



中華電信  
Chunghwa Telecom

# 1Q 2023 Operating Results

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Non-deal Roadshow

May 18-19, 2023

Tokyo, Japan

## 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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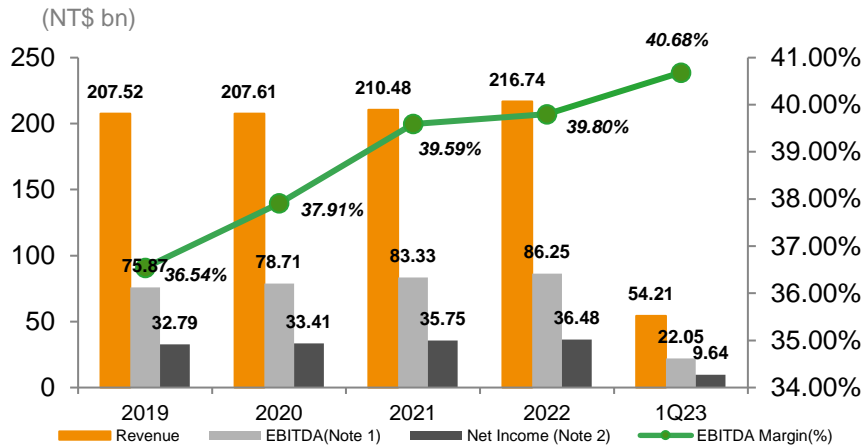
## SPECIAL NOTE REGARDING NON-GAAP FINANCIAL MEASURES

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.

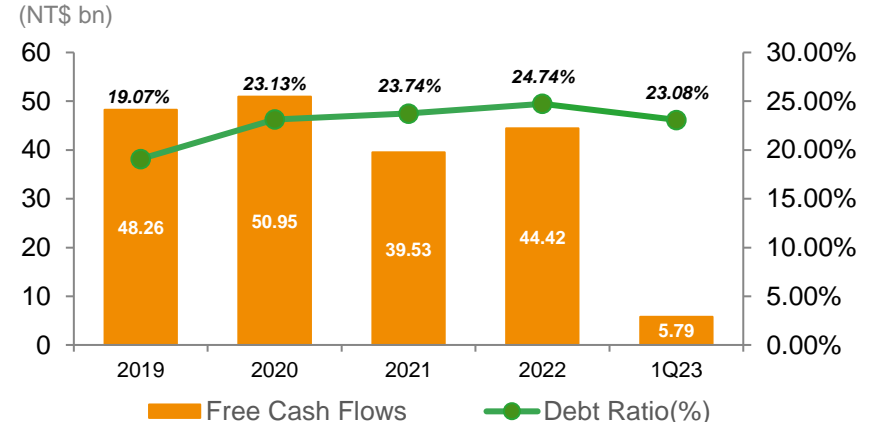
In managing our business we rely on EBITDA as a means of assessing our operating performance. We believe that EBITDA can be useful to facilitate comparisons of operating performance between periods and with other companies because it excludes the effect of (i) depreciation and amortization, which represents 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.

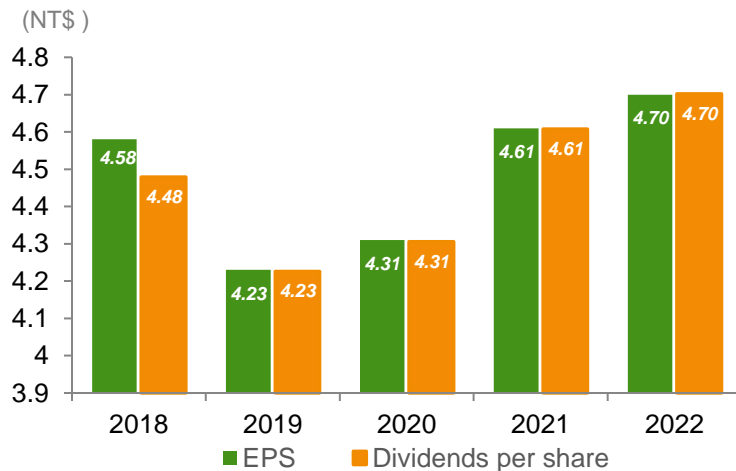
## Upward Trends of Revenue and Profits



## Strong Balance Sheet and Cash Flows



## Rising EPS and Stable Dividends



Note:

1. EBITDA = operating income + depreciation & amortization.
2. Net income attributable to owners of the parent.
3. The calculation of growth rates is based on NT\$mnn.

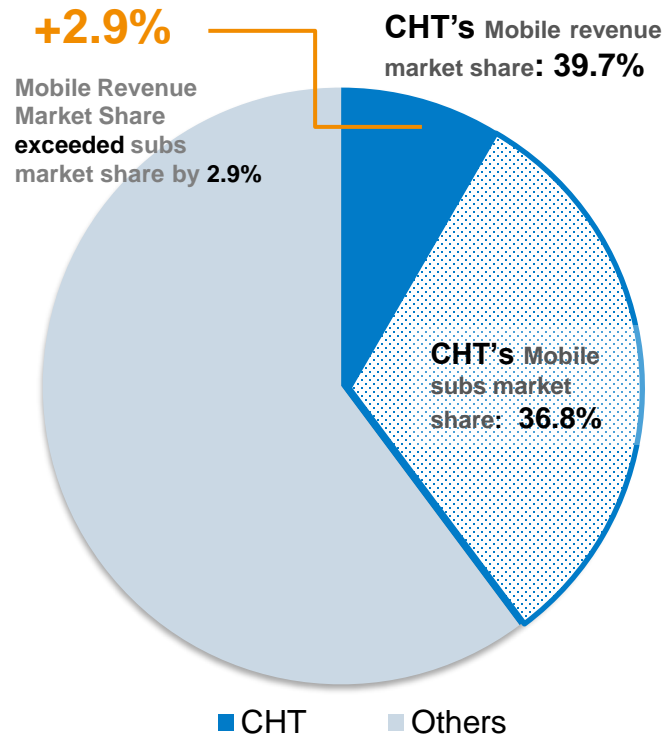
- Both revenue and profits hit 5-year high
- Rising EBITDA margin
- Performance exhibits growing momentum
- Robust B/S and strong FCF to steer through uncertainties and future expansion
- Stable and predictable dividend payout

# Market Position

## 1Q23 Update

### #1 in Mobile Market

### #1 Business Market Share



300M+ Subs  
> 1mn

HiNet



Fixed Broadband  
Sub. YoY ↑ 0.6%

IPTV+ OTT  
Sub. YoY ↑ 11.7% to  
2.89mn



IDC  
Rev YoY ↑ 38.7%



Cyber Security  
Rev YoY ↑ 31.5%



5G private network  
Rev YoY >100%

Source: Company data ,NCC statistics  
Rev : Jan. 2023 to Mar. 2023  
Sub : as of Mar. 2023  
Note : a) Revenues are based on T-IFRSs; b) Excluding IoT SIMs

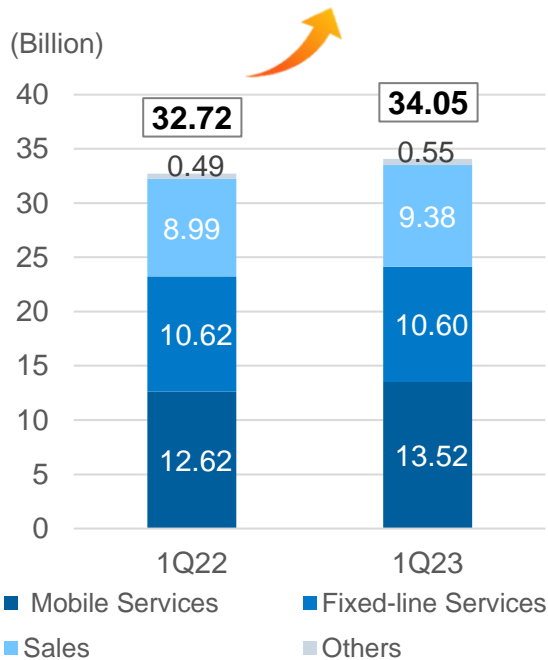
# Business Groups

## 1Q23 Financial Summary

### Consumer Business Group

- Growth strategies: Core Business + Contents + Ecosystem-building
- Income before tax +3.3% YoY

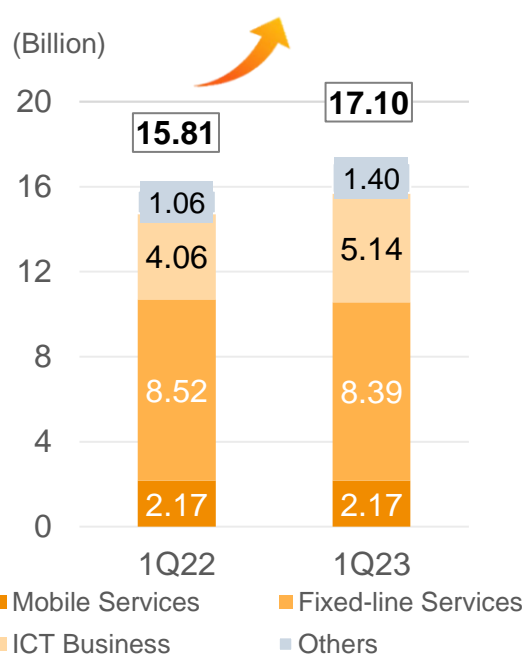
Rev +4.1% YoY



### Enterprise Business Group

- Robust ICT business growth
- +31.5% YoY increase of emerging application revenues
- Income before tax + 3.7% YoY

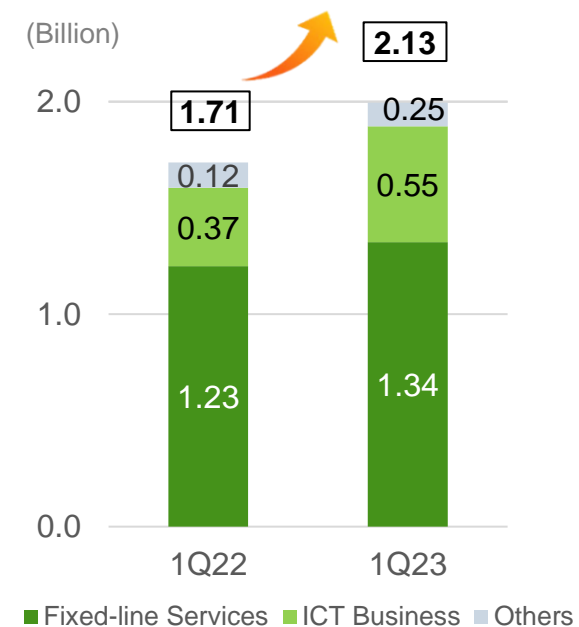
Rev +8.2% YoY



### International Business Group

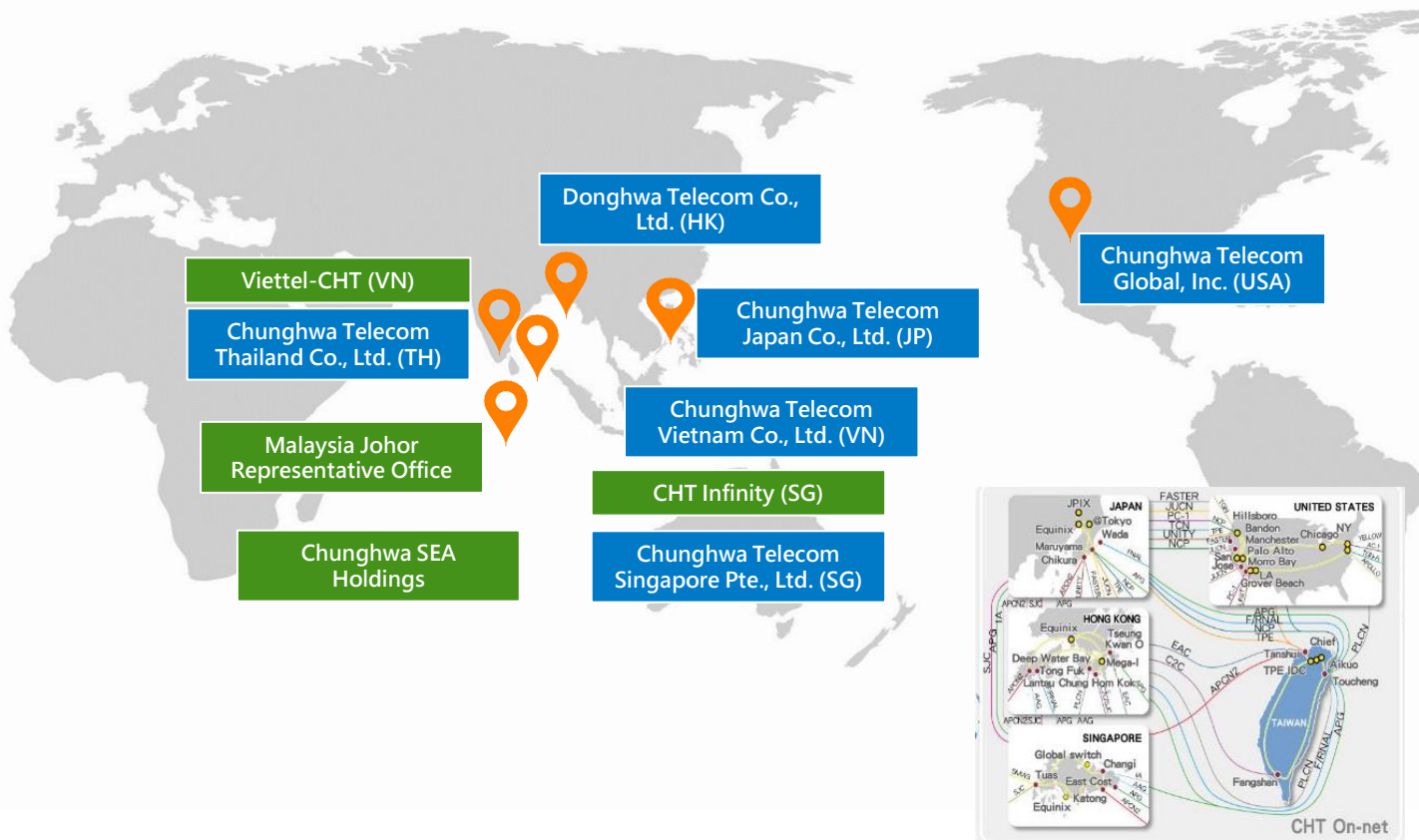
- Strong global cloud and OTT demands to drive business expansion
- Income before tax +13.3% YoY

Rev +24.3% YoY



# International Business Layout

- Bring the **World** to Taiwan
- Step out of **Taiwan** into the **World**



13 Overseas Locations

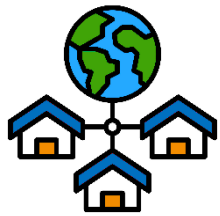
31 Undersea Cables

>100 Tbps Total Capacity

12 Undersea Cables Connecting to Taiwan

4 Global Cable Landing Stations

52 Global PoPs



The **widest FTTH coverage of 92.1%** to serve most fixed broadband customers in Taiwan



The **fastest and most extensive 5G** services in Taiwan on the back of the **best located** bandwidth at **3.5GHz and 2.1GHz**



**85%** of the 5G base stations are **C-RAN**, in line with the international benchmark at lower carbon emission



**#1** high-density of **21** high-rated **IDCs** at home to serve **>1000 clients** to underpin AI, Cloud and 5G advancements

- Core business maintain steady growth momentum with positive outlook
- Emerging business demonstrates high growth and serves as key catalyst to fuel frog-leap growth
- Reliable research capability and quality talents of our exclusive in-house Telecom Lab and Information Group
- Cost discipline and well managed firm with great leadership
- Tap into new revenue streams by revitalizing existing assets and subsidiaries' IPOs



# Q & A

