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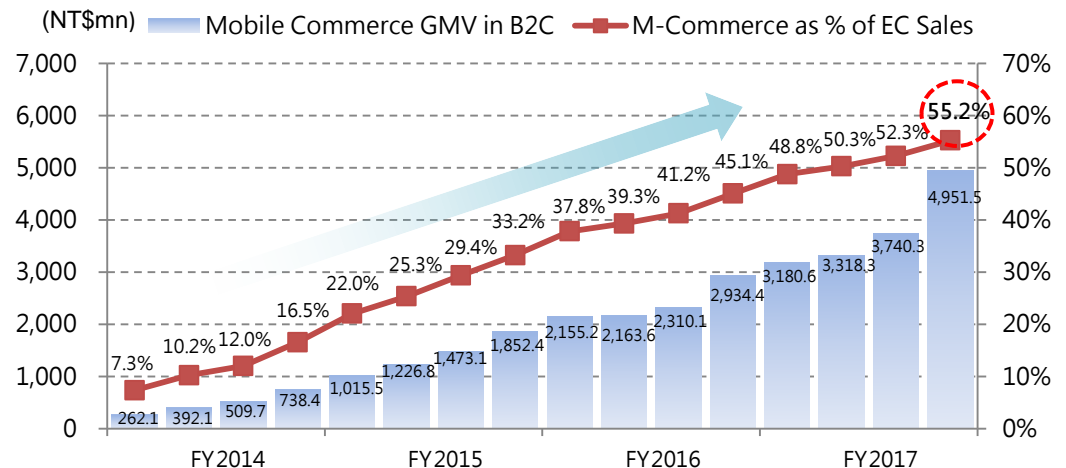
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momo.com Consolidated P&L

P&L (NT\$ mn)	4Q17A	4Q16A	YoY	FY2017A	FY2016A	YoY
Revenue	9,940.0	7,620.7	30.4%	33,238.5	28,080.8	18.4%
Gross profit	1,074.1	831.0	29.3%	3,647.3	3,311.1	10.2%
EBITDA	469.6	337.0	39.4%	1,515.5	1,370.7	10.6%
Operating profit	424.1	311.6	36.1%	1,389.1	1,270.4	9.3%
Income from LT investments	10.3	21.2	(51.5%)	82.3	78.6	4.7%
Other non-op income	6.2	15.5	(60.0%)	49.0	62.3	(21.4%)
Pretax profit	440.6	348.3	26.5%	1,520.3	1,411.3	7.7%
Tax	78.7	61.0	29.0%	257.7	244.7	5.3%
Net income	362.0	287.3	26.0%	1,262.6	1,166.6	8.2%
Less minorities	(1.7)	(2.9)	(40.9%)	(7.4)	(16.6)	(55.1%)
Net income attrib. parent	363.7	290.2	25.3%	1,270.1	1,183.2	7.3%
Basic EPS ^A	2.60	2.07	25.3%	9.07	8.45	7.3%
Gross margin	10.8%	10.9%	-0.1ppts	11.0%	11.8%	-0.8ppts
EBITDA margin	4.7%	4.4%	+0.3ppts	4.6%	4.9%	-0.3ppts
Operating margin	4.3%	4.1%	+0.2ppts	4.2%	4.5%	-0.3ppts
Pretax margin	4.4%	4.6%	-0.1ppts	4.6%	5.0%	-0.5ppts

4Q17/FY2017 Operational highlights

● momo's 4Q17 consolidated revenue set yet another new quarterly high, totaling NT\$9.9bn with an increase of 30.4% YoY, the fastest YoY growth on quarterly basis since listing in 4Q14. The growth benefitted from cross platform success of Singles Day (11/11) and 12/12 promotional events and accelerating growth of B2C revenue which was driven by the strong growth of mobile platform revenue (+72.7% YoY) during the quarter. In addition, TV homeshopping also saw its 1st quarterly YoY growth (+8.7% YoY) for revenue since 4Q15.



*Based on B2C data

- 4Q17 EBITDA increased 39.4% YoY to NT\$469.6mn and EBITDA margin increased 0.3ppt YoY to 4.7%. The growth of EBITDA can be attributed to:
 - 1) Higher profit contribution from the B2C business, which increased 28.8% YoY to NT\$ 365.4mn and accounted for 77.8% of consolidated EBITDA.
 - 2) The 2.5x strong YoY growth of TV business with 8.0% EBITDA margin
- 4Q17 net income attributed to parent and basic EPS totaled NT\$363.7mn and NT\$2.6, with increases of 25.3% YoY. Both net income and EPS for 4Q17 are historical highs.
- momo's 2017 revenue totaled NT\$33.2bn, an increase of 18.4% YoY, aided by a 29.2% YoY growth from our B2C business. Consolidated EBITDA during the period increased 10.6% YoY to NT\$1.5bn, as EBITDA for B2C increased 17.0% YoY and TV saw a 9.2% YoY increase during the year. Given the higher contribution for the B2C business EBITDA margin declined 0.3ppt to 4.6%. 2017 net income attributed to parent increased 7.3% YoY to NT\$1.27bn, a historical record, and EPS increased 7.3% YoY to NT\$9.07.



I. Revenue Analysis

Figure 1 – Consolidated Revenue Breakdown

(NT\$ mn)	4Q17A	4Q16A	YoY	FY2017A	FY2016A	YoY
momoshop (B2C)	8,193.4	5,798.4	41.3%	26,498.0	20,510.5	29.2%
momomall (B2B2C)	16.1	19.2	-16.0%	73.9	69.1	7.0%
TV home shopping	1,468.9	1,351.8	8.7%	5,391.6	5,754.8	-6.3%
Catalogue	244.1	404.2	-39.6%	1,209.7	1,596.7	-24.2%
Others ¹	17.4	47.1	-63.0%	65.3	149.8	-56.4%
Total Revenue	9,940.0	7,620.7	30.4%	33,238.5	28,080.8	18.4%

Note 1: Other revenue consists of operating revenue from our 70%-held Fubon Gehua (Beijing) and 100%-held supporting business units (travel agency and insurance distribution agent).

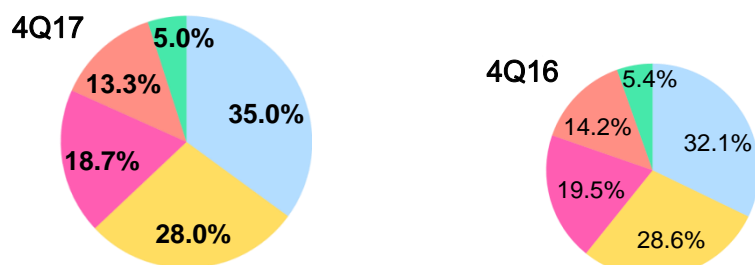
momoshop (B2C):

Revenue from momoshop increased 41.3% YoY to NT\$8.2bn in 4Q17 and accounted for 82.6% of momo's total revenue during the period, a new quarterly high. The increase is reflective of momo's successful market share gain and can be attributed to 1) the success of cross platform Singles Day (11/11) and 12/12 promotional events given the higher SKU availability; and 2) the accelerating growth from our mobile platforms that saw net GMV increases of 72.7% on YoY basis during 4Q17. In 2017, B2C revenue surged 29.2% YoY to NT\$2.6bn.

For B2C, all major categories saw YoY growth of more than 25% in 4Q17. The fastest growing categories for the quarter were 3C electronics and households, with increases of 53.4% YoY and 37.6% YoY respectively. 3C Electronics and household items accounted for 35.0% and 28.0% of revenue during 4Q17, versus 32.1% and 28.6% in 4Q16.

Figure 2 – Category Breakdown for B2C

- 3C Electronics
- Household
- Fashion & Luxury
- Beauty & Healthcare
- Sports & Outdoors



momomall (B2B2C):

Commission income declined 16.0% YoY to NT\$16.1mn in 4Q17 but increased 7.0% YoY to NT\$73.9mn. GMV for our B2B2C business declined 21.8% YoY to NT\$262mn in 4Q17 and 4.2% YoY to NT\$1,051mn in 2017 as momo did not offer free shipping subsidies during the year.

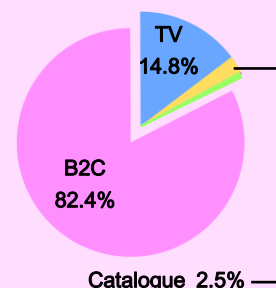
TV home shopping & Catalogue:

In 2017, TV homeshopping revenue declined 6.3% YoY to NT\$5.4bn; however, revenue increased 8.7% YoY in 4Q17, the first quarterly YoY growth since 4Q15, aided by the listing of momo channels on MoD platform (offered by Chung Hwa Telecom) in October. momo terminated the operation of momo channel 3 on Jan. 1st, 2018.

Catalogue business, which has approximately 65-75% of its product listings are TV home shopping products, saw revenues declines of 39.6% to NT\$244.1mn in 4Q17 and 24.2% YoY to NT\$1,209.7mn in 2017.

*momoshop, our B2C platform, generated **82.4% of 4Q17 consolidated revenue vs. 76.1% in 4Q16***

4Q17 Revenue Breakdown by BUs:



Note: B2B2C 0.2%; Others 0.2%

More products and higher mobile sales are key catalysts for growth; mobile sales increased 72.7% YoY in 4Q17

All 5 major categories saw revenue growth of at least 25% YoY; 3C Electronics and household items were the fastest growing categories in 4Q17 and 2017

TV revenue saw its first quarterly YoY growth (+8.7%) since 4Q15, aided by the listing of MoD channels

momo channel 3's operation ended on Jan. 1, 2018.



II. EBITDA Analysis

Figure 3 – EBITDA Breakdown

EBITDA (NT\$ mn)	4Q17A	4Q16A	YoY	FY2017A	FY2016A	YoY
momoshop (B2C)	365.4	283.8	28.8%	1,161.4	992.7	17.0%
momomall (B2B2C)	(10.3)	(14.2)	(27.3%)	(36.7)	(77.5)	(52.6%)
TV home shopping	117.8	33.4	252.5%	348.8	319.4	9.2%
Catalogue	3.3	34.6	(90.6%)	55.3	141.9	(61.0%)
Others ¹	(6.5)	(0.7)	841.8%	(13.3)	(5.7)	133.0%
Total EBITDA	469.6	337.0	39.4%	1,515.5	1,370.7	10.6%
EBITDA Margin	4Q17A	4Q16A	YoY	FY2017A	FY2016A	YoY
momoshop (B2C)	4.5%	4.9%	-0.4ppts	4.4%	4.8%	-0.5ppts
momomall (B2B2C)	-63.9%	-73.8%	+9.9ppts	-49.7%	-112.2%	+62.5ppts
TV home shopping	8.0%	2.5%	+5.5ppts	6.5%	5.5%	+0.9ppts
Catalogue	1.3%	8.6%	-7.2ppts	4.6%	8.9%	-4.3ppts
Others ¹	-37.3%	-1.5%	-35.8ppts	-20.4%	-3.8%	-16.6ppts
EBITDA margin	4.7%	4.4%	+0.3ppts	4.6%	4.9%	-0.3ppts

Note 1: Other consists of operating revenue from our 70%-held Fubon Gehua (Beijing) and 100%-held supporting business units (travel agency and insurance distribution agent).

momoshop (B2C):

EBITDA margin declined 0.4ppts YoY in 4Q17, given the higher 3C Electronics mix and higher fulfillment rate for deliveries from our warehouse (fulfillment rate from our warehouse was 64.0% in 4Q17 vs. 58.7% in 4Q16). However, momoshop's EBITDA increased 28.8% YoY to NT\$365.4mn in 4Q17 driven by higher revenue and accounted for 77.8% of momo's consolidated EBITDA. B2C's EBITDA in 2017 increased 17.0% YoY to NT\$1,161.4mn, a historical high.

momomall (B2B2C):

Losses from our momomall, declined by 27.3% YoY to NT\$10.3mn. Losses totaled NT\$36.7mn, a decline of NT\$36.7mn. As of 4Q17, there are ~4,000 suppliers on momomall, an increase of more than 900 versus 4Q16.

TV home shopping:

In 4Q17, TV home shopping's EBITDA increased 252.5% to NT\$117.8mn. Higher revenue base, combined with lower cable costs, resulted in the EBITDA recovery and EBITDA margin expansion to 8.0% vs. 2.5% in 4Q16 and 3.6% in 3Q17. For FY2017, EBITDA for TV homeshopping increased 9.2% YoY to NT\$348.8mn.

Non-operating profit:

Non-operating profit total NT\$16.5mn in 4Q17, a decline of 55.1% YoY. For 2017, total non-operating profit also declined 6.9% YoY to NT\$131.2mn. For GlobalMall, momo recognized a NT\$7.8mn profit in 4Q17 (-64.2% YoY), negatively impacted by pricing competition in the homeshopping industry in China and the losses from Citrus TV, a new joint venture in Dubai since 3Q17. For TVD-momo, momo recognized a profit of NT\$3.9mn in 4Q17 vs. NT\$0.8mn in 4Q16 and NT\$2.2mn in 3Q17 driven by improving revenue and profit in 4Q17. Interests and other incomes in 4Q17 totaled NT\$6.2mn, a decline of 60% as cash were needed for payment for the construction of warehouse.

Consolidated EBITDA in 4Q17 increased 39.4% YoY, driven by growth in B2C and TV businesses

Consolidated EBITDA margin in 4Q17 increased 0.3ppts driven by higher EBITDA margin for TV business (+5.5ppts YoY)

B2C's EBITDA declined in 4Q17 by 0.4 ppts on category shift and high fulfillment rate from warehouse

TV Homeshopping's EBITDA increased nearly 3.5x on improving revenue and lower cable cost



III. Balance Sheet Analysis

Figure 4 – Balance Sheet

NT\$ mn	4Q17A	4Q16A	YoY	3Q17A	QoQ
Cash & cash equivalents	3,575.1	3,756.6	-4.8%	2,795.4	27.9%
Accounts receivables	30.2	49.9	-39.5%	32.3	-6.5%
Other receivables	936.1	660.0	41.8%	563.7	66.1%
Inventories	1,036.6	312.3	231.9%	589.3	75.9%
Other current assets	105.8	936.3	-88.7%	211.3	-49.9%
Current assets	5,683.8	5,715.1	-0.5%	4,192.0	35.6%
Long term investments	1,300.6	1,286.7	1.1%	1,321.9	-1.6%
PP&E	4,565.3	2,921.2	56.3%	3,895.5	17.2%
Other non-current assets	228.2	188.3	21.2%	231.2	-1.3%
Total non-current assets	6,094.1	4,396.2	38.6%	5,448.6	11.8%
Total Assets	11,777.9	10,111.3	16.5%	9,640.6	22.2%
Short term borrowings	62.3	63.0	-1.1%	62.1	0.3%
Accounts payable	3,695.5	2,823.5	30.9%	2,724.4	35.6%
Other payables	1,254.7	574.5	118.4%	575.4	118.1%
Other current liabilities	631.4	605.4	4.3%	496.1	27.3%
Non-current liabilities	266.5	265.3	0.5%	260.3	2.4%
Total Liabilities	5,910.4	4,331.7	36.4%	4,118.3	43.5%
Common stock	1,420.6	1,420.6	0.0%	1,420.6	0.0%
Capital surplus	3,057.7	3,175.6	-3.7%	3,057.7	0.0%
Retained earnings	2,061.9	1,794.7	14.9%	1,698.5	21.4%
Treasury share	(397.2)	(397.2)	0.0%	(397.2)	0.0%
Other equity items	(257.5)	(214.1)	20.3%	(257.3)	0.1%
Shareholders' equity	5,867.5	5,779.6	1.5%	5,522.3	6.3%

Cash & equivalents:

Cash position in 4Q17 was NT\$3.6bn, lower by 4.8% YoY given the CAPEX earmarked for the automated warehouse, but higher by 27.9% QoQ vs. 3Q17, given improving profitability. momo ended 4Q17 with approximately NT\$3.5bn in net cash, or NT\$25.1 per share (142mn shares outstanding, including 2mn shares of treasury shares).

Inventory:

Inventory level increased 2.3x YoY and 75.9% QoQ to NT\$1,036.6mn in 4Q17 as active SKUs in warehouse increased as we continued to add warehouse capacity during the year. As of Dec. 31st, 2017, our active SKUs available to ship from our warehouse increased to 470,000 (+170,000 vs. year end 2016). In 2018, momo will commence service for 24 hour delivery island wide in Taiwan.

PP&E

PP&E increased 56.3% YoY and 17.2% QoQ to ~NT\$4.6bn in 4Q17, given our investment in our new automated warehouse. The warehouse officially commenced operation on Oct. 27th, 2017. There remains approximately NT\$500mn of final payments, payable in 2018, for the automated warehouse.

Decline in cash position on YoY basis is the result of CAPEX earmarked for our new automated warehouse

4Q17 inventory level was 3.3x higher vs. 4Q16 as more SKUs are stock in our warehouse

momo's balance sheet remains strong with NT\$3.5bn in net cash or approximately NT\$25.1 per share

In 4Q17, PP&E increased 56.3% YoY and 17.2% QoQ to NT\$4.6bn given the completion of our automated warehouse.



IV. Cashflow Analysis

Figure 5 – Cashflow

NT\$ mn	4Q17A	4Q16A	YoY	FY2017A	FY2016A	YoY
(+) Operating profit	424.1	311.6	36.1%	1,389.1	1,270.4	9.3%
(+) D&A	45.5	25.3	79.8%	126.4	100.3	26.0%
ΔWC*-1 (during the period)	378.5	278.0	36.2%	102.5	136.5	(24.9%)
Others	109.2	54.5	100.4%	(210.0)	(301.1)	(30.3%)
Operating cashflow	957.3	669.5	43.0%	1,408.0	1,206.1	16.7%
Capex	(261.3)	(226.3)	15.5%	(1,341.1)	(847.6)	58.2%
FCF	696.0	443.2	57.0%	66.9	358.5	(81.3%)
Other investing cashflow	95.7	(56.9)	n.m.	1,010.1	245.8	310.9%
Investing cashflow	(165.6)	(283.2)	(41.5%)	(331.0)	(601.9)	(45.0%)
Financing cashflow	5.6	(6.9)	n.m.	(1,120.8)	(987.2)	13.5%
Change in cash	797.3	379.4	110.1%	(43.7)	(382.9)	(88.6%)

FCF

FCF in 4Q17 was NT\$696.0 mn, an increase of 57.0% YoY, benefiting from higher operating income and lower working capital requirements, and despite the higher D&A expenses. We began booking partial D&A expenses related to the automated warehouse in 4Q17, totaling NT\$45.5 mn, for an increase of 79.8%. D&A expenses from the new warehouse is approximately NT\$180mn for FY2018.

CAPEX

Total CAPEX spend was NT\$261.3mn and NT\$1.3bn for 4Q17 and 2017. More than +90% of momo's CAPEX in both FY2016 and FY2017 are earmarked for the newly completed automated warehouse.

Financing cashflow

Net outflow from financing activities in 2017 is the result of dividend payment made during 2Q17. 4Q17 financing cashflow was NT\$5.6mn. momo paid dividend of NT\$8 per share in 2Q17 vs. NT\$7 per share in 2Q16.

Operating cashflow increased 43.0% YoY and FCF increased 57% YoY given higher operating profit and lower negative working capital requirement

CAPEX spend was NT\$261.3mn in 4Q17, an increase of 15.5% YoY; there remains a ~\$500mn payment for the automated warehouse, payable in 2018.



V. Financial Analysis

Figure 6 – Financial Ratios

Financial Ratios	4Q17A	4Q16A	YoY	FY2017A	FY2016A	YoY
Current ratio	100.7%	140.5%	-39.8ppts			
Interest coverage (x)	503.9	543.5	-39.6	452.0	419.4	+32.5
Net Debt (cash) to equity	-59.9%	-63.9%	+4.0ppts			
Net Debt (cash) to EBITDA (x)	(6.7)	(11.8)	+5.2	(1.5)	(1.9)	+0.4
ROE (annualized)	25.5%	20.6%	+5.0ppts	21.8%	20.7%	+1.1ppts
ROA (annualized)	13.6%	12.1%	+1.6ppts	11.6%	12.0%	-0.4ppts

Financial Ratios and ROE

momo has a mere **NT\$62.3mn** in interest bearing debt as of 4Q17 and remains in net cash position (NT\$25.1 per share) and net cash to equity of 59.9%. ROE in 4Q17 was 25.0% on an annualized basis, an improvement of 5.0ppt vs. 4Q16. ROE for 2017 was 21.8% vs. 20.7% in 2016.

Figure 7 – Working Capital & CCC Days

Working Capital NT\$ mn	4Q17A	4Q16A	YoY	3Q17A	QoQ
Accounts Receivable	966.3	709.9	36.1%	596.0	62.1%
Inventories	1,036.6	312.3	231.9%	589.3	75.9%
Accounts Payable	4,472.6	3,389.4	32.0%	3,276.6	36.5%
Working Capital	(2,469.7)	(2,367.2)	4.3%	(2,091.3)	18.1%
ΔWC (YoY)	(102.5)	(136.5)	-24.9%	(2.0)	-154.3%
CCC (days)					
AR Days	7.1	7.3	-0.2	6.6	+0.5
Inventory Days	8.3	3.3	+5.0	6.7	+1.5
AP Days	39.3	41.0	-1.7	41.5	-2.2
CCC (days)	(24.0)	(30.4)	+6.4	(28.2)	+4.2

*Inventory Days' calculation is based on data from cost of sales.

Working Capital:

Total working capital required for momo's operation was -NT\$2.5bn in 4Q17, a decrease of 4.3% YoY, despite an increase in inventories of nearly 2.3x YoY to NT\$1,036.6mn. The increase in inventory was offset by an increase of account payables, which increased 32.0% YoY to -NT\$4.5bn.

Cash Conversion Cycle (days):

momo's Cash Conversion Cycle (CCC) remains at a healthy -24.0 days even though inventory turnover days increased by 5.0 days, reflecting higher active SKUs in warehouse that improves our overall logistics capabilities.

Annualized ROE improved 5.0ppt YoY to 25.5% in 4Q17 and ROA also increased 1.6ppt to 13.6% in 4Q17 given our investment in the new warehouse

Total working capital required momo was a negative NT\$2.5bn in 4Q17

Although inventory turnover days increased 5.0 days YoY, momo's CCC remains at a healthy negative 24.0 days in 4Q17.