

1H FY19 Results Presentation

Asia Pacific Telecom Co., Ltd.

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Agenda

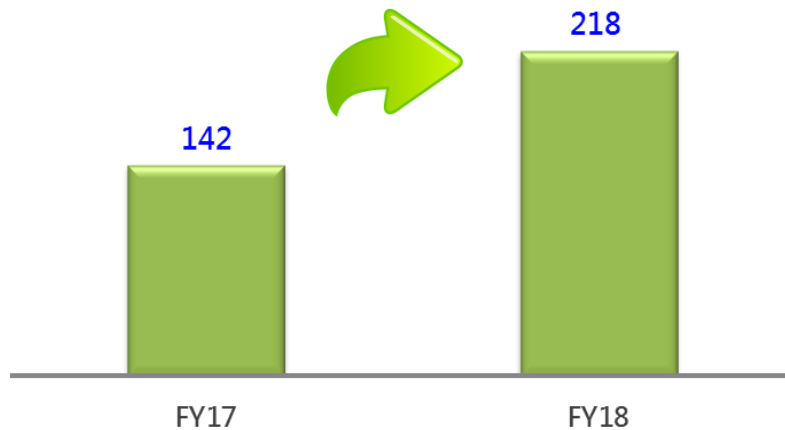
Business Overview

Management Highlight

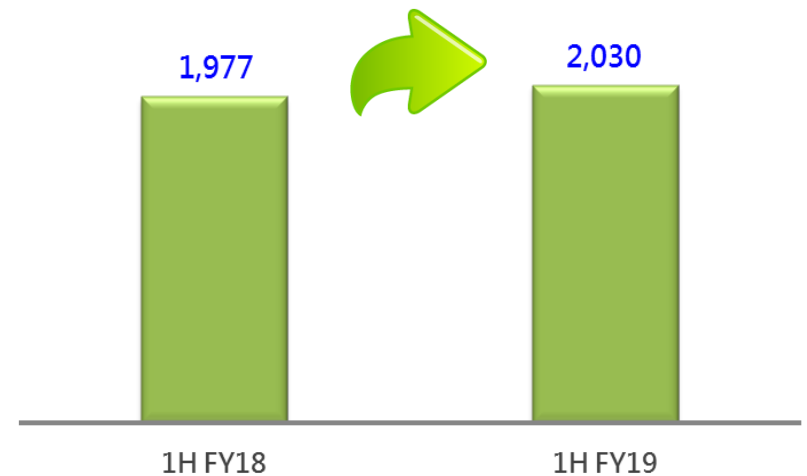
Financial Performance

Business Overview—Total Mobile Subs

Total Subs Net Adds ('000)



Total Subs YoY ('000)-1H FY19



Note: Excluding IoT subscribers

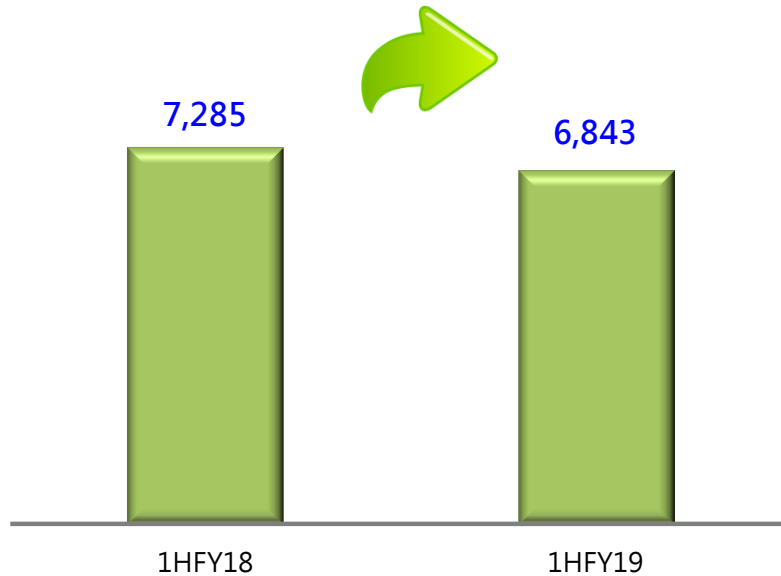
Total Subs Performance

Gt Mobile Subs had been continue growing in past two years, FY18 YoY **11.9%**.

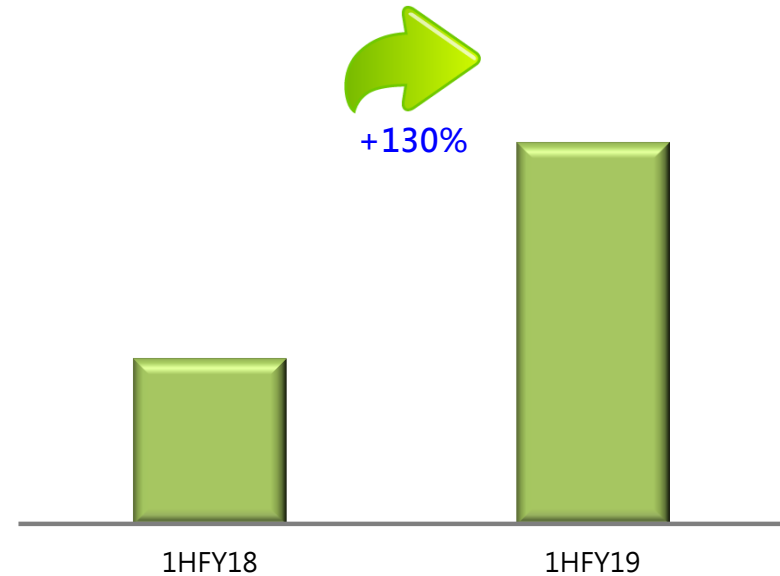
Gt Mobile Subs slightly grow in 1H FY19, YoY **2.7%**..

Business Overview—Overall and New Services Revenue

Overall Revenue(\$Bn)



New Services Revenue



Note: new services includes ICT, IoT, smart products

Operational Performance

Gt Overall Revenue grows: **-6.1%** *Note

Gt New services revenue grows **130%**

*Note : Revenue from mobile and fixed communication of the first half-year : CHT-6.6%, TWN-7.5% and FET-4.7%

Management Highlight—2019 1H Milestones

- Gt has fulfilled its promise of CSR and is certified by Bureau Veritas Certification.
- Gt TV bundled with set top box, which has entered home use market in Taiwan.
- Gt's online stores optimize user experiences on phone application process by implementing OCR (Optical Character Recognition) technology.
- In alliance with Taipei Fubon Commercial Bank, Gt introduced Smart Bank concept with AI face recognition.
- Gt has achieved No. 1 market share in governmental air quality monitoring system domestically.
- Gt provides global M2M connectivity service, which covers the main 5 continents, 170 nations globally.
- Gt pioneered in 5G application with the live demo of 8K+5G technology.
- Gt has been developing innovative 5G applications with strategic alliance between Intel/Foxconn/National Chiao Tung University.
- Gt “5G Accelerator” succeeds to incubate 10 startups and has had their debut in early 2019.

Management Highlight—2019 2H Focus

- Enhance profitability in both physical and online channels.
- Simplify external and internal process, to be customer satisfaction-oriented and to maximize operation performance
- Continually optimize 4G LTE network(Non-rural areas served fully by APTG network, rural areas are complemented by roaming network)
- Expand B2B business while maintaining B2C business.
- Extend the applications of facial recognition in finance, manufacturing and education market.
- Accelerate IoT integrated solutions in domain vertical.
- Keep preparing for 5G, which includes the design of network structure, spectrum auction and business model establishment.
- Focus on the 6 main areas: AI, big data, cloud, 5G, IoT, ICT and grow the market in new digital era.


Financial Performance—Earnings Results


■ 1H FY19 Income Summary

(NT\$Bn)	1H FY19	1H FY18	YoY(\$)	YoY(%)	2H FY18
Total Revenue	\$6.84	\$7.29	(\$0.45)	-6.2%	\$7.28
-Mobile service Revenue	\$3.73	\$4.20	(\$0.47)	-11.2%	\$3.80
Cost	\$6.55	\$6.44	\$0.11	1.7%	\$6.58
OPEX	\$2.89	\$3.18	(\$0.29)	-9.1%	\$3.11
Income(Loss) before Tax	(\$2.61)	(\$2.19)	(\$0.42)	N.A.	(\$2.56)
Net Income(Loss)	(\$2.60)	(\$1.22)	(\$1.38)	N.A.	(\$2.04)
EPS (NT\$)	(\$0.60)	(\$0.28)	(\$0.32)	N.A.	(\$0.49)
EBITDA	\$0.38	(\$0.24)	\$0.62	N.A.	(\$0.39)

Note: IFRS 16 was adopted since FY19. FY18 result was not comparatively adjusted.

Financial Overview

 EBITDA in the 1H, FY19 was improved compared with the 1H, FY18 due to IFRS 16, which reclassified rent to depreciation.

 Loss before Tax was lower compared with the 1H, FY18 due to market competition and Capex investment, which cause the increase of D&A.

Financial Performance—Balance Sheet

■ 1H FY19 & FY18 Consolidated Balance Sheet Summary

(NT\$Bn)	1H FY19	2H FY18	1H FY18		1H FY19	2H FY18	1H FY18
Total Assets	\$38.96	\$37.72	\$38.56	Liabilities	\$10.65	\$6.86	\$5.67
Current Assets	\$3.68	\$4.12	\$4.50	Current Liabilities	\$7.94	\$6.05	\$4.67
Cash and Cash Equivalents	\$0.73	\$1.00	\$1.55	Short-term borrowings	\$2.37	\$1.13	\$0.03
Current financial assets at fair value through profit or loss	-	-	\$0.31	Non-current Liabilities	\$2.71	\$0.81	\$1.00
Accounts Receivable	\$1.44	\$1.42	\$1.40	Long-term borrowings	-	-	-
Inventories	\$0.47	\$0.65	\$0.24	Shareholders' Equity	\$28.31	\$30.86	\$32.89
Other Current Assets	\$1.04	\$1.05	\$1.00	Paid-in Capital	\$42.98	\$42.98	\$42.98
Non-current Assets	\$35.28	\$33.61	\$34.06	Capital Surplus	\$6.80	\$6.79	\$6.77
Property and Equipment	\$11.11	\$12.10	\$12.34	Retained Earnings	(\$21.61)	(\$19.02)	(\$16.96)
Intangible Assets	\$11.73	\$12.13	\$12.44	Treasury shares	-	-	-
Other Non-current Assets	\$12.44	\$9.38	\$9.28	Non-controlling Interests	\$0.14	\$0.11	\$0.10

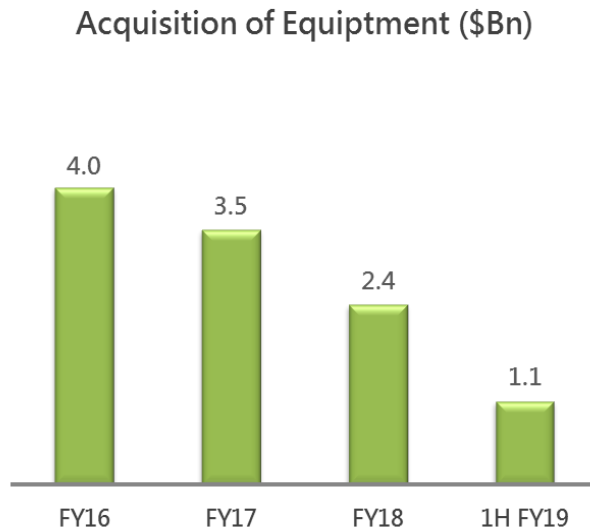
■ Financial Ratio

	1H FY19	2H FY18	1H FY18
Current Ratio	46%	68%	96%
Debt/Assets Ratio	27.3%	18.2%	14.7%
Debt/Equity Ratio	37.6%	22.2%	17.2%

Overview

- Gt Total amount of cash, cash equivalents were about \$0.73Bn at June 30, 2019
- Gt Debt/Asset ratio was 27.3%, which is relative low in the industry

Financial Performance—CAPEX



Overview

- Gt Capex in FY16 & FY 17 was relative high mainly due to heavy network infrastructure investment
- Gt Capex in FY19 might be flat as FY18

Key Message

- Gt Capex in FY16 & FY17 was relative high mainly due to heavy network infrastructure investment
- Gt Future Capex will still focus on optimizing network capacity and coverage to enhance user experience

Questions & Answers
