



中華電信
Chunghwa Telecom

1Q 2024 Operating Results

Non-deal Roadshow

May 13, 2024

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.


Market Differentiation Factors

Market Consolidation

■ Leadership expanded in the post-merger market

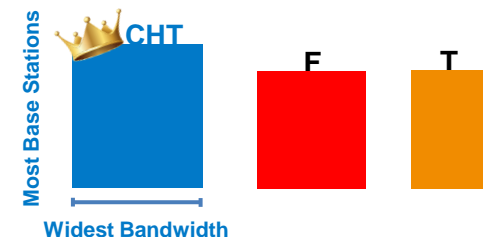
■ Lead in Sub 6GHz spectrum

- ✓ Own the **largest and most consecutive spectrum** in use at the mainstream bandwidth

	 CHT	New F	New T
Sub 6GHz	290MHz	280MHz	270MHz

■ Largest capacity, coverage and fastest speed

- ✓ Own the **most mobile base stations** in Taiwan
- ✓ Exclusive **5G 2CA (3.5GHz+2.1GHz)** delivers the fastest 5G at theoretical peak downlink speed over 2Gbps



■ Greatest potential to best utilize 28GHz spectrum asset

- ✓ Immediately ready to provide **LEO satellite** service
- ✓ With **28GHz** spectrum next to the **unsold and satellite slot** (27.5-27.9GHz) to fulfill 5G application and satellite services

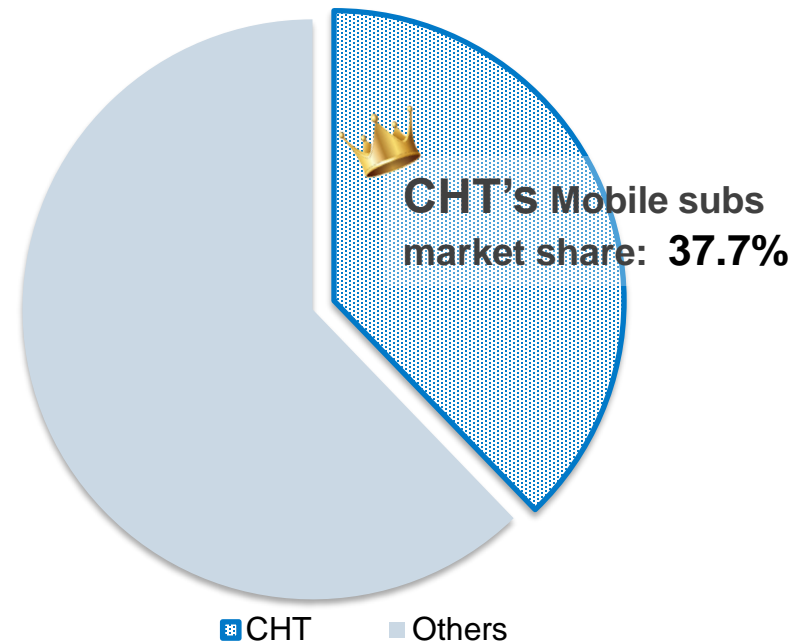
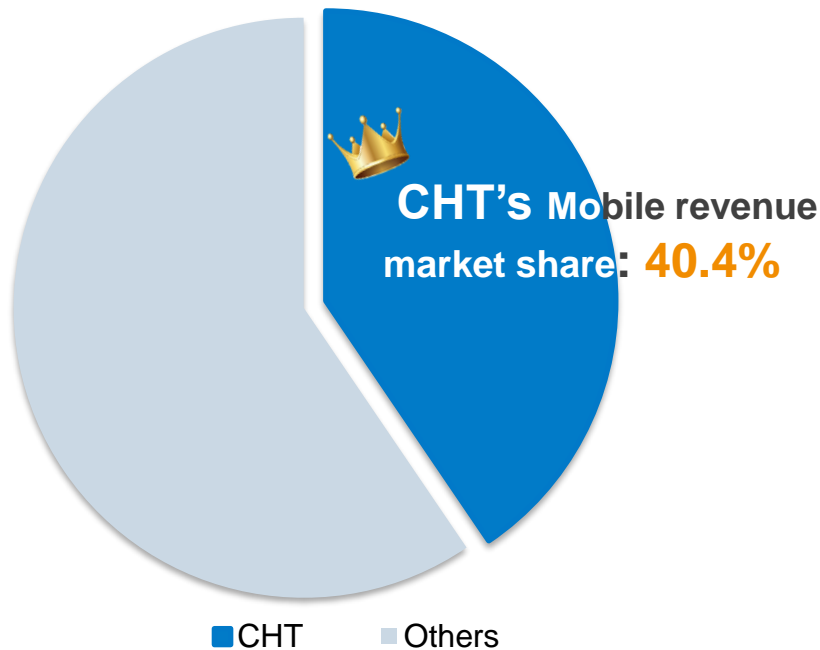


The F+A exceeded spectrum of 100MHz should be returned by June 2024

Industry Landscape

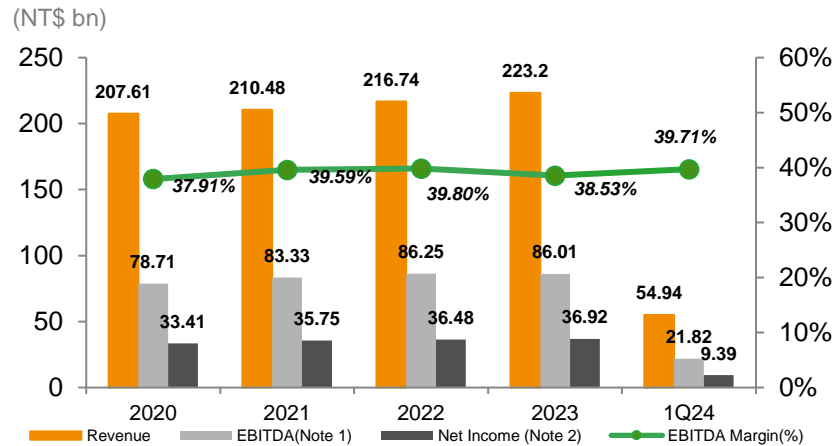
1Q24 Update

#1 in Mobile Market

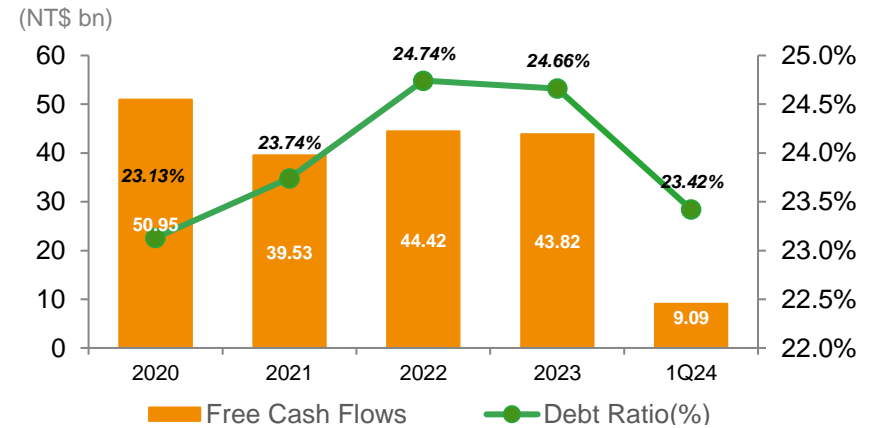


Source: Company data ,NCC statistics
Rev : Jan. 2024 to Mar. 2024
Sub : as of Mar. 2024
Note : Revenues definition from NCC
(excluding IoT SIMs)

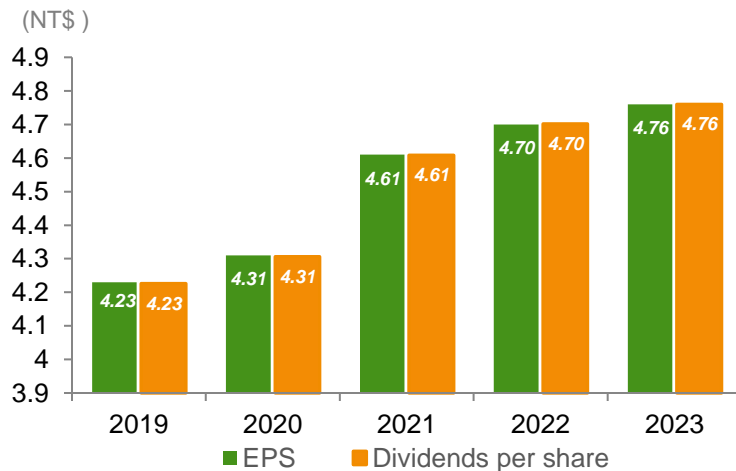
Upward Trends of Revenue and Profits



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\$m.

- Rising revenue and profits
- Steady EBITDA margin
- Performance exhibits growing momentum in the 3-player market
- Robust B/S and strong FCF to support future expansion
- Stable and predictable dividend payout

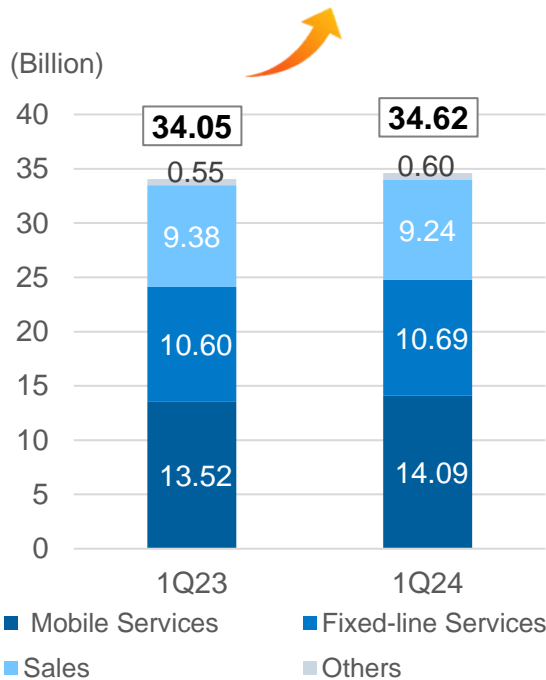
Business Groups

1Q24 Financial Summary

Consumer Business Group

- Growth strategies: Core Business + Contents + Ecosystem-building
- Income before tax +3.7% YoY

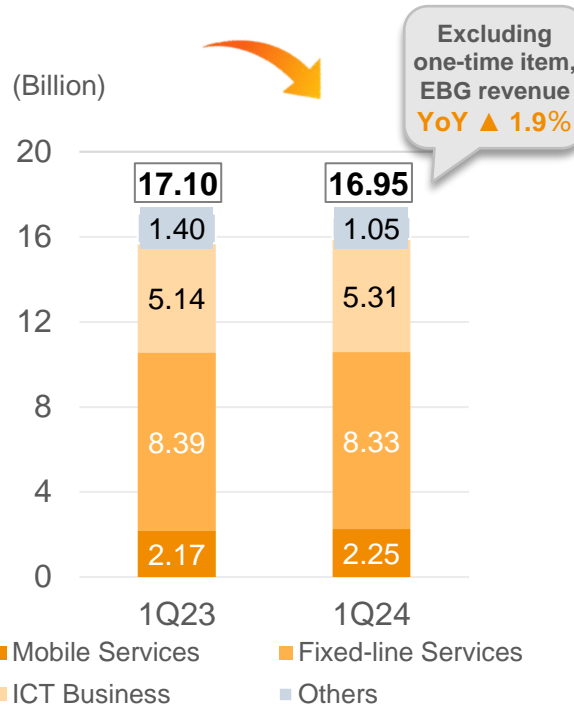
Rev +1.7% YoY



Enterprise Business Group

- Positive ICT business growth
- +5.2% YoY increase of emerging application revenues
- Income before tax -13.4% YoY; excluding one-time item -1.5% YoY

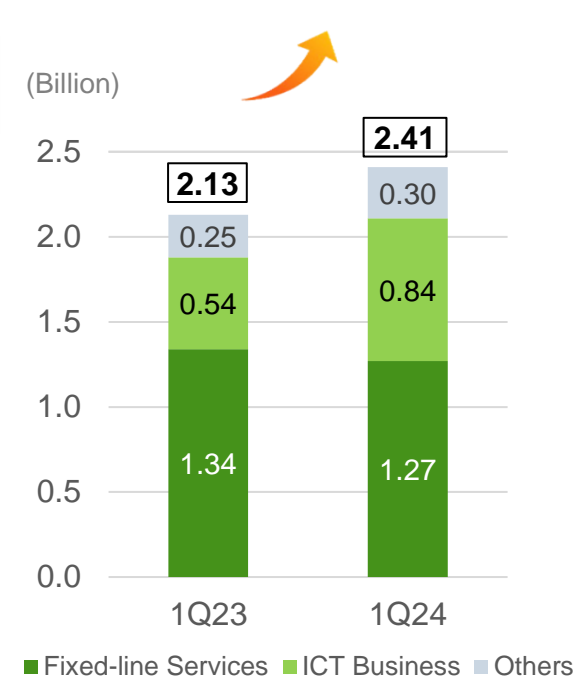
Rev -0.9% YoY



International Business Group

- Strong overseas ICT projects growth driven by clients' global expansion
- Income before tax +23.5% YoY

Rev +13.3% YoY



Content Business

- **Remain the Largest video platform in Taiwan**
 - ✓ Obtain **exclusive broadcasting rights of 2024 Paris Summer Olympic Games** to enrich our content portfolio
- **Expand content deployment**
 - ✓ Established a new wholly-owned investment subsidiary, **Chunghua Digital Culture and Creative Capital Co., Ltd.**
 - ✓ Invest in the **Fund of Cultural Content Industry**



Emerging Enterprise Application

- **Recurring revenues of IDC, cloud and cybersecurity** continue to grow
- Support increasing smart application demand on our **big data platform**
- Build **computility infrastructure** across **cloud, edge, and terminals** and develop **GPU as a service** in progress to cater to **AI exponential** opportunities



AIoT
YoY ↑ 6.5%



Big Data
YoY ↑ 71.6%



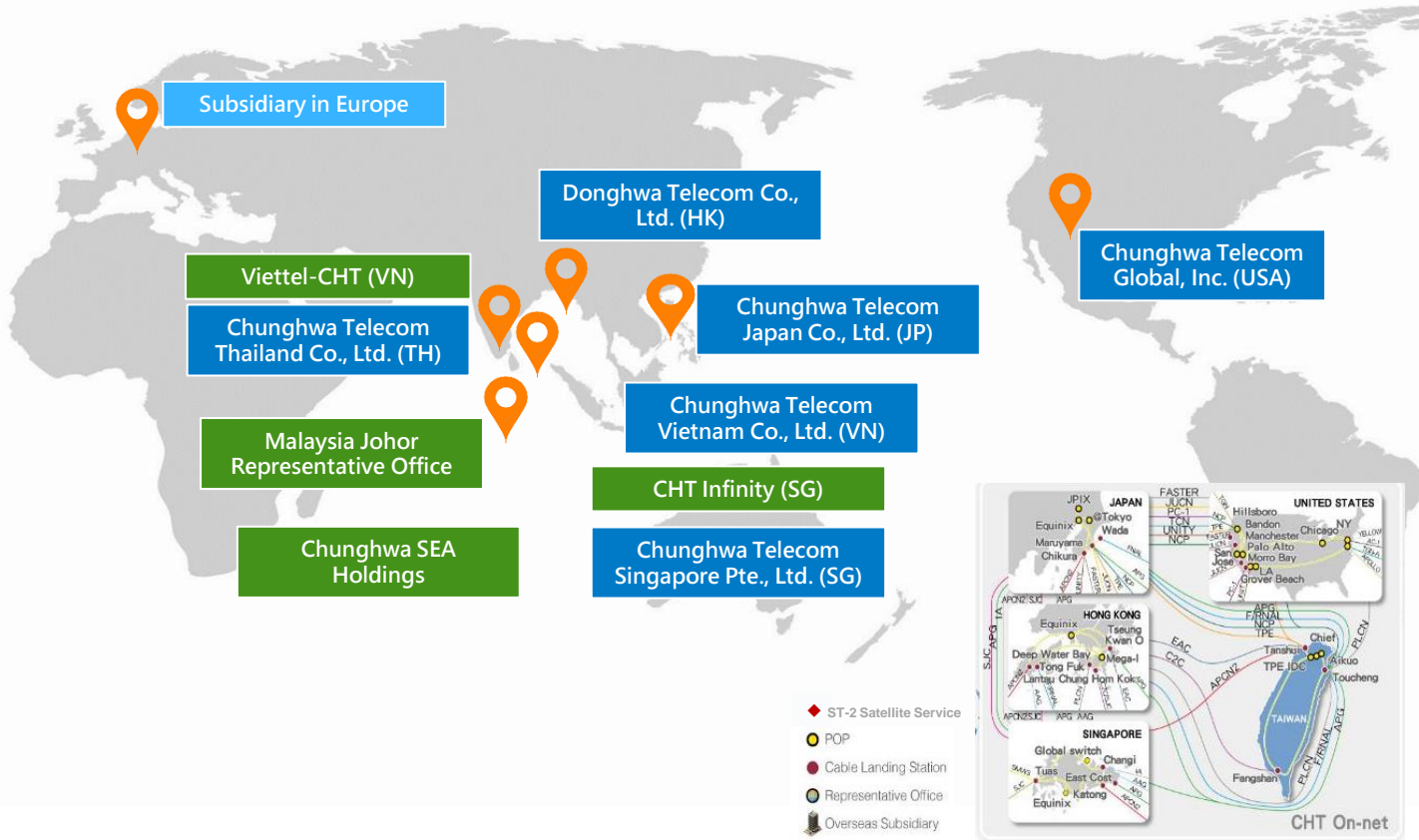
Cloud Service
YoY ↑ 5.8%



Cyber Security
YoY ↑ 6.3%

International Business Layout

- Maintain **double-digit growth in revenue**
- Continue to expand and establish **new subsidiary in Europe**



13 Overseas Locations
▲ New subsidiary in Europe open soon

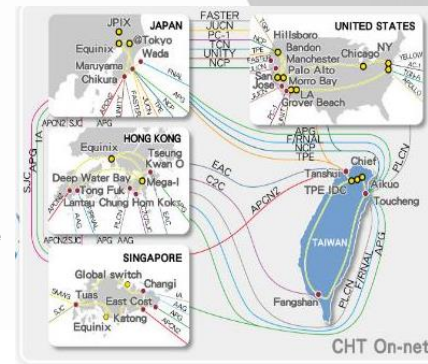
31 Undersea Cables

>100 Tbps Total Capacity

12 Undersea Cables Connecting to Taiwan
▲ SJC2 and Apricot Undersea Cables will join the service soon

4 Global Cable Landing Stations

50 Global PoPs



- Steady 5G migration continues to drive up mobile ARPU, widening our lead as #1 telecom operator in the Taiwan's mobile market
- Continue our speed upgrade strategy to enhance fixed broadband ARPU and performance
- Increased recurring revenue of ICT business, particularly from the 3 pillars of IDC, cloud and cybersecurity, continues to stabilize and further lift up ICT performance
- Expand our strategical content deployment and continuously enrich our content portfolio
- Embrace AI to externally capture exponential growth opportunities and internally drive operational efficiency and cost reduction

Q & A

