

August 8th, 2025**Topics in This Report**

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IR contact:

Jennifer Yuan
Investor Relations Manager
Investor Relations
jenniferyuan@taiwanmobile.com

George Chang
CFO
georgechang@taiwanmobile.com

13F, No. 88, Yan Chang Rd.,
Taipei City 110, Taiwan, ROC
Tel: 8862 6636 3159

ir@taiwanmobile.com
<http://www.taiwanmobile.com>

TWM Consolidated

NT\$bnn	<u>2Q25</u>	<u>YoY</u>	<u>1H25</u>	<u>YoY</u>
Revenues	47.47	-1%	95.64	0%
Operating Income	5.17	4%	10.32	7%
Non-op. Income (Expenses)	(0.61)	57%	(0.85)	18%
Pre-tax Income	4.55	0%	9.46	7%
(Income Tax)	(0.88)	0%	(1.65)	-4%
(Minority Interest)	(0.38)	-14%	(0.87)	-9%
Net Income	3.29	2%	6.94	12%
EPS (NT\$)	1.09	2%	2.30	12%

Highlights of Operating Results2Q25

Consolidated operating income grew by 4% YoY, as the solid 13% growth in our telecom EBIT helped offset softer performance at momo. Supported by healthy cash flows, our net debt-to-EBITDA ratio declined both YoY and QoQ, while solid profitability kept ROE steady at 15%. With lower cash capex QoQ and YoY, pre-IFRS 16 free cash flow reached NT\$5.26bn, reflecting a 17% YoY increase and translating to an annualized FCF yield of 6%.

1H25

While consolidated revenue was flat, operating income went up by 7% YoY, driven primarily by network consolidation synergies. On the non-op side, other than higher interest expenses as we refinanced at higher market rates, net expenses from equity income, investment valuation, and FX translation accounted for just 1.3% of pre-tax income. Supported by tax credits recognized in 1H25, net income and EPS grew 12% YoY.

Key Message

TWM is committed to a clear, three-part strategy designed to drive sustained growth and enhanced free cash flow. We are fortifying our telco core while aggressively expanding our Telco+ services and Telco+Tech businesses. Our recent initiatives are not just isolated projects; they are a direct reflection of this strategy in action. Our exclusive OTT bundles are effectively lifting customer spending and deepening engagement. The launch of TWEX firmly positions us at the forefront of the Web3 space. Our new AIDC is a critical, foundational step in our artificial intelligence roadmap. These efforts are integral to our long-term vision. We have deep confidence in our fundamentals and believe our strategic execution will continue to create significant value for our shareholders.

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I. Revenue Analysis

Table 1. Key Operational Data

Residual Value (NT\$bn)	2Q25	1Q25	2Q24	QoQ	YoY
Mobile Service Revenue	16.37	16.24	16.02	1%	2%
Postpaid ARPU (NT\$)	619	616	608	1%	2%
09x Postpaid ARPU (NT\$)	670	666	655	1%	2%
Blended ARPU (NT\$)	545	541	531	1%	3%

Note: Operational data and reported financials from 4Q23 onwards reflect Taiwan Mobile's merger with T Star effective on December 1, 2023.

Revenue (NT\$bn)	2Q25	1Q25	2Q24	QoQ	YoY
Telecom	21.11	21.51	20.43	-2%	3%
Service	15.35	15.31	15.19	0%	1%
Device Sales	5.76	6.21	5.24	-7%	10%
momo	26.03	26.41	26.66	-1%	-2%
CATV revenue¹	1.50	1.47	1.48	2%	2%
Pay-TV	0.72	0.73	0.75	0%	-3%
Broadband ¹	0.62	0.61	0.58	1%	6%
Content & channel leasing	0.16	0.14	0.15	19%	10%
Others²	0.16	0.16	0.16	5%	3%

1. CATV revenue includes broadband costs borne by TWM for its Double Play customers which is eliminated in consolidated revenue.

2. Other revenue primarily consists of operating revenue from our 49.9%-held Taipei New Horizon Co., Ltd., which became a consolidated entity on Feb 21, 2014.

	2Q25	1Q25	2Q24	QoQ	YoY
Mobile Subscribers (K)	10,008	10,026	10,061	0%	-1%
- Postpaid	8,513	8,485	8,480	0%	0%
Monthly Churn	1.4%	1.3%	1.6%		
-Postpaid	0.6%	0.6%	0.7%		
MOU (bn)	0.73	0.72	0.81	2%	-9%
Pay-TV Subs (K)	482	485	497	-1%	-3%
Cable Broadband Subs (K) ¹	323	320	311	1%	4%
DTV Subs (K)	293	294	295	0%	0%

CATV ARPU (NT\$)	2Q25	1Q25	2Q24	QoQ	YoY
Pay-TV	498	497	499	0%	0%
Broadband	638	640	627	0%	2%
Blended ²	923	916	888	1%	4%

1. Cable broadband customers signed via TWM Double Play series are not included.

2. Cable TV & broadband-related revenue (excluding content agency) divided by CATV subscriber number.

Telecom

In 2Q25, 5G penetration in TWM's smartphone postpaid user base increased to 42.5%, over 4ppts higher than a year ago, as we continued to upsell via our unique bundles. For contract renewals, we saw a 6% overall uplift in monthly tariffs, with a 45% boost in 4G to 5G renewals.

As a result, 5G revenue grew by 10% YoY, lifting its contribution to mobile service revenue to 66% in the quarter. Mobile service revenue and 09x postpaid ARPU also continued to record healthy YoY growth.

YTD, we've launched several unique bundles to drive upselling and deepen engagement: the momobile plus plan, which bundles momo's moPlus membership with 5G unlimited data for NT\$1,399; a free one-year Perplexity Pro subscription for postpaid users on NT\$599+ plans; and an all-in-one streaming package with Netflix, Max, and MyVideo at a competitive rate.

Postpaid users' monthly churn rate fell to another record low of 0.6% in 2Q25, reflecting a benign pricing environment post industry consolidation.

On the enterprise side, cloud, data & access and IoT services maintained healthy revenue growth in 2Q25.

momo

A more muted retail environment amid broader economic uncertainty continued to weigh on momo's performance in 2Q25. Nevertheless, GMV grew YoY, supported by the expansion of momo's new third-party (3P) business and a 5.1% YoY increase in its active users.

Cable TV

Broadband business recorded a solid 6% YoY revenue growth in 2Q25. Including Double Play users, broadband subs on speeds of 300Mbps or higher surged by 32% YoY.

II. EBITDA Analysis

Table 2. EBITDA Breakdown

NT\$b	2Q25	1Q25	2Q24	QoQ	YoY
EBITDA	10.59	10.55	10.59	0%	0%
- Telecom	8.61	8.59	8.35	0%	3%
- momo	1.12	1.14	1.26	-1%	-11%
- CATV	0.82	0.79	0.79	4%	4%

NT\$b	2Q25	1Q25	2Q24	QoQ	YoY
D&A	5.42	5.40	5.64	0%	-4%
- Telecom	4.84	4.82	5.02	0%	-4%
- momo	0.35	0.35	0.34	-1%	4%
- CATV	0.21	0.21	0.20	0%	4%

NT\$b	2Q25	1Q25	2Q24	QoQ	YoY
EBIT	5.17	5.15	4.95	0%	4%
- Telecom	3.77	3.77	3.33	0%	13%
- momo	0.77	0.79	0.92	-2%	-16%
- CATV	0.60	0.57	0.58	5%	3%

EBITDA Analysis

Telecom EBITDA grew by 3% in 2Q25, driven by mobile plan upselling. The YoY increase was more pronounced on a pre-IFRS 15 basis, driven by the rationalization of marketing expenses in 2Q25. Additionally, merger synergies from network integration resulted in a 13% YoY rise in EBIT.

momo's EBITDA margin declined YoY to 4.3% in 2Q25, mainly due to increased investments in marketing, technology, and new initiatives such as third-party (3P, mo-shop+) and retail media network (RMN, momoAds) businesses. That said, momo's net income in 1H25 declined by 10% YoY, partly offset by tax credits associated with its Southern Distribution Center.

CATV EBITDA rose YoY, as the decrease in pay-TV revenue was more than offset by growth in broadband subscriber numbers, ARPU, and strong traction in bundled offerings.

D&A Analysis

D&A dropped YoY on the back of rental expense savings following our base station consolidation, which was completed in 3Q24. Under IFRS 16, rental expense savings are primarily reflected in lower depreciation expenses.

Table 3. Non-operating Items

NT\$b	2Q25	1Q25	2Q24	QoQ	YoY
Non-Operating Income (Expense)	(0.61)	(0.24)	(0.39)	158%	57%
- Net Interest Expense	(0.29)	(0.33)	(0.26)	-11%	15%
- Write-off Loss	(0.12)	(0.03)	(0.08)	316%	57%
- Other Income (Expense) ¹	(0.20)	0.12	(0.06)	nm	234%

1. Lawsuit-related interest expenses accrued from 4Q24 onwards are classified under other expenses rather than interest expense, to reflect its non-recurring and accrual nature.

Non-Operating Item Analysis

The YoY and QoQ increases in non-operating expenses were mainly driven by translation losses in our USD-denominated long-term investments amid the sharp appreciation of the NTD during the quarter.

III. Income Statement Analysis

Table 4. 2Q25 Consolidated Results

NT\$b	2Q25	QoQ	YoY
Revenue	47.47	-1%	-1%
Cash Cost & Expense	(36.88)	-2%	-1%
Operating Income	5.17	0%	4%
Non-op. Income (Expense)	(0.61)	158%	57%
Pre-tax Income	4.55	-7%	0%
Net Income	3.29	-10%	2%
EPS (NT\$)	1.09	-10%	2%
EBITDA	10.59	0%	0%

Table 5. 1H25 Consolidated Results

NT\$b	1H25	1H24	YoY
Revenue	95.64	96.02	0%
Cash Cost & Expense	(74.50)	(74.85)	0%
Operating Income	10.32	9.61	7%
Non-op. Income (Expense)	(0.85)	(0.73)	18%
Pre-tax Income	9.46	8.88	7%
Net Income	6.94	6.20	12%
EPS (NT\$)	2.30	2.05	12%
EBITDA	21.14	21.17	0%

Income Statement Analysis

2Q25

Consolidated operating income grew by 4% YoY, as the solid 13% growth in our telecom EBIT helped offset softer performance at momo, which was due to increased investments in new business areas. Despite higher non-operating expenses, net income and EPS still rose by 2% YoY.

1H25

While consolidated revenue was flat, operating income went up by 7% YoY, driven primarily by network consolidation synergies. On the non-op side, while interest expenses rose as we refinanced at higher market rates, around 70% of the NT\$88mn YoY increase was non-cash, accrued for the convertible bond issued earlier this year. Net expenses from equity income, investment valuation, and FX translation accounted for just 1.3% of pre-tax income. Supported by tax credits recognized in 1H25, net income and EPS grew 12% YoY.

IV. Cash Flow Analysis

Table 6. Cash Flow

NT\$b	2Q25	1Q25	2Q24
Operating	8.77	9.07	8.43
Pre-tax Income	4.55	4.91	4.56
Non-cash Add-backs	5.97	5.96	6.18
--Depreciation ¹	2.67	2.65	2.58
--Amortization	1.64	1.65	1.66
--Others ¹	1.66	1.66	1.95
Changes in Working Capital & Income Taxes	(2.07)	(1.76)	(2.52)
Others	0.31	(0.04)	0.21
Investing	(2.41)	(3.46)	(3.16)
Capex ²	(2.37)	(3.48)	(2.63)
Divestment (Acquisition)	(0.26)	(0.01)	(0.78)
Other Financial Assets (Increase)	0.10	0.13	0.05
Refundable Deposits (Increase)	0.07	(0.09)	0.05
Others	0.05	(0.00)	0.16
Financing	(5.70)	(6.00)	(3.99)
Short-term Borrowings	3.33	(10.42)	(2.09)
Proceeds from Issuance of Bonds	3.70	10.01	0.00
Repayments of Bonds Payable	(9.00)	(5.00)	0.00
Long-term Bank Loan	(2.14)	0.96	(0.10)
Repayment of The Principal Portion of Lease Liabilities ³	(1.07)	(1.12)	(1.28)
Dividends Payments	(0.07)	0.00	(0.06)
Interest (Payment) & Others	(0.44)	(0.43)	(0.46)
Net Cash Position Chg.	0.66	(0.38)	1.29

1. Depreciation of right-of-use assets shown separately under "Others" instead of "Depreciation" in this table.

2. Inclusive of prepayments for equipment, the acquisition of computer software & other intangible assets, cash capex is net of government subsidies.

3. An operating cash outflow item prior to 2019.

Table 7. Capex & FCF

NT\$b	2Q25	1Q25	2Q24
Cash Capex	2.37	3.48	2.63
- Mobile	1.36	2.29	1.76
- Fixed-line	0.21	0.36	0.30
- Cable	0.21	0.20	0.22
- momo & others	0.60	0.63	0.35
% of Revenue	5%	7%	5%
Free Cash Flow¹	5.26	4.41	4.49

1. Free cash flow was on a pre-IFRS 16 basis.

Cash Flow Analysis

Our telecom and e-commerce business recorded YoY increases in operating cash flow in 2Q25. Operating cash flow rose by 4% YoY, outpacing EBITDA growth, supported by 1) a favorable working capital change from sustained sales of the iPhone 16 series and 2) lower tax payments for momo due to the aforementioned tax credits.

Investing cash outflow tapered off in 2Q25, as spending on mobile infrastructure returned to a more moderate level following elevated investment in 1Q25.

Backed by healthy FCF generation, we repaid bonds payable and long-term bank loans in this quarter, leading to a YoY increase in financing cash outflow.

Capex and Free Cash Flow Analysis

With lower cash capex QoQ and YoY, pre-IFRS 16 free cash flow for 2Q25 reached NT\$5.26bn, reflecting a 17% YoY increase and translating to an annualized FCF yield of 6%.

V. Balance Sheet Analysis

Table 8. Balance Sheet

NT\$b	2Q25	1Q25	2Q24
Total Assets	236.68	237.90	240.52
Current Assets	43.49	42.68	44.71
- Cash & Cash Equivalents	12.22	11.56	15.24
- Receivable & Contract Assets	20.30	19.82	20.07
- Inventories	7.04	7.39	6.71
- Short-term Investment	0.32	0.31	0.28
- Other Current Assets	3.61	3.60	2.41
Non-current Assets	193.19	195.23	195.81
- Long-term Investment	12.40	12.83	10.25
- Property and Equipment	53.05	52.84	53.25
- Right-of-use Assets	11.28	11.69	11.69
- Concession	63.50	64.95	69.29
- Other Non-current & Contract Assets	52.95	52.92	51.33
Liabilities	150.11	139.23	154.88
Current Liabilities	70.97	62.59	96.84
- ST Borrowings	18.59	25.78	42.81
- Accounts & Notes Payable	13.03	12.86	14.29
- Current Lease Liabilities	3.99	4.04	4.38
- Other Current Liabilities	35.35	19.91	35.36
Non-current Liabilities	79.14	76.64	58.04
- Long-term Borrowings	64.40	61.29	43.37
- Non-current Lease Liabilities	7.38	7.70	7.49
- Other Non-current Liabilities	7.37	7.65	7.19
Shareholders' Equity	86.57	98.67	85.64
-Paid-in Capital	37.23	37.23	37.23
-Capital Surplus	29.03	30.19	29.32
-Legal Reserve	36.11	34.72	34.72
-Treasury Shares	(29.72)	(29.72)	(29.72)
-Un-appropriated Earnings	0.00	0.00	0.00
-Non-controlling Interest	7.51	9.02	7.57
-Retained Earnings & Others ¹	6.40	17.23	6.52

1: Including YTD profits and other equity items

Table 9. Ratios

	2Q25	1Q25	2Q24
Current Ratio	61%	68%	46%
Interest Coverage (x)	15.9	15.5	15.5
Net Debt (Cash) to Equity	82%	76%	83%
Net Debt (Cash) to EBITDA (x)	1.63	1.73	1.69
ROE (annualized)¹	15%	15%	14%
ROA (annualized)²	6%	7%	6%

1. The interest expense used in the calculation for coverage ratio excludes the aforementioned lawsuit-related one-off interest expenses. (refer to note 1 in Table 3)

2. ROE = Accumulated Net Income (Annualized) / Average Shareholders' Equity

3. ROA = Accumulated Net Income + Interest Expenses*(1-Tax Rate) (Annualized) / Average Total

Assets

The YoY decline in cash balance was primarily driven by momo's use of internally generated cash flow to fund capital expenditures and dividend payments, while maintaining a debt-free position.

Long-term investment increased YoY, mainly due to the strategic investment in enterprise IT service provider Systex in 3Q24.

Long-term contract assets also rose YoY, driven by continued growth in mobile bundle plans aimed at increasing mobile ARPU through contract renewals.

Liabilities & Shareholders' Equity

Gross debt dropped by NT\$3bn YoY, reflecting our disciplined capital allocation and healthy cash flow generations.

In 2Q25, shareholders' equity fell QoQ following AGM's approval of dividends, which became a dividend payable under other current liabilities. The YoY increase in dividend payable was mainly due to TWM raising its DPS to NT\$4.5 from NT\$4.3.

Ratio Analysis

Supported by healthy cash flows, our net debt-to-EBITDA ratio declined both YoY and QoQ, while solid profitability kept ROE steady at 15%.

VI. Management Remarks

Key Message

TWM is committed to a clear, three-part strategy designed to drive sustained growth and enhanced free cash flow. We are fortifying our telco core while aggressively expanding our Telco+ services and Telco+Tech businesses. Our recent initiatives are not just isolated projects; they are a direct reflection of this strategy in action. Our exclusive OTT bundles are effectively lifting customer spending and deepening engagement. The launch of TWEX firmly positions us at the forefront of the Web3 space. Our new AIDC is a critical, foundational step in our artificial intelligence roadmap. These efforts are integral to our long-term vision. We have deep confidence in our fundamentals and believe our strategic execution will continue to create significant value for our shareholders.

Awards and ESG Recognitions

- Named a “Most Honored Company” in Extel’s (formerly Institutional Investor) 2025 Asia Executive Team Rankings, sweeping all seven No. 1 awards in the telecom sector.
- Ranked in the top 5% in the “Corporate Governance Evaluation” by the Taiwan Stock Exchange and Taipei Exchange for 11 consecutive years.
- Received three major accolades at the 2025 Twimbit Telecom Awards — CEO of the Year, Telco of the Year (Advanced Markets), and Telco to Ace Gaming
- Recognized by Opensignal with top awards in Availability, Overall Video Experience, and 5G Video Experience
- Awarded Best AI Awards from the Ministry of Economic Affairs for “VotexAI” and “MyMoji”
- “AI Ocean” won the International Biodiversity Sustainability Award