



# 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.

Q4 2018

Mr. Yu Cheng, Chairman and CEO of Chunghwa Telecom, stated, "Competition in the overall market for the fourth quarter of 2018 remained intense, but we were pleased to see successful consolidation of our customer base in major segments. In our mobile business, we kept our leading market position in mobile subscribers and mobile revenue with market share of 36.3% and 37.8%, respectively. To maximize growth of mobile subscribers and mobile revenue, we will offer diversified rate plans and product portfolio to satisfy differing customer demands and encourage greater sign-ups of higher price plans in 2019. For the broadband and the MOD segment, we also maintained our leading market position in Taiwan with 4.5 million and more than 2 million subscribers respectively in the fourth quarter. We expect continued growth of MOD subscribers with our high quality content, such as the exclusive Netflix 4K streaming introduced in January."



Mr. Yu Cheng  
Chairman and CEO

"In 2019, we aim to enhance overall business performance by making our research, sales and service distribution more efficient. In particular, we expect our ICT business will rebound as we develop more ICT-focused solutions with our advantages in capabilities of cloud operations, big data analysis, and block-chain technologies. We also aim to further expand our IDC business, which reported an increase in revenue and traffic volume in 2018, by continuing the third phase of construction of the highest rated data center in Banqiao. We remain committed to diversifying our growth drivers and solidifying our industry leadership in 2019 and in the years to come," Mr. Cheng concluded.

### MARKET FACT

Market Cap	US\$27.0 Billion
NYSE Share Price	CHT US\$34.58
52 Week Low/High	US\$34.02/39.33
TSE Share Price	2412 NT\$107.0
52 Week Low/High	NT\$104.5/115.0
Shares Outstanding	7,757 Million

as of Jan. 25, 2019 Source: Bloomberg

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

Q4 2018 Consolidated Revenue: NT\$55.46 bn (e)

- Domestic Fixed**
  - #1 Local
    - 93.0% share by subs (10.45 mn subs)
    - 83.9% share by minutes
  - #1 DLD
    - 82.9% share by minutes
  - #1 Broadband access
    - 71.4% share by subs <sup>(b)(c)</sup> (4.52 mn subs)
- Mobile**
  - #1 Mobile subscribers
    - 36.3% market share <sup>(d)</sup> (10.58 mn subs)
  - #1 Mobile revenue
    - 37.8% market share <sup>(d)(e)</sup>
- Internet**
  - #1 ISP
    - 67.1% share by subs (4.10 mn subs)
- International Fixed**
  - #1 ILD
    - 70.2% share by minutes

Source: Company data, MOTC, and NCC statistics

- a) Market share as of November 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

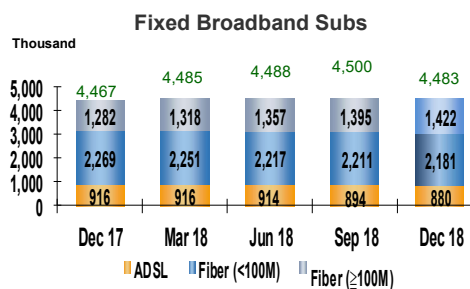
### DIFFERENTIATING FACTORS

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

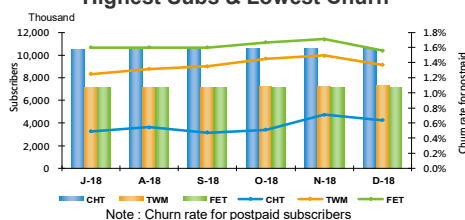
### Leading Position in Mobile Market



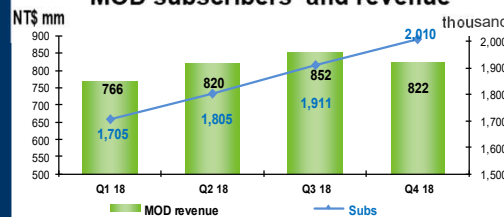
### #1 Broadband Provider



### Highest Subs & Lowest Churn



### MOD subscribers and revenue



Note: Revenue starting from 2018 are calculated in accordance with IFRS 15



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Chunghwa Telecom Co., Ltd.  
For more information visit:  
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## Solid Financial Performance

### Consolidated

(NT\$b)	Q4 2018 (Upon the adoption of IFRS 15)	Q4 2017 (Before the adoption of IFRS 15)	Growth %	12M 2018 (Upon the adoption of IFRS 15)	12M 2017 (Before the adoption of IFRS 15)	Growth %
Revenues	55.46	60.88	(8.9)	215.46	227.51	(5.3)
Income from Operations	10.21	10.43	(2.1)	43.62	46.70	(6.6)
Net Income	8.42	8.68	(3.0)	35.52	38.87	(8.6)
Net Income Margin (%)	15.67	14.65	-	16.93	17.60	-
EPS	1.09	1.12	(3.0)	4.58	5.01	(8.6)
EBITDA	18.19	18.42	(1.3)	75.49	78.60	(4.0)
EBITDA Margin (%)	32.79	30.26	-	35.04	34.55	-

Note: Financials are prepared in accordance with T-IFRSs. Figures for 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\$m.

## Committed to Improving Shareholder Value

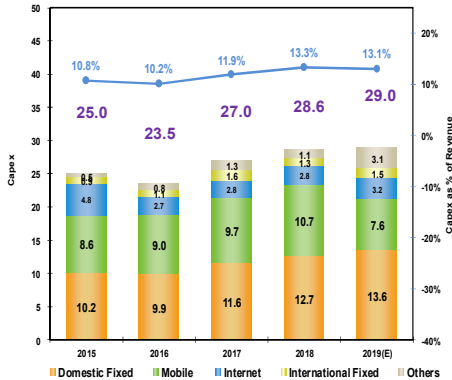


- 2018 AGM resolved to distribute NT\$37.2 billion to shareholders
  - NT\$4.796 per share
  - payout ratio 95.7%

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

### NT\$ bn Capital Expenditure



- Budgeted capex for 2019: NT\$29.0 bn
- Continue to focus on core businesses for future investments
  - FTTx
  - 4G
  - IDC/ Cloud
  - Service Platforms

## Commitment to Corporate Social Responsibility



## Awards

- The Asset Corporate Platinum award by The Asset Magazine for 6 consecutive years since 2013
- Taiwan Mobile Service Provider & Taiwan Data Center Service Provider of the year 2018 in Frost & Sullivan Best Practices Awards
- Included in Dow Jones Sustainability Emerging Markets Index simultaneously for the successive 7 years
- Winner of the National Brand of the Year Award awarded by World Branding Forum for the four years in a row
- Trusted Brands Platinum Award- by the Reader's Digest for the successive 14 years



### Contact:

**Fu-Fu Shen**  
 Assistant Vice President  
 Public Affairs  
 +886-2-2344-5488  
 chtir@cht.com.tw

For more information visit:  
[www.cht.com.tw/ir](http://www.cht.com.tw/ir)