



PChome ONLINE

Ticker : 8044-TT

April 2024



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Agenda

- **Opening Remarks**
- **Business Strategy**
- **1Q 2024 Financial & Operational Results**
- **Q&A**

**The Group reported a consolidated
Pretax Loss of NT\$ 3mn in 1Q 2024.**
vs. pretax loss of NT\$ 41mn in 1Q 2023 & NT\$ 249mn in 4Q 2023

- **B2C Operational Optimization**
- **Improved profitability of major subsidiaries thanks to resource consolidation of the group**
- **Will keep pursuing growth in scale and profits through expanding product offerings and enhancing operational efficiency**

Key Messages

The Group reported a consolidated pretax loss of NT\$ 3mn in 1Q 2024.

The consolidated pretax loss narrowed significantly thanks to operational optimization of B2C business and resource consolidation of the group

B2C



- **Non-3C Expansion:** Non-3C revenue grew by 5.8% YoY in 1Q 2024 despite fierce market competition.
- **User Experience Optimization:** With the revamp of PChome 24h App pages, we continue to see YoY growth from mobile revenue since 3Q 2023.
- **Operational Efficiency Enhancement:** By employing data-centric marketing strategies and enhancing warehouse automation, B2C operating expense declined by 10.5% YoY in 1Q 2024.

Other Businesses

- **Fintech BU** continues to see double-digit YoY growth in revenue and creates sustainably positive net income.
- Other major subsidiaries have turned profitable or continue to cut their losses with resources integration or business expansion.

B2C Strategy Execution



Non-3C Expansion

- Enhance supplier relationships for comprehensive product offerings
- Launch private-labeled N3C products to reinforce the brand image of "Everyday Reliable"



User Growth

- The revamp of App pages and rollout of new functions will continue to optimize UX and foster consumption habits
- Employing data analytics in marketing decisions to boost user growth



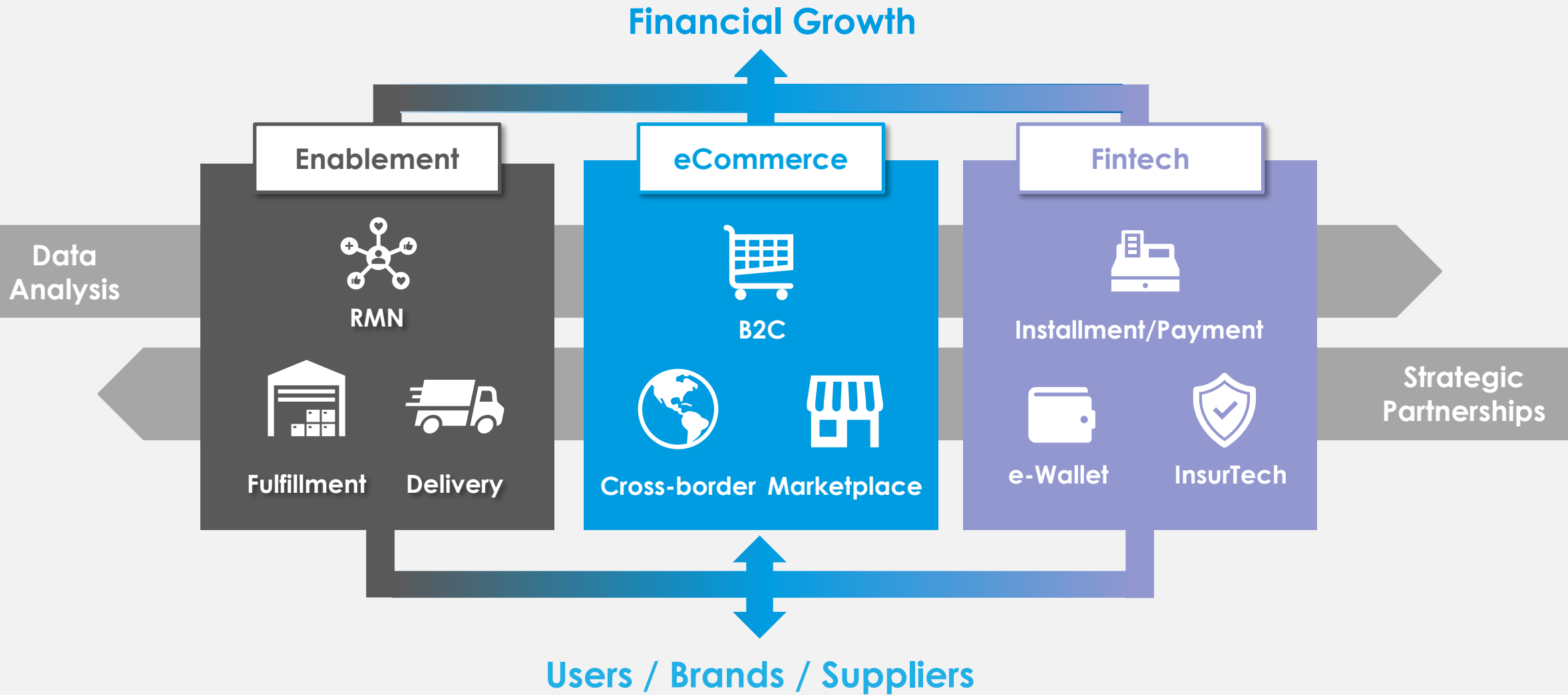
Strategic Partnerships

- Partner with ChungHwa Telecom:** (1) to integrate Hami Points redemption in our shopping cart since 23Q3; (2) launched 5G tariff plans in 24Q1, offering users with generous rewards
- Partner with DBS Bank** to introduce co-branded PChome Prime card boasting a reward rate of up to 6%, the highest among competitors



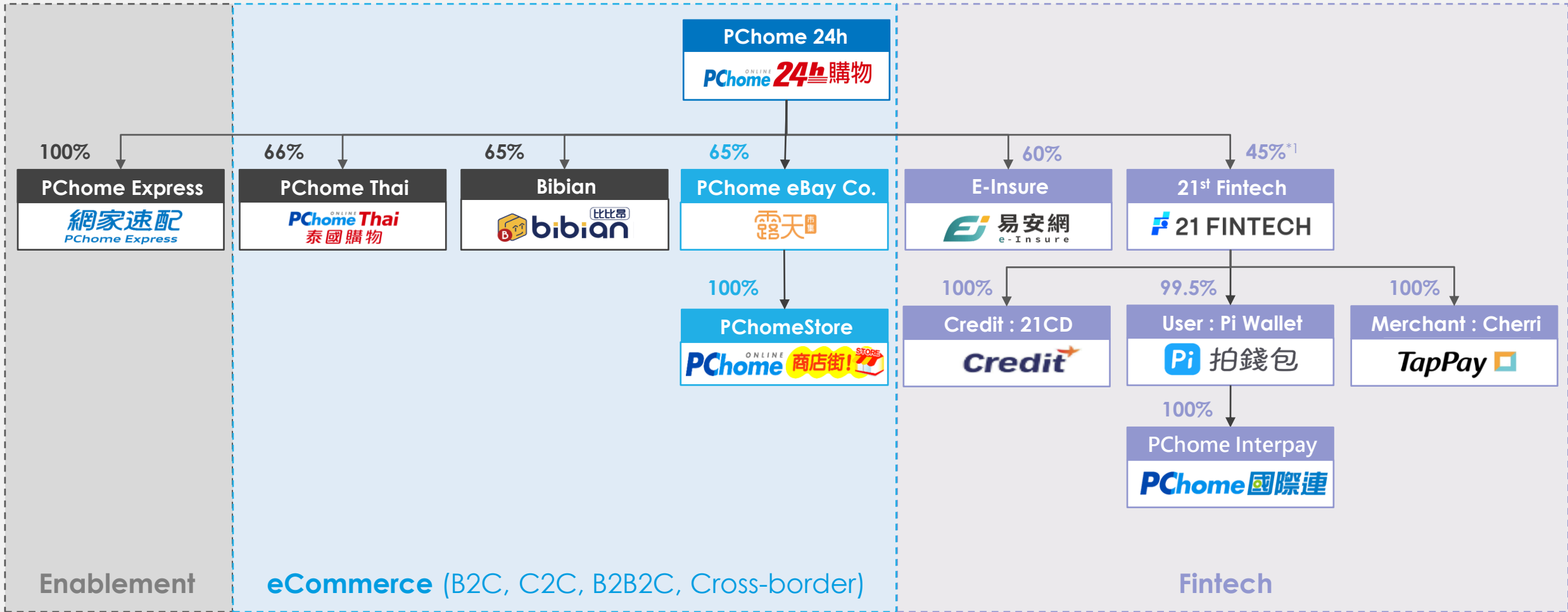
BOXMAN is featured on the co-branded cards to raise PChome's brand recognition

PChome Group Vision



PChome Group Overview

- B2C
- Marketplace
- Fintech
- Others



Note 1: PChome Online Inc., the parent company, holds a 43.66% stake in 21st Financial Technology Co., Ltd., while its subsidiary, PChome eBay Co., holds a 1.41% stake.

1Q 2024 Consolidated Financial Summary

NT\$ million	1Q 2024	1Q 2023	Change	YoY	4Q 2023	Change	QoQ
Revenue	9,650	10,156	(506)	-5.0%	12,188	(2,538)	-20.8%
COGS	(8,408)	(8,957)	549	-6.1%	(10,974)	2,567	-23.4%
Gross profit	1,243	1,199	43	3.6%	1,214	29	2.4%
Operating expense	(1,254)	(1,317)	63	-4.8%	(1,521)	267	-17.5%
S&M expense	(828)	(930)	101	-10.9%	(1,044)	216	-20.7%
G&A expense	(164)	(160)	(4)	2.8%	(176)	12	-6.9%
R&D expense	(137)	(148)	11	-7.2%	(145)	8	-5.3%
Provision expense	(125)	(80)	(45)	55.6%	(155)	31	-19.7%
Operating profit	(12)	(118)	106	NM	(307)	295	NM
Non-operating income	9	77	(68)	-88.9%	58	(50)	-85.3%
Pretax income	(3)	(41)	38	NM	(249)	246	NM
Tax	(27)	(40)	13	-33.0%	28	(1)	-3.8%
Net income	(30)	(81)	51	NM	(277)	247	NM
- Attributed to shareholders	(76)	(121)	45	NM	(298)	222	NM
- Minority interest	46	40	6	14.1%	21	25	121.9%
EPS(NT\$)	(0.54)	(0.96)	0.42	NM	(2.20)	1.66	NM
Gross margin(%)	12.9%	11.8%	1.1ppt		10.0%	2.9ppt	
Operating margin(%)	-0.1%	-1.2%	1.0ppt		-2.5%	2.4ppt	
Adjusted EBITDA margin(%)	2.3%	1.9%	0.4ppt		0.1%	2.2ppt	
Net margin(%)	-0.3%	-0.8%	0.5ppt		-2.3%	2.0ppt	

1Q 2024 Consolidated Income Statement

NT\$ million	1Q 2024		1Q 2023		YoY	4Q 2023		QoQ
	Amount	%	Amount	%		Amount	%	
Revenue	9,650	100.0%	10,156	100.0%	-5.0%	12,188	100.0%	-20.8%
- B2C	8,812		9,144		-3.6%	11,396		-22.7%
- Marketplace	234		300		-21.9%	249		-5.8%
- Fintech *1	517		388		33.5%	479		8.1%
- Other & Adjustment *2	87		324		-73.2%	65		33.6%
Gross profit	1,243	12.9%	1,199	11.8%	3.6%	1,214	10.0%	2.4%
Operating expense	(1,254)	-13.0%	(1,317)	-13.0%	-4.8%	(1,521)	-12.5%	-17.5%
Operating profit	(12)	-0.1%	(118)	-1.2%	NM	(307)	-2.5%	NM
- B2C	(105)		(152)		NM	(281)		NM
- Marketplace	14		15		-8.4%	17		-19.8%
- Fintech	109		67		64.3%	19		479.9%
- Other & Adjustment	(30)		(48)		NM	(62)		NM
Adjusted EBITDA	225	2.3%	196	1.9%	14.9%	18	0.1%	1148.2%
- B2C	90		51		78.1%	(71)		NM
- Marketplace	16		26		-35.4%	24		-31.2%
- Fintech *3	121		127		-4.6%	92		32.2%
- Other & Adjustment	(3)		(7)		NM	(27)		NM
Non-operating income	9	0.1%	77	0.8%	-88.9%	58	0.5%	-85.3%
Pretax income	(3)	0.0%	(41)	-0.4%	NM	(249)	-2.0%	NM
Tax	(27)	-0.3%	(40)	-0.4%	-33.0%	(28)	-0.2%	-3.8%
Net income	(30)	-0.3%	(81)	-0.8%	NM	(277)	-2.3%	NM
- Attributed to shareholders	(76)		(121)		NM	(298)		NM
- Minority interest	46		40		14.1%	21		121.9%
EPS(NT\$)	(0.54)		(0.96)		NM	(2.20)		NM

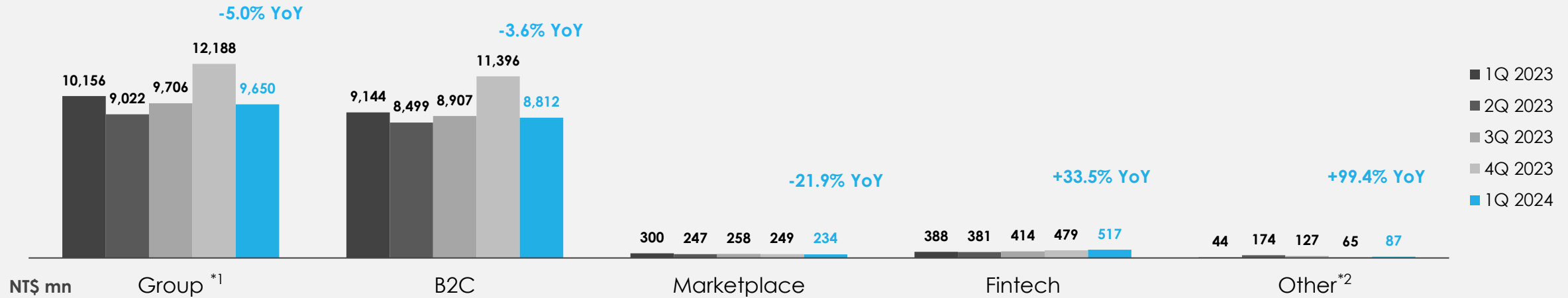
Note 1: The late fee revenue of Fintech Credit business has been recognized as revenue since 1Q 2024; before 1Q 2024, it was recognized as non-operating income.

Note 2: The revenue of Bibian (categorized in Other BU), a subsidiary of PChome cross-border ecommerce service, is recognized on a gross basis in 1Q 2023, and a net basis in 2Q 2023 onwards.

Note 3: Adjusted EBITDA included the recurring late fee income and gain on reversal of bad debts of Fintech BU to better reflect the profit contribution of the credit business.

1Q 2024 Adj. Rev./Profit Breakdown by Business Divisions

Revenue Breakdown



Operating Profit Breakdown

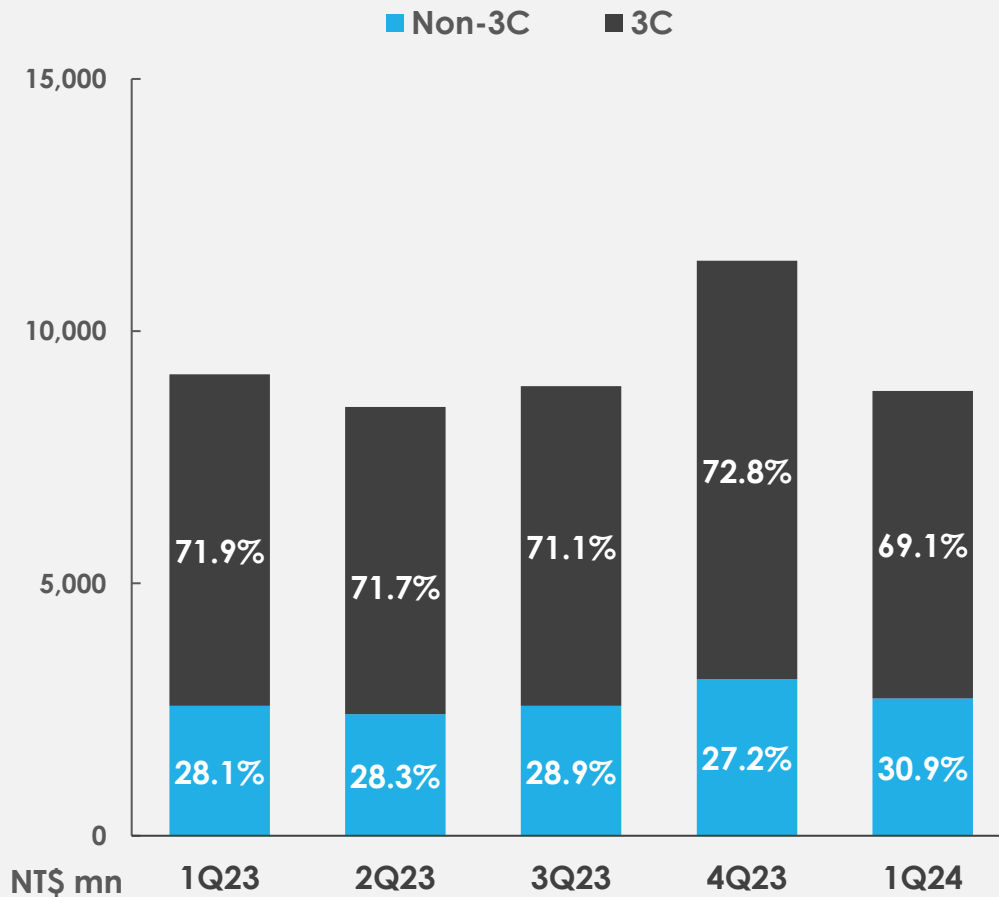


Note1: The revenue of Other BU shown above has reflected the change in revenue recognition (a gross basis in 1Q 2023, and a net basis in 2Q 2023 onwards) for Bibian, a subsidiary of PChome cross-border ecommerce service. Other BU revenue in 1Q 2023 was NT\$324mn before adjustment and NT\$44mn after adjustment, with a difference of NT\$281mn.

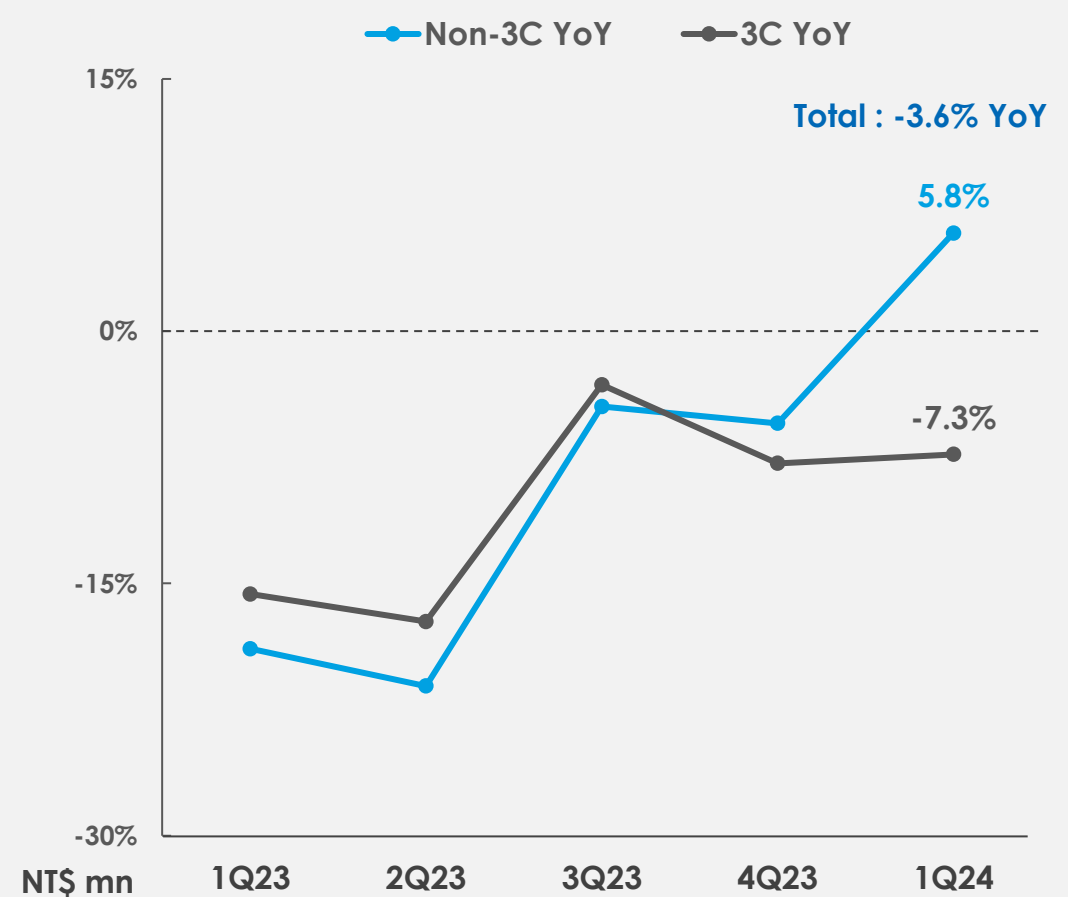
Note2: For Fintech BU, operating profit shown above is adjusted for recurring late fee revenue (recognized as revenue in 1Q 2024) and gain on reversal of bad debts of the credit business (recognized as non-op).

B2C: 1 Q 2024 Operational Highlights

B2C Revenue Breakdown by Product*1



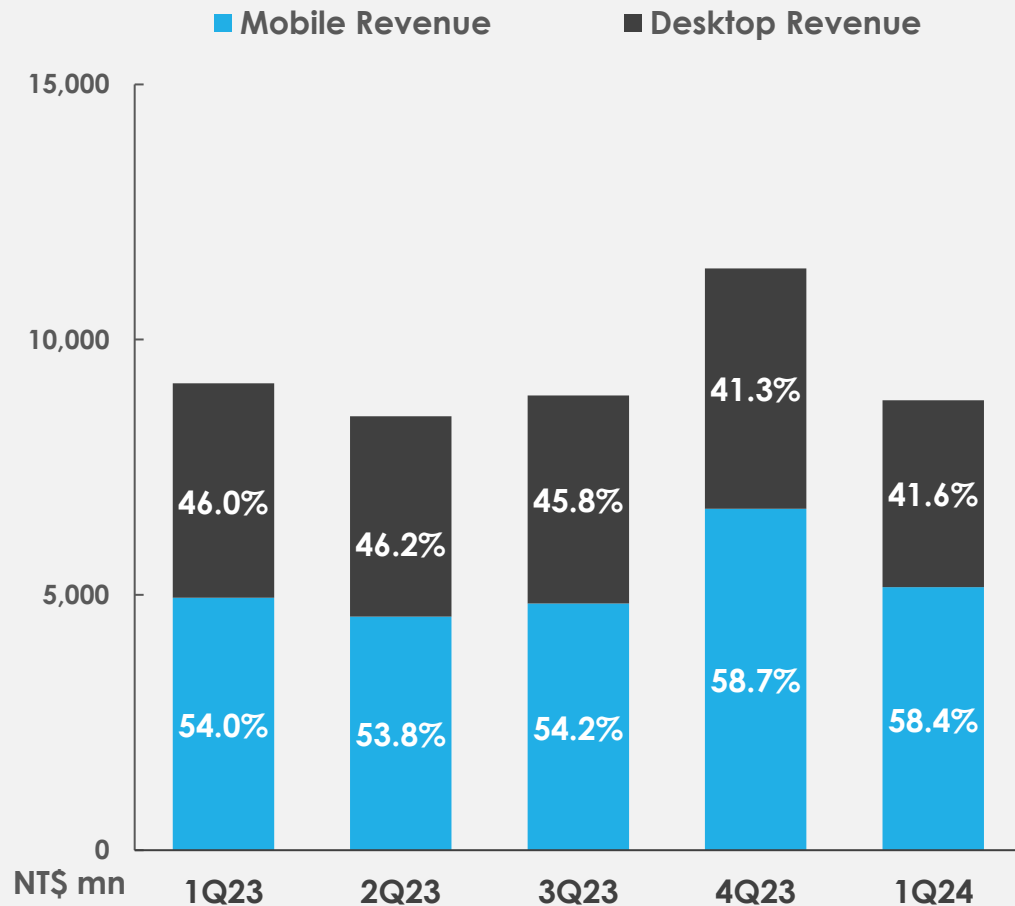
B2C Revenue YoY Growth Rate by Product



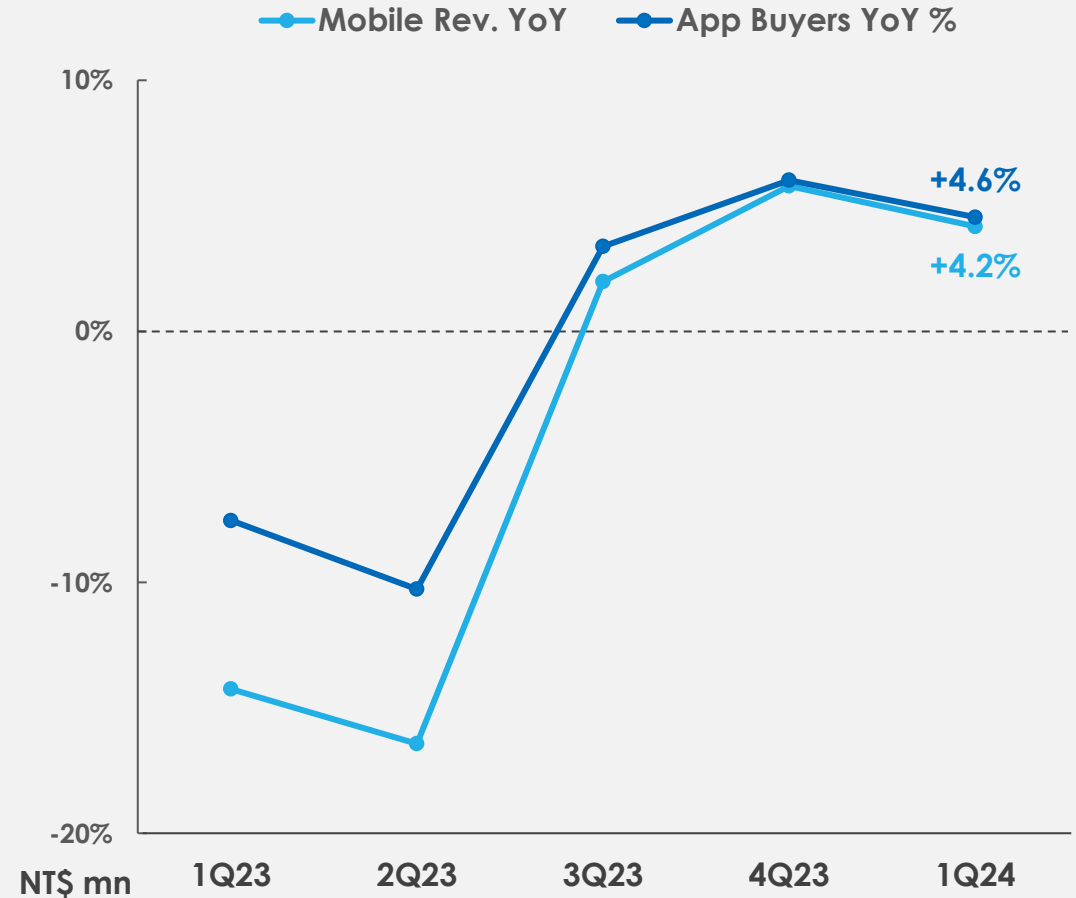
Note 1: The above N3C figures for each quarter in 2023 is lower than the number provided before. This difference arises from the organizational adjustments made at the end of 2023, and here we provide adjusted figures retrospectively. Without retrospective adjustments for the 2023 figures, N3C revenue still grew by 2.6% YoY in 1Q 2024.

B2C: 1 Q 2024 Operational Highlights

B2C Revenue Breakdown by Device

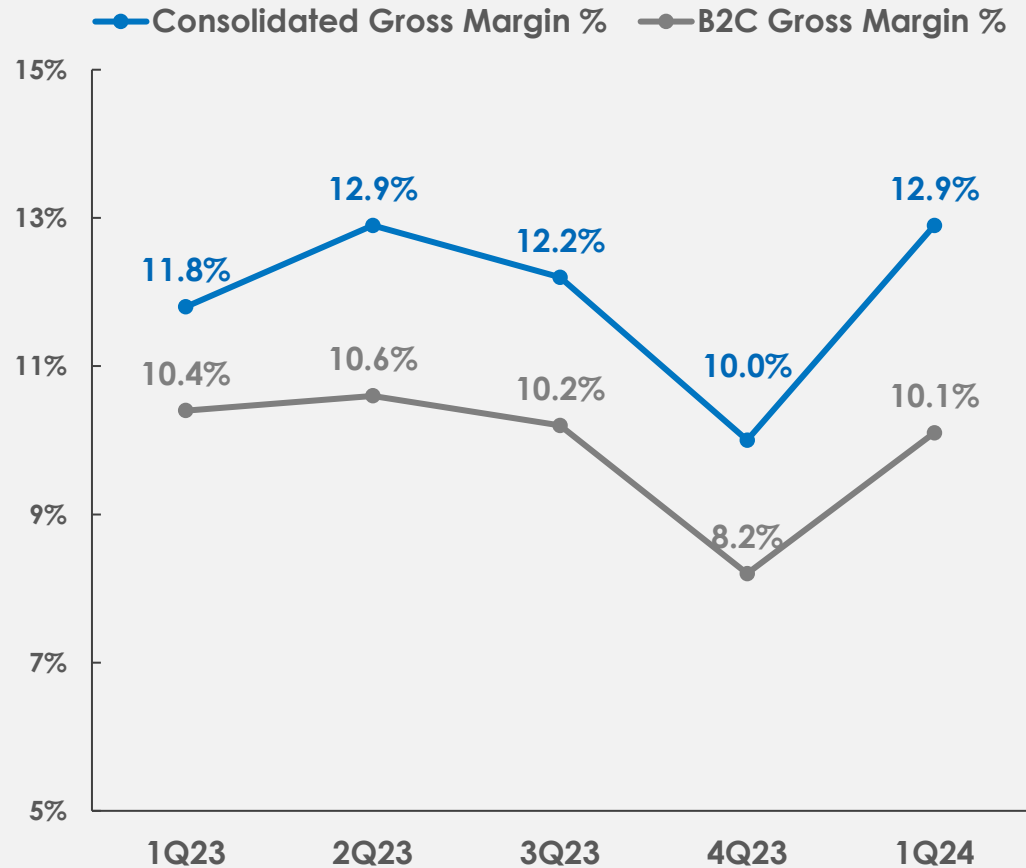


Mobile/App Growth

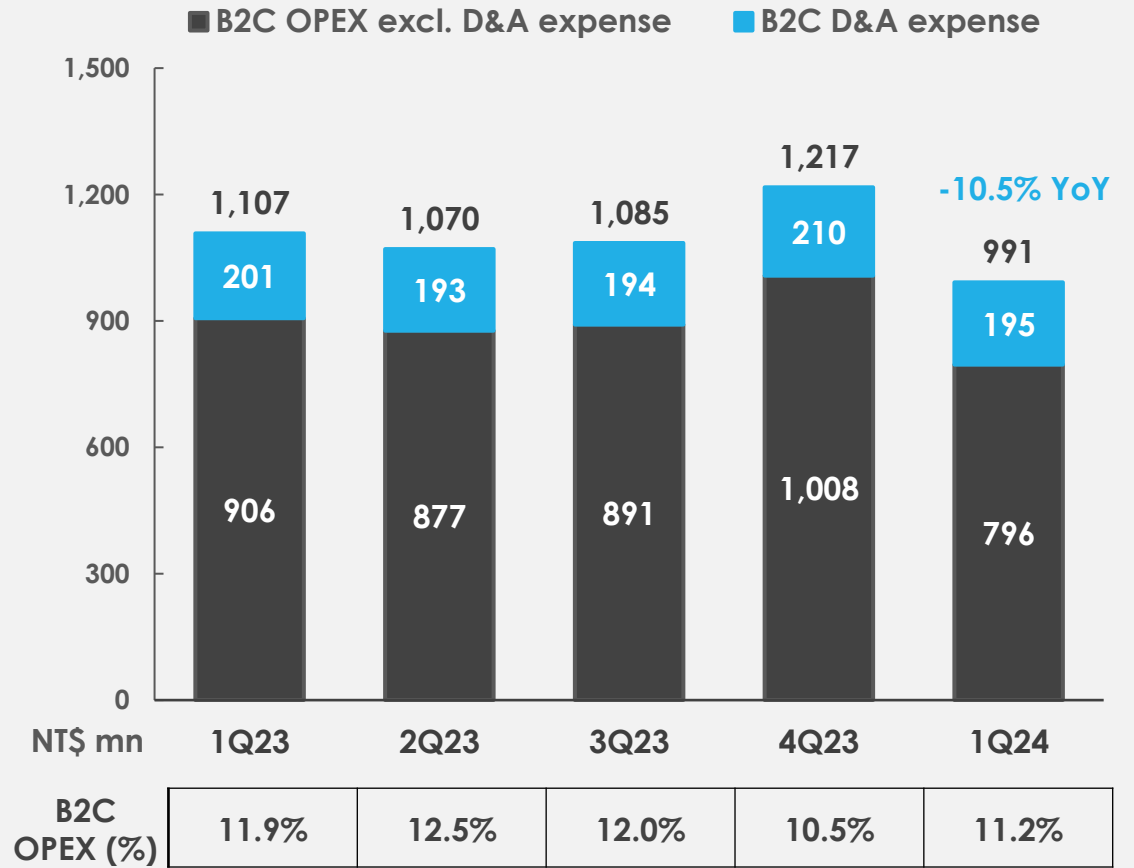


B2C: 1Q 2024 Financial Results

Gross Margin



Operating Expense



B2C: Logistics / Fulfillment Capacities

1Q 2024 Overview

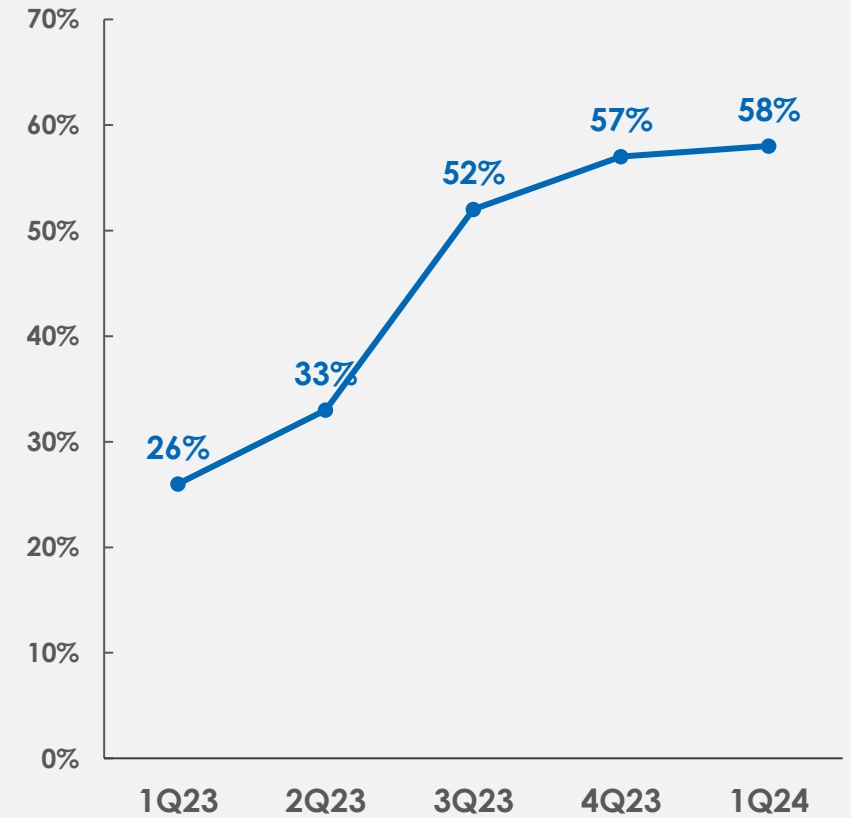
- 5 Self-operated Warehouses
- 4 Outsourced Warehouses
- 296k(m²) in Total Spaces



網家速配 PChome Express

- 16 Delivery Stations
- 55% of B2C boxes (As of 1Q 2024)

A7 Order %



21 Fintech: Leading Fintech Company with NT\$ 125bn GPV

Merchant Business

~NT\$ 105 bn

2023 Merchant GPV
26% 4Y CAGR

~NT\$ 125bn

2023 GPV

21 FINTECH

User Business

~NT\$ 20 bn

2023 User GPV
19% 4Y CAGR

Business Highlights

Payment Business Expansion

- **Tap-to-Pay:** expand payment services to **offline channels** as the first Apple Tap-to-Pay partner out of the U.S. market
- Currently collaborating with **3 major financial institutions** in Taiwan to provide Tap-to-Pay service



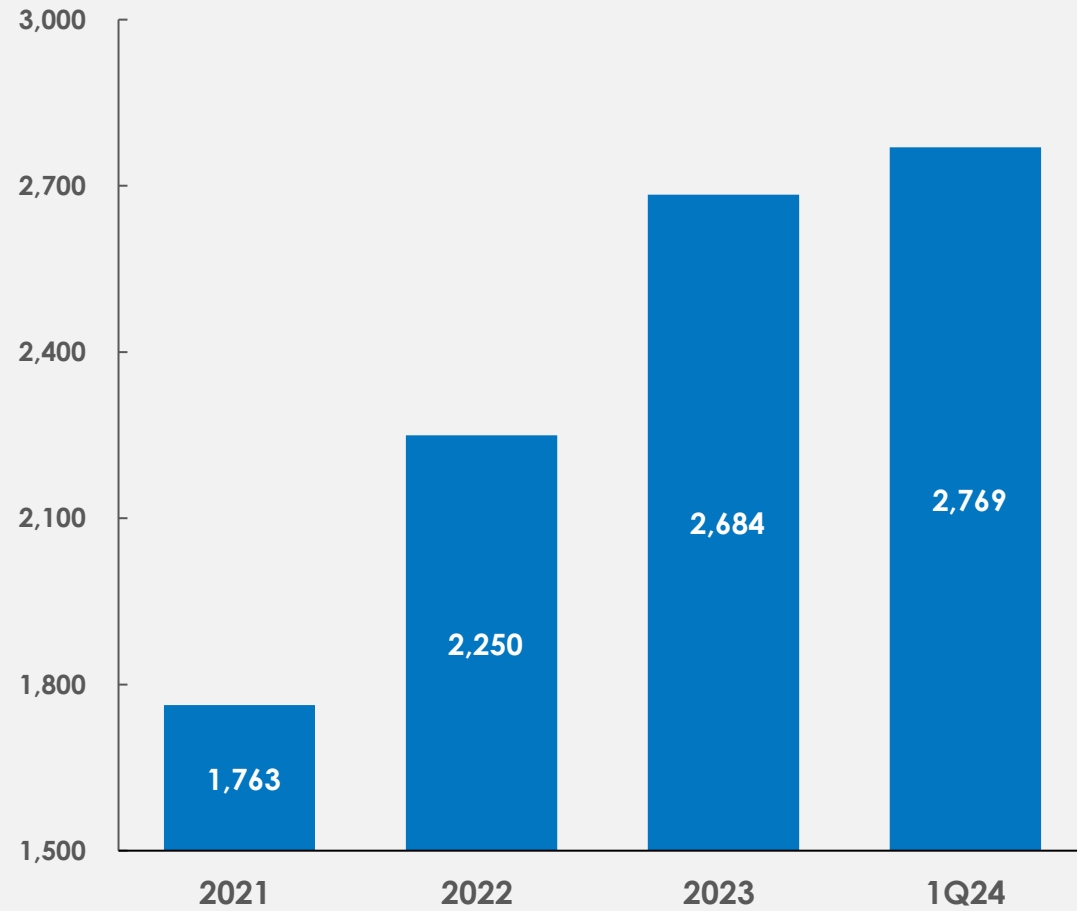
Market Leader of Subscription Product

- **Ecosystem Collaboration**
21 FINTECH PChome 24h購物 易安網 e-Insure
- **iPhone Subscription Product Pioneer** in Taiwan
- **Ongoing Brand & Product Expansion**

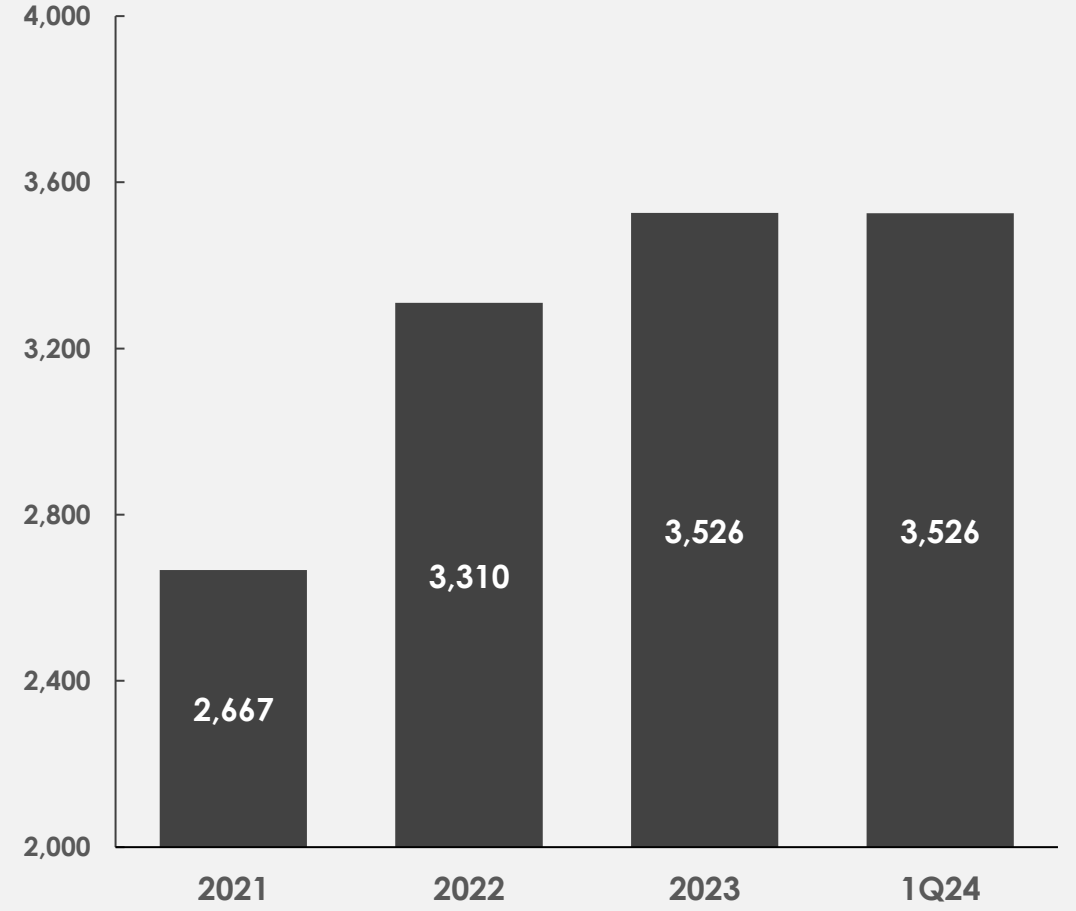


21 Fintech: Total Users and Accounts Receivables

Total Registered Users (k)

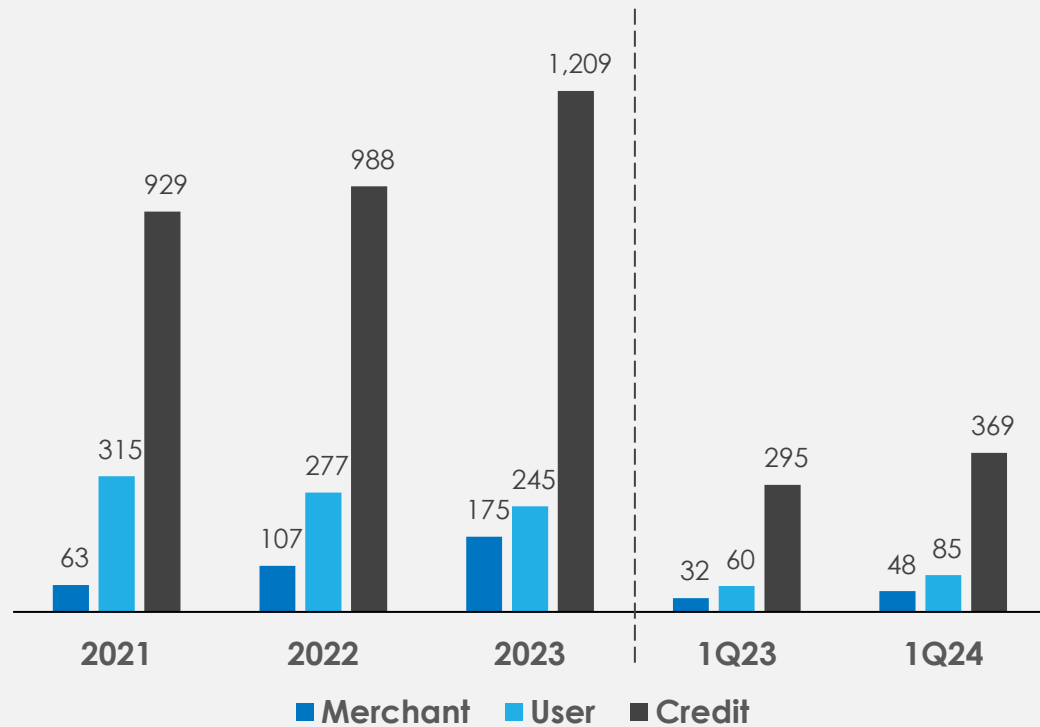


Accounts Receivables (NT\$ mn)

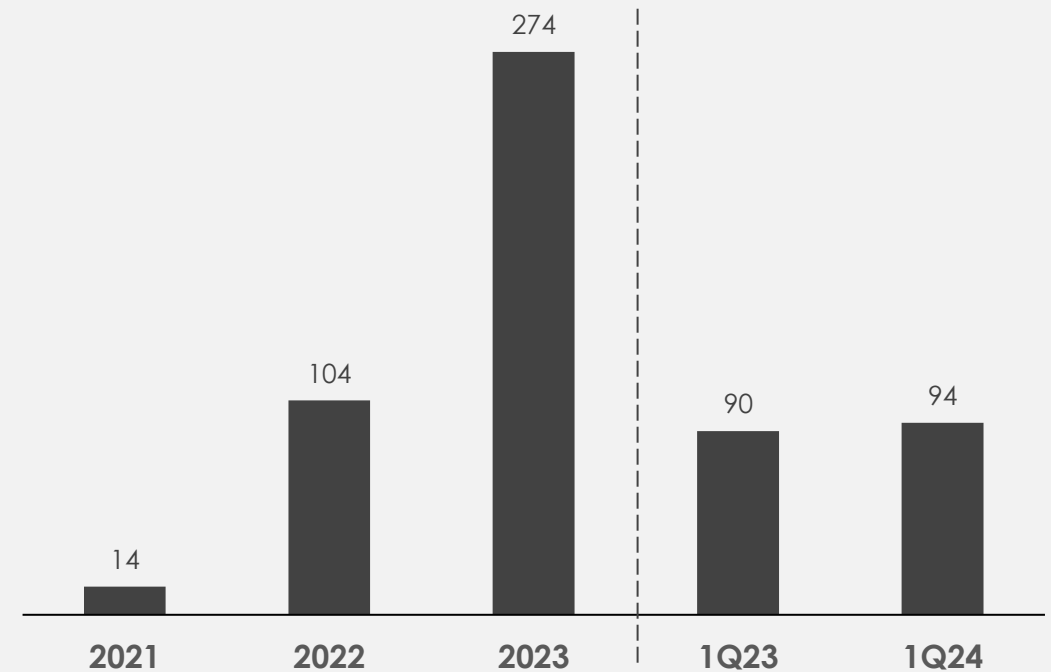


21 Fintech: Historical Revenue and Net Income Breakdown

Revenue Breakdown by Segment *1 (NT\$ mn)



Consolidated Net Income*2 (NT\$ mn)



Note1: Revenue is based on standalone financial statement of merchant, user, credit segment.
 Note2: Net income reflects the consolidated financial results of 21 Fintech, based on audited financial statements.

Q&A



Financial Statements



1Q 2024 Standalone Income Statement

NT\$ million	1Q 2024		1Q 2023		YoY	4Q 2023		QoQ
	Amount	%	Amount	%		Amount	%	
Revenue	8,812	100.0%	9,144	100.0%	-3.6%	11,396	100.0%	-22.7%
COGS	(7,925)	-89.9%	(8,188)	-89.6%	-3.2%	(10,460)	-91.8%	-24.2%
Gross profit	886	10.1%	955	10.4%	-7.2%	936	8.2%	-5.3%
Operating expense	(991)	-11.2%	(1,107)	-12.1%	-10.5%	(1,217)	-10.7%	-18.6%
S&M expense	(828)	-9.4%	(936)	-10.2%	-11.6%	(1,034)	-9.1%	-20.0%
G&A expense	(66)	-0.7%	(64)	-0.7%	3.0%	(83)	-0.7%	-20.4%
R&D expense	(97)	-1.1%	(107)	-1.2%	-9.3%	(100)	-0.9%	-2.6%
Operating profit	(105)	-1.2%	(152)	-1.7%	NM	(281)	-2.5%	NM
Non-operating income	29	0.3%	31	0.3%	-7.0%	(9)	-0.1%	NM
Pretax income	(76)	-0.9%	(121)	-1.3%	NM	(290)	-2.5%	NM
Tax	-	0.0%	-	0.0%	NM	(7)	-0.1%	NM
Net income	(76)	-0.9%	(121)	-1.3%	NM	(298)	-2.6%	NM

1Q 2024 Consolidated Balance Sheet

NT\$million	1Q 2024		1Q 2023		NT\$million	1Q 2024		1Q 2023	
	Amount	%	Amount	%		Amount	%	Amount	%
ASSETS					LIABILITIES				
Current Assets :					Current Liabilities :				
Cash & Cash Equivalents	3,963	14.8%	6,698	22.9%	Short Term Borrowings	3,401	12.7%	5,215	17.8%
Accounts Receivables	3,291	12.3%	2,990	10.2%	Account Payable	2,554	9.5%	2,469	8.4%
AR of Fintech BU	2,787	10.4%	2,639	9.0%	Other Payables	1,182	4.4%	1,260	4.3%
AR excl. Fintech BU	504	1.9%	351	1.2%	Other Current Liabilities	4,055	15.1%	4,983	17.0%
Other Receivables	1,553	5.8%	1,279	4.4%	Total Current Liabilities	11,192	41.7%	13,928	47.6%
Inventories	1,283	4.8%	1,739	5.9%	Total Non-current Liabilities	7,142	26.6%	6,933	23.7%
Other Current Assets	1,601	6.0%	1,923	6.6%	TOTAL LIABILITIES	18,334	68.3%	20,861	71.3%
Total Current Assets	11,691	43.6%	14,629	50.0%					
Non-current Assets :					STOCKHOLDERS' EQUITY				
Long Term Investments	1,545	5.8%	1,521	5.2%	Capital Stock :				
Property, Plant, and Equipment	2,039	7.6%	1,159	4.0%	Common Stock	1,440	5.4%	1,282	4.4%
Intangible Assets	5,703	21.2%	5,780	19.8%	Capital Surplus	5,558	20.7%	5,108	17.5%
Right-of-use Assets	4,198	15.6%	5,045	17.2%	Retained Earnings	(579)	-2.2%	28	0.1%
Long-term Accounts Receivables	782	2.9%	642	2.2%	Other Equity	(7)	0.0%	(37)	-0.1%
Other Non-current Assets	882	3.3%	474	1.6%	Non-controlling Interest	2,097	7.8%	2,008	6.9%
Total Non-current Assets	15,150	56.4%	14,621	50.0%	TOTAL EQUITY	8,508	31.7%	8,389	28.7%
TOTAL ASSETS	26,842	100.0%	29,250	100.0%	TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	26,842	100.0%	29,250	100.0%

1Q 2024 Consolidated Cash Flow Statement

NT\$ million	1Q 2024	1Q 2023	Change	NT\$ million	1Q 2024	1Q 2023	Change
(Loss) Profit Before Tax	(3)	(41)	38	Acquisition of PP&E	(520)	(189)	(332)
+) D&A	245	261	(16)	Others	(78)	(492)	414
+) Expected Credit Losses	125	80	45	Investing Cashflow	(599)	(681)	82
-) Change in Working Capital	(195)	(1,290)	1,095	(Decrease) Increase in Short-term Borrowings	446	1,853	(1,407)
(Increase) Decrease in Accounts Receivables	(9)	232	(241)	Repayments of Corporate Bonds	-	-	-
(Increase) Decrease in Other Receivables	85	6	78	(Decrease) Increase in Long-term Borrowings	(150)	1	(150)
(Increase) Decrease in Inventories	470	244	226	Payment of Lease Liabilities	(144)	(159)	15
Increase (Decrease) in Accounts Payables	(617)	(1,456)	839	Financing Cashflow	152	1,695	(1,543)
Increase (Decrease) in Other Payables	(124)	(316)	193	Effect of Exchange Rate Changes	(3)	(9)	5
Others	(21)	(166)	145	Total Change in Cash	(301)	(152)	(149)
Operating Cashflow	150	(1,157)	1,306				

Thank You

