



中華電信
Chunghwa Telecom

4Q 2024 Operating Results

January 23, 2025



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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

Full-year financial performance hit a seven-year high

- ✓ Operating income, income before tax, and EPS all exceeded the high-end of the full-year guidance
- ✓ Total revenue reached a seven-year peak
- ✓ Accumulated EPS achieved its 5th consecutive year of annual growth, hitting a seven-year high

Forge global partnership to achieve tech-driven breakthroughs

- ✓ Work with NTT to showcase the ground-breaking immersive video program via IOWN APN, successfully reducing VR-induced sickness and enabling innovative virtual viewing solution
- ✓ Leverage our 5G Open RAN testing technology to assist Taiwanese vendors to secure development funding from the US government and go global
- ✓ Expect to provide commercial connection service of OneWeb and SES in 1H25 to enhance satellite-related revenue contribution

Retains position in Dow Jones Sustainability Index

- ✓ Included in the DJSI World Index for three consecutive years and secured a position in the DJSI Emerging Market Index for thirteen consecutive years
- ✓ Secured The Asset ESG Corporate Jade Award as Taiwan's sole quadruple winner
- ✓ Stood out as the only Taiwanese Telco in Newsweek's "World's Most Trustworthy Companies 2024" list



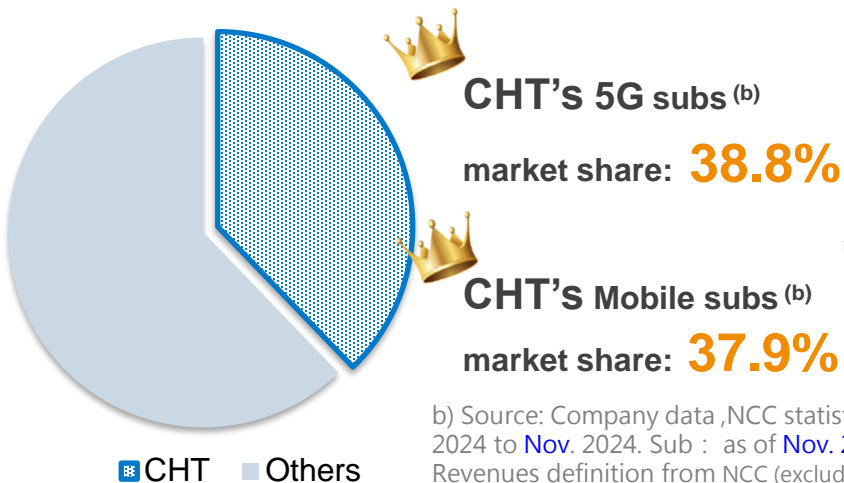
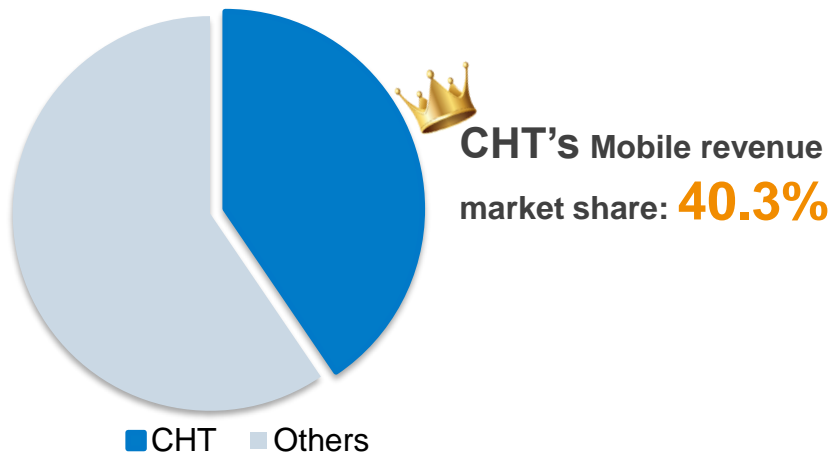
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Business Overview

Business Overview

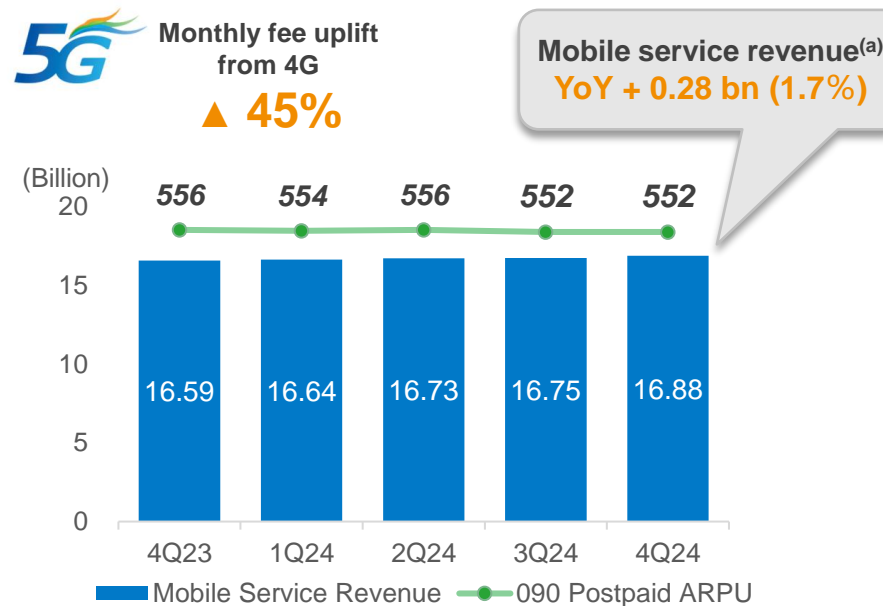
Mobile Service

Mobile Revenue & Subs Market Share



b) Source: Company data, NCC statistics. Rev : Oct. 2024 to Nov. 2024. Sub : as of Nov. 2024. Revenues definition from NCC (excluding IoT SIMs)

090 Postpaid ARPU



- 090 Postpaid Sub. YoY + 204k
- 5G 090 Postpaid Sub. YoY + 653k

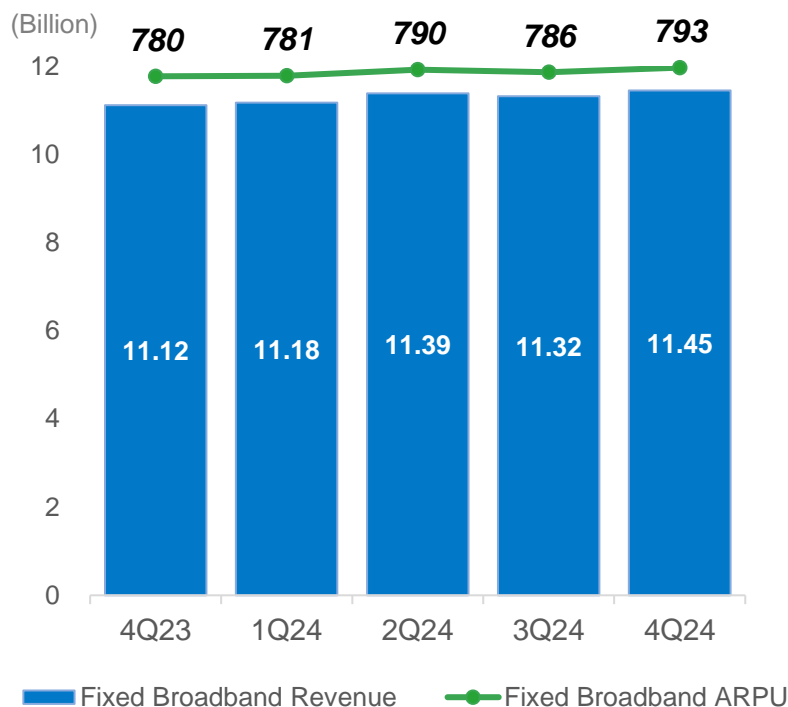
a) Source : Company data as of Dec. 2024. Consolidated Mobile Service Revenue (Including IoT)

Business Overview

Fixed Broadband Service

ARPU YoY Growth for 21 Consecutive Quarters

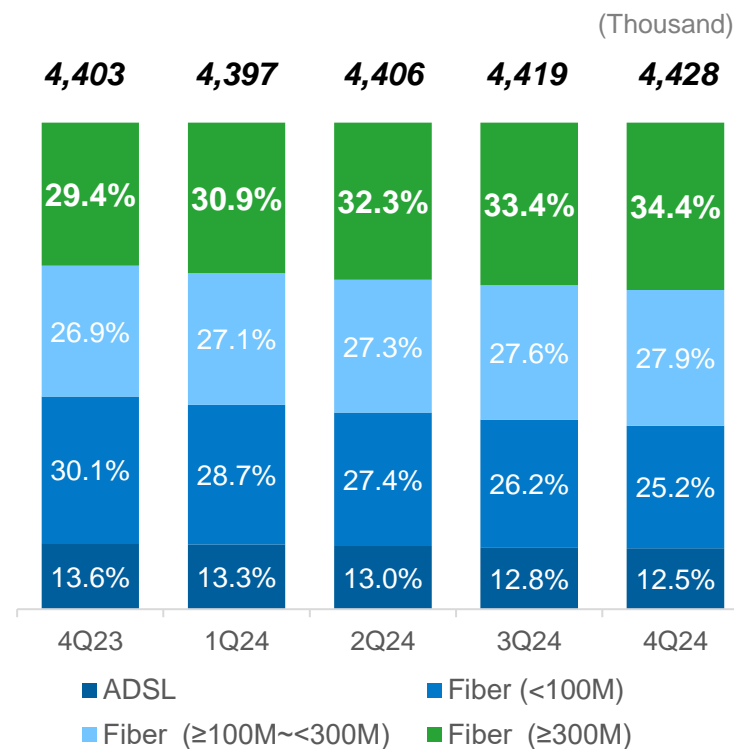
- Fixed Broadband Revenue^(a) YoY + 0.33bn / 2.9%
- Fixed Broadband ARPU YoY + NT\$13.1 / 1.7%



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

Higher-Speed Adoption Growth

- 300M+ Subs YoY + 229k / 17.7%





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Segment Reporting

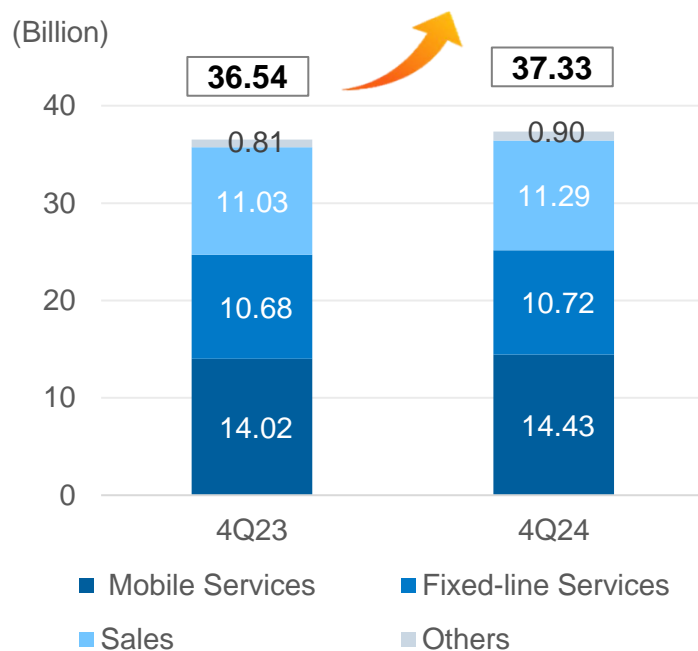
Consumer Business Group (CBG)

4Q24 Financial Summary

Income before tax increased NT\$0.77 billion

Revenue

YoY ▲ 0.79 bn (2.2%)



Mobile service revenue of CBG +3.0% YoY due to 5G migration as well as continued growth of postpaid subscribers

Fixed broadband revenue of CBG +2.8% YoY due to successful speed upgrades

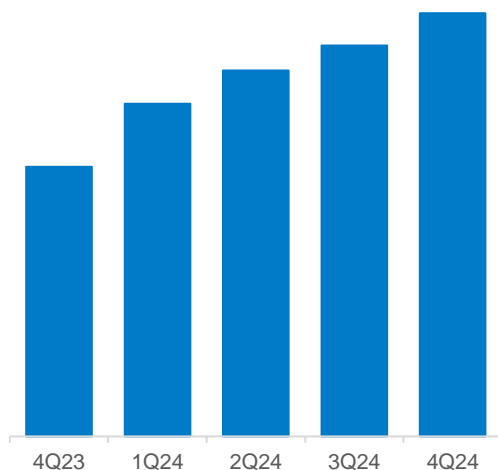
Sales revenue of CBG increased by 2.3% YoY due to smartphone sales growth

Consumer Business Group (CBG)

4Q24 Highlights

Multiple-Play Package Performance

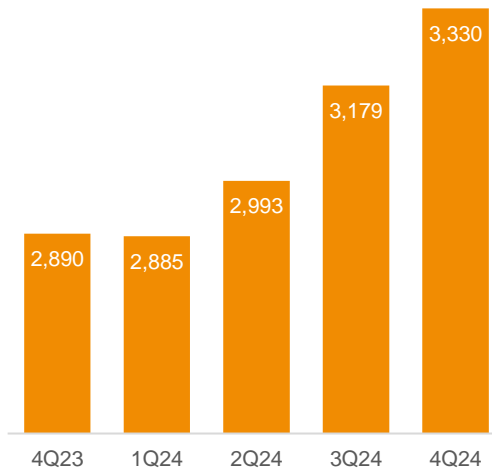
- Fixed-Broadband + Mobile + Wi-Fi Service package subscriptions **+57 % YoY**



■ Multiple-Play Package subscription

IPTV + OTT Business Performance

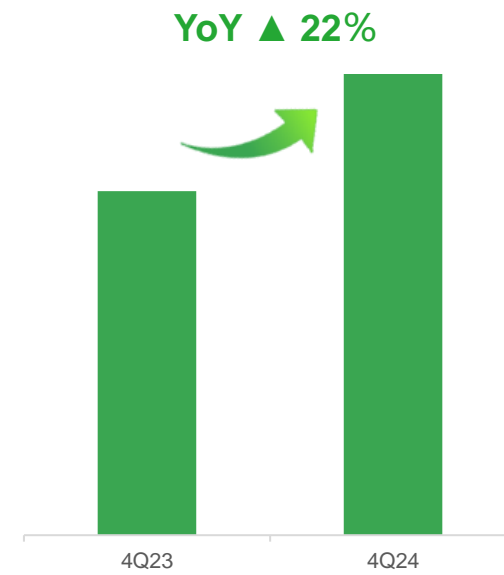
- Subscription YoY **+15.2%** thanks to the popular WBSC Premier 12 competition



■ IPTV(MOD)+OTT(Hami Video) Subscription(K)

Consumer Cybersecurity Subscriptions

- Consumer Cybersecurity Subscriptions **+ 22 % YoY**



■ Consumer Cybersecurity subscriptions

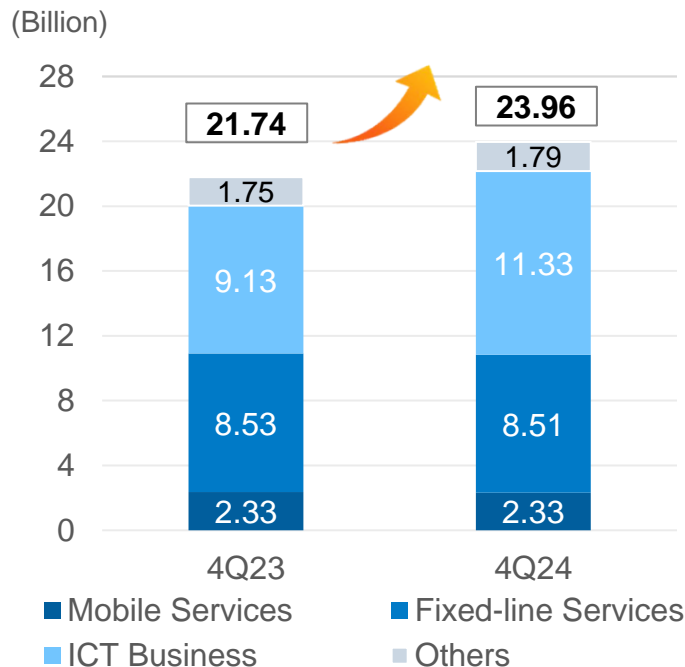
Enterprise Business Group (EBG)

4Q24 Financial Summary

Income before tax decreased NT\$0.36billion

Revenue

YoY ▲ 2.22 bn (10.2%)



EBG revenue increased by 2.22 billion (+10.2%) YoY mainly driven by the strong ICT business



Major growth drivers, such as IDC, cloud, and cybersecurity services delivered strong performance and demonstrated around 50% YoY growth, fueled by both projects and recurring revenues



Mobile and fixed broadband service growth thanks to 5G migration and continued fixed broadband speed upgrades

Enterprise Business Group (EBG)

4Q24 Highlights



Emerging Enterprise Application

Revenue **↑ 23% YoY**



IDC
YoY + 62%



Cybersecurity
YoY + 56%



Cloud Service
YoY + 46%



5G private network
YoY + 9%



Recurring revenue from our emerging enterprise applications +22% YoY, with all service offerings achieving positive growth



Developed Taiwan's first integrated 5G smart unmanned vehicle solution to be operated across land, sea, and sky, respectively for harbor inspection, robot transportation, marine pollution cleanup, water rescue, etc.



Demonstrated our AIDC construction capability in Central America by completing the first overseas AIDC in Mexico for our enterprise customer



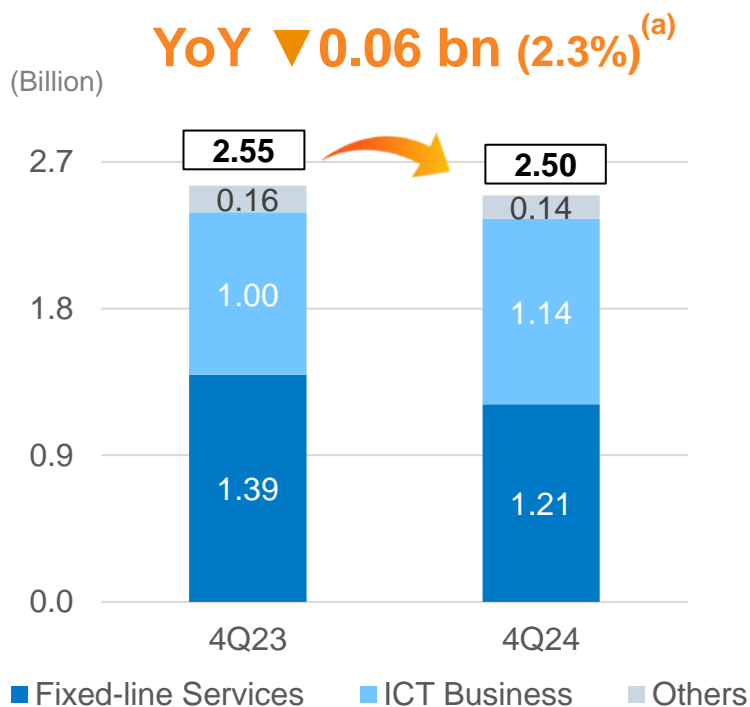
Leverage Gen AI technologies to seize opportunities and secure projects in smart government and smart healthcare sectors, etc.

International Business Group (IBG)

4Q24 Financial Summary

Income before tax increased NT\$0.02 billion

Revenue



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



Secured capacity at the under-construction IDC for a well-known global hyper-scaler to cater to IDC strong demand and ensure CHT's long-term stable revenue



ICT revenue increased year over year in 2024 due to ICT total solutions provided worldwide for tech-companies in the US and Japan, as well as for PCB industry in Southeast Asia



Our investment in undersea cables of SJC2 and Apricot are expected to bring in recurring revenues in 2H25 after its completion in 1Q25



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Financial Overview

Income Statement Highlights



(NT\$bn)	Q42024	Q42023	Growth%	2024	2023	Growth%
Revenue	65.35	61.87	5.6	230.03	223.20	3.1
Operating Costs and Expenses	53.83	50.78	6.0	183.27	176.21	4.0
Other Income and Expenses²	0.13	-0.64	120.7	0.12	-0.64	119.2
Income from Operations	11.65	10.45	11.5	46.88	46.35	1.1
Income before Tax	11.94	10.44	14.4	47.76	46.99	1.6
Net Income³	9.00	8.26	9.0	37.21	36.92	0.8
EPS	1.16	1.06	9.0	4.80	4.76	0.8
EBITDA⁴	21.59	20.39	5.9	86.50	86.01	0.6
EBITDA Margin(%)	33.04%	32.95%		37.60%	38.53%	

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)	2024.12.31	2023.12.31	Growth%
Total Assets	534.53	523.94	2.0
<i>Cash & Cash Equivalents</i>	36.28	33.82	7.3
<i>Other current monetary assets</i>	23.42	20.35	15.1
<i>Property, Plant, and Equipment</i>	289.84	292.34	-0.9
<i>Long-term Investments</i>	16.73	13.90	20.4
Total Liabilities	136.43	129.04	5.7
<i>Accounts payable</i>	18.24	14.78	23.4
<i>Contract liabilities</i>	23.79	21.65	9.9
Total Equity	398.10	394.90	0.8
Debt Ratio(%)³	25.52	24.63	3.6
Net Debt/EBITDA(x)⁴	-	-	

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)	2024	2023	Growth%
Cash Flows from Operating Activities	79.17	74.56	6.2%
Capital Expenditures²	28.82	30.74	-6.2%
<i>Mobile²</i>	9.67	11.46	-15.6%
<i>Non-Mobile²</i>	19.15	19.28	-0.7%
Free Cash Flow³	50.35	43.82	14.9%

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)	Q4 2024 (A)	Q4 2024 (E)	Achieving %	2024 (A)	2024 (E)	Achieving %
Revenue	65.35	63.69~64.33	101.6~102.6	230.03	228.54~230.19	99.9~100.7
Operating Costs and Expenses	53.83	52.30~52.68	102.2~102.9	183.27	183.30~184.27	99.5~100.0
Income from Operations	11.65	11.39~11.90	98.0~102.3	46.88	45.23~46.50	100.8~103.7
Net Income²	9.00	8.70~9.48	94.9~103.4	37.21	35.66~37.20	100.0~104.4
EPS	1.16	1.12~1.23	94.9~103.4	4.80	4.60~4.80	100.0~104.4
EBITDA³	21.59	21.66~22.17	97.4~99.7	86.50	85.67~86.95	99.5~101.0
EBITDA Margin (%)	33.04	34.01~34.46	95.9~97.1	37.60	37.49~37.77	99.6~100.3

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.

Financial Forecasts for 2025

(NT\$bn)	Consolidated		
	2025 (E)	2024 (A)	Growth %
Revenues	232.74~233.74	230.03	1.2~1.6
Operating Costs and Expenses	187.58~187.65	183.27	2.4~2.4
Income from Operations	45.30~46.72	46.88	(3.4)~(0.3)
Net Income²	35.84~37.39	37.21	(3.7)~0.5
EPS	4.62~4.82	4.80	(3.8)~0.4
EBITDA	86.04~87.46	86.50	(0.5)~1.1
EBITDA Margin (%)	37.00~37.40	37.60	
Capital Expenditures⁴	32.36	28.82	12.3
<i>Mobile⁴</i>	8.38	9.67	(13.3)
<i>Non-Mobile⁴</i>	23.98	19.15	25.2

Note :

1. Financials are prepared in accordance with T-IFRSs. Figures for 2023 are unaudited.
2. Net income attributable to owners of the parent.
3. The information therein is predictive and will not necessarily be fully realized in the future, and that reference to the company's significant accounting policy and summary of basic assumptions shall be made for further details.
4. Numbers and percentages are on cash basis.

Q & A
