

momo.com
8454 TT

AUG, 2023



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Key Messages

- 1H23 revenue YoY growth was lower than previous year, but net margin rate stayed at 3.4%.
- Reopening and weak consumer sentiment affected EC industry growth; however, momo still outperformed our peers.
- Reopening causes temporary headwinds, yet we expect that situation will be gradually improved in 2H23.

2Q23 P&L



P&L (NT\$ mn)	2Q23	2Q22	YoY	1H23	1H22	YoY
Revenue	26,212.4	25,138.4	4.3%	51,332.5	48,075.9	6.8%
Gross profit	3,769.9	3,669.3	2.7%	7,424.3	7,106.9	4.5%
Operating costs	(1,162.2)	(1,190.4)	(2.4%)	(2,260.8)	(2,252.6)	0.4%
Gross profit from operations	2,607.7	2,478.9	5.2%	5,163.5	4,854.3	6.4%
OPEX [^]	(1,607.2)	(1,459.7)	10.1%	(3,070.9)	(2,796.2)	9.8%
Operating profit	1,000.5	1,019.2	(1.8%)	2,092.6	2,058.1	1.7%
Net income to parent	842.9	832.1	1.3%	1,731.3	1,657.6	4.4%
EPS	3.85	3.81	1.0%	7.92	7.59	4.3%
Recurring basic EPS ^{^^}	3.85	3.53	9.1%	7.92	7.31	8.3%

[^]OPEX is inclusive of net other income and expenses.

^{^^} 2Q22 one-time gains NT\$60mn on disposal of investment.

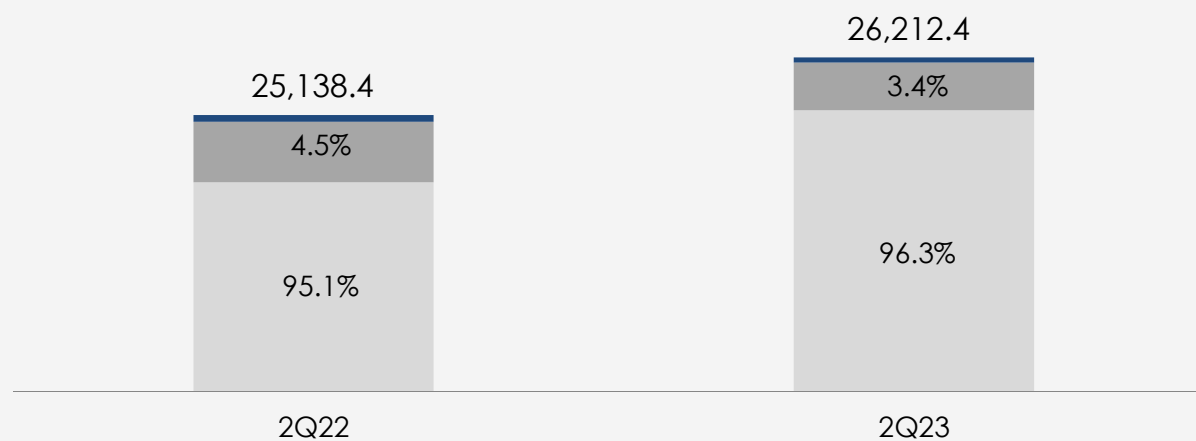
Key ratios (%)	2Q23	2Q22	1H23	1H22
Take rate	14.4%	14.6%	14.5%	14.8%
Gross margin from operations	9.9%	9.9%	10.1%	10.1%
EBITDA margin	4.9%	5.2%	5.2%	5.4%
Operating margin	3.8%	4.1%	4.1%	4.3%
Net margin	3.2%	3.3%	3.4%	3.4%

2Q23 Company Revenue

+4.3% YoY

■ EC ■ TV home shopping ■ Others*

(NT\$m)

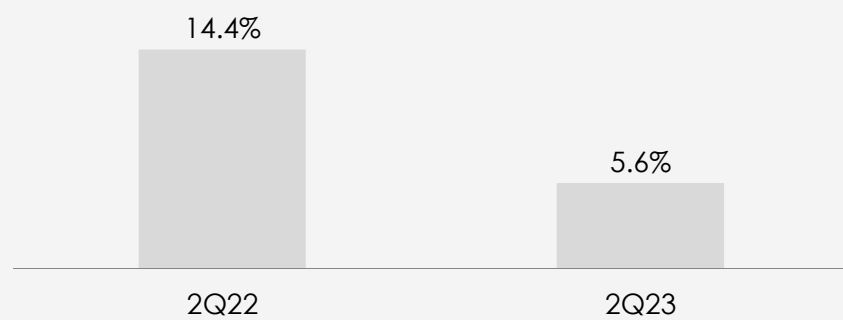


*Catalogue: 0.3% / Others: 0.0% of consolidated revenue

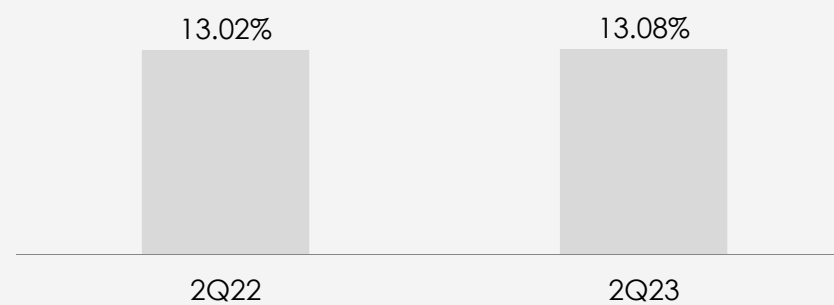
2Q23 EC



5.6% YoY Revenue Growth



Take Rate

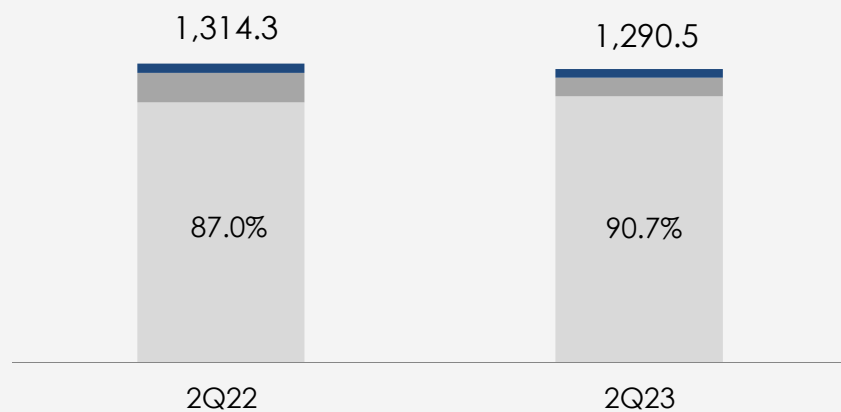


2Q23 EBITDA

Company EBITDA -1.8% YoY

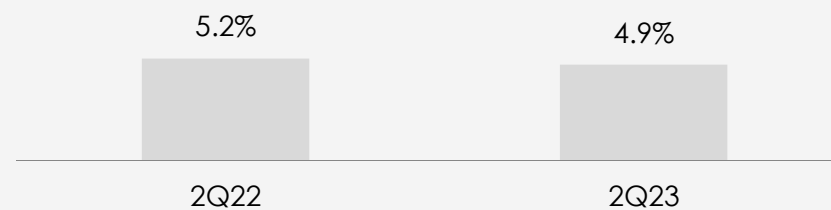
■ EC ■ TV home shopping ■ Others*

(NT\$mn)

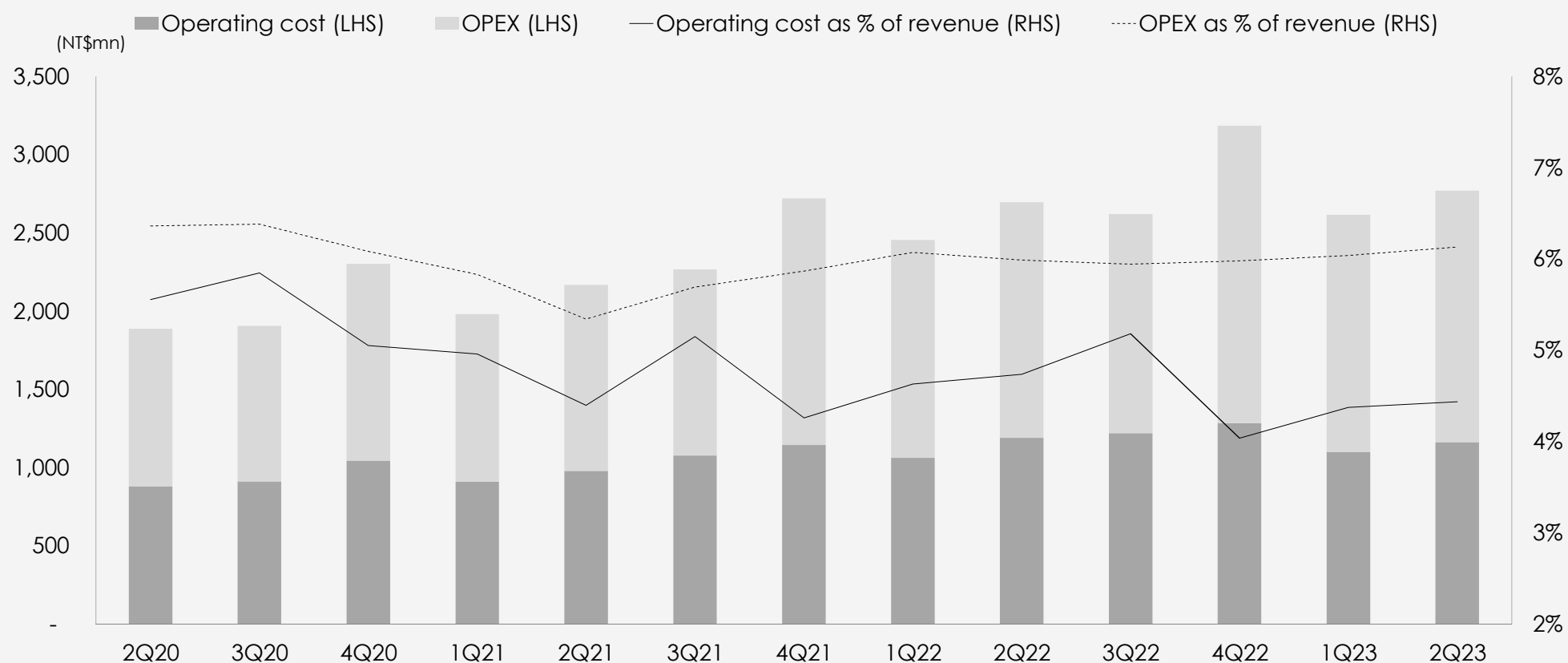


* TV: 6.3% / Catalogue: 0.6% / Others: 2.4% of consolidated EBITDA

Company EBITDA Margin



Cost and Expense

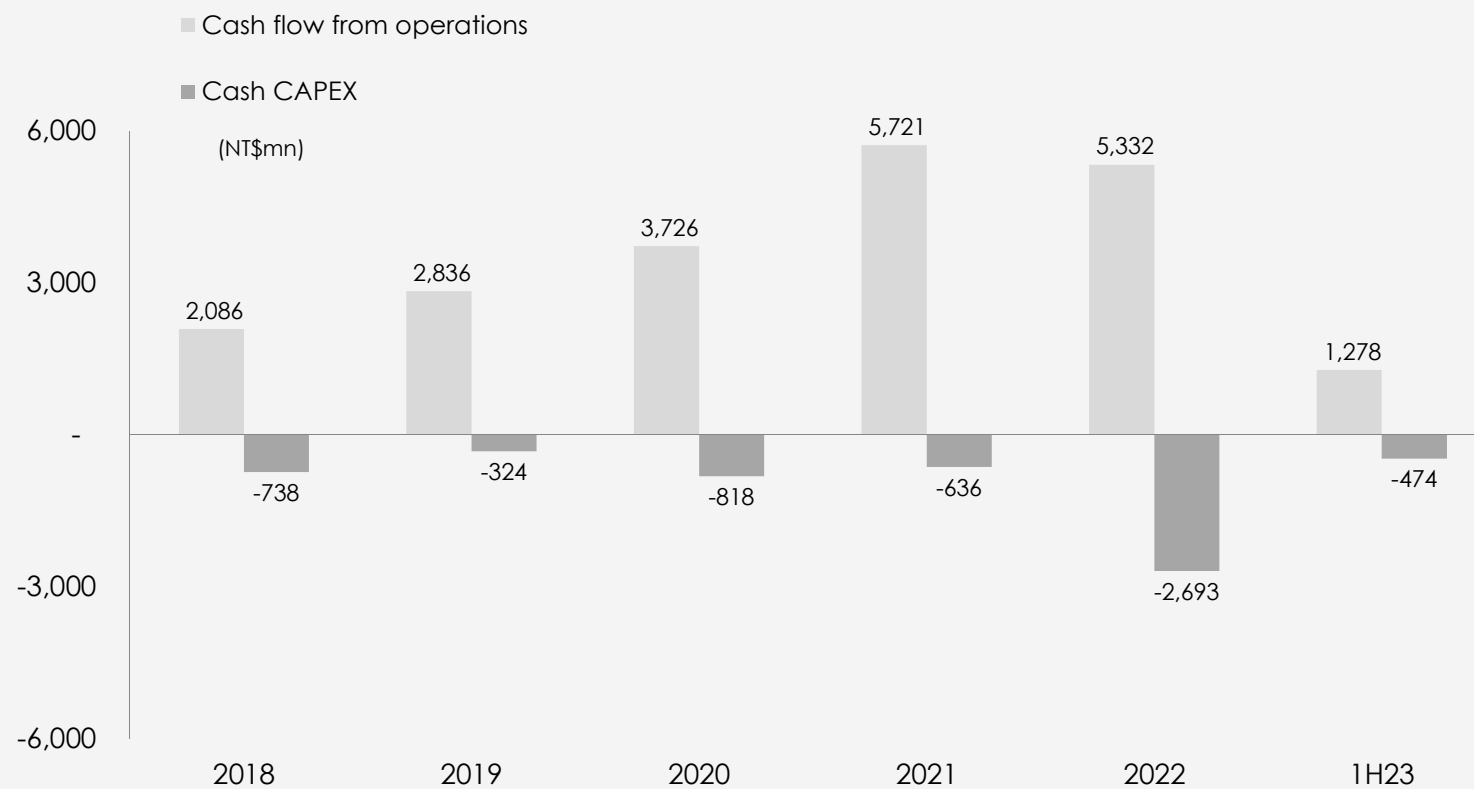


Balance Sheet

(NT\$m)	2023/6/30	2022/6/30
Cash & Cash equivalents	5,214.4	8,662.1
Accounts receivables	380.5	286.5
Other receivables	1,801.1	1,750.0
Inventories	4,389.3	3,471.2
Current assets	12,223.4	14,876.4
LT Investments	471.3	569.5
PP&E	7,534.8	6,899.5
Other non-current assets	2,708.4	3,403.7
Total non-current assets	10,714.5	10,872.7
Total Assets	22,937.9	25,749.1

(NT\$m)	2023/6/30	2022/6/30
Accounts Payable	10,038.3	9,732.5
Other payables	1,031.5	3,449.2
Other current liabilities	2,297.7	2,359.0
Non current liabilities	1,275.3	2,060.3
Total Liabilities	14,642.8	17,601.0
Common stock	2,403.4	2,184.9
Capital Surplus	1,969.9	2,262.3
Retained earnings	3,950.0	3,806.1
Other equity items	(28.2)	(105.2)
Shareholders' equity	8,295.1	8,148.1

Cash Flow



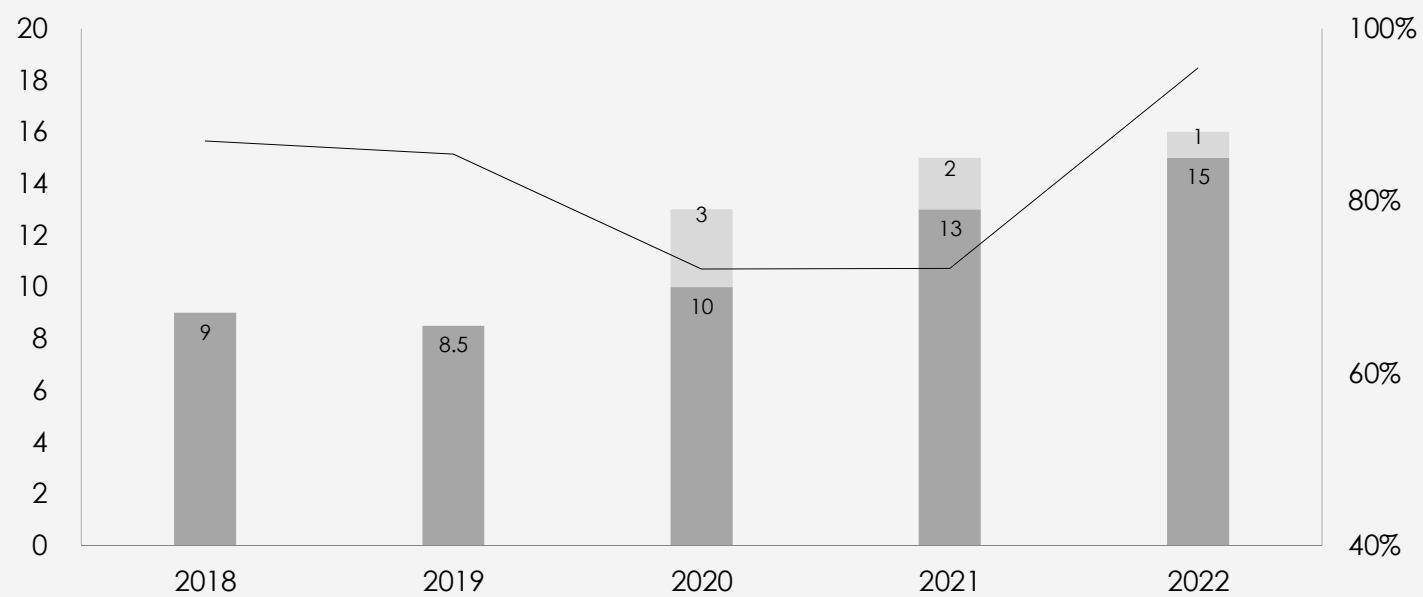
* Cash CAPEX in relation to actual cash payments for DC, based on various phases of construction, engineering & spending timeline.

** The remaining cash CAPEX for SDC is ~NT\$1.1bn till its completion.

Dividend



■ Cash dividend ■ Stock dividend — Cash dividend payout ratio

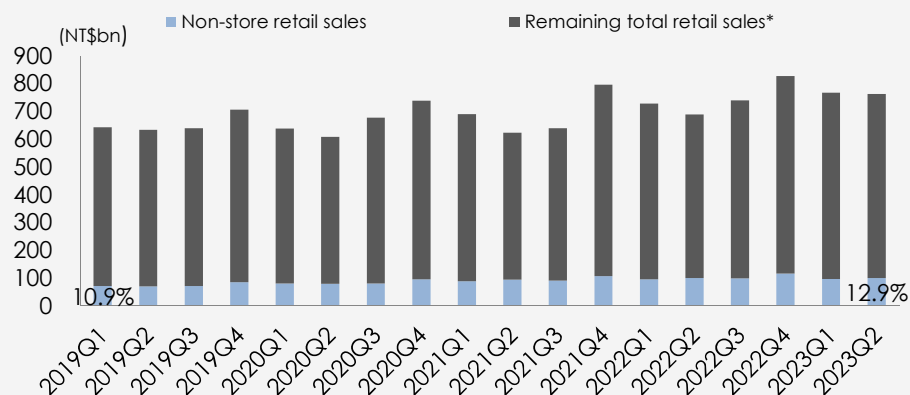


CAPEX Budget

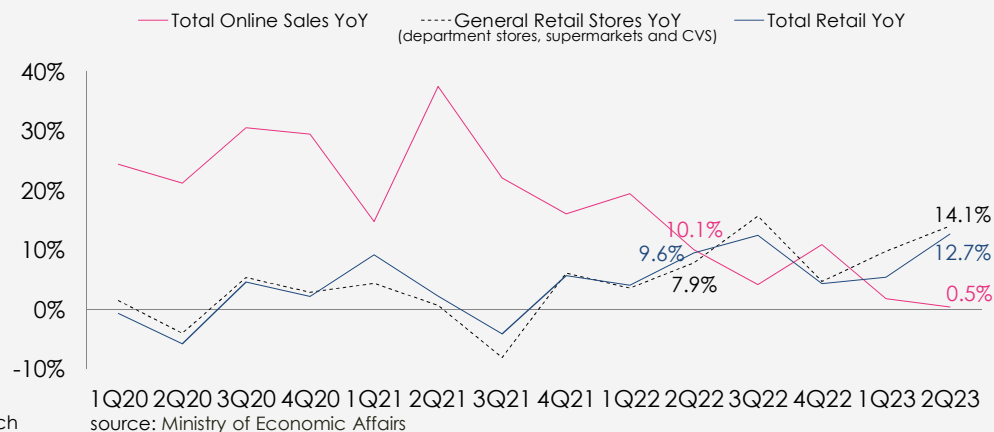


(NT\$mn)	2023 Budget	YTD'23
CDC Construction & Engineering*	5,980	0.0
CDC 1 st phase of Automated Equipment*	350	0.0
Warehouse Facilities	193	74.4
IT Equipment	155	22.4
Others	152	75.2
Total	6,830	172
<p>* CAPEX budget is under accrual basis</p> <p>* The actual cash payments will be spread to 2H23 -2026 depends on various phases of construction, engineering & spending timeline.</p>		

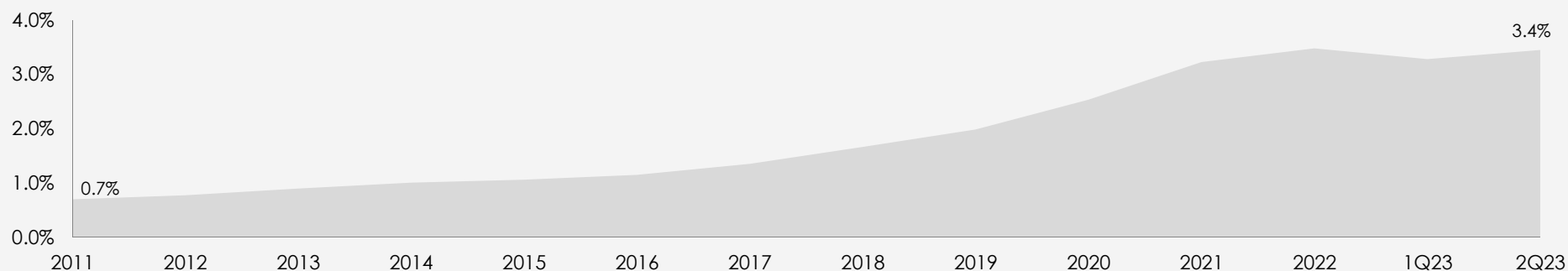
Large TAMs



* Total retail sales excluding sales of fuels, automobiles, construction materials and tobacco which are the items that are unable to sell in the online marketplace.
source: Ministry of Economic Affairs



momo market share in Taiwan retail market*



* Total retail sales excluding sales of fuels, automobiles, construction materials and tobacco which are the items that are unable to sell in the online marketplace.
source: Ministry of Economic Affairs

2Q23 EC



96% in company revenue

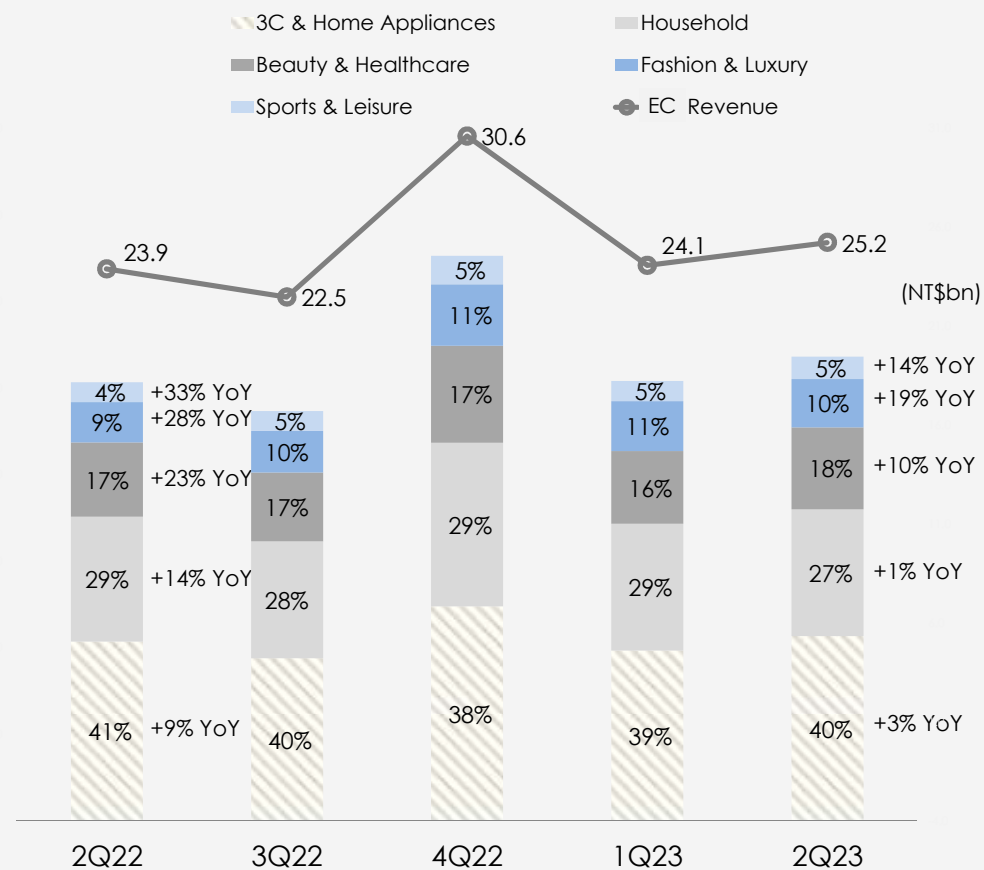
64% Female
36% Male



Core Customer
25-54Y

Brand: 26.0k
(+8% YoY)

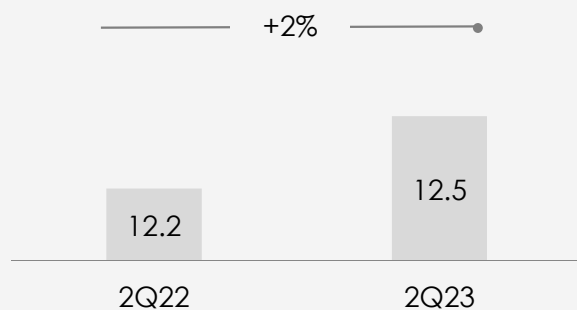
Active SKUs:
4.6mn (+23% YoY)



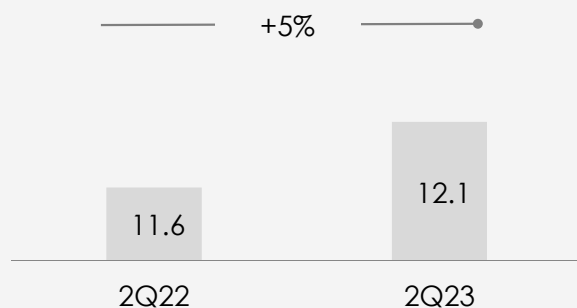
EC Key Customer Metrics



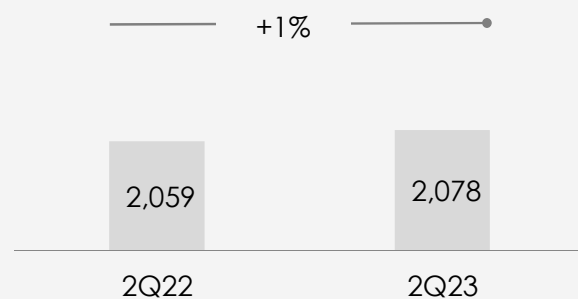
Monthly
Average Visitors
(mn)



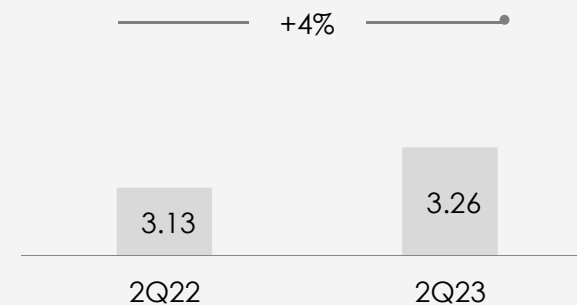
of Orders (mn)



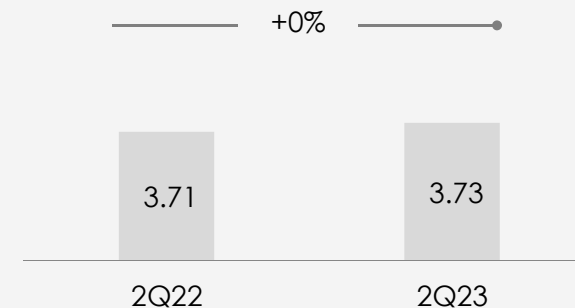
Average Ticket
Size
(NT\$)



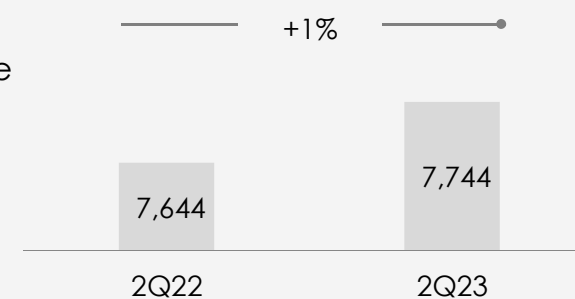
Active Users
(mn)



Average Orders
per Active User
(#)



Average Revenue
per User
(NT\$)

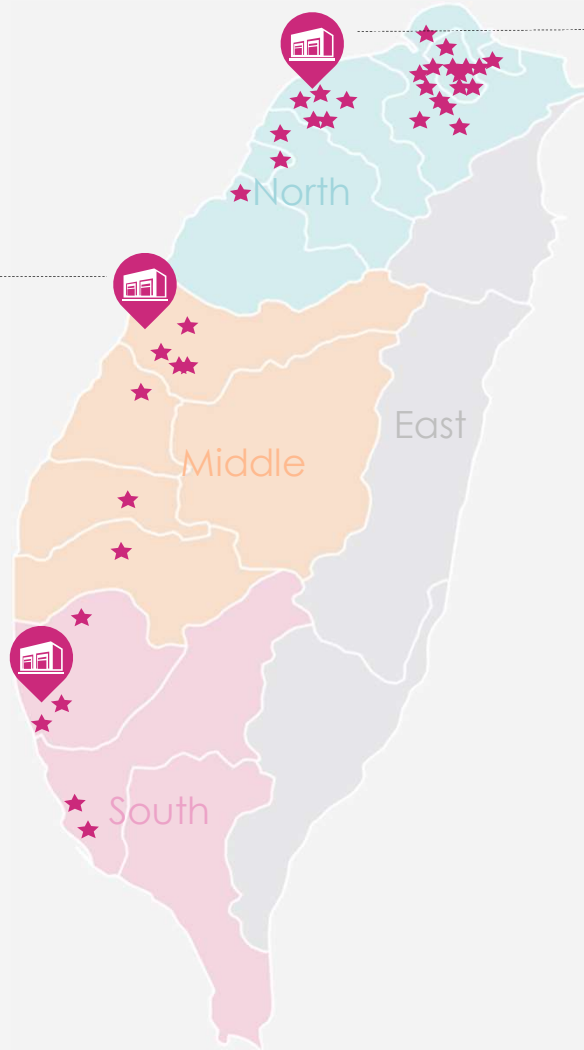


DC expansion in coming years to support next stage of growth **momo**

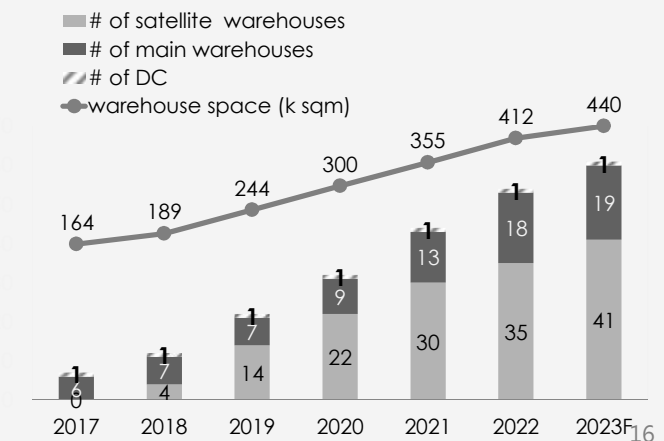
CDC
Construction to be kicked off in late 2023



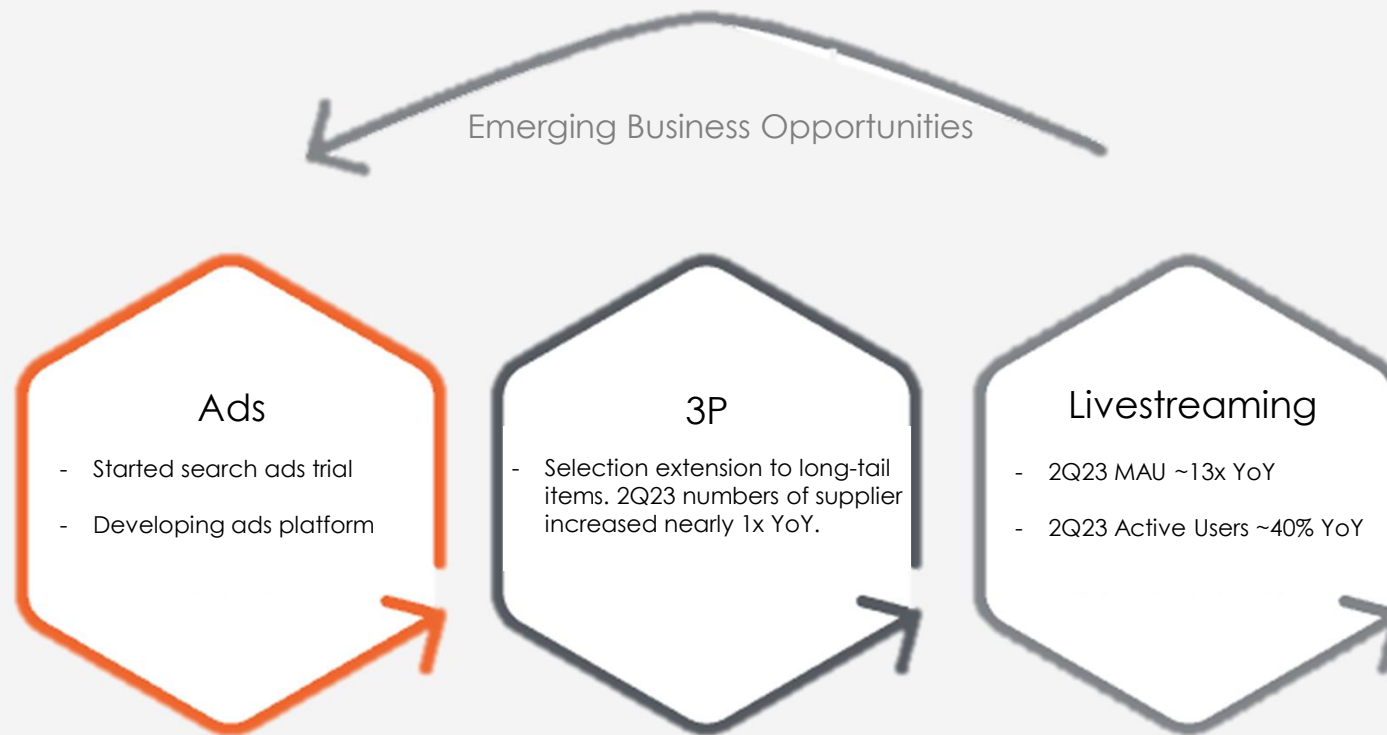
SDC
Operation slated for 2024



NDC
Launched in 2017

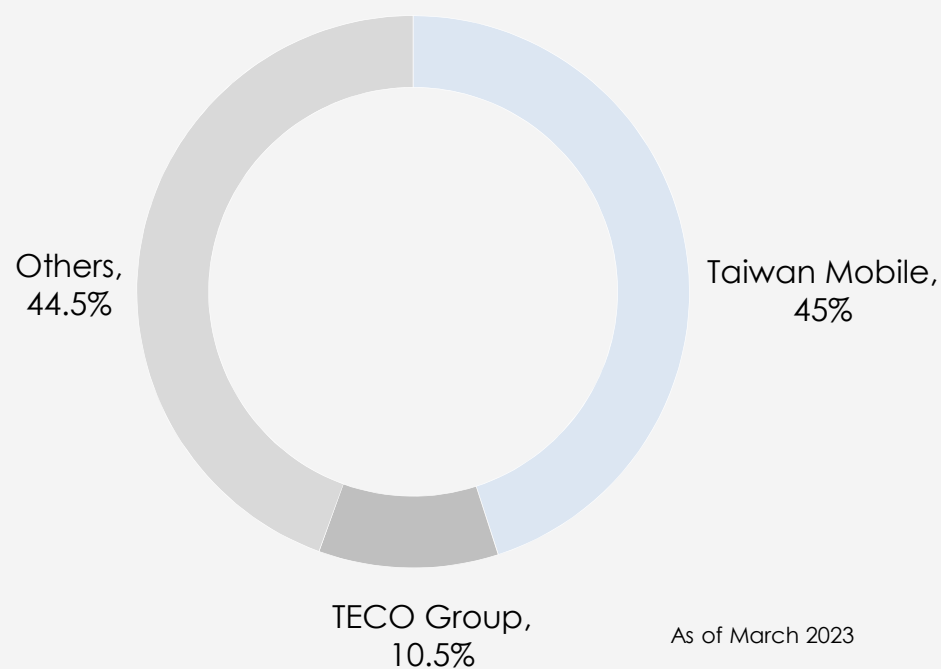


Long-term Orientation



Issued Share Capital

Shareholder Structure



Share Information

Stock Exchange	Taiwan Stock Exchange
First day of trading	December 19, 2014
Issue price	TWD 230
Total number of shares outstanding*	240,340,386
Issued share capital*	TWD 2,403,403,860

* Including stock dividends to be distributed

As of June 2023

Sustainability and ESG



Product Value, Service Value Brand Value

- Consolidated revenue of NT\$103.4 billion
- momo Green Life sales up 42% YoY, the number of products for sale up 312 items
- Top 5% in corporate governance evaluation, recognized for 7 consecutive years
- Twice selected as a constituent of the FTSE4Good TIP Taiwan ESG Index
- momo sustainability performance received 5 official accreditations and 13 awards given by professional institutions in 2022



Green Consumption Value

- The NDC generated 1,172,418 kWh of cumulative solar power in 2022, with a carbon reduction of 596.76 MT
- Green procurement amounted to NT\$778,866,963 in 2022
- "momo reusable bags" incorporated 30% recycled materials and the number of units shipped out in 2022 reached 22,822 with the number of recycling locations surpassed 10,000
- A single packaging material weighed 204.9g on average in 2022, down 6.8% compared to 2021, with cushioning material use down 17.6% from the same period in 2021
- All vehicles purchased by momo green fleet are environmentally friendly, with 144 trucks purchased meeting Tier 1 energy efficiency, 145 scooters meeting Tier 2 energy efficiency, and electric 3-wheelers for commercial use are introduced.



Social Value Talent Value

- Promoted 51 charity and project events, with total charity proceeds reaching a record high of NT\$69.72mn
- Created force for good together with consumers, with money and supplies donations made by 118,621 momo members and benefited 115,363 recipients
- The Human Rights Policy was revised to strengthen the human rights management mechanism and the protection of human rights in the light of major international concerns
- Average training hours of 32.76 hours per person, up 8% YoY
- Education and training costs of NT\$4,120,771, with an average training cost of NT\$1,111 per full-time employee
- Total e-learning training reaches 49,000 hours, up 15% YoY

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