



PChome ONLINE

Ticker : 8044-TT

February 2022



Disclaimer

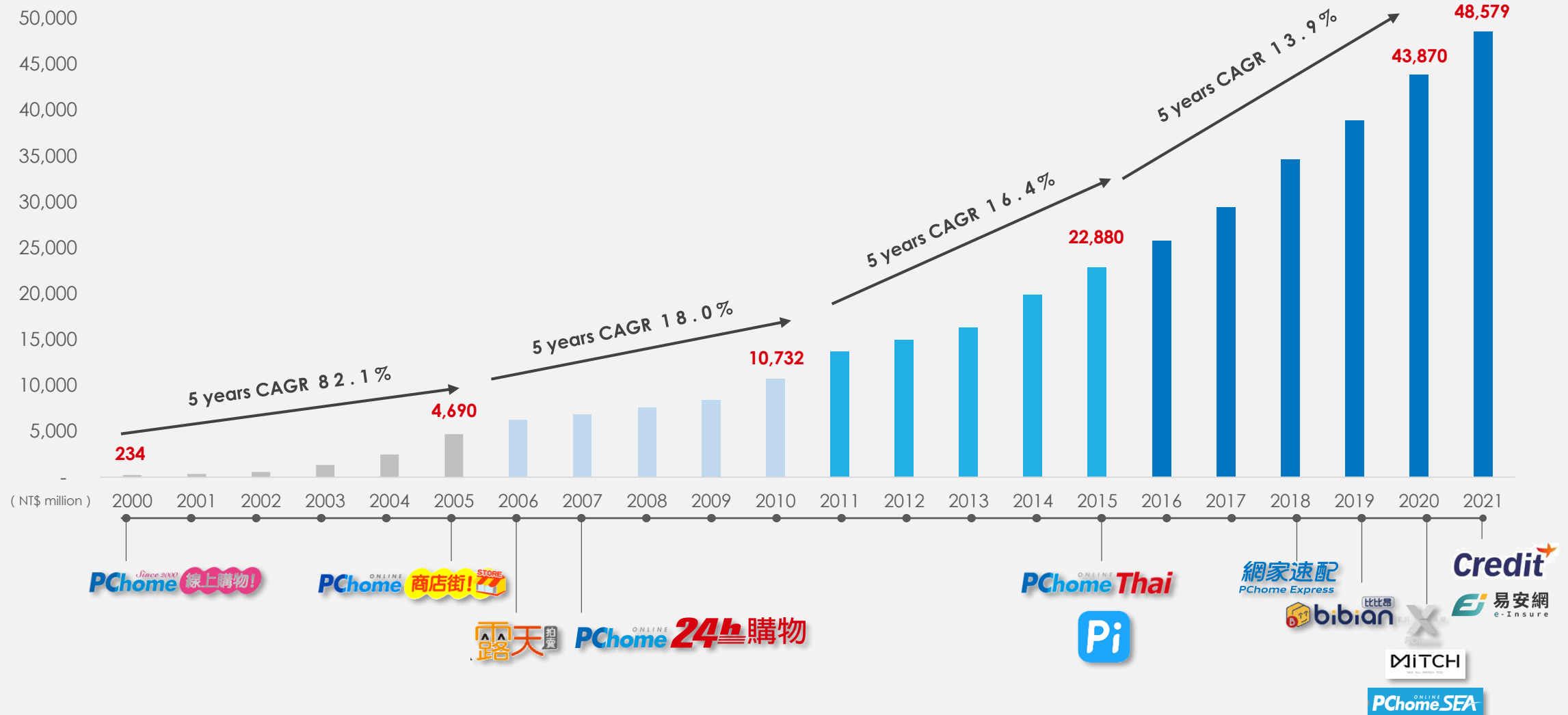
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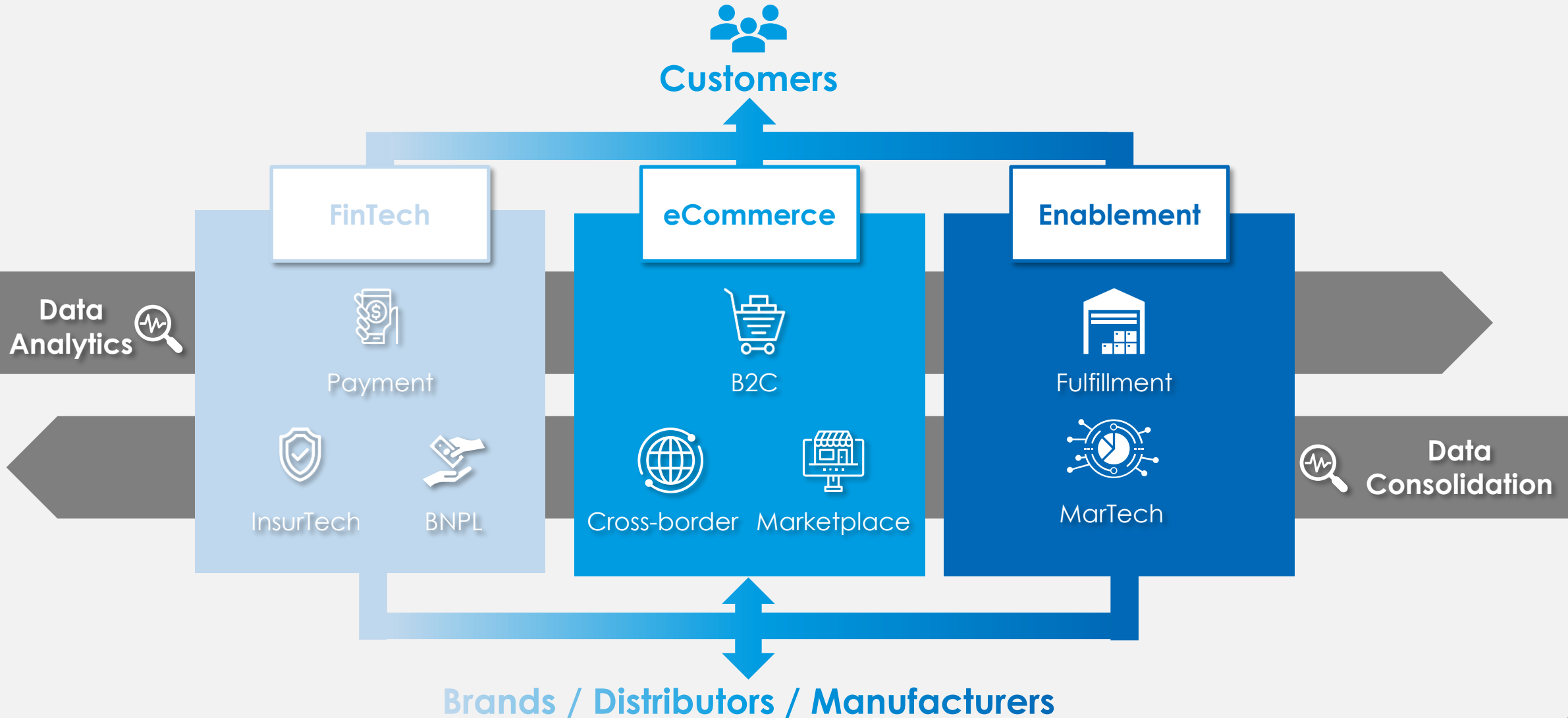
20 Years in Retrospect

Historical Consolidated Revenue



Our Vision for PChome Next 5-Year Phase

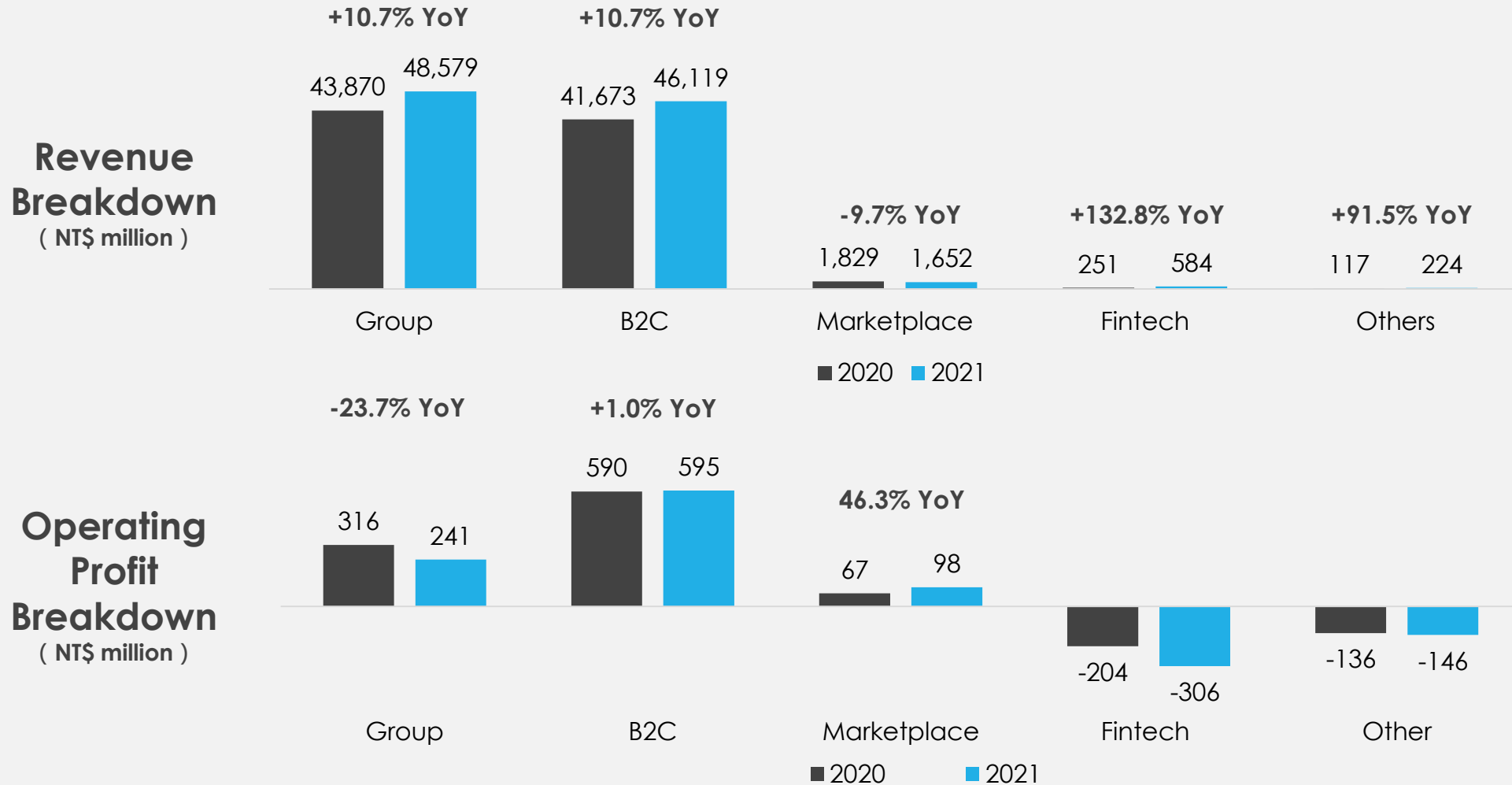
An Open Internet Ecosystem with Enabling Technologies and Strong Membership



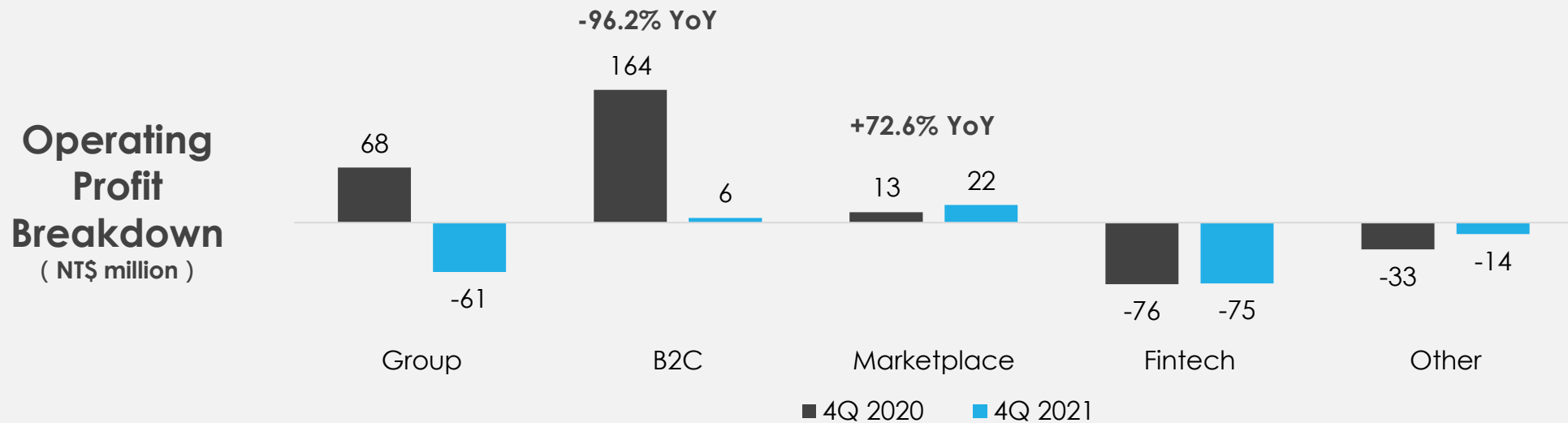
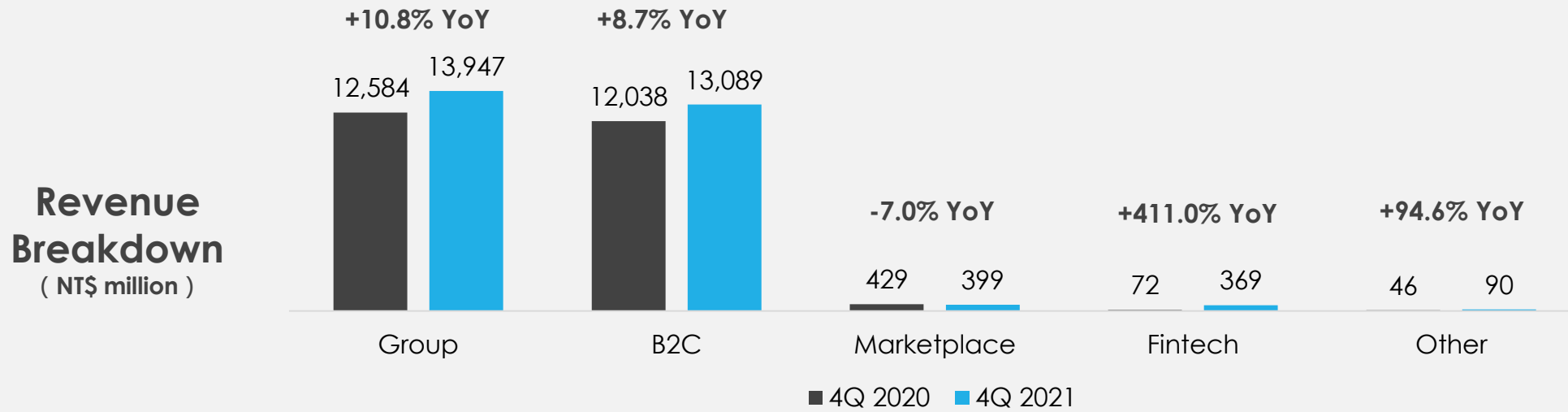
2021 Consolidated Income Statement

NT\$ million	20Q4	21Q4	ΔYoY	YoY %	2020	2021	ΔYoY	YoY %
Revenue	12,584	13,947	1,363	10.8%	43,870	48,579	4,710	10.7%
Gross profit	1,354	1,495	141	10.4%	4,994	5,556	561	11.2%
Operating expense	(1,286)	(1,556)	(269)	21.0%	(4,678)	(5,314)	(636)	13.6%
Operating profit	68	(61)	(129)	NM	316	241	(75)	-23.7%
Non-operating income	(22)	39	61	NM	(12)	97	109	NM
Pretax income	46	(22)	(68)	NM	304	338	34	11.0%
Tax	(33)	(174)	(142)	NM	(83)	(276)	(193)	NM
Net income	13	(196)	(209)	NM	221	62	(159)	-71.8%
EPS(NT\$)	0.25	(1.53)	(1.78)	NM	2.16	0.84	(1.32)	-61.1%
Gross margin(%)	10.76%	10.72%	-0.04 ppt	-	11.38%	11.44%	+0.06 ppt	-
Operating margin(%)	0.54%	-0.44%	-0.98 ppt	-	0.72%	0.50%	-0.22 ppt	-
Net margin(%)	0.11%	-1.40%	-1.51 ppt	-	0.50%	0.13%	-0.37 ppt	-

2021 Financial Performance by Business Divisions

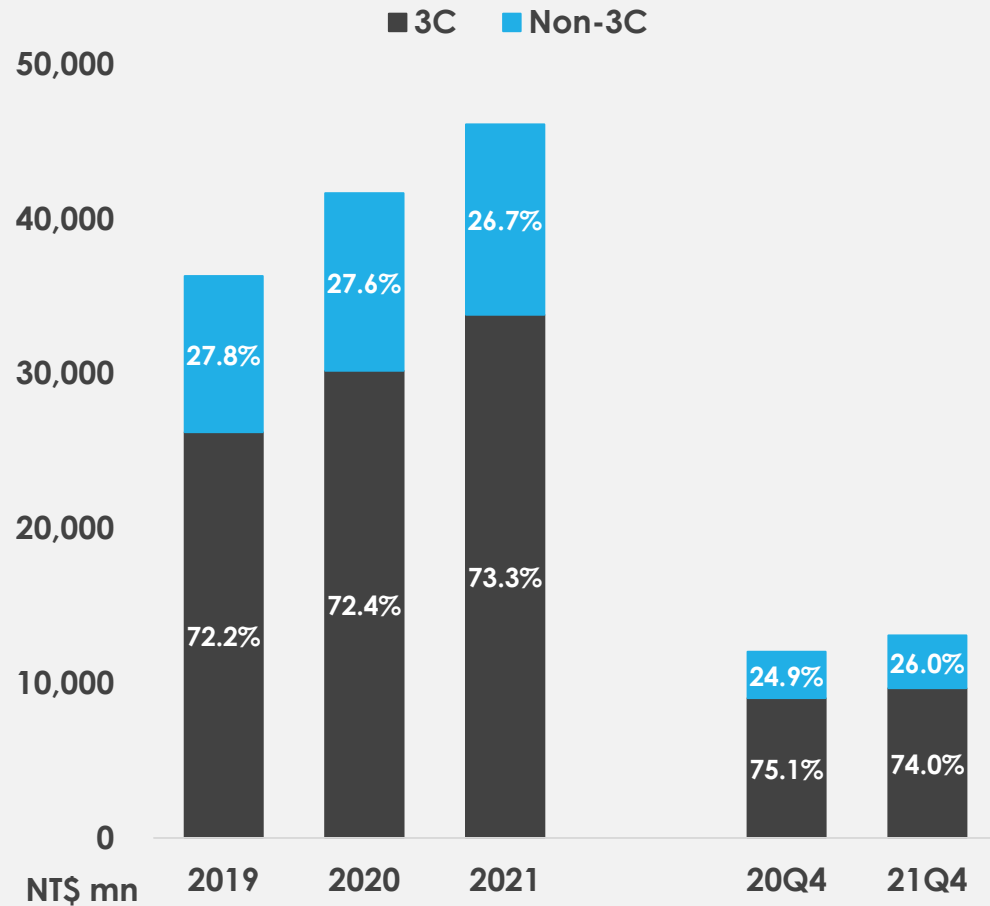


4Q 2021 Financial Performance by Business Divisions

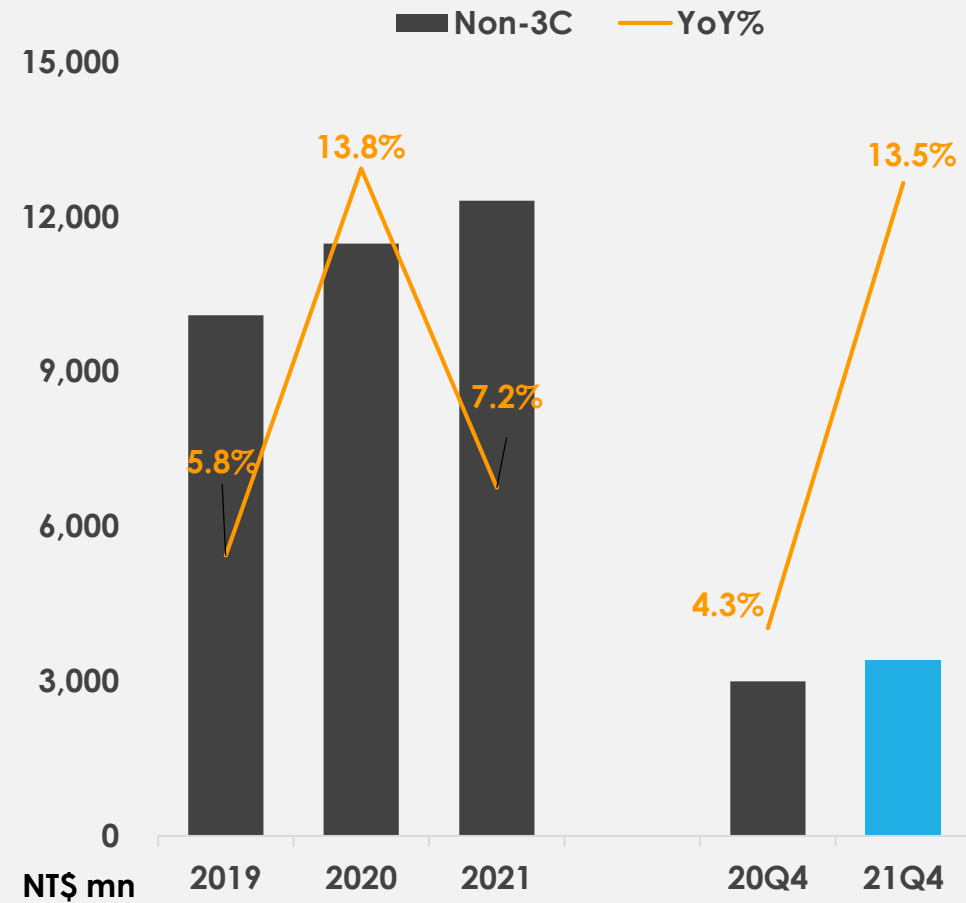


B2C Business Update

B2C Sales Breakdown

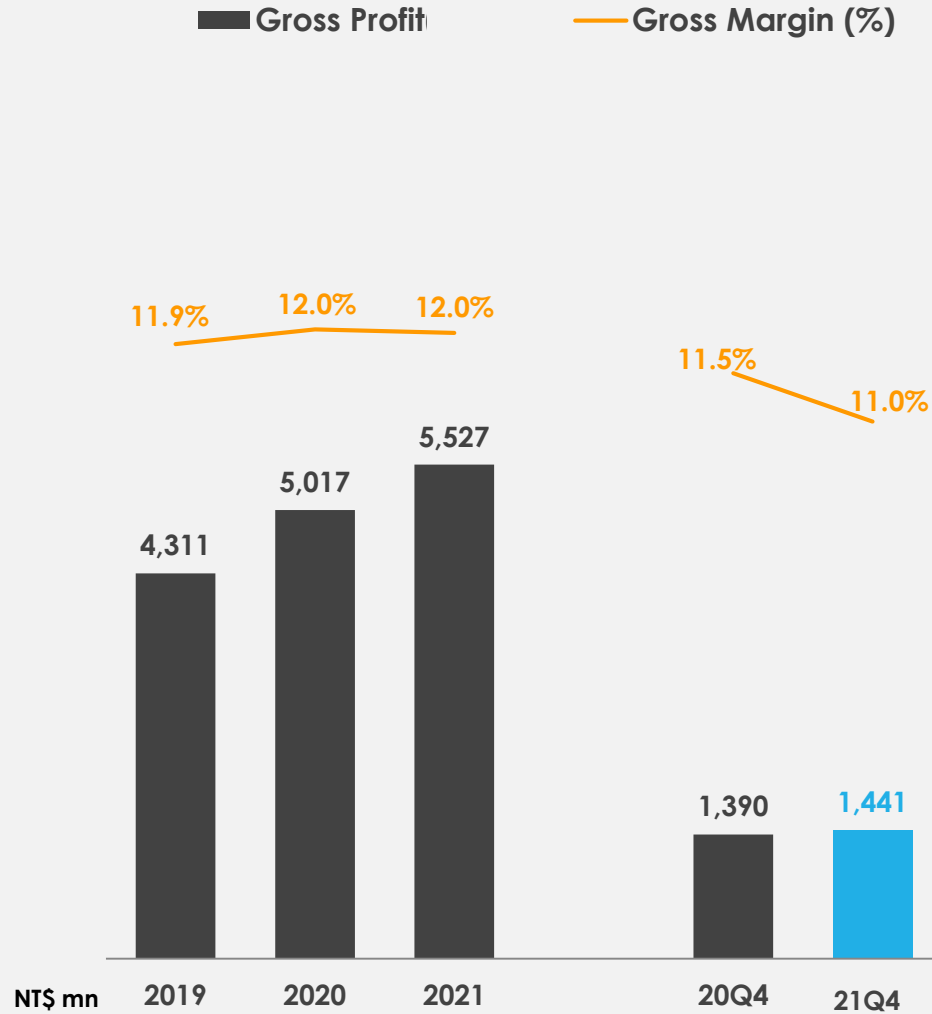


Non-3C Sales / Growth Rate

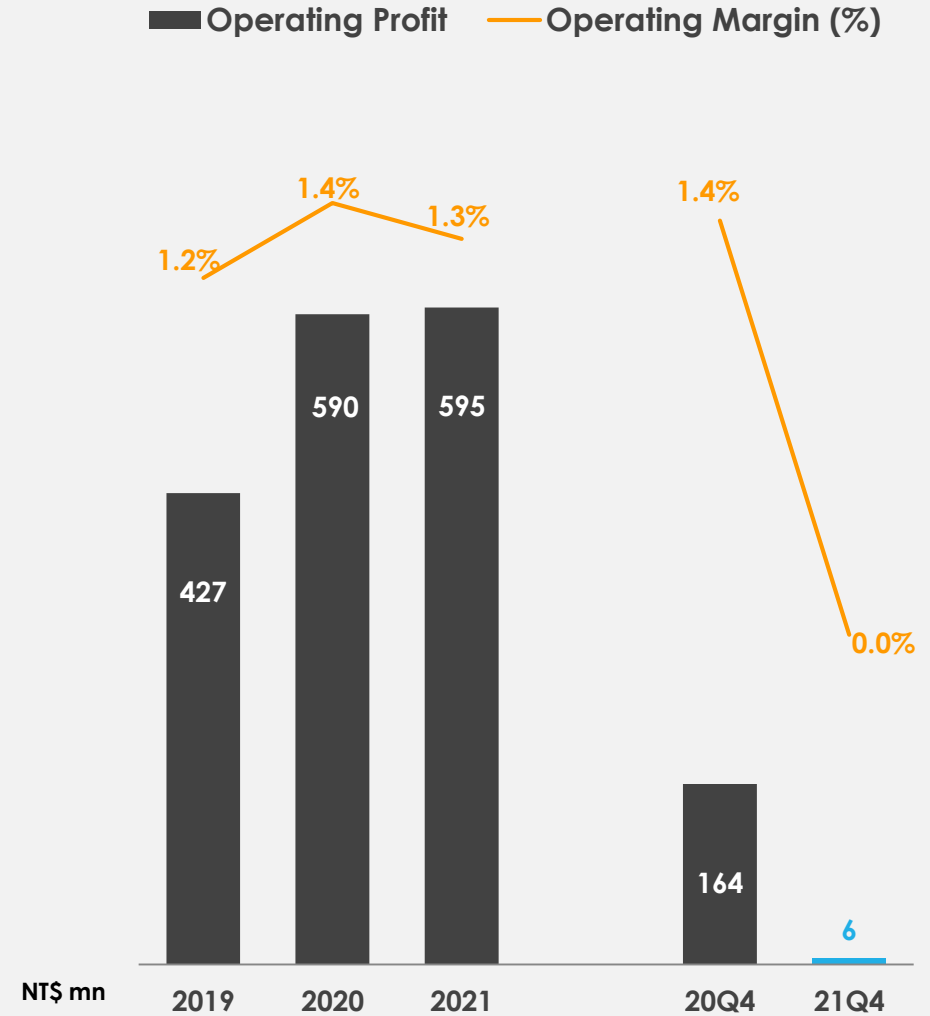


B2C Business Update

Gross Profit / Gross Margin



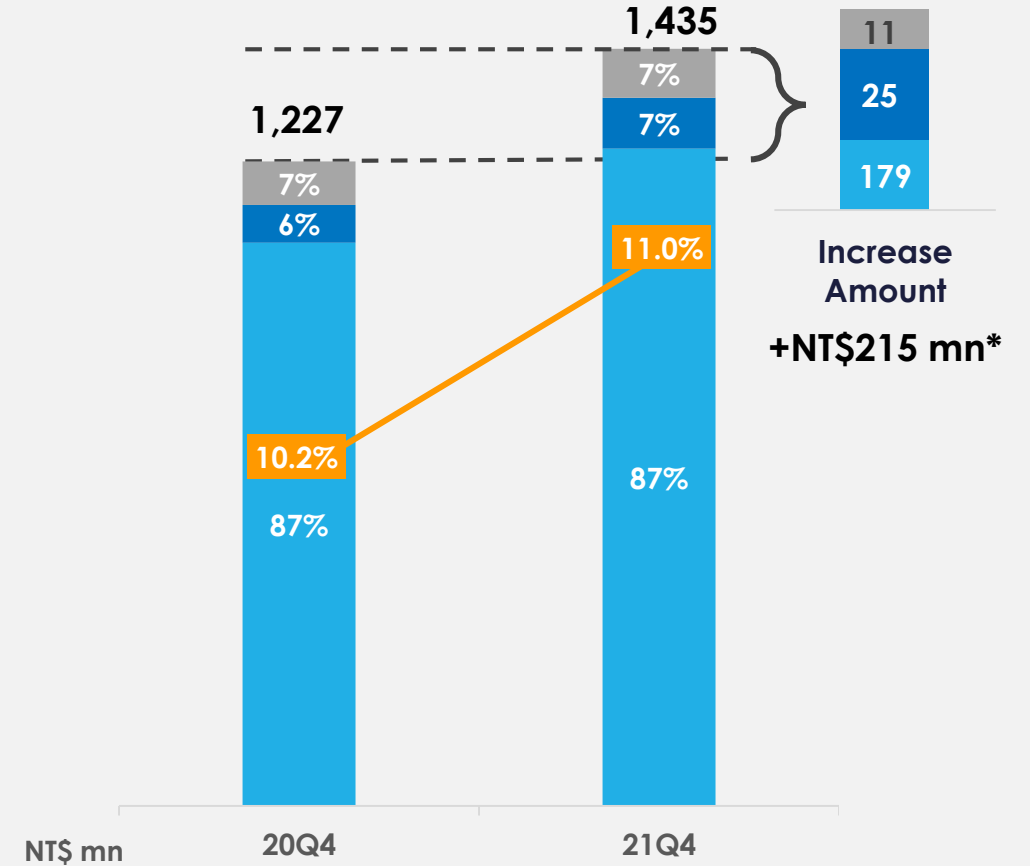
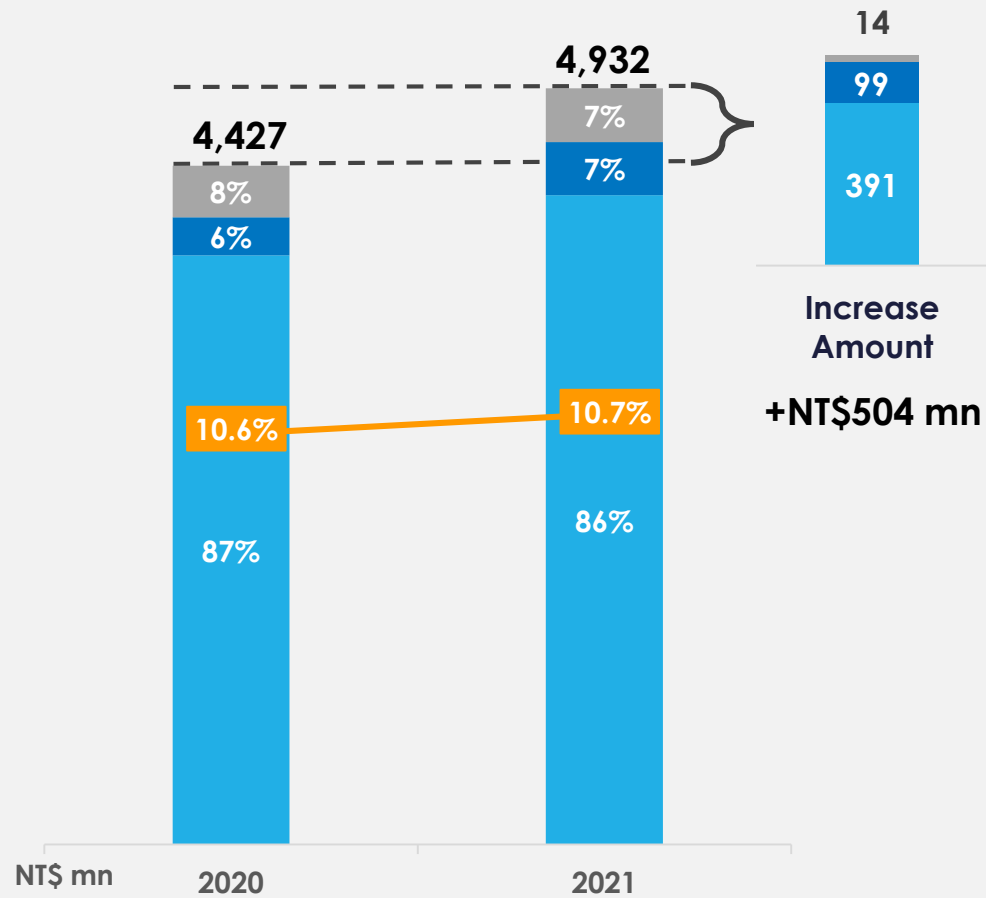
Operating Profit / Operating Margin



B2C OPEX Breakdown

■ R&D expense ■ G&A expense
■ Selling expense ■ OPEX%

■ R&D expense ■ G&A expense
■ Selling expense ■ OPEX%



*NT\$6mn gap was expected credit gain

4Q21 B2C Key Metrics

Service



Key Metrics
As of 4Q21

+9% YoY
Active Users

+6% YoY
Growth Rate on Average Ticket Size

+23% YoY
App Active Users

+34% YoY
App Downloads

+9% YoY
New Registered Members

13mn
Total Registered Members

31% : 69%
Traffic: Desktop v.s. Mobile

49% : 51%
Sales: Desktop v.s. Mobile

Logistics: Fulfillment Capacities

Overview

- **6** Self-operated Warehouse
- **5** Outsource Warehouse
- **221k(m²)** in Total Spaces



網家速配 PChome Express

- **11** Delivery Stations
- **20%** of B2C Orders



A7 Distribution Center

- ~ **NT\$2.0bn** in Total Cost
- Completion : **2022Q3**
- **148k(m²)** in Total Spaces



FinTech Business Roadmap

Payment



- Mobile payment provider with over **1.3mn members & 380K online and offline channels**
- Offers **P-coins as an ecosystem loyalty program**, and cooperates with strategic partners (including E.Sun, Rakuten) to increase engagement

BNPL (Buy Now, Pay Later)



- Leading BNPL & Financing provider in Taiwan with **strong credit analysis capabilities**
- **Strong presence in more than 2K both online and offline channels**, building rich monetization abilities across various products & services

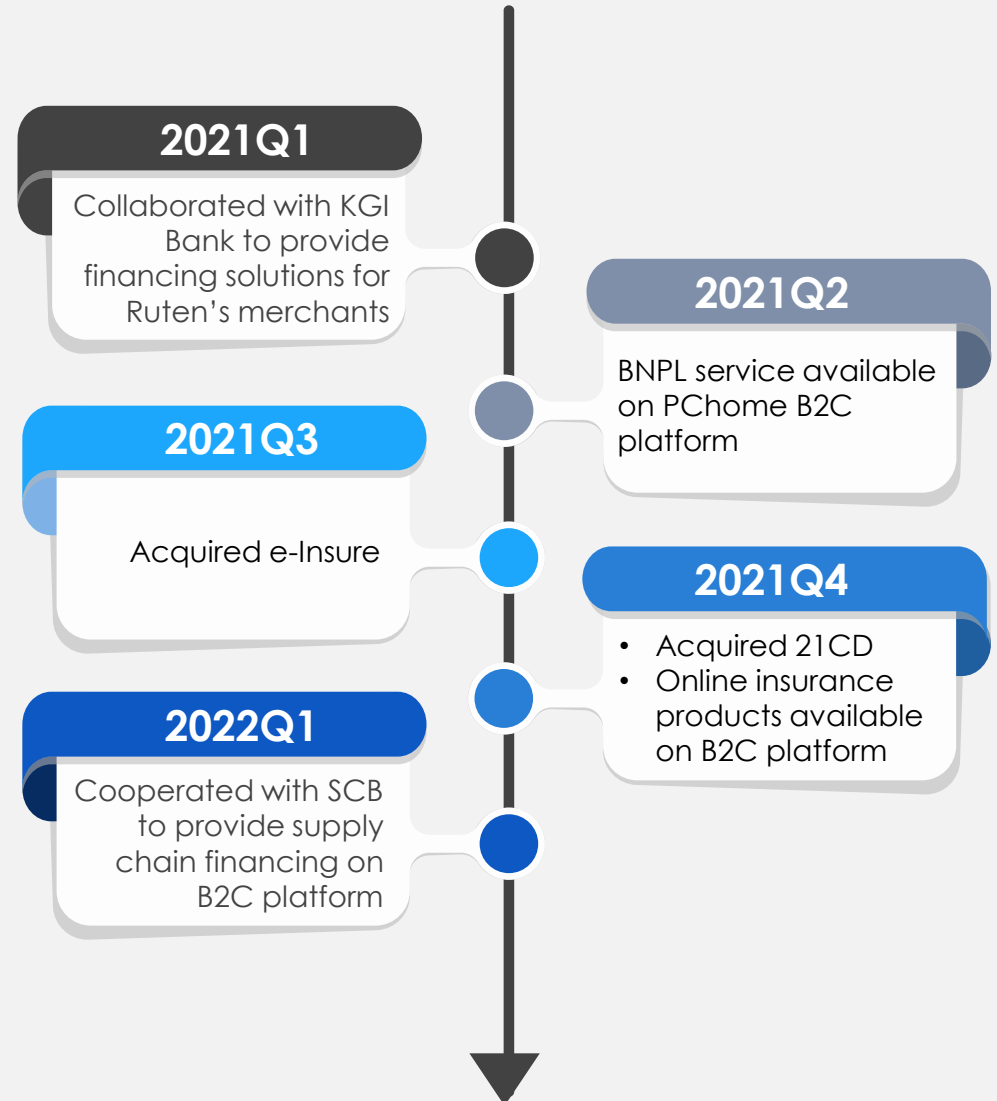
InsurTech



- Provides insurance products powered **via Big data and AI-driven technologies**
- Operates Polida.com, an insurance aggregator for all consumers

Supply Chain Financing

- Cooperate with financial institutions such as KGI, DBS, SCB to **offer ecosystem partners financing solutions**
- **Leverage Big data and AI-driven technologies** based on customer transaction data to strengthen credit analysis capabilities

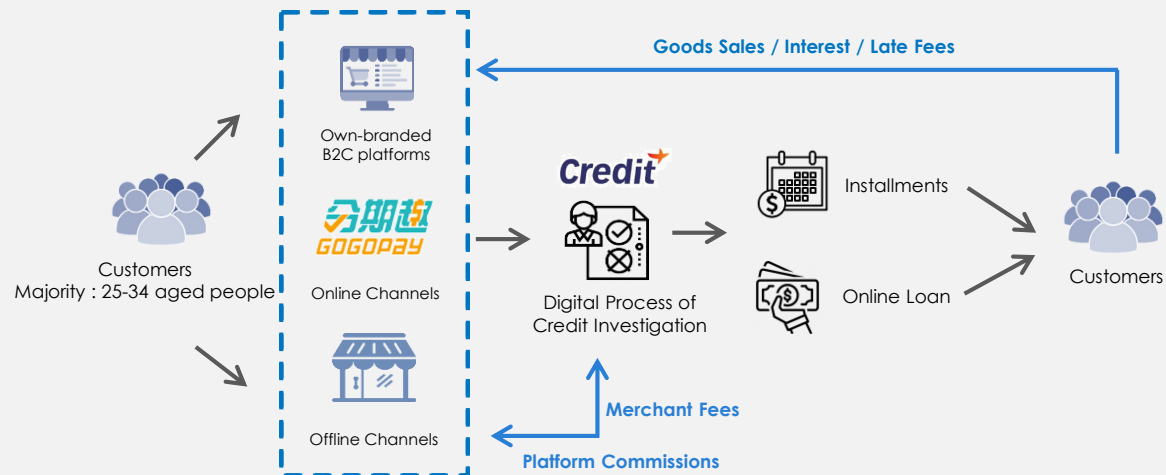


New Acquired Fintech Subsidiaries in 2021

21st Century Digital Technology (“21CD”)




Leading BNPL Solutions Provider in Taiwan

- 
 • Founded in 2015 by excellent management team with over 20 years industry experiences
- 
 • Investment portfolio company of CDF's venture capital arm since 2020
- 
 • 21CD has accumulated 540K+ users with more than 2K+ BNPL channels by 2021



e-Insure

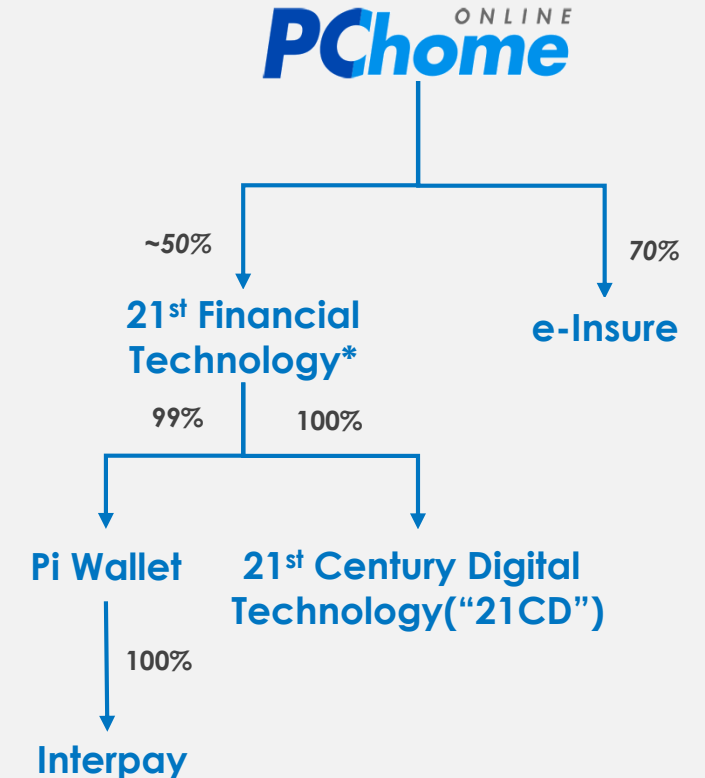
Fast-growing insurtech company in Taiwan

- 
 • Founded in 2018 by professional insurance brokers with over 30 years practical industry experiences
- 
 • One of a few certificated online brokers in Taiwan
- 
 • Operates Polida, an insurtech service platform powered by big data analysis and AI-driven technologies
- Affiliate marketing and onboarding on the channels in PChome's ecosystem



Fintech Business : 21CD transaction overview

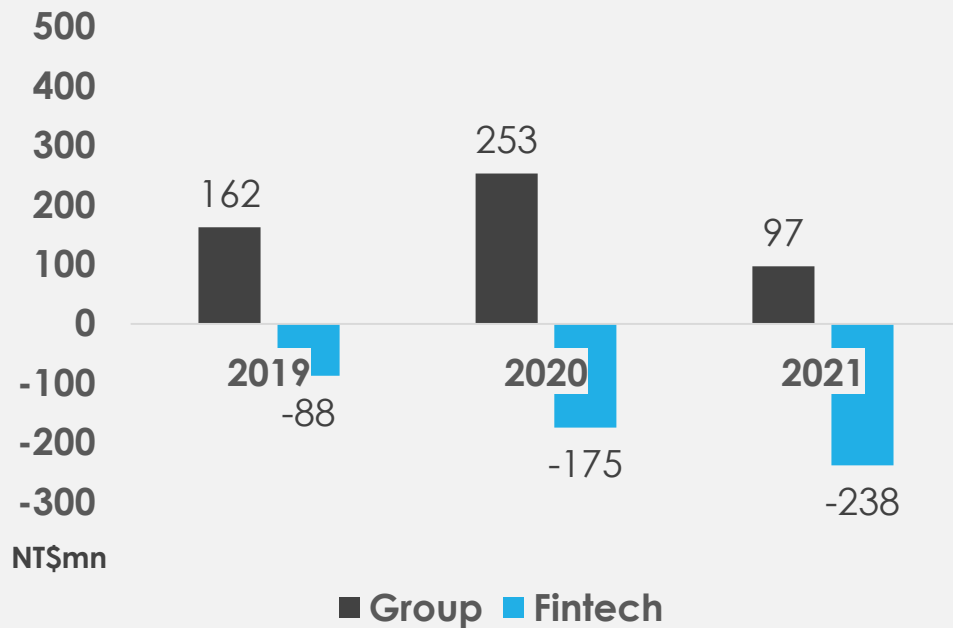
Strategic Rationale	<ul style="list-style-type: none"> 21CD is a leading BNPL solutions provider in Taiwan, focused on providing consumers and merchants flexible and better financing solutions 21CD will be integrated into Pi Wallet and e-commerce sites of PChome ecosystem to enable BNPL service not only for users, but also financing solutions for sellers to support their growth through higher transaction sizes and conversion rates
Structure	<ul style="list-style-type: none"> Acquired ~50% controlling stake of 21CD by investing NT\$2.16bn in cash and exchanging 81% shares of Pi based on the exchange ratio that 1 common share of Pi can be exchanged for 0.29795959 new common share issued by 21CD The demerger of 21st Financial Technology* and 21CD was announced on 2022/01/24, and will be officially effective on 2022/03/31
Impact on 21Q4	<ul style="list-style-type: none"> Tax Impact: NT\$149.6 mn came from capital gains tax due to alternative minimum tax policy
Timing	<ul style="list-style-type: none"> Phase I (2021/10/01): PChome transferred 50.5% of Pi shares to 21CD, and still comprehensive held 53% of Pi. (30.3% directly and 23% through 21CD) Phase II (2022/01/03): PChome transferred 30.3% of Pi shares to 21CD, as well as other minority shareholders(~19%) of Pi, and comprehensive hold 46.7% of Pi through 21CD



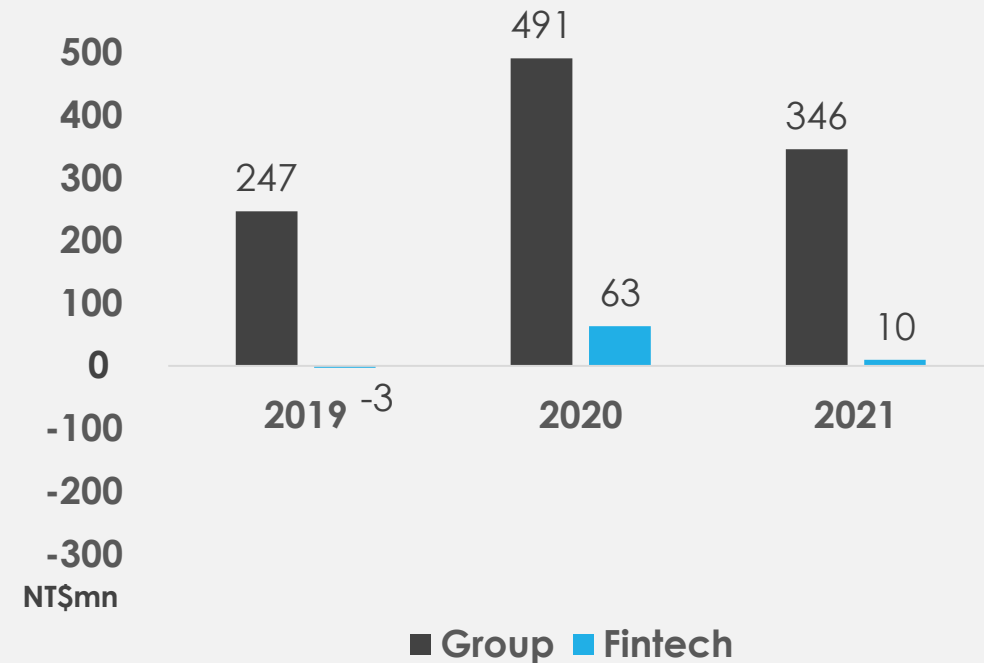
*To be effective by 2022/03/31

Pro-forma Earnings Contribution - Fintech Business

Actual Performance



Pro-forma Earnings Contribution



Note: Excluding transactions associated cost, amortization and tax

- The pro-forma earnings contribution is calculated based on the new subsidiaries holding structure, including 21CD, e-Insure, and original fintech business but excluding transactions associated cost, amortization and tax
- 2021 actual performance of fintech business was included 21CD and e-Insure since 21Q4

4Q21 Consolidated Income Statement

NT\$ million	4Q 2020		4Q 2021		YoY	2020		2021		YoY
	Amount	%	Amount	%		Amount	%	Amount	%	
Revenue	12,584	100.0%	13,947	100.0%	10.8%	43,870	100.0%	48,579	100.0%	10.7%
- B2C	12,038		13,089		8.7%	41,673		46,119		10.7%
- Marketplace	429		399		-7.0%	1,829		1,652		-9.7%
- Fintech	72		369		411.9%	251		584		132.8%
- Other	46		90		94.6%	117		224		91.5%
Gross profit	1,354	10.8%	1,495	10.7%	10.4%	4,994	11.4%	5,556	11.4%	11.2%
Operating profit	68	0.5%	(61)	-0.4%	NM	316	0.7%	241	0.5%	-23.7%
- B2C	164		6		-96.2%	590		595		1.0%
- Marketplace	13		22		72.6%	67		98		46.3%
- Fintech	(76)		(75)		1.0%	(204)		(306)		NM
- Other	(33)		(14)		57.6%	(136)		(146)		NM
EBITDA	254	2.0%	144	1.0%	-43.5%	1,058	2.4%	994	2.0%	-6.0%
- B2C	317		155		-51.0%	1,206		1,195		-0.9%
- Marketplace	26		34		29.9%	122		147		20.6%
- Fintech	(71)		(65)		NM	(188)		(283)		NM
- Other	(18)		20		NM	(83)		(65)		NM
Non-operating income	(22)	-0.2%	39	0.3%	NM	(12)	0.0%	97	0.2%	NM
Pretax income	46	0.4%	(22)	-0.2%	NM	304	0.7%	338	0.7%	11.2%
Tax	(33)	-0.3%	(174)	-1.2%	NM	(83)	-0.2%	(276)	-0.6%	NM
Net income	13	0.1%	(196)	-1.4%	NM	221	0.5%	62	0.1%	-71.8%
- Attributed to shareholders	29		(178)		NM	253		97		-61.5%
- Minority interest	(16)		(18)		NM	(32)		(35)		NM
EPS(NT\$)	0.25		(1.53)		NM	2.16		0.84		-61.2%

4Q21 Standalone Income Statement

NT\$ million	4Q 2020		4Q 2021		YoY	2020		2021		YoY
	Amount	%	Amount	%		Amount	%	Amount	%	
Revenue	12,038	100.0%	13,089	100.0%	8.7%	41,673	100.0%	46,119	100.0%	10.7%
Gross profit	1,390	11.5%	1,441	11.0%	3.7%	5,017	12.0%	5,527	12.0%	10.2%
Operating expense	(1,227)	-10.2%	(1,435)	-11.0%	NM	(4,427)	-10.6%	(4,932)	-10.7%	NM
Marketing expense	(1,072)	-8.9%	(1,251)	-9.6%	NM	(3,843)	-9.2%	(4,234)	-9.2%	NM
G&A expense	(72)	-0.6%	(97)	-0.7%	NM	(248)	-0.6%	(347)	-0.8%	NM
R&D expense	(83)	-0.7%	(93)	-0.7%	NM	(336)	-0.8%	(350)	-0.8%	NM
Operating profit	164	1.4%	6	0.0%	-96.2%	590	1.4%	595	1.3%	1.0%
Non-operating income	(103)	-0.9%	(44)	-0.3%	NM	(256)	-0.6%	(276)	-0.6%	NM
Pretax income	61	0.5%	(38)	-0.3%	NM	334	0.8%	319	0.7%	-4.3%
Net income	29	0.2%	(178)	-1.4%	NM	253	0.6%	97	0.2%	-61.5%

4Q21 Consolidated Balance Sheet

NT\$million	4Q 2020		4Q 2021		NT\$million	4Q 2020		4Q 2021	
	Amount	%	Amount	%		Amount	%	Amount	%
ASSETS					LIABILITIES				
Current Assets :					Current Liabilities :				
Cash & Cash Equivalents	8,148	49.5%	8,147	33.3%	Short Term Borrowings	500	3.0%	2,264	9.3%
Accounts Receivables	497	3.0%	2,705	11.1%	Account Payable	3,867	23.5%	3,923	16.1%
Other Receivables	1,361	8.3%	1,330	5.4%	Other Payables	909	5.5%	1,723	7.1%
Inventories	1,806	11.0%	1,765	7.2%	Other Current Liabilities	3,179	19.3%	4,042	16.5%
Other Current Assets	832	5.1%	1,361	5.6%	Total Current Liabilities	8,455	51.4%	11,951	48.9%
Total Current Assets	12,645	76.8%	15,308	62.7%	Non-current Liabilities :	3,923	23.8%	4,825	19.7%
Non-current Assets :					TOTAL LIABILITIES	12,378	75.2%	16,776	68.7%
Long Term Investments	351	2.1%	999	4.1%	STOCKHOLDERS' EQUITY				
Property, Plant, and Equipment	570	3.5%	957	3.9%	Capital Stock :				
Intangible Assets	142	0.9%	4,127	16.9%	Common Stock	1,183	7.2%	1,274	5.2%
Other Non-current Assets	2,754	16.7%	3,039	12.4%	Capital Surplus	1,939	11.8%	4,693	19.2%
Total Non-current Assets	3,817	23.2%	9,123	37.3%	Retained Earnings	302	1.8%	244	1.0%
					Other Equity	660	4.0%	1,444	5.9%
					TOTAL EQUITY	4,084	24.8%	7,654	31.3%
TOTAL ASSETS	16,462	100.0%	24,431	100.0%	TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	16,462	100.0%	24,431	100.0%

Q&A



Thank You

