



# ASIAN PAY TELEVISION TRUST

30 June 2024

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# AGENDA

1. 30 JUNE 2024 RESULTS
2. OUTLOOK & STRATEGY
3. BUSINESS OVERVIEW
4. BUSINESS DRIVERS

# 30 JUNE 2024 RESULTS



# HIGHLIGHTS

## Focused Broadband subscriber acquisition led to continued Broadband revenue improvement

### Broadband growth strategy yielding positive momentum

- Focused subscriber acquisition resulted in c.10,000 new subscribers – highest over the past 10 quarters
- Broadband subscriber base represents 56% of Basic cable TV subscriber base (H1 2023: 49%)
- Broadband revenue in NT\$ improved by 8.8% for the quarter and 9.2% for the half-year compared to the pcp
- Broadband revenue is over 41% of Basic cable TV revenue (H1 2023: 35%); represents 28% of total revenue (H1 2023: 25%)

### Revenue and EBITDA negatively impacted by a weaker NT\$

- Revenue, EBITDA and EBITDA margin for the quarter stood at S\$62.4m, S\$36.0m and 57.8%, bringing half-year revenue, EBITDA and EBITDA margin to S\$125.8m, S\$74.2m and 59.0%, respectively
- In NT\$, revenue decreased by 4.5% for the quarter and 3.6% for the half-year compared to the pcp
- EBITDA in constant dollar lower by 2.8% for the quarter and 1.6% for the half-year compared to the pcp

### Growing total subscriber base: Added c.13,000 net subscribers in Q2

- Total subscriber base at c.1,332,000 (Q1 2024: c.1,319,000)
- Growth driven by Broadband and Premium digital TV subscribers
- Aggressive marketing efforts to churn customers our way, through attractively priced bundled promotions

# HIGHLIGHTS

**Disciplined debt repayment to continue reducing debt levels; interest rate exposure is limited to a manageable 17% of total debt**

**Disciplined debt management continues**

- S\$26 million net debt repaid in the first six months
- Total net debt repayments for 2024 expected to be approximately S\$40 million
- Hedged 90% of outstanding Onshore Facilities (~83% of total debt) through to 30 June 2025 at an average fixed rate of 0.94%
- Net exposure to rising interest rates is contained to only 17% of total debt
- Started discussions with lenders to refinance both Onshore and Offshore facilities ahead of time, aiming for completion by mid-2025

**Capital expenditure within industry norms**

- Capital expenditure higher by 20.8% higher for the quarter and 35.1% for the half-year
- Increase mainly due to purchase of vehicles to replace leased vehicles, to save on overall costs
- As a percentage of revenue, capital expenditure within industry norms at 14.6% for the quarter and 14.8% for the half-year (30 June 2023: 11.0% and 10.2%, respectively)

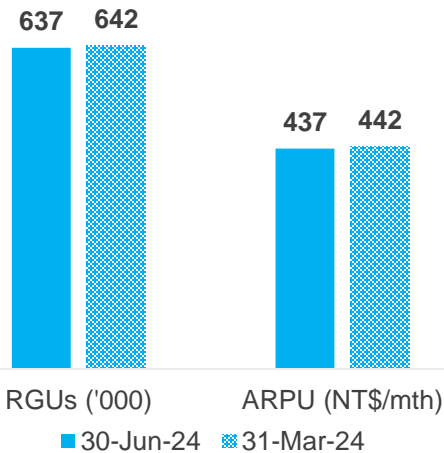
**Distributions in line with guidance**

- Ordinary interim distribution of 0.525 cents per unit declared for H1 2024
- Re-affirmed distribution guidance of 1.05 cents per unit for full year 2024

# KEY OPERATING METRICS

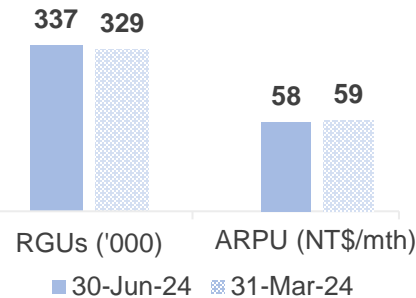
Growth in RGUs for Broadband and Premium digital TV cushioning the decline in Basic cable TV; Total RGUs to continue increasing; ARPUs expected to remain under pressure

## Basic cable TV



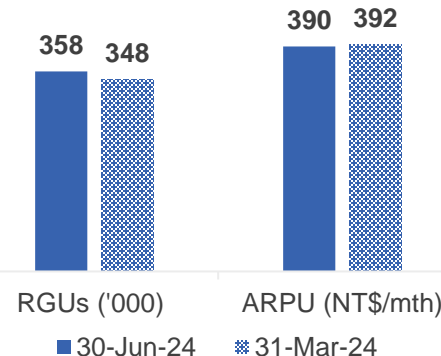
- Subscribers down by c.5,000
- Lower ARPU due to (i) saturated cable TV market; (ii) competition from aggressively priced IPTV; (iii) growing popularity of online video; and (iv) discount expectations from consumers

## Premium digital TV

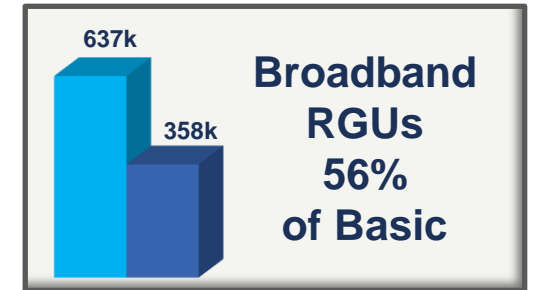


- c.8,000 new subscribers in Q2
- Promotions and discounted bundled packages to generate and retain RGUs
- Video piracy issues and aggressively priced IPTV also impacted ARPU

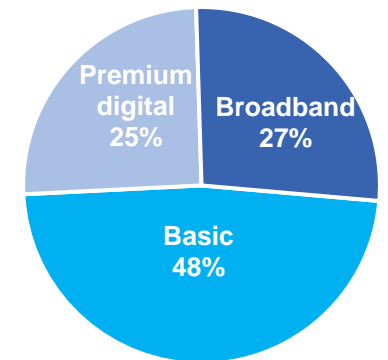
## Broadband



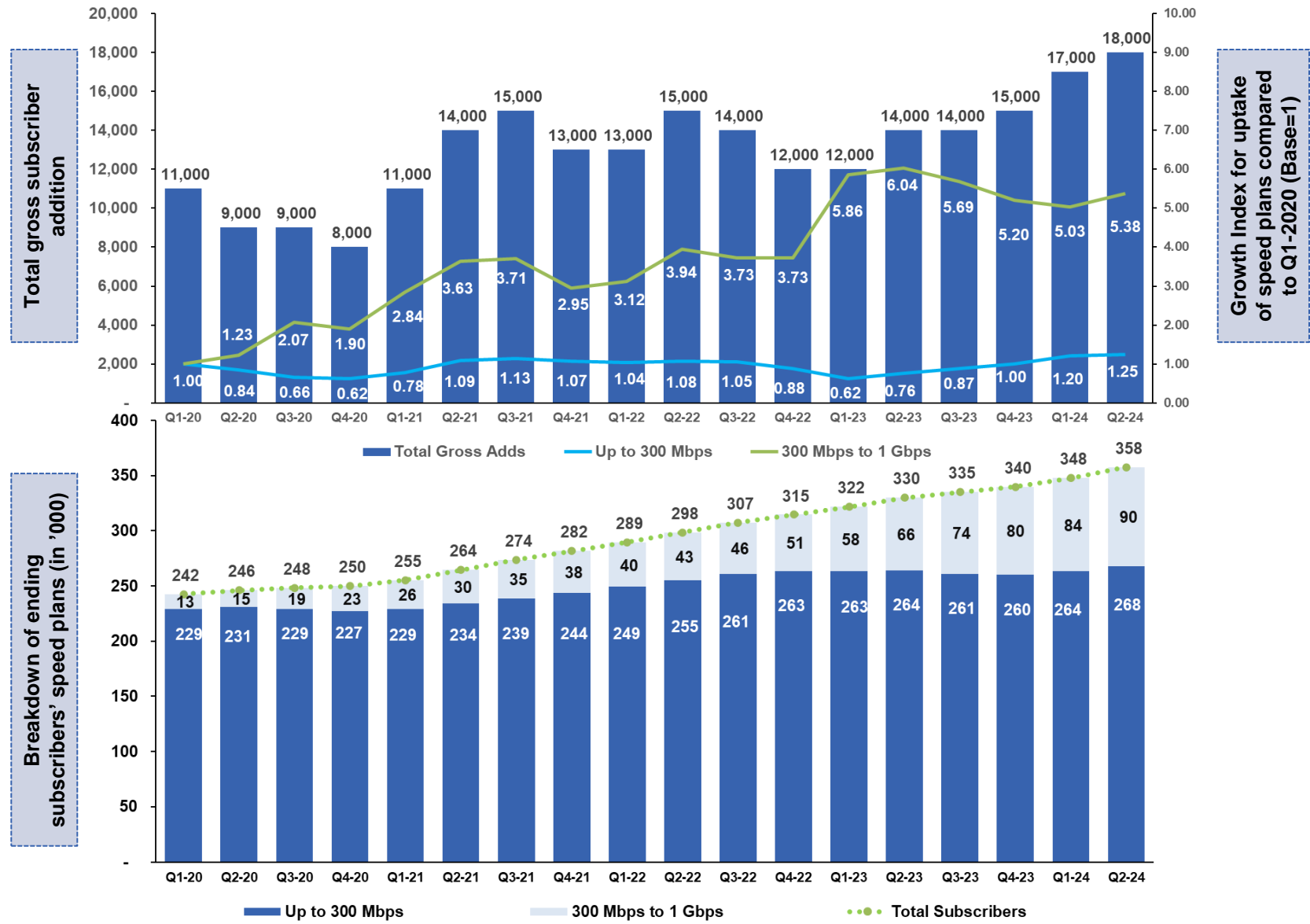
- c.10,000 new subscribers in Q2, highest over the past 10 quarters
- Lower ARPU due to more aggressive price promotions
- Continue to target broadband-only segment, partner with mobile operators, offer high speed plans at competitive prices



**Breakdown of Total Subscriber base c.1,332,000**



# BROADBAND GROWTH MOMENTUM



## Broadband is the largest driver of long-term growth

**Validating the strength of TBC's Broadband growth strategy:**

Increase in take-up rate of higher speed plans contributes to ARPU and revenue improvement

**Interpretation:** For example, in Q1-2020 if there was 1 subscriber taking up higher speed plan with speed ranging from 300 Mbps to 1 Gbps, then in Q2-2024, there were 5.38 times more subscribers taking up higher speed plans.

**Runway for growth:**

Most of TBC's subscribers are still in the speed plans below 300 Mbps, presenting an opportunity for TBC to move them up to higher speed plans

**Interpretation:** Out of 358,000 broadband subscribers as of Q2-2024, 268,000 subscribers are still in the lower speed plans of below 300 Mbps and only 90,000 subscribers are in the higher speed plans at and above 300 Mbps. So, there is a lot of opportunity to move these lower speed plan subscribers to higher speed plans.



# EBITDA

Selected financial information<sup>1</sup> are key financial metrics of APTT's business

Group <sup>2</sup> (S\$'000)	Quarter ended 30 June				Half-year ended 30 June			
	2024	2023	S\$ variance <sup>3</sup>	Constant \$ variance <sup>3</sup>	2024	2023	S\$ variance <sup>3</sup>	Constant \$ variance <sup>3</sup>
<b>Revenue</b>								
Basic cable TV	42,206	48,681	(13.3)	(9.2)	85,500	96,570	(11.5)	(8.1)
Premium digital TV	2,518	2,715	(7.3)	(3.2)	5,079	5,444	(6.7)	(3.3)
Broadband	17,646	16,856	4.7	8.8	35,244	33,318	5.8	9.2
<b>Total revenue</b>	<b>62,370</b>	<b>68,252</b>	<b>(8.6)</b>	<b>(4.5)</b>	<b>125,823</b>	<b>135,332</b>	<b>(7.0)</b>	<b>(3.6)</b>
<b>Total operating expenses<sup>4</sup></b>	<b>(26,331)</b>	<b>(29,538)</b>	<b>10.9</b>	<b>6.8<sup>6</sup></b>	<b>(51,619)</b>	<b>(57,245)</b>	<b>9.8</b>	<b>6.4<sup>6</sup></b>
<b>EBITDA</b>	<b>36,039</b>	<b>38,714</b>	<b>(6.9)</b>	<b>(2.8)<sup>6</sup></b>	<b>74,204</b>	<b>78,087</b>	<b>(5.0)</b>	<b>(1.6)<sup>6</sup></b>
EBITDA margin <sup>5</sup>	57.8%	56.7%			59.0%	57.7%		

**Notes:**

(1) Some of the selected financial information includes non-IFRS measures

(2) Group refers to APTT and its subsidiaries taken as a whole

(3) A positive variance is favourable to the Group and a negative variance is unfavourable to the Group

(4) Total operating expenses exclude depreciation and amortisation expense, net foreign exchange gain/loss and mark to market movements on foreign exchange contracts, to arrive at EBITDA and EBITDA margin

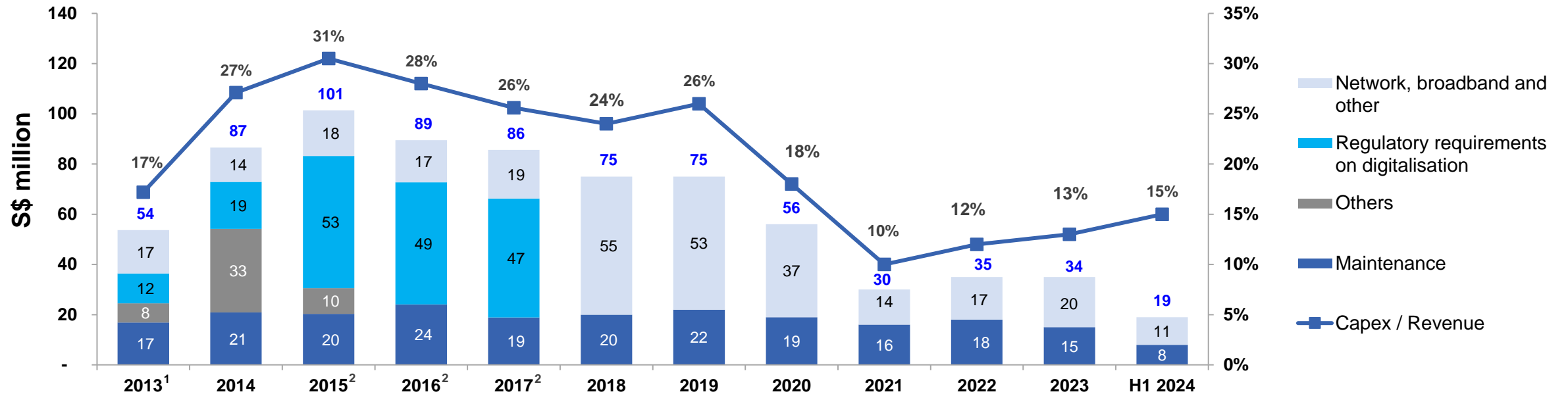
(5) EBITDA margin is a non-IFRS financial measure and is calculated by dividing EBITDA by total revenue

(6) Operating expense, and resulting EBITDA, are also affected by foreign exchange movements in currencies other than NT\$, however they are not material. Therefore, constant \$ variance presented here is arrived at by adjusting foreign exchange variance of NT\$ to S\$ of 4.1% for the quarter and 3.4% for the half-year, for reference purposes.

- **Basic cable TV:** Non subscription revenue, comprising channel leasing and advertising sales, constituted 17% for the quarter and 16% for the half-year
- **Broadband:** Revenue from data backhaul constitute ~4% of growing Broadband revenue
- **EBITDA:** Compared to revenue, EBITDA declined at a lower rate: 2.8% for the quarter and 1.6% for the half-year

# CAPITAL EXPENDITURE

Capex continue to be within industry norms; limited to areas that can support our aggressive push to grow Broadband



Notes: (1) Capital expenditure for full year 2013 is included here for information purposes only; APTT's ownership of TBC only commenced from 29 May 2013  
 (2) CAPEX was elevated from 2015 to 2017 due to regulatory requirements

### Capital expenditure in 2024

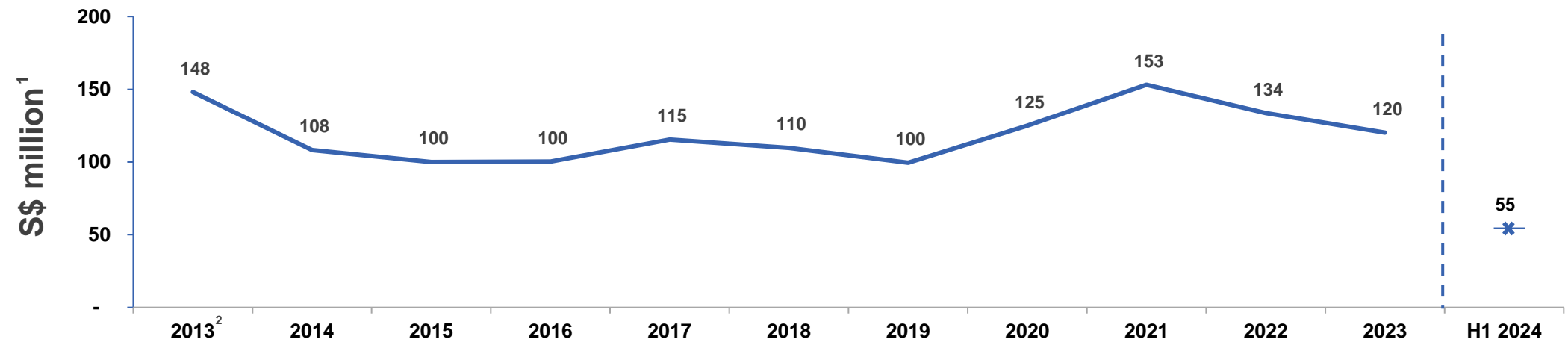
- (i) Maintenance capital expenditure to support TBC's existing infrastructure and business
- (ii) Network, broadband and other capital expenditure to expand the fibre network
- (iii) Purchase of vehicles to replace leased vehicles, to save on overall costs

### Network investments remain key to future-proof TBC's network to:

- (i) meet the growing demand for data and high-speed broadband services; and
- (ii) support mobile operators in their 5G network rollouts

# EBITDA LESS CAPEX

Net operational cash flows sufficient to support distributions and healthy net debt repayments



## EBITDA less capex

- Represents net cash flows that are used to fund distributions and debt servicing
- With greater focus on managing capex, since 2019, net cash flows started improving
- Despite lower revenue, net cash flows are healthy and higher than 2019 and prior due to a greater focus on managing capex, operational savings initiatives, and more success on driving Broadband penetration

## H1 2024 net cash flows

- EBITDA less capex of approx. S\$55m

Notes: (1) Net cash flows presented in S\$ includes impact of foreign exchange movements  
 (2) EBITDA and capital expenditure for full year 2013 is included here for information purposes only, APTT's ownership of TBC only commenced from 29 May 2013

# NET PROFIT

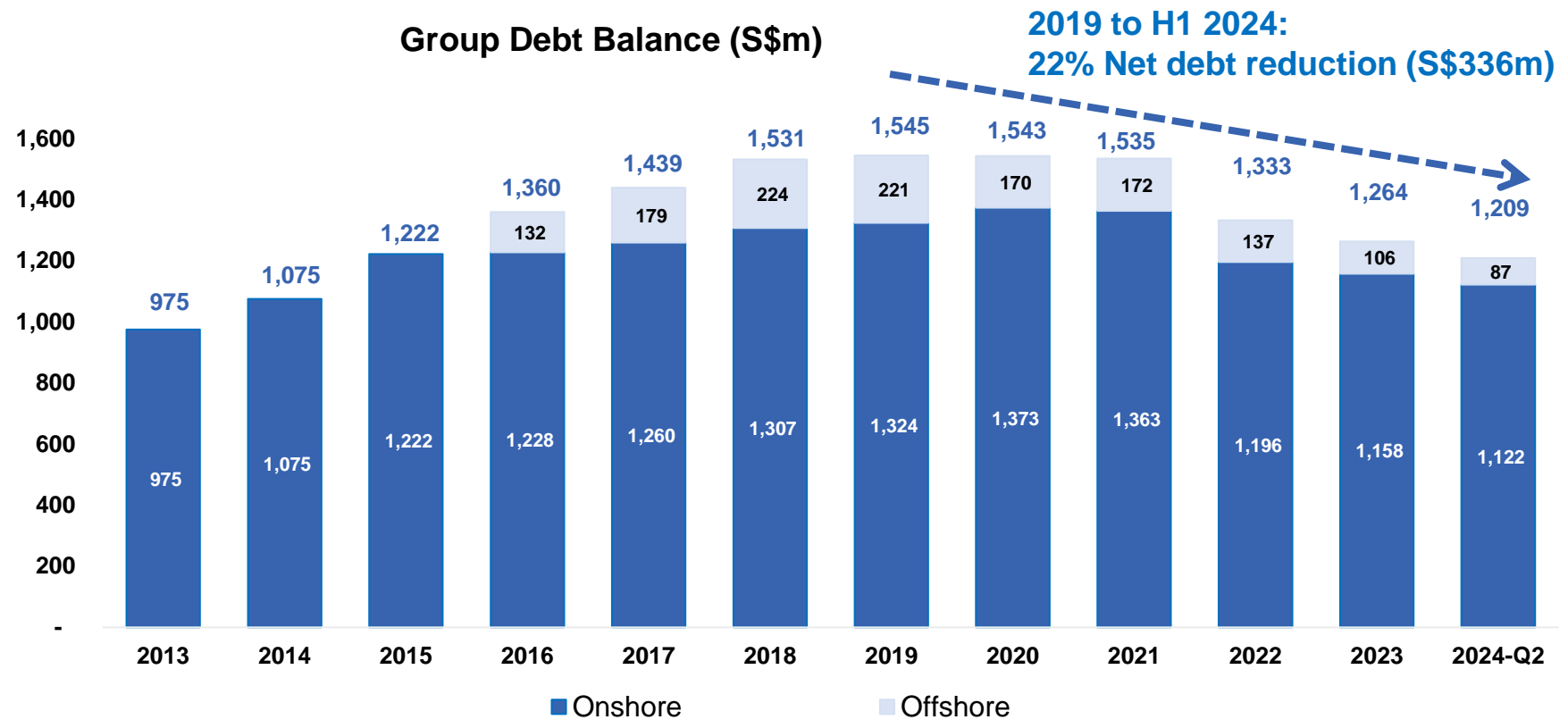
Net profit includes non-cash items such as foreign exchange, mark to market movements and deferred taxes

Group <sup>1</sup> (S\$'000)	Quarter ended 30 June			Half-year ended 30 June		
	2024	2023	Variance <sup>2</sup> (%)	2024	2023	Variance <sup>2</sup> (%)
<b>Total revenue</b>	<b>62,370</b>	<b>68,252</b>	<b>(8.6)</b>	<b>125,823</b>	<b>135,332</b>	<b>(7.0)</b>
<b>Operating expenses</b>						
Broadcast and production costs	(12,700)	(14,957)	15.1	(24,652)	(28,065)	12.2
Staff costs	(5,411)	(5,900)	8.3	(11,511)	(11,943)	3.6
Trustee-Manager fees	(1,959)	(1,965)	0.3	(3,919)	(3,909)	(0.3)
Other operating expenses	(6,261)	(6,716)	6.8	(11,537)	(13,328)	13.4
<b>Total operating expenses</b>	<b>(26,331)</b>	<b>(29,538)</b>	<b>10.9</b>	<b>(51,619)</b>	<b>(57,245)</b>	<b>9.8</b>
<b>EBITDA</b>	<b>36,039</b>	<b>38,714</b>	<b>(6.9)</b>	<b>74,204</b>	<b>78,087</b>	<b>(5.0)</b>
<b>Other expenses</b>						
Depreciation and amortisation expense	(12,615)	(14,668)	14.0	(25,532)	(29,712)	14.1
Net foreign exchange gain	947	1,458	(35.0)	3,336	1,308	>100
Mark to market gain on derivative financial instruments	1,103	1,022	7.9	3,468	1,423	>100
Amortisation of deferred arrangement fees	(821)	(774)	(6.1)	(1,653)	(1,550)	(6.6)
Interest and other finance costs	(9,606)	(10,676)	10.0	(19,706)	(21,726)	9.3
Income tax expense	(2,171)	(2,637)	17.7	(7,449)	(8,215)	9.3
<b>Total other expenses</b>	<b>(23,163)</b>	<b>(26,275)</b>	<b>11.8</b>	<b>(47,536)</b>	<b>(58,472)</b>	<b>18.7</b>
<b>Profit after income tax</b>	<b>12,876</b>	<b>12,439</b>	<b>3.5</b>	<b>26,668</b>	<b>19,615</b>	<b>36.0</b>

Notes: (1) Group refers to APTT and its subsidiaries taken as a whole  
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# DEBT MANAGEMENT

Disciplined debt repayments since 2019 has lowered total debt by 22%



**Offshore Loan**

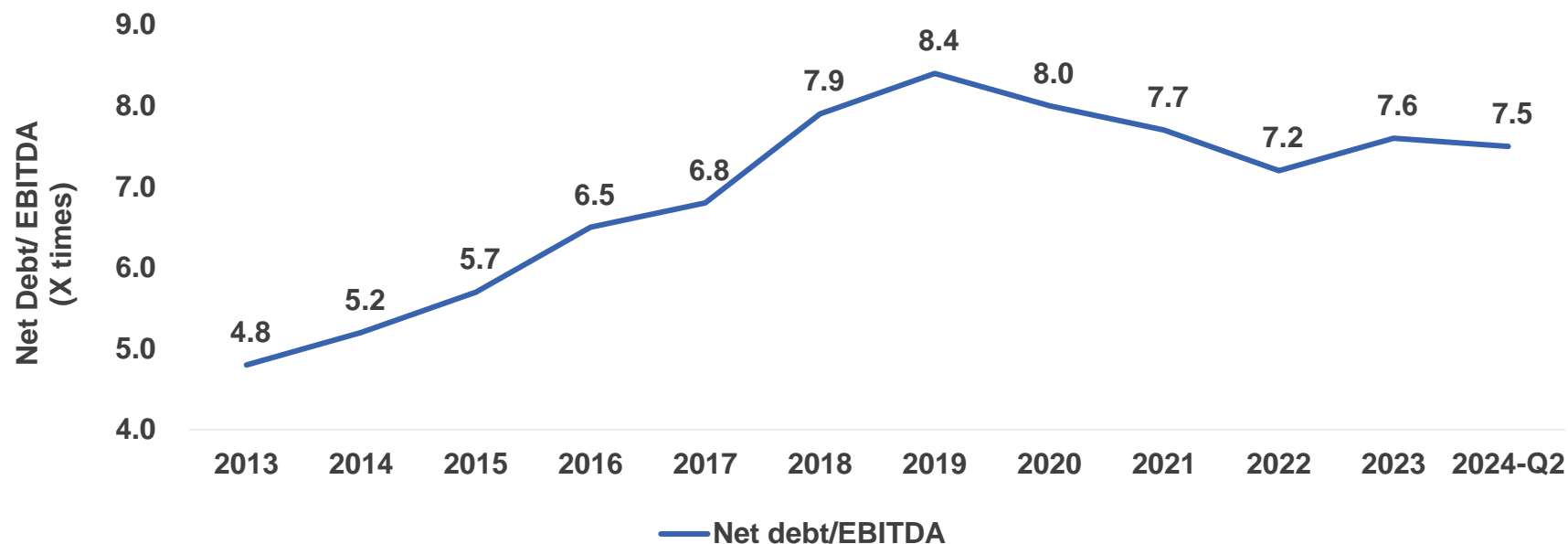
\$134m or over 60% reduction in the more costly outstanding offshore loan since 2019

- Repaid S\$26m of net debt in the first half of the year
- Total net debt repayments for 2024 expected to be approximately \$40 million

# ACTIVELY MANAGING NET DEBT/EBITDA

Despite declining EBITDA, Net debt/EBITDA remained fairly stable due to focused debt repayments

Group debt		30 June 2024		31 December 2023	
		Onshore	Offshore	Onshore	Offshore
Total size available	S\$ million	1,138	112	1,190	122
Total outstanding	S\$ million	1,122	87	1,158	106
Net debt / EBITDA <sup>1</sup>	Multiple	7.5 times		7.6 times	



## Refinancing Plan

- Target completion by mid-2025, before offshore facilities mature in Jan 2026
- Aim to further reduce debt, financing cost and net debt / EBITDA

Note: (1) Total debt outstanding less cash divided by LTM EBITDA

# INTEREST RATE EXPOSURE

Approximately 83% of total debt is hedged against the risk of rising interest rates through to mid-2025

Group debt		30 June 2024		31 December 2023	
		Onshore	Offshore	Onshore	Offshore
Base rate	% p.a.	TAIBOR	SORA	TAIBOR	SIBOR/SORA
IRS hedged rate	% p.a.	0.94	-NA-	0.94	-NA-
Adjustment spread	% p.a.	-NA-	0.335 to 0.875	-NA-	0.335 to 0.875
Margin	% p.a.	1.1 to 2.1	4.1 to 4.9	1.1 to 2.1	4.1 to 4.9
Effective interest rate - SGD	% p.a.	Q2 – 3.2; Half-year – 3.2		Full year – 3.3	
Interest cover <sup>1</sup>	Multiple	3.7 times		3.6 times	

Note: (1) LTM interest and other finance costs divided by LTM EBITDA

## Interest Rate Hedging

Approx. 90% of outstanding Onshore Facilities hedged through to 30 June 2025, at an average fixed rate of 0.94%, which is lower than the prevailing TAIBOR

## 2024 Exposure

Net exposure to rising interest rates is contained to only 17% of total debt (9% exposed to TAIBOR, 8% exposed to SORA). This level of exposure is not expected to materially impact cash flows or affect business operations

## Managing cost of debt

Aim to reduce the more expensive Offshore Facilities as quickly as possible; Hope to bring all our debt back to onshore to further lower cost of debt

# FINANCIAL POSITION

## Strengthening balance sheet and managing debt levels remain a key focus

Group (S\$'000)	As at	
	30 June 2024	31 December 2023
<b>Assets</b>		
Cash and cash equivalents	82,480	91,940
Trade and other receivables	14,880	11,355
Property, plant and equipment	167,553	176,962
Intangible assets	1,820,101	1,868,200
Other assets	14,602	13,755
<b>Total assets</b>	<b>2,099,616</b>	<b>2,162,212</b>
<b>Liabilities</b>		
Borrowings from financial institutions	1,196,310	1,248,938
Trade and other payables	30,060	22,429
Income tax payable	6,308	7,032
Deferred tax liabilities	104,993	106,967
Other liabilities	70,797	81,153
<b>Total liabilities</b>	<b>1,408,468</b>	<b>1,466,519</b>
<b>Net assets</b>	<b>691,148</b>	<b>695,693</b>

### Cash and cash equivalents:

Maintain minimum working capital to fund operations and disciplined debt repayments

### Property, plant and equipment:

Represents the physical advanced hybrid fibre-coaxial network and other fixed assets used to deliver cable TV and broadband services

### Intangible assets:

Comprise mainly cable TV licences and includes value of franchise rights and customer relationships

### Borrowings:

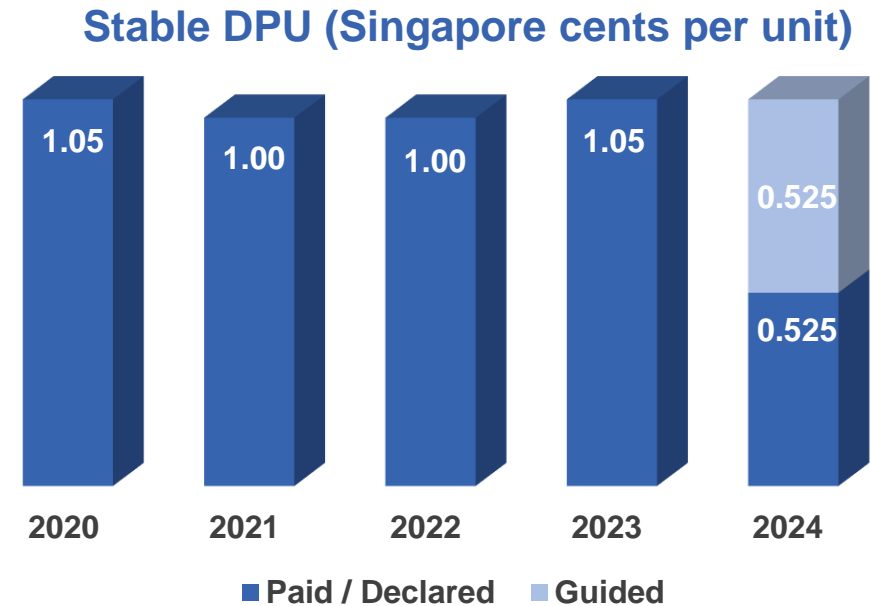
Comprise Onshore and Offshore facilities; decrease mostly due to disciplined debt repayments and foreign exchange movement



# DISTRIBUTION

Distribution of 0.525 cpu declared for the half-year; Full year 2024 guidance re-affirmed at 1.05 cpu

Distribution details	
Distribution period	1 January 2024 to 30 June 2024
Distribution amount	0.525 Singapore cents per Unit
Ex-distribution date and time	9.00am, 19 September 2024
Record date and time	5.00pm, 20 September 2024
Distribution payment date	27 September 2024



- Distribution guidance always ensures we have sufficient headroom after taking into account cash requirements and healthy net debt repayments
- The Trustee-Manager’s focus is on the upcoming refinancing, which aims to save on cost of debt

# OUTLOOK & STRATEGY



# POSITIONED FOR THE MID TO LONG-TERM

Initiatives to strengthen operations and drive growth, against an increasingly challenging and competitive environment

## Broadband Growth Strategy

- Step up partnership programs with mobile operators to drive fixed-line broadband-only segment
- Develop new market segments and increase value-added solutions that leverage Android gateway
- Be data-backhaul ready; the contribution from data backhaul is growing and expected to gradually add a meaningful income stream to the Broadband business; multi-year investments for mobile operators

## Strengthen Balance Sheet

- Cash generated from operations to continue funding capital expenditure; and not to use bank borrowings
- Aim to use excess cash generated from operations to accelerate debt repayments, subject to operating conditions
- Monitor capital expenditure to focus on areas that can generate Broadband growth and sustainability for long-term

## Capital Management

- Interest rate swaps covering 90% of outstanding Onshore Facilities hedged through to 30 June 2025
- Average fixed rate on TAIBOR swaps is 0.94%
- Aim to reduce the more expensive Offshore loan as quickly as possible and eventually, hope to move all debt back to Taiwan
- Started discussions with lenders to refinance both Onshore and Offshore facilities ahead of time, aiming for completion by mid-2025

## Key Investments

- Investments to focus on:
  - increasing network capacity and driving higher speed plans
  - positioning APTT to benefit from Taiwan's 5G rollout and drive data backhaul business

# OUTLOOK

APTT is positioned to grow in a measured way

## GROWTH DRIVERS



### UP-SELL & CROSS-SELL

- Continue to build on the up-sell & cross-sell initiatives across TBC's subscriber base to drive growth in future cash flows
- Leverage TBC's product offerings and strong subscriber base for growth



### BROADBAND RGU GROWTH

- Intensify marketing efforts by stepping up partnership programs with mobile operators to focus on fixed-line broadband-only segment, and by offering higher speed plans at competitive prices
- High fixed broadband penetration in Taiwan; opportunity to gain more market share
- Rising demand for higher-speed broadband plans due to rapidly growing demand for data



### PREMIUM DIGITAL TV

- Continue to drive growth for Premium digital TV RGUs by stepping up marketing efforts to attract new RGUs
- Consumer preference for better quality video and interactive services
- Growing number of HD television sets in Taiwan since analog TV signal only switched off in 2017



### SCALABLE & EFFICIENT COST STRUCTURE

- Headroom in network capacity that allows provision of additional services at limited incremental cost
- Support inorganic growth in future

## OPERATING ENVIRONMENT



### CHALLENGING ENVIRONMENT

- ARPUs continue to remain under pressure due to growing popularity of online TV, challenges from video piracy issues, aggressively priced IPTV and competition in the Broadband segment
- Decline in demand for home shopping and stronger competition from internet retailing to continue impacting channel leasing revenue



### HIGHLY REGULATED

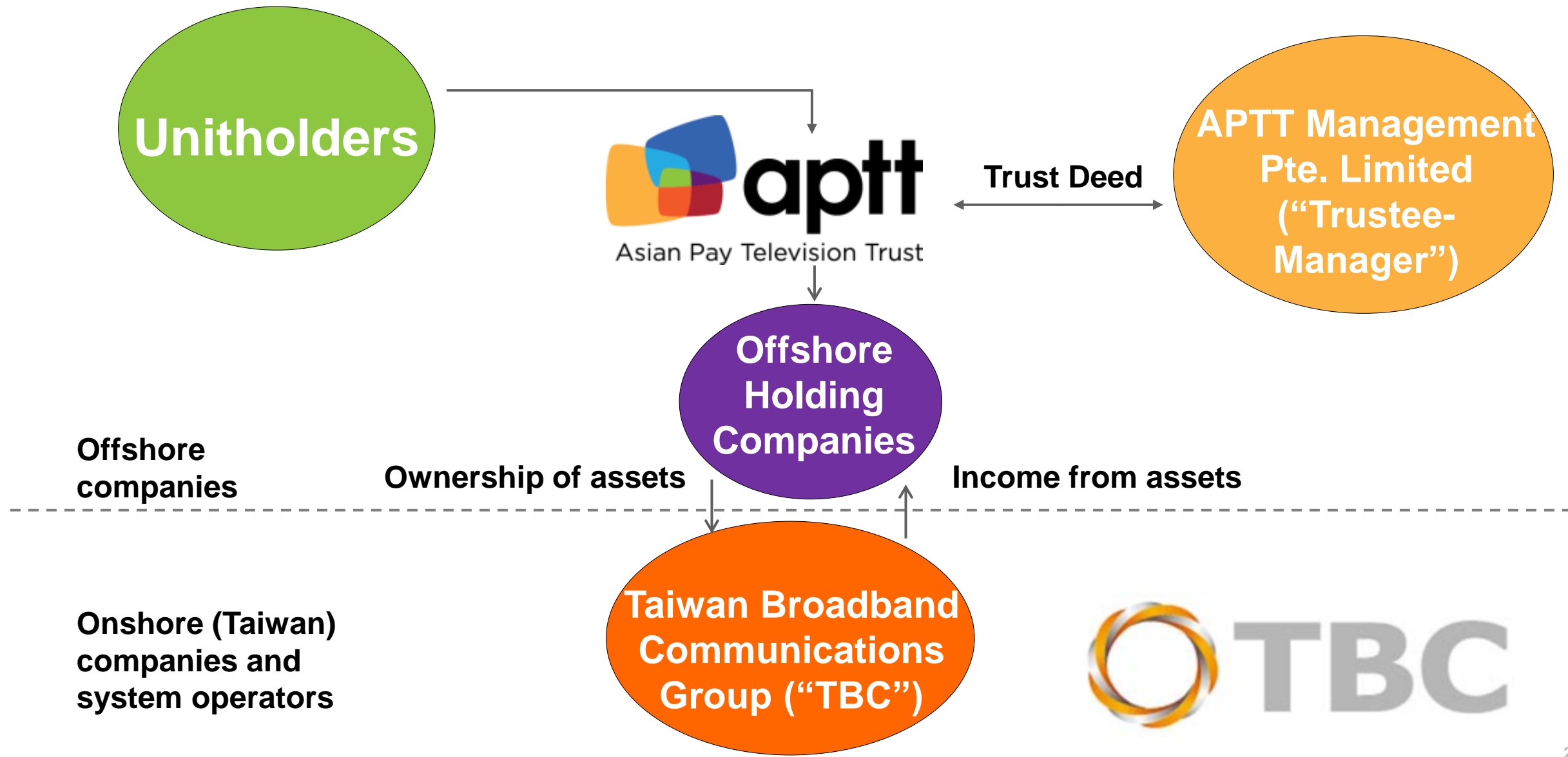
- Basic cable TV rates for 2024 across all five operating franchise areas were maintained at the same rates as 2023
- All five operating licences have most recently been renewed in 2020 and 2021 and will be due for next renewal in 2029 or 2030

*Broadband & Premium digital TV RGUs expected to continue increasing in 2024; total revenue will be influenced by the ability to manage ARPUs which will remain under pressure; total operating expenses in 2024 expected to be in line with 2023*

# BUSINESS OVERVIEW



# TRUST STRUCTURE



# OVERVIEW

*APTT is a business trust with a mandate to own & operate pay-TV & broadband businesses in Taiwan, Hong Kong, Japan & Singapore*

- Independent Directors comprise majority of the Board of Directors (3 out of 5)
- Sole investment in Taiwan Broadband Communications (“TBC”) – A leading cable TV and high-speed broadband operator in Taiwan

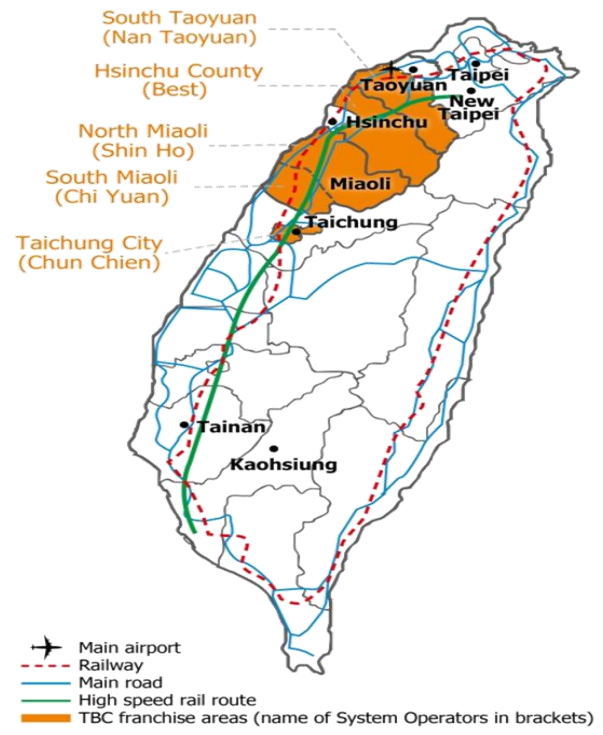


*Cable TV operator in five operating franchise areas in Taiwan, with network coverage of more than 1.3 million homes*

- Owns 100% of the advanced hybrid fibre coaxial cable network in the five operating franchise areas
- Resilient business with high barriers of entry due to high network roll out requirements
- Large customer base makes TBC attractive to local content providers
- Long standing relationship with subscribers; deep understanding of Taiwanese subscribers’ viewing preferences



## OPERATING FRANCHISE AREAS IN NORTHERN & CENTRAL TAIWAN



### PRODUCT OFFERINGS

*Approx. 88% of revenue is subscription-based from the three product offerings<sup>1</sup>*

BASIC CABLE TV	PREMIUM DIGITAL TV	BROADBAND
Over 100 channels on Basic cable TV, majority of the popular channels are only available on cable TV	Up to 61 additional channels including one 4K channel and 58 HD channels, through MPEG4 platform. 40% <sup>1</sup> of TBC’s Basic cable TV subscribers are also Premium digital TV subscribers; opportunity to upsell to the remaining 60%	Growing market share, with ability to cross-sell to non-customers on DOCSIS 3.1 enabled HFC network and current speed offerings up to 1 Gbps

- Low churn rate of 0.6% for Basic cable TV in Q2 (637K<sup>1</sup> Revenue Generating Units)
- Up-sell Premium digital TV and cross-sell Broadband to large Basic cable TV subscriber base

Note: (1) As at 30 June 2024

# BUSINESS DRIVERS

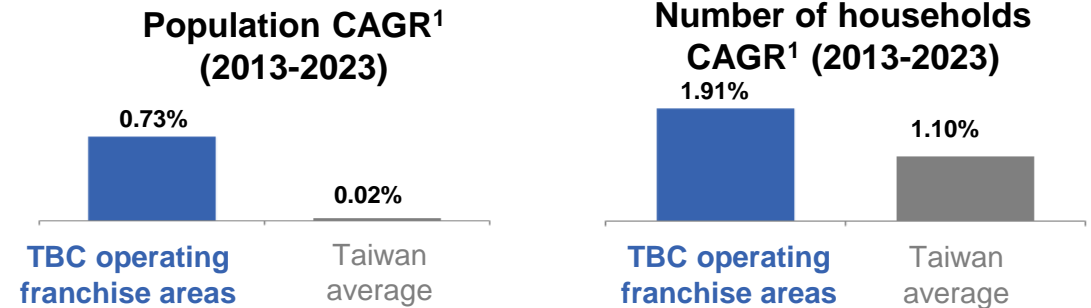




# TBC'S OPERATING FRANCHISE AREAS

Network coverage of more than 1.3 million households across five operating franchise areas in four counties of Taiwan

- Well connected via major railways, road transportation and/or international airports
- Increasing population due to workforce seeking employment in TBC Group's operating franchise areas
- Population growth in the five operating franchise areas (0.73%) outstrips national average (0.02%); Growing number of new households as more young Taiwanese set up families



**South Taoyuan**

- Home to Taiwan Taoyuan International Airport and close proximity to Taipei
- Service area covers 918 square km and constitutes over 75% of the total area in Taoyuan County
- Approx. 462K households and population of 1.2 million



**Hsinchu**

- Hsinchu Science Park is home to high tech companies, the city has one of the highest income levels in Taiwan
- Approx. 223K households and population of 591K



**Miaoli (North & South)**

- Suburban mountainous region geographically located between Hsinchu and Taichung
- Well connected via major railway and road transportation systems
- Approx. 201K households and population of 534K



**Taichung City**

- One of the most populous cities in Taiwan; home to Taichung International Airport
- Vibrant, diverse economy: large industrial areas and a thriving commercial sector that incorporates traditional businesses, small family-run shops & factories
- Approx. 494K households and population of 1.2 million

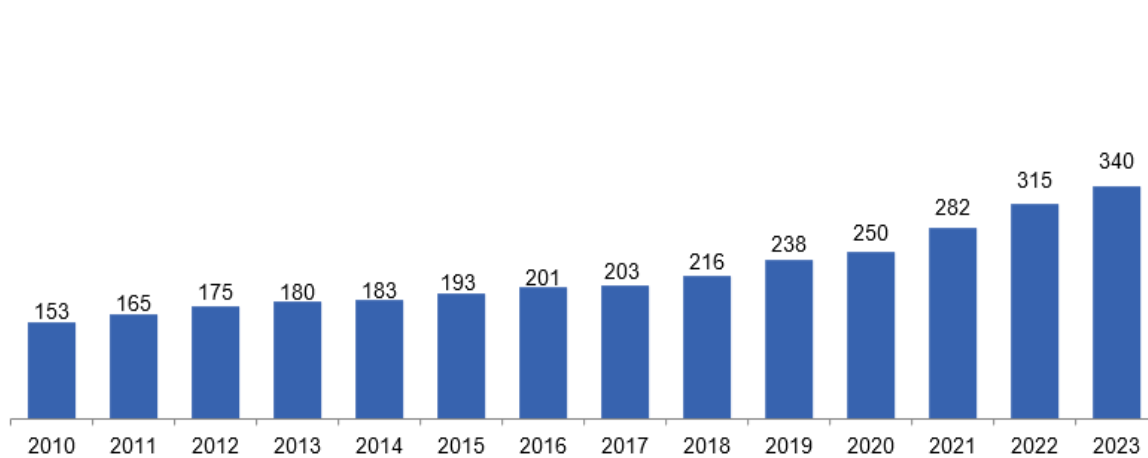
Note: (1) National Statistics, R.O.C. (Taiwan) 2023

# IMPROVING BROADBAND MARKET SHARE

TBC's broadband market share improving in its franchise areas year-on-year

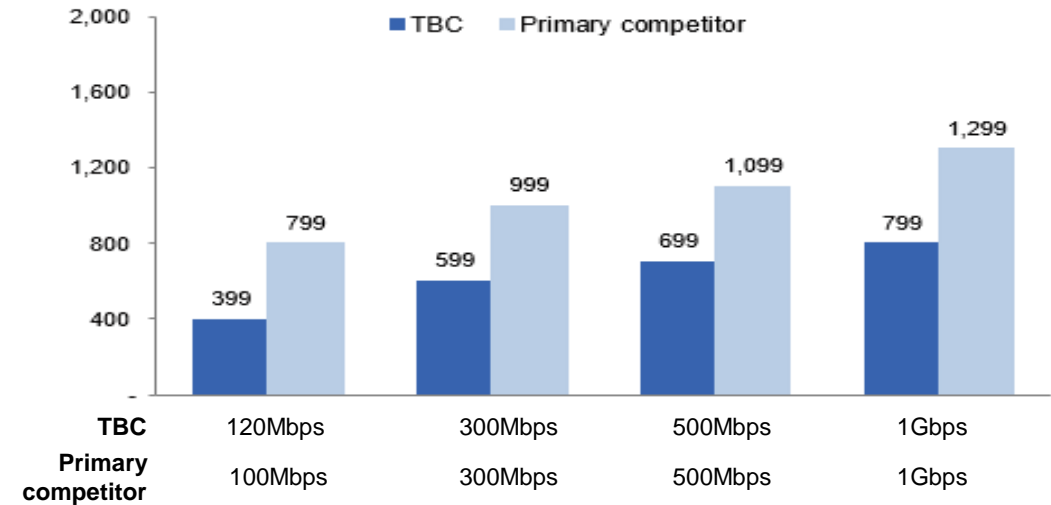
## Broadband RGUs ('000)

2010-23 Broadband RGU CAGR: 6.3%



## TBC Group offers competitive prices<sup>1</sup> with reliable services

NT\$ / month



Note: (1) Primary competitor pricing based on NCC data

- DOCSIS 3.1 and GPON enabled network that meets consumer demand for high-speed internet; 1 Gbps launched since 2019
- Competitive pricing and optional bundling with digital TV
- Offering value-added services including Android OTT gateway and karaoke singing box, among others. Will continue to introduce value-added solutions that leverage the Android gateway
- Developing new market segments, including enterprise clients
- Supporting mobile operators with their network development by leveraging TBC network for data backhaul

# HIGH BARRIERS TO ENTRY AGAINST CABLE ENTRANTS IN TAIWAN

## Cable TV continues to be the dominant TV platform

- Superior content portfolio at competitive pricing
- Affordable services
- Adoption of superior technology by operators
- Technological disadvantages of IPTV in Taiwan

## Barrier to entry against new cable entrants

- High network roll-out requirements
- Long standing relationships with subscribers; strong brand awareness
- Deep understanding of Taiwan subscribers' viewing preferences

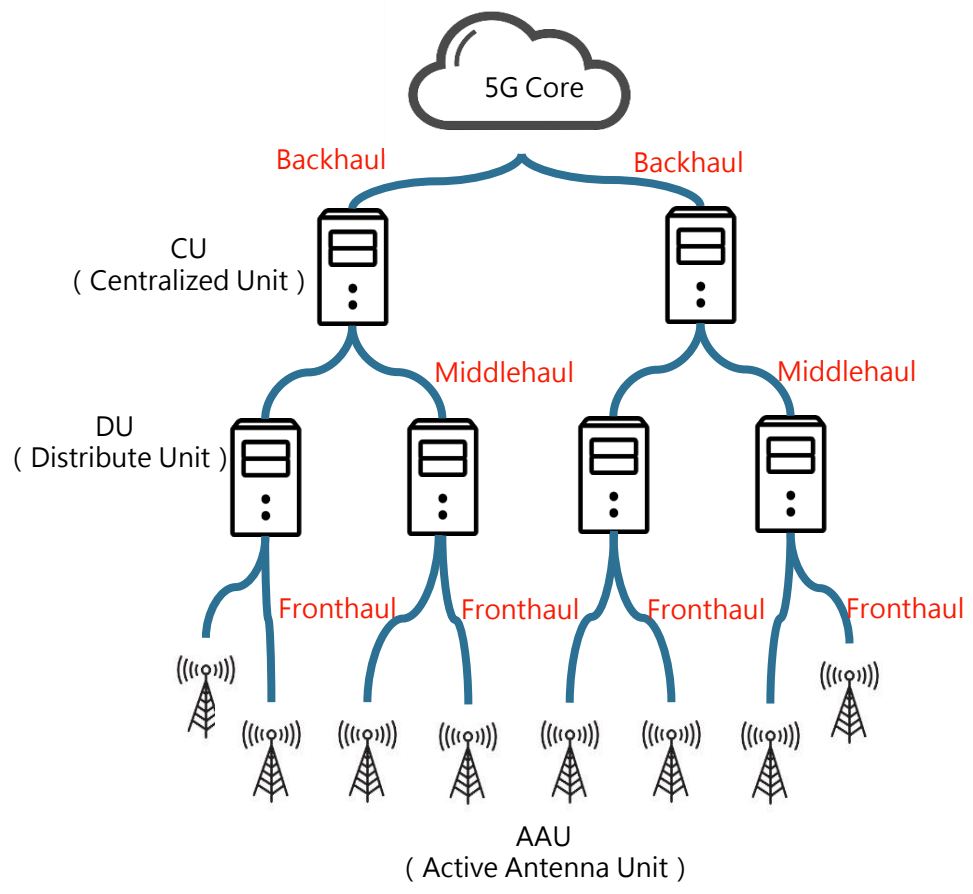
## Top 20 channels in Taiwan (Q2 2024)

1	TVBS-News
2	Sanlih E-Television News
3	EBC News
4	Formosa TV News
5	Sanlih Taiwan Channel
6	Unique Satellite TV
7	TVBS
8	ERA News
9	Next TV News
10	EBC Financial News
11	EBC Variety
12	GTV Drama
13	Videoland Sports
14	EBC Drama
15	Videoland Japanese
16	YOYO TV
17	Sanlih City Channel
18	GTV One
19	EBC Movies
20	Cti Entertainment

# 5G DATA BACKHAUL OPPORTUNITIES

## HOW DATA BACKHAUL WORKS?

For data to move from one point to another on the internet, there needs to be fibre nodes that allow these points to interface with each other



## WHY MOBILE OPERATORS IN TBC'S FRANCHISE AREAS NEED DATA BACKHAUL SERVICES?



***Demand for higher speed continues to increase***  
***Spectrum is expensive, while wireless competition is intense. CAPEX and OPEX for 5G infrastructure is costly for a mobile operator***

- TBC is one of two players in its franchise areas that owns a dense and distributed underground fibre network; TBC does not compete in the wireless space
- More efficient for 5G mobile operators to work with a 5G data backhaul partner (via 10GPON or DOCSIS3.1) to deliver higher speed/lower loss and lower interference end-to-end 5G network transmission
- TBC has increased fibre density from an average of over 750 end-homes per fibre node few years ago to less than 250 end-homes per fibre node on average today; Broadband speeds ranging up to 1 Gbps
- TBC's increased fibre density can adequately support mobile operators, removing network congestion and allowing data to be transmitted at high speed; allows 5G mobile operators who are building their small cell stations to tap into TBC's high speed fibre data backhaul
- As a proof-of-concept, TBC has been providing data backhaul for 4G networks to a few mobile operators; although its contribution is still not significant, revenue from data backhaul over the last three years has been gradually increasing
- TBC is positioned to benefit from mobile operators' multi-year investments in the build out of their 5G networks

END

