4904 (TWSE)
2024 3Q Investor Update

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FET 2024 3Q and YTD Financial Performance

遠傳 FET

- 3Q Revenue slightly fell short of guidance for less handset sales to maintain margins
- EBITDA and EPS exceeded guidance with **merger synergy**
- Projected "~3bn EBITDA merger synergy in a year" **delivered in 9 month**

Item Unit: NT$bn, except for EPS	2024 3Q	2023 3Q	YoY%	Ach. Rate%	2024 1-3Q	2023 1-3Q	YoY %	Ach. Rate %	FY2024 Guidance
Total Revenue	24.74	23.22	+6.5%	96%	75.46	67.22	+12.2%	100%	104.92
EBITDA	9.10	8.08	+12.7%	102%	26.93	23.93	+12.5%	102%	35.66
Net Income	3.16	2.83	+11.7%	109%	9.19	8.35	+10.0%	114%	11.20
EPS (NT$)	$0.88	$0.87	+0.9%	109%	$2.55*	$2.56	-0.5%*	114%	$3.11

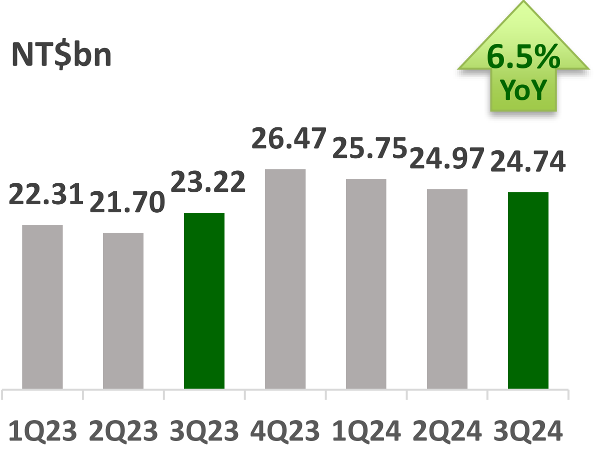
▲3bn

*Note: *EPS for 2024 would be $2.82, and 10% increase YoY, instead of -0.5%, if calculated with # shares before merger dilution.*

FET 2024 3Q Financial Highlight

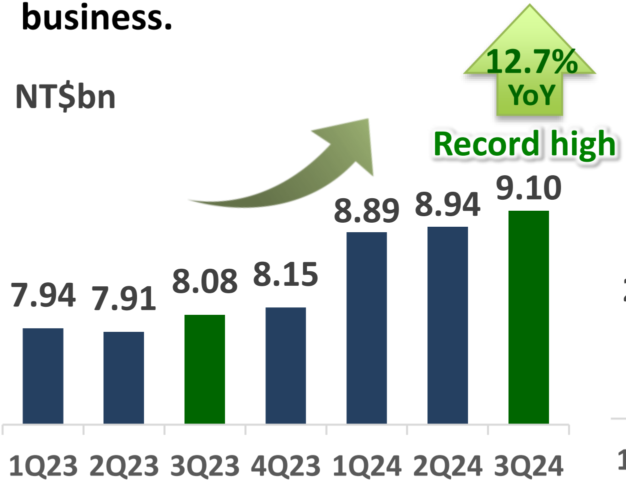
Total Revenue

- 3Q Revenue grew 6.5% YoY, driven by 1) merger synergy, 2) more 5G plan upgrades driven by new iPhone launch, 3) Prepaid and Roaming business
- Total Revenue has seen positive YoY growth for 16 consecutive Qs



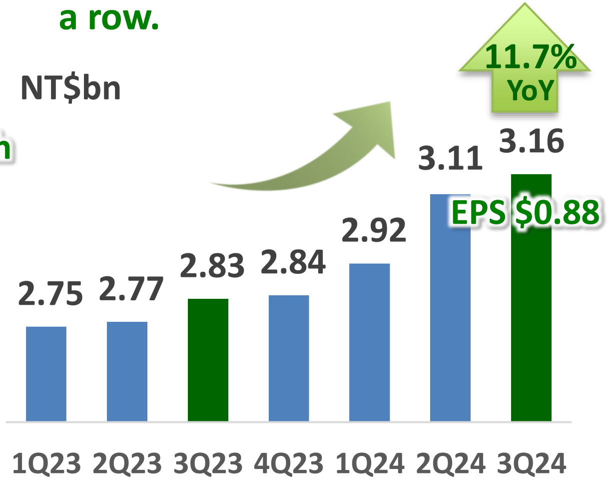
EBITDA

- 3Q EBITDA $9.10bn, a new record high in FET history.
- 12.7% YoY EBITDA growth was driven by merger synergies and enhanced margins from core telecom and new economy business.



Net Income

- 3Q net income $3.16bn with EPS of $0.88, achieving 109% of 3Q guidance, reached an 8-year high for the same period!
- The YoY growth rate was 11.7%, double digit growth for 2 Qs in a row.



FET 2024 3Q Financial Metrics

- Net Debt and Net Debt-to-EBITDA both sound and healthy
- Free cash flow remains strong
- Capex expected to be slightly lower than the guidance of $8.1bn

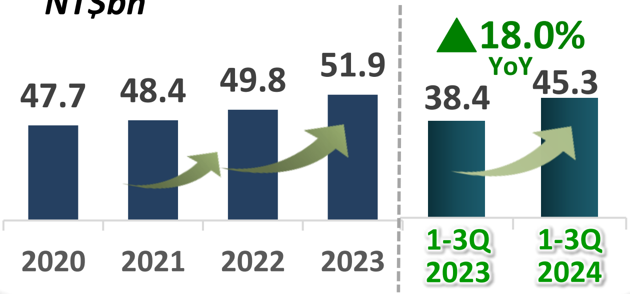
Item Unit: NT$bn, unless otherwise stated	As of 3Q 2023	As of 4Q 2023	As of 3Q 2024
Net Debt	49.11	55.88	50.26
Net Debt to EBITDA(x)[1]	1.54x	1.74x	1.43x
Free Cash Flow[1] – YTD	16.21	19.09	20.22
Cash-based Capex – YTD	5.60	8.15	5.10

Note: (1) Net Debt to EBITDA and Free Cash Flow in accordance with IFRS 16

Telecom Core – *Growth Driven by 5G and Merger Synergies*

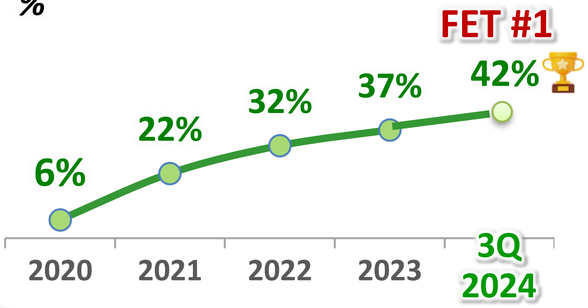
Mobile Service Revenue

NT$bn



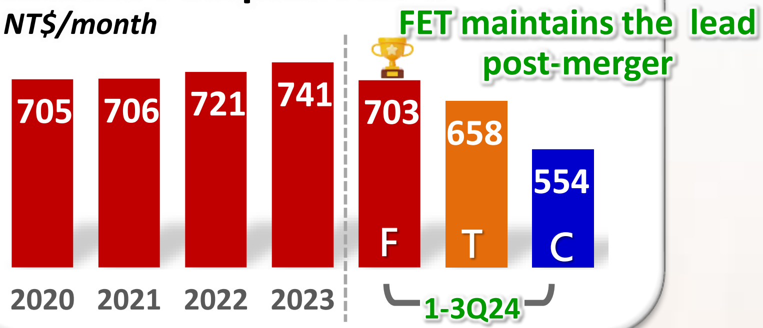
Postpaid 5G Penetration

%



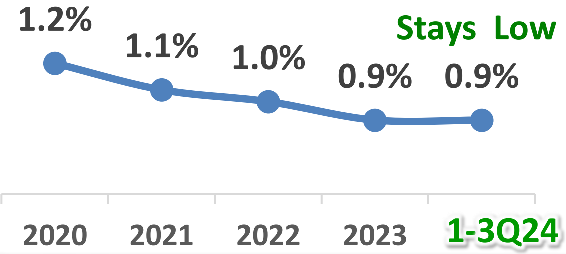
Mobile Postpaid ARPU(1)

NT$/month



Postpaid Churn Rate

%

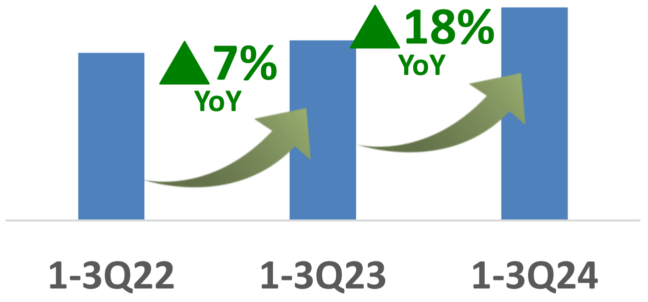


Note: (1) Postpaid ARPUs from each company's factsheets, with Company C using fair-value and the others adopting residual value.

New Economy *– Revenue Growth and Margin Expansion*

- FET continues to grow its Consumer Digital services and optimize its Smart ICT portfolio and Solutions efficiency for better margin($), which rose 18% YoY in 1-3Q24, compared to 7% YoY in 2023

New Economy Margin($)



2024 1-3Q New Economy Contributors

Revenue from Consumer Digital (44%)

Handset Insurance & Payment
Rev ⬆11% YoY
Mgn ⬆10% YoY

Fraud Prevention service
Rev ⬆703% YoY
Mgn ⬆908% YoY

Revenue from Enterprise ICT (56%)

Smart ICT & Cloud Business
Rev ⬆11% YoY
Mgn ⬆29% YoY

Subsidiaries:

Nextlink for Cloud
EBITDA ⬆28% YoY

ISSDU for Security
Rev ⬆23% YoY
EBITDA ⬆55% YoY

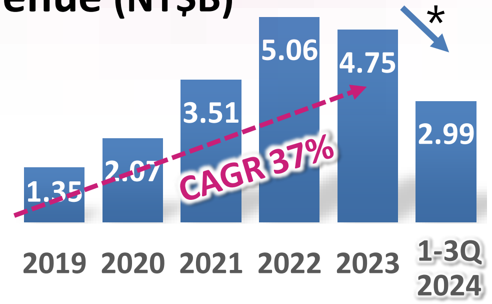
About NEXTLINK (6997.tw)

- **Main Business**
  - ✓ **Top-tier multi-cloud service and managed service provider, offering multi-cloud solutions, hybrid cloud, cloud security, and application modernization**
  - ✓ **Expertise in cloud integration and IT outsourcing for enterprises and public sectors**
  - ✓ **Focused on Cloud, Big Data, cybersecurity, and AI technology & professional services**

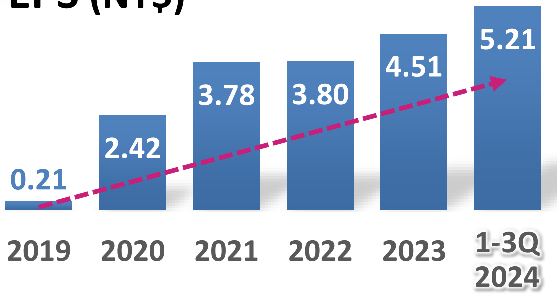
- Founded in 2006
- Acquired by FET in 2019
- **Listed on Emerging Stock Market in Jan 2024**
- **Expected be listed on OTC by EoY 2024**
- Paid-in capital : NT$200.6mn

- **Market Position**
  - ✓ **#1 AWS (Amazon Web Service)**
    AWS Partner of The Year
  - ✓ **#2 GCP (Google Cloud Platform)**
    GCP APAC Expansion Partner of The Year
- **Global Footprint**
  - ✓ **2400+ customers**
  - ✓ **Taiwan, HK, and Southeast Asia**

Revenue (NT$B)



EPS (NT$)



***2023-24 Revenue slightly lower YoY for de-risk and better margins**

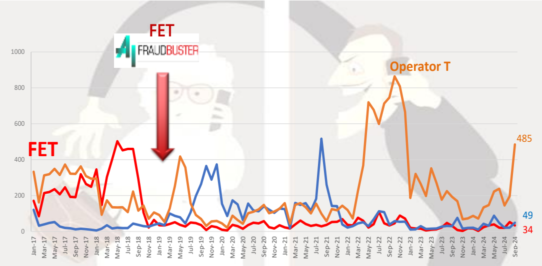
2024 3Q Enterprise ICT Business Highlights

Strong ICT demand from public sector and enterprises drove robust Enterprise ICT revenue, reaching record high in 1-3Q 2024; total Smart ICT contract value continues to grow with double-digit YoY. Major contributors included:

- **MSFT LSP Business: Jan-Sep contract value grew +123% YoY and exceeded the full year contract value for 2023; # of EA clients grew 44%**
- **AI enabled Digital Transformation**: FET delivers Digital Transformation solutions for clients with Microsoft products and professional services, ranged from cloud migration, implementation of Common data platform, to adoption of AI and Gen-AI enabled applications.
- **Green and Smart City**: Secured a big Smart metering IoT project and several public EV charging projects in 3Q.
- **Telecom Based SI for enhanced sustainability**: won several big Fiber Optic Construction Projects and a Smart Building Project in 3Q
- **Smart Health 1-3Q Revenue grew 28% YoY; 5G Telemedicine for Advanced Life Support** deployed in 10 counties, 77 hospitals/Clinics subscribed **Virtual Clinic** service; recent **Telemedicine** POCs' success in Southeast Asia encouraging for going abroad; **Cloud HIS** for Clinics in progress

2024 3Q Consumer Service Highlight

Reported Fraudulent Calling Numbers



- **New iPhone launch boosts 5G upgrades:**
  - iPhone 16 bundled sales slightly surpassed iPhone 15 in the 1st month, but standalone handset sales were low due to limited supply;
  - Close to 90% signed up for rate plan at NTD$999 or higher
- **FET's friDay Video – holds #1 local OTT platform for 4 years in a row**; Also #1 for both online buzz and user engagement;
  - 48% increase in average watch time and **a doubling of new paid subscribers year-over-year.**
  - Since launching generative AI features, FriDay Video has seen a **23% increase in viewing time per user** and an **80% rise in engagement** with recommended content.
- **# of Paid subscribers** for **FET's Guardian Network** grew by triple-digit YoY, and profits doubled; 880M+ access attempts for harmful websites from the subscribers were blocked.
- **FET's AI-empowered Detection of Fraudulent calling numbers** continues to lead with the lowest # of reported fraud calling numbers, as per the Gov's 165 Anti-Fraud Hotline Monthly Report.

2024 3-4Q Major Honors and Recognitions

- **Environmental Sustainability**
  - ✓ **2024 TIBA (Taiwan Intelligent Building Association) AWARD for Taiwan's Excellent Smart Green Building and System Products – Platinum Award** for Kaohsiung Port and Cruise Service Center Smart Operation Management Platform
  - ✓ **2024 Taipei City Net Zero Leadership Award – Model Award**
- **Corporate Governance**
  - ✓ **2024 CommonWealth** – **Excellence in Corporate Social Responsibility Award**, maintain **#1** in Taiwan Telecom Industry
  - ✓ **2024 CommonWealth** – **Talent Sustainability Award** for **2 years in a row**
  - ✓ **New Taipei City Government** – **Family-Friendly and Equal Employment Award**
- **Product and Service**
  - ✓ **2024 CSEA Awards – 'Best AI System Application Team' Award** for FET customer care

FET 2024 4Q Focus and Onwards

- Deliver Smart ICT Projects on time on budget
- Cloud HIS readiness for 1Q Soft Launch
- Finish the year STRONG!

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Q & A

For further Information,

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