



中華電信
Chunghwa Telecom

1Q 2023 Operating Results

May 9, 2023

Non-deal Roadshow
July 19-20, 2023
New York



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.

This presentation is not an offer of securities for sale in the United States. Securities may not be offered or sold in the United States absent registration or an exemption from registration. Any public offering of securities to be made in the United States will be made by means of a prospectus that may be obtained from the issuer or selling security holder and that will contain detailed information about the company and management, as well as financial statements.

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.

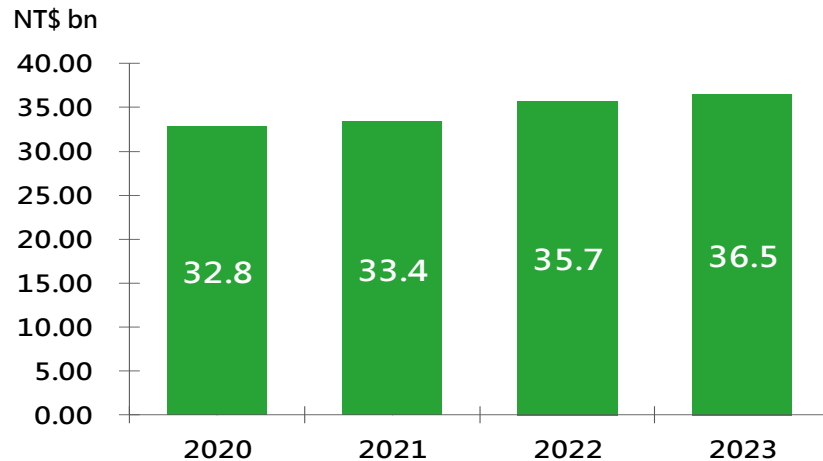


中華電信
Chunghwa Telecom

Business Overview

Committed to Improving Shareholder Value

Cash Return



2023 AGM resolved to distribute NT\$36.5 billion to shareholders

- NT\$4.702 per share
- payout ratio 100%

Note:

- 1 ADR = 10 common shares
- The regular dividend has been calculated based on total share number 7,757,446,545.

1Q23 Highlights

Industry Outlook

- Positive outlook on our regulator's decision to **conditionally approve** the mergers of our peers, which we believe is good for a **benign market development** in the future
- Stable mobile market development in Taiwan with **steady 5G penetration**

Financials

- **Strong Q1 results** beat all financial guidance metrics
- Segment performance: **positive revenue and profit** YoY growth of **all segments**
- Rising mobile service revenue: **+6.6% YoY**, lead the industry

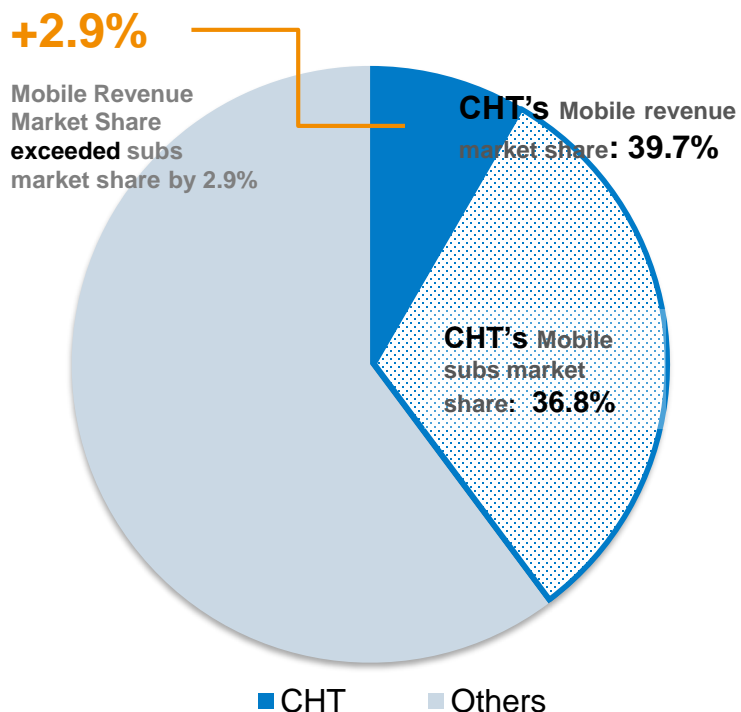
Operations

- Mobile revenue market share **approached 40%**, exceeding subscriber share by 2.9%: **4th consecutive QoQ increase** from 39% in 2Q22
- 300M+ fixed broadband subs **> 1 million**
- Emerging innovative applications revenue **> +30% YoY**
- Accelerating video service subs and ad revenue with unique **5G + 4D multi-angle broadcasting** on WBC

Business Overview

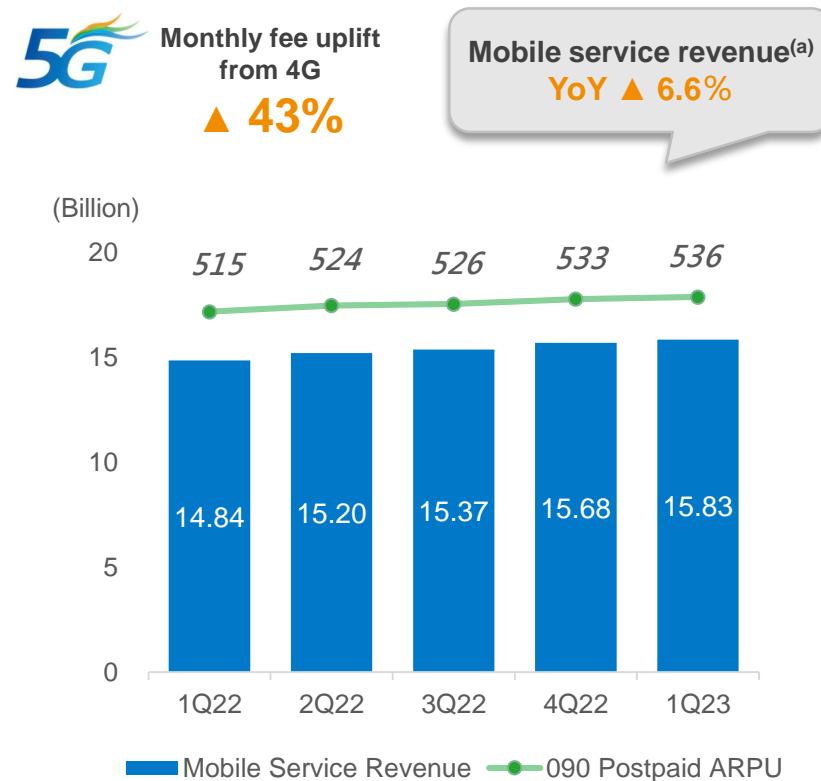
Mobile Service

Mobile Revenue & Subs Market Share ^{(a)(b)}



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

090 Postpaid ARPU ↑ 4% YoY for 8 Consecutive-quarter Growth



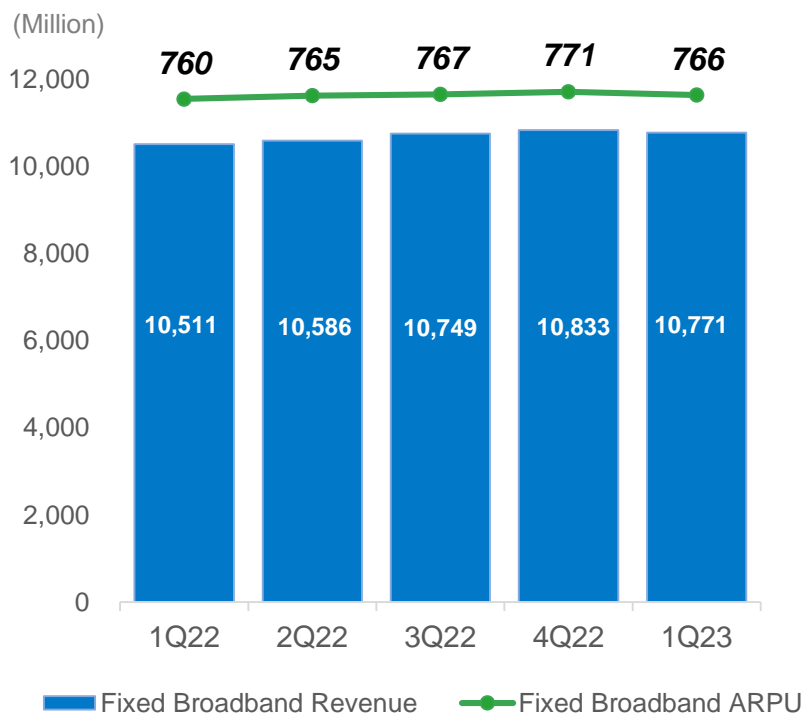
Source : Company data as of Mar. 2023
a) Consolidated Mobile Service Revenue (Including IoT)

Business Overview

Fixed Broadband Service

ARPU YoY Growth for 14 Consecutive Quarters

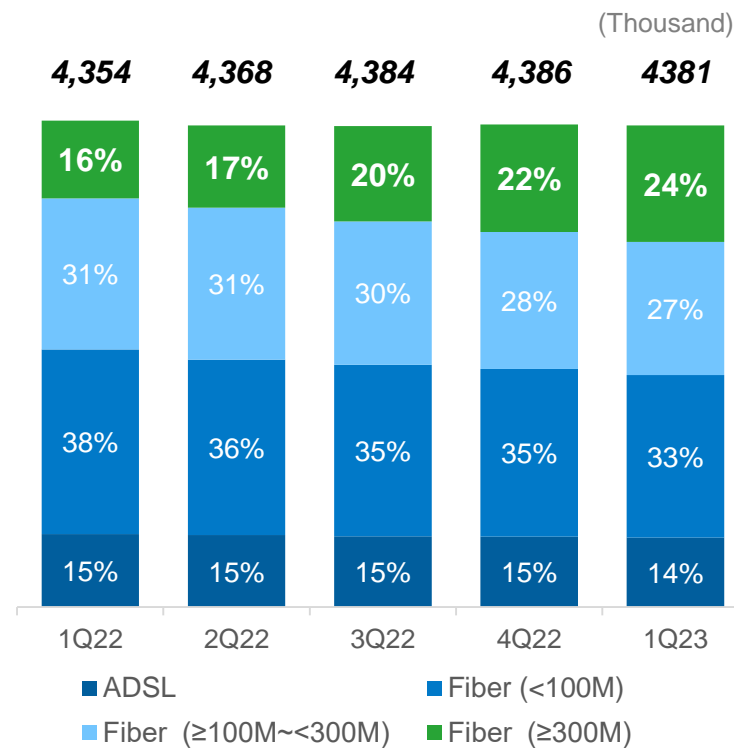
Fixed Broadband Revenue^(a) YoY ▲ 2.5%
Fixed Broadband ARPU YoY ▲ 0.8%



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

Higher-Speed Adoption Growth

300M+ Subs > 1 million





中華電信
Chunghwa Telecom

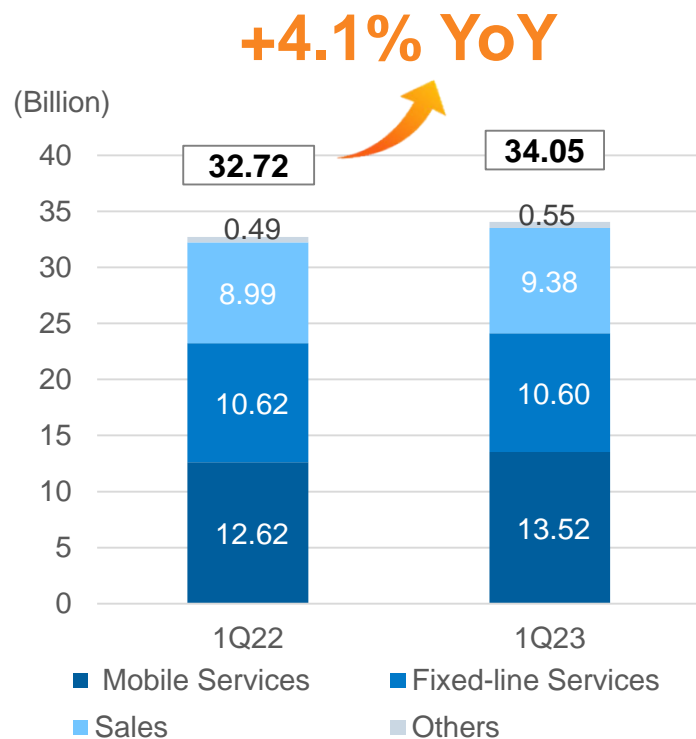
Segment Reporting

Consumer Business Group (CBG)

1Q23 Financial Summary

Income before tax grew NT\$0.24 billion, or **↑3.3% YoY**

Revenue



Mobile service revenue of CBG +7.2% YoY due to continued growth of 5G migration and postpaid subs

Fixed broadband revenue of CBG increased due to the successful upsell along with the speed upgrade and strong growth of home Wi-Fi services

Sales revenue of CBG increased by 4.4% YoY due to the eased iPhone supply chain bottleneck

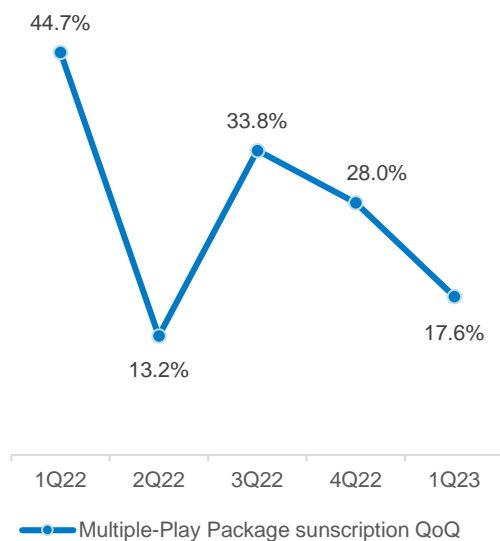
Consumer Business Group (CBG)

1Q23 Highlights



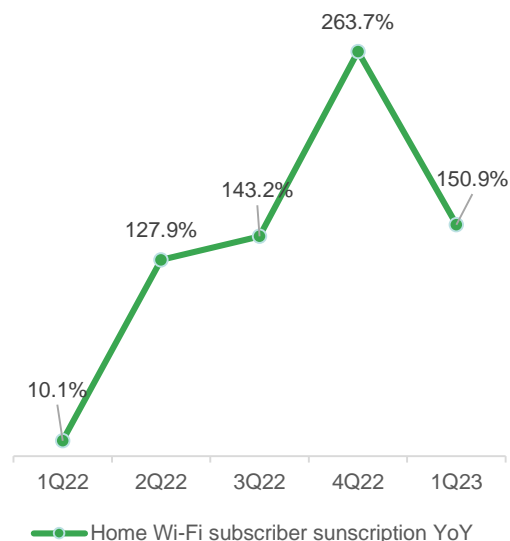
Multiple-Play Package Performance

Package subscription
+17.6 % QoQ



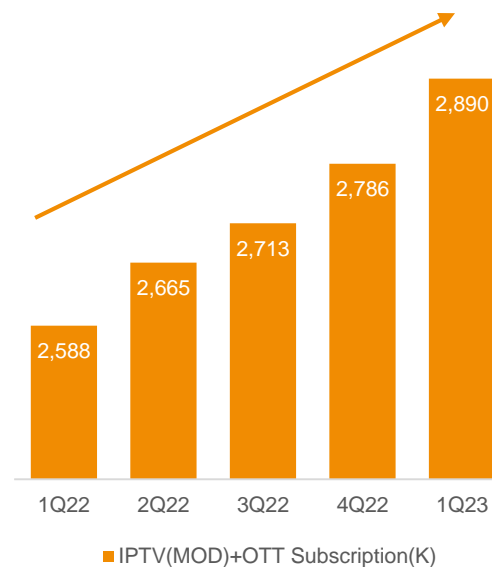
Home Wi-Fi Subscriptions

Home Wi-Fi subscriptions
+ 150.9 % YoY



IPTV/MOD + OTT Business Performance

Largest video platform in Taiwan with subscribers exceeding **2.89mn**



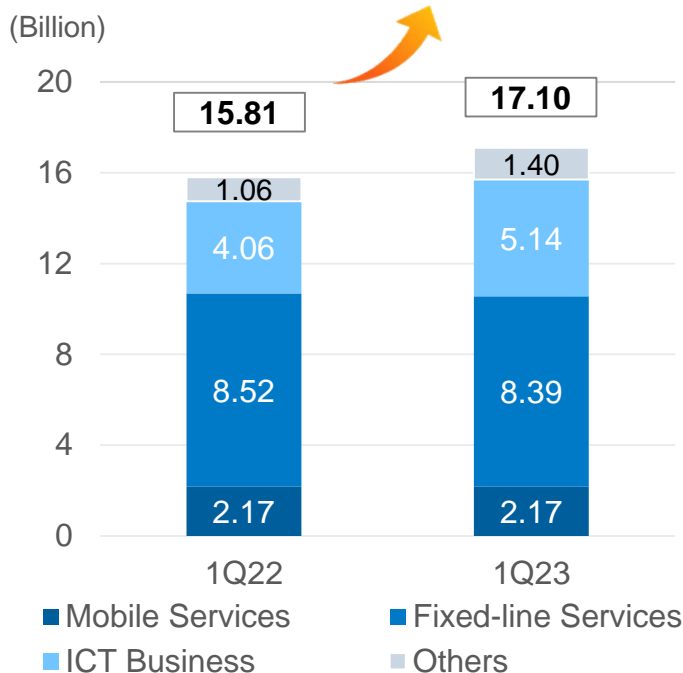
Enterprise Business Group (EBG)

1Q23 Financial Summary

Income before tax grew NT\$0.14 billion, or **↑3.7% YoY**

Revenue

+8.2% YoY



EBG revenue +8.2% YoY mainly driven by continued strong ICT business growth

Mobile service revenue of EBG increased mainly due to the growth of international roaming revenue and 5G contribution

ICT business revenue of EBG increased mainly driven by the strong growth of our emerging services such as 5G private network, IDC, cloud, cyber security and big data with double-digit YoY growth

Enterprise Business Group (EBG)

1Q23 Highlights



Emerging Enterprise Application Revenue **↑ 31.5% YoY**



5G private network
YoY **↑ 100%**



Big Data
YoY **↑ 131.3%**



Cloud Service
YoY **↑ 38.5%**



IDC
YoY **↑ 38.7%**



Cyber Security
YoY **↑ 31.5%**



AIoT
YoY **↑ 11.6%**



Continue to develop 5G smart medical applications via 5G private networks to facilitate remote collaboration in the hospitals



Integrate text analysis and big data/AI innovative applications to successfully obtain projects



Develop international cloud capacity and obtain the first VMware Sovereign Cloud certificate in Taiwan to serve highly data-sensitive clients

International Business Group (IBG)

1Q23 Financial Summary

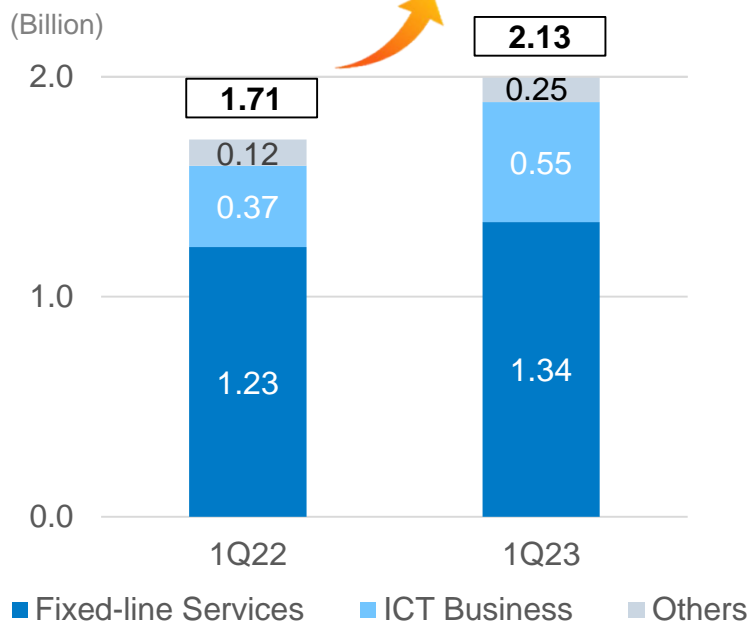


中華電信
Chunghwa Telecom

Income before tax grew NT\$0.06 billion, or **↑13.3% YoY**

Revenue

+24.3%^(a) YoY



IBG revenue +24.3% YoY mainly driven by ICT and fixed-line service revenue

Global clients increased their demand for IPLC, international roaming, IDC and cloud services

Our Japan subsidiary successfully obtained the Specific Construction License to facilitate acquisition of large telecom construction projects in Japan

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



中華電信
Chunghwa Telecom

Financial Overview

Income Statement Highlights

(NT\$bn)	Q1 2022	Q1 2023	Growth %
Revenues	51.30	54.21	5.7
Operating Costs and Expenses	39.63	42.04	6.1
Income from Operations	11.66	12.17	4.4
Net Income²	9.06	9.64	6.4
EPS	1.17	1.24	6.4
EBITDA³	21.34	22.05	3.3
EBITDA Margin (%)	41.61	40.68	

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. EBITDA = operating income + depreciation & amortization.
4. The calculation of growth rates is based on NT\$m.

Balance Sheet Highlights

(NT\$bn)	2022.12.31	2023.03.31	Growth %
Total Assets	523.20	524.58	0.3
<i>Current assets</i>	101.90	107.25	5.3
<i>Property, plant and equipment</i>	291.53	289.18	-0.8
Total Liabilities	129.42	121.11	-6.4
<i>Accounts Payable</i>	16.97	10.29	-39.4
Total Equity	393.78	403.47	2.5
Debt Ratio (%)³	24.74	23.09	-6.7
Net Debt / EBITDA (x)⁴	0	0	-

Note:

1. Financials are prepared in accordance with T-IFRSs. Figures for 2023 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)	Q1 2022	Q1 2023	Growth %
Cash Flows from Operating Activities	11.82	11.21	-5.2
Capital Expenditures²	5.23	5.42	3.6
<i>Mobile²</i>	2.25	1.46	-34.8
<i>Non-Mobile²</i>	2.98	3.95	32.5
Free Cash Flow³	6.59	5.79	-12.2

Note:

1. Financials are prepared in accordance with T-IFRSs. Figures for 2023 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)	Q1 2023 (A)	Q1 2023 (E)	Achieving %	2023 (E)	Achieving %
Revenues	54.21	52.21~52.62	103.0~103.8	221.27~222.79	24.3~24.5
Operating Costs and Expenses	42.04	41.48~41.64	100.9~101.4	176.58~177.29	23.7~23.8
Income from Operations	12.17	10.73~10.97	111.0~113.4	44.67~45.99	26.5~27.2
Net Income²	9.64	8.34~8.57	112.5~115.6	34.55~36.10	26.7~27.9
EPS	1.24	1.07~1.10	112.5~115.6	4.45~4.65	26.7~27.9
EBITDA³	22.05	20.65~20.88	105.6~106.8	85.05~86.36	25.5~25.9
EBITDA Margin (%)	40.68	39.55~39.69		38.44~38.76	

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. EBITDA = operating income + Depreciation & Amortization.

Awards and ESG Recognitions

Awarded Top 5% **S&P Global ESG Score** in the Sustainability Yearbook 2023

- ✓ Competing with the **over 7,800** companies all over the world
- ✓ Clinched **the 3rd place** in the **Telecommunications Group**

Won **FinanceAsia Awards** with 3 Gold, 1 Silver and 2 Bronze Award

- ✓ **Gold Award** in categories of **Best Overall Company** across industries, **Best Telecommunications Company** and **Best Corporate ESG Strategy**
- ✓ **Silver Award** in categories of **Best Large-cap**; and **Bronze Award** in categories of **Best DEI Strategy** and **Best Investor Relations**

Awarded by TWSE as One of the **TOP 5%** companies for **best corporate governance**

- ✓ **8th times** awarded among Taiwan companies for the **Best Corporate Governance** in 2022
- ✓ Subsidiaries, including **Chief Telecom** and **CHPT**, also ranked as **TOP 5%** for best corporate governance among companies, demonstrating **CHT Group's** consolidated corporate governance strength

Q & A

