Taiwan Mobile

First Quarter 2025 Results

for the period ending March 31, 2025

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TWM Consolidated

NT$bn	1Q25	1Q24	YoY
Revenues	48.17	48.28	0%
Operating Income	5.15	4.66	11%
Non-op. Income (Expenses)	(0.24)	(0.33)	-28%
Pre-tax Income	4.91	4.32	14%
(Income Tax)	(0.76)	(0.84)	-9%
(Minority Interest)	(0.49)	(0.51)	-5%
Net Income	3.66	2.97	23%
EPS (NT$)	1.21	0.98	23%

Highlights of Operating Results

1Q25

Consolidated operating income grew by double digits YoY, as the robust 30% growth in our telecom EBIT helped offset softer performance at momo, which reflected its increased investments in new business areas. Coupled with lower non-op expenses, net income and EPS rose by 23% YoY. Supported by healthy cash flows, our net debt to EBITDA declined on a yearly and quarterly basis, while solid profitability sustained our ROE at 15%. Pre-IFRS 16 free cash flow was NT$4.41bn, translating to an annualized FCF yield of 5%.

Key Message

In the first quarter of 2025, our core Telco and Telco+ businesses delivered a 7-year high in telecom EBIT. Looking ahead, our Telco+Tech strategies remain central to our growth agenda. Our new telco powered tech businesses are expected to unlock additional growth opportunities and drive near-term business expansion.

Taiwan Mobile

I. Revenue Analysis

Table 1. Key Operational Data

Residual Value (NT$bn)	1Q25	4Q24	1Q24	QoQ	YoY
Mobile Service Revenue	16.24	16.35	15.98	-1%	2%
Postpaid ARPU (NT$)	616	619	607	-1%	1%
09x Postpaid ARPU (NT$)	666	669	653	-1%	2%
Blended ARPU (NT$)	541	543	529	0%	2%

Note: Operational data and reported financials from 4Q23 onwards reflect Taiwan Mobile's merger with T Star effective on December 1, 2023.

Revenue (NT$bn)	1Q25	4Q24	1Q24	QoQ	YoY
Telecom	**21.51**	**22.71**	**20.72**	**-5%**	**4%**
Service	15.31	15.34	15.08	0%	1%
Device Sales	6.21	7.36	5.64	-16%	10%
momo	**26.41**	**33.48**	**26.88**	**-21%**	**-2%**
CATV revenue[1]	**1.47**	**1.47**	**1.47**	**1%**	**0%**
Pay-TV	0.73	0.73	0.75	-1%	-4%
Broadband[1]	0.61	0.60	0.57	2%	8%
Content & channel leasing	0.14	0.13	0.15	2%	-8%
Others[2]	**0.16**	**0.17**	**0.15**	**-8%**	**5%**

1. CATV revenue includes broadband costs borne by TWM for its Double Play customers which is eliminated in consolidated revenue.
2. Other revenue primarily consists of operating revenue from our 49.9%-held Taipei New Horizon Co., Ltd., which became a consolidated entity on Feb 21, 2014.

	1Q25	4Q24	1Q24	QoQ	YoY
Mobile Subscribers (K)	**10,026**	**10,006**	**10,049**	**0%**	**0%**
- Postpaid	8,485	8,470	8,456	0%	0%
Monthly Churn	**1.3%**	**1.5%**	**1.9%**		
-Postpaid	0.6%	0.7%	0.7%		
MOU (bn)	**0.72**	**0.75**	**0.78**	**-5%**	**-9%**
Pay-TV Subs (K)	**485**	**489**	**502**	**-1%**	**-3%**
Cable Broadband Subs (K)[1]	320	316	308	1%	4%
DTV Subs (K)	294	294	296	0%	-1%

CATV ARPU (NT$)	1Q25	4Q24	1Q24	QoQ	YoY
Pay-TV	497	497	498	0%	0%
Broadband	640	635	617	1%	4%
Blended[2]	916	906	874	1%	5%

1. Cable broadband customers signed via TWM Double Play series are not included.
2. Cable TV & broadband-related revenue (excluding content agency) divided by CATV subscriber number.

Telecom

In 1Q25, 5G penetration in TWM's smartphone postpaid user base increased to 42%, 5ppts higher than a year ago, as we continued to upsell via our unique bundles. For contract renewals, we saw a 6% overall uplift in monthly tariffs, with a 45% boost in 4G to 5G renewals.

As a result, 5G revenue grew by 12% YoY, lifting its contribution to mobile service revenue to 65% in the quarter. Mobile service revenue and 09x postpaid ARPU rose by low-single digits YoY, as the comparison base normalized after the merger. Delays in the release of online games and original content we invested into also affected our mobile service revenue in the quarter.

Postpaid users' monthly churn rate fell to a record low of 0.6% in 1Q25, reflecting a benign pricing environment post industry consolidation.

On the enterprise side, cloud, data & access and cyber security services maintained healthy growthin 1Q25.

momo

A more muted retail environment amid broader economic uncertainty weighed on momo's topline performance in 1Q25. Nevertheless, GMV grew YoY, supported by the expansion of momo's new third-party (3P) business and a 7.5% YoY increase in its active users.

Cable TV

Broadband business recorded a solid 8% YoY revenue growth in 1Q25. Including Double Play users, broadband subs on speeds of 300Mbps or higher surged by 34% YoY.

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II. EBITDA Analysis

Table 2. EBITDA Breakdown

NT$bn	1Q25	4Q24	1Q24	QoQ	YoY
EBITDA	**10.55**	**10.82**	**10.59**	**-2%**	**0%**
- Telecom	8.59	8.03	8.18	7%	5%
- momo	1.14	1.78	1.46	-36%	-22%
- CATV	0.79	0.79	0.78	-1%	0%

NT$bn	1Q25	4Q24	1Q24	QoQ	YoY
D&A	**5.40**	**5.36**	**5.93**	**1%**	**-9%**
- Telecom	4.82	4.68	5.29	3%	-9%
- momo	0.35	0.34	0.34	4%	4%
- CATV	0.21	0.21	0.20	-1%	5%

NT$bn	1Q25	4Q24	1Q24	QoQ	YoY
EBIT	**5.15**	**5.47**	**4.66**	**-6%**	**11%**
- Telecom	3.77	3.35	2.90	13%	30%
- momo	0.79	1.44	1.12	-45%	-30%
- CATV	0.57	0.58	0.58	-1%	-1%

EBITDA Analysis

Telecom EBITDA and EBIT grew by 5% and 30% YoY in 1Q25, respectively, driven by mobile plan upselling and merger synergies from network integration.

momo's EBITDA margin declined to 4.3% in 1Q25, mainly due to increased investments in marketing, technology, and new initiatives such as third-party (3P, mo-shop+) and retail media network (RMN, momoAds) businesses.

CATV EBITDA remained stable YoY, as the decline in pay-TV revenue was offset by growth in broadband subscriber numbers, ARPU, and strong traction in bundled offerings.

D&A Analysis

D&A fell YoY on the back of rental expense savings following our base station consolidation, which was completed in 3Q24. Under IFRS 16, rental expense savings are primarily reflected in lower depreciation expenses.

Table 3. Non-operating Items

NT$bn	1Q25	4Q24	1Q24	QoQ	YoY
Non-Operating Income (Expense)	**(0.24)**	**(0.50)**	**(0.33)**	**-52%**	**-28%**
- Net Interest Expense	(0.33)	(0.30)	(0.28)	11%	16%
- Write-off Loss	(0.03)	(0.03)	(0.13)	0%	-77%
- Other Income (Expense)[1]	0.12	(0.17)	0.08	nm	51%

1. Lawsuit-related interest expenses accrued from 4Q24 onwards are classified under other expenses rather than interest expense, to reflect its non-recurring and accrual nature.

Non-Operating Item Analysis

Non-operating expenses declined YoY in 1Q25, primarily due to lower equipment write-offs compared to 1Q24 during network consolidation. This was partially offset by an increase in financing costs, as interest rates were higher compared with the previous year.

III. Income Statement Analysis

Table 4. 1Q25 Consolidated Results

NT$bn	1Q25	QoQ	YoY
Revenue	**48.17**	**-14%**	**0%**
Cash Cost & Expense	(37.61)	**-17%**	**0%**
Operating Income	**5.15**	**-6%**	**11%**
Non-op. Income (Expense)	(0.24)	**-52%**	**-28%**
Pre-tax Income	4.91	-1%	14%
Net Income	**3.66**	**6%**	**23%**
EPS (NT$)	1.21	6%	23%
EBITDA	**10.55**	**-2%**	**0%**

Income Statement Analysis

1Q25

Consolidated operating income grew by double digits YoY, as the robust 30% growth in our telecom EBIT helped offset softer performance at momo, which reflected its increased investments in new business areas. Coupled with lower non-operating expenses, net income and EPS increased by 23% YoY.

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IV. Cash Flow Analysis

Table 5. Cash Flow

NT$bn	1Q25	4Q24	1Q24
Operating	**9.07**	**8.89**	**10.32**
Pre-tax Income	4.91	4.97	4.32
Non-cash Add-backs	5.96	6.04	6.49
--Depreciation[1]	2.65	2.61	2.65
--Amortization	1.65	1.69	1.69
--Others[1]	1.66	1.74	2.16
Changes in Working Capital & Income Taxes	(1.76)	(2.28)	(0.68)
Others	(0.04)	0.16	0.18
Investing	**(3.46)**	**(2.26)**	**(2.85)**
Capex[2]	(3.48)	(1.85)	(2.77)
Divestment (Acquisition)	(0.01)	0.22	(0.02)
Other Financial Assets (Increase)	0.13	(0.72)	(0.02)
Refundable Deposits (Increase)	(0.09)	0.02	(0.01)
Others	(0.00)	0.07	(0.04)
Financing	**(6.00)**	**(4.16)**	**(6.75)**
Short-term Borrowings	(10.42)	(2.08)	(6.74)
Proceeds from Issuance of Bonds	10.01	0.00	0.00
Long-term Bank Loan	0.96	(0.64)	1.96
Repayment of The Principal Portion of Lease Liabilities[3]	(1.12)	(1.13)	(1.54)
Dividends Payments	0.00	0.00	0.00
Repayments of Bonds Payable	(5.00)	0.00	0.00
Interest (Payment) & Others	(0.43)	(0.31)	(0.43)
Net Cash Position Chg.	**(0.38)**	**2.47**	**0.71**

1. Depreciation of right-of-use assets shown separately under “Others” instead of “Depreciation” in this table.
2. Inclusive of prepayments for equipment, the acquisition of computer software & other intangible assets, cash capex is net of government subsidies.
3. An operating cash outflow item prior to 2019.

Table 6. Capex & FCF

NT$bn	1Q25	4Q24	1Q24
Cash Capex	**3.48**	**1.85**	**2.77**
- Mobile	2.29	0.84	1.78
- Fixed-line	0.36	0.34	0.30
- Cable	0.20	0.18	0.19
- momo & others	0.63	0.49	0.49
% of Revenue	**7%**	**3%**	**6%**
Free Cash Flow[1]	**4.41**	**5.88**	**5.96**

1. Free cash flow was on a pre-IFRS 16 basis.

Cash Flow Analysis

1Q25

Operating cash flow increased sequentially, supported by a favorable working capital change. Compared to the same period last year, our first quarter operating cash flow was supported by stable cash inflows from the telecom segment, which helped offset declines at momo.

Investing cash outflow increased YoY in 1Q25, primarily due to investments in mobile infrastructure catered to the needs of high-value customers.

Aided by healthy FCF generations, we reduced interest-bearing debt by N$4.45bn in the quarter. Additionally lease payments declined, reflecting cost savings from network integration.

Capex and Free Cash Flow Analysis

While operating cash flow was stable, continued capex payment for network consolidation brought pre-IFRS 16 free cash flow to NT$4.41bn in 1Q25, translating to an annualized FCF yield of 5%.

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V. Balance Sheet Analysis

Table 7. Balance Sheet

NT$bn	1Q25	4Q24	1Q24
Total Assets	**237.90**	**241.43**	**239.02**
Current Assets	42.68	44.64	42.98
- Cash & Cash Equivalents	11.56	11.95	13.96
- Receivable & Contract Assets	19.82	20.09	19.77
- Inventories	7.39	8.83	6.52
- Short-term Investment	0.31	0.28	0.28
- Other Current Assets	3.60	3.50	2.45
Non-current Assets	195.23	196.78	196.04
- Long-term Investment	12.83	12.93	9.54
- Property and Equipment	52.84	53.92	52.09
- Right-of-use Assets	11.69	11.19	12.82
- Concession	64.95	66.39	70.77
- Other Non-current & Contract Assets	52.92	52.35	50.83
Liabilities	**139.23**	**147.50**	**142.03**
Current Liabilities	62.59	81.77	72.32
- ST Borrowings	25.78	41.70	33.80
- Accounts & Notes Payable	12.86	13.50	13.68
- Current Lease Liabilities	4.04	3.86	5.08
- Other Current Liabilities	19.91	22.72	19.76
Non-current Liabilities	76.64	65.73	69.71
- Long-term Borrowings	61.23	50.65	54.56
- Non-current Lease Liabilities	7.70	7.42	7.79
- Other Non-current Liabilities	7.71	7.65	7.36
Shareholders' Equity	**98.67**	**93.93**	**97.00**
-Paid-in Capital	37.23	37.23	37.23
-Capital Surplus	30.19	29.34	31.33
-Legal Reserve	34.72	34.72	33.50
-Treasury Shares	(29.72)	(29.72)	(29.72)
-Un-appropriated Earnings	0.00	0.00	0.00
-Non-controlling Interest	9.02	8.53	9.16
-Retained Earnings & Others[1]	17.23	13.83	15.49

1: Including YTD profits and other equity items

Table 8. Ratios

	1Q25	4Q24	1Q24
Current Ratio	68%	55%	59%
Interest Coverage (x)	15.5	14.9	15.2
Net Debt (Cash) to Equity	76%	86%	77%
Net Debt (Cash) to EBITDA (x)	1.72	1.89	1.80
ROE (annualized)[1]	15%	15%	12%
ROA (annualized)[2]	7%	6%	5%

1. The interest expense used in the calculation for coverage ratio excludes the aforementioned lawsuit-related one-off interest expenses. (refer to note 1 in Table 3)
2. ROE = Accumulated Net Income (Annualized) /Average Shareholders' Equity
3. ROA = Accumulated Net Income + Interest Expenses*(1-Tax Rate) (Annualized) / Average Total

Assets

The YoY decrease in cash balance was primarily due to momo's allocation of excess cash into money market instruments, which led to an increase in other current assets compared with the previous year.

Long-term investment increased YoY, mainly due to the NT$4bn strategic investment in Systex in 3Q24.

The YoY decrease in right-of-use assets was mainly attributable to the termination of T Star's base-station leases due to network consolidation.

Long-term contract assets went up YoY on the back of the continued growth in mobile bundle plans.

Liabilities & Shareholders' Equity

Gross debt dropped QoQ and YoY, mainly driven by our disciplined capital allocation and healthy cash flow generations.

Ratio Analysis

Aided by healthy cash flows, our net debt to EBITDA declined both YoY and QoQ. Good profitability also sustained our ROE at 15% in 1Q25.

VI. Management Remarks

Key Message

In the first quarter of 2025, our core Telco and Telco+ businesses delivered a 7-year high in telecom EBIT. Looking ahead, our Telco+Tech strategies remain central to our growth agenda. Our new telco powered tech businesses are expected to unlock additional growth opportunities and drive near-term business expansion.

Awards and ESG Recognitions

- Received a “Climate Change Grade A” rating from CDP for 5 consecutive years.
- Selected for the S&P’s “Sustainability Yearbook” for 8 years in a row, ranking in the top 5% globally — making TWM the most frequently listed Taiwanese telecom operator on it.
- Awarded with the Gold Medal Award at the “Yourator Employer Brand Awards,” the only telecom operator to receive this honor.
- Passed the “SGS Service Quality Certification” — one of the world’s most trusted service quality evaluations — for 13 years in a row.