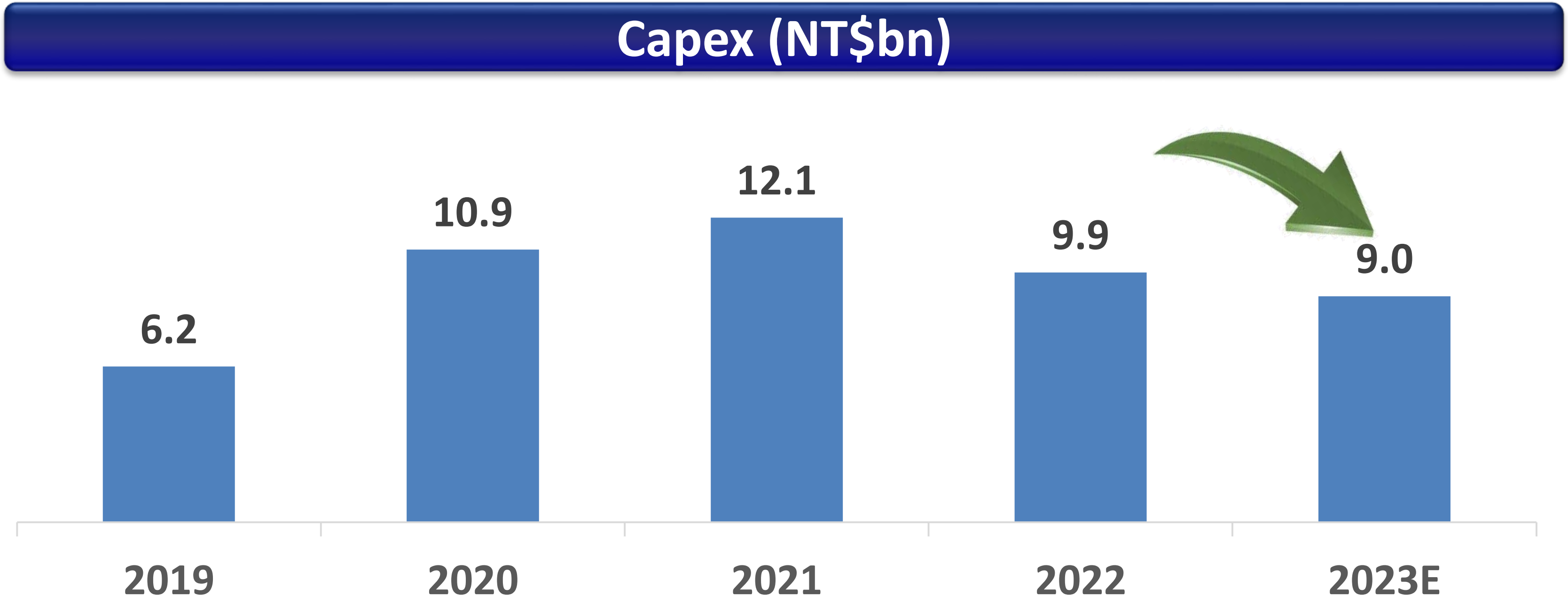
Decreasing Capex while maintaining world-class 5G network



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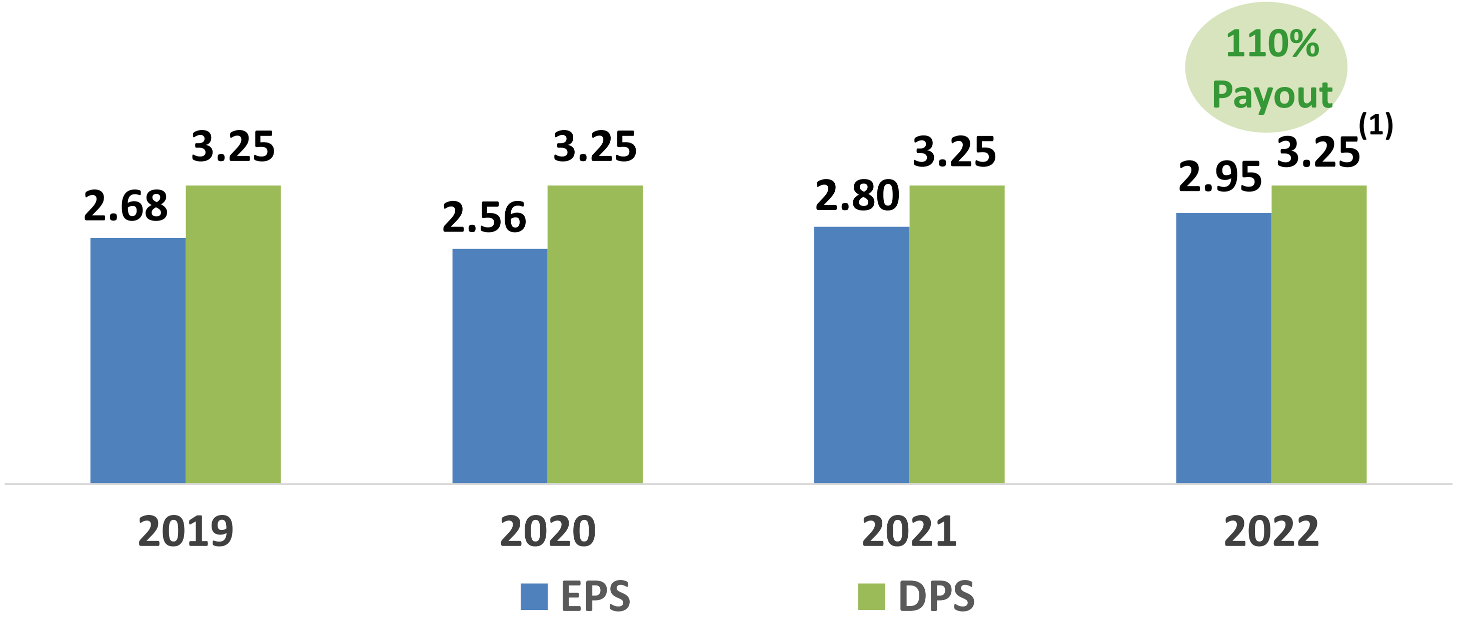
Proposed 2022 Dividend Distribution

Maintain stable dividend policy

Dividend per share (NT$)



Note: (1) 2022 dividend distribution is subject to 2023 AGM's approval

Q & A

For Further Information,

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http://corporate.fetnet.net http://www.fetnet.net	Investor Relations IR@fareastone.com.tw