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Consolidated P&L

P&L (NT\$ mn)	4Q23	4Q22	YoY	2023	2022	YoY
Revenue **	32,835.8	31,802.8	3.2%	109,242.9	103,436.4	5.6%
Gross profit	4,390.0	4,470.7	(1.8%)	15,339.6	15,028.1	2.1%
Operating costs	(1,332.9)	(1,283.3)	3.9%	(4,796.7)	(4,756.1)	0.9%
Gross profit from operations	3,057.1	3,187.4	(4.1%)	10,543.0	10,272.0	2.6%
EBITDA	1,704.9	1,616.9	5.4%	5,592.8	5,393.3	3.7%
OPEX **	(1,722.5)	(1,901.3)	(9.4%)	(6,321.0)	(6,198.9)	2.0%
Net other income and expenses	44.3	62.6	(29.2%)	162.7	211.7	(23.1%)
Operating profit	1,378.9	1,348.6	2.2%	4,384.7	4,284.8	2.3%
Income from LT investments	(1.2)	(3.1)	(61.3%)	1.3	(63.9)	(102.0%)
Other non-op income	(24.7)	(49.4)	(50.0%)	54.2	90.8	(40.3%)
Pretax profit	1,353.0	1,296.1	4.4%	4,440.2	4,311.8	3.0%
Tax	205.2	274.9	(25.4%)	811.4	877.9	(7.6%)
Net income	1,147.7	1,021.2	12.4%	3,628.8	3,433.9	5.7%
Less minorities	1.0	0.6	(66.7%)	0.7	(0.7)	200.0%
Net income to parent	1,146.8	1,020.6	12.4%	3,628.1	3,434.6	5.6%
Adjustments [^]	83.2	82.2		83.2	(27.6)	
Recurring net income to parent	1,229.9	1,102.8	11.5%	3,711.2	3,407.1	8.9%
Basic EPS ^{^^}	4.78	4.25	12.5%	15.10	14.29	5.7%
Recurring basic EPS ^{^^}	5.12	4.59	11.5%	15.44	14.18	8.9%
Take rate	13.4%	14.1%	-0.7%	14.0%	14.5%	-0.5%
Gross margin from operations	9.3%	10.0%	-0.7%	9.7%	9.9%	-0.2%
EBITDA margin	5.2%	5.1%	+0.1%	5.1%	5.2%	-0.1%
Operating margin	4.2%	4.2%	0.0%	4.0%	4.1%	-0.1%
Pretax margin	4.1%	4.1%	0.0%	4.1%	4.2%	-0.1%
Net margin	3.5%	3.2%	+0.3%	3.3%	3.3%	0.0%

****Starting in 3Q23, we implemented accounting adjustments for mo coins to better reflect the essentials of transaction. The changes have no material impact on the overall profits and the impact on 4Q23 revenue was less than 1.2%. Using the same accounting treatment as 1H23, 4Q23 company revenue growth YoY would be higher at 4.4%, company take rate would be higher at 14.3% vs.14.1% in 4Q22. Consequently, OPEX YoY would be also higher at 11.3%.**

[^] 4Q23/ 4Q22 non-op losses of NT\$25.9mn/52.5mn, primarily owing to one-time Global Mall goodwill impairment. 2023 one-time losses were NT\$83.2mn for Global Mall goodwill impairment. 2022 one-time gain of NT\$27.6mn, including NT\$109.8mn gain on disposal of investment and NT\$82.2mn loss on Global Mall goodwill impairment

^{^^} Diluted outstanding shares were 240.34mn in 4Q23.

4Q23 Operation Highlights

- momo.com reported a record-high company revenue of NT\$32,836mn in 4Q23, an increase of 3.2% YoY. EC, accounting 96.6% of company revenue, grew 3.6%YoY and continued its trend of growing faster than Taiwan online industry up 2.4%YoY.
- The major five product categories continued their growth runway but at more moderate paces than previous years. The decelerated revenue growth can be attributed to persisting product demand slowdown. On key customer metrics, number of quarterly active users reached an all-time high, with an increasing rate of 5%YoY for order frequency, the strongest for the past 7 quarters.
- Company OPM held up well at 4.2% thanks to improving EC operating margin of 4% (from 3.9% a year earlier) driven by EC favorable product mix and economies of scale. Net income to parent increased 12.4%YoY to NT\$1,147mn and basic EPS reached NT\$4.78 (based on 240.34mn diluted outstanding shares) which can be attributed to company operating profit of NT\$1,379mn (+2.2%YoY) together with non-op losses improving to NT\$25.9mn from NT\$52.5mn a year earlier.
- 2023 was a challenging year for Taiwan EC industry, primarily owing to a post-pandemic reopening and consumer spending shifting to leisure & travel from goods. Nevertheless, our core competences enabled momo.com to continue growing faster than Taiwan online industry. Company revenue reached a historical-high of NT\$109,243mn, an increase of 5.6%YoY, with EC sales increasing 6.6% YoY vs. industry 2.1%. Company operating profit increased 2.3%YoY to NT\$4,385mn and OPM sustained well at 4%. Based on diluted 240.34mn outstanding shares, the basic / recurring earnings per share came in at \$15.10/\$15.44 and rose 5.7%YoY/ 8.9%YoY, respectively.

I. Revenue Analysis

Figure 1 – Consolidated Revenue Breakdown

(NT\$ mn)	4Q23	4Q22	YoY	2023	2022	YoY
EC	31,726.3	30,611.5	3.6%	105,135.7	98,596.1	6.6%
*Others	1,109.5	1,191.3	(6.9%)	4,107.2	4,840.3	(15.1%)
Total Revenue	32,835.8	31,802.8	3.2%	109,242.9	103,436.5	5.6%

*Other revenue consists of operating revenue from our TV, Catalogue, 76.7%-held Fubon 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).

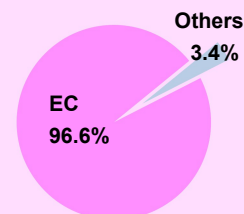
EC

4Q23 EC revenue growth was 3.6%YoY, compared to 20%YoY a year earlier, mainly reflecting overall product consumption slowdown and consumers refraining from stockpiling as happened during Covid period. .

Driven by market share gains, the major five product categories continued their growth runway but at more moderate paces than previous years: 3C & Home Appliances (+3%YoY), Household (+1%YoY), Beauty & Healthcare (+17%YoY), Fashion & Luxury (+4%YoY) and Sports & Leisure (+6%YoY). Among the notable sub-categories, communication, healthcare supplements, skincare and cosmetic products reported stronger customer demand; on the other hand, home improvement, kitchenware, bedding, fashion items continued to see tepid demand. Unusual warm weather hurt sales of autumn/ winter collections across fashion.

On key customer metrics, number of quarterly active users reached an all-time high to 3.6mn, with an increasing rate of 5% year-over-year in order frequency, the strongest for the past 7 quarters. Ticket size was down 2.6%YoY to NT\$2,088, mainly due to less purchases in 3C & Home Appliances. On user engagement, momo/Fubon co-branded credit card holders' spending contribution came in at 34% of 4Q23 vs. 33% in 4Q22, demonstrating growing customer loyalty and stickiness.

4Q23 Revenue Breakdown



The five major categories continued to gain market shares, despite modest growth rate vs. previous years.

Number of active users reached an all-time high and order frequency rose 5%YoY.

momo/Fubon co-branded credit card holders' spending contributed 34% of EC revenue vs. 33% in 4Q22.



II. EBITDA Analysis

Figure 3 – EBITDA Breakdown

EBITDA (NT\$ mn)	4Q23	4Q22	YoY	2023	2022	YoY
EC	1,555.0	1,425.2	9.1%	5,086.9	4,700.2	8.2%
Others ¹	149.9	191.7	(21.8%)	505.9	693.0	(27.0%)
Total EBITDA	1,704.9	1,616.9	5.4%	5,592.8	5,393.3	3.7%
EBITDA margin	4Q23	4Q22	YoY	2023	2022	YoY
EC	4.9%	4.7%	+0.2%	4.8%	4.8%	0.0%
Others ¹	13.5%	16.1%	-2.6%	12.3%	14.3%	-2.0%
EBITDA margin	5.2%	5.1%	+0.1%	5.1%	5.2%	-0.1%

Note 1: Other EBITDA consists of EBITDA from our TV, Catalogue, 76.7%-held Fubon 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).

EBITDA

4Q23 company EBITDA came in at NT\$1,705mn, an increase of 5.4%YoY. Company EBITDA margin improved to 5.2% vs. 5.1% a year earlier, primarily driven by EC favorable product mix and efficiency gains in logistics operations.

In spite of higher warehouse rental and labor cost hikes, operating costs held up well driven by stronger bargaining power with 3PLs and effective cost management. In the meanwhile, we continued to make progress in optimizing inventory, fraud detection, and automation.

Others

TV shopping continued its downward trend and resulted in lower revenue and profit. However, we have also seen a good growth momentum in terms of user base and time spent on live-streaming as we are working to expand this line of business.

Company EBITDA margin rose to 5.2% vs. 5.1%.

III. Balance Sheet Analysis

Figure 4 – Balance Sheet

NT\$ mn	4Q23	4Q22	YoY%	3Q23	QoQ%
Cash & cash equivalents	6,277.9	8,044.4	(22.0%)	4,570.5	37.4%
Accounts receivables	590.9	465.3	27.0%	423.6	39.5%
Other receivables	2,710.8	2,259.7	20.0%	1,944.3	39.4%
Inventories	4,621.8	4,479.4	3.2%	4,852.7	(4.8%)
Other current assets	451.5	400.4	12.8%	389.8	15.8%
Current assets	14,652.9	15,649.2	(6.4%)	12,180.9	20.3%
Long term investments	391.9	486.0	(19.4%)	488.3	(19.7%)
PP&E	8,181.4	7,322.6	11.7%	7,741.8	5.7%
Other non-current assets	5,095.3	2,882.9	76.7%	3,979.3	28.0%
Total non-current assets	13,668.6	10,691.5	27.8%	12,209.4	12.0%
Total Assets	28,321.5	26,340.7	7.5%	24,390.3	16.1%
Short term borrowings	0.0	0.0	0.0%	0.0	0.0%
Accounts payable	10,420.0	11,004.2	(5.3%)	9,707.8	7.3%
Other payables	1,626.2	1,580.3	2.9%	1,073.1	51.5%
Other current liabilities	2,832.3	2,440.8	16.0%	2,211.5	28.1%
Non-current liabilities	3,263.1	1,411.8	131.1%	2,382.4	37.0%
Total Liabilities	18,141.6	16,437.1	10.4%	15,374.8	18.0%
Common stock	2,403.4	2,184.9	10.0%	2,403.4	0.0%
Capital surplus	1,969.9	2,259.4	(12.8%)	1,969.9	0.0%
Retained earnings	5,846.8	5,581.4	4.8%	4,700.0	24.4%
Other equity items	(40.2)	(122.1)	(67.1%)	(57.8)	(30.4%)
Shareholders' equity	10,179.9	9,903.6	2.8%	9,015.5	12.9%

Cash & Cash Equivalents

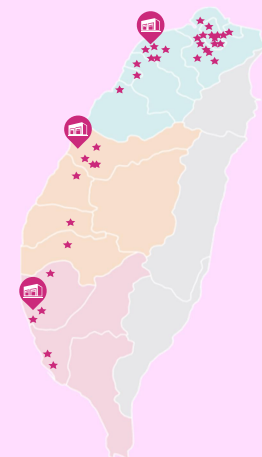
Net cash position was NT\$6,278mn, compared to NT\$8,044mn in 4Q22, primarily due to higher cash dividend distribution and higher capex in distribution centers and the others, including warehousing facility, IT equipment and delivery fleet.

Island-wide Logistics Infra

momo's self-owned island-wide logistics infrastructure, which we have built up for years, is a key competitive advantage compared to other EC peers in Taiwan.

In 2024, warehouse spaces are expected to expand 15% year-over-year, mainly driven by SDC addition, which will be operational in 2Q24.

Net cash position was NT\$6,278mn in 4Q23.



IV. Cashflow Analysis

Figure 5 – Cashflow

NT\$ mn	4Q23	4Q22	YoY	2023	2022	YoY
(+) Operating profit	1,378.9	1,348.6	2.2%	4,384.7	4,284.8	2.3%
(+) D&A	326.1	268.4	21.5%	1,208.1	1,108.5	9.0%
ΔWC*(-1) (during the period)	536.1	1,308.7	(59.0%)	(1,238.5)	620.3	n.m.
Others	264.8	337.5	(21.5%)	(691.0)	(681.6)	1.4%
Operating cashflow*	2,505.9	3,263.2	(23.2%)	3,663.3	5,332.0	(31.3%)
Capex**	(520.3)	(287.5)	81.0%	(1,322.1)	(2,693.1)	(50.9%)
FCF	1,985.6	2,975.7	(33.3%)	2,341.2	2,638.9	(11.3%)
Investing cashflow**	(569.3)	(134.8)	322.3%	(1,356.6)	(3,084.9)	(56.0%)
Financing cashflow	(229.1)	(169.9)	34.8%	(4,073.2)	(3,007.0)	35.5%
Change in cash	1,707.4	2,958.5	(42.3%)	(1,766.5)	(759.9)	132.5%

*2023 operating cash flow declined 31.3%YoY, primarily owing to a decrease in A/P due to the bulk of 4Q22 accounts payable due in 1Q23.

**2023 Capex included NT\$846mn for SDC construction and equipment expenditure and NT\$279mn for CDC construction expenditure. 2022 Capex included NT\$2.2bn CDC land and SDC construction expenditure, which was also the main reason for investing cash outflow during 2022.

WC (NT\$m)	4Q23	4Q22	YoY	3Q23	QoQ
Accounts Receivables + Other Receivables	3,301.8	2,725.1	21.2%	2,367.8	39.4%
Inventories	4,621.8	4,479.4	3.2%	4,852.7	(4.8%)
Accounts Payables + Other Payables*	11,992.9	12,512.3	(4.2%)	10,753.7	11.5%
Working Capital	(4,069.3)	(5,307.8)	(23.3%)	(3,533.2)	15.2%
ΔWC (YoY)	1,238.5	(620.3)	n.m.		
ΔWC (QoQ)	(536.1)	(1,308.7)		965.4	n.m.

CCC	4Q23	4Q22	YoY	2023	2022	YoY
AR Days	7.8	6.4	1.4	10.1	8.2	1.9
Inventory Days	14.3	14.4	(0.1)	16.8	16.1	0.7
AP Days	34.4	36.2	(1.8)	45.3	44.7	0.6
CCC(days)	(12.3)	(15.4)	3.1	(18.4)	(20.4)	2.0

2023 FCF NT\$2,341mn