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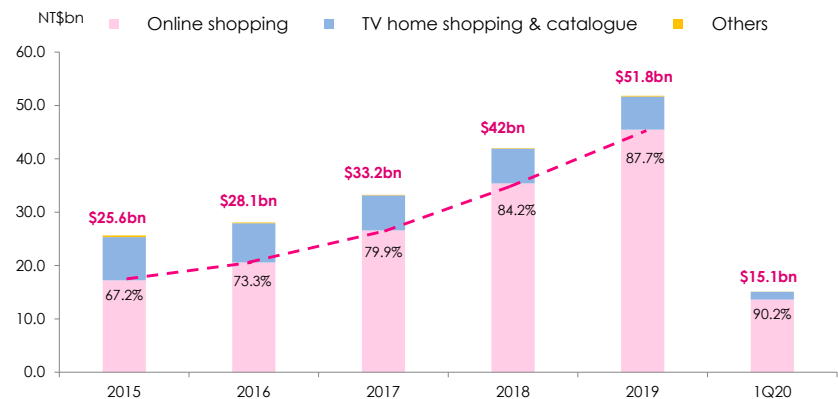
momo.com Consolidated P&L

P&L (NT\$ mn)	1Q20A	1Q19A	YoY	2019A	2018A	YoY
Revenue	15,105.7	11,735.6	28.7%	51,830.4	42,017.0	23.4%
Gross product profit	2,329.1	1,985.8	17.3%	8,323.6	7,212.9	15.4%
Operating costs	(850.2)	(764.0)	(11.3%)	(3,238.9)	(2,952.7)	(9.7%)
Gross profit from operations	1,478.9	1,221.8	21.0%	5,084.6	4,260.2	19.4%
EBITDA	753.0	603.3	24.8%	2,328.6	1,743.0	33.6%
OPEX	(917.0)	(768.1)	(19.4%)	(3,429.0)	(2,837.8)	(20.8%)
Operating profit	561.9	453.7	23.8%	1,655.6	1,422.4	16.4%
Income from LT investments	(9.8)	2.0	n.m.	49.1	50.5	(2.7%)
Other non-op income	5.1	17.9	(71.5%)	16.2	6.7	141.8%
Pretax profit	557.2	473.6	17.7%	1,720.9	1,479.6	16.3%
Tax	115.9	78.0	48.6%	328.2	34.9	840.4%
Net income	441.3	395.6	11.6%	1,392.7	1,444.7	(3.6%)
Less minorities	(0.6)	(0.3)	100.0%	(1.1)	(5.0)	(78%)
Net income to parent	441.9	395.9	11.6%	1,393.8	1,449.6	(3.9%)
Adjustments	0.0	*(27.9)		(27.9)	(254.3)	
Recurring net income to parent	441.9	368.0	20.1%	1,365.9	1,195.3	14.3%
Basic EPS	3.16	2.83	11.6%	9.95	10.35	(3.9%)
Recurring basic EPS	3.16	2.63	20.1%	9.75	8.53	14.3%
Take rate	15.4%	16.9%	-1.5%	16.1%	17.2%	-1.1%
Gross margin from operations	9.8%	10.4%	-0.6%	9.8%	10.1%	-0.3%
EBITDA margin	5.0%	5.1%	-0.1%	#4.5%	4.1%	+0.4%
Operating margin	3.7%	3.9%	-0.2%	3.2%	3.4%	-0.2%
Pretax margin	3.7%	4.0%	-0.3%	3.3%	3.5%	-0.2%
Net margin	2.9%	3.4%	-0.5%	2.7%	3.4%	-0.7%

*Including NT\$17.8mn tax benefit in 1Q19# Pre-IFRS16 EBITDA margin was 3.9% in 2019A

1Q20 Operational Highlights

- momo's 1Q20 consolidated revenue totaled NT\$15,105mn (+28.7%YoY), posting stronger sequential growth, amid the Covid-19 pandemic. The robust growth was driven by B2C's accelerating growth of 35.5%YoY (vs. 32.9%YoY in 4Q19, 19.6%YoY in 1Q19) stemming from an increase of online shopping frequency and a higher number of active users. Anti-epidemic related items, FMCG and F&B saw stronger demand as consumers tried to avoid crowded public places. While, TV shopping, with more discretionary products, revenue declined 8.4%YoY. Some items among home appliance and apparel/fashion were also affected by China factory shutdown and supply chain challenges in 1Q20.



- 1Q20 EBITDA increased 24.8% YoY to NT\$753mn; while, EBITDA margin was 5%, flattish on a YoY basis, despite B2C accounted 74.4% in EBITDA mix (vs. 64.6% in 1Q19). The growth of EBITDA can be attributed to strong B2C EBITDA margin of 4.1% (vs. 3.4% in 2019) on the back of favorable product mix in non-3C categories and less discounts & promotions during the quarter.

- 1Q20 recurring revenue based EPS were NT\$3.16 (+20.1%YoY). Net income for 1Q20 totaled NT\$441mn (+11.6%YoY). Comparing to 1Q19 recurring profit (after adjusting NT\$27.9mn of one-time gain), 1Q20 recurring revenue based EPS increased 20.1%YoY. The Covid-19 pandemic is already impacting buyer behavior in Taiwan, with consumers increasing use of online purchase, which should accelerate online adoption in Taiwan retail market over long term.



I. Revenue Analysis

Figure 1 – Consolidated Revenue Breakdown

(NT\$ mn)	1Q20A	1Q19A	YoY	2019A	2018A	YoY
momoshop (B2C)	13,606.8	10,040.6	35.5%	45,419.5	35,329.8	28.6%
momomall (B2B2C)	14.4	14.4	0.0%	57.6	59.0	(2.4%)
TV home shopping	1,287.1	1,405.8	(8.4%)	5,327.3	5,508.0	(3.3%)
Catalogue	168.3	245.3	(31.4%)	871.7	1,020.7	(14.6%)
*Others	29.1	29.5	(1.4%)	154.3	99.5	55.1%
Total Revenue	15,105.7	11,735.6	28.7%	51,830.4	42,017.0	23.4%

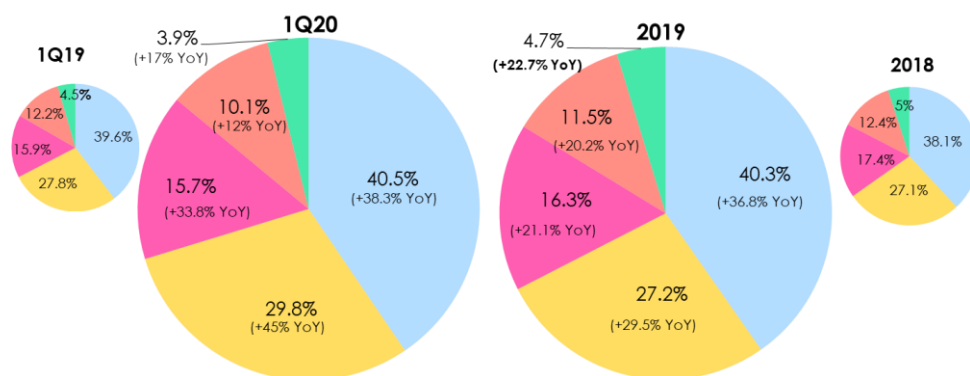
*Other revenue consists of operating revenue from our 70%-held Fubon Gehua (Beijing), 85%-held BÉBÉ POSHÉ, and 100%-held supporting business units (travel agency and insurance distribution agent).

momoshop (B2C):

Revenue from momoshop increased 35.5% YoY to NT\$13,606mn in 1Q20, outperforming +28.6% YoY in 2019.

1Q20 YoY sales growth accelerated vs. +19.6%YoY in 1Q19, driven by the change in online purchase behavior amid the Covid-19 pandemic. As consumers tried to avoid crowded public venues, they switched from buying offline to buying online, in particular anti-epidemic related items, FMCG and F&B, resulting in stronger growth among Household (+45%YoY), 3C & Home appliance (+38.3%YoY) and Beauty & Healthcare (+33.8%YoY). In contrast, Fashion & Luxury underperformed owing to less new product launches. Brands/merchants were reluctant to launch new products owing to the COVID-19-induced economic uncertainty.

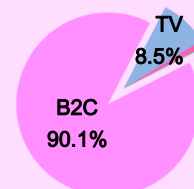
- 3C & Home appliance
- Household
- Fashion & Luxury
- Beauty & Healthcare
- Sports & Leisure



During the quarter, mobile commerce net revenue jumped +48.3%YoY vs. +41.1%YoY in 2019; while a stable growth of PC based net revenue ended up +12.3% YoY. **The number of transactions rose 40%YoY to 6.5mn, and the number of new customers increased 10-20%YoY.** However, the average ticket size fell to NT\$2,088 (-3.4%YoY), dragged down by product mix with more FMCG and F&B.

Loyal program was launched in late 4Q19. momo co-branded a credit card with Fubon bank with 5% generous loyalty points rebate. During the quarter, momo credit cardholders' spending accounted 15% of total credit card spending, with average ticket size of NT\$2,338, 12% higher vs. the average momo customers.

1Q20 Revenue Breakdown by BUs:



Note: Catalogue 1.1%; Others 0.2%; B2B2C 0.1%

1Q20 B2C growth accelerated at 35.5%YoY driven by the change in online purchase behavior amid the Covid-19 pandemic

Number of transaction/active users rose +40% YoY/+10-20% YoY



TV home shopping & Catalogue:

Our TV shopping revenue declined 8.4%YoY to NT\$1,287mn given customers focused on stockpiling necessities, benefiting on B2C, however decreased discretionary spending, such as beauty, luxury apparels/fashion, thus -VE affecting TV shopping sales. Meanwhile, softer-than-expected revenue for TV shopping & catalogue was also due to China supply chain constrains as part of white-label products are sourced from China.

From momo.com's group perspective, though TV shopping business underperformed in 1Q20, it will lead to ongoing acceleration of online retail adoption in Taiwan. We believe TV shopping remains a complementary business for B2C, offering another channel to engage with consumers, and offering a channel for sourcing product differentiation, such as unique Korean/local products and private/white label. momoshop also leverages TV shopping's core competence (presentation & production skill) to develop live-streaming (KOL marketing) in B2C platforms.

II. EBITDA Analysis

Figure 3 – EBITDA Breakdown

EBITDA (NT\$ mn)	1Q20A	1Q19A	YoY	2019A	2018A	YoY
momoshop (B2C)	560.3	389.6	43.8%	1,553.6	1,091.1	42.4%
momomall (B2B2C)	0.1	(2.7)	n.m.	(14.5)	(30.7)	52.8%
TV home shopping	187.1	203.4	(8.0%)	721.5	645.6	11.8%
Catalogue	19.0	14.7	29.3%	78.8	55.8	41.2%
Others ¹	*(13.5)	(1.7)	(694.1%)	(10.8)	(18.9)	42.9%
Total EBITDA	753.0	603.3	24.8%	2,328.6	1,743.0	33.6%
Pre-IFRS 16 EBITDA				2,013.6		15.5%
EBITDA margin	1Q20A	1Q19A	YoY	2019A	2018A	YoY
momoshop (B2C)	4.1%	3.9%	+0.2%	3.4%	3.1%	+0.3%
momomall (B2B2C)	0.7%	(18.8%)	+19.5%	(25.1%)	(52.0%)	+26.9%
TV home shopping	14.5%	14.5%	+0.0%	13.5%	11.7%	+1.8%
Catalogue	11.3%	6.0%	+5.3%	9.0%	5.5%	+3.5%
Others ¹	(46.4%)	(5.8%)	-40.6%	(7.0%)	(19.0%)	+12.0%
EBITDA margin	5.0%	5.1%	-0.1%	4.5%	4.1%	+0.4%
Pre-IFRS 16 EBITDA margin				3.9%		-0.2%

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).

*Including (NT\$13.9mn) from bebe poshe

momoshop (B2C):

B2C's EBITDA increased 43.8% YoY to NT\$560mn, accounted for 74.4% of consolidated EBITDA vs. 64.6% in 1Q19. **B2C EBITDA margin saw 0.2%YoY increase to 4.1% on the back of favorable product mix in non-3C categories and less discounts & promotions during the quarter.** Meanwhile, 3C & Home appliance's take rate saw both QoQ and YoY improvement on product mix and economics of scale.

TV home shopping:

TV shopping remains as a cash cow to momo.com. During the quarter, its EBITDA dropped 8% YoY to NT\$187.1mn and **EBITDA margin was 14.5%, same as 1Q19.**

Catalogue:

Given a challenging environment for catalogue business, momo reduced its print circulation to 250,000 per issue in 1Q20 (vs. 450,000 in 1Q19). Its EBITDA increased 29.3% YoY to NT\$19mn and EBITDA margin ended up 5.3%YoY.

Softer-than-expected TV shopping biz, partly dragged by China supply chain constrains

EBITDA increased 24.8% YoY in 1Q20, driven by strong growth in B2C

B2C EBITDA margin was 4.1% vs. 3.9% in 1Q19

TV EBITDA margin was 14.5%, flattish on a YoY basis



Non-operating profit/(loss):

Net non-operating loss totaled NT\$4.7mn in 1Q20. For Global mall, momo recognized a loss of NT\$18.3mn and the weakness was due to China supply chain disruption.

Tax rate

momo's tax rate as a percentage of pretax profit was 20% in 1Q20.

III. Balance Sheet Analysis

Figure 4 – Balance Sheet

NT\$ mn	1Q20	1Q19	YoY%	4Q19	QoQ%
Cash & cash equivalents	4,371.0	3,420.0	27.8%	3,819.2	14.4%
Accounts receivables	113.0	53.9	109.6%	130.9	-13.7%
Other receivables	824.3	902.6	-8.7%	864.2	-4.6%
Inventories	2,126.5	1,678.3	26.7%	2,405.9	-11.6%
Other current assets	493.1	285.0	73.0%	327.2	50.7%
Current assets	7,927.9	6,339.8	25.0%	7,547.4	5.0%
Long term investments	1,032.3	1,242.0	-16.9%	1,084.0	-4.8%
PP&E	4,331.2	4,428.3	-2.2%	4,364.9	-0.8%
Other non-current assets	1,704.7	1,062.2	60.5%	1,602.9	6.4%
Total non-current assets	7,068.2	6,732.5	5.0%	7,051.8	0.2%
Total Assets	14,996.1	13,072.3	14.7%	14,599.2	2.7%
Short term borrowings	0.0	0.0	0.0%	0.0	0.0%
Accounts payable	5,533.6	4,279.7	29.3%	5,334.3	3.7%
Other payables	500.7	399.2	25.4%	729.3	-31.3%
Other current liabilities	1,344.5	950.3	41.5%	1,308.7	2.7%
Non-current liabilities	1,014.5	815.8	24.4%	1,050.7	-3.4%
Total Liabilities	8,393.3	6,445.0	30.2%	8,423.0	-0.4%
Common stock	1,400.6	1,400.6	0.0%	1,400.6	0.0%
Capital surplus	2,647.4	2,977.0	-11.1%	2,647.4	0.0%
Retained earnings	2,719.4	2,366.2	14.9%	2,280.7	19.2%
Treasury share	0.0	0.0	0.0%	0.0	0.0%
Other equity items	(164.6)	(116.5)	41.3%	(152.5)	7.9%
Shareholders' equity	6,602.8	6,627.3	-0.4%	6,176.2	6.9%

**NT\$4.3bn in net cash or
NT\$31.2 per share**

Cash & cash equivalents:

Cash position in 1Q20 was NT\$4,371mn, an increase of 27.8% YoY. momo ended 1Q20 with approximately NT\$4,368mn in net cash, or NT\$31.20 per share (140mn shares outstanding).

Inventory:

1Q20 inventory at NT\$2,126mn was 26.7% higher on a YoY basis on concern over the potential further manufacturing and logistics challenges in 2Q20.

Currently, our warehouses hold ~658, 000 SKUs vs. 598, 000 SKUs in 1Q19. To further improve our fulfillment experience and delivery efficiency, our inventories, both owned and on consignment, were allocated to our 8 warehouses + 15 satellite warehouses (8 northern /4 middle/ 3 southern Taiwan) during the quarter.



IV. Cashflow Analysis

Figure 5 – Cashflow

NT\$ mn	1Q20A	1Q19A	YoY	2019A	2018A	YoY
(+) Operating profit	561.9	453.7	23.8%	1,655.6	1,422.4	16.4%
(+) D&A	191.2	149.5	27.9%	673.0	320.6	109.9%
ΔWC*-1 (during the period)	306.4	(299.4)	(202.3%)	324.3	(138.4)	(334.3%)
Others	(161.3)	141.3	(214.2%)	183.5	481.0	(61.9%)
Operating cashflow	898.3	445.1	101.8%	2,836.4	2,085.6	36.0%
Capex	(50.3)	(28.2)	78.4%	(261.5)	(737.7)	(64.6%)
FCF	848.0	416.9	103.4%	2,574.9	1,347.9	91.0%
Other investing cashflow	(202.7)	35.0	(679.1%)	(137.1)	53.9	(354.4%)
Investing cashflow	(252.9)	6.8	(3819.1%)	(398.6)	(683.9)	(41.7%)
Financing cashflow	(88.5)	(56.4)	56.9%	(1,549.3)	(1,178.1)	31.5%
Change in cash	556.9	395.5	40.8%	888.6	223.7	297.2%

**FCF of NT\$848mn
(+103% YoY)**

FCF

FCF in 1Q20 was NT\$848mn, an increase of 103.4%YoY, benefiting from higher operating income, lower inventory level vs. 4Q19, and despite the higher D&A expenses.

CAPEX

CAPEX spent in 1Q20 totaled NT\$50.3mn, an increase of 78.4%YoY, as the bulk of the spending was for automated conveyor sorting system, as part of our nationwide logistics deployment.

Investing cashflow

The decline of NT\$252.9mn in investing cashflow included NT\$130mn down payment for the land of South Distribution Center and NT\$100mn for more than 3-month deposits.

WC (NT\$mn)	1Q20A	1Q19A	YoY
Accounts Receivable	937.3	956.5	(2.0%)
Inventories	2,126.5	1,678.3	26.7%
Accounts Payable	6,025.9	4,666.8	29.1%
Working Capital	(2,962.1)	(2,032.0)	45.8%
ΔWC (YoY)	(930.1)	113.8	n.m.

**Working capital
remained negative at
-NT\$2,962mn**

CCC	1Q20A	1Q19A	YoY	2019A	2018A	YoY
AR Days	5.8	8.0	(2.3)	7.5	9.1	(1.6)
Inventory Days	15.0	14.1	0.8	15.7	12.9	2.9
AP Days	39.9	41.8	(1.8)	43.6	46.2	(2.7)
CCC(days)	(19.2)	(19.6)	0.4	(20.3)	(24.2)	4.0

**CCC remained at
healthy level at -19.2
days vs. -19.6 days in
1Q19**

Working Capital

Total working capital required for momo's operation was -NT\$2,962mn in 1Q20 vs. -NT\$2,032mn in 1Q19, a decrease of 45.8% YoY, given the increase in accounts payable of 29.1% YoY to NT\$6,025.9mn. The growth of accounts payable was driven by higher inventory and operating cost level vs. 1Q19.

Cash Conversion Cycle (days):

CCC remains at a healthy level of -19.2 days (vs. -19.6 days in 1Q19, -20.3 days in 2019). AR turnover days was 5.8 days (vs. 8.0 days in 1Q19, 7.5 days in 2019), as a result of higher receivables turnover ratio, the collection of accounts receivable was more efficient. AP turnover days was 39.9 days (vs. 41.8 days in 1Q19, 43.6 days in 2019), as payables were being paid more quickly.