1Q24 Results

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Consolidated 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%
EBITDA	**1,455.9**	**1,376.7**	**5.8%**	**5,592.8**	**5,393.3**	**3.7%**
OPEX **	(1,450.4)	(1,517.0)	**(4.4%)**	(6,321.0)	(6,198.9)	2.0%
Net other income and expenses	30.1	53.3	(43.5%)	162.7	211.7	(23.1%)
Operating profit	**1,117.4**	**1,092.1**	2.3%	**4,384.7**	**4,284.8**	**2.3%**
Income from LT investments	(1.0)	(3.9)	(74.4%)	1.3	(63.9)	(102.0%)
Other non-op income >>	21.0	23.8	(11.8%)	54.2	90.8	(40.3%)
Pretax profit	1,137.4	1,112.0	2.3%	4,440.2	4,311.8	3.0%
Tax	227.6	223.3	1.9%	811.4	877.9	(7.6%)
Net income	909.8	888.7	2.4%	3,628.8	3,433.9	5.7%
Less minorities	0.8	0.2	(300.0%)	0.7	(0.7)	200.0%
Net income to parent	**909.0**	**888.4**	**2.3%**	**3,628.1**	**3,434.6**	**5.6%**
Adjustments	0.0	0.0		83.2	(27.6)	
Recurring net income to parent	909.0	888.4	2.3%	3,711.2	3,407.1	8.9%
Basic EPS	**3.78**	3.70	2.3%	**15.10**	**14.29**	**5.7%**
Recurring basic EPS	**3.78**	3.70	2.3%	**15.44**	**14.18**	**8.9%**
Take rate **	13.6%	14.5%	-1.0%	14.0%	14.5%	-0.5%
Gross margin from operations	9.4%	10.2%	-0.8%	9.7%	9.9%	-0.2%
EBITDA margin	5.4%	5.5%	-0.1%	5.1%	5.2%	-0.1%
Operating margin	4.2%	4.3%	-0.1%	4.0%	4.1%	-0.1%
Pretax margin	4.2%	4.4%	-0.2%	4.1%	4.2%	-0.1%
Net margin	3.4%	3.5%	-0.1%	3.3%	3.3%	0.0%

***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%.*

>>1Q24 other non-op income: NT$21mn from interest income.
>>1Q23 other non-op income: NT$23.8mn from interest income.

1Q24 Operation Highlights

- In the first quarter of 2024, momo.com reported a company revenue of NT$26,877mn, reflecting a 7% year-over-year increase. EC grew 7.2%YoY, primarily driven by an increase in the number of transactions, continuing its trend of outpacing the online industry, which saw a 3.6% YoY increase.

- The major five product categories continued their growth trajectory on the back of improved online consumption sentiment and market share gains. Beauty & Healthcare reported the strongest growth, an increase of 14%YoY, followed by Sports & Leisure and Household items. Key customer metrics demonstrated positive trends, with a notable 7% year-over-year increase in quarterly active users, driven by growth in male customers. Despite a 3% year-over-year decline in ticket size, attributed to lower contribution from 3C & Home Appliances, customer engagement remained robust. The proportion of revenue from momo/Fubon co-branded credit card holders increased to 34% compared to 32% in 1Q23, indicating growing customer loyalty and retention.

- Company OPM reached 4.2%, primarily driven by improved TV shopping revenue and margin. The operating profit increased 2.3% YoY, lower than EBITDA's growth mainly due to increased warehouse rental amortization. With continuous warehouse storage optimization by returning those temporarily rented warehouse spaces and moving into those large ones, the unfavorable amortization factor can be neutralized with time.

- Company net income to parent increased 2.3%YoY to NT$909mn. Basic EPS stood at NT$3.78, based on 240.34mn outstanding shares. This growth can be attributed to company operating profit of NT$1,117mn, an increase of 2.3%YoY, together with non-operating gains of 20mn.

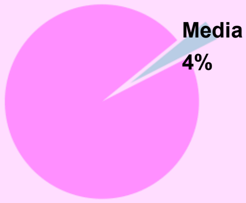
I. Revenue Analysis

Figure 1 – Consolidated Revenue Breakdown

(NT$ mn)	1Q24	1Q23	YoY	2023	2022	YoY
EC	25,803.1	24,077.2	7.2%	105,135.7	98,607.5	6.6%
Media	1,064.7	1,034.1	3.0%	4,067.2	4,792.6	(15.1%)
Others	10.1	8.7	16.1%	40.0	36.3	10.2%
Total Revenue	**26,877.9**	**25,120.0**	**7.0%**	**109,242.9**	**103,436.4**	**5.6%**

Other revenue consists of revenue from 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).

1Q24 Revenue Breakdown



EC

In the first quarter of 2024, EC grew 7.2%YoY and continued its trend of outpacing Taiwan online industry (which saw a 3.6%YoY increase and accounted for 12.8% of total retail revenue).

momo.com's market share continued to rise.

The major five product categories continued their growth runway, underpinned by improved consumption sentiment and increased market share. Beauty & Healthcare (+14%YoY) reported the strongest growth, followed by Sports & Leisure (+ 9%YoY), Household (+7%YoY), 3C & Home Appliances (+7%YoY) and Fashion & Luxury (+5%YoY). Noteworthy sub-categories such as camera, food, jewelry, health, skincare, cosmetic and international tour packages reported stronger customer demand, while certain segments such as consumer electronics, home appliances, home improvement and fashion saw relatively weaker demand.

7% year-over-year increase in quarterly active users.

Key customer metrics demonstrated positive trends, with a notable 7% year-over-year increase in quarterly active users, primarily driven by growth in male customers. Despite a 3% year-over-year decline in the average ticket size, attributed to lower contribution from 3C & Home Appliances, customer engagement remained robust. The proportion of revenue from momo/Fubon co-branded credit card holders increase to 34% compared to 32% in 1Q23, indicating growing customer loyalty and retention.

mo Shops

mo Shops set to drive increased user spending and loyalty, solidifying our industry leadership.

mo Shops, momo's 3P model, represents a significant milestone in our strategic journey, launched its trial run in March. This initiative underscores our commitment to enhancing customer experience and driving sustainable growth.

mo Shops aims to complement our existing 1P categories while strategically prioritizing long-tail assortments across vital sectors such as apparel & shoes, food, home decor and 3C accessories. In the initial phase, we adopt a selective approach in inviting merchants who excel in customer service, offer good quality products, and align with momo.com's business ethos. This ensures that every 3P merchant within mo Shops upholds the standards of excellence expected by our customers.

By leveraging momo.com brand recognition and existing infrastructures, mo Shops are poised to drive significant expansion in our TAM (total addressable market). The initiative is designed to attract a broader user base, with a particular focus on engaging the coveted demographic segment under 25 years old. The inclusion of a wider range of product offerings on board is expected to accelerate users spending, enhance customer stickiness and further cement our industry leadership over the longer term.

II. EBITDA Analysis

Figure 3 – EBITDA Breakdown

EBITDA (NT$ mn)	1Q24	1Q23	YoY	2023	2022	YoY
EC	1,303.6	1,247.0	4.5%	5,099.2	4,699.4	8.5%
Media	128.6	106.5	20.8%	410.9	541.4	(24.1%)
Others[1]	23.7	23.2	2.2%	82.7	152.5	(45.7%)
Total EBITDA	**1,455.9**	**1,376.7**	**5.8%**	**5,592.8**	**5,393.3**	**3.7%**
EBITDA margin	**1Q24**	**1Q23**	**YoY**	**2023**	**2022**	**YoY**
EC	5.1%	5.2%	(0.1%)	4.9%	4.8%	0.1%
Media	12.1%	10.3%	1.8%	10.1%	11.3%	(1.2%)
Others[1]	234.7%	266.7%	(32.0%)	206.8%	420.1%	(212.8%)
EBITDA margin	**5.4%**	**5.5%**	**(0.1%)**	**5.1%**	**5.2%**	**(0.1%)**

Others EBITDA includes 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

In the first quarter of 2024, the company's EBITDA reached NT$1,455mn, reflecting an increase of 5.8% compared to the same period in 2023. The company's EBITDA margin help up well at 5.4%, primarily driven by a favorable business mix, attributed to improved TV shopping revenue and margin.

Company EBITDA margin held up well at 5.4%.

EC maintained a solid EBITDA margin of 5.1% compared to. 5.2% a year earlier, in spite of unfavorable product mix and higher promotional expenses, demonstrating resilience through efficiency gains in fulfillment and logistics operations.

EC posted a solid EBITDA margin of 5.1%.

Amidst upward pressure from increase in warehouse cost and labor expenses, we effectively managed operating costs. That resulted from ongoing cost-efficiency measures, including operational streamlining, packaging reduction, route optimization and cost management…etc. Meanwhile, we continued to make progress in optimizing inventory control, fraud detection, and automation.

Media

Against the downward trend, TV shopping posted stronger growth driven by successful promotional activities, enhanced product selection and effective cost management. Another focus point was the ramp-up of live streaming. Our strategic focus on live streaming led to expand collaboration with content creators and merchants, resulting in increased traffic growth, user time spent and higher customer engagement.

III. Balance Sheet Analysis

Figure 4 – Balance Sheet

NT$ mn	1Q24	1Q23	YoY%	4Q23	QoQ%
Cash & cash equivalents	6,925.8	7,508.6	(7.8%)	6,277.9	10.3%
Accounts receivables	522.3	459.7	13.6%	590.9	(11.6%)
Other receivables	2,349.1	1,586.0	48.1%	2,710.8	(13.3%)
Inventories	3,778.6	4,185.1	(9.7%)	4,621.8	(18.2%)
Other current assets	546.5	489.2	11.7%	451.5	21.0%
Current assets	**14,122.3**	**14,228.6**	**(0.7%)**	**14,652.9**	**(3.6%)**
Long term investments	408.8	483.8	(15.5%)	391.9	4.3%
PP&E	8,427.9	7,393.9	14.0%	8,181.4	3.0%
Other non-current assets	5,160.7	2,767.2	86.5%	5,095.3	1.3%
Total non-current assets	13,997.4	10,644.9	31.5%	13,668.6	2.4%
Total Assets	**28,119.7**	**24,873.5**	**13.1%**	**28,321.5**	**(0.7%)**
Short term borrowings	0.0	0.0		0.0	
Accounts payable	9,866.0	9,490.1	4.0%	10,420.0	(5.3%)
Other payables	952.6	901.4	5.7%	1,626.2	(41.4%)
Other current liabilities	2,868.2	2,435.4	17.8%	2,832.3	1.3%
Non-current liabilities	3,190.1	1,308.4	143.8%	3,263.1	(2.2%)
Total Liabilities	**16,876.9**	**14,135.3**	**19.4%**	**18,141.6**	**(7.0%)**
Common stock	2,403.4	2,184.9	10.0%	2,403.4	0.0%
Capital surplus	1,969.9	2,188.4	(10.0%)	1,969.9	0.0%
Retained earnings	6,755.7	6,389.0	5.7%	5,846.8	15.5%
Other equity items	113.8	(24.1)	n.m.	(40.2)	n.m.
Shareholders' equity	**11,242.8**	**10,738.2**	**4.7%**	**10,179.9**	**10.4%**

Current assets

The net cash position stood at NT$6,925mn increased by 10.3% QoQ, but down from NT$7,508mn in 1Q23. This decrease was primarily attributed to increased cash dividend distribution and capital expenditures, particularly in distribution centers, as well as warehousing facilities, IT equipment and in-house delivery fleet. Other receivables reached to NT$2, 349mn, an increase of 48%YoY. This increase can be attributed to higher purchases of mo-coins for marketing purposes compared to 1Q23.

Net cash was NT$6.9bn.

Other non-current assets

Other non-current assets increased by 86.5% YoY, primarily owing to higher warehouse rentals, deferred income tax assets and an increase in prepayments of equipment.

Island-wide Logistics Infra

momo's self-owned island-wide logistics infrastructure, which we have built up for years, stands as a key competitive advantage among its e-commerce peers in Taiwan.

Infrastructure, which we have built up for years, is essential to support further share gains.

Logistics Infrastructure Enhancement

In 2024, we anticipate a 15% year-over-year expansion in warehouse spaces, primarily driven by the upcoming launch of SDC (Southern Distribution Center) in the second quarter. This expansion aims to bolster momo's warehousing capabilities and accommodate the growing demand of customers' need.

Last-Mile Delivery Optimization

In addition, momo is strategically improving its last-mile delivery process by setting up additional satellite/delivery stations throughout central and southern Taiwan. This means reduced delivery distances, faster transit times, and enhanced customer satisfaction. Leveraging AI technology for intelligent product selection and route optimization, momo aims not only to boost delivery efficiency but also minimize energy consumption during product transfer, leading to a notable decrease in carbon emissions.

Initiating "Satellite Stations" project, upgrading the final mile of end-to-end logistics capability.

IV. Cashflow Analysis

Figure 5 – Cashflow

NT$ mn	1Q24	1Q23	YoY	2023	2022	YoY
(+) Operating profit	1,117.4	1,092.1	2.3%	4,384.7	4,284.8	2.3%
(+) D&A	338.4	284.6	18.9%	1,208.1	1,108.5	9.0%
ΔWC＊(-1) (during the period)	45.8	(1,149.7)	n.m.	(1,238.5)	620.3	n.m.
Others	(212.3)	(323.6)	(34.4%)	(691.0)	(681.6)	1.4%
Operating cashflow	1,289.4	(96.6)	n.m.	**3,663.3**	**5,332.0**	**(31.3%)**
Capex*	(379.0)	(234.3)	61.8%	(1,322.1)	(2,693.1)	(50.9%)
FCF*	**910.4**	**(331.0)**	n.m.	**2,341.2**	**2,638.9**	**(11.3%)**
Investing cashflow**	(412.3)	(246.9)	67.0%	**(1,356.6)**	**(3,084.9)**	**(56.0%)**
Financing cashflow***	(229.2)	(192.3)	19.2%	**(4,073.2)**	**(3,007.0)**	**35.5%**
Change in cash	647.9	(535.8)	n.m.	(1,766.5)	(759.9)	132.5%

**1Q24 Capex included NT$134mn for SDC construction and equipment expenditure; NT$37mn for CDC construction expenditure; NT$78mn for warehousing facilities; NT$97mn for IT equipment expenditure.*

***1Q24 Investing cashflow increased by 67%Y, primarily due to an increase in prepayments of equipment.*

**** 1Q24 Financing cashflow increased by 19%YoY, primarily due to an increase in warehouse rental.*

WC (NT$mn)	1Q24	1Q23	YoY	4Q23	QoQ
Accounts Receivables + Other Receivables **	2,871.4	2,045.7	40.4%	3,301.8	(13.0%)
Inventories	3,778.6	4,185.1	(9.7%)	4,621.8	(18.2%)
Accounts Payables + Other Payables*	10,765.1	10,388.9	3.6%	11,992.9	(10.2%)
Working Capital	(4,115.1)	(4,158.1)	(1.0%)	(4,069.3)	1.1%
ΔWC (YoY)	**43.0**	**(368.7)**	**n.m.**	**1,238.5**	**n.m.**
ΔWC (QoQ)	**(45.8)**	**1,149.7**	**n.m.**	**(536.1)**	**n.m.**

CCC	1Q24	1Q23	YoY	2023	2022	YoY
AR Days	10.3	8.5	1.8	10.1	8.2	1.9
Inventory Days	15.5	17.3	(1.8)	16.8	16.1	0.7
AP Days	42.1	45.7	(3.6)	45.3	44.7	0.6
CCC(days)	**(16.2)**	**(19.8)**	**3.6**	**(18.4)**	**(20.4)**	**2.0**

***1Q24 Accounts Receivables + Other Receivables increased by 40%YoY, primarily due to an increase in other receivables. This increase can be attributed to higher purchases of mo-coins for marketing purposes compared to 1Q23.*

FCF was NT$910mn.

Accounts Receivables + Other Receivables increased by 40%YoY due to an increase in mo-coins purchases.