

momo.com
8454 TT

August 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

- **Revenue Growth and Consumer Trends:**

- E-commerce revenue growth slowed to 2.2% YoY, influenced by consumers opting for lower-priced products, leading to a decrease in ASP. Nevertheless, we experienced a YoY increase in both active users and buying frequency, indicating robust user engagement.

- **Gross Margin and Operational Efficiency:**

- While gross margin declined YoY due to increased customer incentives and discounts, we have managed to improve operational efficiency, keeping operating expenses in check.

- **Strategic Initiatives:**

- Despite the impact of sluggish consumer consumption on revenue growth, our three new initiatives have demonstrated good progress and potential, positioning us well for future growth.

2Q24 P&L



P&L (NT\$ mn)	2Q24	2Q23	YoY	1H24	1H23	YoY
Revenue **	26,656.9	26,212.4	1.7%	53,534.8	51,332.5	4.3%
Gross profit	3,572.6	3,769.9	(5.2%)	7,215.1	7,424.2	(2.8%)
Operating costs	(1,145.4)	(1,162.2)	(1.4%)	(2,250.6)	(2,260.7)	(0.4%)
Gross profit from operations	2,427.2	2,607.7	(6.9%)	4,964.5	5,163.5	(3.9%)
OPEX **	(1,503.0)	(1,607.2)	(6.5%)	(2,923.0)	(3,070.8)	(4.8%)
Operating profit	924.2	1,000.5	(7.6%)	2,041.5	2,092.6	(2.4%)
Net income to parent	768.3	842.8	(8.8%)	1677.3	1,731.3	(3.1%)
EPS	3.20	3.51	(8.8%)	6.98	7.20	(3.1%)
Recurring basic EPS	3.20	3.51	(8.8%)	6.98	7.20	(3.1%)

**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 2Q24 revenue was less than 0.8%. Using the same accounting treatment as 1H23, 2Q24 company revenue growth YoY would be higher at 2.5%, company take rate would be higher at 14.1% vs.14.4% in 2Q23. Consequently, OPEX YoY would be also higher at 7.85%.

Key ratios (%)	2Q24	2Q23	1H24	1H23
Take rate **	13.4%	14.4%	13.5%	14.5%
Gross margin from operations	9.1%	9.9%	9.3%	10.1%
EBITDA margin	4.7%	4.9%	5.1%	5.2%
Operating margin	3.5%	3.8%	3.8%	4.1%
Net margin	2.9%	3.2%	3.1%	3.4%

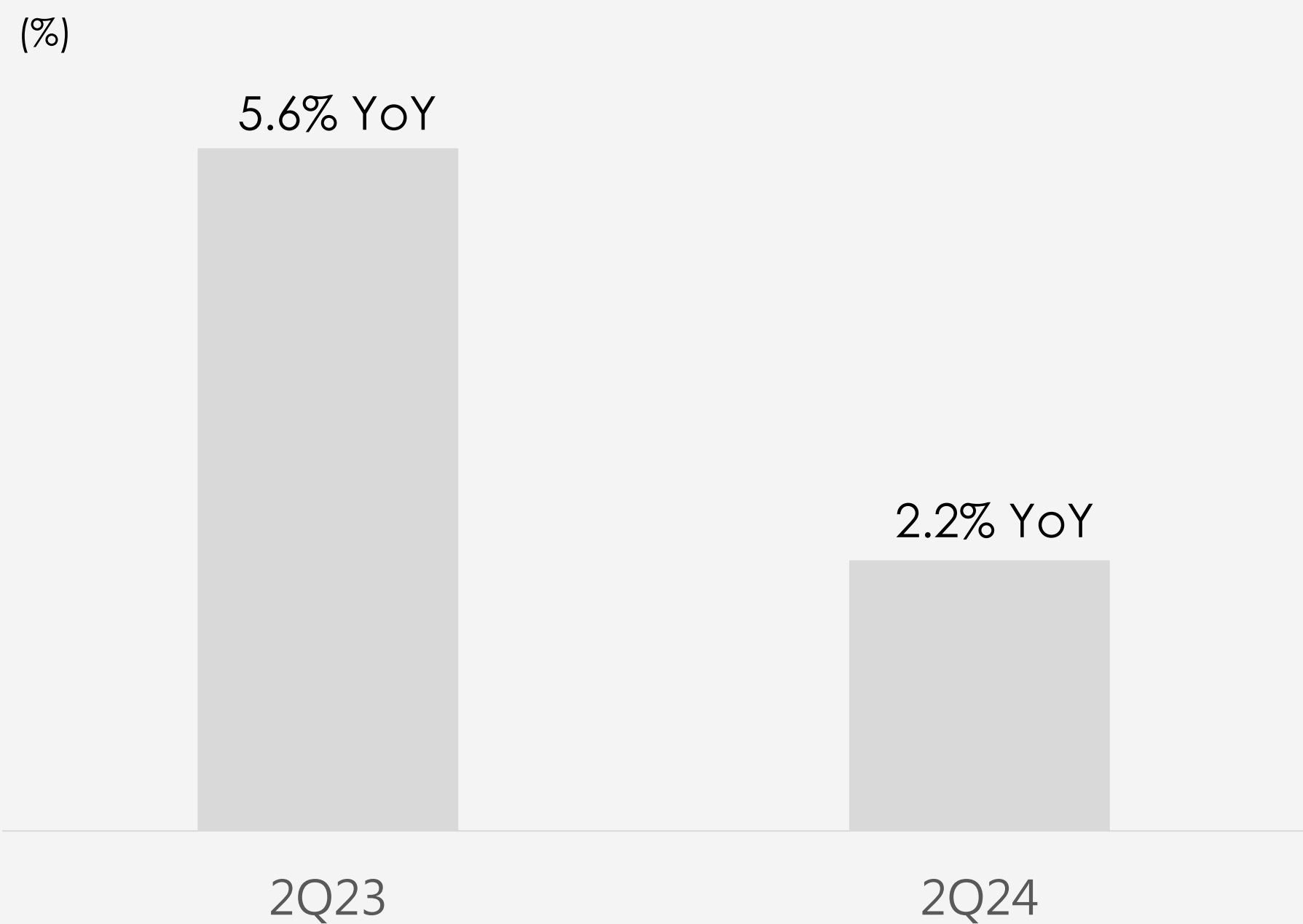
2Q24 Revenue



Company Revenue up 1.7% YoY



EC Revenue up 2.2% YoY

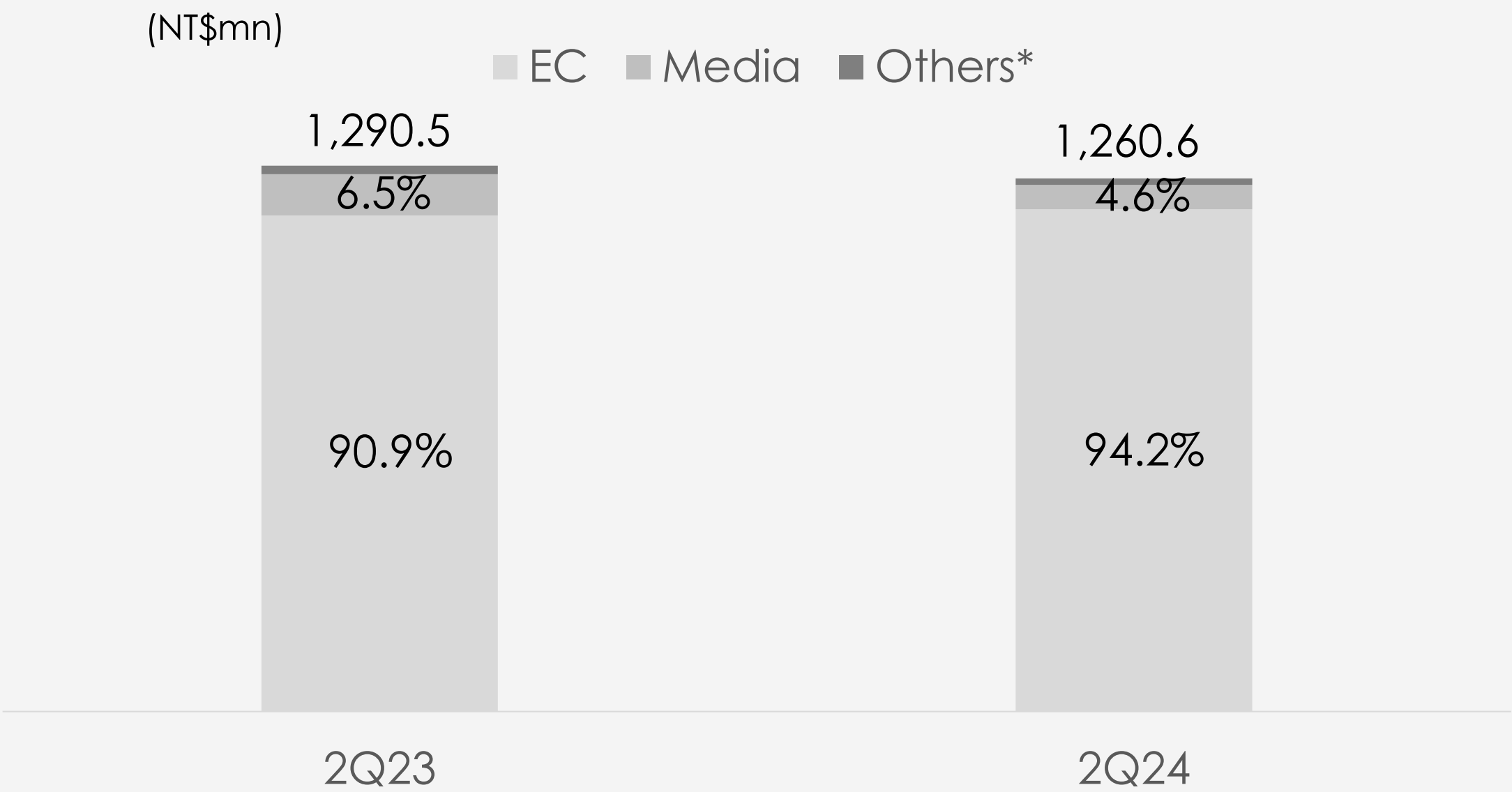


Other revenue consists of revenue from 76.7%-held Fupou Gehua (Beijing), 94.25%-held BÉBÉ POSHÉ, 73.62%-held Prosperous Living, and 100%-held supporting business units (travel agency, insurance distribution agent, logistics, and wholesaler subsidiary).

2Q24 EBITDA

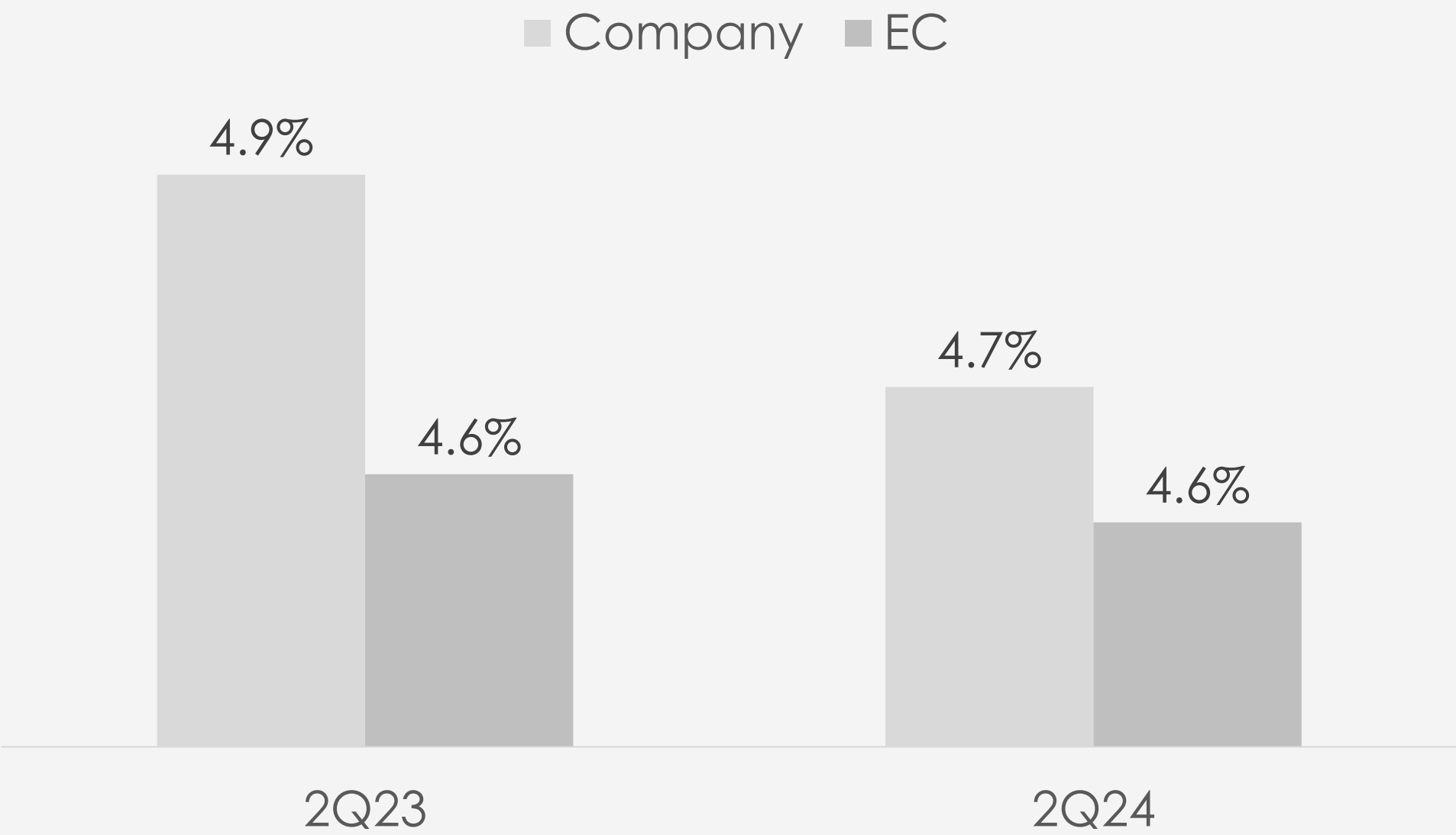


Company EBITDA NT\$1,260mn



Others EBITDA includes 76.7%-held Fubon Gehua (Beijing), 94.25%-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 4.7%
EC EBITDA Margin 4.6%



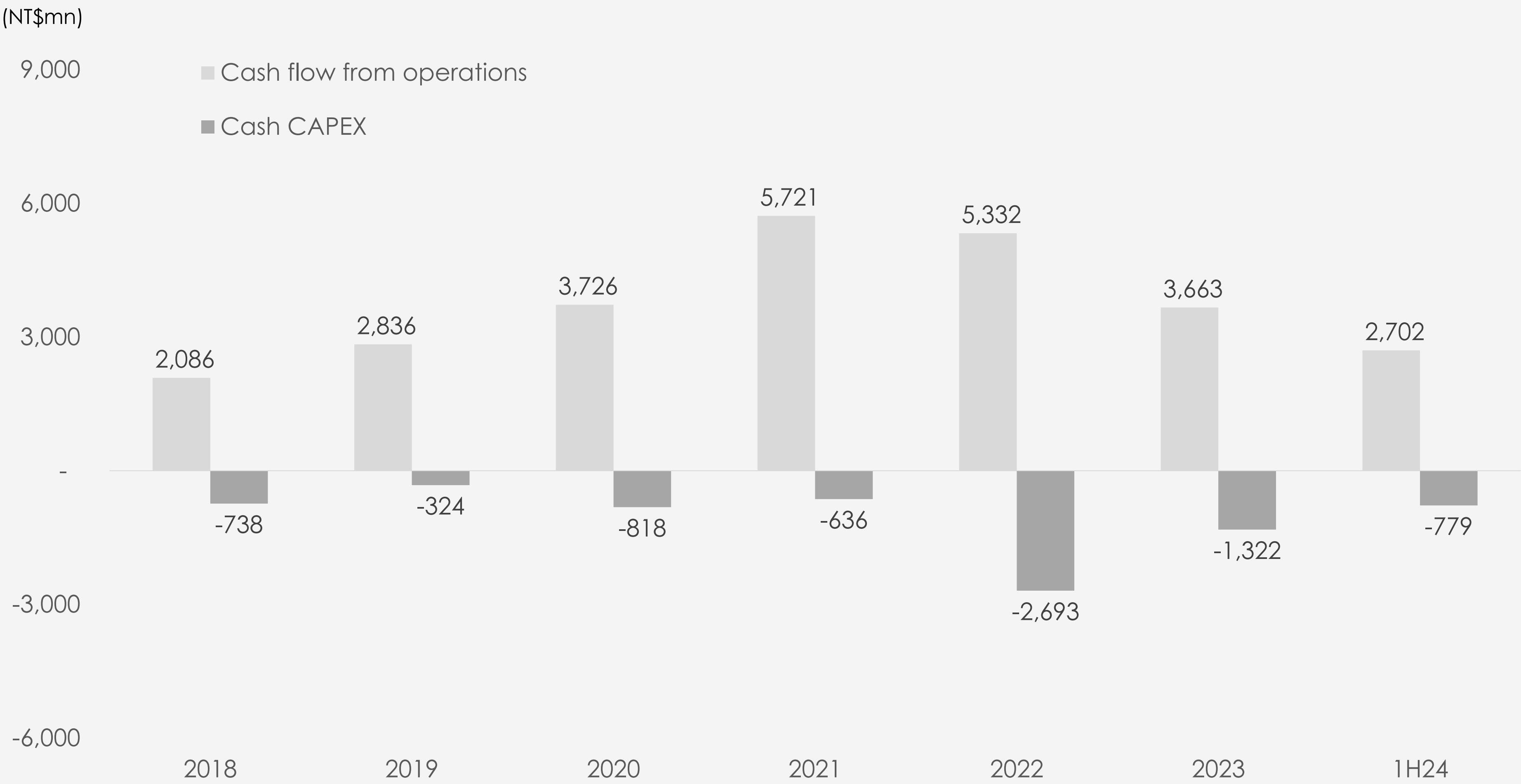
Balance Sheet



(NT\$mn)	2024/06/30	2023/06/30
Cash & Cash equivalents	7,605.4	5,214.4
Accounts receivables	525.3	380.5
Other receivables	2,481.0	1,801.1
Inventories	4,112.5	4,389.3
Current assets	15,331.0	12,223.4
LT Investments	617.0	471.3
PP&E	8,608.6	7,534.8
Other non-current assets	4,980.3	2,708.4
Total non-current assets	14,205.9	10,714.5
Total Assets	29,536.9	22,937.9

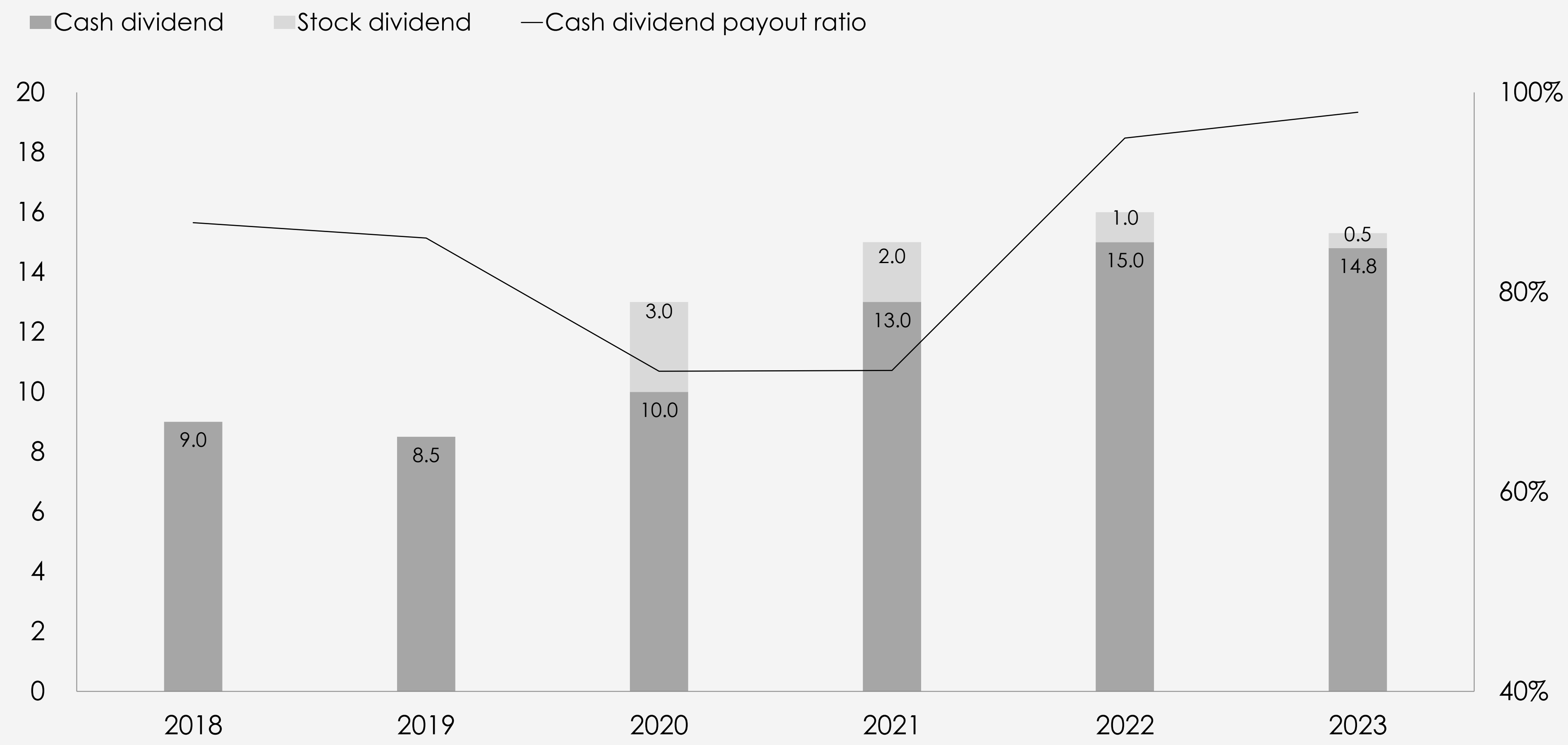
(NT\$mn)	2024/06/30	2023/06/30
Accounts Payable	10,590.9	10,038.3
Other payables	4,699.5	1,031.5
Other current liabilities	2,814.4	2,297.7
Non current liabilities	3,012.8	1,275.3
Total Liabilities	21,117.6	14,642.8
Common stock	2,403.4	2,403.4
Capital Surplus	1,849.8	1,969.9
Retained earnings	3,966.3	3,950.0
Other equity items	199.7	(28.2)
Shareholders' equity	8,419.2	8,295.1

Cash Flow



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

Dividend

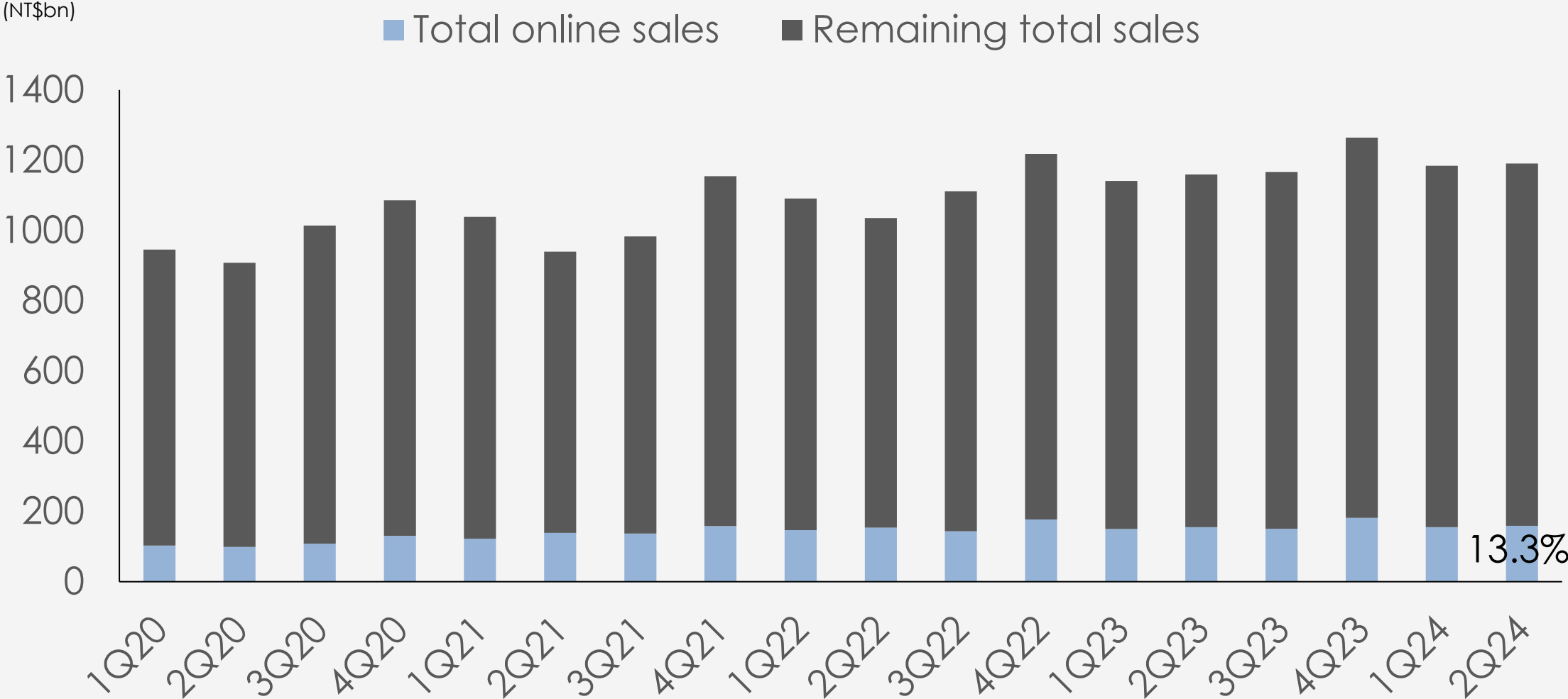


CAPEX Budget

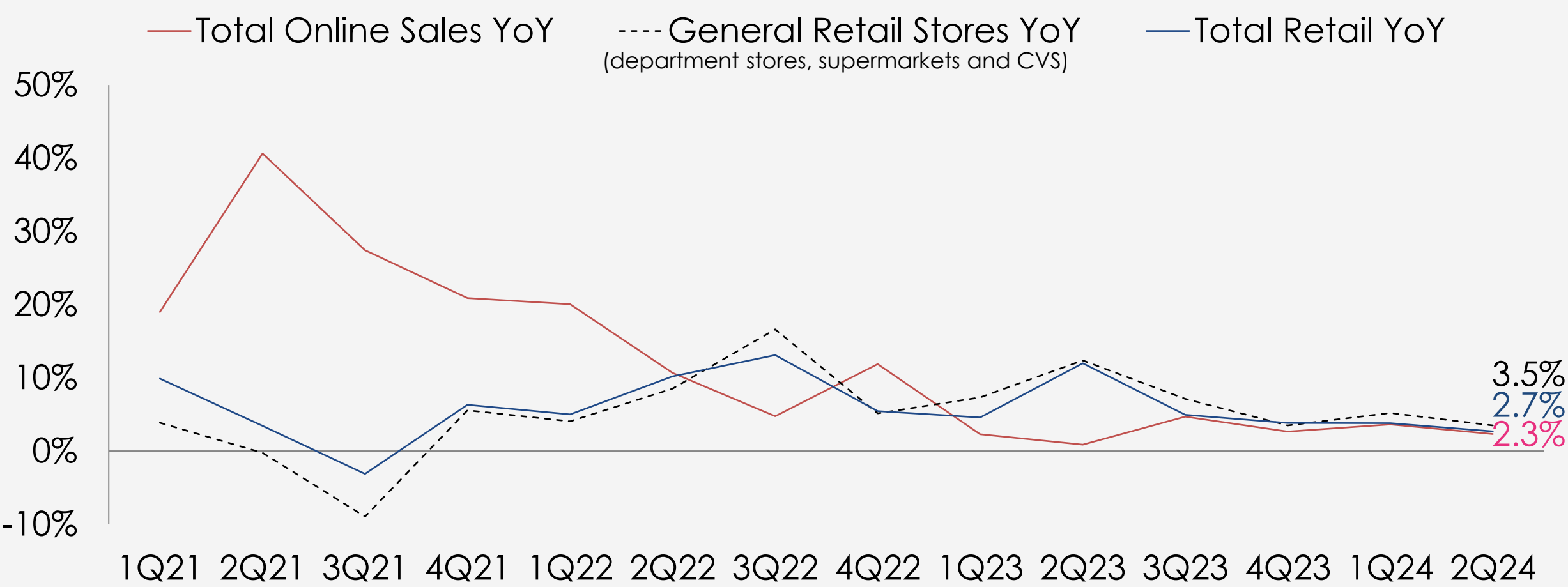


(NT\$mn)	2024 Budget	1H24A
Distribution Center **	457	370
Warehouse Facilities	350	136
IT Equipment	378	13
Others	92	40
Total	1,277	559
<div>*CAPEX budget is under accrual basis</div> <div>** The actual cash payments will be spread to 2024 -2027 depends on various phases of construction, engineering & spending timelines.</div>		

Large TAMs

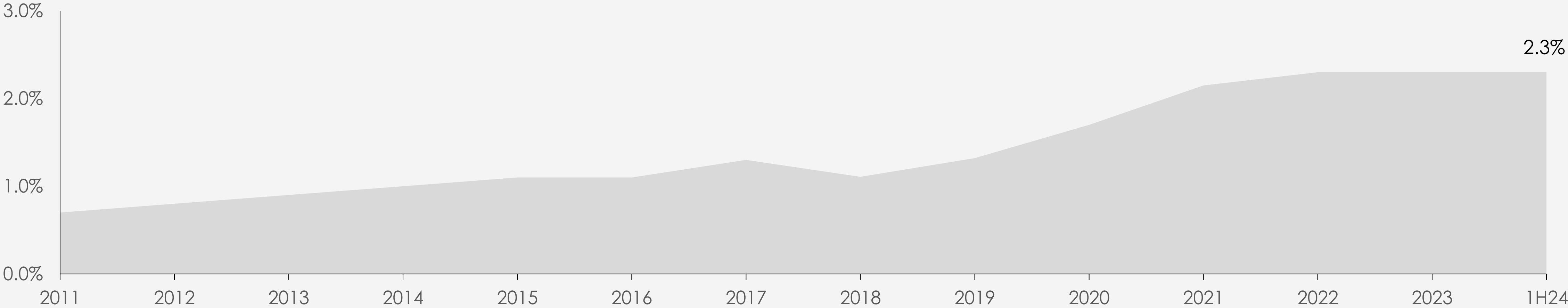


source: Ministry of Economic Affairs



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momo's market share in Taiwan retail market

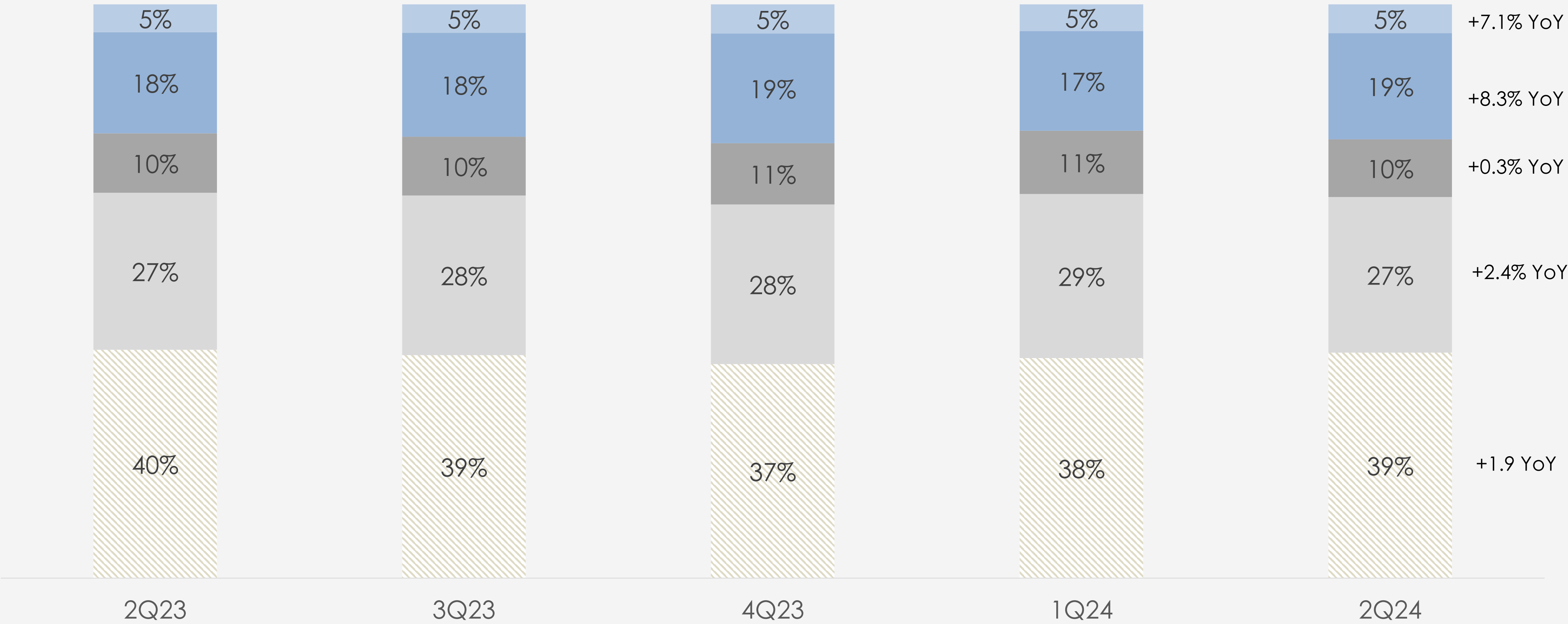


source: Ministry of Economic Affairs

2Q24 EC Product Mix



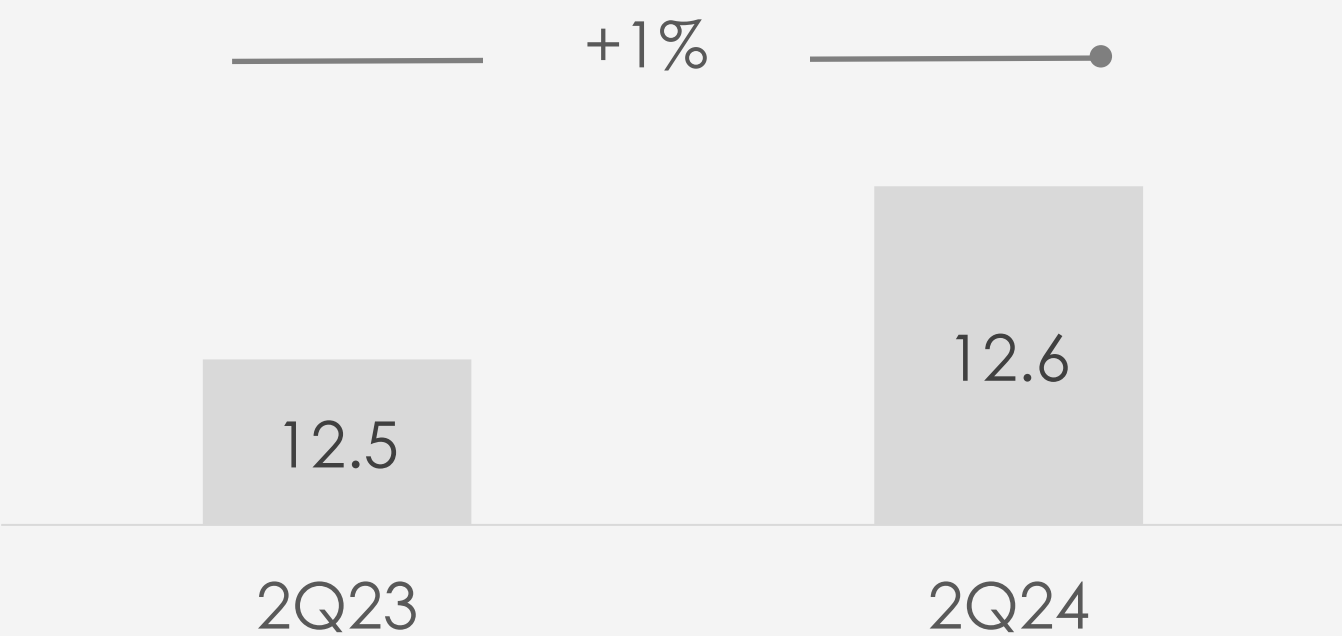
3C & Home Appliances Household Fashion & Luxury Beauty & Healthcare Sports & Leisure



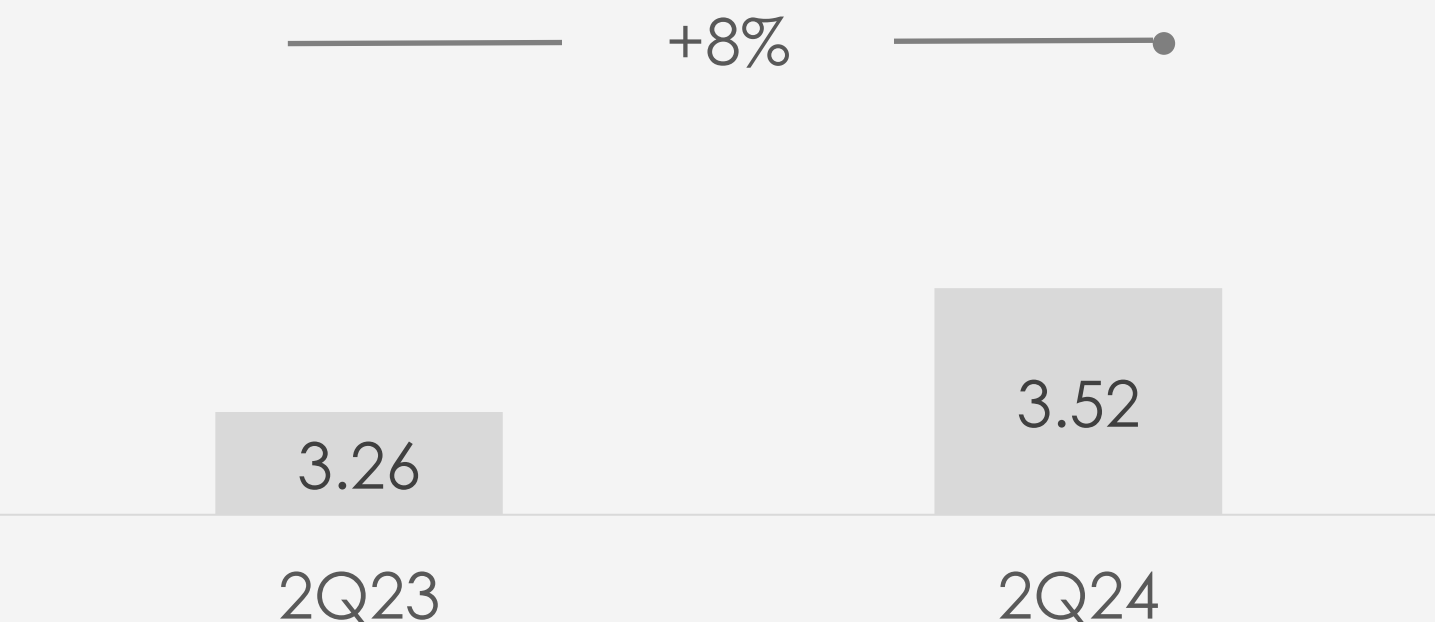
EC Key Customer Metrics



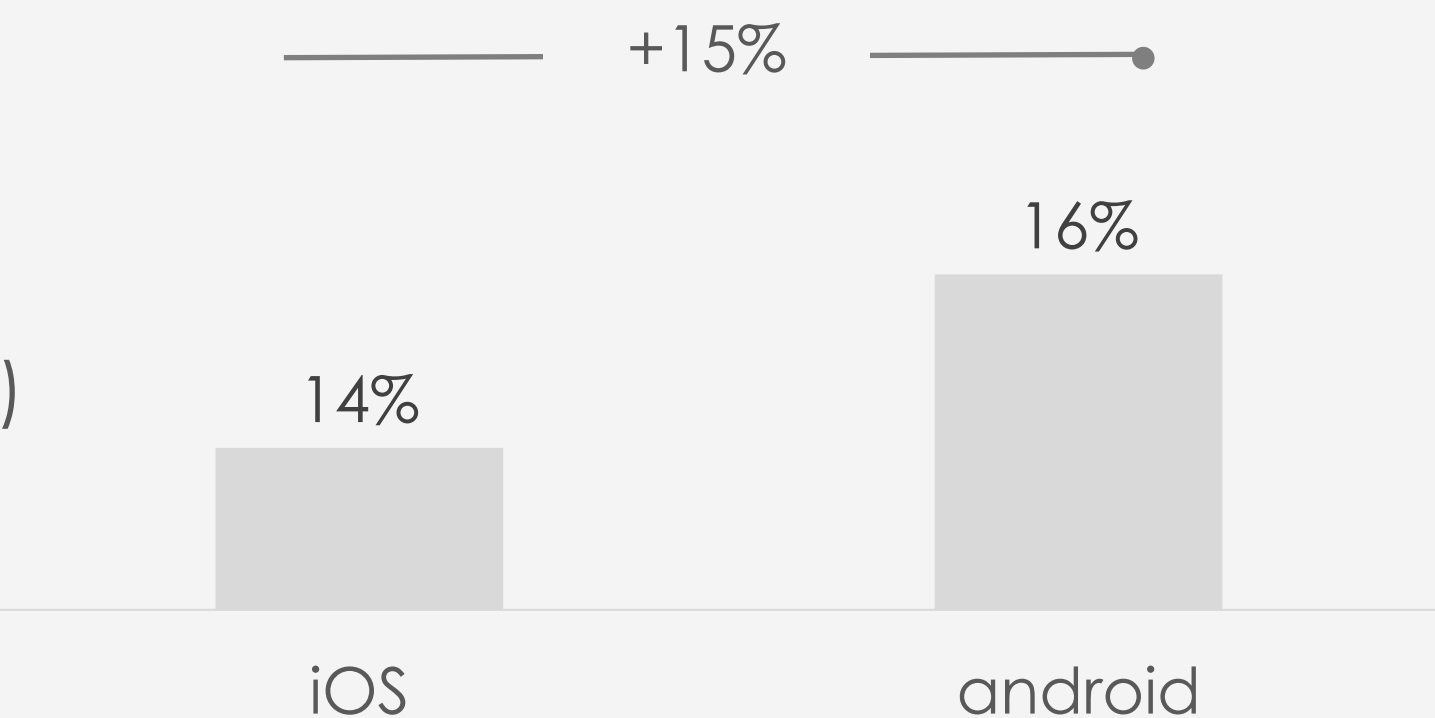
Monthly
Average Visitors
(mn)



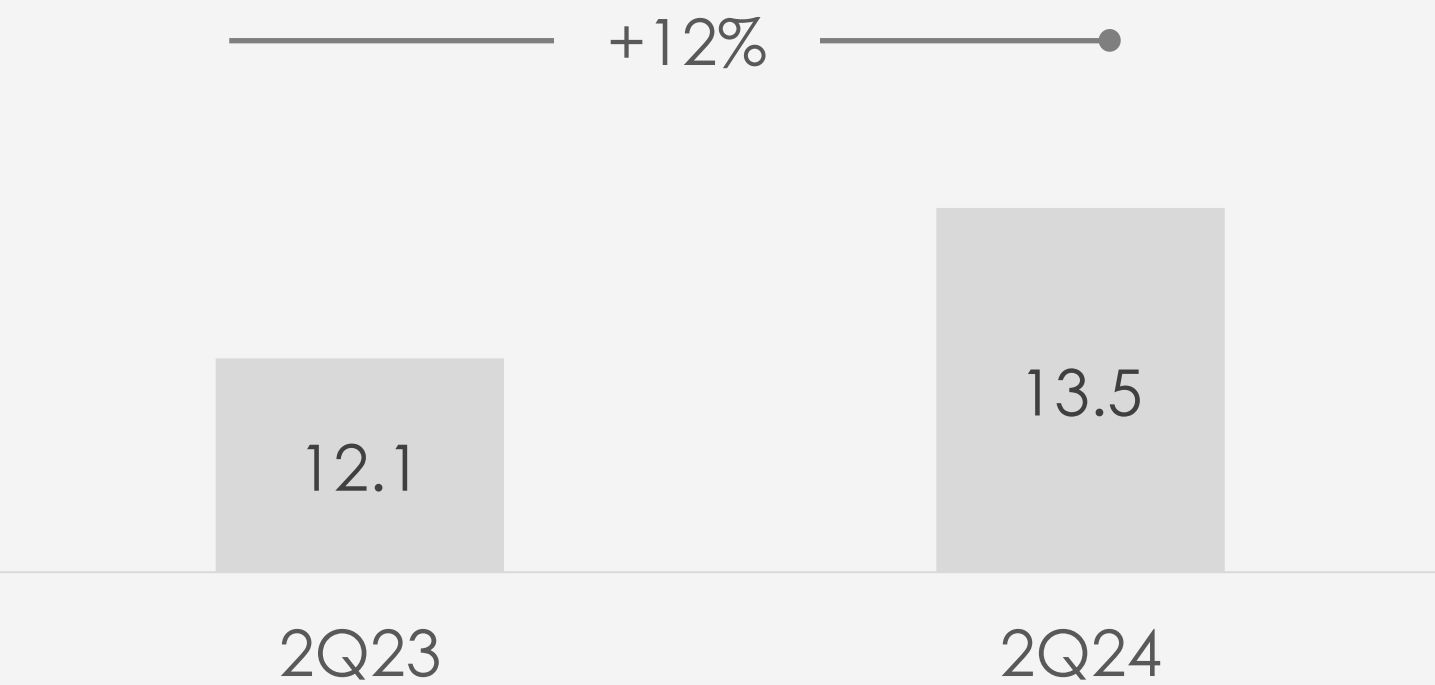
Active Users
(mn)



Cumulative APP
downloads (YoY)



of Orders
(mn)



Island-wide logistics network



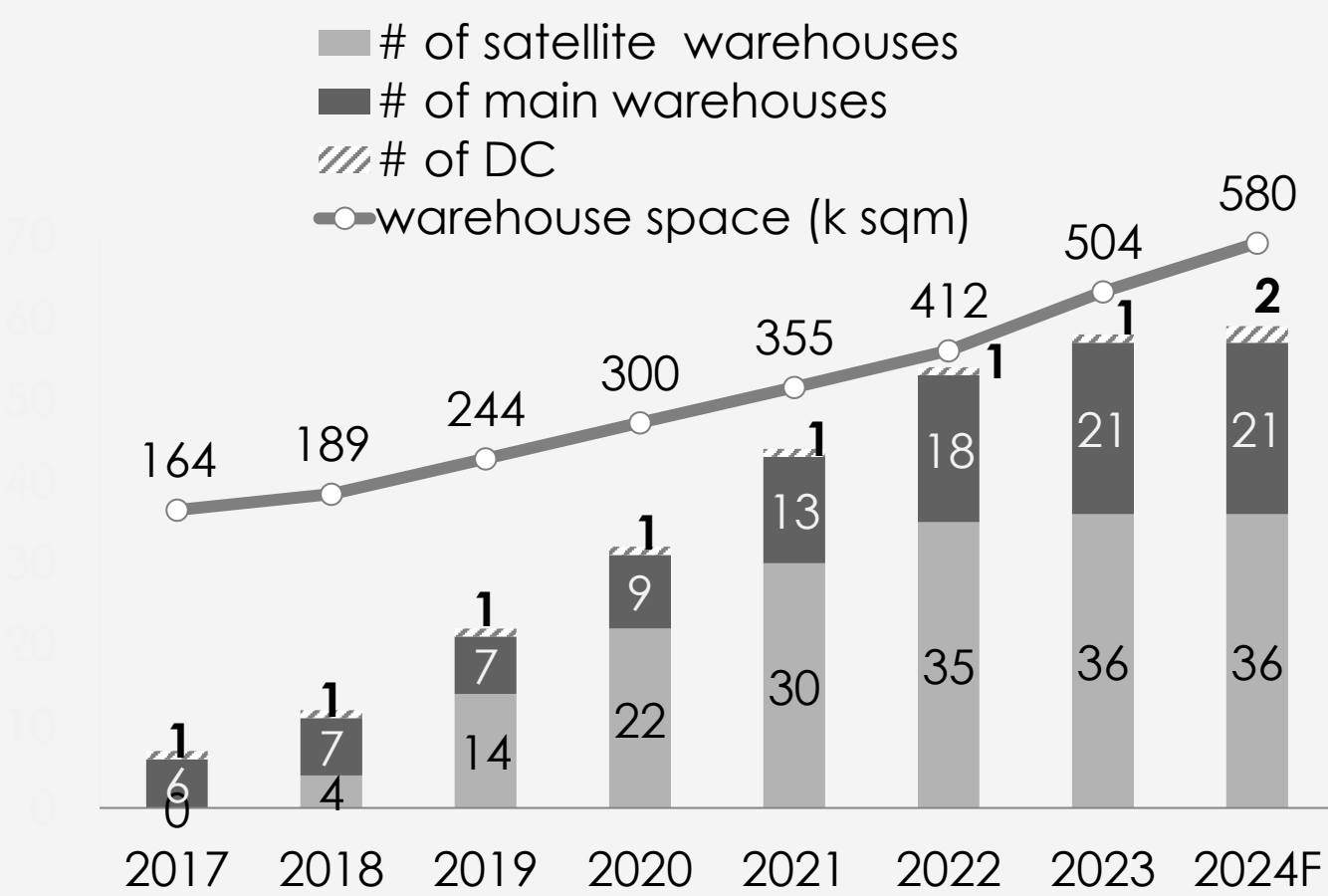
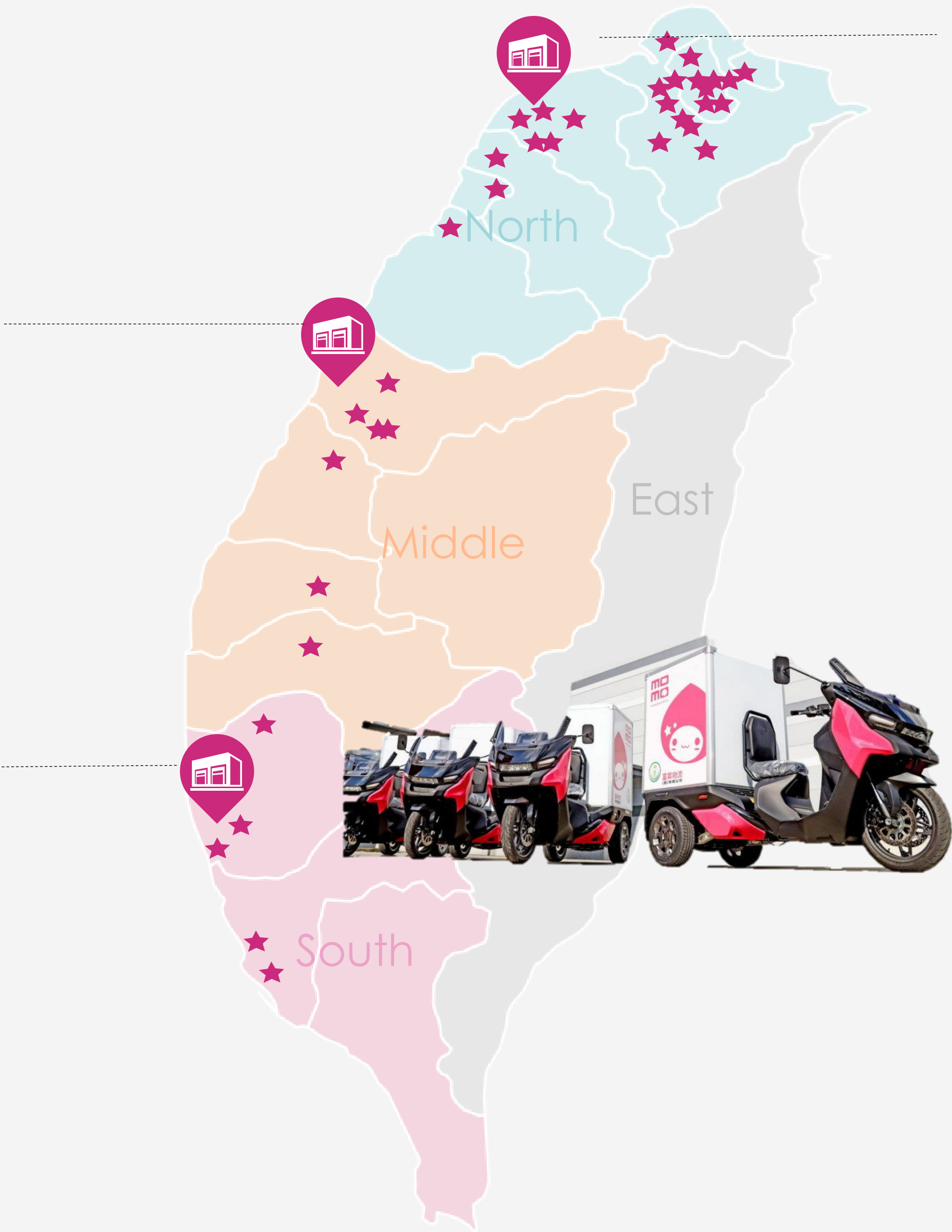
CDC
Construction began in 4Q23



SDC
Grand opening in 4Q24



NDC
Launched in 2017



Sustainability and ESG



Product Value, Service Value Brand Value

- Consolidated revenue of NT\$109.2 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 8 consecutive years
- 5 consecutive selected as a constituent of the FTSE4Good TIP Taiwan ESG Index
- MSCI ESG Rating : AA
- momo sustainability performance received 5 official accreditations and 15 awards given by professional institutions in 2023
- In September 2023, the "momo Green Life Member" program was launched to encourage members to use consolidated deliveries and recyclable packaging. By the end of June 2024, over 470,000 members had joined.



Green Consumption Value

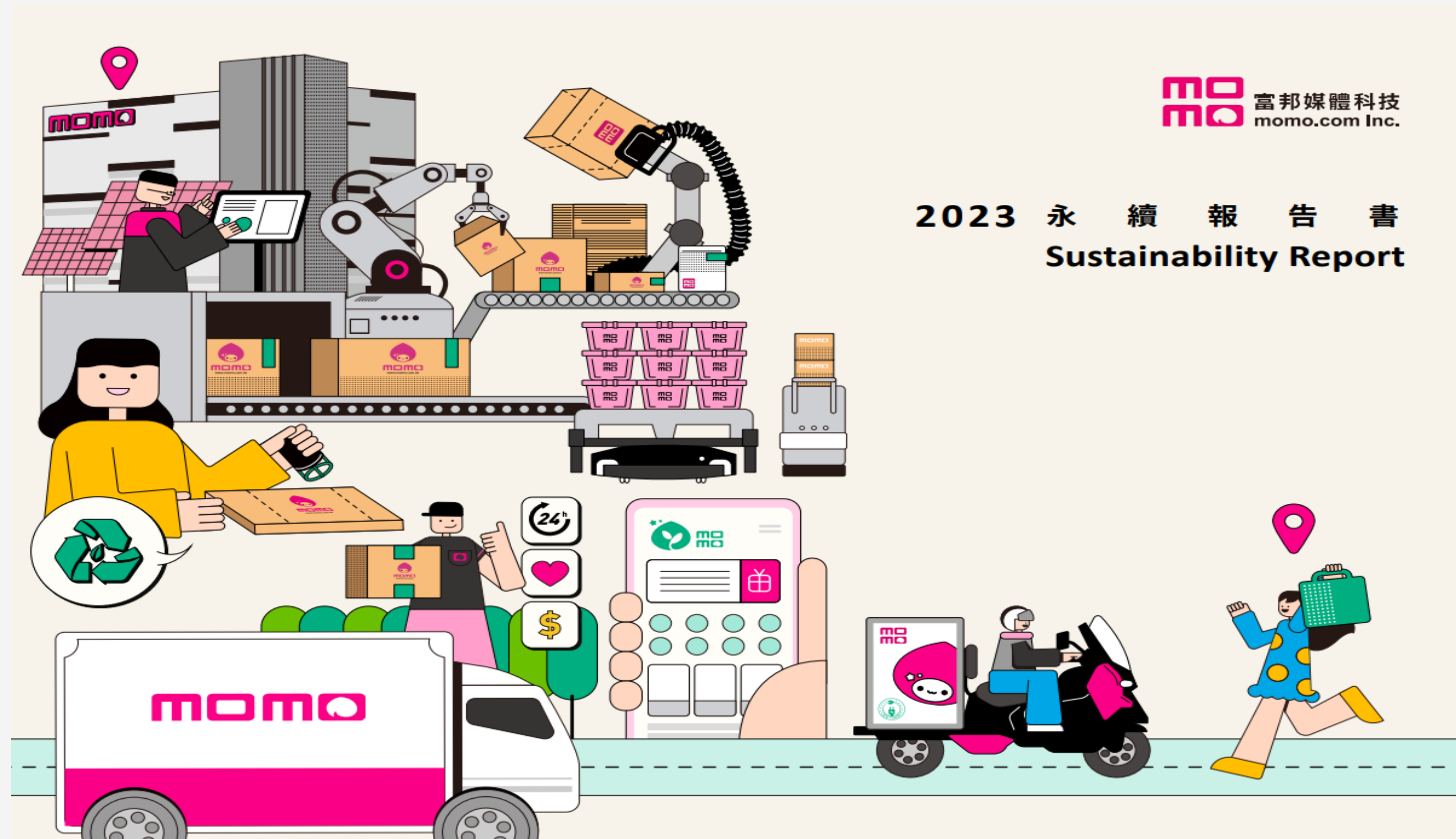
- Obtained the "Product Carbon Footprint Label" official certificate
- The NDC generated over 1,200,000 kWh of cumulative solar power in 2023
- Green procurement amounted to NT\$810,520,724 in 2023
- "momo reusable bags" incorporated 30% recycled materials and the number of recycling locations surpassed 15,000
- A single packaging material weighed 152.39g on average in 2023, down 20.97% compared to 2019, with cushioning material use down 37.7% from the same period in 2019
- All vehicles purchased by momo green fleet are environmentally friendly, with 152 trucks purchased meeting Tier 1 energy efficiency, 145 scooters meeting Tier 2 energy efficiency, and 50 electric 3-wheelers scooters for commercial use are introduced.



Social Value Talent Value

- Promoted over 70 charity and project events with total charity proceeds reaching a record high of NT\$120mn
- Created force for good together with consumers, with money and supplies donations made by 231,905 momo members and benefited 66,622 recipients
- 52% of executives are female supervisors/managers
- Education and training costs of NT\$ 4,796,466 with an average training cost of NT\$1,357 per full-time employee
- Total e-learning training reaches 84,390 hours
- 8 main warehouses are Awarded the Badge of Accredited Healthy Workplace

Sustainability Report



2023 full report [momo.com 2023 ESG report](#)



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