



Taiwan Mobile
台灣大哥大

Taiwan Mobile Co., Ltd.

4Q16 Results Summary

January 25, 2017

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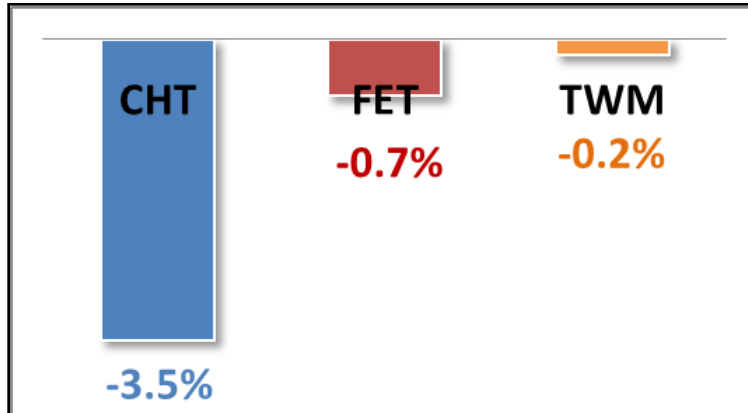
Business Overview

Mobile Growth Leading the Pack

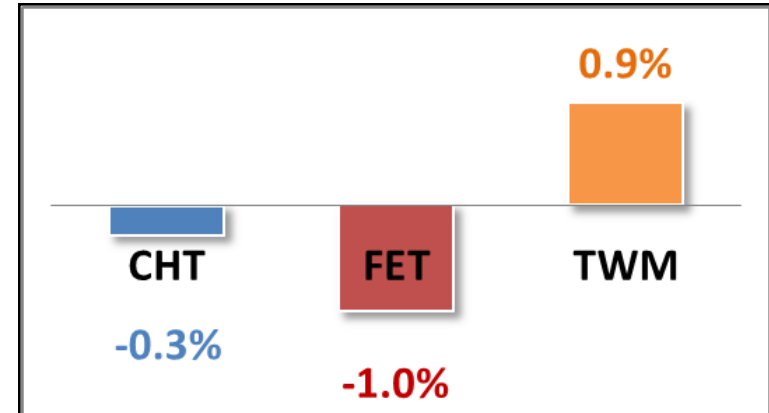
Key Operating Metrics

2016 YoY change

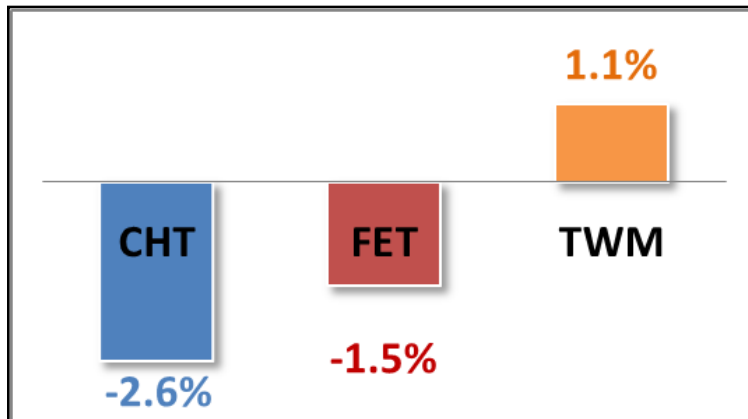
Total Subscribers



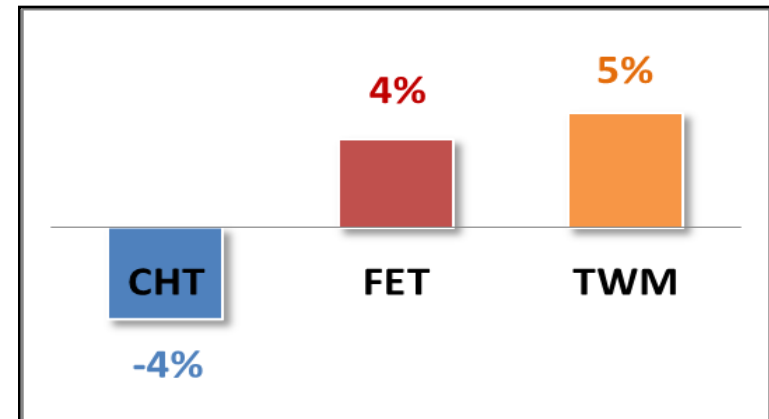
Blended ARPU¹



Mobile Service Revenue¹



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)					
momo	4Q16	QoQ	YoY	2016	YoY
Total Revenue	7.62	13%	11%	28.08	10%
- Online Shopping	5.82	17%	22%	20.58	19%
- TV Home Shopping & Others	1.80	-1%	-14%	7.50	-11%
EBITDA	0.34	14%	21%	1.37	15%
EBITDA Margin	4.4%	0.1ppts	0.4ppts	4.9%	0.2ppts



Financial Overview



Performance by Business

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

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.

Results Summary

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
Total Assets	151.38	151.26	156.09	Liabilities	85.19	88.76	90.79
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				
- Property and Equipment	45.37	46.42	47.58				
- Concession	37.86	38.53	40.45	Shareholders' Equity	66.19	62.50	65.29
- Other Non-current Assets	28.45	28.36	28.95	- Paid-in Capital	34.21	34.21	34.21
				- Capital Surplus	14.99	14.59	14.59
				- Legal Reserve	24.61	24.61	23.04
Current Ratio	90%	63%	58%	- Un-appropriated Earnings	0.63	0.63	2.76
Net Debt to Equity	74%	87%	81%	- Treasury Shares	(29.72)	(29.72)	(29.72)
Net Debt to EBITDA (x)	1.44	1.62	1.65	- Non-controlling Interest	5.77	5.62	5.74
ROE (annualized)	23%	28%	25%	- Retained Earnings & Others*	15.71	12.57	14.67

* Including accumulated profits and other equity items

Cash Flow Analysis

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
Revenue	118.85	116.65	2%
EBITDA	32.43	33.87	-4%
D&A Expense	13.88	13.85	0%
Operating Income	18.56	20.02	-7%
Non-operating Expense	0.66	0.83	-20%
Pre-tax Income	17.90	19.19	-7%
Net Income	14.38	15.32	-6%
EPS ¹ (NT\$)	5.28	5.63	-6%

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.



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Q & A