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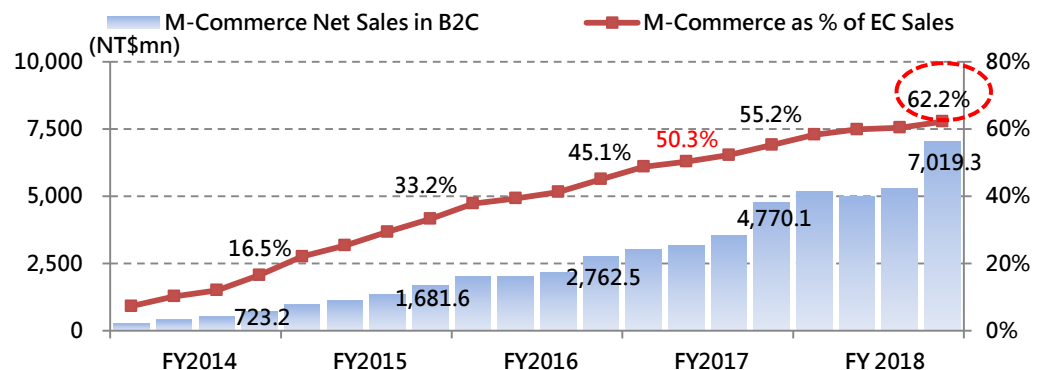
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momo.com Consolidated P&L

P&L (NT\$ mn)	4Q18A	4Q17A	YoY	FY2018A	FY2017A	YoY
Revenue	12,391.7	9,940.0	24.7%	42,017.0	33,238.5	26.4%
Gross product profit	2,007.0	1,813.2	10.7%	7,212.9	6,463.2	11.6%
Gross profit from operations	1,247.5	1,074.1	16.1%	4,260.2	3,647.3	16.8%
EBITDA	539.0	469.6	14.8%	1,743.0	1,515.5	15.0%
Operating profit	451.0	424.1	6.3%	1,422.4	1,389.1	2.4%
Income from LT investments	47.0	10.3	357.3%	50.5	82.3	(38.7%)
Other non-op income	4.8	6.2	-23.4%	6.7	49.0	(86.2%)
Pretax profit	502.7	440.6	14.1%	1,479.6	1,520.3	(2.7%)
Tax	95.0	78.7	20.8%	34.9	257.7	(86.4%)
Net income	407.7	362.0	12.6%	1,444.7	1,262.6	14.4%
Less minorities	(0.8)	(1.7)	-55.4%	(5.0)	(7.4)	(33.3%)
Net income to parent	408.5	363.7	12.3%	1,449.6	1,270.1	14.1%
Adjustments	(16.3)	0.0		(244.0)	(12.4)	
Recurring net income to parent	392.2	363.7	7.9%	1,205.7	1,257.7	(4.1%)
Basic EPS^A	2.92	2.60	12.3%	10.35	9.07	14.1%
Recurring basic EPS	2.80	2.60	7.9%	8.61	8.98	(4.1%)
Take rate	16.2%	18.2%	-2.0ppt	17.2%	19.4%	-2.3 ppt
Gross margin	10.1%	10.8%	-0.7ppt	10.1%	11.0%	-0.8ppt
EBITDA margin	4.3%	4.7%	-0.4ppt	4.1%	4.6%	-0.4ppt
Operating margin	3.6%	4.3%	-0.6ppt	3.4%	4.2%	-0.8ppt
Pretax margin	4.1%	4.4%	-0.4ppt	3.5%	4.6%	-1.1ppt

4Q18 / FY2018 Operational highlights

- momo's 4Q18 consolidated revenue set another new quarterly high, totaling NT\$12.4bn with an increase of 24.7% YoY. The growth benefitted from the success of Singles Day (11/11) and Double12s (12/12) promotional events and strong B2C sell through. During the quarter, **m-commerce net sales increased 47.2% YoY and exceeded 62.2% of B2C revenue.**



*Based on B2C data

- **4Q18 EBITDA increased 14.8% YoY to NT\$539.0mn but EBITDA margin declined 0.4ppt YoY to 4.3%.** The growth of EBITDA can be attributed to:
 - 1) TV Home shopping's EBITDA went up by 32.3% YoY and EBITDA margin saw a 3.2ppt YoY improvement to 11.2%.
 - 2) B2C's EBITDA also increased 4.8% YoY to NT\$382.8mn but EBITDA margin declined 0.9ppt YoY to 3.6% in 4Q18; the decline in EBITDA margin is the result of higher 3C product mix and product discounts. However, EBITDA margin improved 1.2ppt on QoQ basis, benefited from lower cost and OPEX effects aided by higher revenue scale.
- Net income to parent for 4Q18 totaled NT\$392.2mn and EPS of NT\$2.92 increased 12.2% YoY. The YoY growth can be attributed to higher consolidated operating profit and income from long-term investments. After one-time gain adjustment, recurring net income totaled NT\$392.2mn and recurring EPS of NT\$2.80 for 4Q18 also reached historical highs.
- momo's 2018 revenue totaled NT\$420.2bn, an increase of 26.4% YoY, aided by a 33.3% YoY growth from our B2C business. Consolidated EBITDA increased 15.0% YoY to NT\$1.7bn, as EBITDA for TV saw an 85.1% YoY increase during the year. Given the higher contribution for the B2C business EBITDA margin declined 0.5ppt to 4.1%. 2018 EPS increased 14.1% YoY to NT\$10.35; recurring EPS declined 4.1% to NT\$8.61.



I. Revenue Analysis

Figure 1 – Consolidated Revenue Breakdown

(NT\$ mn)	4Q18A	4Q17A	YoY	FY2018A	FY2017A	YoY
momoshop (B2C)	10,710.3	8,193.4	30.7%	35,329.8	26,498.0	33.3%
momomall (B2B2C)	15.2	16.1	-6.1%	59.0	73.9	-20.2%
TV home shopping	1,388.5	1,468.9	-5.5%	5,508.0	5,391.6	2.2%
Catalogue	247.2	244.1	1.3%	1,020.7	1,209.7	-15.6%
Others ¹	30.5	17.4	74.9%	99.5	65.3	52.4%
Total Revenue	12,391.7	9,940.0	24.7%	42,017.0	33,238.5	26.4%

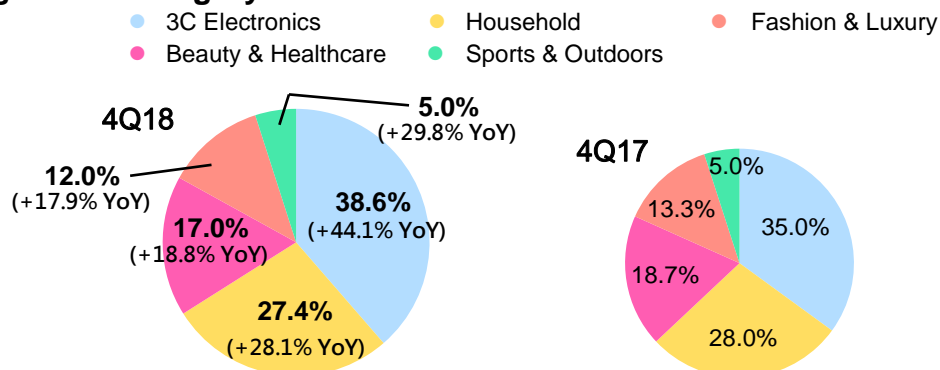
Note 1: Other revenue consists of operating revenue from our 70%-held Fubon Gehua (Beijing), 85%-held BÉBÉ POSHÉ, and 100%-held supporting business units (travel agency and insurance distribution agent).

momoshop (B2C):

Revenue from momoshop increased 30.7% YoY to NT\$10.7bn in 4Q18 and accounted for 86.4% of momo's total revenue during the period, a new quarterly high. The increase is reflective of momo's successful market share gain and can be attributed to 1) the success of cross platform Singles Day (11/11) and 12/12 promotional events given the higher SKU availability; 2) the 47.2% strong YoY growth from our mobile platforms and the 10.4% stable YoY growth from PC sales; and 3) increasing customers' stickiness - average value per ticket and customers purchase frequency continued to see YoY improvements as well. In 2018, B2C revenue surged 33.3% YoY to NT\$3.5 bn.

momoshop continued to expand its market share and scale comparing to major peers in E-Commerce and brick & mortar retailers. In 4Q18, all major categories posted more than 17% YoY growth, leading by 3C Electronics' +44.1% YoY.

Figure 2 – Category Breakdown for B2C



momomall (B2B2C):

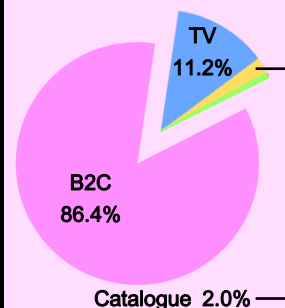
As quarterly GMV declined 8.5% YoY to NT\$218.9mn, commission and related income for our B2B2C declined 6.12% YoY to NT\$15.2in 4Q18. However, GMV and commission income saw QoQ increases for the 2nd consecutive quarter.

TV home shopping & Catalogue:

TV Home shopping revenue declined 5.5% YoY to NT\$1,388.5mn in 4Q18 but increased 13.5% QoQ; accumulated revenue increased 2.2% YoY in 2018. Household items saw a stronger growth during the quarter. Fashion/luxury (+7.8% YoY), household (+2.7% YoY), and beauty/healthcare (+2.4% YoY) categories contributed stable growth in 2018.

Totaling NT\$247.2mn revenue in 4Q18 and NT\$1,020.7mn revenue in 2018, our catalogue business saw the first positive YoY growth of +1.3% after 7 consecutive quarters of YoY declines.

momoshop, our B2C platform, generated 86.4% of 4Q18 consolidated revenue:



Note: B2B2C 0.1%; Others 0.2%

4Q18 B2C revenue driven by promotional events and increasing customers' stickiness

All 5 major categories saw revenue growth of at least 17% YoY; 3C Electronics and household items were the fastest growing categories in 4Q18

TV revenue increased 2.2% YoY in 2018

Catalogue revenue increased 1.3% YoY in 4Q18



II. EBITDA Analysis

Figure 3 – EBITDA Breakdown

EBITDA (NT\$ mn)	4Q18A	4Q17A	YoY	FY2018A	FY2017A	YoY
momoshop (B2C)	382.8	365.4	4.8%	1,091.1	1,161.4	-6.0%
momomall (B2B2C)	(8.5)	(10.3)	17.6%	(30.7)	(36.7)	16.4%
TV home shopping	155.7	117.8	32.3%	645.6	348.8	85.1%
Catalogue	12.0	3.3	268.2%	55.8	55.3	0.9%
Others ¹	(3.1)	(6.5)	52.9%	(18.9)	(13.3)	-41.9%
Total EBITDA	539.0	469.6	14.8%	1,743.0	1,515.5	15.0%
EBITDA Margin	4Q18A	4Q17A	YoY	FY2018A	FY2017A	YoY
momoshop (B2C)	3.6%	4.5%	-0.9ppt	3.1%	4.4%	-1.3ppt
momomall (B2B2C)	(56.1%)	(63.9%)	+7.8ppt	(52.0%)	(49.7%)	-2.4ppt
TV home shopping	11.2%	8.0%	+3.2ppt	11.7%	6.5%	+5.3ppt
Catalogue	4.9%	1.3%	+3.5ppt	5.5%	4.6%	+0.9ppt
Others ¹	(10.1%)	(37.3%)	+27.2ppt	(19.0%)	(20.4%)	+1.4ppt
EBITDA margin	4.3%	4.7%	-0.4ppt	4.1%	4.6%	-0.4ppt

Note 1: Other EBITDA consists of operating revenue from our 70%-held Fubon Gehua (Beijing), 85%-held BÉBÉ POSHÉ, and 100%-held supporting business units (travel agency and insurance distribution agent).

momoshop (B2C):

In 4Q18, EBITDA margin declined 0.9ppt YoY to 3.6%, given the higher 3C Electronics mix and product discounts as management team focused market share gain. However, EBITDA amount increased 4.8% YoY to NT\$382.8mn and EBITDA margin improved 0.8ppt QoQ proved a higher operating efficiency on scale benefit.

momomall (B2B2C):

Losses from momomall declined 17.6% YoY and 12.7% QoQ to NT\$8.5mn. momomall's Losses in 2018 totaled NT\$30.7mn, a decline of 16.4% YoY and the 3rd consecutive YoY losses decline. As of 4Q17, there are ~4,700 suppliers on momomall, an increase of more than 700 versus 4Q17.

TV home shopping:

TV home shopping's EBITDA increased 32.3% YoY to NT\$155.7mn during the quarter and EBITDA margin improved to 11.2%, an increase of 3.2ppt versus 4Q17. The EBITDA margin expansion was the result of lower cable related costs with steady TV revenue growth.

Income from long-term investments:

Income from long-term investments increased 357.3% YoY to NT\$47.0mn in 4Q18 as TVD-momo (Thailand) and Global Mall contributed higher revenue and profits. TVD-momo saw highest net sales amount of THB305.0mn since 1Q16 and net profit increased 141.3% YoY in 4Q18. Global Mall revenue surged a record high of RMB644.6mn with +7X net profit growth on YoY basis.

Consolidated EBITDA increased 14.8% YoY in 4Q18, driven by the continued recovery in the TV home shopping business, but...

...consolidated EBITDA margin in 4Q18 declined 0.4 ppt YoY given the lower B2C EBITDA margin

B2C's EBITDA margin declined 0.9ppt in 4Q18 on lower product margin (higher 3C product mix and product discounts)

Losses from momomall declined 17.6% YoY and 12.7% QoQ in 4Q18

TV Home shopping's EBITDA increased 32.3% YoY in 4Q18

Income from long-term investments increased on YoY basis driven higher profitability in TVD-momo and Global Mall



III. Balance Sheet Analysis

Figure 4 – Balance Sheet

NT\$ mn	4Q18A	4Q17A	YoY	3Q18A	QoQ
Cash & cash equivalents	3,016.0	3,575.1	-15.6%	1,937.8	55.6%
Accounts receivables	64.6	30.2	113.9%	40.4	59.9%
Other receivables	1,068.9	936.1	14.2%	837.1	27.7%
Inventories	1,627.2	1,036.6	57.0%	1,421.7	14.5%
Other current assets	391.5	105.8	270.0%	339.9	15.2%
Current assets	6,168.2	5,683.8	8.5%	4,576.9	34.8%
Long term investments	1,272.1	1,300.6	-2.2%	1,218.6	4.4%
PP&E	4,477.4	4,565.3	-1.9%	4,508.8	-0.7%
Other non-current assets	308.8	228.2	35.3%	338.9	-8.9%
Total non-current assets	6,058.3	6,094.1	-0.6%	6,066.3	-0.1%
Total Assets	12,226.5	11,777.9	3.8%	10,643.2	14.9%
Short term borrowings	0.0	62.3	-100.0%	60.8	-100.0%
Accounts payable	4,569.5	3,695.5	23.7%	3,494.9	30.7%
Other payables	534.2	1,254.7	-57.4%	464.9	14.9%
Other current liabilities	669.2	631.4	6.0%	589.8	13.5%
Non-current liabilities	281.5	266.5	5.6%	275.8	2.1%
Total Liabilities	6,054.4	5,910.4	2.4%	4,886.2	23.9%
Common stock	1,400.6	1,420.6	-1.4%	1,420.6	-1.4%
Capital surplus	2,977.0	3,057.7	-2.6%	3,003.2	-0.9%
Retained earnings	1,940.8	2,061.9	-5.9%	1,870.9	3.7%
Treasury share	0.0	(397.2)	100.0%	(397.2)	100.0%
Other equity items	(146.3)	(275.5)	46.9%	(140.5)	-4.1%
Shareholders' equity	6,172.1	5,867.5	5.2%	5,757.0	7.2%

Cash & cash equivalents:

Cash position in 4Q18 declined 15.6% on YoY basis due to CAPEX on automated warehouse. At the end of 4Q18, momo has approximately **NT\$3.0bn in net cash including 3.0% of cash equivalent items, or NT\$21.5 per share (140mn shares outstanding).**

Inventory:

4Q18 inventory level at NT\$1,627.2mn was 57.0% higher than 4Q17. The increase of inventory reflects higher inventory level for faster turn items and branded products that momo owns outright. Currently, our warehouses hold ~640,000 SKUs, an increase of 35.6% (or + 170,000 SKUs) YoY. In addition, to further enhance our delivery efficiency, additional inventories, both owned and on consignment, were allocated to our 4 satellite warehouses located in Taipei City, New Taipei City, Tainan, and Taichung.

PP&E

PP&E stay a stable position, reflecting the completion of the new automated warehouse that commenced operation in 4Q17.

Treasury share

momo recorded the cancellation of 2,000,000 treasury shares on December 15th, 2018.

Decline in cash position YoY was the result of NT\$542.2 automated warehouse's CAPEX paid in past 12 months

At the end of 4Q18, momo's has NT\$3.0bn in net cash or NT\$21.5 per share

4Q18 inventory was 57.0% higher than 4Q17, reflecting more owned and consigned products in our warehouses



IV. Cashflow Analysis

Figure 5 – Cashflow

NT\$ mn	4Q18A	4Q17A	YoY	FY2018A	FY2017A	YoY
(+) Operating profit	451.0	424.1	6.3%	1,422.4	1,389.1	2.4%
(+) D&A	88.1	45.5	93.6%	320.6	126.4	153.6%
ΔWC*-1 (during the period)	694.2	378.5	83.4%	(138.4)	102.5	n.m.
Others	(38.3)	109.2	n.m.	481.0	(210.0)	n.m.
Operating cashflow	1,194.9	957.3	24.8%	2,085.6	1,408.0	48.1%
Capex	(67.3)	(261.3)	74.2%	(737.7)	(1,341.1)	45.0%
FCF	1,127.6	696.0	62.0%	1,347.9	66.9	1914.8%
Other investing cashflow	13.9	95.7	-85.5%	53.9	1,010.1	-94.7%
Investing cashflow	(53.4)	(165.6)	67.8%	(683.9)	(331.0)	-106.6%
Financing cashflow	(54.6)	5.6	n.m.	(1,178.1)	(1,120.8)	-5.1%
Change in cash	1,086.9	797.3	36.3%	223.7	(43.7)	n.m.

FCF

FCF in 4Q18 was NT\$1,127.6mn, an increase of 62.0%YoY, benefiting from higher operating income, lower working capital requirements and capex, and despite the higher D&A expenses.

CAPEX

CAPEX spent in 4Q18 totaled NT\$67.3mn, a decline of 74.2%YoY as the bulk of the spending in 4Q17 was for the new completed automated warehouse. In 4Q18, CAPEX was equally spent on IT equipment and warehouse and others. In 2018, total CAPEX of NT\$737.7mn was in line with our guidance of NT\$800mn.

Investing cashflow

The decline of NT\$465.1mn in investing cashflow for 2018 was the result of implementation of IFRS 9 in 1Q18. Prior the implementation of IFRS 9, fund raised from the sale of financial assets earmarked for the payment of automated warehouse would have been accounted for as cash inflow in investment cashflow, rather than as cash inflow in operating cashflow.

Financing cashflow

Net outflow from financing activities in 2018 and 2017 were the results of dividend payment made during the second quarter of the year. momo paid dividend of NT\$8 per share in 2Q18 and 2Q17 sustained ~90% payout ratio.

FCF increased 62.0% YoY given higher operating profit and lower negative working capital requirement

momo paid out NT\$8 per share in 2Q18, including NT\$0.23 per share from capital surplus



V. Financial Analysis

Figure 6 – Financial Ratios

Financial Ratios	4Q18A	4Q17A	YoY	FY2018A	FY2017A	YoY
Current ratio	106.8%	100.7%	+6.1ppt			
Interest coverage (x)	3,850.2	503.9	+3,346.3	552.1	452.0	+100.1
Net Debt (cash) to equity	-48.9%	-59.9%	+11.0ppt			
Net Debt (cash) to EBITDA (x)	(4.5)	(6.7)	+2.1	(2.2)	(2.4)	+0.2
ROE (annualized)	27.4%	25.5%	+1.9ppt	24.1%	21.8%	+2.3ppt
ROA (annualized)	14.3%	13.6%	+0.7ppt	12.1%	11.6%	+0.5ppt
Recurring ROE (annualized)	26.3%	25.5%	+0.8ppt	19.8%	21.6%	-1.8ppt
Recurring ROA (annualized)	13.7%	13.6%	+0.1ppt	9.9%	11.5%	-1.6ppt

Financial Ratios and ROE

momo remains in net cash position of NT\$21.5 per share and net cash to equity ratio of 48.9% at the end of 4Q18.

ROE in 4Q18 was 27.4% on an annualized basis, an improvement of 1.9ppt vs. 4Q17. ROE for 2018 was 24.1% vs. 21.8% in 2017.

Figure 7 – Working Capital & CCC Days

NT\$ mn	4Q18A	4Q17A	YoY	3Q18A	QoQ
Accounts Receivable	1,133.4	966.3	17.3%	877.5	29.2%
Inventories	1,627.2	1,036.6	57.0%	1,421.7	14.5%
Accounts Payable	5,092.0	4,472.6	13.8%	3,936.4	29.4%
Working Capital	(2,331.4)	(2,469.7)	-5.6%	(1,637.2)	42.4%
ΔWC (YoY)	138.4	(102.5)	n.m.	454.1	-69.5%
CCC (days)					
AR Days	7.3	7.1	+0.2	7.3	+0.0
Inventory Days	12.3	8.3	+4.1	14.7	-2.4
AP Days	36.5	39.3	-2.9	39.8	-3.4
CCC (days)	(16.8)	(24.0)	+7.2	(17.8)	+1.0

*Inventory Days' calculation is based on data from cost of sales.

Working Capital:

Total working capital required for momo's operation was -NT\$2.3bn in 4Q18, an increase of 21.7% YoY. Inventories increased 57.0% was the result of higher inventory levels for both B2C and TV Homeshopping businesses, as momo secures more oversea products (for TV), faster turnover items and branded products in the warehouse in order to improve delivery efficiency.

Cash Conversion Cycle (days):

momo's Cash Conversion Cycle (CCC) remains at a healthy level of -16.8 days, despite an increase of 7.2 days compared to 4Q17 and an increase of 1.0 days vs. 3Q18. The increase was the result of higher inventory turnover days, an increase of 4.1 days vs. 4Q17, and 1.0 days vs. 3Q18. AR and AP turnover days remained stable at 7.3 and 36.5 days respectively.

Annualized ROE increased 1.9ppt to 27.4% in 4Q18

momo has net cash of NT\$21.5 per share and net cash to equity ratio of 48.9%

Total working capital required momo remains negative at -NT\$2.3bn in 4Q18

Although inventory turnover days increased 4.1 days YoY, momo's CCC remains at a healthy negative 16.8 days