

1H FY18 Results Presentation

Asia Pacific Telecom Co., Ltd.

Aug 10th, 2018



Disclaimer

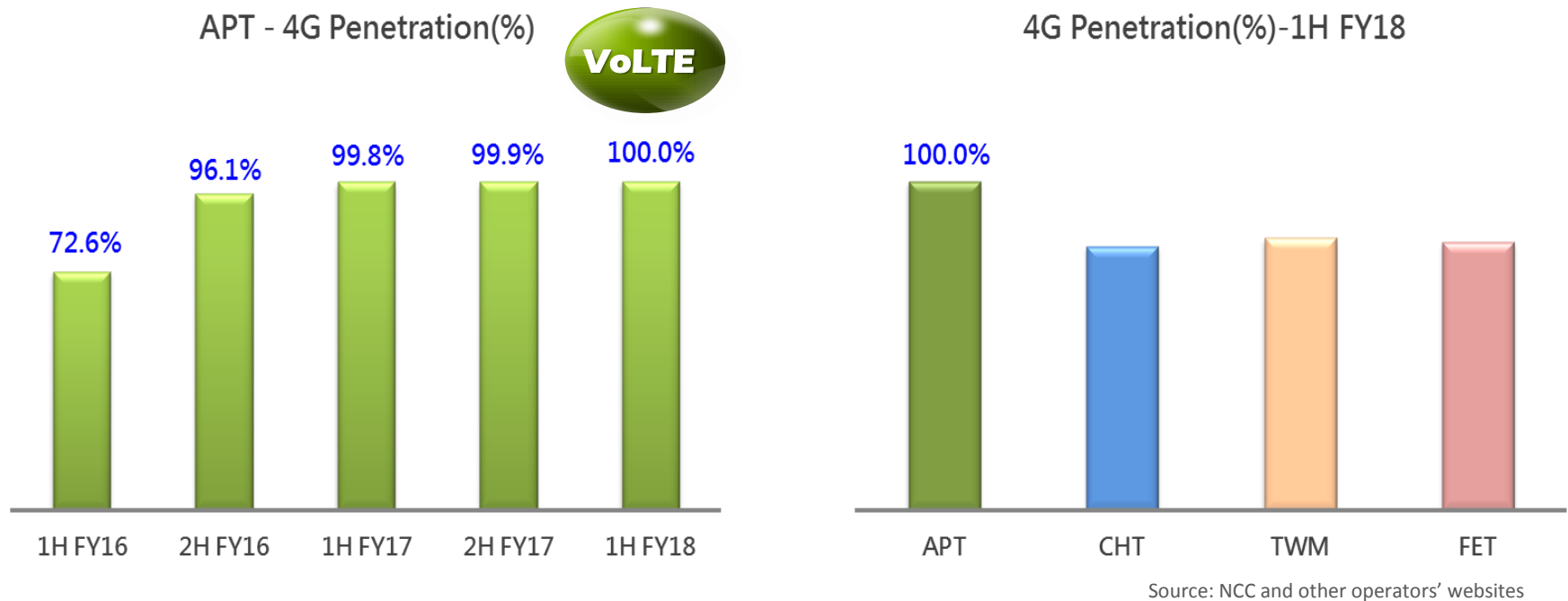
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Agenda

Business Overview

Financial Performance

Business Overview—4G Subscribers

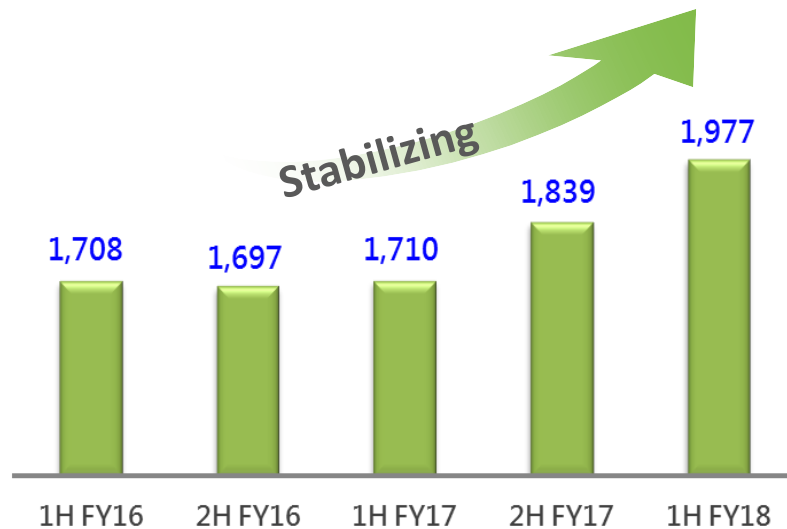


4G Performance

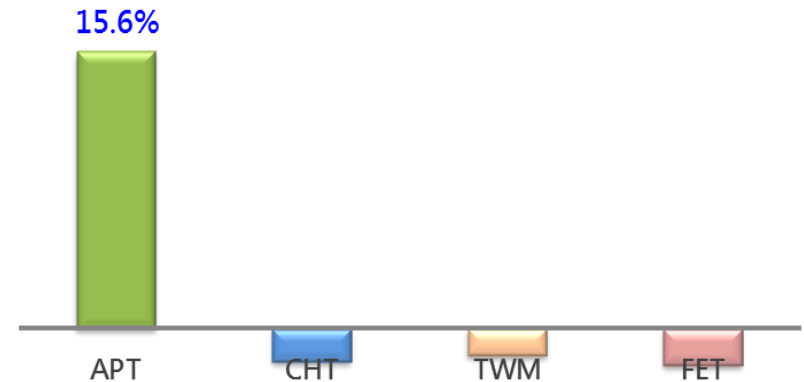
- Gt** 4G penetration rate reaches **100%**.
- Gt** Be the No.1 operator in 4G penetration.
- Gt** Focus on 4G subscribers increasing, net increase **268,000** subscribers in 1H FY18.
- Gt** Stay at the leading position in 4G penetration.

Business Overview—Total Mobile Subs

Total Subs ('000)



Total Subs YoY(%)-1H FY18



Source: NCC and other operators' websites

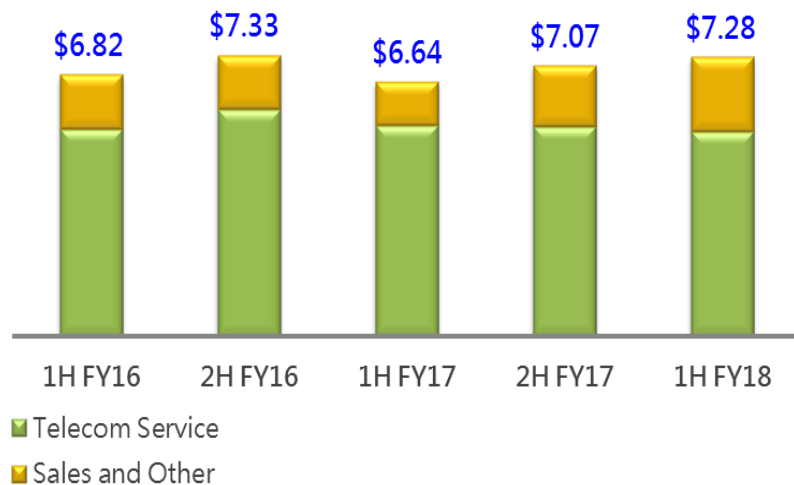
Total Subs Performance

Gt APT has a significant increase in total Subs, YoY **15.6%**.

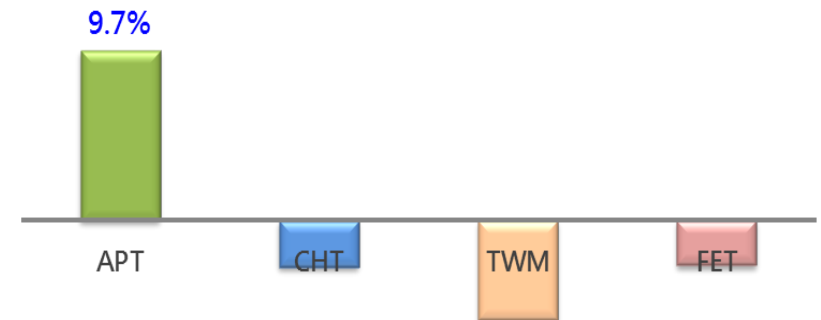
Gt Other competitors are net decrease in total Subs.

Business Overview—Telecom Business Revenue

Telecom Business Revenue (\$Bn)



Telecom Business Revenue YoY(%)-1H FY18



Source: NCC and other operators' websites

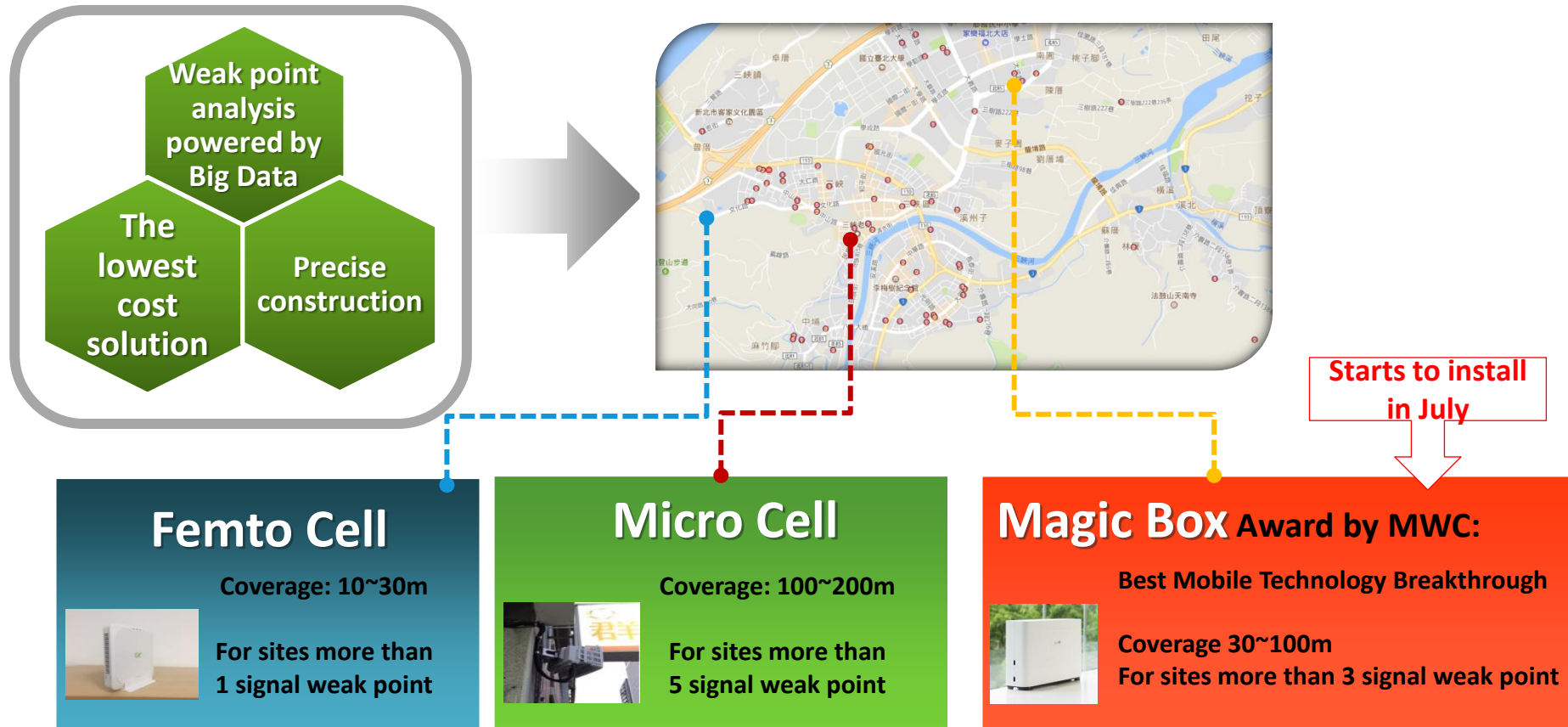
Telecom Business Performance

Gt Telecom revenue grows **9.7%**.

Gt APT has better performance on revenue growth compared to the other operators.

Business Overview—Network Strategy

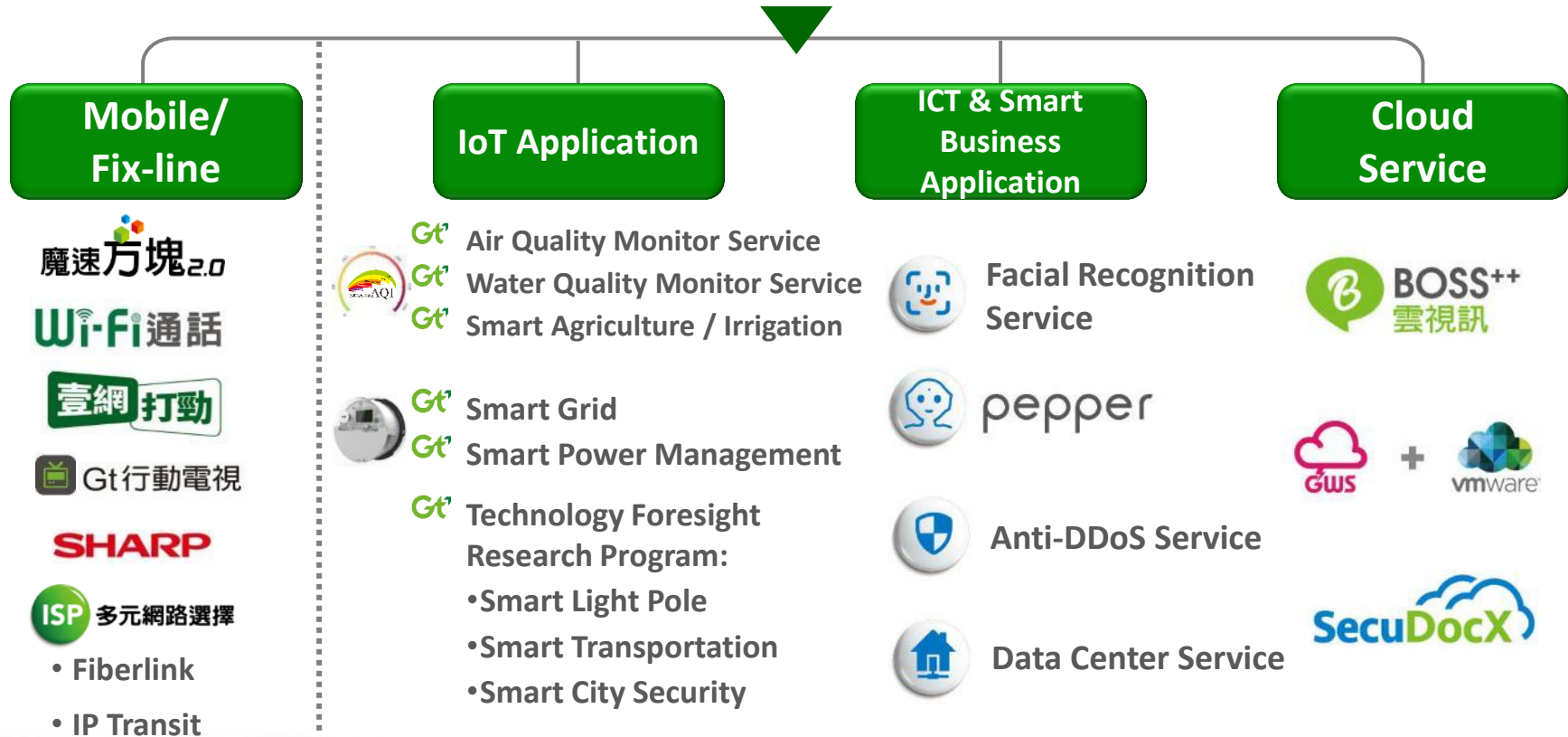
- GT** The macro site construction keeps on track, and the small cell construction effectively expands the network signal to the indoor uncovered area.
- GT** The network coverage reaches more than **99%**, along with **25,000** base stations installed.
- GT** The 2.6GHz spectrum with Massive MIMO technology enhances the network capacity and sustains the ability to leverage the future 5G network.



Business Overview—New Revenue Drivers For Telecom Business

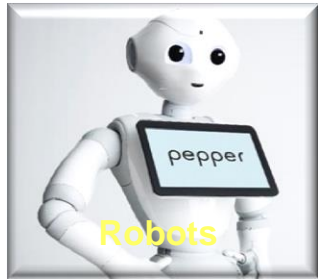
Penetrate the market with new IoT / ICT / Cloud Service

Integrating mobile / internet / Smart Value Added Service



Business Overview—5G Experimental Network

Approved by NCC in May 2018 and Public field testing in September



Robots



IoT



Digital Life



V2X



5G



AI



Drone



Cloud VR/AR



Digital Factory

The Plan :

GT APT has officially submitted a 5G experimental network to NCC. Testing plan and relevant experiment will also be executed at the same time.

GT APT cooperates with Hon Hai Group, Jiao Tong University, and Taiwan academic and technology companies to launch the 5G equipment experimental testing program.




GT By setting up the experimental network, APT is able to get in touch with the future 5G network technology. Moreover, APT will also take advantage of early 5G network planning and design, enriching our ability to develop more applications and services alongside.

Financial Performance—Earnings Results

■ 1H FY18 Income Summary

(NT\$Bn)	1H FY18	1H FY17	YoY(\$)	YoY(%)	2H FY17
Total Revenue	\$7.29	\$6.64	\$0.65	9.8%	\$7.07
-Mobile service Revenue	\$4.20	\$4.50	(\$0.30)	-6.7%	\$4.47
Cost	\$6.44	\$5.81	\$0.63	10.8%	\$6.31
OPEX	\$3.18	\$2.71	\$0.47	17.3%	\$3.07
Net Income(Loss)	(\$1.22)	(\$1.52)	\$0.30	N.A.	(\$2.51)
EPS (NT\$)	(\$0.28)	(\$0.35)	\$0.07	N.A.	(\$0.58)
EBITDA	(\$0.24)	(\$0.18)	(\$0.06)	N.A.	(\$0.35)

Financial Overview

-  Total Revenue in the 1H, FY18 increase \$0.65Bn compared with the 1H, FY17
-  Net loss in the 1H, FY18 improved \$0.30Bn compared with the 1H, FY17
-  EPS in the 1H, FY18 improved \$0.07 compared with the 1H, FY17

Financial Performance—Balance Sheet



■ 1H FY18 & FY17 Consolidated Balance Sheet Summary

(NT\$Bn)	1H FY18	2H FY17	1H FY17		1H FY18	2H FY17	1H FY17
Total Assets	\$38.56	\$36.32	\$38.98	Liabilities	\$5.67	\$5.25	\$5.37
Current Assets	\$4.50	\$5.78	\$7.84	Current Liabilities	\$4.67	\$4.71	\$4.90
Cash and Cash Equivalents	\$1.55	\$2.75	\$4.89	Short-term borrowings	\$0.03	\$0.00	\$0.00
Current financial assets at fair value through profit or loss	\$0.31	\$0.41	\$0.41	Non-current Liabilities	\$1.00	\$0.54	\$0.47
Accounts Receivable	\$1.40	\$1.42	\$1.42	Long-term borrowings	\$0.00	\$0.00	\$0.00
Inventories	\$0.24	\$0.27	\$0.17	Shareholders' Equity	\$32.89	\$31.07	\$33.61
Other Current Assets	\$1.00	\$0.93	\$0.95	Paid-in Capital	\$42.98	\$42.98	\$43.01
Non-current Assets	\$34.06	\$30.54	\$31.14	Capital Surplus	\$6.77	\$6.75	\$6.73
Property and Equipment	\$12.34	\$12.54	\$12.91	Retained Earnings	(\$16.96)	(\$18.75)	(\$16.17)
Intangible Assets	\$12.44	\$12.63	\$12.77	Treasury shares	-	-	(\$0.05)
Other Non-current Assets	\$9.28	\$5.37	\$5.46	Non-controlling Interests	\$0.10	\$0.09	\$0.09

■ Financial Ratio

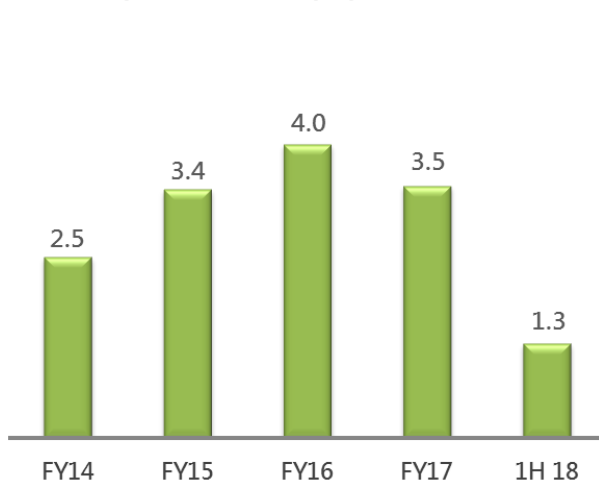
	1H FY18	2H FY17	1H FY17
Current Ratio	96%	123%	160%
Debt/Assets Ratio	14.7%	14.5%	13.8%
Debt/Equity Ratio	17.2%	16.9%	16.0%

Highlights

-  Total amount of cash, cash equivalents and current financial assets were about \$1.9Bn at June 30, 2018
-  Short-term borrowings came from the consolidation of subsidiary.

Financial Performance—CAPEX

Acquisition of Equipment (\$Bn)



Overview

- Gt** Capex went to relative high level during FY15 and FY16 mainly due to heavy network infrastructure investment
- Gt** Capex in FY17 declined \$0.5Bn
- Gt** Capex in FY18 might be lower than FY17

Key Message

- Gt** Keep investing on 4G Capex to expand 4G network capacity
- Gt** Optimize network infrastructure to deliver high quality experience

Questions & Answers
