momo.com 8454 TT

SEP, 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%
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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.

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

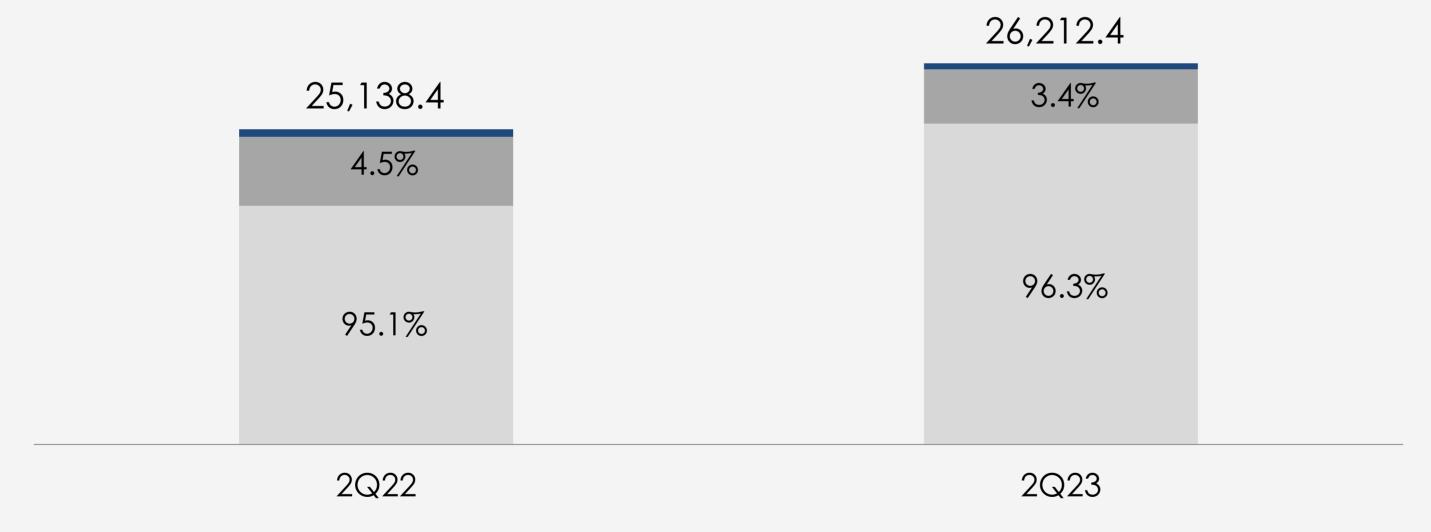
Key ratios (%)	2Q23	2Q22	1H23	1H22
Take rate	14.4%	14.6%	14.5%	14.8%
Gross margin from operations	9.9%	9.9%	10.1%	10.1%
EBITDA margin	4.9%	5.2%	5.2%	5.4%
Operating margin	3.8%	4.1%	4.1%	4.3%
Net margin	3.2%	3.3%	3.4%	3.4%







(NT\$mn)



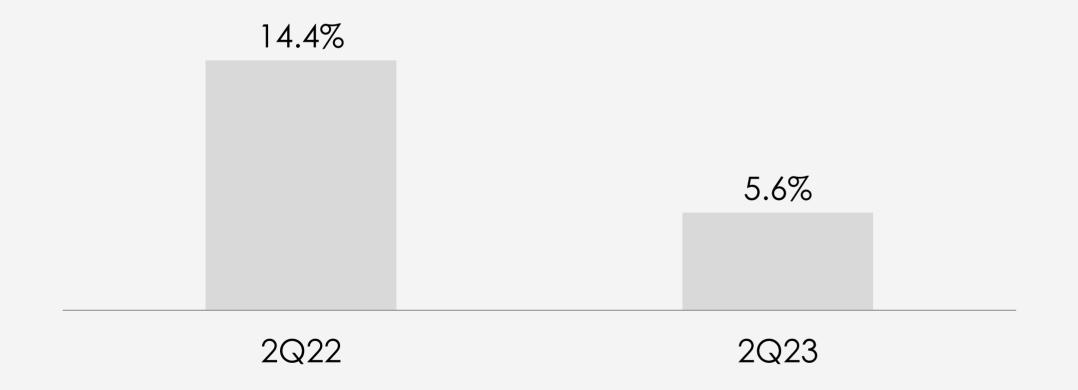
*Catalogue: 0.3% / Others: 0.0% of consolidated revenue

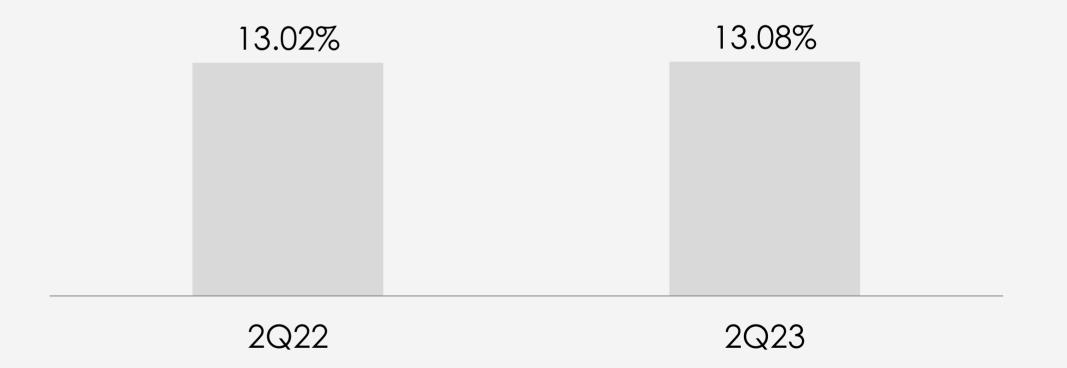
2Q23 EC



5.6% YoY Revenue Growth







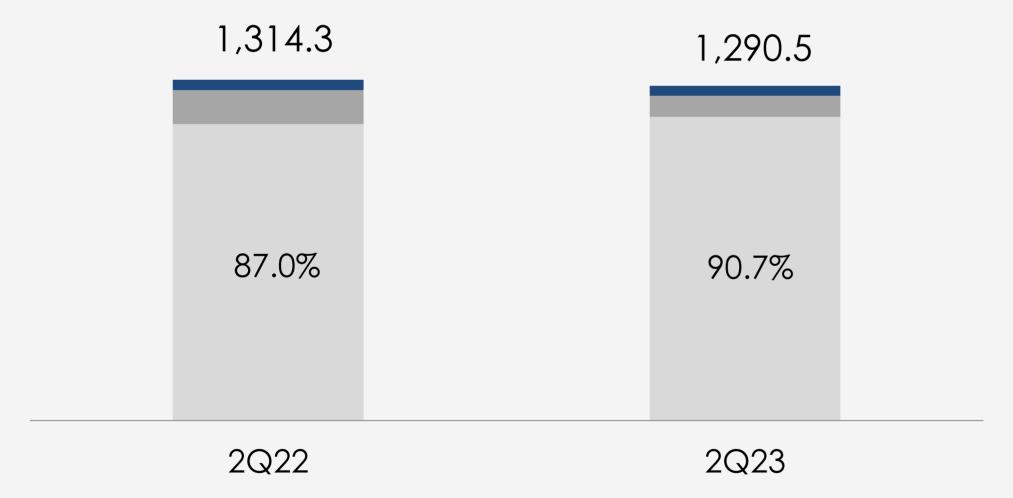
2Q23 EBITDA



Company EBITDA -1.8% YoY

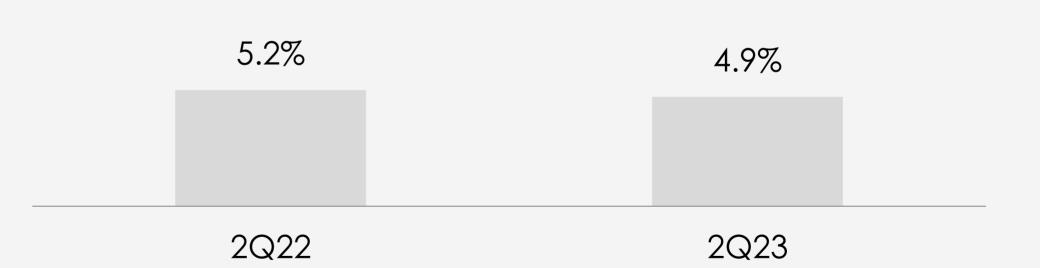
■ EC ■ TV home shopping ■ Others*

(NT\$mn)



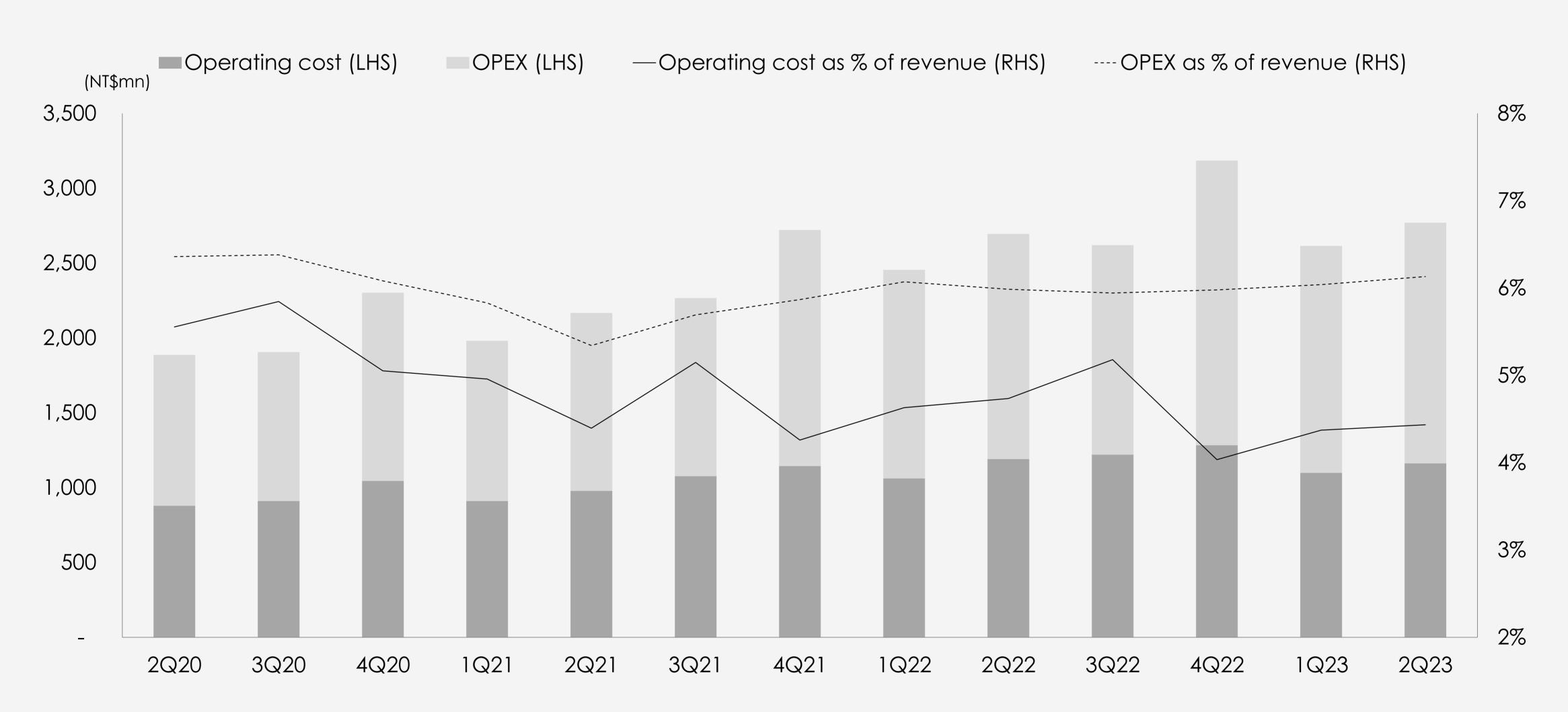
^{*} TV: 6.3% / Catalogue: 0.6% / Others: 2.4% of consolidated EBITDA

Company EBITDA Margin



Cost and Expense







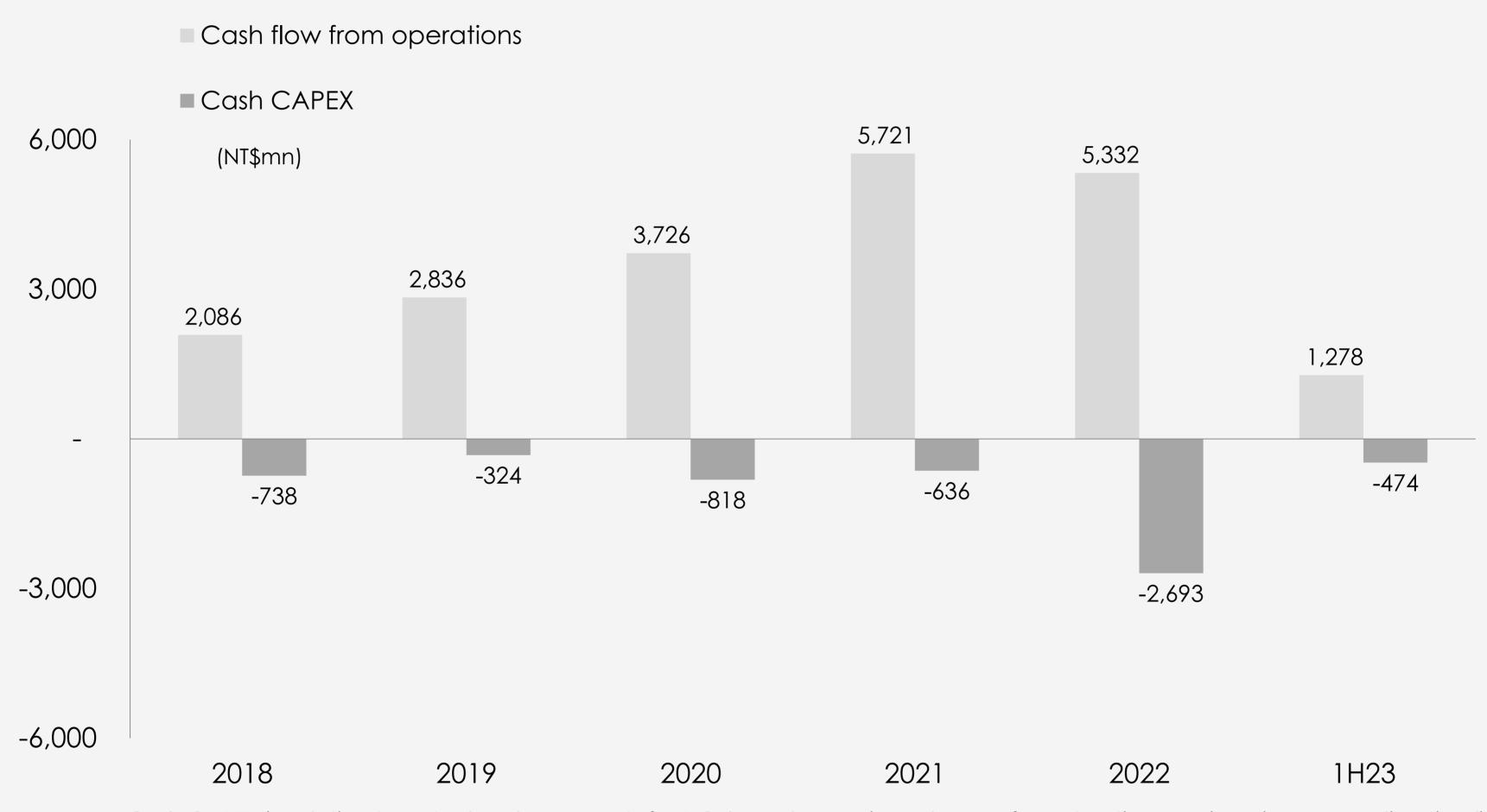
Balance Sheet

(NT\$mn)	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\$mn)	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



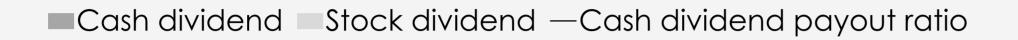


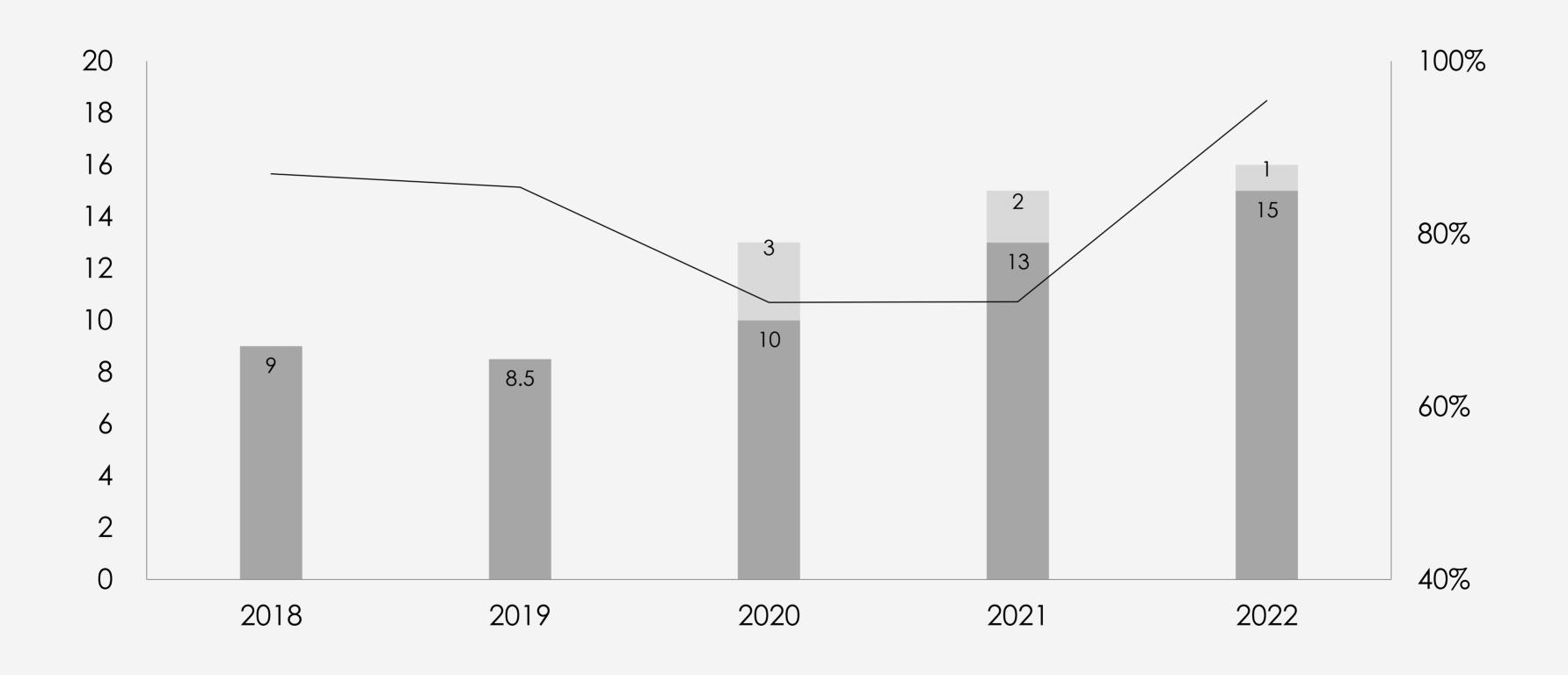
^{*} Cash CAPEX in relation to actual cash payments for DC, based on various phases of construction, engineering & spending timeline.

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

Dividend









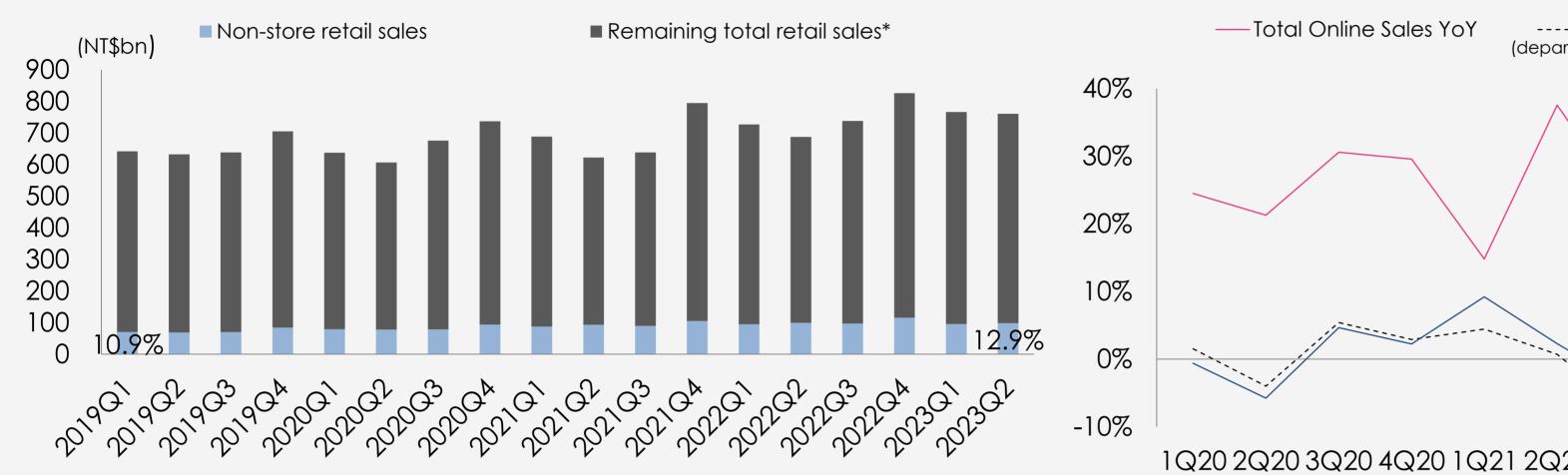


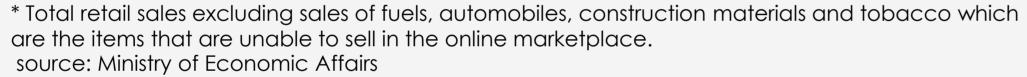
(NT\$mn)	2023 Budget	YTD'23
CDC Construction & Engineering*	5,980	0.0
CDC 1 st phase of Automated Equipment*	350	0.0
Warehouse Facilities	193	74.4
IT Equipment	155	22.4
Others	152	75.2
* CAPEX budget is under accrual basis	6,830	172

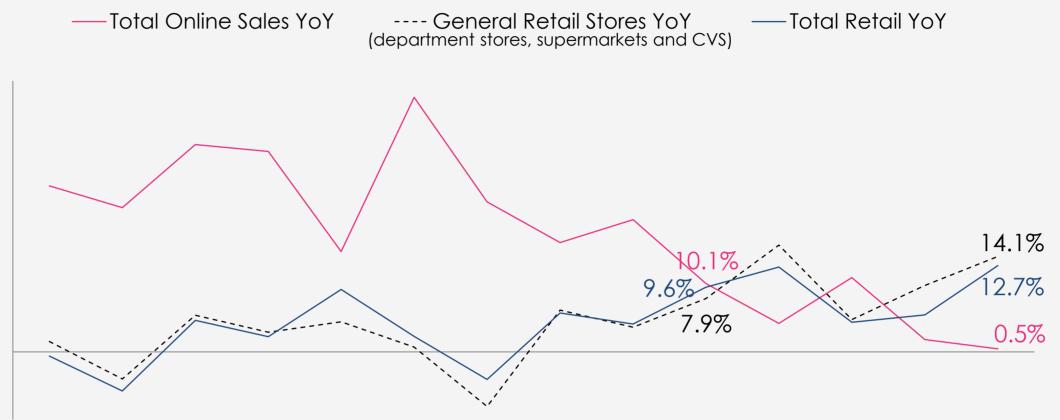
^{*} CAPEX budget is under accrual basis * The actual cash payments will be spread to 2H23 -2026 depends on various phases of construction, engineering & spending timeline.

Large TAMs



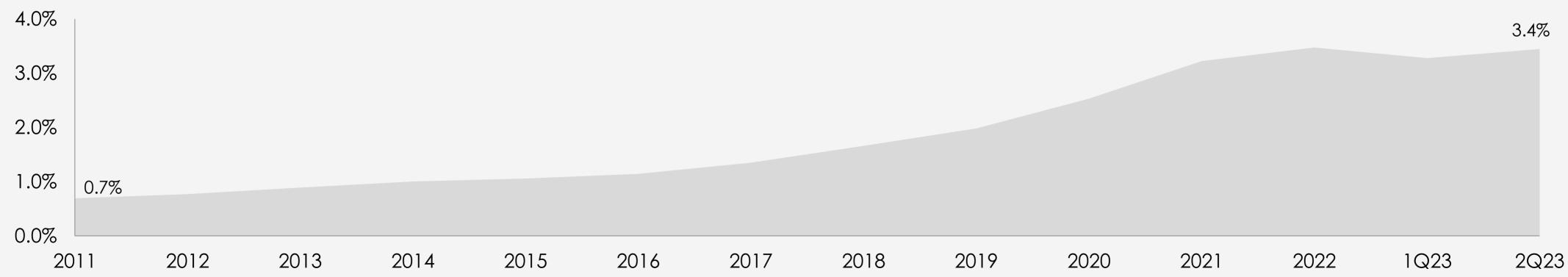






1Q20 2Q20 3Q20 4Q20 1Q21 2Q21 3Q21 4Q21 1Q22 2Q22 3Q22 4Q22 1Q23 2Q23 source: Ministry of Economic Affairs

momo market share in Taiwan retail market*

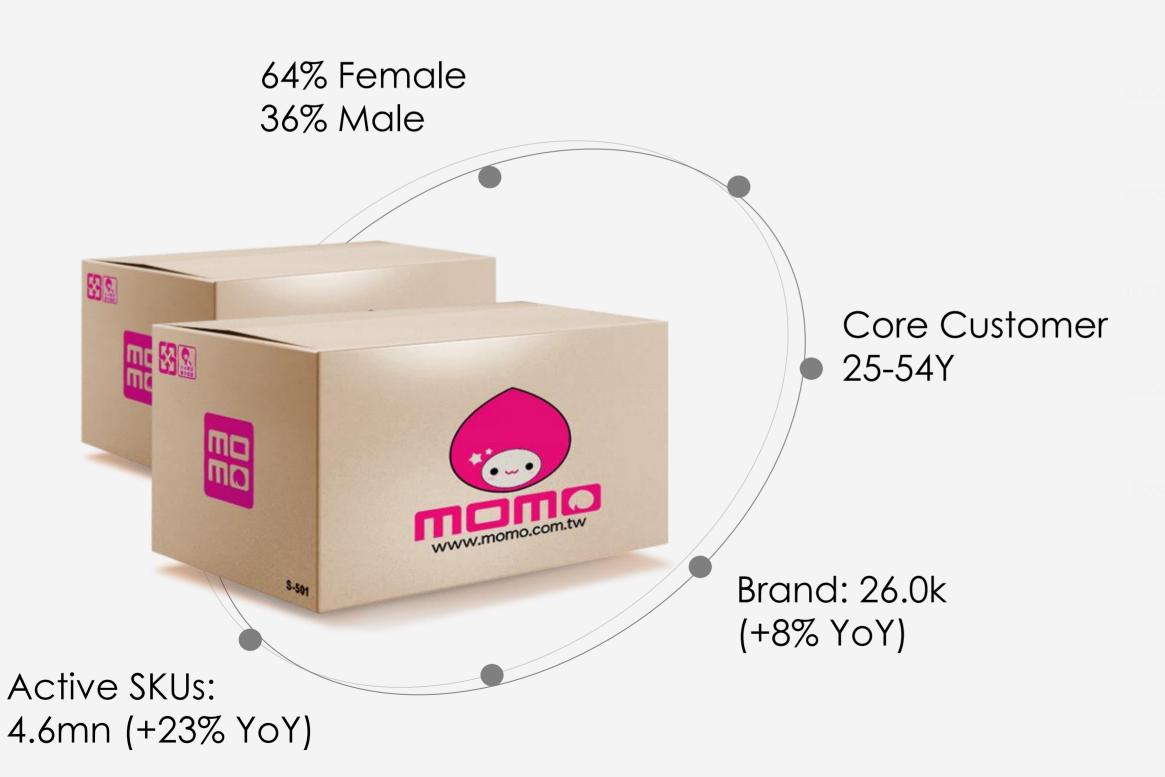


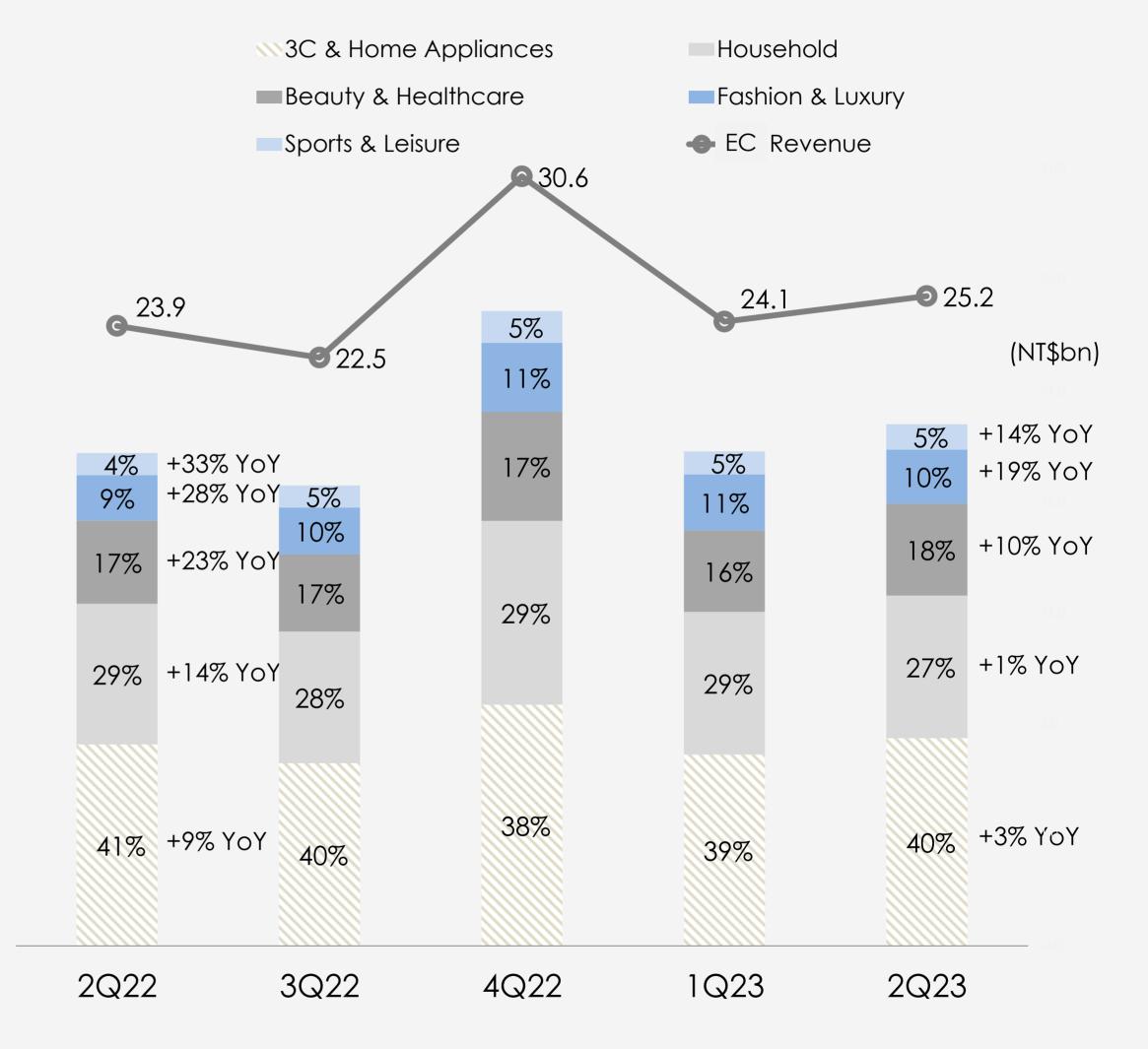
^{*} Total retail sales excluding sales of fuels, automobiles, construction materials and tobacco which are the items that are unable to sell in the online marketplace. source: Ministry of Economic Affairs

2Q23 EC



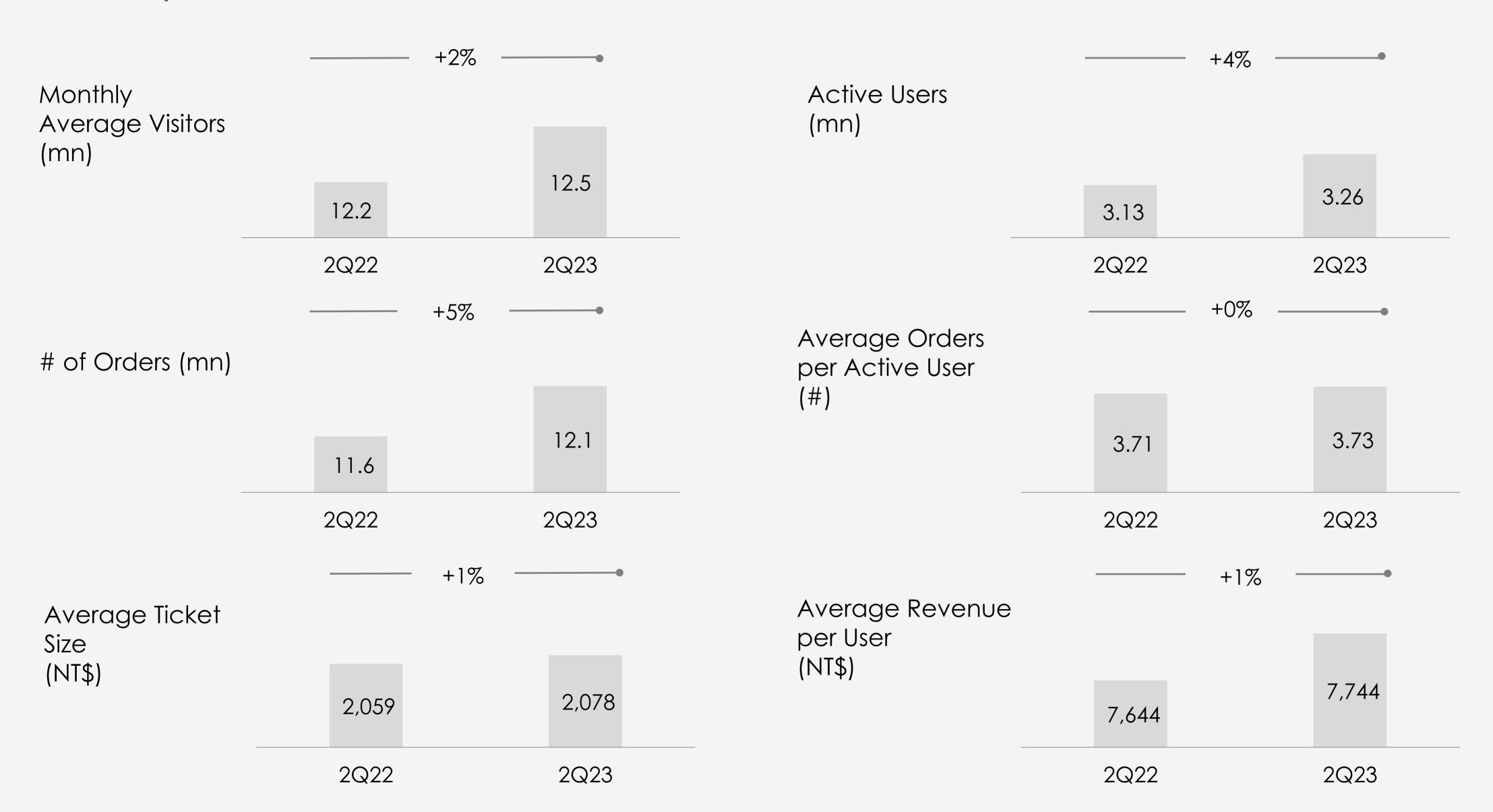




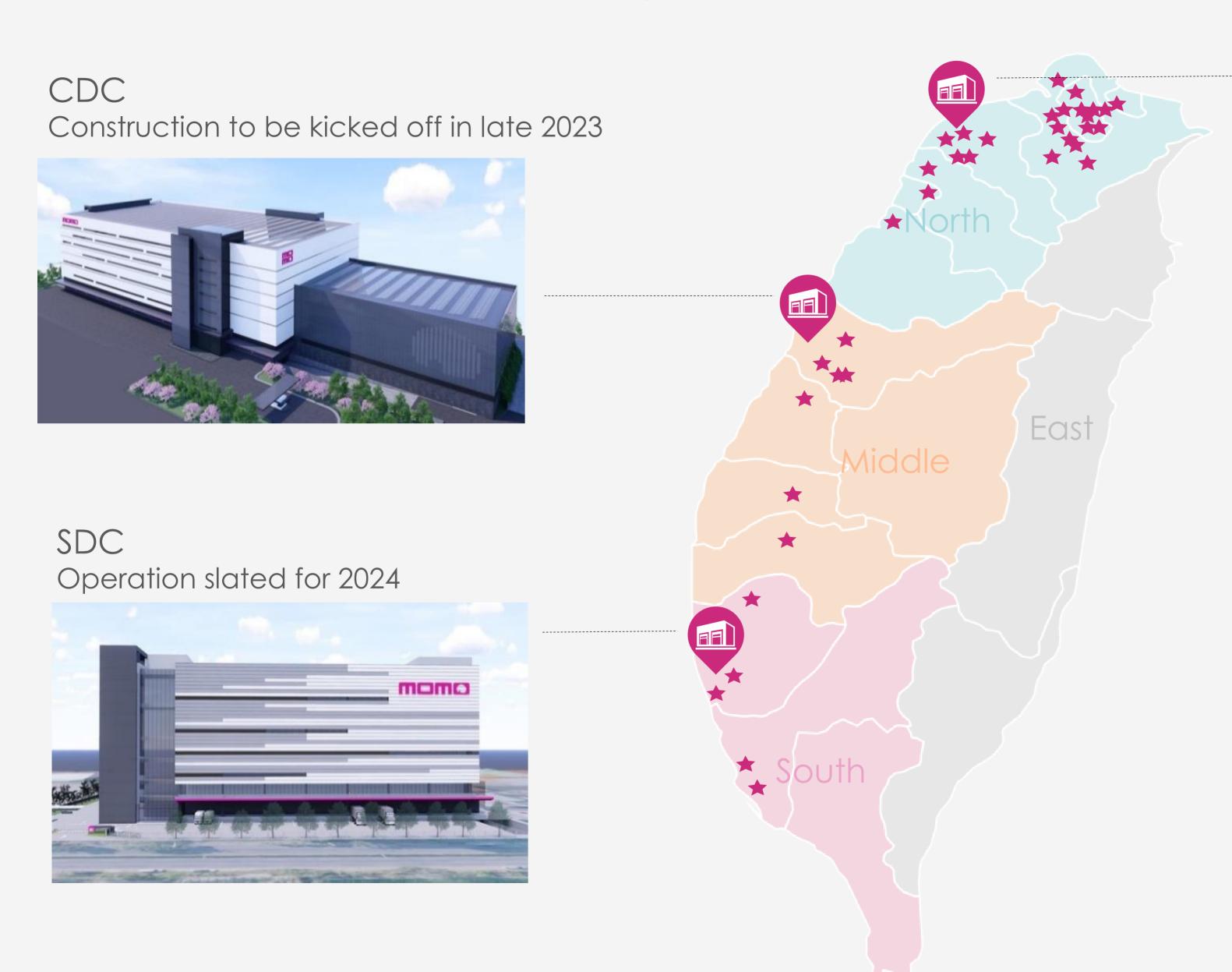


EC Key Customer Metrics



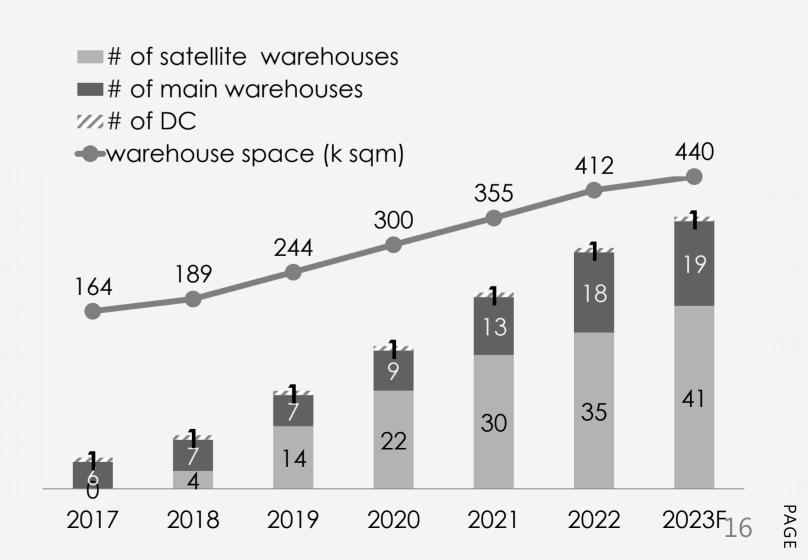


DC expansion in coming years to support next stage of growth mana



NDC Launched in 2017





Long-term Orientation



Emerging Business Opportunities

Ads

- Started search ads trial
- Developing ads platform

3P

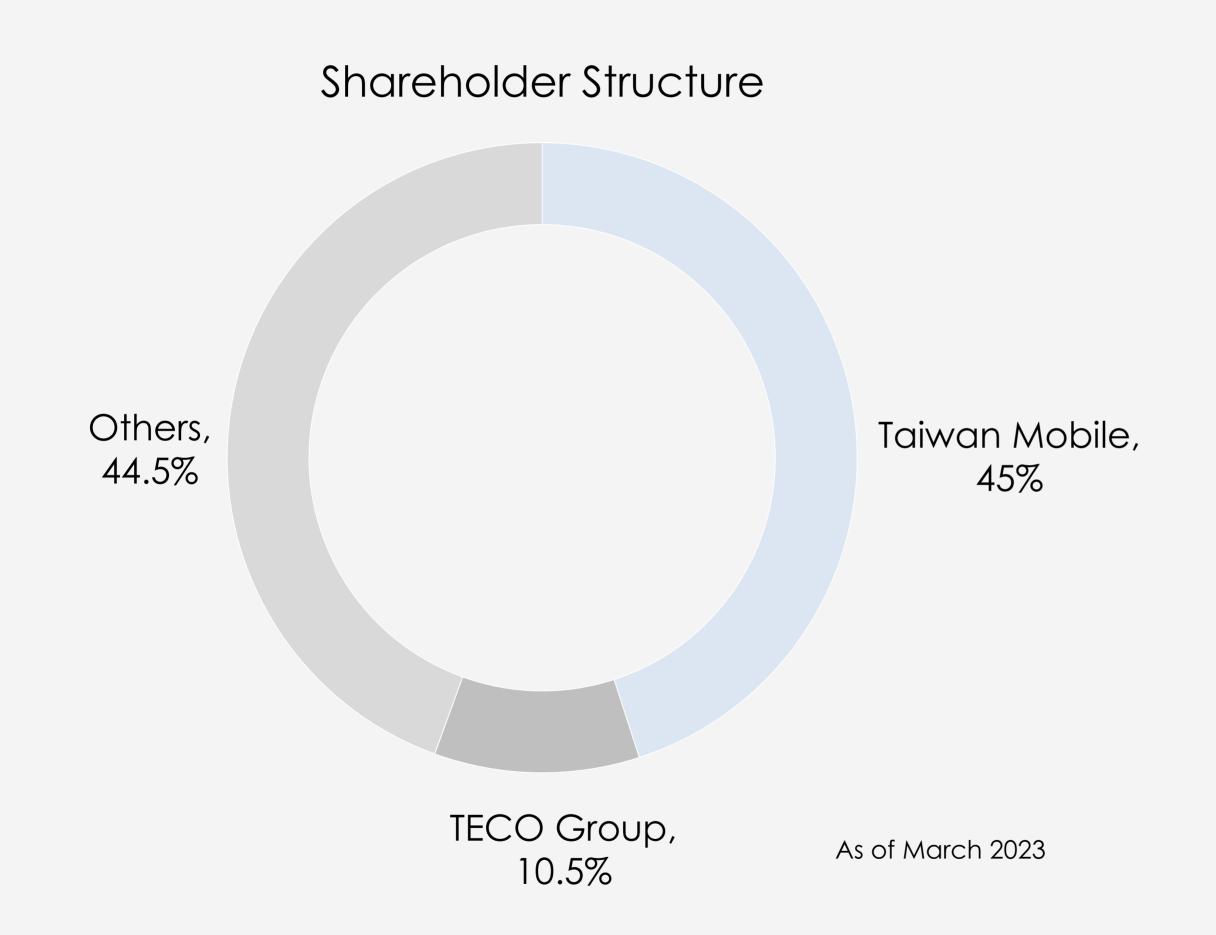
Selection extension to long-tail items. 2Q23 numbers of supplier increased nearly 1x YoY.

Livestreaming

- 2Q23 MAU ~13x YoY
- 2Q23 Active Users ~40% YoY

Issued Share Capital





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





- 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



- 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.



- 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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