



中華電信  
Chunghwa Telecom

# 3Q 2024 Operating Results

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November 6, 2024



# Disclaimer



## STATEMENT REGARDING UNAUDITED FINANCIAL INFORMATION

The unaudited financial information under T-IFRSs in this presentation is preliminary and subject to adjustments and modifications. Adjustments and modifications to the financial statements may be identified during the course of the audit /review work, which could result in significant differences from this preliminary unaudited financial information.

## NOTE CONCERNING FORWARD-LOOKING STATEMENTS

This presentation contains forward-looking statements. These statements constitute “forward-looking” statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and as defined in the U.S. Private Securities Litigation Reform Act of 1995. These forward-looking statements can be identified by terminology such as “will,” “expects,” “anticipates,” “future,” “intends,” “plans,” “believes,” “estimates” and similar statements. Statements that are not historical facts, including statements about Chunghwa’s beliefs and expectations, are forward-looking statements. Forward-looking statements involve inherent risks and uncertainties that could cause actual results to differ materially from the forward-looking statements. A number of important factors could cause actual results to differ materially from those contained in any forward-looking statement. Investors are cautioned that actual events and results could differ materially from those statements as a result of a number of factors including, but not limited to the risks outlined in Chunghwa’s filings with the U.S. Securities and Exchange Commission on Forms F-1, F-3, 6-K and 20-F, in each case as amended. The forward-looking statements in this presentation reflect the current belief of Chunghwa as of the date of this presentation and Chunghwa undertakes no obligation to update these forward-looking statements for events or circumstances that occur subsequent to such date, except as required under applicable law.

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## SPECIAL NOTE REGARDING NON-GAAP FINANCIAL MEASURES

A body of generally accepted accounting principles is commonly referred to as “GAAP”. A non-GAAP financial measure is generally defined by the SEC as one that purports to measure historical or future financial performance, financial position or cash flows but excludes or includes amounts that would not be so adjusted in the most comparable U.S. GAAP measure. We disclose in this report certain non-GAAP financial measures, including EBITDA. EBITDA for any period is defined as consolidated net income (loss) excluding (i) depreciation and amortization, (ii) total net comprehensive financing cost (which is comprised of net interest expense, exchange gain or loss, monetary position gain or loss and other financing costs and derivative transactions), (iii) other expenses, net, (iv) income tax, (v) cumulative effect of change in accounting principle, net of tax and (vi) (income) loss from discontinued operations.

In managing our business we rely on EBITDA as a means of assessing our operating performance. We believe that EBITDA can be useful to facilitate comparisons of operating performance between periods and with other companies because it excludes the effect of (i) depreciation and amortization, which represents a non-cash charge to earnings, (ii) certain financing costs, which are significantly affected by external factors, including interest rates, foreign currency exchange rates and inflation rates, which have little or no bearing on our operating performance, (iii) income tax and tax on assets and statutory employee profit sharing, which is similar to a tax on income and (iv) other expenses or income not related to the operation of the business.

EBITDA is not a measure of financial performance under U.S. GAAP or T-IFRSs. EBITDA should not be considered as an alternate measure of net income or income from operations, as determined on a consolidated basis using amounts derived from statements of operations prepared in accordance with U.S. GAAP or T-IFRSs, as an indicator of operating performance or as cash flows from operating activity or as a measure of liquidity. EBITDA has material limitations that impair its value as a measure of a company’s overall profitability since it does not address certain ongoing costs of our business that could significantly affect profitability such as financial expenses and income taxes, depreciation, pension plan reserves or capital expenditures and associated charges. These non-GAAP measures are not in accordance with or an alternative for GAAP financial data, the non-GAAP results should be reviewed together with the GAAP results and are not intended to serve as a substitute for results under GAAP, and may be different from non-GAAP measures used by other companies.

# Recent Strategic Achievements

## Maintained #1 industry leadership

- ✓ #1 5G penetration according to industry regulator
- ✓ Continuous growth of postpaid subscribers in 2024 against the relatively flattish trend for the rest of the industry
- ✓ ICT revenue hit a new high over every single third quarter since 2022

## Deployed AIDC, LEO and IOWN technology to expand strategic edges

- ✓ Initiated the world's first International IOWN APN between Taiwan and Japan with NTT Group
- ✓ Completed >90% of OneWeb's LEO satellite coverage across Taiwan and will achieve 100% in 4Q24
- ✓ Continued transitioning from air-cooled solutions to liquid-cooled solutions in data centers to support Nvidia AI servers

## Pioneered to achieve SBTi Net-Zero goal

- ✓ Foremost Taiwanese telco to commit to achieving the net-zero goal by 2045, ahead of 2050
- ✓ First telco to obtain carbon footprint verification for all the direct-sale service centers across Taiwan



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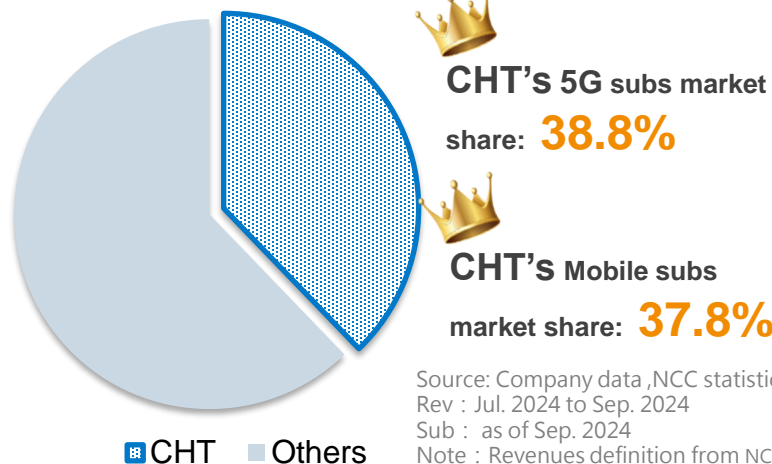
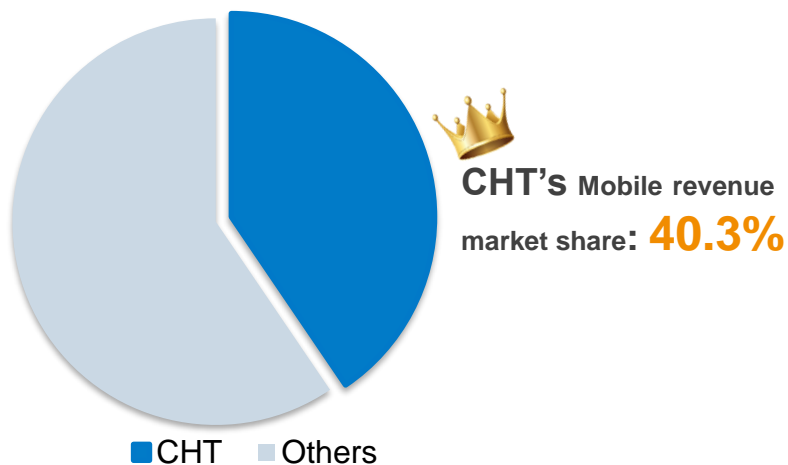
# Business Overview

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# Business Overview

## Mobile Service

### Mobile Revenue & Subs Market Share

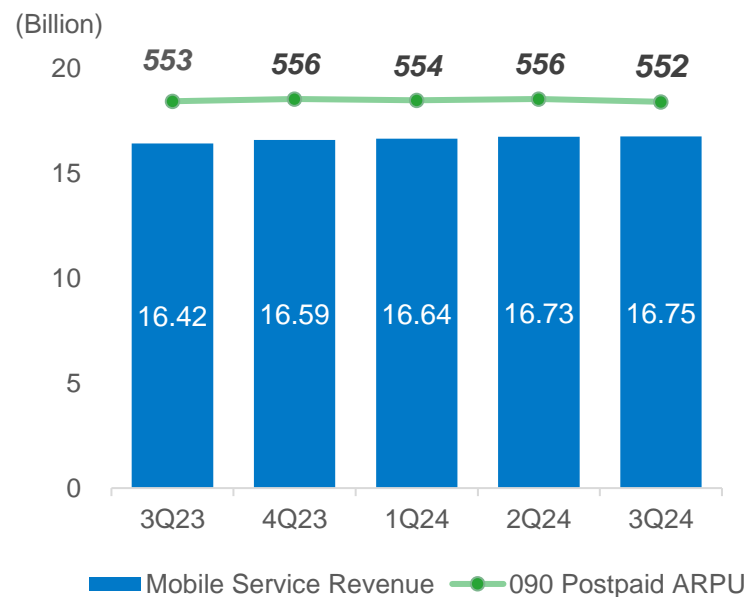


Source: Company data, NCC statistics  
Rev : Jul. 2024 to Sep. 2024  
Sub : as of Sep. 2024  
Note : Revenues definition from NCC (excluding IoT SIMs)

### 090 Postpaid ARPU Maintains Stable & Flat

**5G** Monthly fee uplift from 4G  
**▲ 43%**

Mobile service revenue<sup>(a)</sup>  
**YoY ▲ 2%**



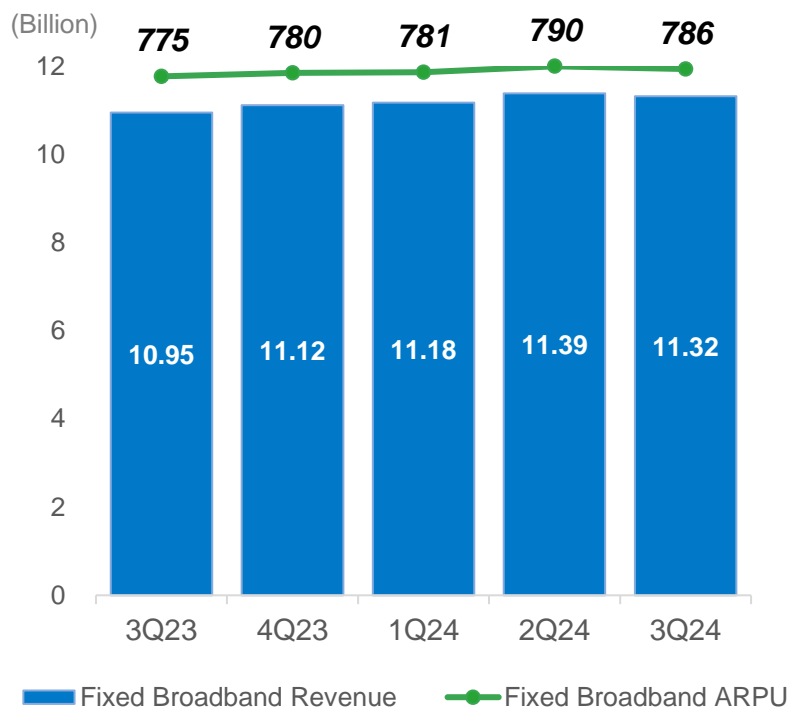
Source : Company data as of Sep. 2024  
a) Consolidated Mobile Service Revenue (Including IoT)

# Business Overview

## Fixed Broadband Service

### ARPU YoY Growth for 20 Consecutive Quarters

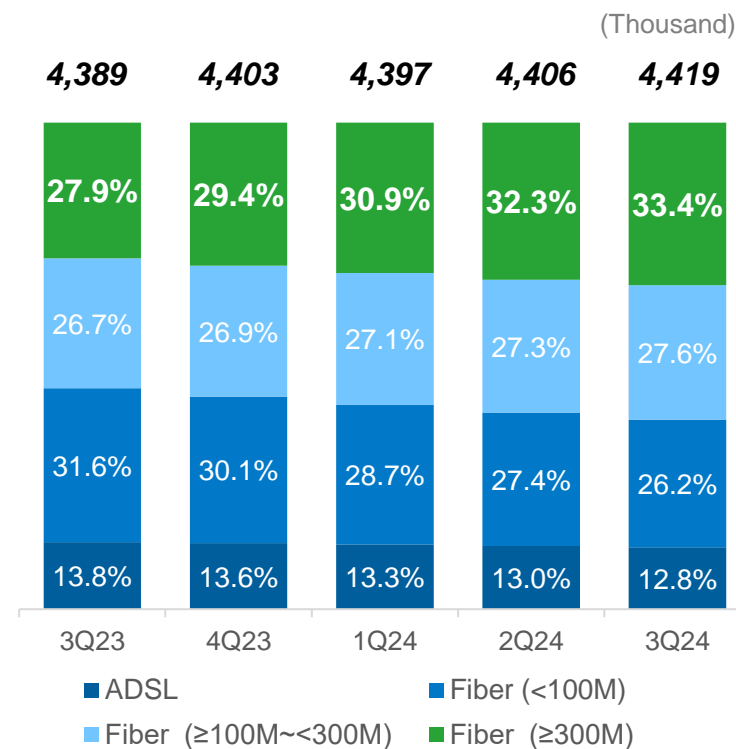
Fixed Broadband Revenue<sup>(a)</sup> YoY ▲ 3.4%  
Fixed Broadband ARPU YoY ▲ 1.5%



Note : (a) Revenue is calculated based on T-IFRSs

### Higher-Speed Adoption Growth

300M+ Subs YoY ▲ 20.5%





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# Segment Reporting

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# Consumer Business Group (CBG)

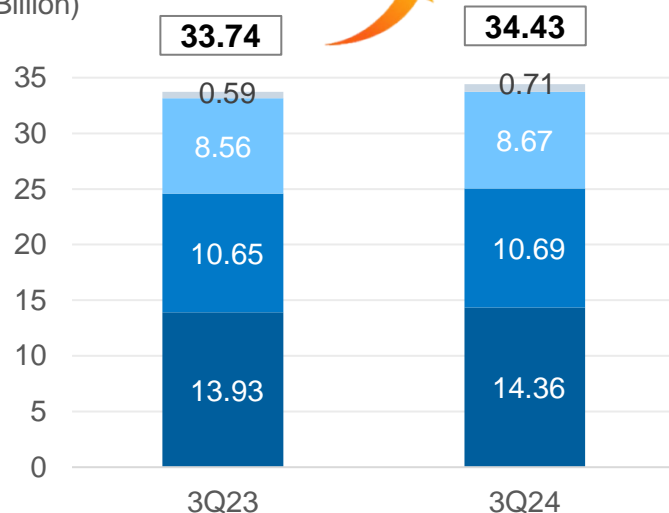
## 3Q24 Financial Summary

Income before tax decreased NT\$0.05 billion, or **↓ 0.6 % YoY**

### Revenue

**+2.1% YoY**

(Billion)



■ Mobile Services

■ Fixed-line Services

■ Sales

■ Others

Mobile service revenue of CBG +3% YoY due to 5G migration as well as continued growth of postpaid subscribers

Fixed broadband revenue of CBG +0.3% YoY due to successful speed upgrades

Sales revenue of CBG increased by 1.3% YoY due to the launch of iPhone 16 series



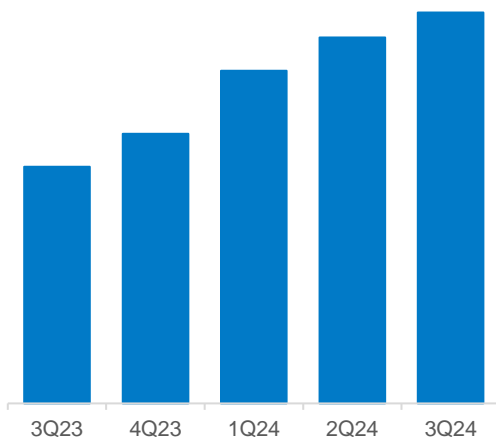
# Consumer Business Group (CBG)

## 3Q24 Highlights



### Multiple-Play Package Performance

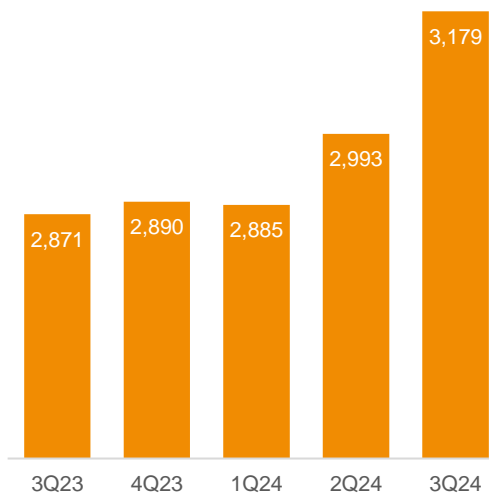
Fixed-Broadband + Mobile + Wi-Fi Service package subscriptions **+65 % YoY**



■ Multiple-Play Package subscription

### IPTV/MOD + OTT Business Performance

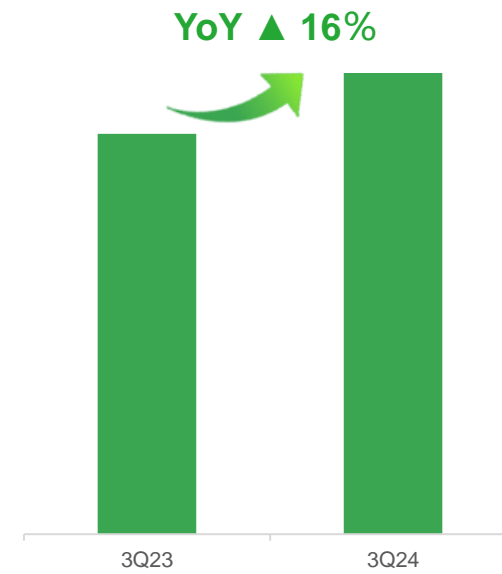
Subscriptions surge due to promotion of 2024 Paris Olympic Games; Subscriptions **+ 11 % YoY**



■ IPTV(MOD)+OTT Subscription(K)

### Consumer Cybersecurity Subscriptions

Consumer Cybersecurity Subscriptions **+ 16 % YoY**



■ Consumer Cybersecurity subscriptions

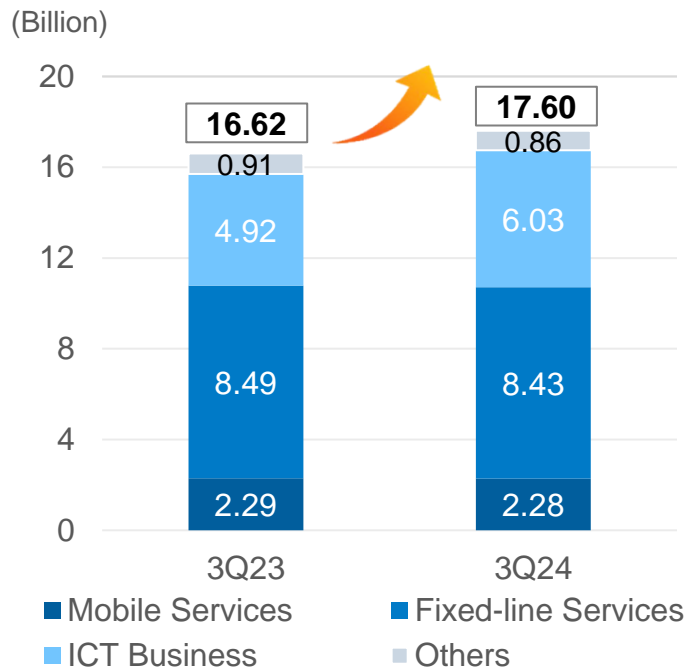
# Enterprise Business Group (EBG)

## 3Q24 Financial Summary

Income before tax decreased NT\$0.33 billion, or **↓9.6% YoY**

### Revenue

**+5.9% YoY**



EBG revenue +5.9% YoY mainly driven by the strong ICT business growth



Major growth drivers in emerging enterprise business delivered strong performance and demonstrated double-digit and even triple-digit YoY growth



Continued mobile and fixed broadband growth thanks to 5G migration, rising international roaming service, and the continued fixed broadband speed upgrades was offset by the decline of mobile and fixed voice revenues

# Enterprise Business Group (EBG)

## 3Q24 Highlights

### Emerging Enterprise Application

Revenue **↑ 30% YoY**



AIoT

YoY **↑ 44%**



IDC

YoY **↑ 21%**



Cloud Service

YoY **↑ 24%**



Cybersecurity

YoY **↑ 24%**



Big Data

YoY **↑ 110%**



5G private network

YoY **↑ 216%**



Launched Taiwan's first "5G Private Network Backpack," the smaller and lighter solution capable of receiving satellite signal in the remote area



Acquired a network integration project from a leading franchised retailer to provide integrated services, securing future opportunity of recurring revenues



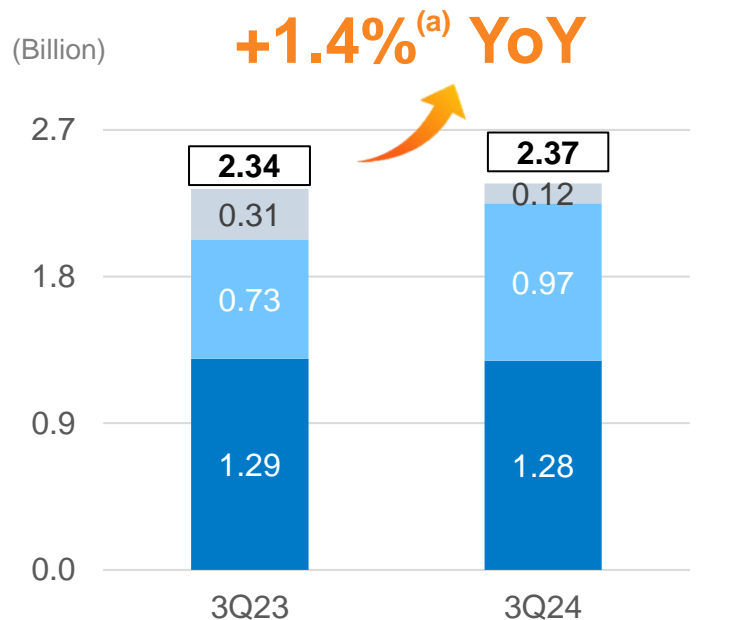
Won another AMI smart energy project and further strengthened our market leadership in AMI services

# International Business Group (IBG)

## 3Q24 Financial Summary

Income before tax increased NT\$0.06 billion, or **↑ 11% YoY**

### Revenue



■ Fixed-line Services ■ ICT Business ■ Others

Note : (a) The calculation of growth rate is based on actual amount



IBG revenue +1.4% YoY mainly due to overseas ICT business growth driven by clients' global expansion in Japan



Launched our European subsidiary in Germany on July 30 to expand European market



Became a member of the "IoT World Alliance" in August to open up opportunities of transnational IoT business



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# Financial Overview

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# Income Statement Highlights



(NT\$bn)	Q3 2024	Q3 2023	Growth %	9M 2024	9M 2023	Growth %
<b>Revenue</b>	55.61	53.66	3.6	164.67	161.33	2.1
<b>Operating Costs and Expenses</b>	44.23	42.20	4.8	129.44	125.43	3.2
<b>Other Income and Expenses<sup>2</sup></b>	-	-	-	-	-	-
<b>Income from Operations</b>	11.38	11.46	-0.8	35.23	35.90	-1.9
<b>Income before Tax</b>	11.49	11.64	-1.3	35.82	36.56	-2.0
<b>Net Income<sup>3</sup></b>	9.01	9.09	-1.0	28.22	28.66	-1.5
<b>EPS</b>	1.16	1.17	-1.0	3.64	3.69	-1.5
<b>EBITDA<sup>4</sup></b>	21.26	21.38	-0.5	64.91	65.62	-1.1
<b>EBITDA Margin (%)</b>	38.23%	39.84%		39.42%	40.68%	

Note:

- Financials are prepared in accordance with T-IFRSs. Figures for 2024 are unaudited.
- Other income and expenses includes gains (losses) on disposal of property, plant and equipment (PP&E) and investment property, and impairment loss on PP&E and investment property.
- Net income attributable to owners of the parent.
- EBITDA is defined as consolidated net income excluding (i) depreciation and amortization, (ii) certain financing costs, (iii) other expenses or income not related to the operation of the business, (iv) income tax, (v) (income) loss from discontinued operations.
- The calculation of growth rates is based on NT\$m.

# Balance Sheet Highlights



(NT\$bn)	2024.09.30	2023.12.31	Growth % (vs 2023.12.31)	2023.09.30	Growth % (vs 2023.09.30)
<b>Total Assets</b>	509.65	523.94	-2.7	512.20	-0.5
<i>Cash &amp; Cash Equivalents</i>	31.22	33.82	-7.7	32.01	-2.5
<i>Other current monetary assets</i>	14.68	20.35	-27.9	12.33	19.1
<i>Prepayments</i>	5.93	2.84	109.0	5.56	6.8
<i>Property, plant and equipment</i>	283.08	292.34	-3.2	287.21	-1.4
<b>Total Liabilities</b>	122.96	129.04	-4.7	125.85	-2.3
<i>Accounts payable</i>	12.58	14.78	-14.9	13.35	-5.8
<i>Current tax liabilities</i>	2.44	4.63	-47.3	7.11	-65.7
<i>Other payables</i>	21.69	25.26	-14.1	21.15	2.5
<b>Total Equity</b>	386.69	394.90	-2.1	386.35	0.1
<b>Debt Ratio (%)<sup>3</sup></b>	24.13	24.63	-2.0	24.57	-1.8
<b>Net Debt / EBITDA (x)<sup>4</sup></b>	-	-		-	

Note:

1. Financials are prepared in accordance with T-IFRSs. Figures for 2024 are unaudited.
2. The calculation of growth rates is based on NT\$m.
3. Debt includes short-term and long-term liabilities. The debt ratio is defined as the ratio of total debt to total assets.
4. Net Debt includes short-term loans + short-term bills payable + current portion of long-term loans+ long-term loans + bonds payable – cash and cash equivalents.

# Cash Flow Summary

(NT\$bn)	9M 2024	9M 2023	Growth %
<b>Cash Flows from Operating Activities</b>	49.76	49.89	-0.3%
<b>Capital Expenditures<sup>2</sup></b>	16.04	18.88	-15.1%
<i>Mobile<sup>2</sup></i>	4.18	6.74	-38.0%
<i>Non-Mobile<sup>2</sup></i>	11.86	12.14	-2.4%
<b>Free Cash Flow<sup>3</sup></b>	33.72	31.01	8.7%

Note:

1. Financials are prepared in accordance with T-IFRSs. Figures for 2024 are unaudited.
2. Numbers or percentages are on cash basis.
3. Free cash flow is calculated by subtracting CapEx from Net Cash Flows from Operating Activities.



# Operating Results vs. Forecasts

(NT\$bn)	Q3 2024 (A)	Q3 2024 (E)	Achieving %	9M 2024 (A)	9M 2024 (E)	Achieving %
<b>Revenue</b>	55.61	55.71~56.08	99.2~99.8	164.67	164.84~165.86	99.3~99.9
<b>Operating Costs and Expenses</b>	44.23	44.43~44.64	99.1~99.5	129.44	131.00~131.60	98.4~98.8
<b>Income from Operations</b>	11.38	11.27~11.79	96.5~100.9	35.23	33.83~34.61	101.8~104.1
<b>Net Income<sup>2</sup></b>	9.01	8.87~9.34	96.4~101.5	28.22	26.96~27.72	101.8~104.7
<b>EPS</b>	1.16	1.15~1.20	96.4~101.5	3.64	3.48~3.57	101.8~104.7
<b>EBITDA<sup>3</sup></b>	21.26	21.42~21.95	96.9~99.2	64.91	64.01~64.78	100.2~101.4
<b>EBITDA Margin (%)</b>	38.23	38.46~39.13	97.7~99.4	39.42	38.83~39.06	100.9~101.5

Note:

1. Financials are prepared in accordance with T-IFRSs. Figures for 2024 are unaudited.
2. Net income attributable to owners of the parent.
3. EBITDA is defined as consolidated net income excluding (i) depreciation and amortization, (ii) certain financing costs, (iii) other expenses or income not related to the operation of the business, (iv) income tax, (v) (income) loss from discontinued operations.

# Q & A

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