

momo.com

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June 2024



Safe Harbor Notice



- momo.com's statements of its current expectations are forward-looking statements subject to significant risks and uncertainties and actual results may differ materially from those contained in the forward-looking statements.
- Except as required by law, we undertake no obligation to update any forward-looking statement, whether as a result of new information, future events, or otherwise.

Key Messages

- **Online Industry Growth in 1Q 2024:**

- Increased by 3.6%YoY.
- Outpaced Total Retail Sales 3.1% YoY, marking the 1st time since 1Q23.
- Underperformed General Retail sales 4.9%YoY.
 - Gap between offline continued to narrowed.
- Accounted for 12.8 % of total retail revenue.

- **EC Revenue in 1Q 2024:**

- Increased by 7.2% year-over-year.
- Driven by:
 - Market share gains.
 - 5 major categories continuing their growth trajectory.
 - Beauty & Healthcare leading the growth.
 - Increase in active users.

Key Messages

- **EC EBITDA Margin in 1Q 2024:**

- Maintained solid of 5.1%.
 - Despite:
 - Unfavorable product mix.
 - One-time product recall.
 - Higher promotional discounts.
- Demonstrated resilience through efficiency.

- **Company EBITDA Margin in 1Q24:**

- Maintained solid of 5.4%
 - Driven by improving TV Shopping momentum.

- **Company OPM in 1Q 2024:**

- Reached 4.2%.
- OP increased by 2.3%YoY, lower than EBITDA's growth
 - Due to increased warehouse rental amortization.

(with continuous optimization by returning those temporarily rented warehouse and consolidating into those big ones, the unfavorable amortization factor can be neutralized within time)

Key Messages

- **Management Outlook :**

- Second-half revenue momentum expected to surpass first-half.
 - Operating profit margin for 2024 expected to be slightly lower than that of 2023.
 - 1P business will continue to enjoy economies of scale, with profit gains reinvested in :
 1. mo Shops
 2. Retail Media Network: momo Ads
 3. Live Streaming
 - In navigating the dynamic retail environment ahead, we're prioritizing agility and execution excellence.
- We intend to maintain a good balance on growth, profitability and long-term shareholder value.

1Q24 P&L



P&L (NT\$ mn)	1Q24	1Q23	YoY	2023	2022	YoY
Revenue **	26,877.9	25,120.0	7.0%	109,242.9	103,436.4	5.6%
Gross profit	3,642.5	3,654.4	(0.3%)	15,339.6	15,028.1	2.1%
Operating costs	(1,104.8)	(1,098.6)	0.6%	(4,796.7)	(4,756.1)	0.9%
Gross profit from operations	2,537.7	2,555.8	(0.7%)	10,543.0	10,272.0	2.6%
OPEX **	(1,420.3)	(1,463.7)	(3.0%)	(6,158.2)	(5,987.2)	2.9%
Operating profit	1,117.4	1,092.1	2.3%	4,384.7	4,284.8	2.3%
Net income to parent	909.0	888.4	2.3%	3,628.1	3,434.6	5.6%
EPS	3.78	3.70	2.3%	15.10	14.29	5.6%
Recurring basic EPS	3.78	3.70	2.3%	15.44 [^]	14.18 [^]	8.9%

**Starting from 3Q23, adjustments were made to account for mo coins due to tax considerations. The changes have no material impact on the overall profits and the impact on 1Q24 revenue was less than 0.7%. Using the same accounting treatment as 1H23, 1Q24 company revenue growth YoY would be higher at 7.6%, company take rate would be higher at 14.1% vs.14.5% in 1Q23. Consequently, OPEX YoY would be also higher at 7.9%.

Key ratios (%)	1Q24	1Q23	2023	2022
Take rate **	13.6%	14.5%	14.0%	14.5%
Gross margin from operations	9.4%	10.2%	9.7%	9.9%
EBITDA margin	5.4%	5.5%	5.1%	5.2%
Operating margin	4.2%	4.3%	4.0%	4.1%
Net margin	3.4%	3.5%	3.3%	3.3%

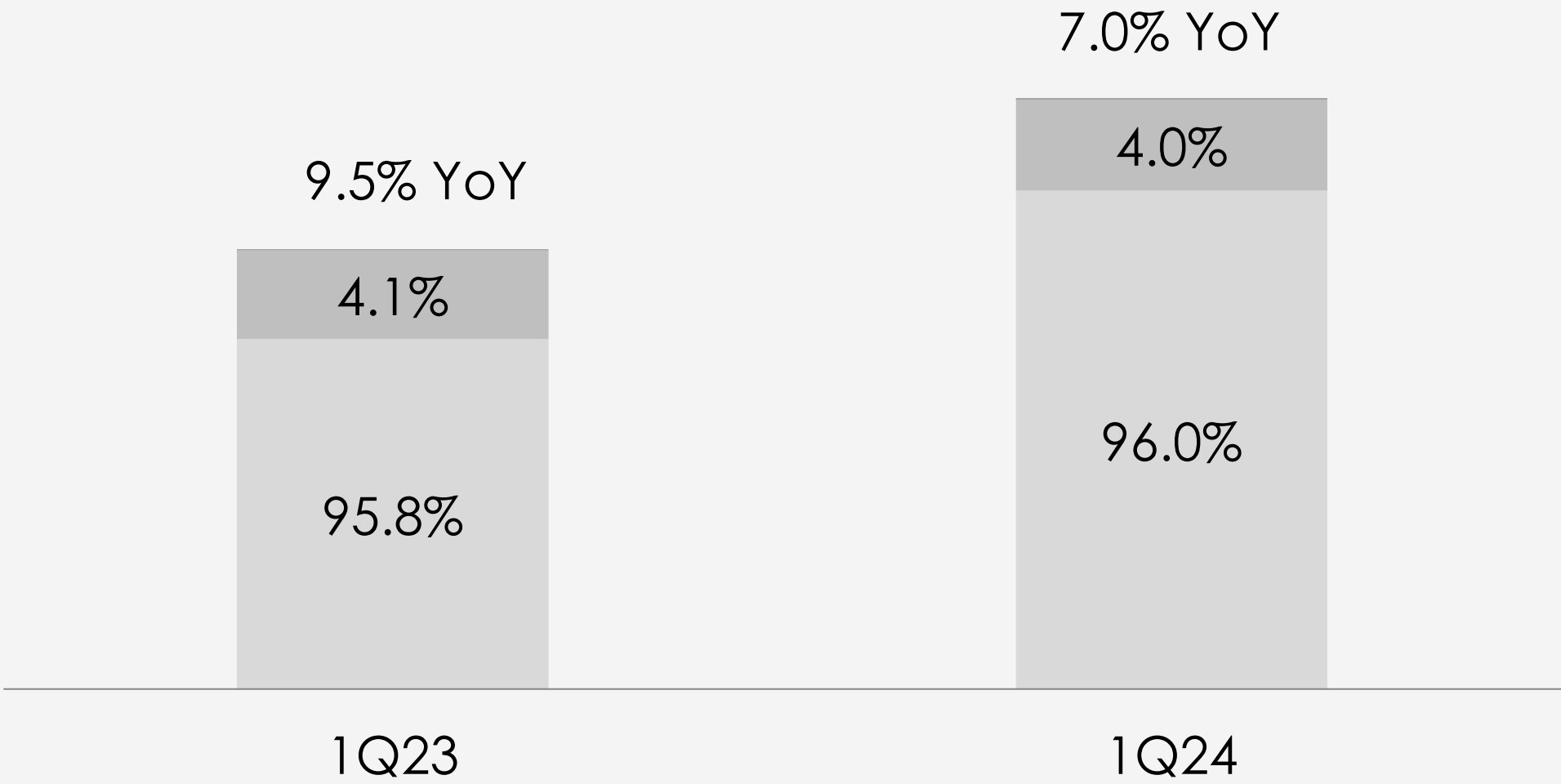
1 Q24 Revenue



Company Revenue up 7.0% YoY

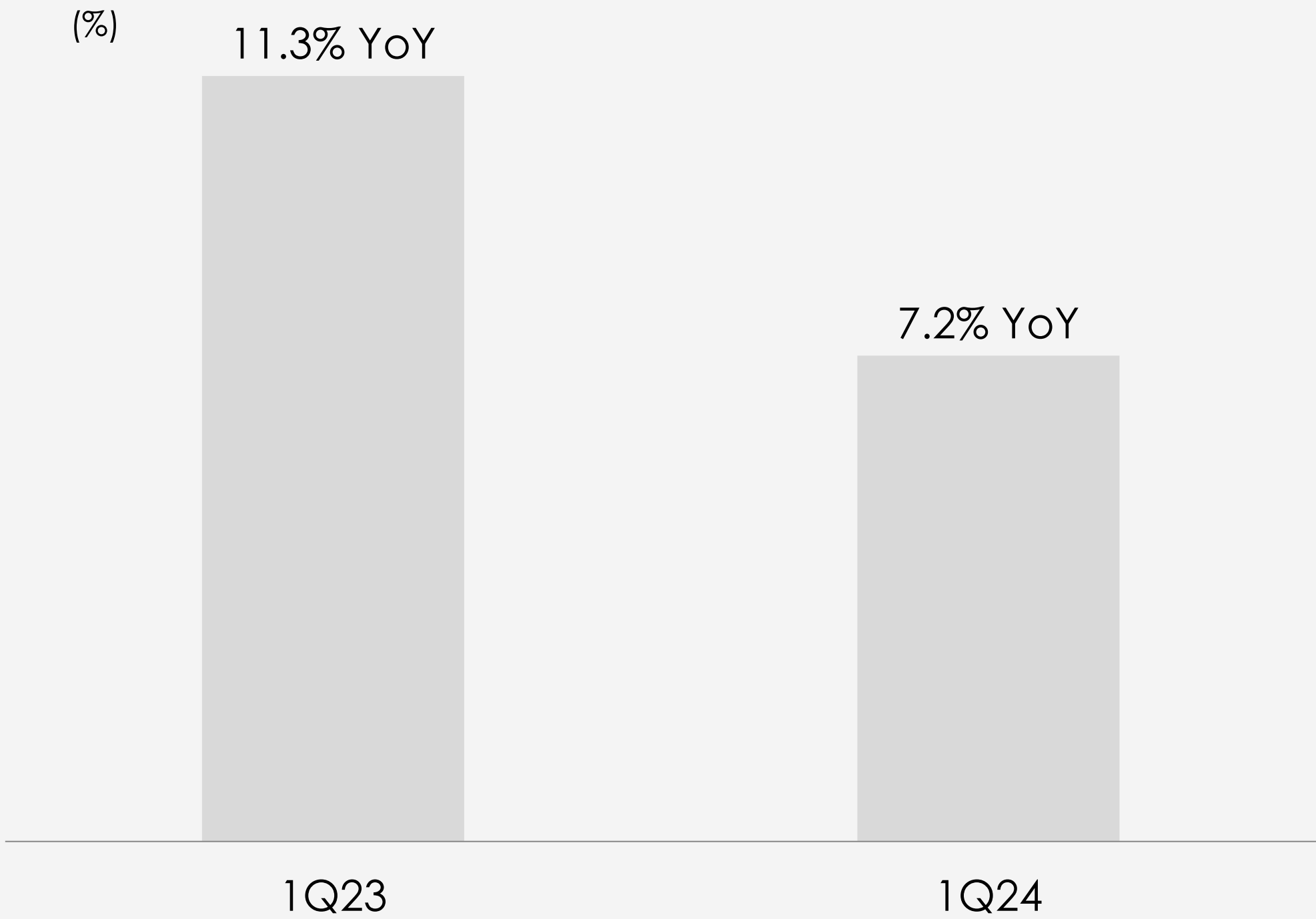
■ EC ■ Media ■ Others*

(NT\$m/%)



Other revenue consists of revenue from 76.7%-held Fupou Gehua (Beijing), 93.73%-held BÉBÉ POSHÉ, 73.62%-held Prosperous Living, and 100%-held supporting business units (travel agency, insurance distribution agent, logistics, and wholesaler subsidiary).

EC Revenue up 7.2% YoY



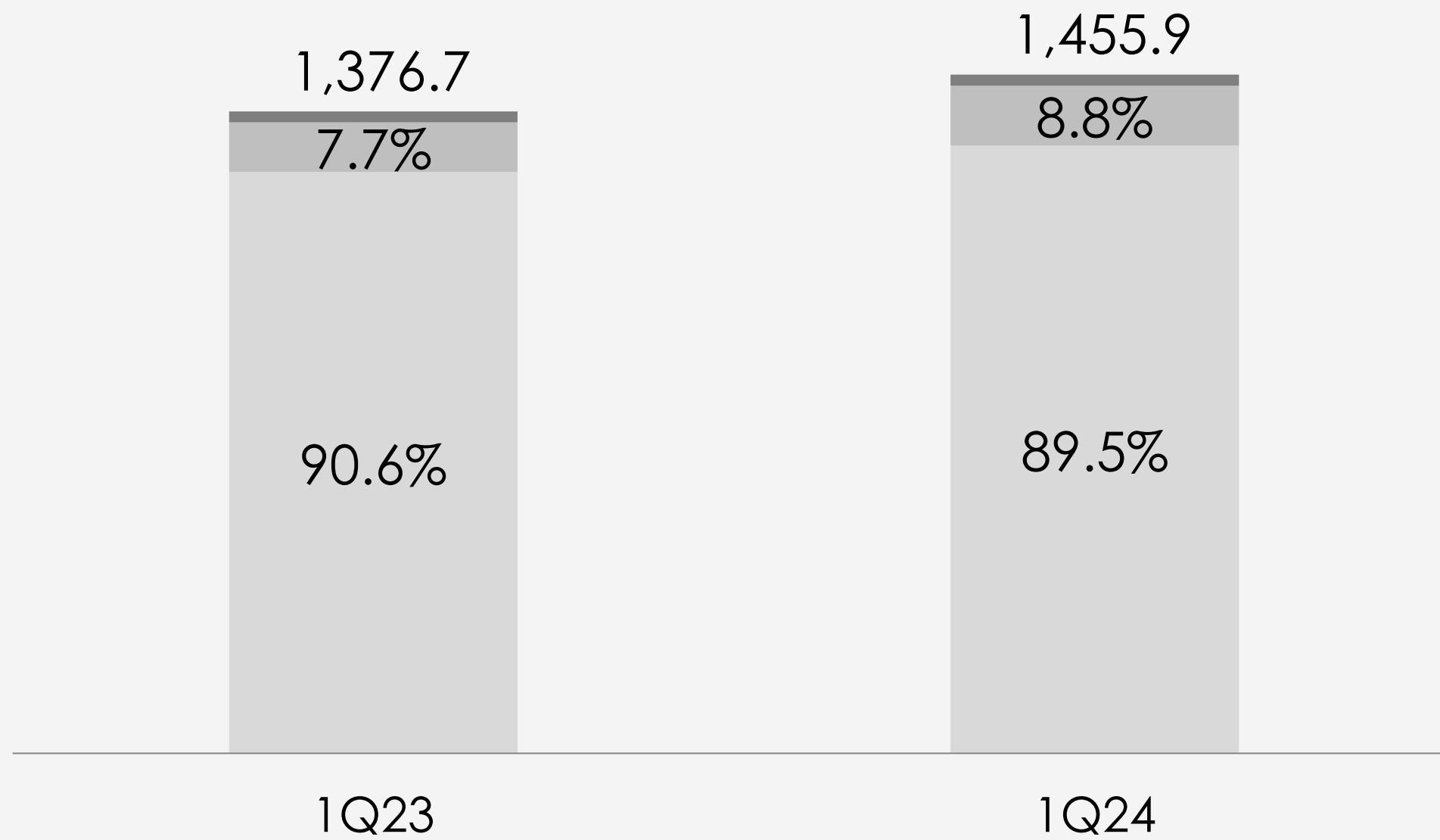
1Q24 EBITDA



Company EBITDA +5.8% YoY

■ EC ■ Media ■ Others*

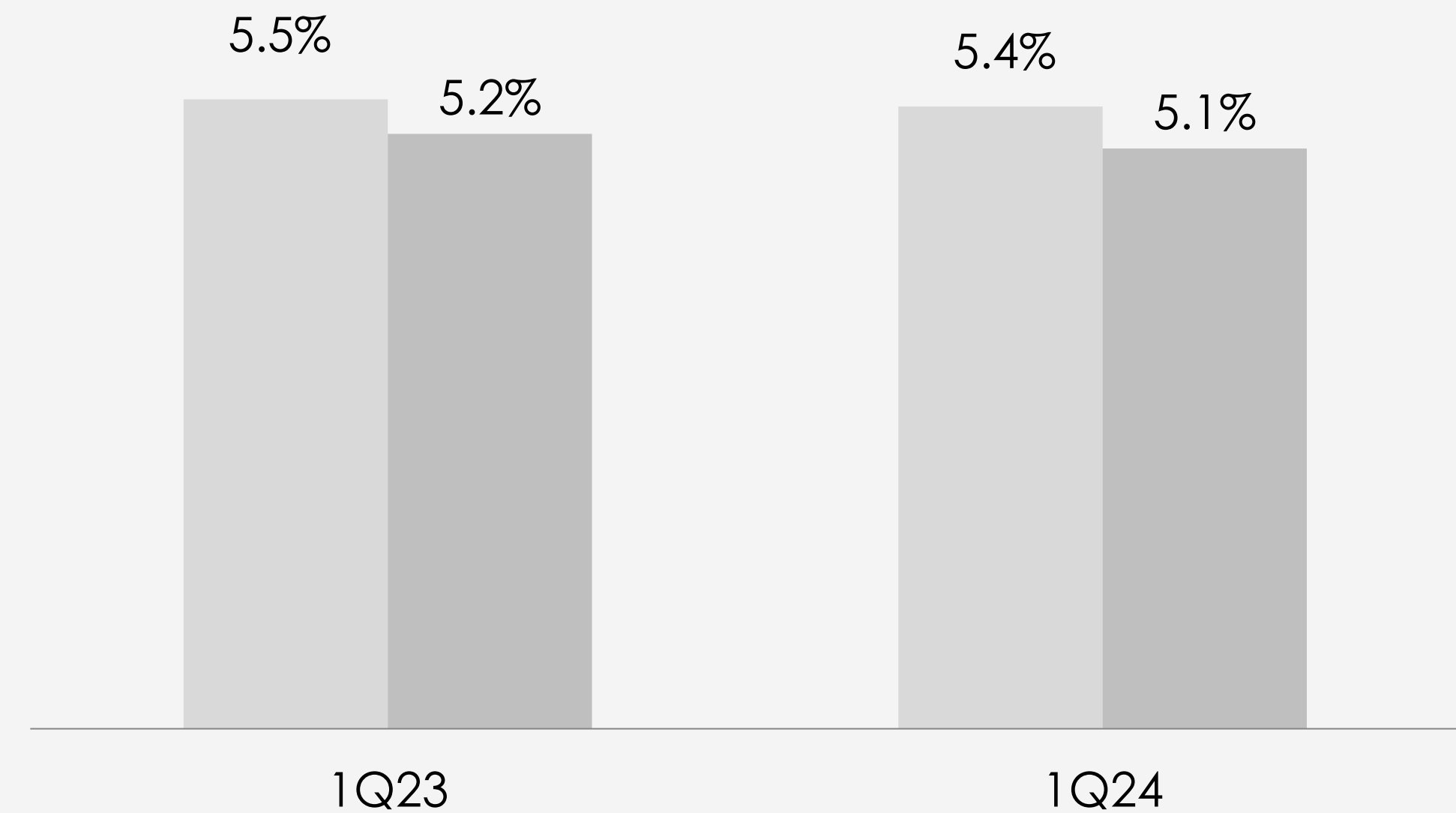
(NT\$mn)



Others EBITDA includes 76.7%-held Fubon Gehua (Beijing), 93.73%-held BÉBÉ POSHE, 73.62%-held Prosperous Living, and 100%-held supporting business units (travel agency, insurance distribution agent, logistics, a wholesaler subsidiary).

Company EBITDA Margin 5.4% EC EBITDA Margin 5.1%

■ company ■ EC



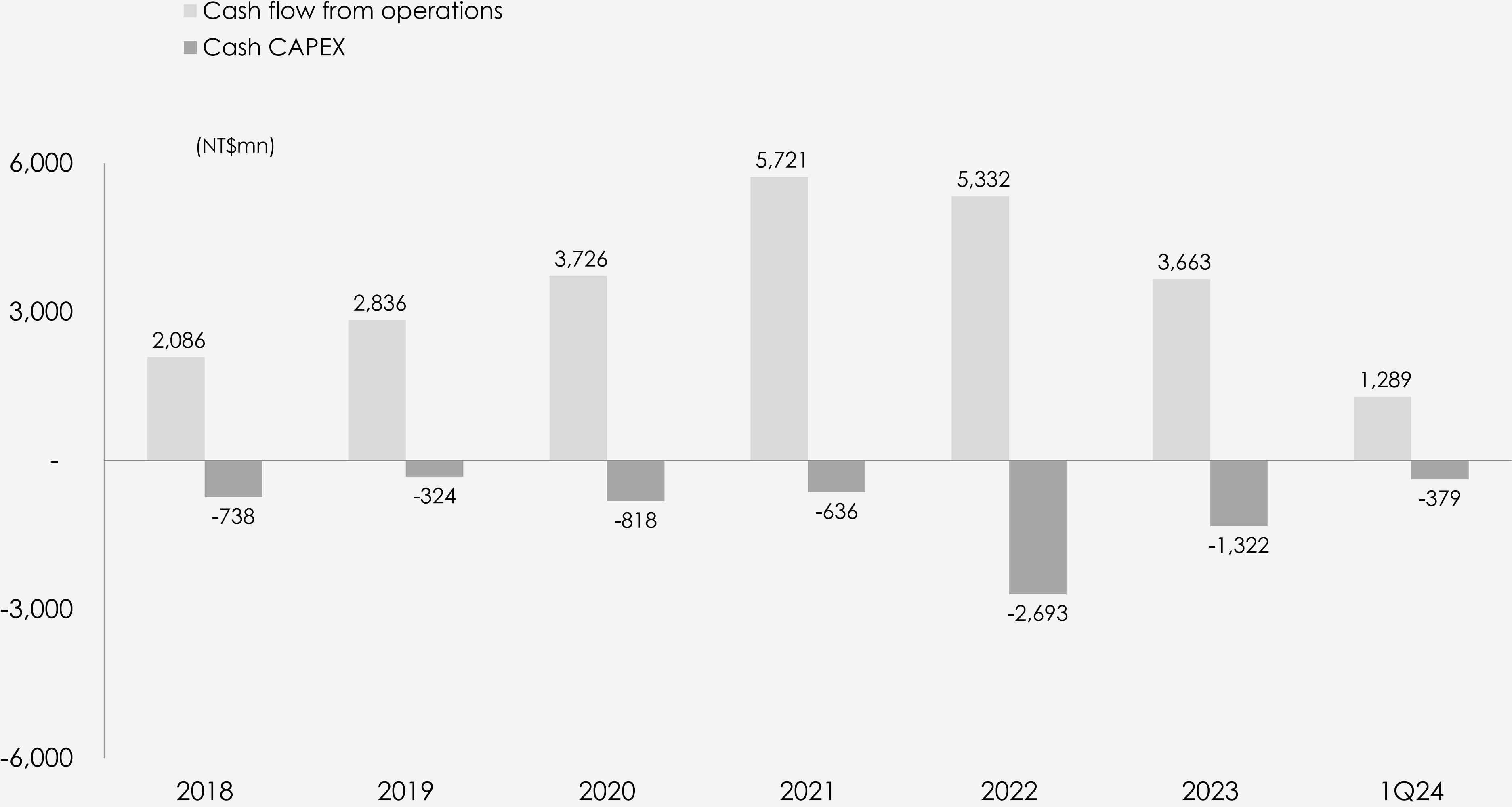
Balance Sheet



(NT\$mn)	2024/03/31	2023/03/31
Cash & Cash equivalents	6,925.8	7,508.6
Accounts receivables	522.3	459.7
Other receivables	2,349.1	1,586.0
Inventories	3,778.6	4,185.1
Current assets	14,122.3	14,228.6
LT Investments	408.8	483.8
PP&E	8,427.9	7,393.9
Other non-current assets	5,160.7	2,767.2
Total non-current assets	13,997.4	10,644.9
Total Assets	28,119.7	24,873.5

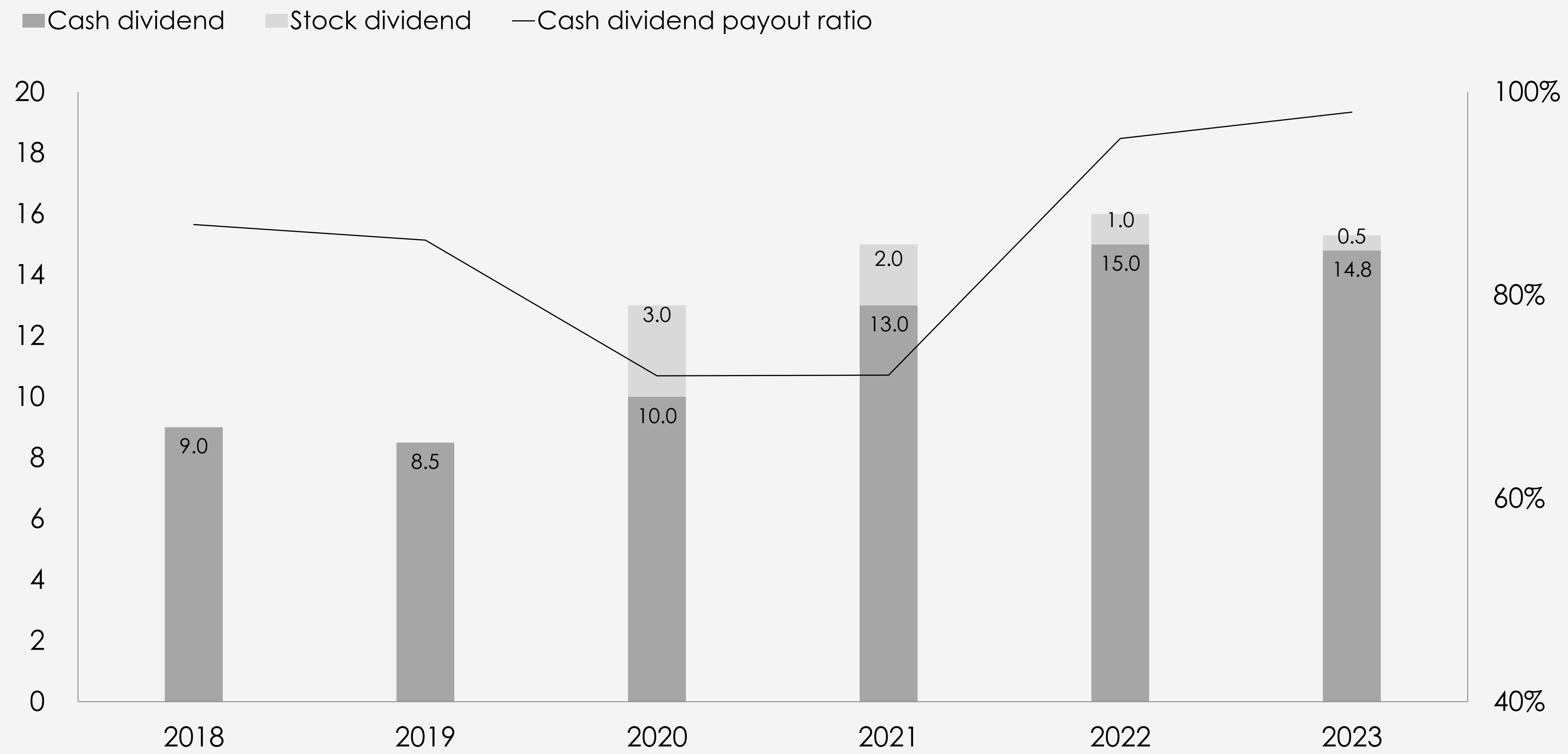
(NT\$mn)	2024/03/31	2023/03/31
Accounts Payable	9,866.0	9,490.1
Other payables	952.6	901.4
Other current liabilities	2,868.2	2,435.4
Non current liabilities	3,190.1	1,308.4
Total Liabilities	16,876.9	14,135.3
Common stock	2,403.4	2,184.9
Capital Surplus	1,969.9	2,188.4
Retained earnings	6,755.7	6,389.0
Other equity items	113.8	(24.1)
Shareholders' equity	11,242.8	10,738.2

Cash Flow



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

Dividend

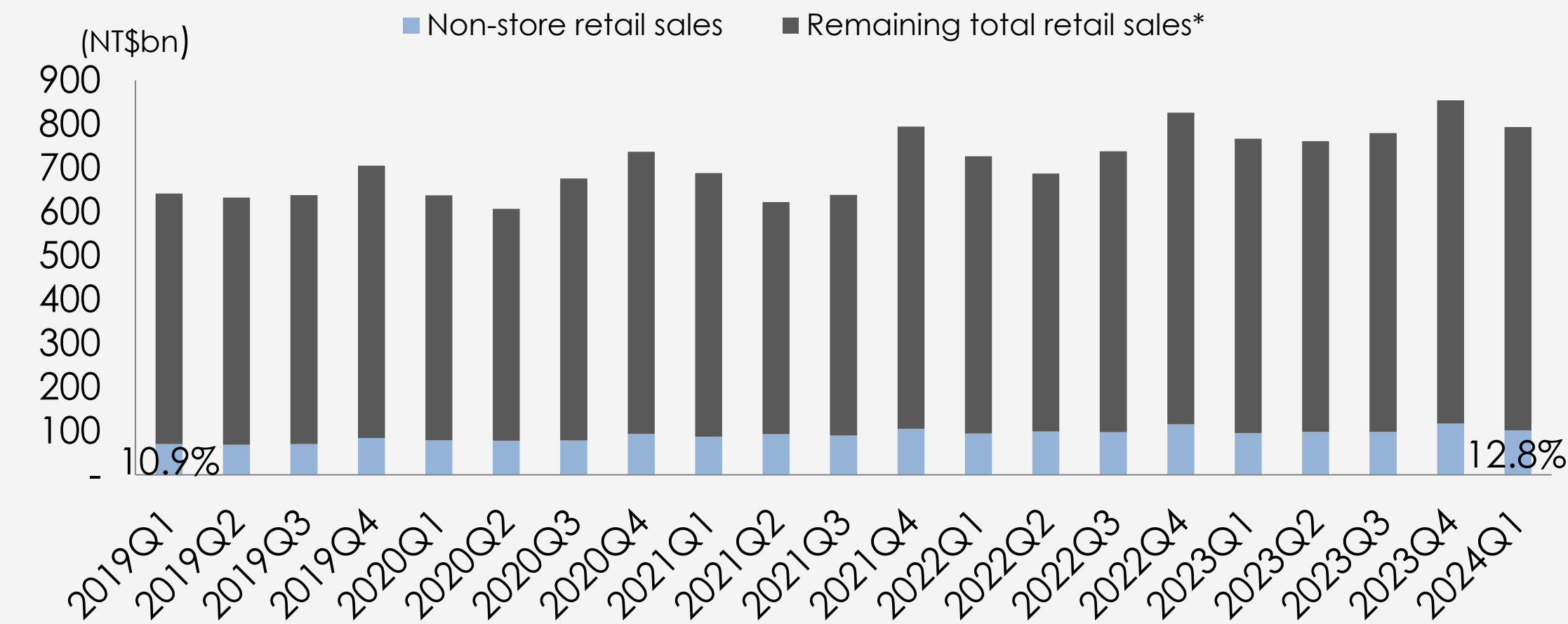


CAPEX Budget

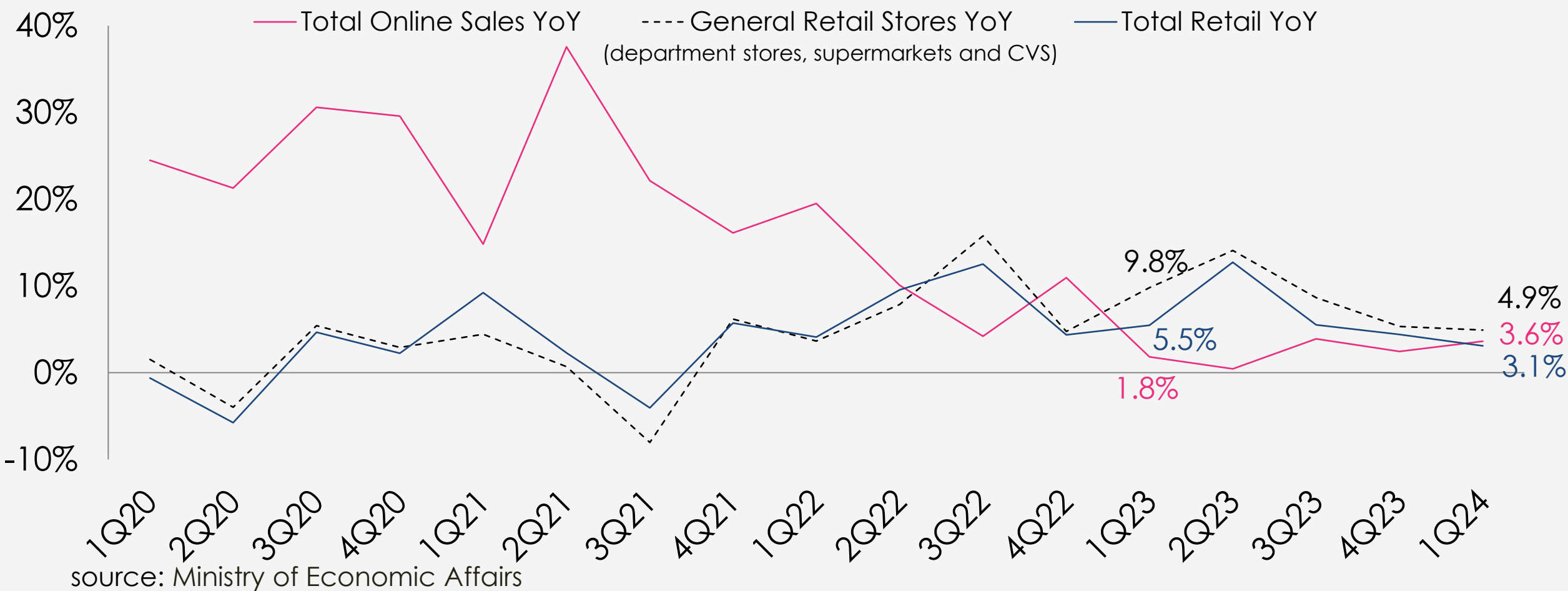


(NT\$mn)	2024 Budget	1Q24
Distribution Center **	457	369.5
Warehouse Facilities	350	40
IT Equipment	378	0
Others	92	1.1
Total	1,277	410.6
* CAPEX budget is under accrual basis.		
** The actual cash payments will be spread to 2024 -2027 depends on various phases of construction, engineering & spending timelines.		

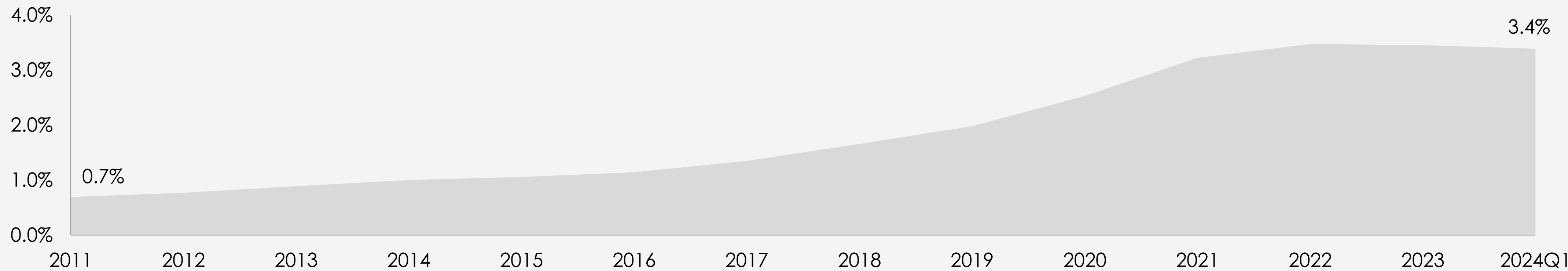
Large TAMs



* Total retail sales ex-auto & fuel & constr. mater. & tobacco.
source: Ministry of Economic Affairs

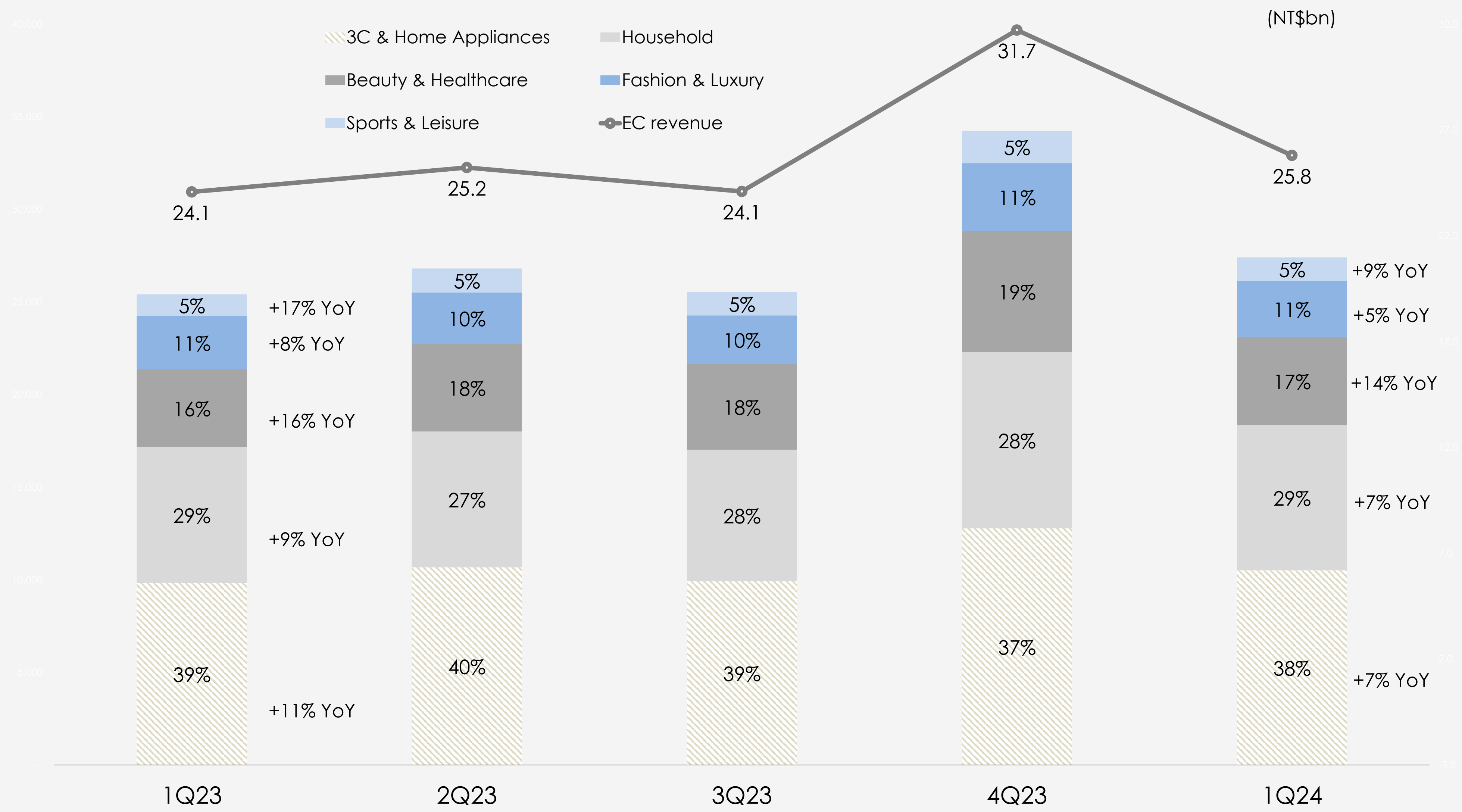


momo's market share in Taiwan retail market*

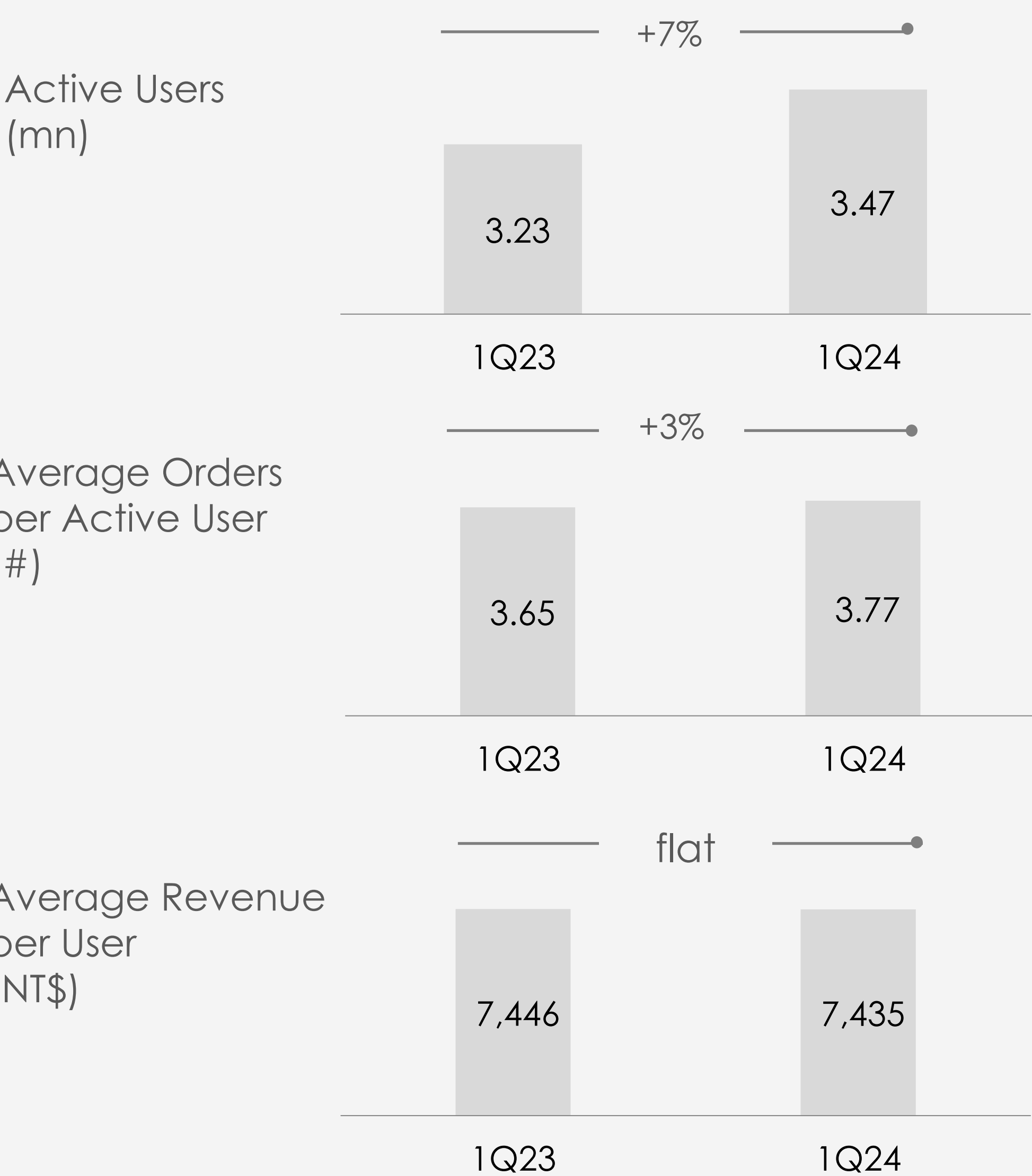
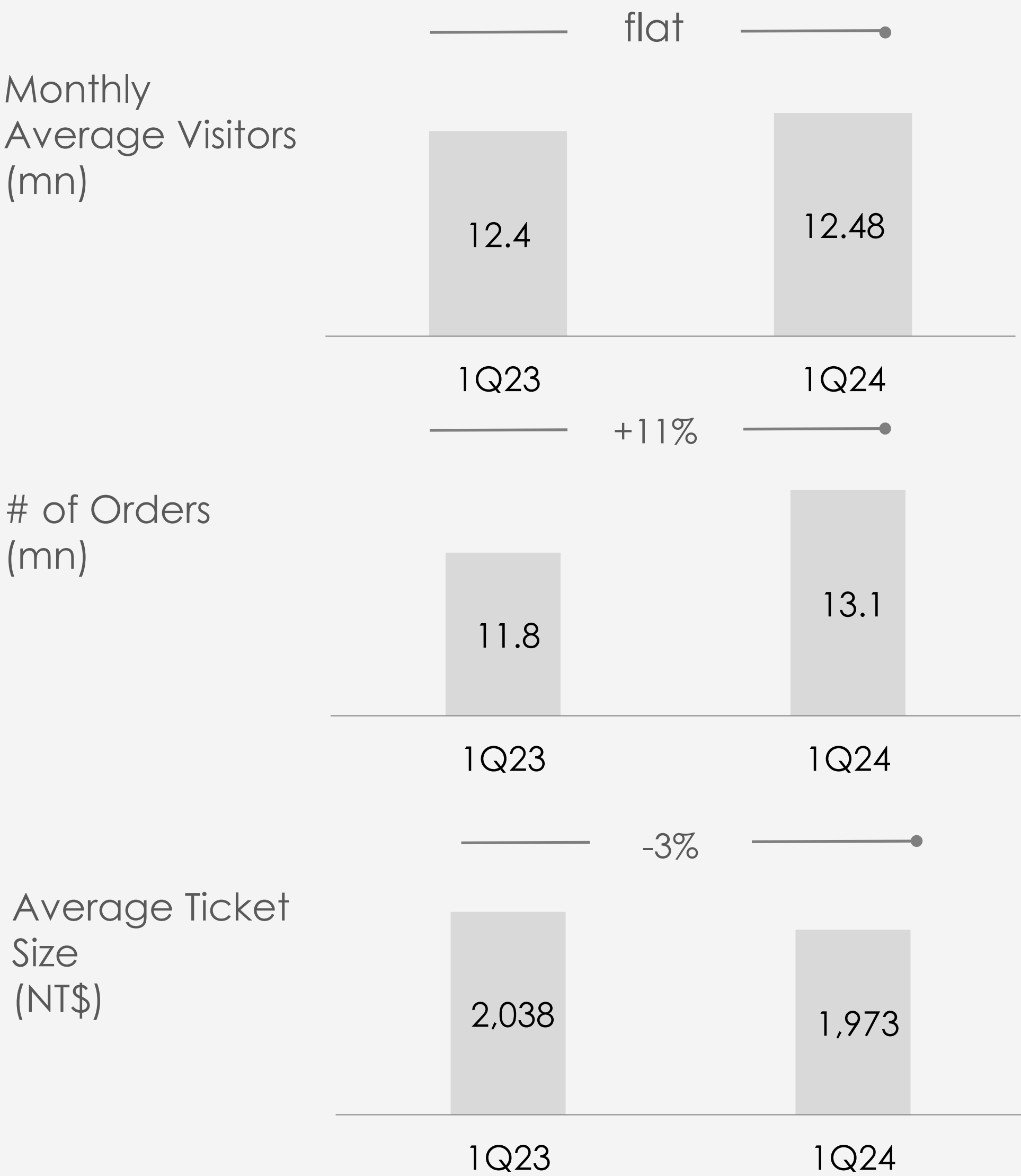


* Total retail sales ex-auto & fuel & constr. mater. & tobacco.
source: Ministry of Economic Affairs

1Q24 EC Product Mix



EC Key Customer Metrics



Island-wide logistics network



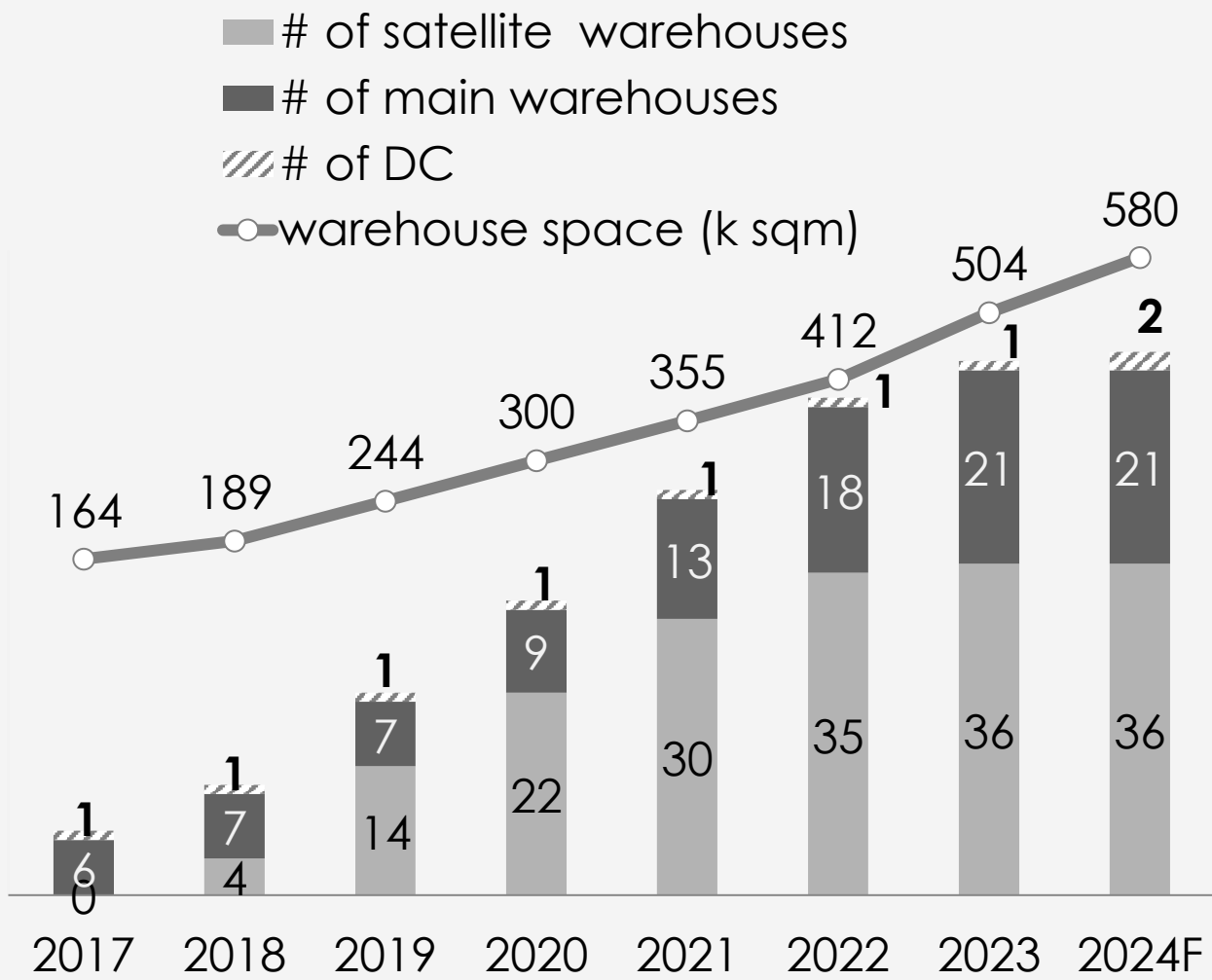
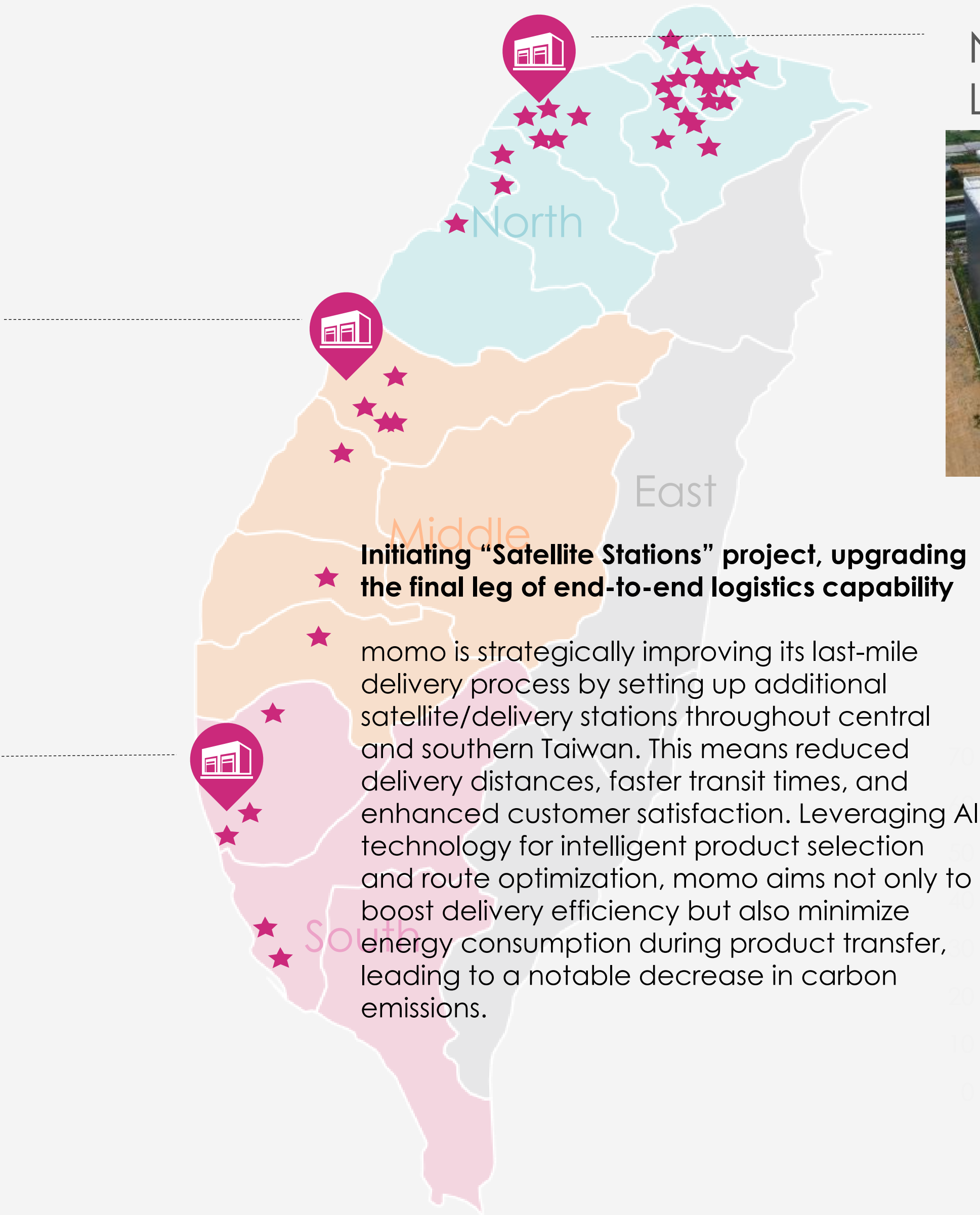
CDC
Construction began in 4Q23



SDC
Trial run in 2Q24



NDC
Launched in 2017





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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富邦金控 × momo × 台灣大哥大

