



# Chunghwa Telecom

## INVESTOR FACTSHEET

Chunghwa Telecom is the largest integrated telecom service provider in Taiwan. The goal of the company is to be a value-creating and trustworthy company in providing information & communication services.

Q1 2018

Mr. Yu Cheng, Chairman and CEO of Chunghwa Telecom, stated, "The first quarter of 2018 was a highly competitive quarter, resulting in a slight decrease in revenues year over year. However, we are pleased with our operational progress, which establishes a firm foundation for a robust year ahead. Our solid market leading position is underscored by a 36.3% market share in mobile subscribers and a 37.9% market share in mobile revenue. At the same time, we maintained the lowest mobile service revenue decline among three major telecoms in Taiwan despite an increasingly competitive landscape."

"We are also pleased with solid progress in our other segments. In broadband business, the subscriber net-adds turn positive for the first quarter of 2018, which is encouraging. The number of users signing up for, or upgrading to, connection speeds of 100Mbps or higher grew by 10.7% year over year to 1.32 million in the first quarter as a result of broadband subscribers consistently migrating to our higher-speed, higher-value fiber services. Furthermore, our IPTV/MOD platform became the largest video platform in Taiwan in the first quarter with 1.7 million subscribers, representing a 27.4% increase year over year, driving a 25.2% year-over-year growth in IPTV revenue. We look forward to further growing this segment by facilitating the overall TV operational environment and leveraging popular contents, such as international sport events, including eSports."



Mr. Yu Cheng  
Chairman and CEO

"Going forward, we remain focused on market share consolidation and margin expansion to meet the guidance. With our competitive advantages in network infrastructure, IDC, and CDN, which are the fundamentals to drive innovative services in the digital economy, we will be able to further consolidate our market leading position." Mr. Cheng concluded.

### MARKET FACT

Market Cap	US\$28.97 Billion
NYSE Share Price	CHT US\$37.34
52 Week Low/High	US\$33.10/39.33
TSE Share Price	2412 NT\$110.5
52 Week Low/High	NT\$101.5/115.0
Shares Outstanding	7,757 Million

as of Apr. 25, 2018 Source: Bloomberg

### Taiwan's Telecom Leader / Strong Market Positions (a)

Q1 2018 Consolidated Revenue: NT\$53.63 bn (e)

- Domestic Fixed**
  - #1 Local
    - 93.3% share by subs (10.65 mn subs)
    - 85.8% share by minutes
  - #1 DLD
    - 85.0% share by minutes
  - #1 Broadband access
    - 72.4% share by subs <sup>(b)(c)</sup> (4.48 mn subs)
- Mobile**
  - #1 Mobile subscribers
    - 36.3% market share <sup>(d)</sup> (10.41 mn subs)
  - #1 Mobile revenue
    - 37.9% market share <sup>(d)(e)</sup>
- Internet**
  - #1 ISP
    - 67.6% share by subs (4.13 mn subs)
- International Fixed**
  - #1 ILD
    - 67.7% share by minutes

Source: Company data, MOTC, and NCC statistics

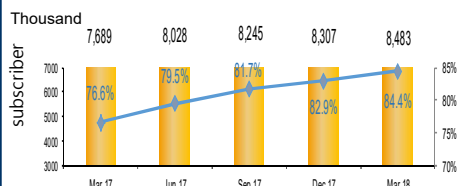
- a) Market share as of February 2018
- b) CHT access circuits were not included
- c) Excluding PWLAN subscriber numbers
- d) Includes 3G and 4G
- e) Revenues are based on T-IFRSs

### DIFFERENTIATING FACTORS

- Leading Position in Customer Access
- Extensive Product Portfolio with High Quality Services
- Branding & Scale Advantages
- Advanced Network & Technology Capabilities
- Financial Strengths

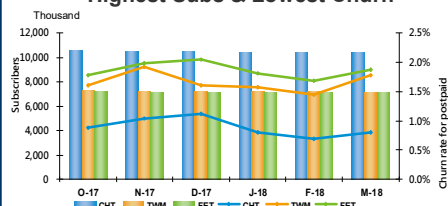
### Leading Position in Mobile Market

#### Mobile Internet Subs as % of Postpaid Subs



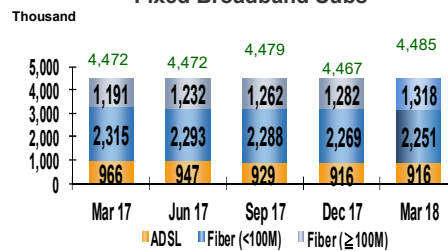
Note: Subscribers with mobile internet plan subscription.

#### Highest Subs & Lowest Churn

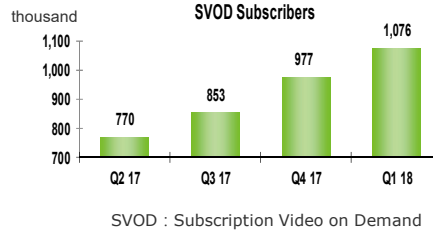


### #1 Broadband Provider

#### Fixed Broadband Subs



#### SVOD Subscribers



SVOD: Subscription Video on Demand



中華電信股份有限公司  
Chunghwa Telecom Co., Ltd.  
For more information visit:  
[www.cht.com.tw/ir](http://www.cht.com.tw/ir)



# Chunghwa Telecom

## Solid Financial Performance

### Consolidated

(NT\$bn)	Q1 2018 (Upon the adoption of IFRS 15)	Q1 2017 (Before the adoption of IFRS 15)	Growth %	2017 (Before the adoption of IFRS 15)	2016 (Before the adoption of IFRS 15)	Growth %
Revenues	56.63	54.53	(1.7)	227.51	229.99	(1.1)
Income from Operations	10.94	11.53	(5.1)	46.70	48.11	(2.9)
Net Income	8.73	9.59	(9.0)	38.87	40.07	(3.0)
Net Income Margin (%)	16.78	18.05	-	17.60	17.93	-
EPS	1.13	1.24	(9.0)	5.01	5.16	(3.0)
EBITDA	18.91	19.61	(3.6)	78.60	80.58	(2.5)
EBITDA Margin (%)	35.26	35.96	-	34.55	35.04	-

Note: Financials are prepared in accordance with T-IFRSs. Figures for Q1 2018 are unaudited. /Net income attributable to owners of the parent. /Net income margin is based on consolidated net income (including net income attributable to NCI). /EBITDA = operating income + Depreciation & Amortization. /The calculation of growth rates is based on NT\$mm.

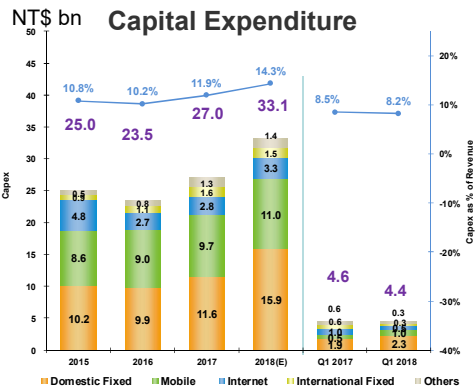
## Committed to Improving Shareholder Value



- Board of directors resolved to distribute NT\$37.2 billion to shareholders
  - NT\$4.796 per share
  - payout ratio 95.7%

Note:  
 1. 1 ADR = 10 common shares  
 2. The normal dividend has been calculated based on total share number 7,757,446,545 since year 2011.

## Effective and Efficient Capital Expenditure



- Budgeted capex for 2018: NT\$33.1 bn
- Continue to focus on core businesses for future investments
  - FTTx
  - 4G
  - IDC/ Cloud
  - Service Platforms

## Commitment to Corporate Social Responsibility



## Awards

- Asia Sustainability Reporting Awards – CSRWorks International
- The Asset Corporate Platinum award by The Asset Magazine for 5 consecutive years since 2013
- Included in Dow Jones Sustainability Emerging Markets Index simultaneously for the successive 6 years
- Winner of the National Brand of the Year Award awarded by World Branding Forum for the three years in a row
- Trusted Brands Platinum Award– by the Reader's Digest for the successive 13 years



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