

PChome ONLINE

The Largest E-Commerce Group in Taiwan

E-Commerce Models

Types of Business Model

B2C



Amazon

Sales Revenue

C2C



eBay

Service Revenue

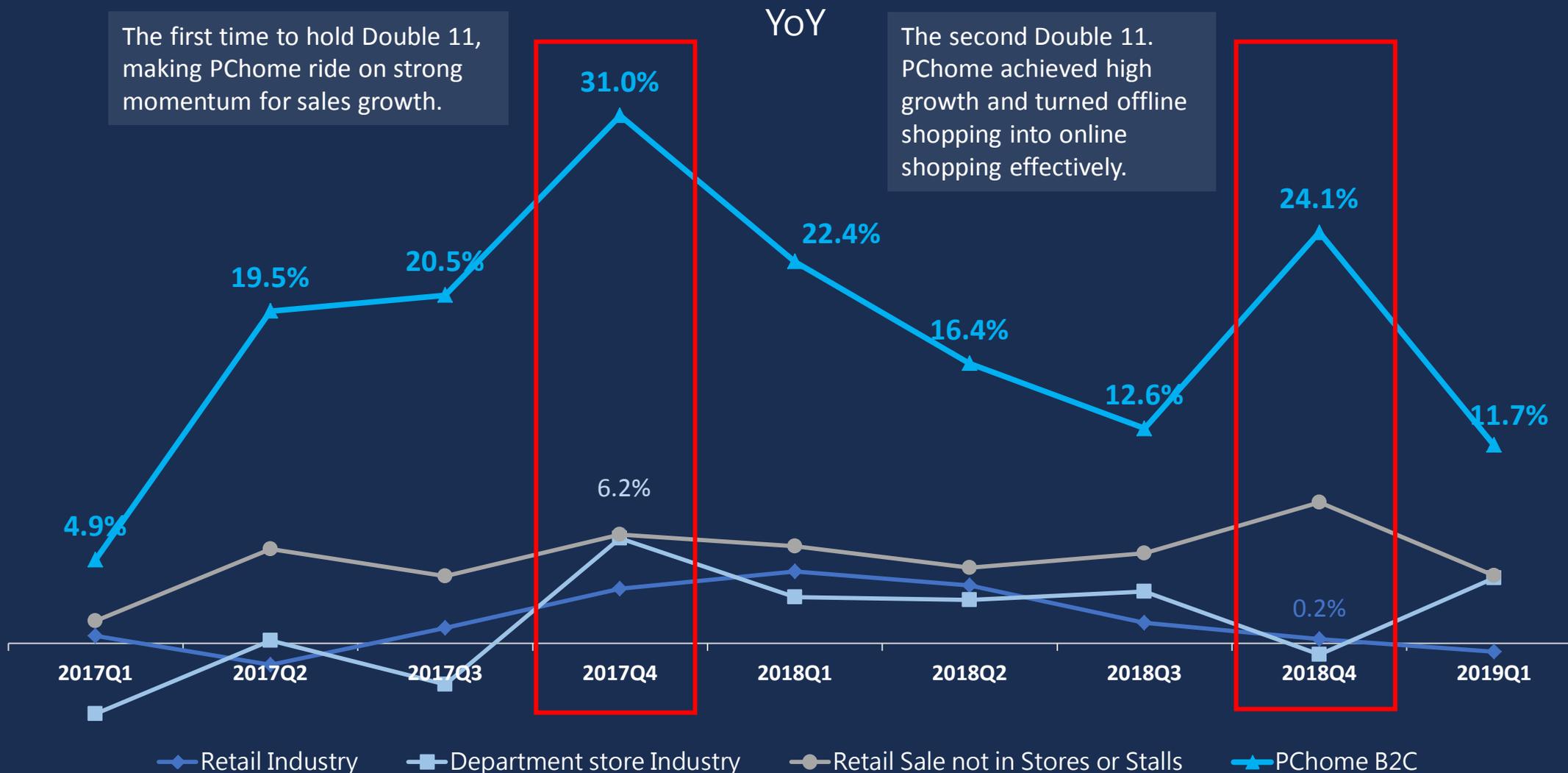
B2B2C



Rakuten

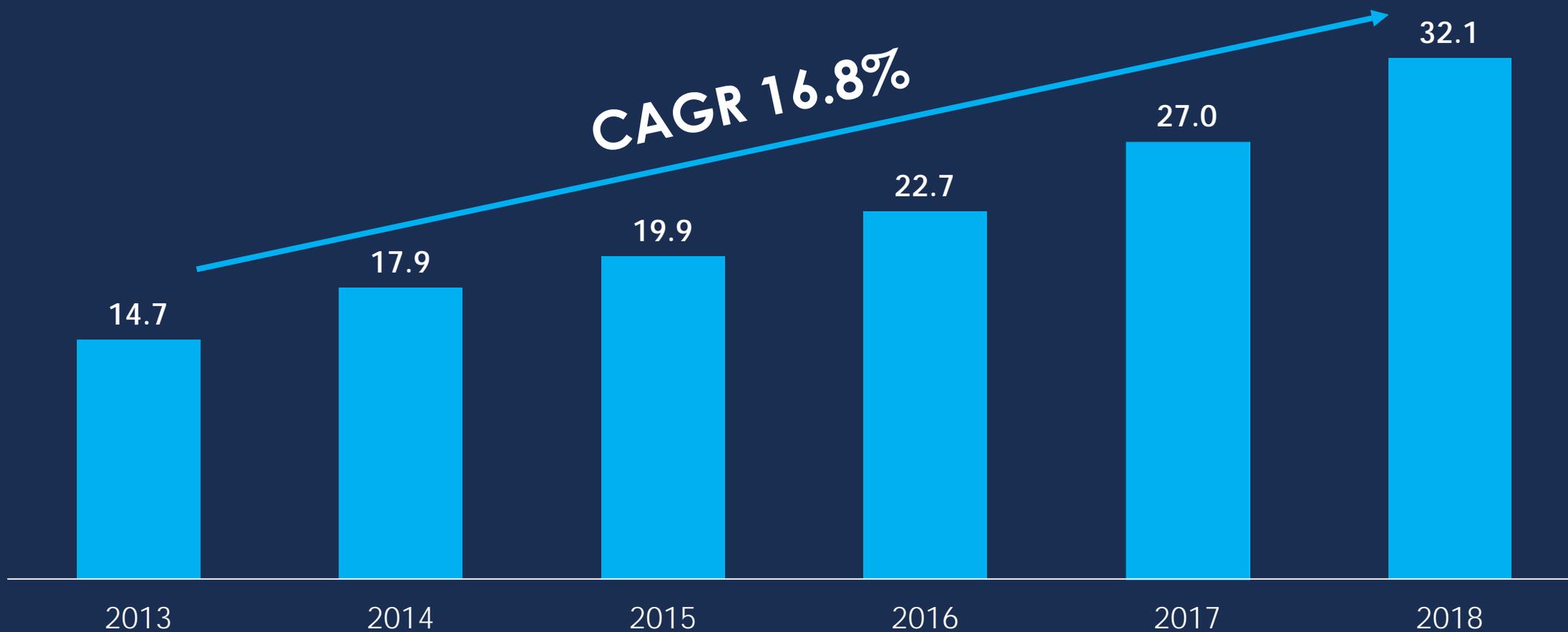
Service Revenue

PChome Keeps Strong Growth Momentum

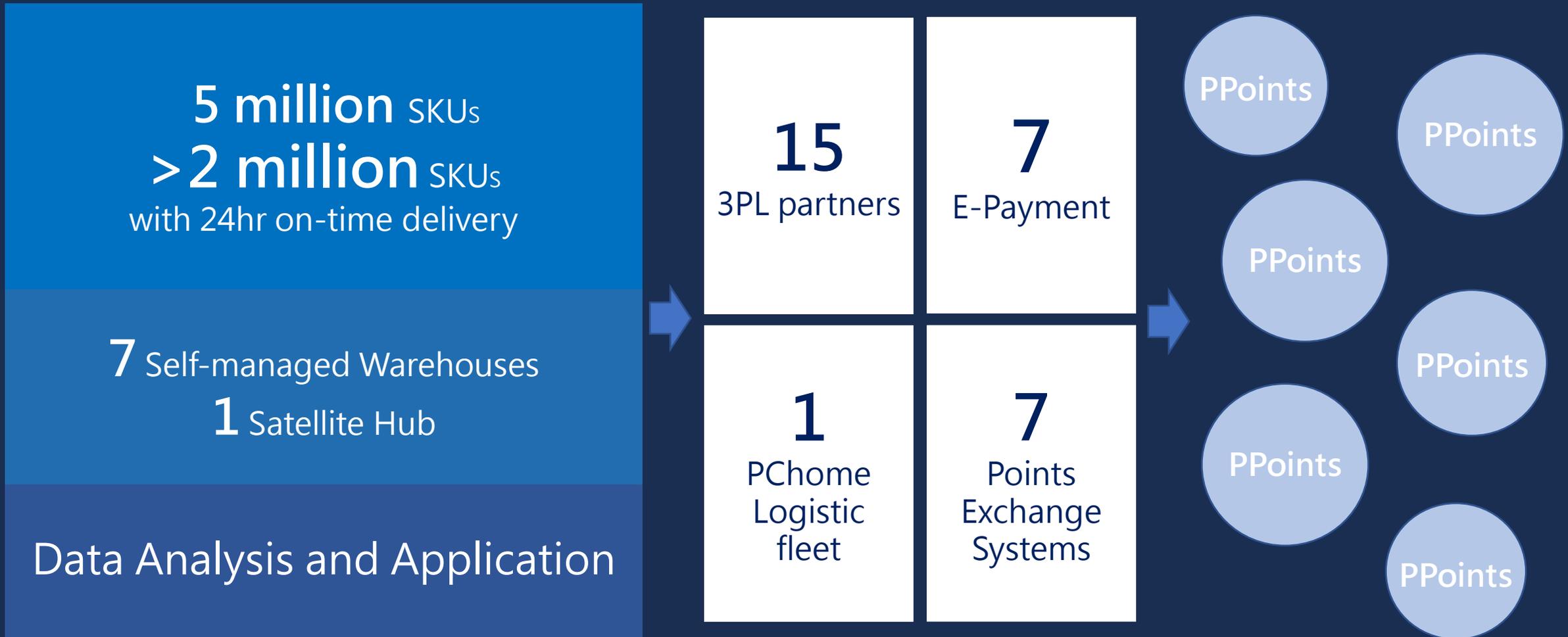


B2C maintains High Growth

PChome B2C Yearly Revenue (NTD, billion)



PChome B2C Business



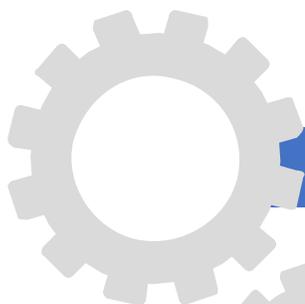
Collaborate with more FMCG Brands



Female Consumption Drives Revenue from Mobile Device

Orders from Women
(aged 25~44)
(2019.08)

40%



60%



The Number of APP
Downloads YoY
(2019.08)



Promote Corporate Social Responsibility

Eco-Friendly Cartons



90% LED Usage

(of Total Lighting Equipment)

Electric Vehicle Delivery

(Coming soon)



- 2 million+ SKUs in self-managed warehouses
- 99.7% 24hr on-time delivery
- 7 warehouses with total area of 231,400 m²
- 6hr delivery in Taipei City
- 15 third-party logistic partners
- Satellite hub in Taichung
- PChome logistic fleet (since 2018Q4)



Chunghwa Post Logistics Park



Open Logistic & Open Fulfillment Service

- Location : Guishan Dist., Taoyuan City.
(near transportation hub e.g. Taoyuan International Airport)
- Total Area : 148,760 m^2
- Open : 2022 Q1
- Term : 15 years

Self-managed Warehouses & Logistic



15 third-party logistic partners



O2O Festival Promotions

Double 11 Shopping Festival



2017.11

618 Shopping Festival



2018.06

Double 11 Shopping Festival



2018.11

Summer Festival's Promotions



2019.08



Upgrade entertainment, shopping, and musical festival

2019.11

Membership Economy



Since May 2018*
 > 900 million P points



Deposit Program

- E-certificate on PChome Shopping
- Leverage external resources from credit card banks
- Significantly boost 3C sales

Prime Co-Branded Credit Card

- For heavy users of PChome 24h Shopping
- Up to 6% rebate
- Prime-only discounts

Pi Wallets

- O2O mobile payment / 500,000 downloads
- More than 90,000 payment spots, including 99% parking fee, taxi fee
- Coverage, 10,000+ physical stores and taxi around Taiwan

Data & AI Service

露天拍賣



E-marketing AI Toolkit



Sales Data Analysis Hub



Smart Customer Chatbot

PChome ONLINE

Smart Warehousing

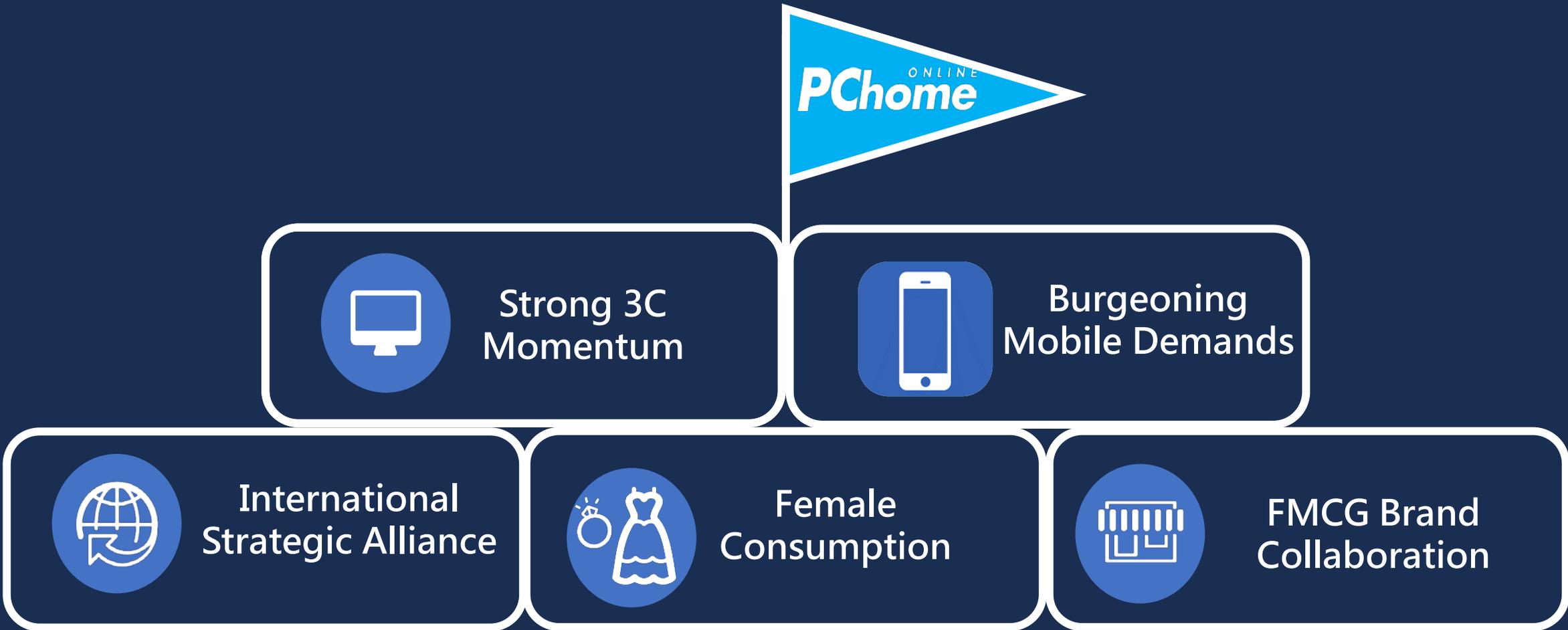
- Reduction of Paper Consumption
- Best Seller Prediction Algorithm
- Logistics System Optimization



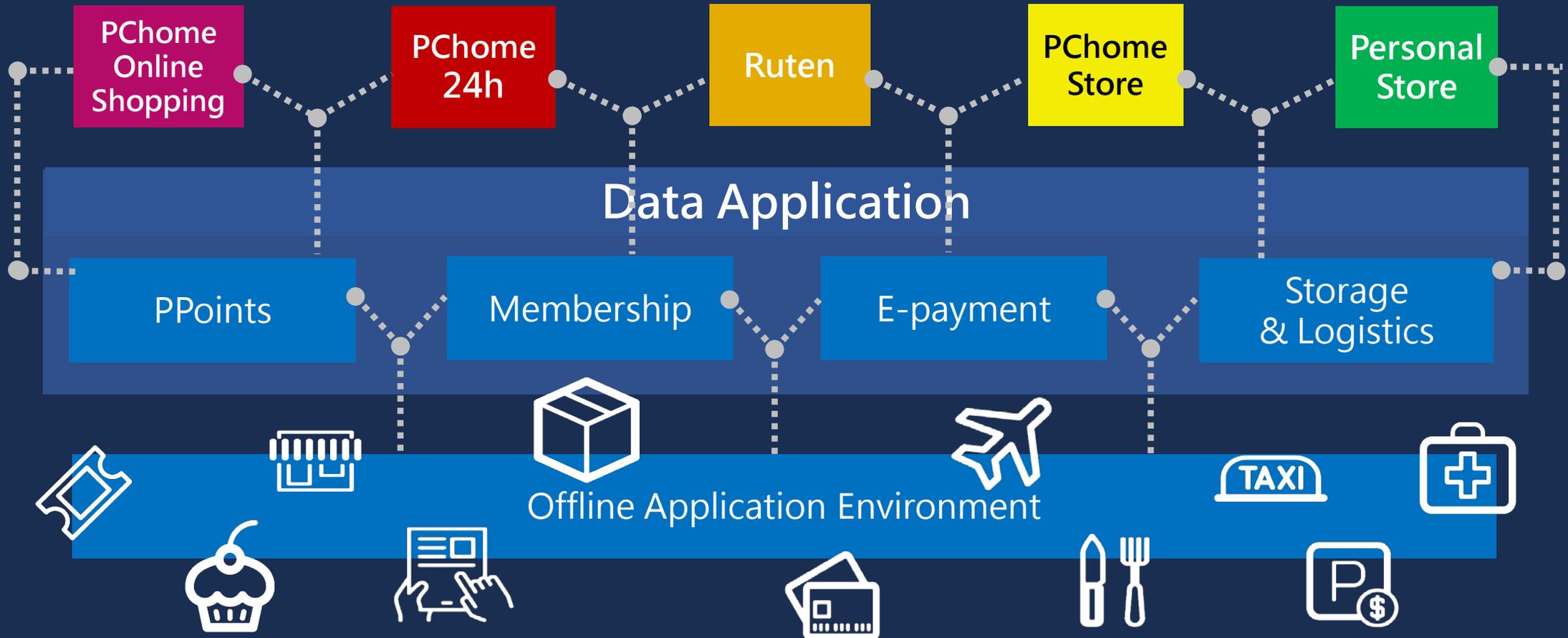
Cross-Border Alliance



2019 Growth Drivers



One PChome



Financial Summary

2019 1Q&2Q Income Statement *IFRS-consolidated*

NTD: 000	2019 1Q	%	2018 1Q	%	Variance	2019 2Q	%	2018 2Q	%	Variance
Revenue	9,202,209	100.0%	8,195,152	100.0%	12.3%	8,827,187	100.0%	7,838,454	100.0%	12.6%
Gross Margin	1,128,763	12.3%	1,090,641	13.3%	3.5%	1,078,758	12.2%	1,004,707	12.8%	7.4%
Operating Expense	(1,055,205)	-11.5%	(1,888,886)	23.0%	-44.1%	(1,031,674)	-11.7%	(1,624,042)	20.7%	-36.5%
Operating Income	73,558	0.8%	(798,245)	-9.7%	-	47,462	0.5%	(619,335)	-7.9%	-
Net non-operating income	(17,450)	-0.2%	(26,195)	-0.3%	-	(10,255)	-0.1%	53,808	0.7%	-
Net income before tax	56,108	0.6%	(824,440)	-10.1%	-	37,207	0.4%	(565,527)	-7.2%	-
Tax	(14,760)	-0.2%	(18,628)	0.2%	-	(15,105)	-0.2%	(22,003)	2.2%	-
Net income after tax	41,348	0.4%	(843,068)	-10.3%	-104.9%	22,102	0.3%	(587,530)	-36.2%	-

2019 1Q&2Q Income Statement *IFRS-unconsolidated*

	NTD :000	2019 1Q	%	2018 1Q	%	Variance	2019 2Q	%	2018 2Q	%	Variance
Revenue		8,524,974	100.0%	7,634,451	100.0%	11.7%	8,185,449	100.0%	7,282,311	100.0%	12.4%
Gross Margin		1,054,670	12.4%	989,917	13.0%	6.54%	997,474	12.2%	910,672	12.5%	12.8%
Operating Expense		(922,825)	10.8%	(863,604)	11.3%	6.86%	(929,911)	-11.4%	(868,976)	-11.9%	7%
Operating Income		131,845	1.5%	126,313	1.7%	4.38%	67,563	0.8%	41,696	0.6%	62%
Net non-operating income		(72,898)	-0.9%	(585,620)	-7.7%	-	(33,767)	-0.4%	(352,563)	0.6%	-
Net income before tax		58,947	0.7%	(459,307)	-6.0%	-	33,796	0.4%	(310,868)	-4.3%	-
Tax		(9,802)	-0.1%	(12,883)	-0.2%	-	(10,311)	-0.1%	(11,874)	-0.1%	-
Net income after tax		49,145	0.6%	(472,190)	-6.2%	-	23,485	0.3%	(322,742)	-4.4%	-

2019 1H Income Statement *IFRS-consolidated*

	NTD :000	2019 1H	%	2018 1H	%	Variance
Revenue		18,029,396	100.0%	16,033,606	100.00%	12.5%
Gross Margin		2,207,521	12.2%	2,095,348	13.1%	5.4%
Operating Expense		(2,086,879)	-11.6%	(3,512,928)	-21.9%	-40.6%
Operating Income		121,020	0.7%	(1,417,580)	-8.8%	-
Net non-operating income		(27,705)	-0.2%	27,613	0.2%	-
Net income before tax		93,315	0.5%	(1,389,967)	-8.7%	-
Tax		(29,865)	-0.2%	(40,631)	-0.3%	-
Net income after tax		63,450	0.4%	(1,430,598)	-8.9%	-

2019 1H Income Statement *IFRS-unconsolidated*

	NTD :000	2019 1H	%	2018 1H	%	Variance
Revenue		16,710,423	100.0%	14,916,762	100.0%	12.0%
Gross Margin		2,052,144	12.3%	1,900,589	12.7%	8.0%
Operating Expense		(1,852,736)	-11.1%	(1,732,580)	11.6%	6.9%
Operating Income		199,408	1.2%	168,009	1.1%	18.7%
Net non-operating income		(106,665)	-0.6%	(938,184)	-6.3%	-
Net income before tax		92,743	0.6%	(770,175)	-5.2%	-
Tax		20,113	0.1%	(24,757)	-0.2%	-
Net income after tax		72,630	0.4%	(794,932)	-5.3%	-

2019 1H Balance Sheet

IFRS-consolidated

ASSETS	NTD: 000		2019.06.30		2018.06.30	
	Amount	%	Amount	%	Amount	%
Current Assets :						
Cash and cash equivalents	6,784,471	47	8,693,318	70		
Accounts receivable, net	570,573	4	437,821	4		
Inventories, net	1,205,142	8	1,105,879	9		
Other financial assets-current	522,066	4	481,191	4		
Other current assets	236,422	2	194,996	2		
Current asset recognized as right to recover products from customers	21,158	0	25,357	0		
	<u>9,339,832</u>	<u>64</u>	<u>10,938,562</u>	<u>88</u>		
Non-Current Assets :						
Non-current financial assets at fair value through other comprehensive income	110,028	1	84,729	1		
Property, plant, and equipment	574,570	4	558,179	4		
Deferred income tax assets	45,086	0	35,784	0		
Net defined benefit asset-non-current	3,795	0	-	-		
Other financial assets-non-current	145,486	1	134,326	1		
Other non-current assets	30,022	0	28,938	0		
	<u>908,987</u>	<u>6</u>	<u>841,956</u>	<u>7</u>		
TOTAL ASSETS	<u>14,546,155</u>	<u>100</u>	<u>12,482,334</u>	<u>100</u>		

LIABILITIES AND STOCKHOLDERS' EQUITY	2019.06.30		2018.06.30	
	Amount	%	Amount	%
Current Liabilities :				
Short-term debt	200,000	1	2,250,000	18
Current contract liabilities	397,792	3	350,030	3
Notes payable	2,845	0	2,868	0
Accounts payable	2,850,641	20	3,064,055	25
Other payable	770,248	5	771,839	6
Current tax liabilities	58,976	0	72,530	1
Current leases liabilities	506,510	3	-	-
Other current liabilities	375,663	3	13,024	0
Long-term liabilities, current portion	250,000	2	-	-
Current refund liabilities	22,942	-	27,474	0
	<u>7,172,191</u>	<u>49</u>	<u>8,686,688</u>	<u>70</u>
Non-current Liabilities :				
Long-term bank loans	1,200,000	8	-	-
Deferred income tax liabilities	659	0	-	-
Net defined benefit liabilities-non-current	6,695	0	3,388	0
Other non-current liabilities	613	0	11,871	0
	<u>3,866,118</u>	<u>27</u>	<u>15,259</u>	<u>0</u>
TOTAL LIABILITIES	<u>11,038,309</u>	<u>76</u>	<u>8,701,947</u>	<u>70</u>
Equity Attributable to owners of parent				
Share capital :				
Capital surplus	1,720,393	12	2,506,743	20
Retained earnings :				
Legal reserve	-	-	408,184	3
Special reserve	-	-	4,120	0
Retained earnings-unappropriated	72,630	1	(160,880)	(1)
Other Equity :				
Exchange differences on translation of foreign operations	36,738	0	946	0
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	43,724	0	37,197	0
Total equity attributable to owners of parent	3,045,080	21	3,967,905	32
Non-controlling Interest	462,766	3	(187,518)	(2)
TOTAL EQUITY	<u>3,507,846</u>	<u>24</u>	<u>3,780,387</u>	<u>29</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>14,546,155</u>	<u>100</u>	<u>12,482,334</u>	<u>100</u>

PChome Group Structure



Thank you!!