4904 (TWSE)
2023 1Q Investor Update

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FET 2023 1Q Financial Performance

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All KPIs exceeded guidance as strong YoY growth persisted

Item Unit: NT$bn, except for EPS	1Q 2023	1Q 2022	YoY%	1Q 2023 Guidance	Ach. Rate%	1H 2023 Guidance[(2)]
Total Revenue	22.31	21.90	+1.8%	21.85	102.1%	43.91
EBITDA	7.95	7.57	+5.0%	7.69	103.3%	15.50
Net Income	2.75	2.33	+18.4% +12.2[(1)]	2.36	116.8%	4.87
EPS (NT$)	$0.85	$0.71	+18.4% +12.2[(1)]	$0.72	116.8%	$1.49

Note: (1) Excluding one-time gains in 1Q 2023; (2) The above 2023 1H guidance DOES NOT take FET/APT merger into account

2023 1Q Financial Highlight

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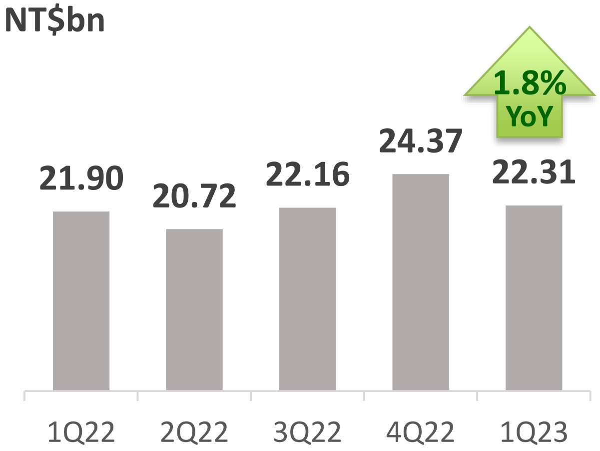
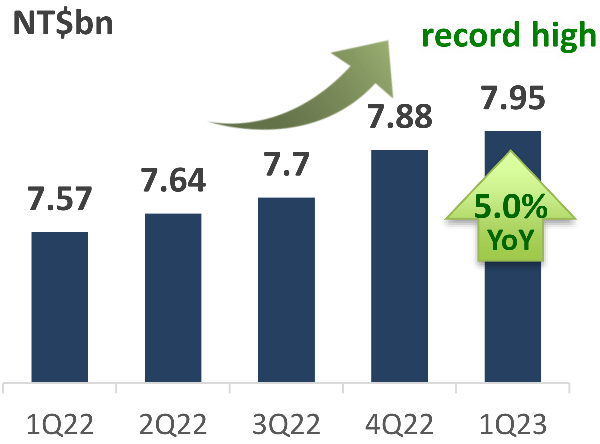
Total Revenue



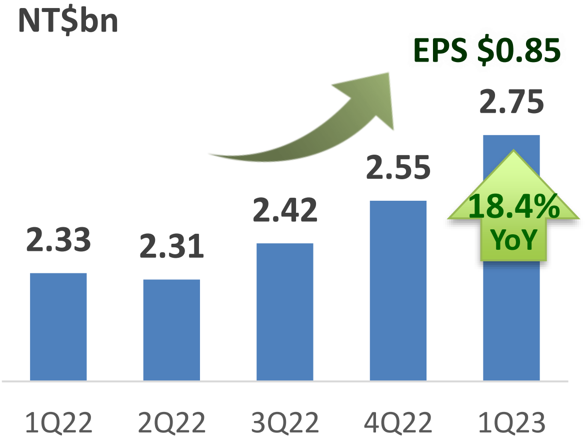
- **Total Revenue has turned positive YoY for 10 quarters in a row, driven by steady 5G customer upgrade and post-pandemic recovery in roaming and prepaid revenue**

EBITDA



- **EBITDA broke another new record, $7.9 billion, since 4Q 2018**
- **The 5.0% YoY EBITDA growth owing to improved service revenue margins**

Net Income



- **1Q net income $2.75bn with EPS $0.85, reaching a 6-year high for the same period**
- **The YoY growth rate 18.4%, or 12.2% excluding one-time gains, still the highest in the industry**

2023 1Q Financial Metrics

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- Net Debt and Net Debt-to-EBITDA multiple are improving
- Free cash flow continues to be strong
- Capex in line with 2023 guidance, $9.0bn

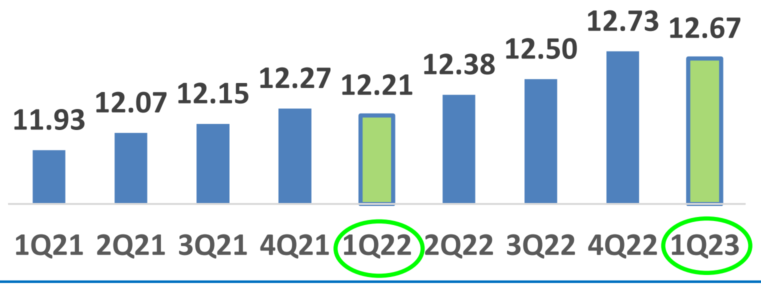
Item Unit: NT$bn, unless otherwise stated	As of 4Q 2022	As of 1Q 2023
Net Debt	52.31	47.99
Net Debt to EBITDA(x)[(1)]	1.70x	1.54x
Free Cash Flow[(1)] – YTD	19.00	5.10
Cash-based Capex[(2)] – YTD	9.95	1.78

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

Mobile Core – *5G Keeps Momentum Going*

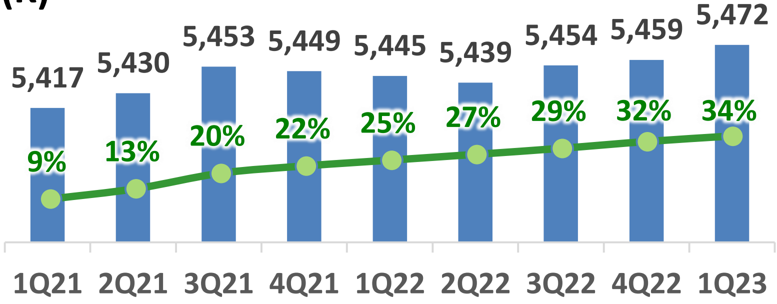
Mobile Service Revenue
NT$bn

▲3.3% YoY



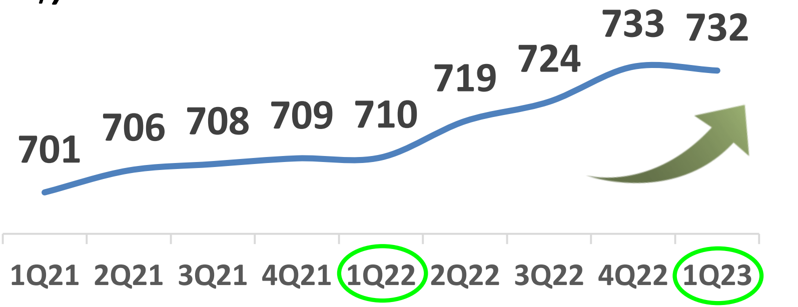
#Postpaid customers (K)

5G Penetration > 34+%

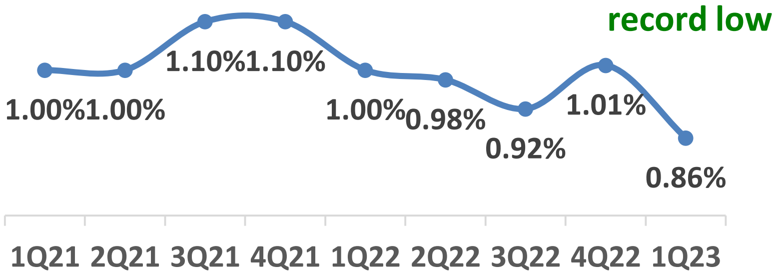


Mobile Postpaid ARPU
NT$/month

▲3.1% YoY



Postpaid churn rate
%



New Economy – *Driving Margin Expansion*

1Q 2023 New Economy business

- New Economy business remains the main driving force for growth; revenue outperformed guidance by +2% in 1Q;
- Overall New Economy margin improved 2 percentage points

New Business - Enterprise (51%)

ICT

ICT Margin
⬆11% YoY

Security Service
revenue⬆ 32% YoY

SI Project
revenue ⬆ 27% YoY

New Business - Consumer (49%)

Consumer IoT
⬆11% YoY

Media Service
⬆ 8% YoY

friDay購物

e- Commerce
⬆8% YoY

2023 1Q Enterprise Business Highlight

- The strong demand for Enterprise ICT continues to drive revenue
- 1Q major wins include:

Energy Management - Power Plant Meter Monitoring and Work Order Automation System

AIoT-based historical building monitoring platform for a national museum

Smart UPS System powering traffic light installation project for Taipei City

- Other achievements:

"Smart Bus Stop 3.0“ in Hualien County - diverse and customized installation to enhance smart transportation

5G Network Slicing for live broadcasting at New Taipei City WJS Marathon

Infrastructure provider for the government to distribute NT$6000 Tax Rebate Universal Cash

2023 1Q Consumer Business Highlight

Consumer digital service continues to grow and enrich digital services

- ✓ FET friDay video paying subscribers hit a record high, increased 10%, driven by popular content such as Taxi Driver 2, the #1 drama in Korea; will invest in more exclusive content and produce local movies going forward;

- ✓ FET launched SecureNet Service, aiming for safer mobile user connections to internet, 300K+ users signed up, and billions of transactions protected

- ✓ FET's Mobile Circle app attained the highest Customer Reward Satisfaction Score in the industry in 2022, and also achieved the greatest improvement

- ✓ FET friDay Shopping enabled AI model helped improve customer experience, increase efficiency, and reduce costs.

2023 Major Awards & ESG Recognition YTD

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TAIWAN STOCK EXCHANGE

Top 5% Corporate Governance Companies
(9 years in a row)

FinanceAsia **Awards 2023 (Taiwan)**
- Best CEO
- Best Large-cap Company
- Best Consumer Non-Cyclicals Company

RE100 CLIMATE GROUP CDP

Join RE100
commit to 100% renewable energy by 2040

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION
BUSINESS AMBITION FOR 1.5°C

1.5-degree net-zero scenario verification by SBTi

APIGBA Asia Pacific Intelligent Green Building Alliance

Design Platinum Award
for FET TPKC Cloud Computing Center

Innovative Application Award 2023
2023 智慧城市創新應用獎

2023 Smart City Innovative App Award
- Smart medical application field

Microsoft Solutions Partner

Microsoft Licensing Solution Partner qualification

ISO 27001

Information Security Mgmt System
for FET System Integration Branch Office

Government Accredited Healthy workplace

FET-APT Merger Update

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- Merger case is under FTC staff review; official committee review will take 30 Business Days to conclude.
- Merger contract expired on 4/30/23, and since extended to 6/30/23.
- Once FTC approves the merger, FET can start RAN consolidation, as FET and APT fulfill Taiwan Stock Exchange's filing requirements.
- The Official **Merger Effective Day**, is estimated to be 4 months after receiving FTC Approval

FET 2023 2Q and Onwards Priorities

- Keep growing 5G adoption
- Grow Green & Smart ICT business
- Grow consumers engagement and ARPU with value-added digital services
- Accelerate merger planning and prep-work
- Start consolidating FET and APT's RAN networks after receive FTC merger approval.

2023 FET Annual Shareholders Meeting – May 31, 2023

Q & A

For Further Information,

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